



**ATTICA HOLDINGS S.A.**

Annual Financial Report  
for the period 1.1.2016 to 31.12.2016  
(In compliance with article 4 of Law 3556/2007)

(amounts in Euro thousand)

ATTICA HOLDINGS S.A.  
Registration Number: 7702/06/B/86/128  
Commercial Registration Number: 5780001000  
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Kallithea, Athens, Greece



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**STATEMENT OF THE BOARD OF DIRECTORS' MEMBERS**  
**(In accordance with article 4, par. 2 of Law 3556/2007)**

The members of the Board of Directors of ATTICA HOLDINGS S.A. :

1. Kyriakos Magiras, Chairman of the Board of Directors,
2. Spiros Paschalis, Chief Executive Officer and
3. Iraklis Simitsidellis Director, Executive Member, having been specifically assigned by the Board of Directors,

In our above mentioned capacity declare that:

a) the enclosed financial statements of ATTICA HOLDINGS S.A. for the period of 1.1.2016 to 31.12.2016 drawn up in accordance with the applicable accounting standards, reflect in a true manner the assets and liabilities, equity and results of ATTICA HOLDINGS S.A. as well as of the businesses included in Group consolidation, taken as a whole, according to par. 3 - 5 of article 5 of L. 3556/2007 and the authorizing decisions of the Board of Directors of the Hellenic Capital Market Commission,

b) the enclosed report of the Board of Directors reflects in a true manner the development, performance and financial position of ATTICA HOLDINGS S.A., and of the businesses included in Group consolidation, taken as a whole, including the description of the principal risks and uncertainties,

c) the annual financial statements were approved by the Board of Directors on April 11, 2017 and are available in the internet on the web address [www.attica-group.com](http://www.attica-group.com).

Athens, April 11, 2017

Confirmed by

**Kyriakos D. Magiras**

**Spiros Ch. Paschalis**

**Iraklis I. Simitsidellis**

**Chairman of the B.O.D.**  
**I.D. No: AK109642**

**Chief Executive Officer**  
**I.D. No: AB215327**

**Authorized Director**  
**I.D. No: AM140292**

## **Independent Auditor's Report**

To the Shareholders of **ATTICA HOLDINGS S.A**

### **Report on Separate and Consolidated Financial Statements**

We have audited the accompanying separate and consolidated financial statements of ATTICA HOLDINGS S.A., which comprise the separate and consolidated statements of financial position as at December 31, 2016, the separate and consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Separate and Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with International Financial Reporting Standards that have been adopted by the European Union as well as for internal control procedures the Management defines as necessary to ensure the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these separate and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing incorporated into the Greek Legislation (GOVERNMENT GAZETTE /B'/2848/23.10.2012). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate and consolidated financial statements 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 internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate and consolidated financial statements.

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

### **Opinion**

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company ATTICA HOLDINGS S.A. and its subsidiaries as at December 31, 2016, as well as their financial performance and the cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

**Report on Other Legal and Regulatory Requirements**

Taking into consideration the fact that under the provisions of Par. 5, Article 2 (part B), Law 4336/2015, the management is responsible for the preparation of the Board of Directors' Report as well as the Corporate Governance Statement, included in the aforementioned Report, the following is to be noted:

- a) The Board of Directors' Report includes the Corporate Governance Statement that provides the data and information defined under article 43<sup>bb</sup>, CL 2190/1920.
- b) In our opinion, the Board of Directors' Report has been prepared in compliance with the effective legal requirements of Articles 43<sup>a</sup> and 107<sup>a</sup> and par. 1 (cases c and d) of Article 43<sup>bb</sup>, CL 2190/1920, and its content corresponds to the accompanying separate and consolidated financial statements for the year ended as at 31/12/2016.
- c) Based on the knowledge we acquired during our audit, we have not identified any material misstatements in the Board of Directors' Report in relation to the Company ATTICA HOLDINGS S.A. and its environment.

Athens, April 11<sup>th</sup>, 2017  
The Chartered Accountant

Thanasis Xynas  
SOEL Reg. No. 34081



**Annual Report of the Board of Directors for the fiscal year 2016**

Dear Shareholders,

The present Board of Directors Annual Report has been prepared according to the relevant provisions of C.L. 2190/1920, of Law 3873/2010 (article 2 paragraph 2), Law 3556/2007 (article 4) and the issued executive decisions of the Hellenic Capital Market Commission, especially HCMC Board of Directors Decision number 7/448/11.10.2007 and refer to the fiscal year 2016 (01.01.2016-31.12.2016). Section D of this Report presents the corporate governance statement in accordance with Article 2 paragraph 2 of Law 3873/2010, in Section G the explanatory report, in accordance with Article 4 paragraph 7 and 8 of Law 3556/2007 and Section H presents figures of non-financial information in accordance with Law 4403/7.7.2016.

As the present report contains financial details of «Attica Holdings S.A.» (hereinafter called the «Company» or «Attica») and its subsidiaries, the report is common and describes major events that occurred in 2016 and their influence on the consolidated annual financial statements with references to particular financial data (non-consolidated), only insofar as is considered necessary for better understanding of the content.

The Report is included together with the financial statements of the Company and the Group and other required by law information and statements in the Annual Report on the fiscal year 2016.

**A. FINANCIAL DEVELOPMENTS AND PERFORMANCE DURING 2016**

The development and performance of the Group in 2016 are as follows:

**1. Activities review**

Attica Group operated in Greece – Italy routes in the Adriatic Sea and in the Greek domestic sea routes with an owned fleet of twelve (12) modern Ropax vessels, of which, three (3) were deployed in the Adriatic Sea and nine (9) in domestic routes. Furthermore, the Group operated on the Piraeus-Chania, Crete route with Ro-Pax Blue Galaxy under long-term bareboat charter agreement.

On an annual basis the number of sailings decreased by 1.1% for Domestic routes while Adriatic sailings decreased by 0.9%.

Consolidated revenue stood at Euro 268.61mln compared to Euro 277.63mln in 2015. Earnings before taxes, investing and financial results, depreciation and amortization (EBITDA) stood at Euro 70.03mln compared to Euro 80.70mln in 2015.

Group's Net Income after Tax stood at Euro 20.25mln compared to Euro 33.18mln in 2015.

The Group achieved the above results operating within an uncertain financial environment, amidst constantly deteriorating liquidity conditions and capital controls. In addition, the above mentioned results reflect the refugees flows impact in the North Aegean and Dodecanese islands, as well as, the intensified competition in the maritime transport.

**2. Operating Markets and Traffic Volumes**

The Group reported in 2016 increased traffic volumes in freight units, 7.4%, in private vehicles 4.3% and decreased traffic volumes in passengers, 10.2%. In particular Group's vessel's carried in 2016 4.04mln passengers compared to 4.50mln in 2015, 601.72 thousands private vehicles compared to 576.76 thousands in 2015 and 290.43 thousands freight units compared to 270.39 thousands in 2015. Annual sailings decreased by 0.7% compared to 2015.



In the Adriatic Sea and specifically in the Patras–Igoumenitsa–Ancona route (in joint service with ANEK) and in the Patras–Igoumenitsa–Bari route, the traffic volumes of the vessels Superfast XI, Superfast I and Superfast II in 0.9% more sailings compared to the same period in 2015, decreased by 3.7% in passengers, decreased by 0.8% in private vehicles and decreased by 1.3% in freight units.

It is noted that Attica Group cooperates with ANEK S.A. under the Joint Venture Revenue Agreement “Anek S.A. – Superfast Endeika (Hellas) Inc” for the joint service of vessels of the two companies in Adriatic Sea and in the domestic routes of Crete. The above cooperation generated a further rationalization of capacity and ensured the proper and unhindered passenger and freight services on these lines.

In the Greek Domestic Sea, Attica Group operated ten vessels, in the Piraeus – Cyclades, Piraeus – Dodecanese, in Piraeus – Crete (in joint service with ANEK) and in the Piraeus – Chios - Mitilene.

According to the Group's traffic data the total traffic volumes in all Domestic routes in 1.1% less sailings in 2016, increased by 11.9% in freight units, 5.1% in private vehicles and decreased by 10.8% in passengers.

### 3. Group's Financial Results

2016 revenue derived by 68.1% from Domestic routes and by 31.9% from Adriatic routes while in 2015 the respective percentages were 71.4% and 28.6%.

The Group's geographical operation is as follows:

In the Domestic market, the Group operated in Cyclades, Dodecanese, Piraeus – Crete and Piraeus – Chios – Mitilene with the vessels Blue Star Paros, Blue Star Naxos, Blue Star Delos, Blue Star Patmos, Blue Star 1, Blue Star 2, Blue Horizon, Blue Galaxy, Superfast XII and Diagoras ( until the middle of May 2016).

Revenues from the Domestic market stood in 2016 at Euro 182.96mIn compared to Euro 198.26mIn in 2015, decreased by 7.7% compared to 2015 while sailings decreased by 1.1%.

In the Adriatic market, Attica Group operated during 2016 in the Patras – Igoumenitsa – Ancona route with the vessel Superfast XI and in the Patras –Igoumenitsa – Bari route with the vessels Superfast I and Superfast II.

Revenues from the Adriatic market stood in 2016 at Euro 85.65mIn compared to Euro 79.36mIn in 2015, while sailings increased by 0.9%.

Adriatic market after a long time of recession, is presenting signs of stabilization. Furthermore, there is a continuing intense competition within the sector, not only from vessels operating with foreign flags and consequently benefiting from legislative and administrative regulations which allow lower operational expenses compared to vessels flying the Greek flag but also from the seasonal activity of smaller companies as a result of the fuel oil price reduction.

#### Operating expenses and Financial Results

Operating expenses stood in 2016 at Euro 187.76mIn compared to Euro 183.50mIn in 2015.

The cost of fuel oil and lubricants in 2016 decreased by Euro 8.53mIn mainly due to the fuel oil price reduction.

Administration expenses rose to Euro 19.00mIn compared to Euro 18.58mIn in 2015. The Group's Sales & Distribution expenses dropped to Euro 18.79mIn compared to Euro 20.05mIn in 2015.

Other operating income rose to Euro 3.16mIn compared to Euro 1.28mIn in 2015.

Profit from reversal of impairments amounting Euro 2.05mIn (Euro 3.05mIn in 2015) is attributed to Group's vessels and relates to impairments that have been recognized in the Group's results in previous years.

Other financial results of Euro 2.59mIn (compared to losses Euro 5.43mIn in 2015) include amounts which refer to partial hedging of the fuel oil price fluctuation risk.

The Group's financial expenses rose to Euro 22.60mIn compared to Euro 21.20mIn in 2015 and refer mainly to interest on bonds and long-term loans. Financial income stood at Euro 0.29mIn compared to Euro 0.21mIn in 2015.

Furthermore, 2016 results include losses amounting to Euro 2.41mIn from the newly-acquired Moroccan company Africa Morocco Links ("AML"), which is consolidated with the equity method for the first time.

Overall, Attica's consolidated profits after tax stood at 20.25mIn compared to profits of Euro 33.18mIn in 2015.

All Subsidiaries of the Group are wholly owned by the parent company and therefore no minority interests exist for the Group.

The Group's revenues are highly seasonal. The highest traffic for passengers and vehicles is observed during the months July, August and September while the lowest traffic for passengers and vehicles is observed between November and February. On the other hand, freight sales are not affected significantly by seasonality.

#### 4. Financial Position and Cash Flow items

Tangible assets stood at Euro 547.91mIn compared to Euro 565.52mIn in 2015 and include all Superfast and Blue Star vessels. The drop in tangible assets resulted from depreciations.

The account "Other non-current assets" increased to Euro 8.24 from Euro 1.29 due to the advance for acquisition of financial instruments.

Inventories stood in 2016 to Euro 3.54mIn from Euro 2.88mIn in 2015.

Trade and other receivables decreased to Euro 41.86mIn compared to Euro 41.99mIn in 2015.

Other current assets rose to Euro 33.43mIn from Euro 23.39mIn in 2015. The above increase resulted from the increase in "other debtors" (Euro 11.23mIn compared to Euro 3.00 in 2015). Account "other debtors" includes mainly the Group's receivables from the newly-acquired company AML which is consolidated with the equity method.

Cash and cash equivalents of the Group stood at Euro 51.22mIn compared to Euro 71.56mIn at 31.12.2015. During 2016 a significant part of the Group's liquidity was used for the payment of long-term borrowings (Euro 49.95mIn).

The Group's total Equity stood at Euro 401.59mIn compared to Euro 376.23mIn in 2015.

Long-term borrowing of the Group amounts at 31.12.2016 Euro 229.81mIn compared to Euro 243.73mIn at 31.12.2015 and short-term borrowing of the Group amounts at 31.12.2016 Euro 25.64mIn compared to Euro 41.53mIn at 31.12.2015.

Trade and other payables stood at Euro 18.06mIn in 2016 compared to Euro 15.62mIn in 2015.

Account «other short-term liabilities» amounts at 31.12.2016 Euro 15.01mIn compared to Euro 13.98mIn in 2015.

#### Cash Flow

2016 operating cash in-flows stood at Euro 45.82mIn against in-flows of Euro 60.66mIn in 2015.

2016 investing cash out-flows stood at Euro 10.81mIn against out-flows of Euro 0.94mIn in 2015.

2016 cash out-flows from financing activities stood at Euro 55.33mIn which include payments against borrowings of Euro 49.95mIn. 2015 cash flows from financing activities stood at Euro 12.06mIn (payments against borrowings of Euro 11.71mIn).

### Financial Ratios (alternative performance measure “APMs”)

The main financial ratios of the Group are presented below:

	<b>2016</b>	<b>2015</b>
<b>General Liquidity</b>		
Total Current Assets/Total Short Term Liabilities	2.3	1.92
<b>Debt-equity Ratio</b>		
Equity/Total Liabilities	1.37	1.13
<b>Gearing Ratio</b>		
Net Debt/Total Capital Employed	0.34	0.36
Net Debt/EBITDA	2.92	2.65

### Definitions/Agreements APMs

General Liquidity and Debt-Equity Ratio, arise from the Group's balance sheet items. EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) is intended to provide useful information to analyze the Group's operating performance.

Gearing Ratio is used to evaluate the capital structure of the Group and the capacity to leverage. Net debt is defined as short-term borrowings plus long-term borrowings plus short-term portion of long-term borrowings less cash and cash equivalents. Total Capital Employed is defined as Net Debt plus Equity (see paragraph E, main risks and uncertainties).

Net Debt/EBITDA is used as another planning tool of the Group's appropriate capital structure in relation to the ability to generate future cash flows and operating profit. The calculation for this ratio arises from above referred ratios.

## **5. Financial Results of the parent company**

Attica Holdings S.A. is a Holding Company and as such its income derives from shareholdings and interests.

The parent company participated in the share capital increase of its 100% subsidiary Superfast One Inc., Superfast Two Inc., Superfast Endeka Inc. & Nordia M.C. with the amount of Euro 3.9mIn, Euro 3.9mIn, Euro 3.7mIn and 49.00 thousand respectively. In 2015 the parent company participated in the share capital increase of its 100% subsidiaries with the amount of Euro 5.3mIn.

Furthermore, the 100% subsidiary Blue Star Ferries Maritime S.A. returned part of its share capital to the parent company Attica Holdings S.A. due to its share capital decrease. The capital return amounts Euro 22.6mIn. In 2015 share capital decrease of 100% subsidiaries amounted Euro 2.5mIn.

The investment in subsidiaries stood at 31.12.2016 at Euro 507.81mIn while in 2015 at Euro 540.79mIn. The Company evaluates its investments at fair value. In 2016 the revaluation of its 100% subsidiaries has as a result the decrease of its investment in subsidiaries amounting Euro 77 thousand approximately.

Administration expenses, rose to Euro 1.04mIn from 1.00mIn in 2015.

For the Company, total losses after tax amounted Euro 1.10mIn compared to profit of Euro 1.35mIn in 2015.

Cash and cash equivalents stood at 31.12.2016 at Euro 1.23 thousand while in 2015 at Euro 13 thousand.

Equity stood at Euro 508.95mln from Euro 532.00mln in 2015.

There is no long-term nor short-term borrowings for the Parent Company.

There are no shares of the parent company owned by Attica Holdings S.A. or its subsidiaries.

Subsidiaries of Attica Holdings S.A., main financial figures of Group's Financial Statements as well as Accounting Policies applied by the Group are mentioned analytically in «Notes to the Financial Statements» which is an integral part of this Annual Report.

## **B. SIGNIFICANT EVENTS**

On 7.1.2016, the Group announced that Blue Star Ferries was among the winners at the Energy Mastering Awards receiving the Silver Award at the category Energy Efficiency Management - Means of Public Transport, for the plan "Blue Star Ferries Innovative Renewable Energy Sources". The plan involved the pilot implementation and operation of a photovoltaic unit on board of vessel Blue Star Delos resulting in lower fuel consumption and air pollutant emissions.

In April 2016 the Group succeeded a double accolade at the 2016 Tourism Awards. At a ceremony held at the Athens Concert Hall, the Group's companies received the following awards:

- A Gold award to Blue Star Ferries in the "Support for local communities/CSR Actions - First Aid Scheme" category,
- A Silver award to Superfast Ferries in the "Corporate identity/Corporate reputation management/Branding" category for "20 Years of Superfast Ferries".

On 16.06.2016 Attica Group and BMCE Bank announced an agreement to operate scheduled ferry services from Morocco to Europe, through the newly-acquired Moroccan company Africa Morocco Links ("AML"). The implementation of the agreement started with two Ro – Pax vessels from AML. Attica Group participates with 49% while BMCE Bank Of Africa Group participates with 51%. It should be clarified that the signing of the final contract documents and the acquisition of the 49% in AML was completed on 28.10.2016.

On 29.6.2016 the Ordinary General Meeting of Shareholders approved the annual financial statements, the exemption of the members of the Board of Directors of any indemnity liability for the proceedings of the fiscal year 2015 and the election of the Auditing Committee.

Furthermore, the Board of Directors decided to redefine the responsibilities of the members as follows: Kyriakos Magiras - Chairman, Executive Member, Michael Sakellis - Vice-Chairman, Non-Executive Member, Spiros Paschalis - Managing Director, Executive Member, Iraklis Simitsidellis - Director, Executive member, George Efstratiadis - Director, Non-Executive Member, Emmanouil Xanthakis - Director, Independent, Non-Executive Member, Alexandros Edipidis - Director, Independent, Non- Executive Member.

On 29.06.2016 Attica Group announced the sale of Vessel Diagoras to the Moroccan company "AFRICA MOROCCO LINKS" ("AML"). Diagoras covered the immediate operational needs of the Tanger Med (Morocco) – Algeciras (Spain) line. The sale of the Vessel is part of a broader agreement which includes also a repurchase agreement for the same financial consideration.

On 21.11.2016 Attica Group was honored as "True Leader", Group-Leader, during the ICAP "True Leader" Awards. Since 2011, the ICAP Group, the only company recognised as a Credit Rating Agency by the Hellenic Capital Market Commission and the corresponding European authority ESMA (European Securities and Markets Authority), distinguishes Companies and Groups Leaders, based on four measurable criteria: Profitability, Increase of Employees, High Credit Worthiness (ICAP Score) and Leading Position in the Industry.

On 8.12.2016, Attica Group and DEPA signed a Memorandum of Understanding (MOU) for the use of liquefied natural gas by passenger ships. The two companies will jointly study the parameters and conditions for the introduction of LNG as bunkering fuel for the vessels of Attica Group fleet. Further cooperation between the two companies will be decided at a later stage depending on the conclusions of the study.

On 3.01.2017, Attica Group announced the edition of the 7th Corporate Social Responsibility with accordance level "Core" based on international guidelines G4 of the Global Reporting Initiative.

On 13.02.2017 the Company announced the resignation of the Independent, Non- Executive Member of the Board of Directors, Mr Alexandros Edipidis.

On 14.02.2017 Attica Group announced its Gold award at the Transport & Logistics Awards 2017 by PAEGAE, organised by the Supply Chain Institute and Boussias Communications. Attica Group received the Gold award for creating the Eurail and Interrail Greek Islands Pass products. These are Passes that combine train and ferry transportation and allow passengers to travel on consecutive destinations, paying a common fare.

On 20.03.2017 the Board of Directors convened and determined the Non-Executive Member Mr. Michael Sakellis as an Independent, Non-Executive Member and as a member of the Company's Audit Committee, in accordance with the legislation, in substitution of the resigned Independent, Non-Executive Member Mr. Alexandros Edipidis.

At the same meeting the Board of Directors decided to redefine the responsibilities of the members as follows: Kyriakos Magiras (Chairman, Executive Member), Michael Sakellis (Vice-Chairman, Independent, Non-Executive Member), Spiros Paschalis (Managing Director, Executive Member), Iraklis Simitsidellis (Director, Executive Member), George Efstratiadis (Director, Non-Executive Member), Emmanouil Xanthakis (Director, Independent, Non-Executive Member).

Following the above decision of the Board of Directors, the Audit Committee consists of Mr. Emmanouil Xanthakis (Chairman), Mr. Michael Sakellis and Mr. George Efstratiadis.

## C. PROSPECTS AND BUSINESS DEVELOPMENTS FOR THE FISCAL YEAR 2017

The condition of the Greek economy, and its impact on traffic volumes as well as fuel prices, are the most important factors that will affect 2017 performance.

Indicatively it is noted that the average fuel price for the first two months of 2017 is higher by 82% compared to the same period of the previous fiscal year. In return, the Group could increase its revenue from the expected increase in tourist arrivals to our country.

The Group evaluates on an ongoing basis the situation and assumes all necessary actions to mitigate the additional risks.

## D. CORPORATE GOVERNANCE

### 1. Corporate Governance Code

The Company complies with the policies and practices of Corporate Governance Code according to Law 3873/2010 and relevant directives of the Hellenic Capital Market Commission and the code has been posted on the website of the Company [www.attica-group.com](http://www.attica-group.com).

### 2. Corporate Governance practices applied by the Company in excess to existing provisions on corporate governance

- There is a separation of responsibilities between the Chairman of the Board and the CEO.

### 3. Main practices of the internal control and risk management relating to the preparation of Financial Statements

#### Internal audit

Internal audit system includes policies, practices, functions and behaviors implemented by the BoD, management and employees with objectives:

- Effective and efficient operation of the company,
- Ensuring reliable financial information,
- Compliance with laws and regulations.

The adequacy of the internal audit system of the Company, including its internal audit system for the preparation of Financial Statements, is assessed and audited by management of the Company, which also provides guidelines for particular areas of audits. The BoD has the ultimate responsibility for definition and monitoring the internal audit system.

The Group has made significant investments in computerization of its functions. Specifically from 1.1.2005, mySAP from SAP, came into fully operation as integrated system (ERP) covering all functions of the Group, ensuring adequate information in real time and compliance with the procedures as defined by management. In particular, the ERP system is linked with the reservation systems ensuring automated revenue flow. Supplies, Human resourcing, operation expenses, as well as, administration expenses are also processed through the ERP system in accordance with management's guidelines and procedures and reviewed by the internal audit.

Also, ERP includes integrated management programs for staff and crew.

As from 2016, the Group inaugurated the first stage of SAP upgrade program by analyzing and recording existing business processes. Scope of this project is to optimize the processes along with the best business practices within the new SAP HANA. S / 4 HANA is the new SAP platform of 4th generation applications and is a completely new product developed and designed to meet new technological developments. With the implementation of S / 4 HANA, the Group aims to:

- Integrate and manage all its systems in one platform,
- Containment of total hardware management costs,
- Simplifying and exponentially improving data processing times achieving instant reporting,
- Best business practices in a digital economy.

At all stages of the Group's procedures checks are carried out by the internal audit department in accordance with the annual audit plan or upon management's request or the Audit Committee. Financial statements of the Group are automatically created from the ERP system. The Company has taken all necessary measures ensuring the internal distribution of financial reporting.

