ATTICA HOLDINGS S.A.

Annual Financial Report
for the period 1.1.2018 to 31.12.2018
(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

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Statement of the Board of Directors' Members
(In accordance with article 4, par. 2 of Law 3556/2007)

The members of the Board of Directors of ATTICA HOLDINGS S.A.:
1. Kyriakos Magiras, Chairman of the Board of Directors,
2. Spiros Paschalis, Chief Executive Officer and
3. Panagiotis Dikaios, Director, Executive Member, having been specifically assigned by the Board of Directors,

In our above mentioned capacity declare that:

a) the accompanying financial statements of ATTICA HOLDINGS S.A. for the period of 1.1.2018 to 31.12.2018 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 companies 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 accompanying 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 companies 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 24, 2019 and are available in the internet on the web address www.attica-group.com.

Kallithea, April 24, 2019

Confirmed by

Kyriakos D. Magiras	Spiros Ch. Paschalis	Panagiotis G. Dikaios
Chairman of the B.O.D. **I.D. No: AK109642**	**Chief Executive Officer** **I.D. No: AB215327**	**Authorized Director** **I.D. No: AK031467**

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, 2018, 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, 2018, 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 Euro 687,4mil. as at 31 December, 2018. 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 2018, Group has recognized an impairment amounting to Euro 0,9 mil. At the end of each reporting period, Group's 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.	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. We tested the computation of vessels fair value taking into consideration the independent expert's valuation reports.

Within the current year, in compliance with notes 14 to 15 of IAS 8, the Group's Management proceeded with making changes in accounting policy in the financial statements. As a result, the Group's financial statements for the comparative period have been restated. The change in accounting policy pertains to recognition of inspections/replacements as a separate item in vessels value. Under the Group's previous accounting policy, material inspections for damages as well as replacements / repairs of parts of such assets in order to ensure their optimal return were recognized in current assets in the other current assets item and burdened the Group's income statement proportionally. Moreover, within the current year and as part of the acquisition of the company "Hellenic Seaways Maritime SA", the Group Management re-evaluated the useful life of the vessels and changed its estimate by assessing the current status regarding the life of a the ship, the specific level of technical support, the level of maintenance, the maintenance practice traditionally followed by the Group as well as the vessel's activity plan. 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., 7.12. and 9.1, of the consolidated financial statements.	We assessed the competence, capabilities and objectivity of management's experts We tested the appropriateness of capitalization that was considered as a separate element in the value of ships in accordance with the requirements of IAS 16 "Property, Plant and Equipment". We confirmed the appropriateness of the accounting policy change calculations in accordance with the requirements of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". We evaluated the management's assessment of the change in useful life of the vessels and confirmed the calculation of the impact of this change. 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 31.12.2018, the Company holds investments in subsidiaries of Euro 579mil. As also referred to in the attached Financial Statements, the Company measures its investments at fair value, recognizing 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. For the year ended 2018, the profit from the valuation of investments, which recognized in equity, is equal to an amount of 17.7m	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

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 2.1.1., 2.2.2. and 7.15, of the financial statements.	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.

Acquisition of subsidiary	
Within May 2018, the Group acquired the control of "Hellenic Seaways Maritine SA". by completing the acquisition of the majority of shares (50.3%). In June 2018, the Group completed the acquisition of an additional 48.53% of the share capital, holding a total of 98,83%. The value of the transaction amounted to Euro 142,9 mln. At the acquisition stage of the control (50, 3%), a temporary goodwill of Euro 26.3 mln was recognized. According to IFRS 3 "Business Combinations", the acquirer measures in its financial statements the identifiable assets acquired and the liabilities assumed at their fair value at the acquisition date. The valuation period may not exceed one year from the date of acquisition. The procedures of determining the fair value of assets, liabilities and contingent liabilities of the acquiree, the Purchase Price Allocation in accordance with the provisions of IFRS 3 "Business Combinations" and the consequent definitive determination of the relevant Goodwill were completed within the fourth quarter of 2018.Goodwill after purchase price allocation was determined at Euro 10.8 mln These measurements require the use of complex valuation techniques, assumptions and estimates. Due to the significant value of the transaction and the significance of the assumptions / accounting estimates made by Management regarding the determination of the fair value of the acquired assets and the allocation of the initially recognized goodwill, this area is considered critical to our control. The disclosures made by the Management regarding the accounting policies, judgments and estimates used and the analysis of these items are contained in notes 2.2.3., 5.3., 7.13. of the Company's and Consolidated Financial Statements.	Our audit approach included, among others, the following procedures: • We assessed the legal documents of the acquisition and assessed the appropriateness of accounting for the acquisition as a business combination in accordance with the requirements of IFRS 3 and the correctness of incorporating the acquired company in the consolidated financial statements of the Group in accordance with IFRS 10. • We tested the methodology and key assumptions used to determine the fair value of the assets and liabilities acquired (market-sharing). • We have understood and analyzed valuation techniques to determine fair values and we compared them with generally accepted practices • We assessed the reasonable assumptions used, including discount rates • In the above procedures, where deemed necessary, we used an expert of our company. • In relation to this matter we assessed the adequacy of the disclosures in the separate and consolidated 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

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 note 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 note 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 31.12.2018.

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.

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.

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 2018 have been disclosed in Note 7.2 to the accompanying separate and consolidated financial statements.

Appointment

We were appointed as statutory auditors for the first time by the General Meeting of shareholders of the Company on 17 June 2008. Our appointment has been, since then, uninterrupted renewed by the Annual General Meeting of shareholders of the Company for 11 consecutive years.

Athens, 24 April 2019
The Certified Public Accountant

Manolis Michalios
I.C.P.A. Reg. No. 25131

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Registry Number SOEL 127

Annual Report of the Board of Directors for the fiscal year 2018

Dear Shareholders,

The present Board of Directors Annual Report refers to the fiscal year 2018 (1.1.2018 - 31.12.2018) and has been prepared according to the relevant provisions of C.L. 2190/1920, as replaced on 1.1.2019, from articles 150-154 of Law 4548/2018 and Law 3556/2007 and the issued executive decisions of the Hellenic Capital Market Commission, especially HCMC Board of Directors Decision number 7/448/11.10.2007.

The present Report contains financial and non-financial information regarding “ATTICA GROUP” for the fiscal year 2018 and describes significant events taking place within this period as well as their effect on the annual financial statements. Moreover, it describes the main risks and uncertainties potentially faced by that the Group's companies and records significant transactions between the Company and its related parties.

Since “Attica Holdings S.A.” (hereinafter referred to as “Company” or “Attica”) also prepares consolidated financial statements, the present Report is unified and describes major events that occurred in 2018 and their effect on the consolidated annual financial statements with references to particular financial data (non-consolidated), only insofar as considered necessary to facilitate better understanding of the content.

The Report is included together with the financial statements of the Company and the Group and other information and statements required by law in the Annual Report for the closing year 2018. The required items are presented below per thematic unit:

A. BUSINESS MODEL

ATTICA HOLDINGS SA, under the distinctive title "ATTICA GROUP", is a holding company and is active in the passenger shipping through ship-owning companies by means of conventional and high speed passenger ferries operating in Greece (Cyclades, Dodecanese, Crete, North Aegean, Saronic Gulf and Sporades) and on the routes between Greece and Italy.

The fleet of the Group under the brands “Superfast Ferries”, “Blue Star Ferries” and “Hellenic Seaways” includes 29 vessels, 20 of which are conventional Ro-Pax ferries and 9 high-speed vessels. All vessels fly the Greek flag.

ATTICA GROUP is the largest Greek Shipping Group. In addition, based on the available data, it is the third largest group in the Mediterranean and among the top ten in Europe in its sector (based on turnover). It is one of the pioneers in the Mediterranean in the construction of Ro-Pax type ships, with total investments in this type of ship, amounting to more than Euro 1.8 billion.

The Group's vessels connect 2 countries, 48 unique destinations and serve over 20,000 sailings annually, traveling for approximately 2.2mln miles, which can be interpreted as our vessels performing 101 voyages around the world.

Vision of ATTICA GROUP

"Strengthening the leading position and value of the Group with profitable expansion into new markets and activities, providing high quality services that exceed the market expectations".

Business Mission

"ATTICA GROUP” is an international shipping group offering high quality shipping services be means of innovative high quality ships.

The Group's activities create added value for shareholders and employees, limit as much as possible the environmental footprint and work for the benefit of collaborators and local communities. "

Strategic Keystones of Development

The Group has defined the following strategic development directions:

- To be the first choice of the customer
- To provide reliable services and to constantly improve the quality of its product,
- To establish relationships of good faith and long-term cooperation with clients, associates and local communities,
- To responsibly manage the Group's resources, actively participating in its healthy, sustainable and profitable growth.

Corporate Values

The values of the Group arise from the vision and principles adopted by the Management and constitute the basis of the Group's culture and development policy.

Innovation

We encourage and promote communicating and developing new ideas, suggestions and solutions, in order to continuously improve the quality of our product and the efficiency of the Group's operations.

Indicative actions undertaken by the Group in Innovation in 2018 are:

- Installation of Infokiosk seasmiles on Vessels
- Application of e-ticket (Crete and Adriatic)
- Installation of a new SAP S/4 HANA information system
- New Advanced Reservation System (UTS)
- Participation in financial programs to enhance innovation (MareBonus)

Quality

We work to provide high quality services, while ensuring customer satisfaction, sustainability and future of our employees.

Indicative undertakings by the Group in Quality actions in 2018 are:

- Increase of cabins of vessels with special specifications
- Reductions of non-replied Call Center calls
- Training of shore-based personnel in environmental protection (e.g. recycling, renewable energy and technologies)

Reliability

We build long-term relationships of confidence with our passengers and employees, consistently delivering high quality services.

Indicative undertakings by the Group in Reliability actions in 2018 are:

- Facilitating exactness regarding the departure times of our vessels from Piraeus for the schedules of Chania - Heraklion and Dodecanese
- Reducing passenger accidents on board
- Reducing work-related accidents on board
- Reducing damage to transported vehicles on board

Transparency

We create open and on-going communication frameworks at all levels of the Group, making our incentives and choices clear. We provide complete and accurate information to our associates and Social Partners.

Indicative actions carried out by the Group in 2018 in Transparency are:

- Updating the Corporate Governance Code
- Updating recording responsibilities in the Group
- Developing New Policies and Regulations

Integrity

We behave with integrity and honesty in all aspects of our business according to our ethical standards.

Indicative actions carried out by the Group in 2018 in Integrity are:

- Creating the anti-corruption Code

Corporate Responsibility

We operate responsibly and facilitate harmonious collaborations with our Social Partners to ensure generating mutual long-term value.

Indicative actions undertaken by the Group in 2018 in Corporate Responsibility are:

- Disclosing Responsible Operation to Employees
- Corporate Responsibility Strategy & Action Plan for the three-year period 2018 - 2020
- Voluntary Blood Donation Program for the 10th consecutive year
- Specially designed training program for 600 students of Rhodes Primary Schools in cooperation with the National Centre for Scientific Research "DEMOKRITOS"
- Initiative aimed at promoting Greek language and Greek culture starting from the Greek Communities of Italy.
- Continuation of the "First Aid" Program on the island of Naxos
- Educational excursion of Amorgos elementary school students to places of interest in Athens

Our Group contributes to economic growth

Our business operations ensure creation of significant economic value for our Social Partners, mainly in the form of purchases (from our suppliers), commissions (to our agents), wages, benefits and insurance contributions (to employees), taxes (to the state) and investments, while at the same time we transport essential goods and food to the islands in order to develop their economy and their tourist product.

At the same time, it is worth noting that this economic activity, as well as other actions and corporate responsibility actions, are indirectly contributing to meeting 17 Sustainable Development Goals (SDG's) for 2030 of the United Nations, as presented in Section IX-3 of the Corporate Review Responsibility issued by our company every year.
The table, recording distribution of the Financial Value to our Social Partners in 2018 is presented below as follows:

	Amounts (mln Euro)
Distribution of Financial Value	569.6
Taxes	71.3
Capital Providers	59.3
Suppliers	196.6
Society	2.2
Investments	128.0
Employees	91.6
Agents	20.6

We distributed over Euro 569.6mln in economic value: Euro 71.3mln in taxes (including VAT and port dues), Euro 59.3mln in capital providers (for capital and interest payments), Euro 196.6mln to suppliers (for purchases of goods and services), Euro 2.2mln in society (for ticket discounts, social programs, sponsorships and donations), Euro 128.0mln in investments, Euro 91.6mln to employees (for salaries, benefits and insurance contributions and Euro 20.6mln to travel agents (for commissions).

Organizational structure

The Group's structure contains three (3) Chief Executive Departments (Maritime Operations, Financial and Commercial).

The Chief Executive Maritime Operations Department is supported by the Safety, Quality & Environment department, the Marine department, the Technical Support department, the Electrical / Electronic Support department and the Crew Department.

The Chief Executive Financial department is supported by the Financing department, the Supply department and the IT and Telecommunications department.

The Chief Executive Commercial department is supported by the Hotel Customer Service department, the Marketing department and the Commercial department. The Commercial Department monitors and coordinates the operations of the European & Morocco markets, Adriatic market sales, Domestic market sales and Capacity management.

In addition to the above Chief Executive Departments, the Group's operations are also supported by the Legal department, the Human Resource department, the Corporate Governance department and the Internal Audit department.

B. FINANCIAL DEVELOPMENTS AND PERFORMANCE DURING 2018

Financials

Important Note on Comparability of the figures:
Attica Group's financial statements for the year 2018 consolidates for the first time and for the period 1.6. - 31.12.2018 the financial figures of HELLENIC SEAWAYS M.S.A. and its 100% subsidiaries (HSW) following the acquisition of the majority shareholding stake at the end of May 2018. As a result of the consolidation of HSW, readers of this Report should be aware that there is no comparability between the years 2017 and 2018.
The main acquisition aspects are mentioned in the "Significant Events" section.

1. Activities review

Attica Group, before the acquisition of HSW, consisted of a fleet of (11) modern Ro-Pax vessels and one vessel under long-term charter agreement, which were operating under the brands of “Superfast Ferries” and “Blue Star Ferries”. After the acquisition of HSW, 17 vessels were added, 8 of which are conventional Ro-Pax ferries and 9 are high-speed vessels. As a result, the fleet of Attica Group currently consists of 29 vessels, 20 of which are conventional Ro-Pax and 9 are high-speed vessels.

The vessels of the Group operate:

a) in the Adriatic sea, in the routes of Patras–Igoumenitsa–Ancona and Patras- Igoumenitsa-Bari with an intermediate destination of the port of Corfu during summer months. Sailings are operated by three vessels of the Group in joint service with ANEK LINES.
b) in the Greek Domestic market in the following routes:
- Cyclades sailings are operated by 5 conventional Ro-Pax ferries and 3 High-speed vessels.
- Dodecanese sailings are operated by 3 conventional vessels.
- Piraeus – Heraklion, Crete sailings are operated by one vessel of the Group (in Joint Service with ANEK).
- Piraeus – Chania Crete, sailings are operated by one vessel of the Group (in Joint Service with ANEK).
- Saronic Gulf sailings are operated mainly by 5 high-speed vessels.
- Sporades sailings are operated by one conventional Ro-Pax vessel and one high-speed vessel.
- Ikaria - Samos, sailings are operated by one conventional Ro-Pax vessel.
- North Aegean (from Piraeus, Lavrion and Kavala) to Psara, Oinouses, Chios, Mytilene, Agios Efstratios, Lemnos, sailings are mainly operated by 4 conventional Ro-Pax vessels.

2. The Group’s Financial Results

In 2018, the Group's turnover for the year 2018 amounted to Euro 365.40mln and earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to Euro 57.00mln against turnover of Euro 271.54mln and EBITDA of Euro 59.55mln in 2017. The Group’s turnover per geographical segment is as follows:

Turnover from the Domestic market amounted to Euro 276.83mln for the year ended 31 December 2018, as compared to Euro 183.45mln for the same period in 2017. The significant increase in turnover is attributable to the acquisition of HSW as at 1.6.2018. The vessels of HSW operate in the Greek Domestic market particularly in the routes of Cyclades, of North Aegean, Saronic Gulf and Sporades.

Turnover from the Adriatic amounted to Euro 88.58mln for the year ended 31 December 2018 as compared to Euro 88.09mln for the same period in 2017. In this particular marked the Group operated in Patras – Igoumenitsa – Ancona route and in Patras –Igoumenitsa – Bari route by means of the vessels Superfast I and Superfast II and Superfast XI.

In the Adriatic routes as well as in the routes of Herakleion and Chania the vessels of Attica Group operate in a Joint venture with the vessels of ANEK LINES.

In total, the vessels of the Group for 2018 (traffic of HSW is calculated from 1.6.2018, the date when the Group initiated consolidation) carried 6.7mln passengers, 953 thousand private vehicles and 362 thousand freight units.

Operating expenses and Financial Results

Operating expenses for 2018 for the Group represent 79.6% of total turnover compared to 77.9% for the same period in 2017. The increase of the Operating expenses is mainly attributable to the significant increase in the fuel oil cost.

Administrative expenses for the year ended 31 December 2018, represent 9.2% of the Group turnover compared to 7.6% for the same period in 2017. The increase is attributable to the operational integration of HSW and to the operational restructuring of the Group.

Distribution expenses for the year ended 31 December 2018 of the Group represent 6.9% of the Group turnover compared to 6.9% for the same period in 2017.

Other operating income for the year ended 31 December 2018 amounted to Euro 1.72mln, as compared to Euro 5.01mln for the same period in 2017.

Other financial results mainly relate to partial hedging the risk of fuel price fluctuation. Other financial income amounted to Euro 11.00mln for the year ended 31 December 2018 as compared to losses of Euro 1.17mln for the same period in 2017.

Financial expenses of the Group for the year ended 31 December 2018 amounted to Euro 26.55mln, as compared to Euro 18.24mln for the same period in 2017. The increase of financial expenses relates mainly to the consolidation of HSW debt, as well as to financial expenses related to the repayment of the Bond to Fortress Investment Group.

Financial income amounted to Euro 0.22mln for the year ended 31 December 2018 compared to Euro 0.07mln for the same period in 2017

Furthermore, 2018 results include profit amounting to Euro 0.43mln from the associate company Africa Morocco Links ("AML"), which is consolidated under the equity method, compared to losses of Euro 7.52mln for the same period in 2017.

During 2018 the Group recognized a gain of Euro 15.80mln from the sale of Superfast XII.

Overall, Attica's consolidated profits after tax increased to 17.27mln for the year ended 31 December 2018, as compared to profit of Euro 1.25mln for the same period in 2017.

All Subsidiaries of the Group are 100% owned by the parent company except the newly acquired subsidiary HSW, which is controlled by 98.83%

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 significantly affected by seasonality.

3. Financial Position and Cash Flow items

Tangible assets amounted to Euro 690.36mln as at 31 December 2018 compared to Euro 533.71mln for the same period in 2017 and mainly relate to the vessels owned by the Group. The change in the balance mainly relates to the acquisition of HSW and to the sale of vessel Superfast XII.

Within the year 2018, the Group's Management changed the accounting policy with regard to the recognition of replacements, material maintenance repairs and equipment upgrades as separate elements of the value of the vessels. As a result, the Group's financial statements have been restated accordingly.

Under the previous accounting policy, material maintenance repairs as well as replacements / upgrades of vessel's equipment, were recognized in current assets in the item Other Current Assets as accrued expenses and were expensed according to the duration of each item.

Under the new accounting policy, replacements, material maintenance repairs and upgrades of vessel's equipment, which have a life span of two to five years, are recognized as separate items in the asset value of the Group's vessels. The Group will follow the same amortization schedule in the new accounting policy as in the previous accounting policy.

The effect on the Statement of Financial Position, the Statement of Comprehensive Income and the Statement of Cash Flows is analytically presented in the Group's financial statements.

Additionally, in the context of acquisition of HSW on 31.5.2018 and streamlining the Group's accounting estimates, the Management made a reassessment of the useful lives of all vessels, taking into account paragraphs 56-57 of IAS 16 Property, Plant and Equipment, as well as the current real conditions in particular, the technical characteristics, the level of maintenance, the maintenance practice traditionally followed by the Group as well as the vessel's operational scheme. The useful life of conventional vessels was set at 35 years from 30 years, while for high-speed and dolphins to 25 years from 15 years respectively. The Management estimates the change in the accounting policy as representative and within the framework of the segment's competition. The positive effect of the above change, which was reflected in the Group's results for the year 2018, amounted to Euro 4.12mln.

The "Goodwill" related to the acquisition and consolidation of HSW amounted Euro 10.78mln and was finalized following the completion of the acquisition cost allocation.

Intangible Assets of the Group amounting to Euro 8.61mln include the costs of research and trademarks registration, as well as Software Programs, which include the cost of developing ticket booking systems, as well as the cost of purchasing and developing the Group's Integrated Information System.
The account "Investment in Affiliate companies and Joint Ventures" amounting to Euro 4.68mln relates to the Group's holding in affiliate company Africa Morroco Links (AML), which is consolidated under the Equity method.

The account "Other non-current assets" decreased to Euro 2.65mln for the year ended 2018 compared to Euro 8.56 for the same period last year and refers mainly to other long-term receivables.

The account "Inventories" include mainly raw materials, fuels – lubricants, increased for the year ended 31 December 2018 to Euro 4.51mln compared to Euro 3.31mln in 2017. The increase is mainly attributable to the acquisition of HSW.

Trade and other receivables increased to Euro 48.36mln for the year ended 31 December 2018 as compared to Euro 47.28mln for the same period in 2017.

Other current assets increased to Euro 31.90mln as compared to Euro 30.73mln for the same period in 2017. The above increase resulted from the increase in "Other debtors" mainly due to the Group's receivables from the affiliated company AML and the account "Prepaid expenses". The account "Prepaid expenses" includes vessels' dry dock expenses.

Derivatives (Euro 2.74mln from Euro 4.43mln in 2017) refers to partial hedging of the fuel price fluctuation risk and is measured at fair value.

As at 31.12.2018, cash and cash equivalents of the Group amounted to Euro 59.42mln as compared to Euro 44.10mln as at 31.12.2017.

The Group's total Equity increased to Euro 409.18mln compared to Euro 402.92mln in 2017.

