ATTICA HOLDINGS S.A.

Annual Financial Report
for the period 1.1.2017 to 31.12.2017
(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
1-7 Lysikratous & Evripidou Street,176 74
Kallithea, Athens, Greece

CONTENTS **Page**

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

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 1.1.2017 to 31.12.2017 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 27, 2018 and are available in the internet on the web address www.attica-group.com.

Kallithea, April 27, 2018

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 the audit of the separate and consolidated financial statements

Opinion

We have audited the accompanying separate and consolidated financial statements of the company "ATTICA HOLDINGS S.A." (the Company), which comprise the separate and consolidated statement of financial position as at December 31, 2017, and the separate and consolidated statements of comprehensive income, changes in equity and cash flow for the year then ended, as well as a summary of significant accounting policies and other explanatory notes.
In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company and its subsidiaries (the Group) as of December 31, 2017, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as they have been transposed in Greek Legislation. Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of the separate and consolidated financial statements" section of our report. During our audit, we remained independent of the Company and the Group, in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as transposed in Greek legislation and the ethical requirements relevant to the audit of the separate and consolidated financial statements in Greece. We have fulfilled our responsibilities in accordance with the provisions of the currently enacted law and the requirements of the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key audit matters	How our audit addressed the key audit matter
Vessels book value (consolidated financial statements)	
Attica Group operates Ropax Vessels with a carrying value of € 508 mil. as at 31 December, 2017. In accordance with Group's accounting policy, vessels are stated at cost less accumulated depreciation and less/plus any impairment losses/reversal of impairment losses. In 2017, Group has recognized a reversal of impairment amounting to € 2,8 mil. In the prior financial years, Group has recognised cumulative impairment losses amounting to € 47,8 mil. and cumulative reversals of impairment losses amounting to € 7,9 mil..(including the reversal of 2017). At the end of each reporting period, Group's	Our audit approach included, among others, the following procedures: • We assessed management's procedures for the identification of impairment/reversal of impairment indications relating to vessels value. • We assessed management's procedure relating to the preparation of reliable business plans. • We assessed the mathematical accuracy of discounted cash flow models and the reasonableness of management's assumptions and estimates.

management assesses the recoverable amount of vessels, which is the higher of fair value less costs of disposal and value-in-use. Fair value of vessels is estimated according to independent expert's valuation reports less estimated costs of disposal. Value in use is the present value of estimated future cash flows expected to arise from cash generating units (C.G.U.) determined by management. The estimation of future cash flows depends on estimations used by management regarding future fuel oil prices, traffic volumes, capital expenses and discount rates. Taking into consideration the significant amounts of vessels, the use of management's assumptions and estimates for the determination of the relative recoverable amounts, and the use of independent experts regarding vessels values, we consider this area as a key audit matter. Management's disclosures for the accounting policy, assumption and estimates used for the analysis of the above are included in explanatory notes 2.6, 2.8, 7.5, 7.12, of the consolidated financial statements.	• We tested the computation of vessels fair value taking into consideration the independent expert's valuation reports. • We assessed the competence, capabilities and objectivity of management's experts • For the above procedures, where this was deemed appropriate, we used our firm's specialist. • We assessed the adequacy of the related disclosures included in explanatory notes of the financial statements
Book Value of Investments in subsidiaries (separate financial statements)	
As at 31.12.2017, the Company holds investments in subsidiaries of € 508mil.. As also referred to in the attached Financial Statements, the Company measures its investments at fair value, recognising the valuation differences in Equity. If such valuation differences constitute permanent and non-reversible losses they are recognised in p&l. No subsidiary of the parent company has stocks traded in an active market. In order to calculate their fair value, the present value of estimated future cash flows of the subsidiaries is used, which is weighted with the adjusted (in order to take into account the fair value of the vessels) net assets value of the subsidiaries. Management's assumptions and estimates are mainly related to the future fuel oil prices, traffic volumes, capital expenses and discount rates. Taking into consideration the significant amounts of the investments mentioned above, the use of management's assumptions and estimates for the determination of the relative recoverable amounts, and the use of independent experts regarding vessels values, we consider this area as a key audit matter. Management's disclosures for the accounting policy, assumption and estimates used for the analysis of the above are included in explanatory notes 4.2, and 7.14, of the financial statements.	Our audit approach included, among others, the following procedures: • We assessed management's procedure relating to the preparation of reliable business plans. • We assessed the mathematical accuracy of discounted cash flow models and the reasonableness of management's assumptions and estimates. • We tested the computation of the adjusted values of net assets taking into consideration the independent expert's valuation reports. • We assessed the competence, capabilities and objectivity of management's experts • For the above procedures, where this was deemed appropriate, we used our firm's specialist. • We assessed the adequacy of the related disclosures included in explanatory notes of the financial statements.

Other Information

Management is responsible for the other information. The other information is included in the Board of Directors' Report, as referred to the "Report on other Legal and Regulatory Requirements" section, in the Declaration of the Board of Directors Representatives and in any other information which is either required by Law or the Company optionally incorporated, in the required by Law 3556/2007, Annual Report, but does not include the financial statements and our auditor's report thereon.
Our opinion on the separate and consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.
In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the procedures performed, we conclude that there is a material misstatement therein; we are required to communicate that matter. We have nothing to report in this respect.

Responsibilities of Management and Those Charged with Governance for the separate and consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with International Financial Reporting Standards, as endorsed by the European Union, and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the separate and consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group or to cease operations, or has no realistic alternative but to do so.
The Audit Committee (art. 44 of Law 4449/2017) of the Company is responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the separate and consolidated Financial Statements

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

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the Company and the Group. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. Board of Directors' Report

Taking into consideration that management is responsible for the preparation of the Board of Directors' Report which also includes the Corporate Governance Statement, according to the provisions of paragraph 5 of article 2 (part B) of L. 4336/2015, we note the following:

a. The Board of Directors' Report includes the Corporate Governance Statement which provides the information required by Article 43bb of Greek Codified Law 2190/1920.

b. In our opinion the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of articles 43a and 107A and of paragraph 1 (cases c' and d') of article 43bb of Greek Codified Law 2190/1920 and its content is consistent with the accompanying separate and consolidated financial statements for the year ended 31/12/2017.

c. Based on the knowledge we obtained during our audit about the Company Attica Holdings S.A. and its environment, we have not identified any material inconsistencies in the Board of Directors' Report.

2. Additional Report to the Audit Committee

Our audit opinion on the separate and the consolidated financial statements is consistent with the additional report to the Audit Committee referred to in article 11 of EU Regulation 537/2014.

3. Non Audit Services

We have not provided to the Company and its subsidiaries any prohibited non-audit services referred to in article 5 of EU Regulation No 537/2014. The allowed services provided to the Company and the Group, in addition to the statutory audit, during the year ended 31 December 2017 have been disclosed in Note 7.2 to the accompanying separate and consolidated financial statements.

4. Appointment

We were appointed as statutory auditors for the first time by the General Assembly of shareholders of the Company on 17 June 2008. Our appointment has been, since then, uninterrupted renewed by the Annual General Assembly of shareholders of the Company for 10 consecutive years.

Athens, 27 April 2018
The Certified Public Accountant

Thanasis Xynas
I.C.P.A. Reg. No. 34081

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Chartered Accountants Management Consultants
56, Zefirou str., 175 64 Palaio Faliro, Greece
Registry Number SOEL 127

Annual Report of the Board of Directors for the fiscal year 2017

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 2017 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 2017.

A. FINANCIAL DEVELOPMENTS AND PERFORMANCE DURING 2017

The development and performance of the Group in 2017 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 eleven (11) modern Ropax vessels, of which, three (3) were deployed in the Adriatic Sea and eight (8) 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 increased by 3.4% for Domestic routes while Adriatic sailings increased by 2.6%.

Consolidated revenue increased to Euro 271.54mln compared to Euro 268.61mln in 2016. Earnings before taxes, investing and financial results, depreciation and amortization (EBITDA) amounted to Euro 50.36mln compared to Euro 70.03mln in 2016.

Group's Net Income after Tax decreased to Euro 1.25mln compared to Euro 20.25mln in 2016.

The above decline in Net income after Tax compared to the previous year is mainly attributable to the increase of fuel oil prices which affected Group results by approximately 22mln.

2. Operating Markets and Traffic Volumes

The Group reported in 2017 increased traffic volumes in freight units by 3.5%, in private vehicles by 5.7% and in passengers, 2.2%. In particular Group's vessel's carried in 2017 4.13mln passengers compared to 4.04mln in 2016, 635.83 thousand private vehicles compared to 601.72 thousand in 2016 and 300.61 thousand freight units compared to 290.43 thousand in 2016. Annual sailings increased by 3.3% compared to 2016.

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 with increased by 2.6% in terms of sailings compared to the same period in 2016, increased by 17.3% in passengers, increased by 17.0% in private vehicles and increased by 8.0% in freight units.
Attica Group cooperates with ANEK S.A. under the Joint Venture Revenue Agreement "Anek S.A. – Superfast Endeka (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 nine vessels, in the Piraeus – Cyclades, Piraeus – Dodecanese, in Piraeus – Crete (in joint service with ANEK) and in the Piraeus – Chios - Mytilene. According to the Group's traffic data the total traffic volumes in all Domestic routes increased by 3.4% in terms of sailings for 2017, increased by 1.5% in freight units, 4.0% in private vehicles and 0.8% in passengers.

3. Group's Financial Results

For the year ended 31 December 2017, the group's revenue derived by 68.0% from Domestic routes and by 32.0% from Adriatic routes, while for the same period in 2016 the respective percentages were similar.

The Group's geographical operation is as follows:

In the Domestic market, the Group operated in Cyclades, Dodecanese, Piraeus – Crete and Piraeus – Chios – Mytilene 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 and Superfast XII.

Revenue from the Domestic market increased by 0.3% to Euro 183.45mln for the year ended 31 December 2017 compared to Euro 182.96mln for the same period in 2016, additionally sailings increased by 3.4%.

In the Adriatic market, Attica Group operated during 2017 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.

Revenue from the Adriatic market increased to Euro 88.09mln for the year ended 31 December 2017 compared to Euro 85.65mln for the same period in 2016, with increased sailings by 2.6%.

<u>Operating expenses and Financial Results</u>

Operating expenses increased to Euro 211.52mln for the year ended 31 December 2017, as compared to Euro 187.76mln for the same period in 2016, this was primarily due to the increase of fuel oil prices. The overall cost of fuel oil and lubricants in 2017 increased by approximately Euro 22mln.

Administration expenses stood at Euro 20.74mln for the year ended 31 December 2017 compared to Euro 19.00mln for the same period in 2016. The Group's Sales & Distribution expenses decreased to Euro 18.68mln for the year ended 31 December 2017 compared to Euro 18.79mln for the same period in 2016.

Other operating income increased to Euro 5.01mln for the year ended 31 December 2017 compared to Euro 3.16mln for the same period in 2016. Other operating income refers mainly to the operating income derived from the associate company Africa Morocco Links (AML).

Other financial results decreased to Euro 1.17mln losses for the year ended 31 December 2017, compared to losses of Euro 2.59mln for the same period in 2016. Other financial results include mainly amounts related to partial hedging of fuel oil price fluctuation.
Income from reversal of impairments amounted to Euro 2.8mln for the year ended 31 December 2017 compared to Euro 2.05mln income, for the same period in 2016. The income is mainly attributable to Group's vessels and relates to impairments that have been recognized in the Group's results in previous fiscal years.

The Group's financial expenses decreased to Euro 18.24mln for the year ended 2017 compared to Euro 22.60mln for the same period in 2016.

Financial expenses for the year ended 31 December 2017, include also an amount of Euro 1,6mln, which relates to the change of the fair value, of the convertible loan of Blue Star Ferries Maritime S.A into Attica shares (amount of Euro 6,4mln expense for the same period in 2016). It should be noted that this expense results from the accounting of Blue Star Ferries Maritime S.A. convertible bond loan, which forms a combined (hybrid) financial instrument and is measured at fair value in the consolidated financial statements.

Financial income decreased to Euro 0.07mln for the year ended 31 December 2017 compared to Euro 0.29mln income for the same period in 2016.

Furthermore, 2017 results include losses amounting to Euro 7.52mln from the associated company Africa Morocco Links (“AML”), which is consolidated under the equity method.

Overall, Attica’s consolidated profits after tax decreased to 1.25mln for the year ended 31 December 2017 compared to profit of Euro 20.25mln for the same period in 2016.

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 volume traffic for passengers and vehicles is observed during the months July, August and September while the lowest volume 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 amounted to Euro 527,07mln as at 31 December 2017 compared to Euro 547.91mln for the same period in 2016 and include mainly the Group’s vessels. The drop in tangible assets resulted from respective depreciation.

The account "Other non-current assets" increased to Euro 8.56 for the year ended 2017 as compared to Euro 8.24 for the same period and refers mainly to other long-term receivables.

The account “Investment Portfolio”, amounted to Euro 5mln and refers to the acquisition value of Hellenic Seaways Maritime S.A. (HSW).

Inventories which are comprised mainly of raw materials and vessels’ fuels – lubricants, decreased for the year ended 31 December 2017 to Euro 3.31mln, as compared to Euro 3.54mln for the same period in 2016.

Trade and other receivables increased to Euro 47.28mln for the year ended 31 December 2017 compared to Euro 41.86mln for the same period in 2016. The above increase resulted from the increase in “Trade receivables”.

Other current assets increased to Euro 37.37mln compared to Euro 33.43mln for the same period in 2016. The above increase resulted from the increase in “other debtors” mainly due to the Group’s receivables from the associated company AML and the account “prepaid expenses”. The account “prepaid expenses” includes vessels’ dry dock expenses.

Derivatives (Euro 4.43mln from Euro 5.88mln in 2016) refers to partial hedging of the fuel oil price fluctuation risk and is measured at fair value.

Cash and cash equivalents of the Group amounted to Euro 44.10mln compared to Euro 51.22mln as at 31.12.2016.

The Group’s total Equity increased to Euro 402.92mln as compared to Euro 401.59mln in 2016.

Long-term borrowing of the Group amounted to Euro 214.43mln for the year ended 31 December 2017 compared to Euro 229.81mln for the same period in 2016 and short-term borrowings of the Group amounted to Euro 24.30mln for 2017 as compared to Euro 25.64mln for the same period in 2016.

