2017 ANNUAL FINANCIAL REPORT

ΟΛΠ
PIRAEUS PORT AUTHORITY S.A.

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PIRAEUS PORT AUTHORITY S.A.

ANNUAL
FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2017

(IN ACCORDANCE WITH THE L. 3556/2007)

Index to the Annual Financial Report

STATEMENTS OF THE MEMBERS OF THE BOARD OF DIRECTORS

Statements of the Members of the Boards of Directors
(in accordance with article 4 par. 2 of L. 3556/2007)

The Board of Directors Members of the Company “Piraeus Port Authority Societé Anonyme” and trade title “PPA S.A.” (hereinafter referred to as “Company” or as “PPA”) and the undersigned:

1. FU Chengqiu, Chairman of the Board of Directors and Managing Director
2. FENG Boming, Member of Board of Directors
3. ZHU Jianhui, Member of the Board of Directors

In our above-mentioned capacity and as specifically appointed by the Board of Directors of the Company, we state and we assert that to the best of our knowledge:

(a) the financial statements of the societe anonyme Company under the name “Piraeus Port Authority Societe Anonyme” and trade title “PPA S.A.” for the period from January 1, 2017 to December 31, 2017, which were compiled according to the applicable International Financial Reporting Standards as adopted by the E.U., provide a true and fair view of the assets and the liabilities, the equity and the results of the period of the Company, according to that stated in paragraphs 3 to 5 of article 4 of the L.3556/2007 and the relevant executive Decisions of the Board of Directors of the Capital Market Commission.

(b) the annual Report of the Company’s Board of Directors provide a true and fair view of the evolution, the achievements and the financial position of the Company, including the description of the main risks and uncertainties it faces and relevant information that is required according to paragraphs 6 to 8 of article 4 of the L. 3556/2007, and the relevant executive Decisions of the Board of Directors of the Capital Market Commission.

Athens, February 13, 2018

FU CHENGQIU	FENG BOMING	ZHU JIANHUI
Chairman of the Board of Directors and Managing Director	Member of the Board of Directors	Member of the Board of Directors
Passport No E92044606	Passport No PE0484459	Passport No PE0844394

ANNUAL REPORT OF THE BOARD OF DIRECTORS
of the Company
"PIRAEUS PORT AUTHORITY S.A." with the distinctive title "PPA S.A."
from 1st January 2017 until 31st December 2017

1. Analysis of the development & performance of the company's activities and position

A. Brief Description of Business

The Port of Piraeus (Piraeus Port) is the largest port in Greece, spanning a coastline more than twenty-four kilometres in length and expanding over an aggregate area exceeding five million square meters. The geographic location of the Piraeus Port makes it a vital transportation, trade and supply, tourism and communication hub connecting the Greek islands with the mainland, as well as being an international centre of marine tourism and the commercial passage of cargos. The position of the Piraeus Port is conducive to its operation both as a commercial and touristic gate of Greece and as transhipment hub for the Balkans and Black Sea countries.
The Port of Piraeus is situated at the intersection of sea routes linking the Mediterranean with Northern Europe and due to its geographic position (south of the 38th parallel) enables major liner ships to access it without significant deviation from the Far East trade routes. It hosts a complex and unique variety of port activities, including: Cruise activity, Coastal (ferry/passenger) activity(it is the largest passenger port in Europe), all types of cargos handling activity, ship repair activities, as well as free zone (a control type I customs free zone) operating under applicable tax and customs legislation in the area currently designated pursuant to Decisions D18/7.8.2013 (Government Gazette B' 2038/22.8.2013) and D18/9.9.2013 (Government Gazette B' 2330/17.9.2013) of the Minister of Finance (Piraeus Free Zone).
Further to the amendment and codification in a single text of the Concession Agreement dated 13/02/2002 between the Hellenic Republic and Piraeus Port Authority S.A., which was ratified by Law 4404/2016 (Government Gazette A 126/8.7.2016) (hereinafter CA), the Company retains the exclusive right to use and exploit the land, buildings and infrastructure that are included in the Piraeus Port until 13/02/2052.

B. Objectives, Core Corporate Values and Key Strategies

- ***b.1. Objectives***

Having ensured a smooth transition to the new ownership in August 2016, the year 2017 was the first complete year imparting COSCO SHIPPING management and corporate values to PPA S.A.
Throughout 2017, the primary objectives of the Company's Management were:

- *The implementation of the investment Plan that multiplies benefits for the local and national economy.*

Under Article 7 of the CA between PPA S.A. and the Hellenic Republic, the Company is required to implement, within the First Investment Period, obligatory investments, summed up to a total reference cost of 293.7 million Euros, which concern the following:

- Passenger Port Expansion (Southern Zone Phase A)
- Repair of Pier I RMG yard area and cranes
- Conversion of Pentagonal Warehouse into Cruise Passenger Terminal
- Underground Linkage of Car Terminal with Former ODDY Area
- Port Infrastructure Improvement and Maintenance
- Supply of Equipment
- Dredging of Central Port
- Construction of New Oil Pier
- Car Terminal Expansion (Herakleous)
- Improvement Infrastructure of Ship repair Zone

- *The further highlighting and reinforcement of Piraeus position as a hub for passenger and freight transportation.*

The Company's declared goal is the further highlighting of Piraeus Port strategic advantages and strengthening its position in the port industry.
The role of the Piraeus Port is not only consolidated but further upgraded through the Investment Plan of PPA S.A., the customer-oriented approach and the marketing policy. In 2017, the extroversive development and the international collaborations are enhanced.
In the above context, the Company has strengthened its presence in national and international organizations relating to the port industry (detailed reference follows in paragraph b.3, titled ''*outward looking*'').

- *Creation of loyal cooperation conditions with PPA staff.*

After a series of long but productive negotiations the Top Management of the Company and the Union of employees reached within the year an agreement for the major issues of General Staff Regulation (GSR) and Labor Collective Agreement.
The approved GSR is intended to regulate all employment relations, on the basis of the principles of equality and transparency, ensuring the Company's smooth and efficient operation and serving effectively the common interests of the Company and the staff.
General Staff Regulation (GSR) drafted as per the provisions of Laws 1876/1990 and 4404/2016 replaces the Company's former General Staff Regulation. The new Regulation responds to the modern needs of the PPA S.A. and strengthens the efforts for the development of Company into a flexible and dynamic organization.
On the above framework, a two year Labor Collective Agreement was signed between the company and the Union of Employees in December 2017, creating a peaceful environment of labor that benefits both sides. The new collective labor agreement in conjunction with the new General Staff Regulations ensures the remuneration and working conditions for all employees, contributing positively to the transition of PPA to a new era of growth and prosperity.
The Collective Labor Agreement for dock workers with the same duration is in progress between the Company and the dock workers union.

- *The Internal Organizational restructuring.*

Following the completion of the staff evaluation process, the new organization chart of the Company was put into operation in January 2017.

The Internal Organization restructuring provides:

- Speed and efficiency in the decision making process,
- Better coordination,
- Functionality and flexibility,
- Optimal use of human resources,
- Cost savings.

For the duty assignments of Managers and Deputy Managers for 22 Departments (including the Internal Audit Service) under new organization chart were issued a call to all PPA staff, without any discrimination (gender, age, level of education) in compliance to the principle of equal opportunities for all employees. With the professional evaluation the post of departments were staffed and duties were assigned.

As for the basic managerial posts like head of sector, super intendent, supervisor etc, they are proposed by each department according to their previous performance and post requirements in the circumstance of a modern and efficient labor environment set by the company policy. The decision of assignments were made and implemented after collective decision by the Top Management.

In total, there were 130 employees who were assigned with the duties at various levels in the company hierarchy.

Aiming at the recognition of high-performance, maximizing the possibility of for continuous improvement of performance, and keeping high incentives and performance standards, the new set of performance assessment for all managers was taken place in December 2017. The assessments by the Top Management and all staff of each department were carried out by filling anonymously in a questionnaire distributed to all employees of the Company and depositing it to a ballot box ensuring objectivity and confidentiality.

- *Improving procedures in relation to the daily operation of the Company.*

Based on the operational and administrative requirements, a series of rules and regulations have been elaborated internally such as Cash Management, Administrative Expenses, Corporate IT Resources, Contract Payment, Donation and Sponsorship, Customer Advance Payment and Relevant Refund, Legal Indemnity (compensatory) payment Procedure and Management, Monthly Financial Reporting). They were reviewed by COSCO SHIPPING professionals and approved by PPA S.A. Administration Board before implementations.

In general, these Regulations aim at setting procedures for improving the daily company operation, and facilitate the rationalization / better control of expenditures.

- ***b.2.* Core Corporate Values**

The basic values that constitute the central core and driving forces of the company are related to:

a) Preservation and promotion of the general corporate interest and the interests of the Shareholders.
The primary concern and duty of the Company is the continuous pursuit of enhancing the Company's long-term financial value and the protection of the general corporate interest and interests of the Shareholders.

b) Continuous improvement

The ultimate aim is the continuous improvement of the port services provided to the port users, at levels comparable to the best practices adopted by ports of international scope. The Company having as primary concern seeks to build strong and long-lasting relationships with its customers, and provides their excellent service, especially in terms of quality, reliability and delivery time.

c) Health and Safety

The value of human life is the primary Company value, by creating conditions for a safety working environment.

Particular emphasis is placed on the continuous improvement of the systems and procedures related to environment, health and safety in the workplace, through full compliance with relevant legislations.

d) Evolution of employees

The Company recognizes that the cornerstone for the achievement of its goals is the best utilization of its human resources. By understanding and respecting the needs of the personnel and by using meritocratic criteria, the Company ensures the continuous training and development of the employees, taking into account the needs of the company and the protection of the corporate interests.

e) Social responsibility

Corporate Social Responsibility is a daily practice of how the Company operates. Creating relationships of trust and cooperation with local communities is a priority of the Company's Management, which aims at setting up a sustainable development model with the emphasis on environmental protection, poverty aid, supporting education, sport and other charity causes within the capability of the company.

- ***b.3 Main Strategies***

  - *Outward looking Strategy*

International Partnerships

In June 2017, an important Memorandum of Understanding (MOU) was signed between PPA S.A. and Shanghai International Port Group, the biggest commercial port of the world (which manages 25.7% of China's international trade volume, handling approximately 35 million containers annually, with 2,700 ship approaches per month), which further highlights the strategic position of Piraeus in the global port industry and especially on the silk road.

The Memorandum includes Project Studies, Staff Training, Information Exchange, Knowhow Transfer, Technical Assistance, etc. The key objective pursued through the close cooperation in the above areas is the development of synergies that will improve trade and create new business opportunities.

Participation in National and International Forums

PPA S.A. remains strongly extrovert and actively participates in a series of national and international maritime and maritime oriented/related organizations, trying not only to follow but also to shape the developments taking place in the port industry. On the above framework PPA S.A. participates in:

- European Sea Port Organization, by staffing the structures of the below technical committees:
- Marine Affairs,
- Cruise & Ferry Port Network,
- Trade Facilitation, Customs and Security,
- Port Governance,
- Sustainable Development.
- Association of Mediterranean Cruise Ports, by undertaking the responsibility of the MedCruise relations with other associations (Cruise Lines International Association, International Association of Ports and Harbors, Worldwide Network of Port Cities, Association of the Mediterranean Chambers of Commerce and Industry, etc).
- Association of Hellenic Ports, by taking over the chairmanship of the BoD.
- Piraeus Chamber of Commerce and Industry, by taking over the chairmanship of the Maritime and Ship Repair Activities Dept.

Honorary Distinctions

The CEO of PPA S.A. Captain Fu Chengqiu was awarded as "International Shipping Personality" at the 14th Lloyd's List Greek Shipping Awards 2017 (the only award open exclusively to non-Greeks). The award “International Shipping Personality of the Year” is a confidence vote from Greek Shipping and Business Community to the investment of COSCO SHIPPING in Piraeus and illustrates the importance attributed to the further development of the port.

- *Strategic Business Goals*

The formation of the strategic axes of the Company takes into account the very positive prospects created by the establishment and operation of the COSCO SHIPPING in PPA as summarized below:

The strategic objectives of the Company are divided into four axises:

1. Leadership for a homeport cruise in the Mediterranean: Attract additional 580,000 homeport cruise passengers (as a port of departure) from which 100,000 to come from China in order to create a significant benefit to the local economy. The necessary supporting investments will be made to upgrade the hotel infrastructure, commercial and other activities.
2. East Mediterranean Shipbuilding Node: Installing a new Floating Dock and reviving Naval Repairs by attracting 350-450 ships per year as a result of competitive pricing, increased reliability and efficient service.
3. Southern gateway to Sino-European trade: Expanding the Container Terminal's activities through land-based interconnection with transit centers (trains), attracting new Ro-Ro customers and expanding supply chain activities with the construction of new modern warehouses.
4. Passenger Port across Greece: Maintaining the existing level of activity and upgrading the services provided through targeted investments (eg parking, dredging, commercial activity).

C. Administration principles and Internal Management Systems

- **Administration principles**

The management of the Company provides direction, leadership and an appropriate environment for its operation to ensure that all its available resources are fully engaged in the achievement of its objectives. The Company's policies at the stages of its productive and operational activity emphasize on implementing procedures based on transparency and fairness, and establishing common principles and rules, through the below principles:

Collectivity in decision-making

The function of the Administration Board (collective administrative body of PPA S.A.), which supports and advises the other Company bodies in the exercise of their responsibilities, is constituted by the Chief Executive Officer and his Deputies ensuring better exchange of information, fuller exploration and better evaluation of alternatives, consistency of the Management Team, increasing acceptance of the decision issued.

Distinction of Responsibilities

Clear distinction in the allocation of responsibilities through the assignment of specific duties at all levels of the PPA hierarchy ensures the speed of decision making, the smooth operation of the business and the subsequent effective control of all its actions.

On the basis of this principle, all members of the Company, according to their position in the hierarchy and qualifications, undertake specific responsibilities and are given the necessary authority to carry out the obligations arising therefrom.

Responsibility - Accountability - Liability

Responsibility - Accountability - Liability is vital to ensure high performance of the Company.

The Company's Management clearly communicates its expectations and sets out specific objectives to the persons responsible for the execution of specific tasks and duties. Clear communication of expectations and clearly defined goals are aimed at enhancing performance at all organizational levels and structures of the Company.

Through the submission of continuous progress reports (at least monthly) to the Management of the Company, the organizational units of PPA S.A. are provided with the possibility to operate within the components of the particular administration principle (Responsibility - Accountability - Liability).

Good Governance

The primary objective of the Company's Management is to increase its value and protect the legitimate interests of all its shareholders. The PPA S.A. management bodies, in the exercise of their discretionary powers, act in accordance with the rule of law in order to avoid unnecessary and unfair solutions. Good administration, both as a principle and as a right, is a particularly useful "instrument" of the Administration in order to ensure the trust of the persons to whom it is managed and to firmly establish the legal certainty and the legitimacy of its actions.

Audit - Transparency

For PPA S.A., adherence to market rules, participation in international standards of corruption prevention and transparency enhancement are commitments that are fully in line with its Values and Principles, while at the same time demonstrating the degree of commitment to integrity practices and Corporate Governance.

○ Internal Management Systems

Internal Operation Regulation (KEOL)

The *Internal Operation Regulation (KEOL)* of the Company is a compliance with the requirements of the current legislative framework as it is created, in particular by Law 2190/1920 "On Sociétés Anonymes", Law 3016/2002 "For Corporate Governance" the general provisions of the legislation governing listed companies on the organized stock market as well as the current Articles of Association of the Company.

The *Internal Operation Regulation* entered into force a decision of the Company's Board of Directors, which simultaneously repeals the previous Regulation of Internal Organization and Operation pursuant to provision 10A of Law 4404/2016 on the ratification of 24/06/2016 "Concession Contract on with the Use and Exploitation of Certain Areas and Assets within Piraeus Port "between the Greek State and the" Piraeus Port Authority S.A. ".

The purpose of Regulation is:

(a) to illustrate the structure, responsibilities and structure of the Company's core business units as provided for by the applicable legislation and the Articles of Association of the Company,

(b) to define the responsibilities of the executive and non-executive members of the Board of Directors,

(c) to define the procedures for the recruitment and evaluation of the performance of the Company's directors,

(d) to establish procedures for controlling the transactions of the members of the Board of Directors, the Company's executives as well as any third person who, because of its relationship with the Company, holds internal information about the securities of the company or affiliated companies and any economic activities of the executives of the Company that are related to it and its key customers or suppliers,

(e) to establish procedures for the public disclosure of transactions of Company executives or any persons closely associated with such persons and other persons for whom the Company has the obligation to disclose in accordance with the applicable legislation,

(f) to set specific rules for the monitoring of transactions between affiliated companies and their appropriate disclosure to the Company's shareholders and shareholders.

General Staff Regulation

The General Staff Regulation (which was agreed with the representatives of all the trade unions of the Company and was approved by 11/08/2017 BoD Decision) drafted as per the provisions of Law 1876/1990 and Article 10A (a) of Law 4404/2016 "Ratifying the amendment dated 24.6.2016 and codification into an integrated text of Concession Agreement dated 13.2.2002 between the Hellenic Republic and Piraeus Port Authority S.A. ("PPA" or the "Company") and other provisions" (Government Gazette Series A, Issue No. 126/8.7.2016) and replaces the Company's former General Staff Regulation, as same had been authorised by virtue of Joint Ministerial Decision No. 5115/1.2.2004 of the Ministers for Economy and Finance, Internal Affairs - Public Administration and Decentralisation and Merchant Marine (GG Series B, Issue No. 390/26.2.2004).

The GSR is intended to regulate all employment relations, on the basis of the principles of equality and transparency, with a view to ensuring the smooth and efficient operation of all Company Departments and serving effectively the common interests of the Company and its staff.

Audit Committee Operation Regulation

The Company has an Audit Committee, which operates as an independent and objective party, with main duties and responsibilities to review and appraise the auditing practices and performance of internal and external auditors. Its primary duty is to assist the Board of Directors in fulfilling its responsibilities by reviewing the Corporation's financial reporting processes, policies and internal control system. Details of procedures are contained in Chapter IV.4 of the CORPORATE GOVERNANCE STATEMENT, entitled Composition and operation of the administrative, management and supervisory bodies of the Company, Audit Committee.

Internal Audit Service Operation Regulation

The purpose of the Internal Audit Service is to assist the Company's management in the effective performance of its duties by providing analysis, assessments, recommendations, advice and information on all company activities.

The Company supports Internal Audit Service, in order to:

- act as an Administration consultant, in accordance with the auditing principles and international standards.
- act objectively and independently from its auditing activities.
- provide high quality services at all hierarchical levels of the Company, through analysis, assessments and related recommendations.
- act as assistance service at all levels of administrative and operational company structure and its people.
- have unhindered access to books, documents, files, records, bank accounts and company portfolios and have access to any services of the company.
- have all necessary means to facilitate its work.

During 2017, the Internal Audit Service carried out seventeen (17) audits (regular and extraordinary) and participated as an observer by submitting reports on the evaluation of thirteen (13) competitive procedures. Internal Audit Service also participated in four (4) OECD conferences on anti-corruption issues, details of which are provided on the respective chapter of Non-Financial Report that follows.

Other Regulations

The Company has the following "Regulations", which have been approved by the Management of the Company:

- Tender and Procurement,
- Cash Management,
- Administrative Expenses,
- Corporate IT Resources,
- Contract Payment, Donation and Sponsorship,
- Customer Advance Payment and Relevant Refund,
- Legal Indemnity (compensatory) payment Procedure and Management,
- Monthly Financial Reporting).

In general, these Regulations aim at setting procedures for improving the daily company operation, facilitate efficient planning and management, exploiting company resources.

Mapping of Procedures

It is operated and updated (in terms of mobilization, planning and constant monitoring) by Internal Audit Service of the company, an electronic web-based application (www.eselolp.gr), containing a complete analytical mapping of all procedures involved in defining PPA's business.

The guide includes an analysis of main processes at a level of individual procedures and provides the following information:

- ✓ Procedures' Codification & Description
- ✓ Procedures' Results
- ✓ Involved Parties
- ✓ Responsible Operating Units & Human Resources
- ✓ Safeguards
- ✓ Critical Success Factors
- ✓ KPI's
- ✓ Physical & Electronic Records
- ✓ Documentation used
- ✓ Information Systems used
- ✓ Relevant Laws & Regulations

Internal Complaint Process (ICP)

As part of good governance policy Company sees every complaint as an opportunity to assess and improve its business processes. For this reason, on the initiative of the Management, it was established and put into operation in 2017 by decision of the Administration Board the Internal Complaint Process (ICP) that offers the chance to get a feedback on the business activities/operation and will serve as a quick and efficient means of resolving any problems if they arise and will promote good relations and communication between company's employees.

According the ICP, the complaint fall into the following (indicative) categories:

01. Fraud
02. Internal Policy / Regulation / Procedure Violation
03. Data Privacy Violation
04. Corruption / Bribery
05. Human Rights Issues
06. Issues regarding services failure
07. Issues regarding health and safety
08. Issues regarding rational resource management of the company
09. Issues regarding environmental protection and energy saving

Should a complain being made involves a member / members of the Administration Board or the Board of Directors, Internal Audit Service must immediately report the complaint to Audit Committee which will forthwith directly the investigations and necessary actions as appropriate.

The above procedure entered into force in the last 10 days of November 2017 and three (3) internal complaints have already been submitted, which concern cases of:

- unequal treatment
- internal policy / regulation / procedure violation
- and wage issues

All three (3) cases are investigated by the Internal Audit Service, which is designated as the Company responsible organizational unit for the overall process supervision.It should be noted that in any case the anonymity of the complainant's personality is safeguarded.

ISO Certificates

Piraeus Port has been awarded the certification ISO 9001:2008 (Quality Management) and ISO 14001:2004 (Environmental Management) for the Provision of Port Cruise Services since 2013 and for the Provision of Car Terminal Services since 2016.

In 2017 a surveillance audit was conducted from the certification body Lloyd’s Register Quality Assurance / Hellenic Lloyd’s SA. Based on the audit’s findings the compliance with the requirements of both International Standards was identified.

Within 2017, PPA S.A. has begun the preparation for the certification of all the port services it provides, according to the requirements of the standards’ new versions, ISO 9001:2015 and ISO 14001:2015, within 2018.

Internal training of the PPA staff by Quality Control and Inspection Department has already begun on the implementation of the ISO 9001:2015 and ISO 14001:2015 requirements within the company.

Based on the Union Customs Code (UCC), the AEO (AEOC/AEOS) status can be granted when the following criteria are met:

- compliance with customs legislation and taxation rules,
- demonstration of a high level of control of its operations and of the flow of the goods,
- proven financial solvency,
- standards of competence or professional qualifications directly related to the activity carried out,
- appropriate security and safety standards.

The certification is awarded by the Independent Authority for Public Revenue (IAPR).

Also, PPA S.A. completed within 2017 a series of actions in order to acquire the internationally recognized Certificate, from the National Certification Body of EBETAM SA for the Managing Adequacy System implemented according to the requirements of the ELOT1429: 2008 standard for the implementation of public projects. EBETAM is a company of public interest under the supervision of the General Secretariat for Industry of the Ministry of Development.

Scope of certification refers to the activities:

- Planning and designing of new projects.
- The design, implementation and monitoring of projects, services and supplies.
- Financial management of projects.

Code of Conduct - Conflicts of Interest

Immediate priority has been given by the Company’s Management to the drafting of the Code of Conduct as well as to the establishment of a mechanism for monitoring conflicts of interest between BoD members and senior advisors and the Company's interests. The above priorities are included in the annual audit plan approved by the BoD and the relevant actions are coordinated by the Internal Audit Service.

D. Past performance, comments on Financial Statements and tangible / intangible assets

D1.Past performance

The growth rate of the Greek economy is expected for the year 2017[1], in real terms, slightly below 1.5%. 2017 is therefore, for the first time after 9 years, a year of development. Naturally, one reason that allows this development is that the economy starts from a very low base, either in the past two years of stagnation, or in the accumulated recession since the onset of the crisis. In a positive direction, the particularly favorable external environment contributes decisively, where local geographic conditions have boosted incoming tourism but also more widely, as high growth rates are recorded in Europe and internationally, the cost of money is particularly low, as relatively low is energy . However, the positive growth rate is welcome, but it is also worrying that they are low, given the favorable economic environment, where the growth rate for the current year is about half that initially targeted by economic policy through the budget and the adjustment program.

Comment on Financial Statements for the year ended 2017

Statement of comprehensive income

i. Revenues

The total revenues for the year amounted to € 111.5 million increased by 7.7% or € 8.0 million (December 31, 2016: € 103.5 million). This increase, after taking into account one-month strike of the employees and workers which took place in the prior year, is due to the significant increase in revenue of container terminal of € 7.0 million or 53.1% as well as an increase to concession agreement of Pier II & III by 8.4% or approximately € 3.4 million (after taking into account the offsetting, by approximately € 3.4 million, of the electricity expense for Pier II with the relevant revenue which was invoiced to the related party PCT, by January 1, 2017 and onwards) .

On the contrary, a decrease of 11.5% or by approximately € 1.5 million, occurred in the revenues of the cruise sector.

ii.Other income

Other income for the year amounted to € 6.7 million increased by 31.4% or 1.6 million (December 31, 2016: € 5.1 million). The change is mainly due to the increase in the income from the reverse of unused provisions of € 1.9 (Note 25). On the contrary, a decrease by approximately € 0.7 million, occurred in the various operating income, mainly from the decrease of subsidies and decrease of one-off income invoiced in the current year but refers to prior year.

iii. Expenses

The key operating costs are the staff costs and in 2017 significantly increased to € 57.8 million from € 49.3 million in 2016.The significant increase is due mainly to the Company's obligation to pay the Easter Bonus, Vacation Allowance and Christmas Bonus, due to its privatization as of August 10, 2016. Also, PPA S.A. management has decided during the current year to grant voluntary retirement incentives to those employees who have been entitled to a pension with any provisions and according to specific conditions set by the management. Until December 31, 2017, 68 employees and 7 workers received the retirement incentives amounted to € 1.7 million (note 25) and a provision amounted to € 0.8 million was made for another 35 who announced their intention to use the incentive in 2018. Finally, one month's strike by employees and workers took place from May to June 2016.

[1] According to a study by the Foundation for Economic and Industrial Research, including the third quarter of 2017, http://iobe.gr/docs/economy/ECO_Q3_17102017_REP_EN.pdf

For other expenses, they averaged approximately last year's figures, with “Utilities” showing the greatest decrease, since they amounted to € 12.7 million compared to € 15.5 million of 2016.The change is mainly due to the reduction of electricity cost and water supply of the production process (note 24) which was offset by the increase in the concession agreement fee to the Greek State due to a change on its calculation following the implementation of Law 4404 / 8.7.2016 compared with 2016. Also a decrease was made in "Various Expenses" which amounted to € 4.0 million compared to 4.8 million in 2016. The change is mainly due to the reduction of the cost of port cleaning because of a new modified contract that was signed.

The consumption of material showned a significant increase of 88.9% and amounted to € 1.7 million in the 2017 compared to € 0.9 million in 2016.

Depreciation expenses showned a decrease, amounted to € 13.5 million (December 31, 2016: € 14.0 million).

Finally, a significant decrease was noted in the provision for bad debts, where an additional provision of € 3.5 million for the current period was made, in contrast to the amount of € 6.1 million that was made in the year 2016.

iv. Other Operating Expenses

Other operating expenses for the year amounted to € 2.2 million, compared to the year 2016 (€ 5.1 million), showing a significant decrease of € 2.9 million. The decrease is mainly due to the compensation paid during the previous year to a municipality (for municipal fees, municipal tax plus additional surcharges) of approximately € 3.8 million. On the contrary, an increase to third parties compensation by approximately € 0.8 million, occurred in the current year.

Statement of financial position

i. Total Assets

Total assets at December 31, 2017 amounted to € 363.9 million, increased by 0.9% or € 3.2 million (December 31, 2016: € 360.7 million). The increase in total assets is mainly due to the following: the increase of the net book value of property, plant and equipment by the amount of € 3.5 million (due to the significant additions amounted to € 17.8 million decreased by current year depreciation) as well as the increase in cash and cash equivalents and restricted cash by € 2.8 million. This increase was partly offset, mainly by the decrease of € 3.9 million in deferred tax asset mainly due to the reassessment and impairment of € 3.7 deferred tax asset on provisions for bad debts (Note 8). Moreover, trade and other receivables showned a slight decrease by € 0.2 million although a significant decrease by € 5.4 million and € 1.9 million occurred to the net amount of trade receivables and other receivables respectivelly , which partly offset by the significant increase to advances to suppliers by € 7.2 million (Note 10) due to a payment in advance to a related party for the purchase of a floating dock (Note 31).

ii. Total Liabilities

Total liabilities at December 31, 2017 amounted to € 178.0 million shown a decrease of € 5.2 million (31.12.2016: € 183.2 million).

The change in total liabilities is mainly due to the changes in the following sub-headings, namely: the reduction of long term borrowings by € 6.0 million due to the repayment of four installments, the decrease of provisions by € 2.1 mainly due for the reversal of provision for legal claims by third parties (Note 15), the decrease of the deferred income (concession agreement) by € 1.3 million, as well as the reduction of the government grants by € 0.9 million. These decreases were mainly offset by the net increase of accrued and other short-term liabilities of € 3.5 million compared to December 31, 2016 which is mainly due to the increase in customer's payments in advance by € 1.5 million , an increase of € 1.1 million in concession agreement payment as well as the provision recorded for employee’s voluntary retirement incentives by € 0.8 million (Note 20). In addition an increase of € 1.2 million in income tax payable, was reported in relation to the year 2016.

D2.Tangible and intangible assets

Investments up to 2017

The implementation of PPA S.A. investment plan apart from the strengthening of the Company's financial position is expected to multiply the benefits for the local and national economy.