As at 31.12.2018, long-term borrowing of the Group amounted to Euro 274.50mln compared to Euro 214.43mln for the same period in 2017 and short-term borrowings of the Group amounted to Euro 71.58mln compared to Euro 24.30mln for the same period in 2017.

At 31.12.2018 the Group's current assets amounted to Euro 146.94mln compared to Euro 173.06 short-term liabilities resulting in a negative working capital of Euro 26.1mln. Regarding the repayment of the maturing debt, the Group's Management secured in April 2019 a contract with a banking institution for the amount of Euro 20mln. For the remaining capital difference of Euro 6mln, the Management considers that it will be covered by the projected cash flows.

Trade and other payables increased to Euro 39.06mln in 2018 compared to Euro 20.30mln in 2017. The increase relates to the operational integration of HSW.

Derivative obligations of Euro 10.73mln in short-term liabilities refer to the valuation of derivative contracts related to fuel price risk hedging.

The account "Other current liabilities" amounted to Euro 51.42mln as at 31.12.2018 compared Euro 12.99mln in 2017. The consolidation of HSW in 2018 resulted an increase in other short-term liabilities of 42%.

In addition to the above, the increase in the item "Other tax liabilities" (Euro 24.19mln compared to Euro 6.32mln in 2017) resulted from settlements of liabilities with the tax authorities. The Group is consistent with the payments of the above arrangements.

Cash Flows

In 2018, positive cash flows (inflows) from operating activities stood at Euro 82.15mln compared to also positive cash flows (inflows) of Euro 30.57mln recorded in 2017.

In 2018, cash flows from investing activities produced outflows standing at Euro 20.99mln compared to outflows of Euro 12.01mln in 2017.

In 2018, regarding financing activities, the Group recorded outflows of Euro 45.75mln compared to outflows of Euro 25.64mln in 2017.

Contribution of HSW to the Group

The acquisition of HSW on 1.6.2018 resulted in an increase in the Group's Assets of Euro 248.44mln (29% of the total assets of the Group), Liabilities Euro 155.08mln (34% of the total liabilities of the Group) and Net Profits after taxes of Euro 14.91mln (65% of the net profit after tax).

If the acquisition had taken place from 1.1.2018, then the consolidated turnover would have been increased by Euro 31.57mlin, while the consolidated profits before taxes would have been reduced by Euro 14.52mln. The effect should not be considered as an indication of the results that the Group would achieve in the future on a consolidated basis.
A detailed description of HSW contribution to the results is made in the Group's Financial Statements.

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

The mail financial ratios of the Group are presented below:

	2018	2017
General Liquidity Total Current Assets/Total Short Term Liabilities	0.85	2.22
Debt-equity Ratio Equity/Total Liabilities	0.91	1.46
Gearing Ratio Net Debt/Total Capital Employed	0.41	0.33
Net Debt/EBITDA	5.03	3.27

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 in order 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.

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. Net Debt and EBITDA are defined above.
The financial ratios General Liquidity and Net Debt/ EBITDA for 2017 are readjusted given the change in accounting policy (see Note 9.1 to the Financial Report.

4. Financial Results of the parent company

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

The parent company participated in the share capital increase of its 100% subsidiary Nordia M.C. and Superfast Endeka Inc, S.A. with the amount of Euro 8.4mln and Euro 2.0mln respectively.

The investment in subsidiaries stood at 31.12.2018 at Euro 579.19mln while in 2017 at Euro 508.19mln. The Company measures its investments at fair value.

During the fiscal year 2018 the Company had revenue from dividends amounting of Euro 3.11mln.

Administrative expenses, stood at Euro 1.27mln compared to 1.29mln in 2017.

Other financial results include interest expenses on loans of Euro 0.47mln.

For the Company, total profit after tax in 2018 amounted to Euro 1.37mln compared to profit of Euro 1.82mln in 2017.

Cash and cash equivalents stood at 31.12.2018 at Euro 39 thousand while in 2017 at Euro 2.18mln.

The Company's Equity stood at Euro 563.93mln compared from Euro 511.14mln in 2017. The increase in Equity resulted mainly from the Share Capital Increase for the acquisition of HSW and the valuation of participations at fair value.

Long-term borrowings of the Company amounted to Euro 17.03mln and long-term borrowings payable within the following year amount to Euro 0.45mln.

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

The Company's Board of Directors will recommend to the General Meeting not to distribute dividends.

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

5. Significant transactions with related parties

This unit includes the most significant transactions between the Company and its related parties as defined by IAS 24.

In particular, transactions performed by Attiica Holdins S.A. with affiliated companies of the Group within the period 1.1.2018 – 31.12.2018 are as follows:
The parent company participated in the share capital increase of by 100% subsidiaries NORDIA N.E. and SUPERFAST ENDEKA INC with an amount of Euro 8,390k and Euro 2,000k respectively.
Moreover, the parent company has receivables regarding dividends for 2017 amounting to Euro 2,810k from by 100% subsidiary ATTICA FERRIES M.S.A. Furthermore, ATTICA HOLDINGS S.A. received from the aforementioned company an amount of Euro 1,410k as last year dividends.
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 50.137 thousand.

The 100% subsidiary companies Attica Ferries M.C. and Blue Star M.C. returned part of their share capital to the parent company Attica Holdings S.A. due to their share capital decrease. The capital return amounts Euro 20.465 thousand and Euro 24.389 thousand respectively.

As a result of its transactions with AFRICA MOROCCO LINKS, Attica Group had expenses of 318 thousand, receivables of Euro 11.645 thousand and liabilities of Euro 454 thousand.

Intercompany transactions in 2018 between the Group's companies are of an administrative nature, though in no way substantial and arise from Attica Group's own operations in the shipping sector and the need to jointly manage the vessels revenues and expenses through joint ventures and managing companies, which create inter-company transactions with the other companies of the Group. Chartering vessels among the Group's subsidiaries constitutes an exception.

The aforementioned intercompany balances are written-off in the consolidated statements of the Group.

Intercompany transactions of the companies of Attica Group with companies of MARFIN INVESTMENT GROUP HOLDINGS SA (MIG) are not significant nor affect the financial position or performance of the Company and the Group and concern mainly Attica Group's revenues from restaurants and stores on board of the vessels. In particular, in 2018 Attica Group's transactions and balances with MIG companies included revenues of Euro 14.83mln, expenses of Euro 4.93min, receivables of Euro 2.49mln and liabilities of Euro 7.63mln. The corresponding amounts for the previous year 2017 were revenue of Euro 10.72mln, expenses Euro 2.75mln, receivables Euro 3.74mln and liabilities Euro 67 thousand.

Intercompany balances between the Group's subsidiaries in the Consolidated Financial Statements are written-off.

The intercompany balances of the Attica Group companies with Piraeus Bank Group (as a related party with the MIG Group) are as follows:

Revenues of Euro 16 thousand (Euro 25 thousand in 2017), expenses of Euro 3.15mln (Euro 1.69mln in 2017), receivables (deposits) Euro 27.82mln (Euro 12.78mln in 2017), liabilities (loans) of Euro 187.43mln (Euro 36.27mln in 2017).

Remuneration of Executive Officers and Members of the Board of Directors

Directors' Remuneration, including gross salaries, wages, social security costs, allowances and other charges, amounted to Euro 2.4mln for the year 2018 and Euro 2.3mln for the year 2017. In addition, provisions for benefits after their departure from the service, based on the decision of the General Meeting dated 16.5.2017, amounts to Euro 3.6mln for the year 2018 and for the year 2017 to Euro 0.6mln.

There are no receivables or liabilities of the Group to Directors and members of the Management.

Guarantees

The parent company has provided guarantees to the lending banks for the repayment of the loans of the Group's vessels amounting to Euro 226.98mln.

6. Significant events

The following significant events took place within 2018 and subsequently, till the annual financial statements publication date.

Acquisition of 98.83% of share capital of Hellenic Seaways Maritime S.A.

Within the first half of 2018, Attica Group announced the completion of the acquisition of 98.83% of the share capital of Hellenic Seaways Maritime S.A.
The following most significant stages had led to completion of the acquisition:

In April, the Hellenic Competition Commission by power of its decision 658/2018 approved the acquisition by Attica Group exclusive control over (HSW).

The clearance of the Hellenic Competition Commission (HCC) was granted following certain commitments made by the Group, which according to the HCC's assessment are adequate, sufficient and appropriate to ensure effective competition in the Greek Domestic Ferry sector. The commitments are described in detail in the relevant Press Release issued by the HCC.

In the end of May 2018 Attica Group announced the completion of the acquisition of a majority stake (50.3%) in HSW, within the framework of the implementation of the agreement dated 11.08.2017 with Piraeus Bank and another minority shareholder of HSW for the acquisition of a total of 37,789,833 shares of HSW for a total consideration of Euro 64.4mln.

Part of the consideration (Euro 30.61mln) was paid in cash with Attica Group's own funds, while the remaining amount due to the sellers, was agreed to be paid through issuance and delivery of 24,145,523 new shares of Attica Holding S.A. On 26.06.2018, the Annual General Meeting of Shareholders approved the share capital increase of Attica Holdings S.A. amounting to Euro 7,243,656.90 through the issue of 24,145,523 common registered shares of nominal value Euro 0.30 each, at an issue price of Euro 1.80 each by capitalization of respective receivables of "Piraeus Bank S.A." and another minority shareholder of HSW and the abolition of the relevant pre-emptive rights. The new shares were listed on the Athens Stock Exchange on July 31, 2018.

In June 12.06.2018 Attica Group completed the acquisition of an additional stake of 48.53% of the share capital of HSW, implementing the agreement dated on 26.10.2017 with "Minoan Lines M.S.A." for the acquisition of 37,667,504 shares of HSW for a cash consideration of Euro 78.5mln.

As per the same agreement, Attica Group sold and delivered SUPERFAST XII to a Grimaldi Group company for a cash consideration of Euro 74.5mln, and HSW sold and delivered HIGHSPEED 7 to Minoan Lines for a cash consideration of Euro 25mln.

Following conclusion of the aforementioned transaction, Attica Group now holds 98.83% of the total share capital of HSW.

Through the acquisition of control over HSW, Attica obtains the critical size needed to compete effectively with the major European passenger ferry shipping companies. The Group sets the foundations for its long-term viability and the attraction of capital needed for new investments, the development of activities and the strengthening of its capital structure.

Hellenic Seaways Maritime S.A. is a shipping company and operate a fleet of 17 vessels (2 Highspeed, 8 conventional, 4 flying cat and 3 flying dolphins) in Cyclades, Northeast Aegean, the Sporades Islands and the Saronic Gulf.

Other significant events for the Group in 2018 apart from the acquisition of HSW are as follows:

On 16.3.2018, the Company with great sadness announced the loss of the Independent Non-Executive Member of the Board of Directors, Manolis Xanthakis. The presence of Manolis Xanthakis in the Board of Directors has always been creative and his experience was exceptionally beneficial to the Group's executives.

On 28.3.2018, the Group announced a triple distinction at the 2018 Tourism Awards organised by Boussias Communications. In particular, Attica Group received the following awards:

- A Gold award in the “Support for local communities/CSR Actions” category, Total Social Contribution
- 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.

On 28.6.2018, the Ordinary General Meeting of Shareholders, among others, elected a new Board of Directors due to expiration of the previous term, with Mr. Kyriakos Magiras, Mr. Michael Sakellis, Mr. Spiros Paschalis, Mr. Iraklis Simitsidellis, Mr. George Efstratiadis, Mr. Panagiotis Throuvalas and Mr. Anastassios Kyprianidis. From the above members, Independent, Non-Executive Members are Mr. Michael Sakellis and Mr. Anastassios Kyprianidis. Furthermore, the same General Meeting approved the election of an Audit Committee in accordance with article 44 of L.4449/2017 the Audit Committee consists of Mr. Michael Sakellis, Mr. Anastassios Kyprianidis and Mr. Mr. George Efstratiadis. The Audit Committee elected Mr. Michalis Sakellis President of the Committee.

On 29.6.2018, Attica Group announced its honorary accolade at the Environmental Sensitivity Awards, ECOPOLIS, in the category of Business Awards, sub-category "Environmental Policy". This award is a further recognition of the Group's efforts to systematic and responsible operation on environmental issues, a key pillar of Attica's Corporate Responsibility program.

On 13th and 14th of October 2018, BLUE STAR FERRIES joined forces with the National Centre for Scientific Research “DEMOKRITOS” and presented an interactive educational program for 600 primary school children of Rhodes.

On 20.11.2018, Attica Group announced that it has been named as one of Greece’s 20 “Most Admired Companies” for 2018 according to the country’s biggest corporate reputation survey carried out by Fortune magazine in partnership with the Audit, Tax and Advisory Services Company KPMG.

On 28.12.2018, the Extraordinary General Meeting unanimously decided the voluntary prepayment of the convertible bond loan of its subsidiary “Blue Star Ferries Maritime S.A.”, pursuant to the respective terms of the bond loan by an amount of Euro 87 mln, in order to prevent conversion into shares.

In addition, within 2018, Attica Group published the 9th Corporate Responsibility Report, for 2017, in accordance with the GRI Standards' guidelines of the Global Reporting Initiative (Accordance level "Core"). The Report presents the practices followed by Attica Group and the results achieved during 2017, focusing on issues of interest to the company's social partners and fulfilling its long-term commitment to developing a responsible business environment. The Report is the culmination of an effort supported by all Attica Group employees and associates, who have made a crucial contribution to the company's successful and responsible operation. The 2017 Corporate Responsibility Report cites 210 quantitative indexes (compared with 200 for the previous year) and presents 55 future targets (up from 33 for the previous year)

On 6.3.2019, Attica Group announced the Golden Award received at the GREEK HOSPITALITY AWARDS 2019 organized by ETHOS MEDIA. In particular, Attica Group won the Gold Award in the category "Best Greek Coastal Shipping Company".

On 3.4.2019, Attica Holdings S.A., announced that Mr. Iraklis Simitsidellis submitted his resignation as Executive Member of the Board of Directors as well as from all his current responsibilities due his retirement. Mr. Panagiotis Dikaios was elected by the Board of Directors as an Executive Member. The new member will execute his duties until the end of the term of service of the current Board of Directors.

On 8.4.2019, Attica Group announced the Gold Award received at the 2019 LOYALTY AWARDS organized by Boussias Communications. In particular, Attica Group won the Gold Award in the category Best in Loyalty & Engagement (Travel) for the Seasmiles Loyalty Scheme.

7. Prospects and business developments for the fiscal year 2019

The main factors that are expected to affect the course and development of the Group's turnover and results in 2019 are, among other things, the condition of the Greek economy, the intensity of competition, the course of incoming tourism in the country, the degree of the effect of the disposable income on domestic tourist traffic and, in particular, the development of the fuel price which has a significant impact on the operating costs of the industry and especially of any extreme changes in international crude oil prices.

The Group Management evaluates on an ongoing basis all the new events that could affect the aforementioned factors and plans actions aimed at optimizing the Group performance based on the arising data.

REVIEW ON NON-FIANNCAIL PERFORMANCE

The items reported in compliance with Law 4403/7.7.2016 are presented below as follows:

Policies applied by the Group and their results

Corporate Responsibility and Management

Attica Group places great emphasis on Corporate Responsibility issues. Particularly:

- We adopt responsible policies and practices throughout our business operations.
- We pursue our business development alongside the development of our collaborators and the support of local communities.

- We cultivate a working environment with respect, equality, security and merit, and offer training opportunities to our employees.
- We protect the safety and health of our passengers and offer the best possible travel experience.
- We integrate sustainable development principles into our processes and apply environmentally sound business practices.

Attica Group has been the world's first passenger shipping company to publish and continue to issue a Corporate Responsibility Report based on the Global Reporting Initiative's GRI Guidelines. We work on a daily basis to consolidate our Responsibility into the Group by undertaking a series of actions, including, but not limited to,

- Carrying out our Annual Corporate Responsibility Meeting for the 4th consecutive year with increasing employee participation.

- Organizing an e-learning seminar, giving all our land-based workers the opportunity to become familiar with the principles and practices of Corporate Responsibility.
- Development and implementation of the Corporate Responsibility Strategy & Action Plan for the three-year period 2018 - 2020, arising from a study of the existing situation in 7 Areas (Management, Shareholders, Employees, Suppliers, Customers, Society and Environment) with the help of an external Consultant and the creation of working groups of our employees, in which they defined specific actions for each Area and assigned nominally responsible for each action.

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 31.12.2018 employed 1,586 people.

100% of our employees work with full time employment contracts and 86.7% of our ashore employees have permanent contracts. The average stay of employees in our Group exceeds 14 years on shore and 9 years ashore.

Our main commitment is equal treatment of our employees and dependence of their professional development solely on their performance and abilities. In this context, we assessed 100% of our employees in vessels, while we are reviewing the assessment system for our ashore employees.

Particular focus is given on the equal treatment of women as the overall percentage of women in office and vessels is 54.2% and 8.3% 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 in 2018. No employee fatal accidents occurred within 2018 while there were 32 minor injuries to our crewmembers.

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 2018, we conducted a total of 7,700 training hours with an average of training hours per office and marine employee 23.62 and 0.10 respectively. We also instituted the "Educational Job Rotation", aiming to strengthen the skills of our employees.

Within the fiscal year 2018 we:
- have implemented for the 10th consecutive year a voluntary blood donation program called "Blood Ties" at our offices and vessels and gathered in total 113 blood units,
- participated in the 2nd No Finish Line charity race covering a total of 1,306 km and winning the 2nd place in our category and the 4th in the overall ranking of the 83 teams that participated,

For society

We pursue our business development bearing in mind the development of the country and of our partners and the support to 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 2018:
- We supported social actions on 100% of the islands where we operate.
- We provided discounted tickets for environmental, social, athletic and medical purposes;
- We made grants and donations to social partners and charities.
- We supported equal access of people living on the islands to education and cultural activities through relevant actions such as the "Agoni Grammi Gonimi" program, Science on Board in cooperation with NCSR "Demokritos" and the 5th & 6th Class pupils of Amorgos Primary Schools.
- We first launched the action "Greek Communities of Italy", an initiative for dissemination of Greek language and Greek culture. A trip to the language, culture, traditions, dances and the soul of our country, starting with the Greek Communities of Italy, where the heart of another Greece is still alive.
- 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;
- We continued the support of Amorgos Voluntary Rescue Group (AVRG) programs, which came in the 1st Aid Program implemented by BLUE STAR FERRIES in 2015 and since then has provided significant rescue work, especially during the refugee crisis. Following this program, we conducted a two-day seminar on the same subject in December 2018, this time on the island of Naxos, attended by Security Corps 114 people.

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.

The Group acknowledges 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 are committed to providing them with the best travel experience and responding to their needs and expectations during their travel.

Based on the above during 2018, we:

- We contributed to our passengers' awareness of environmental, volunteering and health issues by displaying relevant messages through the digital monitors available through our entire fleet.
- We have developed a Marketing and Communication Responsibility Code for our commercial operations that will be incorporated into our future contracts and have continued to promote our products and services responsibly, resulting in no event of non-compliance with regulations and optional marketing codes, advertising, promotion, information and labelling of products and services.
- We have carried out a qualitative market research on satisfaction of our customers in order to listen to their needs and to further improve their service levels.
- There has been no event of non-compliance with regulations regarding the use of our products and services or their health and safety effects.

- We have received 33 inspections on our vessels from local authorities for food hygiene and safety without any event of non-compliance.
- In December 2018, our Group was certified according to PCI-DSS SAQ D v3.2.1. The International Payment System (Payment Card Industry - Data Security Standard) has been created by the International Payments Organization (Visa, MasterCard, Amex, etc.) and sets specific and high security standards that must be complied with by commercial companies that receive, process, store or transmit payment card data. The certification gives additional levels of assurance and trust to our customers, shareholders and associates.
- Transition/certification of our group was completed in accordance with the revised ISO 9001: 2015 (Quality Management System) standards and ISO 14001: 2015 (Environmental Management System).
- We addressed over 824,500 calls in all corporate customer service telephone lines (including unanswered calls), corresponding to 89.3% of incoming calls.

For the Environment

Our key commitment is to operate responsibly in the environment and conduct our activities in a way that limits our environmental footprint, which inevitably results from our operation.

1. Air Quality and Energy

Our Group operates and carries out its activities in a responsible manner. In 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.
- completed transition/certification of the Group regarding the revised ISO Standard 14001:2015 (Environmental Management System)

Furthermore, the Group manages 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:
- recognizes 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. Therefore, we have managed to provide and distribute freely free ashtrays.

In 2018, we carried out a series of environmental footprint actions as illustratively mentioned below:

- We trained 100% of our employees in vessels on environmental issues such as waste management and responsible water use.
- We started to measure our environmental footprint from the corporate cars we use for our business more broadly.
- We continued to supply office equipment (such as computers and monitors) under energy-saving specifications, as well as refurbished electronic equipment for our offices and vessels.
- We continued operating photovoltaic unit installed in one of our vessels, thus reducing the use of fossil fuels for electricity production and gaseous pollutants emission.
- We used only refrigerants without adverse effect on the ozone layer.
- We continued the actions aimed at reducing 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 2018 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 and is included in the introductory package that we give to newcomers employees.

The CECL contains the guiding principles and regulations governing our business operations and binding for all our employees. Failure to comply with the aforementioned may lead to termination of employment relationship or even to criminal penalties.

Moreover, we have disclosed the Personnel Manual to all our employees in vessels. The Manual includes the basic rules of professional behaviour towards colleagues and customers, aiming at maintaining a high level of quality and professionalism.

MAIN RISKS AND UNCERTAINTIES

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

The economic challenges faced by our country, decrease in the disposable income and other uncertainty factors limit transfer of passengers and vehicles.

Reduction in available income faced by a significant part of the population the state of the Greek economy, the capital control and other uncontrollable factors adversely affect transfer of passengers and vehicles.

Liquidity risk

The Group manages 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 balance between the availability and and flexibility of liquidity through its bank credit rating.

As at 31.12.2018, the Group presents a negative working capital, since its short-term liabilities exceed the current assets by Euro 26.12mln, while the most significant part of the short-term liabilities pertains to short-term borrowings (Euro 71.58mln) due to their repayment under the contractual terms in the following next twelve months. Regarding the repayment of the borrowings, the Group's Management secured in April 2019 a contract with a banking institution for the amount of Euro 20mln. As far as the remaining provisional balance in the working capital amounting to Euro 6mln is concerned, the Management considers that it will be covered by the projected cash flows.

