Semi annual Financial report

for the period from January 1st to June 30th 2018

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The attached semiannual financial report has been prepared according to article 5 of the law 3556/2007 and has been approved for publishing by the Board of Directors of the parent company at the date of 26th September 2018 and is disclosed in the web address of the Company www.anek.gr

The attached semi annual financial report has been translated from the Greek original version.

ANEK LINES S.A
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STATEMENT OF BOARD OF DIRECTORS

(according to article 5 par.2 of Law 3556/2007)

The members of the Board of Directors of ANEK SA:

- Georgios Katsanevakis, Chairman,
- Ioannis Vardinoyannis, Managing Director,
- Spyridon Protopapadakis, Vice-Chairman as assigned

hereby represent that, to the best of our knowledge:

a) the semi-annual financial statements (separate and consolidated) for the period 1st January 2018 to 30th June 2018, prepared according to the applicable International Financial Reporting Standards, present truly and fairly the assets and liabilities, the equity and the financial results of the Company ANEK LINES SA, as well as of the consolidated companies according to paragraphs 3 to 5 of article 5 of Law 3556/2007, and

b) the semi-annual enclosed Report of Board of Directors presents fairly the information required according to paragraph 6 of article 5 of Law 3556/2007.

Chania, September 26th 2018

The Chairman	The Managing Director	The Vice-Chairman
GEORGIOS G. KATSANEVAKIS **ID Card No. AI 473513**	**IOANNIS I. VARDINOYANNIS** **ID Card No. Π 966572**	**SPYRIDON I. PROTOPAPADAKIS** **ID Card No. AA 490648**

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders of the Company

ANEK LINES S.A.

Introduction

We have reviewed the accompanying condensed separate and consolidated statement of financial position of the Company “ANEK LINES S.A.” as at 30 June 2018 and the relative condensed separate and consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the selected explanatory notes, that constitute the condensed interim financial information, which is an integral part of the six-month financial report under the L. 3556/2007. Management is responsible for the preparation and presentation of this condensed interim financial information, in accordance with International Financial Reporting Standards, as adopted by the European Union (EU) and which apply to Interim Financial Reporting (International Accounting Standard “IAS 34”). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard “IAS 34”.

Athens, September 26th 2018

The Certified Public Accountants - Auditors

KONSTANTINOS EM. ANTONAKAKIS

Institute of CPA (SOEL) Reg. No. 22781

Grant Thornton

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56, Zefirou Str., 175 64 Palaio Faliro
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SEMI ANNUAL REPORT OF THE BOARD OF DIRECTORS

The attached report of the Board of Directors of ***ANONIMI NAFTILIAKI ETAIREIA KRITIS S.A.*** *refers to the interim separate and consolidated financial statements as of 30 June 2018 and was prepared according to the article 5 of law 3556/2007 and the implementing decisions of the Hellenic Capital Committee and in particular the decision 7/448/11.10.2007. In the attached report is included information regarding the business activities of the Group and the Company, the financial position, the financial results and the significant events during the first half of 2018. Additionally, the report includes the main risks and uncertainties that the Company may face in the second semester of the year and the most significant related party transactions.*

I. OVERVIEW OF ACTIVITIES & FINANCIAL POSITION

ANEK Group, certifying its significant recovery after a period of prolonged deterioration in the economic climate, has managed to maintain its profitability from 2015 for three consecutive years. Subsequently, in the first half of 2018, it significantly improved its operating results compared to the corresponding period of the previous year. Through the more efficient management of the fleet and the passenger traffic growth, a significant increase in turnover was achieved while, at the same time, the cost of sales remained stable despite the rise in fuel prices.

The coastal shipping companies' activity is characterized by strong seasonality, which has an impact on revenue and results of the interim financial statements. Higher sales of Group are recorded in the third quarter of each year and are not reflected in the current financial statements, and thus the operating results for the first semester are not indicative of the annual results.

During the first half of 2018, ANEK Group operated through privately owned and chartered vessels in routes in Adriatic Sea (Ancona and Venice), Crete (Chania and Heraklion), Dodecanese islands and Cyclades. In Cyclades and Dodecanese continued to operate in public service routes. In Crete and Adriatic routes the Group's vessels continued executing combined itineraries jointly with vessels of "ATTICA S.A. HOLDINGS". In parallel, under the scope of a more efficient management of the fleet, have been occurred charters of Company's vessels abroad.

By executing 15% less itineraries compared to the first half of 2017, ANEK Group during the first half of 2018 in all routes operated has transferred 368 thousand passengers compared to 356 thousand in the previous corresponded period, 62 thousand private vehicles same as in the first half of 2017 and 69 thousand trucks compared to 70 thousand.

The key figures and their variations included in the Group's financial statements are as follows:

- **Turnover** for the first half of 2018 has been significantly increased by 12% amounting to € 72,9 million compared to € 65,3 million in the corresponding period of 2017.

- **Cost of Sales** for the first half of 2018 slightly decreased and formed at € 64,4 million from € 64,9 million in the first half of 2017.

- As a result of the above, Group's **Gross Profits** showed a significant rise and amounted to € 8,4 million versus € 0,4 million in the comparable period.

- Respectively, **Earnings before interest, taxes, depreciation and amortization (EBITDA)** in the first half of 2018 showed significant improvement amounting to profits of € 1,6 million compared to losses of € 6,3 million in the corresponded period of the previous year.

- Group's **Net financial cost** for the first half of 2018 amounted to € 5,0 million versus € 4,6 million in the first half of 2017, while it is noted that the comparable results of the previous year included an income from write-off of capitalized interest amounting to € 15,5 million. Moreover, the results from investing activities resulted in profits of € 0,1 million against profits of € 2,5 million in the comparable period.

- Finally, as a result of all above, **Net results after tax and minority interests** in the first half of 2018 amounted to losses of € 9,1 million compared to profits of € 2,1 million in the first half of 2017.

- **Key items of the statement of financial position**

  - Group's fixed assets as at 30.06.2018 amounted to € 281,3 million compared to € 266,9 million at the end of the previous year. Depreciation for the period amounted to € 5,4 million and additions to € 20,2 million, mainly due to a long-term vessel charter contract (and its upgrading cost) with a purchase option that meets the criteria of "IAS 17" for its recognition as a finance lease.

  - Group's trade receivables as at 30.6.2018 formed at € 43,4 million compared to € 35,8 million in 31.12.2017, while other short-term receivables amounted to € 6,8 million compared to € 3,5 million.

  - Cash and cash equivalents as at 30.06.2018 amounted to € 4,5 million compared to € 6,8 million at the end of the previous year.

  - Group's long-term bank liabilities as at 30.06.2018 amounted to € 239,3 million compared to €

242,8 million at 31.12.2017. Respectively, Group's short-term bank liabilities stood at € 18,3 million compared to € 17,5 million at the end of the previous year.

- Trade payables as at 30.06.2018 amounted to € 39,5 million from € 26,7 million at 31.12.2017, while other short term liabilities amounted to € 34,8 million compared to € 13,3 million, mainly, due to the seasonality of sales (increase of deferred income by € 12,3 million referred to tickets for trips at a post later time of June 30th, 2018).

- **Cash flows**

Group during first half of 2018 showed inflows from operating activities amounted to € 8,2 million compared to € 7,7 million in the corresponding period. Investing activities showed outflows of € 6,2 million compared to € 11,4 million in the first half of 2017. Finally, financing activities for the first half of 2018 showed outflows of € 4,3 million compared to € 1,4 million.

- **Financial ratios**

- The gross profit margin (%) “Gross Profit / Turnover” of the Group for the first half of 2018 formed at 11,6 %, compared to 0,6 % in the corresponding period, due to the increase in turnover.
- Indicators of general liquidity (:1) “Current assets / Current liabilities” and immediate liquidity (:1) “[Current assets - Inventory] / Current liabilities” stood at 0,66 and 0,62 respectively, versus 0,90 and 0,85 at 31.12.2017.
- The debt ratios (:1) “Liabilities / Equity” and “Long and short term borrowings / Equity” on 30.06.2018 are negative due to the Group’s negative equity. The “Liabilities / (Equity + Liabilities)” ratio formed at 1,02 on 30.06.2018 compared to 0,99 at the end of year 2017, while the “Long and short term borrowings / (Equity + Liabilities)” ratio formed at 0,74 compared to 0,81.
- Finally, regarding the capital structure, the ratios "Fixed Assets / Long Term Liabilities" and "Fixed Assets / Long-term Bank Liabilities" on 30.06.2018 stood at 1,08 and 1,21 respectively, against 1,03 and 1,12 to the end of year 2017.

