THESSALONIKI PORT AUTHORITY
SOCIETE ANONYME
(ThPA SA)
TRADE REG. NO. 42807/06/B/99/30
GEMI No. 58231004000
Registered Office: Thessaloniki

Annual Financial Report for Fiscal Year from January 1 until December 31, 2018, pursuant to Article 4, Law 3556/2007. Based on the International Financial Reporting Standards as they have been adopted by the European Union

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A. Statements by Members of the BoD
(pursuant to article 4, par. 2c, Law 3556/2007)

The members of the Board of Directors of Public Limited Company with trade name "THESSALONIKI PORT AUTHORITY" and trading as "ThPA. S.A." (hereinafter the "Company"), seated in Thessaloniki in the premises of the Port:

1. Sotirios Theofanis, son of Ioannis, Chairman of the BoD and CEO
2. Gabriel Ioannou son of Michael, Member of the Board of Directors, specifically appointed for this by virtue of decision no 7451/30.04.2019 by the Board of Directors of the Company,
3. Arthur Davidyan son of Eduard, Member of the Board of Directors, specifically appointed for this by virtue of decision no. 7451/30.04.2019 by the Board of Directors of the Company,

in our aforementioned capacity, declare and warrant by the present that insofar as we know:

A. The annual financial statements of the Public Limited Company "THPA S.A." for the fiscal year 01.01.2018 – 31.12.2018, which were prepared in compliance with the International Financial Reporting Standards, as adopted by the European Union, depict in a true manner the assets and liabilities, the net position and the operating results of the Company.

B. The annual Board of Directors Report depicts in a true manner the development, performance and position of the Company, including an outline of the major risks and uncertainties it faces.

Thessaloniki, 30/04/2019

The Chairman & CEO	The Member appointed by the BoD	The Member appointed by the BoD
Sotirios Theofanis **ID Card no. X190719/03**	**Gabriel Ioannou** **Passport no. K00241579**	**Arthur Davidyan** **Passport no. 726401227**

B. Management Report by the Board of Directors of
"THPA S.A."
TO THE REGULAR GENERAL MEETING OF SHAREHOLDERS

Note: References to the provisions of Law 2190/1920 are meant as references to the corresponding provisions of Law 4548/2018.

Dear Shareholders,

We submit, for your approval, the financial statements of the Company ThPA SA for financial year 1.1.2018 – 31.12.2018.

The present financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, the implementation of which is obligatory for the Company and for fiscal years that end on or after 31.12.2004, since it is listed on the Athens Stock Exchange. The Report based on the relevant provisions of Codified Law 2190/1920 (article 43a paragraph 3, article 107A, paragraph 1, article 43bb), of Law 3556/2007 (Gov. Gaz. 91^{A}/30.4.2007, article 4) and the implemented decisions by the Securities and Exchange Commission issued on it and especially decision no. 7/448/11.10.2007 (articles 1 and 2) of the Board of Directors of the Securities and Exchange Commission and Law 3873/2010 on corporate governance.

1. Nature of activities:

1.1. The purpose of the Company as described in Article 3 (3) of its Statute is to fulfill the obligations, conduct the activities and exercise the opportunities arising from the initial Concession Agreement between the Company and the Greek State of 27 June 2001 on the use and exploitation of certain areas and assets at the port of Thessaloniki as amended and in force.

1.2. Activities of the Company

In order to fulfill its purpose, the Company may, but is not limited to:

- Make use of all the rights granted under the Concession Agreement and maintain, develop and operate the assets under concession as set out in the Concession Agreement.
- Provide services and facilities to ships, cargoes and passengers including shipboard mooring as well as cargo and passenger handling to and from the port.
- Install, organize and operate all port infrastructure.
- To engage in any activity related to the Port of Thessaloniki and any commercial activity related to the Port of Thessaloniki or reasonably incidental to it.
- Contracts with third parties to provide port services of all kinds.
- To award works contracts.
- To engage in any additional activity that is advisable or routine for the proper conduct of its business and its operations in accordance with the Concession Agreement; and

• Take any other activity, transaction or action from those conducted by commercial companies in general.

Its business activities concern the provision of services:

- in containerized cargo,
- in conventional cargo (bulk, general, RO-RO),
- to cruise ships and cruise passengers
- to ships (anchoring, berthing and other services);
- in car park services.
- in the offering of spaces for commercial and other uses.

1.3. The Port's competitive environment is determined by its geographic location, the type, origin/destination of the transported cargoes, the quality and cost of the services rendered and includes ports with different operating features.

The wider geographic territory presently served by the Port of Thessaloniki is:

- the Northern Regions of Greece
- the Republic of Northern Macedonia, South Western Bulgaria and Southern Serbia.
- the Black Sea countries.

ThPA S.A. intends to attract new major clients from the Republic of Northern Macedonia, SW Bulgaria and North Serbia by upgrading its infrastructure, procuring of the necessary equipment and, in parallel, improving the performance of its marketing and sales services.

1.4. The key clients of the Company are industrial companies, shipping agents, container transportation companies, freight transport companies, while its sales are marketed:

- via a system of collaborating shipping agents who represent third parties;
- by direct contact and negotiation between ThPA S.A. and the officers of the clients.

1.5 The Company has the exclusive right for the use and exploitation of the land, buildings and facilities at the Terrestrial Zone in the Port of Thessaloniki, which is owned by the Greek State. The terrestrial port zone of ThPA S.A. covers an area of roughly 1,550,000 m², and extends along roughly 3,500 meters. It possesses of 6,200 meters of wharfs with a net depth up to 12 meters, 6 piers, administration and technical support buildings, warehouses, depots, special equipment and other facilities.

The aforementioned exclusive right was vested to ThPA S.A. for 40 years, by virtue of the concession contract dated June 27, 2001 between the Greek State and ThPA S.A. and expiring (after expansion) in the year 2051. As mentioned below, on February 02, 2018, an amendment to the consolidated version of the Concession Agreement dated 27 June 2001 was amended and codified, with an annual grant amount equal to 3.5% of the consolidated income.

1.6 The driving force for the Company is its personnel, which is divided into the clerical personnel (Administrative, Technical, Auxiliary) and the longshoremen. In 2018 it employed 422 people (of whom 164 were regular staff, 121 longshoremen and 137 Technical Institute of Education (TEI) students, Hellenic Manpower Organization (HMO) apprentices and temporary staff), against 424 in 2017 (208 regular, 123 longshoremen and 93 interns and apprentices). Labor relations are regulated by the General Personnel Regulation, the National General Collective Agreement, or the Sectoral (Industry-wide) or similar-profession Contracts, while the remuneration of the employees are governed by the Operational Collective Agreement for regular staff and longshoremen.
The company invests in the continuous training and briefing of its personnel by virtue of educational and training programmes and seminars on general issues, such as communication, management, economics, hygiene and safety.

2. Goals and strategies

2.1. The Port of Thessaloniki is the first transit Port in Greece with respect to conventional cargo. It is the European Union Port nearest to the Balkan and the Black Sea Zone countries, offers safety to the cargo in transit and possesses of a natural sea entrance which may cater for ships with deep drafts. One of its advantages is the Container Terminal, operating on a 24-hour basis with fixed rates, the operation of the Conventional Port with two shifts and high level equipment and the "Free Zone" which is one of the 58 in operation throughout the European Union and aimed to principally facilitate and develop trade between EU Member-States and third countries.

2.2. The aim of the strategy of the Company is to increase its shareholders' assets, by:

- maintaining the important (dominating) position the Port holds with respect to its area and elevating it to become the principal Port in the Balkans;
- reinforcing its role in the Eastern Mediterranean as a center for combined transports, and
- evolving into a transit hub and important Regional Port-Gateway for the Southeastern European markets, where a significant share will be held by the handling of containers in transit.

2.3. The main goal of the Company's pricing policy is to offer professional and efficient services at competitive prices.

2.4. Is a key objective for ThPA S.A. to provide efficient services to its customers, while providing a healthy and secure working environment for its employees. Accordingly, ThPA S.A. continuously strives to modernize and renovate its mechanical equipment and further develop its infrastructures. Based on the concession contract signed on February 2, 2018 between ThPA SA and the Greek State, ThPA S.A. is obligated to invest in infrastructure projects and handling equipment amounting to €180 million by 2025.

3. Financial developments and fiscal year performance (financial and non-financial indexes)

In analyzing the results for 2018 it is noteworthy that the Port of Thessaloniki served a total of 7.298.218 tons of cargo against 6.905.294 in 2017 (+5,7%), 424.500 Containers (TEU's) against 401.947 TEU's in 2017 (+5,61%), 1.929 ships against 1.936 ships in 2017 (-0.36%) and 44.484 passengers against 50.373 passengers in 2017 (-11.69%).

3.1. Given these facts, the handling of bulk cargoes exhibited an increase by 4,83% compared to 2017, while general cargo increased by 7.79%, RO-RO cargo traffic decreased by 4,37% and containerized cargo an increased by 5,68% in terms of TEU's.

3.1.1. Based on the above, the Company's turnover, for the fiscal year 2018, amounted to € 58.534.687,97 against € 54.231.940,70 for the correspondent fiscal year of 2017, exhibiting an increase by 7,93%, attributed to the increase of Container Terminal sales by 7,16%, the increase of Conventional Terminal sales by 11,57% and the increase of Passenger Port turnover by 6,41%. The Exploitation of Premises exhibited a decrease by 12,12%.

3.1.2. Concerning expenses, it is noted that the personnel's salaries and expenses increased by 5,69% due to the recruitment of managerial and administrative staff during the current year, as well as the lifting of the employee's 13th and 14th salaries after the privatization. Third party fees and expenses increased 236,35%, mainly due to the payment of management fees and executive fees. Third-party benefits increased by 8,73% due to the increase in operating expenses and the concession fee as a result of the increase in sales. Taxes - fees increased by 15,00% and various expenses increased by 49,11% due to the increase in the purchase of consumption materials and the social responsibility program costs of the Company. Financial expenses amounted to € 45.559,24 from € 2.429,97 (increase of 1.774,89%) due to the commission expenses related to a €10,000,000 L/G issued to the Greek State in accordance with the concession agreement. Depreciation decreased by 47,36% due to increased depreciation in 2017 due to a revaluation of the useful life of machinery, provisions decreased by 47,89%, and material and spare parts used increased by 39,57%. Income tax increased by € 2,34 mil. due to the increase in profits.

3.1.3 As a result of the increase of sales, gross profits amounted to the sum of € 27.131.984,04 (compared to € 21.809.467,71 in 2017), exhibiting an increase by 24,40%. Profits before taxes amounted to €24.729.265,92 (against €12.474.041,86 in 2017), exhibiting an increase by 98,25%, while profits net of tax amounted to €17.151.791,03 (against €7.242.954,69 in 2017), exhibiting an increase by 136,81%. The results of the activities of the Company per Operational Sector as such are defined by the resolution of the BoD no. 4060/22.5.2009, exhibit profits in the sectors of the Container Terminal, the Exploitation of Premises and the Conventional Port and loss only in the sector of Passenger Traffic.

3.2. Furthermore, for the preparation of the attached financial statements in compliance with International Financial Reporting Standards, the accounting principles and depreciation factors were followed and specifically:

- The valuation of assets was performed by:
  - the fair value method for the land plots (investment real estate), as determined by an independent surveyor on 31.12.2018;
  - the historic cost method for intangible and tangible fixed assets;
  - an actuarial survey with respect to post-service liabilities towards the employees;
  - the commercial transaction values for other assets and liabilities, which, due to their short-term nature, approach their corresponding fair values.

The straight-line depreciation method was followed for the depreciation of the fixed assets.

3.3. Alternative performance measures

The Company utilizes Alternative Performance Measures (APMs) in the context of decision making regarding its financial, operational and strategic planning and to evaluate and publish its performance. Such APMs facilitate the better understanding of the Company's financial and operating results, its financial position as well as its cash flows statement. APMs should be taken into account always combined with the financial results which have been prepared in compliance with IFRS and are not intended to replace them under any circumstances.
The Company principally utilizes liquidity and turnover ratios, financial and operating profits ratios, which were used to evaluate the Company's performance and are indicative of the sector.

<u>Liquidity Ratios</u>
- General liquidity ratio
The index is calculated based on the ratio of the total current assets € 101.630.441,17 (2017: € 100.471.669,43) and the total of the short-term liabilities € 13.961.931,16 (2017: € 11.658.189,52).
This ratio measures the balance of cash assets over current liabilities.
The General Liquidity Ratio was 7,28 on 31.12.2018, against 8,62 on 31.12.2017.

- Quick or Acid test ratio
This index is calculated by dividing Other Financial Data and cash collateral € 91.036.781,75 (2017: € 90.324.983,52) and equivalents with the total of short-term liabilities.
This ratio shows how many times the current assets of the Company cover its current and past-due liabilities.
The Quick Ratio was 6,52 on 31.12.2018, against 7,75 on 31.12.2017.

<u>Turnover Ratios</u>
- Collection of Receivables Turnover Ratio
The index is calculated based on the average claim ratio from clients, multiplied by the days of the period against sales

This ratio shows in how many days the company expects to collect its receivables, from the moment sales were realized.
The collection of receivables turnover ratio amounted to 20 days on 31.12.2018, against 27 days on 31.12.2017.
- Should account be taken of customer advance payments collected by the Company in the calculation of the ratio above, then the ratio is adjusted to 2 days on 31.12.2018, against 4 days on 31.12.2017.

Financial Ratio
- Debt to Equity (D/E) Ratio
This index is calculated based on the total liabilities to total equity ratio.
This ratio, also known as leverage, indicates the relative proportion of shareholders' equity and debt used to finance the company.
The Debt to Equity ratio amounted to 0,13 on 31.12.2018, remaining unchanged compared to 31.12.2017.

Operating Profits Indicators

- EBITDA index

This index is based on the ratio of the results before financial expenses, taxes, depreciation € 27.604.778,77 (2017: € 18.849.984,45) to Sales € 58.534.687,97 (2017: € 54.231.940,70).
Shows the relationship between Earnings before Interest, Taxes, Depreciation and Amortization to Sales.
EBITDA was 47,16% on 31.12.2018, compared to 34,76% on 31.12.2017.

- EBT index

This index based on the ratio of the profit for the period against taxes € 24.729.265,92 (2017: € 12.474.041,86) before sales € 58.534.687,97 (2017: € 54.231.940,70).
The Earnings Before Tax (EBT) index is a ratio of gross profit over total sales.
The EBT index amounted to 42,25% on 31.12.2018, compared to 23,00% on 31.12.2017, while the Net Profits to Sales ratio amounted to 29,30%, compared to 13,36% on 31.12.2017.

3.4. ThPA SA shares are listed in the Mid Cap category and in the sector "Industrial Products & Services – Transportation Services". The Company's share is included in the following indexes:

GI: General Price Index of Athens Stock Exchange

ASI: All Share Index of Athens Stock Exchange

FTSEM: Mid Cap Medium Capitalization

OGIPI: Overall GI Performance Index

HELMSI: Greek Mid & Small Cap Index

From 1.1.2018 until 31.12.2018 the price for the share remained unchanged at 25,40€.

In the same interval the price of the ASE General Index fell by 24,38%.

Share price on 31.12.2018 was €25,40 (31.12.2017: 24,70). The book value (BV) of the share was €14,95, compared to €13,68 in fiscal year 2017, while Price to Book Value (PBV) was €1,70, compared to €1,81 in fiscal year 2017.

The ratio of the stock exchange price of the share to earnings per share (P/E) on 31.12.2018 was 14,93, compared to 34,37 in fiscal year 2017.

Earnings per share net of tax for the period from 1.1.2018-31.12.2018 amounted to €1,7016, compared to €0,7185 for the period 1.1.2017-31.12.2017

4. Environmental – labour issues and other information.

4.1. The Company's movable and fixed property has not been encumbered with restrictive liens on behalf of its creditors.

4.2. The Company has no branches.

4.3. Moreover, in order to secure its assets and also its liability against third parties and its personnel for damages, it has insured its fixed equipment (machinery – tools – vehicles and vessels – buildings) conceded to it by the Greek State, against all risks and against civil liability and employer's civil liability, as well as the cargoes of its clients against civil liability etc.

4.4. Having the promotion and protection of the environment as principal concern, ThPA SA:

1. Possesses of the following environmental terms approvals for the operation and for its works:
    - Prot. No. 18098/95 Approval of environmental terms for the project for the extension of the 6th pier of ThPA.
    - Prot. No. 101850/06/06 Extension of the validity of the approval of environmental term granted by the Joint Ministerial Decision with prot. no. 18098/95 for the extension of the 6th pier of ThPA.
    - Prot. No. 144914/09 Amendment of the Joint Ministerial Decision for the Approval of Environmental term with prot. no. 18098/95 for the project "Extension of the 6th pier of ThPA, located in the sea space of the Port of Thessaloniki", the validity of which was extended by the document with prot. no. 101850, issued by the General Director for the Environment of the Ministry for the Environment, Physical Planning and Public Works.
    - Prot. No. 195175/11 Amendment of the Joint Ministerial Decision with prot. no. 18098/95 on the Approval of Environmental Terms for the project "Extension of the 6th pier of ThPA,

located in the sea space of the Port of Thessaloniki", the validity of which was extended by means of the document with prot. no. 101850, issued by the General Director for the Environment of the Ministry for the Environment, Physical Planning and Public Works with respect to the gathering of materials from the sea and the installation of four (4) tanks for oil waste by Company NORTH AEGEAN SLOPS – ILIAS ORFANIDIS.

- Prot. No. 203978/12 Approval of environmental terms for the "Operation of the Port of Thessaloniki".
- Prot. No. 170059/14 Amendment of the Joint Ministerial Decision with prot. no. 18098/95 for the Approval of the Environmental Terms for the project "Extension of the 6^{th} pier of ThPA, located in the sea space of the Port of Thessaloniki", as amended and in force, with respect to the tanks for the storage of oil waste by Company NORTH AEGEAN SLOPS – ILIAS ORFANIDIS.
- Prot. No. 171836/14 Amendment of Decision with prot. no. 203978/21-12-2012 for the approval of Environmental Terms for the project "Operation of the Port of Thessaloniki" with respect to the storage of sodium hydroxide (NaOH) at pier 4.
- Prot. no. 173239/14 Amendment of Decision with prot. no. 203978/21-12-2012 on the Approval of the Environmental Terms for the project "Operation of the Port of Thessaloniki" with respect to the installation of stations for refuelling vehicles with liquid fuel.
- Prot. no. 151696/4-9-2015 Amendment of Ministerial Decision with prot. no. oik. 203978/21-12-2012 on the Approval of the Environmental Terms for the project "Operation of the Port of Thessaloniki", with respect to the construction of a natural gas pipe and the installation of cranes, gantry cranes and a medium voltage substation.
- Prot. no. 101351/16 "Amendment of environmental terms for the Port of Thessaloniki for the environmental licensing of water airport".
- Prot. no. 11067/18 Amendment of the environmental terms for project "Operation of the Port of Thessaloniki" with respect to the operation of washing / lubrication facilities and the extension of the implementation time for the Rainwater Drainage Management Plan.

2. Has developed, applies and possesses of a ISO 14001 certificate in the following fields: "Berthing of commercial ships, loading and unloading of bulk cargoes and containers, storage and handling of merchandise and other goods and berthing of passenger and cruise ships; concession of spaces for commercial and cultural activities".

3. Possesses of an approved plan for the collection and management of ships' waste.

4. Possesses of emergency plans to deal with incidences relating to the pollution of the sea from oil and hazardous and harmful substances.

5. Recycles all of the produced waste and in particular:
   - Lubricant oil waste
   - Used tyres

- Batteries
- Wood packaging
- Metallic packaging
- Lamps and lighting fixtures.
- Inert waste
- Filters
- Polluted sawdust.
- Ink toners
- Electrical and electronic equipment waste

4.5. Ever since 2007 ThPA SA has implemented the Port Facility Safety Plan of ThPA SA, drawn up in compliance with the I.S.P.S Code (International Ship and Port Facility Security Code), in order to safeguard ships docking at Port facilities, cargoes handled by it, their personnel and passengers and so on from any malicious activity.

4.6. ThPA SA complies with all provisions and requirements of applicable Laws and regulations relating to employment, Collective Labour Agreements, Company-level Employment Agreements and labour relations, ratified International Labour Treaties, as well as Laws and Regulations in force on health and safety at work.