Already up to 2017, investments of € 63,171,960 were implemented, which concern contracts of and total reference cost of € 293,783,800 of the 1st investment period. The following table presents detailed information on the investment plan of PPA S.A..

no	Mandatory Investments	Reference Cost of 1st Investment Period	Cumulative Contractual Reference Cost up 2017
1	Passenger Port Expansion (Southern Zone Phase A)	136,283,800	0
2	Repair of Pier I RMG yard area and stacking cranes (RMG)	8,000,000	0
3	Conversion of Pentagonal Warehouse into Cruise Passenger Terminal	1,500,000	0
4	Underground Linkage of Car Terminal with Former ODDY Area	5,000,000	0
5	Port Infrastructure Improvement and Maintenance	15,000,000	902,960
6	Supply of Equipment	25,000,000	646,000
7	Dredging of Central Port	8,000,000	0
8	Studies	5,000,000	9,805,000
9	Construction of New Oil Pier	15,000,000	19,683,000
10	Car Terminal Expansion (Herakleous)	20,000,000	0
11	Improvement Infrastructure of Ship Repair Zone	55,000,000	32,135,000
	Total Mandatory Investments	**293,783,800**	**63,171,960**

In addition to the above mandatory investments, PPA S.A. plans additional investments concerning:

- Development of a logistics center in the former ODDY area ,
- Construction of two car park buildings, in the G2 region
- Construction of a Cruise Passenger Terminal

2. Principal risks

A. Monitoring the supply chain with reference to the main suppliers and their cooperation rules.

Supply Chain

There are no suppliers, the interruption of which would jeopardize the operation of the Company in the event of a temporary failure of supplies provision through suppliers.

B. Future prospects and how these are affected by the existing regulatory framework.

ARTICLE 105 OF THE NEWLY ENACTED LAW 4504/2017 (Government Gazette Issue A 184/29 Nov. 2017) OF THE MINISTRY OF SHIPPING, AMENDING IN PRACTICE THE CONCESSION AGREEMENT ("HRCA") BETWEEN PPA S.A. AND THE HELLENIC REPUBLIC

Whereas according to the HRCA the Company has the right to either provide ships' waste management services itself or grant the right to one provider through open tender, application of Article 105 ("Provision of port reception, waste management and cargo residues services") of the above Law requires that the Company signs a contract with more than one entities expressing interest to provide the service, provided such entities are registered in the Ministry of Environment. This may lead to reductions in revenue from the above services and increase environmental risk for the Company, due to lack of knowledge of (i) the financial agreements between ships and service providers, and (ii) the technical adequacy of such service providers.

C. Other risks that are related to the activity or sector that the company is operating.

- Risk of loss of assets

The Company takes all necessary measures to minimize the risk and possible losses of assets due to natural disasters or similar related causes.

- Property insurance

PPA S.A. has insured all its assets in accordance with the provisions of Article 17.1 of the CA with the Greek State for the following cases of damages: Fire, lightning, explosion, storm damage, aircraft crashes and named perils or Property All Risks, based on new replacement cost of asset.

- Business Interruption in case of loss of income after a disaster.

The income loss has been insured due to disaster-related closing of the business facility or due to the rebuilding process after a disaster, i.e. storm, earthquake, flood and strikes riots & terrorist risks.

-Maximum Probable Loss (MPL) analysis

According to the requirements of the provisions of Art. 17 and Annex 17.1 of the CA, the company, is in the process of preparing the Maximum Probable Loss (MPL) analysis.

The relevant tender procedure has been published on the PPA website on 28 December 2017 at the following link http://www.olp.gr/el/contests-declarations/itemlist/category/87-promithion.

The MPL analysis includes as a minimum the following elements:

1. Estimation of Maximum Probable Property Loss and loss of income for normal risks, excluding natural disasters (such as earthquakes, tsunamis, etc.).
2. Estimation of Maximum Probable Property Damage and Loss of Revenues in Disastrous Risks, and in particular in the event of an earthquake.
3. Risk Accountability Quotient that will analyze and quantify the probable scenarios of liability losses, including environmental liability, to identify the worst case scenarios for the worst case scenario.

- Business Risks Associated with the Company's business activities

A detailed report on the main risks associated with the sector in which the Company operates is set out in Chapter D of the Non-Financial Report, which follows (Risk Policy and Risk Management / Major Business Risks and Uncertainties)

- Financial Instruments

Fair Value: The carrying amounts reflected in the accompanying sheets of financial position for cash and cash equivalents, trade and other accounts receivable, prepayments, trade and other accounts payable and accrued and other current liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The fair value of variable rate loans and borrowings approximate the amounts appearing in the statements of financial position.

The Company categorized its financial instruments carried at fair value in three categories, defined as follows:

Level 1: Quoted (unadjusted) values from active financial markets for identical negotiable assets or liabilities.
Level 2: Other techniques for which all inflows that have a significant impact on the recorded fair value are identified or determined directly or indirectly from active financial markets.
Level 3: Techniques that use inflows that have a significant impact on the recorded fair value and are not based on quoted prices from active financial markets.

During the years ended December 31, 2017 and 2016, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

As at December 31, 2017 and 2016, the Company held the following financial instruments measured at fair value:

2017	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial liabilities				
Interest bearing loans and borrowings (including short term portion)	-	68,499,999.99	-	**68,499,999.99**

2016	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial liabilities				
Interest bearing loans and borrowings (including short term portion)	-	74,499,999.99	-	**74,499,999.99**

Credit Risk: There is no significant credit risk for the Company towards the contracting parties, since it receives advance payments or letters of guarantee from customers. In addition, the Company's deposits are lined in bank financial institutions in Greece with the following ratings (Moody's credit rating) :

	December 31	
	2017	**2016**
Caa2	20,035,155.87	-
Caa3	41,943,704.30	58,984,928.79
Total	**61,978,860.17**	**58,984,928.79**

Foreign Exchange Risk: The Company is neither involved in international trade nor has any long term loans in foreign currency and therefore is not exposed to foreign exchange risk resulting from foreign currency rate variations.

Interest rate risk: The Company bank loans are expressed in Euro and are subject to floating interest rates. The Company does not use derivatives in financial instruments in order to reduce its exposure to interest rate risk fluctuation as at the balance sheet date. The Company management believes that there is no significant risk resulting from a possible interest rate fluctuation.

The table below presents and analyses the sensitivity of the result in relation to financial assets (cash on hand and in banks) and financial liabilities (loans) of the Company to the interest rate risk changes assuming a simultaneous change in interest rates by ± 100 basis points.

2017		Interest rate risk	
Financial assets	Accounting values	+100bips(Euribor)	-100bips(Euribor)
Cash and cash equivalents	61,862,169.21	618,621.69	(618,621.69)
Effect before income tax		618,621.69	(618,621.69)
Income tax 29%		(179,400.29)	179,400.29
Net effect		439,221.40	(439,221.40)
Financial liabilities			
Long term loans	(68,568,507.92)	(685,685.08)	685,685.08
Effect before income tax		(685,685.08)	685,685.08
Income tax 29%		198,848.67	(198,848.67)
Net effect		(486,836.41)	486,836.41
Total net effect		**(47,615.01)**	**47,615.01**

2016		Interest rate risk	
Financial assets	Accounting values	+100bips(Euribor)	-100bips(Euribor)
Cash and cash equivalents	43,763,194.93	437,631.95	(437,631.95)
Effect before income tax		437,631.95	(437,631.95)
Income tax 29%		(126,913.27)	126,913.27
Net effect		310,718.68	(310,718.68)
Financial liabilities			
Long term loans	(74,656,483.25)	(746,564.83)	746,564.83
Effect before income tax		(746,564.83)	746,564.83
Income tax 29%		216,503.80	(216,503.80)
Net effect		(530,061.03)	530,061.03
Total net effect		**(219,342.35)**	**219,342.35**

Liquidity risk: The effective management of liquidity risk is secured by ensuring maintenance of adequate cash reserves and a possibility for funding if necessary. Corporate liquidity risk management is based on rationale management of working capital and cash flows.

The following table summarizes the maturities of financial liabilities December 31, 2017 and 2016, respectively, under the relevant contracts to non-discounted prices.

Amounts of fiscal year 2017	**Current portion**	**Less than 6 months**	**6-12 months**	**1 to 5 years**	**>5 years**	**Total**
Borrowings	-	3,100,020.42	3,095,726.25	24,611,220.00	38,909,672.08	**69,716,638.75**
Leases	5,502,00	27,510.00	36,504.00	-	-	**69,516.00**
Trade and other payables*	5,852,730.91	10,214,718.93	7,688,995.91	-	-	**23,756,445.75**
Total	**5,858,232.91**	**13,342,249.35**	**10,821,226.16**	**24,611,220.00**	**38,909,672.08**	**93,542,600.50**

-

Amounts of fiscal year 2016	**Current portion**	**Less than 6 months**	**6-12 months**	**1 to 5 years**	**>5 years**	**Total**
Borrowings	-	3,049,788.75	3,047,836.25	24,312,400.00	44,749,919.99	**75,159,944.99**
Leases	5,502.00	27,510.00	33,012.00	94,405.85	-	**160,429.85**
Trade and other payables*	5,546,594.31	5,621,771.71	8,309,051.54	-	-	**19,477,417.56**
Total	**5,552,096.31**	**8,699,070.46**	**11,389,899.79**	**24,406,805.85**	**44,749,919.99**	**94,797,792.40**

* Trade payables do not have interest and are settled in up to 60 days. Other payables also do not bear any interest and are settled in up to 12 months.

Capital Management

The primary objective of the Company's capital management is to ensure the maintenance of high credit rating, and healthy capital ratios in order to support and expand the Company's operations and maximize shareholder value. The Company's policy is to maintain leverage targets, according to an investment grade profile. The Company monitors capital adequacy using the ratio of net debt to operating profits, which should be lower than 9.80 based on the loan agreements (note 18). The net debt includes interest-bearing loans, less cash and cash equivalents, while the operating profit including profit/ (loss) before taxes, financing costs and depreciation.

	December, 31	
	2017	2016
Long-term borrowings	62,499,999.99	68,499,999.99
Short-term borrowings	6,000,000.00	6,000,000.00
Leases	68,507.93	156,483.26
Total Debt	**68,568,507.72**	**74,656,483.25**
Earning before interest, tax, depreciation and amortization (EBITDA)	**34,672,582.32**	**24,656,579.04**
- Total Debt / EBITDA	**1.98**	**3.03**

3. Environmental issues

The Company recognizes both its obligations to the environment and the need to continuously improve its environmental performance so as to achieve a balanced economic development in harmony with environmental protection.

A. Actual and potential impacts on the environment

The actual and potential impacts on the environment from the operation and activities of PPA S.A. are assessed in the approved Environmental Impact Assessment of PPA S.A. The company has in force a Decision of Environmental Terms, approved by the Competent Hellenic Ministry, and it promotes the correct and full implementation of these Environmental Terms to ensure the prevention and reduction of the impact on all the environmental parameters.

B. Procedures implemented for the prevention and control of pollution and environmental impacts

PPA S.A. is a member of the European EcoPorts network and in this framework a Self Diagnosis Method report (SDM) has been elaborating and updating every two years.

Furthermore PPA S.A. implements an integrated environmental management certified according to the European Environmental System focused in port sector: PERS (Port Environmental Review System).

In the scope of the environmental management system PERS and EcoPorts network membership, PPA S.A. has elaborated and implements specific environmental policy, procedures of implementation and updates in permanent base record of environmental parameters associated with all the activities, while it aims at continuous improvement of its environmental performance, following the European and international standards and aiming to protect the environment and conserve natural resources for future generations.

Thus Piraeus port is committed to the principles of the ESPO Green Guide and establishes objectives and targets to achieve performance improvement.

As part of implementation of PERS environmental management system and in accordance with the Environmental Terms of port's operation, PPA S.A. has developed and implements the following procedures for the prevention and control of pollution and environmental impacts:

- **Environmental quality monitoring program on air quality.** In collaboration with National Technical University of Athens, in order to identify, assess and quantify port's significant air emissions and develop appropriate actions and operational techniques to protect and improve air quality within the port area. Since 2009 PPA S.A. applies a comprehensive program to monitor atmospheric pollution, through a specialised monitoring station and identifies, where appropriate, mitigation measures.The parameters of environmental that are measured and are monitored are: NOx, SO2, CO, O3, PM10, BTEX.
- **Environmental quality monitoring program on acoustic environment.** PPA S.A. implements, in collaboration with an external consultant, an integrated monitoring programme of noise, covering the entire port area and focusing on the reduction of noise levels from sources related to container terminal operations, construction works, vehicles movements. The Leq indicator is measured and monitored throughout the port area of PPA S.A., twice a year.

- **Integrated waste management system produced on land installations** is implemented since 2009, to enhance recycling and reduce the quantities that lead to final disposal at landfills and procurement of environmentally friendly materials, where appropriate. In the above context, about 264 tons of waste was recycled in 2016 and 264 tons in 2017 in land port facilities. The main waste streams that are recycled are paper, glass, packaging, empty ink cartridges & toners, used batteries and accumulators, waste electrical and electronic equipment, waste lubricating oils, tires, waste timber, operating waste workshop, operating waste tanks (floating and fixed), scrap and metal, waste from excavation, construction and demolition.
- **Ship-generated Waste Management Plan**, approved by the competent Hellenic Ministry, is implemented since 2008 in accordance with the European Directive 2000/59 on port ship generated waste and cargo residues, as incorporated into Greek law, and the provisions of the International Convention on Marine Pollution and MARPOL 73/78. According to the Plan a system for **Port Reception Facilities is established** for the collection and management of solid and liquid Ship-generated waste by specialized contractors. Till today no complaints have been made.
- **Emergency & Terrestrial Marine Pollution Contingency Plan, approved by the competent Hellenic Ministry, for dealing with oil pollution incidents and other harmful substances in the port area of PPA.**

- **Cruise and Car Terminal Services have been certified according ISO 14001:2004 Standard (Environmental management).**

C. Reference to the development of green products and services

PPA S.A. has developed a procedure for collection, transportation and reuse of non-hazardous waste generated from cleaning works on the dry and floating docks of PPA. This waste is led to anaerobic treatment unit for the co-production of biogas and soil improvement fillings. In the above context, in 2016 105.43 tons and in 2017 152.79 tons of non-hazardous waste produced on the dry and floating docks, were recycled.

4. Labor issues

Promoting equal opportunities and protecting diversity are key principles of the Company. Management does not discriminate in recruitment / selection, pay, education, job assignment or any other work activities. The factors that are exclusively taken into account are person's experience, personality, theoretical training, qualification, efficiency and ability.
The Company is in favor of respecting the diversity of each employee and does not accept behaviors that may discriminate in any form whatsoever.

A. Policy of diversification and equal opportunities (regardless of gender, religion, disadvantage or other aspects).

The Company, as employer, is liable to (article 11 b of GSR): apply the principle of equality in all respects in its employment relations, including the equal treatment of male and female employees;

On 31/12/2017, PPA S.A. employed 1025 employees under labor contract of private law with non-fixed duration. From this staff:

- covered by collective labor agreements 961 employees (93.3%), while the remaining 69 employees work either by command (12 lawyers) or on individual contracts (Company Executives, Managers, Deputy Managers, Assistant Managers).
- 143 were women and 887 men (13.88% rate and 86.12% respectively).

In addition, there was 1 employee under labor contract of private law for a fixed period and 5 under project contract basis.
The gender difference in the Company's staffing is mainly attributable to the labor intensive characteristics of the main work items of PPA S.A., which showed an interest in recruitment almost exclusively by men, despite the fact that in the relevant declarations for the recruitment of personnel of these specialties (dock workers, lifting equipment operators, heavy-duty drivers) there were no gender exclusion criteria.
Of the 130 employees assigned in responsibility positions on various tiers of the company's hierarchy (manager, deputy manager, assistant manager, head of sector, superintendent supervisor), 93 (71.54%) were men with and 37 (28.46%) women among which around 42.22% of manager, deputy manager, assistant manager positions are covered by women.

B. Respect for employees' and trade union rights

Respect for employees rights

The Company respects the rights of employees and observes the Labor Legislation. In the year 2017, no control body accused for violations of labor law. There were cases of two (2) employees' appeals to the Labor Inspectorate, one of which was finally withdrawn and the second one was settled.

Trade union rights

The Company, as employer, is liable to (articles 11 e, f, g of GSR):

- Ensure that the trade unions of its employees are regularly informed of all staff-related matters and of the Company's business activities in general, where those have an impact on employment relations;
- Not intervene in any manner in the legitimate trade union activities of employees;
- Promote interactive discussion with the representatives of employees, especially with any first-degree and second-degree trade unions representing its employees in the context of collective autonomy and informed dialogue.

Also under Article 14.7 of the GSR, are provided to the Chairman, Vice-chairman, Treasurer and General Secretary of the Hellenic Federation of Port Employees ("OMYLE") and the Hellenic Federation of Dock Workers ("OFE"), where these persons are members of the PPA staff, are thoroughly discharged of their regular work duties throughout their tenure.

The Chairman, Vice-chairman and General Secretary of the first-degree trade unions of PPA S.A. with over 200 members, and the Treasurer of any first-degree trade unions with over 600 members, are thoroughly discharged of their work duties throughout their tenure.

The Chairman, Vice-chairman, General Secretary and Treasurer of the Piraeus Labor Centre and the Management of the Greek General Confederation of Labour ("GSEE"), where these persons are members of the PPA staff, are thoroughly discharged of their regular work duties throughout their tenure.

The Chairman of any first-degree trade unions of PPA S.A. with under 200 members shall be discharged of their duties for 5 days per month.

The Directors of OMYLE, OFE and Piraeus Labor Centre are be discharged of their duties for up to two (2) days per month.

The aforementioned persons will be permitted to attend any meetings of the Board of Directors, informative meetings etc. during their work time, by prior notification to their superiors, provided that the Company's operations are not seriously impeded thereby. All matters relating to the remuneration of employees fully discharged of their duties for the above reasons are determined by decision of the CEO in line with the applicable Collective Labor Agreements.

Labor legislation

The Company, as employer, is liable to (article 11 a of GSR) comply consistently with all labor regulations and all individual and Collective Labor Agreements applicable to its staff.

C. Health & Safety

Safety at work for employees is a top priority and a prerequisite for the operation of the Company.

Safety Engineer

The company has a "Safety Engineer", in accordance with the applicable Legislation, whose duties are:

1. For the supervision of working conditions:

(a) to regularly inspect the working posts regarding the health and safety of employees, report to the employer any omission of health and safety measures, propose measures to address such omissions and oversee their implementation,

(b) to supervise the proper use of personal protective equipment,

(c) to investigate the causes of accidents at work, analyze and evaluate the results of investigations and to propose measures to prevent such accidents,

(d) to supervise the execution of fire and alarm exercises to establish readiness in dealing with accidents.

2. For the improvement of working conditions in the company:

(a) to ensure that company employees comply with health and safety rules and inform and guide them to prevent the occupational risk of their work,

(b) to participate in the creation and implementation of health and safety training programs.

Occupational Physician

The company has an "Occupational Physician", in accordance with the applicable Legislation, whose duties are:
Counseling responsibilities of the Occupational Physician:

1. The Occupational Physician shall provide indications and advice to the employer, employees and their representatives, in writing or orally, regarding the measures to be taken for the physical and mental health of employees. Written instructions by the Occupational Physician shall be entered in a special notebook. The employer is being informed and signs the recommendations posted in this special book.

2. In particular, the Occupational Physician advises on:

(a) planning, programming, modifying the production process, manufacturing and maintaining facilities, in accordance with the health and safety rules of employees,

(b) taking protection measures during importing and using of materials and suppling of equipment,

(c) physiology and psychology of work, ergonomics and occupational hygiene, organization and shaping of work positions, the working environment and the production process,

(d) the provision of the “first aid” services,

(e) initial placement and change of work position, temporary or permanently, due to health reasons, as well as integration or reintegration of disadvantaged persons into the production process, even with the recommendation of job reformation.

Health and safety conditions

The Company, as employer, is liable (article 11.c of GSR) to take all necessary steps to ensure health and safety at the workplace.

The Company is liable to ensure proper health and safety conditions for all employees and installations under its responsibility. For that purpose, it is liable to apply proper health and safety rules by means of special safety regulations, circulars, announcements and instructions. In particular, the Company is liable to (article 12.3 of GSR):

1. Ensure, carry out and supervise, through its duly authorised bodies, the implementation of all preventive, operational or corrective measures and procedures necessary to ensure safe execution of all Company operations;
2. Train its staff to promptly identify all risks and handle same efficiently, in line with the applicable safety procedures;
3. Keep the staff thoroughly informed of all applicable regulations establishing minimum health and safety standards at the workplace, as in force from time to time.

D. Training systems, promoting staff ways, etc.

Education and training programs

The Company, as employer, is liable (article 11.d of GSR) to ensure, within its powers, that the employees gain all professional knowledge and are offered good opportunities to develop their skills and maximize their efficiency, to the benefit of the Company but also for the development of their own career and personality.

According to article 15 of GSR, staff training is one of the Company's development objectives, which improves the quality of the services rendered by the Company and the Company's overall productivity. In this context, the Company plans and subsidizes staff training programs, either on its own or in cooperation with third-party educational/training organizations. The staff shall participate in these programs at Company's cost.

In planning these programs, the Management takes account primarily of the following:

1. Any operational needs for new skills or for the improvement of the existing skills of the staff;
2. The need to secure the employment of any staff whose work posts become gradually redundant;
3. Transparency and equal opportunities to education, without discrimination on the basis of sex, age or other criteria.

Attendance at the Company's training programs is both a right and an obligation of employees, given that their attendance and certified performance in these programs are taken into account in their evaluation and career development.

Training programs are intended to render the staff useful in as many sectors of Company operations and activities as possible. The period of any training is considered as employment period and remunerated as such, save where additional remuneration is provided from a different source.

The Management may grant daily or few-day paid leaves to allow employees to attend conferences, workshops, seminars or other events of scientific or professional interest, whether in Greece or abroad, where participation is deemed to be in the Company's interest. Accordingly, the Management may grant longer training leaves, whether paid in full, in part or unpaid. In the case of paid leave, the time spent by employees to participate in such trainings is considered as actual working time.

Moreover, as per labor regulations applicable special study leaves are granted.

Employee's career development

According to article 7.1 of GSR each employee's career development depends primarily on their:

1. Professional experience and scientific expertise;
2. General performance while on duty, primarily in terms of efficiency, initiative and responsibility;
3. Planning and coordination skills;
4. Role in improving the efficiency of inferiors and encouraging them to improve their working performance;
5. Ongoing training, primarily attendance of educational/training seminars and involvement in projects or studies relating to their work post.

Additional Social Benefits

Under current operational collective labor contracts the Company offers to its staff additional social benefits. In particular, the Company grants interest –free loans to its employees up to amount of 3.000 € to cover exceptional and unforeseen needs, wedding assistance, creches and camps costs for children of the staff, and prizes for the children of staff with excellent school performance.

Performance indicators

Performance indicators are related to:

- a policy of diversification and equal opportunities
- respect for the employees’ rights
- hygiene and safety at work
- educational and training programs

are listed in the Non-Financial Report that follows in the section "Social and Employee Issues".

5. Financial and Non-Financial performance indicators.

A. **Financial indicators and APM's**

Financial indicators showing the Company's financial position are presented in the table below:

Financial Structure ratios

		31/12/2017		31/12/2016	
1.	Current assets / Total assets	90,100,075.63 / 363,921,713.97	25%	87,357,201.77 / 360,743,603.61	24%
2.	Total equity / Total liabilities	185,899,439.73 / 178,022,274.24	104%	177,591,435.49 / 183,152,168.12	97%
3.	Total equity / Non-current assets	185,899,439.73 / 273,821,638.34	68%	177,591,435.49 / 273,386,401.84	65%
4.	Current assets / Current liabilities	90,100,075.63 / 33,349,325.73	270%	87,357,201.77 / 27,871,441.01	313%
5.	Borrowings / Total equity	68,568,507.92 / 185,899,439.73	37%	74,656,483.25 / 177,591,435.49	42%

Performance and efficiency ratios

		31/12/2017		31/12/2016	
6.	Profit before income taxes / Revenue	21,186,804.06 / 111,530,836.96	19%	11,039,463.46 / 103,496,607.17	11%
7.	Profit before income taxes / Total equity	21,186,804.06 / 185,899,439.73	11%	11,039,463.46 / 177,591,435.49	6%
8.	Gross profit / Revenue	38,755,447.95 / 111,530,836.96	35%	32,338,734.26 / 103,496,607.17	31%
9.	EBITDA / Revenue	34,672,582.32 / 111,530,836.96	31%	24,656,579.04 / 103,496,607.17	24%

The Company uses as Alternative Performance Measures ("APMs") the ratios No 4, 5 and 9 in the context of making decisions concerning its financial, operational and strategic planning, as well as assessing and publishing its performance. These APMs help better understand the Company 's financial and operating results, financial position and cash flow statement. Alternative performance measures (APMs) must always be taken into account in combination with the financial results prepared in accordance with International Financial Reporting Standards ("IFRS") and will not replace the latter under any circumstances.

B. Non financial performance indicators

Non-financial performance indicators of PPA S.A. operating activities are set out in the Non-Financial Report below in the chapter "Business Model _ Evolution of Business Activities"

6. Activity of the Company in the field of research and development

In 2017, PPA S.A. participated as a partner in six (6) European research projects, which will be under implementation in 2018, details of which are shown in the table below:

no	Program	Project name	Full name	Budget	E.U. Funding
1	TEN-T	Poseidon MED II	Poseidon MED II	915,000	50%
2	CIP	MITIGATE	Multidimensional Integrated risk assessment framework and dynamic collaborative Risk Management tools for critical information infrastructures	80,000	100%
3	H2020	AUGGMED	Automated Serious Game Scenario Generator for Mixed Reality Training	140,000	100%
4	TEN-T	ELEMED	Electrification Mediterranean	105,000	67,64%
5	MED	PROTeuS	PROmoting security and safeTy by crEating a MED clUster on Maritime Surveillance	254,940	85%
6		SSEE	Shielding South-East Europe from CBRN-E threats	67,084	75%

Within 2017, the following European research projects were approved, in which PPA participates as a partner and whose implementation starts on 1/1/2018, details of which appear in the table below:

no	Program	Project name	Full name	Budget	E.U. Funding
1	ADRION	SUPAIR	SUstainable Ports in the Adriatic Ionian Region	135,715	85%
2	ADRION	SUPER-LNG	SUstainability PERformance of LNG-based maritime mobility	92,200	85%
3	ADRION	NEORION	Green ShipBuilding	135,535	85%
4	ADRION	MultiAPRO	Multidichiplinary approach and solutions to development of intermodal transport in region	117,260	85%

Within 2017, the following European research projects, to which the PPA participates as partners, were submitted for funding and whose assessment is expected in 2018, details of which are shown in the table below:

no	Program	Project name	Full name	Budget	E.U. Funding
1	H2020	PIXEL	Port IoT for Environmental Leverage	314,875	70%
2	H2020	TRESSPASS	robusT Risk basEd Screening and alert System for PASSengers	230.625	70%

7. Non Financial Report

A) Description of the PPA S.A. Business Model.

In addition to the Report of the Board of Directors entitled "Analysis of the development & performance of the company's activities and position" and the brief description of the business model that has taken place, the following are stated:

The Piraeus Port Authority S.A. (PPA)

PPA is the legal entity entrusted with the administration and operation of the Port of Piraeus. It was established as a legal entity of public law by virtue of Law 4748/1930, which was restated by Compulsory Law 1559/1950 and ratified by Law 1630/1951, each as subsequently amended and supplemented. In 1999 PPA was transformed into a stock corporation (société anonyme).

Pursuant to the enabling provisions contained in the thirty-fifth article of Law 2932/2001 (Government Gazette A’ 145/27.7.2001), the Hellenic Republic and PPA entered into a concession agreement on 13 February 2002 (2002 HRCA). In the 2002 HRCA, the Hellenic Republic granted PPA the exclusive right of use and exploitation of the land, buildings and infrastructure comprising the Port of Piraeus, for an initial term of forty years, and subject to further terms and conditions. Certain amendments to the 2002 Agreement, including the extension of the concession’s term by ten years, were authorised on behalf of the Hellenic Republic by virtue of a joint ministerial decision on 19 November 2008 (Government Gazette B’ 2372/21.11.2008). These amendments were agreed upon in an addendum to the 2002 Agreement executed between the Hellenic Republic and PPA on 18 November 2008 (the 2008 HRCA). The 2002 Agreement, as amended by the 2008 Addendum (together the Old Concession Agreement), was subsequently ratified by virtue of the first and third article of Law 3654/2008 (Government Gazette A’ 57/03.04.2008).

In April 2016, following an open international public tender process, the Hellenic Republic Asset Development Fund (HRADF), under its capacity as the major shareholder of PPA, and COSCO HK Ltd entered into a Shares Purchase Agreement (hereinafter: SPA) for the acquisition of the majority participation of 51% in the share capital of PPA. In August 2016, after the satisfaction of certain conditions precedent, the SPA was affected by the execution of the transaction and the transfer of PPA's majority shares from HRADF to COSCO HK Ltd and PPA S.A. ceased to be a state-owned company and since that day it is a private-owned company.

In the framework of the Privatisation Process and as envisaged and permitted by the Old Concession Agreement (including, without limitation, article 15.1(iii) thereof), the Hellenic Republic and PPA engaged in negotiations, resulting in the finalisation and conclusion of a new amendment of the Old Concession Agreement, which was finally signed by the parties on 29/06/2016 and ratified by law 4404/2016 (Government Gazette A' 126/08.07.2016).

The objective of the Company is to perform its obligations, conduct its activities and exercise its faculties under or in respect of the concession agreement between the Company and the Hellenic Republic dated 13 February 2002 regarding the use and exploitation of certain areas and assets within the Port of Piraeus, as amended and in force (the "Concession Agreement"), in accordance with the law.