II. SIGNIFICANT EVENTS OF FIRST HALF 2018 AND AFTERWARDS

- In March 2018 the Company concluded a lease contract of a vessel which was upgraded and launched in Adriatic routes, replacing a chartered vessel.

- In May 2018 ANEK signed a contract for the installation of ERP software. This project is in progress and is expected to be completed by the end of the year 2018.
- On August 28th 2018 a fire broke out on the vessel «EL. VENIZELOS». It is noted that the vessel is insured by an international mutual insurance organization in order to cover liability claims by third parties (Protection & Indemnity). Regarding the damage of the vessel, the Company will be compensated by the insurers of Hull and Machinery. Under the assessment of the data of the incident, it is reasonable to assume that there will be no materially burden in the financial results of the Company.

III. MAIN RISKS AND UNCERTAINTIES FOR THE 2ND HALF

- **Risk of fuel prices fluctuation**

Fuel cost is the key operating cost incurred by the Group with a direct effect on the results of each period and thus, a rise in fuel prices is the most important risk faced by the Group. Fuel prices are settled in Euro, but they are indirectly affected by the EUR/USD exchange rate used as a basis for the determination of the international prices. The sensitivity of the results and of the equity to a change in the average cost of fuels per metric ton -ceteris paribus- for the first half of 2018 was as follows:

Fuel price change	Effect on results and equity
± 5% / metric ton	(-/+) € 1,15 million
± 10% / metric ton	(-/+) € 2,31 million
± 20% / metric ton	(-/+) € 4,62 million

- **Interest rate fluctuation risk**

ANEK has entered into agreements for long-term syndicated loans, bilateral loans and credit accounts with different banks. Interests for all the above loans are calculated on the basis of the Euribor rate plus a margin. Consequently, the Company is exposed to a rate fluctuation risk, as it will be burdened with extra financial cost in the event of an increase in interest rates. The sensitivity of the results and equity to long term debt rate interest rate changes for the first half of 2018 was as follows:

Change of interest rate	Effect in the results and equity
± 0,5%	(-/+) € 0,65 million
± 1%	(-/+) € 1,30 million

- **Liquidity risk**

Liquidity risk is the risk that the Group or the Company may not be able to meet its financial obligations and disrupt their smooth operation. The restructuring of the Parent's long-term borrowing has led to a balance in equity and has reduced the liquidity risk. The Group's cash as at 30.06.2018 amounted to € 4,5 million, while in order to avoid a possible lack of sufficient liquidity, the Group's management ensures that bank credits are always available to meet extraordinary needs in periods of low liquidity.

- **Credit risk**

Under the existing financial conditions, all companies are facing increased credit risks. The Group is monitoring its customers' balances closely by applying credit control procedures and defining credit limits and specific credit policies for all the customer categories. Where it is necessary, it has obtained additional guarantees to secure the credit granted even more. The accumulative provisions formed have reached the amount of € 37,3 million, and it is considered adequate to deal with credit risk, while, there is significant dispersion of the Group's receivables. Although, that there is a concentration of receivables by the Joint venture, these receivables refer to a large number of debtors (agents, truck companies etc.) that are settled through the Joint venture (as a special scheme) and therefore the risk of concentration is limited. Regarding cash and cash equivalents, the Group is not exposed to any credit risk as there is natural hedging, given that there are also loan agreements entered into with the cooperating financial institutions.

- **Competition**

The vessels of ANEK Group perform itineraries in routes where there is intensive competition, particularly in Greece-Italy and Piraeus-Crete routes. The effort made by each company to retain and increase its market share in the above markets may intensify competition even more, thus having an impact on their financial results. Moreover, as part of its shipping activities, the Group is trying to improve the allocation of vessels per route, examines the profitability of existing (and possible new) routes and set its prices at competitive levels. A potential intensification of competition in the markets where the Group operates may have a significant adverse effect on the Group's operating results, cash flows and financial position.

- **Foreign exchange risk**

Both the Company and the Group are not exposed to increased foreign exchange risk since most transactions with customers and suppliers abroad are made in euro. There is a limited exchange risk caused by the market value of spare parts and other materials, or services procured in foreign currencies, which is small in relation to the total of purchases and expenses.

- **Regulatory risk**

There is a risk of additional costs or investments from any changes in the environmental - regulatory framework related to the operation and supervision of passenger shipping activities of the Group.

IV. PROSPECTS FOR THE 2ND HALF OF 2018

The traffic of passengers and vehicles during the summer months of 2018 in the routes ANEK operated was quite encouraging. However, the entry of a competitor in the Chania route since mid-July is anticipated to decrease the expected traffic and route revenue of the second half of the year.

In addition, the Group's prospects for the second half of 2018 depend on the general course of the economy, the touristic traffic and the demand for coastal services, as well as the evolution of international oil prices. Fuel prices fluctuated at a much higher level than in the comparable period, while fuel costs remain the most basic factor of the Group's operating costs. Considering that the course of international oil prices is an unpredictable factor, any further assessment of their impact on the results of the financial year would be arbitrary.

V. RELATED PARTY TRANSACTIONS

The most important transactions and balances between the Parent Company and its subsidiaries (LANE, ETANAP, LEFKA ORI, AIGAION PELAGOS, ANEK HOLDINGS), its associate (ANEK LINES ITALIA) and its related party (JV ANEK S.A. & SUPERFAST ENDEKA (HELLAS) INC.), hereinafter “JOINT VENTURE”, mainly, pertain to vessels’ chartering, tickets issuance commissions, vessels’ agency, other services and the purchase of bottled water. Executives’ fees refer to dependent employment services and BoD members’ fees pertain to fees paid and remunerations for meetings. The invoicing of transactions between the above companies was done in accordance with the arm’s length principle. Following are the most important transactions and balances between the Parent Company and its related parties, in accordance with IAS 24:

- **Income / Expenses**

During the first half of 2018 ANEK invoiced the subsidiary AIGAION PELAGOS with the amount of € 4.415 thousand (€ 4.173 thousand in the first half of 2017) for chartering of vessels, tickets issuing commissions and management services provided and subsidiary LANE with the amount of € 7 thousand (€ 72 thousand in the corresponding period of 2017) for tickets issuing commissions and management services provided.

Also, subsidiary ETANAP invoiced the Parent Company for sale of products amounting to € 55 thousand (€ 61 thousand in the first half of 2017), while LEFKA ORI had revenue from ETANAP of € 97 thousand (€ 66 thousand in the first half of 2017). Finally, the relative ANEK LINES ITALIA in the first half of 2018 invoiced ANEK with an amount of € 132 thousand (€ 105 thousand for the comparable period) and ANEK - SUPERFAST JOINT VENTURE with an amount of € 779 thousand (versus € 718 thousand) for ticket issuance. Finally, Parent Company received a dividend of € 174 thousand from the subsidiary ETANAP.

- **Receivables / Liabilities**

As at 30.06.2018 ANEK had a liability to the subsidiary ETANAP amounted to € 1.432 thousand (against € 62 thousand at 31.12.2017), a receivable from subsidiary LANE amounted to € 4.952 thousand (against € 4.685 thousand at 31.12.2017), a receivable from subsidiary AIGAION PELAGOS amounted to € 3.804 thousand (€ 2.566 thousand at the end of the previous year) and a receivable from subsidiary ANEK HOLDINGS of amount € 73 thousand (€ 72 thousand at 31.12.2017). Moreover, ANEK at 30.6.2018 had a liability to the associate ANEK LINES ITALIA amounting to € 1.353 thousand (against € 227 thousand at 31.12.2017) and a receivable from the JOINT VENTURE amounted to € 21.037 thousand (€ 15.895 thousand at 31.12.2017). At 30.06.2018, AIGAION PELAGOS had a receivable from LANE amounted to € 356 thousand (€ 359 thousand at 31.12.2017), while ANEK LINES ITALIA had a liability to JOINT VENTURE amounted to € 2.998 thousand (€ 671 thousand at the end of the previous year) and a receivable from LANE of amount € 123 thousand, same as 31.12.2017. Finally, at 30.06.2018, LEFKA ORI had a receivable from ETANAP amounted to € 56 thousand (€ 52 thousand at 31.12.2017).

- **Fees of BoD members and Directors**

The gross fees of the Board of Directors and of the Group's executives refer to short term benefits and amount to € 834 thousand (€ 624 thousand for the Company) for the first half of 2018, compared to € 841 thousand (€ 656 thousand for the Company) for the first half of 2017. Moreover, at 30.6.2018 the Group had a liability to the above persons of amount € 126 thousand (€ 45 thousand at 30.06.2017).