Trade and other payables increased to Euro 20.30mln in 2017 compared to Euro 18.06mln in 2016.

Account «other short-term liabilities» amounts at 31.12.2017 Euro 12.99mln compared to Euro 15.01mln in 2016.

Cash Flow

2017 operating cash in-flows amounted to Euro 25.67mln compared to in-flows of Euro 45.82mln for the year ended 2016.

2017 investing cash out-flows amounted to Euro 7.11mln compared to out-flows of Euro 10.81mln in 2016.

2017 cash out-flows from financing activities amounted to Euro 25.64mln compared to out-flows of Euro 55.33mln in 2016 which mainly include payments against borrowings.

Financial Ratios (alternative performance measure "**APMs**")

The mail financial ratios of the Group are presented below:

	2017	2016
General Liquidity Total Current Assets/Total Short Term Liabilities	2.34	2.3
Debt-equity Ratio Equity/Total Liabilities	1.46	1.37
Gearing Ratio Net Debt/Total Capital Employed	0.33	0.34
Net Debt/EBITDA	3.86	2.92

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. and Blue Star Ferries Maritime S.A. with the amount of Euro 1.4mln, Euro 1.9mln, Euro 2.9mln, Euro 1.2mln and Euro 2 thousand respectively. In 2016 the parent company participated in the share capital increase of its 100% subsidiaries with the amount of Euro 11.6mln.

Furthermore, the 100% subsidiary Blue Star Ferries Maritime S.A. returned part of its share capital to the parent company Attica Holdings S.A. through share capital decrease of Euro 7.4mln. In 2016 the respective share capital decrease amounted to Euro 22.6mln.

The investment in subsidiaries stood at 31.12.2017 at Euro 508.19mln while in 2016 at Euro 507.81mln. The Company evaluates its investments at fair value.

During the fiscal year 2017 the Company had revenue from dividends amounting of Euro 3.11mln.

Administration expenses, rose to Euro 1.29mln from 1.04mln in 2016.

For the Company, total profit after tax amounted to Euro 1.82mln compared to losses of Euro 1.10mln in 2016.

Cash and cash equivalents stood at 31.12.2017 at Euro 2.18 thousand while in 2016 at Euro 1.23 thousand.

Equity stood at Euro 511.14mln from Euro 508.95mln in 2016.

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

On 14.2.20167 the Company 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.

On 16.5.2017 the Ordinary General Meeting of Shareholders approved the annual financial statements and the exemption of the members of the Board of Directors of any indemnity liability for the proceedings of the fiscal year 2016. Furthermore, convened and determined 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 a resigned Independent, Non-Executive Member.

On 11.8.2017 the Board of Directors of Attica Holdings S.A, announced an agreement in principle, with Piraeus Bank and other minority shareholders for the acquisition of 39,039,833 shares in total of HELLENIC SEAWAYS MARITIME S.A. (hereafter «HSW»), representing 50.30% of the share capital of HSW.

The total consideration for the transaction consists of Euro 30.61 million payable in cash and 24,145,523 new common registered shares of Attica Group, to be issued pursuant to a share capital increase.

Of the above mentioned majority equity stake in HSW, 1,250,000 shares have already been acquired by Attica Group in cash, while the remaining shares will be acquired upon closing of the transaction, which is subject to the approval of the relevant regulatory and other authorities.

On 18.8.2017 the Company announced the certification of its Monitoring Plans for the carbon dioxide emissions ("Monitoring Plans") for the Group's vessels. The certification recognizes Attica Group's regular monitoring, recording and disclosure of carbon dioxide emissions ("CO2"), in accordance with the EU Regulation1 EU MRV 757/2015. Attica Group is the first passenger shipping to be certified for our EU MRV Monitoring Plans.

On 30.08.2017 the vessel BLUE STAR PATMOS suffered grounding on shallow waters while entering in the port of Ios. The incident is fully covered by the existing insurance coverage of BLUE STAR PATMOS for third party liability (Protection & Indemnity) and hull and machine risks (Hull & Machinery) from internationally recognized insurance companies.

By 23.10.2017 meeting the Board of Directors approved the election of Mr. Panagiotis Throuvalas as non-executive member, replacing a member of the Board of Directors.

On 26.10.2017 the Group announced that it has reached agreement with Minoan Lines S.A. ("Minoan Lines") for: (i) the acquisition (hereafter the "Acquisition") by Attica Group of 37,667,504 shares in HSW, representing 48.53% of the share capital of HSW, for a cash consideration of Euro 78.5 million; (ii) the sale of SUPERFAST XII vessel to a member company of the Grimaldi Group for a cash consideration of Euro 74.5 million; and (iii) the sale of HIGHSPEED 7 vessel to Minoan Lines for a cash consideration of Euro 25 million, after completion of the Acquisition and after all corporate and other approvals have been obtained.
Completion of the agreement with Minoan Lines is subject to customary conditions precedent, including the receipt of approvals from the competent authorities, as required. Upon completion of the Acquisition and the acquisition of a 50.3% equity stake in HSW as per Attica Group's announcement dated 11 August 2017, Attica Group will hold in aggregate an equity stake of 98.83% in HSW.

On 27.11.2017, Attica Group announced the edition of the 8th Corporate Social Responsibility with accordance level "Core" based on international guidelines G4 of the Global Reporting Initiative. With this publication, Attica Group becomes the first passenger shipping company worldwide whose Report is in accordance with the GRI Standards. This Report is the capstone of an effort supported by all of the Group's employees and in which 200 quantitative indexes are mentioned (compared to 185 the previous year) and 33 future targets are presented (compared to 24 the previous year).

On 21.12.2017 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 16.3.2018 the Company with deepest sorrow announced the loss of the Independent Non-Executive Member of the Board of Directors Emmanouil Xanthakis. The presence of Emmanouil Xanthakis in the Board of Directors has always been creative and his experience has been particularly useful to the Group's executives.

On 28.3.2018 the Group announced a triple accolade at the 2018 Tourism Awards organised by Boussias Communications. At a ceremony held at the cultural center Hellenic Cosmos, Attica Group received the following awards:
- A Gold award in the "Support for local communities/CSR Actions - First Aid Scheme" category,
- A Silver award in the "Technology enhanced experience "category – Service @sea Infotainment Platform,
- A Silver award in the "Loyalty Scheme "category – Traveller Loyalty Scheme programme Seasmiles.

The Hellenic Competition Commission, with its decision on 25.04.2018, approved the proposed acquisition by Attica Group of sole control over HSW.

The clearance of the Hellenic Competition Commission was granted following certain commitments by the Company, which according to the Commission's assessment are adequate, sufficient and appropriate to ensure effective competition in the Greek Ferry sector. The commitments are described in detail in the Press Release issued by the Competition Commission and posted on the Competition Commission's website at www.epant.gr.

Following the approval, the Company will immediately proceed with implementation of the contractually agreed actions for the acquisition of 98.83% of the share capital of HSW.

C. PROSPECTS AND BUSINESS DEVELOPMENTS FOR THE FISCAL YEAR 2018

The condition of the Greek economy, and its impact on traffic volumes as well as the intensity of competition and fuel prices, are the most important factors that will affect 2018 performance.

The Group evaluates on an ongoing basis the market conditions and assumes all necessary actions to mitigate 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.

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.

The Group is at an advanced 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:

- Optimize business processes using “Best business practices”;
- More efficient reporting achieving faster decision making;
- Integrate and manage all its systems in one platform,
- Containment of total hardware management costs,

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

A 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.

By 23.10.2017 meeting the Board of Directors approved the election of Mr. Panagiotis Throuvalas as non-executive member, replacing a member of the Board of Directors.

On 16.03.2018 the Company announced the loss of the Independent, Non-Executive Member of the Board of Directors Emmanouil Xanthakis.

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 (article 44, para. 3 of Law 4449/2017).

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.

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 31.12.2017 Euro 238.73mln, from which Euro 214.43mln are long-term and Euro 24.30mln are short-term loan liabilities. In 2016 total borrowings stood at Euro 255.44mln, from which Euro 229.81mln were long-term and Euro 25.64mln 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 8.3mln 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 2.00mln.

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").

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.

The Group's Management continuously evaluates the developments and take initiatives in order to protect the Group and minimize any potential impact in its financial position.

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 2017 are as follows:

- The parent company participated in the share capital increases of its 100% subsidiaries Superfast One Inc, Superfast Two Inc, Superfast Endeka Inc, Nordia M.C. and Blue Star Ferries Maritime S.A. with the amount of Euro 1,400 thousand, Euro 1,900 thousand, Euro 2,900 thousand, Euro 1,200 thousand and Euro 2 thousand respectively. In 2016 the parent company participated in the share capital increase of its 100% subsidiaries with the amount of Euro 11.6mln.

- 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 7.4mln. In 2016 share capital decrease of 100% subsidiaries amounted Euro 22.6mln.

- The parent company received Euro 2,000 thousand as dividend payment arising from its 100% subsidiary company Attica Ferries Maritime S.A.

- The parent company has a receivable amount of Euro 1,110 thousand from its 100% subsidiary company Attica Ferries Maritime S.A.

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

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

The intercompany transactions as at 31.12.2017 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 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 2017 the intercompany transactions between Attica Group with the other companies of Marfin Investment Group Holdings S.A. (MIG) have as follows:

- Sales of Euro 10.72mln while for the fiscal year 2016 Euro 10.43mln,
- Purchases of Euro 2.75mln while for the fiscal year 2016 Euro 3.46mln,
- Receivables of Euro 3.74mln while for the fiscal year 2016 Euro 3.07mln,
- Payables of Euro 67 thousand while for the fiscal year 2016 Euro 0.2mln.

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

- Sales of Euro 4.9mln;
- Purchases of Euro 0.3mln;
- Receivables of Euro 23.56mln; and
- Payables of Euro 0.3mln.

The intercompany transactions as at 31.12.2017 between Attica Group and Piraeus Bank have as follows:

- Revenue of Euro 25 thousand while for the fiscal year 2016 stood at Euro 0.21mln,
- Expenses of Euro 1.69mln while for the fiscal year 2016 stood at Euro 1.94mln,
- Receivables (deposits) of Euro 12.78mln while for the fiscal year 2016 stood at Euro 17.84mln,
- Payables (loans) of Euro 36.27mln while for the fiscal year 2016 stood at Euro 38.26mln.

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 2.92mln for the fiscal year 2017 while at 31.12.2016 at Euro 2.21mln. 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 222.64mln.

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 31st December, 2017, 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.

The Annual General Meeting of 16.5.2017 approved a pension program of the Group executives, including members of the Board of Directors of the parent company and/or its subsidiaries, with a minimum duration of 10 years, in order to reward their faith and loyalty to the Group and to ensure their uninterrupted offering to it in the coming period. The right to join the program, have the executives of the Group defined by a decision of the Board of Directors on the basis of predefined criteria. The total amount of the program will not exceed Euro 700 thousand per year, on average, and will be implemented either by the parent company or by a subsidiary of the Group. The amount of the voluntary lump-sum cash payment that will be payable when an executive leaves the program is a function of his total length of stay in the Group and his total gross earnings.

H. NON FINANCIAL INFORMATION

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

BUSINESS MODEL – DEVALOPMENT PRINCIPLES – ORGANIZATION

Business model

Offering high quality shipping transport services which exceed market expectations with passenger ferries built by the Group. The Group vessels are a reference point in the global shipbuilding map and upgrading the offering product with integrated travel experiences.
The focus of the "business" of the Group is the sustainable development with responsibility, respect for the environment, employees, social partners as well as the continuous enhancement of product quality with personalized service to every customer of the Group.

Strategic Development Principles

As Strategic Development Principles, the Group defined the following:
- Being customer' first choice;
- Offer reliable services and continuously improve our products' quality;
- Create solid and long-term relationships with customers, our partners and local communities;
- Manage responsibility our resources and actively contribute to our Group's healthy, sustainable and profitable growth.

Organizational structure

The Group's operations are supported by three (3) executive departments (Marine Operations Department – Financial and Commercial Department).

The project of Marine Operations Department is supported by Technical Support Department, Electrical / Electronic Support Department, Marine Operations Department and Quality Assurance & Environmental Department.

The project of Financial Department is supported by Accounting & Financial Control Department, Supplies & Logistics Department and Information Technology & Telecommunications Department.

The project of Commercial Department is supported by Hotel Operations & Customer Services, International Lines Sales Department, Domestic Lines Sales Department and Marketing Department.
Beyond the above departments, the Group's operations are supported also by Legal and Corporate Department, Human Resources Department and Internal Audit Department.

Policies applied by the Group and their results

Corporate Responsibility and Management

Attica Group places great emphasis on corporate responsibility issues.
- Our aim is the whole of our daily activities то be held with responsibility;
- We are attempting to diffuse the concept of responsibility to our employees;
- We integrate responsibility in our daily management practices;
- Combine our business success with our country's and partners' development, as well as support local Communities;
- We cultivate a workplace focused on respect, equality, safety and merit as well as offer training opportunities to our employers, in order to facilitate their personal and professional development;
- Integrate sustainable development in our operations and apply environmentally friendlier business practices.

Attica Group is the first company in the passenger shipping sector worldwide issued Corporate Responsibility Report based on GRI Standards guidelines of Global Reporting Initiative.
Management works daily to the consolidation of the Group Responsibility performing a series of actions, of which indicatively mention:

- We hold our Annual Corporate Responsibility Meeting for the 3rd consecutive year;
- An e learning course giving the opportunity to all our ashore employees to get acquainted with the principles and practices of Corporate Responsibility;
- Hiring external consultants who organized our actions and helped to define our strategy for the period 2018 - 2020. Our strategy emerged after studying the current situation and then creating working groups with the participation of our employees where specific actions defined for each section and identified who will be the responsible for the actions.

Employees

Our business success is directly associated to our employees therefore our policy is to cultivate a workplace focused on respect, equality, safety and merit.

The Group on 31.12.2017 was employing 1,018 people (1,058 people in financial year 2016) and the Company 2 people (2 people in financial year 2016).

100% of our employees work with full time employment contracts and 90.5% of our ashore employees have permanent contracts. The average stay of employees in our Group exceeds 14 years.