Corporate Governance Code include also responsibilities and duties of the Audit Committee in regard with the financial statements, internal audit systems, risk management and the supervision of the internal audit.

#### Duties and Responsibilities

The Board of Directors provided to senior management members the authority to represent the Company and limited permission for banking transactions.

#### Risk Management

The Company created a risk register after the identification and classification of the various risks that could affect operation and Group's interests.

Risks have been categorized, and assigned to each related department. The Group implemented the Risk Register in order to monitor and manage risks systematically.



The Risk Register is updated at least annually, taking into account current economic environment which may affect operations and efficiency of the Company.

#### **4. Information items (c), (d), (f), (h) and (i) of Article 10, paragraph 1 of Directive 2004/25/EK**

An significant part of the information in items (c), (d), (f) and (i) of paragraph 1 of Article 10 of Directive 2004/25/EK is included in Section G of this report " REVIEW OF THE BOARD OF DIRECTORS" (Article 4 paragraph 7 & 8 of law 3556/2007). In addition:

There are no Company shares that provide special control rights to their holders according to the aforementioned item (d).

There are no restrictions on voting rights emanate from the Company shares according to the aforementioned item (h).

For amendments of its Articles of Association, the Company follows the provisions of C.L. 2190/1920. The appointment of board members is made by the General Assembly upon proposal of the BoD. In case of Board member replacement the decision is to be made by the BoD and submitted for authorization at the next General Assembly.

#### **5. Information for the General Assembly of Shareholders**

The General Assembly of the Company's shareholders, convened by the Board of Directors, is the Company's highest body and is entitled to take decisions on all cases related to the company.

The BoD assures appropriate preparation of the General Assembly of the Company's shareholders and inform all participators on all matters related to their participation in the General Assembly, including agenda items and their rights at the General Assembly.

According to the provisions of Law 3884/2010, the Company publishes on its website at least twenty (20) days before the General Assembly information concerning:

- The date, time and place of the General Assembly of Shareholders,
- The basic rules of participation, including the right to add items on the agenda, raise questions, and the time within these rights can be exercised,
- Voting procedures, terms of representation by proxy and the forms used for proxy voting,
- The proposed General Assembly agenda, including plans to debate the decisions and resolutions and any accompanying documents,
- The total number of shares and voting rights.

The Chairman of the BoD, the Chief Executive Officer, the Internal Auditor and the Auditor attend the General Assembly in order to provide information and clarifications requested by shareholders.

General Assembly is chaired temporarily by the President and if he is incapacitated by the Vice President, or the CEO or the senior member of the BoD. Secretarial duties are appointed by the President.

After approval of the list of shareholders entitled to vote, the Assembly elects the President and a Secretary. The decisions of the General Assembly are in accordance with the provisions of applicable laws and the provisions of Company's Articles of Association.

Any person appearing as a shareholder in the registry of the entity in which the shares of the company are being held, is entitled to participate in the General Assembly. The exercise of these rights in accordance with the current law does not require the commitment of shares or any other similar procedure.

## 6. Information on the Board of Directors (BoD) and its Committees

The Board of Directors is the body that exercises the management of the Company and is composed, in accordance with Company's Articles of Association, from three (3) up to nine (9) members elected by the General Assembly for two (2) years.

The current Board of Directors was elected by the General Assembly of June 29, 2016 and its mandate ends with the Annual General Meeting to be held June 30, 2018.

The Board of Directors on 31.12.2016 and their responsibilities are as follows:

Kyriakos Magiras - Chairman, Executive Member  
Michael Sakellis - Vice-Chairman, Non-Executive Member  
Spiros Paschalis - Chief Executive Officer, Executive Member  
Iraklis Simitsidellis - Director, Executive member  
George Efstratiadis - Director, Non-Executive Member  
Emmanouil Xanthakis - Director, Independent, Non-Executive Member  
Alexandros Edipidis - Director, Independent, Non- Executive Member

During 2017 was made a change in the composition of the Board of Directors. More specifically, in February 2017 Mr. Alexandros Edipidis submitted his resignation as independent, non-executive Board member and on 20.03.2017 the Board of Directors convened and determined the Non-Executive Member Mr. Michael Sakellis as an Independent, Non-Executive Member and as a member of the Company's Audit Committee, in accordance with the legislation, in substitution of the resigned Independent, Non-Executive Member Mr. Alexandros Edipidis.

At the same meeting the Board of Directors decided to redefine the responsibilities of the members as follows:

Kyriakos Magiras - Chairman, Executive Member  
Michael Sakellis - Vice-Chairman, Independent, Non-Executive Member  
Spiros Paschalis - Managing Director, Executive Member  
Iraklis Simitsidellis - Director, Executive Member  
George Efstratiadis - Director, Non-Executive Member  
Emmanouil Xanthakis - Director, Independent, Non-Executive Member

Following the above decision of the Board of Directors, the Audit Committee consists of Mr. Emmanouil Xanthakis (Chairman), Mr. Michael Sakellis and Mr. George Efstratiadis..

After each election, the new Board convene immediately and elects from its members, for the entire term, the President, the Vice President and the Chief Executive Officer and if necessary the Authorized Director. In case of incapacity of the President, the Vice President or the CEO or Executive Director or the Director appointed by the Board substitutes the President. The President or his deputy presides over the meetings of the Board.

The Board assembles whenever the President or the Vice President or the Chief Executive Officer or any Authorized Director or two other consultants request assemble. The Board may meet by teleconference.

Absent member can be represented by another member by proxy. Each member may represent only one absent member.

In case of any departure for any reason before the expiration of Board's mandate, and if the remaining members are at least three and the number is more than the half of the members, as before the occurrence of the above event, it is not mandatory to replace the member, but the Board decides accordingly.

Board members have the right to require through the Chief Executive Officer any information they consider necessary for the performance of their duties at any time.

The board of directors shall pass its resolutions by a majority of votes. In case of a tie, the chairman of the Board of Directors has the casting vote.



Minutes of the Board's resolutions are kept and signed by the Directors present at the meeting.

#### Auditing Committee

Auditing Committee has been elected by the General Assembly implementing the existing institutional framework and provisions on corporate governance. The Audit Committee reports to the Board of Directors.

The main scopes of the Auditing Committee are to assist the BoD, to ensure transparency in corporate activities and to fulfill the obligations and responsibilities towards its shareholders and supervising authorities.

The Chairman and Members of the Auditing Committee shall be elected by the General Assembly of Shareholders.

The Auditing Committee consists from three members (two Independent Non-Executive Members and one Non-Executive Member).

The mandate of the Auditing Committee is in accordance to the mandate of the BoD.

The Auditing Committee has ordinary meetings at least once every trimester or, extraordinary meetings whenever there is a need. Participators in the meetings are the members of the Committee and the Internal Audit. The Committee keeps Minutes of the meetings.

#### Policy of equal opportunities and diversity applicable to the administrative, management and monitoring bodies:

Attica Group provides an equal opportunities policy for all individuals, irrespective of gender, age, colour, nationality or any other characteristic protected by law.

We cultivate among our employees a working environment of respect, equality, security and meritocracy. Furthermore we offer training opportunities to provide the best possible working conditions and evolution. Also we work consciously to consolidate corporate responsibility in every act of our employees.

In trying to expand our activities into new markets, we recruit executives in the structures we create on a merit basis, aiming at sustainable development, while leaving a positive environmental footprint and operating for the benefit of partners and local communities.

On administrative, managerial and monitoring committees of the Company and Group there is no access limitation on gender, age or nationality of candidates personnel or any other characteristic protected by law. Candidates in each organ of the Company or the Group's companies should have sufficient knowledge and experience in the industry in which the Group operates, appropriate qualifications and those skills that will support the sustainable business growth and shareholder value. In addition to the above committees participating members that bring in every act the values of our Group which are: Integrity, Transparency, Reliability, Quality, Innovation and Corporate Responsibility.

The diversity in the staffing of the bodies, particularly regarding the cultural and educational backgrounds is particularly useful for the Group as it gives, inter alia, the necessary knowledge of the peculiarities in the markets where we operate, allows broadening the experience of executives of our Group and in the long term contributes to yield maximization of our human executive resources.

## **E. MAIN RISKS AND UNCERTAINTIES**

This section presents the main risks and uncertainties regarding the Group's business activities.

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The economic condition of our country in connection with the decrease in the disposable income of a significant part of the population and other uncertainties have a negative effect on the traffic of passengers and vehicles

The ongoing economic recession of our country, the strike action, other uncertainties and the decrease in the disposable income of a significant part of the population have a negative effect on the traffic of passengers and vehicles.

#### Liquidity risk

Total borrowing of the Group amounts at 31.12.2016 Euro 255.44mIn, from which Euro 229.81mIn are long-term and Euro 25.64mIn are short-term loan liabilities. In 2015 total borrowings stood at Euro 285.26mIn, from which Euro 243.73mIn were long-term and Euro 41.53mIn were short-term.

The Group is managing its liquidity requirements on a daily basis through a systematic monitoring of its short and long term financial liabilities and of the payments that are made on a daily basis.

Furthermore, the Group constantly monitors the maturity of its receivables and payables, in order to maintain a balanced liquidity management (see below "Additional risks arising from the enforcement of capital controls in Greece").

#### Fuel oil prices fluctuation risk

The Group, as all the shipping companies, are affected significantly by the volatility of fuel oil prices. It must be noted that the cost of fuel oil and lubricants is the most significant operating cost of Attica Group's operating expenses.

A change in fuel oil prices equal to 10% in a full year basis, will have an effect of Euro 6.3mIn approximately on the period's result and Group's equity.

The Group has partially hedged against fuel oil price fluctuations.

#### Interest rate risk

The interest rate of all borrowings of the Group is calculated by adding the floating Euribor plus a spread. Therefore, any 1% change in Euribor will affect the financial results and the Equity of the Group by approximately Euro 2.6mIn.

#### Foreign currency risk

The Groups currency is Euro. The Group is affected by the exchange rates fluctuations to the extent that the fuel oil purchased for the operation of the vessels are traded internationally in U.S. Dollars. Furthermore, the Group is affected by the exchange rates fluctuations due to its participation in AML where the currency is Moroccan Dirham.

#### Credit risk

The Group, due to its large number of customers, is exposed to credit risk and therefore it has established credit control procedures in order to minimize effects from such risk. More specifically, the Group has defined credit limits and specific credit policies for all of its customers, while it has obtained bank guarantees from major customers, in order to secure its trade receivables.

Also, the Group monitors the balances of its customers and examines the case to create provisions. Therefore, any customers' weakness to fulfill their obligations may affect the Group's results by generating relevant provisions (see below "Additional risks arising from the enforcement of capital controls in Greece").

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The Group has significant loan capital due to the nature of its activities

The Group has significant borrowing obligations due to the fact that the investments for the vessels' acquisition require a significant amount of capital which is largely financial supporting by bank loans, in accordance with the ordinary method in the maritime sector.

The Group's ability to service and repay its loans depends on the ability to generate cash flows in the future, which to some extent depends on factors such as general economic conditions, competition and other uncertainties.

Market Risk

The Group operates on routes with intense competition which has as a result the ongoing effort of the companies to increase the market shares in already mature markets.

Risks of accidents and revenue loss

The Group's vessels and generally the entire maritime sector, due to the nature of their operations, are being subject to the above risk which may have a negative effect on the results, the customer base or the functioning of the Group.

The Group's vessels are covered by insurance against the following risks: a) hull and machinery, b) protection and indemnity and c) war risks.

Seasonality

The Group's sales are highly seasonal. The highest traffic for passengers and vehicles is observed during the months July, August and September while the lowest traffic for passengers and vehicles is observed between November and February. On the other hand, freight sales are not affected significantly by seasonality.

Additional risks arising from the enforcement of capital controls in Greece

The Legislative Act dated 28.06.2015 declared a bank holiday in Greece while capital controls were imposed by Hellenic Ministry of Economy and still remain in force.

Capital controls in Greece may impact the following risks:

Credit Risk

Due to capital controls certain counterparties may not be able to fulfill their obligations. Until the signature date of the Report the Group has not experienced cases of default by customers, beyond the usual trading pattern.

Suppliers / Goods and Services from abroad

Capital controls may create delays in payment of suppliers and servicing of obligations abroad. Delays experienced so far are attributed to the time-consuming procedures adopted by the Greek banking system, however such delays have not been substantial up to date.

Market Risk

Due to capital controls, the traffic volumes of the Group may be affected, both in freight units and passengers, however, until now, the Group's total traffic volumes have been notably affected.

## F. IMPORTANT TRANSACTIONS WITH RELATED PARTIES

This section includes the most important transactions between the Company and its related parties as they are defined by IAS 24.

To be more specific, Attica's intercompany transactions for fiscal year 2016 are as follows:

- The parent company participated in the share capital increase of its 100% subsidiary Superfast One Inc., Superfast Two Inc., Superfast Endeka Inc. & Nordia M.C. with the amount of Euro 3.9mIn, Euro 3.9mIn, Euro 3.7mIn and 49,0 thousand respectively. In 2015 the parent company participated in the share capital increase of its 100% subsidiaries with the amount of Euro 5.3mIn.
- The 100% subsidiaries Blue Star Ferries Maritime S.A. returned part of its share capital to the parent company Attica Holdings S.A. due to its share capital decrease. The capital return amounts Euro 22.6mIn. In 2015 share capital decrease of 100% subsidiaries amounted Euro 2.5mIn.
- The parent company has an amount of Euro 1,345 thousand and an amount of Euro 2,313 thousand as dividend payment for the fiscal years 2013 and 2014 arising from its 100% subsidiaries Blue Star M.C. and Blue Star Ferries Maritime S.A. respectively.

In 2016 a return of capital from Attica to the parent company amounting Euro 13mIn took place. The amount was contributed by the parent company against future share capital increase which did not materialize.

There are no intercompany transactions between the shipowning companies of Superfast Group and the shipowning companies of Blue Star Group.

The intercompany transactions as at 31.12.2016 between the companies of Superfast Group and Blue Star Group derive from the Group's business activity in the shipping industry with operational rather than substantial meaning, indicating a common revenue and expenses management through joint ventures and management companies, which create intercompany transactions with the other companies of the Group. The intercompany balances are set-off in the consolidated accounts of Attica Group.

The intercompany transactions between Attica Group and Africa Morocco Links have as follows:

- Sales stood at Euro 3.7mIn;
- Purchases stood at Euro 0.2mIn;
- Receivables stood at Euro 13.8mIn; and
- Payables stood at Euro 8.7mIn.

The intercompany transactions between Attica Group with the other companies of Marfin Investment Group Holdings S.A. (MIG) are of no significance neither have any effect on the financial condition of the Company or the Group. They are mostly related to food and beverage supplying services on board the Group's vessels.

More specifically, for the fiscal year 2016 the intercompany transactions between Attica Group with the other companies of Marfin Investment Group Holdings S.A. (MIG) have as follows:

- Sales stood at Euro 10.43mIn while for the fiscal year 2015 stood at Euro 11.15mIn,
- Purchases stood at Euro 3.46mIn while for the fiscal year 2015 stood at Euro 3.47mIn,
- Receivables stood at Euro 3.07mIn while for the fiscal year 2015 stood at Euro 3.27mIn,
- Payables stood at Euro 0.2mIn while for the fiscal year 2015 stood at Euro 13.49mIn.

The intercompany transactions as at 31.12.2016 between Attica Group and Piraeus Bank have as follows:

- Revenue stood at Euro 0.21mIn while for the fiscal year 2015 stood at Euro 145 thousand,
- Expenses stood at Euro 1.94mIn while for the fiscal year 2015 stood at Euro 2.49mIn,
- Receivables (deposits) stood at Euro 17.84mIn while for the fiscal year 2015 stood at Euro 16.16mIn,
- Payables (loans) stood at Euro 38.26mIn while for the fiscal year 2015 stood at Euro 47.61mIn.

### Board of Directors and Executive Director's Fees

Executive Directors' salaries and remuneration of the members of the Group's Board of Directors stood at Euro 2.21mln for the fiscal year 2016 while at 31.12.2015 at Euro 2.13mln. The Group has neither receivables nor liabilities towards its Directors and members of the Board of Directors.

### Guarantees

The parent company has guaranteed to lending banks the repayment of loans of the Group's vessels amounting Euro 241,43mln.

## **G. REVIEW OF THE BOARD OF DIRECTORS (ARTICLE 4, PAR. 7 & 8 OF LAW 3556/2007)**

### 1. Structure of Company's share capital.

The share capital of the Company amounts to Euro 57.498.096 divided into 191.660.320 common nominal shares with par value of Euro 0.30 each. All of the Company's shares trade on the Athens Exchange ("low deviation"). All rights and obligations deriving by the ownership of each share are as per the relevant dictates of the Law and of the Company's articles of association.

Each share has one voting right.

Shareholders' responsibility lies in the nominal value of the shares owned.

There are no treasury shares.

### 2. Limitations in the transfer of Company's shares.

Company's shares are transferred as per relevant dictates of the Law. There are no limitations in the transfer of shares as provided in the Company's articles of association.

### 3. Significant participations that are held directly or indirectly (articles 9 to 11 of Law 3556/2007).

As at 31<sup>st</sup> December, 2016, Marfin Investment Group Holdings S.A. (MIG), is the main shareholder (>5%) in Attica Group holding 89.38% of the share capital and voting rights of the Company (directly and indirectly).

From the above a) 11.60% was held directly by MIG and b) 77.78% was held by the 100% subsidiary company MIG SHIPPING S.A.

### 4. Shares with special controlling rights.

There are no shares holding special controlling rights.

### 5. Restrictions to the voting rights.

There are no restrictions to the voting rights as provided in the Company's articles of association.

### 6. Agreements between the shareholders of the Company.

According to the Company's knowledge, there are no agreements between shareholders which could result in any restrictions in the transfer of shares or the exercise of voting rights.

7. Rules regarding the appointment and replacement of the members of the Board of Directors and the amendment of the Company's articles of association.

The rules governing the appointment and replacement of members of the Board of Directors, as well as the amendment of the Company's articles of association do not diverge from the provisions of common law 2190/1920.

8. Authority resting with the Board of Directors or any of its members as regards the issuance of new shares or share buy-back as per article 16 of common law 2190/1920.

The Board of Directors and any of its members have no authority as regards the issuance of new shares or share buy-back.

9. Important agreements coming into effect, being altered or terminated in the event of change in ownership.

There are no important agreements in which the Company is engaged and which could come into effect, be altered or terminated in the event of a change in control of the company following a public offering except as regards its loan and Bond loan obligations which customarily include clauses regarding a possible change in ownership.

10. Important agreements between the Company and members of the Board of Directors or members of its staff.

There are no agreements between the Company and members of the Board of Directors or members of the staff, which provide for reimbursement pay in the event of resignation, or dismissal for no reason or the end of duty or employment as a result of a public offer. In the event of termination of employment of members of staff on an employment contract, indemnities as dictated by the law apply.

## **H. NON FINANCIAL INFORMATION**

Below are details introduced with law number 4403 / 07.07.2016 which replaces Article 43a of codified law 2190/1920:

The Group's mission is to offer high quality shipping services with innovative aesthetic ships. The Group's activities create added value for shareholders and employees, leave a positive environmental footprint and operate for the benefit of partners and local communities.

### **Labor Issues**

The Group on 31.12.2016 was employing 1,058 people (1,077 people in financial year 2015) and the Company 2 people (2 people in financial year 2015).

The point of reference for the Group is always the human potential, which is the driving force and the exponent of its vision. The purpose and commitment of the management is to create a safe and fair work environment while supporting the growth and evolution of the employees.

Our main priorities are strengthening the corporate conscience and the continuous training of Group employees. Especially in the year 2016 through the implementation of a series of targeted educational programs, we performed 5,521 hours of training, which trained 80 employees in office (2,771 hours) and 511 sailors (2,750 hours) in ships.

The average stay of employees in our Group exceeds 14 years.

We adhere to Business Conduct & Ethics Code and have a personnel evaluation system, which is constantly improving. We offer satisfactory remuneration in a difficult economic environment and provide additional insurance hospital and extra-hospital coverage for all our employees ashore and their families.

## Corporate Responsibility

The Management promotes the concept of Corporate Responsibility at all levels of the Group. Our success as an organization that constantly develops is directly related to our approach to responsible operation, which remains a priority, with the belief that we must create value not only for our shareholders but also for all our Social Partners.

We adopt responsible policies and practices across the range of our business operations and work in harmony with our social partners, to ensure the creation of a mutual long-term value.

For the employees, as mentioned above, we cultivate a working environment with an atmosphere of respect, equality, security and meritocracy and offer training and development opportunities to provide the best possible working conditions and evolution.

For society, we pursue our business development bearing in mind the development of the country and of our partners and the support of local communities affected by our operations, in order to contribute to improving the quality of life and prosperity of society.

For our customers, we strive constantly to protect their safety and health and to offer them the best possible travel experience, to meet their needs and expectations during the trip.

For the Environment, we attempt to integrate sustainable development principles in our processes and implement environmentally sound business practices, in order to limit, as much as possible, our environmental footprint.

Indicatively all Superfast and Blue Star vessels are certified by the International Safety Management of Ships (ISM) and strictly apply all the European and Greek legislation for the protection of the marine environment. The Group's sensitivity to environmental issues is proved in practice as Attica Group is the first Passenger Shipping Group which implemented and has certified (without a legal obligation) all ships with the International Standard for Environmental Management ISO 14001, while it develops initiatives to combat the phenomenon of climate change.

Below is some illustrative non-financial performance of the Group for 2016.

### Concerning the Society

- We trained 116 employees of our sales network with total duration of 4,944 hours.
- 16 students did their internship.
- We participated in the apprenticeship of 108 trainees of the Greek Coastguard.
- We collected 68 units of blood through voluntary donations.
- We increased our market share from provincial suppliers by 45%.
- We supported over 50 organizations and charitable institutions with emphasis on local communities on the islands where we operate.
- The total value of our social actions exceeded Euro 1.4mln.

### Concerning the Environment

- We transported for free from the islands more than 78.4 tons of materials for recycling.
- We promote the active participation of clean beaches by making beach ashtrays. Since 2007 we have distributed more than 1,300,000 ashtrays.
- We recycled 235,000 liters of waste lubricating oils, 5,5m<sup>3</sup> and 1900kgs electrical equipment. Also, we recycled 30m<sup>3</sup> empty paint cans.
- We desalted 76.000 m<sup>3</sup> of water (36% of total consumption) which were consumed on board our ships.

We note that our Group is a leader in the passenger shipping sector in Corporate Social Responsibility (CSR) issues. Already created from the previous year the "CSR Group", has undertaken to coordinate the Group's efforts in the field



of social responsibility. In 2016 we published the seventh consecutive Social Report of the Group for the second time in accordance with the guidelines G4 of the Global Reporting Initiative (GRI), which is a sophisticated and highly demanding reporting system, which is adopted by the pioneers in social responsibility worldwide.

#### Human rights / Combating Corruption / Ethics

We respect the International Principles of Human Rights included, inter alia, in the International Declaration of Human Rights and the ten principles of the UN Global Compact, which we have co-signed, and the Maritime Labor Convention (MLC), according to which we are certified and tested for human rights.

Note that in 2016 there was no complaint or report for violation of human rights.

We have co-signed the European Business Manifesto 2020 (European Enterprise Manifesto 2020), part of the joint initiative "Enterprise 2020" of the Network CSR Hellas, the European Network of CSR Europe and 42 more CSR networks across Europe, which promotes cooperation and initiatives in three strategic areas:

- Fostering employability and social inclusion.
- Promotion of new sustainable forms of production and consumption of living.
- Enhancing transparency and respect for human rights

We contribute to the fight against corruption:

In an effort to combat and eradicate corruption, we have accepted and signed the initiative 'Call for Action' of Global Compact of the United Nations, to implement policies and practices to deal effectively with corruption. Furthermore, for a transparent version of our positions regarding public dialogues, we put forward our proposals on a national and international level either individually or through INTERFERRY organizations (International Association of Ferry Companies) and S.E.E.N. (Association of Passenger Shipping Companies)

We apply Principles & Code of Ethics:

In order to safeguard our business ethics and culture we have communicated the Business Conduct and Ethics Code (CECL) to all employees ashore via email and is included in the introductory package that we give to newcomers employees.