Fuel prices fluctuation risk

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

A change in fuel oil prices equal to 10% on an annual basis will have an effect of Euro 13.5mln approximately on the period's result and Group's equity.

The Group Management attempts to offset some uncertainties in fuel price developments by triggering hedging contracts in the derivatives market.

Interest rate risk

The Group's bank borrowings are expressed in Euro and are subject to a variable interest rate. Therefore, any 1% change in Euribor will affect the financial results and the Equity of the Group by approximately Euro 3.5mln.

Foreign currency risk

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

Credit risk

The Group, due to its large number of customers, is not exposed to credit risk and therefore it has established credit control procedures in order to minimize effects of bad receivables. More specifically, the Group has defined credit limits and specific credit policies for all 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 making provisions. Therefore, potential inability of the customers to fulfill their obligations may affect the Group's results through making the relevant provisions.

The Group has significant loan liabilities due to the nature of its operations

The Group has significant loan liabilities due to the fact that the investments for the vessels' acquisition require a significant amount of capital, is largely financed through by bank loans, in accordance with the usual practice widespread in the maritime sector.

The Group's ability to service and repay its loans depends on its 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 can further intensify the company's efforts aimed at increasing the market shares in already mature markets.

Risks of accidents

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 28.6.2015 declared a bank holiday in Greece while capital controls were imposed by Hellenic Ministry of Economy and remain in force. The Group's management continuously assesses the economic environment and takes the necessary steps to safeguard the Group's interests and minimize any impact that may arise on its financial position.

C. CORPORATE GOVERNANCE STATEMENT

This Statement is a special section of the Annual Report of the Board of Directors and was prepared in accordance with the relevant provisions of the Codified Law 2190/20, as replaced, from 1.1.2019, by Articles 152 and 153 of Law 4548/2018 and concerns the following sections:

1. **<u>Code of Corporate Governance</u>**

The Company has prepared and implements a Code of Corporate Governance, in accordance with Law 3873/2010 and the Guidelines of the Capital Market Commission, which is posted on the Company's website www.attica-group.com. The Corporate Governance Code was updated by the Board of Directors decision of 27.8.2018.

2. **<u>Corporate Governance Practices applied by the Company in addition to the provisions of the existing legislative framework</u>**

There is a separation of responsibilities between the Chairman of the Board of Directors and the Managing Director.

3. **<u>Main features of the internal control and risk management system relating to the financial statements preparation process</u>**

<u>Internal control system</u>

The internal control system includes all the policies, processes, tasks and behaviors that are implemented by the Board of Directors, the Management and the human resources of the Group and has the following objectives:

- Effective and efficient operation of the Company,
- Ensuring the reliability of the financial information provided,
- Compliance with applicable laws and regulations.

The adequacy of the Company's internal control system, including the internal control system for the preparation of the financial statements, is assessed and controlled by the Company's Management, which also provides guidelines for individual audits. The Board of Directors has the ultimate responsibility for defining the internal control system and monitoring its adequacy.
The Group has invested heavily in the digitalization of the Group's activities. In particular, for thirteen years, an integrated information system (ERP) operates mySAP of SAP, which covers all the Company's and Group operations, ensures unified real-time information and guarantees the correct adherence to procedures as defined by Management.

There is an ERP connection with reservation systems to ensure automated revenue flow. Through ERP, the Group's commissions are also charged, all operating costs of ships and administrative expenses are recorded based on rules and procedures defined by the Management and audited by the Internal Audit Service. Also within ERP there are integrated employee and crew management programs.

Since early 2019 SAP S/4 HANA has replaced the previous SAP application. SAP S / 4 HANA is the new SAP suite of 4th generation applications and is a totally new product developed and designed according to new technological developments. Through SAP S/4 HANA, the Group aims to:
- Optimizing its business processes using "Best business practices"
- More efficient reporting for faster decision-making,
- A unified working environment for all devices and facilitating day-to-day work,
- Resource efficiency in IT.

At all stages of various operations, there are safety controls and tests re carried out by the Internal Audit Department based on the annual control plan or following a request of the Management or the Audit Committee.

The Group's financial data arises automatically from ERP. Further processing of financial data is made through approved standards by Management. The Company has taken all necessary measures to ensure the financial reporting of financial information.

The Corporate Governance Code includes the duties and responsibilities of the Audit Committee regarding financial statements, internal control systems, risk management and supervisions of the Internal Audit Service.

Tasks and Responsibilities

The Board of Directors has, by decision, granted senior executives the power to represent the Company. Furthermore, it has specified limits for banking transactions regarding the aforementioned senior executives.

Risk management

The Company has created a Risk Register after identifying and ranking various sources of risk that may affect the operation and achievement of its objectives.

The risks have been categorized, the risk-related entity has been defined and assessed on the basis of the probability that the event and the degree of impact that it will have on the Company's and the Group's activity. Management has adopted the Risk Register in order to systematically monitor and make decisions on how to manage risks that impact on the Company's effectiveness

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/EC

A significant part of the information in items (c), (d), (f) and (i) of paragraph 1 of Article 10 of Directive 2004/25/EC is included in "REPORT 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 to its Articles of Association, the Company follows the provisions of C.L. 2190/1920. The appointment of the members of the BoD is made by the General Meeting upon proposal of the BoD. In case of BoD member replacement, the decision is to be made by the BoD and is submitted for authorization at the next General Meeting.

5. Information about the General Meeting of Shareholders

The General Meeting (GM) 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 decisions of the General Meeting are mandatory for all shareholders, even those who are absent or disagree. Shareholders are entitled to participate in GM either in person or through a legally authorized representative, in accordance with the effective statutory procedure.

BoD assures appropriate preparation of the General Meeting of the Company's shareholders and informs all the participants about all matters related to their participation in the General Meeting, including agenda items and their rights at the General Meeting.
According to the provisions of Law 3884/2010, the Company publishes on its website at least twenty (20) days before the General Meeting information concerning:

- The date, time and place of the General Meeting 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 Meeting 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 Statutory Auditor attend the General Meeting in order to provide information and clarifications requested by shareholders.

General Meeting is chaired temporarily by the President and if he/she is incapacitated - by the Vice President, or the CEO or the senior member of the BoD. Secretarial duties are defined by the President.

After approval of the list of shareholders entitled to vote, the Meeting elects the President and a Secretary. The decisions of the General Meeting 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 about the Board of Directors (BoD) and its Committees

The Company is governed by the Board of Directors (hereinafter referred to as the "BoD"), which is composed of three (3) to nine (9) members elected by the General Meeting for two years. The term of office of the members of the Board of Directors starts from the day of their election and lasts until the day of the General Assembly, which will be held in the second year after their election.

The members of the Board of Directors are always re-electable or re-appointed and freely revocable. The members of the BoD can also include non-shareholders. The continuous absence of the Consultant from the BoD meetings for six (6) months without justifiable cause is equivalent to a waiver, which is considered final after the Bod has decided on it and it is recorded in the minutes, apart from foreign residents.
The Board of Directors consists of executive and non-executive members, according to Law 3016/2002 on Corporate Governance, as amended and effective. The number of non-executive members of the Board of Directors shall not be lower than 1/3 of the total number of members of the Board of Directors and if a fraction is obtained, it is rounded to the next integer. At least two (2) non-executive members of the Board of Directors are independent, ice they have no relationship of dependence with the Company or its affiliates, within the meaning of article 4 of Law 3016/2002 on Corporate Governance, as amended and effective.
The current BoD of the Company was elected at the Annual General Meeting of Shareholders held on 26.6.2018, was constituted on the same date and consists of seven (7) members, three (3) of whom are executive, four (4) non-executive and two (2) independent, within the meaning of the provisions of Law 3016/2002. In particular, the composition of the Board of Directors of the Company as at 31.12.2018 was as follows:

Kyriakos Magiras - Chairman, Executive Member
Michael Sakellis - Vice-Chairman, Independent, Non-Executive Member
Spiros Paschalis - Managing Director, Executive Member
Iraklis Simitsidellis - Executive Member
Panagiotis Throuvalas - Non-Executive Member
George Efstratiadis - Non-Executive Member
Anastasios Kyprianidis - Independent, Non-Executive Member

On 3.4.2019, the Company announced the resignation of Mr. Iraklis Simitsidellis in his capacity as Executive Member of the Board of Directors due to retirement. In replenishing the position, the Board of Directors decided to elect Mr. Panagiotis Dikaios as an Executive Member. The new member will perform his duties for the remainder of the term of office of the current Board of Directors.

Structure of Operation and Powers of the Board of Directors

In accordance with Article 19 of the Articles of Association and the Code of Corporate Governance, the Board of Directors is responsible for administration and management of corporate affairs. It decides on everything in general about matters pertaining to the Company and acts in accordance with the nature and context of its purpose, with the exception of decisions, acts and actions which by law or by the Articles of Association are within the exclusive competence of the General Meeting or regarding which the GM has already made its decision.

In particular: a. It represents the Company before the Courts as well as before any other authority and gives the oaths imposed on the Company by the Chairman or the Vice Chairman or the Managing Director or the Chief Executive Officer or by another person, an employee of the Company or not, appointed by the Council for this purpose, b. it regulates internal and external operations of the Company, determines and controls all expenses related to its operation and appoints and dismisses its personnel, c. it decides to execute works or energy supplies; d. it concludes purchases, sales, exchanges, mortgages, pledges or leases of real estate or movable and generally any agreements, assigns claims of the Company; accepts the assignment of other claims; accepts and grants guarantees from, any third party to achieve the corporate purpose and generally undertakes any obligation for the Company, e. it determines the use of the funds available, appointing arbitrators, deciding on actions, appeals, resolutions, waivers of all or part of their proceedings for the registration, elimination or removal of mortgages, seizures of seizures and removal of proceedings in respect of all the interests of the Company; f. it grants general or partial proxy to the persons who deem it, appoints the Company's lawyers and provides them with the power of attorney; g. it submits to the Meeting proposals for the increase of the share capital or for reduction thereof, the extension of the duration of the Company, its transition to another company of any type, its merger with another company, and its dissolution before its contractual maturity, h. it issues common bond loans and bond loans in accordance with the effective provisions of Law 3156/03. The abovementioned list of Rights of the Board of Directors is not restrictive but merely indicative.

It is noted that acts of the BoD, even outside the corporate scope, bind the Company vis-à-vis third parties, unless it is shown that the third party was aware of the oversight or ought to have been aware of it, while any limitations on the Board's power by the articles of association or by a decision of the General Meeting, are not opposed to third parties even if they have been submitted to the disclosure.

The Board of Directors has the right to assign to one or more of its members or other persons the management of the Company and its representation in general or for certain types of acts or for a particular operation. Also, to assign the internal control of the Company to one or more persons, non-members or members of the Board of Directors. Such persons may further delegate the exercise of the powers entrusted to them or part thereof to other members or third parties. The powers of the persons to whom the Board of Directors assigns the exercise of rights are determined by the relevant decisions of the Board of Directors.
Pursuant to Article 13 of the Articles of Association and the Corporate Governance Regulation, in respect of representation, it is stipulated that after each election, the new Board of Directors shall immediately meet and elect from among its members the Chairman, the Vice-Chairman and the Managing Director for the entire term of office Adviser and if necessary Executive Director. If the Chairman is prevented from acting, the Vice-Chairman or the Chief Executive Officer or the Executive Director or the Director appointed by the Board of Directors shall be replaced. The Chairman or the Vice-Chairman shall chair the meetings of the BoD and direct its operations.

According to article 14 of the Articles of Association and the Code of Corporate Governance, the Board of Directors shall meet when the Chairman or Vice Chairman or the Chief Executive Officer or the Executive Director or two other Directors request that it be convened and validly meet at the registered office of the Company. The Board of Directors may meet through videoconference. In this case the invitation to the members of the Board of Directors shall include the information necessary for their participation in the meeting.

Article 15 of the Articles of Association stipulates that a member of the Board of Directors, who is absent, may be represented by only one other BoD member. Every member of the Board of Directors may represent only one BoD member who is absent if authorized by a special order, also given by letter or telegram.

The Board of Directors is in quorum and meets validly when half and more than one of the members are present or represented it, but not when the number of those present is lower than three (3). In order to find the quorum number, any resulting fraction is omitted.

The decisions of the Board of Directors are made applying the principle of absolute majority of the members present and those represented. If the votes are evenly divided, the vote of the Chairman of the Board of Directors prevails. The decisions of the Board of Directors are certified by minutes recorded in the book kept for this purpose and signed by the members who were present at the meeting. Preparation and and signing the minutes by all members of the BoD or their representatives is equivalent to a decision of the BoD, even if no prior meeting has been held.

Pursuant to article 16 of the Articles of Association, in case of resignation of a member of the Board of Directors. before the expiry of his/her service for any reason such as death, resignation or retirement, if the number of the remaining members of the Board of Directors is at least three and this number exceeds one half of the members as it existed prior to the occurrence of the aforementioned events, it is not obligatory to replace the member of the Board of Directors who left, but the BoD shall make the relative decision and elect a replacement whenever it deems appropriate. The Code of Corporate Governance stipulates that the Board of Directors at a frequency necessary to carry out its duties effectively. The information provided by the Management must be timely in order to enable it to effectively cope with the tasks deriving from its responsibilities.
The members of the Board of Directors have the right to request from the Management via the Managing Director any information they deem necessary for the performance of their duties at any time.

Finally, according to the Code of Corporate Governance, the replacement of all members in a single General Meeting and the succession of the members of the Board of Directors are avoided progressively. Also, the Board of Directors ensures the introductory briefing of the new members of the Board of Directors. (eg information on the obligations arising from their membership of the Board of Directors). During their term of office, independent non-executive members may not hold more than 0.5% of the share capital of the Company nor have a relationship of dependency with the Company. Independent members are appointed by the General Meeting of Shareholders.

Composition and responsibilities of Audit Committee

The Audit Committee has been elected by the General Meeting implementing the existing institutional framework and provisions on corporate governance.

The main objective of the Audit Committee is to assist the BoD in ensuring transparency in corporate activities and in fulfilling its obligations and responsibilities towards its shareholders and supervising authorities The Audit Committee is accountable to the Board of Directors of the Company.

According to the provisions of paragraph 3, article 44, Law 4449/2017, the main responsibilities of the Audit Committee are as follows:
(a) to inform the Board of Directors of the outcome of the statutory audit and explain how the statutory audit contributed to the integrity of the financial information and what was the role of the Audit Committee in that process,

(b) to monitor the financial reporting process and make recommendations or proposals to ensure its integrity,

(c) to monitor, within its remit, the effectiveness of the entity's internal control, quality assurance and risk management systems in relation to the audited entity's financial information, without infringing the independence of that entity,

(d) to monitor the statutory audit of the company and consolidated financial statements, taking into account any findings and conclusions of the competent authority pursuant to Article 26 (6) of Regulation (EU) 537/2014,

(e) to review and monitor the independence of statutory auditors or audit firms in accordance with Articles 21, 22, 23, 26 and 27 and Article 6 of Regulation (EU) 537/2014 and, in particular, the suitability of providing non-audit services to the audited entity in accordance with Article 5 of Regulation (EU) 537/2014,

The Audit Committee monitors and insures the proper functioning of the Internal Audit Division in accordance with professional standards. The Head of the Internal Audit Division is supervised by the Audit Committee.

The Audit Committee consists of at least three (3) members, the majority of which are independent, within the meaning of the provisions of Law 3016/2002. Pursuant to article 44 of Law 4449/2017, the Audit Committee consists of non-executive members of the Board of Directors and members elected by the General Meeting of the Company's shareholders.

Pursuant to article 44 of Law 4449/2017, the Chairman of the Audit Committee is appointed by its members or elected by the General Meeting of the Company's shareholders and is independent of the Company. The members of the Audit Committee as a whole must have sufficient knowledge of the sector in which the Company operates and at least one (1) member of the Audit Committee must be a statutory auditor, suspended or retired, or has sufficient knowledge of audit and accounting.

The Company has established an Audit Committee and according to its Operating Regulations, which was updated in December 2017 according to article 44 of Law 4449/2017, the following are in force:
The Audit Committee shall meet at least once every three months or whenever deemed necessary. Meeting dates are set in such a way that all members can participate. Members of the Audit Committee take part in the meetings either by their physical presence or by videoconference. In case of a member's absence, the meeting is possible with the presence of the remaining 2 members

The Chairman of the Audit Committee formulates and proposes the items on the agenda which, along with the relevant information material (internal audit reports, administrative reports, reports, etc.), are distributed in due time to the other members of the Audit Committee. If deemed necessary, the Audit Committee may invite managers, external auditors, the director of the Internal Audit Division or even third parties to meetings.

Preparing and signing minutes by the members of the Audit Committee is tantamount to its decision, even if there is no precedent. The minutes of the meetings, in which the Commission's comments and suggestions are recorded, are signed by its members and are available to the members of the Board of Directors.

The current composition of the Company's Audit Committee consists of the following members of the Board of Directors, who were elected by the decision of the General Meeting of the Company's shareholders dated 26.6.2018:

- Mr. Michalis Sakellis of Georgios - Independent Non-Executive Member (Chairman)
- Mr. Anastasios Kyprianidis of Georgios - Independent Non-Executive Member (Member)
- Mr. George Efstratiadis of Efstratiou - Non-Executive Member (Member)

The members of the Audit Committee have sufficient knowledge of the sector in which the Company operates.
The term of office of the members of the Audit Committee is two years, i.e. until the Regular General Meeting, which will be held in the second year after their election, i.e. within 2020.

Conflict of interests

Members of the Board of Directors should refrain from pursuing their own interests that are contrary to the Company's interests. In particular, Directors are forbidden to participate in the Company's management and act, without the approval of the General Meeting, on their behalf or on behalf of third parties, thus falling l within one of the aims pursued by the Company and participate as general partners, in the companies pursuing such objectives.

Members of the Board of Directors are required to disclose to the other members of the Board of Directors their significant interests held by them that may be directly affected by Company transactions or decisions and any other conflicts of interest with those of the interest regarding the Company or affiliated companies arising therefrom in the performance of their duties.

Policy of equal opportunities and diversity applicable to 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.

Regarding 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 body 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.

Internal control

The Internal Audit Department of the Company was created by the Board of Directors decision of 14.5.2001. It functions as an independent organizational unit of the Company and is supervised by the Audit Committee.

The primary mission of the Internal Audit Division is to perform effective controls of the operations and approved procedures of all the Company's and Group's organizational units to ensure its smooth and efficient operation.

The main tasks of the Internal Audit Department are as follows:

- Designing the annual control program as well as additional controls and their implementation in order to verify and ensure compliance with policies and procedures.
- Studying completeness and quality of the internal control system and introducing more effective procedures for its improvement in order to achieve its operational objectives.
- Monitoring the implementation of the Internal Regulations and the Company's Articles of Association in order to timely facilitate identification and evaluation of potential operational risks.

Shareholders Support Service

The Company operates a Shareholders Support Service, responsible for providing direct and equal information to shareholders and assisting them regarding the exercise of their rights in compliance with the legal provisions and the Company's Articles of Association.
In particular, the Shareholders Support Service ensures that shareholders are promptly informed, fairly and equitably about the following:

- Distribution of dividends and bonus shares, issues of new shares through cash payment, exchange of shares, period of exercise of the relevant pre-emption rights, etc.
- Provision of information about regular or extraordinary general meetings and the decisions taken thereon.
- Acquisition of equity shares and their disposal, or cancellation thereof, as well as stock option plans, or free distribution of shares to members of the Board of Directors and the Company personnel.
- Monitoring the shareholders' records and updating the Company's share capital registry.

Corporate Announcement Service

-The Company operates a Corporate Announcement Service, which is responsible for the design and publication of announcements concerning the investing public and the media.
In particular, the Corporate Announcements Service:
- Takes care of the Company's communication with the media and any competent body,
- Monitor and manages information regarding the Group and its subsidiaries,
- Prepares drafts of non-financial press releases and cooperates with the Management regarding their final approval and publication.

D. EXPLANATORY REPORT ON THE INFORMATION REFERRED TO IN ARTICLE 4, PAR. 7 & 8 OF LAW 3556/2007

This explanatory report of the Board of Directors contains the information provided in accordance with article 4 par. 7 of law 3556/2007.

1. Structure of the Company's share capital

As at 31.12.2018, the share capital of the Company amounts to Euro 64,741,752.90 divided into 215,805,843 common nominal shares of nominal value Euro 0.30 each. All of the Company's shares are listed on the Athens Stock Exchange. All rights and obligations arising from the ownership of every share are in compliance with the legislation and the Company's Articles of Association.

Every share gives one voting right.

Shareholders' responsibility is limited to the nominal value of the shares owned.

There are no treasury shares.

2. Limitations on the transfer of Company's shares.

The Company's shares are listed on the Athens Stock Exchange ans are transferred in compliance with the legal provisions. There are no limitations on transfer of shares as provided in the Company's Articles of Association.

3. Significant participating interest held directly or indirectly (articles 9 to 11 of Law 3556/2007).

Based on the shareholders registry, as at 31.12.2018, the Company's shareholders holing over 5% are as follows:

- MARFIN INVESTMENT GROUP SA (MIG) holds a total participating interest (direct and indirect) of 79.38%, out of which a) 10.306% refers to shares held directly by MIG and b) 69.077% refers to shares held by its 100% subsidiary MIG SHIPPING S.A.
- BANK OF PIRAEUS S.A. holds a participating interest of 11.844%

4. Shares with special controlling rights.

There are no shares holding special controlling rights.

5. Restrictions on the voting rights.

There are no restrictions on the voting rights in compliance with the Company's Articles of Association.

6. Agreements between the shareholders of the Company.

The Company is not aware of any agreements between shareholders, which could result in any restrictions on transfer of shares or exercise of voting rights.

7. Regulations regarding appointment and replacement of the members of the Board of Directors and the amendment to the Company's Articles of Association.

The regulations governing appointment and replacement of members of the Board of Directors, as well as the amendment to the Company's Articles of Association do not diverge from the provisions of legislation on societe anonym.

8. Authority of the Board of Directors or any of its members as regards the issuance of new shares or share buy-back under article 16, Law 2190/1920.

Authority of the Board of Directors as regards the issuance of new shares or share buy-back is defined under the provisions of Law 2190/1920.