Our commitment towards meritocracy follows the principle to treat all our employees equally, which enables their professional development to depend solely on their performance and skills. In 2017, we created a Skills Assessment and Empowerment Assessment Framework in order to continuously enrich the skills and knowledge of our executives.
Particular focus is given on the equal treatment of women as the overall percentage of women in office and vessels is 53.2% and 5.4% respectively. Furthermore, there has been no complaints or grievances regarding human rights violations.

Our main commitment is to create a safe work environment for our marine and ashore employees. For this reason, we train our employees on Health, Hygiene and Safety issues. There are no employees with high incidence or risk of disease associated with their work, while there were no occupational diseases among our employees. no employee fatal accidents occurred within 2017 while there were 14 minor injuries to our crew members.

At the same time, we invest in our people, providing real education and development opportunities to provide the best possible working and evolving conditions. In 2017, we conducted a total of 5,221 training hours with an average of training hours per office and marine employee 24.8 and 0.3 respectively. We also instituted the "Educational Job Rotation", aiming to strengthen the skills of our employees.

Within the fiscal year 2017 we:
- have implemented for the 9th consecutive year a voluntary blood donation program called "Blood Ties" at our offices and vessels and gathered in total 70 blood units,
- participated in the 1st No Finish Line charity race covering a total of 776 km and winning the 2nd place in our category and the 9th in the overall ranking of the 48 teams that participated,

Moreover, aiming to operate in a single culture environment and maintain a high level of quality and professionalism, we conducted Office Employee Satisfaction Survey and Ships and updated the "Business Conduct & Ethics Regulations".

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.

Based on the above principles during 2017:

- We introduced three vessels (Blue Star 2, Blue Galaxy, Superfast XI) to the concept of "We do local" in order to support our local suppliers and products of our country;
- We supported over 60 different organizations and charitable institutions;
- We provided discounted tickets for environmental, social, athletic and medical purposes;
- We contributed financially to social partners and institutions;
- We provided discounted tickets for island residents who were affected by the earthquakes taken place in the islands of Ko and Lesvos.
- We provided special discounted tickets for a second consecutive year to visitors of the islands which are heavily impacted by the refugee crisis, as a mean to boost their tourism season and consequently their economic activity;
- It's the third consecutive year that the company has managed to provide free seminars to over 500 people, residents of the islands of Tilos, Thira, Paros and Amorgos. We feel especially proud because through this particular project we managed to create a group based on the island of Amorgos which provides rescue services and has significantly contributed during the refugee crisis.

In the context of contribution to society we pay special attention to our collaboration with our suppliers. The Group chooses its suppliers responsibly by giving priority to local suppliers and values greatly long established relationship with them.
Additionally, the group sends a questionnaire of "Quality and Environmental Assurance" to its suppliers in order to assess and record issues like: Assurance of food safety from production to consumption (ISO 22000), Development of application regarding quality assurance (ISO 9001), acknowledgment and management of environmental impact of the above (ISO 14001), Management of defective and returned products as well as procedures regarding purchases of raw materials.
Our Group acknowledges the need to select its suppliers responsibly. We acknowledge we have the moral obligation to affect in a positive way our supply chain and promote our Corporate Responsibility principles towards our suppliers, due to the fact that they heavily impact our operations.

For our customers

We commit to provide the best possible travelling experience and to able to manage their needs and expectations in the best possible way.

Based on the above:

-We informed our customers and managed to increase their awareness on environmental issues, the importance of voluntary work as well as well-being/health issues by projecting related messages through digital monitors which are found in all vessels of our fleet.

-We promoted our products and services in a responsible way

-We carried out two market research surveys in order to measure customer satisfaction and as a consequence to be able to meet higher standards for our services offered.
-We increased the service “Pure cabins” in two vessels. “Pure” cabins are cabins which provide better accommodation. Pure cabins feature a state-of the art air and surface purifying system, in order to offer improved accommodation conditions to passengers sensitive to airborne particles. We were the world’s first passenger shipping to introduce the “Pure Cabin”.

-We managed to expand the service “Pet Kennels” by placing 20 new pet accommodation facilities onboard of our vessels.

-We managed to achieve scheduled departures rate of over 90%.

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.

Our Group follows the commitments of the United Nations Global Compact.
1. Air Quality and Energy
The Group Promote greater environmental responsibility. Within this context we:
- record our environmental performance;
- have Energy Efficiency certificates issued for all our vessels;
- have appointed Officers with responsibilities on environmental practices on all our vessels;
- discuss environmental protection issues during respective meetings of each vessel’s Safety Committee.

Furthermore, the Group manage its environmental footprint, attempts to reduce the impact on the ozone layer and the atmosphere as well as to monitor noise levels. Particularly:

- In order to identify the sources from which we can reduce our environmental impact, we calculate greenhouse gas emissions per energy source used, which include oil (both for shipping fuels and onboard electricity generation) and electricity (for office operations);
- We require our suppliers not to use refrigerant materials which significantly affect the ozone layer during maintenance activities in offices and vessels;
- Take actions that reduce the impact in air pollutants which mainly emanate from vessel engines during their operation;
- Strive to reduce noise pollution.

2. Raw Materials and Solid Waste

Our Group:
- recognize that raw materials are not inexhaustible, but finite, and implements material management programs;
- implement initiatives to reduce use of materials, within the context of our efforts for efficient use of natural resources;
- reuse consumables, where possible;
- recycle materials (Paper, batteries, toners, cooking oils, lubricants etc. where possible;
- properly manage solid waste.

3. Water and Liquid Waste

- We monitor water consumption: we use, among others, extensively seawater on board vessels after appropriate treatment, perform only absolutely necessary external cleaning, installed filters to reduce consumption of drinking water;

- We manage liquid waste: we Regularly monitor operation of wastewater treatment Systems, deliver all liquid waste from our vessels to licensed contractors within ports, comply with relevant regulations regarding bilge and ballast water management;
- We recognize the importance of marine biodiversity and our obligation to reduce the risk of disrupting it.

In 2017 we carried out a series of environmental footprint actions as illustratively mentioned below:

- We were the first Greek passenger maritime company to comply with the European Standard MRV (Monitoring and Registration of Carbon Dioxide Emissions), obtaining the relevant certification / verification by the recognized and authorized “Verifavia Shipping”;
- We install solar absorption systems in low energy efficiency areas of our offices;
- We reduce consumption of color by 5%;
- In order to strengthen the efforts of alternative and environmental management system for vessels’ lubricating oil waste we proceeded in cooperation with the company EN.DI.A.L.E;
- We applied to our vessels a pilot water-saving program by placing flow control filters;
- We have begun action to reduce the consumption of plastic bags in our office waste bins.

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 2017 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 new 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 INFORMATION

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.

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 27th, 2018

On behalf of the Board of Directors

Chief Executive Officer
Spiros Ch. Paschalis

ANNUAL CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS FOR THE FISCAL YEAR 2017

The Annual Financial Report for the fiscal year 2017 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 27, 2018 and is available in the internet on the web address 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 2017 & 2016

		GROUP		COMPANY	
		1.01-31.12.2017	1.01-31.12.2016	1.01-31.12.2017	1.01-31.12.2016
Sales	7.1	271,541	268,614	-	-
Cost of sales	7.2	-211,515	-187,759	-	-
Gross profit		**60,026**	**80,855**	**-**	**-**
Administrative expenses	7.2	-20,744	-18,998	-1,290	-1,039
Distribution expenses	7.2	-18,681	-18,789	-	-
Other operating income	7.3	5,014	3,156		10
Other operating expenses		-	-	-	-
Profit / (loss) before taxes, financing and investment activities		**25,615**	**46,224**	**-1,290**	**-1,029**
Impairment losses of assets	7.4	-	-		-77
Profit from reversal of impairment losses of assets	7.5	2,797	2,051	-	-
Other financial results	7.6	-1,169	-2,593	-1	-
Financial expenses	7.7	-18,240	-22,603	-5	-4
Financial income	7.8	71	289	3	9
Income from dividends		-	-	3,110	-
Share in net profit (loss) of companies accounted for by the equity method	7.9	-7,520	-2,412		-
Profit before income tax		**1,554**	**20,956**	**1,817**	**-1,102**
Income taxes	7.10	-307	-705	-	-
Profit for the period		**1,247**	**20,251**	**1,817**	**-1,102**
Attributable to:					
Equity holders of the parent		1,247	20,251	1,817	-1,102
Minority shareholders		-	-	-	-
Earnings after taxes per share - Basic (in €)	7.11	0.0065	0.1057	0.0095	-0.0057
Diluted earnings after taxes per share (in €)	7.11	-0.0007	-0.3098	-0.0769	-0.4735
Proposed dividend payable per share (in €)		-	-	-	-
Net profit for the period		**1,247**	**20,251**	**1,817**	**-1,102**
Other comprehensive income:					
Amounts that will not be reclassified in the Income Statement					
Revaluation of the accrued pension obligations		-125	-17	-2	-
Amounts that will be reclassified in the Income Statement					
Cash flow hedging :					
- current period gains / (losses)		1,156	3,882	-	-
- reclassification to profit or loss		-952	1,245	-	-
Related parties' measurement using the fair value method	7.14	-	-	376	-21,946
Other comprehensive income for the period before tax		**79**	**5,110**	**374**	**-21,946**
Income tax relating to components of other comprehensive income		-	-	-	-
Other comprehensive income for the period, net of tax		**79**	**5,110**	**374**	**-21,946**
Total comprehensive income for the period after tax		**1,326**	**25,361**	**2,191**	**-23,048**
Attributable to:					
Owners of the parent		1,326	25,361	2,191	-23,048
Minority shareholders		-	-	-	-

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

STATEMENT OF FINANCIAL POSITION

As at 31st of December 2017 and at December 31, 2016

	Notes	GROUP 31/12/2017	GROUP 31/12/2016	COMPANY 31/12/2017	COMPANY 31/12/2016
ASSETS					
Non-current assets					
Tangible assets	7.12	527,073	547,908	6	7
Intangible assets	7.13	1,929	1,954	1	2
Investments in subsidiaries	7.14	-	-	508,193	507,814
Investments in associates	7.15	-	-		
Investment portfolio	7.16	5,000	8,239	8	58
Other non current assets	7.17	8,564	-	-	-
Deferred tax asset	7.18	296			
Total		**542,862**	**558,101**	**508,208**	**507,881**
Current assets					
Inventories	7.19	3,306	3,542	-	-
Trade and other receivables	7.20	47,278	41,862	2	59
Other current assets	7.21	37,374	33,434	1,146	32
Derivatives	7.22	4,433	5,877	-	-
Cash and cash equivalents	7.23	44,099	51,220	2,182	1,225
Total		**136,490**	**135,935**	**3,330**	**1,316**
Non-current assets classified as held for sale		-	-	-	-
Total assets		**679,352**	**694,036**	**511,538**	**509,197**
EQUITY AND LIABILITIES					
Equity					
Share capital	7.24	57,498	57,498	57,498	57,498
Share premium	7.24	290,256	290,256	290,256	290,256
Fair value reserves	7.24	4,258	4,054	122,250	121,874
Other reserves	7.24	119,347	116,558	29,040	29,040
Retained earnings	7.24	-68,444	-66,777	12,100	10,285
Equity attributable to parent's shareholders		**402,915**	**401,589**	**511,144**	**508,953**
Total equity		**402,915**	**401,589**	**511,144**	**508,953**
Non-current liabilities					
Deferred tax liability	7.18	-	44	-	-
Accrued pension and retirement obligations	7.25	2,425	2,168	59	55
Long-term borrowings	7.29	214,430	229,806	-	-
Derivatives		-	-	-	-
Non-Current Provisions	7.26	1,218	1,218	-	-
Other non current liabilities		-	-	-	-
Total		**218,073**	**233,236**	**59**	**55**
Current liabilities					
Trade and other payables	7.27	20,298	18,057	129	20
Tax liabilities	7.28	769	503	20	20
Short-term debt	7.29	24,303	25,637	-	-
Derivatives		-	-	-	-
Other current liabilities	7.30	12,994	15,014	186	149
Total		**58,364**	**59,211**	**335**	**189**
Liabilities related to Assets held for sale		-	-	-	-
Total liabilities		**276,437**	**292,447**	**394**	**244**
Total equity and liabilities		**679,352**	**694,036**	**511,538**	**509,197**

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

Statement of Changes in Equity
For the Period 1/01-31/12/2017

GROUP

	Number of shares	Share capital	Share premium	Revaluation of financial instruments	Other reserves	Retained earnings	Total Equity
Balance at 1/1/2017	**191,660,320**	**57,498**	**290,256**	**4,054**	**116,558**	**-66,777**	**401,589**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**1,247**	**1,247**
Other comprehensive income							
Cash flow hedges:							
Gains/(losses) taken to equity	-	-	-	1,156	-	-	1,156
Reclassification to profit or loss	-	-	-	-952	-	-	-952
Remeasurements of defined benefit pension plans	-	-	-	-	-	-125	-125
Total recognised income and expense for the period	**-**	**-**	**-**	**204**	**-**	**1,122**	**1,326**
Share capital issue	-	-	-	-	-	-	-
Transfer between reserves and retained earnings	-	-	-	-	2,789	-2,789	-
Expenses related to share capital increase	-	-	-	-	-	-	-
Balance at 31/12/2017	**191,660,320**	**57,498**	**290,256**	**4,258**	**119,347**	**-68,444**	**402,915**

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
Balance at 1/1/2016	**191,660,320**	**57,498**	**290,256**	**-1,073**	**116,558**	**-87,011**	**376,228**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**20,251**	**20,251**
Other comprehensive income							
Cash flow hedges:							
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
Other comprehensive income after tax	**-**	**-**	**-**	**5,127**	**-**	**20,234**	**25,361**
Transfer between reserves and retained earnings	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Capitalisation of share premium	-	-	-	-	-	-	-
Other changes	-	-		-	-	-	
Balance at 31/12/2016	**191,660,320**	**57,498**	**290,256**	**4,054**	**116,558**	**-66,777**	**401,589**

