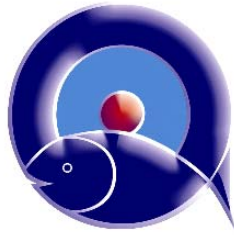




NIREUS AQUACULTURE S.A



# **NIREUS AQUACULTURE S.A.**

**COMPANY'S REGISTER No. 16399/06/B/88/18**

**ANNUAL FINANCIAL REPORT 2013**

**for the year**

**from 1<sup>st</sup> January to 31<sup>st</sup> December 2013**

***In accordance with article 4 of L. 3556/2007***



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## ***DECLARATIONS BY THE MEMBERS OF THE BOARD OF DIRECTORS***

### **Declarations from the Members of the Board of Directors (In accordance with article 4 par. 2c of L. 3556/2007)**

It is hereby confirmed, to the best of our knowledge, that the annual financial statements of the Company “NIREUS AQUACULTURE S.A” for the year, 1<sup>st</sup> January to 31<sup>st</sup> December 2013, which have been compiled in accordance with the enforced Accounting Standards, give a true and fair view of the assets and liabilities, the net equity and the current year’s results of the issuer and its entities which are included in the consolidation and are taken as a whole and the board of directors report reflects a true view of the development, the performance and the position of the issuer, including the entities which are included in the consolidation, taken as a whole, including the description of the major risks and uncertainties which they encounter.

Koropi, 28 March 2014

The declarers

**CHAIRMAN AND CEO**

**VICE PRESIDENT AND  
MANAGING DIRECTOR**

**DEPUTY MANAGING DIRECTOR**

**ARISTEIDIS ST. BELLES**  
ID. No. AB 347823

**NIKOLAOS EMM.CHAVIARAS**  
ID. No. AH 935562

**CHACHLAKIS G. ANTONIS**  
ID. No. AE 083337



***ANNUAL BOARD OF DIRECTORS REPORT***  
**of the company**

**"NIREUS AQUACULTURE S.A."**

**On the consolidated and individual Financial Statements**

**For the year 2013 (from 1<sup>st</sup> January to 31<sup>st</sup> December 2013)**

Dear Shareholders,

We submit to you, based on legal requirements, the annual financial statements for the year 2013 (1/1/2013-31/12/2013) officially approved.

For your better notification, we present data and information with respect to the development of operations as well as regards the financial position of all entities which are included in the consolidation, the major risks and uncertainties which the Group of companies may potentially encounter and finally the major transactions which have been incurred between the issuer and its, related to the Group, parties.

**FINANCIAL RESULTS OF THE GROUP**

The Group's total sales presented significant losses despite the general stability in the sales level. The losses of the year are to a large extent attributed to non-recurring factors which are presented below:

The total pre-tax results were negative € (87,4) million, compared to negative € (16,2) million during the prior year and the profit after taxes corresponding to the equity holders of the Parent Company was negative € (75,1) million from negative € (14,1) million during the prior year.

The equity attributed to the equity holders of the Parent Company amounted as at 31/12/2013 to € 64,6 million while those attributed to non-controlling interests amounted to € 57,7 million. The decrease in equity as at 31.12.2013 compared with 2012 is attributed to current year's losses.

The Group Nireus total losses marked a slight decrease despite the intense economic crisis which has mainly affected our products, in our, traditionally considered, markets of southern Europe. During the fiscal year 2013, total sales amounted to € 198,6 million as compared to € 202,2 million during the prior year.

Fish sales, which represent 80 % of total sales, increased by 4% in volume and marked a 3% decrease in value as compared to prior year. The weighted average selling price of fish was reduced by 7.2 %. The average price decrease caused by the price war during the second semester mainly stemmed from the cash flow problems faced by our main competitors.