9. Important agreements coming into effect 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 held on 16.5.2017 approved a pension plan for the Group executives, including members of the Board of Directors of the parent company and/or its subsidiaries, with a minimum maturity 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 executives of the Group defined by a decision of the Board of Directors on the basis of predefined criteria are entitled to participating in the plan. The total amount of the plan shall 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 plan pertains to his / her total occupation with the Group and total gross earnings.

Other information

The annual financial statements, the Auditor's Reports and the reports of the Board of Directors of the non-listed entities consolidated by the Group are available in the internet on the web address www.attica-group.com.

There are no other significant events in the period between the end of the year and the time of submission of this report, which can significantly affect the financial performance of the Company and\or the Group.

Dear Shareholders,

The data and information presented above as well as the financial statements submitted to you for fiscal year 2018 enable you to obtain comprehensive understanding of the work and the activities of the Board of Directors during the current period and decide on approving the financial statements of the Company and the Group.

Athens, April 24th, 2019

On behalf of the Board of Directors

Chief Executive Officer
Spiros Ch. Paschalis

Annual Consolidated and Company Financial Statements for the Fiscal Year 2018

The Annual Financial Report for the fiscal year 2018 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 24, 2019 and is available in the internet on the web address www.attica-group.com and on the Athens Exchange website where it will be available to investors for at least five (5) years since its compilation and publication date.

STATEMENT OF COMPREHENSIVE INCOME

For the period ended December 31 2018 & 2017

		GROUP		COMPANY	
		1.01-31.12.2018	1.01-31.12.2017*	1.01-31.12.2018	1.01-31.12.2017*
Sales	7.1	365,401	271,541	-	-
Cost of sales	7.2	-290,835	-211,515	-	-
Gross profit		**74,566**	**60,026**	**-**	**-**
Administrative expenses	7.2	-33,504	-20,744	-1,266	-1,290
Distribution expenses	7.2	-25,089	-18,681	-	-
Other operating income	7.3	1,716	5,014	-	
Profit / (loss) before taxes, financing and investment activities		**17,689**	**25,615**	**-1,266**	**-1,290**
Impairment losses of assets	7.4	-909	-	-	-
Profit from reversal of impairment losses of assets		-	2,797	-	-
Other financial results	7.5	11,008	-1,169	-1	-1
Financial expenses	7.6	-26,551	-18,240	-472	-5
Financial income	7.7	219	71	-	3
Income from dividends		-	-	3,110	3,110
Share in net profit (loss) of companies accounted for by the equity method	7.8	427	-7,520	-	-
Profit/ (loss) from sale of assets	7.9	15,804	-	-	-
Profit before income tax		**17,687**	**1,554**	**1,371**	**1,817**
Income taxes	7.10	-415	-307	-	-
Profit for the period		**17,272**	**1,247**	**1,371**	**1,817**
Attributable to:					
Equity holders of the parent		17,110	1,247	1,371	1,817
Minority shareholders		162	-	-	-
Earnings after taxes per share - Basic (in €)	7.11	0.0845	0.0065	0.0068	0.0095
Diluted earnings after taxes per share (in €)		-	-0.0007	-	-0.0769
Operating earnings before taxes, investing and financial results, depreciation and amortization (EBITDA)					
Profit / (loss) before taxes, financing and investment activities		17,689	25,615	-1,266	-1,290
Plus: Depreciation		39,312	33,934	2	2
Total		**57,001**	**59,549**	**-1,264**	**-1,288**
Other comprehensive income:					
Profit for the period		17,272	1,247	1,371	1,817
Amounts that will not be reclassified in the Income Statement					
Revaluation of the accrued pension obligations		-103	-125	-10	-2
Amounts that will be reclassified in the Income Statement					
Cash flow hedging :					
- current period gains / (losses)		-11,136	1,156	-	-
- reclassification to profit or loss		-4,871	-952	-	-
Related parties' measurement using the fair value method	7.15	-	-	17,690	376
Other comprehensive income for the period before tax		**-16,110**	**79**	**17,680**	**374**
Income tax relating to components of other comprehensive income		-	-	-	-
Other comprehensive income for the period, net of tax		**-16,110**	**79**	**17,680**	**374**
Total comprehensive income for the period after tax		**1,162**	**1,326**	**19,051**	**2,191**
Attributable to:					
Owners of the parent		1,012	1,326	19,051	2,191
Minority shareholders		.150	-	-	-

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

*The balance of the previous year ended 31.12.2017 is restated due to change in accounting policy, as described in note 9.1 of the Financial Statements.

STATEMENT OF FINANCIAL POSITION
As at 31st of December 2018 and at December 31,2017

		GROUP			COMPANY	
	Notes	**31.12.2018**	**31.12.2017***	**31.12.2016***	**31.12.2018**	**31.12.2017**
ASSETS						
Non-current assets						
Tangible assets	7.12	690,355	533,713	558,840	5	6
Goodwill	7.13	10,778	-	-	-	-
Intangible assets	7.14	8,607	1,929	1,954	1	1
Investments in subsidiaries	7.15	-	-	-	579,194	508,193
Investments in associates	7.16	4,684	-	-	-	-
Investment portfolio			5,000	-	-	-
Other non current assets	7.17	2,654	8,564	8,239	7	8
Deferred tax asset	7.18	138	296	-	-	-
Total		**717,216**	**549,502**	**569,033**	**579,207**	**508,208**
Current assets						
Inventories	7.19	4,514	3,306	3,542	-	-
Trade and other receivables	7.20	48,360	47,278	41,862	1	2
Other current assets	7.21	31,902	30,734	22,502	2,812	1,146
Derivatives	7.22	2,738	4,433	5,877	-	-
Cash and cash equivalents	7.23	59,424	44,099	51,220	39	2,182
Total		**146,938**	**129,850**	**125,003**	**2,853**	**3,330**
Non-current assets classified as held for sale		-	-	-	-	-
Total assets		**864,154**	**679,352**	**694,036**	**582,060**	**511,538**
EQUITY AND LIABILITIES						
Equity						
Share capital	7.24	64,742	57,498	57,498	64,742	57,498
Share premium	7.24	316,743	290,256	290,256	316,743	290,256
Fair value reserves	7.24	-11,737	4,258	4,054	139,940	122,250
Other reserves	7.24	120,550	119,347	116,558	29,131	29,040
Retained earnings	7.24	-81,115	-68,444	-66,777	13,370	12,100
Equity attributable to parent's shareholders		**409,183**	**402,915**	**401,589**	**563,926**	**511,144**
Non-controlling interests		1,398	-	-	-	-
Total equity		**410,581**	**402,915**	**401,589**	**563,926**	**511,144**
Non-current liabilities						
Deferred tax liability	7.18	1,435	-	44	-	-
Accrued pension and retirement obligations	7.25	3,015	2,425	2,168	69	59
Long-term borrowings	7.29	274,502	214,430	229,806	17,027	-
Derivatives		-	-	-	-	-
Non-Current Provisions	7.26	1,562	1,218	1,218	-	-
Other non current liabilities		-	-	-	-	-
Total		**280,514**	**218,073**	**233,236**	**17,096**	**59**
Current liabilities						
Trade and other payables	7.27	39,059	20,298	18,057	243	129
Tax liabilities	7.28	270	769	503	20	20
Short-term debt	7.29	71,583	24,303	25,637	450	-
Derivatives		10,732	-	-	-	-
Other current liabilities	7.30	51,415	12,994	15,014	325	186
Total		**173,059**	**58,364**	**59,211**	**1,038**	**335**
Liabilities related to Assets held for sale		-	-	-	-	-
Total liabilities		**453,573**	**276,437**	**292,447**	**18,134**	**394**
Total equity and liabilities		**864,154**	**679,352**	**694,036**	**582,060**	**511,538**

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

*The balances of the previous years ended 31.12.2017 and 31.12.2016 are restated due to change in accounting policy, as described in note 9.1 of the Financial Statements.

Statement of Changes in Equity

For the Period 1.1.2018-31.12.2018

GROUP

	Number of shares	Share capital	Share premium	Revaluation reserves of tangible assets	Other reserves	Retained earnings	Total equity attributable to owners of the parent	Minority interests	Total Equity
Balance at 1.1.2018	**191,660,320**	**57,498**	**290,256**	**4,258**	**119,347**	**-68,444**	**402,915**	**-**	**402,915**
Changes in accounting policies	-	-	-	-	-	-1,722	-1,722	-	-1,722
Restated balance	**191,660,320**	**57,498**	**290,256**	**4,258**	**119,347**	**-70,166**	**401,193**	**-**	**401,193**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**17,110**	**17,110**	**162**	**17,272**
Other comprehensive income									
Cash flow hedges:									
Current period gains/(losses)	-	-	-	-11,124	-	-	-11,124	-12	-11,136
Reclassification to profit or loss	-	-	-	-4,871	-	-	-4,871	-	-4,871
Remeasurements of defined benefit pension plans	-	-	-	-	-	-103	-103	-	-103
Other comprehensive income after tax	**-**	**-**	**-**	**-15,995**	**-**	**17,007**	**1,012**	**150**	**1,162**
Issue of share capital	24,145,523	7,244					7,244		7,244
Transfer between reserves and retained earnings	-	-	-	-	1,203	-1,203	-		-
Non-controlling interests due to purchase of subsidiaries	-	-	-	-	-	-		52,995	52,995
Capitalisation of share premium	-	-	26,560	-	-	-	26,560		26,560
Additional equity offering costs	-	-	-73	-	-	-	-73		-73
Icrease/(decrease) of non-controlling interests in subsidiaries	-	-	-	-	-	-26,753	-26,753	-51,747	-78,500
Balance at 31.12.2018	**215,805,843**	**64,742**	**316,743**	**-11,737**	**120,550**	**-81,115**	**409,183**	**1,398**	**410,581**

Statement of Changes in Equity

For the Period 1.1.2017-31.12.2017

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**

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

Statement of Changes in Equity
For the Period 1.1.2018-31.12.2018

COMPANY

	Number of shares	Share capital	Share premium	Revaluation reserves of tangible assets	Other reserves	Retained earnings	Total Equity
Balance at 1.1.2018	**191,660,320**	**57,498**	**290,256**	**122,250**	**29,040**	**12,100**	**511,144**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**1,371**	**1,371**
Other comprehensive income							
Cash flow hedges:							
Current period gains/(losses)	-	-	-	-	-	-	-
Reclassification to profit or loss	-	-	-	-	-	-	-
Remeasurements of defined benefit pension plans	-	-	-	-	-	-10	-10
Fair value's measurement							
Transferred to profit or loss for the period	-	-	-	-	-	-	-
Related parties' measurement using the fair value method	-	-	-	17,690	-	-	17,690
Other comprehensive income after tax	**-**	**-**	**-**	**17,690**	**-**	**1,361**	**19,051**
Issue of share capital	24,145,523	7,244	-	-	-	-	7,244
Dividends	-	-	-	-	-	-	-
Capitalisation of share premium	-	-	26,560	-	-	-	26,560
Additional equity offering costs	-	-	-73	-	-	-	-73
Transfer between reserves and retained earnings					91	-91	-
Balance at 31.12.2018	**215,805,843**	**64,742**	**316,743**	**139,940**	**29,131**	**13,370**	**563,926**

Statement of Changes in Equity
For the Period 1.1.2017-31.12.2017

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**

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

CASH FLOW STATEMENT

For the period 1.1-31.12 2018 & 2017

	Notes	GROUP 1.1.2018-31.12.2018	GROUP 1.1.2017-31.12.2017*	COMPANY 1.1.2018-31.12.2018	COMPANY 1.1.2017-31.12.2017
Cash flow from Operating Activities					
Profit/(loss) before taxes		17,687	1,554	1,371	1,817
Adjustments for:					
Depreciation & amortization	7.12 & 7.14	39,312	33,934	2	2
Impairment of tangible and intangible assets		909	-	-	-
Impairment loss reversal		-	-2,797	-	-
Deferred tax expense		-	-	-	-
Provisions		138	417	-	1
Foreign exchange differences	7.5	115	13	1	1
Net (profit)/loss from investing activities		-27,573	8,605	-3,110	-3,113
Interest and other financial expenses	7.7	26,492	18,207	471	4
Plus or minus for working capital changes:					
Decrease/(increase) in inventories		185	236	-	-
Decrease/(increase) in receivables		26,277	-20,478	34	102
(Decrease)/increase in payables (excluding banks)		13,612	234	65	145
Less:					
Interest and other financial expenses paid		-14,705	-9,061	-379	-4
Taxes paid		-304	-299	-	-
Total cash inflow/(outflow) from operating activities (a)		**82,145**	**30,565**	**-1,546**	**-1,045**
Cash flow from Investing Activities					
Acquisition of subsidiaries (less cash)		-96,769	-	-104,107	-
Purchase of tangible and intangible assets	7.12 & 7.14	-15,648	-6,084	-	-
Investments in companies consolidated by the equity method		-8,290	-999	-	-
Proceeds from disposal of property, plant and equipment		99,500	-	-	-
Share capital return from subsidiaries		-	-	94,990	7,400
Interest received		219	71	-	4
Purchase of financial assets of investment portfolio		-	-5,000	-	-
Dividends received		-	-	1,410	2,000
Increase in capital and additional paid-in capital of subsidiaries		-	-	-10,390	-7,402
Total cash inflow/(outflow) from investing activities (b)		**-20,988**	**-12,012**	**-18,097**	**2,002**
Cash flow from Financing Activities					
Proceeds from issue of share capital		-	-	-	-
Advances for SCI		-	-	-	-
Additional equity offering costs		-	-	-	-
Proceeds from borrowings		117,900	-	17,500	-
Return due to non-completed share capital increase to the parent company		-	-	-	-
Payments of borrowings	7.29	-162,477	-24,557	-	-
Payments of finance lease liabilities		-1,168	-1,080	-	-
Dividends paid		-	-	-	-
Total cash inflow/(outflow) from financing activities (c)		**-45,745**	**-25,637**	**17,500**	**-**
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)		**15,412**	**-7,084**	**-2,143**	**957**
Cash and cash equivalents at beginning of period		**44,099**	**51,220**	**2,182**	**1,225**
Exchange differences in cash and cash equivalents		-87	-37	-	-
Cash and cash equivalents at end of period		**59,424**	**44,099**	**39**	**2,182**

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.

* The balance of the previous year ended 31.12.2017 is restated due to change in accounting policy, as described in note 9.1 of the 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.

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 1,586 for the Group, while at 31.12.2017 was 2 and 1,018 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 2018 was 215,805,843. The total market capitalization was Euro 258,967 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 (direct & indirect) was 79.38%.

The financial statements of the Company and the Group for the fiscal year 2018 were approved by the Board of Directors on April 24, 2019.

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 1.1.2018 – 31.12.2018 are the same as those used for the preparation of the financial statements for the fiscal year 2017 except from the changes in standards and interpretations effective from 1st January 2018.

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 operations. 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 by the International Accounting Standards Committee.

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 corrective actions are presented in note 3.1.4.

At 31.12.2018 the Group presents a negative working capital as short-term liabilities exceed current assets by Euro 26,121 thousand with the most significant part of short-term liabilities being related to short-term borrowings (an amount of Euro 71,583 thousand) due to repayment on the basis of contractual conditions in the next 12 months. Regarding the process of repayment of the loan liabilities, the Group's Management entered into an agreement with a banking institution regarding the amount of Euro 20mln in April 2019. For the remaining temporary working capital difference of 6mln, the management considers that it will be covered by the projected cash flows.

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 2018, the Group has chosen to apply accounting policies which ensure that the financial statements comply with all the provisions of every 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 estimates

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, 2018.

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 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 acquisition 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 the 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 objective 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 needs 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 they 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 in order 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 equity 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 in 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 acquisition of assets.

Subsequent costs which incurred 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	35 years
2. High speed vessels – catamaran	25 years
3. Hydrofoil-flying dolphins	15 years
4. Buildings	60 years
5. Harbor establishments	10 years
6. Motor Vehicles	5 years
7. Furniture and fixtures	5 years
8. Hardware equipment	3 years

The Management of the Group in the context of the acquisition of HSW on 31.5.2018 and in the harmonization of the accounting estimates of the Group, proceeded with a reassessment of the useful lives of all vessels taking into account par. 56-57 of IAS 16 Property, Plant and Equipment as well as the current reality with regard to the lifetime of a vessel, in particular the technical characteristics, the level of maintenance, the maintenance practice traditionally followed by the Group and the vessel's activity plan.

The useful life of conventional vessels was set at 35 years from 30 years, while for high-speed and flying dolphins at 25 and 15 years respectively. The Management estimates the change in the accounting estimate as totally realistic and within the framework of competition. The positive effect of the above change reflected in the Group's results for the fiscal year 2018 amounted to Euro 4,125 thousand.

The residual value of the vessels is estimated at 20% of the acquisition cost while for high-speed and flying dolphins at 15% and 10% respectively.

Useful life of vessels, whose maturity exceeded 30 years at the date of their acquisition by the Group, is extended for further 9 years.

For the other fixed assets, no residual value is calculated.

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

Once the sale of a tangible asset is completed, the difference between the selling price and the net book value less any expenses related to the sale, is 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 amortization 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 amortization is calculated on a straight line basis.

b) Computer software

Computer software programs are recognized at cost less accumulated amortization 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 from using 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, the vessels are assessed for impairment loss purposes. In such cases 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.

In cases when 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 chartering and from on board sales of goods and services. The Group also has income from credit interest and the Company from 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

Income from dividends is recognized as revenue on the date the dividends are approved by the Shareholders' General Meeting of the entity.

2.14.5. Revenue from chartering

The revenue from the chartering of vessels is 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 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 regarding the Group's business decisions.

For the purposes of presentation of operating segments, it 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 of 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 significantly affected 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.

2.17.4. 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 (insurance and medical care) which the company offers after the termination of employment to the employees as an acknowledgement of their services.

Thus, they include both defined contribution plans as well as defined benefits plans. The accrued cost of the defined contributions plans 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 plans

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 plans

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 plans 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 plans 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, notes 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 recognized 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 ship owning companies. When revenue or expenses are incurred which are not related to specific ship owning companies, these expenses are allocated to the ship owning 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 ship owning 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 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) Bank loans

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

b) Hedging financial instruments

When the 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 estimate of the hedging relationship, whether 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 instruments

Initial recognition

A financial asset or financial liability is recognized in the statement of financial position of the Group when it arises or when the Group becomes part of the contractual terms of the financial instrument.

Financial assets are classified at initial recognition and are subsequently measured at amortized cost at fair value through other comprehensive income and fair value through profit or loss.

Initially, the Group measures financial assets at fair value. Trade receivables (which do not contain significant financial assets) are carried at transaction price.

If a financial asset is to be classified and measured at amortized cost or at fair value through comprehensive income, it shall generate cash exclusively pertaining to capital and interest repayments of the initial capital. The business model applied by the Group for the purposes of managing financial assets refers to the way in which it manages its financial capabilities in order to generate cash flows. The business model determines whether cash flows will arise from collecting contractual cash flows, disposal of financial assets, or both. Acquisition or disposal of financial assets that require delivery of assets within a timeframe specified by a regulation or a contract is recognized as at the transaction date, i.e. as at the date when the Group makes a commitment to acquire or to dispose of the asset.

Classification and subsequent measurement

To facilitate subsequent measurement purposes, financial assets are classified into the following categories:

a) Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss include financial assets held for sale, financial assets designated at initial recognition at fair value through profit or loss, or financial assets that are required to be measured at fair value. Financial assets are classified as held for sale if they are acquired for sale or repurchase in the near future. Derivatives, including embedded derivatives, are also classified as held for trading, unless they are defined as effective hedging instruments. Financial assets with cash flows referring not only to capital and interest payments are classified and measured at fair value through profit or loss, irrespective of the business model.

b) Financial assets at amortized cost

The Group measures financial assets at amortized cost if both of the following conditions are met: (1) the financial asset is held in order maintain financial assets for the purposes of collecting contractual cash flows; and (2) the contractual terms of the financial asset generating cash flows at specified dates only pertain to capital and interest payments on the balance of the initial capital.

Financial assets which are measured at amortized cost, subsequently apply the Effective Interest Rate Method (EIR) and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

c) Financial assets at fair value through total comprehensive income

Upon initial recognition, the Group may decide to irrevocably classify its investment participations as equity instruments designated at fair value through total comprehensive income when they meet the definition of equity and are not held for trading. Classification is determined per financial instrument. Profits and losses from these financial assets are never recycled to profits or losses.

Equity instruments designated at fair value through total comprehensive income are not subject to impairment test. The Group has decided to classify its non-listed shares into this category.

Derecognition
A financial asset is derecognized when:
• The rights to receive cash flows from the asset have expired, or
• The Group has transferred its rights to receive cash flows from the asset or has undertaken the commitment to fully pay the cash flows received without significant delay to a third party under an arrangement and has either (a) transferred substantially all the risks and the assets of the asset or (b) has neither transferred nor held substantially all the risks and estimates of the asset but has transferred the control of the asset.

Impairment
The Group recognizes provision for impairment for expected credit losses regarding all financial assets not measured at fair value through profit or loss. Expected credit losses are based on the balance between all the payable contractual cash flows and all discounted cash flows that the Group expects to receive.
Regarding trade receivables, the Group applies simplified approach in order to calculate expected credit losses. Therefore, at every reporting date, provision for losses regarding a financial instrument is measured at an amount equal to the expected credit losses over its lifetime.

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 1.1.2018.

- **IFRS 9 “Financial Instruments” (effective for annual periods starting on or after 1.1.2018)**

  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 new Standard affects the consolidated Financial Statements. The effect is analyzed in the note 2.23.3.

- **IFRS 15 “Revenue from Contracts with Customers” (effective for annual periods starting on or after 1.1.2018)**
  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 new Standard affects the consolidated Financial Statements. The effect is analyzed in the note 2.23.3.

- **Clarification to IFRS 15 “Revenue from Contracts with Customers” (effective for annual periods starting on or after 1.1.2018)**

  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 amendments do not affect the consolidated Financial Statements.

- **Amendment to IFRS 2: “Classification and Measurement of Share-based Payment Transactions” (effective for annual periods starting on or after 1.1.2018)**

  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 amendments do not affect the consolidated Financial Statements.

- **Amendments to IFRS 4: “Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts” (effective for annual periods starting on or after 1.1.2018)**

  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 amendments do not affect the consolidated Financial Statements.

- **Annual Improvements to IFRSs – 2014-2016 Cycle (effective for annual periods starting on or after 1.1.2018)**

  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 1.1.2018 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 amendments do not affect the consolidated Financial Statements.