For the purpose of attaining its object under paragraph 1 above, the Company may, by way of an illustrative but no means exhaustive list, conduct and engage in the following activities:
(a) use all rights assigned to the Company pursuant to the CA and maintain, utilize and exploit all concession assets in accordance with the Concession Agreement;
(b) provide services and facilities to vessels, cargo and passengers, including ship berthing and cargo and passenger handling to and from the port;
(c) install, organize and exploit all kinds of port infrastructure;
(d) undertake any activities related to the port and all other commercial activities associated with or reasonably incidental to the operation of the port of Piraeus;
(e) engage third parties to provide any kind of port services;
(f) award contracts for works;
(g) engage in such further activities as are prudent or customary for the proper conduct of its business and operations in accordance with the Concession Agreement; and
(h) engage in any and all activities, transactions or operations of a type that are conducted by commercial corporations generally.

Evolution of Business Activities

<u>Cruise Activity</u>
In the cruise sector, Piraeus has managed to maintain its leading position in Greece and minimise traffic losses despite the negative circumstances of the eastern Mediterranean due to exogenous factors (instability in Turkey, the war in Syria and negative publicity due to refugee flows). Characteristically is noted that in 2017, cruise passengers in Greece declined by 11% and cruise ship arrivals by 21%. In Piraeus, in 2017, passenger traffic amounted to 1,055,559 compared to 1,094,135 in 2016, recording a marginal decrease of 3.5%. A 5.7% decrease in homeport passenger was recorded with 332,611 in 2017 compared to 352,663 in 2016. Cruise ship calls amounted to 576, down 7.8% versus 2016 (625). It is noted that in 2014 there was corresponding passenger traffic with 2017 (1,055,556) with 606 ship calls, which

confirms the increase in the average size of the cruise ships calling Piraeus and the Management's strategic choice to invest in new infrastructure capable of accepting ships over 300m.

Coastal traffic

Total coastal passenger traffic in 2017 recorded an increase of 2.5% to 15,555,123 passengers compared to 15,178,279 in 2016. This increase came from the improved traffic volumes for the Aegean and the Saronic islands (5.6% and 7.2% respectively), while the Salamis ferry service and the "economically unsustainable routes" recorded a total decrease of 95,447 passengers.

A similar picture is presented in the traffic of vehicles, with an increase in traffic by 2.3% (2,648,725 in 2017 compared to 2,589,908 in 2016). A reduction is recorded in the traffic of "economically unsustainable routes" (29.5%) and a marginal decrease in the Saronic ferry service (0.01%), which is countered by a significant increase (8.9%) of traffic to the Aegean and Saronic islands (2.2%) with a total of 850,558 vehicles in 2017 compared to 789,267 in the previous year.

Car Terminals

For the third consecutive year, the car terminals of finished merchandised vehicles recorded an increase in a rising trend. Total traffic in 2017 amounted to 431,157 vehicles compared to 361,912 in 2016, recording a double-digit growth rate (19.1%). The increase in traffic was supported by the increase of vehicles for the domestic market by 10.3% (99,325 against 90,079 in 2016). However, the introduction of vehicles is far behind the 2009 traffic, before the financial crisis, when more than 173,000 vehicles were handled, indicating the positive prospects of the terminal. The increase in transhipment was significant growing by 22.1% to 331,832 against 271,833 units in 2016 as a result of the recovery of some of the developing markets in North Africa served by Piraeus and the increase in exports of vehicles from Japan and Korea.

Container Terminal

Pier I in 2017 handled 453,264 TEU compared to 265,716 TEU in 2016, achieving an increase of 70.6%. The volume of domestic cargo also increased for the second consecutive year from 61,980 TEU in 2016 to 76,188 TEU in 2017, achieving an increase of 22.9%. The impressive increase in traffic was fueled by the general increase in traffic flows, the attraction of two additional mother ships and the stable working conditions that allowed the terminal to operate smoothly.

Ship Repair Activity

The ship repair sector recorded a small increase (3.9%), with 244 ships in 2017 undertaking repairs at the dry docks and ship-repair areas of the PPA compared with 235 in 2016. The development of ship repair activities depends on a large number of exogenous factors, primarily though is significantly limited by the infrastructure capacity. In this context, PPA has purchased and expects the delivery of a new floating dock with a capacity of 80,000 tonnes and a lifting capacity of 22,000 tonnes in the first quarter of 2018.

International Conditions – Prospects

PPA acts as an international trade gate for the country as well as a transhipment centre for goods primarily for the Eastern Mediterranean and the Black Sea regions. The Company's activities depend on the country's economic conditions, the course of international trade and the geopolitical conditions of the immediate geographical environment.

China's geopolitical initiative for efficient sea routes between ports in various countries and China within the framework of the 21st-Century Maritime Silk Road program creates significant positive prospects[2]. This program is the maritime component of the Belt and Road Initiative, and Piraeus can benefit from the role of port entry into the EU and from increased connections with other ports.

Cruise Activity

Worldwide, based on CLIA data[3], the cruise market in 2017 is expected to reach 25.8 million passengers versus 24.7 million in 2016. In particular, the European cruise market in 2016 reached around 6.7 million passengers are sourced from passengers in Germany, UK, Italy, France and Spain, which account for about 86% of cruise demand. While the markets in Germany and UK increased by 11.3% and 5.6% respectively in 2016, the markets of Italy and France recorded a decrease of 7% and 6% respectively, mainly as a result of restrictive economic policies.

Beyond the general market context, the cruise in the eastern Mediterranean was negatively affected by political instability in Turkey. Despite the temporary benefit of cruise diversion from Istanbul to Piraeus due to the political events that took place in July 2016, long-term volatility in the neighbouring country will negatively affect the number of ships and cruise services offered in the wider region. This, coupled with the negative publicity from refugee flows, the war in Syria and the redirection of cruises from Israel and Egypt, creates an adverse juncture for 2018 as regards the number of passenger routes and volumes. In the longer term, the fact that China became the second largest cruise source market in 2016, surpassing Germany and UK creates positive prospects for Piraeus. The launch of a direct air link between Athens and Beijing and the fact that the port is managed by a Chinese state subsidiary, COSCO SHIPPING, creates positive prospects for increasing homeport passengers Piraeus.

Coastal Traffic

Coastal shipping is mainly influenced by the economic situation in the country that affects the movement of passengers and cargo to and from the islands and to a lesser extent by the volume of tourists. Passenger traffic to and from the islands is affected also by the intensity of competition between low-cost airlines and ships. For the period 2018-2021, an average economic growth rate of 2.4%[4] is forecasted that will help maintain passenger and cargo flows for the islands. The arrivals of tourists for 2017 are estimated at 28.5 million and are expected to reach 30 million in 2018, with a positive effect on the port traffic. On the other hand, the privatisation of island airports, in the long run, could increase direct charter flights to the islands thus reducing tourists visiting the islands through Piraeus. The upward trend in oil prices after the low prices recorded in November 2016 could reduce the competitiveness of

[2] China - Britain Business Council - Foreign & Commenwealth Office (n.d.). *One Belt One Road*. [online] p.6. Available at: http://www.cbbc.org/cbbc/media/cbbc_media/One-Belt-One-Road-main-body.pdf [Accessed 12 Jan. 2018].

[3] CLIA (2017). *2018 CRUISE INDUSTRY OUTLOOK*. [online] CLIA, p.7. Available at: http://cruising.org/docs/default-source/research/clia-2018-state-of-the-industry.pdf?sfvrsn=2 [Accessed 11 Jan. 2018].

[4] Min. of Economy (2017). *Medium-Term Financial Framework 2018-2021*. [online] p.14. available: http://minfin.gr/documents/20182/515811/%CE%9C%CE%95%CE%A3%CE%9F%CE%A0%CE%A1%CE%9F%CE%98%CE%95%CE%A3%CE%9C%CE%9F_2018_2021_Final_V_A_Vouli.pdf/32ff51b5-0fa8-4b06-ae6e-a266a9e9c7ec [Accessed 11 Jan. 2018].

the ship over the aeroplane and hence the volumes of traffic to the islands. Based on the above in the medium term, the change in passenger traffic is projected to be marginal.

Car Terminals

The maritime seaborne trade of finished merchandise vehicles, excluding trans-European transport, following a 1% reduction in 2016, rose by around 5% in 2017[5]. In the two years 2016-2017, the supply of ships was higher than demand, which led to a reduction in freight rates. Given that this market is relatively concentrated on a few carriers, there was pressure on freight rates that also led to a pressure on port operators to contain port charges.

Despite the adverse market conditions, Piraeus has benefited from the partial recovery of the North African markets, the increase in exports from Japan and Korea (3% and 4% respectively) and operating problems observed in critical competitive ports in the eastern Mediterranean. The overall improvement in the economic climate at the international level is expected to help maintain the positive outlook for the transhipment cargo.

The steady recovery of imports for the domestic market is showing an upward trend as vehicle registrations in 2017 recorded an increase of 20.8% following an increase of 11% in 2016[6]. The positive outlook for the national economy for 2018 creates good prospects for further domestic demand growth.

In the medium term, PPA plans significant investments to increase its capacity and capitalise on the positive economic environment in the eastern Mediterranean. It plans the construction of two five-storey parking spaces to increase capacity with dedicated space for High and Heavy vehicles, electronic management systems and a free zone status.

Container Terminal

According to the most recent data, seaborne container trade in TEU is expected to increase by 5.2% in 2017, compared with an increase of 3.8% in 2016[7]. The increase in transported volumes was mainly driven by the increase in the primary routes from Asia and Europe to North America as well as by increased traffic within Asia. The Asia-Europe route directly related to Piraeus increased by 5% in 2017, compared to a 2% in 2016 and this had a positive effect on the volumes handled at Piraeus terminals.

The qualitative features of the terminal such as large natural drafts, 24-hour single tariff operation, tide-free access, good weather conditions and the competitive bunker market help to attract routes from all three shipping alliances. This underlines the significant prospects of the terminal that are enhanced by the improved operation under the new management.

In addition to improving flows, the critical factor contributing to the increase in traffic in Piraeus in the medium term is the take-over by COSCO SHIPPING combined with the expansion of Ocean Alliance, which has the most extensive East-West network and will positively assist the attraction of new services.

[5] Clarksons (2017). *Car Carrier Trade & Transport 2017*.
[6] ELSTAT (2018). *Vehicle Registrations: December 2017*.
[7] Clarksons (2017). *Seaborne Trade Monitor, Volume 4, No. 12*. p.4.

Ship Repair Activity

Traditionally, Piraeus has significant shipbuilding activity and know-how. The lack of infrastructure renewal and the loss of competitiveness to neighboring countries make the industry failure in to maintain a leading role in the region. As a result, most of the ship repair activity took place in countries such as Turkey and Bulgaria, which appear to offer lower costs but do not offer better know-how. On several occasions, based on their know-how and expertise, companies from Piraeus SRZ undertook ship repairs in other countries.

The purchase and utilization of the new drydock by PPA, which will be operational within the first four months of 2018, combined with the upgrading of other infrastructure at the SRZ will positively increase the ship repair works. At the same time, the creation of cooperative structures between PPA and the companies at the SRZ to jointly undertake ship repair works will contribute to improving competitiveness and will offer the opportunity for competitive offers at international level. In this context, the medium-term outlook for Piraeus SRZ is considered to be particularly positive considering the political instability in the directly competitive market of Turkey.

B) Policies and Due Diligence.

b.1. Policies and Due Diligence for environmental issues

- ***Implementation of Contingency Plans***

PPA S.A. implements Emergency Terrestrial & Marine Pollution Contingency Plans, approved by the competent Hellenic Ministry, for dealing with oil pollution incidents and other harmful substances in the port area. Emergency situations are fully covered by the aforementioned contingency plans. During the years 2016 and 2017 19 pollution incidents took place per year in the area of competence of PPA. PPA S.A. responded successfully to oil spill pollution call-outs, all of which were minor and efficiently managed.

- ***Regulating Issues of Shipwrecks' Lifting / Raising, removal of dangerous and harmful vessels***

According to Articles 2, 3 and 5 of Law 2881/2001 "Regulation of wreck raising issues and other provisions", they must be lifted and removed (by the owner of the shipwreck or ship) out of port, in a whole or in parts, or, if required from the circumstances, shifted or destroyed or in any way eliminated, in accordance with the applicable provisions, in order to eliminate any risk and prevent any adverse consequence from the existence of the shipwreck, which constitutes a risk to navigation in the area of port's responsibility, obstructs the mooring, the anchoring, the berthing, the use of docks and generally the port's operation, or harms or threatens to harm the environment:

- shipwrecks within the meaning of Article 2 of Law 2881/2001 because they are semi-sinked and may cause damage to the rest of the vessels docked in the particular sea area, they disturb the proper operation of the port,
- dangerous and harmful ships in a port within the meaning of Article 3 of Law 2881/2001, because their overall situation implies a sinking possibility,

- constitute harmful ships due to immobility in a port within the meaning of Article 5 of Law 2881/2001 that remain stationary and idle without maintenance and diligence in the port area.

In the context of the above Law, an Advisory Committee was established by PPA, on issues of lifting, removing or eliminating shipwrecks or ships. This committee, which is chaired by a PPA executive, is composed by representatives of the Piraeus Port Police Authority (A, B, C and D Port Departments), representative of the Attica Region, representative of the Piraeus Chamber of Commerce and Industry, representatives of the Local Authorities (Municipality of Piraeus, Municipality of Perama, Municipality of Keratsini-Drapetsona and Municipality of Salamina).

The Committee's work is to issue an opinion on the matters of lifting or elimination of shipwrecks or ships located in the port area of PPA S.A.

b.2. Policies and Due Diligence for safety issues

At high-risk areas (Container Terminal and Perama Ship Rrepair Zone) the organization provides two ambulances with trained rescue personnel (two rescuers per vehicle) that are available 24/7, to cover emergencies that may occur in the above mentioned areas

b.3. Due Diligence Policies for Regulatory Issues

To comply with the requirements of the CA dated 24 June 2016 concluded between the Hellenic Republic and Piraeus Port Authority S.A. regarding the Use and Exploitation of Certain Areas and Assets within the Piraeus Port, by decision of the Company Management was established Monitoring Committee of the above concession.
The task of this Committee, in which nine (9) staff members of PPA S.A. and two (2) external legal counselors participate, is to monitor, control and coordinate each responsible PPA S.A. Department actions, relating to the implementation and compliance with the terms of the June 24th of 2016 CA, within the designated timelines.
The CA Monitoring Committee regularly submits progress reports to the Management of the Company for any issue related to the CA follow up.

C) Outcome of those Policies.

c.1. Outcome of Policies for environmental protection issues

- ***Incident of sinking of the ship Agia Zoni II***

Concerning the incident of sinking of the ship Agia Zoni II, which caused extensive oil spill pollution in Saronikos sea area, it is mentioned that the incident happened outside but in the vicinity of the area of competence of PPA. The Contingency Plan of PPA was activated (continuous inspections, floating dams, direct response to pollution detected at the port entrance) immediately (from the first day of the sink) and prevented the spread of the pollution in the sea area of PPA. The quantities of waste collected at PPA’s area were about 5.8 m^3.

- ***Regulating Issues of Shipwrecks' Lifting / Raising, removal of dangerous and harmful vessels***

As a result of the above paragraph b.1 of the described policy for shipwrecks' lifting and hazardous and harmful ships' removal, the Advisory Committee on 11-07-2017, 03-10-2017, 14-12-2017 and 27-12-2017 meetings and after taking into account:

(a) the provided general information material,
(b) the Committee members' knowledge,
(c) the ships' current situation,
(d) the official documents,
(e) the provisions of the previously mentioned laws

unanimously gave the following opinion:

1) The following ships:

C/F "ALKYON", C/F "TARTY",

constitute shipwrecks within the meaning of Article 2 of Law 2881/2001 because they are semi-sinked and may cause damage to the rest of the vessels docked in the particular sea area, they disturb the proper operation of the port and their overall situation creates a risk in shipping and harms or threatens to harm the environment.

2) The following ships:

P/S-C/F "EUROPEAN EXPRESS", T/S "AGIA ZONI I", T/S "TZET XV", P/S "VENOUS", T/B "ARTEMIS V", W/T "PIRAEUS III", W/T "BANI", F/C "THISEAS", T/S "OKOVIA", T/S "MARAKI", P/S-C/F "SAMSOEGRAPHICEN III", T/B "ARTEMIS III", C/S "ANATOLY CHURINOV "F/S "AGIOS NIKOLAOS", T/S "SOTIRIA", T/S "AL PETROIL", BRG "ALKIONI", BRG "ALIKI", C/S "ELENI", P/S-C/F "MAKEDONIA",

constitute dangerous and harmful ships in a port within the meaning of Article 3 of Law 2881/2001, because their overall situation implies a sinking possibility, a risk to shipping and affects or threatens to affect the environment.

3) The following ships:

C/S"GRAND OSCAR", C/S "OCEAN GLORY", T/S"PYTHEAS" P/S-C/F "ELLI T", P/S-C/F "IONIAN SKY" ,

constitute harmful ships due to immobility in a port within the meaning of Article 5 of Law 2881/2001 because they remain stationary and idle without maintenance and diligence in the port area, preventing the safe activation and stay of other operating vessels.

In total, the Advisory Committee designated 27 items (mentioned above), for lifting, removal or elimination of shipwrecks, or characterized as shipwrecks or dangerous and damaging vessels, located in the area of PPA's responsibility. For those items the competent organizational unit has already started the relevant procedures which, in the initial stage, include a written invitation to the shipowners to take the necessary action to eliminate any risk and to prevent any adverse consequence of the shipwreck existence, by setting a reasonable time limit for lifting, removing or eliminating/ dismantling the ship.

Invitations for removal have already been sent for nineteen (19) cases of vessels classified as hazardous and harmful and two of them (T/S "OKOVIA" and T/S “SOTIRIA”) have already been removed from the port area of PPA.

Additionally, in the framework of the aforementioned procedure:

- it was successfully completed (after a relevant bidding tendering process in March 2017) the removal from the Piraeus Port Zone of the shipwreck "PANAGIA TINOY". With the removal of the wreck from the Central Port area beyond the obvious reduction of environmental pollution risks of the marine area, was also achieved enhancing safety of navigation, releasing of operating coastal shipping vessels berthing positions, aesthetic upgrading of the port image
- it has already received publicity by uploading on the PPA S.A. website (29-11-2017) and through relevant press releases the approval of an open bidding tender for the divestment and removal outside the port area of PPA responsibility, of the designated as dangerous and harmful vessels "Tanker DIMITRA" (ex BL1), and "F/B EUROPEAN EXPRESS".

c.2. Outcome of Policies for Safety Issues

The results of the policies on working safety (24-hour availability of two ambulances in the container terminal and Ship Repair areas) are analyzed in a next chapter of the Non-Financial Report entitled "Employee Issues - Safety working conditions

c.3. Outcome of Due Diligence Policies for Regulatory Issues

The established Monitoring Committee of the CA of 24 June 2016 of the Hellenic Republic and PPA S.A. met thirteen (13) times in the year 2017, controlling in any case the obligations arising for the Company under the above contract and submitted duly completed, within the predetermined date the Compliance Certificate (and its supplementary documents) of 2017, as defined in Article 14.1 (c) of the Concession Agreement.

D) Principal Risks and their Management

Major Business Risks and Uncertainties

Wider Economic Environment

Maintaining the stable economic environment in the country is directly related to import and export volumes and, by extension, to the import-export volumes that offer the highest average revenue to the Company. For 2018, the economic and political prospects of the country, as recorded by European and international economic organisations, create a firm belief in stability and the improvement of the economic climate. Regardless of the positive outlook, the company's strategy is based on strengthening and expanding transhipment volumes that are not directly dependent on domestic economic conditions to mitigate any negative impact from a possible negative change in the domestic economic climate.

Economic instability

The geopolitical and economic instability in the countries of North Africa, the Asian Mediterranean and the Black Sea have a negative effect on the transhipment volumes in Piraeus. Economies in the Eastern

Mediterranean markets showed mixed signs, despite some markets rebounding. To mitigate risk, the Company has undertaken a program to develop a rail link with Central Europe and is in the process of seeking customers to expand its port hinterland to the north, thus reducing dependence on maritime markets to the south and south-east.

New forms of energy

The 2020 deadline for the use of low-sulfur fuel (0.5%) puts pressure on shipping companies to choose the most appropriate solution through scrubbers or the use of natural gas. Already in the cruise sector, there are orders for 16 ships of seven cruise lines using natural gas. At the same time, container carriers also have ships with dual fuel capabilities. One of the competitive advantages of Piraeus is the extensive and financially competitive shipping fuel supply market. In this context, the Company, in cooperation with the gas sales and distribution companies of Greece, participates in a European funded project aiming at the study and implementation of competent solutions and infrastructures so that ships in the port can be supplied with natural gas. In this way, the Company aims to maintain its competitive advantage as well as to comply with the regulatory requirements of the European Directives.

Non-expanded clientele (Container terminal)

In the container sector, the most significant risk comes from the high dependence on a single customer (95% of traffic volume). To mitigate risk, the Company has adopted a customer-centric approach while at the same time implements an aggressive policy to attract new customers. Already, two new 2M mother ships call at Pier I and the company is in talks with perceived positive outcome within the year to attract services from all three alliances.

Geopolitical conditions

In the cruise sector, the most significant risk derives from exogenous factors of geopolitical nature. The Company, in order to mitigate the impact, aggressively promotes Piraeus to the Chinese market in which it has privileged access due to its parent company, while at the same time informing the internal market about the best ways to attract tourist volume from China.

No domestic car industry

In the car terminals, the greatest risk comes from the total lack of a domestic automobile industry that puts Piraeus at a disadvantage over other terminals in terms of the variable transhipment flows. To mitigate the risk, the company aims to expand services to vehicles with a PDI station within a strategic alliance. In addition, it aims to extend the hinterland by train to the Balkan and Central European countries where automotive factories are located.

E) Financial and Non-Financial Performance Indicators.

A detailed presentation of a mixture of general and sectoral indicators took place in the module Business Model - Evolution of Business Activities with a distinct reference to traffic data of each Company's business (Cruise, Ferry, Car Transmission Station, Container Handling Station, Shipbuilding).

F.1) Environmental Matters.

PPA S.A. recognizes that the resources consumption must be used in an efficient way across the port sector. Port of Piraeus' nature and size favors a high amount of daily energy consumed (e.g. ship-to-shore cranes, terminals lighting, reefer containers, administration buildings, workshops). PPA raises awareness on the subject by promoting initiatives and behaviors to improve the balance of the demand and supply of energy and to reduce energy consumption. In this scope**,** PPA's first photovoltaic station generating energy using solar panels has been put into operation in July 2016, generating up to 430 kWp. The photovoltaic Station is linked up to the Public Power Corporation electricity grid.

PPA S.A. has recognized the need to reduce resource consumption and particularly to save energy while continuing to provide a safe and secure working environment. Electricity and oil usage has been identified in various energy efficiency reviews as an area for potential reduction. Indicative energy saving measures implemented by PPA S.A. are:

- Staff environmental awareness
- Purchasing of electrical equipment with > A energy class and certification
- Appropriate maintenance of the cooling and heating infrastructures
- Replacement of incandescent lamps with energy saving ones
- Improvement of buildings' energy efficiency

Non- financial indicators for environmental performance

1. ***Waste produced from port facilities operation***

	2017	**2016**	**2017**	**2016**
	ton	ton	% Total Year Waste	% Total Year Waste
Quantity of non-hazardous waste	1,022	1,248	**76.10**	**76.33**
Quantity of hazardous waste	57	123	**4.24**	**7.52**
Operational waste of PPA plants driven to recovery	158	179	**11.76**	**10.95**
Recyclable packaging (paper, plastic, glass, metal)	106	85	**7.89**	**5.20**
Year Total	**1,343**	**1,635**	**100.00**	**100.00**

As shown by the above data on waste, there are not significant differences for 2017 and 2016. There is, however, a slight improvement in waste management for 2017. Thus, in 2017, the quantity of hazardous waste produced at PPA has slightly decreased, which is an environmental progress. Also, in 2017, the quantities of packaging waste (blue bins) that were recycled had a small increase.

The table below shows the waste quantities delivered to alternative management systems in years 2016 and 2017 (and are included in the "Operational waste of PPA plants driven to recovery" referred to in the above table).

	2017	2016	2017	2016
	ton	ton	% total waste quantities, produced by workshops, driven to alternative management systems	
Used Tires	0	5.02	0.00%	31.14%
Electrical & Electronic Eq. Waste	0.12	4.44	3.51%	27.52%
Used Batteries	2.05	2.24	62.05%	13.92%
Used Accumulators	0.02	0.07	0.07%	0.42%
Used Lubricants Oils	1.12	4.36	33.75%	27.01%
TOTAL	**3.31**	**16.13**	**100.00%**	**100.00%**

It should be noted that the quantities of alternative management waste produced in 2017 are lower than in 2016, which is attributed to the following factors:

-No need for used tires delivery. Has to be note that during the year there was production of used tires but in limited quantities and the further management will take place when will be generated adequate quantities of tires.

- For the waste of Electrical and Electronic Alternative Equipment, is implemented a management system that is including temporary storage in container. After the filling of the container follows the delivery for further management, in the year 2017 there was need for further management, except for the category of lighting equipment waste.

-The used batteries were of limited production, with the consequent reduced quantities for further management.

2. *Marine and Terrestrial Pollution*

	2017	2016
Pollution incidents in the sea water (no of incidents)	18	14
Pollution incidents on the land (no of incidents)	1	5

The above data show that the last two years happened the same number of pollution incidents (19 incidents). All were small, local incidents that were dealt without any problems, by implementing the contingency plan of PPA S.A.

3. *Results of noise measurements*

The following table presents the locations and results of the noise measurements for the years 2016 and 2017. It is noted that the locations of the measurements are at the boundary of the ownership of PPA S.A. and are usually affected by road traffic outside the port. It is noticed that the noise level remains constant without significant variations per position in the last four semesters. It is also noted that in the yard of the 1st EPAL of Perama (position Θ05) PPA S.A. has placed sound panels. Measurements prove that the sound panels ensure the noise protection of the school [the noise is reduced by 10-15 dB (A)].

a/a	POSITION	A HALF 2017 Leq [dB(A]	B HALF 2017 Leq [dB(A]	A HALF 2016 Leq [dB(A]	B HALF 2016 Leq [dB(A]
P01	Entrance-Exit Pier I Container Terminal (PPA)	68.4	67.4	68.9	67.0
P04	Property boundary close to the pubic road transit for trucks within Pier II (PCT)	75.6	69.7	72.5	72.2
P05a	PPA property boundary close to school	72.7	73.1	76.2	72.5
P05b	Behind screen in the courtyard of the school	59.9	61.0	60.0	62.4
P06a	Dimokratias Avenue close to Aegean petrol station	72.5	73.6	70.0	69.6
P06b	Dimokratias Avenue close to Jetoil facilities	74.7	72.5	74.6	72.7
P07	Nikolaidis Street (area ODDY)	73.4	75.7	72.3	74.2
P09	Akti Vasiliadi Street – Gate E1	59.5	58.2	59.6	70.4
P10	Akti Vasiliadi – Gate E2	68.8	69.3	70.2	61.3
P11	Akti Kallimasioti Street, PPA pedestrians' bridge (opposite HSAP)	69.8	66.0	64.4	64.7
P12	Akti Vasiliadi Street – Ministry of Shipping (under the bridge)	66.3	61.5	61.9	63.0
P13	Cruise Pier (gate)	64.2	60.5	63.5	74.2
P14	Property boundary close to the entrance for Container Terminal II (PCT)	64.4	63.6	65.4	71.7
P15	Property boundary close to the small harbor of Armos area	56.6	57.0	55.4	58.4
P16	Property boundary on entrance gate to Container Terminal II (PCT)	74.2	74.5	71.8	74.4
P17	Property boundary at Car Terminal	58.0	57.5	57.3	56.7
P20	Property boundary close to PCT entrance	64.3	64.0	68.7	68.6

4. *Results of atmospheric measurements*

The following table shows the results of the measurements of the main air pollutants for the years 2016 and 2017. It is noted that there are no significant variations in the two years.

Atmospheric pollutant	Average annual rate **2017**	Average annual rate **2016**
	μg m-3	μg m-3
CO	1.30	1.02
NO	77.00	75.00
NO2	48.00	45.00
SO2	26.00	20.70
PM10	34.00	35.00
O3	48.00	43.00

5. *Complaint Management*

Two complaints about noise nuisance in year 2016 and 1 complaint about noise nuisance in the year 2017, focused on the adjacent Container Terminal area.

Regarding the complaints submitted by residents of the area neighboring to the Container Stations, they were thoroughly investigated by PPA S.A..

In relation with the complaints submitted targeted night measurements were carried out in similar operating conditions with those that were described, which confirmed the results of the main monitoring program and in particular, the following results were obtained:

a) The measurements' results are directly influenced by the traffic of the Dimokratias Avenue, which is very close to the houses, while in particular during the night hours the operation of the port (loading, stowage, Straddle Carriers' movement etc.

b) becomes audibly perceived to the houses in a lower degree comparatively to the neighboring street.

6. *Energy production of renewable energy sources (Container terminal 430KWp photovoltaic power station)*

	2017	2016 (8th -12th)
Total energy efficiency (kWh)	757,672	265,861
Emissions' Reduction CO_2 (tn)	644	226

7. *Calculation of GHG emissions (in CO2 equivalents)*

The type that is used for the calculation of GHG emissions is based on the resource consumption quantity per activity multiplied with the relative emission factor and converted to the CO2 equivalents.

The determination of the key categories for the Greek inventory system is based on the application of the Tier 1 methodology described in the IPCC Good Practice Guidance, adopting the categorization of sources that is presented in table 7.1 of the IPCC Good Practice Guidance.

Tier 1 methodology for the identification of key categories assesses the impacts of various source categories on the level and the trend of the emissions inventory. Key categories are those which, when summed together in descending order of magnitude, add up to over 95% of total emissions (level assessment) or the trend of the inventory in absolute terms.