There are company-level collective employment contracts, as well as regulations set by decisions by the Board of Directors of ThPA SA, such as the General Personnel Regulation, the Internal Organization and Operation Regulation, the Hygiene and Safety Regulation.

4.7. Beyond the liabilities and contingent liabilities included in the Financial Statements and which are not expected to have significant impacts on the operation of the Company and its financial status, the Company has no commitments arising from past events which could result in an outflow of resources, nor any commitments due to onerous contracts or reconstruction schemes that would pose any risks to its continuing operation.

5. Dividend Policy

The Company's dividend policy aims to satisfy its shareholders while, in parallel, to build reserves to finance its investments. It is proposed that a sum of € 5.745.600 from the net profits for fiscal year 2018 be distributed as dividend, namely 0,57 €/share, pending on the approval by the Annual General Meeting of Shareholders.

6. Risk Management

6.1. Financial Risk Factors

The company is not exposed to significant financial risks, such as market risk, fluctuations of foreign exchange rates, market prices, credit risk or liquidity risk. Its financial instruments comprise of bank deposits (sight and time), trade and other debtors and creditors, as well as other financial instruments.

6.2. Market Risk

- Exchange rate risk: The company does business with domestic and foreign clients and the transaction currency is Euro. Consequently, there is no exchange rate risk.
- Price risk**:** The Company is not exposed to price risk since it is a service provider and thus not affected by fluctuations in raw materials prices. The services it renders are priced based on its published pricelist, the prices of which are increased or decreased as and when it is deemed necessary by the Company. With respect to the cost of the services provided, since it mainly comprises of payroll costs, it is affected due to increases or decreases thereof. Furthermore, the Company is affected by a change of the fair value of its investments in real estate.
- Interest rate risk**:** The Company is not exposed to risks connected with the fluctuation of interest rates, since it has no debt obligations. Finally, the company holds short-term time and other deposits, which are highly liquid.

6.3. Credit Risk

The exposure of the Company to credit risk is limited to its financial instruments.
The credit risk to which the company is exposed with respect to its customers is limited given, on the one hand, its large customer base and, on the other hand, that as a standard practice it receives down payments or letters of credit prior to the commencement of works.
Additionally, with respect to the financial assets as well as the cash or equivalents, the management of the company applies a dispersion policy for the number of banks it does business with, as well as a policy for assessing their creditworthiness.

6.4. Liquidity risk

There is no liquidity risk for the company, since its operating costs are covered by its cash equivalents (including other financial instruments) which account for 89,58% of current assets.

6.5. Capital risk management

The company does not utilize loan capital and the leverage ratio is, therefore, zero.

6.6. Fair value

The amounts in the Statement of Financial Position for cash, receivables and short-term liabilities approximate their corresponding fair values, due to their short-term maturity.

6.7. Supply chain

There are no suppliers, the interruption of collaborating with whom would jeopardize the operation of the Company.

7. Important events in fiscal year 2018.

The privatization of ThPA S.A. was concluded on 2 February 2018, and in March 2018 the acquisition of 67% of the shares in ThPA S.A. by "South Europe Gateway Thessaloniki (SEGT) Ltd" from the Greek State was executed. On 23 March 2018 the new Board of Directors was formed, and the amended Concession Agreement came into effect.

During the fiscal year 2018 a new executive management team was put in place, which immediately commenced working on plans to improve the productivity and throughput of the Port, and preparing the Initial Port Development Plan outlining the longer-term vision for the expansion of the Company.

The efforts to improve the productivity and the throughput of the Port materialized quickly, as the Net Crane Rate in the Container Terminal increased by close to 30% from 15,5 moves per hour at the time of takeover to 19,9 moves per hour by the end of the year. Additionally, the waiting time at anchorage for vessels to enter the port was reduced by just over 50% from 28 hours in March to just over 13 hours in December.

In preparation for the capacity expansion and offering of additional container related services, 12 new Straddle Carriers were ordered for delivery in early 2019.

8. Development-Prospects.

It is the approach of the new Management of the Company to continuously modernize, develop and transform the port to become a prime regional leader and being the Gateway Port for the Balkan Region. This entails improving the utilization of the existing assets, increasing the efficiency and productivity of the organization, and expanding the throughput capacity of the port, thereby offering improved and additional services to our customers, and creating benefits for our stakeholders.

ThPA S.A. has the prospects of enlarging the catchment area of the Port. In order to deliver on these prospects, Management aims at executing the obligatory investments of the Concession Agreement as soon as possible, ensuring that:

• The necessary and required investments in infrastructure are executed, principally increasing the capacity of the Container Terminal by creating additional berths, increasing the draft to accommodate larger vessels, and increasing the container yard footprint

• Investments in handling equipment are executed, to accommodate larger vessels, and to improve the operational productivity leading to relative shortening of vessels stays in the Port

• An organizational transformation is planned and executed, ensuring that ThPA S.A. at all times has an engaged, skilled and efficient organization in place, servicing our customers best possibly.

9. Important transactions with associated parties, as such are defined in IAS 24 Management remuneration.

The total remuneration and attendance fees paid to members of the Board of Directors during fiscal year 2018 amounted to € 373.562,14 (2017: € 171.173,48). Senior managers, finance department executives, the head of Legal Affairs, the internal auditors and other Company executives were paid, over the same period, € 856.623,65 (2017: €558.419,05).

Besides the remunerations just cited there is no other business relation or transaction from 1.1.2018 until 31.12.2018.

No loan from the Company has been extended to its Chairman and Chief Executive Officer, the Members of the Board of Directors as well as senior management and other company executives, the personnel of the Internal Audit Department. Furthermore, on 31.12.2018 the Company owed Board of Directors fees amounting to € 35.992,51 (2017: €7.384,34) which regarded the month of December 2018 and were paid in January 2019.

10. Events after the Reference Period

On March 18, 2019, a Notice of Initiation of the First Investment Period was sent to the Greek State confirming the intention to initiate work on First Mandatory Investments in accordance with Article 7.2 of the Concession Agreement between the Greek State and ThPA S.A., which was ratified by article 1 of Law 4522/2018 (Government Gazette A 39 / 7.3.2018).

Within the first Investment Period, ThPA SA will make Compulsory Investments of € 180 million, including the following individual investments:

- Expansion of the port infrastructure of the 6th pier, namely:
  - Construction of a new additional quay with a length of at least 440 meters, of which at least 400 meters must have a beneficial depth of -16.5 m. at least.
  - Construction of an additional terrestrial zone, at least 300 meters wide, along the above new quay.
  - Construction of all additional infrastructure works necessary to ensure the full functionality of the new quay and the corresponding land area.
- Supply of equipment at the Container Terminal and the Bulk Cargo Station at the 6th Pier.
- General port development investments, including the Rehabilitation of the Old Customs Building.

Following the reporting date of the financial statements, 12 new Straddle Carriers ordered by Konecranes in 2018 were delivered and put into operation. Existing and newly recruited operators were trained in the use of these new machines, which were incorporated into the existing fleet of TEU management equipment.

Additionally, the Initial Port Development Plan, as estimated to be implemented by the Company's Management, was submitted and approved to the competent authorities.

Under these commitments, a Service Agreement with the Independent Engineer has been signed to oversee the First Mandatory Investments and has provided the Ministry of Finance with the required Supplementary Goodwill Letter of Good Execution of € 20 million.

Besides the above, there were no other events after the financial statements on December 31, 2018 which significantly affect the understanding of these financial statements and must be either disclosed or differentiate the items in the published financial statements.

11. Corporate Governance Statement, pursuant to LAW 3873/2010

Note: References to the provisions of Law 2190/1920 must be read as references to the corresponding provisions of Law 4548/2018.

11.1. A reference to the approved Corporate Governance Code to which the Company is subsumed, but also its practices since March 2018 onwards. Already with the change in the shareholder structure and composition of the Company's Board of Directors, the Company examines all necessary changes to be made to the Corporate Governance Code, taking into account the changes that have occurred in the year 2018 and will be submitted for approval by the Board of Directors, at its meeting on 30 April 2019.

The Company, with the 4683/11.03.2011 and 6913/16 decisions of the Board of Directors, has established and follows a Code of Corporate Governance, according to Law 3873/2010, which is posted on the Company's website on www.thpa.gr in the "investor relations/Corporate Governance code - Regulations - Policies" route.

During its preparation, the Greek Corporate Governance Code for listed companies as well as the principles of Corporate Governance and best OECD practices, as amended in the framework of its first revision by the Greek Council for Corporate Governance (ERC) in 2013, was taken into account.

The general principles of the code cover the following sections:

- Role and responsibilities of the BoD
- Size and composition of the Board of Directors
- Role and required qualities of the Chairman of the Board
- Duties and behavior of the members of the Board of Directors
- Election of Candidate Members of the Board of Directors
- Operation of the Board of Directors
- Roles and responsibilities of the CEO
- Roles and responsibilities of the Board of Directors
- Evaluation of the Board of Directors
- Internal Control System
- Internal Audit Service
- Fees
- Contact with shareholders
- The General Meeting of Shareholders

11.2. Reference to corporate governance practices applied by the Company for the year 2018.

The practices adopted and applied by the Company for the year 2018 are in accordance with its articles of association (amendment and announcement General Commercial Register (GEMI) 14/02/2018), but also its internal rules of operation, which are described in detail in the existing Code of Corporate

Governance and which are posted on the Company's web site at www.thpa.gr on the "investor relations/Corporate Governance code - Regulations - Policies" route

11.3. Description of the main features of the Company's internal control and risk management systems in relation to the process of preparing the financial statements

11.3.1 The Internal Audit Service is an independent service and reports directly to the Board of Directors through the Audit Committee appointed by the General Meeting.

The internal auditors have full access to all the Company's data and are present at the General Meetings.

The Internal Audit Service assists the Company's Management in the effective execution of its duties by providing analyzes, assessments, proposals, advice and information on all the activities of the Company that it controls.

Internal Audit:

1. acts as a consultant to the Administration in accordance with the auditing principles and international standards.
2. operates objectively and independently of the activities it controls.
3. provides high-level services at all hierarchical levels of the Company, through analyzes, evaluations and related suggestions.
4. functions as a service provider at all levels of the administrative and operational structure of the Company and the human resources it manages.
5. has uninterrupted access to records, resources and generally the Company's data necessary to conduct the audit.

11.3.2 *Audit committee*

The Audit Committee monitors:

- the process of financial reporting and the reliability of the Company's financial statements,
- the effective functioning of the internal control system and the risk management system,
- the proper functioning of the Internal Audit Service,
- the course of the review of the intermediate financial statements and the obligatory audit of the annual financial statements by external auditors,

- reviewing issues relevant to the existence and preservation of the objectivity and independence of the chartered auditor or audit firm, particularly regarding the provision to the audited entity of other services by the chartered auditor or the audit firm.

The Ordinary General Meeting dated 07/07/2017 appointed as members of the Audit Committee of ThPA. a.e. their:
a) Routos Dimitrios, member of the Board of Directors, independent non-executive
b) Tozidis Georgios, member of the Board of Directors, independent non-executive
c) Vogiatzis Christos, economist
Following the resignation of Mr. Tozidis, the composition of the Audit Committee was completed with the appointment on 20/09/2018 of Mr. Constantinos Karoulis, an independent non-executive member of the BoD and a representative of the Economic and Social Committee of Greece .

The Board of Directors who elected to the Extraordinary Ordinary General Meeting of Shareholders on 15/02/2018, at its meeting on 16/02/2018, appointed as members of the Audit Committee:
a) Routos Dimitrios, member of the Board of Directors, independent non-executive
b) Karoulis Konstantinos, member of the Board of Directors, independent non-executive
c) Vlachos Angelos, member of the Board of Directors, non-executive

On 23 March 2018, a new Audit Committee was appointed, which was ratified by the General Assembly on 28 June 2018 and consists of:
a) Mihalopoulos Panagiotis, member of the Board of Directors, independent non-executive, President of the audit committee
b) Alevras Panayiotis, member of the Board of Directors, independent non-executive
c) Vlachos Angelos, member of the Board of Directors, non-executive

11.3.3 *Other risk management practices (safety valves)*

The Company has developed policies and procedures that ensure the effective management of the risks of its activities by supporting and preserving the internal control system and the preparation of financial reports and financial statements of the Company.
These policies concern among others:

- The delegation of responsibilities and control both to the Company's senior management and its middle and lower executives, which ensures the efficiency of the internal control system, while preserving the required separation of responsibilities.
- Appropriate recruiting in Financial Department with staff who has the necessary technical knowledge and experience for the responsibilities assigned to them.

- Closure procedures including deadlines for submission, responsibilities and classification of accounts.
- Audit procedures and accounting agreements to ensure the correctness and legality of entries in the accounting records.
- The existence of safeguards for the Company's fixed assets, stocks, cash and other assets, such as, for example, the physical security of the cash desk or the Warehouses and the stocktake and comparison of the measured amounts with those in our records.
- Establishment and operation of the operating system for data network and computer systems of ThPA. a.e. to record & encrypt security requirements, obligations & user rights, as well as the services they take for their proper functioning, in the context of respecting personal data.

11.4. Information on the operation of the General Meeting of Shareholders and its basic powers, as well as a description of shareholders' rights and how to exercise them

The General Meeting of Shareholders is the supreme body of the company and is entitled to decide on each corporate affair in accordance with this law.

The General Meeting must meet at least once every business year by the tenth (10th) calendar day of the ninth month after the end of the financial year in order to decide on the approval of the annual financial statements and the election of auditors (Regular General Meeting). The Regular General Meeting may also decide on any other matter of its competence.

The General Meeting convenes the Board of Directors. The General Assembly meets extraordinarily:

- whenever the Board of Directors deems it appropriate or necessary (Extraordinary General Meeting).
- at the request of shareholders, representing one twentieth (1/20) of the paid up capital, the Board of Directors is obliged to convene an Extraordinary General Meeting of the shareholders
- The right to request the convening of a General Meeting has also the company's auditor with his/hers application to the Chairman of the Board of Directors.

Shareholders are entitled to participate in the General Meeting, either in person or through a legally authorized representative, in accordance with the lawful procedure. Shareholders exercise their rights in relation to the Company's Management, exclusively through their participation in the General Meetings of the Company's shareholders. Each share entitles one vote. Shareholders, in order to have the right to vote in the General Meeting, must indicate to the Company in writing a common representative for this share, who will represent them in the General Meeting, until such determination, the exercise of their rights is suspended.

The General Assembly is the only competent person to decide on the following issues:

a) Amendment of the Articles of Association, including increases or decreases in share capital.
b) Merging, splitting, transforming, reviving, extending the duration, extending the duration or terminating the Company.
c) Election of members of the Board of Directors and Auditors.
d) Approval of the Company's annual financial statements.
e) Allocation of annual profits.
f) The authorization of a fee or advance payment of wages under Article 109.
g) Approval of the overall management under Article 108 and the discharge of the Auditors.
h) Appointment of liquidators.
i) Registered companies listed on a regulated market, the adoption of remuneration policy under Article 110 and the Article 112 salary report.

At least twenty (20) days before the General Meeting, the company will post on its website both in Greek and English, information about:

- the date, time and place of the General Meeting of Shareholders,
- the items on the agenda clearly,
- shareholders who are eligible to participate and
- precise instructions on how shareholders can participate in the general meeting and exercise their rights.

In addition to the above, for companies listed on a regulated market, the invitation shall include further information on how shareholders' rights are exercised in accordance with Article 121 of Law 4548/2018.

Until the election of its chairman, by simple vote, the General Meeting is chaired by the Chairman of the Board of Directors or his deputy.
A summary of the resolutions of the General Meeting is available on the Company's website.

11.5. Composition and operation of the Board of Directors and any other administrative, management or supervisory bodies or committees of the company

11.5.1 Board of Directors

The Board of Directors represents ThPA S.A. in and out the court. By decision it has assigned the exercise part of its responsibilities to the Chairman of the Board of Directors and Chief Executive Officer, the Executive Committee and the General Directors.

The Board of Directors decides, without any limitation, on any act concerning the management of the Company, the management of its assets and generally the pursuit of its purpose, with the exception of matters expressly defined as belonging to the General Meeting.

The Board of Directors consists of at least nine (9) and up to eleven (11) members.

As a Member, a Legal Person may also be appointed.

The composition, the term, the assembly, the function and the responsibilities of the Board of Directors are governed by the provisions of Articles 7 to 10 of the Company's Articles of Association. Members are elected by the General Meeting, which also defines the term of its Members.

If the HRADF or its legal successor in title, continues to hold at least 504,000 common voting shares of nominal value three euro (€ 3.00) each (or any equivalent resulting from any change in the nominal value per share) is entitled to appoint a (1) non-executive member of the Company's Board of Directors.

The composition of the Board of Directors during the period **01/01/2018 - 15/02/2018**:

Konstantinos Mellios:	Chairman of the BoD
Dimitrios Makris:	Chief Executive Officer
Dimitrios Routos:	Vice Chairman of the Board
Angelos Vlachos:	Member
Panagiotis Kardaras:	Member
Dimitrios Bikas:	Member
Konstantinos Christogiannis:	Member
Lazaros Tantalidis:	Member, representative, of the employees
Dimitrios Thiriou:	Member, representative of the dockers
Konstantinos Tsiapakidis:	Member, representative of the Municipality of Thessaloniki
Konstantinos Karoulis:	Member, representative of Economic & Social Committee of Greece

The composition of the Board of Directors during the period **15/02/2018 – 23/03/2018**

Konstantinos Mellios:	Chairman of the BoD
Dimitrios Makris:	Chief Executive Officer
Dimitrios Routos:	Vice Chairman of the Board
Angelos Vlachos:	Member
Panagiotis Kardaras:	Member
Dimitrios Bikas:	Member
Konstantinos Christogiannis:	Member
Konstantinos Tsiapakidis:	Member, representative of the Municipality of Thessaloniki
Konstantinos Karoulis:	Member, representative of Economic & Social Committee of Greece

The composition of the Board of Directors during the period **23/03/2018 – 11/09/2018**

Sotirios Theophanis:	Chairman of the BoD & Chief Executive Officer
Boris Wenzel:	Deputy Chairman of the Board, non-executive member
Arthur Davidyan:	Non-executive member
Angelos Vlachos:	Non-executive member
Alexander-Wilhelm Von Mellenthin:	Member
Panayiotis Alevras:	Independent non-executive member
Gabriel Ioannou:	Non-executive member
Panagiotis Michalopoulos:	Independent non-executive member
Yong YU:	Independent non-executive member

The composition of the Board of Directors during the period **11/09/2018 – 31/12/2018**

Sotirios Theophanis:	Chairman of the BoD & Chief Executive Officer
Boris Wenzel:	Deputy Chairman of the Board, non-executive member
Arthur Davidyan:	Executive member
Angelos Vlachos:	Non-executive member
Alexander-Wilhelm Von Mellenthin:	Member
Panayiotis Alevras:	Independent non-executive member
Gabriel Ioannou:	Non-executive member
Panagiotis Michalopoulos:	Independent non-executive member
Garnier Cedrik Jean Marc	Independent non-executive member

The compensation of the members of the Board of Directors for the year 2018 is presented in note 8.26 of the financial statements.

The compensation per meeting of the Board of Directors until March 2018 amounted to € 171,92 with a maximum of 3 meetings per month. As of March 2018, no compensation per meeting is paid, except travelling expenses.

11.5.2 Chief Executive Officer

The Chief Executive Officer manages all the services of the Company, manages its work and takes the necessary decisions within the framework of the provisions governing the operation of the Company, the approved programs and budgets and the Strategic and Operational Plan. It also has the responsibilities assigned by the Board of Directors.

11.5.3 Management team meeting- Executive Committee

At the Management team meeting, existed until March 2018, the Chief Executive Officer was elected as Chairman, and as Members the General Directors, or if there was only one General Manager, he and the Managers or in any other case the Managers.

The Executive Committee, as an active management body, decision no. 7361/16.04.2018, receives the majority of the Company's business decisions in order to make its operation more flexible.
The Chairman and Chief Executive Officer of the Company is the Chairman of the committee and members are the General Managers of the Company's four General Directorates.

12. EXPLANATORY REPORT BY THE BOARD OF DIRECTORS (Pursuant to article 4 pars. 7 and 8 of Law 3556/2007)

12.1. Structure of the Company's share capital

The share capital of ThPA SA stands at thirty million two hundred and forty thousand Euros (30,240,000), is divided in ten million and eighty thousand (10,080,000) common nominal shares, of a value of three Euros (3,0) each. In the share capital there are no shares that do not represent capitals of the Company or rights to acquire bonds.
The shares of the Company ThPA S.A. are listed in the Main Market of the Athens Stock Exchange with 25,73% of the total shares being offered to the investing public.