Operating costs for the period after the deduction of provisions remained stable (€ 194,7 million ) versus (€ 196,0 million ) during the prior year despite the volume growth in sales and the significant increase in the prices of raw materials for fishfeed. Positive cash flows continued to be noted. During the year 2013, operating cash flows amounted to € 7,2 million as compared to € 14,2 million in 2012. Cash flows from operating activities and capital investments (free cash flow) amounted to € 0, 3 million versus € 8,5 million noted during the prior year due to increased investments. Net expenditure for capital investments amounted to € 6,8 million ( € 1,3 million increase ) due to the completion of the technical installations in the new large packing center in Astakos Aitoloakarnanias. The investment was part of the Group's business plan which focuses on the centralization of the plant's installations in view of reducing production costs.

The net fair value of the total biological assets as at the end of the fiscal year 2013 was reduced by € (69,9) million .

## **EXPLANATION AND JUSTIFICATION OF RESULTS**

Losses incurred during the current year primarily stem from:

### **i) Loss resulting from the biological assets**

(a) The significant decrease in sales prices during the second semester of 2013 and the extremely low prices until mid-January 2014, led to significant losses from changes of biological assets at fair value by approximately € 20 million given that the valuation of biological assets was made according to January 2014 prices.

(b) Furthermore, during the second half of 2013 despite the fact that development costs of biological assets remained at normal levels, biomass grew to a lesser extent than expected, mainly due to:

- Time- delay in the placement juveniles of more than three months during the spring of 2013 due to a reduction in amount of egg production
- Diseases which occurred in specific areas which led to increased mortality and reduced growth expected
- Strong fluctuations in temperature as compared to normal levels
- Amendments in the composition of certain fish formulae of fishfeed in order that the impact of rising prices of raw materials in 2013 be measured.

The above negatively impacted the operating results by approximately € 24 million.

### **ii) Loss from sale of biological assets due to lower sales prices**

Exceptional conditions prevailed during the current year with respect to the liquidity and financial position of companies in the industry which has led companies in the industry to proceed with sales under the pressure of finding liquidity at significantly reduced sales prices. The Company has to adapt to these market conditions to maintain its market share and to maintain its cash budget. It is estimated that the financial results were negatively impacted by this reduction in selling prices by approximately € 10 million.



### **iii) Loss from increased raw material prices**

During 2013 there was a considerable increase in raw materials prices. It is estimated that the results were negatively affected by approximately € 3 million.

### **iv) Provisions**

The Group established provisions for exceptional items amounting to € 11,3 million in the fiscal year 2013 as follows:

- “ NIREUS ”
  - Bluefin tuna (BTH)  
The company BTH in 2013 terminated its operations. Therefore, a provision amounting to € 4,7 million was established for to the forfeiture of the financial guarantee provided to the banks for borrowing requirements in addition to and the receivable from the company which can not be recovered given the economic situation of BTH and the high loans to the banks .
  - Doubtful debts  
Nireus established a provision amounting to € 2,9 million for doubtful receivables .
- SEA FARM IONIAN (SFI)  
SFI has established a provision amounting to € 3,4 million for doubtful receivables from customers and affiliates and for the for provision of financial costs due to the forfeiture of guarantees from the associate company
- KEGO AGRI  
The company (KEGO AGRI) established a provision amounting to € 0,3 million for doubtful receivables .

From the above an amount of € 6,4 million was charged to financial expenses and an amount of € 4,9 million affected operating costs.

### **v) Increase in the tax rate**

The increase in the corporate tax rate from 20% to 26%, negatively affected the results after taxes with additional deferred tax € 2,7 million.

### **Extraordinary and non-recurring losses**

As a result of the above, the main reasons for the increase in losses noted in 2013 as compared to 2012 are due to extraordinary and non- recurring events such as: a) extremely low sales prices of our products which are not expected to continue in 2014 In the year 2014 a significant increase in prices has already been noted b ) The exceptional event of reduced growth in fish population compared to previous years which affected the results of 2013 by € 24 million is not expected to recur given that all necessary corrections in the production process have been made (fishfeed, timing of placement, fry etc. c ) Non- recurring bad debt provisions and provision for finance costs due to the forfeiture of guarantees in associates for which the Group decided to disinvest, of a total amount of approximately € 11,3 million d) valuation of the biological assets based on extremely low January 2014 prices affected results by approximately € 20 million e) Increase in raw materials by € 3 million.