- **Amendments to IAS 40: “Transfers of Investment Property” (effective for annual periods starting on or after 1.1.2018)**

  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 amendments do not affect the consolidated Financial Statements**.**

- **IFRIC 22 "Foreign Currency Transactions and Advance Consideration" (effective for annual periods starting on or after 1.1.2018)**

  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 new Interpretation does not affect the consolidated Financial Statements**.**

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 16 "Leases" (effective for annual periods starting on or after 1.1.2019)**

  In January 2016, the IASB issued a new Standard, IFRS 16. The objective of the project was to develop a new Leases Standard that sets out the principles that both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'), apply to provide relevant information about leases in a manner that faithfully represents those transactions. To meet this objective, a lessee is required to recognise assets and liabilities arising from a lease. The above have been adopted by the European Union with effective date of 1.1.2019.

  The Group will apply IFRS 16 from its mandatory date of application (1 January 2019), using the revised retrospective approach. Based on this approach, the cumulative effect from the initial application of the Standard will be recognized as an adjustment to equity at the date of the initial application, without restate the comparative figures. At the date of the first application, the Group will recognize:
  a) a lease liability measured at the present value resulting from the discounting of residual lease payments, using the marginal lending rate as applicable on the day of initial application; and
  b) a right to use an asset measured at an amount equal to the corresponding lease obligation, adjusted by the amount of any prepaid or accrued rentals.

  For short-term leases and leases for which the underlying asset is of low value, the Group will recognize the lease as an expense in the Income Statement using the straight-line method, in accordance with the relevant exceptions provided by IFRS 16. The Group will also apply the practical application of the Standard and will not separate the non-rented items from the leases by accounting for any leased and related non-rented item as a single lease.

  The Group conducted an analysis of the expected effect of IFRS 16 on 1 January 2019. In summary, based on the Management's current estimate, the effect from the adoption of IFRS 16 will be as follows: rights of use of assets and lease liabilities of approximately Euro 2.8mln and Euro 3.2mln will be recognized, in the consolidated Statement Financial Position.

In the consolidated Income Statement, depreciation is expected to increase to a range from Euro 0.41mln to Euro 0.47mln and financial expenses are expected to increase in the range from Euro 0.13mln to Euro 0.23mln. The reduction in rental expenses is expected to lead to an improvement in EBITDA, which will range from Euro 0.60mln to Euro 0.64mln. Estimated effect is calculated on the existing contracts on 1 January 2019.

The actual effect of the application of IFRS 16 will depend on the Group's discounting rate as at 1 January 2019, the determination of the lease agreements that fall within the scope of the new standard at that date, and the final assessment of the Group for the duration of the lease, particularly with regard to the exercise of any renewal and termination rights. The new accounting model for leases does not have a significant effect on the Group as a lessor.

- **Amendments to IFRS 9: "Prepayment Features with Negative Compensation" (effective for annual periods starting on or after 1.1.2019)**

  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 effect of the above on its Financial Statements. The above have been adopted by the European Union with effective date of 1.1.2019.

- **IFRIC 23 "Uncertainty over Income Tax Treatments" (effective for annual periods starting on or after 1.1.2019)**

  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 effect of the above on its Financial Statements, though it is not expected to have any significant effect. The above have been adopted by the European Union with effective date of 1.1.2019.

- **Amendments to IAS 28: "Long-term Interests in Associates and Joint Ventures" (effective for annual periods starting on or after 1.1.2019)**

  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 effect of the above on its Financial Statements. The above have been adopted by the European Union with effective date of 1.1.2019.

- **Annual Improvements to IFRSs – 2015-2017 Cycle (effective for annual periods starting on or after 1.1.2019)**

  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 effect of the above on its Financial Statements. 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 1.1.2019)**

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 effect of the above on its Financial Statements. The above have not been adopted by the European Union.

- **Revision of the Conceptual Framework for Financial Reporting (effective for annual periods starting on or after 1.1.2020)**

In March 2018, the IASB issued the revised Conceptual Framework for Financial Reporting (Conceptual Framework), the objective of which was to incorporate some important issues that were not covered, as well as update and clarify some guidance that was unclear or out of date. The revised Conceptual Framework includes a new chapter on measurement, which analyzes the concept on measurement, including factors to be considered when selecting a measurement basis, concepts on presentation and disclosure, and guidance on derecognition of assets and liabilities from financial statements. In addition, the revised Conceptual Framework includes improved definitions of an asset and a liability, guidance supporting these definitions, update of recognition criteria for assets and liabilities, as well as clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting. The Group will examine the effect of the above on its Financial Statements. The above have not been adopted by the European Union.

- **Amendments to References to the Conceptual Framework in IFRS Standards (effective for annual periods starting on or after 1.1.2020)**

In March 2018, the IASB issued Amendments to References to the Conceptual Framework, following its revision. Some Standards include explicit references to previous versions of the Conceptual Framework. The objective of these amendments is to update those references so that they refer to the revised Conceptual Framework and to support transition to the revised Conceptual Framework. The Group will examine the effect of the above on its Financial Statements. The above have not been adopted by the European Union.

- **Amendments to IFRS 3: "Definition of a Business" (effective for annual periods starting on or after 1.1.2020)**

In October 2018, the IASB issued narrow-scope amendments to IFRS 3 to improve the definition of a business. The amendments will help companies determine whether an acquisition made is of a business or a group of assets. The amended definition emphasizes that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. In addition to amending the wording of the definition, the Board has provided supplementary guidance. The Group will examine the effect of the above on its Financial Statements. The above have not been adopted by the European Union.

- **Amendments to IAS 1 and IAS 8: "Definition of Material" (effective for annual periods starting on or after 1.1.2020)**

In October 2018, the IASB issued amendments to its definition of material to make it easier for companies to make materiality judgements. The definition of material helps companies decide whether information should be included in their financial statements.

The updated definition amends IAS 1 and IAS 8. The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS Standards. The Group will examine the effect of the above on its Financial Statements. 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 effect of the above on its Financial Statements. The above have not been adopted by the European Union.

2.23.3. New Standards, interpretations and amendments to existing standards that are effective and have been adopted by the European Union

IFRS 9: "Financial Instruments"

In July 2014, the IASB completed the last phase of replacing IAS 39, by adopting IFRS 9 "Financial Instruments". The package of improvements introduced by IFRS 9 includes a logical model for classification and measurement, a single impairment model based on expected future losses and a substantially reformed approach to hedge accounting.

Classification and Measurement

Classification determines how financial assets and financial liabilities are accounted for in the financial statements, and in particular how they are measured on an ongoing basis. IFRS 9 introduces a reasonable approach to classification of financial assets, which is driven by the characteristics of the cash flows and the business model to which an asset belongs. This unique and principle-based approach replaces existing rules-based requirements which are considered to be overly complex and difficult to apply. The new model also results in application of a unique impairment model applied to all financial instruments, thus eliminating a source of complexity associated with the previous accounting requirements.

Impairment

During the financial crisis, late recognition of credit losses on loans (and other financial instruments) was recognized as a weakness of existing accounting standards. As part of IFRS 9, the IASB introduced a new impairment model based on expected loses, which will require a more timely recognition of expected credit losses. In particular, the new Standard requires companies to account for the expected credit losses once the financial instruments are recognized for the first time and to recognize the expected losses over their lifetime on a timelier basis.

Hedge accounting

IFRS 9 introduces a substantially reformed hedge accounting model with enhanced disclosures about risk management activity. The new model is a significant reforming of accounting hedging that aligns accounting with risk management activities, enabling companies to better reflect these activities in their financial statements. In addition, as a result of these changes, the users of the financial statements will have better information about risk management and the impact of hedge accounting on the financial statements.

Adoption of IFRS 9 by the Group and the Company

The Group and the Company have applied the Standard from 1 January 2018 retrospectively, without reviewing the comparative information for prior periods except for hedge accounting.

IFRS 9 was adopted without reviewing the comparative information and, therefore, the adjustments resulting from the new classification and the new impairment rules were not recorded in the financial position as at 31 December 2017 but were recognized in the opening financial position as at 1 January 2018.
In particular:

Classification and Measurement
The financial assets held as at 1.1.2018 by the Group will continue to be measured on the same basis as the new standard and therefore there have been no significant changes in the classification and measurement of the assets.

Impairment
The Group applied the simplified approach of IFRS 9 for impairment of expected credit losses on trade and other receivables balances at the date of initial application. The result of the requirements of the new standard was to increase the Group's provisions for impairment by Euro 1.7mln with a respective impact on the opening accounts “Retained earnings balance”.

Subsequent changes in market conditions and the business model of the Group may affect the above estimates.
The cumulative impact on the Statement of Financial Position as at 1.1.2018 is as follows:

ASSETS	**31/12/2017**	**IMPACT OF IFRS 9**	**1/1/2018**
Total non-current assets	549,502		549,502
Trade and other receivables	47,278	(1,722)	45,556
Other	82,572		82,572
Total current assets	**129,850**	**(1,722)**	**128,128**
Total Assets	**679,352**	**(1,722)**	**677,630**
EQUITY & LIABILITIES			
Equity			
Other Equity assets	471,359		471,359
Retained Earnings	(68,444)	(1,722)	(70,166)
Total Equity	**402,915**	**(1,722)**	**401,193**
Total Long-term Liabilities	218,073		218,073
Total Short-term Liabilities	58,364		58,364
Total Liabilities	**276,437**		**276,437**
Total Equity and Liabilities	**679,352**	**(1,722)**	**677,630**

Hedge accounting
At the date of the initial application of the Standard, all existing hedging relationships of the Group can be classified as continuing and hence the application of the new standard has no impact on the financial statements. The Group's risk management policies are in line with the provisions of the new standard and hedge accounting continues to apply.

IFRS 15: "Revenue from Contracts with Customers"

IFRS 15 replaces IAS 11 "Construction Contracts", IAS 18 "Revenue" and all related interpretations for revenue from contracts with customers, unless those contracts are within the scope of other standards.
The new standard establishes a five-step model for determining revenue from contracts with customers. According to IFRS 15, revenue is recognized in the amount that an entity expects to be entitled to in exchange for the transfer of the goods or services to a customer. The standard also sets out the accounting for the additional costs of undertaking a contract and the direct costs required to complete this contract.

Revenue is defined as the amount an entity expects to be entitled to in exchange for the goods or services it has transferred to a client, except for amounts collected on behalf of third parties (value added tax, other sales tax). Variable amounts are included in the consideration and are calculated either using the "expected value" method or the "most likely amount" method.

An entity recognizes revenue when (or as) it satisfies the performance commitment of a contract by transferring the goods or services promised to the customer.

The customer acquires control of the good or service if the customer has the ability to direct the use and to derive virtually all the economic benefits from that good or service. Control is passed over a period or at a specific time.

Revenue from the sale of goods is recognized when the control of the good is transferred to the customer, usually upon delivery, and there is no unfulfilled obligation that could affect the acceptance of the good by the customer.

Revenue from provision of services is recognized in the accounting period in which the services are provided and measured according to the nature of the services provided using either output methods or input methods.

Receivables from customer are recognized when there is an unconditional right for the entity to receive the consideration for the performed obligations of the contract to the customer.

A contractual asset is recognized when the Group (or the Company) has satisfied its obligations to the customer before the customer pays or before the payment is due, for example when the goods or services are transferred to the customer before the Group's right (or the Company's right) to issue an invoice.

The contractual obligation is recognized when the Group (or the Company) receives a consideration from the customer (prepayment) or when it reserves the right to a consideration that is unconditional (deferred income) prior to the performance of the obligations of a contract and the transfer of goods or services. The contractual obligation is recognized when the contract obligations are met and the income is recorded in the income statement.

Revenue from operating leases is recognized in the income statement using the straight-line method over the lease term.

As at January 1, 2018, the Group and the Company adopted IFRS 15 using the modified retrospective method, i.e. the transition impact was collectively recognized in the "Retained earnings balance", while the comparative amounts were not restated. However, the Group and the Company had no impact on their profitability or financial position at the time of the first application of IFRS 15. Therefore, no adjustment was made to the "Retained earnings balance" as at 1 January 2018.

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	31.12.2018 USD	31.12.2017 USD
Notional amounts		
Financial assets	578	392
Financial liabilities	-	-
Short-term exposure	**578**	**392**
Financial assets	-	-
Financial liabilities	-	-
Long-term exposure	**-**	**-**

The table below presents the sensitivity of the period's result and 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%
	31.12.2018 USD		31.12.2017 USD	
Profit for the fiscal year (before taxes)	46	-46	30	-30
Net position	46	-46	30	-30

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

The Group invested in AML, whose local currency is Moroccan Dirham. This investment is affected 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 its customers.

Furthermore, the Group has obtained bank guarantees from the 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	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Derivatives	2,738	4,433	-	-
Cash and cash equivalents	59,424	44,099	39	2,182
Trade and other reseivables	48,360	47,278	1	2
Total	**110,522**	**95,810**	**40**	**2,184**

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.

	31.12.2018	31.12.2017
Are not in delay and are not impaired	45,801	43,905
< 90days	-	-
91 - 180 days	-	-
181 - 360 days	-	1,567
> 360 days	-	-
Total	**45,801**	**45,472**

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 systematic monitoring its short and long term financial liabilities and the payments 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”).

At 31.12.2018 the Group presents a negative working capital as short-term liabilities exceed current assets by Euro 26,121 thousand with the most significant part of short-term liabilities being related to short-term borrowings (amount of Euro 71,583 thousand) due to repayment on the basis of contractual conditions in the next 12 months. Regarding the process of repayment of the loan liabilities, the Group's Management entered into an agreement with a banking institution regarding the amount of Euro 20mln in April 2019. For the remaining temporary working capital difference of 6mln the management considers that it will be covered by the projected cash flows.

The maturity of the financial liabilities as of 31.12.2018 and 31.12.2017 of the Group and the Company is analysed as follows:

GROUP

31.12.2018	Short-term		Long-term	
	Within 6 months	6 to 12 months	1 to 5 years	more than 5 years
Long-term borrowing	52,241	10,976	273,718	-
Liabilities relating to operating lease agreements	614	648	784	-
Trade payables	39,059	-	-	-
Other short-term / long-term liabilities	51,685	-	-	-
Short-term borrowing	7,104	-	-	-
Derivative financial instruments	10,732	-	-	-
Total	**161,435**	**11,624**	**274,502**	**-**

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**

COMPANY

31.12.2018	Short-term		Long-term	
	Within 6 months	6 to 12 months	1 to 5 years	more than 5 years
Long-term borrowing	-	450	17,027	-
Trade payables	243	-	-	-
Other short-term liabilities	345	-	-	-
Liabilities relating to advances for SCI	-	-	-	-
Total	**588**	**450**	**17,027**	**-**

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**	**-**	**-**	**-**

The total borrowings of the Group on 31.12.2018 amounted to Euro 346,085 thousand.

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

The Group has been and continues to monitor developments in the issue of capital controls as a result of the Legislative Act dated 28.6.2015 and any subsequent legislative acts until now.

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

3.1.5. Interest rate risk

The Group was exposed to market variations 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 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 conditions.

Sensitivity analysis

	Sensitivity factor		Sensitivity factor	
	1%	-1%	1%	-1%
	31.12.2018		**31.12.2017**	
Profit for the financial year (before taxes)	-3,461	3,461	-2,387	2,387
Net position	-3,461	3,461	-2,387	2,387

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 2018 and 31 December 2017.

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 2018 and 2017 were as follows:

	31.12.2018	31.12.2017
Total Borrowings	346,085	238,733
Less: Cash and Cash Equivalents	59,424	44,099
Net debt	286,661	194,634
Equity	410,581	402,915
Total capital employed	697,242	597,549
Gearing ratio	41%	33%

3.1.7. Fuel prices fluctuation risk

The Group, as all the shipping companies, is significantly affected by the volatility of fuel prices. It is to be noted that the cost of fuel and lubricants is the most significant operating cost and represents 47% of Attica Group's operating expenses for the fiscal year 2018.

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

Increase/ (Decrease) in fuel oil prices	Effect on profit before taxes	Effect on equity
+/- 10%	-/+ 13,510	-/+ 13,510

The Group has hedged part of the risk arising from fluctuation in fuel prices.

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	Anek Lines / Aegean Speed Lines / Sea Jets / Golden Star Ferries
Piraeus - Dodecanese	Anek Lines
Piraeus - Crete	Minoan Lines

3.2. Determination of fair values

The fair value of financial instruments, traded 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» the Company measures its investments in accordance with the provisions 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:

• Risk-free return,

• Country risk premium,

• Equity risk premium.

Accordingly, for the years 2019 – 2023, the WACC was determined at 10.30%, while for the years onwards at 8.56%.

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

4.3. Other financial assets and liabilities carried at fair value

The following table presents financial assets and liabilities carried at fair value as at 31.12.2018:

	GROUP			
Measurement of financial instruments at fair value	**Measurement at fair value as at 31.12.2018**			
	31.12.2018	Level 1	Level 2	Level 3
Investments in subsidiaries	-	-	-	-
Financial assets / liabilities	-		-	
Derivatives	-7,994	-	-7,994	-
Total	-7,994	-	-7,994	-

	COMPANY			
Measurement of financial instruments at fair value	**Measurement at fair value as at 31.12.2018**			
	31.12.2018	Level 1	Level 2	Level 3
Investments in subsidiaries	579,194	-	-	579,194
Derivatives	-	-	-	-
Total	579,194	-	-	579,194

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 note 7.15 "Investments in subsidiaries".

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

In the financial statements of the fiscal year 2018, HELLENIC SEAWAYS MARITIME COMPANY S.A. has been consolidated for the first time after the acquisition on 31.5.2018. Details on the acquisition of the HELLENIC SEAWAYS MARITIME COMPANY S.A. are presented in note 5.3.

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 2017. The exception to the above is the subsidiary company Attica Premium S.A., which was 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 subsidiary company Nordia M.C., acquired 49% of the Moroccan company AFRICA MOROCCO LINKS "AML". AML is consolidated under the equity method in the financial statement of Attica Group and is established in Tanger (Morocco). AML operates in Tangier Med (Morocco) - Algeciras (Spain) route.

Furthermore, Attica Group participated through its 100% subsidiary company Nordia M.C, in the share capital increase of Africa Morocco Links with a cash amount of Euro 8,290 thousand.

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".

5.3. Business Combinations
5.3.1. Acquisition of control over Hellenic Seaways Maritime S.A. by Attica Group

With the unanimous decision of the Plenary Session of the Competition Commission no 658/2018 (April 2018) it was decided to approve the notified concentration concerning the acquisition of sole control by Attica Group on HSW.

The approval of the Competition Commission was made after commitments by the Group, which, in the opinion of the Commission, are adequate, sufficient and proportionate to ensure a healthy competition on Greek Ferries. The commitments are described in detail in the Press Release issued by the Competition Commission.

Within May 2018, the Group completed the acquisition of the majority of shares (50.3%) of "HELLENIC SEAWAYS S.A." (henceforth «HSW») in the framework of the agreement of 11.8.2017 with Piraeus Bank which is the other minority shareholder of HSW, as applicable, for the acquisition of a total of 39,039,833 shares of HSW for a total consideration of Euro 64.4mln.

Part of the price, amounting to Euro 30.61mln, was paid in cash by Attica Group's own funds, while the remaining amount due to the sellers was agreed to be repaid with the delivery to them of a total of 24,145,523 new shares of Attica Holdings SA.

By the decision of the Annual General Meeting of Shareholders at 26.6.2018, it was decided to increase the share capital of Attica Holdings S.A. by an amount of Euro 7.243.656,90 through the issue of 24.145.523 common registered shares of a nominal value of Euro 0.30 and a disposal price 1.80 each, by capitalizing receivables of "Piraeus Bank S.A." and one other minority shareholder of HSW. It was also decided to abolish the pre-emption rights of the old shareholders to this increase in order for the new shares to be distributed to HSW's shareholders. The new shares were listed on the Athens Stock Exchange on July 31, 2018.

Through the acquisition of control over HSW, Attica Group will achieve the critical size needed to compete successfully with the major European companies in the industry. The Group establishes the basis for its long-term viability and the attraction of capital needed for new investments, the development of activities and the strengthening of its capital structure.

The goodwill arising from the above acquisition included in the balance sheet item of the consolidated Statement of Financial Position was determined based on the book values of the acquired company as at 31.5.2018 and was temporary.

The procedures of determining the fair value of assets, liabilities and contingent liabilities of the acquire, the Purchase Price Allocation in accordance with the provisions of IFRS 3 "Business Combinations" and the consequent definitive determination of the relevant Goodwill were completed within the fourth quarter of 2018.

The final fair values in the Statement of Financial Position of the acquired company, the total acquisition consideration as well as the arising goodwill for the Group as at the acquisition date are analyzed as follows:

Amounts in Euro '000	**Fair value at the acquisition date**	**Book value at the acquisition date**
ASSETS		
Tangible assets	262,648	226,983
Intangible assets	5.830	88
Other non-current assets	1,155	1,155
Inventory	1,392	1,392
Trade and other receivables	10,188	10,227
Other current assets	12,386	20,871
Derivatives	1,030	1,030
Cash and Cash equivalents	7,338	7,338
Accrued pension and retirement obligations	-1,435	0
Deferred tax liability	-960	-960
Long-term borrowings	-131,601	-131,601
Long-term provisions	-652	-117
Trade and other payables	-25,217	-25,217
Short term borrowings	-10,993	-10,993
Other short-term liabilities	-24,482	-24,477
Total Equity	**106,627**	**75,719**
Acquisition percentage	50.30%	50.30%
Net Assets acquired	**53,633**	**38,087**

Purchase Consideration	**Fair value at the acquisition date**	**Book value at the acquisition date**
Cash paid	25,607	25.607
Investment Portfolio	5,000	5,000
Fair value of equity instruments exchanged	33,804	33,804
Total purchase consideration	**64,411**	**64,411**
Less: Fair value of net assets acquired	-53,633	-38,087
Goodwill	**10,778**	**26,324**

Net Cash flows from the acquisition:	**Fair value at the acquisition date**	**Book value at the acquisition date**
Cash paid	25,607	25,607
Investment Portfolio	5,000	5,000
Less: Cash and cash equivalents acquired	-7,338	-7,338
Net Cash outflow / inflow	**23,269**	**23,269**

The fair value of the 24,145,523 shares issued and included in the calculation of the consideration was calculated based on the price prevailing on the Athens Stock Exchange at the date of acquisition.