The shareholder structure of the Company on 31/12/2018 was as follows:

Shareholders	Number of shares	Percentage
SEGT Ltd	6.753.600	67,00%
HRADF SA	732.594	7,27%
Investing public	2.593.806	25,73%
TOTAL	**10.080.000**	**100,00%**

The Company does not hold any own shares.

12.2. Limitations on share transfer

Company shares are all common registered shares.
Every Company share incorporates every right and liability prescribed by Law and the Company's articles of association, which do not include provisions imposing further limitations than those provided by Law.

12.3 Significant direct or indirect holdings set out by articles 9 to 11 of Law 3556/2007

Significant direct or indirect holdings over 5% on 31/12/2018

Besides SEGT Ltd. and HRADF, which held on 31.12.2017 67,00% and 7,27% respectively of the share capital of ThPA SA, there were no other shareholders with significant direct or indirect holdings set out by the provisions of Law 3556/07 (articles 9, 10, 11).

12.4 Shares granting special control rights

Besides SEGT Ltd, the reference shareholder, with a percentage of 67,00%, there were no other Company shares granting special control rights to their owners on December 31, 2018.

12.5 Voting rights restrictions-Deadlines for the exercise of relevant rights

Every share grants the right of one vote. Joint holders of a share, in order to have the right to vote in the General Meeting, have to appoint to the Company, in writing, one common representative for this share, who shall represent them in the General Meeting, while until this appointment, the exercise of their rights shall be suspended. The Company's shares are freely negotiable. The shareholders exercise their rights regarding the management of the Company, exclusively by participating in the General Meetings of the shareholders of the Company.

12.6 Shareholder agreements, disclosed to the Company, entailing restrictions to the transfer of shares or to the exercise of the rights to vote

No agreements between shareholders, entailing restrictions to the transfer of shares or to the exercise of the rights to vote, have been disclosed to the Company, nor are such agreements provided for in its Articles of Association.

12.7 Rules for the appointment and replacement of members of the Board of Directors and for amending the articles of association

The Board of Directors represents ThPA both in and out of court. It has issued a decision to assign part of its powers to its Chairman and to the CEO, jointly or each one individually.

The Board of Directors decides, without any limitation, on any act concerning the management of the Company, in the context of the corporate scope, with the exception of matters fall under the exclusive competence of the General Shareholders Meeting.

The Board of Directors consists of at least nine (9) and up to eleven (11) members.
The composition, term, constitution, operation and competences of the Board of Directors are governed by the provisions of Articles 7 to 10 of the Company's Articles of Association. Members are elected by the General Shareholders Meeting, which also defines the terms of its Members.

While HRADF or its legal successor in title, continues to hold at least 504.000 common voting shares of nominal value three Euro (€ 3.00) each (or any equivalent resulting from any change in the nominal value per share) is entitled to appoint a (1) non-executive member of the Company's Board of Directors.

Thessaloniki, April 30, 2019

The Board of Directors

Building a better
working world
working world

ERNST & YOUNG (GREECE)
CHARTERED AUDITORS
ACCOUNTANTS SA
Chimaras 8B, Marousi
GR-151 28 Athens

Tel.: +30 210 2886 000
Fax: +30 210 2886 905
ey.com

C. Independent Chartered Auditor Accountant's Report Pending

THIS REPORT HAS BEEN TRANSLATED FROM THE ORIGINAL VERSION IN GREEK

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of THESSALONIKI PORT AUTHORITY SOCIETE ANONYME

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of "THESSALONIKI PORT AUTHORITY SOCIETE ANONYME" (the Company), which comprise the statement of financial position as of December 31, 2018, the statement of income statement, the statement of changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly in all material respects the financial position of "THESSALONIKI PORT AUTHORITY SOCIETE ANONYME", as at December 31, 2018 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as endorsed by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as incorporated in Greek Law. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We remained independent of the Company throughout the period of our appointment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as incorporated in Greek Law, together with the ethical requirements that are relevant to the audit of the financial statements in Greece, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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 financial statements of the current period. These matters and the related risks of material misstatement, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financialstatements.

Key audit matter	How our audit addressed the key audit matter
Impairment of intangible assets	
One of the significant assets of the Company are tangible assets amounting to € 49,4 million as of 31 December 2018. According to the International Financial Reporting Standards, the Company evaluates at least on each reporting date the useful lives and whether there are any indications for impairment of tangible assets. If there is any such indication, the entity evaluates the recoverable value of these tangible assets. Due to the significance of account, as well as the need to use judgement in order to determine if whether or not there are any indications of impairment, we consider the impairment of tangible assets to be one of the most significant areas of our audit. The Company's accounting policy relating to the evaluation of impairment of tangible assets, along with the judgements and estimates used in the impairment calculation are included in the notes 4.4, 5.5 and 8.2 of the financial statements.	The auditing procedures we carried out, among other, are the following: • We evaluated the Company's accounting policies and procedures in assessing the useful lives of tangible assets and identification of impairment indicators. • For tangible assets for that had an indicator for impairment, we evaluated the assumptions and methodologies used by management to compute the recoverable amount for such tangible assets. • We evaluated with the assistance of EY valuation specialists: (I) the assumptions and methodologies used by management to compute the recoverable amount for such tangible assets and (ii) the level of the recoverable amount. • We examined the assets under construction which do not exhibit movement during the year, and we examined their nature and the Company's intend to complete the construction. • We reviewed the concession agreement signed with the Greek State for the year under audit, in order to confirm that the Company is obligated to construct the assets that are accounted for under construction. • We evaluated the adequacy of disclosures in the notes to the financial statements.

Recoverability of receivables from Greek State for the assessment of income taxes	
The advances and other receivables include: €2.7 million relating to receivable from the Greek State for assessment of income taxes for the tax audit of previous years (fiscal years 2005-2011) The Company has recorded a provision amounting to €1.4 million against the amount of receivable. The Company has raised a legal claim for the return of amounts that have been paid. Management evaluates the recoverability of the receivable, taking into account the opinion of its legal advisers, and evaluates the required provision so that the other receivables are depicted at their recoverable amount. The assessment for a possible impairment of the receivable requires considerable judgement from Management. Therefore, we consider the evaluation of the recoverability of the receivable due from Greek State to be one of the significant areas of our audit. The Company's disclosures relating to the accounting policy, as well as the assumptions used to evaluate the recoverability of the receivable from the Greek State are included in the notes 4.4, 8.8 and 8.27.4 of the financial statements.	The auditing procedures we carried out, among other, are the following: • We evaluated the Company's accounting policies and procedures in assessing the recoverability of receivables from the Greek State. • We received letters from the Company's legal advisers regarding developments their opinion on the outcome of this claim. Based on the conclusions drawn from these letters, we evaluated management's assessment for recoverability of receivables from the Greek State. • With the assistance of EY specialists on tax matters, we evaluated the appropriateness of the provision for impairment for receivables from the Greek State. • Furthermore, we evaluated the adequacy of the disclosures in the notes to the financial statements

Other information

Management is responsible for the other information in the Annual Report. The other information, includes the Management Report of the Board of Directors, for which reference is also made in section "Report on Other Legal and Regulatory Requirements", in the Statements of the Members of the Board of Directors, and any other information either required by special legal provisions or incorporated obligatorily by the Company in the Annual Financial Report prescribed by Law 3556/2007, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 to cease operations, or has no realistic alternative but to do so.

The Audit Committee (Law 44 v.4449/2017) is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 incorporated in Greek Law, 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 financial statements.

As part of an audit in accordance with ISAs, as incorporated in Greek Law, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 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 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

1. Board of Directors' Report

Taking into consideration that management is responsible for the preparation of the Board of Directors' Report and Corporate Governance Statement that is included therein, according to the provisions of paragraph 5 article 2 of Law 4336/2015 (part B), we report that:

a) The Board of Directors' Report includes a Corporate Governance Statement that contains the information required by article 43bb of Codified Law 2190/1920.

b) In our opinion the Board of Directors' Report has been prepared [or "has not been prepared"] in accordance with the legal requirements of article 43a, and paragraph 1 (c and d) of article 43bb of the Codified Law 2190/1920 and the content of the Board of Directors' report is consistent with the accompanying financial statements for the year ended December 31, 2018.

c) Based on the knowledge and understanding concerning "THESSALONIKI PORT AUTHORITY SOCIÉTÉ ANONYME" and its environment, obtained during our audit, we have not identified information included in the Board of Directors' Report that contains a material misstatement.

2. Additional Report to the Audit Committee

Our opinion on the financial statements is consistent with our Additional Report to the Audit Committee, in accordance with Article 11 of the EU Regulation 537/2014.

3. Provision of Non-audit Services

We have not provided any prohibited non-audit services per Article 5 of the EU Regulation 537/2014 or other allowed non-audit services.

4. Appointment of the Auditor

We were firstly appointed as auditors of the Company by the General Assembly on 28/05/2010. Our appointment has been renewed annually by virtue of decisions of the annual general meetings of the shareholders for a continuous period of 9 years.

Athens, 30 04 2019

The Certified Auditor Accountant

Sofia Kalomenides

ICPA Reg. No. 13301

Ernst & Young (Hellas) Certified Auditors Accountants S.A.

8B Chimarras St., Maroussi

151 25, Greece

Company SOEL R.N. 107

THESSALONIKI PORT AUTHORITY
Société Anonyme

(Th. P. A. SA)

D. Annual Financial Statements

Financial Position Statement

ASSETS	**Note**	**31.12.2018**	**31.12.2017**
Non current assets			
Investments in property	**8.1**	3.028.963,36	3.037.444,02
Tangible fixed assets	**8.2**	49.382.179,23	45.196.747,75
Intangible assets	**8.3**	594.844,36	754.309,94
Financial instruments available for sale	**8.4**	0,00	0,00
Long-term receivables	**8.5**	27.534,32	27.534,32
Cash collateral	**8.9**	10.000.000,00	0,00
Deferred tax assets	**8.24**	4.927.207,81	5.794.801,83
Total non current assets		**67.960.729,08**	**54.810.837,86**
Current assets			
Inventories	**8.6**	1.724.392,82	1.806.154,64
Trade receivables	**8.7**	2.833.200,95	3.663.460,30
Down payments and other receivables	**8.8**	6.036.065,65	4.677.070,97
Other financial items	**8.9**	0,00	9.436.043,13
Cash holdings and equivalents	**8.9**	91.036.781,75	80.888.940,39
Total current assets		**101.630.441,17**	**100.471.669,43**
Total Assets		**169.591.170,25**	**155.282.507,29**
EQUITY			
Equity			
Share capital	**8.10**	30.240.000,00	30.240.000,00
Reserves	**8.10**	66.207.907,34	65.350.317,79
Profits carried forward		54.196.827,24	42.261.184,19
Total Equity		**150.644.734,58**	**137.851.501,98**
LIABILITIES			
Long-term liabilities			
Provisions for liabilities to employees	**8.11**	3.945.104,61	4.192.390,31
Other provisions	**8.12**	914.867,98	1.456.119,72
Other long-term liabilities	**8.13**	124.531,92	124.305,76
Total long-term liabilities		**4.984.504,51**	**5.772.815,79**
Short-term liabilities			
Liabilities to suppliers	**8.14**	3.008.372,84	2.396.148,20
Customer down payments	**8.14**	2.877.914,44	2.994.534,02
Income taxes payable	**8.15**	0,00	1.326.800,99
Other liabilities and accrued expenses	**8.14**	8.075.643,88	4.940.706,31
Total short-term liabilities		**13.961.931,16**	**11.658.189,52**
Total Liabilities		**18.946.435,67**	**17.431.005,31**
Total Equity and Liabilities		**169.591.170,25**	**155.282.507,29**

The attached explanatory notes are an integral part of the present financial statements.

Comprehensive Income Statement

	Note	1/1-31/12/2018	1/1-31/12/2017
Sales	8.16	58.534.687,97	54.231.940,70
Cost of sales	8.17	-31.402.703,93	-32.422.472,99
Gross Profit		**27.131.984,04**	**21.809.467,71**
Other revenue and profits	8.18	6.383.493,42	2.747.202,65
Administrative expenses	8.19	-6.727.597,25	-4.448.639,27
Distribution expenses	8.20	-737.234,36	-896.487,70
Other expenses and losses	8.22	-2.415.886,18	-7.901.114,21
Operating results before taxes, financial and investment results		**23.634.759,67**	**11.310.429,18**
Financial income	8.23	1.140.065,49	1.166.042,65
Financial expenses	8.23	-45.559,24	-2.429,97
Fiscal year profits before tax		**24.729.265,92**	**12.474.041,86**
Income tax	8.24	-7.577.474,89	-5.231.087,17
Fiscal year profits net of tax (A)		**17.151.791,03**	**7.242.954,69**
Items to be posteriorly classified in the P&L account			
Profit/(Loss) from the valuation of financial instruments available for sale	8.4	0,00	63.440,00
Items that will not be posteriorly classified in the P&L account			
Profits from the remeasurement of fixed benefit plans	8.11	238.354,35	41.105,87
Corresponding income tax	8.24	-60.912,78	-11.920,70
Other comprehensive income net of tax (B)		**177.441,57**	**92.625,17**
Total comprehensive income net of tax (A + B)		**17.329.232,60**	**7.335.579,86**
Basic and diluted earnings per share (in €)	8.28	**1,7016**	**0,7185**
Profits before taxes, financial and investment results and total depreciation	7.2	**27.604.778,77**	**18.849.984,45**

The attached explanatory notes are an integral part of the present financial statements.

Statement of Changes in Equity

	Share Capital	Statutory Reserve	Untaxed Reserves	Valuation reserve for investment available for sale	Total Reserves	Profits carried forward	Total
Equity at beginning of fiscal year (1.1.2018)	**30.240.000,00**	**7.914.374,23**	**57.435.943,56**	**0,00**	**65.350.317,79**	**42.261.184,19**	**137.851.501,98**
Transactions with shareholders							
Dividends distributed (Note 8.25)	0,00	0,00	0,00	0,00	0,00	-4.536.000,00	-4.536.000,00
Other changes for the fiscal year							
Fiscal year earnings net of tax	0,00	0,00	0,00	0,00	0,00	17.151.791,03	17.151.791,03
Other comprehensive income net of tax	0,00	0,00	0,00	0,00	0,00	177.441,57	177.441,57
Total comprehensive income net of tax	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**17.329.232,60**	**17.329.232,60**
Profit distribution to reserves (Note 8.10.2)	0,00	857.589,55	0,00	0,00	**857.589,55**	-857.589,55	**0,00**
Equity at end of fiscal year (31.12.2018)	**30.240.000,00**	**8.771.963,78**	**57.435.943,56**	**0,00**	**66.207.907,34**	**54.196.827,24**	**150.644.734,58**
Equity at beginning of fiscal year (1.1.2017)	**30.240.000,00**	**7.672.383,60**	**57.435.943,56**	**-63.440,00**	**65.044.887,16**	**40.170.234,96**	**135.455.122,12**
Transactions with shareholders							
Dividends distributed (Note 8.25)	0,00	0,00	0,00	0,00	0,00	-4.939.200,00	-4.939.200,00
Other changes for the fiscal year							
Fiscal year earnings net of tax	0,00	0,00	0,00	0,00	0,00	7.242.954,69	7.242.954,69
Other comprehensive income net of tax	0,00	0,00	0,00	63.440,00	63.440,00	29.185,17	92.625,17
Total comprehensive income net of tax	**0,00**	**0,00**	**0,00**	**63.440,00**	**63.440,00**	**7.272.139,86**	**7.335.579,86**
Profit distribution to reserves (Note 8.10.2)	0,00	241.990,63	0,00	0,00	**241.990,63**	-241.990,63	**0,00**
Equity at end of fiscal year (31.12.2017)	**30.240.000,00**	**7.914.374,23**	**57.435.943,56**	**0,00**	**65.350.317,79**	**42.261.184,19**	**137.851.501,98**

The attached explanatory notes are an integral part of the present financial statements.

Cash Flow Statement

	Note	12/31/2018	12/31/2017
Cash flows from operating activities			
Profits before tax		**24.729.265,92**	**12.474.041,86**
Plus/less adjustments for:			
Depreciation of tangible fixed and intangible assets	**8.2, 8.3**	3.970.800,70	7.543.903,00
	8.6, 8.17, 8.19, 8.20,		
Provisions	**8.22**	567.839,14	5.571.775,19
Income from unused provisions	**8.18**	-1.539.404,35	-6.083,42
Loss from the revaluation of property investments at fair value	**8.1, 8.22**	8.480,66	182.260,10
Loss due to the impairment/destruction of fixed assets	**8.2, 8.22**	1.156.174,51	2.543.105,44
Credit interest and related income	**8.23**	-1.140.065,49	-1.166.042,65
Results (earnings) from reverse impairment of fixed assets	**8.2, 8.18**	-1.562.000,01	0,00
Amortization of subsidized fixed assets	**8.13**	-781,60	-4.347,73
Interest charges and related expenses	**8.23**	45.559,24	2.429,97
Plus/Less adjustments for changes in working capital accounts or related to operating activities:			
Increase in inventories		-68.894,11	-40.409,28
Increase in receivables		244.893,47	521.760,47
(Decrease)/increase in liabilities (excluding banks)		3.647.317,79	-548.640,29
Payments for personnel compensation	**8.11**	-133.720,91	-163.980,00
Less:			
Interest charges and related paid-up expenses	**8.23**	-45.559,24	-2.429,97
Taxes paid		-8.097.594,64	-6.307.428,23
Net cash flow from operating activities (a)		***21.782.311,08***	***20.599.914,46***
Cash flow from investing activities			
Purchase of tangible fixed and intangible assets	**8.2, 8.3**	-7.590.941,10	-2.397.147,36
Sale of financial instruments available for sale	**8.4**	0,00	488.000,00
Cash collateral	**8.9**	-10.000.000,00	0,00
Sale of other financial instruments	**8.9**	9.436.043,13	17.671.583,63
Interest and related income collected		1.056.428,25	1.007.313,04
Net cash flow/(outflow) from financing activities (b)		***-7.098.469,72***	***16.769.749,31***
Cash flow from financing activities			
Dividends paid	**8.25**	-4.536.000,00	-4.939.200,00
Net cash outflow from financing activities (c)		**-4.536.000,00**	**-4.939.200,00**
Net increase/(decrease) in cash and cash equivalents for the fiscal year (a) + (b) + (c)		**10.147.841,36**	**32.430.463,77**
Cash and cash equivalents at beginning of fiscal year		**80.888.940,39**	**48.458.476,62**
Cash and cash equivalents at end of fiscal year		**91.036.781,75**	**80.888.940,39**

The attached explanatory notes are an integral part of the present financial statements.

E. Notes on the Annual Financial Statements

Note: References to the provisions of Law 2190/1920 are meant as references to the corresponding provisions of Law 4548/2018.

1. Incorporation and Company activity

Public limited company ThPA S.A. was incorporated in the year 1999, for a term of 100 years, by the conversion of the Public Law Legal Entity «Thessaloniki Port Authority» to a public limited company, pursuant to Law 2688/1999.

The company is involved in the sector of auxiliary activities related to transportations (STACOD ’08, code 52), i.e. the provision of services of loading/unloading cargoes, their storage, of other port services, of the service of passenger traffic etc.

2. Legal Framework

The Company is governed by the principles of the Societe Anonyme 2190/1920 and the founding Law 2688/1999 as amended and in force.

The Company’s goal is to fulfill the obligations, to carry out the activities and to exercise the opportunities arising from the concession agreement between the Company and the Greek State as amended and in force at the time.

The Company’s goal as described in Article 3 of its Articles of Association, includes in particular:

• The exploitation of the rights granted to it under the Concession Agreement as well as the maintenance, development and exploitation of the conceded assets in accordance with the Concession Agreement,

• The provision of services and facilities to ships, cargo and passengers, including mooring and cargo handling,

• The installation, organization and operation of all types of port infrastructure,

• The undertaking of any activity relating to the Port of Thessaloniki, commercially or reasonably adjacent to it,

• The conclusion of contracts with third parties for the provision of port services of all kinds,

• The award of works contracts,

• Undertaking any kind of activity, whether intentional or routine, in the context of its business activity under the Concession Agreement.

• Undertaking any activity other than those carried out by commercial companies in general.