The CECL is binding for all employees and any non-compliance can lead to cessation of the employment relationship or even criminal penalties.

## **I. OTHER INFORMATIONS**

The Company due the nature of its business does not have any branches nor has it invested any capital towards research and development.

The annual financial statements, the Auditor's Report and the report of the Board of Directors of the businesses included in Group consolidation are available in the internet on the web address [www.attica-group.com](http://www.attica-group.com).

There are no other important events in the period between the end of the year and the time of submission of this report which can significantly affect the financial condition of the Company and the Group.



Dear Shareholders,

The above information together with the financial statements submitted to you for year 2016, provide a complete assessment of operations and of the Board of Directors' activities during the period under review, allowing you to decide on the approval of the financial statements of the Company and the Group.

Athens, April 11<sup>th</sup>, 2017

On behalf of the Board of Directors

Chief Executive Officer  
Spiros Ch. Paschalis

**ANNUAL CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS FOR THE FISCAL YEAR 2016**

The Annual Financial Report for the fiscal year 2016 was compiled in compliance with Article 4 of Law 3556/2007, was approved by the Board of Directors of Attica Holdings S.A. on April 11, 2017 and is available in the internet on the web address [www.attica-group.com](http://www.attica-group.com) and on the Athens Exchange website where they will be available to investors for at least five (5) years since their compilation and publication date.

It is underscored that the financial data and information deriving from the financial statements, aim at providing readers with general information on the Company's financial situation and results but do not offer an integrated picture of its financial status, the Company and Group financial performance and cash flows, according to the International Financial Reporting Standards.

**STATEMENT OF COMPREHENSIVE INCOME**

For the period ended December 31 2016 &amp; 2015

		<b>GROUP</b>		<b>COMPANY</b>	
		<b>1.01-31.12.2016</b>	<b>1.01-31.12.2015</b>	<b>1.01-31.12.2016</b>	<b>1.01-31.12.2015</b>
Sales	7.1	268,614	277,625	-	-
Cost of sales	7.2	-187,759	-183,502	-	-
<b>Gross profit</b>		<b>80,855</b>	<b>94,123</b>	-	-
Administrative expenses	7.2	-18,998	-18,581	-1,039	-997
Distribution expenses	7.2	-18,789	-20,049	-	-1
Other operating income	7.3	3,156	1,277	10	-
Other operating expenses		-	-	-	-
<b>Profit / (loss) before taxes, financing and investment activities</b>		<b>46,224</b>	<b>56,770</b>	<b>-1,029</b>	<b>-998</b>
Impairment losses of assets	7.4	-	-	-77	-7
Profit from reversal of impairment losses of assets	7.5	2,051	3,049	-	-
Other financial results	7.6	-2,593	-5,432	-	-
Financial expenses	7.7	-22,603	-21,202	-4	-4
Financial income	7.8	289	214	9	15
Income from dividends		-	-	-	2,348
Share in net profit (loss) of companies accounted for by the equity method	7.9	-2,412	-	-	-
<b>Profit before income tax</b>		<b>20,956</b>	<b>33,399</b>	<b>-1,102</b>	<b>1,354</b>
Income taxes	7.10	-705	-217	-	-
<b>Profit for the period</b>		<b>20,251</b>	<b>33,182</b>	<b>-1,102</b>	<b>1,354</b>
<b>Attributable to:</b>					
Equity holders of the parent		20,251	33,182	-1,102	1,354
Minority shareholders		-	-	-	-
Earnings after taxes per share - Basic (in €)	7.11	0.1057	0.1731	-0.0057	0.0071
Diluted earnings after taxes per share (in €)	7.11	-0.3098	-0.2188	-0.4735	-0.3234
Proposed dividend payable per share (in €)		-	-	-	-
<b>Net profit for the period</b>		<b>20,251</b>	<b>33,182</b>	<b>-1,102</b>	<b>1,354</b>
<b>Other comprehensive income:</b>					
<b>Amounts that will not be reclassified in the Income Statement</b>					
Revaluation of the accrued pension obligations		-17	-100	-	-1
<b>Amounts that will be reclassified in the Income Statement</b>					
Cash flow hedging :					
- current period gains / (losses)		3,882	5,061	-	-
- reclassification to profit or loss		1,245	-1,732	-	-
Related parties' measurement using the fair value method	7.14	-	-	-21,946	41,591
<b>Other comprehensive income for the period before tax</b>		<b>5,110</b>	<b>3,229</b>	<b>-21,946</b>	<b>41,590</b>
Income tax relating to components of other comprehensive income		-	-	-	-
<b>Other comprehensive income for the period, net of tax</b>		<b>5,110</b>	<b>3,229</b>	<b>-21,946</b>	<b>41,590</b>
<b>Total comprehensive income for the period after tax</b>		<b>25,361</b>	<b>36,411</b>	<b>-23,048</b>	<b>42,944</b>
<b>Attributable to:</b>					
Owners of the parent		25,361	36,411	-23,048	42,944
Minority shareholders		-	-	-	-

The accompanying notes are an integral part of these Annual Financial Statements.

**STATEMENT OF FINANCIAL POSITION**

As at 31st of December 2016 and at December 31, 2015

		GROUP		COMPANY	
	Notes	31/12/2016	31/12/2015	31/12/2016	31/12/2015
<b>ASSETS</b>					
<b><u>Non-current assets</u></b>					
Tangible assets	7.12	547,908	565,516	7	8
Intangible assets	7.13	1,954	2,026	2	5
Investments in subsidiaries	7.14	-	-	507,814	540,789
Investments in associates	7.15	-	-	-	-
Other non current assets	7.16	8,239	1,293	58	209
Deferred tax assets		-	-	-	-
<b>Total</b>		<b>558,101</b>	<b>568,835</b>	<b>507,881</b>	<b>541,011</b>
<b><u>Current assets</u></b>					
Inventories	7.17	3,542	2,882	-	-
Trade and other receivables	7.18	41,862	41,990	59	467
Other current assets	7.19	33,434	23,385	32	3,834
Derivatives	7.20	5,877	-	-	-
Cash and cash equivalents	7.21	51,220	71,555	1,225	13
<b>Total</b>		<b>135,935</b>	<b>139,812</b>	<b>1,316</b>	<b>4,314</b>
Non-current assets classified as held for sale		-	-	-	-
<b>Total assets</b>		<b>694,036</b>	<b>708,647</b>	<b>509,197</b>	<b>545,325</b>
<b><u>EQUITY AND LIABILITIES</u></b>					
<b><u>Equity</u></b>					
Share capital	7.22	57,498	57,498	57,498	57,498
Share premium	7.22	290,256	290,256	290,256	290,256
Fair value reserves	7.22	4,054	-1,073	121,874	143,820
Other reserves	7.22	116,558	116,558	29,040	29,040
Retained earnings		-66,777	-87,011	10,285	11,387
<b>Equity attributable to parent's shareholders</b>		<b>401,589</b>	<b>376,228</b>	<b>508,953</b>	<b>532,001</b>
<b>Total equity</b>		<b>401,589</b>	<b>376,228</b>	<b>508,953</b>	<b>532,001</b>
<b><u>Non-current liabilities</u></b>					
Deferred tax liability	7.23	44	15	-	-
Accrued pension and retirement obligations	7.24	2,168	1,736	55	45
Long-term borrowings	7.28	229,806	243,727	-	-
Derivatives		-	-	-	-
Non-Current Provisions	7.25	1,218	1,218	-	-
Other non current liabilities		-	13,000	-	13,000
<b>Total</b>		<b>233,236</b>	<b>259,696</b>	<b>55</b>	<b>13,045</b>
<b><u>Current liabilities</u></b>					
Trade and other payables	7.26	18,057	15,621	20	76
Tax liabilities	7.27	503	256	20	20
Short-term debt	7.28	25,637	41,529	-	-
Derivatives		-	1,342	-	-
Other current liabilities	7.29	15,014	13,975	149	183
<b>Total</b>		<b>59,211</b>	<b>72,723</b>	<b>189</b>	<b>279</b>
Liabilities related to Assets held for sale		-	-	-	-
<b>Total liabilities</b>		<b>292,447</b>	<b>332,419</b>	<b>244</b>	<b>13,324</b>
<b>Total equity and liabilities</b>		<b>694,036</b>	<b>708,647</b>	<b>509,197</b>	<b>545,325</b>

The accompanying notes are an integral part of these Annual Financial Statements.

**Statement of Changes in Equity**

For the Period 1/01-31/12/2016

**GROUP**

	Number of shares	Share capital	Share premium	Revaluation of financial instruments	Other reserves	Retained earnings	Total Equity
<b>Balance at 1/1/2016</b>	<b>191,660,320</b>	<b>57,498</b>	<b>290,256</b>	<b>-1,073</b>	<b>116,558</b>	<b>-87,011</b>	<b>376,228</b>
<b>Profit for the period</b>	-	-	-	-	-	<b>20,251</b>	<b>20,251</b>
<b>Other comprehensive income</b>							
<b>Cash flow hedges:</b>							
Current period gains/(losses)	-	-	-	3,882	-	-	3,882
Reclassification to profit or loss	-	-	-	1,245	-	-	1,245
Remeasurements of defined benefit pension plans	-	-	-	-	-	-17	-17
<b>Other comprehensive income after tax</b>	-	-	-	<b>5,127</b>	-	<b>20,234</b>	<b>25,361</b>
Transfer between reserves and retained earnings	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Capitalisation of share premium	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-
<b>Balance at 31/12/2016</b>	<b>191,660,320</b>	<b>57,498</b>	<b>290,256</b>	<b>4,054</b>	<b>116,558</b>	<b>-66,777</b>	<b>401,589</b>

**Statement of Changes in Equity**

For the Period 1/01-31/12/2015

**GROUP**

	Number of shares	Share capital	Share premium	Revaluation of financial instruments	Other reserves	Retained earnings	Total Equity
<b>Balance at 1/1/2015</b>	<b>191,660,320</b>	<b>57,498</b>	<b>290,256</b>	<b>-4,402</b>	<b>131,598</b>	<b>-135,133</b>	<b>339,817</b>
<b>Profit for the period</b>	-	-	-	-	-	<b>33,182</b>	<b>33,182</b>
<b>Other comprehensive income</b>							
<b>Cash flow hedges:</b>							
Gains/(losses) taken to equity	-	-	-	5,061	-	-	5,061
Reclassification to profit or loss	-	-	-	-1,732	-	-	-1,732
Remeasurements of defined benefit pension plans	-	-	-	-	-	-100	-100
<b>Total recognised income and expense for the period</b>	-	-	-	<b>3,329</b>	-	<b>33,082</b>	<b>36,411</b>
Share capital issue	-	-	-	-	-	-	-
Transfer between reserves and retained earnings	-	-	-	-	-15,040	15,040	-
Expenses related to share capital increase	-	-	-	-	-	-	-
<b>Balance at 31/12/2015</b>	<b>191,660,320</b>	<b>57,498</b>	<b>290,256</b>	<b>-1,073</b>	<b>116,558</b>	<b>-87,011</b>	<b>376,228</b>

**Statement of Changes in Equity**

For the Period 1/01-31/12/2016

**COMPANY**

	Number of shares	Share capital	Share premium	Revaluation reserves of tangible assets	Other reserves	Retained earnings	Total Equity
<b>Balance at 1/1/2016</b>	<b>191,660,320</b>	<b>57,498</b>	<b>290,256</b>	<b>143,820</b>	<b>29,040</b>	<b>11,387</b>	<b>532,001</b>
<b>Profit for the period</b>	-	-	-	-	-	<b>-1,102</b>	<b>-1,102</b>
<b>Other comprehensive income</b>							
<b>Cash flow hedges:</b>							
Current period gains/(losses)	-	-	-	-	-	-	-
Reclassification to profit or loss	-	-	-	-	-	-	-
Remeasurements of defined benefit pension plans	-	-	-	-	-	-	-
<b>Fair value's measurement</b>							
Transferred to profit or loss for the period	-	-	-	-	-	-	-
Related parties' measurement using the fair value method	-	-	-	-21,946	-	-	-21,946
<b>Other comprehensive income after tax</b>	-	-	-	<b>-21,946</b>	-	<b>-1,102</b>	<b>-23,048</b>
Capitalisation of losses	-	-	-	-	-	-	-
<b>Balance at 31/12/2016</b>	<b>191,660,320</b>	<b>57,498</b>	<b>290,256</b>	<b>121,874</b>	<b>29,040</b>	<b>10,285</b>	<b>508,953</b>

**Statement of Changes in Equity**

For the Period 1/01-31/12/2015

**COMPANY**

	Number of shares	Share capital	Share premium	Revaluation reserves of tangible assets	Other reserves	Retained earnings	Total Equity
<b>Balance at 1/1/2015</b>	<b>191,660,320</b>	<b>57,498</b>	<b>290,256</b>	<b>102,229</b>	<b>44,080</b>	<b>-5,006</b>	<b>489,057</b>
<b>Profit for the period</b>	-	-	-	-	-	<b>1,354</b>	<b>1,354</b>
<b>Other comprehensive income</b>							
<b>Cash flow hedges:</b>							
Current period gains/(losses)	-	-	-	-	-	-	-
Reclassification to profit or loss	-	-	-	-	-	-	-
Remeasurements of defined benefit pension plans	-	-	-	-	-	-1	-1
<b>Fair value's measurement</b>							
Related parties' measurement using the fair value method	-	-	-	41,591	-	-	41,591
<b>Other comprehensive income after tax</b>	-	-	-	<b>41,591</b>	-	<b>1,353</b>	<b>42,944</b>
Issue of share capital	-	-	-	-	-	-	-
Transfer between reserves and retained earnings	-	-	-	-	-15,040	15,040	-
<b>Balance at 31/12/2015</b>	<b>191,660,320</b>	<b>57,498</b>	<b>290,256</b>	<b>143,820</b>	<b>29,040</b>	<b>11,387</b>	<b>532,001</b>

**CASH FLOW STATEMENT**

For the period 1/1-31/12 2016 &amp; 2015

		GROUP		COMPANY	
	Notes	1/1-31/12/2016	1/1-31/12/2015	1/1-31/12/2016	1/1-31/12/2015
<b>Cash flow from Operating Activities</b>					
Profit/(loss) before taxes		20,956	33,399	-1,102	1,354
<b>Adjustments for:</b>					
Depreciation & amortization	7.12 & 7.13	23,808	23,931	10	23
Devaluation of investments		-	-	77	7
Impairment loss reversal		-2,051	-3,049	-	-
Deferred tax expense		-	-	-	-
Provisions		1,418	1,551	9	1
Foreign exchange differences	7.6	-40	191	-	-
Net (profit)/loss from investing activities		4,658	4,889	-9	-2,363
Interest and other financial expenses	7.7	22,565	21,160	3	3
<b>Plus or minus for working capital changes:</b>					
Decrease/(increase) in inventories		-660	599	-	-
Decrease/(increase) in receivables		-16,542	-1,854	704	175
(Decrease)/increase in payables (excluding banks)		2,100	-8,697	-90	-276
Less:					
Interest and other financial expenses paid		-10,113	-11,390	-3	-3
Taxes paid		-282	-67	-	-
<b>Total cash inflow/(outflow) from operating activities (a)</b>		<b>45,817</b>	<b>60,663</b>	<b>-401</b>	<b>-1,079</b>
<b>Cash flow from Investing Activities</b>					
Acquisition of subsidiaries, associated companies, joint ventures and other investments		-	-	-	-
Purchase of tangible and intangible assets	7.12 & 7.13	-4,057	-1,150	-5	-
Investments in associates		-45	-	-	-
Change in long-term receivables		-7,000	-	-	-
Share capital return from subsidiaries		-	-	22,553	2,538
Interest received		289	214	9	15
Dividends received		-	-	3,658	685
Increase in capital and additional paid-in capital of subsidiaries		-	-	-11,602	-5,238
<b>Total cash inflow/(outflow) from investing activities (b)</b>		<b>-10,813</b>	<b>-936</b>	<b>14,613</b>	<b>-2,000</b>
<b>Cash flow from Financing Activities</b>					
Proceeds from issue of share capital		-	-	-	-
Advances for SCI		-	-	-	-
Additional equity offering costs		-	-	-	-
Proceeds from borrowings		8,500	-	-	-
Return due to non-completed share capital increase to the parent company		-13,000	-	-13,000	-
Payments of borrowings	7.28	-49,945	-11,713	-	-
Payments of finance lease liabilities		-880	-348	-	-
Dividends paid		-	-	-	-
<b>Total cash inflow/(outflow) from financing activities (c)</b>		<b>-55,325</b>	<b>-12,061</b>	<b>-13,000</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)</b>		<b>-20,321</b>	<b>47,666</b>	<b>1,212</b>	<b>-3,079</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>71,555</b>	<b>23,937</b>	<b>13</b>	<b>3,092</b>
Exchange differences in cash and cash equivalents		-14	-48	-	-
<b>Cash and cash equivalents at end of period</b>		<b>51,220</b>	<b>71,555</b>	<b>1,225</b>	<b>13</b>

The method used for the preparation of the above Cash Flow Statement is the Indirect Method.  
Paragraph 7.21 presents the cash and cash equivalents' analysis.

The accompanying notes are an integral part of these Annual Financial Statements.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. General information**

ATTICA HOLDINGS S.A. ("ATTICA GROUP") is a Holding Company and as such does not have trading activities of its own. The Company, through its subsidiaries, mainly operates in passenger shipping and in travel agency services.

The headquarters of the Company are in Kallithea, Athens, Greece, 1-7 Lysikratous & Evripidou Street, 17674.

The number of employees, at period end, was 2 for the parent company and 1,058 for the Group, while at 31/12/2015 was 2 and 1,077 respectively.

Attica Holdings S.A. shares are listed in the Athens Stock Exchange under the ticker symbol ATTICA.

The corresponding ticker symbol for Bloomberg is ATTN GA and for Reuters is EPA.AT.

The total number of common registered voting shares outstanding as at 31 December 2016 was 191,660,320. The total market capitalization was Euro 169,428 thousand approximately.

The financial statements of Attica Holdings S.A. are included, directly, in the consolidated financial statements of MARFIN INVESTMENT GROUP HOLDINGS S.A. whose total participation in the Group (directly & indirectly) was 89.38%.

The financial statements of the Company and the Group for the fiscal year 2016 were approved by the Board of Directors on April 11<sup>th</sup>, 2017.

*Due to rounding there may be minor differences in some amounts.*

### **2. Significant Group accounting policies**

The accounting policies used by the Group for the preparation of the financial statements for the period 1/1 – 31/12/2016 are the same with those used for the preparation of the financial statements for the fiscal year 2015 except from the changes in IAS Standards and interpretations that are effective from 1<sup>st</sup> January 2016.

#### **2.1. Basis of preparation of financial statements**

The Group applies all International Accounting Standards (IAS), the International Financial Reporting Standards (IFRS) and the Interpretations which apply to its activities. The relevant accounting policies, a summary of which is presented below, have been applied consistently in all presented periods.

Cases which concern a greater point of judgement and complexity or cases where the accounting estimates and assumptions could materially affect the consolidated financial statements are provided in note 2.1.1.

In 2003 and 2004, the International Accounting Standards Board (IASB) established the "IFRS Stable Platform 2005" of new International Financial Reporting Standards (IFRS) and revised International Accounting Standards (IAS) in relation with non-revised International Accounting Standards (IAS) which have been established from International Accounting Committee. The "IFRS Stable Platform 2005" is applicable by the Group from 1 January 2005.

The Group has prepared the financial statements in compliance with the historical cost principle, the accrual basis principle, the consistency principle, the materiality principle and the accrual basis of accounting.



Furthermore, the consolidated financial statements have been prepared in compliance with the going concern principle.

Considering the existing economic conditions in Greece and based on the picture of the Group's liquidity as represented in the financial statements, the relevant risks, uncertainties and related reactions are presented in paragraph 3.1.4.

The recognition of sales and purchases is effected at the transaction date and not at the settlement date.

The expenses are recognized in the income statement based on the direct relation of the expense to the specific income that is recognized.

In preparing its financial statements for the period ending 31 December 2016, the Group has chosen to apply accounting policies which secure that the financial statements comply with all the requirements of each applicable Standard or Interpretation.

The Management of the Group considers that the financial statements present fairly the company's financial position, financial performance and cash flows. The General Meeting of Shareholders has the right to modify these financial statements.

#### 2.1.1. Major accounting judgements and main sources of uncertainty for accounting estimations

The Management must make judgements and estimates regarding the value of assets and liabilities which are uncertain. Estimates and associated assumptions are based mainly on past experience. Actual results may differ from these estimates. Estimates and associated assumptions are continually reviewed.

The accounting judgements that the Management has made in implementing the Company's accounting policies and which have the greatest impact on Company financial statements are:

On a yearly basis, Management examines whether it is an indication of impairment on the value of investments in subsidiaries, and if so, assesses the extent pursuant to the Company's accounting policy on this subject. The recoverable amount of the examined cash generating unit is determined on the basis of value in use and is based on estimates and underlying assumptions.

In addition, on an annual basis the Management examines, on the basis of assumptions and estimates the following items:

- useful lives and recoverable vessels' values
- the amount of provisions for staff retirement compensation, for disputes in litigation and for labour law disputes.

On the financial statements preparation date, the sources of uncertainty for the Company, which may have impact on the stated assets and liabilities values, concern:

- Unaudited years of the Company, insofar as it is possible that the future audits will result in additional taxes and charges being imposed that cannot be estimated at the time with reasonable accuracy.
- Estimates on the recoverability of contingent losses from pending court cases and doubtful debts.

The above estimates are based on the knowledge and the information available to the Management of the Group until the date of approval of the financial statements for the period ended December 31, 2016.

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## 2.2. Consolidation

### 2.2.1. Accounting Policy in accordance with the presentation of ANEK S.A. - SUPERFAST ENDEKA HELLAS INC & CO Joint Venture in the financial statements of the Group

IFRS 11 supersedes IAS 31 "Interests in Joint Ventures" and SIC 13 "Jointly Controlled Entities – Non-Monetary Contributions by Venturers". International Financial Reporting Standard 11 aligns the accounting for these investments, as well as the rights and obligations of joint ventures.

The Group interest in «Joint Venture ANEK S.A. & SUPERFAST ENDEKA HELLAS INC & Co» has been classified, under the provisions of IFRS 11 as a «joint operation». In compliance with this classification, the Group recognizes in its consolidated financial statements:

- a) its assets, including its share of any assets held jointly;
- b) its liabilities, including its share of any liabilities incurred jointly;
- c) its share of the revenue from the sale of the output by the joint operation; and
- d) its expenses, including its share of any expenses incurred jointly.

### 2.2.2. Basis of consolidation

The purchase method is used for the consolidation.

An acquisition is recognised at cost. The cost of an acquisition is measured as the fair value of the assets acquired, the equity instruments issued and the liabilities incurred or assumed at the date of the transaction, plus any cost directly attributable to the acquisition. Subsequently, investments in subsidiaries are measured using the fair value method.

### 2.2.3. Subsidiaries

Subsidiaries are the entities which are controlled by another Company. An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investments in subsidiaries are initially recognized at cost, while subsequently are measured using the fair value method.

### 2.2.4. Consolidated financial statements

The consolidated financial statements include the Company and its subsidiaries. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that the parent company ceases to control the subsidiary.

Intercompany transactions, balances and gains or losses on transactions between companies of the Group are eliminated unless the transaction relates to an asset which provides evidence of impairment.

The subsidiaries' accounting policies are consistent with the policies adopted by the Group.

Minority interests are presented separately from the shareholders' equity of the Group.