5.3.2. Readjustments under finalization of initial accounting treatment of acquisition (dated 31.5.2018) of Hellenic Seaways Maritime S.A.

Significant variations in the items of consolidated Statement of Financial Position of the acquired group, arising from finalization of the relevant fair values are as follows:

- Fair values of vessels were recognized as at the acquisition date, based on valuator reports. The total additional value amounted to Euro 29.2mln.
- Intangible assets of total value Euro 5.7mln were recognized. HSW trademark was valued applying the "relief-from-royalty" method.
- The useful life was determined indefinitely and will be reviewed annually for impairment. Also, a deferred tax liability was recognized in the amount of Euro 1.4mln.
- Trade and other current assets totaling Euro 2mln were derecognised.
- Additional provisions for litigations and other cases standing at Euro 0.5mln were recognized.
- Other non-controlling interest amounting to Euro 15.4mln were recognized.

5.3.3. Measurement of non-controlling interests

The measurement of non-controlling interests as at 31.5.2018 was based on the proportional share of the current property rights over the recognized amounts of the net assets of the acquired company.

5.3.4. Contribution of Hellenic Seaways Maritime S.A. to the Group's financial results

The acquisition of HSW resulted in an increase in the Group's assets, liabilities and profits after tax by Euro 248,442 thousand (29% of the total assets of the Group), Euro 155,081 thousand (34% of total liabilities of the Group) and Euro 14,908 thousand (65% of total profits after tax) respectively.

If the acquisition had taken place from 1.01.2018, then the consolidated turnover would be increased by Euro 31,569 thousand, while the consolidated profits before tax would be decreased by Euro 14,515 thousand. The effect shall not be regarded indicative for the results to be achieved by the Group on a consolidated basis in the future.

Analytical income statement in case the acquisition had taken place as at 1.1.2018 would be as follows:

Income Statement Amounts in € '000	**Attica (a)**	**HSW (b)**	**Adjustments (c)**	**1.1-31.12.2018 (c)**
Sales	272,327	134,143	-9,499	396,971
Cost of sales	-221,202	-113,880	5,793	-329,289
Gross profit	**51,125**	**20,263**	**(3,706)**	**67,682**
Administrative expenses	-25,851	-12,432	-	-38,283
Distribution expenses	-19,018	-7,164	-	-26,183
Other income	934	1,108	-	2,043
Other expenses	-	-	-	-
Operating profit	**7,190**	**1,775**	**-3,706**	**5,259**
Other financial results	9,968	1,283	-	11,251
Finance costs	-24,078	-4,370	-	-28,447
Financial income	205	14	-	219
Share in net profit (loss) of companies accounted for by the equity method	427	-	-	427
Impairment of tangible and intangible assets	-	-854	-55	-909
Profit/(Loss) from disposal of property, plant and equipment	15,804	2,651	-2,651	15,804
Profit before income tax	**9,516**	**500**	**-6,412**	**3,605**
Income tax	-316	-106	-	-423
Profit for the period	**9,200**	**394**	**-6,412**	**3,182**
Owners of the parent	9,200	394	-	3,178
Non-controlling interests	-	-	-	5

The adjustments pertain to the following issues:

- Write-off of intra-group sales and cost of sales amounting to Euro 9,499 thousand for the period 1.1.2018-31.12.2018.
- Additional cost of sales of Euro 3,706 thousand due to the vessels depreciation at a consolidated level arising their valuation at fair value after finalization of acquisition cost allocation at the date of HELLENIC SEAWAYS MARITIME S.A. acquisition.
- Additional expense of Euro 55 thousand due vessels impairment on a consolidated basis arising from different values from their valuation at fair values at the date of HELLENIC SEAWAYS MARITIME S.A. acquisition.
- Elimination of profit from sale of HighSpeed7 at a consolidated level due to the vessel valuation at fair value after finalization of acquisition cost allocation at the date of HELLENIC SEAWAYS MARITIME S.A. acquisition.

5.3.5. Acquisition of HSW additional percentage

In June 2018, the Group completed the acquisition of an additional 48.53% of the share capital of HSW in the implementation of as of 26.10.2017 agreement with Minoan Lines on the acquisition of a total of 37,667,504 shares of HSW for a cash consideration of Euro 78.5mln.

Under the same agreement, Attica Group sold the vessel SUPERFAST XII to Grimaldi Group company for Euro 74.5mln cash consideration and HSW for the sale of the HIGHSPEED 7 vessel to Minoan Lines for a cash consideration of Euro 25mln.

Following the above transaction, the Group holds 98.83% of the total share capital of HSW.

The previously mentioned transaction is a change in non-controlling interests without altering the control in HSW and has been accounted for under IFRS 10.

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.

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.

The subsidiary company HELLENIC SEAWAYS MARITIME S.A. participates in the Blue Star Ferries Maritime S.A. & Co Joint Venture from 1.10.2018.

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 31.12.2018 between the Group's companies arising from its corporate are the following:

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 50,137 thousand.

The 100% subsidiary companies Attica Ferries M.C. and Blue Star M.C. returned part of their share capital to the parent company Attica Holdings S.A. due to their share capital decrease. The capital return amounts Euro 20,465 thousand and Euro 24,389 thousand respectively.

The parent company participated in the share capital increases of its 100% subsidiaries companies Nordia M.C. and Superfast Endeka INC with the amount of Euro 8,390 thousand and Euro 2,000 thousand respectively.

Furthermore, the parent company has an amount of Euro 2,810 thousand as receivable dividend arising from its 100% subsidiary company Attica Ferries Maritime S.A. Also, Attica Holding S.A. received from the above company the amount of Euro 1,410 thousand as dividend.

The intercompany transactions between Attica Group and HELLENIC SEAWAYS MARITIME S.A. have as follows:

- Sales stood at 6,335 thousand;
- Purchases stood at Euro 3,164 thousand;
- Receivables stood at Euro 6,822 thousand; and
- Payables stood at Euro 5,645 thousand.

The intercompany transactions between Attica Group and Africa Morocco Links have as follows:
- Purchases stood at Euro 318 thousand;
- Receivables stood at Euro 11,645 thousand; and
- Payables stood at Euro 454 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

	31.12.2018			
	MARFIN INVESTMENT GROUP		PIRAEUS BANK GROUP	
	GROUP	COMPANY	GROUP	COMPANY
Sales	14,826	-	16	-
Purchases	4,924	-	3,150	532
Receivables	2,485	-	27,817	31
Payables	7,628	-	187,430	17,551

The intercompany transactions with Piraeus Bank Group refers to interest income, bank financial expenses, deposits and borrowings.

6.2. Participation of the members of the Board of Directors in the Board of Directors of other companies

a) Participation of the executive members of the Board of Directors in 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 (Chief Executive Officer, executive member) is a member of Greek Ship-owners' Association for Passenger Ships, a member of Association of Greek Coastal Shipping Companies and also BoD member of the company Africa Morocco Links.

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

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

Mr. Panagiotis Throuvalas non-executive member, Mr. George Efstratiadis, non-executive member and Mr. Anastasios Kyprianidis, independent, non-executive member participate for the fiscal year 2018 in the Board of Directors of Marfin Investment Group Holdings S.A. and participate in the Board of Directors of a number of companies where MIG has a participation percentage and in other companies.

Mr. Michael Sakellis, 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 226,976 thousand.

6.4. Board of Directors and Executive Directors' Fees

Board of Directors and Executive Directors' Fees include salaries, fees, employers' compensation, social security costs and related expenses and stood at Euro 2,4mln for the fiscal year 2018 (Euro 2,3mln for the fiscal year 2017). Furthermore, the provisions for personnel benefits after retirement, based on the decision of the General Meeting of Shareholders dated 16.5.2017, stood at Euro 3.6mln for the fiscal year 2018 (Euro 0.6mln for the year Fiscal year 2017).

7. Information for the Financial Statements for the period 1.1.2018 to 31.12.2018

The consolidation of HELLENIC SEAWAYS MARITIME S.A on 31.12.2018 has affected, on a percentage basis, the key elements of Attica Group's Statement of Comprehensive Income and Statement of Financial Position as follows:

7.1. Operating Segment - 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 regarding the Group's business decisions.

For the purposes of presentation of operating segments, it 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 International Routes. 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 of 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 1.1.2018 – 31.12.2018 are as follows:

GROUP

Geographical Segment	1.1-31.12.2018 Domestic Routes	International Routes	Other *	Total
Income elements				
Fares	266,732	83,893	-	350,625
On-board Sales	10,093	4,683	-	14,776
Total Revenue	276,825	88,576	-	365,401
Operating Expenses	-219,304	-71,531	-	-290,835
Administration & Distribution Expenses	-43,639	-13,688	-1,266	-58,593
Other revenue / expenses	920	796	-	1,716
Earnings before taxes, investing and financial results	14,802	4,153	-1,266	17,689
Financial results	-12,688	-2,163	-473	-15,324
Impairment of assets	-909	-	-	-909
Profit (loss) on sale of assets	15,804	-	-	15,804
Share in net profit (loss) of companies accounted for by the equity method	-	427	-	427
Earnings before taxes, investing and financial results, depreciation and amortization	53,821	4,444	-1,264	57,001
Profit/Loss before Taxes	17,009	2,417	-1,739	17,687
Income taxes	-372	-43	-	-415
Profit/Loss after Taxes	16,637	2,374	-1,739	17,272
Customer geographic distribution				
Greece	327,699			
Europe	31,354			
Third countries	6,348			
Total Fares & Travel Agency Services	365,401			

Geographical Segment	1.1-31.12.2018 Domestic Routes	International Routes	Other *	Total
Assets and liabilities figures				
Vessels' Book Value at 1.1	361,310	170,487	-	531,797
Additions	10,700	2,187	-	12,887
Additions from subsidiaries consolidated for the first time	306,592	66,784	-	373,376
Impairments	-854	-	-	-854
Disposals	-127,441	-	-	-127,441
Reclassifications	432	-	-	432
Depreciation of disposals	46,863	-	-	46,863
Depreciation for the Period	-29,938	-8,388	-	-38,326
Accumulated depreciations from subsidiaries consolidated for the first time	-82,362	-28,946	-	-111,308
Net Book Value of vessels at 31.12	485,302	202,124	-	687,426
Other tangible Assets	-	-	2,929	2,929
Total Net Fixed Assets	485,302	202,124	2,929	690,355
Long-term and Short-term liabilities	274,727	71,358	-	346,085

* The column “Other” includes the parent company and items which can not be allocated.

The consolidation of HELLENIC SEAWAYS MARITIME S.A. during the fiscal year 2018 (as of 1.6.2018), resulted in increased revenue by 26%.

In the operating segment, the item "International routes" includes chartering revenue of Euro 12.2mln for the fiscal year 2018 compared to Euro 18.4mln in the fiscal year 2017.

Agreements sheet of Assets and Liabilities at 31.12.2018

Net Book Value of Tangible Assets	Euro	690,355
Unallocated Assets	Euro	173,920
Total Assets	Euro	864,275
Long-term and Short-term liabilities	Euro	346,085
Unallocated Liabilities	Euro	107,537
Total Liabilities	Euro	453,622

The consolidated results and other information per segment for the period 1.1.2017 – 31.12.2017 are as follows:

GROUP

	1.1-31.12.2017			
Geographical Segment	Domestic Routes	International Routes	Other*	Total
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**	46,802	14,035	-1,288	59,549
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			

	1.1-31.12.2017			
Geographical Segment**	Domestic Routes	International Routes	Other	Total
Assets and liabilities figures				
Vessels' Book Value at 1.1	380,464	176,119	-	556,583
Additions	2,657	2,842	-	5,499
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	-23,847	-9,235	-	-33,082
Net Book Value of vessels at 31.12	361,309	170,487	-	531,797
Other tangible Assets	-	-	1,916	1,916
Total Net Fixed Assets	361,309	170,487	1,916	533,713
Long-term and Short-term liabilities	183,091	55,642	-	238,733

* The column "Other" includes the parent company and items that can not be allocated.
** The items for the comparative annual period ended 31.12.2017 and 31.12.2016 are restated due to a change in the Group's accounting policies.Further details are presented in note 9.1 of the Financial Statements.

Agreements sheet of Assets and Liabilities at 31.12.2017

Net Book Value of Tangible Assets	Euro	533,713
Unallocated Assets	Euro	145,639
Total Assets	Euro	679,352
Long-term and Short-term liabilities	Euro	238,733
Unallocated Liabilities	Euro	37,704
Total Liabilities	Euro	276,437

Revenue from Fares in Domestic routes includes grants received for public services amounting Euro 23,874 thousand for the period 1.1.2018 – 31.12.2018 (HSW consolidation from 1.6.2018) and Euro 11,683 thousand for the period 1.1.2017 – 31.12.2017.

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

Cost of sales, administrative and distribution expenses as stated in the Income Statement for the period ended 31.12 2018 and 2017 are presented below as follows:

31.12.2018	GROUP				COMPANY
	Cost of sales	Administrative expenses	Distribution expenses	Total	Administrative expenses
Retirement benefits, Wages and Other employee benefits	66,111	25,499	-	**91,610**	336
Inventory cost	611	-	-	**611**	-
Tangible Assets depreciation	38,364	417	-	**38,781**	1
Intangible Assets depreciation	-	531	-	**531**	1
Third party expenses	-	2,133	-	**2,133**	638
Third party benefits	-	261	-	**261**	-
Telecommunication Expenses	-	326	-	**326**	-
Operating leases rentals	-	879	-	**879**	45
Taxes & Duties	-	782	-	**782**	8
Fuels - Lubricant	137,177	-	-	**137,177**	-
Provisions	177	-	91	**268**	-
Insurance	5,400	178	-	**5,578**	126
Repairs and maintenance	20,644	1,404	-	**22,048**	9
Other advertising and promotion expenses	-	-	4,398	**4,398**	-
Sales commission	-	-	20,600	**20,600**	-
Port expenses	13,642	-	-	**13,642**	-
Other expenses/Chartering expenses	4,459	815	-	**5,274**	54
Donations	-	76	-	**76**	48
Transportation expenses	-	76	-	**76**	-
Consumables	4,250	127	-	**4,377**	-
Total	**290,835**	**33,504**	**25,089**	**349,428**	**1,266**

The consolidation of HELLENIC SEAWAYS MARITIME S.A. in the Group during the fiscal year 2018 (as of 1.6.2018), resulted in increased cost of sales by 24%, administrative expenses by 23% and distribution expenses by 24%.

Apart from the above, cost of sales has been affected by the increase in fuel prices in the fiscal year 2018. Furthermore, administrative expenses have been affected by the personnel retirement cost as presented in note 6.4.

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	33,082	418	-	**33,500**	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	16,598	819	-	**17,417**	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**

* The effect of change in accounting policy affected vessels' depreciation as well as repairs and maintenance without affecting the total cost of sales.

The effect of fuel prices fluctuation on the income statement of the Group and mitigating actions are presented in note 3.1.7.

For the fiscal year ended December 31, 2018, the Group's administrative expenses include statutory auditors' fees of Euro 121 thousand relating to services apart from the audit of the financial statements.

7.3. Other Operating Income

Other operating income, as stated in the Income Statement for the period ended 31.12 2018 and 2017, is presented bellows as follows:

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Income from subsidies	88	205	-	-
Compensations	-	436	-	-
Income from services provided	195	113	-	-
Income from reversal of unrealized provisions	290	78	-	-
Other income	1,143	4,182	-	-
Total other opeating income	**1,716**	**5,014**	**-**	**-**

The consolidation of HELLENIC SEAWAYS MARITIME S.A. in the Group during the fiscal year 2018 (as of 1.6.2018), resulted in increased other operating Income by 46%.

7.4. Impairment of assets

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Impairment of investments	-	-	-	-
Impairment of tangible assets	909	-	-	-
Total impairment of tangible assets	**909**	**-**	**-**	**-**

7.5. Other financial results

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Profit / Loss from fair value valuation of other financial assets	-13	-	-	-
Results from derivatives (fuels)	11,136	-1,156	-	-
Foreign exchange gains	82	82	-	-
Foreign exchange losses	-197	-95	-1	-1
Total other financial results	**11,008**	**-1,169**	**-1**	**-1**

Results from derivatives (fuels) refers to partial hedging of the fuel price fluctuation risk for contracts settled within 2018.

The Group's policy on derivative financial instruments relates only to cash flow hedges pertaining to the change in fuel prices. The hedging contracts of the Group are short-term and are of SWAP type. The accounting policy regarding derivatives is presented in note 2.20. The receivables and liabilities of derivatives are presented separately in the Statement of Financial Position.

The consolidation of HELLENIC SEAWAYS MARITIME COMPANY S.A. in the Group during the fiscal year 2018 (as of 1.6.2018), resulted in increased other financial results by 9%.

Foreign exchange differences were created mainly from the revaluation at 31.12.2018 of the balances of the cash and cash equivalents and payables in foreign currencies.

7.6. Financial expenses

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Interest expenses from long-term loans	1,083	1,568	-	-
Interest expenses from short-term loans	247	-	-	-
Interest expenses from bonds	17,840	15,613	437	-
Interest expenses from finance leases	201	289	-	-
Total interest expenses from loans	**19,371**	**17,470**	**437**	**-**
Financial cost of repayment of the convertible bond loan	4,126	-	-	-
Charge from retirement employee benefits	59	33	1	1
Commission for guaranties	51	52	1	1
Other interest related expenses	2,944	685	33	3
Total financial expenses	**26,551**	**18,240**	**472**	**5**

The figures "Financial cost of repayment of the convertible bond loan" and "Other interest related expenses" include the financial costs arising from the early repayment of Fortess Investment Group's bond loans.

The consolidation of HELLENIC SEAWAYS MARITIME COMPANY S.A. in the Group during the fiscal year 2018 (as of 1.6.2018), resulted in an increase of 9% in other financial expenses.

7.7. Financial income

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Bank interest	28	29	-	3
Other interest related income:	191	42	-	-
Total financial income	**219**	**71**	**-**	**3**

The consolidation of HELLENIC SEAWAYS MARITIME COMPANY S.A. in the Group during the fiscal year 2018 (as of 1.6.2018), resulted in an increase of 7% in financial income.

7.8. Share in net profit (loss) of companies accounted for under the equity method

The account "Share in net profit (loss) of companies accounted for by the equity method" includes a profit of Euro 427 thousand, which refers to Attica Group's share in Africa Morocco Links (AML) results.

7.9. Profit / (loss) from sale of assets

The account "Profit / (loss) from sale of assets" refers to the sold vessel Superfast XII.

7.10. Income taxes

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

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Tax according to Law 27/75	184	99	-	-
Income tax provision	-	-	-	-
Income tax - Other taxes	73	548	-	-
Defferred Assets	158	-340	-	-
Total	**415**	**307**	**-**	**-**

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

The parent company has been audited by tax authorities until the fiscal year 2008. For the fiscal years 2011-2017 the parent company was audited by the statutory Auditors and received Unqualified Conclusion Tax Compliance Certificate.

The unaudited fiscal years for the subsidiaries of the Group are presented in the table in note 7.15 "Investments in subsidiaries".

The subsidiaries of ATTICA HOLDINGS S.A. have 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 tax audit.

Tax Compliance Report

Starting from 2011, the Group's companies, domiciled in Greece, have been audited by statuary auditors and received unqualified conclusions tax certificates until the fiscal year ended 2017. The tax certificates for 2018 will be issued until October 2019.

For the fiscal years 2011 until 2017, the Company (and the Group's companies which are based in Greece) were submitted to a special tax audit conducted by Certified Public Accountants, in addition to the financial management audit, in order to assure the company's compliance with article 82 of law 2238/1994 and article 65A of law 4174/2013 and received Unqualified Opinion Tax Compliance Report. It should be noted that according to circular POL1006/2016, 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 estimates that, in case of statutory tax audits, there will be no additional tax differences significantly affecting the financial statements.

For fiscal year 2018, the tax audit is in progress and is not expected to significantly affect 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, are not subject to the aforementioned taxation audit and their tax audit is conducted by the tax authorities.

7.11. Earnings per share – basic

Earnings 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	
	1.1-31.12.2018	1.1-31.12.2017	1.1-31.12.2018	1.1-31.12.2017
Profit / (loss) attributable to shareholders of the parent company	17,110	1,247	1,371	1,817
The weighted average number of ordinary shares	202,443,115	191,660,320	202,443,115	191,660,320
Earnings per share - basic (in Euro)	**0.0845**	**0.0065**	**0.0068**	**0.0095**
Diluted earnings per share (in Euro)	**-**	**-0.0007**	**-**	**-0.0769**

7.12. Tangible assets

The vessels of the Group have been mortgaged as security of the long-term borrowings for the amount of Euro 932,524 thousand.

Within the current year, the Group changed the accounting policy for recognition of inspections / replacements (note 9.1 of the financial statements).

The consolidation of HELLENIC SEAWAYS MARITIME COMPANY S.A. in the Group during the fiscal year 2018 (as of 1.6.2018), resulted in an increase of 33% in Tangible assets.

The depreciation analysis is presented in the following table.

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Vessels	38,364	33,082	-	-
Office	948	852	2	2
Total	**39,312**	**33,934**	**2**	**2**

GROUP
TANGIBLE ASSETS

	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**
Change in accounting policy	10,932	-	-	-	-	10,932
Net book value at 1.1.2017 (restated)	**556,582**	**1,737**	**0**	**282**	**238**	**558,840**
Additions	5,499	-	-	124	74	5,697
Reclassifications	-	-	-	-	-123	-123
Reversal of impairments	2,797	-	-	-	-	2,797
Depreciation charge	-33,082	-271	-	-145	-	-33,498
Depreciation of disposals	-	-	-	-	-	-
Cost of valuation at 31.12.2017	884,156	4,274	81	9,042	189	897,742
Accumulated depreciation	-352,360	-2,808	-81	-8,781	-	-364,029
Net book value at 31.12.2017	**531,796**	**1,466**	**0**	**261**	**189**	**533,713**

	Vessels	Buildings	Vehicles	Furniture & Fittings	Construction in progress	Total
Book value at 1.1.2018	884,156	4,274	81	9,042	189	897,742
Accumulated depreciation	-352,360	-2,808	-81	-8,781	-	-364,029
Net book value at 1.1.2018	**531,796**	**1,466**	**0**	**261**	**189**	**533,713**
Additions	12,887	-	-	353	1,053	14,293
Additions from subsidiaries consolidated for the first time	373,431	191	84	3,100	-	376,806
Disposals	-127,441	-338	-72	-2,296	-	-130,147
Other transfers	432	-	-	-432	-	0
Impairment losses recognised in P&L	-909	-	-	-	-	-909
Reversal of impairments	-	-	-	-	-	0
Depreciation charge	-38,326	-269	-	-182	-	-38,777
Accumulated depreciations of acquisitions through business combinations	-111,308	-181	-78	-2,591	-	-114,158
Depreciation of disposals	46,863	338	69	2,264	-	49,534
Cost of valuation at 31.12.2018	1,142,556	4,127	93	9,767	1,242	1,157,785
Accumulated depreciation	-455,131	-2,920	-90	-9,290	-	-467,430
Net book value at 31.12.2018	**687,425**	**1,207**	**3**	**477**	**1,242**	**690,355**

Due to the changes in the Group's accounting policy, the figures of the corresponsive annual period ended 31.12.2017 and 31.12.2016 are restated. See note 9.1 of the Financial Statements.