3. Concession agreement for the right of use and exploitation of the terrestrial port zone of the Port of Thessaloniki

The Company has the exclusive right to use and exploit the plots, buildings and installations of the terrestrial port zone of the Port of Thessaloniki, which are property of the Greek State. The above exclusive right was conceded to ThPA SA by virtue of the concession agreement of June 27th 2001 between the Greek State and ThPA SA and expires in the year 2051. The above agreement was amended and coded in February 2018 and ratified by Law 4522/07.03.2018 (Gov. Gaz 39).

The Management of the Company has examined whether or not the contract for the granting of the exclusive right to use and exploit the land and buildings of the land port area of the Port of Thessaloniki falls under the provisions of Interpretation 12. The Administration concluded that this agreement does not fall within the scope of Interpretation 12 as it is an operating lease, which should be monitored in accordance with the requirements of IFRS 16-Leases with first application on 01.01.2019.

For the year ended December 31, 2018, the annual cost of granting the exclusive right to use and exploit the land and buildings of the Terrestrial Port Area of the Port of Thessaloniki was recorded as an expense in the financial statements and presented as part of the cost of sales (note 8.17). The obligation for the concession fee is recorded in other liabilities and accrued income (note 8.14).

The main points of the Amended or Revised Concession are as follows:

- The right of use extends over the land sections covered or not, the existing buildings, the technical-port works, the embankments, service roads, railway network, public utility networks, extensions to sites-works, the port maritime zone, in general over the premises of the vertical projection of the terrestrial port zone except from buildings serving public services and specially designed buildings of the pier a˙ and its surroundings.
- Through this concession agreement, the Greek State grants to ThPA the exclusive right to hold, use, manage, maintain, improve and exploit the concession information throughout the duration of the Concession, subject to the terms and conditions set forth in this agreement.
- The right will expire on 27 June 2051, the fiftieth (50th) anniversary of the 2001 Concession, subject to an early termination in accordance with Article 25.
- The termination or expiration of the agreement implies the obligation of ThPA S.A. to remit the concession to the State in the situation provided for in Article 26 of the Concession.

A concession fee is determined as a percentage of the Company's total consolidated revenue at 3,5%, with a minimum annual amount payable of 1.8 million.

ThPA S.A. is obliged:

- To take all reasonable steps within its sphere of influence to ensure that all operations, activities and transactions undertaken under this Concession will contribute to the development of the Port of Thessaloniki as provided for in the program objectives

- To fulfill its obligations under this Concession in accordance with applicable laws, regulations and ordinances of general application
- To operate the Port of Thessaloniki and to fulfill in all respects its obligations arising from this Agreement in accordance with good industry practice.

The Greek State is obliged:

To provide the necessary assistance to fulfill the purpose of the concession.

4. Framework for the preparation and basis for the presentation of the financial statements

4.1. Framework for the preparation

The financial statements have been compiled in accordance with the International Financial Reporting Standards (IFRS), as they have been published by the International Accounting Standards Board (IASB) as well as in accordance with their relevant Interpretations, as published by the Standards Interpretation Committee of the IASB, as they have been adopted by the European Union and mandatorily applied for the fiscal years ending on December 31st 2018. There are no standards and standards interpretations that have been applied prior to the date of beginning of their application.

The financial statements attached have been prepared on the basis of the principle of going concern and the principle of historic cost, with the exception of:

- tangible and intangible assets for which the previous adjustment was used, on May 2000, before the Company was listed on the Athens Stock Exchange, as the imputed cost on that date.
- investment real estate, which are valuated at their fair value.

4.2 Presentation basis

The financial statements are presented in Euro.

The annual financial statements of the fiscal year that ended on December 31st 2018 have been compiled in compliance with the International Financial Accounting Standards, adopted by the European Union and approved by the Board of Directors on 30/04/2019 (decision by the BoD of ThPA SA no. 7451/30.04.2019).

The Annual Financial Statements of the Company, the Chartered Accountant Auditor's Report and the Management Report by the Board of Directors for the fiscal year that ended on December 31st 2018 have been posted on the Company's website www.thpa.gr.

4.3. Standards-Amendments and Interpretations in force since 01.01.2018

A. Amendments in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs which have been adopted by the Company as of 1 January 2018:

- **IFRS 9 Financial Instruments**
  The final version of IFRS 9 Financial Instruments reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. The Company's Management applied the simplified approach of the standard and assessed that it had no effect on its financial results.

- **IFRS 15 Revenue from Contracts with Customers**
  IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles). Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgments and estimates. The Company's management, following an assessment of its sources of revenue, concluded that in general the contracts with customers consist of a performance or service obligation whose prices are stable.

- **IFRS 15: Revenue from Contracts with Customers (Clarifications)**
  The objective of the Clarifications is to clarify the IASB's intentions when developing the requirements in IFRS 15 *Revenue from Contracts with Customers*, particularly the accounting of identifying performance obligations amending the wording of the "separately identifiable" principle, of principal versus agent considerations including the assessment of whether an entity is a principal or an agent as well as applications of control principle and of licensing providing additional guidance for accounting of intellectual property and royalties. The Clarifications also provide additional practical expedients for entities that either apply IFRS 15 fully retrospectively or that elect to apply the modified retrospective approach. The Company's Management considers that it is not subject to the obligation to clarify and disclose.

- **IFRS 2: Classification and Measurement of Share based Payment Transactions (Amendments)**
  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 obligations and for modifications to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The Company's Management estimates that these amendments have no impact on the financial statements.

- **IAS 40: Transfers to Investment Property (Amendments)**
  The Amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The Amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The Company's Management estimates that these amendments have no impact on the financial statements.

- **IFRIC INTERPETATION 22: Foreign Currency Transactions and Advance Consideration**
  The Interpretation clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The Interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or a non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. The Interpretation states that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. This interpretation has no impact on the financial statements.

The **IASB has issued the Annual Improvements to IFRSs 2014 – 2016 Cycle**, which is a collection of amendments to IFRSs. These upgrades have no impact on the financial statements.

- ***IAS 28 Investments in Associates and Joint Ventures:*** The amendments clarify that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is venture capital organization, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

B. Standards issued but not yet effective and not early adopted

- **IFRS 16: Leases**

  The Standard is effective for annual periods beginning on or after 1 January 2019. IFRS 16 lays down the principles for the recognition, measurement, presentation and disclosure of leases for both parties to the contract, namely the customer ("lessee"), and the supplier ("lessor"). The new standard requires lessees to recognize most leases in their financial statements. Lessees will have a single accounting framework for all leases, with some exceptions. The lessor's accounting remains virtually unchanged.

  The company will adopt the standard from its mandatory date of application on 1 January 2019, but will make use of the short and low-value leases exemption. Based on the calculations made, the amount of €44,3 million will be recognized as a right to use an asset with a corresponding liability. This right arises from the concession consideration agreed in the concession agreement between the Company and the Greek State until 2051 and is calculated on the basis of the minimum annual remuneration per year.

  The Company does not have loan obligations in banks and there is no real interest rate to be used. The discount rate used was calculated taking into account the interest rate from an indicative leasing offer of machinery plus a risk margin for the diversification that occurs during the years of the relevant bid and the duration of the concession. The impact on EBITDA from the application of the Standard will be positive by approximately € 1.8 million. In addition, the Company assessed and recognized on 1 January 2019 the right to use an asset for transport financial leasing instruments and the corresponding obligation, which will not have a significant impact on the Company's financial statements

- **Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

  The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU. The Company's Management estimates that these amendments will have no impact on the financial statements.

- **IFRS 9: Prepayment features with negative compensation (Amendment)**

  The Amendment is effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted. The Amendment allows financial assets with prepayment features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract (so that, from the perspective of the holder of the asset there may be 'negative compensation'), to be measured at amortized cost or at fair value through other comprehensive income. The Company's Management estimates that these amendments will have no impact on the financial statements.

- **IAS 28: Long-term Interests in Associates and Joint Ventures (Amendments)**
  The Amendments are effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted. The Amendments relate to whether the measurement, in particular impairment requirements, of long term interests in associates and joint ventures that, in substance, form part of the 'net investment' in the associate or joint venture should be governed by IFRS 9, IAS 28 or a combination of both. The Amendments clarify that an entity applies IFRS 9 Financial Instruments, before it applies IAS 28, to such long-term interests for which the equity method is not applied. In applying IFRS 9, the entity does not take account of any adjustments to the carrying amount of long- term interests that arise from applying IAS 28. These Amendments have not yet been endorsed by the EU. The Company's Management estimates that these amendments will have no impact on the financial statements.

- **IFRIC INTERPETATION 23: Uncertainty over Income Tax Treatments**
  The Interpretation is effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. The interpretation provides guidance for addressing the uncertainty involved in tax handling when accounting for income taxes. The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances. The Company's Management estimates that these amendments will have no impact on the financial statements.

- **IAS 19: Plan Amendment, Curtailment or Settlement (Amendments)**
  The Amendments are effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. The Amendments require entities to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement has occurred. The Amendments also clarify how the accounting for a plan amendment, curtailment or settlement affects applying the asset ceiling requirements. These Amendments have not yet been endorsed by the EU. The Company's Management estimates that these amendments will have no impact on the financial statements.

- **Conceptual Framework in IFRS standards**
  The IASB issued the revised Conceptual Framework for Financial Reporting on 29 March 2018. The conceptual framework defines an integrated set of concepts for financial reporting. These concepts help define standards, guide authors to develop consistent accounting policies, and support their understanding and interpretation of standards. The International Accounting Standards Board also issued an accompanying document, Amendments to Conceptual Framework References, which sets out the amendments to the standards that are affected in order to update the references to the revised conceptual framework. The objective of the document is to support the transition to the revised IFRS conceptual framework for companies that adopt the conceptual framework to develop accounting policies when no IFRS standard makes reference. For authors who develop accounting policies under the conceptual framework, it applies to annual periods beginning on or after January 1, 2020.

- **IFRS 3: Business Combinations (Amendments)**
  The IASB issued amendments in Definition of a Business (Amendments to IFRS 3) aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The Amendments are effective for business combinations for which the acquisition date is in the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period, with earlier application permitted. These Amendments have not yet been endorsed by the EU. The Company's Management estimates that these amendments will have no impact on the financial statements.

- **IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of 'mat erial' (Amendments)**
  The Amendments are effective for annual periods beginning on or after 1 January 2020 with earlier application permitted. The Amendments clarify the definition of material and how it should be applied. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity'. In addition, the explanations accompanying the definition have been improved. The Amendments also ensure that the definition of material is consistent across all IFRS Standards. These Amendments have not yet been endorsed by the EU. The Company's Management estimates that these amendments will have no impact on the financial statements.

- The **IASB has issued the Annual Improvements to IFRSs 2015 – 2017 Cycle**, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. These annual improvements have not yet been endorsed by the EU. The Company's Management estimates that these amendments will have no impact on the financial statements.

- **IFRS 3 Business Combinations and IFRS 11 Joint Arrangements:** The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.
- **IAS 12 Income Taxes:** The amendments clarify that the income tax consequences of payments on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits has been recognized.
- **IAS 23 Borrowing Costs:** The amendments clarify paragraph 14 of the standard that, when a qualifying asset is ready for its intended use or sale, and some of the specific borrowing related to that qualifying asset remains outstanding at that point, that borrowing is to be included in the funds that an entity borrows generally.

4.4. Important judgments, estimates and assumptions

Preparation of the financial statements in compliance with the IFRS requires that Company management make judgements, accounting estimates and assumptions which affect the published assets and liabilities, and also disclose contingent assets and liabilities on the date the financial statements are prepared, as well as the published income and expenses for the reference period. Actual results may differ from those which were estimated.

Estimates and judgements are constantly re-assessed and are based both on past experience and on other factors including expectations about future events considered reasonable based on specific circumstances and are constantly re-assessed using all available information. Changes in judgements can lead to an increase or reduction in the company's contingent liabilities in the future.

A major accounting estimate is considered to be one where it is important for the picture of the company's financial situation and its results and requires more difficult, subjective or complicated management judgements about the impact of assumptions which are uncertain. The Company evaluates such estimates on a continuous basis, relying on past results and on experience, meetings with experts, trends and other methods which are considered reasonable under the specific circumstances, and the forecasts about how they could change in the future.

The key judgements and estimates made by Company Management which have a major impact on the amounts recognised in the financial statements primarily deal with:

- **The useful life of depreciated assets**

Company Management examines the useful life of depreciated assets every fiscal year, to assess whether they continue to be suitable. To assess the useful life, Company Management takes account of the expected use of assets, the expected natural wear and legal or similar restrictions to the use of an asset. During the previous year the Company reviewed and adjusted accordingly the useful life of its mechanical equipment.

Company Management considers that useful life on 31.12.2018 reflects the expected utility period of assets.

- **Impairment testing of tangible fixed assets**

At the end of each financial year, the Company's Management examines whether there is any indication of a possible impairment of the tangible fixed assets value. For the existence of such indications, it is taken in account the economic depreciation, the physical condition of the asset, the expected use and the present value of the estimated future cash flows of the asset.

- **Income tax**

The company is liable to pay income tax to the Greek tax authorities. Significant estimates are needed when making income tax provisions. There are many transactions and calculations for which the final level of tax is uncertain during normal business operations. The company recognises liabilities for issues expected to arise during tax audits based on its estimates on the extent to which additional taxes will be owed. When the final results in those tax cases differs from the amounts initially computed, such differences shall have an impact on the income tax and the provisions for deferred taxation in the period in which those amounts become final.

- **Impairment of receivables**

Bad debt is presented as the amounts which may be recovered. Estimates about the amounts expected to be recovered are made after analysis and based on the Company's experience concerning the likelihood of customer bad debt. Once it is known that a specific account is at risk above the normal credit risk level (e.g. low credit rating for customer, disagreement over existence of receivable or level thereof, etc.) the account is analyzed and a record is made of whether the conditions indicate that the receivable will not be collected.

Company Management examines the recoverability of other receivables which relate to legal cases, by taking into account the opinions and judgments of its legal advisors as well as historic data on the outcome of similar legal cases. In order for a receivable from legal cases to be deemed recoverable, the inflow of financial benefits should be considered virtually certain.

The Company, regarding the adoption of IFRS 9, assessed the need to provide a provision for customer requirements. However, as most of the customers have either submitted a letter of guarantee or have paid an advance covering the claim, the Company has concluded that there is no material loss and does not make a distinct provision in its financial statements.

- **Running-down of stocks**

The Company proceeds with estimates regarding the evaluation of inventories at the lowest between the current and the net realizable value. The realizable value may differ from that estimated at the date of preparation of the financial statements.

- **Other provisions**

In consultation with the legal advisor handling the cases, the Company proceeds at the end of every fiscal year with an assessment of the outcome of court cases. Based on the judgement of Management and the legal advisor handling the cases, the Company proceeds with the formation of the necessary provision.

- **Defined benefit plans**

The cost of benefits for defined benefit plans is calculated using actuarial estimates, which utilize assumptions for the discounting factors, the rate of salary increase and mortality rates. Due to the long-term nature of the plans, such assumptions are subject to considerable uncertainty.

- **Contingent events**

The Company is involved in court claims and compensations in the normal course of its business. The management considers whether any settlements would affect in a significant way or not the Company's financial position. However, the determination of the eventual liabilities regarding claims and receivables is a complex procedure that includes judgments about the possible consequences as well as the interpretations regarding the laws and regulations.

4.5 Changes in accounting policies

• IFRS 9 Financial Instruments

IFRS 9 "Financial Instruments" replaces IAS 39 "Financial Instruments: Recognition and Measurement" for annual periods beginning on or after 01/01/2018.

IFRS 9 introduces new requirements for the classification and measurement, impairment and hedge accounting of financial assets.

The Company adopted the new standard on 1 January 2018 without adjusting comparative information.

a. Classification and measurement of financial assets and liabilities

IFRS 9 replaces the previous categories of IAS 39 for financial assets: held to maturity, loans and receivables and available-for-sale.

In accordance with IFRS 9, financial assets after initial recognition will be measured at fair value through the income statement, amortized cost or fair value through the statement of other comprehensive income. The classification is based on the following two criteria: (a) the business model for the management of a financial asset, ie whether the objective is to hold for the purpose of collecting contractual cash flows or the collection of contractual cash flows and the sale of financial assets (b) the contractual cash flows of the financial asset consist exclusively of a capital repayment and interest on the outstanding balance ("SPPI" criterion).

Regarding its trade and other receivables, the Company applies a business model with the objective of holding financial assets and collecting contractual cash flows. As a result, the Company, when initially applying IFRS 9, measures these receivables at amortized cost.

At the date of first application, the Company had no financial assets that it had classified as available-for-sale or held-to-maturity under IAS 39 and therefore there was no change in the financial statements.

The new standard did not affect the classification and measurement of the financial liabilities of the Company.

b. Impairment

The adoption of IFRS 9 led to a change in the accounting treatment of impairment losses on financial assets as it replaced the treatment of IAS 39 for recognizing realized losses by recognizing the expected credit losses. The new model of expected credit losses includes customer receivables and other trade receivables.

Regarding the "Trade Claims", the Company applied the simplified approach to the standard and calculated the expected credit losses over the life of the receivables. For this purpose, a maturity

forecasting matrix was used to measure the projections in a way that reflects past experience and predictions of the future financial situation of customers and the economic environment.
With respect to Customer's claims, the Company assessed the need for provisioning for these receivables, but due to the fact that most customers have either submitted a letter of guarantee or paid ın advance to the Company that covers the entire claim, the Company concluded that there is no significant credit loss and does not make a distinct provision for these requirements in the financial statements.
Considering receivables that are not covered by advances or letters of guarantee and constitute a small part of the trade receivables, the Company has calculated the expected credit losses but due to the low value of the provision that resulted from the calculation, the Company did not adjust the retained earnings the use of 2018 was burdened with the total provision. (€ 41,302.39)

c. Hedging Accounting

The application of the new standard had no impact on the Company's financial statements as the Company does not have a hedging policy

- **IFRS 15 Revenue from Contracts with Customers**

IFRS 15 replaces IAS 11 "Construction Contracts", IAS 18 "Revenue" and all Interpretations relating to income from contracts with customers, unless such contracts fall within the scope of other standards. The underlying principle of the new standard is that an entity recognizes revenue to reflect the transfer of the promised goods or services to its customers in an amount that reflects the consideration that an entity considers to be entitled to such goods or services.

IFRS 15 provides a single model based on five steps to identify and recognize revenue to be applied to all customer contracts. The Standard is additionally applied to the recognition and measurement of gains and losses on the sale of non-financial assets that are not part of the ordinary activities (eg sales of tangible fixed assets or intangible assets).
It requires entities to allocate transaction price from contracts to individual discrete promises, ie execution obligations, based on standalone selling prices, according to the five-step model. Revenue is then recognized when the entity satisfies the execution obligations, ie when it transfers the goods or services specified in the contract to the customer.

The Company applied IFRS 15 for the first time on 1 January 2018. IFRS 15 allows various approaches to the application of the Standard. The Company has chosen to apply IFRS 15 retrospectively with the cumulative effect of the original application being recognized as an adjustment to the opening balance of retained earnings on 1 January 2018. Comparative information has not been restated. The Company did not use any of the practical facilities provided by the template during the transition.

For the needs of the Standard, the Company's income was examined for the following categories:

A. Revenue from the Container Terminal operations

Although there are no written contracts, customers are letting know the Port upon their arrival and the responsibilities and obligations are clearly defined.
The rights of each part of the transactions are clearly set by international maritime law as well as international practice.
Based on the published pricelist, payment terms and general terms for services are well defined.
The transaction price includes no financing component, no non-cash consideration, no consideration payable to customers, and no unexercised rights provisions.
Customers take control of their assets as soon as all containers have been loaded/discharged, and the vessel continues its liner schedule
The framework supporting the container operations comply with the contract criteria of IFRS 15.

B. Revenue from the Conventional Cargo operations

There are mutual agreements with all customers of conventional cargo whether written or not, and both parties are committed to performing their respective obligations.
The rights of each part of the transactions are clearly set by international maritime law, by international practice as well as by the written agreement. For customers with whom a written agreement has been made, the agreement includes the applicable tariff and payment terms.
Only customers with written agreements have an element of variability of the revenue, as they are provided sliding scale discounts based on the actual volumes achieved. The new tariff is applied retroactively at the point in time where each new threshold is reached, ensuring that the revenue is correctly accounted for at any given point in time. The transaction price includes no financing component, no non-cash consideration, no consideration payable to customers, and no unexercised rights provisions.
Customers take control over their assets as soon as the import cargo is delivered into the customer’s custody upon delivery from the port, and conversely when the liability for the cargo transfers from the port to the ship.
The framework supporting the conventional cargo operations comply with the contract criteria of IFRS 15.