## **METHOD USED IN THE BIOLOGICAL ASSETS VALUATION - APPLICATION OF IFRS13**

Prior to the adoption of IFRS 13, the Company until year 2012 valued its biological assets at fair value less estimated point of sale costs at the time of harvesting , in accordance with the principles and guidelines of measurement as described in IAS 41.

The Company has historically during the valuation of mature biological population at year-end has used the most appropriate representative price for this valuation. In the context of this assessment various factors were taken into account such as the current selling price, the expected price developments, the harvesting plan and for the next few months as regards the mature fish while prior to the publication of the financial statements the most recent prices were considered for potential deviations in the estimates had been made.

During the current year the adoption of IFRS 13 introduced new principles and guidelines regarding the measurement of fair value, according to which:

1. The highest and best use is determined from the perspective of market participants, even if the entity intends to make a different use, and as a result the entity assesses the fair value of a non-financial asset considering the maximum and optimal use by the market participants
2. The valuation techniques used to measure fair value maximize the use of relevant observable inputs and minimize the use of unobservable inputs
3. The fair value measurement is based on the market and not on a specific entity and the objective of fair value measurement is to determine the price at which a normal transaction to sell the asset or transfer the liability between participants market at the measurement date would take place under current market conditions i.e, an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability.

The Company's management assessed the above changes considering market conditions, intense price volatility and the prevailing uncertainty that existed as at 31.12.2013. Due to the industry's liquidity problems, sales as at the balance sheet date did not represent normal purchase / sale prices, and given the fact that there were no reliable estimates of future prices for deliveries of harvested products, the Company decided that the valuation of biological population of mature fish be made using the average price list of the first week of January set for the Company's main market, which in practice constitutes the average sales price which takes place in January less packaging and transportation point of sale costs.

Furthermore, the following took place:

As a result of the above the following changes in estimates are hereby presented:



### **1. Level of separation between mature and immature :**

As the intention and plan of the Company is to harvest cages with an average weight of over 380 g . per unit , management considered as the appropriate segregation point between mature and immature fish the weight level . The separation point used at 31.12.2012 was 200gr .

### **2. Valuation methodology immature fish:**

The Company is exploring the best practices that are internationally accepted for the valuation of immature fish , and proceeded with the valuation model of immature fish population.

## **INDEPENDENT BUSINESS OVERVIEW**

Under the scope of the Company's restructuring of its bank loans, the Company agreed with the banks, to an independent business review (IBR) as follows:

### **I) Review of the Cash Flow (IBR Cash Flow)**

An independent business review on the Company's cash flow was undertaken and was completed for the period until 31st March 2015.

Based on this IBR, the banks finance through interim financing (Bridge finance) the cash flow of the company. A part of this financing has been completed, while the remaining is in the process of being approved by the Bank authorities. It should be noted that based on the cash budget that has been submitted to the banks, the Bridge Finance is to be fully repaid in 2014.

### **II ) Business Plan Review**

An independent business review (IBR) on the financial statements is in process with a reference date of 30 September 2013 in addition to years 2011 and 2012. Furthermore, a 5-year business plan review is to be carried out. The review is in progress and is expected to be completed in April 2014.

### **III) Audit on Biological Population**

The banks have commissioned a Norwegian company, named AkvaPlan Niva "APN" to a conduct an inventory count on the Company's fish population, which is under the scope of the restructuring of loans. The reference date was set at 30/09/2013 . From the audit of the Company's fish population by the Norwegian company, a 99,6% of the population recorded in the books of the company has been confirmed.