The main key categories that have been taken in place are:

-Indirect emission of electricity consumption

-Emissions from transport (goods and personnel mobility)

-Port activities emissions under normal conditions

Indirect emissions

Electricity consumption

Electricity production in Greece relies mostly on the use of fossil fuels (approximately 92% of electricity production in 2007). Specifically, 63% of electricity is produced by solid fuels (lignite using steam coal and/or BKB as additives), while the share of liquid fuels and natural gas is 14% and 22% respectively. The rest of electricity production derives from hydropower and wind energy.

The allocation of energy consumption by technology was made on the basis of Public Power Corporation reports on the installed capacity and the characteristics of electricity production plants. Therefore:

It is noted that emissions energy consumption for off-road transportation is not considered in the scope of this report.

For the determination of CO2 emissions for electricity consumption of Piraeus Port, the method that is used is based on real data for electricity consumption.

The emission factor for electricity is determined according to the Public Power Corporation reports, as follows:

Emission factor= 850 g CO_2 /KWh
Emission Factors for conversion of CO_2 to CO_2 equivalent:
CO_2= 54,760 kt CO_2 eq-Factor 1 (reference)
CH_4= 0.71 kt CO_2 eq –Factor 0.000013
N_2O=0.58 kt CO_2 eq-Factor 0.000011

The total annual electricity consumption for year 2017 is: 49,031,716 KWh

Calculation of total t CO_2 eq

__t CO_2 (1+0.000013+0.000011)=__ t CO_2 eq

Electricity consumption (KWh)	CO2 mass (g CO2)	CO2 mass (t CO2)	CO2 eq (t CO2 eq)
49,031,716	41,676,958,600	41,676.96	41,677.96

II. Direct emissions

II.1 Road transportation

The main type of transport that is studied in this report is the road transportation.

Emissions from road transport are calculated mainly of total fuel consumption data and fuel properties.

Carbon dioxide emissions calculations from road transport are based on the consumption of gasoline and diesel which are used to the PPA's vehicles and equipment and the carbon content of the fuels consumed.

In the following table are presented the annual consumption of diesel and gasoline:

Diesel consumption (litres)	Gasoline consumption (litres)
1,153,745	67,757

For the determination of GHG emissions from fuel consumption of road transport activities are used data for diesel and gasoline consumption

i. Gasoline

Net calorific value of gasoline= 44.80 TJ/kt
Emission factor= 68.61 t CO_2 /TJ
EF=68.61 t CO_2 /TJ*44.80 TJ/kt= 3,073.72 t CO_2/kt gasoline
or
$EF_{gasoline}$=3.073 kg CO_2/kg gasoline
or
$EF_{gasoline}$=2.27 kg CO_2/lt gasoline

Emission Factors for conversion of CO_2 to CO_2 equivalent:
CO_2= 19,785 kt CO_2 eq-Factor 1 (reference)
CH_4= 4.75 kt CO_2 eq –Factor 0.00024
N_2O=0.73 kt CO_2 eq-Factor 0.000037

Calculation of total t CO_2 eq

__t CO_2 (1+0.00024+0.000037)=__ t CO_2 eq

Gasoline consumption (litres)	CO_2 mass (kg CO_2)	CO_2 mass (t CO_2)	CO_2 eq (t CO_2 eq)
67,757	153,808.39	153.81	153.85

ii. Diesel

Net calorific value of diesel = 43 TJ/kt
Emission factor= 73.33 t CO_2 /TJ
EF_{diesel}=73.33 t CO_2 /TJ*43 TJ/kt= 3,153.19 t CO_2/kt diesel
or
EFdiesel=3.153 kg CO_2/kg diesel
or
EF_{diesel}=2.68kg CO_2/lt diesel

Emission Factors for conversion of CO_2 to CO_2 equivalent:
CO_2= 19,785 kt CO_2 eq-Factor 1 (reference)
CH_4= 4.75 kt CO_2 eq –Factor 0.00024
N_2O=0.73 kt CO_2 eq-Factor 0.000037

Calculation of total t CO_2 eq

__t CO_2 (1+0.00024+0.000037)=__ t CO_2 eq

The Annual Diesel consumption and the conversion to t CO_2 eq emissions are shown to the following table:

Diesel consumption (litres)	CO_2 mass (kg CO_2)	CO_2 mass (t CO_2)	CO_2 eq (t CO_2 eq)
1,153,745	3.092,036.6	3.092,04	**3,092.9**

II.2 Stationary combustion resources

GHG emissions from the residential – tertiary sector result from diesel consumption for heating needs of the port buildings, passenger stations, warehouses.

The basic technology that is implemented is central heating boilers, and other stationary equipment. GHG emissions are calculated on the basis of diesel consumption using the emission factor of CO2 and net calorific value and the default IPCC EF for CH4 and N2O.

Diesel

Net calorific value of gasoline= 43 TJ/kt
Emission factor= 73.33 t CO_2 /TJ

EF_{diesel}=73.33 t CO_2 /TJ*43 TJ/kt= 3,153.19 t CO_2/kt diesel
or
EFdiesel=3.153 kg CO_2/kg diesel
or
EF_{diesel}=2.68kg CO_2/lt diesel

Emission Factors for conversion of CO_2 to CO_2 equivalent:
CO_2= 8,177.13 kt CO_2 eq-Factor 1 (reference)
CH_4= 6.96 kt CO_2 eq –Factor 0.00085
N_2O=20.48 kt CO_2 eq-Factor 0.0025

Calculation of total t CO_2 eq

__ CO_2 (1+0.00085+0.0025)=__ t CO_2 eq

The annual diesel consumption for stationary combustion and the conversion to t CO_2 eq emissions are shown at the following table

Diesel consumption (litres)	CO_2 mass (kg CO_2)	CO_2 mass (t CO_2)	CO_2 eq (t CO_2 eq)
153,309	410,868.12	410.87	412.25

Total GHG emissions: CO_2eq

Considering all the above inventory and calculation data, the total GHG emissions of Piraeus Port activities are accumulated in the following table:

Emissions (t CO2 eq)			Total t CO_2 eq
Transport	Stationary combustion	Electricity	
3,246.75	412.25	41,677.96	45,336.96
Emissions' Reduction CO_2 (tn) eq from the production of renewable energy sources			644.05

8. *Expenditures for environmental programs*

Research program	*COST*	
	2017	*2016*
Acoustic Environment monitoring program for the total of PPA area	6.300	6.300
Station Installation, Measurement, Air Quality Monitoring and Measurements' Assessment in Port Area of PPA PIRAEUS_ ATMOSPHERIC ENVIRONMENT QUALITY MONITORING PROGRAMME	36.000	36.000

F.2) Social & Employee Issues

Social Issues

The Company pays particular attention to social contribution, as demonstrated and expressed through the timeless efforts and initiatives of both Management and Employees. The Company aims to contribute to the development of society and especially the creation of added value for the communities that surround it.

Concession Fee

PPA S.A. pays to the Hellenic Republic an annual concession fee which, equal to three point five percent (3.5%) of the annual Consolidated Revenue of the Company. With effect from the Effective Date of the new concession agreement, the annual Concession Fee shall not be less than € 3,500,000. Further to the Concession Fee, PPA S.A. pays all taxes, duties, levies, VAT, contributions and charges as imposed by generally applicable tax law. Nothing in this CA entitles PPA S.A. to benefit from any special privilege in connection with tax matters.

Caring for the Society

In addition to strengthening the national economy and boosting the local economy employment, the table for financial support of local communities by PPA S.A. for the year 2017 *(compared with the corresponding amounts for the year 2016)*, concern the following:

	2017	2016	% change 2017/2016
Economic support of vulnerable social groups of neighboring municipalities	117,710	193,480	**-39%**
Facilitating the charitable effort of the Holy Metropolis of Piraeus, Nikaia, Temple of St. Nicholas	37,000	18,000	**106%**
Aiding orphanages, special schools	9,720	11,480	**-15%**
Facilitating sports clubs and athletes	25,655	6,000	**328%**
Aiding cultural associations of Piraeus Region	26,500	24,900	**6%**
Aiding educational associations	19,000	10,500	**81%**
TOTAL	**235,585**	**264,360**	**-11%**

The implementation of more stringent criteria in the budgeting process related to the PPA S.A. actions of financial support towards the local communities, for ensuring the efficiency of the management and utilization of the resources towards the final recipients, resulted in a 11% overall reduction of the available for social actions resources from € 264,360 in 2016 to € 235,585 in 2017.
Sub-actions show fluctuations ranging from -39% to + 328%.

Educational visits

Recognizing the need to support the new generation and broaden knowledge through the educational process, PPA S.A. through educational visits and guided tours in its premises provides the opportunity to get acquainted with the operating objects.

Every year, the PPA S.A. Installations host and inform a large number of pupils and students of educational institutions of all levels, from Greece and abroad.
In this context, in 2017, the Company facilities welcomed, guided and informed 761 pupils and students (against 592 in 2016) from 30 educational institutions (against 28 in 2016) at all levels of education.
The percentage of university students participating in educational visits to the PPA facilities amounted to 58% (440 students) in 2017, compared to 60% in 2016 (354 students).

Caring for people with mobility problems

PPA S.A. takes care to eliminate the difficulties by the use of port facilities and the movement within the port of people with mobility problems.
Company staff (employees, drivers and dockers) participates in seminars on the management and servicing of people with mobility problems.
The total length of corridors built to facilitate the movement of people with people with mobility problems is three (3) kilometers.
Port areas and the PPA S.A. Head Quarters provide full access both for passengers and clients with mobility problems. Particularly:
At cruise terminal facilities, all cruise stations are fully accessible for people with mobility problems and provide

- entry and exit ramps for people with mobility problems,
- meeting points for people with mobility problems in the arrival and departure halls and vestibules,
- toilets, water coolers and telephone booths accessible to people with mobility problems,
- passport checkpoints and police checkpoints designed to facilitate people with trolleys.

Additionally, passenger buses have ramps for trolleys, and specially designed power-driven trolleys and wheelchairs for disabled people and their escorts are also available.
Coastal cabin terminals include toilets for people with mobility problems and all the major stations are accessible to trolleys.

Employee Issues

- *Safety working conditions*

In addition to those mentioned in the BoD report on working safety issues, it is noted that the Company recognizes the importance of providing safe conditions and workplaces to the staff and safe conditions of travel - circulation of all involved, tradesmen, passengers etc.
All areas of the port are regularly inspected to ensure that employees comply with health and safety rules of the company and the instructions of those responsible.
PPA S.A. also monitors and controls the compliance of third parties (contractors) with the Occupational Health and Safety legislation, requiring health and safety plans before and during the implementation of technical projects.
For this purpose a safety engineer and a doctor are employed, reporting any safety issues to the management of the company, in accordance with Law no. 3850/2010. Potential accidents are recorded and investigated, and corrective actions are planned in order not to be repeated.
Additionally at high-risk areas (Container Terminal and Perama Shipyards Zone) the organization provides two ambulances with trained rescue personnel that are available 24/7.

The company carries out:

- fire and space evacuation exercises (last completed February 2017, with assistance from the Fire Brigade).
- training of personnel on fire safety and fire extinguishers (portable fire extinguishers) and a program for the training of 80 drivers of the Company is already in progress.

The following table illustrates the evolution in the number of accidents, the loss of working days and the number of transits from the Container Terminal premises of the Company.

	2017	**2016**
Number of accidents	14	11
Number of accidents with loss of working days based on the ESAW methodology used by ELSTAT *	5 accidents / 134 working days lost	4 accidents / 119 working days lost
Ambulance services (Container Terminal)	58	40
Ambulance services (Ship Repair Zone)	10	12

**(accidents involving an absence of more than 3 days are excluded, excluding accidents at work - retirement to and from work)*

The 27% increase in the number of accidents from 11 in 2016 to 14 in 2017, the 45% increase in the number of ambulance services / transits provided in the Container Terminal between 2016 and 2017 from 40 to 58, the 13% increase in days of absence due to an accident from 119 days in 2016 to 134 days in 2017, are attributed to the (comparatively higher than the above percentages) 71% increase in container cargo throughput from 265,716 Teus in 2016 to 453,264 Teus in 2017.

○ *Leave of absence (parental, sick)*

Following to the mentioned in the BoD Management Report, in accordance with the applicable regulations, parental leave for employees in order to attend the school performance of children as well as sick leave is granted. Details are shown in the below tables.

	2017	**2016**
Number of beneficiaries for parental leave	167	172
Number of parental leaves given	506	418

Although the number of employees who are entitled to parental leaves for attending their children school performance decreased (by 3%) from 172 employees in 2016 to 167 employees in 2017, the total number of parental leave granted between 2016 and 2017 increased by 21%, from 418 at 506.

2017		**2016**	
Number of employees who have taken sick leave	Number of sick days leave granted	Number of employees who have taken sick leave	Number of sick days leave granted
604	8,120	608	8,875

With regard to the granting of sick leave, it is noted that although the number of employees who have used sick leave remains virtually the same between 2017 and 2016 (604 and 608 respectively workers have used sick leave), the total number of sick leave days decreased by about 8.5% (8,120 days in 2017 compared to 8,875 in 2016) and is attributed to a 7% reduction in the number of Company staff between 2016 and 2017.

- *Educational and training programs*

In addition to those mentioned in the BoD Management Report, on staff education and training programs, the table below provides detailed information on educational programs that took place in 2017 and the participation of employees in them.

	2017	2016
Percentage of trained employees	22.61%	33.69%
Training man hours	3,663	2,499
Total training cost (€)	31,938.44	30,506.07

Education man-hours increased in 2017 to 3,663 from 2,499 in 2016 (an increase of 46%), while staff training costs increased by 4% in 2017 compared to 2016 and amounted to € 31,938.44 versus € 30,506.07.

The significant increase in training hours is largely due to the launch (Autumn 2017) of a Chinese language learning program lasting three hours a week, which involves forty (40) employees and takes place at the Company's premises within the working hours.

- *Employee Associations / Unions*

In PPA S.A. are active total four (4) primary (Association of Permanent Employees, Union of Technicians and Operators, Association of Dockworkers, Association of Supervisors & Foremen) and one (1) secondary association (Federation of Permanent Port employees of Greece). The Management of the Company is in close collaboration with employee representatives in order to achieve the proper functioning of its services and to promote the common interest of the Company and its employees.

- *Additional Social Benefits*

C.L.A.s include benefits for employees such as hospital and non-hospital care, nursery allowance, summer camp allowance, loans for health reasons and exceptional financial needs, marriage allowance, excellence awards for children of company employees, gift vouchers, voluntary blood donations leave, under the conditions that apply for all employees without any discrimination.
There were provided: 34 awards of excellence in year 2016 and 30 in 2017, 45 marriage grants in 2016 and 40 in 2017, a camping allowance for 182 children in 2016 and 174 in 2017, 117 loans in 2016 and 44 in 2017, and a nursery allowance for 42 employees' children in 2016 and for 45 children in 2017.

F.3) Respect of Human Rights

Protection of personal data

The Company respects the obligations imposed by Law 2472/1997, Law 3471/2006 (Protection of Personal Data and Privacy in the Electronic Communications Sector) and the respective acts as they apply in each case. At the same time, the Company is preparing for the transition to GDPR status and, in 2017 conducted a market research and following a competitive procedure, is in the process of selecting an external consultant in order to comply with the requirements of the new European Regulation 2016/679 (on the protection of personal data, GDPR), which is mandatory for all Member States of the European Union from 25.05.2018 and establishes a single legal framework for data protection across the EU, replacing national laws and repealing existing legislation.

PPA S.A. Internal Complaint Process (ICP)

Through the PPA S.A. Internal Complaint Process (ICP), it is given the chance to employees to submit complaints on issues related to the violation of Human Rights. Already since the implementation date (November 2017) of the above procedure has been filed (1) an internal complaint concerning Human Rights Issues (non equal treatment), a response is expected (within the deadline defined by the procedure) by the relevant organizational unit PPA S.A., to which the internal complaint is addressed.

F.4) Anti – Corruption and Bribery Matters

Participation in the National Action Plan on Fighting Corruption

Management of the Company attaches the highest importance to the fight against corruption, as evidenced by the approval of the participation of the Internal Audit Service staff at the OECD conferences below in the context of the Greek National Action Plan on Combating Corruption, where the OECD is committed to supporting the Hellenic Authorities providing technical guidance on the implementation of the reform program in the private sector:

March 2017: Promoting Compliance, Effective Internal Audit and Business Ethics in Greek Businesses to Fight Corruption.

June 2017: Anti-Corruption Technical Support in Greece Risk Assessment Consultation.

October 2017: Protection of Public Interest Notifiers.

November 2017: Fighting Corruption to Promote Sustainable Economic Growth.

Within the framework of the above National Action Plan, PPA S.A. through the Managing Director stated that "Fighting corruption and enhancing transparency in all aspects of our business are fundamental pillars of our philosophy and main priorities of our strategy”.

Regulation for the award of works, Services, and Procurement

According to the approved Regulation for the award of works, Services, and Procurement, the Company implements control procedures, under penalty of exclusion, through the obligation to submit certificates issued by the local competent judicial authority:

a) where the representatives of contracting companies or consortium participants have been convicted of:

- participation in a criminal organization, according to Article 2 paragraph 1 of Council Joint Action no. 8/733/JHA of the European Union,
- corruption, according to Article 3 of the Council Act of 26 May 1997 (21) and Article 3 paragraph 1 of the Joint Action no. 98/742 / of the Council,
- fraud within the meaning of Article 1 of the Convention for the protection of the financial interests of the European Communities,
- money laundering activities, according to Article 1 no. 91/308/EEC Council Directive on prevention of the financial system for money laundering,

b) as well as related in the performance of the contractor's professional situations:

- Embezzlement
- Fraud
- Extortion
- Forgery
- Perjury
- Bribery
- Fraudulent bankruptcy.

General Staff Regulation (GSR)

According to the article 17.4 of the General Staff Regulation (GSR) are clearly considered (among others) as disciplinary offences the following:

- Solicitation or acceptance of any fee, consideration or favorable treatment from any person whose affairs are managed by the employee concerned as part of his/her duties;
- Any action that is detrimental to Company's reputation, staff or any individual member of the staff, in relation to their duties;
- Participation, whether directly or through third parties, in any auctioning procedure carried out by the Company;
- Engagement in private activities for profit or in any form of remunerated employment, save where this is requested and specifically authorized by the CEO. Such authorization is granted provided that the employee's performance within the Company is not howsoever impaired;
- Any act that constitutes a criminal offence, if committed on or off the PPA premises by an employee during the performance of his/her duties or if committed on the PPA premises during or after the employee's work time; In this latter situation, the act constitutes a disciplinary offence only if it is directly and seriously harmful to the employment relationship;
- Failure to prosecute or sanction a disciplinary offence;
- Any acts or omissions committed by fault, potentially capable of causing material or moral damage to the Company or to any member of its staff;
- Any act of mismanagement.

Also according to the article 17.6 of the GSR temporary or permanent suspension (dismissal) may be imposed (among others) in respect of the following offence:

- Acceptance of any fee or consideration from any person whose affairs are managed by the employee concerned as part of his/her duties;
- Characteristically improper or indecent conduct demonstrated by an employee either on or off Company's premises.

Internal Complaint Process (ICP)

Through the PPA S.A. Internal Complaint Process (ICP), is given the chance for complaints submission on issues related to Fraud and Corruption / Bribery. Since the implementation date (November 2017) of the above procedure there is no internal complaint concerning the above categories.

F.5) Supply Chains.

***Regulation* for award of Works, Services and Procurements**

The aim of *Regulation* for award of Works, Services and Procurements (which entered into force by decision of the 27/10/2016 Company's BoD) is to create a stable reference framework for the Company and its related traders, in the regulated sectors. This Regulation compared with the previously applicable is more simplified in fulfilling the procurement process. Furthermore, backbone of the Regulation is primarily to serve the interests of the Company and the strict compliance towards obligations that arise from Concession Agreement, through the proper selection of the most appropriate counterparty, in financial terms and in terms of adequacy.

The responsibility of the assignment and completion of the relevant procedures is undertaken by the respective competent Department, within the framework of the authorization granted by the Board of Directors, with a corresponding easing of the Board in relation to matters for which is required to adopt decisions.

Furthermore, the Regulation sets the general award procedures, with reference to the respective Declaration and context for signing a contract for the case when specific setting of the award conditions. This option provides greater flexibility and simplification of procedures, which may contribute decisively to the fulfillment of the Mandatory Investment Program completion timelines.

With the application of Regulation for award of Works, Services and Procurements, the Management Company fulfills its obligation to respect the principles of transparency, publicity and equal treatment in the awarding of project execution, studies and services, as reflected in the provision of art. 8 par. 2 N. 4404/2016.

***Regulation* for subconcessions**

The CA dated 24/6/2016 in relation to the Use and Operation of Designated Areas and Assets, include rules and obligations of the Company with regard to the award, conclusion and execution of subconcession contracts.

The subconcession Regulation constitutes specialised provisions of such rules and obligations and aims at providing a stable framework for the PPA and the contracting third parties as to the regulated sectors herein.

The contracts, which fall within the ambit of applying this Regulation, are awarded in accordance with the rules and procedures thereof as well as the terms of the Call for Tender each time, and are executed in accordance with the terms of the Contract, which is signed each time, as well as in accordance with the provisions of the legislation in force governing the contract.
In the award of contracts the Company must abide by the principles of transparency, publicity, equal treatment and prohibition of discrimination.
The Company takes care so that in the award of contracts free competition is not distorted.

Procurements

For its procurement needs, PPA S.A., pursuant to the Regulation for the Award of Works, Services and Procurement (BoD Decision 18/27-10-2016) fulfills the statutory obligation to observe the principles of transparency, publicity and equal treatment in the award of works, studies and services, as reflected in the relevant provision of Law 4404/2016.
In the year 2017, PPA S.A. conducted tenders with a total value of € 47.2 million, with a sufficient number of bidders (an average of 4 participants per tender).
The Company's main suppliers come from both the National and International markets. The rules of cooperation between them are in line with the prevailing market conditions. There are no overdue debts to Suppliers or other breaches in relation to the contracts that have been signed.

Preparation of Establishment of an Approved Suppliers Register

PPA S.A. is in the process of creating and maintaining an approved Suppliers Register. The vendor register will be created following an open tender procedure with specific criteria that have already been prepared and will be evaluated annually by the Management. Suppliers will have specific rights and obligations.

Regarding the process of creating the Suppliers Register, the Procurement Department has contacted the operational Departments to investigate the needs of the criteria, the prerequisites and the way they are evaluated.

Related parties transactions

The Company provides services to certain related parties in the normal course of business. The Company's transactions and account balances with related companies are as follows:

Related party	Relation with the Company	Year ended	Sales to related parties	Purchases from related parties
PIRAEUS CONTAINER TERMINAL S.A.	Related Party	31.12.2017	43,940,318.78	12,383,475.65
		31.12.2016	43,936,647.89	6,296,268.23
COSCO SHIPPING LINES GREECE S.A.	Related Party	31.12.2017	89,161.90	-
		31.12.2016	-	-
COSCO (HONG KONG) INSURANCE BROKERS L.T.D.	Related Party	31.12.2017	-	385,736.25
		31.12.2016	-	-
COSCO SHIPPING AIR FREIGHT CO	Related Party	31.12.2017	-	12,976.00
		31.12.2016	-	-
	Total	**31.12.2017**	**44,029,480.68**	**12,782,187.90**
	Total	**31.12.2016**	**43,936,647.89**	**6,296,268.23**

Related party	Relation with the Company	Year ended	Amounts due from related parties	Amounts due to related parties
PIRAEUS CONTAINER TERMINAL S.A.	Related Party	31.12.2017	2,530,385.67	5,890.33
		31.12.2016	4,346,300.15	7,326.50
COSCO SHIPPING LINES GREECE S.A.	Related Party	31.12.2017	-	94,616.63
		31.12.2016	-	-
COSCO (Shanghai) SHIPYARD Co LTD	Related Party	31.12.2017	7,150,500.00	-
		31.12.2016	-	-
COSCO SHIPPING AIR FREIGHT CO	Related Party	31.12.2017	-	12,976.00
		31.12.2016	-	-
	Total	**31.12.2017**	**9,680,885.67**	**113,482.96**
	Total	**31.12.2016**	**4,346,300.15**	**7,326.50**

The revenues and receivables from Piraeus Container Terminal S.A. (PCT S.A.) are related to the fixed and variable revenue from the concession agreement (PIER II & III). The Company PCT S.A. is considered as a related party after the acquisition of the majority stake of PPA S.A by the COSCO SHIPPING (Hong Kong) Limited on August 10, 2016. Expenses from PCT S.A. related to invoices to PPA S.A. for the construction of the petroleum pier that has been undertaken by a contractor through PCT S.A.(Note 4).

The transaction with COSCO (HONG KONG) INSURANCE BROKERS L.T.D. relates to the sufficient insurance coverage of PPA S.A. regarding third party liability, employer' s liability, property and business interruption and directors and officers liability for the period 1.1-31.12.2017, according to article 17 of the Concession Agreement (Greek Law 4404/2016).

The balance with COSCO (Shanghai) SHIPYARD Co LTD relates to a payment in advance for the purchase of a floating dock intended to locate at Perama Ship Repair Yard based on a contract signed on September 4, 2017. The total purchase cost amounted to € 22,835,000.00 and the related deliverance expected in early 2018.

The revenues and receivables from Pireaus Container Terminal are related to the fixed and variable revenue from the concession arrangement (PIER II & III).

The transactions with Piraeus Container Terminal S.A. for the year ended December 31, 2016 relating to the whole year 2016.

Board of Directors Members Remuneration: During the year ended on the December 31, 2017, remuneration and attendance costs, amounting to € 935,053.17 (December 31, 2016: € 205,971.94) were paid to the Board of Directors members. Furthermore during the year ended December 31, 2017 emoluments of € 434,328.91 (December 31, 2016: € 900,582.22) were paid to Managers / Directors for services rendered.

STATEMENT OF CORPORATE GOVERNANCE
(Article 43bb of Codified Law 2190/1920)

I. Code of Corporate Governance

The Company has established and follows a Code of Corporate Governance, which is available on the website of the Company, in the address www.olp.gr, through the link "investors' information /code of corporate governance".
The company does not apply any further corporate governance practices, additional to the practices which are analytically described in the applicable Code of Corporate Governance.

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

II.1. The internal control system of the Company covers adequately the control procedures involving risk management and preparation of financial reports.
II.2. In respect of the preparation of **financial statements**, the Company considers its accounting system adequate for reporting to the Management and external users. The financial statements are prepared in compliance with the International Financial Reporting Standards, as adopted by the European Union for reporting purposes to Management, and also for the purpose of publication in line with the applicable regulations (hereinafter, **"IFRS"**). All reports include the data of the current period, compared to the respective data of the Budget as approved by the Board of Directors, and to the data of the respective period of the year before the report. All published interim and annual financial statements include all necessary information and disclosures in compliance with the IFRS, are reviewed by the Audit Committee and are approved in their entirety by the Board of Directors.
II.3. Safeguards are implemented with respect to: a) supervision and approval of all important transactions through the structural hierarchy of the Company; b) monitoring of financial figures and risk evaluation as for the reliability of the financial statements; c) fraud prevention and tracking; and d) protection of data provided by information systems.
II.4. The internal reports to the Management and the reports required as per Codified Law 2190/1920 and by the supervisory authorities are prepared by the Financial Information Disclosure Department, which is staffed with adequate and experienced executives to this effect.
II.5. The statutory auditors of the Company PRICEWATERHOUSE COOPERS S.A. (Greek AM SOEL 113), i.e. the statutory audit firm of financial statements of the Company for the year ended on 31 December 2017, are not related to the Company or to any persons having supervisory responsibilities over the Company's financial reporting in ways which could be considered as affecting their independence as of the date of this report. Therefore, they remain independent within the meaning of Article 21 of Law 4449/2017.

III. Reference to the information required by points (c), (d), (f), (h) and (i) of paragraph 1 of article 10 of the Directive 2004/25/EC

The above information is included in another part of the Management Report, i.e. in the Explanatory Report of the Board of Directors according to article 4, par. 7 and 8 of law 3556/2007.

IV. Composition and operation of the administrative, management and supervisory bodies of the Company

IV.1. General Assembly of Shareholders

1. The General Assembly of Shareholders is the supreme body of the Company, convened by the Board of Directors and entitled to resolve upon any matters concerning the Company. The shareholders have the right to participate either in person or through their legal representatives, according to the provisions of law each time in force.

2. During the General Assembly, the Chairman of the Board of Directors acts as temporary Chairman of the General Assembly. One or two of the present shareholders or of the shareholders' representatives appointed by the Chairman, act as temporary secretaries.

3. Immediately after the ratification of the list of shareholders entitled to vote, the General Assembly elects the final chair, consisting of the Chairman and one or two secretaries who also act as collectors of the votes.

4. The minutes of the General Assembly are signed by the Chairman and the Secretary of the General Assembly. Copies or extracts of the minutes are issued by the persons who have the authority to issue copies and extracts of the Minutes of the Board of Directors.

IV.2. Board of Directors

1. The Company is governed by the Board of Directors. Subject to paragraph 7 below, the Board of Directors is composed of a minimum of nine (9) and a maximum of eleven (11) members (the "***Directors***"). Subject to paragraph 2 below, the Directors are elected by the General Assembly, which also determines their term of office.

2. As long as the Hellenic Republic Asset Development Fund S.A. or any global successor or successor by operation of law of the Hellenic Republic Asset Development Fund S.A. (each and collectively, the "***HRADF***"), continues to hold ten per cent. (10%) or more of the Company's total voting shares issued and outstanding, the HRADF shall be entitled to designate three (3) Directors in accordance with Section 18§3 of Codified Law 2190/1920, as in force.

3. Should any Director(s) appointed pursuant to paragraph 2 above resign or become incapacitated for whatever reason, they shall be replaced by such person(s) as the HRADF shall specify in a written notice to the Company, with immediate effect.

4. A legal entity may be appointed to act as Director. In such case, the legal entity must appoint an individual for the performance of the duties of the legal entity as member of the Board of Directors.

5. The General Assembly of shareholders may elect alternate (substitute) members of the Board of Directors, in order to replace those Directors who resign, pass away or whose tenure lapses for whatever reason.