Statement of Changes in Equity

For the Period 1/01-31/12/2017

COMPANY

	Number of shares	Share capital	Share premium	Revaluation reserves of tangible assets	Other reserves	Retained earnings	Total Equity
Balance at 1/1/2017	**191,660,320**	**57,498**	**290,256**	**121,874**	**29,040**	**10,285**	**508,953**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**1,817**	**1,817**
Other comprehensive income							
Cash flow hedges:							
Current period gains/(losses)	-	-	-	-	-	-	-
Reclassification to profit or loss	-	-	-	-	-	-	-
Remeasurements of defined benefit pension plans	-	-	-	-	-	-2	-2
Fair value's measurement							
Related parties' measurement using the fair value method	-	-	-	376	-	-	376
Other comprehensive income after tax	**-**	**-**	**-**	**376**	**-**	**1,815**	**2,191**
Issue of share capital	-	-	-	-	-	-	-
Transfer between reserves and retained earnings	-	-	-	-	-	-	-
Balance at 31/12/2017	**191,660,320**	**57,498**	**290,256**	**122,250**	**29,040**	**12,100**	**511,144**

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

CASH FLOW STATEMENT

For the period 1/1-31/12 2017 & 2016

		GROUP		COMPANY	
	Notes	**1/1-31/12/2017**	**1/1-31/12/2016**	**1/1-31/12/2017**	**1/1-31/12/2016**
Cash flow from Operating Activities					
Profit/(loss) before taxes		1,554	20,956	1,817	-1,102
Adjustments for:					
Depreciation & amortization	7.12 & 7.13	24,743	23,808	2	10
Devaluation of investments		-	-	-	77
Impairment loss reversal		-2,797	-2,051	-	-
Deferred tax expense		-	-	-	-
Provisions		417	1,418	1	9
Foreign exchange differences	7.6	13	-40	1	-
Net (profit)/loss from investing activities		8,605	4,658	-3,113	-9
Interest and other financial expenses	7.7	18,207	22,565	4	3
Plus or minus for working capital changes:					
Decrease/(increase) in inventories		236	-660	-	-
Decrease/(increase) in receivables		-16,186	-16,542	102	704
(Decrease)/increase in payables (excluding banks)		234	2,100	145	-90
Less:					
Interest and other financial expenses paid		-9,061	-10,113	-4	-3
Taxes paid		-299	-282	-	-
Total cash inflow/(outflow) from operating activities (a)		**25,666**	**45,817**	**-1,045**	**-401**
Cash flow from Investing Activities					
Acquisition of subsidiaries, associated companies, joint ventures and other investments		-	-	-	-
Purchase of tangible and intangible assets	7.12 & 7.13	-1,185	-4,057	-	-5
Investments in associates		-999	-45	-	-
Change in long-term receivables		-	-7,000	-	-
Share capital return from subsidiaries		-	-	7,400	22,553
Interest received		71	289	4	9
Purchase of financial assets of investment portfolio		-5,000	-	-	-
Dividends received		-	-	2,000	3,658
Increase in capital and additional paid-in capital of subsidiaries		-	-	-7,402	-11,602
Total cash inflow/(outflow) from investing activities (b)		**-7,113**	**-10,813**	**2,002**	**14,613**
Cash flow from Financing Activities					
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	7.29	-24,557	-49,945	-	-
Payments of finance lease liabilities		-1,080	-880	-	-
Dividends paid		-	-	-	-
Total cash inflow/(outflow) from financing activities (c)		**-25,637**	**-55,325**	**-**	**-13,000**
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)		**-7,084**	**-20,321**	**958**	**1,212**
Cash and cash equivalents at beginning of period		**51,220**	**71,555**	**1,225**	**13**
Exchange differences in cash and cash equivalents		-37	-14	-	-
Cash and cash equivalents at end of period		**44,099**	**51,220**	**2,183**	**1,225**

The method used for the preparation of the above Cash Flow Statement is the Indirect Method.
Paragraph 7.23 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 1,018 for the Group, while at 31/12/2016 was 2 and 1,058 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 ATTEN GA and for Reuters is EPA.AT.

The total number of common registered voting shares outstanding as at 31 December 2017 was 191,660,320. The total market capitalization was Euro 279,824 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 2017 were approved by the Board of Directors on April 20, 2018.

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 – 31/12/2017 are the same with those used for the preparation of the financial statements for the fiscal year 2016 except from the changes in IAS Standards and interpretations that are effective from 1st January 2017.

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.

Revenue from fares is recognised when the customer travels. 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 accrual expense principle.

In preparing its financial statements for the period ending 31 December 2017, 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:

The Company measures investments in subsidiaries at fair value. In order to define fair value of subsidiaries, the present value of the estimated future cash flows expected to arise from them is used. This method is based on estimates and underlying assumptions. The most significant of these estimates relate to the company's transportation performance, international fuel prices, capital expenses and discount rate.
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.

- Possible losses from pending litigations.

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, 2017.

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. 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.

2.2.3. Consolidated financial statements

Subsidiaries are fully consolidated (full consolidation) using the purchase method from the date when control is acquired and cease to be consolidated from the date when such control ceases to exist.

Acquisition of subsidiary by the Group is accounted for by using the market method. Acquisition cost of subsidiary is the fair value of the assets given, the shares issued and the liabilities assumed at the date of the exchange, plus any costs directly attributable to the transaction. Personalized assets, liabilities and contingent liabilities acquired in a business combination are measured under acquisition at their fair values irrespective of the participating interest percentage. Acquisition cost exceeding the fair value of the separate assets acquired is recorded as goodwill. If the total cost of the purchase is less than the fair value of the separate assets acquired, the balance is recognized directly in the income statement.

Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated, unless the transaction provides evidence of impairment, of the transferred asset. The accounting policies of subsidiaries are amended where necessary to be consistent with those adopted by the Group.

2.3. Investments

The investments are classified according to their scope as follows:

a) Long-term investments
These investments are recognized 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.

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 recognizes 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.

Joint ventures are accounted for using the equity method. According to the equity method, participating interest in joint ventures is initially recognized at cost and then adjusted to the Group's share in profits or losses and other comprehensive income of the joint ventures. When the Group's share in losses of a joint venture is equal to or exceeds its interest in that joint venture, the Group does not recognize any further losses unless it has entered into commitments or has made payments on behalf of the joint venture.

Unrealized gains on transactions between the Group and joint ventures are eliminated by the Group's share interest in joint ventures.

The accounting principles of joint ventures are consistent with those adopted by the Group.

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.

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.

Useful life of vessels, which the Group has in its possession, whose maturity has exceeded 30 years, is extended for further 5 years. Useful life of vessels, whose maturity exceeded 30 years at the date of their acquisition by the Group, is extended for further 9 years.

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 recognized 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 recognized 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 recognized 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 recognized 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.

Impairment losses are recognized 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 valuators, 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 recognized 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 recognized 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 recognized in the cost of the acquired entity.

2.13. Dividends

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

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 recognized upon delivery of goods or services.
Regarding the services provided by the Group through concessions, revenue is recognized when the invoice is issued for services relating to the period. All the above revenue is recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized 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. Recognition of expenses

Expenses are recognized based on the accrual principle.

2.17.2. Financial expenses

2.17.3. 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) Amortization of ancillary costs incurred in connection with the arrangement of borrowings.

c) Finance charges in respect of finance leases recognized 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.

2.17.3.1. Convertible bond cost

Convertible bond cost consists 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.

2.17.4. Employee benefits

2.17.4.1. 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.

2.17.4.2. 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 (e.g. 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 its 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.

2.17.5. Leases

2.17.5.1. Finance leases

Finance leases are recognized 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.

2.17.5.2. 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.

2.17.6. Provisions, contingent liabilities and contingent assets

Provisions are recognized 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 reco4gnised 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.

2.17.7. Allocation of revenue and expenses

2.17.7.1. 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.

2.17.7.2. Allocation of expenses on a monthly basis

The Group recognizes 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 or foreign flag but have established their offices in Greece(L89/67) 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 this particular case, we calculate the total revenue from non-shipping operations as well as the expenses related to the above revenues.
The amount of profit arising from the aforementioned calculation pertaining to non-shipping operations is taxed in compliance with the general provisions.
If we cannot determine profits from non-shipping operations, then we calculate total revenue by combining revenue from shipping and non-shipping operations. Based on this, the percentage of the two above categories is shown in the total revenue. These percentages are divided by the total profit / loss.
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 recognized 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 recognized 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 recognized 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 amortized 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. Financial Assets held for sale

Financial Instruments Classification The accounting standards applied by the Group require the classification of financial assets and liabilities upon acquisition into the following categories:

- Financial assets held for trading purposes. This category includes investments in derivatives which are made mainly to achieve short-term profits.
- Financial assets and liabilities at fair value through P&L. The classification of an investment in this category depends on the way Management measures the return and risk of the investment. Therefore, this category includes investments not included in the trading portfolio but which are included in the equity investments portfolio and are monitored internally, according to the Group's strategy, at fair value
- Financial assets held to maturity. This category includes non-derivative financial assets with defined or predetermined payments and defined maturity that the Group's Management intends and can hold them till their maturity.
- Financial assets available for sale. These are financial assets that Management believes cannot be classified in any of the above categories.

2.22. 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.

2.23. Changes in Accounting Principles

2.23.1. 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), are adopted by the European Union, and their application is mandatory from or after 01/01/2017.

- **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 amendments do not affect the consolidated / separate Financial Statements.

- **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 amendments do not affect the consolidated / separate Financial Statements.

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

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 issue included in this cycle and is effective for annual periods starting on or after 01/01/2017 is the following: IFRS 12: Clarification of the scope of the Standard. The amendments do not affect the consolidated / separate Financial Statements.The other issues of this cycle that are effective for annual periods starting on or after 01/01/2018 are included in the following section.

2.23.2. 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, Interpretations 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 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. The Group will apply the new Standard without adjusting comparative information and, as at the reporting date, assessed the impact of IFRS 9 implementation. The Management's Conclusions on the key areas where the new standard is expected to affect the financial statements are listed below as follows:

The new impairment model requires the recognition of impairment provisions based on expected credit losses and not only realized credit losses, as applied in accordance with IAS 39. The Group will apply the simplified approach to trade receivables. On the basis of the analytical assessment carried out, the Group concluded that the adoption of the new Standard would not lead to a negative variation of the existing provisions. The Group is in a process of final audits to determine the impact of the transition to the new Standard, which in any case is not expected to have a material impact on the financial figures of the Company and the Group.

The financial assets currently held by the Group will continue to be measured on the same basis in accordance with IFRS 9 and therefore no significant impact is expected on the classification and measurement of financial assets due to the application of the new IFRS.

There will also be no impact on the financial liabilities of the Group. Readjusted hedge accounting regulations will harmonize the accounting treatment of hedging relationships with the Group's risk management policies and procedures.

Therefore, the Group's existing hedging relationship can be regarded as continuing following the adoption of the standard. The Group does not expect that the Standard will have an impact on the accounting treatment of its hedging relationship.

The new Standard also makes provisions for additional disclosures while modifying the way information is presented. The Group will appropriately modify the nature, scope and structure of disclosures relating to financial instruments in order to facilitate compliance with the new 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 revenues 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.

- **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 been adopted by the European Union with effective date of 01/01/2018.

- **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 been adopted by the European Union with effective date of 01/01/2018.

- **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, replacing IAS 17. The purpose of the IASB project was to develop a new Lease Standard that sets out the principles that both parties apply to a contract - that is, the customer (the "lessee") and the supplier ("the lessor") - to provide relevant lease information in a manner that faithfully reflects these transactions.

In order to meet this objective, the lessee shall recognize assets and liabilities arising from the lease. The aforementioned have been adopted by the European Union and become effective on 01/01/2019. At the reporting date, the Group has non-cancellable operating leases of Euro 3.214 k. These commitments will result in recognition of assets and liabilities on the basis of future payments and will have an effect on the income statement of subsequent years and the classification of cash flows in the financial statements. The Management is in the process of final examination of the analytical procedures in respect of assessing the appropriate accounting treatment for operating leases and quantification of the impact following the implementation of the new model. The final conclusions of the aforementioned assessment will be completed within the forthcoming months.

- **Annual Improvements to IFRSs – 2014-2016 Cycle (effective for annual periods starting on or after 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 and are effective for annual periods starting on or after 01/01/2018 are the following: IFRS 1: Deletion of short-term exemptions for first-time adopters, IAS 28: Measuring an associate or joint venture 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 been adopted by the European Union with effective date of 01/01/2018.

- **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 been adopted by the European Union with effective date of 01/01/2018.

- **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.

- **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 28: "Long-term Interests in Associates and Joint Ventures" (effective for annual periods starting on or after 01/01/2019)**

In October 2017, the IASB published narrow-scope amendments to IAS 28. The objective of the amendments is to clarify that companies account for long-term interests in an associate or joint venture – to which the equity method is not applied – using IFRS 9. The 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 9: "Prepayment Features with Negative Compensation" (effective for annual periods starting on or after 01/01/2019)**

In October 2017, the IASB published narrow-scope amendments to IFRS 9. Under the existing requirements of IFRS 9, an entity would have measured a financial asset with negative compensation at fair value through profit or loss as the "negative compensation" feature would have been viewed as introducing potential cash flows that were not solely payments of principal and interest. Under the amendments, companies are allowed to measure particular prepayable financial assets with so-called negative compensation at amortized cost or at fair value through other comprehensive income if a specified condition is met. 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 – 2015-2017 Cycle (effective for annual periods starting on or after 01/01/2019)**

In December 2017, the IASB issued Annual Improvements to IFRSs – 2015-2017 Cycle, a collection of amendments to IFRSs, in response to several issues addressed during the 2015-2017 cycle. The issues included in this cycle are the following: IFRS 3 - IFRS 11: Previously held interest in a joint operation, IAS 12: Income tax consequences of payments on financial instruments classified as equity, IAS 23: Borrowing costs eligible for capitalization. The amendments are effective for annual periods beginning on or after 1 January 2019. 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 23 "Uncertainty over Income Tax Treatments" (effective for annual periods starting on or after 01/01/2019)**

In June 2017, the IASB issued a new Interpretation, IFRIC 23. IAS 12 "Income Taxes" specifies how to account for current and deferred tax, but not how to reflect the effects of uncertainty. IFRIC 23 provides requirements that add to the requirements in IAS 12 by specifying how to reflect the effects of uncertainty in accounting for income taxes. 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 19: "Plan Amendment, Curtailment or Settlement" (effective for annual periods starting on or after 01/01/2019)**

In February 2018, the IASB published narrow-scope amendments to IAS 19, under which an entity is required to use updated assumptions to determine current service cost and net interest for the remainder of the reporting period after an amendment, curtailment or settlement to a plan. The objective of the amendments is to enhance the understanding of the financial statements and provide useful information to the users. 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 17 "Insurance Contracts" (effective for annual periods starting on or after 01/01/2021)**

In May 2017, the IASB issued a new Standard, IFRS 17, which replaces an interim Standard, IFRS 4. The aim of the project was to provide a single principle-based standard to account for all types of insurance contracts, including reinsurance contracts that an insurer holds. A single principle-based standard would enhance comparability of financial reporting among entities, jurisdictions and capital markets. IFRS 17 sets out the requirements that an entity should apply in reporting information about insurance contracts it issues and reinsurance contracts it holds. 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

	31/12/2017 USD	31/12/2019 USD
Notional amounts		
Financial assets	392	394
Financial liabilities	-	-
Short-term exposure	**392**	**394**
Financial assets	-	-
Financial liabilities	-	-
Long-term exposure	**-**	**-**

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.