## **SURVEILLANCE ISSUES**

The Company's management considers that it is subject to the provisions of the second subparagraph of paragraph 2 of Article 3.1.2.4 of the current regulation of the Athens Stock Exchange "ASE" and is therefore required to proceed with the



justified request for an exemption of existing losses from the results of 2013 , given that these losses are to a large extent attributed to extraordinary and non- recurring events as referred to under the section "Explanation and justification of results" above.

#### DEVELOPMENT OF FINANCIAL FIGURES (with the effect of the valuation of inventory at fair value)

	COMPANY		
	31/12/2013	amounts in thds € 31/12/2012	Change %
<b>Sales revenue</b>	166.364	172.002	-3,28%
<b>EBITDA (after fair value of biological assets)</b>	(65.265)	2.147	3139,82%
<b>Biological assets effect</b>	(47.814)	(13.754)	-247,64%
<b>EBITDA (before fair value of biological assets)</b>	(17.451)	15.900	-209,75%
<b>Profit before tax</b>	(88.577)	(17.678)	-401,06%
<b>Profit after tax</b>	(76.700)	(15.087)	-408,38%
<b>Total Assets</b>	356.304	434.168	-17,93%
<b>Total Liabilities</b>	287.731	287.331	0,14%
<b>Total Equity</b>	68.573	146.837	-53,30%

	GROUP		
	31/12/2013	amounts in thds € 31/12/2012	Change %
<b>Sales revenue</b>	198.578	202.156	-1,77%
<b>EBITDA (after fair value of biological assets)</b>	(60.174)	6.728	994,38%
<b>Valuation of Biological assets effect</b>	(46.377)	(14.266)	-225,09%
<b>EBITDA (before fair value of biological assets)</b>	(13.797)	20.994	-165,72%
<b>Profit before tax</b>	(87.433)	(16.165)	-440,88%
<b>Profit after tax and non-controlling interests</b>	(75.071)	(13.893)	-440,35%
<b>Total Assets</b>	388.733	470.404	-17,36%
<b>Total Liabilities</b>	331.047	332.736	-0,51%
<b>Total Equity</b>	57.685	137.669	-58,10%

	GROUP RATIOS	
	31/12/2013	31/12/2012
<b>Gross Margin EBITDA</b>	-30,30%	3,33%
<b>Net gross margin (ER.AF.M) %</b>	-37,80%	-6,95%
<b>Net Equity Return</b>	-130,14%	-10,21%
<b>Loans / Net equity</b>	5,74	2,42
<b>Loans / Total equity</b>	0,85	0,71
<b>General Liquidity</b>	0,67	1,28

#### SALES REVENUE BY SEGMENT

Sales of aquaculture products (fish, juveniles and other related products and services) amounted to € 198,6 million compared to € 202,2 million in year of 2012 due to decreased sales fry. Sales of fish amounted to € 5,5 million, marking an



increase of € 1,4 million. Sales of aviculture products (sold through its 100% subsidiary KEGOagri) and equipment amounted to € 16 million (decrease of € 0,5 million).

## LOAN BORROWINGS

The balance of the long-term loans as well as follows:

### **Bond Loan of an initial amount of € 90 million of “NIRUES SA”**

From the bond loan of € 90 million with an outstanding balance as at 31.12.2013 of an amount of € 71,1 million, overdue capital instalments of € 15 million and overdue interest of € 1,1 million, have not been paid as at year end.

### **Convertible Bond loan of an initial of “Nireus SA”:**

The outstanding balance of the convertible bond loan as at 31.12.2013 amounts to € 22,4. There are no overdue unpaid capital and interest instalments for the above loan. Based on the resolution of the Meeting of the Bondholders of 24/3/2014 the repayment of the instalments and interest as of January 2014 were postponed to 30/6/2014.

### **Bond loan of an initial amount of € 5 million of “Nireus SA”:**

From the bond loan of € 5 million with an outstanding balance of as at 31.12.2013 of an amount of € 3,4 million overdue capital instalments of € 0,4 million and interest of € 0,02 million have not yet been paid.