6. In the case that it is not possible to replace a member whose membership has lapsed, by alternate members which have been elected by the General Assembly, the Board of Directors may, following a decision taken by the remaining Directors, provided that such remaining Directors are not less than three (3), elect new members, to replace those whose membership has lapsed.

7. In all cases of members whose membership has lapsed (due to resignation, death or in any other way), the Board of Directors is entitled to continue the management and representation of the Company, without being obliged to replace the lapsed members according to the previous paragraph, provided that the number of the remaining members exceeds half of the number of the members prior to the event that led to the lapse of the membership as per above and, in any case, is not less than six (6).

8. The Board of Directors elects one of the Directors as Chairman and may designate up to two (2) other Directors as Vice Chairmen to substitute the Chairman in case of absence.
9. The Board of Directors elects one of its members as the Chief Executive Officer (CEO) of the Company. The CEO and the Chairman may, but need not be, one and the same person.
10. Meetings of the Board of Directors shall convene within the Municipality of the registered office of the Company or alternatively within the prefecture of the Municipality of the registered office of the Athens Exchange. Alternatively, meetings of the BoD may convene in Mainland China or Hong Kong.
11. The Board of Directors may convene by teleconference. Reasonable technical and security rules applicable to the conduct of meetings by teleconference are to be set by virtue of a special resolution of the Board of Directors.
12. The Chairman of the Board of Directors or his substitute chairs its meetings. Meetings of the Board of Directors are conducted in the Greek or English language. The minutes of the Board of Directors' meetings shall be kept in the Greek and English language and certified either by the Chairman or any of the Vice Chairmen or the Chief Executive Officer, each one of whom is entitled to issue copies and extracts of the minutes. A representative of the Company's workforce and/or a representative of the Municipality of Piraeus may attend meetings of the Board of Directors in the capacity of observers. Participation of such observers shall be limited to discussions relating to matters of relevance to employee matters or the city of Piraeus, respectively, or other matters of general importance where deemed appropriate by a majority of the total number of Directors. Observers may not attend meetings of the Board of Directors prior to entering into a confidentiality agreement with the Company on terms satisfactory to the Company.
13. The Board of Directors is competent to decide on any act concerning the Company's management, the administration of its assets and generally the pursuit of its objects, without any restrictions (with the exception of matters falling expressly within the competence of the General Assembly of shareholders) and to represent the Company at court and extra-judicially.
14. The Board of Directors may assign the exercise of the whole or part of its powers to one or more persons, members of the Board of Directors or not, employees of the Company or third parties, by determining the extent of the assigned powers. The persons, to whom the above powers have been assigned, bind the Company, being its representatives, to the extent of the powers assigned to them.
15. In relation to the current composition of the Board of Directors following the unexpected loss of Non-Executive Director KOUVARIS Ioannis, the HRADF by their letter dated 23rd August and pursuant to the articles 7.2 and 7.3 of the Articles of Association have replaced the deceased for the remaining term of the Board by KARAMANEAS Charalampis, whose appointment will be submitted for approval to the next General Assembly of the Company's shareholders. Following the above appointment, the Board of Directors of the Company convened on September 25, 2017, and confirmed its reconstitution as follows:

1) WAN Min	Chairman of the BoD, Executive Member
2) FU Chengqiu	Chief Executive Officer, Executive Member
3) YE Weilong	Non-executive Member
4) FENG Boming	Non-executive Member
5) ZHU Jianhui	Non-executive Member
6) KWONG Che Keung Gordon	Independent Non-executive Member
7) IP Sing Chi	Independent Non-executive Member
8) ARVANITIS Nikolaos	Independent Non-executive Member
9) KARAMANEAS Charalambis	Non-executive Member
10) LIAGKOS Athanassios	Senior Consultant, Non-executive Member
11) MORALIS Ioannis	Non-executive Member

On January 19, 2018 the Company announced the resignation of Mr. WAN Min from the position of the Chairman of the Board of Directors with the election of the executive member of BoD, CEO Mr. FU Chengqiu as new Chairmain while retaining the position of CEO.

16. The term of the above Board of Directors expires on June 10, 2021.
17. CVs of the members of the Board of Directors can be found on the web page of the Company, at the link http://www.olp.gr/en/the-port-of-piraeus/management-board.

IV.3. Administration Board

1. The Administration Board operates within the Company, supports and advises the other bodies of the Company in the discharge of duties thereof and takes decisions on the matters, which have been assigned thereto by virtue of a relevant decision of the Board of Directors.
2. The Administration Board consists of the CEO, the Deputies to the CEO who head the Departments of the Company, the Assistant to the CEO and the Senior Consultants. The composition of the Administration Board may be increased to also include other members, by virtue of a relevant decision of the Board of Directors, without being necessary to amend the regulation for the internal operation of the Company.
3. On condition that the CEO invites the participation of the competent heads of Departments for matters falling within the competence thereof, such person(s) may attend the meetings of the Administration Board without voting rights.

IV.4. Audit Committee

1. The Audit Committee consists of three (3) Directors. In accordance with the provisions of Article 44 of Law 4449/2017, two members of the Audit Committee (including its President) are Independent Non-executive Directors and one member is Non-Executive Director. For as long as the HRADF continues to hold Five per cent. (5%) or more of the total voting shares issued by the Company and outstanding, a Non-Executive Director of the HRADF's choice shall be appointed in the Audit Committee. The Non-Executive Director of the HRADF's choice appointed currently in the Audit Committee is Mr. LIAGKOS Athanassios.
2. The Audit Committee: (a) informs the Board of Directors of the outcome of the statutory audit and explains how the statutory audit contributed to the integrity of financial reporting and what the role of the audit committee was in that process; (b) monitors the financial reporting process and submits recommendations or proposals to ensure its integrity; (c) monitors the effectiveness of the internal control, quality assurance and risk management systems and, where applicable, its internal audit, regarding the financial reporting of the Company, without breaching its independence; (d) monitors the statutory audit of the annual financial statements, and in particular its performance, taking into account any findings and conclusions by the competent authority pursuant to Article 26(6) of Regulation (EU) No 537/2014; (e) reviews and monitors the independence of the statutory auditors or the audit firms in accordance with Articles 21, 22, 23, 26 and 27 of Law 4449/2017 and Article 6 of Regulation (EU) No 537/2014, and in particular the appropriateness of the provision of non-audit services to the Company in accordance with Article 5 of Regulation (EU) No 537/2014; (f) is responsible for the procedure for the selection of statutory auditor(s) or audit firm(s) and recommends the statutory auditor(s) or the audit firm(s) to be appointed in accordance with Article 16 of Regulation (EU) No 537/2014, unless para. 8 of Article 16 of Regulation (EU) 537/2014 applies to the Company.
3. The statutory auditor or auditing firm must report to the Audit Committee any matter relevant to the course and the results of the compulsory audit, and deliver a special report on the weaknesses of the internal control system, especially with regard to any weaknesses of the procedure concerning financial information and preparation of financial statements.

4. The current Audit Committee of the Company consists of the following members of the Board of Directors:

KWONG Che Keung Gordon	President of the Audit Committee
LIAGKOS Athanassios	Member of the Audit Committee
ARVANITIS Nikolaos	Member of the Audit Committee

IV.5. Internal Audit Service

1. The Company has an Internal Audit Service under the leadership of the Audit Committee, which reports directly to the Board of Directors. The Board of Directors appoints the Head of the Internal Audit Service and the internal auditors, pursuant to article 7 para. 3 of Law 3016/2002, as in force each time, who are supervised by the Audit Committee. In the frame of discharge of their duties, the internal auditors cooperate and report to regularly the Chairman of the Board of Directors and the CEO on the course of their work and, in particular, if this is requested or if there is an issue falling within the competence of Internal Audit with regard to a decision to be taken by the Board of Directors. The audits conducted by the internal auditors of the Company are carried out with due regard to the decisions of the Board of Directors, the mandates by the Management and the rules of conduct applicable on internal auditors on the basis of international and Greek standards.

2. The responsibilities of the Internal Audit Service are the following:

i. Monitoring the implementation and the constant compliance of the Articles of Association of the Company, the Regulation of Internal Organisation and Operation, the corporate procedures as approved by the BoD as well as legislation concerning the Company in general and, in particular, legislation on societes anonymes and stock exchange;

ii. Controlling compliance of the commitments, which are included in the information memoranda and the business plans of the Company with regard to the use of funds deriving from the stock exchange;

iii. Referring to the BoD of the Company any case of conflict of individual interests of the Members of the BoD or the management executives with the interests of the Company, which are found during the discharge of the duties thereof;

iv. Controlling the legitimacy of remuneration and any kind of allowance granted to members of Management, in relation to decisions of the competent bodies of the Company;

v. Controlling relations and transactions of the Company with related companies, in the sense of article 42e para. 5 of Codified Law 2190/1920, as in force, as well as relations with other companies, in the share capital of which participate with a percentage of at least ten (10%) per cent members of the Board of Directors of the Company or shareholders of the Company with a percentage of at least ten (10%) per cent.

3. Internal auditors must report to the BoD in writing, at least once per trimester and semester, on the conducted audit and attend the General Assemblies of Shareholders.

4. Internal auditors provide, following approval by the BoD, any information, which may be requested in writing by the Supervisory Authorities, cooperate with the latter and facilitate in every possible way the work of monitoring, control and supervision conducted by such Authorities.

5. In addition to the above responsibilities, the Internal Audit Service conducts a sample audit of all operations and transactions of the Company, in order to ensure:

i. Compliance with corporate strategy and policy as well as any other plans of the Company, operational procedures, laws and regulations, as well as preventive auditing mechanisms which have been set for any operation and transaction;
ii. Reliability and integrity of the financial and operational information;
iii. Proper and effective use of the assets of the Company;
iv. Achievement of objectives set for operations and planning; and
v. Safeguarding the assets of the Company from any kind of loss.

6. In the beginning of December each year, the Internal Audit Service drafts the annual control plan for the following year and submits it to the BoD for approval. Following the approval thereof, a detailed action plan per auditor is drafted.

7. In the end of each trimester, semester and in the year end the Internal Audit Service submits to the BoD an assessment of its work at least six times per year (i.e. quarter, 2nd quarter, semester, 3rd quarter, fourth quarter, year).

V. Diversity Policy applied in relation to the Company's administrative, managerial and supervisory bodies

1. According the Corporate Governance Code of the Company, the size and composition of the Board of Directors must allow for effective discharge of the duties thereof and reflect the size, activity and ownership of the business. The Board of Directors must be of the highest ethical standards of integrity and have a *diversity* of knowledge, qualifications and experience, to meet the corporate objectives. As such is reflected in the BoD's Members' CVs, the Board consists of very experienced Directors, who have diversified cultural and professional background, which is essential for the effective oversight of the Company's activities and for the smooth transition of the Company to a new era of growth.

2. The executives of the Company with managerial positions cover a wide range of educational backgrounds, professional experiences and ages. At the higher level of positions of responsibility (Managers, Deputy Managers, Assistant Managers) the participation of women in the total positions is 42.22%. Moreover, the majority of Internal Auditor positions in the Company are women.

3. In any case, the range of the Company's activities requires the contribution of skills and experience of a diverse range of people, therefore the diversity in the Company is applied in practice and not just theoretically. The Company provides equal opportunities for the stuff and observes very seriously its obligations under the relevant law, i.e. Part A of Law 4443/2016 on "Implementation of the Principle of Equal Treatment".

Board of Directors Explanatory Report (according to article 4, par. 7 and 8 of Law 3556/2007)

The present explanatory report of the Company's Board of Directors to the Ordinary General Meeting of Shareholders is an integral part of the Annual Report of the Board of Directors.

Share capital structure

The Company's share capital amounts to Euro fifty million (€50,000,000) and is divided into 25 million ordinary, registered shares, of a nominal value of Euro two (€2,00) each. Each share is entitled to one vote. The Company's shares are dematerialised and listed to trading on the Athens Stock Exchange.
According to the Company's Articles of Association, the Company's shares and rights deriving therefrom are indivisible and, in case of joint ownership, the joint owners exercise their rights through a common representative, whereas each joint owner is jointly and severally liable to the Company for the fulfillment of the obligations deriving from the share.

Restrictions on the transfer of the Company's shares

The Company's shares may be transferred in the manner laid down by law and there are no restrictions on their transfer contained in the Articles of Association of the Company.

Major direct or indirect holdings within the meaning of Articles 9 to 11 of Law 3556/2007

The major holdings (over 5%) as at 31.12.2017 were as follows:

- Following the execution of a share purchase agreement and over the counter transaction made on August 10th, 2016, COSCO SHIPPING (Hong Kong) Co., Limited holds 12,750,000 shares, i.e. 51% of shares and voting rights in the Company.
  COSCO SHIPPING (Hong Kong) Co., Limited is 100% held by China Ocean Shipping (Group) Company, which is 100% held by China COSCO SHIPPING Corporation Limited, a Chinese state-owned company. As a result, China COSCO SHIPPING Corporation Limited, by indirectly holding 100% of COSCO SHIPPING (Hong Kong) CO., Limited, indirectly holds 51% of the voting rights in the Company.
- As a result of the above referred transaction, the "Hellenic Republic Asset Development Fund S.A." holds 5,784,440 shares, i.e. 23.14% of shares and voting rights in the Company. By holding 100% of the "Hellenic Republic Asset Development Fund S.A", the Hellenic Republic indirectly holds 23.14% of the voting rights in the Company.
- Lansdowne Partners International Limited ("LPIL"), which controls Lansdowne Partners Limited ("LPL") and Lansdowne Partners (UK) LLP ("LPUK LLP") indirectly holds above 5% of the Company's voting rights. This percentage results from the shares held by the fund Lansdowne European Equity Master Fund Limited.

Holders of any type of shares granting special rights of control

There are no shares of the Company that grant to their holders special rights of control.

Restrictions to voting rights

The Company's Articles of Association do not contain any restrictions to the voting rights deriving from the Company's shares.

Agreements between shareholders which result in restrictions on the transfer of shares or limitations on voting rights

The Company is aware of a Shareholders Agreement dated 8 April 2016 between COSCO Hong Kong Group Limited (currently incorporated under the corporate name COSCO SHIPPING (Hong Kong) Co., Limited) and Hellenic Republic Asset Development Fund S.A., which contains certain restrictions on the transfer of shares and certain limitations on voting rights of the contracting parties.

Rules of appointment and replacement of members of the Board of Directors and of amendment of the provisions of the Articles of Association, if they differ from the provisions of Codified Law 2190/1920

The rules contained in the Company's Articles of Association on appointment and replacement of members of the Board of Directors and on amendment of the provisions of the Articles of Association are not different from the provisions of Codified Law 2190/1920. However, the Company wishes to inform that according to article 7 of the Articles of Association, as long as the "Hellenic Republic Asset Development Fund S.A." or any global successor or successor by operation of law of the "Hellenic Republic Asset Development Fund S.A." (each and collectively, the "HRADF"), continues to hold ten per cent (10%) or more of the Company's total voting shares issued and outstanding, the HRADF shall be entitled to designate three (3) Directors, in accordance with Section 18§3 of Codified Law 2190/1920, as in force. Should any such Director(s) resign or become incapacitated for whatever reason, they shall be replaced by such person(s) as the HRADF shall specify in a written notice to the Company, with immediate effect.

Competence of the Board of Directors or of some of its members to issue new shares or purchase own shares according to article 16 of Codified Law 2190/1920

No special competence different from the provisions of Codified Law 2190/1920 is awarded by the Articles of Association to the Board of Directors or to some of its members to issue new shares or purchase own shares of the Company.

Important agreements contracted by the Company, which will enter into effect, be amended or expire in case of change in the Company's control following a public offer, and the results of such agreements

There are no such agreements.

Agreements that the Company has contracted with the members of the Board of Directors or with its personnel, which provide for the payment of compensation in case of resignation or release without substantiated reason or in case of termination of their term or employment due to a public offer

There are no such agreements.

Piraeus, February 13, 2017

THE CHAIRMAN OF THE BoD and
MANAGING DIRECTOR

FU Chengqiu

Independent Auditor's Report

To the Shareholders of "**Piraeus Port Authority S.A.**"

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of "**Piraeus Port Authority S.A.**" (Company) which comprise the statement of financial position as of 31 December 2017, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, as adopted 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We 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.

In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the entity's financial statements, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies and procedures used and the reasonableness of estimates made by management, as well as evaluating the overall presentation of the financial statements.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the ethical requirements that are relevant to the audit of the financial statements in Greece and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge and belief, we declare that non-audit services that we have provided to the Company are in accordance with the applicable law and that we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014.

The non-audit services that we have provided to the Company, in the period from 01/01/2017 to 31/12/2017, are disclosed in note 24 to the financial statements.

Key Audit Matters

Key Audit Matters	**Our procedures in relation to the Key Audit Matters**
Recoverability of Deferred Tax asset As described in Note 8, in the non-current assets of the financial statements is included a balance for deferred tax asset (DTA) of Euro 8,3 million. The most significant part of this DTA (Euro 7,2 million) was recognised on long outstanding trade receivables of approximately Euro 25 million for which a bad debt provision was formed in the IFRS books and records. The company estimates that the tax benefit will be utilised in the future when these receivables will be written off. We focused on this key audit area due to the magnitude of this DTA, as well as the significant level of judgement exercised by management for the accounting estimate and the outcome of the actions taken in order to gain the tax benefit from the write off of these receivables in the future.	Our audit approach included the following key procedures: • For DTA calculated on the bad debt provision balance we have obtained the analysis of outstanding trade receivables for which an IFRS provision has been formed and on which balances, a tax provision will be formed in the future or these balances will be written off. • For a sample of these trade receivables we reviewed supporting documentation such as analytical ledgers and invoices that support the accounting balance as at December 31 2017. We also reviewed the actions taken by management in order to collect those balances. • We reviewed the analysis of the balances and the supporting documentation for the actions taken by management for selected cases in order to understand if these actions were relevant based on the legal framework under which the company operated at the time the action was taken. • We reviewed the notice letter submitted by management to the relevant tax authorities where they state their intention to utilize the tax benefit (use the DTA) at the time they will write off the long outstanding receivables. Based on the work performed, we considered that management's rationale for the recognition of the DTA on the long outstanding receivables was supported by the applicable tax legislation at the time the provision was built. Nevertheless, the company will determine any future actions based on the response from the tax authorities.

Contingent liabilities and provisions arising from litigation	
The Company faces a number of threatened and actual legal proceedings (see Note 30 Commitments and contingent liabilities par. A and Note 15 Provisions). The level of provisioning and / or the level of disclosure required involves a high level of judgement resulting in provisions and contingent liabilities being considered as a key audit matter.	Our audit approach included the following key procedures: • We obtained the analysis of provisions established and we compared them to lists provided by the legal department with no exceptions. • Where relevant we obtained external legal confirmations directly requested by us. • We discussed a selection of open cases and their possible outcome with company's legal department and/or external lawyers. Based on evidence obtained we determined the level of provisioning at December 31,2017 to be appropriate (Note 15).We also consider that disclosures in Note 30 are deemed to be sufficient.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the **"Piraeus Port Authority S.A."** as at December 31, 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the requirements of Codified Law 2190/1920 (Article 32 paragraph 2 subparagraph c item bb Law 4449/2017).

Other 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 in this report according to provisions of paragraph 5 article 2 of Law 4336/2015 (part B), we note the following:

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

b) In our opinion, the Board of Directors' report has been prepared in accordance with the legal requirements of articles 43a and 107A and paragraph 1 (items 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 31/12/2017.

c) Based on the knowledge we obtained from our audit, for **"Piraeus Port Authority S.A."** and its environment, we have not identified any material misstatements in the Board of Directors report.

2. Additional Report to the Audit Committee

Our opinion on the accompanying financial statements is consistent with our Additional Report to the Audit Committee of the Company.

3. Appointment

We were first appointed as auditors of the Company by the decision of the annual general meeting of shareholders on 30/06/2016. Our appointment has been renewed annually by the decision of the annual general meeting of shareholders for a total uninterrupted period of appointment of two years.

Athens, 13 February 2018

Pricewaterhouse Coopers S.A
268 Kifissias Avenue
152 32 Halandri
SOEL Reg. No. 113

Despina Marinou
SOEL Reg. No. 17681

ANNUAL
FINANCIAL STATEMENTS
of
PPA S.A.

for the year

January 1st – December 31st , 2017

In accordance with the International Financial Reporting Standards as adopted by the European Union

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2017

	Notes	01.01-31.12.2017	01.01-31.12.2016
Revenues	23	111,530,836.96	103,496,607.17
Cost of sales	24	(72,775,389.01)	(71,157,872.91)
Gross profit		**38,755,447.95**	**32,338,734.26**
Administrative expenses	24	(22,097,112.44)	(21,669,739.90)
Other operating expenses	25	(2,163,998.14)	(5,120,874.46)
Other operating income	25	6,722,932.11	5,073,346.67
Financial income	26	699,177.13	957,825.90
Financial expenses	26	(729,642.55)	(539,829.01)
Profit before income taxes		**21,186,804.06**	**11,039,463.46**
Income taxes	8	(9,897,428.76)	(4,340,586.57)
Net profit after taxes (A)		**11,289,375.30**	**6,698,876.89**
Net other comprehensive income not to be reclassified in profit or loss in subsequent period:			
Re-measurement losses on defined benefits plans	16	(1,058,269.10)	(898,946.88)
Income taxes	8	306,898.04	260,694.60
Other total comprehensive income after tax (B)		**(751,371.06)**	**(638,252.28)**
Total comprehensive income after tax (A)+(B)		**10,538,004.24**	**6,060,624.61**
Profit per share (Basic and diluted)	29	**0.4516**	**0.2680**
Weighted Average Number of Shares (Basic & Diluted)	29	25,000,000	25,000,000

The accompanying notes are an integral part of the Financial Statements

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2017

	Notes	31.12.2017	31.12.2016
ASSETS			
Non current assets			
Property, Plant and Equipment	4	259,362,795.09	255,896,153.54
Investment property	5	734,338.38	734,338.38
Intangible assets	6	20,276.35	19,129.51
Other non-current assets	7	5,094,403.95	4,203,840.89
Deferred tax assets	8	8,609,824.57	12,532,939.52
Total non current assets		**273,821,638.34**	**273,386,401.84**
Current assets			
Inventories	9	2,313,380.54	2,196,003.39
Trade and Other Receivables	10	25,711,258.40	25,922,645.87
Restricted cash	11	213,267.48	15,475,357.58
Cash and cash equivalents	11	61,862,169.21	43,763,194.93
Total Current Assets		**90,100,075.63**	**87,357,201.77**
TOTAL ASSETS		**363,921,713.97**	**360,743,603.61**
EQUITY AND LIABILITIES			
Equity			
Share capital	12	50,000,000.00	50,000,000.00
Other reserves	13	77,896,081.62	77,331,612.86
Retained earnings		58,003,358.11	50,259,822.63
Total equity		**185,899,439.73**	**177,591,435.49**
Non-current liabilities			
Long-term borrowings	18	62,499,999.99	68,499,999.99
Long-term leases	17	-	93,397.78
Government grants	14	18,443,135.19	19,335,264.29
Reserve for staff retirement indemnities	16	11,391,297.02	11,618,207.02
Provisions	15	14,211,380.65	16,303,360.16
Deferred income	21	38,127,135.66	39,430,497.87
Total Non-Current Liabilities		**144,672,948.51**	**155,280,727.11**
Current Liabilities			
Trade accounts payable		3,687,754.18	2,950,600.40
Short term portion of long term borrowings	18	6,000,000.00	6,000,000.00
Short-term leases	17	68,507.93	63,085.48
Income tax		3,524,363.03	2,330,937.95
Accrued and other current liabilities	20	20,068,700.59	16,526,817.18
Total Current Liabilities		**33,349,325.73**	**27,871,441.01**
Total liabilities		**178,022,274.24**	**183,152,168.12**
TOTAL LIABILITIES AND EQUITY		**363,921,713.97**	**360,743,603.61**

The accompanying notes are an integral part of the Financial Statements

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2017

	Notes	Share capital	Statutory reserve	Other reserves	Retained earnings	Total
Total Equity at January 1, 2016		**50,000,000.00**	**8,709,639.49**	**68,287,029.53**	**47,319,141.86**	**174,315,810.88**
Profit after income taxes		-	-	-	6,698,876.89	6,698,876.89
Other comprehensive loss after income taxes		-	-	-	(638,252.28)	(638,252.28)
Total comprehensive income after income taxes		**-**	**-**	**-**	**6,060,624.61**	**6,060,624.61**
Dividends paid		-	-	-	(2,785,000.00)	(2,785,000.00)
Transfer to reserves		-	334,943.84	-	(334,943.84)	-
Total Equity at December 31, 2016		**50,000,000.00**	**9,044,583.33**	**68,287,029.53**	**50,259,822.63**	**177,591,435.49**
Total Equity at January 1, 2017		**50,000,000.00**	**9,044,583.33**	**68,287,029.53**	**50,259,822.63**	**177,591,435.49**
Profit after income taxes		-	-	-	11,289,375.30	11,289,375.30
Other comprehensive loss after income taxes		-	-	-	(751,371.06)	(751,371.06)
Total comprehensive income after income taxes		**-**	**-**	**-**	**10,538,004.24**	**10,538,004.24**
Dividends paid	**19**	-	-	-	(2,230,000.00)	(2,230,000.00)
Transfer to reserves	**13**	-	564,468.76	-	(564,468.76)	-
Total Equity at December 31, 2017		**50,000,000.00**	**9,609,052.09**	**68,287,029.53**	**58,003,358.11**	**185,899,439.73**

The accompanying notes are an integral part of the Financial Statements

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2017

	Notes	01.01-31.12.2017	01.01-31.12.2016
Cash flows from Operating Activities			
Profit before income taxes		21,186,804.06	11,039,463.46
Adjustments for:			
Depreciation and amortisation	27	14,333,706.55	14,895,077.13
Amortisation of government grants	27	(878,393.71)	(859,964.66)
Loss on disposal / write off of property, plant & equipment		12,467.27	500,170.09
Financial expenses /(income)	26	30,465.42	(417,996.89)
Provision for staff retirement indemnities	28	746,431.40	700,874.41
Other Provisions		686,963.44	2,609,968.10
Operating profit before working capital changes		**36,118,444.43**	**28,467,591.64**
(Increase)/Decrease in:			
Inventories		(117,377.15)	954.15
Trade and other accounts receivable		(14,631,006.20)	(7,559,637.61)
Other long term assets		(890,563.06)	(26,918.00)
Increase/(Decrease) in:			
Trade accounts payable		737,153.78	499,833.12
Accrued and other current liabilities		3,618,653.42	1,951,846.89
Deferred income	21	(1,303,362.21)	(845,721.89)
Interest paid	26	(557,306.07)	(394,187.94)
Payments for staff leaving indemnities	16	(2,031,610.50)	(987,219.29)
Compensation paid (beneficiaries L. 4331/2015)	15	(421,163.89)	(4,354,357.25)
Interest on debtors late payments	26	405,416.94	510,438.44
Decrease /(Increase) in restricted cash	11	15,262,090.10	(14,658,639.36)
Income taxes paid		(3,455,958.26)	-
Net cash from Operating Activities		**32,733,411.33**	**2,603,982.90**
Cash flow from Investing activities			
Grants received	14	-	428,050.00
Procceds from the sale of property, plant and equipment		17,261.10	5,000.00
Capital expenditure for property, plant and equipment and intangible assets	4,6	(6,455,146.53)	(10,161,439.87)
Interest and related income received	26	293,760.19	447,387.46
Net cash used in Investing Activities		**(6,144,125.24)**	**(9,281,002.41)**
Cash flows from Financing Activities			
Payments of long-term borrowings	18	(6,000,000.00)	(6,000,000.00)
Net change in leases		(87,975.33)	(61,232.00)
Dividends paid	19	(2,230,000.00)	(2,785,000.00)
Interest paid	26	(172,336.48)	(145,641.07)
Net cash used in Financing Activities		**(8,490,311.81)**	**(8,991,873.07)**
Net increase/ (decrease) in cash and cash equivalents		**18,098,974.28**	**(15,668,892.58)**
Cash and cash equivalents at the beginning of the year	11	**43,763,194.93**	**59,432,087.51**
Cash and cash equivalents of the end of the year	11	**61,862,169.21**	**43,763,194.93**

The accompanying notes are an integral part of the Financial Statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

1. ESTABLISHMENT AND ACTIVITY OF THE COMPANY:

"Piraeus Port Authority S.A." (from now on "PPA S.A." or "Company") was established in 1930 as Civil Law Legal Corporation (C.L.L.C.) by Law 4748/1930, which was revised by L.1559/1950 and was ratified by L.1630/1951 and converted into a Societé Anonyme (S.A.) by Law 2688/1999. The Company is located at Municipality of Piraeus, at 10 Akti Miaouli street.

The Company's main objective based on its articles of incorporation is to perform its obligations, conduct its activities and exercise its faculties under or in respect of the concession agreement between the Company and the Hellenic Republic dated 13 February 2002 regarding the use and exploitation of certain areas and assets within the Port of Piraeus, as amended and in force.

The Company may, by way of an illustrative but no means exhaustive list, conduct and be engaged in the following activities:

- to use all rights assigned to the Company pursuant to the Concession Agreement and maintain, utilize and exploit all concession assets in accordance with the Concession Agreement;
- provide services and facilities to vessels, cargo and passengers, including ship berthing and cargo and passenger handling to and from the port;
- install, organize and exploit all kinds of port infrastructure;
- undertake any activities related to the port and all other commercial activities associated with or reasonably incidental to the operation of the port of Piraeus;
- engage third parties to provide any kind of port services;
- award contracts for works;
- engage in such further activities as are prudent or customary for the proper conduct of its business and operations in accordance with the Concession Agreement; and
- engage in any and all activities, transactions or operations of a type that are generally conducted by commercial corporations.

The main activities of the Company are anchoring services of vessels, handling cargo, loading and unloading services as well as goods storage and car transportation. The Company is also responsible for the maintenance of port facilities, the supply of port services (water, electricity, telephone connection etc. supply), for services provided to travelers (coastal and cruise ships) and for renting space to third parties.