The Company, by examining the five steps of identifying and recognizing revenue for each category separately, has come to the conclusion that the proceeds deriving from its entire business are based on unique and separate performance obligations that are met at a specific time point and not over time, during which the provision of services has already been provided.

In cases where the Company receives advanced payments for the execution of its services, a liability is created for the customer, which is cleared upon completion of the operations.

Finally, the Company is not entitled to a return when it has provided only part of the agreed service on the basis of the contract with the customer.

The Company's Management assessed the impact of the application of the standard on the financial statements, operating results and financial position. On the basis of the above assessment, the Company considered that the new revenue model had no effect since there were no significant differences with respect to current accounting policy and income accounting, with the result that no adjustment was made to the retained earnings on 1st January 2018. Moreover, there has been no change in the Company's results as at 31.12.2018 as to whether the previous standards were applied.

Although the new standard does not introduce material differences from the Company's current accounting policies, the related accounting policies have been dealt with as set out in note 5.16 of the financial statements.

5. Summary of significant accounting policies

The basic accounting policies observed by the Company for the preparation of its financial statements are the following:

5.1 Conversion of currency

Functional and presentation currency: The assets presented in the Company’s Financial Statements, are valued in the currency of the financial environment, within which it operates (functional currency). The Financial Statements are presented in Euros, the functional currency of the Company.

5.2 Property Investments

The Company owns four plots, located outside the Port Zone, which are held in order to generate rent or to increase the value of its capitals.

Investments in Real Estate are initially valued in the acquisition cost, inclusive of transaction expenses. They are subsequently recognized at their fair value. Their fair value is determined by independent chartered surveyors.

The book value recognized in the Company's financial statements reflects the market conditions at the date of the financial statements. Every profit or loss arising from a change of the fair value of the investment, is recognized in the income statement of the fiscal year in which the change occurs.

More information is cited in Note 8.1.

5.3 Tangible fixed assets utilized for own purposes

Utilizing the provisions of IFRS 1: "First time adoption of IFRS", the Company used the exception regarding the valuation of tangible fixed assets, when preparing the IFRS transition Balance Sheet on January 1st 2004. In this context, it considered the readjusted values of the tangible fixed assets, as they were determined by the committee of article 9 of Codified Law 2190/1920, on May 2000, when ThPA was converted to a public limited company and before it was listed on the Athens Stock Exchange, as the deemed cost for the purposes of compilation of the transition Balance Sheet on January 1, 2004.

Subsequent to the transition date, the tangible fixed assets are evaluated at the deemed cost or at the acquisition cost (for the additions) less the accumulated depreciations and their impairments.

The acquisition cost of the fixed assets consists of the purchase price, including the import tariffs, if applicable, and the non-rebate purchase taxes as well as any other cost needed in order to render the fixed asset functional and ready for future use. The repairs and maintenances are recorded among the expenses of the period when they are realized. Significant subsequent additions and improvements are capitalized in the cost of the relevant fixed assets.

Fixed assets that are constructed by the Company, are posted at own manufacture cost, which includes the cost of subcontractors, the material and expenses of payroll of the technicians regarding the constructions (including the relevant employer social security contributions) as well as a proportion of general administrative expenses.

Assets under construction include fixed assets under construction and are presented at cost. Assets under construction are not depreciated until the fixed asset is complete and available for the productive use for which it was intended.

The plots are not depreciated. The depreciations of the other tangible assets are computed by the straight-line method based on the following useful lives per category of fixed assets:

Fixed Asset	**Useful Life (years)**
Buildings – Technical works	15-40
Mechanical Facilities	8-10
Gantry cranes-Mobile and Electric cranes	15-30
Loaders	7-15
Machinery	10-15
Loading/Unloading tools	15
Forklifts	10-15
Floating transports	10-20
Furniture and other equipment	6-10
Computers and electronic assemblies-Office equipment	3-5

Useful lives of fixed assets are subject annually to reassessment on the preparation of the financial statements. The company re-evaluates the useful lives of machinery, taking into account the expected use of assets and the expected natural wear.

Profits or losses ensuing from the sale of tangible fixed assets are determined as the difference between the amount of the sale and its carried cost and recognized in profit or loss of the fiscal year in the "Other income" or "Other expenses" accounts.

More information can be found in Note 8.2.

5.4 Intangible assets

Intangible assets concern the cost of purchase of software as well as any expense realized to develop software in order for it to be commissioned. The depreciation of the software is calculated based on the fixed line method and within a period of 3-10 years.

More information is cited in Note 8.3.

5.5 Impairment of assets

In compliance with IAS 36, the real estate, the installations, the equipment and the intangible assets, have to be evaluated for possible impairment of their value, when there are indications that the accounting value of the asset exceeds its recoverable value. Whenever the accounting value of an asset exceeds its recoverable value, the corresponding impairment loss is recorded to the profit or loss of the fiscal year. The recoverable value of an asset is the biggest amount between the estimated fair value less the distribution cost and the value in use. The net sale value is deemed to be the realizable proceeds by the sale of an asset in the context of a two-way transaction, in which the parties are fully cognizant and into which they enter freely, after the deduction of all additional direct selling cost of the asset, while, the value in use is the present value of the estimated future cash flows that are expected to be realized from a continuous use of an asset and from its sale at the end of its estimated useful life. If a company is not able to estimate the recoverable amount of an asset, for which there is indication of impairment, it determines the recoverable amount of the cash-flow generating unit to which the asset belongs.

Reversal of impairment losses for assets booked in previous years may only be offset when there are satisfactory indications that such impairment no longer exists or has been reduced. In such cases the reversal is recognized as income.

The Management estimates that there is no issue of the further impairment of the fixed equipment of the Company except for the impairment already recorded in the financial statements (Note 8.2).

5.6 Financial Instruments

A financial instrument is every contract that creates a financial asset in a company and a financial liability or an equity security in another company.

The financial assets of the company are classified at the following categories based on the substance of the contract and the purpose for which they were acquired.

i) Financial assets

Initial recognition and measurement

Upon initial recognition, financial assets are classified according to their nature and characteristics into one of the following three categories:

- Market financial assets measured at amortized cost,
- Financial assets measured at fair value through profit or loss,
- Financial assets measured at fair value through other comprehensive income

All financial assets are initially recognized at their fair value, which is usually the acquisition cost plus direct transaction costs. Purchases and sales of investments are recognized at the date of the transaction, which is the date the Company commits to purchase or sell the item.

Subsequent measurement

ii. Financial assets measured at amortized cost

This category classifies the financial assets for which both of the following conditions are met:

1. the financial asset is held within a business model, the objective of which is to hold financial assets for the purpose of collecting contractual cash flows; and
2. On the basis of the contractual terms of the financial asset, cash flows that consist exclusively of capital repayment and interest on the outstanding capital are created at specific dates.

This category includes all the financial assets of the Company.

iii. Financial assets measured at fair value through profit or loss

A financial asset is measured at fair value through profit or loss, unless it is measured at amortized cost in accordance with paragraph (i) or at fair value through other comprehensive income in accordance with paragraph (ii).

However, during initial recognition, the Company may elect irrevocably for specific investments in equity instruments that would otherwise be measured at fair value through profit or loss, presenting other changes in fair value to other comprehensive income.

Realized and unrealized gains or losses arising from changes in the fair value of financial assets measured at fair value through profit or loss are recognized in profit or loss in the period in which they arise.

iv. Financial assets valuated at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

1. the financial asset is retained within a business model the objective of which is achieved both by the collection of contractual cash flows and the sale of financial assets; and
2. On the basis of the contractual terms of the financial asset, cash flows that consist exclusively of capital repayment and interest on the outstanding outstanding capital are created at specific dates.

At the date of the Financial Statements the Company did not have investments of this category.

Stopping recognition of a financial asset

The Company ceases to recognize a financial asset when and only when the contractual rights to the cash flow of the financial asset expire or transfer the financial asset and the transfer meets the conditions for write-off.

Reclassification of financial assets

Reclassification of financial assets performed in rare cases due to the Company's decision to change the business model adopted for managing those financial assets.

Impairment of financial assets

Under IFRS 9, impairment of financial assets measured at amortized cost or at fair value through other comprehensive income is recognized by recognizing the expected credit losses.

At each reporting date, IFRS 9 requires measuring the provision for a financial instrument for an amount equal to the expected lifetime loss if the credit risk of the financial instrument has increased significantly since initial recognition. On the other hand, if at the reporting date the credit risk of a financial instrument has not increased significantly from the initial recognition, IFRS 9 requires the provision for a loss provision for that financial instrument to be equal to the expected 12-month credit losses.

The risk parameters taken into account for the calculation of expected credit losses are the estimated default probability, the percentage of loss on the principal due to the fact that the client has failed to repay the amount due and the outstanding balance of the company in case of default the customer's. In certain cases, the Company may assess for certain financial information that there is a credit event when there is internal or external information indicating that the collection of amounts determined under the relevant contract is unlikely to be collected as a whole.

As a general rule, the assessment of the staged classification shall be carried out at each reporting period.

About Trade and Other Receivables, IFRS 9 requires the use of the simplified approach to calculate the expected credit losses. The Company, using this approach, has calculated the expected credit losses over the life of the receivables. For this purpose, a maturity forecasting matrix was used to measure the projections in a way that reflects past experience and predictions of the future financial situation of customers and the economic environment.

Financial liabilities

Initial recognition

The balances of suppliers and other liabilities are recognized at cost that is the fair value of the future payment for the purchases of goods and services provided. Commercial and other short-term liabilities are not interest-bearing accounts and are usually settled in 0-60 days.

All loans are initially recorded at cost, which reflects the fair value of the receivables less the relevant direct acquisition costs where they are significant. After initial recognition, interest bearing loans are measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account issuing costs and the difference between the original amount and the maturity. Gains and losses are recognized in profit or loss when liabilities are written off or impaired through the amortization process.

Subsequent measurement

After initial recognition, an entity measures all financial liabilities at amortized cost using the effective interest method except for:

a. financial liabilities at fair value through profit or loss.

b. financial liabilities that arise when the transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach is applied.

c. financial guarantee contracts

d. loan commitments at lower interest rates than those on the market.

The unamortized cost of loans is calculated by taking into account issuing costs and the difference between the original amount and the maturity. Gains and losses are recognized in profit or loss when the liabilities are written off or impaired, and through the amortization process.

Loans are classified as current liabilities unless the Company has the right to postpone the repayment of the liability for at least 12 months from the date of the Financial Statements.

Pause recognition

An entity ceases to recognize a financial liability (or part thereof) in its financial statements when, and only when, it is repaid, that is, when the obligation set out in the contract is fulfilled, canceled or expires. An exchange between an actual debtor and a borrower of debt securities in substantially different terms is accounted for as a repayment of the original financial liability and recognition of a new financial liability. Similarly, a material change in the terms of an existing financial liability (whether due to a borrower's financial difficulty or not) is accounted for as a repayment of the original financial liability and recognition of a new financial liability. The difference between the carrying amount of a financial liability (or a portion of a financial liability) payable or transferred to another party and the consideration paid, including the non-cash assets and the liabilities assumed, is recognized in the income statement.

Reclassification of financial liabilities

The company may not reclassify any financial liability.

Settlement of financial instruments

The offsetting of financial assets with liabilities and the presentation of the net amount in the Financial Statements is made only if there is a legal right to set off and there is an intention to settle the net amount resulting from the offsetting or simultaneous settlement.

5.7 Income taxation (Current and Deferred)

Current and deferred income tax are calculated based on the relevant financial statement accounts, in compliance with tax laws which apply in Greece. The current income tax concerns the tax on the taxable profits of the Company, as adjusted in compliance with the requirements of tax law and calculated based on the current tax rate.

Deferred taxation is calculated using the liability method for all provisional tax differences on the balance sheet date and between the tax basis and the carrying value of assets and liabilities.

Anticipated tax effects from provisional tax differences are determined and appear either as future (deferred) tax liabilities, or as deferred tax receivables.

Deferred tax receivables are entered for all deductible provisional differences and transferred tax losses to the extend it is thought likely that there will be tax profits available, against which the deductible provisional difference may be utilized.

Deferred tax receivables and liabilities are calculated using the tax rates expected to apply in the period when the receivable or liability will be settled, taking into account the tax rates adopted or substantively adopted, until the balance sheet date.

Most changes to deferred tax assets or liabilities are recognized as tax expenses in the results. Only changes to deferred tax assets or liabilities which are related to a change in the value of the asset or liability which are recognized directly in equity, are debited or credited directly in equity by means of other comprehensive income.

More information is cited in Note 8.24.

5.8 Inventories

Consumables and spare parts used for the maintenance of the company's mechanical equipment are valued at either cost price or net realisable value, whichever is lower, and their cost is calculated using the weighted average cost. Such consumables are posted as inventories when purchased and after they are placed in use they are posted to expenses or are capitalised. At the end of each fiscal year, the Company re-examines the possibility of its inventories having become obsolete and makes a corresponding provision or deletes them from the books.

More information is cited in Note 8.6.

5.9 Cash holdings and equivalents

Cash holdings and equivalents include cash, sight deposits, short-term, up to 3 months, investments and time deposits, which are highly liquid and of minimal risk.

Guarantees given from the Company are not cash, as this amount is reserved for a period longer than one year. Consequently, they are presented in the financial statements at Non-current Assets as financial assets at nominal value.

Items in cash holdings and equivalents run minimal risk of changes to their value. Time deposits and Greek State Treasury Bills that exceed 3 months are entered in other financial assets in the financial position statement.

More information is cited in Note 8.9.

5.10 Share capital

Share capital is calculated based on the face value of shares which have been issued. Shares are classified in equity.

Capital Share increases by cash include every premium on the initial share capital issue. Every such transaction cost related to the issue of the shares as well as any relative income tax benefit arising, are deducted from the share capital increase.

More information is cited in Note 8.10.

5.11 Provisions for risks and expenses and contingent liabilities:

Provisions for risks and expenses are recognised when the company has a current legal or presumed commitment as a result of past events or when it is likely that there is a resource outflow which entails financial benefits and the relevant commitment can be reliably assessed. Provisions are valued on the balance sheet date and are adjusted in order to reflect the current value of the expense which is expected to be required to settle the liability.

Contingent liabilities are not entered in the financial statements but are disclosed, unless the likelihood of a resource outflow incorporating financial benefits is minimal. Contingent receivables are not posted to the financial statements but are disclosed where the inflow of financial benefits is likely.

5.12 State subsidies

The Company is subsidized from Community programmes to acquire intangible and tangible fixed assets. Subsidies are recognised when there is a reasonable assurance that the subsidy will be collected, and all relevant terms and conditions will be complied with. Asset subsidies are recognised long-term liabilities, depreciated pursuant to the useful life of the subsidized fixed asset and appear in the "Other Income" account in the Comprehensive Income Statement.

5.13 Dividends

Dividends are posted when the right to collect them is vested by shareholders, by means of a resolution by the General Meeting of Shareholders.

More information is cited in Note 8.25.

5.14 Income recognition

The most important income categories for the Company are:

- **Income from containerized cargo handling, which include:**
  - Income from Container Terminal services,
  - Other income from CONTAINER services.

- **Income from conventional cargo handling, which include:**
  - Income from loading/unloading services at the Conventional Port,
  - income from SILO services.
- **Income from services to passengers on coastal and cruise ships and in transit, which include:**
  - Income from Other Services (special duty) on tickets,
  - Income from Vehicle passage.
- **Income from services to ships and other services, which include:**
  - Income from mooring and berthing,
  - income from Other Services (PPC, HTO, spent oils collection, use of sites).
- **Income from the exploitation of organized parking lots.**

The Company recognizes revenue when it fulfills a contractual obligation to the individual customer by delivering the good or providing the service (which is the same as when the control over the good or service passes to the customer). The customer acquires control of a good or service when it can direct its use and take substantially all of the remaining benefits from it. If a contract includes more than one contractual obligation, the total value of the contract is allocated to the individual obligations on the basis of the individual sales values. The amount of revenue recognized is the amount attributed to the corresponding contractual obligation that has been settled, based on the consideration expected to be received by the Company under the terms of the contract. Any variable fee is included in the amount of revenue recognized, to the extent that it is unlikely that this amount will be reversed in the future. The Company does not enter into contracts where the period between the transfer of the goods or services promised to the customer and the payment by the customer exceeds one year. Consequently, the Company does not adjust the transaction price for the time value of money.

The Company provides customers with volume discounts based on the limits set in their contracts. All these discounts are settled within the financial year and therefore the application of the new standard has no effect on the annual financial statements.

Where a customer receives a prepayment before the contract is executed and the goods or services are transferred, a contractual obligation is recognized. The contractual obligation is released when the contract obligations are executed, and the income is recorded in the statement of comprehensive income.

Conventional asset

At the end of the year, the Company recognizes a contractual asset for accrued revenue that has not yet been priced to Clients and which is included in the Advances and other receivables in the Statement of Financial Position. When the relevant invoice is issued to customers, the Company recognizes a relevant claim, as the issue of the invoice is the moment when the Company's right in exchange becomes unconditional (if only the passage of time is required to make payment of the said consideration). The amount of the contractual asset at 31 December 2018 is Euro 2.031.270,99 and is included in advances and other receivables in the accompanying Financial Statements (Note 8.8). The Company's right to this amount becomes unconditional once the relevant invoices are issued in January 2019.

The Company evaluates the conventional assets with a right to return for impairment in accordance with IFRS 9.

5.15 Earnings per Share

Earnings per share are calculated by dividing the net profit for the fiscal year payable to ordinary shareholders, by the number of common shares in circulation during the period. There were no debentures convertible to stock or other potential instruments convertible to stock which would reduce profits during the periods to which the financial statements relate and consequently diluted profits per share have not been calculated.

5.16 Post service personnel benefits

The company pays compensation to retiring employees in accordance with the provisions of the applicable sectoral collective labour agreements in effect from time to time, up to the maximum amount stated in Article 2 of Law 173/67 as in force on each occasion.

The liability posted to the financial statements for defined benefit plans is the present value of the commitment to provide a defined benefit and the changes which arise from non-recognised actuarial profits and losses and the cost of previous service. Independent actuaries using the projected unit credit method calculate the defined benefit obligation for each year (projected unit credit method).

The net retirement costs for the period are included in the Comprehensive Income Statement and comprise of the present value of benefits rendered as accrued in the course of the year, interests on benefit liabilities, and actuarial gains or losses which are immediately and directly entered in other comprehensive income and are not subsequently transferred to profit or loss. The Full Yield curve method is used for the discount.

More information is cited in Note 8.11.

5.17 Leases

Company as Lessee: Lease agreements where the lessor transfers the right to use an asset for an agreed term without, however, transferring the risks and rewards associated with ownership of the asset are classified as operating leases. Payments made for operating leases (net of any incentives offered by the lessor) are recognized in the income statement pro rata with the duration of the lease. All company leases are operating leases and regard leases of means of transportation.

Company as Lessor: Leases where the Company does not in effect transfer all risks and rewards associated with the asset are classified as operating leases. Initial direct costs borne by the lessors in negotiating and concluding an operating lease are added to the book value of the leased asset.

Revenues from leases relating to the concession of spaces for exploitation, are recognized in equal amounts over the term of the lease.

5.18 Expenses

Expenses are recognized in the income statement on an accrued basis. Payments made for operational leases are transferred to the income statement as expenses, at the utilization time of the lease.

More information is cited in Notes 8.19, 8.20 and 8.22.

6. Risk Management

Financial risk factors

The Company is not exposed to significant financial risks, such as the market risk (changed in exchange rates, market prices), the credit risk and liquidity risk. The financial instruments of the company comprise of bank deposits (sight, time), trade and other debtors and creditors and financial assets available for sale and financial instruments at fair value through profit and loss. The company's risk management plan seeks to limit any negative impacts on the financial results of the company arising from the inability to predict how financial markets will perform and from fluctuations in cost and sales variables.

6.1 Market Risk

(i) Exchange rate risk: The company does business with domestic and foreign clients and the transaction currency is Euro. Consequently, there is no exchange rate risk.