### **“Fire victim” oan of an initial amount of € 25 million of “Nireus SA”:**

From the fire victim loan of € 25 million and with a balance as at 31.12.2013 of an amount of € 26,7 million (interest of an amount of € 1,7 million included )overdue capital instalments of € 3,1 million and overdue interest of € 1,7 million have not yet been paid. However the loan is considered to be callable immediately upon demand as the contract stipulates that non-payment of three (3) consecutive instalments, with due interest, force the loan due and payable.

### **“Fire victim” loan of an initial amount of € 24,9 million of “Nireus SA”:**

From the fire victim loan of € 24,9 million and with a balance as at 31.12.2013 of an amount of € 26,0 million (interest of an amount of € 1,2 million included) overdue capital instalments of € 2,6 million and overdue interest of € 1,2 million have not yet been paid. However the loan is considered to be callable immediately upon demand as the contract stipulates that non-payment of three (3) consecutive instalments, with due interest, force the loan due and payable.

## **Loans of SEA FARM IONIAN**

With respect to the loans of SEA FARM IONIAN as regulated by Article 44 and which amount to € 21 million there are overdue capital instalments of an amount of € 2,2 million.

## **Total Bank Borrowings**

Bank borrowings of the Group amounted to € 231,8 million, increased by € 7,5 million in 2013. On 31 December 2013, net debt was € 222,7 million (reduced by restricted cash), while the Group had € 9,1 million in cash.



From the contracts of the above mentioned described loans of the Company an obligation results for the Group and Company to comply with specific financial ratios other terms. It should be noted that at the end of the period 31.12.2013, the Group and Company did not comply with certain loan covenants and terms which are specified in the existing loan contracts. It should be noted that a decision was taken in the General Meeting of Bondholders held on 24/3/2014 as regards the convertible bond loan, that a waiver be granted, for the breach of the financial covenants, up to 30/6/2014.

#### **Restructuring of the loan:**

The Company has received a letter as of 24.3.2014 sent by the Piraeus Bank, Alpha Bank and Eurobank, in which a proposed timetable for the finalization of audits performed for the Company as well as other procedures and agreements is set, in order that, in compliance with legislation and all necessary approvals by responsible public and private bodies, the basic Terms of the Restructuring Loan (Term Sheet) be formed and approved and then implemented through the necessary corporate actions.

It should be noted that in the indicative restructuring terms sent by the above banks include part of the capitalization of borrowings.

The Company's Board of Directors at its meeting held on 28.03.2014 decided to respond positively to this letter.

#### **LIABILITIES**

The total liabilities of the Group during the fiscal year 2013 (excluding borrowings) amounted to € 99,2 million compared to € 108,4 million in 2012 marking a decrease by € (9,2) million. This decrease was mainly driven by the reduction of deferred taxation by € (10,3) million, a decrease in trade payables by € (1,3) million, an increase in other liabilities by € 0,9 million, an increase in provisions by € 1,9 million and a reduction of Financial derivatives at fair value by € (0,4) million.

The Group's total liabilities including bank borrowings decreased by € 1,7 million, € 331,0 million in 2013 as compared to € 332,7 million in 2012.

#### **RECEIVABLES**

Considerable effort has been made by the Company's management to restrict receivables. The average recovery of trade receivables (DSO) decreased from 97 days in 2012 to 92 days in 2013.

#### **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents as at 31/12/2013 amounted to € 9,1 million against € 7,9 million during the prior year 2012, of which € 5,5 million were restricted balances for 2013 and € 4,9 million for 2012 respectively

#### **NET EQUITY**

The share capital of the Group as at 31/12/2013 amounted to € 85,3 million divided into 63,697,153 ordinary shares with voting rights of nominal value € 1,34 each.



During the current fiscal year and in accordance with the decision dated 12.07.2013 the Board of Directors the Company increased its share capital by the amount of € 18.595,18 by issuing 13,877 new shares arising from the conversion of 1,500 bonds, at a nominal value € 1,34 each. Consequently, the share capital amounts to € 85.354.185,02 divided into 63,697,153 ordinary shares with voting rights , of nominal value 1,34 € each.