The Company is governed by the principles of Company Law 2190/1920 and the founding Law 2688/1999, as amended by Law 2881/2001 and Law 4404/2016.

The duration period of the Company is one hundred (100) years from the effective date of Law 2688/1999. This period may be extended by special resolution of the shareholders general meeting.

The Company is a subsidiary of COSCO SHIPPING (Hong Kong) Limited which controls 51,00% of the voting rights, with date of transfer of such rights on 10 August 2016. COSCO SHIPPING (Hong Kong) Limited is 100% held by China Ocean Shipping (Group) Company, which is 100% held by China COSCO SHIPPING Corporation Limited, a Chinese state-owned company. As a result, China COSCO SHIPPING Corporation Limited, by indirectly holding 100% of COSCO SHIPPING (Hong Kong) Limited, indirectly holds 51% of the voting rights in PPA.

The Company's number of employees as at December 31, 2017 amounted to 1,025. At December 31, 2016, the respective number of employees was 1,092.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS:

(a) Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (E.U.). These financial statements have been prepared under the historical cost and going concern basis.

The preparation of financial statements according to the IFRS requires estimates and assumptions to be made by the management, influencing the assets and liabilities amounts, the disclosure of potential receivable and liabilities as at the financial statements date, as well as the revenue and expenditure amounts, during the financial period. Actual results may differ from these estimations. It also requires management to exercise its judgment in the process of applying the accounting policies which have been adopted. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2(c).

Management continuously assesses the situation and the possible future impacts in order to ensure that all necessary actions and initiatives are undertaken to minimize possible consequences for the Company's activities. Management cannot accurately forecast the possible developments in the Greek economy; however, based on its assessment, Management has reached the conclusion that no additional impairment provisions of the financial and non-financial assets of the Company are required on December 31, 2017.

Certain line items of the previous year's financial statements were reclassified in order to conform to the current year's presentation.

(b) Approval of Financial Statements

The Board of Directors of the Company approved the financial statements for the year ended at December 31, 2017, on February 13, 2018. The abovementioned financial statements are subject to the final approval of the Annual General Assembly of the Shareholders.

(c) Significant Accounting Judgements and Estimates

The Company makes estimates and judgments in order to select the most appropriate accounting principles taking into consideration the future outcome of events and transactions. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and judgments that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

(i) Allowance for doubtful accounts receivables and legal cases : Management periodically reassess the adequacy of allowance for doubtful accounts receivable and legal cases in conjunction with its credit policy and taking into consideration reports from its legal department, which are prepared following the processing of historical data and recent developments of the cases it is handling. The Company monitors these trade debtors' balances and makes provisions for doubtful debts on an individual basis if its recovery is considered unlikely. As a measure of recovery failure the Company is using the ageing of balance, the insolvency of the trade debtor, ability to exercise coercive measures and its objective difficulty. The maximum exposure to credit risk without taking account of guarantees and credit guarantees coincide with the trade receivable book value.

The probability of negative outcome, as well as possible payment amounts for their settlement is estimated for the formation of the provision at issue cases

(ii) Provision for income taxes: According to IAS 12, income tax provisions are based on estimations as to the taxes that shall be paid to the tax authorities and includes the current income tax for each fiscal year, the provision for additional taxes which may arise from future tax audits and the recognition of future tax benefits. The final clearance of income taxes may be different from the relevant amounts which are included in these financial statements.

(iii) Deferred tax assets on provisions of bad debts: Deferred tax assets are recognized for provisions of bad debts to the extent that it is probable that, based on tax law, the Company has the right to proceed with the tax deduction of the related provision. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the particular actions that have been taken (seizure, auction, filling of relevant lists to the tax authorities etc.) in order to record a provision for bad debts.

(iv) Depreciation rates: The Company’s assets are depreciated over their estimated remaining useful lives. These useful lives are periodically reassessed to determine whether the original period continues to be appropriate. The actual lives of these assets can vary depending on a variety of factors such as technological innovation and maintenance programs.

(v) Impairment of property, plant and equipment: Property, plant and equipment are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows. Company's management having assessed the segment report (Note 22) has identified indications of impairment for Pier I and has used discounted cash flows to calculate the value in use. Based on these calculations the present value of Pier I group of assets exceeds significantly the relevant book value.

(vi) Contingent liabilities: The existence of contingent liabilities requires from management to make assumptions and estimates continuously related to the possibility that future events may or may not occur as well as the effects that those events may have on the activities of the Company.

(vii) Provision for staff leaving indemnities:The cost for staff leaving indemnities is determined based on actuarial valuations. The actuarial valuation requires management to make assumptions about future salary increases, discount rates, mortality rates, etc. Management, at each reporting date when the provision is re-examined, tries to give its best estimate regarding the above mentioned parameters.

3. PRINCIPAL ACCOUNTING POLICIES

The Company applies the following accounting policies for the preparation of the accompanying financial statements:

(a) **Tangible Assets:** Buildings, technical projects and other building installations are valued at acquisition cost less accumulated depreciation and possible impairment provision. The privately owned land, machinery and other equipment, acquired before PPA's conversion into an S.A., 1.6.1999, were valued at deemed cost, arising by the Evaluation Committee of article 9 C.L. 2190/1920, while those acquired afterwards are valued at acquisition cost less accumulated depreciation and possible value impairment provision.

Acquisition cost of a building installation or equipment consists of purchase price include import duties, plus non-refundable purchase taxes as well as any cost required for the asset to become operational. Repairs and maintenance are posted to the financial period in which they were incurred. Significant additions and improvements made at a later stage are capitalized in the relevant asset cost.

Fixed assets constructed by the Company are posted to the self-construction cost which includes subcontractors' fees, materials and technicians' payroll costs involved in the construction (including relevant employer contributions) as well as part of general administration expenses.

Assets under construction include fixed assets under construction and are stated at their cost. Assets under construction are not depreciated until the fixed assets are complete and operational.

(b) **Depreciation:** Fixed assets are depreciated on a straight line basis according to the following useful lives per fixed asset category:

Fixed Asset Categories	Useful Life (years)
Buildings, technical & port projects	25-40
Machinery & other equipment	10-30
Motor Vehicles	5-12
Floating transportation means	20-35
Furniture, fixture & fittings	5-10

The residual value, the useful life and the depreciation method of the Company's assets are examined annually and they are adjusted if necessary.

(c) ***Impairment of non-current financial assets***: Property, plant & equipment and intangible fixed assets must be evaluated for possible impairment loss, when there are indications that the asset's book value is over its recoverable amount. When an asset's book value is over its recoverable amount, the respective impairment loss is posted to the period financial results. An asset's recoverable value is the greater amount between the fair value less cost of disposal and the value in use.

For the purpose of assessing impairment, assets are grouped at the lowest level for which cash flows can be identified separately (cash generating units). Impairment losses recognized in prior periods in non-financial assets are reviewed at each reporting date for any reversal.

(d) **Investment property:** Investment property that includes land and buildings is held by the Company for long-term rental yields and not for own use. Investment property is measured at cost less depreciation and impairment.

When the carrying amounts of the investment property exceed their recoverable amounts, the difference (impairment) is charged directly to the statement of comprehensive income. Land is not depreciated. The depreciation of buildings is calculated using the straight line method over the buildings' useful life which is 30 years.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation.

(e) **Fixed Asset Subsidies:** Subsidies are considered as deferred revenue and are recognized as income at the same depreciation rate as the relevant subsidized fixed assets are depreciated. This income is deducted from the depreciation in the period financial results.

(f) **Intangible Assets:** Intangible assets include software purchase cost and any expenditure for software development. Software depreciation is calculated on a straight line basis and its useful life of 3-4 years.

(g) **Borrowing Cost:** The Company has adopted the basic accounting policy suggested by IAS 23, where the borrowing cost recognized as expense in the statement of comprehensive income.

(h) ***Financial Instruments:*** Financial assets and liabilities, stated in the statement of financial position, includes cash and cash equivalents, trade and other receivables, borrowings and accrued and other current liabilities. The Company does not use financial instrument derivatives neither for balancing the risk nor for profit purposes. Financial instruments appear as receivable, liabilities or equity based on the contents of the relevant contracts. Interest, dividends, profit and loss resulting from financial instruments, considered as receivable or liabilities are respectively posted as expenditure or income. Dividend distribution to shareholders is posted directly to Equity.

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position only when the Company has a legally enforceable right to set off the recognized amounts and intends either to settle such asset and liability on a net basis or to realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

(i) **Cash on hand and in banks:** The Company considers as cash (apart from cash on hand) time deposits and liquid investments maturing in three months from the acquisition date.

(j) **Receivable:** Trade receivables are initially recognized at their fair value which is equal to the transaction amount. Subsequently they are measured at amortised cost, less an allowance for any probable uncollectible amounts. If the recovery of claims is expected to take place within 12 months from year-end they are included in current assets, otherwise they are recorded in non-current assets.

(k) **Impairment of financial assets at amortised cost:** The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of comprehensive income. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the statement of comprehensive income.

(l) ***Provisions***: Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are measured by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase of the provision due to the passage of time is recognized as a borrowing cost. Provisions are reviewed at each reporting date, and if it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, they are reversed. Provisions are used only for expenditures for which they were originally recognized. No provisions are recognized for future operating losses. Contingent assets and contingent liabilities are not recognized.

(m) ***Income Tax (Current and Deferred):*** Current and deferred income tax assessment is based on the relevant amounts of the financial statements, according to tax Laws effective in Greece. Current income tax concerns tax on the Company taxable profits, adjusted according to Greek tax Law and calculated using the current tax rate. Deferred tax is assessed using the liability method in all temporary tax differences on the balance- sheet date between the tax base and the accounting value of assets and liabilities. The expected tax consequences from the temporary tax differences are assessed and stated either as deferred tax liabilities or as deferred tax assets. Deferred tax assets are posted to the financial statements for all allowable temporary differences and tax losses carried forward as far as it is likely to set off these allowable temporary differences against available taxable profits.

The accounting value of deferred tax assets is revised at each balance- sheet date and it is reduced up to the point that it is not likely to have enough taxable profits, where part or all of the deferred tax assets may be set off against. Current income tax receivable and liabilities for current and previous financial years are valued at the amount expected to be paid to Tax Authorities (or be refunded by them), using the tax rates (and tax Laws) in force up to the balance- sheet date.

(n) ***Revenue Recognition:*** All sales income categories are posted to the financial period they concern, while accrued and not invoiced services income is also accounted for at the balance-sheet date. Income is accounted for only if it is possible that financial benefits related to the transaction will inflow to the Company. Rental income is accounted for on a regular basis during the rental period, according to the rental agreement. Interest is accounted for on the accrual basis (taking into account the actual investment return).

(o) ***Inventories:*** Materials and spare parts related to the Company mechanical equipment maintenance are valued at the lower of acquisition cost and net realisable value and their cost is determined on the weighted average cost basis. Net realizable value is estimated based on the current selling price in the ordinary course of business, less selling expenses. Materials are posted to inventories on purchase and recognized as expenditure on consumption.

(p) ***Leases:*** Leases that actually convey to the Company all dangers and benefits relevant to the leased asset are classified as financial leases. Leased fixed assets are capitalized at the beginning of the lease at their fair value or at present value of total minimum finance lease payments, if the latter is lower. Financial lease payments are allocated between financial expenditure and financial liabilities reduction in order to achieve a fixed interest rate for the remaining liability balance. Financial expenditure is debited directly in the period financial results. Capitalized leased fixed assets are depreciated according to their expected useful life.

When the lessor retains all risk and rewards of fixed asset, then these leases are classified as operational leases. Operational lease payments are recognized as expenditure in the Income Statement on a regular basis during the lease.

(q) ***Defined benefit plan:*** The provision for staff termination indemnities recorded in the statement of financial position for the defined benefit plan is the present value of the liability for the defined benefit in addition to changes occurring from any other actuarial profit or loss and the past service cost. The discount rate is considered as the yield, at the balance sheet date, of high quality European corporate bonds which have a maturity which approaches the time period of the Company’s liability.

The liability for this plan is determined using the projected unit credit method from an independent valuer and includes the present value of accrued services during the year, the interest on future liabilities, the prior service cost and the actuarial gains or losses.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding net interest and the return on plan assets, are recognized immediately in the statement of financial position with a corresponding debit or credit to the actuarial differences reserve through other comprehensive income in the period in which they occur. Remeasurements are not classified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognizes restructuring-related costs

According to the collective PPA S.A. employee agreement (article 9 CA/2000 and article 5 CA/2004) the Company must pay retirement allowances to permanent C.L.L.C. employees equal to the total of seven month regular salary. To employees working under employment contract the Company pays either retirement allowance according to previous regulations or indemnity according to Law 2112/20 as these are revised and effective today according to each employee’s previous employment period. Workers are compensated in accordance with the provisions of L. 2112/1920, as these are applied also to employees, and cannot exceed the limit set by L. 173/67 for the broader public sector, as well as the provisions of cases 2 & 3 of subparagraph IA.12 of L. 4093/2012. All of the above, either retirement allowances or indemnities paid, could not exceed the amount of € 15,000 which was revised for employees to € 30,000. With the provisions of L. 3833/2010 and L. 3845/2010 the amount of € 30,000 decreased to € 28,531.50.

(r) ***National Insurance Programs:*** The obligation for main or supplementary pension provision is covered by the main National Insurance Department (IKA- Social Insurance Institute) which concerns private sector and provides retirement, medical and pharmaceutical services. Each employee is obliged to contribute part of his salary to the National Insurance Department, while part of the total contribution is paid by the Company. On employee retirement the National Insurance Department is responsible for their pension payments. Therefore, the Company has no legal or presumed obligation for future payments according to this program.

The employees of PPA are entitled upon retirement an allowance from the Unified Fund for Supplementary Benefits and Lump-sum Benefits (ETEAEP) according to the statutory provisions of the Fund and the Law N. 2084/92.

For the two welfare sectors, dockworkers and employees of PPA , the granted amount is currently determined on the basis of the provisions of article 35 of Law N.4387 / 12-05-2016 (FEK), considering the average of the total remuneration – without accounting holiday bonuses - on which were calculated social insurance contributions for welfare for the five-year period 2009-2013 and with the employee's work year experience until 31/12/2013.
To this amount is added the total of insurance contributions for welfare from 01/01/2014 and afterwards. Every employee is required to contribute a part of his monthly salary to the fund, while part of the total contribution is covered by the Company.
This fund is a legal public company and is responsible for paying the above benefits to employees. Consequently, the Company has no legal or constructive obligation to pay future benefits under this plan.

(s) ***Earnings per Share:*** Earnings per share are calculated by dividing the financial period net profit, corresponding to ordinary shareholders, by the weighted average number of ordinary shares issued. The accompanying financial statements did not include any profit decreasing bonds or other stock, convertible to shares. Consequently, diluted earnings per share were not calculated.

(t) ***Interest- Bearing Loans:*** All loans are initially accounted for at the cost that is the actual loan value less the expenditure related to the loan issue. Afterwards, interest- bearing loans are valued at net book cost on the actual interest rate basis. Net book cost is calculated considering the loan issue expenditure and the difference between the initial and final loan amount. Profits and losses are accounted for a net profit or loss when liabilities are written off or impaired and by depreciation procedure.

(u) ***Dividends:*** Dividends are accounted for when receipt rights are finalized by the resolution of the shareholders general meeting.

(v) ***Concession Agreement to PPA S.A.:*** In persuasion of the 35th article of 2932/2001 Law, Greek Government and the Company signed on 13.2.2002 the Concession Agreement, by which the government transfers its exclusive right of use and exploitation of port zone lands, buildings and facilities of Piraeus Port to the Company.

This concession was agreed for fixed period initial duration of 40 years, beginning on the day the agreement and ending on 13.2.2042. The initial duration is possible to be extended once or several times by Law. A new written agreement and modification of the 4.1 article of the Concession Agreement. With the Common Ministry Decision (CMD) no. 8322/3-12-2008, published in Government Paper 2372/21-11-2008, the Concession Agreement duration has been modified from 40 to 50 years, beginning on the 13/2/2002 (initial signature date) and ending on the respective date of the year 2052.

Management has examined whether the contract for the concession of the exclusive right to use and exploit land, buildings and facilities at the Port of Piraeus Land Zone fall under the scope of the provisions of Interpretation 12. Management concluded that the the concession does not fall under the scope of application of Interpretation 12.

Government has received 1% of the Company's consolidated annual income for each of the first 3 years of the concession. The above percentage has increased to 2% of the Company's consolidated annual income after the 3rd year, on the same calculation basis. Based on the new Concession Agreement signed on 24.6.2016 the percentage to Greek State has increased to 3.5% of the Company's consolidated annual income excluding finance income. The concession consideration is recognized in expenses for the year and is included in third party expenses and is included in Accrued and other liabilities(Note 20).

The Company most significant obligations arising from this agreement are:

- Constant rendering of port services
- Responsibility for the installation, improvement and maintenance of the security level in Piraeus Port.
- Ensure fair deal to all port users
- Payment of maintenance expenditure for all the property included in the Concession Agreement

w) ***Concession Agreement of Piers II and III with COSCO Pacific Ltd (currently COSCO Shipping Port Ltd):*** The Law 3755/2009 ratified by the Parliament ruled the concession of use and operation of Piers II and III between the Company and COSCO Pacific Ltd. The contract term provided for 35 years at current exchange rates of € 4.3 billion, of which 79% is guaranteed and will be held investments totaling € 620 million. The Concession Agreement entered into force on 1/10/2009 and till 31/5/2010 the operation of Pier II was provided by the staff of the Company as a subcontractor. Within this period the project in Pier I, which was constructed by the Company, was completed and started its operation by providing services directly to Company's clients.

The Agreement B. Modification of the original Concession Agreement (OG 52 / 30.03.2009) between the Company and PCT S.A., following the 'Practical Process Amicable Settlement', has been published in the Government Gazette 269 / 24.12.2014.

According to the above, the payment of the Guaranteed consideration was suspended until 31.12.2021 and has been replaced by paying only Variable consideration that arises as a percentage on consolidated revenues of PCT S.A. from the previous contract year.

The calculation of fixed consideration I & II is adjusted regarding the length of exploitation and the corresponding sq.m (Note 21).

The concession consideration is recognized in income for the period and the amount of the consideration is calculated in accordance with the terms of the contract (Note 21). The payment of Variable Consideration is performed on a monthly basis in arrears and the payment of the standard exchange every six months in advance.

(x) ***Foreign Currency Conversion:*** All the operations of the Company are all performed in Euro. Transactions made in foreign currencies are converted into Euro using exchange rates effective at transaction date. Receivable and liabilities in foreign currency are adjusted at the financial statements preparation date in order to state the exchange rates effective at that date. Gains or losses arising from these adjustments are included in the Statement of comprehensive income as foreign exchange gains or losses.

Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of the annual financial statements, are consistent with those followed for the year ended December 31, 2016, except for the adoption of new standards and interpretations applicable for fiscal periods beginning at January 1, 2017. However, those standards have either no significant effect on the Financial Statement of the Company, or no application for the Company.

Standards and Interpretations effective for the current financial year

IAS 7 (Amendments) "Disclosure initiative"

These amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

IAS 12 (Amendments) "Recognition of Deferred Tax Assets for Unrealised Losses"

These amendments clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value.

Standards and Interpretations effective for subsequent periods

IFRS 9 "Financial Instruments" and subsequent amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2018). IFRS 9 replaces the guidance in IAS 39 which deals with the classification and measurement of financial assets and financial liabilities and it also includes an expected credit losses model that replaces the incurred loss impairment model used today. IFRS 9 establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. The Company plans to adopt the new standard on 1 January 2018 and will not restate the comparative information. During 2017, the Company has performed an impact assessment and concluded that the impact of the implementation of the new standard will be on the impairment of trade receivables. For trade receivables the Company will apply the simplified approach to providing for expected credit losses prescribed by IFRS 9, which requires the use of the lifetime expected loss provision for all trade receivables. The assessment performed is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Company in 2018 when the Company will adopt IFRS 9. The Company expects an increase in the loss allowance resulting in a negative impact on its equity when the new standard is adopted in 2018.

IFRS 9 (Amendments) "Prepayment Features with Negative Compensation" (effective for annual periods beginning on or after 1 January 2019). The amendments allow companies to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met—instead of at fair value through profit or loss. The Company cannot early adopt the amendments as they have not yet been endorsed by the EU.

IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 1 January 2018). IFRS 15 has been issued in May 2014. The objective of the standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognised. The underlying principle is that an entity will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The Company will adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 January 2018 and that comparatives will not be restated.
The Company performed an assessment on its revenue streams based on the five steps prescribed in the standard in order to identify any impacted areas. Management has determined that contracts in general comprise of a single performance obligation and prices are fixed, based on stand-alone selling prices derived from price lists. Revenue is recognised at a point in time when the service is provided to the customer. Based on this assessment the Company concluded that this standard will have no significant effect on its Financial Statements.

IFRS 16 "Leases" (effective for annual periods beginning on or after 1 January 2019). IFRS 16 has been issued in January 2016 and supersedes IAS 17. The objective of the standard is to ensure the lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The Company has completed an initial assessment of the potential impact on its financial statements. The Company expects to recognise a significant amount of new assets and liabilities due to its exclusive right of use and exploitation of port zone land, buildings and facilities of Piraeus Port granted to the Company by the Greek State until 2052, in exchange of an annual percentage payment based on Company's income with a minimum annual fee of Euro 3.5 million.

IFRS 17 "Insurance contracts" (effective for annual periods beginning on or after 1 January 2021).IFRS 17 has been issued in May 2017 and supersedes IFRS 4. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the Standard and its objective is to ensure that an entity provides relevant information that faithfully represents those contracts. The new standard solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. Insurance obligations will be accounted for using current values instead of historical cost. The standard has not yet been endorsed by the EU.

IFRS 2 (Amendments) "Classification and measurement of Shared-based Payment transactions" (effective for annual periods beginning on or after 1 January 2018). The amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority. The amendments have not yet been endorsed by the EU.

IFRS 4 (Amendments) "Applying IFRS 9 *Financial instruments* with IFRS 4 *Insurance contracts*" (effective for annual periods beginning on or after 1 January 2018). The amendments introduce two approaches. The amended standard will: a) give all companies that issue insurance contracts the option to recognise in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts standard is issued; and b) give companies whose activities are predominantly connected with insurance an optional temporary exemption from applying IFRS 9 until 2021. The entities that defer the application of IFRS 9 will continue to apply the existing financial instruments standard—IAS 39.

IAS 40 (Amendments) "Transfers of Investment Property" (effective for annual periods beginning on or after 1 January 2018).The amendments clarified that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition and the change must be supported by evidence. The amendments have not yet been endorsed by the EU.

IAS 28 (Amendments) "Long term interests in associates and joint ventures" (effective for annual periods beginning on or after 1 January 2019). The amendments clarify that companies account for long-term interests in an associate or joint venture—to which the equity method is not applied—using IFRS 9. The amendments have not yet been endorsed by the EU.

IFRIC 22 "Foreign currency transactions and advance consideration" (effective for annual periods beginning on or after 1 January 2018). The interpretation provides guidance on how to determine the date of the transaction when applying the standard on foreign currency transactions, IAS 21. The Interpretation applies where an entity either pays or receives consideration in advance for foreign currency-denominated contracts. The interpretation has not yet been endorsed by the EU.

IFRIC 23 "Uncertainty over income tax treatments" (effective for annual periods beginning on or after 1 January 2019). The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. IFRIC 23 applies to all aspects of income tax accounting where there is such uncertainty, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The interpretation has not yet been endorsed by the EU.

Annual Improvements to IFRS (2014 – 2016 Cycle)

The amendments set out below describe the key changes to two IFRSs. The amendments have not yet been endorsed by the EU.

IFRS 12 "Disclosures of Interests in Other Entities"
The amendment clarified that the disclosures requirement of IFRS 12 are applicable to interest in entities classified as held for sale except for summarised financial information. The amendment is effective for annual periods beginning on or after 1 January 2017.

IAS 28 "Investments in associates and Joint ventures"
The amendments clarified that when venture capital organisations, mutual funds, unit trusts and similar entities use the election to measure their investments in associates or joint ventures at fair value through profit or loss (FVTPL), this election should be made separately for each associate or joint venture at initial recognition. The amendment is effective for annual periods beginning on or after 1 January 2018.

Annual Improvements to IFRS (2015 – 2017 Cycle) (effective for annual periods beginning on or after 1 January 2019)

The amendments set out below include changes to four IFRS. The amendments have not yet been endorsed by the EU.

IFRS 3 "Business combinations"
The amendments clarify that a company remeasures its previously held interest in a joint operation when it obtains control of the business.

IFRS 11 "Joint arrangements"
The amendments clarify that a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

IAS 12 "Income taxes"
The amendments clarify that a company accounts for all income tax consequences of dividend payments in the same way.

IAS 23 "Borrowing costs"
The amendments clarify a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

4. PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment are analysed as follows:

	Buildings	Machinery & equipment	Motor vehicles	Furniture, fixtures and fittings	Advances & Assets under construction	Total
COST						
Balance January 1, 2016	**221,128,710.75**	**166,046,174.80**	**16,373,737.74**	**11,666,848.97**	**2,468,106.66**	**417,683,578.91**
Additions	506,701.75	467,658.00	-	529,881.42	8,723,497.70	**10,227,738.87**
Disposals/ write off	-	(1,499,785.63)	(14,120.47)	(5,113,132.48)	(67,799.00)	**(6,694,837.58)**
Transfers	4,418,667.43	-	-	-	(4,418,667.43)	-
Balance December 31, 2016	**226,054,079.93**	**165,014,047.17**	**16,359,617.27**	**7,083,597.91**	**6,705,137.93**	**421,216,480.20**
Additions	738,954.46	125,538.00	2,266,628.98	361,570.88	14,300,396.04	**17,793,088.36**
Disposals/ write off	-	-	(262,634.53)	(13,266.47)	-	**(275,901.00)**
Transfers	18,498,261.16	-	-	-	(18,498,261.16)	-
Balance December 31, 2017	**245,291,295.55**	**165,139,585.17**	**18,363,611.72**	**7,431,902.32**	**2,507,272.81**	**438,733,667.57**
DEPRECIATION						
Depreciation January 1, 2016	**(59,414,778.82)**	**(79,885,605.92)**	**(7,139,034.61)**	**(10,145,591.53)**	**-**	**(156,585,010.88)**
Depreciation (note 27)	(6,739,640.50)	(7,188,042.56)	(600,427.84)	(334,073.74)	**-**	**(14,862,184.64)**
Disposals/ write off	-	1,101,246.75	14,120.46	5,011,501.64	**-**	**6,126,868.85**
Depreciation December 31, 2016	**(66,154,419.32)**	**(85,972,401.73)**	**(7,725,341.99)**	**(5,468,163.63)**	**-**	**(165,320,326.67)**
Depreciation (Note 27)	(7,056,900.82)	(6,311,780.55)	(592,520.17)	(352,777.60)	**-**	**(14,313,979.14)**
Disposals/ write off	-	-	262,634.13	799.20	**-**	**263,433.33**
Depreciation December 31, 2017	**(73,211,320.14)**	**(92,284,182.28)**	**(8,055,228.03)**	**(5,820,142.03)**	**-**	**(179,370,872.48)**
NET BOOK VALUE						
January 1, 2016	**161,713,931.93**	**86,160,568.88**	**9,234,703.13**	**1,521,257.44**	**2,468,106.66**	**261,098,568.04**
December 31, 2016	**159,899,660.61**	**79,041,645.44**	**8,634,275.28**	**1,615,434.28**	**6,705,137.93**	**255,896,153.54**
December 31, 2017	**172,079,975.41**	**72,855,402.89**	**10,308,383.69**	**1,611,760.29**	**2,507,272.81**	**259,362,795.09**

Insurance cover of the Piraeus Port Authority (PPA S.A.) property, plant and equipment: The PPA S.A. property, plant and equipment are insured to various insurance companies. Insurance cover concerns civil liability of plant and machinery up to June 30, 2018, civil and employer cover for fire and machinery technical damages, up to December 31, 2018.

During the year ended December 31, 2017, the total investment in property, plant and equipment amounted to € 17,793,088.36 and related mainly to the improvement of port infrastructure (01.01-31.12.2016 € 10,159,939.87). Total investment for the year included an amount of € 11,358,816.08 which relates to the set off of the invoices received from the constructor of oil terminal with amounts claimed from PCT S.A. (Note 31).

There is no property, plant and equipment that has been pledged as security. The title of the capitalized leased assets has been retained by the lessor.

The net book value of capitalized leased assets at December 31, 2017 and December 31, 2016, amounted to € 199,941.78 and € 235,504.38 respectively and is analyzed as follows:

	December 31,	
	2017	**2016**
Motor Vehicles	199,941.78	235,504.38
Total	**199,941.78**	**235,504.38**

5. INVESTMENT PROPERTY

For the year ended December 31, 2017:

	Land	**Buildings**	**Total**
Net Book Value at January 1, 2017	**734,338.35**	**0.03**	**734,338.38**
Additions	-	-	-
Depreciation	-	-	-
Net Book Value at December 31, 2017	**734,338.35**	**0.03**	**734,338.38**
January 1, 2017			
Cost	734,338.35	0.03	734,338.38
Accumulated Depreciation	-	-	-
Net Book Value	**734,338.35**	**0.03**	**734,338.38**
December 31, 2017			
Cost	734,338.35	0.03	734,338.38
Accumulated Depreciation	-	-	-
Net Book Value	**734,338.35**	**0.03**	**734,338.38**

For the year ended December 31, 2016:

	Land	Buildings	Total
Net Book Value at January 1, 2016	**734,338.35**	**0.03**	**734,338.38**
Additions	-	-	-
Depreciation	-	-	-
Net Book Value at December 31, 2016	**734,338.35**	**0.03**	**734,338.38**
January 1, 2016			
Cost	734,338.35	0.03	734,338.38
Accumulated Depreciation	-	-	-
Net Book Value	**734,338.35**	**0.03**	**734,338.38**
December 31, 2016			
Cost	734,338.35	0.03	734,338.38
Accumulated Depreciation	-	-	-
Net Book Value	**734,338.35**	**0.03**	**734,338.38**

Investment property includes seven land plots and four buildings (commercial spaces and schools).