Chania, September 26th, 2018

The Board of Directors

INTERIM SEPARATE & CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2018

Financial statements amounts are expressed in thousands €.

Any differences in totals are due to the rounding of figures.

STATEMENTS OF COMPREHENSIVE INCOME

	Note	The Group		The Company	
		01.01.18-30.06.18	**01.01.17-30.06.17**	**01.01.18-30.06.18**	**01.01.17-30.06.17**
Revenue	*4*	72.876	65.251	66.878	58.048
Cost of sales		(64.444)	(64.873)	(59.727)	(58.384)
Gross profit / (losses)		**8.432**	**378**	**7.151**	**(336)**
Other operating income		293	608	526	880
Administrative expenses		(5.026)	(4.986)	(4.573)	(4.557)
Selling and marketing expenses		(6.761)	(6.146)	(5.748)	(5.286)
Other operating expenses		(695)	(1.156)	(352)	(1.102)
Earnings / (losses) before taxes, financing and investing results		**(3.757)**	**(11.302)**	**(2.996)**	**(10.401)**
Financial expenses		(5.021)	(4.924)	(4.968)	(4.881)
Financial income		22	15.806	16	15.785
Results from investing activities		(6)	2.465	(4)	2.462
Results from measurement of investments in associates		67	55	369	332
Earnings / (losses) before taxes		**(8.695)**	**2.100**	**(7.583)**	**3.297**
Income tax	*10*	(313)	(253)	(74)	(36)
Earnings / (losses) after taxes		**(9.008)**	**1.847**	**(7.657)**	**3.261**
Attributable to:					
Owners of the Parent company		(9.078)	2.053	-	-
Minority interests		70	(206)	-	-
Other comprehensive income / (losses) after taxes		-	-	-	-
Total comprehensive income /(losses) after taxes		**(9.008)**	**1.847**	**(7.657)**	**3.261**
Attributable to:					
Owners of the Parent company		(9.078)	2.053	-	-
Minority interests		70	(206)	-	-
Earnings / (losses) after taxes per share - basic (in €)	*9*	(0,0481)	0,0109	(0,0406)	0,0173
Earnings / (losses) after taxes per share impaired - basic (in €)	*9*	(0,0336)	0,0081	(0,0282)	0,0127
Earnings / (losses) before taxes, financing and investing results and depreciation (EBITDA)		**1.588**	**(6.340)**	**2.229**	**(5.563)**

The additional notes are an integral part of the above interim financial statements

STATEMENTS OF FINANCIAL POSITION

		The Group		The Company	
	Note	**30.06.18**	**31.12.17**	**30.06.18**	**31.12.17**
ASSETS					
Tangible fixed assets	5	281.346	266.924	273.431	259.494
Investments in property		2.102	1.764	686	689
Intangible assets		154	62	154	62
Investments in subsidiaries		-	-	7.169	7.057
Investments in associates		2.105	2.037	2.105	2.037
Other long-term receivables		3.539	53	3.518	31
Deferred tax receivables		235	238	-	-
Total non-current assets		**289.481**	**271.078**	**287.063**	**269.370**
Inventories		3.482	2.948	1.634	1.755
Trade receivables		43.388	35.782	45.977	38.137
Other receivables		6.780	3.492	5.951	2.707
Financial assets at fair value through profit & loss		2.560	2.622	1.166	1.225
Cash and cash equivalents	6	4.474	6.826	2.498	3.217
Total current assets		**60.684**	**51.670**	**57.226**	**47.041**
TOTAL ASSETS		**350.165**	**322.748**	**344.289**	**316.411**
EQUITY AND LIABILITIES					
Share capital (188.654.892 shares x € 0,30)		56.597	56.597	56.597	56.597
Share premium account		745	745	745	745
Reserves		9.552	9.520	8.031	8.031
Results carried forward		(76.801)	(67.007)	(67.708)	(59.368)
Total company shareholders' equity		**(9.907)**	**(145)**	**(2.335)**	**6.005**
Minority interest		2.806	2.895	-	-
Total equity		**(7.101)**	**2.750**	**(2.335)**	**6.005**
Long-term borrowings	7	239.326	242.729	239.326	242.729
Deferred tax liabilities		1.310	1.321	358	359
Retirement benefits provisions		2.432	2.429	2.287	2.289
Other provisions		1.437	1.514	1.116	1.193
Grants for assets		460	521	-	-
Capital lease liabilities		16.324	9.844	16.324	9.844
Other long term liabilities	8	3.398	4.147	3.398	4.147
Total non-current liabilities		**264.687**	**262.505**	**262.809**	**260.561**
Short-term bank borrowings	7	18.263	17.489	17.588	16.848
Trade payables		39.509	26.728	36.130	22.871
Other short term liabilities		34.807	13.276	30.097	10.126
Total current liabilities		**92.579**	**57.493**	**83.815**	**49.845**
Total liabilities		**357.266**	**319.998**	**346.624**	**310.406**
TOTAL EQUITY AND LIABILITIES		**350.165**	**322.748**	**344.289**	**316.411**

The additional notes are an integral part of the above annual financial statements.

STATEMENTS OF CHANGES IN EQUITY

The Group	Note	Share Capital	Share premium	Asset revaluation reserves	Other reserves	Retained earnings	Total	Minority interests	Total
Balance 01.01.2017		**56.597**	**745**	**2.066**	**5.343**	**(76.844)**	**(12.093)**	**4.752**	**(7.341)**
Total comprehensive income for the 1st half of 2017						2.053	**2.053**	(206)	**1.847**
Net equity as of 30.06.2017		**56.597**	**745**	**2.066**	**5.343**	**(74.791)**	**(10.040)**	**4.546**	**(5.494)**
Balance 01.01.2018		**56.597**	**745**	**2.066**	**7.454**	**(67.007)**	**(145)**	**2.895**	**2.750**
Effect from application of IFRS 9						(668)	**(668)**		**(668)**
Restated balance 01.01.2018		**56.597**	**745**	**2.066**	**7.454**	**(67.675)**	**(813)**	**2.895**	**2.082**
Total comprehensive income for the 1st half of 2018						(9.078)	**(9.078)**	70	**(9.008)**
Reserves formed of subsidiaries					32	(32)	-	-	-
Effect from sale of own shares of a subsidiary						(16)	**(16)**	31	**15**
Dividends to non-controlling subsidiaries							-	(190)	**(190)**
Net equity as of 30.06.2018		**56.597**	**745**	**2.066**	**7.486**	**(76.801)**	**(9.907)**	**2.806**	**(7.101)**

The Company	Share Capital	Share premium	Asset revaluation reserves	Other reserves	Retained earnings	Total
Balance 01.01.2017	**56.597**	**745**	**933**	**5.019**	**(72.003)**	**(8.709)**
Total comprehensive income for the 1st half of 2017					3.261	**3.261**
Net equity as of 30.06.2017	**56.597**	**745**	**933**	**5.019**	**(68.742)**	**(5.448)**
Balance 01.01.2018	**56.597**	**745**	**933**	**7.098**	**(59.368)**	**6.005**
Effect from application of IFRS 9					(668)	**(668)**
Restated balance 01.01.2018	**56.597**	**745**	**933**	**7.098**	**(60.036)**	**5.337**
Total comprehensive income for the 1st half of 2018					(7.657)	**(7.657)**
Effect from sale of own shares of a subsidiary					(14)	**(14)**
Net equity as of 30.06.2018	**56.597**	**745**	**933**	**7.098**	**(67.708)**	**(2.335)**

The additional notes are an integral part of the above interim financial statements.