## 2.3. Investments

The investments are classified according to their scope as follows:

### a) Long-term investments

These investments are recognised at cost plus any cost directly attributable to the investment and are reported as non-current assets. The company, annually, shall assess whether there is any indication that an investment need to be impaired.

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If any such indication exists, impairment losses are recognised in the shareholders' equity.

b) Investments held for sale (short-term investments)

These investments are initially recorded at cost plus any cost attributable to the investment. Subsequently, these investments are re-measured at fair value and gains or losses are recorded under shareholders' equity until these are disposed of or considered impaired. When these are disposed of or considered impaired, gains or losses are recognised in the income statement.

2.4. Associates

Associates are companies on which the Group can exert significant influence but which do not fulfill the conditions to be classified as subsidiaries or joint ventures. Investments in associates are initially recognized at cost and are subsequently valued using the equity method. At the end of each period, the cost increases by the proportion of the investing company in the changes in net worth of the company it invests in and decreases by the dividends received from the associate.

The Group's share in the profits or losses of associated companies after the acquisition is recognized in the income statement, while the share of changes in reserves after the acquisition is recognized in the reserves. The cumulated changes affect the book value of the investments in associated companies. When the Group's share in the losses of an associate is greater than or equal to its participation in the associate, including any other doubtful debts, the Group does not recognize any further losses, unless it has covered liabilities or made payments on behalf of the associate or those that emerge from ownership.

Unrealized gains on transactions between the Group and its associates are eliminated according to the percentage of participations to the associates. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of associates are adjusted to be consistent with those used by the Group.

2.5. Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has rather than the legal structure of the joint arrangement. The Group recognises in relation to its interest in a joint operation:

- a) its assets, including its share of any assets held jointly;
- b) its liabilities, including its share of any liabilities incurred jointly;
- c) its share of the revenue from the sale of the output by the joint operation; and
- d) its expenses, including its share of any expenses incurred jointly.

2.6. Tangible assets

Tangible assets are stated at acquisition cost less accumulated depreciation and any impairment loss.

Acquisition cost includes expenses that are directly attributable to the acquisition of the assets.

Subsequent costs which are made in order to increase the expected vessels' revenue or extensive additions and improvements are considered as a separate asset and are depreciated over 5 years.

The vessels' adjustment cost with safety regulations and safe management are considered as a separate asset and are depreciated in accordance with the remaining life of the vessel.

All other expenses are charged to the income statement as they are considered as repairs and maintenance.

Land is not depreciated.

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Depreciation is calculated on a straight line basis over the estimated useful life of each asset.

The estimated useful lives are as follows:

1. Conventional vessels	30 years
2. Buildings	60 years
3. Harbor establishments	10 years
4. Motor Vehicles	5 years
5. Furniture and fixtures	5 years
6. Hardware equipment	3 years

The residual value of the vessels is estimated at 20% of the acquisition cost. For the other fixed assets no residual value is calculated.

The residual value and the useful life of fixed assets are reviewed annually.

Once the sale of a tangible asset is completed, the difference between the selling price and the net book value less any expenses related to the sale, is recognised as gain or loss in the income statement.

## 2.7. Intangible assets

The Group considers that the useful life of its intangible assets is not indefinite. The intangible assets of the Group are the following:

### a) Trademarks

Trademarks are recognised at cost less accumulated depreciation and any impairment loss.

The cost of trademarks includes expenses related to the development and registration of the trademarks in Greece and abroad.

The useful life of trademarks is 15 years and depreciation is calculated on a straight line basis.

### b) Computer software

Computer software programs are recognised at cost less accumulated depreciation and any impairment loss.

The initial cost includes, in addition to the licenses, all installation, customizing and development expenses.

Subsequent expenses which enhance or extend the performance of computer software programs beyond their original specifications are recognised as capital expenditure and are added to the original cost of the software.

Useful life of computer software is 8 years and depreciation is calculated on a straight line basis.

## 2.8. Impairment of assets/ Reversal of impairments

At each reporting date the assets are assessed as to whether there is any indication that an asset may be impaired.

If any such indication exists, the entity estimates the recoverable amount of the asset, namely the present value of the estimated future cash flows that are expected to flow into the entity by the use of the asset.

The recoverable amount of an asset or a cash generating unit is the higher of its fair value less associated costs of selling the asset and its value when used by the entity.

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Impairment losses are recognised in the income statement.

For Group's vessels, when such indications exist, they are assessed for impairment loss purposes. In such case their recoverable amount is determined as the higher of their fair value, estimated by independent valuers, less costs of disposal, and their value in used estimated through the expected discounted cash flows generated by the vessels. When for an impairment loss recognized in prior periods for an asset other than goodwill, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized, and those impairment loss indicators may no longer exist or may have been decreased, an impairment loss reversal occurs.

#### 2.9. Inventories

Inventories are stated at the lower value between cost and net realizable value. Net realizable value is the estimated selling price less applicable variable selling expenses. The cost of inventories is determined using the monthly weighted average market price.

#### 2.10. Trade receivables

Trade receivables are short-term receivables to be collected in less than 12 months from the date of recognition and are initially recognised at fair value.

Subsequently, if the collection is delayed, trade receivables are measured at amortized cost using the effective interest rate, less any impairment loss.

Impairment loss is established when there is objective evidence that the Group will not be able to collect all the amounts due.

The amount of the provision calculated when there is a delay in collection of a trade receivable, is the difference between the asset's carrying amount and the present value of estimated future cash flows.

The discounting of the above difference is calculated using the effective interest rate.

The amount of the provision is recognised in the income statement.

#### 2.11. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits in banks, other short-term highly liquid investments maturing within three months and bank overdrafts.

#### 2.12. Share capital

Share capital consists of common bearer or nominal shares and is included in shareholders' equity.

Costs directly attributable to the issuance of new shares are shown in equity as a deduction from the share premium, net of tax.

Costs directly attributable to the issuance of new shares for the acquisition of a new entity are recognised in the cost of the acquired entity.

#### 2.13. Dividends

Dividends payable are recognised as a liability when these are approved by the Shareholders' General Assembly.

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## 2.14. Revenue

The revenue of the Group is derived mainly from cargo, passengers and vehicles fares, from the chartering from on board sales of goods and services. The Group also has income from credit interest and dividends.

### 2.14.1. Revenue from passengers and vehicle fares

Revenue from fares is recognised when the customer travels. Government subsidies for subsidized routes are recognised in the relevant period and are included in "Revenue".

### 2.14.2. Revenue from on board sales

Revenue from sales of goods and services on board is recognised upon delivery of goods or services. Regarding the services provided by the Group through concessions, revenue is recognised when the invoice is issued for services relating to the period. All the above revenue is recognised when the collection of the related receivables is reasonably assured.

### 2.14.3. Interest income

Interest income is recognised on an accrual basis using the effective interest method.

### 2.14.4. Dividend income

Dividend income is recognised as revenue on the date the dividends are approved from the Shareholders' General Assembly of the entity which declares these.

### 2.14.5. Revenue from chartering

The revenue from the chartering of vessels are recognised based on the accrual principle, according to the relevant contracts.

## 2.15. Accounting for Government grants and disclosure of Government assistance

### 2.15.1. Government grants related to assets

Government grants that relate to assets are those that are provided to entities subject to the condition that the entity will purchase or construct long-term assets.

Government grants are recognised when it is certain that:

- a) The entity will comply with the conditions attached to these grants.
- b) The grants will be received.

Government grants related to assets are recognised as deferred income, on a systematic basis, during the useful life of a non-current asset.

### 2.15.2. Government grants related to income

Government grants related to income are recognised as income over the accounting periods, on a systematic basis, in order to match the relevant costs.

## 2.16. Operating Segment

The Group applies IFRS 8 "Operating Segments". The IFRS 8 requires the definition of operating segments to be based on the "management approach". In addition, financial information is required to be reported on the same basis as is used internally. The Board of Directors is the main decision maker of the Group's business decisions.

For the purposes of presentation of operating sectors should be noted that the Group operates in passenger shipping in different geographical areas.

The Group has decided to provide information based on the geographical segmentation of its operations.

The Group operates in the Greek Domestic Routes and in Adriatic Sea. The Group's vessels provide transportation services to passengers, private vehicles and freight.

The Group's sales are highly seasonal. The highest traffic for passengers and vehicles is observed during the months July, August and September while the lowest traffic for passengers and vehicles is observed between November and February. On the other hand, freight sales are not affected significantly by seasonality.

## 2.17. Expenses

### 2.17.1. Financial expenses

#### 2.17.2. Borrowing costs

Borrowing costs are interest and other costs incurred by an entity in connection with the borrowing of funds.

Borrowing costs include:

- a) Interest on short-term and long-term borrowings, interest on bank overdrafts and the costs that may arise from the present value of these obligations.
- b) Amortisation of ancillary costs incurred in connection with the arrangement of borrowings.
- c) Finance charges in respect of finance leases recognised in accordance with IAS 17 "Leases".
- d) Exchange differences arising from foreign currency borrowings to the extent that these are regarded as an additional cost to interest costs.

##### 2.17.2.1. Convertible bond cost

Convertible bond cost consist the additional cost that may arise, in a consolidated level, from the measurement at fair value of the convertible bond as mentioned in paragraph 2.20.

### 2.17.3. Employee benefits

#### 2.17.3.1. Short-term benefits

Short-term employee benefits (except post-employment benefits) monetary and in kind are recognized as an expense when they accrue. Any unpaid amount is booked as a liability, while in the case where the amount paid exceeds the amount of services rendered, the company recognizes the excess amount as an asset (prepaid expense) only to the extent that the prepayment will lead to a reduction of future payments or to reimbursement.

#### 2.17.3.2. Post-employment benefits

Post-employment benefits include pensions or other benefits (insurances and medical care) which the company offers after the termination of employment to the employees as acknowledgement of their services.



Thus, they include both defined contribution schemes as well as defined benefits schemes. The accrued cost of the defined contributions scheme is registered as an expense in the relative period. Post-employment benefits are partly funded through payments to insurance companies or state social insurance institutions.

- Defined contribution scheme

Defined benefits plans are relating to contributions to Insurance Carriers (eg Social Security), so the Group doesn't have any legal obligation in the event that the State Fund is unable to pay a pension to the insured. The employer's obligation is limited to the payment of employer contributions to the insurance companies or state social insurance institutions. The payable contribution from the company to a defined contribution scheme, is recognized either as liability, after deduction of the paid contribution, or as an expense.

- Defined benefits scheme

According to L.2112/20 and 4093/2012 the company is obliged to compensate it's employees in case of retirement or dismissal. The amount of the compensation paid depends on the years of service, the level of wages and the removal from service (dismissal or retirement). The entitlement to participate in these programs is usually based on years of service of the employee until retirement.

The liability that is reported in the balance sheet with respect to this scheme is the present value of the liability for the defined benefit depending on the accrued right of the employee and the period to be rendered. The commitment of the defined benefit is calculated annually by an independent actuary with the use of the projected unit credit method. For the fiscal year 2016 as a discount rate is used the yield of iBoxx AA Corporate Overall 10 + EUR indices , which is considered consistent with the principles of IAS 19 since is based on bonds corresponding to the currency and term estimation in relation to employee benefits and appropriate for long-term forecasts.

The obligations for benefits payable of an employee benefit scheme are based on various parameters , such as age , years of service and salary. The provisions for the period are included in personnel cost (consolidated and company's financial statements) and consist of current and past service cost , the relative financial cost , actuarial gains or losses and any possible additional charges . Regarding unrecognized actuarial gains or losses the revised IAS 19R is followed, which includes a number of changes in accounting for defined benefit plans, including :

- The recognition of actuarial gains / losses in other comprehensive income and permanent exclusion from the year's income statement,
- The expected returns on investment of the program of each period is not recognized according to the expected returns but it is recognized the interest on net liability / (asset) according to the discount rate used to measure the defined benefit obligation,
- Other changes include new disclosures as quantitative sensitivity analysis.

## 2.17.4. Leases

### 2.17.4.1. Finance leases

Finance leases are recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, to the present value of the minimum lease payments.

The depreciation method used for leased assets, when at the end of the leasing period the ownership remains to the Company, is similar to the method used for the other assets of the Company. Depreciation is calculated in accordance with IAS 16 "Property, plant and equipment" and IAS 38 "Intangible assets". Therefore, paragraphs 2.6. "Tangible assets", 2.7. "Intangible assets" and 2.8. "Impairment of assets" refer. When at the end of the leasing period the ownership does not remain to the Company, the depreciation is calculated by using the shorter period between the duration of the lease and the useful life of the asset.



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#### 2.17.4.2. Operating leases

The lease payments for an operating lease are recognised as an expense and are charged to the income statement. In case that according to the leasing contract, at the end of the lease period repairs are required on damages occurred out of usual wear and tear of the leased asset then these expenses are recognised in the income statement of the year when the lease contract is terminated.

#### 2.17.5. Provisions, contingent liabilities and contingent assets

Provisions are recognised when:

- a) The Group has a present obligation, legal or construed, as result of a past event.
- b) It is probable that an outflow of resources embodying economic benefits will be required to settle an obligation.
- c) A reliable estimation of the obligation can be made.

Provisions should be reviewed at each balance sheet date.

Contingent liabilities or contingent assets are not recognised in the financial statements, but they are disclosed in the notes to the financial statements, when the possibility of an outflow or inflow of economic benefit is remote.

#### 2.17.6. Allocation of revenue and expenses

##### 2.17.6.1. Allocation of joint revenue and expenses

The consolidated Joint Ventures and management companies of the Group, transfer all revenue and expenses related to specific companies to these shipowning companies. When revenue or expenses are incurred which are not related to specific shipowning companies, these expenses are allocated to the shipowning companies based on gross registered tonnage of each vessel.

##### 2.17.6.2. Allocation of expenses on a monthly basis

The Group recognises insurance expenses and annual survey (dry docking) expenses in the income statement on a monthly basis because the above expenses are incurred once every year but relate to a complete fiscal year of operation in order to make the proper distribution of these expenses.

#### 2.18. Current and deferred income taxes

For a better understanding of the way in which the Group's income is taxed, the profits are classified based on their origin.

##### 2.18.1. Income tax on profit from shipping activities

According to Law 27/1975, article 6, the shipowning companies whose vessels are carrying the Greek flag pay taxes based on the gross tonnage of the vessels, regardless of profits or losses. This tax is in effect an income tax which is readjusted according to the above law.

The payment of the above tax covers all obligations which are related to income tax with regard to shipping activities.

In this case, a permanent difference exists between taxable and accounting results, which will not be taken into consideration for the calculation of deferred taxation.

##### 2.18.2. Income tax on profit from non-shipping activities

In that case, the total revenue is being calculated only by non-shipping activities. Expenses that are not related with vessels expenses are allocated based on the gross tonnage of each vessel.

The profit arising from the above calculation and refers to the non-shipping activities is taxable under the general provisions.

#### 2.19. The effect of changes in foreign exchange rates

The functional currency of the Group is Euro.

Transactions in foreign currencies are translated into Euro at the exchange rate applying at the date of the transaction.

At each balance sheet date:

a) Monetary items are translated using the closing rate of that date.

Exchange differences arising in the above case are recognised in profit or loss in the period in which they arise.

b) Non-monetary items in foreign currency that are measured using historical cost are translated by using the exchange rate at the date of transaction. These items at each balance sheet date are translated into home currency by using the closing rate of that date.

Exchange differences arising on the settlement of non-monetary items are recognised directly in shareholders' equity.

#### 2.20. Financial instruments

The basic financial instruments of the Group are:

a) Cash, bank deposits, short-term receivables and payables.

Given the short-term nature of these instruments, the Group's Management considers that their fair value is essentially identical to the value at which these are recorded in the accounting books of the Group.

b) Bank loans

Loans are initially recognised at cost which is the fair value of the actual amount received including any related expenses. Subsequently these are valued at the carrying amount as it is calculated by the application of the effective interest rate method.

The subsidiary Blue Star Ferries S.A. («BSF») has issued a Fungible Bond Loan («BSAO»). At the same time, Attica S.A. («Attica») has issued a Convertible Bond Loan («ATTMO»), which, following its initial coverage, was bought-back in its entirety by Attica versus a consideration equal to the total nominal value of the bonds, to facilitate that these bonds convertible into new ordinary shares of Attica, are available for exchange with BSAO bonds. The conversion rate falls within the ratio "earnings before interest, taxes, depreciation and amortization (EBITDA)" for the last eight quarters of Attica Group.

In the financial statements of BSF, the BSAO is recorded as a financial liability. The aforementioned financial liability is measured under IAS 39, at amortised cost using the effective interest method. At the Group level, BSAO and ATTMO operate in a complementary manner, since bondholders can either select to hold the bonds and receive cash from the Group (through BSF) at maturity, or convert them (through exchanging BSAO with ATTMO) into shares of Attica.

This financial instrument, in its entirety, is a compound financial instrument, in particular, a convertible loan, which, given that it does not meet the «fixed for fixed» criterion under IAS 32, in its entirety (the loan component and the embedded derivative in the form of the conversion option) is a financial liability is measured at fair value through profit or loss.

## c) Hedging financial instruments

When Group uses hedging financial instruments, the fair value of each instrument is measured at the end of each period. For each instrument there is an estimation about the hedging relationship. If it is fair value hedge or cash flow hedges. For the fair value hedge the measurement of each hedging instrument in each period is recognized in the income statement. For cash flow hedges, when considered effective, the measurement of hedging instrument in each period is recognized in equity and transferred to the income statement where the relevant financial instrument is settled.

### 2.21. Earnings per share

Basic earnings per share are calculated by dividing the profit or loss for the period, attributable to ordinary equity shareholders, adjusted for the payment of dividends to preferred shares, by the weighted average number of ordinary shares outstanding during the period.

For the purpose of calculating basic earnings per share for the consolidated financial statements the numerator includes profit or loss attributable to equity shareholders of the parent company and the denominator includes the weighted average number of ordinary shares outstanding during the period.

For the purpose of calculating diluted earnings per share is taken into consideration the number of securities which potentially could be issued while the net profit / (loss) for the period is properly adjusted in order to include the effect of the issuance of those potential securities on the results.

### 2.22. Changes in Accounting Principles

#### 2.22.1. New Standards, Interpretations, Revisions and Amendments to existing Standards that are effective and have been adopted by the European Union

The following amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), adopted by the European Union, and their application is mandatory from or after 01/01/2016.

- **Amendments to IAS 19: “Defined Benefit Plans: Employee Contributions” (effective for annual periods starting on or after 01/02/2015)**

In November 2013, the IASB published narrow scope amendments to IAS 19 “Employee Benefits” entitled Defined Benefit Plans: Employee Contributions. The narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The amendments do not affect the consolidated / separate Financial Statements.

- **Annual Improvements to IFRSs – 2010-2012 Cycle (effective for annual periods starting on or after 01/02/2015)**

In December 2013, the IASB issued Annual Improvements to IFRSs - 2010-2012 Cycle, a collection of amendments to IFRSs, in response to seven issues addressed during the 2010-2012 cycle. The amendments are effective for annual periods beginning on or after 1 July 2014, although entities are permitted to apply them earlier. The issues included in this cycle are the following: IFRS 2: Definition of 'vesting condition', IFRS 3: Accounting for contingent consideration in a business combination, IFRS 8: Aggregation of operating segments, IFRS 8: Reconciliation of the total of the reportable segments' assets to the entity's assets, IFRS 13: Short-term receivables and payables, IAS 16 / IAS 38: Revaluation method—proportionate restatement of accumulated depreciation and IAS 24: Key management personnel services. The amendments do not affect the consolidated / separate Financial Statements.

- **Amendments to IFRS 11: “Accounting for Acquisitions of Interests in Joint Operations” (effective for annual periods starting on or after 01/01/2016)**

In May 2014, the IASB issued amendments to IFRS 11. The amendments add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business and specify the appropriate accounting treatment for such acquisitions. The amendments do not affect the consolidated / separate Financial Statements.

- **Amendments to IAS 16 and IAS 38: “Clarification of Acceptable Methods of Depreciation and Amortisation” (effective for annual periods starting on or after 01/01/2016)**

In May 2014, the IASB published amendments to IAS 16 and IAS 38. IAS 16 and IAS 38 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendments do not affect the consolidated / separate Financial Statements.

- **Amendments to IAS 27: “Equity Method in Separate Financial Statements” (effective for annual periods starting on or after 01/01/2016)**

In August 2014, the IASB published narrow scope amendments to IAS 27. Under the amendments, entities are permitted to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate Financial Statements – an option that was not effective prior to the issuance of the current amendments. The amendments do not affect the consolidated / separate Financial Statements.

- **Annual Improvements to IFRSs – 2012-2014 Cycle (effective for annual periods starting on or after 01/01/2016)**

In September 2014, the IASB issued Annual Improvements to IFRSs - 2012-2014 Cycle, a collection of amendments to IFRSs, in response to four issues addressed during the 2012-2014 cycle. The amendments are effective for annual periods beginning on or after 1 January 2016, although entities are permitted to apply them earlier. The issues included in this cycle are the following: IFRS 5: Changes in methods of disposal, IFRS 7: Servicing Contracts and Applicability of the amendments to IFRS 7 to condensed interim financial statements, IAS 19: Discount rate: regional market issue, and IAS 34: Disclosure of information “elsewhere in the interim financial report”. The amendments do not affect the consolidated / separate Financial Statements.

- **Amendments to IAS 1: “Disclosure Initiative” (effective for annual periods starting on or after 01/01/2016)**

In December 2014, the IASB issued amendments to IAS 1. The aforementioned amendments address settling the issues pertaining to the effective presentation and disclosure requirements as well as the potential of entities to exercise judgment under the preparation of financial statements. The amendments do not affect the consolidated / separate Financial Statements.

- **Amendments to IFRS 10, IFRS 12 and IAS 28: “Investment Entities: Applying the Consolidation Exception” (effective for annual periods starting on or after 01/01/2016)**

In December 2014, the IASB published narrow scope amendments to IFRS 10, IFRS 11 and IAS 28. The aforementioned amendments introduce explanation regarding accounting requirements for investment entities, while providing exemptions in particular cases, which decrease the costs related to the implementation of the Standards. The amendments do not affect the consolidated / separate Financial Statements.

#### 2.22.2. New Standards, interpretations and amendments to existing standards which have not taken effect yet or have not been adopted by the European Union

The following new Standards and amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), but their application has not started yet or they have not been adopted by the European Union.

- **IFRS 14 “Regulatory Deferral Accounts” (effective for annual periods starting on or after 01/01/2016)**

In January 2014, the IASB issued a new Standard, IFRS 14. The aim of this interim Standard is to enhance the comparability of financial reporting by entities that are engaged in rate-regulated activities. Many countries have industry sectors that are subject to rate regulation, whereby governments regulate the supply and pricing of particular types of activity by private entities. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union, until the issuance of the final Standard.

- **IFRS 15 “Revenue from Contracts with Customers” (effective for annual periods starting on or after 01/01/2018)**

In May 2014, the IASB issued a new Standard, IFRS 15. The Standard fully converges with the requirements for the recognition of revenue in both IFRS and US GAAP. The key principles on which the Standard is based are consistent with much of current practice. The new Standard is expected to improve financial reporting by providing a more robust framework for addressing issues as they arise, increasing comparability across industries and capital markets, providing enhanced disclosures and clarifying accounting for contract costs. The new Standard will supersede IAS 11 “Construction Contracts”, IAS 18 “Revenue” and several revenue related Interpretations. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2018.

- **IFRS 9 “Financial Instruments” (effective for annual periods starting on or after 01/01/2018)**

In July 2014, the IASB issued the final version of IFRS 9. The package of improvements introduced by the final version of the Standard includes a logical model for classification and measurement, a single, forward-looking “expected loss” impairment model and a substantially-reformed approach to hedge accounting. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2018.