## **INVESTMENTS**

In 2013, the implementation of the business plan of the Group continued, that which foresees the aggregation of units in major production centers. Net investments in fixed assets and technical instalations amounted to € 6,8 million versus € 5,5 million during 2012.

## **MAJOR RISKS AND UNCERTAINTIES**

### **SUPPLIERS-INVENTORY**

The Group does not encounter any issues with respect to slow moving or obsolete stock considering that the major volume of inventory relates to work-in-progress of fresh fish in addition to raw materials for the production of the final product either aquaculture or fishfeed-stock breeding products. In view of servicing sales requirements, the company is obliged to maintain a high level of fresh fish until the stage at which they reach market size which takes a period of 18 months. The entire inventory is insured against potential loss from any risk by Global Insurance Companies which secure reimbursement at cost in the event of a loss. A risk as regards the value of biological inventory can arise from a reduction in the market sales price. In such an event, given that the (biological) inventory is valued at fair values (market values) a reduction in the total value (loss) will incur with a corresponding impact on the current year's results. If, however, in the same period the Company is in the phase of anticipating an increase in the volume of inventory, then the loss in valuation of inventory may be off-set by the valuation, at market prices, of the additional stock produced.

The risk of the increase in price volatility of raw materials for 2014 is unlikely.

With respect to the remaining suppliers, the products of which affect the total cost of production by less than 10%, any potential change in prices will have a minimal effect on the final product.

The major concern of the Group's Management is the reduction in the period of production in order that the cost and the size of production decrease thus improving results and releasing working capital which in turn will lead to an improvement in the Group's cash budget.

### **CUSTOMERS-CUSTOMER CREDITS**

The company's receivables from its customers have a minimal exposure to the risk of bad debts which can result only from the stockbreeding sector, which risk however is significantly restricted due to the large diversification. The percentage participation of the remaining segments as a percentage of the total amounts to 10%.



The remaining amount is double insured, either through customer credit insurance contracts which insure 80% of the owed amount in the event of default in payment or through the retention of the ownership of the sold product (juveniles) until the date of repayment. The repayment date precedes the production completion date (from juveniles to marketable size fish).

## BORROWINGS - LOAN INTEREST RATES

The weighted-average interest rate on short-term borrowing for 2013 is 6.96% from 7.64% in 2012 while the average-weighted rate of long-term debt for 2013 is 3.97% versus 4.06% in 2012.

## FOREIGN EXCHANGE RISK

The Group operates on a global basis. The Group's exposure to foreign exchange risks is minimal given that the transactions at their majority are realized in Euro. This type of risk mainly arises from the commercial transactions in foreign currency in addition to net investments in foreign economic entities.

The Group possesses investments in foreign economic entities, the net assets of which are exposed to foreign exchange risk. The risk attributed to foreign exchange rates of this type arise from the exchange of the Turkish Lire against the Euro.

The finance assets and the respective liabilities of foreign currency, converted into Euro with the closing exchange rates are analyzed as follows:

	2013						2012							
<i>Amounts in Euro</i>	USD	GBP	NOK	DKK	CAD	TRL	CHF	USD	GBP	NOK	DKK	CAD	TRL	CHF
<b>Notional amounts</b>														
Financial assets	966.941	997.601	-	-	234.013	9.308.513	46.215	838.370	568.672	-	-	186.908	9.623.567	121.289
Financial liabilities	1.220.079	0	22.551	0	515	1.887.905	378	1.756.953	6.093	1.619	0	0	1.002.705	385
<b>Total current exposure</b>	<b>(253.138)</b>	<b>997.601</b>	<b>(22.551)</b>	<b>0</b>	<b>233.498</b>	<b>7.420.609</b>	<b>45.836</b>	<b>(918.583)</b>	<b>562.579</b>	<b>(1.619)</b>	<b>0</b>	<b>186.908</b>	<b>8.620.863</b>	<b>120.904</b>
Financial assets	4.535.699	-	-	-	-	941.091	-	-	-	-	-	-	5.744.585	-
Financial liabilities	920.583	-	-	-	-	12.232	-	-	-	-	-	-	743.875	-
<b>Total non-current exposure</b>	<b>3.615.116</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>928.859</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5.000.710</b>	<b>0</b>

The table below presents the sensitivity of the after-tax profit for the year as well as of equity in relation to financial assets and financial liabilities and the Euro exchange rate against the above currencies.