GROUP	Sensitivity factor		Sensitivity factor	
	10%	-10%	10%	-10%
	31/12/17		**31/12/17**	
	USD		**USD**	
Profit for the fiscal year (before taxes)	30	-30	37	-37
Net position	30	-30	37	-37

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 analysed as follows at the balance sheet date:

	GROUP		**COMPANY**	
	31/12/17	**31/12/16**	**31/12/17**	**31/12/16**
Derivatives	4,433	5,877	-	-
Cash and cash equivalents	44,099	51,220	2,182	1,225
Trade and other reseivables	47,278	41,862	2	59
Total	**95,810**	**98,959**	**2,184**	**1,284**

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.

	31/12/2017	**31/12/2016**
< 90days	-	-
91 - 180 days	-	-
181 - 360 days	1,567	2,603
> 360 days	-	-
Total	**1,567**	**2,603**

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 31/12/2017 and 31/12/2016 of the Group and the Company is analysed as follows:

GROUP

31/12/2017

	Short-term		**Long-term**	
	Within 6 months	**6 to 12 months**	**1 to 5 years**	**more than 5 years**
Long-term borrowing	9,798	13,337	198,512	13,872
Liabilities relating to operating lease agreements	568	600	2,046	-
Trade payables	20,298	-	-	-
Other short-term / long-term liabilities	13,763	-		-
Short-term borrowing	-	-	-	-
Derivative financial instruments		-	-	-
Total	**44,427**	**13,937**	**200,558**	**13,872**

31/12/2016

	Short-term		**Long-term**	
	Within 6 months	**6 to 12 months**	**1 to 5 years**	**more than 5 years**
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		-	-	-
Total	**48,858**	**10,353**	**185,403**	**44,403**

COMPANY

31/12/2017

	Short-term		**Long-term**	
	Within 6 months	**6 to 12 months**	**1 to 5 years**	**more than 5 years**
Trade payables	129	-	-	-
Other short-term liabilities	206	-	-	-
Liabilities relating to advances for SCI	-	-	-	-
Total	**335**	**-**	**-**	**-**

31/12/2016

	Short-term		**Long-term**	
	Within 6 months	**6 to 12 months**	**1 to 5 years**	**more than 5 years**
Trade payables	20	-	-	-
Other short-term liabilities	169	-	-	-
Liabilities relating to advances for SCI	-	-	-	-
Total	**189**	**-**	**-**	**-**

The total borrowings of the Group on 31/12/2017 amounted to Euro 238,733 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) program 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 7.29).

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%
	31/12/2017		**31/12/2016**	
Profit for the financial year (before taxes)	-2,387	2,387	-2,554	2,554
Net position	-2,387	2,387	-2,554	2,554

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 2017 and 31 December 2016.

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 2017 and 2016 were as follows:

	31/12/2017	31/12/2016
Total Borrowings	238,733	255,443
Less: Cash and Cash Equivalents	44,099	51,220
Available for sale financial assets	-	-
Net debt	194,634	204,223
Equity	402,915	401,589
Total capital employed	597,549	605,812
Gearing ratio	33%	34%

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 41% of Attica Group's operating expenses for the fiscal year 2017.

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%	-/+ 8,267	-/+ 8,267

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 is 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 2018 - 2022 the WACC was determined at 10.40%, while for the years 2022 onwards at 8.40%.

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 31.12.2017 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 31/12/2017:

	GROUP			
Measurement of financial instruments at fair value	**Measurement at fair value as at 31/12/2017**			
	31/12/17	Level 1	Level 2	Level 3
Investments in subsidiaries	-	-	-	-
Financial assets / liabilities	-76,428		-76,428	
Derivatives	4,433	-	4,433	-
Total	-71,995	-	-71,995	-

	COMPANY			
Measurement of financial instruments at fair value	**Measurement at fair value as at 31/12/2017**			
	31/12/17	Level 1	Level 2	Level 3
Investments in subsidiaries	508,193	-	-	508,193
Derivatives	-	-	-	-
Total	508,193	-	-	508,193

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 2016.

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 2016. The exception to the above is the subsidiary company Attica Premium S.A. which have been liquidated in 2017 without affecting the Groups' results for the fiscal year 2017.

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 100% 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 Tangier (Morocco).

Furthermore, a share capital increase of Euro12,038 thousand was made during the first half of 2017, of which Euro 5,854 thousand was paid by Attica Group. (Euro 1mln was paid in cash while the amount of Euro 4,854 thousand was capitalized). The above investment is consolidated with the equity method in the financial statement of Attica Group.

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 31/5/2020 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 ship-owning 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 ship-owning companies of the Group, for the revenue and common expenses of the vessels that operate in domestic routes.

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

b) The Management Company Superfast Ferries S.A. is responsible, under a contractual agreement with the foreign ship-owning 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 ship-owning companies.

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

The intercompany balances as at 31/12/2017 between the Group's companies arising from its corporate are the following:

The parent company received Euro 2,000 thousand as dividend payment arising from its 100% subsidiary company Attica Ferries Maritime S.A.

Furthermore, the parent company has a receivable amount of Euro 1,110 thousand from its 100% subsidiary company Attica Ferries Maritime S.A.

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 7,400 thousand.

The parent company participated in the share capital increases of its 100% subsidiaries Superfast One Inc, Superfast Two Inc, Superfast Endeka Inc, Nordia M.C. and Blue Star Ferries Maritime S.A. with the amount of Euro 1,400 thousand, Euro 1,900 thousand, Euro 2,900 thousand, Euro 1,200 thousand and Euro 2 thousand respectively.

The intercompany transactions between Attica Group and Africa Morocco Links have as follows:
- Sales stood at Euro 4,158 thousand;
- Purchases stood at Euro 274 thousand;
- Receivables stood at Euro 22,944 thousand; and
- Payables stood at Euro 274 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

	31/12/2017			
	MARFIN INVESTMENT GROUP		PIRAEUS BANK GROUP	
	GROUP	COMPANY	GROUP	COMPANY
Sales	10,724	-	25	4
Purchases	2,747	-	1,693	1
Receivables	3,739	-	12,782	2,149
Payables	67		36,274	-

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 Ship-owners' Association for Passenger Ships, member of Association of Greek Coastal Shipping Companies and also member of the company Africa Morocco Links.

Mr. Iraklis Simitsidellis (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. Panagiotis Throuvalas non-executive member, Mr. George Efstratiadis non-executive member and Mr. Emmanouil Xanthakis, independent, non-executive member participate for the fiscal year 2017 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. On 16.03.2018 the Company announced the loss of the Independent, Non-Executive Member of the Board of Directors Emmanouil Xanthakis. The Company will proceed with the relevant replacement.

Mr. Michael Sakellis, independent, 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 222,637 thousand.

6.4. Board of Directors and Executive Directors' Fees

	31/12/2017	31/12/2016
Short-term management compensation*	2,273	2,215
Social security costs	642	-
Total	**2,915**	**2,215**

	31/12/2017	31/12/2016
Number of key management personnel	7	7

* Short-term management compensation include salaries, fees, employers' compensation and other related expenses.

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 – 31/12/2017 are as follows:

GROUP

Geographical Segment	Domestic Routes	Adriatic Sea	Other*	Total
	1/1-31/12/2017			
Income elements				
Fares	176,242	83,594	-	259,836
On-board Sales	7,208	4,497	-	11,705
Total Revenue	183,450	88,091	-	271,541
Operating Expenses	-137,956	-73,559	-	-211,515
Administration & Distribution Expenses	-27,119	-11,016	-1,290	-39,425
Other revenue / expenses	4,495	519	-	5,014
Earnings before taxes, investing and financial results	22,870	4,035	-1,290	25,615
Financial results	-14,611	-4,725	-2	-19,338
Profit from reversal of impairment losses of assets	2,035	762	-	2,797
Share in net profit (loss) of companies accounted for by the equity method	-	-	-7,520	-7,520
Earnings before taxes, investing and financial results, depreciation and amortization	40,400	11,246	-1,288	50,358
Profit/Loss before Taxes	10,294	72	-8,812	1,554
Income taxes	-283	-24	-	-307
Profit/Loss after Taxes	10,011	48	-8,812	1,247

Customer geographic distribution	
Greece	242,372
Europe	22,553
Third countries	6,616
Total Fares & Travel Agency Services	271,541

Geographical Segment	Domestic Routes	Adriatic Sea	Other	Total
	1/1-31/12/2017			
Assets and liabilities figures				
Vessels' Book Value at 01/01	371,459	174,192	-	545,651
Additions	445	155	-	600
Vessels' redeployment	-	-	-	-
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	2,035	762	-	2,797
Depreciation for the Period	-17,445	-6,446	-	-23,891
Net Book Value of vessels at 31/12	356,494	168,662	-	525,157
Other tangible Assets	-	-	1,916	1,916
Total Net Fixed Assets	356,494	168,662	1,916	527,073
Long-term and Short-term liabilities	183,091	55,642	-	238,733

* The column "Other" includes the parent company.

Agreements sheet of Assets and Liabilities at 31/12/2017

Net Book Value of Tangible Assets	Euro	527,073
Unallocated Assets	Euro	152,279
Total Assets	Euro	679,352
Long-term and Short-term liabilities	Euro	238,733
Unallocated Liabilities	Euro	37,704
Total Liabilities	Euro	276,437

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
Income elements				
Fares	175,945	81,916	-	257,861
On-board Sales	7,017	3,736	-	10,753
Total Revenue	182,962	85,652	-	268,614
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	38,087	9,168	-1,031	46,224
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
Customer geographic distribution				
Greece	241,022			
Europe	20,697			
Third countries	6,895			
Total Fares & Travel Agency Services	268,614			

Geographical Segment	1/1-31/12/2016 Domestic Routes	Adriatic Sea	Other *	Total
Assets and liabilities figures				
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	371,459	174,192	-	545,651
Other tangible Assets	-	-	2,257	2,257
Total Net Fixed Assets	371,459	174,192	2,257	547,908
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	146,128
Total Assets	Euro	694,036
Long-term and Short-term liabilities	Euro	255,443
Unallocated Liabilities	Euro	37,004
Total Liabilities	Euro	292,447

Revenue from Fares in Domestic routes includes the grants received for public services amounting Euro 11,683 thousand for the period 1/1 – 31/12/2017 and Euro 13,015 thousand for the period 1/1 – 31/12/2016.

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 2017 and 2016.

31/12/2017	GROUP				COMPANY
	Cost of sales	Administrative expenses	Distribution expenses	Total	Administrative expenses
Retirement benefits, Wages and Other employee benefits	46,654	14,955	-	**61,609**	275
Inventory cost	618	-	-	**618**	-
Tangible Assets depreciation	23,891	418	-	**24,309**	1
Intangible Assets depreciation	-	434	-	**434**	1
Third party expenses	-	1,950	-	**1,950**	775
Third party benefits	-	227	-	**227**	-
Telecommunication Expenses	-	322	-	**322**	-
Operating leases rentals	-	516	-	**516**	45
Taxes & Duties	-	132	-	**132**	3
Fuels - Lubricant	87,275	-	-	**87,275**	-
Provisions	-	-	355	**355**	-
Insurance	3,672	75	-	**3,747**	57
Repairs and maintenance	25,789	819	-	**26,608**	5
Other advertising and promotion expenses	-	-	3,060	**3,060**	-
Sales commission	-	-	15,266	**15,266**	-
Port expenses	11,082	-	-	**11,082**	-
Other expenses	8,774	737	-	**9,511**	128
Donations	-	18	-	**18**	-
Transportation expenses	-	37	-	**37**	-
Consumables	3,760	104	-	**3,864**	-
Total	**211,515**	**20,744**	**18,681**	**250,940**	**1,290**

31/12/2016	GROUP				COMPANY
	Cost of sales	Administrative expenses	Distribution expenses	Total	Administrative expenses
Retirement benefits, Wages and Other employee benefits	47,390	13,578	-	**60,968**	236
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**	-
Total	**187,759**	**18,998**	**18,789**	**225,546**	**1,039**

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.

For the fiscal year ended December 31, 2017, the Group's administrative expenses include regular auditors' fees of Euro 14.4 thousand relating to services beyond the audit of the financial statements.

During the fiscal year 2017, in the Income Statement of the Group and the Company have been recognized the amounts of Euro 642 thousand and Euro 38 thousand respectively due to the defined benefit pension plan. These amounts are included in the account “Retirement benefits” of the above table.

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 2017 and 2016.

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Income from subsidies	205	466	-	-
Compensations	436	-	-	-
Income from services provided	113	112	-	-
Income from reversal of unrealized provisions	78	98	-	-
Other income*	4,182	2,480	-	10
Total other opeating income	**5,014**	**3,156**	**-**	**10**

* refers mainly to Africa Moroccoo Links

7.4. Impairment of assets

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Impairment of investments	-	-	-	77
Impairment of tangible assets	-	-	-	-
Total impairment of tangible assets	**-**	**-**	**-**	**77**

7.5. Profit from impairment loss reversal

The amount of Euro 2,797 thousand (Euro 2,051 thousand in 2016) is attributed to Group's vessels impairment loss reversals. The related impairment losses have been recognized in prior periods. An amount of Euro 762 thousand refers to a vessel activating in Adriatic Sea operating segment and an amount of Euro 2,035 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 valuators.