- **Amendments to IFRS 10 and IAS 28: “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture” (the IASB postponed the effective date of this amendment indefinitely)**

In September 2014, the IASB published narrow scope amendments to IFRS 10 and IAS 28. The objective of the aforementioned amendments is to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. In December 2015, the IASB postponed the effective date of these amendments indefinitely pending the outcome of its research project on the equity method of accounting. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **IFRS 16 “Leases” (effective for annual periods starting on or after 01/01/2019)**

In January 2016, the IASB issued a new Standard, IFRS 16. The objective of the project was to develop a new Leases Standard that sets out the principles that both parties to a contract, i.e. the customer (‘lessee’) and the supplier (‘lessor’), apply to provide relevant information about leases in a manner that faithfully represents those transactions. To meet this objective, a lessee is required to recognise assets and liabilities arising from a lease. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

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- **Amendments to IAS 12: “Recognition of Deferred Tax Assets for Unrealized Losses” (effective for annual periods starting on or after 01/01/2017)**

In January 2016, the IASB published narrow scope amendments to IAS 12. The objective of the amendments is to clarify the accounting for deferred tax assets for unrealized losses on debt instruments measured at fair value. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **Amendments to IAS 7: “Disclosure Initiative” (effective for annual periods starting on or after 01/01/2017)**

In January 2016, the IASB published narrow scope amendments to IAS 7. The objective of the amendments is to enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments will require entities to provide disclosures that enable investors to evaluate changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **Clarification to IFRS 15 “Revenue from Contracts with Customers” (effective for annual periods starting on or after 01/01/2018)**

In April 2016, the IASB published clarifications to IFRS 15. The amendments to IFRS 15 do not change the underlying principles of the Standard, but clarify how those principles should be applied.

The amendments clarify how to identify a performance obligation in a contract, how to determine whether a company is a principal or an agent and how to determine whether the revenue from granting a license should be recognized at a point in time or over time. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **Amendment to IFRS 2: “Classification and Measurement of Share-based Payment Transactions” (effective for annual periods starting on or after 01/01/2018)**

In June 2016, the IASB published narrow scope amendment to IFRS 2. The objective of this amendment is to clarify how to account for certain types of share-based payment transactions. More specifically, the amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, for share-based payment transactions with a net settlement feature for withholding tax obligation, as well as, a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **Amendments to IFRS 4: “Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts” (effective for annual periods starting on or after 01/01/2018)**

In September 2016, the IASB published amendments to IFRS 4. The objective of the amendments is to address the temporary accounting consequences of the different effective dates of IFRS 9 Financial Instruments and the forthcoming insurance contracts Standard. The amendments to existing requirements of IFRS 4 permit entities whose predominant activities are connected with insurance to defer the application of IFRS 9 until 2021 (the “temporary exemption”) and also permit all issuers of insurance contracts to recognize in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts Standard is issued (the “overlay approach”).



The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **Annual Improvements to IFRSs – 2014-2016 Cycle (effective for annual periods starting on or after 01/01/2017 and 01/01/2018)**

In December 2016, the IASB issued Annual Improvements to IFRSs – 2014-2016 Cycle, a collection of amendments to IFRSs, in response to several issues addressed during the 2014-2016 cycle. The issues included in this cycle are the following: IFRS 12: Clarification of the scope of the Standard, IFRS 1: Deletion of short-term exemptions for first-time adopters, IAS 28: Measuring an associate or joint venture at fair value. The amendments are effective for annual periods beginning on or after 1 January 2017 for IFRS 12, and 1 January 2018 for IFRS 1 and IAS 28. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **IFRIC 22 “Foreign Currency Transactions and Advance Consideration” (effective for annual periods starting on or after 01/01/2018)**

In December 2016, the IASB issued a new Interpretation, IFRIC 22. IFRIC 22 provides requirements about which exchange rate to use in reporting foreign currency transactions (such as revenue transactions) when payment is made or received in advance. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **Amendments to IAS 40: “Transfers of Investment Property” (effective for annual periods starting on or after 01/01/2018)**

In December 2016, the IASB published narrow-scope amendments to IAS 40. The objective of the amendments is to reinforce the principle for transfers into, or out of, investment property in IAS 40, to specify that (a) a transfer into, or out of investment property should be made only when there has been a change in use of the property, and (b) such a change in use would involve the assessment of whether the property qualifies as an investment property. That change in use should be supported by evidence. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

### **3. Financial risk management**

#### **3.1. Financial risk factors**

The Group is exposed to a series of financial risks, including market risk (unexpected volatility of exchange rates and interest rates) and credit risk. Consequently, the Group uses a risk management program which seeks to minimize potential adverse effects.

Risk management relates to identifying, evaluating and hedging financial risks. The Group's policy is not to undertake any transactions of a speculative nature.

The Group's financial instruments consist mainly of deposits with banks, receivables and payables, loans, repos, finance leases and derivatives.

##### **3.1.1. Foreign currency risk**

The functional currency of the Group is EURO.

**ASSETS AND LIABILITIES IN FOREIGN CURRENCY  
GROUP**

	<u>31/12/2016</u>	<u>31/12/2015</u>
	<u>USD</u>	<u>USD</u>
<b>Notional amounts</b>		
Financial assets	394	415
Financial liabilities	-	-
<b>Short-term exposure</b>	<b>394</b>	<b>415</b>
Financial assets	-	-
Financial liabilities	-	-
<b>Long-term exposure</b>	<b>-</b>	<b>-</b>

The table below presents the sensitivity of the period's result and owner's equity to a reasonable change in the interest rate equal to +/-10% in relation to the financial assets, financial liabilities and the transactional currency EURO/USD.

<b>GROUP</b>	Sensitivity factor		Sensitivity factor	
	10%	-10%	10%	-10%
	<u>31/12/2016</u>	<u>31/12/2015</u>	<u>31/12/2016</u>	<u>31/12/2015</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
Profit for the fiscal year (before taxes)	37	-37	38	-38
Net position	37	-37	38	-38

Moreover, the Group is affected by the exchange rates to the extent that the fuel oil purchased for the operation of the vessels are traded internationally in U.S. Dollars.

The Group invested in AML which local currency is Moroccan Dirham. This investment is influenced by the respective currency fluctuation.

### 3.1.2. Credit risk

The Group has established credit control procedures in order to minimize credit risk.

Concerning the credit risk arising from other financial assets, the Group's exposure to credit risk, arises from default of the counterparty, with a maximum exposure equal to the carrying amount of the financial assets.

The Group has defined credit limits and specific credit policies for all of its customers.

Furthermore, the Group has obtained bank guarantees from major customers, in order to secure its trade receivables.

The exposure of the Group as regards credit risk is restricted to the financial assets analyzed as follows at the balance sheet date:

	<b>GROUP</b>		<b>COMPANY</b>	
	<u>31/12/2016</u>	<u>31/12/2015</u>	<u>31/12/2016</u>	<u>31/12/2015</u>
Derivatives	5,877	-	-	-
Cash and cash equivalents	51,220	71,555	1,225	13
Trade and other receivables	41,862	41,990	59	467
<b>Total</b>	<b>98,959</b>	<b>113,545</b>	<b>1,284</b>	<b>480</b>

As for trade and other receivables, the Group is not exposed to any significant credit risks.



The table below presents the receivables which are considered to be in delay but have not been impaired.

	<u>31/12/2016</u>	<u>31/12/2015</u>
< 90days	-	-
91 - 180 days	-	-
181 - 360 days	2,603	2,582
> 360 days	-	-
<b>Total</b>	<u><b>2,603</b></u>	<u><b>2,582</b></u>

### 3.1.3. Liquidity risk

Prudent liquidity risk management implies sufficient cash and availability of necessary available funding sources.

The Group is managing its liquidity requirements on a daily basis through a systematic monitoring of its short and long term financial liabilities and of the payments that are made on a daily basis.

Furthermore, the Group constantly monitors the maturity of its receivables and payables, in order to maintain a balanced liquidity management (see note 3.1.4. "Additional risks arising from the enforcement of capital controls in Greece").

The maturity of the financial liabilities as of 31/12/2016 and 31/12/2015 of the Group and the Company is analyzed as follows:

	<b>GROUP</b>			
	<b>31/12/2016</b>			
	<b>Short-term</b>		<b>Long-term</b>	
	<b>Within 6 months</b>	<b>6 to 12 months</b>	<b>1 to 5 years</b>	<b>more than 5 years</b>
Long-term borrowing	14,759	9,798	182,189	44,403
Liabilities relating to operating lease agreements	525	555	3,214	-
Trade payables	18,057	-	-	-
Other short-term / long-term liabilities	15,517	-	-	-
Short-term borrowing	-	-	-	-
Derivative financial instruments	-	-	-	-
<b>Total</b>	<u><b>48,858</b></u>	<u><b>10,353</b></u>	<u><b>185,403</b></u>	<u><b>44,403</b></u>
	<b>31/12/2015</b>			
	<b>Short-term</b>		<b>Long-term</b>	
	<b>Within 6 months</b>	<b>6 to 12 months</b>	<b>1 to 5 years</b>	<b>more than 5 years</b>
Long-term borrowing	33,907	6,742	187,579	51,854
Liabilities relating to operating lease agreements	366	514	4,294	-
Trade payables	15,621	-	-	-
Other short-term liabilities	14,231	-	13,000	-
Short-term borrowing	-	-	-	-
Derivative financial instruments	1,342	-	-	-
<b>Total</b>	<u><b>65,467</b></u>	<u><b>7,256</b></u>	<u><b>204,873</b></u>	<u><b>51,854</b></u>

<b>COMPANY</b>				
<b>31/12/2016</b>				
	<b>Short-term</b>		<b>Long-term</b>	
	<b>Within 6 months</b>	<b>6 to 12 months</b>	<b>1 to 5 years</b>	<b>more than 5 years</b>
Trade payables	20	-	-	-
Other short-term liabilities	169	-	-	-
Liabilities relating to advances for SCI	-	-	-	-
<b>Total</b>	<b>189</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>31/12/2015</b>				
	<b>Short-term</b>		<b>Long-term</b>	
	<b>Within 6 months</b>	<b>6 to 12 months</b>	<b>1 to 5 years</b>	<b>more than 5 years</b>
Trade payables	76	-	-	-
Other short-term liabilities	203	-	-	-
Liabilities relating to advances for SCI	-	-	13,000	-
<b>Total</b>	<b>279</b>	<b>-</b>	<b>13,000</b>	<b>-</b>

The total borrowings of the Group on 31/12/2016 amounted to Euro 255,443 thousand.

#### 3.1.4. Additional risks arising from the enforcement of capital controls in Greece

The Legislative Act dated 28.06.2015 declared a bank holiday in Greece while capital controls were imposed. Banks resumed their operations on 20.07.2015 while capital controls still remain in force. On 14.8.2015 the Greek Parliament approved the European Stability Mechanism (ESM) programme for Greece and respective implementation framework. The Financial Assistance Facility Agreement between the Greek Republic and the ESM was signed on 19.8.2015.

Capital controls in Greece may impact the following risks:

##### Market Risk

Due to capital controls, the traffic volumes of the Group may be affected, both in freight units and passengers, however, until now, the Group's total traffic volumes have not been notably affected. Furthermore, capital controls may lead to reduction of imports and exports in our country, which in turn will affect the traffic volumes in Adriatic Sea routes.

##### Suppliers / Goods and Services from abroad

Capital controls may create delays in payment of suppliers and servicing of obligations abroad. Delays experienced so far, are attributed to the time-consuming procedures adopted by the Greek banking system, however such delays have not been substantial up to the date of the Report.

##### Credit Risk

Due to capital controls certain counterparties may not be able to fulfill their obligations. Until the signature date of the Report, the Group has not experienced cases of default by customers, beyond the usual trading pattern.

The Group's Management continually evaluates the developments and take initiatives in order to protect the Group and minimize any impacts that may arise in the economic situation.

#### 3.1.5. Interest rate risk

The Group was exposed to variations of market as regards bank loans, which are subject to variable interest rate (see note 7.28).

The table below presents the sensitivity of the period's result and owner's equity to a reasonable change in the interest rate equal to +1% or -1%. It is estimated that changes in interest rates are within a reasonable range in relation to the recent market circumstances.

**Sensitivity analysis**

	Sensitivity factor		Sensitivity factor	
	1%	-1%	1%	-1%
	<b>31/12/2016</b>		<b>31/12/2015</b>	
Profit for the financial year (before taxes)	-2,554	2,554	-2,853	2,853
Net position	-2,554	2,554	-2,853	2,853

**3.1.6. Capital structure management**

The Group's objective when managing its capital structure is to ensure the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other parties related to the Group and maintain an optimal capital structure to reduce the cost of capital.

To maintain or adjust the proper capital management, the Group may adjust its dividend policy, issue new shares or sell assets. No changes were made in the objectives, policies or processes during the years ending 31 December 2016 and 31 December 2015.

The Group monitors capital using a gearing ratio. The ratio is calculated as net debt divided by total capital employed.

Net debt is calculated as "Total borrowings" (including "current and non-current borrowings" as shown in the balance sheet) less "Cash and cash equivalents" less "Available for sale financial assets". Total capital employed is calculated as "Equity" as shown in the balance sheet plus net debt.

The Group's objective is the improvement of capital structure through the right management of its resources.

The gearing ratios at 31 December 2016 and 2015 were as follows:

	31/12/2016	31/12/2015
Total Borrowings	255,443	285,256
Less: Cash and Cash Equivalents	51,220	71,555
Available for sale financial assets	-	-
<b>Net debt</b>	<b>204,223</b>	<b>213,701</b>
Equity	401,589	376,228
<b>Total capital employed</b>	<b>605,812</b>	<b>589,929</b>
Gearing ratio	34%	36%

**3.1.7. Fuel oil prices fluctuation risk**

The Group, as all the shipping companies, are affected significantly by the volatility of fuel oil prices. Must be noted that the cost of fuel oil and lubricants is the most significant operating cost and represents the 35% of Attica Group's operating expenses for the fiscal year 2016.

The table below presents the sensitivity of the period's result and owner's equity to a change in fuel oil prices equal to 10% in a full year basis.

Increase/ (Decrease) in fuel oil prices	Effect on profit before taxes	Effect on equity
+/- 10%	-/+ 6,300	-/+ 6,300

The Group has hedged against fuel oil price fluctuations.

### 3.1.8. Competition

The Group is operating on routes that are characterized by intense competition.

The table below contains the routes with intense competition where the Group was active as well as the most significant competitors.

ROUTE	COMPETITORS
Adriatic Sea	Grimaldi / Minoan Lines
Piraeus - Cyclades	Hellenic Seaways / Anek Lines / Aegean Speed Lines / Sea Jets
Piraeus - Dodecanese	Anek Lines
Piraeus - Mytilene	Hellenic Seaways
Piraeus - Crete	Minoan Lines

### 3.2. Determination of fair values

The fair value of financial instruments which are negotiable in active markets is calculated by using the closing price published in each market at the balance sheet date.

The asking price is used for the determination of the fair value of the financial assets and the bid price is used for the financial liabilities.

Nominal value of trade receivables, after related provisions, is approaching their fair value.

### 4. Fair value of financial instruments

The Group uses the following hierarchy in order to define and disclose the fair value of financial instruments per valuation technique:

Level 1: Assets / liabilities are measured at fair value according to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Assets / liabilities are measured at fair value according to evaluation models in which elements affecting significantly the evaluation are based (directly or indirectly) to observable market values.

Level 3: Assets / liabilities are measured at fair value according to evaluation models in which elements affecting significantly the evaluation are not based to observable market values.

#### 4.1. Financial derivatives

Derivative financial instruments are valued using valuation models based on observable market data.

#### 4.2. Investments carried at fair value

Under IAS 27 «Separate Financial Statements» measures its investments holdings in accordance with the requirements of IAS 39 "Financial Instruments: Recognition and Measurement" at fair value. At the end of each reporting period of the financial statements, the Company carries out the calculations required in relation to the fair value of its investments. The investments in respect of its interests (unlisted shares) are valued based on generally accepted valuation models which include data based on both - unobservable factors, and market observable inputs.

The assessment performed to determine the fair value of financial instruments not traded in active markets, focuses both on exogenous and endogenous factors. Consequently, at the end of each reporting period, the Company:

- a) Identifies and assesses the state of the Greek economy.

b) Collects, analyzes and monitors the accounting information on efficiency, using as benchmarks the development of the Company's financial sizes at the end of each reporting period.

The analysis of these data provides information regarding the level of meeting or not meeting the business objectives and indicates the tendencies regarding the results and the financial performance of the companies at the end of the annual reporting period.

c) Reviews the business conditions and available information and estimates regarding the future development of financial sizes and tendencies.

According to its standard practice, at each interim reporting date of the financial statements, the Company reexamines the business plans assumptions, based on the business plan prepared at the end of the previous annual reporting period, in relation to subsequent financial periods in five-year time.

In case the financial performance of each company during the interim period under examination does not present substantial deviations from the budget of the respective period and, given with the Management's estimates regarding the future development of these financials, redefinition of the original business plan is not considered necessary and the relative calculations for determining fair value are limited to sensitivity analysis on the changes in the weighted average cost of capital.

Main assumptions for the determination of investments at fair value are the assessment of expected cash flows as described above and the weighted average cost of capital (WACC) which is calculated by weighting cost of capital, cost of long-term debt and any grants.

The basic parameters determining the weighted cost of capital (WACC) are:

- The risk-free market interest rate (risk-free return),
- In specific country risk (country risk premium),
- Equity risk premium.

Accordingly, for the years 2015 - 2019 the WACC was determined at 11.43%, while for the years 2019 onwards at 8.17%.

The value calculated as above, is weighted together with the value estimated on the basis of adjusted (for taking into account vessels' market value) net assets value of each subsidiary.

#### 4.3. Other financial assets and liabilities carried at fair value

On 31.12.2016 the Group has issued a convertible bond loan which in its entirety (and the element of the loan and the embedded derivative in the form of the conversion right) is a financial liability which is measured at fair value through profit or loss (see. n. 2.19)

At Company's level, the following table presents financial assets and liabilities carried at fair value as at 31/12/2016:

Measurement of financial instruments at fair value	GROUP			
	Measurement at fair value as at			
	31/12/2016			
	31/12/2016	Level 1	Level 2	Level 3
Investments in subsidiaries	-	-	-	-
Financial assets / liabilities	-69,214	-	-69,214	-
Derivatives	5,877	-	5,877	-
Total	-63,337	-	-63,337	-
Measurement of financial instruments at fair value	COMPANY			
	Measurement at fair value as at			
	31/12/2016			
	31/12/2016	Level 1	Level 2	Level 3
Investments in subsidiaries	507,814	-	-	507,814
Derivatives	-	-	-	-
Total	507,814	-	-	507,814

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**5. Consolidation - Joint venture revenue agreement****5.1.1. Consolidation of the subsidiaries of Attica Holdings S.A.**

Direct subsidiaries are being consolidated using the full consolidation method.

The table of the subsidiaries of the Group is presented in paragraph 7.14 “Investments in subsidiaries”.

For all the companies of the Group, there are no changes of the method of consolidation.

There are no companies which have been consolidated in the present period while they have not been consolidated either in the previous period or in the same period of the fiscal year 2015. The exception to the above is the newly-acquired Moroccan company AFRICA MOROCCO LINKS (“AML”), which is consolidated with the equity method for the first time.

There are no companies which have not been consolidated in the present period while they have been consolidated either in the previous period or in the same period of the fiscal year 2015.

There are no companies of the Group which have not been consolidated in the consolidated financial statements.

**5.1.2. Consolidation of the associates/ Joint ventures**

On 28.10.2016 Attica Group, through its subsidiary company Nordia M.C., acquired the 49% of the Moroccan company AFRICA MOROCCO LINKS (“AML”), for a financial consideration of Euro 45 thousand. AML, which is consolidated with the equity method in the financial statement of Attica Group and is established in Tanger (Morocco).

**5.2. Agreement between ATTICA HOLDINGS S.A. and ANEK**

The Group is in a joint service agreement with ANEK S.A. with regard to the Joint Venture company “Anek S.A. – Superfast Endeka (Hellas) Inc” for the joint service of vessels of the two companies in the international routes Patras – Igoumenitsa – Ancona, Patras – Igoumenitsa – Bari and Patras – Igoumenitsa – Venice as well as the domestic routes Piraeus – Herakleion and Piraeus – Chania, Crete.

The joint service agreement with ANEK S.A. extends until 31/5/2017 and the distinctive title is “Adriatic and Cretan Lines”.

**6. Related Party disclosures****6.1. Intercompany transactions**

The most significant companies of the Group which create intercompany transactions are Blue Star Ferries Maritime S.A. & Co Joint Venture and the management companies Superfast Ferries S.A. and Blue Star Ferries S.A.

a) Blue Star Ferries Maritime S.A. & Co Joint Venture co-ordinate all the shipowning companies of the Group for a common service in international and domestic routes.

Specifically, Blue Star Ferries Maritime S.A. & Co Joint Venture is responsible, under a contractual agreement with the shipowning companies of the Group, for the revenue and common expenses of the vessels that operate in international and domestic routes.

At the end of each month the above mentioned revenue and expenses are transferred to the shipowning companies.

b) The Management Company Superfast Ferries S.A. is responsible, under a contractual agreement with the shipowning companies of the Group, for other expenses of the vessels that operate in international routes. At the end of each month the above mentioned expenses are transferred to the shipowning companies.

The Management Company Superfast Ferries S.A. is 100% subsidiary of Attica Holdings S.A.

The intercompany balances as at 31/12/2016 between the Group's companies arising from its corporate are the following:

The parent company received Euro 1,345 thousand and an amount of Euro 2,313 thousand as dividend payment for the fiscal years 2013 and 2014 arising from its 100% subsidiaries Blue Star M.C. and Blue Star Ferries Maritime S.A. respectively.

The 100% subsidiary company Blue Star Ferries Maritime S.A. returned part of its share capital to the parent company Attica Holdings S.A. due to its share capital decrease. The capital return amounts Euro 22,553 thousand.

The parent company participated in the share capital increases of its 100% subsidiaries Superfast One Inc, Superfast Two Inc, Superfast Endeka Inc and Nordia M.C. with the amount of Euro 3,893 thousand, Euro 3,912 thousand, Euro 3,747 thousand and Euro 49 thousand respectively.

The intercompany transactions between Attica Group and Africa Morocco Links have as follows:

- Sales stood at Euro 3,708 thousand;
- Purchases stood at Euro 195 thousand;
- Receivables stood at Euro 13,817 thousand; and
- Payables stood at Euro 8,695 thousand.

The intercompany balances are written-off in the consolidated accounts of Attica Group.

**6.1.1. Intercompany transactions between Attica Holdings S.A. and the companies of Marfin Investment Group and the companies of Piraeus Bank**

31/12/2016

	<u>MARFIN INVESTMENT GROUP</u>		<u>PIRAEUS BANK GROUP</u>	
	GROUP	COMPANY	GROUP	COMPANY
Sales	10,427	-	208	9
Purchases	3,463	-	1,941	1
Receivables	3,066	-	17,838	1,211
Payables	175	-	38,262	-

**6.2. Participation of the members of the Board of Directors to the Board of Directors of other companies**

a) Participation of the executive members of the Board of Directors to the Board of Directors of other companies.

Mr. Kyriakos Magiras (chairman, executive member) participates as a non-executive member in subsidiaries of Marfin Investment Group Holdings S.A.

Mr. Spiros Paschalis (director, executive member) is member of Greek Shipowners' Association for Passenger Ships, member of Association of Greek Coastal Shipping Companies and also member of the company Africa Morocco Links.

Mr. Iraklis Simitsidellis (director, executive member) is member of the company Africa Morocco Links.

b) Participation of the non-executive members of the Board of Directors to the Board of Directors of other companies.

Mr. George Efstratiadis non-executive member and Mr. Emmanouil Xanthakis, independent, non-executive member participate in the Board of Marfin Investment Group Holdings S.A. and participate in the Board of Directors of a number of companies where MIG has a participation percentage and in other companies.

Mr. Michael Sakellis, non-executive member, is chairman of Greek Shipowners' Association for Passenger Ships and member of Hellenic Chamber of Shipping.