(ii) Price risk: The company is not exposed to price risk since it is a Service Provider and is not affected by fluctuations in raw materials prices. The services it renders are priced based on its published pricelist, the prices of which are increased or decreased when it is deemed necessary by the

Company. With respect to the cost of the services provided, since it mainly comprises of payroll costs, it is affected due to increases in the later via inflationary trends. Furthermore, the Company is affected by a change of the fair value of its investment in real estate. A change in the price of real estate by ± 5% shall bring about a corresponding change by the sum of approximately 151 thousand € in the income statement (a change by the sum of €152 thousand in the income statement for fiscal year 2017).

(iii) Interest rate risk: The Company holds certain securities the cash flows of which are determined by a floating interest rate tied to EURIBOR.
The company has no loan liabilities.

6.2 Credit risk

The exposure of the company to credit risk is limited to the financial assets as these are analyzed below:

Amounts in thousands €	**2018**	**2017**
Categories of financial assets		
Long-term receivables	28	28
Cash collateral	10.000	0
Trade receivables	2.833	3.663
Down payments and other receivables	6.036	4.677
Other financial items	0	9.436
Cash holdings and equivalents	91.037	80.889
TOTAL	**109.934**	**98.693**

The credit risk to which the Company is exposed against its customers is limited, due to its large customer base, on the one hand, and, on the other hand, since it obtains, as standard practice, advances or letters of credit before commencing work carried out.
Furthermore, regarding the financial assets as well as the cash and cash equivalents, the Company's Management applies a dispersion policy for the number of banks it has transactions with, as well as an evaluation policy for their creditworthiness.

6.3 Liquidity risk

There is no liquidity risk for the company, as its operating costs are covered by cash equivalents and other financial assets, covering in total 89,58% and 89,90% of current assets for fiscal years 2018 and 2017 correspondingly.

The maturity of its financial liabilities on 31.12.2018 and on 31.12.2017 is analyzed as follows:

Amounts in thousand €	**within 6 months**	**6 to 12 months**	**1 to 5 years**	**More than 5 years**
Liabilities to suppliers	3.008	0	0	0
Other long-term liabilities	0	0	125	0
Total	**3.008**	**0**	**125**	**0**

Amounts in thousand €	**2017**			
	within 6 months	**6 to 12 months**	**1 to 5 years**	**More than 5 years**
Liabilities to suppliers	2.396	0	0	0
Other long-term liabilities	0	0	124	0
Total	**2.396**	**0**	**124**	**0**

6.4 Capital risk management

The company does not use loan capital and, consequently, the leverage factor is zero.

6.5 Fair value

The fair value of a financial asset is the amount that is collected for the sale of a financial asset or paid for the settlement of a liability in a transaction under normal conditions between two commercial counterparties on its valuation date. The fair value of the financial assets of the Financial Statements of December 31, 2018, was determined by the best possible estimate by the Management. In cases where there are no data available or these data are limited from active money markets, the valuations of the fair values have arisen by the Management's estimate in compliance with the information available.

The Company uses the hierarchy below in order to establish and disclose the fair value of its financial instruments, per measurement technique:
Level 1: Negotiable (not adjusted) values on active markets for the same assets or liabilities;
Level 2: Other techniques where all inflows with a significant impact on the recorded fair value are observable, either directly or indirectly;
Level 3: Techniques which employ data that has a significant impact on the recorded fair value and is not based on observable market data.

During the fiscal year, there were no transfers between Levels 1 and 2 or transfers within and outside of Level 3 for the measurement of the fair value. Furthermore, there was no change with respect to the intended purpose of some financial asset, during the same period, which would have led to a different classification of that financial asset.

The fair values of available for sale financial instruments are based on market valuation. For all financial instruments, their fair values are affirmed by the financial institutions with which the Company has concluded the corresponding contracts. The valuation method takes into account all factors in order to determine the fair value with accuracy and falls under Level 2 of the hierarchy above with respect to the determination of the fair value.

The fair value of level 3 investment property is measured at the Company by independent external surveyors.

The amounts with which cash holdings, receivables and short-term liabilities are presented in the Financial Position Statement, approach their corresponding fair values due to their short-term maturity. Consequently, there are no differences between the fair values and the corresponding book values of the Financial Assets and Liabilities. The Company does not utilize derivative financial instruments and does not utilize financial instruments classified at Level 3.
The movement of the financial assets is presented in note 8.4 of the financial statements.

7. Segmental reporting

The Company operates in Greece, irrespective of the fact that its customer base includes international companies. Moreover, the Company does not engage in commercial or industrial activities other than the provision of services solely within the boundaries of the Port of Thessaloniki.

Its business activities regard the provision of services to:

- unitized cargoes (containers);
- conventional cargoes (bulk, general, RO-RO);
- coastal and cruise passengers;
- ships (anchoring, mooring, berthing and other services);
- users of its Port and non-port facilities, including the operation of car parking stations (organized or not).

ThPA SA Management assesses the results of these activities and takes business decisions based on the internal financial information system. This system is organized depending on both the type of service rendered and the differences they generate during the production process, given the they are provided to different types of cargoes (Containerized and Conventional), passengers and other users, as well as the organizational structure of the Company.

Based on what is cited above, the Company has identified the following four (4) operating segments for disclosure:

- Container Terminal,
- Conventional Cargo,
- Passenger Traffic,
- Utilization of facilities.

7.1 Financial data per segment

Company activities per operating segment and of Assets and Liabilities for fiscal years 1.1-31.12.2018 and 1.1-31.12.2017 can be broken down as follows:

Fiscal Year 2018

Results per segment on 31.12.2018	Container Terminal	Conventional Port	Passenger Traffic	Space Exploitation	Non-allocated items	Company Total
Sales per segment						
- to external customers	37,929,658.90	18,896,370.11	223,328.57	1,485,330.39	0.00	58,534,687.97
- to other segments	0.00	0.00	0.00	0.00	0.00	0.00
Total sales per segment	**37,929,658.90**	**18,896,370.11**	**223,328.57**	**1,485,330.39**	**0.00**	**58.534.687.97**
Cost of sales	-16,925,850.13	-12,896,060.85	-330,104.47	-1,250,688.48	0.00	-31.402.703.93
Gross profit per segment	**21,003,808.77**	**6,000,309.26**	**-106,775.90**	**234,641.91**	**0.00**	**27.131.984.04**
Other income	80,980.11	3,944,172.37	16,791.49	778,488.64	1,563,060.81	6.383.493.42
Other expenses	-2,517.391.62	-3,722,977.47	-147,771.08	-502,905.27	-2,989,672.35	-9.880.717.79
Operating result per segment	**18,567,397.26**	**6,211,504.16**	**-237,755.49**	**510,225.28**	**-1,426,611.54**	**23.634.759.67**
Financial income/expenses (net)	0.00	0.00	0.00	0.00	1,094,506.25	1.094.506.25
Results before tax per segment	**18,567,397.26**	**6,211,504.16**	**-237,755.49**	**510,225.28**	**-332,105.29**	**24.729.265.92**
Income tax	0.00	0.00	0.00	0.00	-7,577,474.89	-7,577.474.89
Results net of tax per segment	**18,567,397.26**	**6,211,504.16**	**-237,755.49**	**510,225.28**	**-7,909,580.18**	**17,151,791.03**
Total depreciations of tangible and intangible assets	**2,812,391.36**	**943,106.73**	**33,633.354**	**125,727.06**	**55,942.20**	**3,970,800.70**
Results before tax, financial results and depreciations per segment	**21,379,788.62**	**7,164,610.89**	**-204,122.14**	**635,952.34**	**-1,371,450.94**	**27,604,778.77**

Fiscal Year 2017

Results per segment on 31.12.2017	Container Terminal	Conventional Port	Passenger Traffic	Space Exploitation	Non-allocated items	Company Total
Sales per segment						
- to external customers	35,395,033.63	16,936,830.82	209,868.26	1,690,207.99	0.00	54,231,940.70
- to other segments	0.00	0.00	0.00	0.00	0.00	0.00
Total sales per segment	**35,395,033.63**	**16,936,830.82**	**209,868.26**	**1,690,207.99**	**0.00**	**54,231,940.70**
Cost of sales	-16,704,545.18	-14,126,452.52	-361,048.11	-1,230,427.18	0.00	-32,422,472.99
Gross profit per segment	**18,690,488.45**	**2,810,378.30**	**-151,179.85**	**459,780.81**	**0.00**	**21,809,467.71**
Other income	284,586.99	1,547,122.59	8,062.48	875,461.06	31,969.53	2,747,202.65
Other expenses	-3,464,840.61	-6,125,491.82	-121,102.10	-812,328.55	-2,722,478.10	-13,246,241.18
Operating result per segment	**15,510,234.83**	**-1,767,990.93**	**-264,219.47**	**522,913.32**	**-2,690,508.57**	**11,310,429.18**
Financial income/expenses (net)	0.00	0.00	0.00	0.00	1,163,612.68	1,163,612.68
Results before tax per segment	**15,510,234.83**	**-1,767,990.93**	**-264,219.47**	**522,913.32**	**-1,526,895.89**	**12,474,041.86**
Income tax	0.00	0.00	0.00	0.00	-5,231,087.17	-5,231,087.17
Results net of tax per segment	**15,510,234.83**	**-1,767,990.93**	**-264,219.47**	**522,913.32**	**-6,757,983.06**	**7,242,954.69**
Total depreciations of tangible and intangible assets	**1,635,551.88**	**2,692,311.87**	**2,769,385.04**	**118,811.69**	**327,842.52**	**7,543,903.00**
Results before tax, financial results and depreciations per segment	**17,145,786.71**	**924,320.94**	**2,505,165.57**	**641,725.01**	**-2,367,013.78**	**18,849,984.45**

Fiscal Year 2018

31.12.2018	Container Terminal	Conventional Port	Passenger Traffic	Space Exploitation	Non-allocated items	Company Total
Tangible fixed assets utilized for own purposes	31.033.820,18	3.156.198,23	156.790,90	1.056.792,44	13.978.577,48	49.382.179,23
Investments in property	0,00	0,00	0,00	3.028.963,36	0,00	3.028.963,36
Other non-current assets	594.844,36	0,00	0,00	0,00	14.954.742,13	15.549.586,49
Current assets	2.513.208,70	3.670.235,39	62.432,58	792.915,45	94.591.649,05	101.630.441,17
Total Assets per Segment	**34.141.873,24**	**6.826.433,62**	**219.223,48**	**4.878.671,25**	**123.524.968,66**	**169.591.170,25**
Equity	0,00	0,00	0,00	0,00	150.644.734,58	150.644.734,58
Long-term liabilities	1.210.070,72	1.384.476,62	12.411,55	639.769,04	1.737.776,58	4.984.504,51
Short-term liabilities	3.702.660,44	3.465.826,39	18.642,28	130.662,61	6.644.139,44	13.961.931,16
Total Equity & Liabilities per Segment	**4.912.731,16**	**4.850.303,01**	**31.053,83**	**770.431,65**	**159.026.650,60**	**169.591.170,25**

Fiscal Year 2017

31.12.2017	Container Terminal	Conventional Port	Passenger Traffic	Space Exploitation	Non-allocated items	Company Total
Tangible fixed assets utilized for own purposes	28,143,332.50	2,287,034.09	174,020.65	1,218,301.84	13,374,058.67	45,196,747.75
Investments in property	0.00	0.00	0.00	3,037,444.02	0.00	3,037,444.02
Other non-current assets	754,309.94	0.00	0.00	0.00	5,822,336.15	6,576,646.09
Current assets	3,402,514.50	3,885,599.25	47,123.08	922,984.86	92,213,447.74	100,471,669.43
Total Assets per Segment	**32,300,156.94**	**6,172,633.34**	**221,143.73**	**5,178,730.72**	**111,409,842.56**	**155,282,507.29**
Equity	0.00	0.00	0.00	0.00	137,851,501.98	137,851,501.98
Long-term liabilities	1.811.201,99	1.350.702,41	15.684,04	497.306,20	2.097.921,15	5.772.815,79
Short-term liabilities	2.849.848,36	3.707.999,41	11.698,82	99.785,65	4.988.857,28	11,658,189.52
Total Equity & Liabilities per Segment	**4.661.050,35**	**5.058.701,82**	**27.382,86**	**597.091,85**	**144.938.280,41**	**155,282,507.29**

Non-allocated assets mainly regard cash holdings, financial instruments, deferred taxation, as well as tangible fixed assets utilized for own purposes which regard infrastructure works not directly relating to any Operating Segment, while non-allocated liabilities mainly regard all of equity, liabilities from suppliers, income taxes, fixed asset subsidies and other provisions.

Major Customers: A customer active in the operating segment of the CONTAINER TERMINAL accounts for a percentage of more than 10% (17,61%), (2017: 15,01%).

7.2 Calculation of earnings before tax, financial results and total depreciations (EBITDA)

The Company monitors the EBITDA index and cites the calculation thereof, as it is not precisely defined in the IFRS, as such have been adopted by the European Union:

	2018	2017
Profits before tax	24,729,265.92	12,474,041.86
Plus: Depreciations of tangible fixed assets and intangible assets (notes 8.2, 8.3)	3,970,800.70	7,543,903.00
Less: Depreciations of subsidized fixed assets (note 8.13)	(781.60)	(4,347.73)
Less: Net financial income (note 8.23)	(1,094,506.25)	(1,163,612.68)
Operational profits (EBITDA)	**27,604,778.77**	**18,849,984.45**

8. Item analysis & other disclosures

8.1 Investments in real estate

	31/12/2018	31/12/2017
Balance at beginning of period	3,037,444.02	3,219,704.12
Loss from fair value in the P&L account (note 8.22)	-8,480.66	-182,260.10
Balance at end of period	**3,028,963.36**	**3,037,444.02**

The company owns four plots of land outside the Port Zone which are held to generate rent or increase the value of its capital and which are free of all liens. The company has chosen the fair value method for calculating the book value of its investment properties. Profits or losses arising from a change in fair value in investments in real estate are included in the net profit or loss for the period in which that change occurs.

The fair value of investment properties of level 3 is measured for the Company by independent external valuers using the Comparative or Landmark Method. For the purpose of estimation, the following assumptions have been made:

- the properties are not contaminated and not affected by existing or proposed environmental legislation
- the land of each property is not subject to special conditions
- properties are free of mortgages
- real estate is not affected by current or potential future town planning arrangements.

The Company is also affected by the change in the fair value of investment property. A change in property prices of ±5% will result in a corresponding change of approximately € 151 thousand in the income statement (change of € 152 thousand in the income statement of 2017).

Two of the four investment properties are leased to third companies for the exploitation of parking spaces. Income from the lease of investment real estate amount to € 143.664,49 for the fiscal year ended on December 31, 2018 (2017: €141,285.24).

8.2 Tangible Assets

	Buildings - Facilities	Machinery – Mech. Equipment	Means of Transportation	Furniture and other equipment	Projects under construction & prepayments	TOTAL
Cost of fixed assets on 01.01.2017	**21,885,195.52**	**67,303,733.09**	**4,285,166.59**	**4,537,354.48**	**12,010,762.86**	**110,022,212.54**
Extensions	53,340.67	1,053,644.25	0.00	125,677.36	1,039,324.04	2,271,986.32
Transfers	95,911.08	638,841.00	0.00	17,130.78	-759,221.13	-7,338.27
Reductions/Deletions	0.00	-419,075.57	0.00	-69,288.25	0.00	-488,363.82
Cost of fixed assets on 31.12.2017	**22,034,447.27**	**68,577,142.77**	**4,285,166.59**	**4,610,874.37**	**12,290,865.77**	**111,798,496.77**
Accumulated depreciation on 31.12.2016	8,437,744.79	42,187,406.85	2,797,563.62	3,763,000.47	0.00	57,185,715.73
Period depreciation	903,971.55	6,086,858.46	176,709.53	193,752.13	0.00	7,361,291.67
Reductions/Deletions	0.00	-205,834.13	0.00	-69,288.25	0.00	-275,122.38
Impairment (Note 8.22)	0.00	1,572,944.62	756,919.38	0.00	0.00	2,329,864.00
Total depreciation to 31.12.2017	**9,341,716.34**	**49,641,375.80**	**3,731,192.53**	**3,887,464.35**	**0.00**	**66,601,749.02**
Carried value on 31.12.2017	**12,692,730.93**	**18,935,766.97**	**553,974.06**	**723,410.02**	**12,290,865.77**	**45,196,747.75**
Cost of fixed assets on 01.01.2018	**22,034,447.27**	**68,577,142.77**	**4,285,166.59**	**4,610,874.37**	**12,290,865.77**	**111,798,496.77**
Extensions	449,433.14	1,403,766.00	0.00	201,705.39	5,508,135.03	7,563,039.55
Transfers	48,390.70	977,100.00	0.00		-1,025,490.70	0.00
Reductions/Deletions	0.00	-644,423.52	-283,198.85	-83,867.25	-22,100.00	-1,033,589.62
Cost of fixed assets on 31.12.2018	**22,532,271.11**	**70,313,585.25**	**4,001,967.74**	**4,728,712.50**	**16,751,410.10**	**118,327,946.70**
Accumulated depreciation to 31.12.2017	9,341,716.34	49,641,375.80	3,731,192.53	3,887,464.35	0.00	66,601,749.02
Period depreciation	916,074.72	2.572.698,03	109,477.66	185,183.16	0.00	3.783.433,57
Reductions/Deletions	0.00	-605.149,17	-283,198.85	-82,902.30	0.00	-971.250,31
Impairment (Note 8.22)	0.00	1.093.835.20	0,00	0.00	0.00	1.093.835.20
Impairment reverse	0,00	-1.562.000,01	0,00	0,00	0,00	-1.562.000,01
Total depreciation to 31.12.2018	**10,257,791.06**	**51,140,759.85**	**3,557,471.35**	**3,989,745.21**	**0.00**	**68,945,767.47**
Carried value on 31.12.2018	**12,274,480.05**	**19,172,825.40**	**444,496,39**	**738,967.29**	**16,751,410.10**	**49,382,179.23**

Company assets are free of all liens. The company has concluded insurance contracts covering possible risks of earthquake, fire and other risks, from acts of god and also covering general civil liability for electromechanical equipment and buildings which have been conceded to it by the Greek State, and employer's civil liability for machinery, vehicles, electric gantry cranes and ordinary gantry cranes.

An impairment check shall take place for fixed assets when events and conditions suggest that their residual value may no longer be recoverable. Should the residual value of fixed assets exceed their recoverable value, the accessory sum regards an impairment loss, which is recorded directly as an expense in the income statement. For the year ended 31 December 2018, an impairment loss of € 1,093 thousand was recognized for machinery, which was recognized in other expenses (note 8.22) in the statement of comprehensive income. In addition, the portion of the impairment loss for the year 2017 amounting to 1.562 thousand for two other machines which constitute a separate cash-generating unit, with this amount recognized in other income (note 8.18), was also reversed.

In 2018 the Company decided to carry out a full review of its main equipment (cranes) for any evidence of impairment.

In the first review process, it was determined whether the Net Book Value of each crane is zero or above zero. All units above zero were selected for revision in Stage 2.

The second stage included a review of the expected quantities of traffic and revenue for the year 2019, as well as the allocation of the quantities that each of the cranes passing through the second stage of the impairment test had to handle.

The final third stage reviewed equipment for its future use, its individual significance and its cash flow based on its activity.

As a result of the above, an impairment loss of € 1,093 thousand was recognized for two cranes, which was recognized in other expenses (note 8,22) in the statement of comprehensive income. In addition, part of the impairment loss for the year 2017 amounted to 1,562 thousand for two other machines which constitute a separate cash-generating unit, is being recognized in other income (Note 8.18).

The item "Fixed Assets and Advances" includes projects under development, with the most important task of extending the 6th pier (€ 11m), various port infrastructure projects (€ 3m) and advanced payments for the purchase of mechanical equipment in the Container Terminal (€ 2,7 million) in view of the mandatory investments coming from the concession agreement.

Finally, within the year, following the decision of the Management, the Company proceeded to the destruction of old mechanical and other equipment of value € 40 thousand.