7.6. Other financial results

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Fair value of derivatives	-	-	-	-
Derivatives:				
Results from non-hedging derivatives	-	-	-	-
Results from derivatives (fuels)	-1,156	-2,633	-	-
Foreign exchange gains	82	100	-	-
Foreign exchange losses	-95	-60	-1	-
Total other financial results	**-1,169**	**-2,593**	**-1**	**-**

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

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Interest expenses from long-term loans	1,568	1,870	-	-
Interest expenses from short-term loans	-	-	-	-
Interest expenses from bonds*	15,613	19,819	-	-
Interest expenses from finance leases	289	370	-	-
Charge from retirement employee benefits	33	38	1	1
Commission for guaranties	52	60	1	1
Other interest related expenses	685	446	3	2
Total financial expenses	**18,240**	**22,603**	**5**	**4**

***** 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

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Bank interest	29	289	3	9
Other interest related incomes	42	-	-	-
Total financial income	**71**	**289**	**3**	**9**

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 7,520 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.

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Tax according to Law 27/75	99	80	-	-
Income tax provision	-	-	-	-
Income tax - Other taxes	548	596	-	-
Defferred Assets	-340	29	-	-
Total	**307**	**705**	**-**	**-**

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 2011-2016 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 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

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 2016. The tax certificates for 2017 issued within the second half of 2018.

For the fiscal years 2011 until 2016, 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 2017, 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.

	GROUP		**COMPANY**	
	1.1-31.12.2017	1.1-31.12.2016	1.1-31.12.2017	1.1-31.12.2016
Profit / (loss) attributable to shareholders of the parent company	1,247	20,251	1,817	-1,102
The weighted average number of ordinary shares	191,660,320	191,660,320	191,660,320	191,660,320
Earnings per share - basic (in Euro)	**0.0065**	**0.1057**	**0.0095**	**-0.0057**
Diluted earnings per share (in Euro)	**-0.0007**	**-0.3098**	**-0.0769**	**-0.4735**

The diluted earnings per share for the period 01/01-31/12/2017 and the corresponding comparative period were calculated as follows:

a) Diluted earnings calculation

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Profit / (loss) attributable to shareholders of the parent company	1,247	20,251	1,817	-1,102
Effect of profit / (loss) arising from the conversion	-1,451	-106,456	-23,221	-130,636
Total profit / (loss)	**-204**	**-86,205**	**-21,404**	**-131,738**
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' increace from a potential exercise of bonds conversion rights	86,580,087	86,580,087	86,580,087	86,580,087
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.

	GROUP		COMPANY	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Vessels	23,891	23,205	-	-
Office	852	603	2	10
Total	**24,743**	**23,808**	**2**	**10**

GROUP
TANGIBLE ASSETS

	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
Net book value at 1/1/2016	**565,153**	**17**	**0**	**198**	**147**	**565,516**
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
Net book value at 31/12/2015	**545,650**	**1,737**	**0**	**282**	**238**	**547,908**

	Vessels	**Buildings**	**Vehicles**	**Furniture & Fittings**	**Construction in progress**	**Total**
Book value at 1/1/2017	864,928	4,274	81	8,918	238	878,439
Accumulated depreciation	-319,278	-2,537	-81	-8,636	-	-330,531
Net book value at 1/1/2017	**545,650**	**1,737**	**0**	**282**	**238**	**547,908**
Additions	600	-	-	124	74	798
Reclassifications	-	-	-	-	-	-
Other transfers	-	-	-	-	-123	-123
Reversal of impairments*	2,797	-	-	-	-	2,797
Depreciation charge	-23,891	-271	-	-145	-	-24,307
Depreciation of disposals	-	-	-	-	-	-
Cost of valuation at 31/12/2017	868,325	4,274	81	9,042	189	881,911
Accumulated depreciation	-343,169	-2,808	-81	-8,781	-	-354,838
Net book value at 31/12/2017	**525,156**	**1,466**	**0**	**261**	**189**	**527,073**

* see note 7.5

COMPANY
TANGIBLE ASSETS

	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
Net book value at 1/1/2016	**-**	**8**	**0**	**0**	**-**	**8**
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
Net book value at 31/12/2016	**-**	**7**	**0**	**0**	**0**	**7**

	Vessels	Buildings	Vehicles	Furniture & Fittings	Construction in progress	Total
Book value at 1/1/2017	-	126	22	283	-	431
Accumulated depreciation	-	-119	-22	-283	-	-424
Net book value at 1/1/2017	**-**	**7**	**0**	**0**	**-**	**7**
Additions	-	-	-	-	-	-
Depreciation charge	-	-1	-	-	-	-1
Cost of valuation at 31/12/2017	-	126	22	283	-	434
Accumulated depreciation	-	-120	-22	-283	-	-425
Net book value at 31/12/2017	**-**	**6**	**0**	**0**	**-**	**6**

GROUP
Tangible assets (held under Finance Lease)

	Vessels	Vehicles	Furniture & Fittings	Total
Book value at 1/1/2016	6,519	57	1,050	7,626
Accumulated depreciation	-1,774	-57	-1,050	-2,881
Net book value at 1/1/2016	**4,745**	**0**	**0**	**4,745**
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
Net book value at 31/12/2016	**3,710**	**0**	**0**	**3,710**

	Vessels	Vehicles	Furniture & Fittings	Total
Book value at 1/1/2017	6,519	57	1,050	7,626
Accumulated depreciation	-2,809	-57	-1,050	-3,916
Net book value at 1/1/2017	**3,710**	**0**	**0**	**3,710**
Additions	-	-	-	-
Depreciation charge	-1,035	-		-1,035
Cost of valuation at 31/12/2017	6,519	57	1,050	7,626
Accumulated depreciation	-3,844	-57	-1,050	-4,951
Net book value at 31/12/2017	**2,675**	**0**	**0**	**2,675**

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

	31/12/2017
Short-term finance leases	1,168
Long-term finance leases	2,046
Total finance leases	**3,214**

The minimum financial lease payments under finance leases and the present value of the net minimum lease payments on December 31, 2017 are as follows:

	31/12/2017	
	Minimum payments	Present value
Within 1year	1,369	1,168
Between 2-5 years	2,168	2,046
More than five years	-	-
	3,537	**3,214**
Less: Finance charges	323	-
Minimum payments' current value	**3,214**	**3,214**

7.13. Intangible assets

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

GROUP
Intangible assets

	Trademarks	Computer Software	Total
Book value at 1/1/2016	153	13,144	13,297
Accumulated depreciation	-152	-11,119	-11,271
Net book value at 1/1/2016	**1**	**2,025**	**2,026**
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
Net book value at 31/12/2016	**1**	**1,953**	**1,954**
	Trademarks	**Computer Software**	**Total**
Book value at 1/1/2017	153	13,469	13,622
Accumulated depreciation	-152	-11,516	-11,668
Net book value at 1/1/2017	**1**	**1,953**	**1,954**
Additions	-	387	387
Reclassifications	-	-	-
Depreciation charge		-412	-412
Cost of valuation at 31/12/2017	153	13,856	14,009
Accumulated depreciation	-152	-11,928	-12,080
Net book value at 31/12/2017	**1**	**1,928**	**1,929**

COMPANY
Intangible assets

	Trademarks	Computer Software	Total
Book value at 1/1/2016	153	181	334
Accumulated depreciation	-152	-177	-329
Net book value at 1/1/2016	**1**	**4**	**5**
Depreciation charge	-1	-2	-3
Cost of valuation at 31/12/2016	153	181	334
Accumulated depreciation	-153	-179	-332
Net book value at 31/12/2016	**0**	**2**	**2**
	Trademarks	**Computer Software**	**Total**
Book value at 1/1/2017	153	181	334
Accumulated depreciation	-153	-179	-332
Net book value at 1/1/2017	**0**	**2**	**2**
Depreciation charge	-	-1	-1
Cost of valuation at 31/12/2017	153	181	334
Accumulated depreciation	-153	-180	-333
Net book value at 31/12/2017	**0**	**1**	**1**

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

	COMPANY
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	507,814
Initial Cost at 01.01.2017	507,814
Acquisitions/Increase in share capital of subsidiaries (1)	7,403
Disposals/Decrease in share capital of subsidiaries (2)	-7,400
Adjustments-Impairments added to Net Equity	376
Adjustments-Impairments added to the Income Statement	-
Value at 31.12.2017	508,193

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 7,400 thousand.

The parent company participated in the share capital increases of its 100% subsidiaries Superfast One Inc, Superfast Two Inc, Superfast Endeka Inc, Nordia M.C. and Blue Star Ferries Maritime S.A. with the amount of Euro 1,400 thousand, Euro 1,900 thousand, Euro 2,900 thousand, Euro 1,200 thousand and Euro 2 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.

	31/12/2017				
Subsidiary	**Carrying amount**	**Direct Shareholding %**	**Country**	**Unaudited fiscal years***	**Audited fiscal years****
NORDIA MC.	0	100.00%	GREECE	2010-2017	-
SUPERFAST FERRIES S.A.	0	100.00%	LIBERIA	2010-2017	-
SUPERFAST ENDEKA INC.***	33,544	100.00%	LIBERIA	2010-2011/2017	2011-2016
BLUE STAR FERRIES MARITIME S.A.	217,763	100.00%	GREECE	2010/2017	2011-2016
SUPERFAST ONE INC.***	56,867	100.00%	LIBERIA	2010-2011/2017	2012-2016
SUPERFAST TWO INC.***	58,759	100.00%	LIBERIA	2010-2011/2017	2012-2016
ATTICA FERRIES M.C.	46,249	100.00%	GREECE	2010-2017	-
BLUE STAR FERRIES MARITIME S.A. & CO JOINT VENTURE	0	0.00%	GREECE	2009-2016	-
ATTICA FERRIES MARITIME S.A.	57,534	100.00%	GREECE	2017	2011-2016
BLUE STAR M.C.	34,453	100.00%	GREECE	2010-2017	-
<u>Inactive companies</u>					
SUPERFAST EPTA MC.	48	100.00%	GREECE	2010-2017	-
SUPERFAST OKTO MC.	30	100.00%	GREECE	2010-2017	-
SUPERFAST ENNEA MC.	15	100.00%	GREECE	2010-2017	-
SUPERFAST DEKA MC.	47	100.00%	GREECE	2010-2017	-
MARIN MC.	2,283	100.00%	GREECE	2010-2017	-
ATTICA CHALLENGE LTD	0	100.00%	MALTA	-	-
ATTICA SHIELD LTD	2	100.00%	MALTA	-	-
SUPERFAST DODEKA (HELLAS) INC.& CO JOINT VENTURE		0.00%	GREECE	2009-2017	-
SUPERFAST PENTE INC.***	0	100.00%	LIBERIA	2010-2011/2014-2017	2012-2013
SUPERFAST EXI INC.***	470	100.00%	LIBERIA	2010-2011/2014-2017	2012-2013
SUPERFAST DODEKA INC.***	0	100.00%	LIBERIA	2010-2011/2014-2017	2012-2013
BLUE STAR FERRIES JOINT VENTURE		0.00%	GREECE	2009-2017	-
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	2010-2017	-

* By tax authorities

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

*** liberian companies which have a branch in Greece and the tax audit concerns the branches.

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 2017. 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. The 100% subsidiary company Attica Premium S.A. have been liquidated in 2017 without affecting the Groups' results for the fiscal year 2017.

Subsidiary	Carrying amount	Direct Shareholding %	Country	Unaudited fiscal years*	Audited fiscal years**
	31/12/2016				
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	-
Inactive companies					
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		0.00%	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		0.00%	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

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 31/12/2017 and 31/12/2016 has as follows:

Company	31/12/2017	31/12/2016
SUPERFAST EPTA MC.	48	48
SUPERFAST OKTO MC.	30	30
SUPERFAST ENNEA MC.	15	15
SUPERFAST DEKA MC.	47	47
NORDIA MC.	0	42
MARIN MC.	2,283	2,282
ATTICA SHIELD LTD	2	2
SUPERFAST EXI INC.	470	470
SUPERFAST ENDEKA INC.	33,544	29,077
BLUE STAR FERRIES MARITIME S.A.	217,763	244,952
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	56,867	49,758
SUPERFAST TWO INC	58,759	52,418
ATTICA FERRIES M.C.	46,249	27,923
BLUE STAR M.C.	34,453	34,453
BLUE STAR FERRIES M.C.	-	-
ATTICA FERRIES MARITIME S.A.	57,534	66,168

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. Furthermore, a share capital increase of Euro12,038 thousand was made during the first half of 2017, of which Euro 5,854 thousand was paid by Attica Group. (Euro 1 mln was paid in cash while the amount of Euro 4,854 thousand was capitalized). The above investment is consolidated with the equity method in the financial statement of Attica Group.

AML operates in Tangier 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 7,520 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. Financial Assets available for sale

The “Financial Assets available for sale” account includes the acquisition of shares of HELLENIC SEAWAYS MARITIME S.A.

7.17. Other non-current assets

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Guarrantees	340	698	8	58
Other long term receivables	8,224	7,541	-	-
Others	-	-	-	-
Net Boon Value	**8,564**	**8,239**	**8**	**58**

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.

7.18. Deferred tax assets

Deferred income taxes arising from the temporary differences between account and tax base of assets and liabilities for the profits that do not stem from the shipping operation.

	GROUP		
	Balance as of 1/1/2017	(Debit)/Credit to P&L	Balance as of 31/12/2017
Defferred Assets/(Liabilities)			
Tangible assets	-1,029	319	-710
Derivatives	-7	7	0
Trade and other receivables	42	17	59
Other current assets	-331	295	-36
Other reserves	-15	-	-15
Accrued pension and retirement obligations	51	16	67
Long-term borrowings	1,245	-314	931
Total	**-44**	**340**	**296**

7.19. Inventories

The “Inventories” account includes the following items:

	31/12/17	31/12/2016
Merchandise	25	26
Raw materials and other consumables	811	826
Fuels and lubricant	2,470	2,690
Net book value	**3,306**	**3,542**

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

7.20. Trade and other receivables

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Trade receivables	47,019	44,098	-	59
Intercompany accounts receivable	3,739	3,066	-	-
Checks receivable	13,897	12,196	-	-
Less: Impairment Provisions	-19,183	-18,906	-	-
Net trade receivables	**45,472**	**40,454**	**-**	**59**
Advances from suppliers	1,806	1,408	2	-
Total	**47,278**	**41,862**	**2**	**59**

The Group recognized a loss for bad debts of Euro 355 thousand for the period 1/1-31/12/2017. The amount of this provision has been charged to the income statement of the present period.