The Management, as part of the acquisition of HSW on 31.05.2018 and the Group's accounting estimates made a reassessment of the useful lives of all vessels, taking into account notes 56-57 of IAS 16 Property, Plant and Equipment, as well as the current in particular, the technical characteristics, the level of maintenance, the maintenance practice traditionally followed by the Group as well as the vessel's operational scheme. The useful life of conventional vessels was set at 35 years from 30 years, while for high-speed and dolphins to 25 years from 15 years respectively. The Management assesses that the change in the accounting policy as representative and within the framework of the sector. The positive effect from the above modification, which was reflected in the Group's results for the year 2018, amounted to Euro 4.125 thousand.

COMPANY
TANGIBLE ASSETS

	Vessels	Buildings	Vehicles	Furniture & Fittings	Construction in progress	Total
Book value at 1.1.2017	-	126	22	283	3	434
Accumulated depreciation	-	-119	-22	-283	-3	-427
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	3	434
Accumulated depreciation	-	-120	-22	-283	-3	-428
Net book value at 31.12.2017	**-**	**6**	**0**	**0**	**0**	**6**

	Vessels	Buildings	Vehicles	Furniture & Fittings	Construction in progress	Total
Book value at 1.1.2018	-	126	22	283	-	434
Accumulated depreciation	-	-120	-22	-283	-	-428
Net book value at 1.1.2018	**-**	**6**	**0**	**0**	**-**	**6**
Additions	-	-	-	-	-	-
Depreciation charge	-	-1	-	-	-	-1
Cost of valuation at 31.12.2018	-	126	22	283	-	434
Accumulated depreciation	-	-121	-22	-283	-	-429
Net book value at 31.12.2018	**-**	**5**	**0**	**0**	**-**	**5**

GROUP
Tangible assets (held under Finance Lease)

	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**

	Vessels	Vehicles	Furniture & Fittings	Total
Book value at 1.1.2018	6,519	57	1,050	7,626
Accumulated depreciation	-3,844	-57	-1,050	-4,951
Net book value at 1.1.2018	**2,675**	**0**	**0**	**2,675**
Additions	673	-	-	673
Depreciation charge	-1,927	-		-1,927
Cost of valuation at 31.12.2018	7,192	57	1,050	8,299
Accumulated depreciation	-5,771	-57	-1,050	-6,878
Net book value at 31.12.2018	**1,421**	**0**	**0**	**1,421**

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

	31.12.2018
Short-term finance leases	1,262
Long-term finance leases	784
Total finance leases	**2,046**

The minimum financial lease payments under finance leases and the present value of the net minimum lease payments on December 31, 2018 are as follows:

	31.12.2018	
	Minimum payments	Present value
Within 1year	1,369	1,262
Between 2-5 years	799	784
More than five years	-	-
	2,168	**2,046**
Less: Finance charges	-122	-
Minimum payments' current value	**2,046**	**2,046**

7.13. Goodwill

Goodwill arising from HELLENIC SEAWAYS MARITIME S.A. acquisition is analyzed as follows:

Goodwill was finalized on 31.12.2018, following the completion of acquisition cost allocation. Analytical information is presented in note 5.3 to Financial Statements.

Goodwill impairment test

On 31.12.2018, an impairment test was performed in respect of goodwill allocated to separate CGUs (Hellenic Shipping operating segment), determined based on the value in use, which was calculated using the discounted cash flows method. While determining value in use, the Management uses assumptions it considers reasonable, based on the best possible information at its disposal and effective as at Financial Statements reporting date. No need to derecognize goodwill has arisen from the impairment test.

Assumptions used for determining value in use.
In order to determine every CGU recoverable amount, the Group calculates value in use applying the method of the present value of estimated future cash flows. The key assumptions applied by the Group in order to determine estimated future cash flows are as follows:

• Market price assumptions - Operating assumptions:
The key operating assumptions mainly pertain to fuel prices, cost and time of the Group's vessels major maintenance and estimates of number of voyages, number of passengers and freight.

• Preparation of business plans per operating segment:
- Business plans are prepared based on a maximum 5-year period. Cash flows over 5 years are deduced using the estimates of growth rates listed below (1.6%).
- Business plans are based on newly prepared budgets and estimates.
- Business plans use pre-calculated profit margins and EBITDA, as well as future estimates applying reasonable assumptions.

Calculations applied in order to determine the recoverable amounts of operating segments were based on business plans approved by the Management, which included the necessary revisions, performed for the purposes of recording the current economic conditions, reflecting past experience, segment studies projections and other available information available from external sources.

• Weighted average cost of capital (WACC):
WACC method reflects the discount rate of future cash flows of every operating segment, according to which the cost of equity and the cost of long-term borrowing is weighted to calculate the cost of total capital. Since all cash flows of business plans are determined in euro, risk-free return was identified as the return on ten-year German State Bond. Risk premium was calculated based on the estimates arising from independent sources. Beta sensitivity indicators are annually evaluated on the basis of published market data. The Company's WACC has been estimated as 10.30% and as 8.56% in perpetuity.

Apart from the aforementioned estimates regarding determination of CGUs value in use, the Management is not aware of changes in circumstances that may have affected its remaining assumptions.

The Group has analyzed sensitivity of the recoverable amounts per operating segment in relation to a change of 0.5% to the basic assumption of the discount rate. The analysis has not indicated that an impairment loss may arise.

7.14. Intangible assets

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

GROUP
Intangible assets

	Trademarks	Computer Software	Total
Book value at 1.1.2017	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**

	Trademarks	Computer Software	Total
Book value at 1.1.2018	153	13,856	14,009
Accumulated depreciation	-152	-11,928	-12,080
Net book value at 1.1.2018	**1**	**1,928**	**1,929**
Additions	-	1,355	1,355
Acquisitions through business combinations	5,745	110	5,855
Depreciation charge	-1	-506	-507
Accumulated depreciations of acquisitions through business combinations	-	-25	-25
Cost of valuation at 31.12.2018	5,898	15,321	21,219
Accumulated depreciation	-153	-12,459	-12,612
Net book value at 31.12.2018	**5,745**	**2,862**	**8,607**

The consolidation of HELLENIC SEAWAYS MARITIME COMPANY S.A. in the Group during the fiscal year 2018 (as of 1.6.2018), resulted in an increase of 70% in intangible assets.

COMPANY
Intangible assets

	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**

	Trademarks	Computer Software	Total
Book value at 1.1.2018	153	181	334
Accumulated depreciation	-153	-180	-333
Net book value at 1.1.2018	**0**	**1**	**1**
Depreciation charge	-	-	-
Cost of valuation at 31.12.2018	153	181	334
Accumulated depreciation	-153	-180	-333
Net book value at 31.12.2018	**0**	**1**	**1**

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

a) Trademarks, the cost of which includes 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) The trademark / brand recognized on the completion of the acquisition cost allocation of HELLENIC SEAWAYS MARITIME COMPANY S.A. More in note 5.3 of the Financial Statements.

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

7.15. Investments in subsidiaries

The parent company measures its investments at fair value (see note 4.2).

	COMPANY
Initial Cost at 01.01.2017	507,814
Acquisitions/Increase in share capital of subsidiaries	7,403
Disposals/Decrease in share capital of subsidiaries	-7,400
Profit from adjustments added to Net Equity	36,241
Loss from adjustments added to Net Equity	-35,865
Value at 31.12.2017	**508,193**
Initial Cost at 01.01.2018	508,193
Acquisitions	137,911
Acquisitions/Increase in share capital of subsidiaries	10,390
Disposals/Decrease in share capital of subsidiaries	-94,990
Profit from adjustments added to Net Equity	107,358
Loss from adjustments added to Net Equity	-89,668
Value at 31.12.2018	**579,194**

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 50,137 thousand.

The 100% subsidiary companies Attica Ferries M.C. and Blue Star M.C. returned part of their share capital to the parent company Attica Holdings S.A. due to their share capital decrease. The capital return amounts Euro 20,465 thousand and Euro 24,389 thousand respectively.

The parent company participated in the share capital increases of its 100% subsidiaries Superfast Endeka Inc and Nordia M.C. with the amount of Euro 8,390 thousand, Euro 2,000 thousand respectively.

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

Investments in subsidiaries

The parent company participated, directly and indirectly, 100% in its subsidiaries. The only exception is HELLENIC SEAWAYS MARITIME COMPANY S.A., where the parent company's participating interest stands at 98.83%. 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.

	31.12.2018							
Subsidiary	**Carrying amount**	**Direct Shareholding %**	**Indirect Shareholding %**	**Country**	**Nature of Relationship**	**Consolidation Method**	**Unaudited fiscal years***	**Audited fiscal years****
NORDIA MC.	9,364	100.00%	-	GREECE	DIRECT	FULL	2010-2018	-
SUPERFAST FERRIES S.A.	-	100.00%	-	LIBERIA	DIRECT	FULL	2010-2018	-
SUPERFAST ENDEKA INC.***	41,324	100.00%	-	LIBERIA	DIRECT	FULL	2010-2011 / 2018	2012-2017
BLUE STAR FERRIES MARITIME S.A.	228,079	100.00%	-	GREECE	DIRECT	FULL	2010 / 2018	2011-2017
SUPERFAST ONE INC***	65,586	100.00%	-	LIBERIA	DIRECT	FULL	2010-2011 / 2018	2012-2017
SUPERFAST TWO INC***	65,782	100.00%	-	LIBERIA	DIRECT	FULL	2010-2011 / 2018	2012-2017
ATTICA FERRIES M.C.	-	100.00%	-	GREECE	DIRECT	FULL	2010-2018	-
BLUE STAR FERRIES MARITIME S.A. & CO JOINT VENTURE	-	0.00%	-	GREECE	UNDER COMMON MANAGEMENT	FULL	2009-2017 / 2018	-
ATTICA FERRIES MARITIME S.A.	81,840	100.00%	-	GREECE	DIRECT	FULL	-	2011-2017
BLUE STAR M.C.	10,171	100.00%	-	GREECE	DIRECT	FULL	2010-2017 / 2018	-
HELLENIC SEAWAYS MARITIME S.A.	74,027	97.22%	1.61%	GREECE	DIRECT	FULL	2017	2012-2017
Inactive companies								
SUPERFAST EPTA MC.	48	100.00%	-	GREECE	DIRECT	FULL	2010-2018	-
SUPERFAST OKTO MC.	30	100.00%	-	GREECE	DIRECT	FULL	2010-2018	-
SUPERFAST ENNEA MC.	15	100.00%	-	GREECE	DIRECT	FULL	2010-2018	-
SUPERFAST DEKA MC.	47	100.00%	-	GREECE	DIRECT	FULL	2010-2018	-
MARIN MC.	2,282	100.00%	-	GREECE	DIRECT	FULL	2010-2018	-
ATTICA CHALLENGE LTD	-	100.00%	-	MALTA	DIRECT	FULL	-	-
ATTICA SHIELD LTD	2	100.00%	-	MALTA	DIRECT	FULL	-	-
SUPERFAST DODEKA (HELLAS) INC.& CO JOINT VENTURE	-	0.00%	-	GREECE	UNDER COMMON MANAGEMENT	FULL	2009-2018	-
SUPERFAST PENTE INC.***	-	100.00%	-	LIBERIA	DIRECT	FULL	2010-2011 / 2014-2018	2012-2013
SUPERFAST EXI INC.***	468	100.00%	-	LIBERIA	DIRECT	FULL	2010-2011 / 2014-2018	2012-2013
SUPERFAST DODEKA INC.***	-	100.00%	-	LIBERIA	DIRECT	FULL	2010-2011 / 2014-2018	2012-2013
BLUE STAR FERRIES JOINT VENTURE	-	0.00%	-	GREECE	UNDER COMMON MANAGEMENT	FULL	2009-2018	-
BLUE STAR FERRIES S.A.	-	100.00%	-	LIBERIA	DIRECT	FULL	-	-
WATERFRONT NAVIGATION COMPANY	1	100.00%	-	LIBERIA	DIRECT	FULL	-	-
THELMO MARINE S.A.	77	100.00%	-	LIBERIA	DIRECT	FULL	-	-
BLUE ISLAND SHIPPING INC.	29	100.00%	-	PANAMA	DIRECT	FULL	-	-
STRINTZIS LINES SHIPPING LTD.	22	100.00%	-	CYPRUS	DIRECT	FULL	-	-
BLUE STAR FERRIES M.C.	-	100.00%	-	GREECE	DIRECT	FULL	2010-2018	-
HELLENIC SEAWAYS CARGO M.C.	-	97.22%	1.61%	GREECE	DIRECT	FULL	2013-2018	-
HELLENIC SEAWAYS MANAGEMENT S.A	-	97.22%	1.61%	LIBERIA	DIRECT	FULL	2010-2018	-
WORLD CRUISES HOLDINGS LTD	-	97.22%	1.61%	LIBERIA	DIRECT	FULL	-	-
HELCAT LINES S.A	-	97.22%	1.61%	MARSHALL ISLANDS	DIRECT	FULL	-	-

* By tax authorities. It should be noted that on 31.12.2018 the fiscal years until 31.12.2012 were canceled in accordance with paragraph 1 of Article 36 N.4174 / 2013.
** Tax Compliance Report by Certified Auditors.
*** Liberian companies which have a branch in Greece and the tax audit concerns the branches.

The balances shown in the participations of the inactive companies are related to transactions with other companies of the Group. The balances of Marin M.C. and Superfast Exi Inc will be closed within the next fiscal year without affecting the Group's results.

The Group companies, audited by the Certified Public Auditor received for the fiscal year 2017 an Unqualified Conclusion Tax Compliance Certificate.

7.16. Investments in Associates 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). Furthermore, Attica Group participated through its 100% subsidiary company Nordia M.C, in the share capital increase of Africa Morocco Links with a cash amount of Euro 8,290 thousand.

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

The above investment is considered as Joint Venture and is consolidated under the equity method in the financial statements of Attica Group. The Group's results for the presented period and specifically, the account "Share in net profit (loss) of companies accounted for by the equity method" includes the share of the results of AML, which is a profit of Euro 427 thousand.

7.17. Other non-current assets

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31/12/2017
Guarantees	1,533	340	7	8
Other long term receivables	1,121	8,224	-	-
Net Boon Value	**2,654**	**8,564**	**7**	**8**

The consolidation of HELLENIC SEAWAYS MARITIME COMPANY S.A. in the Group during the fiscal year 2018 (as of 1.6.2018), resulted in an increase of 43% in other non-current assets.

Non-current receivables are as follows:

a) The Group has received 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. 30% of the total project. This subsidy was approved by the Ministry of Finance on June 29, 2007 and meets all the provisions of IAS 20 “Accounting for government grants and disclosure of government assistance”. The Group received the amount of Euro 540 thousand. The audit of the competent authorities for the proceed of the remaining amount is in progress (see note 2.15.1.).

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), EKO, etc.

During 2018, the Group received the advance payment made for the acquisition of financial instruments (see note 7.17 of the Annual Financial Statements of 2017).

7.18. Deferred tax assets

Deferred income taxes arise 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 1.1.2018	**(Debit)/Credit to P&L**	**Acquisitions of subsidiaries**	**Balance as of 31.12.2018**
Defferred Assets/(Liabilities)				
Tangible assets	-710	325	-	-385
Intangible assets	-	-	-1,435	-1,435
Trade and other receivables	59	-8	-	51
Other current assets	-36	-107	-	-143
Other reserves	-15	2	-	-13
Accrued pension and retirement obligations	67	-1	-	66
Long-term borrowings	931	-369	-	562
Total	**296**	**-158**	**-1,435**	**-1,297**

The basic tax rate for Societe Anonyme in Greece for the fiscal year ending as at 31 December 2018 is 29% (2017: 29%). Under the provisions of Article 23 of Law 4579, introduced in December 2018, the tax rates for profits arising from business operations of legal persons are gradually reduced by 1% per year, as follows: 28% for 2019, 27% for 2020, 26% for 2021 and 25% for 2022 onwards.

As at December 31, 2018, the effect of the change in future tax rates on the Group's other comprehensive income presents a loss of Euro 22 thousand.

7.19. Inventories

The “Inventories” account includes the following items:

	31.12.18	31.12.17
Merchandise	72	25
Raw materials and other consumables	727	811
Fuels and lubricant	3,715	2,470
Net book value	**4,514**	**3,306**

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

The consolidation of HELLENIC SEAWAYS MARITIME COMPANY S.A. in the Group during the fiscal year 2018 (as of 1.6.2018), resulted in an increase of 24% in inventories.

7.20. Trade and other receivables

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31/12/2017
Trade receivables	70,700	47,019	-	-
Intercompany accounts receivable	2,485	3,739	-	-
Checks receivable	8,619	13,897	-	-
Less: Impairment Provisions	-36,003	-19,183	-	-
Net trade receivables	**45,801**	**45,472**	**-**	**-**
Advances from suppliers	2,559	1,806	1	2
Total	**48,360**	**47,278**	**1**	**2**

The consolidation of HELLENIC SEAWAYS MARITIME COMPANY S.A. in the Group during the fiscal year 2018 (as of 1.6.2018), resulted in an increase of 14% in trade and other receivables.

The Group recognized a loss for bad debts of Euro 91 thousand for the period 1.1.2018-31.12.2018. The amount of this provision has been included in the income statement of the present period.

Impairment Provisions

	GROUP	
	31.12.2018	31.12.2017
Opening balance	**-19,183**	**-18,906**
Changes in accounting policies IAS 19	-1,722	-
Restated balance	**-20,905**	**-18,906**
Acquisitions through business combinations	-15,292	**-**
Additional provisions	-91	-355
Dicreases	-	-
Recovered bad debts	285	78
Closing balance	**-36,003**	**-19,183**

The Group applied the simplified approach of IFRS 9 for the impairment of expected credit losses on trade and other receivables balances at the date of the initial application. The result of the requirements of the new standard was the increase in the Group's provisions for impairment of Euro 1.7mln, which had an effect on the opening balance of the figure "Retained earnings" (see note 2.23.3).

The Group’s credit policy in respect of trade receivables is as follows:

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 tickets have to be settled within two to 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 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 do not need to 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 note 3.1.2.

7.21. Other current assets

	GROUP		COMPANY	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Other debtors	20,712	20,765	2,811	1,114
Receivables from the State	1,300	784	-	6
Advances and loans to personnel	472	386	-	-
Accrued income	-	-	-	-
Prepaid expenses*	10,462	5,148	1	26
Receivables from insurers	3,176	1,782	-	-
Other receivables	191	124	-	-
Restricted cash	1,036	1,537	-	-
Checks in bank	1,720	208	-	-
Total	**39,069**	**30,734**	**2,812**	**1,146**
Less: Impairment provisions	-7,167	-	-	-
Net receivables	**31,902**	**30,734**	**2,812**	**1,146**

The consolidation of HELLENIC SEAWAYS MARITIME COMPANY S.A. in the Group during the fiscal year 2018 (as of 1.6.2018), resulted in an increase of 18% in other current assets.

“Other debtors” of the Group refer mainly to the receivables from the associate company AFRICA MOROCCO LINKS, which is consolidated using the equity method. “Other debtors” of the parent company refer to the amount of Euro 2,810 thousand as receivable dividend arising from its 100% subsidiary company Attica Ferries Maritime S.A. “Prepaid expenses” refers mainly to the vessels' dry dock.

The Group changed the accounting policy in respect of recognition of inspections/replacements and material repairs and upgrades as a separate item in vessels value.

Under the Group's previous accounting policy, material inspections for damages as well as replacements / repairs of parts of such assets in order to ensure their optimal return were recognized in current assets in the other current assets item and burdened the Group's income statement proportionally.

Within the current year, the Group changed the accounting policy for the recognition of inspections / replacements and, based on the new accounting policy, long-term inspections / replacements (two, three and five years) are recognized as a separate item in the acquisition cost of the Group's vessels.

It should be noted that the depreciation policy will be the same as previous.

* The items of the corresponding annual period that ended on 31.12.2017 are restated due to a change in the Group's accounting policy as is presented in note 9.1 of the Financial Statements.

7.22. Derivatives

The Group has hedged a part of its risk against fuel price fluctuation, which is measured at fair value

7.23. Cash and cash equivalents

Cash and cash equivalents, presented in the balance sheet include the following:

	GROUP		COMPANY	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Cash in hand	4,947	5,308	8	26
Cash equivalent balance in bank	54,477	38,791	31	2,156
Repos	-	-	-	-
Total cash and cash equivalents	**59,424**	**44,099**	**39**	**2,182**
Cash and cash equivalents in Euro	58,916	43,770	39	2,182
Cash and cash equivalents in foreign currency	508	329	-	-
Total cash and cash equivalents	**59,424**	**44,099**	**39**	**2,182**

The consolidation of HELLENIC SEAWAYS MARITIME COMPANY S.A. in the Group during the fiscal year 2018 (as of 1.6.2018), resulted in an increase of 9% in cash and cash equivalents.

The Group paid the amount of Euro 23,746 thousand for its long-term loans and Euro 25,607 thousand for the acquisition of 50.3% of Hellenic Seaways Maritime S.A. Moreover, the Group paid fully the long-term loans of the sold vessels Superfast XII and Highspeed 7 and proceeded with the acquisition of 48.53% of Hellenic Seaways Maritime S.A. from Minoan Lines M.S.A.