8.3 Intangible Assets

	SOFTWARE
Cost of intangible assets on 01.01.2017	**2,967,578.95**
Extensions	125,161.04
Transfers	7,338.27
Cost of intangible assets on 31.12.2017	**3,100,078.26**
Accumulated depreciation to 01.01.2017	2,163,156.99
Period depreciation	182,611.33
Total depreciation to 31.12.2017	**2,345,768.32**
Carried value on 31.12.2017	**754,309.94**
Cost of intangible assets on 01.01.2018	**3,100,078.26**
Extensions	27,901.55
Cost of intangible assets on 31.12.2018	**3,127,979.81**
Accumulated depreciation to 01.01.2018	2,345,768.32
Period depreciation	187,367.13
Total depreciation to 31.12.2018	**2,533,135.45**
Carried value on 31.12.2018	**594,844.36**

Intangible assets relate to the cost of purchasing software and all expenses incurred to develop software in order for it to be commissioned. Depreciation of software is calculated based on a fixed line method over a period of 3 to 10 years.

8.4 Financial Assets available for sale

	31/12/2018	31/12/2017
Balance at start of period	0.00	424,560.00
Adjustments at fair value	0.00	63,440.00
Sale of financial asset at nominal value	0.00	-488,000.00
Balance at end of period	**0.00**	**0.00**

8.5 Long-term receivables

Long-term receivables are analyzed as follows:

	31/12/2018	31/12/2017
Electricity (PPC) guarantees	17,608.21	17,608.21
Water Supply (EYATH) guarantees	512.11	512.11
Natural Gas guarantees	8,408.00	8,408.00
Other guarantees	1,006.00	1,006.00
Total	**27,534.32**	**27,534.32**

These receivables relate to guarantees which will not be collected until the end of the next fiscal year and which have been valued at cost.

8.6 Inventories

Inventories are analyzed as follows:

	31/12/2018	31/12/2017
Consumables		
At cost	2,032,200.37	1,956,559.13
At net realizable value	1,569,935.68	1,664,240.24
Spare parts		
At cost	154,457.14	161,204.27
At releazible value	154,457.14	141,914.40
Total inventories at the lowest of cost and net realizable value	**1,724,392.82**	**1,806,154.64**

At the end of each fiscal year, Company Management reassesses the case of impairment in the valuation of inventories at their realizable value. Every change in the impairment provision and the cost of inventories entered as an expense is included in the cost of sales (note 8.17).
In the year 2018, an additional inventory impairment provision of € 150,655.93 (2017: € 116,010.79) was recorded. All other consumables and spare parts are in good working condition and necessary for the operation of the Company's electromechanical equipment.

8.7 Trade receivables

Trade receivables are analyzed as follows:

	31/12/2018	31/12/2017
Trade receivables	3,433,678.17	4,685,507.02
Less: provisions for bad debt	-600,477.22	-1,022,046.72
Total	**2,833,200.95**	**3,663,460.30**

The Company, as standard practice, receives advance payments (deposits) for works, which are settled at regular intervals. Customer advance payments amounted on 31.12.2018 to €2.877.914,44 and on 31.12.2017 to €2.994.534,02.

Each customer account is debited / credited with down payments collected and the final payment for specific invoices corresponding to specific down payments. At the end of each period that balance is presented in the liabilities account 'Customer Down payments' (Note 8.14). The majority of customer balances (6 months and over) for which no provision has been formed are covered, for the most part, by deposits. Where contracts have been concluded with customers which provide for a discount, a letter of credit is also simultaneously deposited.

Such letters of credit amounted, on 31.12.2018, to the sum of €1.130.610,00 (€1.150.677,00 on 31.12.2017) (Note 8.27.3).

The Company has formed a provision for bad debt from receivables which it considers it will be unable to collect.

The account of the provision for bad debts from customer receivables for fiscal years ended on December 31 2018 and 2017 is broken down follows:

Balance on January 1, 2017	**676,122.00**
Additional provision for the fiscal year (note 8.20)	349,676.35
Non-utilized provision (note 8.18)	(3,751.63)
Balance on December 31, 2017	**1,022,046.72**
Additional provision for the fiscal year (note 8.20)	41,302.39
Non-utilized provision (note 8.18)	(68,203.79)
Deletion of clients	(394,668.10)
Balance on December 31, 2018	**600.477,22**

On December 31, customer and other trade receivable maturity dates were as follows:

	Not overdue and not impaired	**0-30 days**	**31-60 days**	**61-300 days**	**>300 days**	**TOTAL**
31.12.2018	472,445.84	1,355,346.81	213,766.63	791,641.67	0.00	**2,833,200.95**
31.12.2017	380,088.44	1,760,454.18	694,659.86	828,257.82	0.00	**3,663,460.30**

8.8 Advances and other receivables

Advances and other receivables are analyzed as follows:

	31/12/2018	31/12/2017
Advances to staff	173,320.70	157,365.17
Loans to staff	272,417.67	400,328.08
Receivables from currently earned income	2,179,065.62	2,203,334.07
Sundry debtors	798,753.63	796,714.35
Tax income prepayment (Note 8.15)	938.227,54	0,00
Receivables from VAT	260,865.18	20,032.54
Other receivables from the Greek State (Note 8.27.1, 8.27.4)	6,549,509.33	6,275,156.07
Next fiscal year's expenses	84,738.87	44,973.58
Doubtful debtors	340,351.48	959,879.91
Less: provision for bad debt	-611,006.35	-1,230,534.78
Less: provisionfor receivables from duties and taxes (Note 8.27.1)	-3,526,110.96	-3,526,110.96
Less: provision for tax audit differences (Notes 8.27.4)	-1,424,067.06	-1,424,067.06
Total	**6,036,065.65**	**4,677,070.97**

Advances to staff: Salaries for full-time staff are paid in advance on the 1st and 16th day of each month. The amount presented relates to pay advances for full-time staff for the month of January 2019.

Loans to staff: The Company provides non-interest loans to staff that are subject to a 2,4% stamp duty upon receipt. The amount of interest-free loan per employee is up to the amount of € 5 thousand and instalments are deducted from their salaries. Loans are stated at their nominal value and are similar to their fair value.

Receivables from currently earned income: These came from: (a) accrued interest income €83,637.24 (2017: €158,729.61); b) Other income € 64,157.39 (2017: € 19,569.80) and c) revenues from operations € 2,031,270.99 (2017: € 2,025,034.66), which relate to services that were provided until 31.12.2018 but were not invoiced.

The Company has examined possible evidence of impairment of these receivables, without any findings, as most of them are covered by advanced payments.

The account for the provision for doubtful other receivables for fiscal years ended on December 31, 2018 and 2017 is broken down as follows:

Balance on January 1, 2017	**867,552.96**
Additional provision in fiscal year (note 8.20)	94,172.18
Non-utilized provision (note 8.18)	(1,845.23)
Balance on December 31, 2017	**959,879.91**
Additional provision in fiscal year (note 8.20)	56,861.98
Non-utilized provision (note 8.18)	(43,942.28)
Customer Deletions	(632,448.13)
Balance on December 31, 2018	**340,351.48**

8.9 Cash and cash equivalents – Other financial assets

Cash and cash equivalents are broken down as follows:

	31/12/2018	**31/12/2017**
Cashier's desk	51,797.23	76,739.12
Sight deposits	2,420,066.75	4,490,449.54
Time deposits	88,564,917.77	56,444,436.00
Interest bearing Greek State treasury bills	0.00	19,877,315.73
Total	**91,036,781.75**	**80,888,940.39**

The interest rates for time deposits in the course of fiscal year 2018 ranged from 0,95% to 1,65% (0,85% to 1,56% in fiscal year 2017). The current value of these sight and time deposits approximates their book value, due to the floating interest rates and short-term maturity dates.

Time deposits invested for a period up to three months amount to the sum of €88,564,917.77 and are included in cash holdings and equivalents. During the current year, there are no longer-term deposits over three months (2017: € 9,436,043.13)

As defined in the pending sects contained in the contract dated February 2, 2018 signed between the Greek State and ThPA. a.e. entitled "Concession Agreement Concerning the Use and Exploitation of Certain Areas and Assets within the Port of Thessaloniki", the Company proceeded on 07.02.2018 to issue a Letter of Guarantee for the performance of the contract amounting to € 10 million with a corresponding amount of cash reserves is depicted on non-current assets.

On March 13, 2019, the Company issued a supplementary letter of guarantee amounting to € 20 million, marking the commencement of the First Investment Period, without reserving cash.

Income from interest from bank deposits and interest-bearing Greek State treasury bills are recognized using the accrued interest principle, and amount to € 1,140,065.49 for the fiscal year ended on December 31, 2018, and €1,166,042.65 for the corresponding fiscal year of 2017 (note 8.23).

8.10 Equity

8.10.1 Share capital

ThPA's share capital stands at thirty million two hundred and forty thousand Euros (€30,240,000) and is divided into ten million eighty thousand (10,080,000) ordinary registered shares with a face value of three Euros (€ 3.00) each. The share capital was fully paid-in on 31.12.2018. There was no change during the period.

8.10.2 Reserves

	Statutory Reserve	Reserve for the valuation of investments available for sale	Untaxed reserves	TOTAL
Balance on January 1, 2017	**7,672,383.60**	**-63,440.00**	**57,435,943.56**	**65,044,887.16**
Changes during the fiscal year				
Distribution of profits to reserves	241,990.63	0.00	0.00	241,990.63
Valuation of financial assets available for sale (Note 8.4)	0.00	63,440.00	0.00	63,440.00
Balance on December 31, 2017	**7,914,374.23**	**0.00**	**57,435,943.56**	**65,350,317.79**
Changes during the fiscal year				
Distribution of profits to reserves	857.589.55	0.00	0.00	857,589.55
Balance on December 31, 2018	**8,771,963.78**	**0.00**	**57,435,943.56**	**66,207,907.34**

The statutory reserve has been formed in compliance with the provisions in force and may not be distributed while the company is in operation. Untaxed reserves include reserves from income under special taxation, from financial income exempt from taxation, which have not been taxed based on special provisions in the law, as well as the Special untaxed reserve of Law 2881/2001, amounting to €57,1 million.

The above Special Tax-Free Reserve is taxed under the conditions and to the extent provided for in the general provisions, ie in the event of its distribution or capitalization. The tax on any goodwill to be distributed or capitalized will be calculated based on the tax rate applicable to the taxation of the profits of the year in which the distribution or capitalization will take place.

Finally, valuation results for "financial assets available for sale" are monitored in a special reserves account (Note 8.4).

8.11 Provisions for obligations to employees

Provision for obligations to employees is analyzed as follows:

Liability recognized in the Financial Position Statement

	31/12/2018	31/12/2017
Present value of liability	3,945,104.61	4,192,390.31

Amounts recognized in Comprehensive Income Statement

	1/1-31/12/2018	1/1-31/12/2017
Service cost	70,481.94	71,060.13
Financial cost	60,170.19	61,207.89
Cost of additional employee benefits	7,391.00	50,233.75
Revenue from unused provision (note 8.18)	-13,253.57	-486.56
Actuarial profit in other income	-238,354.35	-41,105.87
Total expense/(income) in Comprehensive Income Statement	**-113,564.79**	**140,909.34**

Changes to net liability recognized in the Financial Position Statement

	1/1-31/12/2018	1/1-31/12/2017
Net liability at beginning of fiscal year	4,192,390.31	4,215,460.97
Charge in P&L (Note 8.21)	138,043.13	182,501.77
Revenue from unused provision (Note 8.18)	-13,253.57	-486.56
Credit in other comprehensive income	-238,354.35	-41,105.87
Benefits paid by the employer	-133,720.91	-163,980.00
Net liability at end of fiscal year	**3,945,104.61**	**4,192,390.31**

The principal actuarial assumptions employed for the calculation of the relevant provisions are as follows:

	31/12/2018	31/12/2017
Discount rate	1,50%	1,50%
Future salary increases	2,00%	2,00%
Expected residual working life	11,41	9,92

In case the average annual payroll increases or decrease by 1%, then we have no significant change in the present value.

If the discount rate is increased by 0.25% then:
1) In the Regular salary category we have a reduction of the Present Value of 2,42%
2) In the category for employees with contract we have a reduction of the Present Value of 4,22%
3) In the Workers category we have a reduction of the Present Value of 1,47%
4) In all of the above, we have a decrease of 2,53%.

If the discount rate is decreased by 0.25% then:
1) In the Regular salary category we have an addition of the Present Value of 2,50%
2) In the category for employees with contract we have a addition of the Present Value of 4,44%

3) In the Workers category we have a addition of the Present Value of 1,51%
4) In all of the above, we have an increase of 2,63%.

The Company calculates the reserve for staff compensation due to retirement in compliance with the provisions of the sectoral collective labor agreement (E.S.S.E.). Staff compensation obligations for fiscal years 2018 and 2017 were calculated using an actuarial study.

8.12 Other provisions

The movement of other provisions is broken down as follows:

Balance on 1.1.2017	**152,816.58**
Additional provisions	1,303,303.14
Balance on 31.12.2017	**1,456,119.72**
Additional provisions (note 8.27.4, 8.22)	180,975.71
Unused provision	-91,307.55
Used provision	-630,919.90
Balance on 31.12.2018	**914,867.98**

Other provisions regard various cases and actions pending at Courts and will be settled upon the adjudication of the cases.

Within the year ended on December 31, 2018, the Company removed a doubtful debt amounting to €631 thousand to its former employees, as this claim is no longer considered to be recoverable after final court decisions.

8.13 Other long-term liabilities

Other long-term liabilities are analyzed as follows:

	31/12/2018	31/12/2017
Leasehold deposits	124,353.92	123,346.16
Fixed asset subsidies	178.00	959.60
Total	**124,531.92**	**124,305.76**

8.14 Short-term liabilities

Short term liabilities, save for income tax, are analyzed as follows:

	31/12/2018	31/12/2017
Liabilities to suppliers	3.008.372,84	2.396.148,20
Customer down payments	2.877.914,44	2.994.534,02
Other liabilities and accrued expenses	8.075.643,88	4.940.706,31
Total	**13.961.931,16**	**10.331.388,53**

The fair value of trade and other liabilities is not presented separately since, given their short-term nature, Management considers that the book values recognized in the financial position statement are a reasonable approximation of the fair values involved. The above liabilities do not involve interest and are usually settled within 6 months.

Customer prepayments: Prior to initiating the service, the Company shall receive advanced payments from Contractual Sector customers. These advanced payments constitute for the Company a contractual obligation to its customers and are settled on completion of the service provision and the recognition of revenue at the beginning of the next financial year (Note 8.7).

Other liabilities and accrued expenses: Other liabilities and accrued expenses are analyzed as follows:

	31/12/2018	31/12/2017
Taxes – Duties on personnel and third party remuneration	904.868,23	246.626,91
Other taxes - duties	62.239,42	36.752,16
Insurance funds liabilities	1.170.993,14	594.286,27
Personnel remuneration payable	1.356.010,35	1.215.894,18
Fees due to BoD members (note 8.26)	35.992,51	7.384,34
Accrued expenses	4.377.634,68	1.787.112,54
Other short-term liabilities	167.905,55	1.052.649,91
Total	**8.075.643,88**	**4.940.706,31**

Taxes – Duties on Salaries: This figure primarily regards withholding tax applied to personnel salaries, which are usually paid in the month following the withholding, in compliance with the provisions in tax law.

Social insurance and pension fund liabilities: This figure is primarily comprised of contributions – withholdings to social security funds, as can be seen from the payroll and can be analyzed as follows:

	31/12/2018	31/12/2017
Social Security Institute (IKA) – Other Principal insurance funds	1.170.993,14	594.130,78
Contributions to auxiliary funds	0,00	155,49
Total	**1.170.993,14**	**594.286,27**

The Company has no outstanding debts to social security Funds.

Personnel remuneration payable: This amount includes both part of the remuneration of personnel for December 2018, which were paid in January 2019, as well as the provision for paid leave and compensation for non-granted leave which will be settled in the next fiscal year.

Accrued expenses: This account is analyzed as follows:

	31/12/2018	31/12/2017
Third parties remuneration	1.574.699,50	48.100,47
Third parties benefits	236.522,88	250.081,94
Taxes-Duties	788,32	645,38
Concession price	1.956.453,68	1.134.493,77
Personnel remuneration	165.390,00	70.420,00
Other Expenses	35.893,03	3.518,79
Discounts on sales for fiscal year	407.887,27	279852,19
Total	**4.377.634,68**	**1.787.112,54**

Concession fee: refers to the obligation to the Greek State under the Concession Agreement and is increased by € 822 thousand, due to the increase in sales and the increase at its calculation rate, from 2% of annual revenue to 3,5% (as of 23.03.2018).

Discounts on sales: refers to the Company's obligation to its customers under the terms of the agreements signed between the two parties in relation of achieving of the objectives described in the above contracts.

8.15 Income taxes payable

The income taxes payable are analyzed as follows:

	31/12/2018	31/12/2017
Income tax (note 8.24)	6.770.793,65	7.634.229,22
Advances/tax withheld	-6.770.793,65	-6.307.428,23
Total	**0,00**	**1.326.800,99**

No income tax is owed in fiscal year 2018 and the Company has a receivable from tax advance payment amounting to €938,227.54 which is entered in other receivables (Note 8.8).

8.16 Sales

	1.1-31.12.2018	1.1-31.12.2017
CONTAINER TERMINAL		
Ship services	27.679.689,87	25.877.468,58
Land services	9.095.535,83	8.097.485,60
Mooring and berthing	1.135.959,37	1.405.247,45
Utilization of spaces	18.473,83	14.832,00
Total	**37.929.658,90**	**35.395.033,63**
CONVENTIONAL PORT		
Ship services	14.304.464,64	13.711.167,57
Land services	2.304.449,01	1.108.354,48
Mooring and berthing	1.211.334,21	1.187.520,88
Utilization of spaces	542.507,18	545.203,73
Income from other provisions	533.615,07	384.584,17
Total	**18.896.370,11**	**16.936.830,83**
PASSENGER PORT		
Ship services	961,28	1.591,35
Land services	36.713,40	37.881,03
Mooring and berthing	74.996,79	65.480,27
Income from other provisions	110.657,10	104.915,60
Total	**223.328,57**	**209.868,25**
UTILIZATION OF SPACES – NEW ACTIVITIES		
Utilization of spaces	277.298,61	536.529,51
Income from other provisions	1.208.031,78	1.153.678,48
Total	**1.485.330,39**	**1.690.207,99**
GENERAL TOTAL	**58.534.687,97**	**54.231.940,70**

8.17 Cost of sales

Cost of sales is analyzed as follows:

	1/1-31/12/2018	1/1-31/12/2017
Personnel remuneration and expenses (note 8.21)	16.618.591,21	15.711.076,73
Third parties remuneration and expenses	276.618,84	216.013,27
Third parties benefits	7.544.405,65	6.864.582,73
Taxes - Duties	145.967,30	125.287,94
Various expenses	626.399,23	408.855,68
Depreciation (notes 8.2, 8.3)	3.751.085,15	7.319.572,55
Provision for personnel compensation (note 8.11)	119.569,62	224.138,15
Consumption of materials-spare parts	2.320.066,94	1.552.945,94
Total	**31.402.703,94**	**32.422.472,99**

An expense for the provision relating to the impairment of inventories amounting to a total of €150,655.93 (2017: €116,010.79) is included in materials-spare parts consumption.

Moreover, included in third party benefits is the expense for the concession price for the exclusive right to use and exploit the land and buildings in the territorial portal zone of the Port of Thessaloniki for the fiscal year amounting to a total of € 1,956,453.68 (2017: € 1,134,493.77). Third party benefits also include electricity, machinery maintenance, storage and cleaning costs.

8.18 Other income and profits

Other income is analyzed as follows:

	1/1-31/12/2018	1/1-31/12/2017
Income from insurance compensations	41.888,21	0,00
Income from rents (note 8.27.2)	2.435.835,77	2.492.747,97
Income from the revaluation of fixed asset (Note 8.2)	1.562.000,01	0,00
Transfer to income of product from the sale of scrap	781.538,91	
Income from non-utilized provisions (notes 8.7, 8.8, 8.12)	1.539.404,35	6.083,42
Forfeit of guarantees – penalty clauses	16.000,00	205.668,00
Other Income	6.826,17	42.703,26
Total	**6.383.493,42**	**2.747.202,65**

8.19 Administrative Expenses

Administrative expenses are analyzed as follows:

	1/1-31/12/2018	1/1-31/12/2017
Personnel remuneration and expenses (note 8.21)	2.133.076,73	2.002.009,15
Third parties remuneration and expenses	2.665.311,57	598.861,34
Third parties benefits	997.354,85	989.150,11
Taxes-Duties	200.240,97	175.844,74
Various expenses	465.666,48	369.922,94
Depreciation (notes 8.2, 8.3)	198.715,05	203.163,68
Provision for personnel compensation (note 8.11)	17.360,74	72.533,88
Consumption of consumables – spare parts	49.870,85	37.153,43
Total	**6.727.597,24**	**4.448.639,27**

Fees and expenses of third parties: the amount includes mainly the cost of management fees and management fees incurred after signing the Concession Agreement (note 8.26). Also included are the auditors' fees for the year 2018 at € 52 thousand (2017: 46.5 thousand). This reward regards the audit of financial statements in accordance with IFRSs as well as the issue of a tax certificate for the year 2018.