### 6.3. Guarantees

The parent company has guaranteed to lending banks the repayment of loans of the Group's vessels amounting Euro 241,434 thousand.

### 6.4. Board of Directors and Executive Directors' Fees

	<u>31/12/2016</u>	<u>31/12/2015</u>
Salaries & other employees benefits	1,810	1,849
Social security costs	141	154
B.O.D. Remuneration	240	105
Other long-term benefits	24	20
<b>Total</b>	<b><u>2,215</u></b>	<b><u>2,128</u></b>
	<u>31/12/2016</u>	<u>31/12/2015</u>
Number of key management personnel	7	8

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

## 7. Financial statements analysis

### 7.1. Operating Sector - Geographical Segment Report

The Group applies IFRS 8 "Operating Segments". The IFRS 8 requires the definition of operating segments to be based on the "management approach". In addition, financial information is required to be reported on the same basis as is used internally. The Board of Directors is the main decision maker of the Group's business decisions.

For the purposes of presentation of operating sectors should be noted that the Group operates in passenger shipping in different geographical areas.

The Group has decided to provide information based on the geographical segmentation of its operations.

The Group operates in the Greek Domestic Routes and in Adriatic Sea. The Group's vessels provide transportation services to passengers, private vehicles and freight.

The Group's sales are highly seasonal. The highest traffic for passengers and vehicles is observed during the months July, August and September while the lowest traffic for passengers and vehicles is observed between November and February. On the other hand, freight sales are not affected significantly by seasonality.

The consolidated results and other information per segment for the period 1/1 – 31/12/2016 are as follows:



**GROUP**

Geographical Segment	1/1-31/12/2016			
	Domestic Routes	Adriatic Sea	Other *	Total
<b><u>Income elements</u></b>				
Fares	175,945	81,916	-	257,861
On-board Sales	7,017	3,736	-	10,753
Total Revenue	<u>182,962</u>	<u>85,652</u>	<u>-</u>	<u>268,614</u>
Operating Expenses	-120,987	-66,772	-	-187,759
Administration & Distribution Expenses	-26,416	-10,330	-1,041	-37,787
Other revenue / expenses	2,528	618	10	3,156
Earnings before taxes, investing and financial results	<u>38,087</u>	<u>9,168</u>	<u>-1,031</u>	<u>46,224</u>
Financial results	-18,476	-6,435	4	-24,907
Impairment of assets	1,777	274	-	2,051
Share in net profit (loss) of companies accounted for by the equity method		-	-2,412	-2,412
Earnings before taxes, investing and financial results, depreciation and amortization	54,746	16,307	-1,021	70,032
Profit/Loss before Taxes	21,388	3,007	-3,439	20,956
Income taxes	-676	-29	-	-705
Profit/Loss after Taxes	20,712	2,978	-3,439	20,251
<b><u>Customer geographic distribution</u></b>				
Greece	241,022			
Europe	20,697			
Third countries	6,895			
Total Fares & Travel Agency Services	<u>268,614</u>			

Geographical Segment	1/1-31/12/2016			
	Domestic Routes	Adriatic Sea	Other *	Total
<b><u>Assets and liabilities figures</u></b>				
Vessels' Book Value at 01/01	386,263	178,890	-	565,153
Additions	257	1,395	-	1,652
Impairment profit	1,777	274	-	2,051
Depreciation of disposals	-	-	-	-
Depreciation for the Period	-16,838	-6,367	-	-23,205
Net Book Value of vessels at 31/12	<u>371,459</u>	<u>174,192</u>	<u>-</u>	<u>545,651</u>
Other tangible Assets	-	-	2,257	2,257
Total Net Fixed Assets	<u>371,459</u>	<u>174,192</u>	<u>2,257</u>	<u>547,908</u>
Long-term and Short-term liabilities	192,512	62,931	-	255,443

\* The column "Other" includes the parent company.

**Agreements sheet of Assets and Liabilities at 31/12/2016**

Net Book Value of Tangible Assets	Euro	547,908
Unallocated Assets	Euro	<u>146,128</u>
Total Assets	Euro	694,036
Long-term and Short-term liabilities	Euro	255,443
Unallocated Liabilities	Euro	<u>37,004</u>
Total Liabilities	Euro	292,447

The consolidated results and other information per segment for the period 1/1 – 31/12/2015 are as follows:

**GROUP**

Geographical Segment	1/1-31/12/2015			
	Domestic Routes	Adriatic Sea	Other*	Total
<b>Income elements</b>				
Fares	190,355	75,466	-	265,821
On-board Sales	7,907	3,897	-	11,804
Total Revenue	198,262	79,363	-	277,625
Operating Expenses	-124,869	-58,633	-	-183,502
Administration & Distribution Expenses	-26,898	-10,525	-1,207	-38,630
Other revenue / expenses	1,077	200	-	1,277
Earnings before taxes, investing and financial results	47,572	10,405	-1,207	56,770
Financial results	-19,539	-6,892	11	-26,420
Impairment of assets	-	-	-	-
Profit from reversal of impairment losses of assets	1,561	1,488	-	3,049
Profit on sale of property, plant and equipment	-	-	-	-
Earnings before taxes, investing and financial results, depreciation and amortization	63,733	18,152	-1,184	80,701
Profit/Loss before Taxes	29,594	5,001	-1,196	33,399
Income taxes	-190	-27	-	-217
Profit/Loss after Taxes	29,404	4,974	-1,196	33,182
<b>Customer geographic distribution</b>				
Greece	249,087			
Europe	22,120			
Third countries	6,418			
Total Fares & Travel Agency Services	277,625			

Geographical Segment	1/1-31/12/2015			
	Domestic Routes	Adriatic Sea	Other	Total
<b>Assets and liabilities figures</b>				
Vessels' Book Value at 01/01	333,982	245,127	-	579,109
Additions	6,156	-	-	6,156
Vessels' redeployment	61,546	-61,546	-	-
Vessel acquisitions in the present period	-	-	-	-
Non-current assets classified as held for sale	-	-	-	-
Vessels' Disposals	-	-	-	-
Vessel impairments in the present period	-	-	-	-
Reversal of impairment of assets	1,561	1,488	-	3,049
Depreciation for the Period	-16,982	-6,179	-	-23,161
Net Book Value of vessels at 31/12	386,263	178,890	-	565,153
Other tangible Assets	-	-	363	363
Total Net Fixed Assets	386,263	178,890	363	565,516
Long-term and Short-term liabilities	203,050	82,206	-	285,256

\* The column "Other" includes the parent company.

**Agreements sheet of Assets and Liabilities at 31/12/2015**

Net Book Value of Tangible Assets	Euro	565,516
Unallocated Assets	Euro	143,131
Total Assets	Euro	708,647
Long-term and Short-term liabilities	Euro	285,256
Unallocated Liabilities	Euro	47,163
Total Liabilities	Euro	332,419

Revenue from Fares in Domestic routes includes the grants received for public services amounting Euro 13,015 thousand for the period 1/1 – 31/12/2016 and Euro 16,127 thousand for the period 1/1 – 31/12/2015.

There are no transactions related to income and expenses between segments.

The vessels' values represent the tangible assets in the geographical segments where the vessels operate in.

## 7.2. Cost of sales – Administrative Expenses- Distribution Expenses

Below can be obtained the Cost of sales analysis, administrative expenses and distribution expenses analysis as stated in the Income Statement for the period ended 31/12 2016 and 2015.

31/12/2016					
	GROUP				COMPANY
	Cost of sales	Administrative expenses	Distribution expenses	Total	Administrative expenses
Retirement benefits	-	377	-	377	8
Wages and Other employee benefits	47,390	13,201	-	60,591	228
Inventory cost	453	-	-	453	-
Tangible Assets depreciation	23,205	186	-	23,391	7
Intangible Assets depreciation	-	417	-	417	3
Third party expenses	-	1,676	-	1,676	445
Third party benefits	-	280	-	280	-
Telecommunication Expenses	-	274	-	274	1
Operating leases rentals	-	509	-	509	53
Taxes & Duties	-	234	-	234	92
Fuels - Lubricant	65,368	-	-	65,368	-
Provisions	-	-	1,003	1,003	-
Insurance	4,034	88	-	4,122	66
Repairs and maintenance	21,362	708	-	22,070	4
Other advertising and promotion expenses	-	-	2,880	2,880	-
Sales commission	-	-	14,906	14,906	-
Port expenses	10,228	-	-	10,228	-
Other expenses/Chartering expenses	12,053	831	-	12,884	132
Donations	-	51	-	51	-
Transportation expenses	-	40	-	40	-
Consumables	3,666	126	-	3,792	-
<b>Total</b>	<b>187,759</b>	<b>18,998</b>	<b>18,789</b>	<b>225,546</b>	<b>1,039</b>

31/12/2015						
	GROUP				COMPANY	
	Cost of sales	Administrative expenses	Distribution expenses	Total	Administrative expenses	Distribution expenses
Retirement benefits	-	61	-	61	-	-
Wages and Other employee benefits	45,256	13,386	-	58,642	214	-
Inventory cost	818	-	-	818	-	-
Tangible Assets depreciation	23,161	214	-	23,375	18	-
Intangible Assets depreciation	-	556	-	556	5	-
Third party expenses	-	1,445	-	1,445	441	-
Third party benefits	-	202	-	202	-	-
Telecommunication Expenses	-	191	-	191	-	-
Operating leases rentals	-	781	-	781	115	-
Taxes & Duties	-	164	-	164	6	-
Fuels - Lubricant	73,894	-	-	73,894	-	-
Provisions	141	-	1,307	1,448	-	-
Insurance	4,117	61	-	4,178	43	-
Repairs and maintenance	22,532	651	-	23,183	8	-
Other advertising and promotion expenses	-	-	3,074	3,074	-	1
Sales commission	-	-	15,668	15,668	-	-
Port expenses	10,181	-	-	10,181	-	-
Other expenses	-	716	-	716	147	-
Donations	-	19	-	19	-	-
Transportation expenses	-	43	-	43	-	-
Consumables	3,402	91	-	3,493	-	-
<b>Total</b>	<b>183,502</b>	<b>18,581</b>	<b>20,049</b>	<b>222,132</b>	<b>997</b>	<b>1</b>

The effect of change in fuel oil prices in the income statement of the Group and the hedging risk reaction are presented in paragraph 3.1.7.

### 7.3. Other Operating Income

Other operating income analysis can be obtained below, as stated in the Income Statement for the period ended 31/12 2016 and 2015.

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2016</b>	<b>31/12/2015</b>	<b>31/12/2016</b>	<b>31/12/2015</b>
Income from subsidies	466	347	-	-
Compensations	-	434	-	-
Income from services provided	112	170	-	-
Income from reversal of unrealized provisions	98	138	-	-
Other income	2,480	188	10	-
<b>Total other operating income</b>	<b>3,156</b>	<b>1,277</b>	<b>10</b>	<b>-</b>

### 7.4. Impairment of assets

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2016</b>	<b>31/12/2015</b>	<b>31/12/2016</b>	<b>31/12/2015</b>
Impairment of investments	-	-	77	7
Impairment of tangible assets	-	-	-	-
<b>Total impairment of tangible assets</b>	<b>-</b>	<b>-</b>	<b>77</b>	<b>7</b>

### 7.5. Profit from impairment loss reversal

The amount of Euro 2,051 thousand ( Euro 3,049 thousand in 2015) is attributed to Group's vessels impairment loss reversals. The related impairment losses have been recognized in prior periods. An amount of Euro 274 thousand refers to a vessel activating in Adriatic Sea operating segment and an amount of Euro 1,777 thousand refers to vessels activating in Domestic Routes operating segment. The recoverable amount was determined on the basis of fair value less costs of disposal, as such fair value was estimated by independent valuers.

### 7.6. Other financial results

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2016</b>	<b>31/12/2015</b>	<b>31/12/2016</b>	<b>31/12/2015</b>
Fair value of derivatives	-	-	-	-
Derivatives:				
Results from non-hedging derivatives	-	-180	-	-
Results from derivatives (fuels)	-2,633	-5,061	-	-
Foreign exchange gains	100	111	-	-
Foreign exchange losses	-60	-302	-	-
<b>Total other financial results</b>	<b>-2,593</b>	<b>-5,432</b>	<b>-</b>	<b>-</b>

Results from derivatives (fuels) refers to partial hedging of the fuel oil price fluctuation risk.

Foreign exchange differences were created mainly from the revaluation at 31/12/2016 of the balances of the cash and cash equivalents and payables in foreign currencies.

#### 7.7. Financial expenses

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2016</b>	<b>31/12/2015</b>	<b>31/12/2016</b>	<b>31/12/2015</b>
Interest expenses from long-term loans	1,870	2,562	-	-
Interest expenses from short-term loans	-	-	-	-
Interest expenses from bonds*	19,819	17,889	-	-
Interest expenses from finance leases	370	312	-	-
Charge from retirement employee benefits	38	42	1	1
Commission for guaranties	60	59	1	1
Other interest related expenses	446	338	2	2
<b>Total financial expenses</b>	<b>22,603</b>	<b>21,202</b>	<b>4</b>	<b>4</b>

\* Interest expenses from bonds refer to the financial expense that may arise from the measurement at fair value of the bond loan (see note 2.20) issued on September 2014.

#### 7.8. Financial income

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2016</b>	<b>31/12/2015</b>	<b>31/12/2016</b>	<b>31/12/2015</b>
Bank interest	289	214	9	15
<b>Total financial income</b>	<b>289</b>	<b>214</b>	<b>9</b>	<b>15</b>

#### 7.9. Share in net profit (loss) of companies accounted for by the equity method

Under the account "Share in net profit (loss) of companies accounted for by the equity method" a loss of Euro 2,412 thousand has been incorporated and refers to Attica Group's share in Africa Morocco Links (AML) results.

#### 7.10. Income taxes

Special taxation policies apply on the Group's profits. Consequently, it is believed that the following analysis provides a better understanding of the income taxes.

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2016</b>	<b>31/12/2015</b>	<b>31/12/2016</b>	<b>31/12/2015</b>
Tax according to Law 27/75	80	86	-	-
Income tax provision	-	-	-	-
Income tax - Other taxes	596	131	-	-
Deferred Assets	29	-	-	-
<b>Total</b>	<b>705</b>	<b>217</b>	<b>-</b>	<b>-</b>

A comparison between the annual tax rates is not possible, because, as already stated in paragraph 2.18, the income tax is related to the profits that do not stem from the shipping operation.

The parent company has been audited by tax authorities until the fiscal year 2008. For the fiscal years 2011-2015 has been audited by tax authorities and the Certified Auditor issued a Tax Compliance Certificate.

The unaudited fiscal years for the subsidiaries of the Group are presented in the table of the paragraph 7.14 "Investments in subsidiaries".

The subsidiary company Attica Premium S.A., which is under liquidation, has been audited by tax authorities until the fiscal year 2011.

The subsidiaries of ATTICA HOLDINGS S.A. have already made a tax provision of Euro 148 thousand for the unaudited fiscal years.

The parent company has made a tax provision of Euro 20 thousand.

For the subsidiaries registered outside the European Union, which do not have an establishment in Greece, there is no obligation for taxation audit.

#### Tax Compliance Report

Tax authorities haven't yet audited the Financial Statements and therefore tax obligations for those fiscal year are not yet definitive. Starting 2011, the Group's companies which are based in Greece have been audited by a legal auditor and have received tax certificates without any differences until the FY ended 2015. The tax certificates for 2016 shall be issued in the second trimester of 2017.

For the fiscal years 2011 until 2015, the Company (and the Group's companies which are based in Greece) were submitted to a special tax audit conducted by Sworn Auditors, in addition to the financial management audit, in order to assure the company's compliance to article 82 of law 2238/1994 and article 65A of law 4174/2013 and received a Tax Compliance Report without any reservations. It should be noted that according to circular 1006/2016 the companies subjected to the above special tax audit are not excluded from the regular tax audit by the tax authorities. The company's management judges that, in case of regular tax audits, there will be no additional tax differences affecting significantly the financial statements.

For fiscal year 2016, the tax audit is already being performed by the legal auditors and is not expected to bring any significant differentiation on the tax liabilities incorporated in the Financial Statements. According to the relevant recent law, the audit and issuance of tax certificates are also valid for the fiscal years starting from 2016 onwards on an optional basis.

In respect of Attica Group companies, domiciled outside European Union, that have no branches in Greece, there is no obligation for taxation audit. Shipping Companies, they are not subject to POL 1159/2011 and their tax inspection is conducted as effective by the tax authorities.

#### 7.11. Earning per share – basic

Earning per share – basic are calculated by dividing the profit or loss attributable to shareholders of the parent company, by the weighted average number of ordinary shares in issue during the year.

	<b>GROUP</b>		<b>COMPANY</b>	
	<u>1.1-31.12.2016</u>	<u>1.1-31.12.2015</u>	<u>1.1-31.12.2016</u>	<u>1.1-31.12.2015</u>
Profit / (loss) attributable to shareholders of the parent company	20,251	33,182	-1,102	1,354
The weighted average number of ordinary shares	191,660,320	191,660,320	191,660,320	191,660,320
<b>Earnings per share - basic (in Euro)</b>	<b>0.1057</b>	<b>0.1731</b>	<b>-0.0057</b>	<b>0.0071</b>
<b>Diluted earnings per share (in Euro)</b>	<b>-0.3098</b>	<b>-0.2188</b>	<b>-0.4735</b>	<b>-0.3234</b>

The diluted earnings per share for the period 01/01 -31/12/2016 and the corresponding comparative period were calculated as follows:

a) Diluted earnings calculation

	<b>GROUP</b>		<b>COMPANY</b>	
	<u>31/12/2016</u>	<u>31/12/2015</u>	<u>31/12/2016</u>	<u>31/12/2015</u>
Profit / (loss) attributable to shareholders of the parent company	20,251	33,182	-1,102	1,354
Effect of profit / (loss) arising from the conversion	-106,456	-94,052	-130,636	-91,348
Total profit / (loss)	<b>-86,205</b>	<b>-60,870</b>	<b>-131,738</b>	<b>-89,994</b>

b) Number of shares calculation

Number of shares which have been used for the calculation of the earning per share - basic	191,660,320	191,660,320	191,660,320	191,660,320
Plus: Number of shares' increase from a potential exercise of bonds conversion rights	<u>86,580,087</u>	<u>86,580,087</u>	<u>86,580,087</u>	<u>86,580,087</u>
Number of shares which have been used for the calculation of the diluted earning per share	278,240,407	278,240,407	278,240,407	278,240,407

**7.12. Tangible assets**

The vessels of the Group have been mortgaged as security of the long-term borrowings for the amount of Euro 685.273 thousand.

The depreciation analysis can be found in following table.

	<b>GROUP</b>		<b>COMPANY</b>	
	<u>31/12/2016</u>	<u>31/12/2015</u>	<u>31/12/2016</u>	<u>31/12/2015</u>
Vessels	23,205	23,161	-	-
Office	603	770	10	23
<b>Total</b>	<b><u>23,808</u></b>	<b><u>23,931</u></b>	<b><u>10</u></b>	<b><u>23</u></b>

**GROUP  
TANGIBLE ASSETS**

	Vessels	Buildings	Vehicles	Furniture & Fittings	Construction in progress	Total
Book value at 1/1/2015	852,021	2,496	81	8,592	1,586	864,776
Accumulated depreciation	-272,912	-2,353	-81	-8,420	-	-283,765
<b>Net book value at 1/1/2015</b>	<b>579,109</b>	<b>143</b>	<b>0</b>	<b>172</b>	<b>1,586</b>	<b>581,011</b>
Additions	6,156	-	-	114	139	6,409
Reclassifications	-	-	-	-	-1,578	-1,578
Reversal of impairments	3,049	-	-	-	-	3,049
Depreciation charge	-23,161	-126	-	-88	-	-23,375
Depreciation of disposals	-	-	-	-	-	0
Cost of valuation at 31/12/2015	861,226	2,496	81	8,706	147	872,656
Accumulated depreciation	-296,073	-2,479	-81	-8,508	-	-307,140
<b>Net book value at 31/12/2015</b>	<b>565,153</b>	<b>17</b>	<b>0</b>	<b>198</b>	<b>147</b>	<b>565,516</b>

	Vessels	Buildings	Vehicles	Furniture & Fittings	Construction in progress	Total
Book value at 1/1/2016	861,226	2,496	81	8,706	147	872,656
Accumulated depreciation	-296,073	-2,479	-81	-8,508	-	-307,140
<b>Net book value at 1/1/2016</b>	<b>565,153</b>	<b>17</b>	<b>0</b>	<b>198</b>	<b>147</b>	<b>565,516</b>
Additions	1,651	1,778	-	212	91	3,732
Reclassifications	-	-	-	-	-	-
Reversal of impairments*	2,051	-	-	-	-	2,051
Depreciation charge	-23,205	-58	-	-128	-	-23,391
Depreciation of disposals	-	-	-	-	-	-
Cost of valuation at 31/12/2016	864,928	4,274	81	8,918	238	878,439
Accumulated depreciation	-319,278	-2,537	-81	-8,636	-	-330,531
<b>Net book value at 31/12/2016</b>	<b>545,650</b>	<b>1,737</b>	<b>0</b>	<b>282</b>	<b>238</b>	<b>547,908</b>

\* see note 7.5

**COMPANY  
TANGIBLE ASSETS**

	Vessels	Buildings	Vehicles	Furniture & Fittings	Construction in progress	Total
Book value at 1/1/2015	-	119	22	283	-	424
Accumulated depreciation	-	-95	-22	-283	-	-400
<b>Net book value at 1/1/2015</b>	<b>-</b>	<b>24</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>24</b>
Additions	-	2	-	-	-	2
Depreciation charge	-	-18	-	-	-	-18
Cost of valuation at 31/12/2015	-	121	22	283	-	426
Accumulated depreciation	-	-113	-22	-283	-	-418
<b>Net book value at 31/12/2015</b>	<b>-</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>8</b>

	Vessels	Buildings	Vehicles	Furniture & Fittings	Construction in progress	Total
Book value at 1/1/2016	-	121	22	283	-	426
Accumulated depreciation	-	-113	-22	-283	-	-418
<b>Net book value at 1/1/2016</b>	<b>-</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>8</b>
Additions	-	5	-	-	3	8
Depreciation charge	-	-6	-	-	-3	-9
Cost of valuation at 31/12/2016	-	126	22	283	3	434
Accumulated depreciation	-	-119	-22	-283	-3	-427
<b>Net book value at 31/12/2016</b>	<b>-</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7</b>



**GROUP**
**Tangible assets (held under Finance Lease)**

	<b>Vessels</b>	<b>Vehicles</b>	<b>Furniture &amp; Fittings</b>	<b>Total</b>
<b>Book value at 1/1/2015</b>	997	57	1,050	2,104
Accumulated depreciation	-997	-57	-1,015	-2,069
<b>Net book value at 1/1/2015</b>	<b>0</b>	<b>0</b>	<b>35</b>	<b>35</b>
Additions	5,522	-	-	5,522
Depreciation charge	-777	-	-35	-812
Cost of valuation at 31/12/2015	6,519	57	1,050	7,626
Accumulated depreciation	-1,774	-57	-1,050	-2,881
<b>Net book value at 31/12/2015</b>	<b>4,745</b>	<b>0</b>	<b>0</b>	<b>4,745</b>

  

	<b>Vessels</b>	<b>Vehicles</b>	<b>Furniture &amp; Fittings</b>	<b>Total</b>
<b>Book value at 1/1/2016</b>	6,519	57	1,050	7,626
Accumulated depreciation	-1,774	-57	-1,050	-2,881
<b>Net book value at 1/1/2016</b>	<b>4,745</b>	<b>0</b>	<b>0</b>	<b>4,745</b>
Additions	-	-	-	-
Depreciation charge	-1,035	-	-	-1,035
Cost of valuation at 31/12/2016	6,519	57	1,050	7,626
Accumulated depreciation	-2,809	-57	-1,050	-3,916
<b>Net book value at 31/12/2016</b>	<b>3,710</b>	<b>0</b>	<b>0</b>	<b>3,710</b>

Finance leases, which are presented in the accompanying financial statements are as follows:

	<u>31/12/2016</u>
Short-term finance leases	1,080
Long-term finance leases	<u>3,214</u>
<b>Total finance leases</b>	<b><u>4,294</u></b>

The minimum financial lease payments under finance leases and the present value of the net minimum lease payments on December 31, 2016 are as follows:

	<u>31/12/2016</u>	
	<u>Minimum payments</u>	<u>Present value</u>
Within 1 year	1,369	1,080
Between 2-5 years	3,536	3,214
More than five years	-	-
	<b><u>4,905</u></b>	<b><u>4,294</u></b>
Less: Finance charges	611	-
Minimum payments' current value	<b><u>4,294</u></b>	<b><u>4,294</u></b>

**7.13. Intangible assets**

There is no indication of impairment for the following intangible assets.