STATEMENTS OF CASH FLOW

	The Group		The Company	
	01.01.18-30.06.18	**01.01.17-30.06.17**	**01.01.18-30.06.18**	**01.01.17-30.06.17**
Operating activities				
Earnings / (losses) before taxes	(8.695)	2.100	(7.583)	3.297
Adjustments for:				
Depreciation	5.435	5.053	5.225	4.838
Grants amortization	(90)	(91)	-	-
Provisions	134	509	120	605
Results of investing activities	(61)	(2.520)	(365)	(2.794)
Foreign exchange differences	373	(227)	360	(239)
Financial expenses (less financial income)	4.626	(10.658)	4.592	(10.668)
	1.722	**(5.834)**	**2.349**	**(4.961)**
Plus /(less) adjustments for changes of working capital accounts or related to operating activities:				
Reduction / (increase) of inventories	(517)	(421)	121	(8)
Reduction / (increase) of receivables	(15.111)	(6.819)	(15.263)	(7.122)
Increase/(reduction) of payable accounts (except loan liabilities) υπο-	26.074	25.755	25.447	25.343
Less:				
Interest and related expenses paid	(3.947)	(4.987)	(3.941)	(4.956)
Income tax paid	(49)	(31)	(49)	(30)
Total cash flows generated from operating activities (a)	***8.172***	***7.663***	***8.664***	***8.266***
Investing activities				
Acquisition of affiliates, securities and other investments	-	(52)	-	(2)
Proceeds from sale of securities and other investments	56	-	56	-
Acquisition of fixed assets	(6.297)	(11.341)	(5.261)	(11.143)
Proceeds from the sale of fixed assets	3	-	-	-
Interest received	9	22	1	1
Dividend received	-	-	-	-
Total cash flows generated from investing activities (b)	***(6.229)***	***(11.371)***	***(5.204)***	***(11.144)***
Financing activities				
Payments for capital leases	(1.375)	(679)	(1.375)	(679)
Proceeds from borrowings	754	5.792	739	5.181
Payment of borrowings	(3.543)	(6.543)	(3.543)	(6.543)
Dividends paid	(131)	-	-	-
Cash flows from financing activities (c)	***(4.295)***	***(1.430)***	***(4.179)***	***(2.041)***
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	**(2.352)**	**(5.138)**	**(719)**	**(4.919)**
Cash and cash equivalents at the beginning of the period	6.826	11.903	3.217	8.904
Cash and cash equivalents at the end of the period	**4.474**	**6.765**	**2.498**	**3.985**

The additional notes are an integral part of the above interim financial statements.

INFORMATION AND EXPLANATORY NOTES ON THE INTERIM FINANCIAL STATEMENTS OF THE PERIOD 01.01.2018 – 30.06.2018

Information and explanatory notes on the interim financial statements of the period 01.01.2018 – 30.06.2018 – Amounts in thousands € unless stated differently

1. General information for the Company and the Group

The Parent company was established in 1967 (Government Gazette 201/10.04.67) under the corporate name "ANONIMI NAFTILIAKH ETAIREIA KRITIS S.A." trading as "ANEK LINES" (hereinafter "ANEK" or the "Company", or the "Parent company") and is operating in the passenger ferry shipping sector. The Company's seat is located in the municipality of Chania – Crete, and its registered offices are located on 148 Karamanli Ave. ANEK is recorded in General Company Register under number 121557860000 and its website address is www.anek.gr. The Company's shares have been listed since 1999 on the Athens Stock Exchange. In addition to the Parent company, the Group includes the following subsidiaries and associates with the following participation percentages:

Name	***Group percentage***	***Registered office***	***Activity***
LANE S.A.	50,11%	Chania	Passenger shipping
ETANAP S.A.	48,01%	Stilos, Chania	Production and sale of bottled water
LEFKA ORI S.A.	60,49%*	Stilos, Chania	Production and trade of plastic bottles and packaging products
ANEK HOLDINGS S.A.	99,48%**	Chania	Tourism - participation in other companies - consulting, etc.
AIGAION PELAGOS THALASSIES GRAMMES SHIPPING COMPANY	100%	Chania	Sailing company under Law 959/79
ANEK LINES ITALIA S.r.l.	49%	Ancona, Italy	Agency and representation of shipping companies

** direct participation: 24% and indirect via ETANAP: 36,49%*

*** direct participation: 99% and indirect via ETANAP: 0,48%*

The aforementioned companies, in which ANEK participates by more than 50%, as well as "ETANAP" in which the Parent company has the control, have been included in the consolidated financial statements as at 30th June 2018 using the full consolidation method. "ANEK LINES ITALIA S.r.l." in which the Parent Company participates by 49% was consolidated using the equity method. "ANEK HOLDINGS SA" participates by 100% in "ANEK ENERGY LTD", which was inactive and was liquidated in November 2017. It is noted that in July of 2018 was completed the share capital increase of the subsidiary "ETANAP". Since 18.07.2018 ANEK's stake in "ETANAP" formed at 31,90% and in "LEFKA ORI" - in which the parent company had a direct and indirect stake through ETANAP - at 48,24%, which will affect the valuation of the subsidiaries in the Parent's financial statements respectively. Also, the subsidiary LANE continues its actions for its inclusion in the provisions of Article 106b of the Bankruptcy Code.

The number of personnel employed as at 30 June 2018 was 857 for the Company (out of which 648 were employed as vessels' crew) and 922 for the Group (out of which 648 were employed as vessels' crew). Respectively, at the end of the comparative period of 2017 the Company had a number of 810 and the Group 912 employees.

The interim financial statements as of 30th June 2018 were approved by the BoD of the Parent Company

at the meeting of 26th September 2018.

2. Preparation basis of the financial statements and accounting principles

The interim separate and consolidated financial statements as of 30th June, 2018 (hereinafter the "financial statements") have been prepared according to the International Financial Reporting Standards (hereinafter "IFRS"), as issued by the International Accounting Standards Board (IASB) and adopted by the European Union, and more specifically to the IAS 34 "Interim financial reporting". Therefore, they do not include all the information required for the annual financial statements and should be read in conjunction with the published statements as of 31 December 2017 that have been posted on the Company's website at www.anek.gr.

The basic accounting principles adopted in the preparation of the interim financial statements are the same as those followed in the preparation of the annual financial statements as of 31.12.2017, except for the new standards and interpretations which are applicable after January 1st 2018. The preparation of financial statements according to IFRS requires that the management makes estimates, assumptions and assessments that affect the assets and liabilities, the disclosures of contingent receivables and liabilities as of the date of the financial statements, as well as the published amounts of income and expenses. The actual results may differ from these estimates.

- **New standards and interpretations, revisions and amendments**

The International Accounting Standards Board (IASB), as well as the Interpretation Committee has issued a range of new IFRS and interpretations, which either are mandatory for accounting periods starting from January 1st 2018 and thereafter, or are not mandatory, as since the publishing date of the interim financial statements they have not been adopted from the European Union. The Group has adopted all the new IFRS and interpretations which are mandatory after January 1st 2018 and examines the effect in the financial statements of the potential adoption of the other IFRS and interpretations. The most significant new standards and interpretations are as follows:

(α) New Standards, interpretations, revisions and amendments of existing standards that have been adopted from the European Union and their application is mandatory from 1st January 2018 or after:

- **IFRS 9 – Financial instruments**

In July 2014, the IASB issued the final version of IFRS 9. The improvements introduced by the new standard refer to the existence of a reasonable model for classification and measurement, a single predictive model for expected impairment losses and also a substantially reformed approach for hedge accounting.

The adoption of IFRS 9 resulted in a change in the accounting treatment of impairment losses on financial assets (with effect on the "Trade Receivables" account) as it replaced the treatment of IAS 39 for recognition of realized losses by recognizing the expected credit losses.

The Group applies the simplified approach of IFRS 9 for the calculation of expected credit losses, according to which the provision for impairment is always measured at the amount of the expected lifetime loss for the receivables from customers and other conventional assets. To determine the expected credit losses in relation to customer receivables, the Group and the Joint Venture use a credit loss forecast for each class of receivables (agents, cargo, other) based on the historical data for credit losses, adjusted for future factors in relation with debtors and the economic environment. Provisions for impairment of the Group and the Company were increased by € 668 thousand on 01.01.2018. The increase in the provision resulted in the adjustment of the "Results carried forward" account and the "Trade Receivables" account. The Group has applied IFRS 9 as at 1.1.2018, without the restatement of the respective comparatives, therefore the comparative amounts of the Group for 2017 are presented in accordance with IAS 39.

Business Model Assessment: The business model of an entity is determined at a level that reflects the way in which financial asset groups are managed together to achieve a particular business objective. Basically, it refers to how the entity manages its financial assets to generate cash flows. That is, the business model determines whether cash flows arise from the collection of contractual cash flows, the sale of financial assets, or both. Based on IFRS 9, it is stated that financial assets held for trading or at fair value will be measured at fair value through profit or loss. Based on the business model evaluation and the SPPI test, there were no differences in the classification of the financial instruments of the Company and the Group.

- **IFRS 15 - Revenue from contracts with customers**

In May 2014, the IASB issued a new Standard, IFRS 15. The Standard fully converges with the requirements for the recognition of revenue in both IFRS and US GAAP. The key principles on which the Standard is based are consistent with much of current practice. The new Standard is expected to improve financial reporting by providing a more robust framework for addressing issues as they arise, increasing comparability across industries and capital markets, providing enhanced disclosures and clarifying accounting for contract costs. The new Standard will supersede IAS 11 "Construction Contracts", IAS 18 "Revenue" and several revenue related Interpretations. From the adoption of IFRS 15 did not emerge differences in the recognition of revenues of the Group and the Company.