Impairment Provisions

	GROUP	
	31/12/2017	31/12/2016
Opening balance	**-18.906**	**-18.001**
Additional provisions	-355	-1.003
Dicreases	-	-
Recovered bud debts	78	98
Closing balance	**-19.183**	**-18.906**

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

Domestic Routes

a) Passengers and private vehicles tickets have to be settled within two months from the invoice date (last date of each month).

b) 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

a) 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.

b) 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.

7.21. Other current assets

	GROUP		COMPANY	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Other debtors*	20,765	11,233	1,114	6
Receivables from the State	784	853	6	-
Advances and loans to personnel	386	325	-	-
Accrued income	-	8	-	-
Prepaid expenses**	11,788	17,522	26	22
Receivables from insurers	1,782	1,363	-	-
Other receivables	124	170	-	4
Checks in bank	1,537	314	-	-
Restricted cash	208	1,646	-	-
Total	**37,374**	**33,434**	**1,146**	**32**
Less: Impairment provisions	-	-	-	-
Net receivables	**37,374**	**33,434**	**1,146**	**32**

* Other debtors of the Group refers mainly to the receivables from the associate company AFRICA MOROCCO LINKS, which is consolidated using the equity method. Other deptors of the parent company refers to the amount of Euro 1,110 thousand as receivable dividend arising from its 100% subsidiary company Attica Ferries Maritime S.A.
** Prepaid expenses refers mainly to the vessels' dry dock.

7.22. Derivatives

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

7.23. Cash and cash equivalents

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

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Cash in hand	5,308	6,565	26	5
Cash equivalent balance in bank	38,791	42,155	2,156	1,220
Repos	-	2,500	-	-
Cheques receivable	-	-	-	-
Total cash and cash equivalents	**44,099**	**51,220**	**2,182**	**1,225**
Cash and cash equivalents in €	43,770	50,845	2,182	1,225
Cash and cash equivalents in foreign currency	329	375	-	-
Total cash and cash equivalents	**44,099**	**51,220**	**2,182**	**1,225**

During the present period the Group paid the amount of Euro 24,557 thousand against repayment of its long- term loans, Euro 1,080 thousand for the financial leasing of the vessel Blue Galaxy and Euro 5,000 thousand for the acquisition of 1,250,000 shares of HELLENIC SEAWAYS MARITIME S.A.

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

For liquidity risk analysis see paragraph 3.1.3.

7.24. 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.

GROUP	**Number of Shares**	**Nominal value**	**Value of common shares**	**Share premium**
Balance as of 01/01/2016	**191,660,320**	**0.30**	**57,498**	**290,256**
Share issue				
- Common	-	-	-	-
Balance as of 31/12/2016	**191,660,320**	**0.30**	**57,498**	**290,256**
Share issue				
- Common	-	-	-	-
Other changes	-	-	-	-
Balance as of 31/12/2017	**191,660,320**	**0.30**	**57,498**	**290,256**

COMPANY	**Number of Shares**	**Nominal value**	**Value of common shares**	**Share premium**
Balance as of 01/01/2016	**191,660,320**	**0.30**	**57,498**	**290,256**
Share issue				
- Common	-	-	-	-
Balance as of 31/12/2016	**191,660,320**	**0.30**	**57,498**	**290,256**
Share issue				
- Common	-	-	-	-
Other changes	-	-	-	-
Balance as of 31/12/2017	**191,660,320**	**0.30**	**57,498**	**290,256**

b) Fair value reserves

GROUP

	Fair value reserves: Revaluation of property, plant & equipment	Fair value reserves: Cash flow hedge	Total
Balance as of 01/01/2016	-	-1,073	-1,073
Cash flow hedge	-	5,127	5,127
Gains from fair value valuation	-	-	-
Balance as of 31/12/2016	-	4,054	4,054
Cash flow hedge	-	204	204
Gains from fair value valuation	-	-	-
Balance as of 31/12/2017	-	4,258	4,258

COMPANY

	Fair value reserves: Revaluation of property, plant & equipment	Fair value reserves: Revaluation of financial instruments	Total
Balance as of 01/01/2016	143,820	-	143,820
Gains/ (losses) from valuation transfeted to equity	-21,946	-	-21,946
Balance as of 31/12/2016	121,874	-	121,874
Gains/ (losses) from valuation transfeted to equity	376	-	376
Balance as of 31/12/2017	122,250	-	122,250

c) Other reserves

GROUP

	Statutory Reserve	Special reserves	Tax-free reserves	Other reserves	Translation reserves	Total
Balance as of 01/01/2016	16,959	8,128	1,467	90,062	-58	116,558
Transfers between reserves and retained earnings	-	-	-	-	-	-
Balance as of 31/12/2016	16,959	8,128	1,467	90,062	-58	116,558
	Statutory Reserve	**Special reserves**	**Tax-free reserves**	**Other reserves**	**Translation reserves**	**Total**
Balance as of 01/01/2017	16,959	8,128	1,467	90,062	-58	116,558
Transfers between reserves and retained earnings	560	-	-	2,229	-	2,789
Balance as of 31/12/2017	17,519	8,128	1,467	92,291	-58	119,347

COMPANY

	Statutory Reserve	Special reserves	Tax-free reserves	Other reserves	Translation reserves	Total
Balance as of 01/01/2016	13,341	5,388	1,065	9,246	-	29,040
Transfers between reserves and retained earnings	-	-	-	-	-	-
Changes following the merger	-	-	-	-	-	-
Balance as of 31/12/2016	13,341	5,388	1,065	9,246	-	29,040
	Statutory Reserve	**Special reserves**	**Tax-free reserves**	**Other reserves**	**Translation reserves**	**Total**
Balance as of 01/01/2017	13,341	5,388	1,065	9,246	-	29,040
Transfers between reserves and retained earnings	-	-	-	-	-	-
Changes following the merger	-	-	-	-	-	-
Balance as of 31/12/2017	13,341	5,388	1,065	9,246	-	29,040

7.25. 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 – 31/12/2017 are the following:

	2017	2016
Discount rate	1.80%	1.90%
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

	31/12/2017	31/12/2016
Long-term pension obligations	2,425	2,168
Short-term pension obligations	-	-
Total	**2,425**	**2,168**

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

	31/12/2017 Defined benefit plans (Non financed)	31/12/2016 Defined benefit plans (Non financed)
Defined benefit obligation 1 January	**2,168**	**1,736**
Current Service cost	107	377
Interest expense	33	38
Remeasurement - actuarial losses (gains) from changes in financial assumptions	125	17
Benefits paid	-20	-
Past service cost	12	-
Defined benefit obligation 31 December	**2,425**	**2,168**

The amounts recognized in the income statement are as follows:

	31/12/2017 Defined benefit plans	31/12/2016 Defined benefit plans
Current service costs	107	377
Past service cost	12	-
Net Interest on the defined obligation	33	38
Total expenses recognized in profit or loss	**152**	**415**

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

	31/12/2017 Defined benefit plans (Non financed)	31/12/2016 Defined benefit plans (Non financed)
Actuarial gains /(losses) from changes in financial assumptions	-32	-11
Actuarial gains /(losses) from changes due to experience	-93	-6
Total income /(expenses) recognized in other comprehensive income	**-125**	**-17**

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

	discount rate	
	0.5%	0.5%
Increase (decrease) in the defined liability	-142	-107

	Expected rate of salary increases	
	0.5%	0.5%
Increase (decrease) in the defined liability	186	207

PARENT
Accrued pension and retirement obligations

	31/12/2017	31/12/2016
Long-term pension obligations	59	55
Short-term pension obligations	-	-
Total	**59**	**55**

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

	31/12/2017 Defined benefit plans (Non financed)	31/12/2016 Defined benefit plans (Non financed)
Defined benefit obligation 1 January	**55**	**45**
Current Service cost	-	9
Interest expense	1	1
Remeasurement - actuarial losses (gains) from changes in financial assumptions	3	-
Benefits paid	-	-
Past service cost	-	-
Defined benefit obligation 31 December	**59**	**55**

The amounts recognized in the income statement are as follows

	31/12/2017 Defined benefit plans	31/12/2016 Defined benefit plans
Current service costs	-	9
Past service cost	-	-
Net Interest on the defined obligation	1	1
Total expenses recognized in profit or loss	**1**	**10**

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

	31/12/2017 Defined benefit plans (Non financed)	31/12/2016 Defined benefit plans (Non financed)
Actuarial gains /(losses) from changes in financial assumptions	1	1
Actuarial gains /(losses) from changes in historical assumptions	2	-1
Total income /(expenses) recognized in other comprehensive income	**3**	**-**

7.26. 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 consernes claim for compensation from the crew in the Baltic Sea	**Other provisions**	**Total**
Opening Balance as of 01/01/2016	**1,218**	**-**	**1,218**
Additional provisions	-	-	-
Utilised provisions	-	-	-
Closing Balance as of 31/12/2016	**1,218**	**-**	**1,218**
Non-current provisions	-	-	-
	1,218	**-**	**1,218**

	Case under litigation which consernes claim for compensation from the crew in the Baltic Sea	**Other provisions**	**Total**
Opening Balance as of 01/01/2016	**1,218**	**-**	**1,218**
Additional provisions	-	-	-
Utilised provisions	-	-	-
Closing Balance as of 31/12/2016	**1,218**	**-**	**1,218**
Non-current provisions	-	-	-
	1,218	**-**	**1,218**

7.27. Trade and other payables

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Suppliers	18,165	16,370	129	20
Customers' Advances	1,408	1,106	-	-
Intercompany accounts payable	67	175	-	-
Other liabilities	658	406	-	-
Total	**20,298**	**18,057**	**129**	**20**

7.28. Tax liabilities

	GROUP		COMPANY	
	31/12/2017	31/12/16	31/12/2017	31/12/16
Tax expense	621	355	-	-
Provision for Tax expense for unaudited fiscal years	148	148	20	20
Tax audit differences	-	-	-	-
Total	**769**	**503**	**20**	**20**

7.29. Long-term and short-term borrowings

Borrowings analysis:

Long-term borrowings
Short-term dept

Long-term borrowings	**31/12/2017**	**31/12/2016**
Obligations under finance lease	3,214	4,294
Secured Loans	69,014	86,399
Bonds	90,077	95,536
Convertible Bonds	76,428	69,214
Less: Long-term loans payable in next financial year	-24,303	-25,637
Total of long-term loans	**214,430**	**229,806**
Short-term dept	**31/12/2017**	**31/12/2016**
Secured Loans	-	-
Bank Loans	-	-
More: Long-term loans payable in next financial year	24,303	25,637
Total of short-term loans	**24,303**	**25,637**

Amounts in Euro

Borrowings as of 31/12/2017	**Within 1year**	**After 1year but not more than 5 years**	**More than five years**	**Total**
Obligations under finance lease	1,168	2,046	-	**3,214**
Bank Loans	-	-	-	**-**
Secured Loans	12,295	42,847	13,872	**69,014**
Bonds	10,840	79,237	-	**90,077**
Convertible Bonds	-	76,428	-	**76,428**
Borrowings	**24,303**	**200,558**	**13,872**	**238,733**

Borrowings as of 31/12/2016	**Within 1year**	**After 1year but not more than 5 years**	**More than five years**	**Total**
Obligations under finance lease	1,080	3,214	-	**4,294**
Bank Loans	-	-	-	**-**
Secured Loans	17,485	49,353	19,561	**86,399**
Bonds	7,072	63,622	24,842	**95,536**
Convertible Bonds	-	69,214	-	**69,214**
Borrowings	**25,637**	**185,403**	**44,403**	**255,443**

	31/12/2017
	Euro
Long-term borrowings	6.88%
Short-term dept	-

	31/12/2016
	Euro
Long-term borrowings	6.63%
Short-term dept	-

Changes in the Groups' obligations which arise from finance activities have as follows:

	Long-term borrowings	**Short-term dept**	**Total**
31/12/2016	**229,806**	**25,637**	**255,443**
Cash Flows:			
repayments	-	-25,637	**-25,637**
Non-Cash Changes:			
Fair value changes	8,927	-	**8,927**
Reclassifications	-24,303	24,303	**0**
Other changes	-	-	**-**
31/12/2017	**214,430**	**24,303**	**238,733**

During the present period the Group paid the amount of Euro 24,557 thousand against repayment of its long-term loans and Euro 1,080 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 238,733 thousand.

7.30. Other current liabilities

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Intercompany accounts payable	-	-	-	-
Deferred income-Grants	1,845	2,061	-	-
Social security insurance	1,067	1,649	52	6
Other Tax liabilities	6,324	7,105	33	37
Dividends	-	-	-	-
Salaries and wages payable	1,520	1,428	-	-
Accrued expenses*	1,908	2,582	17	17
Others Liabilities	330	189	84	89
Obligation to Daewoo	-	-	-	-
Total	**12,994**	**15,014**	**186**	**149**

* 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 2017 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 31/12/2017 and on 31/12/2016 have as follows:

	31/12/2017	31/12/2016
Guarantees		
Performance letters of guarantee	1,200	1,097
Guarantees for the repayment of trade liabilities	151	24
Guarantees for the participation in various tenders	161	500
Total guarantees	**1,512**	**1,621**

The parent company has guaranteed to lending banks the repayment of loans of the Group's vessels amounting Euro 222,637 thousand.

e) Undertakings analysis has as follows:

	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Finance lease commitments				
Within one year	1,168	1,080	-	-
After one year but not more than five years	2,046	3,214	-	-
More than five years	-	-	-	-
Operating lease commitments				
Within one year	384	384	47	47
After one year but not more than five years	1,945	1,937	235	235
More than five years	752	1,145	91	139

9. Significant events

On 11.8.2017 the Board of Directors of Attica Holdings S.A. («Attica Group»), a member of Marfin Investment Group (MIG), announced an agreement in principle, with Piraeus Bank and other minority shareholders for the acquisition of 39,039,833 shares in total of HELLENIC SEAWAYS MARITIME S.A. (hereafter «HSW»), representing 50.30% of the share capital of HSW.