There is no investment property that has been pledged as security.

The fair value of investment property as at December 31, 2017 amounted to € 4.4 million (December 31, 2016: € 4.4.million) according to the valuation of the independent appraiser 'Mavrakis Certified Appraisers'. The valuation is based on comparative assessment method, residual replacement cost method and cost approach depending on the particular characteristics of each property.

Income from rent for the above investment property for the year ended December 31, 2017 and December 31, 2016 amounted to € 1,200.00 and is included in other operating income (Note 25). For the years ended December 31, 2017 and 2016 there were no repair and maintenance costs for investment property.

6. INTANGIBLE FIXED ASSETS

For the year ended December 31, 2017:

	Software
Net Book Value January 1, 2017	**19,129.51**
Additions	20,874.25
Amortisation of the year (Note 27)	(19,727.41)
Net Book Value December 31, 2017	**20,276.35**
January 1, 2017	
Cost	8,399,627.34
Accumulated amortisation	(8,380,497.83)
Net Book Value	**19,129.51**
December 31, 2017	
Cost	8,420,501.59
Accumulated amortisation	(8,400,225.24)
Net Book Value	**20,276.35**

For the year ended December 31, 2016:

	Software
Net Book Value January 1, 2016	**50,522.36**
Additions	1,500.00
Write off	(0.36)
Amortisation of the year (Note 27)	(32,892.49)
Net Book Value December 31, 2016	**19,129.51**
January 1, 2016	
Cost	8,401,529.02
Accumulated amortisation	(8,351,006.66)
Net Book Value	**50,522.36**
December 31, 2016	
Cost	8,399,627.34
Accumulated amortisation	(8,380,497.83)
Net Book Value	**19,129.51**

7. OTHER NON-CURRENT ASSETS

This account consists of the following:

	31/12/2017	31/12/2016
Guarantees to third parties	319,987.75	389.257,75
Car leases guarantees	71,429.75	62.915,00
Receivable from project contractor of Pier I	3,535,442.31	4.168.520,16
Less: Allowance for project contractor of Pier I	(353,544.23)	(416.852,02)
Receivable from compulsory seizure of municipality	1,521,088.37	-
Total	**5,094,403.95**	**4,203,840.89**

The movement of the allowance for project contractor of PIER I is analysed as follows:

	31/12/2017	31/12/2016
Beginning balance	**416,852.02**	**499,812.69**
Provision reversal	(63,307.79)	(82,960.67)
Ending balance	**353,544.23**	**416,852.02**

Receivables from project contractor of Pier I: This claim represents the difference found in incorrect data application on some review rates of the Ministry (IPEXODE) and was recognized by the project contractor of Pier I. At March 9, 2012 the Company and the project contractor of Pier I consigned an “extrajudicial agreement of debt acknowledgment”, under which the requirement from the later will be paid in seven (7) instalments up to December 31, 2012. Then on the 24th of September, 2012, the request of the contractor of the project "Pier I' was partially approved and the debt settled in fourteen (14) monthly instalments starting from September 30, 2012 onwards until October 31, 2013.

Due to non-compliance of settlement, the PPA held in October 2013 in forfeiture contractor's guarantee letters for accrued interest of € 1.5 million and is expected to debate the re-settlement agreement instalments.

Furthermore, due to this non-compliance of settlement, the Company, through its Board of Directors, decided on the 24th of February 2014 to exercise any remedy and recourse to any procedure for the forced recovery of its claim.

Receivable from compulsory seizure of municipality: The Municipality of Piraeus proceeded to the compulsory seizure of the amount of € 6,285,940.08 against the Company, which concerns to municipal charges of cleaning and lighting as well as electrified land taxes over the past years that were imposed to the Company. After the final court decisions issued during 2017, the Municipality of Piraeus was forced to return immediately (within 2018) the amount of € 4,764,851.71 (Note 10). For the remaining withheld amount of € 1,521,088.37, the final decision by the court is expected within 2019. According to the Company's Legal Department, the cancellation of all charges against the Company is expected considering the virtual certainty. On January 29 2018, the Municipality of Piraeus deposited in favour of PPA the amount of € 4,610,632.30 (Note 33).

8. INCOME TAX (CURRENT AND DEFERRED)

According to the new Greek tax law L.4334/GG A' 80/16.07.2015, the tax rate for the Societies Anonymes in Greece, is 29% (2016: 29%).

The amount of income taxes which are reflected in the statements of comprehensive income are analysed as follows:

	1/1-31/12/2017	1/1-31/12/2016
Current income taxes	5,667,415.77	2,124,085.80
Deferred income taxes	4,230,012.99	2,216,500.77
Total	**9,897,428.76**	**4,340,586.57**
Other Comprehensive Income		
Deferred income taxes	(306,898.04)	(260,694.60)
Total	**(306.898,04)**	**(260,694.60)**

The reconciliation of income taxes reflected in statements of income and the amount of income taxes determined by the application of the Greek statutory tax rate to pretax income is summarized as follows:

	December 31	
	2017	2016
Profit pre-tax income	**21,186,804.06**	**11,039,463.46**
Income tax calculated at the nominal applicable tax rate in effect (2017 and 2016: 29%)	6,144,173.18	3,201,444.40
Reversing/ originating temporary differences	(1,303,396.25)	(717,516.71)
Tax effect of non-taxable income and expenses not deductible for tax purposes	1,417,375.00	1,856,658.88
Impairment of deferred tax assets	3,639,276.83	-
Income tax reported in the statements of comprehensive income	**9,897,428.76**	**4,340,586.57**

Greek tax laws and regulations are subject to interpretations by the tax authorities. Tax returns are filed annually but the profits or losses declared for tax purposes remain provisional until such time, as the tax authorities examine the returns and the records of the taxpayer and a final assessment is issued. Tax losses, to the extent accepted by the tax authorities, can be used to offset profits of the five fiscal years following the fiscal year to which they relate.

Tax Compliance certificate:

From the financial year 2011 and onwards, all Greek Societe Anonyme and Limited Liability Companies that are required to prepare audited statutory financial statements must in addition obtain an “Annual Tax Certificate” as provided by Article 65A of L.4174/2013. This “Annual Tax Certificate” must be issued by the same statutory auditor or audit firm that issues the audit opinion on the statutory financial statements. Upon completion of the tax audit, the statutory auditor or audit firm must issue to the entity a "Tax Compliance Report" which will subsequently be submitted electronically to the Ministry of Finance, by the statutory auditor or audit firm. For tax years commencing from 1/1/2016 onwards, the tax compliance report becomes optional according to the provisions of Law 4410/2016.

An audit from the tax authorities for the years 2009 to 2010 was completed on 2/5/2017 and the final tax report notified to the Company on 9/6/2017. As a result of the tax audit, an additional tax amount of € 534,665.95 and € 260,699.41 was imposed for the years 2009 and 2010 respectively which the Company has adequatery provided for in the past.

For the Company, the tax audit for the financial years 2011 to 2016 was performed by their statutory auditors. The tax audit for the current financial year is in progress by the company’s statutory auditors. The tax certificate will be granted after the publication of the Financial Statements.

The movement of the deferred tax asset is as follows:

	31/12/2017	31/12/2016
Opening balance	**12,532,939.52**	**14,488,745.69**
Income taxes (debit)	(4,230,012.99)	(2,216,500.77)
Income taxes credit – Other Comprehensive Income	306,898.04	260,694.60
Closing balance	**8,609,824.57**	**12,532,939.52**

The movement of deferred tax assets/liabilities as at December 31, 2017 and 2016 is as follows:

	Statement of financial position		Statement of comprehensive income	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Deferred tax assets:				
Investment property	190,886.04	190,886.04	-	-
Staff retirement indemnities	3,303,476.14	3,369,280.04	(65,803.90)	177,654.58
Provision for bad debts	8,384,535.89	11,031,934.47	(2,647,398.58)	1,734,273.51
Provision for workers' compensation L. 4331/2015	-	128,268.79	(128,268.79)	(1,262,763.60)
Accrued expenses	228,758.20	-	228,758.20	-
Impairment of subsidiaries due to their liquidation	-	-	-	(247,094.01)
Other	855,325.09	926,616.86	(71,291.77)	(82,370.53)
Deferred tax asset	**12,962,981.36**	**15,646,986.20**	**(2,684,004.84)**	**319,699.95**
Deferred tax liabilities:				
Depreciation based on useful life	(1,447,973.34)	(740,099.45)	(707,873.89)	(757,619.78)
Accrued income	(606,775.13)	-	(606,775.13)	-
Provision/Write off for disputed claims by third parties	(1,822,922.62)	(1,822,922.62)	-	(1,822,922.62)
Finance lease	(475,485.70)	(551,024.61)	75,538.91	305,036,29
Deferred tax liability	**(4,353,156.79)**	**(3,114,046.68)**	**(1,239,110.11)**	**(2,275,506.11)**
Deferred tax asset	**8,609,824.57**	**12,532,939.52**		
Deferred tax recognized in the statement of comprehensive income			**(3,923,114.95)**	**(1,955,806.17)**

During the current period, the Company reassessed the deferred tax assets and proceeded with impairment by the amount of € 3,639,276.83 which relates to a deferred tax asset from a write-off of bad debts that is not expected to be offset in the future. An additional amount of deferred tax asset of € 991,878.25 on current year provision for bad debts was recognized by the Company.

The deferred tax asset balance has been built mainly in previous years (before 2016) when the Company was operating under specific legislation Law 1559/1950 and Law 2688/1999. According to these the company believes that they have taken the ultimate possible measure for collecting a long outstanding receivable balance which is to assign those balances to tax department for collection. For such balances of € 25 million for which the company has recorded € 7,2 million deferred tax asset the Company intends to utilize this deferred asset when they will write off these balances in the future. That intention was declared in a notice letter to the Ministry of Finance but no response has been received yet. A response is critical for any future action τo be determined by the Company.

9. INVENTORIES

Inventories are analysed as follows:

	31/12/2017	31/12/2016
Consumable materials	986,554.71	999,836.21
Spare parts and equipment	1,326,825.83	1,196,167.18
Total	**2,313,380.54**	**2,196,003.39**

Inventory consumption cost for the year ended December 31, 2017 and 2016 amounted to € 1,681,953.74 and € 914,323.83 respectively (Note 24). There was no inventory devaluation to their net realisable value.

10. TRADE AND OTHER RECEIVABLES

This account is analysed in the accompanying financial statements as follows:

	31/12/2017	31/12/2016
Trade Debtors	50,129,181.41	53,959,901.12
Minus: Provision for doubtful debts	(39,698,921.72)	(38,122,054.71)
Total trade receivables	**10,430,259.69**	**15,837,846.41**
Personnel loans	282,194.09	537,410.80
Prepaid Expenses	787,898.14	248,709.57
Advances to suppliers	8,455,698.00	1,250,449.93
Other receivable	6,625,283.24	8,483,266.54
Minus: Provision for other receivables	(870,074.76)	(435,037.38)
Total other receivables	**15,280,998.71**	**10,084,799.46**
Total trade and other receivables	**25,711,258.40**	**25,922,645.87**

The Company receives payments in advance for services rendered on an ordinary basis. Customer payments in advance of € 4,550,351.40 are included in "Accrued and other current liabilities" (December 31, 2016: € 3,123,228.22) (Note 20).

The movement of the allowance for doubtful trade receivables is analysed as follows:

	31/12/2017	31/12/2016
Beginning balance	**38,122,054.71**	**32,493,877.99**
Provision for the year (Note 24)	3,048,540.21	5,628,176.72
Provision used	(1,471,673.20)	-
Ending balance	**39,698,921.72**	**38,122,054.71**

During the year ended December 31, 2017 the Company negotiated with Ship Repair Zone users in order to reassess and settle outstanding debts and set the basis of new contracts for the extension of ship repair zone space utilization. The outcome of the negotiations has been ratified through the Annual General Assembly of June 28, 2017. The Company has written off outstanding debts of € 1,609,760,00 and reversed the related provision of € 1,471,673.20, while the remaining balance is included in "Other operating expenses" (Note 25).

The movement of the allowance for doubtful other receivables is analysed as follows:

	31/12/2017	31/12/2016
Beginning balance	**435,037.38**	**-**
Provision for the year (Note 24)	435,037.38	435,037.38
Ending balance	**870,074.76**	**435,037.38**

The ageing analysis of trade receivables is as follows:

	December 31	
	2017	**2016**
Neither past due nor impaired	7,104,378.73	8,674,489.74
Part due not impaired		
10-90 days	271,791.68	647,591.58
91-180 days	154,373.65	673,145.11
181-365 days	189,950.04	421,796.98
>365 days	2,709,765.59	5,420,823.00
Total	**10,430,259.69**	**15,837,846.41**

Trade receivables are normally settled on 10 days' terms. One single customer represents 39% of the Company's total revenue (Note 31) (December 31, 2016: 42%). The outstanding amount of this customer as at December 31, 2017 amounted to € 2.5 million (December 31, 2016: € 4.3 million).

The ageing analysis of receivables past due more that 365 days applies to claims for which the Company has filed appeals or taken actions for their collectibility. Management and Legal Department estimate that the final court decisions will be in favour of the Company and the other actions for the collectability of these claims will finally thrive.

Personnel loans: The Company provides interest-free loans to its personnel. The loan amount per employee does not exceed approximately € 3,000.00 and loan repayments are made by withholding monthly instalments from the employee salaries.

Other receivable: Other receivable includes the short-term portion of receivable from compulsory seizure of municipality of Piraeus (Note 7) amounted to € 4,764,851.71 (31.12.2016: € 6,285,940.08) and receivable from third parties and municipality of Drapetsona amounted to € 1,860,431.53 (31.12.2016: € 2,197,326.46). On January 29 2018, the Municipality of Piraeus deposited in favour of PPA the amount of € 4,610,632.30 (Note 33).

11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the accompanying financial statements is analyzed as follows:

	31/12/2017	31/12/2016
Cash in hand	96,576.52	253,623.72
Cash at banks and time deposits	61,765,592.69	43,509,571.21
Total	**61,862,169.21**	**43,763,194.93**
Restricted cash	213,267.48	15,475,357.58
Total	**62,075,436.69**	**59,238,552.51**

Cash at banks earns interest at floating rates based on monthly bank deposit rates. Interest earned on cash at banks and time deposits is accounted for on an accrual basis and for the year ended December 31, 2017, amounted to € 293,760.19 (December 31, 2016, € 447,387.46) and is included in the financial income (Note 26).

Based on the concession agreement as amended by Law 4404/2016, a letter of guarantee has been issued during 2016 in favor of Ministry of Finance General Secretariat of Public Property and amounted to € 15,000,000.00. This amount has been also retained in a separate restricted bank from the issuance of the letter of guarantee until November 8, 2017 where the restricted cash was released.

The remaining restricted cash of € 213,267.48 relates to Company's freezed deposits, in favor of a municipality against which there are pending trials.

12. SHARE CAPITAL

Share capital amounts to € 50,000,000.00 is fully paid up and consists of 25,000,000 ordinary shares, of nominal value € 2.00 each. There are neither shares which do not represent Company's capital nor bond acquisition rights.

13. RESERVES

Reserves are analysed as follows:

	31/12/2017	31/12/2016
Statutory reserve	9,609,052.09	9,044,583.33
Special tax free reserve L. 2881/2001	61,282,225.52	61,282,225.52
Specially taxed income reserve	728,128.36	728,128.36
Taxed reserve L. 4172/2013 art. 72	6,087,915.56	6,087,915.56
Taxed reserve based on general provisions	188,760.09	188,760.09
Total	**77,896,081.62**	**77,331,612.86**

Statutory reserve: Under the provisions of Greek corporate Law, companies are obliged to transfer at least 5% of their annual net profit, as defined, to a statutory reserve, until the reserve equals the 1/3 of the issued share capital. The reserve is not available for distribution throughout the Company activity.

Special tax free reserve Law 2881/2001: This reserve was created during the conversion of the Company to a Societé Anonyme. The total Company's net shareholder funds (Equity) was valued, by the article 9 Committee of the Codified Law 2190/1920, at € 111,282,225.52, € 50,000,000.00 out of which was decided by Law 2881/2001 to form the Company share capital and the remaining € 61,282,225.52 to form this special reserve.

***Untaxed or specially taxed income reserve**:* This is interest income which was either not taxed or taxed by withholding 15% tax at source. In case these reserves are distributed, they are subject to tax on the general income tax provision basis. Based on Article 72 par.11 of Law 4172/2013 those reserves are subject (from 1 January 2014) to an independent taxation at a rate of 19%.

On December 30th, 2014, the Company proceeded to the taxation of those reserves which amounted to € 1,428,029.58. After the tax deduction created the taxed reserves of Article 72 N.4172 / 2013 and the taxed reserve with the general provisions amounting to € 6,087,915.56 and € 188,760.09 respectively.

14. GOVERNMENT GRANTS

The movement of the account in the accompanying annual financial statements is analyzed as follows:

	31/12/2017	31/12/2016
Opening	**28,655,259.25**	**28,655,259.25**
Return of grant	(13,735.39)	-
Closing	**28,641,523.86**	**28,655,259.25**
Accumulated amortisation	(10,198,388.67)	(9,319,994.96)
Net Book Value	**18,443,135.19**	**19,335,264.29**

Grants received up to December 31, 2016 relate to the requirements of the Olympic Games of 2004 (€ 11,400,000.00) and on the construction of infrastructure for the OSE S.A. port station (€ 3,700,000.00).

Also, a grant of € 3,653,518.80 has been received in 2012 and is divided in a) € 2,536,168.80, which relates to the widening of the quay Port Alon and b) € 1,117,350.00 for the construction of new dock at the area of Agios Nikolaos in the central port of Piraeus, under the operational program "Improvement of accessibility-energy" of the Attica region. According to a decision of Attica Region issued during 2017, it was decided to return the amount of € 13,735.39 for the correction of the subsidy for the project "Widening of the quay Port Alon " of the total € 3,653,518.80 collected back in 2012.

Finally, a grant amounted to € 9,901,740.45 has been received in December 2013 and relates to the operational program "Support Accessibility" of the Ministry of Infrastructure, Transport and Network and in particular, in two projects which have been completed.

There are no other obligations regarding the received grants.

15. PROVISIONS

Provisions in the accompanying annual financial statements are analyzed as follows:

	31/12/2017	31/12/2016
Provisions for legal claims by third parties	14,211,380.65	15,861,054.00
Provision for compensation of beneficiaries L.4331/2015	-	442,306.16
Total	**14,211,380.65**	**16,303,360.16**

The Company has made provisions for various pending court cases as at December 31, 2017 amounting to € 14,211,380.65 (as at December 2016, € 15,861,054.00)relating mainly to claims from personnel and other third party.

The movement of the provision for legal claims by third parties is as follows:

	31/12/2017	31/12/2016
Opening balance	**15,861,054.00**	**19,314,300.00**
Charge of the year (Note 24)	150,326.65	-
Provision used (Note 25)	(573,681.20)	-
Reversal of provision (Note 25)	(1,226,318.80)	(3,453,246.00)
Closing balance	**14,211,380.65**	**15,861,054.00**

L.4331/2015, specifically article 67, stipulates that in the case of the disposal proceeds of one or more shipwrecks and dangerous or harmful ships via a highest bidder tender, the Port Piraeus Authority S.A., acting on behalf of the shipwreck owner or managing company, is obliged to give part of the proceeds to pay the claims –capital, interest and awarded litigation costs and expenses, raised against the shipwreck owner or managing company by the employees of the above companies, having IKA as their main social security fund and ETEA (Single Compensatory Insurance Fund - former TEAYNPT-TANPY) as the compensatory fund. Said claims derive from preexisting dependent employment relations due to non payment of salaries, allowances, holiday bonuses, overtime fees, payment for work on Saturday, Sunday and holidays, firing compensations, as said claims arise from the application of labour contracts and general labour provisions. Payment to the beneficiary is made by producing a final decision (“res judicata”) and any other necessary document establishing that the beneficiary is qualified to fall under said provision.

Based on the aforementioned law, the Company made a forecast for the amount of € 4,796,663.41 related to the claims of the employees of “GA Lines SA” Group from the disposal proceeds of its ships. The amount of € 4,354,357.25 was paid by the Company during the previous year and the provision by this amount has been reversed. During the current year, the amount of € 521,213.02 which is related to the initial employees claim and the execution of other five additional court decisions has been declared and the amount of € 421,163.89 was paid. For this payment, the amount of provision of € 442,306.16 was utilized and the difference amounted to € 78.907.04 is inclunding in third parties compensation (Note 25) in other operating expenses.

The movement of the provisions for compensation of beneficiaries L.4331/2015, is as follows:

	31/12/2017	31/12/2016
Opening balance	**442,306.16**	**4.796.663,41**
Utilisation of provision	(442,306.16)	(4,354,357.25)
Closing balance	**-**	**442,306.16**

16. RESERVE FOR STAFF LEAVING INDEMNITIES

The relevant provision movement for the financial year ended on December 31, 2017 and the financial year ended on December 31, 2016 is as follows:

Liability in Statement of Financial Position 1.1.2016	**11,005,605.02**
Current cost of Employment	511,578.00
Interest cost on liability	189,296.41
Loss from financial assumption change-OCI	545,478.50
Experience loss-OCI	353,468.38
Benefits paid	(987,219.29)
Liability in Statement of Financial Position 31.12.2016	**11,618,207.02**
Current cost of Employment	522,200.00
Interest cost on liability	224,231.40
Gain from financial assumption change-OCI	(155,851.00)
Experience loss-OCI	1,214,120.10
Benefits paid	(2,031,610.50)
Liability in Statement of Financial Position 31.12.2017	**11,391,297.02**

The principal actuarial assumptions used are as follows:

	2017	**2016**
Discount Rate	1.93%	1.72%
Salaries increase	0.00%	0.00%
Average annual growth rate of long-term inflation	2.00%	2.00%

A quantitative sensitivity analysis for significant assumption as at December 31, 2017 and December 31, 2016 is as shown below:

2017	**Discount rate**		**Future salary increases**
Sensitivity Level	0,5% increase	0,5% decrease	0,5% increase
Impact on defined benefit obligation	(368,993.00)	371,633.00	241,470.00

2016	**Discount rate**		**Future salary increases**
Sensitivity Level	0,5% increase	0,5% decrease	0,5% increase
Impact on defined benefit obligation	(378,551.00)	380,706.00	225,396.00

The following contributions are expected to the defined benefit plan obligation in future years:

	2017	2016
Within the next 12 months (next annual reporting period)	180,000.00	114,126.00
Between 2 and 5 years	1,845,000.00	1,485,107.00
Between 5 and 10 years	6,449,023.00	6,251,285.00
Beyond 10 years	17,371,720.00	18,158,823.00
Total expected payments	**25,845,743.00**	**26,009,341.00**

The average duration of the defined benefit plan obligation at the end of the year is 14.1 years (2016: 14.4 years).

17. FINANCE LEASE OBLIGATIONS

In 2013, the PPA acquired through finance lease 15 commercial trucks VAN type value € 355,620.00. The lease duration is five years and at the end PPA has the right to purchase the assets at the price of € 25,500.00.

The finance lease obligations are analyzed as follows:

	31/12/2017	31/12/2016
Finance lease obligations	68,507.93	156,483.26
Minus: Short term	(68,507,93)	(63,085.48)
Long term	**-**	**93,397.78**

Future minimum lease payments, compared to the present value of net minimum payments at December 31, 2017 and 2016 are as follows:

	December 31, 2017		December 31, 2016	
	Minimum Payments	Present Value of Payments	Minimum Payments	Present Value of Payments
Up to the a year	69,516.00	68,507.93	66,024.00	63,085.48
From one year up to five years	-	-	94,405.85	93,397.78
More than five years	-	-	-	-
Total minimum lease payments	**69,516.00**	**68,507.93**	**160,429.85**	**156,483.26**
Minus:				
Financial costs	(1,008.07)		(3,946.59)	
Present Value of minimum lease payments	**68,507.93**	**68,507.93**	**156,483.26**	**156,483.26**

18. LONG-TERM & SHORT TERM BORROWINGS

a) Long-term borrowings:

The long term portion of borrowings as at December 31, 2017 and December 31, 2016 respectively is as follows:

	December 31,	
	2017	**2016**
Total of Long term borrowings	**68,499,999.99**	**74,499,999.99**
Minus:		
Short term portion of Long term borrowings	6,000,000.00	6,000,000.00
Long term portion	**62,499,999.99**	**68,499,999.99**

Balance included in the following loans between the Company and the European Investment Bank:

1. Loan of € 35,000,000.00 for the construction of Container Terminal Pier I, issued on 30/7/2008.

The repayment of the loan will be in thirty (30) semi-annual installments, payable from December 15, 2013 up to and including June 15, 2028. As amended in October 2, 2017 the loan bears a annual interest rate, that is the sum of a variable interest rate and a margin of 0.25% which is payable quarterly.

From this contract there are obligations and restrictions for the Company, the most important of which are summarized as follows: (i) to submit the annual financial sttements within 1 month of publication along with a Certificate of Compliance audited by a recognized firm of certified auditors, and (ii) to hold throughout the duration of the loan and until fully repaid, the following financial ratios, calculated on annual financial statements, audited by certified auditors, for each financial year:

1. EBITDA [Profit / (loss) before interest, taxes, depreciation and amortization] / Interest ≥ 3.00
2. Total net bank debt / EBITDA [Profit / (loss) before interest, tax, depreciation, amortization] ≤ 9.80
3. Total shareholders' equity ≥ 140 million

2. Loan of € 55,000,000.00 for the construction of Container Terminal Pier I issued on the 10/02/2010.

The repayment of the loan will be in thirty (30) semi-annual installments, payable from 15 June 2015 up to and including 15 December 2029. As amended in October 2, 2017 the loan bears a annual interest rate, that is the sum of a variable interest rate and a margin of 0.25% which is payable quarterly.

From this contract there are obligations and restrictions for the company, the most important of which are summarized as follows: (i) to submit the annual financial statements within 1 month of publication along with a Certificate of Compliance audited by a recognized firm of certified auditors, and (ii) to hold throughout the duration of the loan and until fully repaid, the following financial ratios, calculated on annual financial statements, audited by certified auditors, for each financial year:

1. EBITDA [Profit / (loss) before interest, taxes, depreciation and amortization] / Interest ≥ 3.00
2. Total net bank debt / EBITDA [Profit / (loss) before interest, taxes, depreciation,amortization] ≤ 9.80
3. Current assets / current liabilities ≥ 1.2
4. Total shareholders' equity ≥ 140 million.

As at 31 December 2017 and 2016 the Company was in compliance with the above financial ratios.

On September 26, 2017 a Guarantee Issuance Facility Agreement was signed between the Company and the ''Export Import Bank of China'', in respect of the issuance of guarantees of an initial amount of € 75.074.999,99 to support the loans from the European Investment Bank outstanding debt. The amount of guarantee is variable and is based on an amortization table linked to the total outstanding balance of both loans agreements. On December 31, 2017 based on the amortization table the guarantee for both loans amounted to € 71,925,000.00. The guarantee bears an issuance fee of zero point six per cent (0.6%) of the relevant maximum guarantee amount.This fee paid for the year ended December 31, 2017 amounted to € 66,448.66 and is included in financial expenses (Note 26).

For the year ended December 31, 2017 and 2016, total interest expense on long-term borrowings, amounted to € 105,887.60 and € 141,888.33 respectively and is also included in financial expenses (Note 26).

b) Short-term borrowings:

The Company has a credit line available for € 50,000,000.00 with National Bank of Greece valid until September 28, 2018. The credit line bears annual variable interest rates of Euribor, plus margin 3.75%. The Company has not received any amount under the overdraft agreement.

19. DIVIDENDS

Dividends paid in 2017 related to fiscal year 2016: The Annual General Assembly of the Company which was held on June 28, 2017 decided the distribution of a dividend related to fiscal year 2016 amounted to € 2,230,000.00 or € 0.0892 per share (31.12.2015: € 2,785,000.00 or 0.1114 per share). The dividend is subject to withholding tax in accordance with the relevant tax rate. The dividend was fully paid on July 27, 2017.

Dividends proposed for the fiscal year 2017: On February 13, 2018 the Board of Directors proposed the distribution of a dividend amounted to € 4,280,000.00 or € 0.1712 per share. The final authorization is subject to approval by the Annual General Assembly.

20. ACCRUED AND OTHER CURRENT LIABILITIES

This account is analyzed in the accompanying financial statements as follows:

	31/12/2017	31/12/2016
Taxes payable (except Income taxes)	2,281,593.35	2,894,972.79
National insurance and other contribution	2,392,501.33	1,818,869.25
Salaries Payable	294,757.41	392,646.11
Concession Agreement Liability	4,138,881.92	2,973,669.24
Other creditors	1,514,693.48	1,233,782.78
Other Short Term Obligations	1,525,889,26	1,264,870.73
Regulatory Authority for Ports	356,858.84	328,583.34
Greek State committed dividends	804,000.00	804,000.00
Liability to "Loan and Consignment Fund"	77,271.48	77,271.48
Customers' payment in advance	4,550,351.40	3,123,228.22
Provision for unpaid leave	486,589.31	486,589.31
Provision for employee's voluntary retirement incentives	787,500.00	-
Accrued expenses	857,812.81	1,128,333.93
Total	**20,068,700.59**	**16,526,817.18**

Taxes Payable: Current period's amount consists of: a) Value Added Tax € 961,534.39 (December 31, 2016: € 2,111,559.73, b) Employee withheld income tax € 1,095,321.01 (December 31, 2016: € 581,741.05 and c) other third party taxes € 224,737.95 (December 31, 2016: € 201,672.01).

Consession Agreement Liability: The amount is calculated as 3.5% on total revenues of the year excluding finance income.