- **Clarifications to IFRS 15 - Revenue from contracts with customers**

In April 2016, the IASB published clarifications to IFRS 15. The amendments to IFRS 15 do not change the underlying principles of the Standard, but clarify how those principles should be applied. The amendments clarify how to identify a performance obligation in a contract, how to determine whether a company is a principal or an agent and how to determine whether the revenue from granting a license should be recognized at a point in time or over time. From the adoption of IFRS 15 did not emerge differences in the recognition of revenues of the Group and the Company.

- **Amendment to IFRS 2: "Classification and Measurement of Share-based Payment Transactions"**

In June 2016, the IASB published narrow scope amendment to IFRS 2. The objective of this amendment is to clarify how to account for certain types of share-based payment transactions. More specifically, the amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, for share-based payment transactions with a net settlement feature for withholding tax obligation, as well as, a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The above are effective from 01.01.2018 and do not affect the financial statements of the Group.

- **Amendments to IFRS 4 - Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts**

In September 2016, the IASB published amendments to IFRS 4. The objective of the amendments is to address the temporary accounting consequences of the different effective dates of IFRS 9 Financial Instruments and the forthcoming insurance contracts Standard. The amendments to existing requirements of IFRS 4 permit entities whose predominant activities are connected with insurance to defer the application of IFRS 9 until 2021 (the "temporary exemption") and also permit all issuers of insurance contracts to recognize in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts Standard is issued (the "overlay approach"). The above are effective from 01.01.2018 and do not affect the financial statements of the Group.

- **Annual improvements to IFRS – Cycle 2014 - 2016**

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

- **Amendments to IAS 40 - Transfers of Investment Property**

In December 2016, the IASB published narrow-scope amendments to IAS 40. The objective of the amendments is to reinforce the principle for transfers into, or out of, investment property in IAS 40, to specify that (a) a transfer into, or out of investment property should be made only when there has been a change in use of the property, and (b) such a change in use would involve the assessment of whether the property qualifies as an investment property. That change in use should be supported by evidence. The above are effective from 01.01.2018 and do not affect the financial statements of the Group.

- **IFRIC 22 - Foreign Currency Transactions and Advance Consideration**

In December 2016, the IASB issued a new Interpretation, IFRIC 22. IFRIC 22 provides requirements about which exchange rate to use in reporting foreign currency transactions (such as revenue transactions) when payment is made or received in advance. The above are effective from 01.01.2018 and do not affect the financial statements of the Group.

(β) New Standards, Interpretations and Amendments to existing Standards that have not been applied yet or have not been adopted by the European Union:

- **IFRS 16 - Leases**

In January 2016, the IASB issued a new Standard, IFRS 16. The objective of the project was to develop a new Leases Standard that sets out the principles that both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'), apply to provide relevant information about leases in a manner that faithfully represents those transactions. To meet this objective, a lessee is required to recognize assets and liabilities arising from a lease. The above are effective from 01.01.2019. The Group will examine the impact of the above on its financial statements.

- **Amendments to IFRS 9 - Prepayment Features with Negative Compensation**

In October 2017, the IASB published narrow-scope amendments to IFRS 9. Under the existing requirements of IFRS 9, an entity would have measured a financial asset with negative compensation at fair value through profit or loss as the "negative compensation" feature would have been viewed as introducing potential cash flows that were not solely payments of principal and interest. Under the amendments, companies are allowed to measure particular prepayable financial assets with so-called negative compensation at amortized cost or at fair value through other comprehensive income if a specified condition is met. The Group will examine the impact of the above on its financial statements. The above are effective for annual periods starting from 01.01.2019.

- **Amendments to IAS 28 - Long-term Interests in Associates and Joint Ventures**

In October 2017, the IASB published narrow-scope amendments to IAS 28. The objective of the amendments is to clarify that companies account for long-term interests in an associate or joint venture – to which the equity method is not applied – using IFRS 9. The Group will examine the impact of the above on its financial statements, though it is not expected to have any. The above are effective for annual periods starting from 01.01.2019 and have not been adopted by the European Union.

- **Annual improvements to IFRSs - Cycle 2015 - 2017**

In December 2017, the IASB issued Annual Improvements to IFRSs – 2015-2017 Cycle, a collection of amendments to IFRSs, in response to several issues addressed during the 2015-2017 cycle. The issues included in this cycle are the following: **IFRS 3 - IFRS 11:** Previously held interest in a joint operation, **IAS 12:** Income tax consequences of payments on financial instruments classified as equity, **IAS 23:** Borrowing costs eligible for capitalization. The amendments are effective for annual periods beginning on or after 1 January 2019. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above are effective for annual periods starting from 01.01.2019 and have not been adopted by the European Union.

- **Amendments to IAS 19 - Plan Amendment, Curtailment or Settlement**

In February 2018, the IASB published narrow-scope amendments to IAS 19, under which an entity is required to use updated assumptions to determine current service cost and net interest for the remainder of the reporting period after an amendment, curtailment or settlement to a plan. The objective of the amendments is to enhance the understanding of the financial statements and provide useful information to the users. The Group will examine the impact of the above on its Financial Statements**.** The above are effective from annual periods starting on or after 01.01.2019 and have not been adopted by the European Union.

- **IFRIC 23 - Uncertainty over income tax treatments**

In June 2017, the IASB issued the new Interpretation IFRIC 23. IAS 12 "Income Taxes" specifies how to account for current and deferred tax, but not how to reflect the effects of uncertainty. IFRIC 23 provides requirements that add to the requirements in IAS 12 by specifying how to reflect the effects of uncertainty in accounting for income taxes. The Group will examine the impact of the above on its financial statements, though it is not expected to have any. The above are effective for annual periods starting from 01.01.2019 and have not been adopted by the European Union.

- **Revision of the Conceptual Framework for Financial Reporting**

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

- **Amendments to References to the Conceptual Framework in IFRS Standards**

In March 2018, the IASB issued Amendments to References to the Conceptual Framework, following its revision. Some Standards include explicit references to previous versions of the Conceptual Framework. The objective of these amendments is to update those references so that they refer to the revised Conceptual Framework and to support transition to the revised Conceptual Framework. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above are effective from annual periods starting on or after 01.01.2020 have not been adopted by the European Union.

- **IFRS 17 – Insurance contracts**

In May 2017, the IASB issued a new Standard, IFRS 17, which replaces an interim Standard, IFRS 4. The aim of the project was to provide a single principle-based standard to account for all types of insurance contracts, including reinsurance contracts that an insurer holds. A single principle-based standard would enhance comparability of financial reporting among entities, jurisdictions and capital markets. IFRS 17 sets out the requirements that an entity should apply in reporting information about insurance contracts it issues and reinsurance contracts it holds. The Group will examine the impact of the above on its financial statements, though it is not expected to have any. The above are effective from annual periods starting on or after 01.01.2020 have not been adopted by the European Union.

Information and explanatory notes on the interim financial statements of the period 01.01.2018 – 30.06.2018 – Amounts in thousands € unless stated differently

3. Seasonal nature of business activities

The activities of Group shipping companies are highly seasonal, which affects the income and results of the interim financial statements. More specifically, the transportation of passengers and vehicles is particularly increased during summer months – due to tourism – and holidays, while the transportation of trucks demonstrates slight fluctuations during the year. Therefore, the highest sales take place during the third quarter of each year (from 01.07 to 30.09), which includes the summer months and the operating results of the first semester are not indicative of the annual results.