**GROUP**
**Intangible assets**

	<b>Trademarks</b>	<b>Computer Software</b>	<b>Total</b>
Book value at 1/1/2015	153	11,304	11,457
Accumulated depreciation	-151	-10,579	-10,730
<b>Net book value at 1/1/2015</b>	<b>2</b>	<b>725</b>	<b>727</b>
Additions	-	262	262
Reclassifications	-	1,578	1,578
Depreciation charge	-1	-540	-541
Cost of valuation at 31/12/2015	153	13,144	13,297
Accumulated depreciation	-152	-11,119	-11,271
<b>Net book value at 31/12/2015</b>	<b>1</b>	<b>2,025</b>	<b>2,026</b>

	<b>Trademarks</b>	<b>Computer Software</b>	<b>Total</b>
Book value at 1/1/2016	153	13,144	13,297
Accumulated depreciation	-152	-11,119	-11,271
<b>Net book value at 1/1/2016</b>	<b>1</b>	<b>2,025</b>	<b>2,026</b>
Additions	-	325	325
Reclassifications	-	-	-
Depreciation charge	-	-397	-397
Cost of valuation at 31/12/2016	153	13,469	13,622
Accumulated depreciation	-152	-11,516	-11,668
<b>Net book value at 31/12/2016</b>	<b>1</b>	<b>1,953</b>	<b>1,954</b>

**COMPANY**
**Intangible assets**

	<b>Trademarks</b>	<b>Computer Software</b>	<b>Total</b>
Book value at 1/1/2015	153	181	334
Accumulated depreciation	-151	-172	-323
<b>Net book value at 1/1/2015</b>	<b>2</b>	<b>9</b>	<b>11</b>
Depreciation charge	-1	-5	-6
Cost of valuation at 31/12/2015	153	181	334
Accumulated depreciation	-152	-177	-329
<b>Net book value at 31/12/2015</b>	<b>1</b>	<b>4</b>	<b>5</b>

	<b>Trademarks</b>	<b>Computer Software</b>	<b>Total</b>
Book value at 1/1/2016	153	181	334
Accumulated depreciation	-152	-177	-329
<b>Net book value at 1/1/2016</b>	<b>1</b>	<b>4</b>	<b>5</b>
Depreciation charge	-1	-2	-3
Cost of valuation at 31/12/2016	153	181	334
Accumulated depreciation	-153	-179	-332
<b>Net book value at 31/12/2016</b>	<b>0</b>	<b>2</b>	<b>2</b>

As presented above, intangible assets consist of the following assets:

a) Trademarks, the cost of which include the cost of development and registration of the trademarks of Attica Holdings S.A., Superfast Ferries and Blue Star Ferries both in Greece and abroad.

b) Computer software programs, the cost of which include the cost of the ticket booking systems and the cost of purchasing and developing the Group's integrated Enterprise Resource Planning system.

#### 7.14. Investments in subsidiaries

	<u>COMPANY</u>
Initial Cost at 01.01.2015	496,505
Acquisitions/Increase in share capital of subsidiaries (1)	5,238
Disposals/Decrease in share capital of subsidiaries (2)	-2,538
Adjustments-Impairments added to Net Equity	41,591
Adjustments-Impairments added to the Income Statement	-7
Value at 31.12.2015	<u>540,789</u>
Initial Cost at 01.01.2016	540,789
Acquisitions/Increase in share capital of subsidiaries (1)	11,602
Disposals/Decrease in share capital of subsidiaries (2)	-22,553
Adjustments-Impairments added to Net Equity	-21,946
Adjustments-Impairments added to the Income Statement	-77
Value at 31.12.2016	<u>507,814</u>

The 100% subsidiary company Blue Star Ferries Maritime S.A. returned part of its share capital to the parent company Attica Holdings S.A. due to its share capital decrease. The capital return amounts Euro 22,553 thousand.

The parent company participated in the share capital increases of its 100% subsidiaries Superfast One Inc, Superfast Two Inc, Superfast Endeka Inc and Nordia M.C. with the amount of Euro 3,893 thousand, Euro 3,912 thousand, Euro 3,747 thousand and Euro 49 thousand respectively.

The following table depicts the development of the investments in subsidiaries.

#### **Investments in subsidiaries**

The parent company participated 100% in its subsidiaries. The nature of relationship is "Direct" with the exception of SUPERFAST DODEKA (HELLAS) INC.& CO JOINT VENTURE, BLUE STAR FERRIES JOINT VENTURE and BLUE STAR FERRIES MARITIME S.A. & CO JOINT VENTURE where the nature of relationship is "Under Common Management".

All the companies are consolidated using the full consolidation method.

31/12/2016					
Subsidiary	Carrying amount	Direct Shareholding %	Country	Unaudited fiscal years*	Audited fiscal years**
NORDIA MC.	42	100.00%	GREECE	2010-2016	-
SUPERFAST FERRIES S.A.	0	100.00%	LIBERIA	2010-2016	-
SUPERFAST ENDEKA INC.	29,077	100.00%	LIBERIA	2010-2011	2012-2015
SUPERFAST DODEKA INC.	0	100.00%	LIBERIA	2010-2011 / 2014-2016	2012-2013
BLUE STAR FERRIES MARITIME S.A.	244,952	100.00%	GREECE	2010	2011-2015
SUPERFAST ONE INC	49,758	100.00%	LIBERIA	2010-2011	2012-2015
SUPERFAST TWO INC	52,418	100.00%	LIBERIA	2010-2011	2012-2015
ATTICA FERRIES M.C.	27,923	100.00%	GREECE	2010-2016	-
BLUE STAR FERRIES MARITIME S.A. & CO JOINT VENTURE	0	0.00%	GREECE	2009-2016	-
ATTICA FERRIES MARITIME S.A.	66,168	100.00%	GREECE	-	2011-2015
BLUE STAR M.C.	34,453	100.00%	GREECE	2010-2016	-
<b>Inactive companies</b>					
SUPERFAST EPTA MC.	48	100.00%	GREECE	2010-2016	-
SUPERFAST OKTO MC.	30	100.00%	GREECE	2010-2016	-
SUPERFAST ENNEA MC.	15	100.00%	GREECE	2010-2016	-
SUPERFAST DEKA MC.	47	100.00%	GREECE	2010-2016	-
MARIN MC.	2,282	100.00%	GREECE	2010-2016	-
ATTICA CHALLENGE LTD	0	100.00%	MALTA	-	-
ATTICA SHIELD LTD	2	100.00%	MALTA	-	-
ATTICA PREMIUM S.A.	0	100.00%	GREECE	2011-2016	-
SUPERFAST DODEKA (HELLAS) INC. & CO JOINT VENTURE	0	0.00%	GREECE	2009-2016	-
SUPERFAST PENTE INC.	0	100.00%	LIBERIA	2010-2011 / 2014-2016	2012-2013
SUPERFAST EXI INC.	470	100.00%	LIBERIA	2010-2011 / 2014-2016	2012-2013
BLUE STAR FERRIES JOINT VENTURE	0	0.00%	GREECE	2009-2016	-
BLUE STAR FERRIES S.A.	0	100.00%	LIBERIA	2010-2014	-
WATERFRONT NAVIGATION COMPANY	1	100.00%	LIBERIA	-	-
THELMO MARINE S.A.	77	100.00%	LIBERIA	-	-
BLUE ISLAND SHIPPING INC.	29	100.00%	PANAMA	-	-
STRINTZIS LINES SHIPPING LTD.	22	100.00%	CYPRUS	-	-
BLUE STAR FERRIES M.C.	0	100.00%	GREECE	2010-2016	-

\* By tax authorities

\*\* By statutory auditors under the provisions of Law 2190/1920 and Law 3190/1955

Concerning the Group companies tax audited by the certified auditor, the tax audit is in progress and the relevant tax certificates are expected to be received after the publication of the Financial Statements for the fiscal year 2016. If until the completion of the tax audit arise additional tax liabilities is estimated that they will not have a material impact on the financial statements.

Subsidiary	31/12/2015			Unaudited fiscal years*	Audited fiscal years*
	Carrying amount	Direct Shareholding %	Country		
SUPERFAST EPTA MC.	49	100.00%	GREECE	2009-2015	-
SUPERFAST OKTO MC.	32	100.00%	GREECE	2009-2015	-
SUPERFAST ENNEA MC.	16	100.00%	GREECE	2009-2015	-
SUPERFAST DEKA MC.	48	100.00%	GREECE	2009-2015	-
NORDIA MC.	0	100.00%	GREECE	2009-2015	-
MARIN MC.	2,283	100.00%	GREECE	2009-2015	-
ATTICA CHALLENGE LTD	0	100.00%	MALTA	-	-
ATTICA SHIELD LTD	2	100.00%	MALTA	-	-
ATTICA PREMIUM S.A.	0	100.00%	GREECE	-	2011-2014
SUPERFAST DODEKA (HELLAS) INC. & CO JOINT VENTURE		0.00%	GREECE	2008-2015	-
SUPERFAST FERRIES S.A.	0	100.00%	LIBERIA	2010-2015	-
SUPERFAST PENTE INC.	0	100.00%	LIBERIA	2010-2011	2012-2014
SUPERFAST EXI INC.	472	100.00%	LIBERIA	2010-2011	2012-2014
SUPERFAST ENDEKA INC.	44,860	100.00%	LIBERIA	2009-2011	2012-2014
SUPERFAST DODEKA INC.	0	100.00%	LIBERIA	2008-2011	2012-2014
BLUE STAR FERRIES MARITIME S.A.	277,484	100.00%	GREECE	2008-2010	2011-2014
BLUE STAR FERRIES JOINT VENTURE		0.00%	GREECE	2008-2015	-
BLUE STAR FERRIES S.A.	0	100.00%	LIBERIA	2010-2015	-
WATERFRONT NAVIGATION COMPANY	1	100.00%	LIBERIA	-	-
THELMO MARINE S.A.	77	100.00%	LIBERIA	-	-
BLUE ISLAND SHIPPING INC.	29	100.00%	PANAMA	-	-
STRINTZIS LINES SHIPPING LTD.	22	100.00%	CYPRUS	-	-
SUPERFAST ONE INC	45,909	100.00%	LIBERIA	2008-2011	2012-2014
SUPERFAST TWO INC	48,910	100.00%	LIBERIA	2009-2011	2012-2014
ATTICA FERRIES M.C.	24,617	100.00%	GREECE	2009-2015	-
BLUE STAR FERRIES MARITIME S.A. & CO JOINT VENTURE		100.00%	GREECE	2009-2015	-
BLUE STAR M.C.	34,453	100.00%	GREECE	2009-2015	-
BLUE STAR FERRIES M.C.	0	100.00%	GREECE	2009-2015	-
ATTICA FERRIES MARITIME S.A.	61,525	100.00%	GREECE	-	2011-2014

\* By tax authorities

\*\* By statutory auditors under the provisions of Law 2190/1920 and Law 3190/1955

The parent company, as it mentioned in note 2.2.2, is measure its investments in subsidiaries using the fair value method (see note 4.2).

The change in investments in subsidiaries' fair value per company at 31/12/2016 and 31/12/2015 has as follows:

Company	31/12/2016	31/12/2015
SUPERFAST EPTA MC.	48	49
SUPERFAST OKTO MC.	30	32
SUPERFAST ENNEA MC.	15	16
SUPERFAST DEKA MC.	47	48
NORDIA MC.	42	0
MARIN MC.	2,282	2,283
ATTICA CHALLENGE LTD	0	0
ATTICA SHIELD LTD	2	2
SUPERFAST EXI INC.	470	472
SUPERFAST ENDEKA INC.	29,077	44,860
SUPERFAST DODEKA INC.	-	-
BLUE STAR FERRIES MARITIME S.A.	244,952	277,484
WATERFRONT NAVIGATION COMPANY	1	1
THELMO MARINE S.A.	77	77
BLUE ISLAND SHIPPING INC.	29	29
STRINTZIS LINES SHIPPING LTD.	22	22
SUPERFAST ONE INC	49,758	45,909
SUPERFAST TWO INC	52,418	48,910
ATTICA FERRIES M.C.	27,923	24,617
BLUE STAR M.C.	34,453	34,453
BLUE STAR FERRIES M.C.	-	-
ATTICA FERRIES MARITIME S.A.	66,168	61,525

**7.15. Investments in Associate Companies and Joint Ventures**

On 28.10.2016 Attica Group, through its subsidiary company Nordia M.C., acquired the 49% of the Moroccan company AFRICA MOROCCO LINKS ("AML") established in Tanger (Morocco), for a financial consideration of Euro 45 thousand.

AML operates in Tanger Med (Morocco) - Algeciras (Spain) route.

In Group results for the presented period and specifically under the account "Share in net profit (loss) of companies accounted for by the equity method" has been included the share of the results of AML, which is a loss of Euro 2,412 thousand.

The above loss impaired the initial investment while the remaining liability amount is set-off and presented in the account "other current assets" with the Group's receivables against the AML.

**7.16. Other non-current assets**

	<b>GROUP</b>		<b>COMPANY</b>	
	<u>31/12/2016</u>	<u>31/12/2015</u>	<u>31/12/2016</u>	<u>31/12/2015</u>
Guarantees	698	753	58	209
Other long term receivables	7,541	540	-	-
Others	-	-	-	-
<b>Net Boon Value</b>	<b><u>8,239</u></b>	<b><u>1,293</u></b>	<b><u>58</u></b>	<b><u>209</u></b>

Non-current receivables have as follows:

a) The Group has been awarded a subsidy from the Ministry of Finance for its investment plan, related to the development and provision of innovative I.T. broadband services.

The investment plan which has been budgeted for Euro 3,600 thousand will be subsidized for expenses of Euro 1,080 thousand, i.e. the 30% of the total project. This subsidy was approved by the Ministry of Finance on June 29, 2007 and fulfills all the conditions set by IAS 20 "Accounting for government grants and disclosure of government assistance". The Group received the amount of Euro 540 thousand.

b) Guarantees given against office rent and public utility companies such as P.P.C. (Public Power Corporation) and H.T.O. (Hellenic Telecommunications Organization).

c) Advance for the acquisition of financial instruments.

**7.17. Inventories**

The "Inventories" account includes the following items:

	<u>31/12/2016</u>	<u>31/12/2015</u>
Merchandise	26	27
Raw materials and other consumables	826	861
Fuels and lubricant	2,690	1,994
<b>Net book value</b>	<b><u>3,542</u></b>	<b><u>2,882</u></b>

There is no indication of impairment for the above-mentioned inventories.

**7.18. Trade and other receivables**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2016</b>	<b>31/12/2015</b>	<b>31/12/2016</b>	<b>31/12/2015</b>
Trade receivables	44,098	47,159	59	389
Intercompany accounts receivable	3,066	3,268	-	-
Checks receivable	12,196	7,919	-	-
Less: Impairment Provisions	-18,906	-18,001	-	-
<b>Net trade receivables</b>	<b>40,454</b>	<b>40,345</b>	<b>59</b>	<b>389</b>
Advances from suppliers	1,408	1,645		78
<b>Total</b>	<b>41,862</b>	<b>41,990</b>	<b>59</b>	<b>467</b>

The Group recognized a loss for bad debts of Euro 1,003 thousand for the period 1/1-31/12/2016. The amount of this provision has been charged to the income statement of the present period.

**Impairment Provisions**

	<b>GROUP</b>	
	<b>31/12/2016</b>	<b>31/12/2015</b>
<b>Opening balance</b>	<b>-18,001</b>	<b>-16,794</b>
Additional provisions	-1,003	-1,307
Decreases	-	-
Recovered bud debts	98	100
<b>Closing balance</b>	<b>-18,906</b>	<b>-18,001</b>

The Group's credit policy about trade receivables is the following:

Domestic Routes

- Passengers and private vehicles tickets have to be settled within two months from the invoice date (last date of each month).
- Freight units tickets have to be settled within two or four months from the invoice date (last date of each month).

The above policy is applicable to all Agents based in Greece and abroad.

Adriatic Sea

- Passengers and private vehicles tickets have to be settled within two months from the invoice date from the agents based abroad and within three months from the invoice date from the agents based in Greece.
- Freight units tickets have to be settled within two months from the invoice date from the agents based abroad and within four months from the invoice date from the agents based in Greece.

The short-term receivables need not be discounted at the end of the period. The Group has a very wide spectrum of clientele in Greece, as well as abroad, thus the credit risk is very low.

The credit risk control procedures have been reported in paragraph 3.1.2.

**7.19. Other current assets**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2016</b>	<b>31/12/2015</b>	<b>31/12/2016</b>	<b>31/12/2015</b>
Other debtors*	11,233	2,998	6	3,740
Receivables from the State	853	695	-	61
Advances and loans to personnel	325	191	-	-
Accrued income	8	-	-	-
Prepaid expenses**	17,522	15,848	22	30
Receivables from insurers	1,363	1,479	-	-
Other receivables	170	236	4	3
Checks in bank	314	-	-	-
Restricted cash	1,646	1,938	-	-
<b>Total</b>	<b>33,434</b>	<b>23,385</b>	<b>32</b>	<b>3,834</b>
Less: Impairment provisions	-	-	-	-
<b>Net receivables</b>	<b>33,434</b>	<b>23,385</b>	<b>32</b>	<b>3,834</b>

\* Other debtors of the Group refers mainly to the receivables from the associate company AFRICA MOROCCO LINKS, which is consolidated using the equity method.

\*\* Prepaid expenses refers mainly to the vessels' dry dock.

**7.20. Derivatives**

The Group has hedged partially its risk against Fuel Oil price fluctuation, which is measured at fair value.

**7.21. Cash and cash equivalents**

Cash and cash equivalents that are presenting in the balance sheet include the following:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2016</b>	<b>31/12/2015</b>	<b>31/12/2016</b>	<b>31/12/2015</b>
Cash in hand	6,565	7,969	5	5
Cash equivalent balance in bank	42,155	45,653	1,220	8
Repos	2,500	17,933	-	-
Cheques receivable	-	-	-	-
<b>Total cash and cash equivalents</b>	<b>51,220</b>	<b>71,555</b>	<b>1,225</b>	<b>13</b>
Cash and cash equivalents in €	50,845	71,172	1,225	13
Cash and cash equivalents in foreign currency	375	383	-	-
<b>Total cash and cash equivalents</b>	<b>51,220</b>	<b>71,555</b>	<b>1,225</b>	<b>13</b>

During the present period the Group paid the amount of Euro 49,945 thousand against repayment of its long- term loans and Euro 880 thousand for the financial leasing of the vessel Blue Galaxy.

For cash and cash equivalents in foreign currency risk see paragraph 3.1.1.

For liquidity risk analysis see paragraph 3.1.3.

**7.22. Share capital – Reserves**
**a) Share Capital**



The share capital amounts to Euro 57,498 thousand and is divided in 191,660,320 common registered voting shares with a nominal value of Euro 0.30 each.

<b>GROUP</b>	<b>Number of Shares</b>	<b>Nominal value</b>	<b>Value of common shares</b>	<b>Share premium</b>
<b>Balance as of 01/01/2015</b>	<b>191,660,320</b>	<b>0.30</b>	<b>57,498</b>	<b>290,256</b>
Share issue				
- Common	-	-	-	-
<b>Balance as of 31/12/2015</b>	<b>191,660,320</b>	<b>0.30</b>	<b>57,498</b>	<b>290,256</b>
Share issue				
- Common	-	-	-	-
Other changes	-	-	-	-
<b>Balance as of 31/12/2016</b>	<b>191,660,320</b>	<b>0.30</b>	<b>57,498</b>	<b>290,256</b>

  

<b>COMPANY</b>	<b>Number of Shares</b>	<b>Nominal value</b>	<b>Value of common shares</b>	<b>Share premium</b>
<b>Balance as of 01/01/2015</b>	<b>191,660,320</b>	<b>0.30</b>	<b>57,498</b>	<b>290,256</b>
Share issue				
- Common	-	-	-	-
<b>Balance as of 31/12/2015</b>	<b>191,660,320</b>	<b>0.30</b>	<b>57,498</b>	<b>290,256</b>
Share issue				
- Common	-	-	-	-
Other changes	-	-	-	-
<b>Balance as of 31/12/2016</b>	<b>191,660,320</b>	<b>0.30</b>	<b>57,498</b>	<b>290,256</b>

#### b) Fair value reserves

<b>GROUP</b>	<b>Fair value reserves</b>		
	<b>Revaluation of property, plant &amp; equipment</b>	<b>Cash flow hedge</b>	<b>Total</b>
<b>Balance as of 01/01/2015</b>	-	-4,402	-4,402
Cash flow hedge	-	3,329	3,329
Gains from fair value valuation	-	-	-
<b>Balance as of 31/12/2015</b>	-	-1,073	-1,073
Cash flow hedge	-	5,127	5,127
Gains from fair value valuation	-	-	-
<b>Balance as of 31/12/2016</b>	-	4,054	4,054

  

<b>COMPANY</b>	<b>Fair value reserves</b>		
	<b>Revaluation of property, plant &amp; equipment</b>	<b>Revaluation of financial instruments</b>	<b>Total</b>
<b>Balance as of 01/01/2015</b>	102,229	-	102,229
Gains/ (losses) from valuation transfeted to equity	41,591	-	41,591
<b>Balance as of 31/12/2015</b>	143,820	-	143,820
Gains/ (losses) from valuation transfeted to equity	-21,946	-	-21,946
<b>Balance as of 31/12/2016</b>	121,874	-	121,874

**c) Other reserves**
**GROUP**

	Statutory Reserve	Special reserves	Tax-free reserves	Other reserves	Translation reserves	Total
<b>Balance as of 01/01/2015</b>	<b>16,959</b>	<b>23,168</b>	<b>1,467</b>	<b>90,062</b>	<b>-58</b>	<b>131,598</b>
Transfers between reserves and retained earnings	-	-15,040	-	-	-	-15,040
<b>Balance as of 31/12/2015</b>	<b>16,959</b>	<b>8,128</b>	<b>1,467</b>	<b>90,062</b>	<b>-58</b>	<b>116,558</b>
	Statutory Reserve	Special reserves	Tax-free reserves	Other reserves	Translation reserves	Total
<b>Balance as of 01/01/2016</b>	<b>16,959</b>	<b>8,128</b>	<b>1,467</b>	<b>90,062</b>	<b>-58</b>	<b>116,558</b>
Transfers between reserves and retained earnings	-	-	-	-	-	-
<b>Balance as of 31/12/2016</b>	<b>16,959</b>	<b>8,128</b>	<b>1,467</b>	<b>90,062</b>	<b>-58</b>	<b>116,558</b>

**COMPANY**

	Statutory Reserve	Special reserves	Tax-free reserves	Other reserves	Translation reserves	Total
<b>Balance as of 01/01/2015</b>	<b>13,341</b>	<b>20,428</b>	<b>1,065</b>	<b>9,246</b>	-	<b>44,080</b>
Transfers between reserves and retained earnings	-	-15,040	-	-	-	-15,040
Changes following the merger	-	-	-	-	-	-
<b>Balance as of 31/12/2015</b>	<b>13,341</b>	<b>5,388</b>	<b>1,065</b>	<b>9,246</b>	-	<b>29,040</b>
	Statutory Reserve	Special reserves	Tax-free reserves	Other reserves	Translation reserves	Total
<b>Balance as of 01/01/2016</b>	<b>13,341</b>	<b>5,388</b>	<b>1,065</b>	<b>9,246</b>	-	<b>29,040</b>
Transfers between reserves and retained earnings	-	-	-	-	-	0
Changes following the merger	-	-	-	-	-	-
<b>Balance as of 31/12/2016</b>	<b>13,341</b>	<b>5,388</b>	<b>1,065</b>	<b>9,246</b>	-	<b>29,040</b>

**7.23. Deferred tax liabilities**

Deferred income tax results from the temporary differences between the book value and the tax base of assets or liabilities for non-shipping activities.