21. DEFERRED INCOME

a) On April 27, 2009 "PCT S.A." paid € 50,000,000.00 as a one-off consideration for the use of port facilities of Piers II and III of SEMPO of PPA (N.3755/2009). From the aforementioned amount, € 2,930,211.41 was offset with the cost of supplies and parts provided by PCT S.A., while the remaining amount of € 47,069,788.59 is amortized over the concession period.

On August 2009, PPA S.A received from PCT S.A. three letters of guarantee amounted to € 61.4 million, € 21.0 million and € 42.0 million respectively for the concession agreement, the upgrade of PIER I and the construction of PIER II respectivelly. On September 2016, the last letter of guarantee reduced by 50% upon completion of the project construction of the eastern side of PIER III.

The initial concession period is thirty (30) years, which may be increased to thirty five (35) years, provided that PCT S.A. completes the construction of the port infrastructure on the east side of Pier III. Following the transfer of the cumulative amount € 11,095,021.58 on revenue of the years 2009-2017, the new balance at December 31, 2017 amounted to € 35,974,767.01 (December 31, 2016: € 37,319,618.11).

b) The Company receives Fixed Annual Consideration from PCT S.A based on the length and surface of concessed land. Fixed Annual Considerations is invoiced in advance in April and October of each fiscal year. As a result the company has recognized a deferred revenue of € 2,152,368.65 and € 2,110,879.76 as at December 31, 2017 and 2016 respectively.

Balance December 31, 2015	**40,276,219.76**
Less: Amortization of the year – Initial concession	(1,344,851.10)
Less: Deferred Fixed Annual Consideration for the period 1.1.2016-31.3.2016 realized	(1,611,750.55)
Plus: Deferred Fixed Annual Consideration for the period 1.1.2017-31.3.2017	2,110,879.76
Balance December 31, 2016	**39,430,497.87**
Less: Amortization of the year – Initial concession	(1,344,851.10)
Less: Deferred Fixed Annual Consideration for the period 1.1.2017-31.3.2017 realized	(2,110,879.76)
Plus: Deferred Fixed Annual Consideration for the period 1.1.2018-31.3.2018	2,152,368.65
Balance December 31, 2017	**38,127,135.66**

22. SEGMENT INFORMATION

The Company operates in Greece, regardless of the fact that its clientele includes international companies. Additionally, the Company has no other commercial or industrial activities other than the provision of services solely in the Port area and does not have income or assets from foreign customers (based on the geographical area in which they operate).

The port of Piraeus is a port complex activities, putting work in many areas of port activity , such as containers Car-terminal, shipping, cruise, Ro-Ro, ship repairing, environmental and logistics services.

It is the main port of coastal connecting mainland Greece and the islands, the main cruise port service in the country , the main port container , the main car – terminal port of the country.

The PPA S.A. provides all the requested port services: water, fuel oil, solid and liquid slot tankers, jack residual oil, electricity, fiber optics and internet, victuals, repairs, environmental services and is fully connected to all activities with modern computer systems.

The management of PPA S.A. monitors at the level of results of the above activities and takes business decisions based on the implemented internal management information system.

Based on the above and in accordance with the provisions of IFRS 8, the Company has determined to disclose the following segments:

• Container Terminal
• Handling Car
• Coasting
• Ship repairing
• Cruise
• Other segments (water supply, space management, merchandise management)

The other segments include activities representing less than 10 % of total revenue and profit in all segments and therefore are not disclosed as separate operating segments.

The Company level, includes revenues and expenses that are not allocated by operating segment because management monitors them at entity level.

Management does not make business decisions and does not monitor periodically the assets and liabilities of the business sectors and for this reason does not make the relevant disclosures as required by the provisions of IFRS 8.

The segment information for the years ended December 31, 2017 and 2016, is analysed as follows:

31.12.2017	CONTAINER TERMINAL		CAR TERMINAL	COASTING	CRUISE	SHIP REPAIRING (TANKS AND DOCK)	OTHER SEGMENTS	COMPANY	TOTAL
	CONTAINER TERMINAL OPERATION	CONSESSION ARRANGEMENT PIER II&III							
Revenues	20,054,626.72	43,940,318.82	12,074,224.07	10,131,386.56	11,443,030.18	6,886,976.78	7,000,273.83	-	**111,530,836.96**
Cost of sales	(32,372,168.56)	(4,224,792.74)	(8,634,004.63)	(6,810,109.58)	(7,886,793.56)	(5,347,464.08)	(7,500,055.86)	-	**(72,775,389.01)**
Gross profit/(loss)	**(12,317,541.84)**	**39,715,526.08**	**3,440,219.44**	**3,321,276.98**	**3,556,236.62**	**1,539,512.70**	**(499,782.03)**	**-**	**38,755,447.95**
Other expenses	(2,961,516.33)	(6,354,171.41)	(1,792,914.62)	(1,443,421.59)	(1,603,445.11)	(1,079,440.42)	(1,393,864.34)	(7,632,336.75)	**(24,261,110.58)**
Other income	-	-	-	-	-	554,900.52	3,127,254.43	3,040,777.16	**6,722,932.11**
Financial income	-	-	-	-	-	-	-	699,177.13	**699,177.13**
Financial expenses	(172,884.31)	-	-	-	-	-	-	(556,758.24)	**(729,642.55)**
Profit/ (loss) before income taxes	**(15,451,942.48)**	**33,361,354.67**	**1,647,304.82**	**1,877,855.39**	**1,952,791.51**	**1,014,972.80**	**1,233,608.06**	**(4,449,140.70)**	**21,186,804.06**
Income taxes	-	-	-	-	-	-	-	(9,897,428.76)	**(9,897,428.76)**
Net profit / (loss) after taxes	**(15,451,942.48)**	**33,361,354.67**	**1,647,304.82**	**1,877,855.39**	**1,952,791.51**	**1,014,972.80**	**1,233,608.06**	**(14,346,569.46)**	**11,289,375.30**
Depreciation and amortisation	4,735,951.06	3,181,637.59	612,768.41	1,236,618.90	1,645,916.43	1,022,457.27	1,019,963.18	-	**13,455,312.84**
Earnings before Interest, Taxes, Depreciation and Amortisation	**(10,543,107.12)**	**36,542,992.25**	**2,260,073.23**	**3,114,474.29**	**3,598,707.94**	**2,037,430.07**	**2,253,571.24**	**(4,591,559.59)**	**34,672,582.32**

31.12.2016	CONTAINER TERMINAL		CAR TERMINAL	COASTING	CRUISE	SHIP REPAIRING (TANKS AND DOCK)	OTHER SEGMENTS	COMPANY	TOTAL
	CONTAINER TERMINAL OPERATION	CONSESSION ARRANGEMENT PIER II&III							
Revenues	13,100,337.37	40,536,647.89	11,929,860.33	10,338,586.58	12,933,536.73	6,889,884.36	4,367,753.91	-	**103,496,607.17**
Cost of sales	(26,746,616.43)	(7,578,562.69)	(7,962,336.81)	(7,277,741.19)	(10,209,176.96)	(4,826,561.90)	(6,556,876.93)	-	**(71,157,872.91)**
Gross profit/(loss)	**(13,646,279.06)**	**36,358,085.20**	**3,967,523.51**	**3,060,845.39**	**2,724,359.78**	**2,063,322.46**	**(2,189,123.02)**	**-**	**32,338,734.26**
Other expenses	(1,903,132.01)	(5,946,349.48)	(1,724,863.31)	(1,471,399.87)	(1,859,525.21)	(932,471.23)	(1,067,910.27)	(11,884,962.97)	**(26,790,614.36)**
Other income	-	-	-	-	-	-	3,385,210.69	1,688,135.98	**5,073,346.67**
Financial income	-	-	-	-	-	-	-	957,825.90	**957,825.90**
Financial expenses	(145,641.07)	-	-	-	-	-	-	(394,187.94)	**(539,829.01)**
Profit/ (loss) before income taxes	**(15,695,052.14)**	**30,411,735.72**	**2,242,660.20**	**1,589,445.51**	**864,834.56**	**1,130,851.23**	**128,177.40**	**(9,633,189.04)**	**11,039,463.46**
Income taxes	-	-	-	-	-	-	-	(4,340,586.57)	**(4,340,586.57)**
Net profit / (loss) after taxes	**(15,695,052.14)**	**30,411,735.72**	**2,242,660.20**	**1,589,445.51**	**864,834.56**	**1,130,851.23**	**128,177.40**	**(13,973,775.61)**	**6,698,876.89**
Depreciation and amortisation	6,626,336.78	3,465,493.48	494,757.55	954,439.58	1,276,019.84	642,162.52	575,902.71	-	**14,035,112.47**
Earnings before Interest, Taxes, Depreciation and Amortisation	**(8,923,074.29)**	**33,877,229.21**	**2,737,417.75**	**2,543,885.10**	**2,140,854.41**	**1,773,013.75**	**704,080.10**	**(10,196,826.99)**	**24,656,579.04**

23. REVENUES

Revenues are analyzed as follows:

	1/1-31/12/2017	1/1-31/12/2016
Revenue from:		
Loading and Unloading	24,950,440.21	18,177,933.02
Storage	2,647,269.60	3,034,912.06
Supply of water	2,586,375,57	2,738,146.42
Dry docking services	2,941,501.59	1,921,959.85
Cruise services	6,883,741.55	7,273,410.11
Ferry services	7,631,149.01	7,077,545.83
Environmental services	2,487,216.23	2,180,498.94
Mooring services	14,230,023.91	14,783,059.13
Other supporting services	2,991,682.07	2,088,617.41
Revenue from concession of liquid wastes' collection and transportation	241,118.44	283,876.51
Total	67,590,518.18	**59,559,959.28**
Revenue from Fixed and Variable Consideration:		
Revenue from concession agreement Pier II+III	42,546,177.13	39,456,573.03
Other income from concession agreement Pier II+III	1,394,141.65	4,480,074.86
Total	**111,530,836.96**	**103,496,607.17**

The increase in revenue from the concession Piers II + III is due to the increase in Consolidated Income of PCT S.A. of the prior contractual year which forms the basis of variable consideration received.

The significant reduction in other income from concession agreement Pier II + III is due to the offsetting, by approximately € 3.4 million, of the electricity expense for Pier II with the relevant revenue which was invoiced to the related party PCT, by January 1, 2017 and onwards.

24. ANALYSIS OF EXPENSES

Expenses (cost of sales and administrative expenses) are analyzed as follows:

	1/1-31/12/2017	1/1-31/12/2016
Payroll and employee related costs (Note 28)	57,837,060.52	49,332,935.25
Third party fees	810,940.20	1,233,846.29
Third party services	12,688,604.65	15,536,241.07
Depreciation- Amortization (Note 27)	13,455,312.84	14,035,112.47
Taxes and duties	820,716.01	913,918.93
General expenses	3,944,009.25	4,798,020.89
Cost of sales of inventory and consumables (Note 9)	1,681,953.74	914,323.81
Provision for doubtful receivables (Note 10)	3,483,577.59	6,063,214.10
Provision for pending lawsuits (Note 15)	150,326.65	-
Total	**94,872,501.45**	**92,827,612.81**

The above expenses are analyzed as follows:

	1/1-31/12/2017	1/1-31/12/2016
Cost of sales	72,775,389.01	71,157,872.91
Administrative expenses	22,097,112.44	21,669,739.90
Total	**94,872,501.45**	**92,827,612.81**

The significant reduction in third party services is due to the offsetting, by approximately € 3.4 million(1.1-31.12.2016: € 3.0 million approximately) of the electricity expense for Pier II and III with the relevant other revenues from concession agreement, which was invoiced to the related party PCT, by January 1, 2017 and onwards.

Third party services: For the year ended December 31, 2017 third party services include electricity charges of € 2,026,606.92 (2016: € 5,104,962.99), water supply charges of €1,486,789.32 (2016: € 1,659,314.83), telecommunication charges of € 363,901.27 (2016: € 308,016.07), rental expenses of € 4,327,432.56 (2016: € 3,326,004.40), insurance expenses of € 665,207.19 (2016: € 510,320.16), repair and maintenance costs of € 1,287,092.21 (2016: € 1,524,139.43) and other expenses of € 2,531,575.18 (2016: € 3,106,483.19). Additionally, third party services include the fees of the company "PricewaterhouseCoopers" in Greece for the services provided related to statutory audit fees for the separate financial statements (€ 117,000.00), tax audit certificate in accordance with article 65A of L. 4174/2013 and the POL 1124/18.06.2015 decision of the General Secretary of Public Revenue of the Ministry of Finance (€ 20,000.00), cost Benefit Analysis for the extention of the South Cruise Pier (€ 20,000.00) as well as other non – audit services (€ 12,000.00).

25. OTHER OPERATING INCOME / EXPENSES

OTHER OPERATING INCOME

The amounts are analyzed as follows:

	1/1-31/12/2017	1/1-31/12/2016
Rental income	3,426,324.81	3,118,387.86
Income from European Union programs	644,561.60	90,840.00
Amount written back	1,930,953.44	453,246.00
Various other operating income	721,092.26	1,410,872.81
Total	**6,722,932.11**	**5,073,346.67**

Rental income concerns land and building rents as well as the investment properties rent (Note 5).

The current year income from amounts written back of € 1,930,953.44 mainly refers to the reversal of provisions for legal claims by € 1,226,318.80 (Note 15),

OTHER OPERATING EXPENSES

	1/1-31/12/2017	1/1-31/12/2016
Third parties compensation	792,583.17	39,599.57
Thir party fees for development plan	673,900.00	296,437.75
Compensation to Keratsini municipality	-	3,826,489.17
Other expenses	676,414.98	434,452.96
Losses on sale/ write off of fixed assets	21,099.99	523,895.01
Total	**2,163,998.14**	**5,120,874.46**

The current year third parties compensations relates mainly to several compensations according to court decisions amounted to € 1,366,264.37 for which a provision of € 573,681.20 was utilized (Note 15).

The prior year compensation to the municipality concerns to municipal charges and surcharges of Keratsini municipality which refers to the period 1995-1999 and 19-5-2000 until 16-6-2000. The fines amounted to € 6,826,489.17 for which a provision was made in the prior years of € 3,000,000.00.

26. FINANCIAL INCOME/ (EXPENSES)

The amounts are analyzed as follows:

	1/1-31/12/2017	1/1-31/12/2016
Interest income and related financial income	293,760.19	447,387.46
Interest expense and related financial expenses	(729,642.55)	(539,829.01)
	(435,882.36)	**(92,441.55)**
Interest on debtors late payments	405,416.94	510,438.44
Total	**(30,465.42)**	**417,996.89**

27. DEPRECIATION AND AMORTISATION

The amounts are analyzed as follows:

	1/1-31/12/2017	1/1-31/12/2016
Depreciation of property, plant and equipment	14,313,979.14	14,862,184.64
Software depreciation	19,727.41	32,892.49
Fixed assets subsidies depreciation (Note 14)	(878,393.71)	(859,964.66)
Total	**13,455,312.84**	**14,035,112.47**

28. PAYROLL AND EMPLOYEE RELATED COST

The amounts are analyzed as follows:

	1/1-31/12/2017	1/1-31/12/2016
Wages and salaries	42,766,456.37	38,053,601.62
Social security costs	10,762,328.46	9,640,753.08
Other staff costs	1,058,587.17	937,706.14
Provision for staff leaving indemnities (Note 16)	746,431.40	700,874.41
Employee retirement incentives	2,503,257.12	-
Total	**57,837,060.52**	**49,332,935.25**

The Company announced during the year the offer of voluntary retirement incentives to those employees who are close to retirement date. Until December 31, 2017 75 employees have used the incentives (€ 1,715,757.12) and a provision was made for another 35 who announced their intention to use the incentive in 2018 (€ 787,500).

29. EARNINGS PER SHARE

	1/1-31/12/2017	1/1-31/12/2016
Profit for the year	11,289,375.30	6,698,876.89
Weighted number of shares	25,000,000	25,000,000
Basic Earnings per share	**0.4516**	**0.2680**

30. COMMITMENTS AND CONTINGENT LIABILITIES

(a) ***Litigation and Claims:*** The Company is currently involved in a number of legal proceedings and has various claims of a total amount of approximately € 203.2 million concerning mainly labour disputes and legal proceedings with municipalities around the port, arising in the ordinary course of business. Based on currently available information, management and its legal department believe that the outcome of these proceedings will not have a significant effect on the Company's operating results or financial position, except of the recorded provisions in note 15.

(b) ***Liabilities arising from letters of Guarantee:*** The Company has issued letters of guarantee amounting to € 24,919,042.25 (December 31, 2016: € 24,919,042.25), of which € 9,854,530.25 (December 31, 2016: € 9,854,530.25) in favor of the General Directorate of Customs (E 'and F' Customs Office) of the Ministry of Economy for the operation of all warehouses for temporary storage of goods PPA S.A.

Under the current concession agreement of 24.06.2016 between the PPA and the Greek Government, has issued a letter of guarantee in favor of the Ministry of Finance General Secretariat of Public Property amounted to € 15,000,000.00.

(c) ***Operating leases:***

i) The Company has entered into commercial operating lease agreements for the lease of transportation means. These lease agreements have an average life of 3 to 5 years with renewal terms included in certain contracts. Future minimum rentals payable under non-cancellable operating leases as at December 31, 2017 and at December 31, 2016, are as follows:

	December 31 2017
Within one year	245,065.03
2-5 years	97,296.03
Total	**342,361.06**

ii) The Greek State transfers its exclusive right of use and exploitation of port zone land, buildings and facilities of Piraeus Port to the Company until 2052, in exchange of a annual percentage payment based on Company's income . Based on the new Concession Agreement signed on 24.6.2016 the percentage to Greek State increased to 3.5% of the Company's consolidated annual income (exept financial income) and the annual minimun payment is 3.5 million annually. Future minimum concession agreement payable as at December 31, 2017 is as follows:

	December 31 2017
Within 1 year	3,500,000.00
Between 1-5 years	14,000,000.00
Over 5 years	105,000,000.00
Total	**122,500,000.00**

Minimum Future Rents: The minimum future rental income receivable, arising from the existing rental agreements are as follows:

	December 31 2017
Within 1 year	3,171,467.27
Between 1-5 years	2,807,717.17
Over 5 years	14,969,808.94
Total	**20,948,993.38**

(d) Contractual commitments with creditors: The outstanding balance of the contractual commitments with creditors on significant infrastructure projects (construction, maintenance, improvements, etc.) at December 31, 2017 amounted to approximately € 17.9 million (December 31, 2016: approximately € 22.5 million).

(e) Special Contribution to Social Security Institute (IKA – ETAM): On November 7, 2011 the Company notified the management of IKA its intention to stop paying the special contribution in favor of the supplementary fund of Company's employees, since after the merger of IKA with IKA – TEAM management of the Company considers that there is no further obligation. From October 2013, The Company decided to cease the payments to those institutions. If the payment of the contribution had not been ceased, then as at December 31, 2017, this liability would have been approximately € 3.8 million (December 31, 2016: approximately € 2.8 million). The management of the Company believes that this contingent liability could be settled without significant adverse effects on its financial position.

(f) Commitments for investments based on concession arrangement: Based on the concession arrangement signed on June 24, 2016 between the Company and Hellenic Republic derives the commitment of the Company to invest in projects into for the port infrastructure within the next five years of a total amount of € 293.8 million.

31. RELATED PARTIES

The Company provides services to certain related parties in the normal course of business. The Company's transactions and account balances with related companies are as follows:

Related party	Relation with the Company	Year ended	Sales to related parties	Purchases from related parties
PIRAEUS CONTAINER TERMINAL S.A.	Related Party	31.12.2017	43,940,318.78	12,383,475.65
		31.12.2016	43,936,647.89	6,296,268.23
COSCO SHIPPING LINES GREECE S.A.	Related Party	31.12.2017	89,161.90	-
		31.12.2016	-	-
COSCO (HONG KONG) INSURANCE BROKERS L.T.D.	Related Party	31.12.2017	-	385,736.25
		31.12.2016	-	-
COSCO SHIPPING AIR FREIGHT CO	Related Party	31.12.2017	-	12,976.00
		31.12.2016	-	-
	Total	**31.12.2017**	**44,029,480.68**	**12,782,187.90**
	Total	**31.12.2016**	**43,936,647.89**	**6,296,268.23**

Related party	Relation with the Company	Year ended	Amounts due from related parties	Amounts due to related parties
PIRAEUS CONTAINER TERMINAL S.A.	Related Party	31.12.2017	2,530,385.67	5,890.33
		31.12.2016	4,346,300.15	7,326.50
COSCO SHIPPING LINES GREECE S.A.	Related Party	31.12.2017	-	94,616.63
		31.12.2016	-	-
COSCO (Shanghai) SHIPYARD Co LTD	Related Party	31.12.2017	7,150,500.00	-
		31.12.2016	-	-
COSCO SHIPPING AIR FREIGHT CO	Related Party	31.12.2017	-	12,976.00
		31.12.2016	-	-
	Total	**31.12.2017**	**9,680,885.67**	**113,482.96**
	Total	**31.12.2016**	**4,346,300.15**	**7,326.50**

The revenues and receivables from Piraeus Container Terminal S.A. (PCT S.A.) are related to the fixed and variable revenue from the concession agreement (PIER II & III). The Company PCT S.A. is considered as a related party after the acquisition of the majority stake of PPA S.A by the COSCO SHIPPING (Hong Kong) Limited on August 10, 2016. Expenses from PCT S.A. related mainly to invoices to PPA S.A. for the construction of the petroleum pier that has been undertaken by a contractor through PCT S.A. (Note 4).

The transaction with COSCO (HONG KONG) INSURANCE BROKERS L.T.D. relates to the sufficient insurance coverage of PPA S.A. regarding third party liability, employer' s liability, property and business interruption and directors and officers liability for the period 1.1-31.12.2017, according to article 17 of the Concession Agreement (Greek Law 4404/2016).

The balance with COSCO (Shanghai) SHIPYARD Co LTD relates to a payment in advance for the purchase of a floating dock intended to locate at Perama Ship Repair Yard based on a contract signed on September 4, 2017. The total purchase cost of the floating dock will be € 22,835,000.00 and the delivery is scheduled for early 2018.

The revenues and receivables from Pireaus Container Terminal are related to the fixed and variable revenue from the concession arrangement (PIER II & III).

The transactions with Piraeus Container Terminal S.A. for the year ended December 31, 2016 relating to the whole year 2016.

Board of Directors Members Remuneration: During the year ended on the December 31, 2017, remuneration and attendance costs, amounting to € 935,053.17 (December 31, 2016: € 205,971.94) were paid to the Board of Directors members. Furthermore during the year ended December 31, 2017 emoluments of € 434,328.91 (December 31, 2016: € 900,582.22) were paid to Managers / Directors for services rendered.

32. FINANCIAL INSTRUMENTS

Fair Value: The carrying amounts reflected in the accompanying sheets of financial position for cash and cash equivalents, trade and other accounts receivable, prepayments, trade and other accounts payable and accrued and other current liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The fair value of variable rate loans and borrowings approximate the amounts appearing in the statements of financial position.

The Company categorized its financial instruments carried at fair value in three categories, defined as follows:

Level 1: Quoted (unadjusted) values from active financial markets for identical negotiable assets or liabilities.

Level 2: Other techniques for which all inflows that have a significant impact on the recorded fair value are identified or determined directly or indirectly from active financial markets.

Level 3: Techniques that use inflows that have a significant impact on the recorded fair value and are not based on quoted prices from active financial markets.

During the years ended December 31, 2017 and 2016, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

As at December 31, 2017 and 2016, the Company held the following financial instruments measured at fair value:

2017	Level 1	Level 2	Level 3	Total
Financial liabilities				
Interest bearing loans and borrowings (including short term portion)	-	68,499,999.99	-	**68,499,999.99**

2016	Level 1	Level 2	Level 3	Total
Financial liabilities				
Interest bearing loans and borrowings (including short term portion)	-	74,499,999.99	-	**74,499,999.99**

Credit Risk: There is no significant credit risk for the Company towards the contracting parties, since it receives advance payments or letters of guarantee from customers. In addition, the Company's deposits are lined in bank financial institutions in Greece with the following ratings (Moody's credit rating) :

	December 31	
	2017	**2016**
Caa2	20,035,155.87	-
Caa3	41,943,704.30	58,984,928.79
Total	**61,978,860.17**	**58,984,928.79**

Foreign Exchange Risk: The Company is neither involved in international trade nor has any long term loans in foreign currency and therefore is not exposed to foreign exchange risk resulting from foreign currency rate variations.

Interest rate risk: The Company bank loans are expressed in Euro and are subject to floating interest rates. The Company does not use derivatives in financial instruments in order to reduce its exposure to interest rate risk fluctuation as at the balance-sheet date. The Company management believes that there is no significant risk resulting from a possible interest rate fluctuation.

The table below presents and analyses the sensitivity of the result in relation to financial assets (cash on hand and in banks) and financial liabilities (loans) of the Company to the interest rate risk changes assuming a simultaneous change in interest rates by ± 100 basis points.

2017		Interest rate risk	
Financial assets	Accounting values	+100bips(Euribor)	-100bips(Euribor)
Cash and cash equivalents	61,862,169.21	618,621.69	(618,621.69)
Effect before income tax		618,621.69	(618,621.69)
Income tax 29%		(179,400.29)	179,400.29
Net effect		439,221.40	(439,221.40)
Financial liabilities			
Long term loans	(68,568,507.92)	(685,685.08)	685,685.08
Effect before income tax		(685,685.08)	685,685.08
Income tax 29%		198,848.67	(198,848.67)
Net effect		(486,836.41)	486,836.41
Total net effect		**(47,615.01)**	**47,615.01**

2016		Interest rate risk	
Financial assets	Accounting values	+100bips(Euribor)	-100bips(Euribor)
Cash and cash equivalents	43,763,194.93	437,631,95	(437,631,95)
Effect before income tax		437,631,95	(437,631,95)
Income tax 29%		(126,913.27)	126,913.27
Net effect		310,718.68	(310,718.68)
Financial liabilities			
Long term loans	(74,656,483.25)	(746,564.83)	746,564.83
Effect before income tax		(746,564.83)	746,564.83
Income tax 29%		216,503.80	(216,503.80)
Net effect		(530,061.03)	530,061.03
Total net effect		**(219,342.35)**	**219,342.35**

Liquidity risk: The effective management of liquidity risk is secured by ensuring maintenance of adequate cash reserves and a possibility for funding if necessary. Corporate liquidity risk management is based on rationale management of working capital and cash flows.

The following table summarizes the maturities of financial liabilities December 31, 2017 and 2016, respectively, under the relevant contracts to non-discounted prices.

Amounts of fiscal year 2017	Current portion	Less than 6 months	6-12 months	1 to 5 years	>5 years	Total
Borrowings	-	3,100,020.42	3,095,726.25	24,611,220.00	38,909,672.08	**69,716,638.75**
Leases	5,502.,00	27,510.00	36,504.00	-	-	**69,516.00**
Trade and other payables*	5,852,730.91	10,214,718.93	7,668,995.91	-	-	**23,756,445.75**
Total	**5,858,232.91**	**13,342,249.35**	**10,821,226.16**	**24,611,220.00**	**38,909,672.08**	**93,542,600.50**

Amounts of fiscal year 2016	Current portion	Less than 6 months	6-12 months	1 to 5 years	>5 years	Total
Borrowings	-	3,049,788.75	3,047,836.25	24,312,400.00	44,749,919.99	**75,159,944.99**
Leases	5,502.00	27,510.00	33,012.00	94,405.85	-	**160,429.85**
Trade and other payables*	5,546,594.31	5,621,771.71	8,309,051.54	-	-	**19,477,417.56**
Total	**5,552,096.31**	**8,699,070.46**	**11,389,899.79**	**24,406,805.85**	**44,749,919.99**	**94,797,792.40**

* Trade payables do not have interest and are settled in up to 60 days. Other payables also do not bear any interest and are settled in up to 12 months.

Capital Management

The primary objective of the Company's capital management is to ensure the maintenance of high credit rating, and healthy capital ratios in order to support and expand the Company's operations and maximize shareholder value. The Company's policy is to maintain leverage targets, according to an investment grade profile. The Company monitors capital adequacy using the ratio of net debt to operating profits, which should be lower than 9.80 based on the loan agreements (Note 18). The net debt includes interest-bearing loans, less cash and cash equivalents, while the operating profit including profit/ (loss) before taxes, financing costs and depreciation.

	December, 31 2017	December, 31 2016
Long-term borrowings	62,499,999.99	68,499,999.99
Short-term borrowings	6,000,000.00	6,000,000.00
Leases	68,507.93	156,483.26
Total Debt	**68,568,507,92**	**74,656,483.25**
Earning before interest, tax, depreciation and amortization (EBITDA)	**34,672,582.32**	**24,656,579.04**
- Total Debt / EBITDA	**1.98**	**3.03**

33. SUBSEQUENT EVENTS

On December 28, 2017 signed the new collective labour agreement with employees with effective date January 1, 2018.

On January 19, 2018 the Company announced the resignation of Mr. WAN Min from the position of the Chairman of the Board of Directors with the election of the executive member of BoD, CEO Mr. FU Chengqiu as new Chairmain while retaining the position of CEO.

On January 29, 2018, the Municipality of Piraeus deposited in Company's bank account the amount of € 4,610,632.30 due to enforcement of court decisions that ruled in favour of the Company in relation to a pending litigation (Note 7).

There are no other significant events subsequent to December 31, 2017 which would influence materially the Company's financial position.

Piraeus, February 13, 2018

CHAIRMAN OF THE BOARD OF DIRECTORS And MANAGING DIRECTOR	MEMBER OF THE BOARD OF DIRECTORS	FINANCIAL MANAGER
FU CHENGQIU Passport No E92044606	FENG BOMING Passport No PE0484459	IOANNIS KOUKIS License No. O.E.E. 0007437 A' Class

WEBSITE PLACE OF UPLOADING THE FINANCIAL STATEMENTS

The annual financial statements of the Company, the Auditor’s report and the Management Reports are available to the website www.olp.gr.

ΟΛΠ
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