4. Segmental information

The basic business activity of the Group is concentrated upon passenger ferry shipping activities, both domestic and abroad. The main sources of revenue are generated from passengers, vehicles and truck fares, as well as other on-board activities (bar, restaurants, stores and casinos). Revenues of non-shipping Group companies are included in the figure "Other activities". The following tables show the geographic allocation of activities of both the Group and the Company for the first half of 2018 and 2017:

	Shipping segment		Other	
01.01.18 - 30.06.18	**Domestic**	**Abroad**	**activities**	**Total**
The Group				
Total Revenues	22.371	45.887	4.618	72.876
Gross results	647	5.691	2.094	8.432
Additions in vessels	786	19.047	-	19.833
Depreciation of vessels	1.238	3.653	-	4.891
Net book value of vessels	64.623	201.686	-	266.310
Non-distributed assets	-	-	-	83.855
Total Assets as of 30.06.18	**-**	**-**	**-**	**350.165**
The Company				
Total Revenues	20.991	45.887	-	66.878
Gross results	1.460	5.691	-	7.151
Additions in vessels	786	19.047	-	19.833
Depreciation of vessels	1.238	3.653	-	4.891
Net book value of vessels	63.665	201.686	-	265.351
Non-distributed assets	-	-	-	78.938
Total Assets as of 30.06.18	**-**	**-**	**-**	**344.289**

Information and explanatory notes on the interim financial statements of the period 01.01.2018 – 30.06.2018 – Amounts in thousands € unless stated differently

01.01.17 - 30.06.17	Shipping segment Domestic	Abroad	Other activities	Total
The Group				
Total Revenues	23.288	37.843	4.120	65.251
Gross results	(453)	(1.022)	1.853	378
Additions in vessels	665	10.424	-	11.089
Depreciation of vessels	868	3.646	-	4.514
Net book value of vessels	84.264	172.834	-	257.098
Non-distributed assets	-	-	-	85.799
Total Assets as of 30.06.17	**-**	**-**	**-**	**342.897**
The Company				
Total Revenues	20.205	37.843	-	58.048
Gross results	686	(1.022)	-	(336)
Additions in vessels	665	10.424	-	11.089
Depreciation of vessels	868	3.646	-	4.514
Net book value of vessels	80.767	172.834	-	253.601
Non-distributed assets	-	-	-	77.593
Total Assets as of 30.06.17	**-**	**-**	**-**	**331.194**

Revenue from domestic activities includes income from state subsidies for public services routes amounting to € 2.836 thousand for the Group. In the previous corresponded period the relevant amount was € 4.123 thousand.

Additions, depreciation and net book value of vessels were allocated to geographic activities depending on the time of operation of each vessel in domestic and abroad routes. Any further allocation would be arbitrary, given the fact that the above services and sources of income and cost were resulted from commonly used items of assets and equity and cannot be broken down into segments.

5. Fixed assets

The tables of tangible assets for the first half of 2018 and year 2017 for the Group and the Company are shown below:

– Amounts in thousands € unless stated differently

The Group	Vessels	Land and buildings	Other equipment	Property in progress	Total
Acquisition value 01.01.17	**427.605**	**18.011**	**13.606**	**328**	**459.550**
Additions	12.923	38	99	1.056	14.116
Reductions	-	-	-	-	-
Transfers	-	394	108	(502)	-
Impairments	(2.539)	-	-	-	(2.539)
Acquisition value 31.12.17	**437.989**	**18.443**	**13.813**	**882**	**471.127**
Additions	19.094	44	1.044	-	20.182
Reductions	-	-	(13)	-	(13)
Transfers	739	(344)	143	(882)	(344)
Acquisition value 30.06.18	**457.822**	**18.143**	**14.987**	**-**	**490.952**
Accumulated depreciation 01.01.17	**177.082**	**4.271**	**12.245**	**-**	**193.598**
Depreciation	9.539	689	377	-	10.605
Reductions	-	-	-	-	-
Accumulated depreciation 31.12.17	**186.621**	**4.960**	**12.622**	**-**	**204.203**
Depreciation	4.891	347	177	-	5.415
Reductions	-	-	(12)	-	(12)
Accumulated depreciation 30.06.18	**191.512**	**5.307**	**12.787**	**-**	**209.606**
Net book value 31.12.17	**251.368**	**13.483**	**1.191**	**882**	**266.924**
Net book value 30.06.18	**266.310**	**12.836**	**2.200**	**-**	**281.346**

The Company	Vessels	Land and buildings	Other equipment	Property in progress	Total
Acquisition value 01.01.17	**418.916**	**12.363**	**2.936**	**-**	**434.215**
Additions	12.922	39	11	739	13.711
Reductions	-	-	-	-	-
Acquisition value 31.12.17	**431.838**	**12.402**	**2.947**	**739**	**447.926**
Additions	19.094	38	14	-	19.146
Reductions	-	-	-	-	-
Transfers	739	-	-	(739)	-
Acquisition value 30.06.18	**451.671**	**12.440**	**2.961**	**-**	**467.072**
Accumulated depreciation 01.01.17	**171.890**	**3.530**	**2.841**	**-**	**178.261**
Depreciation	9.539	606	26	-	10.171
Reductions	-	-	-	-	-
Accumulated depreciation 31.12.17	**181.429**	**4.136**	**2.867**	**-**	**188.432**
Depreciation	4.891	307	12	-	5.210
Reductions	-	-	-	-	-
Accumulated depreciation 30.06.18	**186.320**	**4.443**	**2.879**	**-**	**193.642**
Net book value 31.12.17	**250.409**	**8.266**	**80**	**739**	**259.494**
Net book value 30.06.18	**265.351**	**7.997**	**82**	**-**	**273.430**

Additions

Additions of fixed assets include the value of a vessels' long-term charter contract with a buy option, which meets the criteria of IAS 17 and was recognized as a finance lease. Therefore, the vessel in the financial statements included in the fixed assets, while the liability arising from the contract is shown in the long-term and short-term liabilities of the statements of financial position.

– Amounts in thousands € unless stated differently

Existing liens

The Group's fixed assets are subject to the following charges:

(a) 1st mortgages on vessels of € 345,8 million,

(b) 2nd mortgages on vessels of € 285,9 million and

(c) Pre-notations on property of € 18,7 million and pledges on the machines (of the subsidiaries "ETANAP" and "LEFKA ORI") amounting to € 2,5 million.

The above liens exist to secure borrowing liabilities of a total amount of € 249,7 million as at 30.06.2018.

6. Cash and cash equivalents

The cash and cash equivalents analysis is as follows:

	The Group		The Company	
	30.06.18	**31.12.17**	**30.06.18**	**31.12.17**
Cash on hand	1.074	1.797	688	892
Bank accounts	3.400	5.029	1.810	2.325
	4.474	**6.826**	**2.498**	**3.217**

The main part of the Group's cash and cash equivalents is in euro.

7. Long term bank borrowings

The total long term loans of the Group as at 30.06.2018 amounted to € 239,3 thousand. Of the above amount, € 236,5 million relate to the long-term borrowing of the Parent's Company which came after the completion of the restructuring in March 2017 - of starting amount of € 264,5 million - which at 30.06.2018 is analyzed as follows:

- A bond syndicate loan of a total amount of € 196,9 million (part of which of amount € 22,0 million is conditionally convertible).
- A bilateral loan of amount € 39,6 million

The new loans were contracted with a floating interest rate (Euribor plus margin), have a maturity of 7 years and their final repayment date is at 31 December 2023. Long-term bank liabilities also include an amount of € 2,8 million relating to a Parent's bilateral loan concluded in 2014.

For the above loans, collateral (mortgages on vessels, divestiture of insurance indemnity, etc.) for the lending banks have been provided. Under the terms of the contracts, the Company has the option of early repayment of these loans without any charge. Loan contracts include cases of termination which include, inter alia, non-timely payment and non-compliance with the general and financial securing provided. Also, the contracts contain financial clauses that include, inter alia, conditions for maintaining a minimum ratio of borrowing to tangible collateral. In addition, the Company has provided specific securities regarding its compliance with laws and regulations, the maintenance of the nature of business activity, environmental issues and the insurance coverage scheme. The balances of the above loans presented in the statement of financial position have been valued at their nominal value which does not differ materially from their fair value.

Information and explanatory notes on the interim financial statements of the period 01.01.2018 – 30.06.2018 – Amounts in thousands € unless stated differently

8. Other long term liabilities

Group's "other long term liabilities" as at 30.06.2018 amounting to € 3,4 million (compared to € 4,1 million as at 31.12.2017), include Parent Company's regulated tax obligations, the repayment of which extends beyond one year.

9. Earnings / (losses) per share

Basic earnings / (losses) per share are calculated by dividing the earnings corresponding to the Parent shareholders by the weighted number of shares in circulation during the period. For the calculation of diluted earnings / (losses) per share the potential securities from the convertible bond of the Parent Company were taken into account in accordance with the relevant terms of issue as well as those set out in IAS 33.