	<b>GROUP</b>		
	Balance as of 1.1.2016	(Debit)/Credit to P&L	Balance as of 31.12.2016
<b>Deferred Assets/(Liabilities)</b>			
Tangible assets	-	-1,029	-1,029
Derivatives	-	-7	-7
Trade and other receivables	-	42	42
Other current assets	-	-331	-331
Other reserves	-15	-	-15
Accrued pension and retirement obligations	-	51	51
Long-term borrowings	-	1,245	1,245
<b>Total</b>	<b>-15</b>	<b>-29</b>	<b>-44</b>
	<b>ΟΜΙΛΟΣ</b>		
	Balance as of 1.1.2015	(Debit)/Credit to P&L	Balance as of 31.12.2015
<b>Deferred Assets/(Liabilities)</b>			
Other reserves	-15	-	-15
<b>Total</b>	<b>-15</b>	<b>-</b>	<b>-15</b>

The deferred tax liabilities, Euro 15 thousand, involve the tax free reserves and other special taxable reserves that will be taxed only when they are distributed.

**7.24. Accrued pension and retirement obligations**

These obligations refer to personnel compensation due to retirement.

The Group has the legal obligation of paying to its employees a compensation at their first date of retirement on a pension.

The above-mentioned obligation is a defined benefit plan according to IAS 19.

The assumptions used for the retirement benefit provisions for the period 1/1 – 31/12/2016 are the following:

	<b>2016</b>	<b>2015</b>
Discount rate	1.90%	2.20%
Inflation	1.50%	1.50%
Expected rate of salary increases	2.00%	2.00%

The analysis of this liability is as follows:

**GROUP**  
**Accrued pension and retirement obligations**

	<b>31/12/2016</b>	<b>31/12/2015</b>
Long-term pension obligations	2,168	1,736
Short-term pension obligations	-	-
<b>Total</b>	<b>2,168</b>	<b>1,736</b>

Changes in the present value of the defined benefit obligation are as follows:

	<b>31/12/2016</b>	<b>31/12/2015</b>
	<b>Defined benefit plans (Non financed)</b>	<b>Defined benefit plans (Non financed)</b>
<b>Defined benefit obligation 1 January</b>	<b>1,736</b>	<b>1,664</b>
Current Service cost	377	61
Interest expense	38	42
Remeasurement - actuarial losses (gains) from changes in financial assumptions	17	101
Benefits paid	-	-688
Past service cost	-	556
<b>Defined benefit obligation 31 December</b>	<b>2,168</b>	<b>1,736</b>

The amounts recognized in the income statement are as follows:

	<b>31/12/2016</b>	<b>31/12/2015</b>
	<b>Defined benefit plans</b>	<b>Defined benefit plans</b>
Current service costs	377	61
Past service cost	-	556
Net Interest on the defined obligation	38	42
<b>Total expenses recognized in profit or loss</b>	<b>415</b>	<b>659</b>

The amounts recognized in other comprehensive income in the Statement of Other Comprehensive Income are :

	<b>31/12/2016</b>	<b>31/12/2015</b>
	<b>Defined benefit plans (Non financed)</b>	<b>Defined benefit plans (Non financed)</b>
Actuarial gains /(losses) from changes in financial assumptions	-11	-76
Actuarial gains /(losses) from changes due to experience	-6	-25
<b>Total income /(expenses) recognized in other comprehensive income</b>	<b>-17</b>	<b>-101</b>

The effect of changes in the significant actuarial assumptions is as follows :

	<b>discount rate</b>	<b>discount rate</b>
	<b>0.5%</b>	<b>0.5%</b>
Increase (decrease) in the defined liability	-107	-125
	<b>Expected rate of salary increases</b>	<b>Expected rate of salary increases</b>
	<b>0.5%</b>	<b>0.5%</b>
Increase (decrease) in the defined liability	207	136

**PARENT**
**Accrued pension and retirement obligations**

	31/12/2016	31/12/2015
Long-term pension obligations	55	45
Short-term pension obligations	-	-
<b>Total</b>	<b>55</b>	<b>45</b>

Changes in the present value of the defined benefit obligation are as follows:

	31/12/2016	31/12/2015
	Defined benefit plans (Non financed)	Defined benefit plans (Non financed)
<b>Defined benefit obligation 1 January</b>	<b>45</b>	<b>43</b>
Current Service cost	9	-
Interest expense	1	1
Remeasurement - actuarial losses (gains) from changes in financial assumptions	-	1
Benefits paid	-	-
Past service cost	-	-
<b>Defined benefit obligation 31 December</b>	<b>55</b>	<b>45</b>

The amounts recognized in the income statement are as follows

	31/12/2016	31/12/2015
	Defined benefit plans	Defined benefit plans
Current service costs	-	-
Past service cost	-	-
Net Interest on the defined obligation	1	1
<b>Total expenses recognized in profit or loss</b>	<b>1</b>	<b>1</b>

The amounts recognized in other comprehensive income in the Statement of Other Comprehensive Income are :

	31/12/2016	31/12/2015
	Defined benefit plans (Non financed)	Defined benefit plans (Non financed)
Actuarial gains /(losses) from changes in financial assumptions	-	-1
<b>Total income /(expenses) recognized in other comprehensive income</b>	<b>-</b>	<b>-1</b>

**7.25. Non-current provisions**

The Group has made a provision amounting Euro 1,218 thousand which concerns claim for compensation from the crew that was employed on board the Group's vessels.

	Case under litigation which concerns claim for compensation from the crew in the Baltic Sea	Other provisions	Total
<b>Opening Balance as of 01/01/2015</b>	<b>1,078</b>	<b>264</b>	<b>1,342</b>
Additional provisions	140	-	140
Utilised provisions	-	-264	-264
<b>Closing Balance as of 31/12/2015</b>	<b>1,218</b>	<b>264</b>	<b>1,218</b>
Non-current provisions	-	-	-
	<b>1,218</b>	<b>-</b>	<b>1,218</b>
	Case under litigation which concerns claim for compensation from the crew in the Baltic Sea	Other provisions	Total
<b>Opening Balance as of 01/01/2016</b>	<b>1,218</b>	<b>-</b>	<b>1,218</b>
Additional provisions	-	-	-
Utilised provisions	-	-	-
<b>Closing Balance as of 31/12/2016</b>	<b>1,218</b>	<b>-</b>	<b>1,218</b>
Non-current provisions	-	-	-
	<b>1,218</b>	<b>-</b>	<b>1,218</b>

**7.26. Trade and other payables**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2016</b>	<b>31/12/2015</b>	<b>31/12/2016</b>	<b>31/12/2015</b>
Suppliers	16,370	13,824	20	76
Customers' Advances	1,106	901	-	-
Intercompany accounts payable	175	184	-	-
Other liabilities	406	712	-	-
<b>Total</b>	<b>18,057</b>	<b>15,621</b>	<b>20</b>	<b>76</b>

**7.27. Tax liabilities**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2016</b>	<b>31/12/2015</b>	<b>31/12/2016</b>	<b>31/12/2015</b>
Tax expense	355	108	-	-
Provision for Tax expense for unaudited fiscal years	148	148	20	20
Tax audit differences	-	-	-	-
<b>Total</b>	<b>503</b>	<b>256</b>	<b>20</b>	<b>20</b>

**7.28. Long-term and short-term borrowings**

Borrowings analysis:

**Long-term borrowings**
**Short-term dept**

	<b>31/12/2016</b>	<b>31/12/2015</b>
<b>Long-term borrowings</b>		
Obligations under finance lease	4,294	5,174
Secured Loans	86,399	101,877
Bonds	95,536	120,312
Convertible Bonds	69,214	57,893
Less: Long-term loans payable in next financial year	-25,637	-41,529
<b>Total of long-term loans</b>	<b>229,806</b>	<b>243,727</b>
<b>Short-term dept</b>	<b>31/12/2016</b>	<b>31/12/2015</b>
Secured Loans	-	-
Bank Loans	-	-
More: Long-term loans payable in next financial year	25,637	41,529
<b>Total of short-term loans</b>	<b>25,637</b>	<b>41,529</b>

**Amounts in Euro**

<b>Borrowings as of 31/12/2016</b>	<b>Within 1year</b>	<b>After 1year but not more than 5 years</b>	<b>More than five years</b>	<b>Total</b>
Obligations under finance lease	1,080	3,214	-	<b>4,294</b>
Bank Loans	-	-	-	-
Secured Loans	17,485	49,353	19,561	<b>86,399</b>
Bonds	7,072	63,622	24,842	<b>95,536</b>
Convertible Bonds	-	69,214	-	<b>69,214</b>
<b>Borrowings</b>	<b>25,637</b>	<b>185,403</b>	<b>44,403</b>	<b>255,443</b>
<b>Borrowings as of 31/12/2015</b>	<b>Within 1year</b>	<b>After 1year but not more than 5 years</b>	<b>More than five years</b>	<b>Total</b>
Obligations under finance lease	880	4,294	-	<b>5,174</b>
Bank Loans	-	-	-	-
Secured Loans	22,155	53,806	25,916	<b>101,877</b>
Bonds	18,494	75,880	25,938	<b>120,312</b>
Convertible Bonds	-	57,893	-	<b>57,893</b>
<b>Borrowings</b>	<b>41,529</b>	<b>191,873</b>	<b>51,854</b>	<b>285,256</b>

	<b>31/12/2016</b>
	<b>Euro</b>
Long-term borrowings	6.63%
Short-term dept	0.00%
	<b>31/12/2015</b>
	<b>Euro</b>
Long-term borrowings	6.25%
Short-term dept	0.00%

During the present period the Group paid the amount of Euro 49,945 thousand against repayment of its long- term loans and Euro 880 thousand for the financial leasing of the vessel Blue Galaxy.

The changes in the convertible bond balance refers to the measurement of its fair value (see note 2.20)

Group's total borrowings stood at Euro 255,443 thousand.

**7.29. Other current liabilities**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2016</b>	<b>31/12/2015</b>	<b>31/12/2016</b>	<b>31/12/2015</b>
Intercompany accounts payable	-	-	-	-
Deferred income-Grants	2,061	2,078	-	-
Social security insurance	1,649	1,710	6	6
Other Tax liabilities	7,105	5,569	37	38
Dividends	-	-	-	-
Salaries and wages payable	1,428	1,999	-	-
Accrued expenses*	2,582	2,258	17	17
Others Liabilities	189	361	89	122
Obligation to Daewoo	-	-	-	-
<b>Total</b>	<b>15,014</b>	<b>13,975</b>	<b>149</b>	<b>183</b>

\* Accrued expenses refer mainly to the provisions of the operating expenses.

**8. Contingent assets and liabilities**
**a) Liens and Encumbrances**

As already stated in note 7.12., the vessels owned by the Group have been mortgaged as security of secured loans for an amount of Euro 685,273 thousand.

**b) Group and company disputes under litigation or arbitration**

On 31 December 2016 there were pending lawsuits against the parent company and the Group due to the merger by absorption of Blue Star Maritime S.A., about labour, civil and shipping claims. It is estimated that these claims will not have any significant effect on the Group's financial position because for most of the cases there are appropriate insurances coverage and provisions.

**c) Unaudited years**

See note 7.10. "Income taxes" and note 7.14. "Investments in subsidiaries".

**d) Granted guarantees**

Letters of guarantee which have been provided to secure liabilities of the Group and the Company and were in force on 31/12/2016 and on 31/12/2015 have as follows:

	<u>31/12/2016</u>	<u>31/12/2015</u>
<b>Guarantees</b>		
Performance letters of guarantee	1,097	1,301
Guarantees for the repayment of trade liabilities	24	24
Guarantees for the participation in various tenders	500	500
<b>Total guarantees</b>	<u><u>1,621</u></u>	<u><u>1,825</u></u>

The parent company has guaranteed to lending banks the repayment of loans of the Group's vessels amounting Euro 241,434 thousand.

**e) Undertakings analysis has as follows:**

	<b>GROUP</b>		<b>COMPANY</b>	
	<u>31/12/2016</u>	<u>31/12/2015</u>	<u>31/12/2016</u>	<u>31/12/2015</u>
<b>Finance lease commitments</b>				
Within one year	1,080	880	-	-
After one year but not more than five years	3,214	4,294	-	-
More than five years	-	-	-	-
<b>Operating lease commitments</b>				
Within one year	384	417	47	68
After one year but not more than five years	1,937	1,492	235	186
More than five years	1,145	1,870	139	234

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**9. Significant events**

On 16.06.2016 Attica Group and BMCE Bank announced an agreement to operate scheduled ferry services from Morocco to Europe, through the newly-acquired Moroccan company Africa Morocco Links ("AML"). The implementation of the agreement started with the operation of two Ro – Pax vessels. Attica Group participates in AML with 49% while BMCE Bank Of Africa Group participates with 51%. It should be clarified that the signing of the final contract documents and the acquisition of the 49% in AML was completed on 28.10.2016.

On 29.06.2016 Attica Group announced the sale of Ro/Pax Vessel Diagoras to the Moroccan company "Africa Morocco Links" ("AML"), in the context of the previously announced agreement between Attica Group and BMCE Bank of Africa to operate scheduled ferry services between Morocco and Europe through AML. The sale of the Vessel is part of a broader agreement which includes also a repurchase agreement for the same financial consideration.

**10. Events after the Balance Sheet date**

There are no events after the Balance Sheet Date.

**11. No Dividend distribution**

There will be no dividend distribution for the fiscal year 2016.

Athens, April 11<sup>th</sup>, 2017

CHAIRMAN  
OF THE B.O.D.

CHIEF EXECUTIVE  
OFFICER

AUTHORIZED  
DIRECTOR

FINANCIAL  
DIRECTOR

KYRIAKOS MAGIRAS  
I.D. No:AK109642

SPIROS PASCHALIS  
I.D. No:AB215327

IRAKLIS SIMITSIDELLIS  
I.D. No: AM140292

NIKOLAOS TAPIRIS  
I.D. No:AK087031  
LICENSE No 32210-CLASS A



**ATTICA HOLDINGS S.A.**

Registration Number: 7702/06/B/86/128

Commercial Registration Number: 5780001000

1-7, Lysikratous & Evripidou Street - 17674 Athens, Greece

Information for the period from January 1 to December 31, 2016

(published according to Article 135 of Law 2190/20, for companies which prepare annual financial statements, consolidated or not, according to I.F.R.S.)

The following information provide a general overview of the financial position and financial results of ATTICA HOLDINGS S.A. and the Group.

We advise readers, who wish to find a complete set of the annual financial statements as well as the relevant certified auditor's report whenever it is required, to navigate at the domain of the company

(Amounts in thousand Euro)

Parent Supervising Authority:  
Internal Control:  
Board of Directors:

Date of Board of Directors approval of annual financial statements:  
Certified Auditor:  
Audit Firm:  
Type of certified auditor's report:

Ministry of Development, Department for limited companies  
www.afica-group.com

Kyrillos Magline - Chairman, Executive Member, Michael Delaville - Vice-Chairman, Non-Executive Member, Spiros Paschalis - Managing Director, Executive Member, Ioannis Stenifellakis - Director, Executive Member, George Stenifellakis - Director, Independent Non-Executive Member, Emmanouil Karthakis - Director, Independent Non-Executive Member

April 11, 2017  
Spiros Thrasivale - SOEL No 34061  
Grant Thornton S.A. - SOEL 127  
Unqualified

STATEMENT OF FINANCIAL POSITION

GROUP

COMPANY

31.12.2016

31.12.2015

31.12.2016

31.12.2015

Tangible assets

547,308

585,516

7

0

Investment properties

-

-

-

-

Intangible assets

1,954

2,026

2

5

Other non-current assets

8,259

1,283

507,872

540,980

Inventories

3,542

2,982

1,282

-

Trade receivables and prepayments

41,862

41,900

99

467

Other current assets

90,531

94,940

1,268

3,547

Non-current assets classified as held for sale

-

-

-

-

Total assets

694,026

708,647

609,158

645,323

EQUITY AND LIABILITIES

57,498

57,498

57,498

57,498

Share capital

344,001

319,770

491,456

474,553

Other equity

401,589

376,228

508,654

532,051

Total shareholders equity (a)

-

-

-

-

Non-controlling interests (b)

-

-

-

-

Total equity (c)=(a)+(b)

229,806

243,727

-

-

Long-term borrowings

3,420

15,969

55

13,045

Provisions / Other long-term liabilities

28,437

41,509

169

279

Other short-term liabilities

33,574

31,194

-

-

Liabilities associated with non-current assets classified as held for sale

-

-

-

-

Total liabilities (d)

292,447

332,419

344

13,324

Total equity and liabilities (c)+(d)

694,026

708,647

609,158

645,323

STATEMENT OF COMPREHENSIVE INCOME

GROUP

COMPANY

1.01.31.12.2016

1.01.31.12.2015

1.01.31.12.2016

1.01.31.12.2015

Revenue

265,614

277,625

-

-

Gross Profit / (Loss)

83,855

94,123

-

-

Earnings before taxes, investing and financial results

46,224

56,770

-1,029

-399

Profit / (loss) before taxes

20,956

33,359

-1,102

1,354

Profit / (loss) after taxes (A)

20,251

33,182

-1,102

1,354

- Owners of the parent

20,251

33,182

-1,102

1,354

- Minority shareholders

-

-

-

-

Other comprehensive income after tax (B)

5,110

3,229

-21,946

-

Total comprehensive income for the period after tax (A)+(B)

26,361

36,411

-23,048

42,944

- Owners of the parent

26,361

36,411

-23,048

42,944

- Minority shareholders

-

-

-

-

Earnings after taxes per share - basic (in €)

0.1097

0.1731

-0.0097

0.0071

Proposed dividend payable per share (in €)

-

-

-

-

Earnings before taxes, investing and financial results, depreciation and amortization

70,032

80,701

-1,019

-476

STATEMENT OF CHANGES IN EQUITY

GROUP

COMPANY

31.12.2016

31.12.2015

31.12.2016

31.12.2015

Equity Opening Balance (01.01.2016 and 01.01.2015)

376,228

359,917

532,051

489,025

Total comprehensive income for the period after tax

25,361

36,411

-23,048

42,944

Other changes (return of capital accumulation etc)

-

-

-

-

Cash and cash equivalents at beginning of period

71,059

23,537

13

3,069

Exchange differences in cash and cash equivalents

-14

-48

-

-

Cash and cash equivalents at end of period

81,255

71,059

1,253

1,061

NOTES

1. The companies with their corresponding legislation, the percentages of participation and their method of consolidation in the annual financial statements of 31.12.2016, can be found in note 7.14 of the annual financial statements.  
For all the companies of the Group, there are no changes of the method of consolidation. There are not companies which have not been consolidated in the present period while they have been consolidated either in the previous period or in the same period of the fiscal year 2015. The exception to the above is the newly-acquired Moroccan company AFRIKA MOROCCO LINKS (AML), which is which is consolidated with the equity method for the first time. Also, there are no companies of the Group which have not been consolidated in the annual financial statements.

2. All the companies included in the consolidation of Africa Group have already made a tax provision of Euro 149 thousand. The parent company has made a tax provision of Euro 20 thousand. Relevant analysis for the unaudited fiscal years can be found in note 7.10 of the annual financial statements.

3. The accounting principles are the same as those used on 31/12/2015 apart from the changes in new Standards and Interpretations issued from 01/01/2016 (note 2.21.1. of the annual financial statements).

4. The number of employees, at year end, was 2 for the parent company and 1,095 for the Group, while at 31/12/2015 was 2 and 1,077 respectively.

5. The vessels owned by the Group have been mortgaged as security of long term borrowings for the amount of Euro 685,273 thousand. There are no liens and encumbrances for the Company.

6. There is no capital or contribution which could have a significant effect on the financial position or operation of the parent company. The Group has made a provision amounting Euro 1,218 thousand which concerns claim from crew compensation. Furthermore, the Company and the Group have made a relevant benefit provision amounting Euro 55 thousand and Euro 2,189 thousand respectively. There are no provisions according to paragraphs 10, 11 and 14 of the IAS 37 article "Provisions, Possible Liabilities and Possible Assets" for the Company and the Group.

7. Amounts concerning sales and purchases, cumulatively, from the beginning of the current period and the outstanding balances of receivables and payables of the parent company and the Group at the end of the current period, arising from transactions with related parties in accordance with IAS 24, are as follows:

Marfin Investment Group

Group

Company

2016

2015

a) Revenue

10,427

-

208

-

b) Expenses

3,463

-

1,941

1

c) Receivables

3,056

-

17,838

1,211

d) Payables

175

-

36,262

-

Africa Group

Group

Company

2016

2015

a) Transactions and Board of Directors and Executive Directors' Fees

-

-

-

-

b) Receivables from Board of Directors and Executive Directors

-

-

-

-

c) Payables to Board of Directors and Executive Directors

-

-

-

-

8. The financial statements of Africa Holdings S.A. are included, directly, in the consolidated financial statements of MARFIN INVESTMENT GROUP HOLDINGS S.A. which is registered in Greece and whose total participation in the company (directly & indirectly), was 69.30% at 31.12.2016.

9. For the Group "Total comprehensive income for the period after tax" amounting Euro 25,361 thousand refer to the Group's profit, Euro 20,251 thousand, to the cash flow hedging concerning fair value derivatives amounting Euro 5,127 thousand and to the revaluation of the accrued pension obligations amounting Euro 17,000 thousand. "Total comprehensive income for the period after tax" amounting Euro 25,361 thousand refer to the company's loss, Euro 1,102 thousand and to the measurement at fair value of the subsidiary companies amounting Euro 21,946 thousand (see note 7.14 of the annual financial statements).

10. There are no shares of the parent company owned by Africa Holdings S.A. and the subsidiaries at the end of the present period.

11. On 10.05.2016 Africa Group and SMICE Bank announced an agreement to operate scheduled ferry services from Morocco to Europe, through the newly-acquired Moroccan company Africa Morocco Link (AML). The implementation of the agreement started with two flights - Pisa vessels for AML, Africa Group participates with 49% while SMICE Bank of Africa Group participates with 51%. It should be clarified that the signing of the final contract documents and the acquisition of the 49% in AML completed on 28.10.2016.

12. On 29.05.2016 Africa Group announced the sale of RixBox Vessel (Dagmar) to the Moroccan company Africa Morocco Link (AML), in the context of the previously announced agreement between Africa Group and SMICE Bank of Africa to operate scheduled ferry services from Morocco and Europe through AML. The sale of the Vessel is part of a broader agreement which includes also a repurchase agreement for the same financial consideration.

CHAIRMAN OF THE B.O.D.

KYRILLOS MAGIRAS  
ID Card No: AR210642

THE CHIEF EXECUTIVE OFFICER

SPYROS PASCHALIS  
ID Card No: AR215327

Athens, April 11, 2017

AUTHORIZED DIRECTOR

IRAKLIS SMITHIDELLIS  
ID Card No: AR414282

THE FINANCIAL DIRECTOR

NIKOLAOS TAPIROS  
ID Card No: AK087011  
License No: 27016121 ARIA &