8.20 Selling Expenses

Selling expenses are analyzed as follows:

	1/1-31/12/2018	1/1-31/12/2017
Personnel remuneration and expenses (note 8.21)	178.727,68	139.994,42
Third parties remuneration and expenses	62.116,53	78.251,16
Third parties benefits	11.864,52	13.053,36
Taxes-Duties	2.240,55	1.873,28
Various expenses	361.862,59	196.321,80
Depreciation (notes 8.2, 8.3)	21.000,50	21.166,77
Provision for bad debt (notes 8.7, 8.8)	98.164,37	443.848,53
Provision for personnel compensation (note 8.11)	1.112,77	1.840,53
Consumption of consumables – spare parts	144,85	137,85
Total	**737.234,36**	**896.487,70**

8.21 Number of personnel and payroll cost

The number of personnel employed in the Company and the payroll cost are analyzed as follows:

	31/12/2018	31/12/2017
Salaried Employees *	283	261
Day Laborers **	139	163
Total	**422**	**424**

*of whom Technological Education Institute students	51	11
*of whom fixed term	68	42
** of whom Hellenic Manpower Organization (HMO) students	18	40

	1/1-31/12/2018	1/1-31/12/2017
Full-time personnel salaries	9.178.762,21	8.472.807,00
Employer contributions to social security funds	2.306.669,92	2.095.892,63
Side Benefits	373.094,71	321.192,21
Personnel compensation provision (note 8.11)	86.761,47	128.986,46
Subtotal	**11.945.288,31**	**11.018.878,30**
Wages	5.353.128,93	5.301.241,14
Wages of Greek Manpower Employment Organization (OAED) apprentices	52.165,69	93.188,16
Employer contributions to social security funds	1.536.534,96	1.416.732,34
Side Benefits	130.039,20	152.026,82
Personnel compensation provision (note 8.11)	51.281,66	53.515,31
Subtotal	**7.123.150,44**	**7.016.703,77**
General Total	**19.068.438,75**	**18.035.582,07**

8.22 Other expenses and losses

Other expenses are analyzed as follows:

	1/1-31/12/2018	1/1-31/12/2017
Loss from the valuation of investment property (note 8.1)	8.480,66	182.260,10
Loss from the impairment of fixed assets (note 8.2)	1.093.835,20	2.329.864,00
Other provisions	180.975,71	4.829.414,10
Surcharges to insurance funds contributions	4.297,29	33.483,88
Previous fiscal years expenses	713.806,65	66.804,04
Compensations to third parties	207.756,66	443.986,52
Tax fines	4.529,33	927,38
Loss from the replacement of machine parts	35.437,91	0,00
Loss from the deletion of receivables	59.978,33	0,00
Other	106.788,44	14.374,19
Total	**2.415.886,18**	**7.901.114,21**

Other Provisions: During the previous year, a provision of € 3,526 thousand was made, which related to the Company's claim from the Greek State for taxes and duties due to loss of cigarette load (note 8.27).

8.23 Financial income (expenses)

Financial income/(expenses) are analyzed as follows:

	1/1-31/12/2018	1/1-31/12/2017
Financial Income		
Credit Interest (note 8.9)	1.140.065,49	1.166.042,65
Total	**1.140.065,49**	**1.166.042,65**
Financial Expenses		
Interest charges and related expenses	45.559,24	2.429,97
Total	**45.559,24**	**2.429,97**

8.24 Income tax (current and deferred)

The income tax presented in the Comprehensive Income Statement is analyzed as follows:

	1/1-31/12/2018	1/1-31/12/2017
Current income tax (note 8.15)	6.770.793,65	7.634.229,22
Deferred income tax	806.681,24	-2.624.159,11
Provision for tax audit differences	0,00	221.017,06
Income tax expense	**7.577.474,89**	**5.231.087,17**

Pursuant to tax law 4334/2015, the tax rate for fiscal year 2018 is 29% (2017:29%).

In December 2018 a new tax law activated in Greece (Law 4579/2018). The new tax law introduced a number of changes to the corporate income tax, such as a reduction in the tax rate 29%, valid until December 31, 2018, gradually by one unit per year up to 25% for the fiscal years beginning on 1 January 2022 and later.

The Company, taking into account the new tax rates and in accordance with IAS 12, has deferred tax income by recognizing the difference as (income)/expense from tax income, in the income statement and other comprehensive income in the statement of comprehensive income.

Tax statements are submitted each year, readjusting the book profits with the tax adjustment returns, but the profits or losses referred to in them are considered to be provisional until a tax audit is carried out by the taxation authorities and the relevant report is issued, by which tax liabilities are finalized.

In the table below we cite the agreement between the nominal and effective tax rate:

	31/12/2018	31/12/2017
Profits before income tax	24,729,265.92	12,474,041.86
Current tax rate	**29%**	**29%**
Income tax calculated with current tax rate	7,171,487.12	3,617,472.14
Tax effect of non-deductible expenses	665,725.99	1,452,213.98
Tax effect of untaxed income	-200,721.96	-59,616.00
Tax effect from a change in tax rate	-59,016.26	
Provision for tax audit differences	0.00	221,017.06
Tax expense in the Comprehensive Income Statement	**7,577,474.89**	**5,231,087.17**
Effective tax rate	30,64%	41,94%

Charges for deferred income tax (deferred tax liability) at the attached income statements contains the provisional tax differences principally ensuing from written income-gains which will be taxed at a future date. Credit for deferred taxes (deferred tax receivables) mainly contains provisional tax differences which ensue from specific provisions, which are tax deductible at their realization.

Deferred tax credit and debit balances are offset, when there is a legal right to the offset of current tax assets against current tax liabilities and where deferred income taxes relate to the same tax authority.

Deferred income tax assets and liabilities originate from the following items:

Sums in €	Balance 01/01/2018	(Debit)/Credit in Results - other income	Υπόλοιπο 31/12/2018
Investments in property	-235.535,88	2.120,17	-233.415,71
Tangible fixed assets utilized for own purposes	3.870.421,40	-442.237,44	3.428.183,96
Intangible assets	-111.907,75	15.432,30	-96.475,45
Inventories	90.366,54	42.183,66	132.550,20
Trade & Other receivables	292.885,33	-203.988,67	88.896,66
Provisions for liabilities towards employees	1.497.686,62	-335.348,35	1.162.338,27
Other liabilities and provisions	390.885,57	54.244,31	445.129,88
Total	**5.794.801,83**	**-867.594,02**	**4.927.207,81**
Recognized as:			
Net Deferred Tax receivable	**5.794.801,83**		**4.927.207,81**

The balance of the deferred income tax is shown in the table below:

Amount in €	Deferred tax in profit or loss	Deferred tax on other income	Total
Balance on 01.01.2018	5.536.285,29	258.516,55	5.794.801,84
Records in period	-806.681,24	-60.912,78	-867.594,02
Balance on 31.12.2018	**4.729.604,05**	**197.603,77**	**4.927.207,82**

8.25 Dividends

Pursuant to Greek legislation, the companies are obliged, every fiscal year, to distribute to their shareholders 35% of the profits net of tax and after the deduction for statutory reserves.

The Annual General Meeting of 28/06/2018 decided to distribute a dividend of €4.536.000,00 which amounts to 0,45 €/share. In implementation of article 64 of Law 4172/2013 the tax, amounting to 15%, that corresponds to the dividend was withheld only for shareholders other than the wider public sector and amounted to €605.602,04. Consequent, the net dividend payable amounted to €3.390.397,97and was paid in July 2018.

The Annual General Meeting of 07/07/2017 decided to distribute a dividend of €4.939.200,00 which amounts to €0,49 €/per share. In implementation of article 64 of Law 4172/2013 the tax corresponding to the dividend, of 15% was withheld only for shareholders other than the wider public sector and amounted to €162,254.41. Consequent, the net dividend payable amounted to €4,776,944.18 and was paid in August 2017.

On 30.04.2019, the Board of Directors of the Company proposed the distribution of a dividend from the profits of 2018 amounting to the sum of €5,745,600.00 which amounts το 0.57 €/share. The proposal is subject to approval by the Annual Regular General Meeting of Shareholders.

8.26 Transactions with related parties

Directors and Managers' fees

The remuneration and attendance expenses paid to the members of the Board of Directors and the remuneration paid to the Company Executives are analyzed per fiscal year as follows:

	31/12/2018	31/12/2017
Short-term liabilities		
Remuneration for the members of the Board of Directors	373.562,14	171.173,48
Manager salaries	856.623,65	558.419,05
Total (a)	**1.230.185,79**	**729.592,53**
Benefits after retirement associated with:		
Termination benefits	6.216,63	8.363,00
Total (b)	**6.216,63**	**8.363,00**

Note: The remuneration of the managers and other executives were subject to employer contributions of € 213.301,27 (31.12.2017: € 148.519,37).

Beyond the aforementioned remunerations-transactions, no other business relation or transaction took place in the period 1/1/2018–31/12/2018, as well as no other benefit during the current fiscal year between the company and the people participating in its Management. Moreover, on 31/12/2018 remuneration to members of the BoD for the month of December were owed, amounting to €35.992,51 (31.12.2017: €7,384.34) (note 8.14).

The Company concluded a contract for the provision of management services with Terminal Link, pursuant to which Terminal Link shall offer operational management services. Fees for 2018 amounted to €1,230 thousand, of which invoiced were €489 thousand (€0.00 in the 31st December of 2017). On December 31, 2018 the amount of €9.85 thousand was due.

Finally, it is cited that the cumulative provision for personnel compensation includes an amount of €157.303,87 (31.12.2016: €192,113.09), that concerns senior managers and other executives of the Company.

Transactions with affiliated companies

The company has entered into a management service contract with Terminal Link (affiliated member), according to which Terminal Link provides business management services. The fees for 2018 amounted to € 1,230 thousand.

8.27 Commitments and Contingent receivables – liabilities

8.27.1 Pending cases

Third party claims

On 31.12.2018 there were third party claims pending against the company for a total sum of €80,625.246,43. Of this total amount for liabilities relating to pending cases: a) an amount of € 77,287,395.00 relates to the claim of the company "ACTE PARK / CAPITAL CONNECT" for lost profits due to the cancellation of a tender procedure for the construction of floating parking in the port of Thessaloniki. The case was adjudicated in October 2018 and in March 2019, issue No.3373/2019 was issued by the Multimember Court of First Instance of Thessaloniki, which declared the action to be dismissed in its entirety and essentially unfounded (b) A sum of €3,080,651.62 regards three actions lodged by employees of Th.P.A. S.A. contesting amounts withheld pursuant to Laws 3833, 3845 and 4024. Company Management decided not to form a relevant provision, since it is anticipated that the outcome of the case will be positive for the Company.

Company claims

The Company's claims before Courts against third parties amount to € 107.601.144,80 (31.12.2017: € 107.601.144,8). The claims include: an amount of €103.704.610,23 which regards a claim against a construction company for damages incurred from the non-signing of a contract. The case was discussed on 03.04.2019 and a Decision is expected (31.12.2017: €103.704.610,23); an amount of € 228.400,00 from compensations and an amount of €142.023,61 from other pending claims (31.12.2017: €142.023,61).

In January 2015, following an investigation into the bound cigarette cargoes by the 2nd (B') Customs Office of Thessaloniki a loss of cargo confiscated in 2000 was found. The company in coordination with the 2nd (B') Customs Office of Thessaloniki expediently proceeded with the provided for and appropriate actions.

On 03.02.2015 by virtue of notice of assessment no 3/2015 by the 2nd Customs Office of Thessaloniki duties and taxes amounting to € 3.526.110,96 were imposed. The amount was paid with reservation on 12.02.2015 and on 24.02.2015 an appeal was lodged with the Administrative Courts for the refund of the sum above as wrongly paid.

In September 2017 this case was heard before the three-member Administrative Court of Appeals in Thessaloniki and the court with decision No.A1271/2018 rejected ThPA's appeal. The Company appealed against the decision before the Administrative Court of Appeals in Thessaloniki against the 2nd (B') Customs Office of Thessaloniki, asking to annul the refusal of said Customs Office to return the paid amount for duties and taxes to the Company.

Consequently, the total amount of € 3,526,110.96 which was paid by the Company in order for it to have the capacity to appeal to the administrative courts appears as a receivable (note 8.8). In the previous fiscal year, the Company, taking account of the new events that arose from the court hearing before the three-member Administrative Court of Appeals in Thessaloniki and the opinion of its legal advisers, formed an equal in amount provision to cover the potential risk of not collecting such receivables.

8.27.2.*i*. Future rents from operating lease agreements receivable

The Company has signed various operating lease agreements which concern a concession of spaces until March 2025. The future minimum rents to be collected in future fiscal years, as such ensue from existing operating lease contracts are as follows:

Contracts up to:	**31/12/2018**	**31/12/2017**
1 year	499,198.07	745,228.45
1 – 5 years	1,203,633.05	1,413,556.13
Over 5 years	220,739.27	608,103.79
Total	**1,923,570.39**	**2,766,888.37**

The lease payments are included in the statement of comprehensive income for the year ended December 31, 2018 (note 8.18) and amounted to € 2,435,835.77 (31.12.2017: € 2,492,747.97)

8.27.2.*ii*. Commitments from Contracts

The Company, under the concession agreement signed with the Greek State, is required to pay an annual price equal to 3,5% of its consolidated income, with a minimum annual paid amount of € 1.800.000,00. For the year ended 31 December 2018 this liability is equal to the amount of € 1,956,453.68 and is shown in the Statement of Financial Position in other liabilities and accrued expenses (note 8.14)

Minimum Concession fee obligation up to 2051:	
1 year	€ 143.707
1 – 5 years	€ 828.029
Over 5 years	€ 43.297.183
Total	**€ 44.268.919**

8.27.3 Guarantees

The Company held, on 31/12/2018, letters of credit from suppliers – customers amounting to €5.122.431,69 compared to € 4.201.467,98 for the corresponding fiscal year of 2017. Of this amount, €3.991.821,69 relate to suppliers and €1.130.610,00 to customers for 2018 compared to €2.826.738,88 relating to suppliers and €1.150.677,00 to customers for 2017.

8.27.4 Open tax years

In compliance with audit mandate no. 106/4/1118/3.10.2013 by the Audit Authority for Large Enterprises the tax audit begun for all open tax years 2005-2010, as well as the re-audit for fiscal year 2011, which was concluded in July 2016.

Pursuant to the findings of the tax audit, the Company was charged with additional taxes and surcharges amounting to a total of €2,749,045.11, which was paid on 2.11.2016 with reservation, since the payment of the amounts charged does not ential the admission of the contested actions. Company Management initially filed an objection against the findings of the tax audit, since for most of the expenses not recognized by the Tax Authorities there are specific ministerial decision and law, which explicitly cite their tax recognition for deduction. Following this, ThPA SA lodged a judicial appeal before the Dispute Resolution Directorate of the Audit Authority for Large Enterprises, with regard to which no decision was notified to ThPA SA within the deadline provided for, whereupon it was deemed as an inferred rejection. Following this, ThPA SA lodged an appeal before the Administrative Court of Appeals in Athens asking for: (a) the partial annulment of the imputed taxes and surcharges and (b) the annulment of the imputed differences for years 2005-2007 due to their prescription. This appeal was heard on March 20, 2018 and in 2019 a decision rejecting the appeal on formal grounds was issues, while the Company then proceeded with the lodgment of a new appeal.

The Company has formed an cumulative provision amounting to €1,424,067.06 in order to cover the maximum assessed risk from the final encumbrance of the tax audit, which is presented as deducted from the corresponding receivable.

For fiscal years 2011-2017, the Company, which is subject to tax audit by Chartered Auditors-Accountants in compliance with the provisions of article 82 par. 5 of Law 2238/1994 and the provisions of article 65a of Law 4174/2013, has received a Tax Compliance Certificate, without any ensuing additional tax liabilities.

For fiscal year 2018, the Company is subject to tax audit by the Chartered Auditors- Accountants provided for by the provisions of article 65a of Law 4174/2013. This audit is in progress and the relevant tax certificate is going to be issued after the publication of the annual financial statements for fiscal year 2018. If, additional tax liabilities should arise until the completion of the tax audit, we estimate that they will not have any significant effect to the financial statements.

8.27.5 Capital expense commitments

Based on the concession agreement signed on 2 February 2018 between ThPA SA and the Greek State, the obligation to invest in infrastructure and equipment amounts to € 180 million by 2025.

At 31 December 2018, the Company had signed contracts for the supply of new machinery (12 diesel-straddle carriers "1 over 3" & 3 spreader) of a total value of € 9.163.174,24. An advance of € 2,721,354.85, which is shown in the Tangible Fixed Assets, under the category "Assets under construction and advances", has been paid in respect of these contracts. Their receipt and pricing will take place in 2019.

8.28 Earnings per share

The basic earnings per share are calculated by dividing the profit or loss corresponding to the holders of common shares of the parent economic entity with the average weighted number of common shares in circulation during the fiscal year.

Diluted earnings per share are calculated by dividing the net profit attributable to the shareholders (after the deduction in the income statement of the impact from the conversion of conditional assets convertible to shares) with the average weighted number of shares in circulation during the fiscal year (adjusted for the impact of the conditional assets convertible to shares).

There were no bonds convertible to shares or other conditional titles convertible to shares which could decrease the profits during the fiscal years to which the financial statements attached refer, and consequently, no diluted earnings per share have been separately calculated.

The calculation of the basic and diluted earnings per share for the fiscal years that ended on December 31, 2018 and 2017 is as follows:

	01/01 – 31/12/2018	**01/01 – 31/12/2017**
Net profits corresponding to the company's shareholders	17,151,791.03	7,242,954.69
Average weighted number of common shares	10,080,000	10,080,000
Basic and diluted earnings per share (€/share)	**1,7016**	**0.7185**

8.29 Events after the date of the financial statements

On March 2019, "ThPA S.A." send to the Greek State a Supplementary Performance Bond on behalf of Th.P.A. S.A. amounting to 20 million Euro and a Notice for the Commencement of the First Investment Period, by which it confirms its intention to begin works regarding the First Mandatory Investments, pursuant to article 7.2 of the Concession Contract concluded between the Greek State and "Th.P.A. S.A.", which was ratified by article 1 of Law 4522/2018 (Gov.Gazette A' 39/7.3.2018).

During the First Investment Period, Th.P.A. S.A. shall realize Mandatory Investments amounting to 180 million Euro, which will include the following individual investments:

- Extension of the Port infrastructure of the 6th pier and specifically:
    - Construction of new additional wharf with a length of at least 440 meters, of which at least 400 meters must have a useful depth of at least -16.5m.
    - Construction of additional terrestrial zone, at least 300m. wide, along the aforementioned new wharf.
    - Construction of all complementary infrastructure works which are necessary to ensure the full functionality of the new wharf and of the corresponding terrestrial zone.
- Procurement of equipment for the Container Terminal and the Bulk Cargo Terminal in Pier no. 6.
- Investments for the general development of the Port, including Restoration Works at the Building of the Old Customs' Office.

The commencement of the Investment Period follows a series of preparatory activities relating to the maturing of Mandatory Investments, including the conclusion of a Contracts for the Services of an Independent Engineer, with its subject being the supervision of the First Mandatory Investments.

Besides the above, there were no other events after the financial statements on December 31, 2018 which significantly affect the understanding of these financial statements and must be either disclosed or differentiate the items in the published financial statements.

THESSALONIKI, 30/04/2019

THOSE RESPONSIBLE FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

THE CHAIRMAN OF ThPA SA & CEO	THE MEMBER APPOINTED BY THE BoD	CHIEF FINANCIAL OFFICER	THE HEAD OF THE ACCOUNTING DEPT.
SOTIRIOS THEOFANIS	**ARTHUR DAVIDYAN**	**HENRIK M. JEPSEN**	**MERSINA CHONDROUDAKI**
ID Card No.	Passport no.	Passport No.	ID Card No. AE179855/07
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