	The Group		**The Company**	
	01.01.18-30.06.18	**01.01.17-30.06.17**	**01.01.18-30.06.18**	**01.01.17-30.06.17**
Earnings / (losses) after taxes corresponding to Parent shareholders	(9.078)	2.053	(7.657)	3.261
Weighted number of shares	*188.654.892*	*188.654.892*	*188.654.892*	*188.654.892*
Earnings / (losses) after taxes per share - basic (expressed in €)	(0,0481)	0,0109	(0,0406)	0,0173
Earnings / (losses) after taxes per share –diluted (in €)	(0,0336)	0,0081	(0,0282)	0,0127

– Amounts in thousands € unless stated differently

10. Income tax

The Company and the subsidiaries operating in shipping sector are not subject to income tax for the profits arising from this business activity. As income tax is considered the tax in regard to law 27/1975 (tax applied to the shipping tons of the total tonnage of the vessel), thus the results of the first half of the Group were charged by € 75 thousand. Moreover, the income tax for the Group's non-shipping companies amounted to € 245 thousand, while an amount of € 7 thousand referred to deferred taxes. The fiscal years of the parent company and subsidiaries not subject to tax audit, are presented in the following table:

Company	Unaudited years
ANEK S.A.	-
LANE S.A.	-
ETANAP S.A.	-
LEFKA ORI S.A.	-
ANEK HOLDINGS S.A.	2014 - 2017
AIGAION PELAGOS S.C.	2012 - 2017

In fiscal year 2017, the tax audit of the Parent Company's fiscal years 2008 to 2011 was completed. This audit did not emerge issues of fines and surcharges. It is noted that from the fiscal year 2011 and on, the Group companies are subject to the tax audit of the accountants according to the provisions of article 82 of Law 2238/94 and Article 65a of Law 4174/13. The fiscal compliance auditors' reports for the year 2011 - 2016 audits were issued without qualification. The finalization of the above audit is carried out according to POL 1034/2016. The audit for the year 2017 is in progress and the related reports are expected to be issued following the publication of the financial statements of 30.06.2018. However, no significant tax liabilities are expected to arise.

The Group companies have made provisions for additional taxes that may arise in the future tax closure of unaudited years. The cumulative provisions for tax differences of previous years amounted to € 278 thousand for the Company and € 338 thousand for the Group.

11. Balances and transactions with related parties

Balances (receivables / liabilities) with associated parties, as defined by IAS 24, as at 30th June 2018 and 31st December 2017 are as follows:

Information and explanatory notes on the interim financial statements of the period 01.01.2018 – 30.06.2018 – Amounts in thousands € unless stated differently

	The Group		The Company	
	30.06.18	31.12.17	30.06.18	31.12.17
Receivables from:				
- subsidiaries	-	-	9.004	7.323
- affiliates	12	-	-	-
- other related parties	21.037	15.895	21.037	15.895
	21.049	**15.895**	**30.041**	**23.218**
Liabilities to:				
- subsidiaries	-	-	2.107	62
- affiliates	1.476	350	1.353	227
- other related parties	-	2	-	-
- executives & BoD members	126	45	16	6
	1.602	**397**	**3.476**	**295**

Correspondingly, the purchases and the sales with associated parties for the first half of 2018 and 2017 are as follows:

	The Group		The Company	
	01.01.18-30.06.18	01.01.17-30.06.17	01.01.18-30.06.18	01.01.17-30.06.17
Purchases of goods & services from:				
- subsidiaries	-	-	55	61
- affiliates	134	105	132	105
- other related parties	-	-	-	-
	134	**105**	**187**	**166**
Sales of services to:				
- subsidiaries	-	-	4.422	4.247
- other related parties	-	-	-	-
	-	**-**	**4.422**	**4.247**

Intra-company dividends

In the first half of the year 2018 the Parent Company received a dividend of € 174 thousand from the subsidiary "ETANAP"

Remuneration of board members and executives

The gross remuneration of the members of the Board of Directors and the Company's executives for the first six months of the years 2018 and 2017 relates to short-term benefits and are analyzed as follows:

	The Group		The Company	
	01.01.18-30.06.18	01.01.17-30.06.17	01.01.18-30.06.18	01.01.17-30.06.17
Executive members of the BoD	385	396	206	215
Non-Executive Members of the BoD	13	22	8	18
Management executives	436	423	410	423
	834	**841**	**624**	**656**

– Amounts in thousands € unless stated differently

12. Commitments

Operating leases

Group companies have signed operating lease agreements mainly regarding lease of buildings and chartering that are going to be terminated on various dates within the next five years. The minimum future payable lease for building and chartering of vessels based on the operating leases agreements on June 30th 2018 are as follows:

Within next year	212
From the 2nd to the 5th year	578
Total	**790**

Capital leases

The Parent Company has signed lease agreements for vessels and the future lease payments according the relevant contract as at 30.06.2018 are as follows:

Within next year	4.161
From the 2nd to the 5th year	10.375
After 5th year	1.709
Total	**16.245**

Capital commitments

There were no capital commitments for the Company or the Group as at 30th June 2018.

Other commitments

There are certain commitments for the Group which are subject to state subsidized investment plans, as well as liabilities arising from agreements entered into for the servicing of public services routes (letters of guarantee, etc.).

13. Contingent liabilities /receivables - litigious disputes or disputes in arbitration

Litigations

There are no disputes in litigation or arbitration, or other liabilities burdening the Group, which could significantly affect its financial condition. The relevant provisions that have been formed as at 30.06.2018 are amounting to € 904 thousand.

Contingent liabilities / receivables

The Group's contingent liabilities as at 30.06.2018 arising from its normal activity pertain to guarantees granted to secure liabilities and performance bonds amounting to € 1.154 thousand. Respectively, the Group has received guarantees for receivables amounting to € 20.236 thousand.

– Amounts in thousands € unless stated differently

“NORMAN ATLANTIC” case

Referring to the development of the case of the incident of the fire in the chartered vessel “NORMAN ATLANTIC” in December 2014 (see note 29 of the annual financial report of 2014), it is noted that the investigation as to the cause of the incident is in progress by the Italian and Greek judicial authorities. In February 2017 filled before the court of Bari the report of the appointed experts. The above mentioned incident has already brought claims and interim measures to the Greek and Italian courts raised by a significant number of parties’ sustained damages against the Company, the owning company and the managers of the vessel, while a significant number of the claims have been settled extrajudicially. The above mentioned compensations and expenses are covered by the Mutual Insurance Association, with which the Company has signed Protection & Indemnity insurance cover and legal protection (FD&D), therefore, it is not expected to burden the financial results by the compensation process.

14. Post balance events

On August 28, 2018 a fire broke out on the vessel "EL. VENIZELOS". It is noted that the vessel is insured with an international mutual insurance organization to cover third party claims (Protection & Indemnity). Regarding the damage suffered by the vessel, the Company will be compensated by the insurers of Hull and Machinery. From the assessment of the data of the particular event to date, it is reasonable to assume that there will be no material financial burden on the Company.

There are no other facts subsequent to June 30th 2018 which could substantially affect the financial position and the results of the Group and the Company, or that should be mentioned in the notes on the financial statements.

Chania, September 26th 2018

The Vice-Chairman	**The Managing Director**
Spyridon I. Protopapadakis **ID Card No. AA490648**	**Ioannis I. Vardinoyannis** **ID Card No. Π 966572**
The Chief Financial Officer	**The Chief Accountant**
Stylianos I. Stamos **ID Card No. M 068570**	**Ioannis E. Spanoudakis** **Economic Chamber License No. 20599, Class A**

DATA & INFORMATION FOR SEMI – ANNUAL PERIOD 2018

ANEK LINES S.A.

No of G.E.C.R.: 121557860000

Registered Office: 148 Karamanli Avenue, Chania

Financial data and information for the period 1 January 2018 - 30 June 2018

(according to 4/507/28.04.2009 resolution of Greek Capital Commitee)

The following data and information are to provide users with general information for the financial position and the results of operations of ANEK LINES SA and the Group. Therefore, it is recommended to any user, before proceeding to any kind of investing decision or other transaction with the Company, to visit the Company's web site, where the financial statements and the auditor's Report, when is reqiuired, are published.