Furthermore, the Group paid the amount of Euro 1,168 thousand for the financial leasing of the vessel Blue Galaxy and participated in the share capital increases of the affiliated company AFRICA MOROCCO LINKS with the amount of Euro 8,290 thousand.

For cash and cash equivalents in foreign currency risk see note 3.1.1.
For liquidity risk analysis see note 3.1.3.

7.24. Share capital – Reserves

a) Share Capital

The share capital amounts to Euro 64,742 thousand and is divided into 215,805,843 common registered voting shares with a nominal value of Euro 0.30 each.

On 26.6.2018, the Annual General Meeting of Shareholders approved the share capital increase of Attica Holdings S.A. amounting to Euro 7,243,656.90 through the issue of 24,145,523 common registered shares.

GROUP - COMPANY	Number of Shares	Nominal value	Value of common shares	Share premium
Balance as of 1.1.2017	**191,660,320**	**0.30**	**57,498**	**290,256**
Share issue				
- Common	-	-	-	-
Balance as of 31.12.2017	**191,660,320**	**0.30**	**57,498**	**290,256**
Share issue				
- Common	24,145,523	-	7,244	26,560
Other changes	-	-	-	-73
Balance as of 31.12.2018	**215,805,843**	**0.30**	**64,742**	**316,743**

b) Fair value reserves

GROUP	Fair value reserves		
	Fair value reserves	Cash flow hedge	Total
Balance as of 1.1.2017	**-**	**4,054**	**4,054**
Cash flow hedge	-	204	**204**
Gains from fair value valuation	-	-	**-**
Balance as of 31.12.2017	**-**	**4,258**	**4,258**
Cash flow hedge	-	-15,995	**-15,995**
Balance as of 31.12.2018	**-**	**-11,737**	**-11,737**

COMPANY	Fair value reserves		
	Fair value reserves	Revaluation of financial instruments	Total
Balance as of 1.1.2017	**121,874**	**-**	**121,874**
Gains/ (losses) from valuation transfeted to equity	376	-	**376**
Balance as of 31.12.2017	**122,250**	**-**	**122,250**
Gains/ (losses) from valuation transfeted to equity	17,690	-	**17,690**
Balance as of 31.12.2018	**139,940**	**-**	**139,940**

c) Other reserves

GROUP	Statutory Reserve	Special reserves	Tax-free reserves	Other reserves	Translation reserves	Total
Balance as of 1.1.2017	**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**
	Statutory Reserve	**Special reserves**	**Tax-free reserves**	**Other reserves**	**Translation reserves**	**Total**
Balance as of 1.1.2018	**17,519**	**8,128**	**1,467**	**92,291**	**-58**	**119,347**
Transfers between reserves and retained earnings	390	-	-	813	-	1,203
Balance as of 31.12.2018	**17,909**	**8,128**	**1,467**	**93,104**	**-58**	**120,550**

COMPANY	Statutory Reserve	Special reserves	Tax-free reserves	Other reserves	Translation reserves	Total
Balance as of 1.1.2017	**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**
	Statutory Reserve	**Special reserves**	**Tax-free reserves**	**Other reserves**	**Translation reserves**	**Total**
Balance as of 1.1.2018	**13,341**	**5,388**	**1,065**	**9,246**	**-**	**29,040**
Transfers between reserves and retained earnings	91	-	-	-	-	91
Balance as of 31.12.2018	**13,432**	**5,388**	**1,065**	**9,246**	**-**	**29,131**

7.25. Accrued pension and retirement obligations

Accrued pension and retirement obligations refer to personnel compensation due to retirement.

The Group has the legal obligation of paying its employees a compensation at their date of departure due to retirement.

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

The assumptions used for the retirement benefit provisions for the period 1.1.2018 – 31.12.2018 are the following:

	2018	2017
Discount rate	1.70%	1.80%
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

	31.12.2018	31.12.2017
Long-term pension obligations	3,015	2,425
Total	**3,015**	**2,425**

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

	31.12.2018 Defined benefit plans (Non financed)	31.12.2017 Defined benefit plans (Non financed)
Defined benefit obligation 1 January	**2,425**	**2,168**
Current Service cost	101	107
Interest expense	59	33
Additions from new subsidiaries	942	
Remeasurement - actuarial losses (gains) from changes in financial assumptions	103	125
Benefits paid	-3,487	-20
Past service cost	2,872	12
Defined benefit obligation 31 December	**3,015**	**2,425**

The amounts recognized in the income statement are as follows:

	31.12.2018 Defined benefit plans	31.12.2017 Defined benefit plans
Current service costs	101	107
Past service cost	2,872	12
Net Interest on the defined obligation	59	33
Total expenses recognized in profit or loss	**3,032**	**152**

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

	31.12.2018 Defined benefit plans (Non financed)	31.12.2017 Defined benefit plans (Non financed)
Actuarial gains .(losses) from changes in financial assumptions	-39	-32
Actuarial gains .(losses) from changes due to experience	-64	-93
Total income .(expenses) recognized in other comprehensive income	**-103**	**-125**

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

	Discount rate	
	0.5%	**-0.5%**
Increase (decrease) in the defined liability	-194	212

	Expected rate of salary increases	
	0.5%	**-0.5%**
Increase (decrease) in the defined liability	190	-176

The consolidation of HELLENIC SEAWAYS MARITIME COMPANY S.A. in the Group during the fiscal year 2018 (as of 1.6.2018), resulted in an increase of 19% in accrued pension and retirement obligations.

COMPANY
Accrued pension and retirement obligations

	31.12.2018	31.12.2017
Long-term pension obligations	69	59
Short-term pension obligations	-	-
Total	**69**	**59**

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

	31.12.2018 Defined benefit plans (Non financed)	31.12.2017 Defined benefit plans (Non financed)
Defined benefit obligation 1 January	**59**	**55**
Interest expense	1	1
Remeasurement - actuarial losses (gains) from changes in financial assumptions	9	3
Defined benefit obligation 31 December	**69**	**59**

The amounts recognized in the income statement are as follows

	31.12.2018 Defined benefit plans	31.12.2017 Defined benefit plans
Net Interest on the defined obligation	1	1
Total expenses recognized in profit or loss	**1**	**1**

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

	31.12.2018 Defined benefit plans (Non financed)	31.12.2017 Defined benefit plans (Non financed)
Actuarial gains .(losses) from changes in financial assumptions	1	1
Actuarial gains .(losses) from changes in historical assumptions	8	2
Total income .(expenses) recognized in other comprehensive income	**9**	**3**

7.26. Non-current provisions

The Group has made a provision amounting to Euro 1,562 thousand which concerns claim for compensation from the crew that was employed on board of the Group's vessels.

	Crew claims	Other provisions	Total
Opening Balance as of 1.1.2017	**1,218**	**-**	**1,218**
Additional provisions	-	-	-
Utilised provisions	-	-	-
Closing Balance as of 31.12.2017	**1,218**	**-**	**1,218**
	Crew claims	**Other provisions**	**Total**
Opening Balance as of 1.1.2018	**1,218**	**-**	**1,218**
Additional provisions	177	-	177
Utilised provisions	-460	-25	-485
Acquisitions through business combination	206	446	652
Closing Balance as of 31.12.2018	**1,141**	**421**	**1,562**

The consolidation of HELLENIC SEAWAYS MARITIME COMPANY S.A. in the Group during the fiscal year 2018 (as of 1.6.2018), resulted in an increase of 39% in non-current provisions.

In April 2006, former seamen of Group companies filed civil proceedings in Germany and Finland following the sale of Group's vessels to an Estonian group of companies.

As per the definite and final court decisions, the Group was exempted from all liability, while the Estonian group was required to pay the seamen compensations totalling Euro 3.7mln. In 2018, the Estonian group has informed the Company of its intention to claim the said amount from the Company before UK arbitration. With the settlement agreement dated 8.11.2018 between the Group companies and the Estonian Group, definitely settled the claim of the Estonian Group by paying Euro 1,000 thousand from the Group's Companies. This amount was paid within December 2018 while the Group charged the period's results with an amount of Euro 550 thousand and the remaining amount (Euro 450 thousand) was used as a provision in the previous years.

7.27. Trade and other payables

	GROUP		COMPANY	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Suppliers	33,296	18,165	243	129
Checks Payable	1,197	-	-	-
Customers' Advances	2,684	1,408	-	-
Intercompany accounts payable	628	67	-	-
Other liabilities	1,254	658	-	-
Total	**39,059**	**20,298**	**243**	**129**

The consolidation of HELLENIC SEAWAYS MARITIME COMPANY S.A. in the Group during the fiscal year 2018 (as of 1/6/2018), resulted in an increase of 39% in trade and other payables.

7.28. Tax liabilities

	GROUP		COMPANY	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Tax expense	122	621	-	-
Provision for Tax expense for unaudited fiscal years	148	148	20	20
Tax audit differences	-	-	-	-
Total	**270**	**769**	**20**	**20**

The consolidation of HELLENIC SEAWAYS MARITIME COMPANY S.A. in the Group during the fiscal year 2018 (as of 1/6/2018), resulted in an increase of 17% in tax liabilities.

7.29. Long-term and short-term borrowings

Borrowings analysis:

Long-term borrowings	**31.12.2018**	**31.12.2017**
Obligations under finance lease	2,046	3,214
Secured Loans	46,599	69,014
Bonds	290,336	90,077
Convertible Bonds	-	76,428
Less: Long-term loans payable in next financial year	-64,479	-24,303
Total of long-term loans	**274,502**	**214,430**

Short-term dept	**31.12.2018**	**31.12.2017**
Secured Loans	7,104	-
More: Long-term loans payable in next financial year	64,479	24,303
Total of short-term loans	**71,583**	**24,303**

Amounts in Euro

Borrowings as of 31.12.2018	Within 1year	Between 1 to 5 years	More than five years	Total
Obligations under finance lease	1,262	784	-	**2,046**
Secured Loans	22,901	30,802	-	**53,703**
Bonds	47,420	242,916	-	**290,336**
Borrowings	**71,583**	**274,502**	**-**	**346,085**

Borrowings as of 31.12.2017	Within 1year	Between 1 to 5 years	More than five years	Total
Obligations under finance lease	1,168	2,046	-	**3,214**
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**

	31.12.2018
	Euro
Long-term borrowings	6.35%
Short-term dept	5.25%

	31.12.2017
	Euro
Long-term borrowings	6.88%
Short-term dept	-

The consolidation of HELLENIC SEAWAYS MARITIME COMPANY S.A. in the Group during the fiscal year 2018 (as of 1.6.2018), resulted in an increase of 34% in long-term and short-term borrowings.

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

	Long-term borrowings	Short-term borrowings	Total
31.12.2017	**214,430**	**24,303**	**238,733**
Cash Flows:			
Repayments	-138,731	-24,914	**-163,645**
Proceeds	117,900		**117,900**
Non-Cash Changes:			**0**
Additions from new subsidiaries / Disposals from sale of subsidiaries	131,601	10,993	**142,594**
Fair value changes	10,503	-	**10,503**
Reclassifications	-61,201	61,201	**0**
31.12.2018	**274,502**	**71,583**	**346,085**

During the present period, the Group paid the amount of Euro 163.6mln of which the amount of Euro 57mln refers to the repayment of its long-term loans and the full repayment of the long-term loans of the sold vessels Superfast XII and Highspeed 7. Furthermore, the Group paid the amount of Euro 1.2mln for the finance leasing of the vessel Blue Galaxy.

The Extraordinary General Meeting of Attica Holdings held on of 28.12.2018, decided on the voluntary prepayment of the convertible bond loan amounting to Euro 87mln issued by Blue Star Ferries Maritime SA, after the exercise of the right to exchange the bonds by the bondholders (investment funds managed by Fortress Investment Group). Furthermore, the Management decided on the voluntary prepayment of bond loan amounting to Euro 18.4mln of Blue Star Ferries Maritime SA to the bondholders (investment funds managed by Fortress Investment Group). The prepayment of two Bonds was funded by a new long - term facility of Euro 100.4mln and tenor of 5 years and is measured at amortized cost.

Finally, Attica Holding SA entered into a new loan with a financial institution amounting to Euro 17,5mln. with tenor of 4 years, measured at amortized cost.

The Group's total borrowings at 31.12.2018 stood at Euro 346,085 thousand.

7.30. Other current liabilities

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Intercompany accounts payable	7,000	-	-	-
Deferred income-Grants	5,240	1,845	-	-
Social security insurance	3,960	1,067	150	52
Other Tax liabilities	24,194	6,324	56	33
Dividends	916	-	-	-
Salaries and wages payable	5,251	1,520	-	-
Accrued expenses	3,632	1,908	35	17
Others Liabilities	1,222	330	84	84
Total	**51,415**	**12,994**	**325**	**186**

-

The consolidation of HELLENIC SEAWAYS MARITIME COMPANY S.A. in the Group during the fiscal year 2018 (as of 1.6.2018), resulted in an increase of 42% in other current liabilities.

"Other tax liabilities" increased due to the settlement with the tax authorities. The Group is consistent with the payments of the above settlement.
"Deferred income" refers to passenger tickets issued but not yet travelled until 31.12.2018.
"Accrued expenses" refer mainly to the provisions of the operating expenses.
"Salaries and wages payable" increased mainly due to personnel departures.

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 932,524 thousand.

b) Contingent liabilities

There are no contingent liabilities arising from pending litigation or arbitration involving the Group that could materially affect its financial position apart from the following:

1) The companies "HELLENIC SEAWAYS CARGO N.E." and "HELLENIC SEAWAYS MARITIME S.A." have filed administrative lawsuits for the annulment of two decisions of the Port Committee of the Korinthia Port Fund, charging the aforementioned companies with the amounts of Euro 755 thousand and Euro 344 thousand respectively.

A total of Euro 552 thousand has already been paid against said amounts. The lawsuits were accepted by the Administrative First Instance court of Korinthos, thus annulling the aforementioned decisions of the Port Committee of the Korinthia Port Authority. The Korinthia Port Fund appealed against the above decisions to the Administrative Court of Appeal of Tripoli, and the case was heard on 4.4.2017. The Administrative Court of Appeal of Tripoli accepted the appeals, issuing respective decisions, against which on 13.7.2018 further appeals were filed by the Group companies before the Council of State. Dates of hearing are pending. The appeals stand good chances to be upheld.

2) Three lawsuits have been filed against the company "HELLENIC SEAWAYS MARITIME S.A." for a total claim of Euro 3.4mln pertaining to the alleged ownership of the tickets reservation platform used by the company in 2000-2001. In 2015, the Piraeus Court of Appeal upheld the decision made by the First Instance Court of Piraeus regarding the first lawsuit, according to which the company would have to pay to claimants the amount of Euro 1.3mln plus interest. A further appeal was filed before the Supreme Court, which accepted the appeal and ordered the case to be re-examined at the same court of appeal. Hearing has been scheduled for 21.2.2019. According to the Management's estimates made based on the legal assessment, the company will ultimately prevail for the reasons stated in its application.

Regarding the second lawsuit claiming compensation of up to Euro 0.5mln plus interest, the Court of Piraeus postponed until 5.12.2019 and until the final decision of the first Appeal.

Regarding the third lawsuit against Hellenic Seaways Maritime S.A. for the claim of Euro 1.6mln plus interest, it has never been appealed and is beyond deadline limitation and thus no longer applicable in accordance with the Piraeus Court Appeal decision 908/2005.

The Group's Management, taking into account estimates of its legal advisors, considers the above cases do not constitute possible commitment and therefore no provisions have been made by 31.12.2018.

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 31.12.2018 and on 31.12.2017 have as follows:

	31.12.2018	31.12.2017
Guarantees		
Performance letters of guarantee	833	1,200
Guarantees for the repayment of trade liabilities	651	151
Guarantees for the participation in various tenders	641	161
Other guarantees	961	-
Total guarantees	**3,086**	**1,512**

The parent company has guaranteed to lending banks the repayment of loans of the Group's vessels amounting Euro 226,976 thousand.

e) Undertakings analysis has as follows:

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Finance lease commitments				
Within one year	1,262	1,168	-	-
Between 1 to 5 years	784	2,046	-	-
More than five years	-	-	-	-
Operating lease commitments				
Within one year	833	384	47	47
Between 1 to 5 years	2,827	1,945	235	235
More than five years	523	752	44	91

9. Restatements in Financial Statements items

9.1 Change in accounting policy - Restatements adjustment to financial Statement items as at 31.12.2017, 31.12.2016

Within the current year, in compliance with notes 14 to 15 of IAS 8, the Group's Management changed accounting policy in the financial statements.

As a result, the Group's financial statements for the comparative period have been restated. The corrections were applied retrospectively, affecting both the comparative reference period, i.e. 31.12.2017, and the beginning of the earliest comparative period presented, i.e. 31.12.2016.

The change in accounting policy pertains to recognition of inspections / replacements, material repairs and upgrades as a separate item in vessels value. Under the Group's previous accounting policy, material repairs for damages and replacements / upgrades in order to ensure their optimal performance, were recognized in current assets in the item other current assets as accrued expenses and burdened the Group's income statement proportionally.

Within the current year, the Group changed the accounting policy for the recognition of inspections / replacements and, based on the new accounting policy, long-term inspections / replacements (two, three and five years) are recognized as a separate item in the acquisition cost of the Group's vessels.

The Group Management estimates that the information presented following the aforementioned application of IAS 8 is more relevant and presents the Group's financial position in a more reliable way. Moreover, the Group's new accounting policy is in line with the provisions of IAS 16 "Property, plant and equipment", par. 14. Finally, it is to be noted that the aforementioned change in the items of Financial Statements is comparable with international companies, operating in the segment, following the same accounting policy.

9.1.1. Effect on the Statement of Financial Position as at 31.12.2017 and 31.12.2016

	31.12.2017	31.12.2016
Tangible assets (published)	**527,073**	**547,908**
Change in accounting policy (additions)	15,831	10,932
Change in accounting policy (depreciation)	-9,191	-
Tangible assets (restated)	**533,713**	**558,840**

	31.12.2017	31.12.2016
Other current assets (published)	**37,374**	**33,434**
Change in accounting policy (additions)	-15,831	-10,932
Change in accounting policy (depreciation)	9,191	-
Other current assets (restated)	**30,734**	**22,502**

9.1.2. Effect on the Statement of Comprehensive Income as at 31.12.2017

The effect on the Statement of Comprehensive Income pertains to determining operating profits before financial and investing activities and depreciation. No other item has been affected by the change in accounting policy since, as mentioned above, the burden on the income statement was proportionate to the duration of every inspection/ replacement. The effect on Operating profits before financial and investing activities and depreciation for FY 2017 is analytically presented below as follows:

Group				
	1.1-31.12.2017 (published)	Depreciation	Maintenance & Repairs Expenses	1.1-31.12.2017 (restated)
Sales	**271,541**			**271,541**
Cost of Sales	-211,515	-9,191	9,191	-211,515
Gross Profit	**60,026**	**-9,191**	**9,191**	**60,026**
Earnings before taxes, investing and financial results, depreciation and amortization	**50,358**	9,191	-	**59,549**
Earnings before taxes, investing and financial results	**25,615**	-9,191	9,191	**25,615**
Earnings Before Taxes	**1,554**	-9,191	9,191	**1,554**
Earnings After Taxes	**1,247**	-9,191	9,191	**1,247**

9.1.3. Effect of the Statement of Cash Flows as at 31.12.2017

The effect on the Statement of Cash Flows as at 31.12.2017 is analyzed as follows:

	31.12.2017
Cash inflow/(outflow) from operating activities (published)	**25,666**
Change in accounting policy	4,899
Cash inflow/(outflow) from operating activities (restated)	**30,565**

	31.12.2017
Cash inflow/(outflow) from investing activities (published)	**-7,113**
Change in accounting policy	-4,899
Cash inflow/(outflow) from investing activities (restated)	**-12,012**

10. Significant events

The Hellenic Competition Commission, with its decision on 25.4.2018, 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 relevant Press Release issued by the Competition Commission and posted on the Competition Commission’s website at www.epant.gr.

On 25.5.2018 Attica Group announced the completion of the acquisition of a majority stake in HELLENIC SEAWAYS MARITIME COMPANY S.A. (“HSW”), within the framework of the implementation of the agreement dated 11.08.2017, with Piraeus Bank and another minority shareholder of HSW.

On 12.6.2018 Attica Group announced the completion of the acquisition of an additional stake of 48.53% in HSW, in implementation of the agreement with Minoan Lines S.A. ("Minoan Lines") dated 26.10.2017 for the acquisition of a total of 37,667,504 shares of HSW for a cash consideration of Euro 78.5mln.

As per the same agreement, Attica Group sold and delivered SUPERFAST XII to a Grimaldi Group company for a cash consideration of Euro 74.5mln, and HSW sold and delivered HIGHSPEED 7 to Minoan Lines for a cash consideration of Euro 25mln.

Following the conclusion of the aforementioned transaction, Attica Group now holds 98.83% of the total share capital of HSW.

The Attica Holdings' Extraordinary General Assembly of 28.12.2018, decided the voluntary prepayment of the convertible bond loan amounted to Euro 87mln issued from Blue Star Ferries Maritime SA, after the exercise of the right to exchange the bonds from the bondholders (investment funds managed by Fortress Investment Group). Furthermore, Management decided the voluntary prepayment of bond loan amounted to Euro 18.4mln of Blue Star Ferries Maritime SA to the bondholders (investment funds managed by Fortress Investment Group). The prepayment of the two Bonds were funded by a new long - term facility of Euro 100.4mln and tenor of 5 years and is measured at amortized cost.

Furthermore, Attica Holding S.A. entered into a new loan with a financial institution amounting to Euro 17.5mln with tenor of 4 years, and is measured at amortized cost.

11. Events after the Balance Sheet date

There are no events after the Balance Sheet date.

12. Non-distribution of Dividends

The Board of Directors will propose to the Annual General Meeting of Shareholders no dividend distribution for the fiscal year 2018.

Kallithea, April 24th, 2019

CHAIRMAN OF THE B.O.D.	CHIEF EXECUTIVE OFFICER	AUTHORIZED DIRECTOR	FINANCIAL DIRECTOR
KYRIAKOS D. MAGIRAS I.D. No:AK109642	SPIROS CH.PASCHALIS I.D. No:AB215327	PANAGIOTIS G.DIKAIOS I.D. No: AK031467	NIKOLAOS G.TAPIRIS I.D. No: AN604444 LICENSE No 32210-CLASS A