The total consideration for the transaction consists of Euro 30.61 million payable in cash and 24,145,523 new common registered shares of Attica Group, to be issued pursuant to a share capital increase.

Of the above mentioned majority equity stake in HSW, 1,250,000 shares have already been acquired by Attica Group in cash, while the remaining shares will be acquired upon closing of the transaction, which is subject to the approval of the relevant regulatory and other authorities.

On 30.08.2017 the vessel BLUE STAR PATMOS suffered grounding on shallow waters while entering in the port of Ios. Its sailings covered with redeployment of other Group vessels.

The situation is fully covered by the existing insurance coverage of BLUE STAR PATMOS for third party liability (Protection & Indemnity) and hull and machine risks (Hull & Machinery) from internationally recognized insurance companies.

On 26.10.2017 the Group announced that it has reached agreement with Minoan Lines S.A. ("Minoan Lines") for: (i) the acquisition (hereafter the "Acquisition") by Attica Group of 37,667,504 shares in HSW, representing 48.53% of the share capital of HSW, for a cash consideration of Euro 78.5 million; (ii) the sale of SUPERFAST XII vessel to a member company of the Grimaldi Group for a cash consideration of Euro 74.5 million; and (iii) the sale of HIGHSPEED 7 vessel to Minoan Lines for a cash consideration of Euro 25 million, after completion of the Acquisition and after all corporate and other approvals have been obtained.
Completion of the agreement with Minoan Lines is subject to customary conditions precedent, including the receipt of approvals from the competent authorities, as required.

Upon completion of the Acquisition and the acquisition of a 50.3% equity stake in HSW as per Attica Group's announcement dated 11 August 2017, Attica Group will hold in aggregate an equity stake of 98.83% in HSW.

10. Events after the Balance Sheet date

On 8.2.2018 the Ro-Pax vessel Blue Star Patmos began its deployment in the Dodecanese line.

The Hellenic Competition Commission, with its decision on 25.04.2018, approved the proposed acquisition by Attica Group of sole control over HSW. The clearance of the Hellenic Competition Commission was granted following certain commitments by the Company, which according to the Commission's assessment are adequate, sufficient and appropriate to ensure effective competition in the Greek Ferry sector. The commitments are described in detail in the

Press Release issued by the Competition Commission and posted on the Competition Commission's website at www.epant.gr.

Following the approval, the Company will immediately proceed with implementation of the contractually agreed actions for the acquisition of 98.83% of the share capital of HSW.

11. No Dividend distribution

There will be no dividend distribution for the fiscal year 2017.

Kallithea, April 27th, 2018

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 Kallithea, Greece
Information for the period from January 1 to December 31, 2017
(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)

COMPANY INFORMATION

Pertinent Supervising Authority:	Ministry of Development, Department for limited companies
Internet Domain:	www.attica-group.com
Board of Directors:	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, Panagiotis Throuvalas - Director, Non-Executive Member
Date of Board of Directors approval of annual financial statements:	April 27, 2018
Certified Auditor:	Xyrras Thanasis - SOEL No 34081
Audit Firm:	Grant Thornton S.A. - SOEL 127
Type of certified auditor's report:	Unqualified

STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
ASSETS	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Tangible assets	527.073	547.908	6	7
Investment properties	-	-	-	-
Intangible assets	1.929	1.954	1	2
Other non current assets	13.880	8.239	508.201	507.872
Inventories	3.306	3.542	-	-
Trade receivables and prepayments	47.278	41.862	2	59
Other current assets	85.906	90.531	3.326	1.257
Non current assets classified as held for sale	-	-	-	-
Total assets	**679.352**	**694.036**	**511.536**	**509.197**
EQUITY AND LIABILITIES				
Share capital	57.498	57.498	57.498	57.498
Other equity	345.417	344.091	453.646	451.455
Total shareholders equity (a)	402.915	401.589	511.144	508.953
Non - controlling interests (b)	-	-	-	-
Total equity (c)=(a)+(b)	402.915	401.589	511.144	508.953
Long-term borrowings	214.430	229.806	-	-
Provisions / Other long-term liabilities	3.643	3.430	59	55
Short-term debt	24.303	25.637	-	-
Other short-term liabilities	34.061	33.574	335	189
Liabilities associated with non current assets classified as held for sale	-	-	-	-
Total liabilities (d)	**276.437**	**292.447**	**394**	**244**
Total equity and liabilities (c)+(d)	**679.352**	**694.036**	**511.538**	**509.197**

STATEMENT OF COMPREHENSIVE INCOME

	GROUP		COMPANY	
	1.01-31.12.2017	1.01-31.12.2016	1.01-31.12.2017	1.01-31.12.2016
Revenue	271.541	268.614	-	-
Gross Profit / (loss)	60.026	80.855	-	-
Earnings before taxes, investing and financial results	25.615	46.224	-1.290	-1.029
Profit / (loss) before taxes	1.554	20.956	1.817	-1.102
Profit / (loss) after taxes (A)	1.247	20.251	1.817	-1.102
-Owners of the parent	1.247	20.251	1.817	-1.102
-Minority shareholders	-	-	-	-
Other comprehensive income after tax (B)	79	5.110	374	-21.946
Total comprehensive income for the period after tax (A)+(B)	1.326	25.361	2.191	-23.048
-Owners of the parent	1.326	25.361	2.191	-23.048
-Minority shareholders	-	-	-	-
Earnings after taxes per share - basic (in €)	0.0065	0.1057	0.0095	-0.0057
Proposed dividend payable per share (in €)	-	-	-	-
Earnings before taxes, investing and financial results, depreciation and amortization	50.358	70.032	-1.288	-1.019

STATEMENT OF CASH FLOWS (INDIRECT METHOD)

	GROUP		COMPANY	
	1.01-31.12.2017	1.01-31.12.2016	1.01-31.12.2017	1.01-31.12.2016
Cash flow from Operating Activities				
Profit / (Loss) before taxes	1.554	20.956	1.817	-1.102
Adjustments for:				
Depreciation	24.743	23.808	2	10
Impairment of tangible and intangible assets	-	-	-	77
Reversal of impairments	-2.797	-2.051	-	-
Provisions	417	1.416	1	9
Foreign exchange differences	13	-40	1	-
Net (profit) / loss from investing activities	8.605	4.658	-3.113	-9
Interest payable and other financial expenses	16.207	22.565	4	3
Plus or minus for working capital changes:				
Decrease / (increase) in inventories	236	-660	-	-
Decrease / (increase) in receivables	-16.186	-16.542	102	704
(Decrease) / increase in payables (excluding banks)	234	2.100	145	-90
Less:				
Interest and other financial expenses paid	-9.051	-10.113	-4	-3
Taxes paid	-299	-282	-	-
Total cash inflow / (outflow) from operating activities (a)	**25.566**	**45.817**	**-1.045**	**-401**
Cash flow from Investing Activities				
Purchase of tangible and intangible assets	-1.185	-4.057	-	-5
Investments in companies consolidated by the equity method	-999	-45	-	-
Changes in non-current receivables	-	-7.000	-	-
Share capital return from subsidiaries	-	-	7.400	22.553
Interest received	71	289	4	9
Purchase of financial assets of investment portfolio	-5.000	-	-	-
Dividends received	-	-	2.000	3.656
Increase in capital and additional paid-in capital of subsidiaries	-	-	-7.402	-11.602
Total cash inflow / (outflow) from investing activities (b)	**-7.113**	**-10.813**	**2.002**	**14.613**
Cash flow from Financing Activities				
Return due to non-completed share capital increase to the parent company	-	-13.000	-	-13.000
Additional equity offering costs	-	-	-	-
Proceeds from borrowings	-	8.500	-	-
Payments of borrowings	-24.557	-49.945	-	-
Payments of finance lease liabilities	-1.080	-880	-	-
Total cash inflow / (outflow) from financing activities (c)	**-25.637**	**-55.325**	**-**	**-13.000**
Net increase / (decrease) in cash and cash equivalents (a)+(b)+(c)	**-7.084**	**-20.321**	**957**	**1.212**
Cash and cash equivalents at beginning of period	51.220	71.555	1.225	13
Exchange differences in cash and cash equivalents	-37	-14	-	-
Cash and cash equivalents at end of period	**44.099**	**51.220**	**2.182**	**1.225**

STATEMENT OF CHANGES IN EQUITY

	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Equity Opening Balance (01.01.2017 and 01.01.2016)	401.589	376.228	508.953	532.001
Total comprehensive income for the period after tax	1.326	25.361	2.191	-23.048
Other changes (return of capital accumulation tax)	-	-	-	-
Equity Closing Balance (31.12.2017 and 31.12.2016)	**402.915**	**401.589**	**511.144**	**508.953**

NOTES :

1. The companies with their corresponding registration, the percentages of participation and their method of consolidation in the annual financial statements of 31.12.2017, 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 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 2016. 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 2016. The exception to the above is the subsidiary company Attica Premium S.A. which have been liquidated in 2017 without affecting the Groups' results for the fiscal year 2017. There are no companies of the Group which have not been consolidated in the consolidated financial statements.

2. All the companies included in the consolidation of Attica Group have already made a tax provision of Euro 148 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 7.14 of the annual financial statements.

3. The accounting principles are the same as those used on 31/12/2016 apart from the changes in new Standards and Interpretations issued from 01/01/2017 (note 2.21.1. of the annual financial statements).
4. The number of employees, at period end, was 2 for the parent company and 1,018 for the Group, while at 31/12/2016 was 2 and 1,058 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 are no legal or arbitration cases pending 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 retirement benefit provision amounting Euro 158 thousand and Euro 2,425 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:

(Amounts in thousand Euro)

	Marfin Investment Group		Piraeus Bank		Attica Group		Africa Morocco Links
	Group	Company	Group	Company	Group	Company	Group
a) Revenue	10.724	-	25	4	-	-	4.158
b) Expenses	2.747	-	1.693	1	-	-	274
c) Receivables	3.739	-	12.782	2.149	-	1,110	22.944
d) Payables	67	-	36.274	-	-	-	
e) Transactions and Board of Directors and Executive Directors' Fees	-	-	-	-	2,915	-	274
f) Receivables from Board of Directors and Executive Directors	-	-	-	-	-	-	-
g) Payables to Board of Directors and Executive Directors	-	-	-	-	-	-	-

8. The financial statements of Attica 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 89.38% at 31.12.2017.
9. For the Group "Total comprehensive income for the period after tax" amounting Euro 1,326 thousand refer to the Group's profit, Euro 1,247 thousand, to the cash flow hedging concerning fuel derivatives amounting Euro 204 thousand and to the revaluation of the accrued pension obligations amounting - Euro 125 thousand. For the company "Total comprehensive income for the period after tax" amounting Euro 2,191 thousand refer to the company's profit , Euro 1,817 thousand, the revaluation of the accrued pension obligations amounting - Euro 2 thousand and to the measurement at fair value of the subsidiary companies
10. There are no shares of the parent company owned by Attica Holdings S.A. and the subsidiaries at the end of the present period.
11. On 11.8.2017 the Board of Directors of Attica Holdings S.A, announced an agreement in principle, with Piraeus Bank and other minority shareholders for the acquisition of 39,039,833 shares in total of HELLENIC SEAWAYS MARITIME S.A. (hereafter «HSW»), representing 50.30% of the share capital of HSW. The total consideration for the transaction consists of Euro 30.61 million payable in cash and 24,145,523 new common registered shares of Attica Group, to be issued pursuant to a share capital increase. Of the above mentioned majority equity stake in HSW, 1,250,000 shares have already been acquired by Attica Group in cash, while the remaining shares will be acquired upon closing of the transaction, which is subject to the approval of the relevant regulatory and other authorities.
12. On 30.08.2017 the vessel BLUE STAR PATMOS suffered grounding on shallow waters while entering in the port of Ios. The incident is fully covered by the existing insurance coverage of BLUE STAR PATMOS for third party liability (Protection & Indemnity) and hull and machine risks (Hull & Machinery) from internationally recognized insurance companies.
13. On 26.10.2017 the Group announced that it has reached agreement with Minoan Lines S.A. ("Minoan Lines") for: (i) the acquisition (hereafter the "Acquisition") by Attica Group of 37,667,504 shares in HSW, representing 48.53% of the share capital of HSW, for a cash consideration of Euro 78.5 million; (ii) the sale of SUPERFAST XII vessel to a member company of the Grimaldi Group for a cash consideration of Euro 74.5 million; and (iii) the sale of HIGHSPEED 7 vessel to Minoan Lines for a cash consideration of Euro 25 million, after completion of the Acquisition and after all corporate and other approvals have been obtained. Completion of the agreement with Minoan Lines is subject to customary conditions precedent, including the receipt of approvals from the competent authorities, as required. Upon completion of the Acquisition and the acquisition of a 50.3% equity stake in HSW as per Attica Group's announcement dated 11 August 2017, Attica Group will hold in aggregate an equity stake of 98.83% in HSW.
14. The Hellenic Competition Commission, with its decision on 25.04.2018, approved the proposed acquisition by Attica Group of sole control over HSW. The clearance of the Hellenic Competition Commission was granted following certain commitments by the Company, which according to the Commission's assessment are adequate, sufficient and appropriate to ensure effective competition in the Greek Ferry sector. The commitments are described in detail in the Press Release issued by the Competition Commission and posted on the Competition Commission's website at www.epant.gr. Following the approval, the Company will immediately proceed with implementation of the contractually agreed actions for the acquisition of 98.83% of the share capital of HSW.

Athens, April 27, 2018

CHAIRMAN OF THE B.O.D.	THE CHIEF EXECUTIVE OFFICER	AUTHORIZED DIRECTOR	THE FINANCIAL DIRECTOR
KYRIAKOS MAGIRAS	SPIROS PASCHALIS	IRAKLIS SIMITSIDELLIS	NIKOLAOS TAPIRIS
ID Card No: AK109642	ID Card No: AB215327	ID Card No: AM140292	ID Card No: AK067031
			LICENSE No 32210-CLASS A