Company's website: **www.anek.gr**
Date of approval of the interim financial statements by the Board of Directors: **September 26, 2018**
Certified auditors - accountants: Antonakakis Konstantinos (SOEL Reg. No: 13101) - Arampatzis Konstantinos (SOEL Reg. No: 34351)
Auditing Firms: GRANT THORNTON (Reg. No 127), SOL SA (Reg. No 125)
Type of auditors' review report: Unqualified conclusion

STATEMENT OF FINANCIAL POSITION (parent company and consolidated)

(Amounts in € thousand)	Group		Company	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017
ASSETS				
Tangible assets	281.346	266.924	273.431	259.494
Investments in property	2.102	1.764	686	689
Intangible assets	154	62	154	62
Other non-current assets	5.879	2.328	12.792	9.125
Inventories	3.482	2.948	1.634	1.755
Trade receivables	43.388	35.782	45.977	38.137
Other current assets	9.340	6.114	7.117	3.932
Cash & cash equivalents	4.474	6.826	2.498	3.217
TOTAL ASSETS	**350.165**	**322.748**	**344.289**	**316.411**
EQUITY & LIABILITIES				
Share capital	56.597	56.597	56.597	56.597
Other equity items	(66.504)	(56.742)	(58.931)	(50.592)
Equity attributable to shareholders of the parent (a)	**(9.907)**	**(145)**	**(2.334)**	**6.005**
Minority interests (b)	2.806	2.895	-	-
Total Equity (c) = (a) + (b)	**(7.101)**	**2.750**	**(2.334)**	**6.005**
Long-term borrowings	239.326	242.729	239.326	242.729
Provisions and other long-term liabilities	25.361	19.776	23.482	17.832
Short-term borrowings	18.263	17.489	17.588	16.848
Other short-term liabilities	74.316	40.004	66.227	32.997
Total liabilities (d)	**357.266**	**319.998**	**346.623**	**310.406**
TOTAL EQUITY AND LIABILITIES (c) + (d)	**350.165**	**322.748**	**344.289**	**316.411**

STATEMENT OF CHANGES IN EQUITY (parent company and consolidated)

(Amounts in € thousand)	Group		Company	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Equity at the beginning of the period (01.01.2018 and 01.01.2014, respectively)	2.750	(7.341)	6.005	(8.709)
Effect due to implementation of IFRS 9	(668)	-	(668)	-
Total comprehensive income after taxes	(9.008)	1.847	(7.657)	3.261
Dividents paid	(190)	-	-	-
Other equity movements	15	-	(14)	-
Equity at the end of the period (30.06.2018 and 30.06.2017, respectively)	**(7.101)**	**(5.494)**	**(2.334)**	**(5.448)**

ADDITIONAL DATA AND INFORMATION

1. Group entities that are included in the consolidated financial statements are presented in note 1 in the semi annual financial statements as of 30.06.2018 including locations, percentage Group ownership and consolidation method. **2.** The basic accounting principles adopted in the financial statements, are consistent with those of the annual financial statements as at 31.12.2017 adjusted with the revisions to IFRS. **3. 3.**There are no litigious disputes or disputes in arbitration against the Group that could significantly affect the financial position.The recorded relevant provisions for the Group amount to € 904 thousand and for the Company € 770 thousand. **4**. The number of employees at 30.06.2018 was 922 for the Group (857 for the Company)and at 30.06.2017 was 912 (810 for the Company). **5.** At the end of the period no shares of the parent company were possessed by the parent company neither by any subsidiary or associate company. **6.** The provisions for the un-audited tax years of the Group companies,which are presented in note 10 of the interim financial statements, amounted to € 338 thousand (€ 278 thousand for the Company. The accumulated provisions for doubtful debts amounted to € 37.260 thousand for the Group and € 35.799 thousand for the Company, while the provisions for retirement benefits amounted to € 2.432 thousand for the Group and € 2.287 thousand for the Company. Other provisions amounted to € 195 thousand for the Group and € 68 thousand for the Company. **7.** The ratio "Earnings / (losses) after taxes per share basic - (in €)" are calculated based in the weighted average number of total shares. For the calculation of the diluted earnings per share were taken into account the potential shares from the Parent company's convertible bond according the relevant terms of issue and the IAS 33 requirements. **8.** "Other equity movements"in statement of changes in Equity refer to the effect from the sale of a subsidiary's own shares. **9.** The Group applied IFRS 9 on 01.01.2018, without the revision of the comparative figures,therefore the comparative amounts for 2017 are presented in accordance with IAS 39. The effect in the Group's and Company's Equity due to implementation of IFRS 9 amounted to € 668 thousand. The increase of the provision adjusted the accounts "Results carried forward" and "Trade receivables". **10.** Intercompany transactions (inflows and outflows) since the beginning of the current year and intercompany that have resulted from the transactions with the related parties, as defined by IAS 24, are as follows:

(Amounts in € thousand)	Group	Company
a) Inflows	-	4.596
b) Outflows	134	187
c) Receivables	21.049	30.041
d) Payables	1.476	3.460
e) Key management compensations	834	624
f) Receivables from key management	-	-
g) Payables to key management	126	16

TOTAL COMPREHENSIVE INCOME (parent company and consolidated)

(Amounts in € thousand)	Group from 01.01 to		Company from 01.01 to	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Turnover	72.876	65.251	66.878	58.048
Gross profit	8.432	378	7.151	(336)
Earnings / (losses) before taxes, financing and investing results (EBIT)	(3.757)	(11.302)	(2.996)	(10.401)
Earnings / (losses) before taxes (EBT)	(8.695)	2.100	(7.583)	3.297
Earnings / (losses) after taxes (A)	(9.008)	1.847	(7.657)	3.261
Owners of the parent	*(9.078)*	*2.053*		
Minority interests	*70*	*(206)*	-	-
Other comprehensive income after taxes (B)	-	-	-	-
Total comprehensive income after taxes (A) + (B)	(9.008)	1.847	(7.657)	3.261
Owners of the parent	*(9.078)*	*2.053*	-	-
Minority interests	*70*	*(206)*	-	-
Earnings / (losses) after taxes per share basic - (in €)	(0,0481)	0,0109	(0,0406)	0,0173
Earnings / (losses) after taxes per share diluted - (in €)	(0,0336)	0,0081	(0,0282)	0,0127
Earnings before taxes, financing and investing results, depreciation and amortization (EBITDA)	1.588	(6.340)	2.229	(5.563)

CASH FLOW STATEMENT (parent company and consolidated)

(Amounts in € thousand)	Group from 01.01 to		Company from 01.01 to	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Operating activities				
Earnings / (losses) before taxes	(8.695)	2.100	(7.583)	3.297
Adjustments for:				
Depreciation	5.435	5.053	5.225	4.838
Grants amortization	(90)	(91)	-	-
Provisions	134	509	120	605
Exchange differences	373	(227)	360	(239)
Results of investing activity	(61)	(2.520)	(365)	(2.794)
Impairment of fixed assets value	-	-	-	-
Financial expenses (less financial income)	4.626	(10.658)	4.592	(10.668)
	1.722	(5.834)	2.349	(4.961)
Adjustments for changes in working capital:				
Decrease / (increase) of inventories	(517)	(421)	121	
Decrease / (increase) of receivables	(15.111)	(6.819)	(15.263)	(8)
Increase / (decrease) of liabilities (other than borrowings)	26.074	25.755	25.447	(7.122)
Less:				25.343
Interest and financial expenses paid	(3.947)	(4.987)	(3.941)	
Income tax paid	(49)	(31)	(49)	(4.956)
Cash flows from operating activities (a)	***8.172***	***7.663***	***8.664***	(30)
				8.266
Investing activities				
Acquisition of affiliates, securities and other investments	-	(52)	-	
Proceeds from the sale of securities and other investment	56	-	56	(2)
Purchase of tangible and intangible assets	(6.297)	(11.341)	(5.261)	-
Proceeds from the sale of property, plant and equipment	3	-	-	(11.143)
Interest received	9	22	1	-
Dividents received	-	-	-	1
Cash flow from investing activities (b)	***(6.229)***	***(11.371)***	***(5.204)***	-
				(11.144)
Financing activities				
Payments for capital leases	(1.375)	(679)	(1.375)	
Proceeds from borrowings	754	5.792	739	(679)
Payment of borrowings	(3.543)	(6.543)	(3.543)	5.181
Dividends paid	(131)	-	-	(6.543)
Cash flow from financing activities (c)	***(4.295)***	***(1.430)***	***(4.179)***	-
				(2.041)
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	**(2.352)**	**(5.138)**	**(719)**	
Cash and cash equivalents at beginning of the period	6.826	11.903	3.217	
Cash and cash equivalents at end of the period	**4.474**	**6.765**	**2.498**	**(4.919)**

Chania, 26 September 2018

THE VICE CHAIRMAN	THE MANAGING DIRECTOR	THE CHIEF FINANCIAL OFICCER	THE CHIEF ACCOUNTANT
SPYRIDON I. PROTOPAPADAKIS **ID. No. AA 490648**	**IOANNIS I. VARDINOYANNIS** **ID. No. Π 966572**	**STYLIANOS I. STAMOS** **ID. No. M 068570**	**IOANNIS E. SPANOUDAKIS** **H.E.C. License No. 20599/A' CLASS**