We assume that a change occurs on 31 December 2013 in the exchange rate Euro/Foreign Currency. This percentage is based on a typical variance of the foreign currency, as this arises from the monthly observation of the Euro against any foreign currency, for a period of 12 months.

In the event where the Euro changes in relation to the Foreign Currency by the following percentages then the impact on the after-tax profit for the year and on equity is as follows:



USD		GBP		NOK		2013 DKK		CAD		TRL		CHF	
2,75%	-2,75%	1,45%	-1,45%	33,45%	-33,45%	0,21%	-0,21%	4,79%	-4,79%	19,59%	-19,59%	0,82%	-0,82%
92.453	(27.434)	14.447	(14.447)	(7.544)	7.544	-	-	11.182	(11.182)	1.635.944	(1.635.944)	378	(378)
92.453	(27.434)	14.447	(14.447)	(7.544)	7.544	-	-	11.182	(11.182)	1.635.944	(1.635.944)	378	(378)

USD		GBP		NOK		2012 DKK		CAD		TRL		CHF	
3,48%	-3,48%	1,76%	-1,76%	13,21%	-13,21%	1,09%	-1,09%	2,93%	-2,93%	5,38%	-5,38%	0,40%	-0,40%
(31.944)	31.944	9.893	(9.893)	(214)	214	-	-	5.473	(5.473)	733.468	(733.468)	483	(483)
(31.944)	31.944	9.893	(9.893)	(214)	214	-	-	5.473	(5.473)	733.468	(733.468)	483	(483)

The Group's exposure to currency risk varies during the year depending on the volume of transactions in foreign currency. However, the above analysis is considered representative of the Group's exposure to currency risk.

## SUBSEQUENT EVENTS FOLLOWING THE BALANCE SHEET DATE

### A. Notice of Resolutions of the General Meeting of the Bondholders of the convertible bond loan of 24 February 2014 and March 24 2014

1. The General Meeting resolved to postpone the payment of the instalment due on 13 January 2014 to 30 June 2014.
2. The immediate use of any collateral / securitization to secure the rights of the Bondholders of the Loan, as requested by Bondholders was not approved.
3. The different treatment of the minority bondholders as related to their repayment, as per their request (indicatively their early repayment, redemption of their participation in the Loan) was not approved.
4. A specific **proposal was submitted for the change of the conversion price from €1,35 to € 0,30** from Bondholders representing 2,71% of the outstanding balance of the loan which must be approved by the approval authorities of the Bank Bondholders who see the examination of the request in a positive perspective. Under this scope, the Company is committed to assign the valuation of the Group to an independent firm.
5. It was decided that the Loan not be defaulted and that a waiver be provided until 30.06.2014

### B. Pledge on Fish Population

The company NIREUS SA with the agreement of 23.1.2014 has provided to the company NORSILDMEL INNOVATION A / S a floating lien on the fish population, amounting to 10.3 million Euros to secure the outstanding balance. The pledge is valid until 31/03/2014.

### C. Bank Letter

The Company has received a letter as of 24.3.2014 sent by the Piraeus Bank, Alpha Bank and Eurobank, in which a proposed timetable is set for the finalization of audits conducted for the Company as well as other procedures and



agreements in order that, in compliance with legislation and all necessary approvals by responsible public and private bodies, the basic Terms of the Restructuring Loan (Term Sheet) be formed and then implemented through the necessary corporate actions. .

It should be noted that the indicative restructuring conditions sent by the above banks include part of the capitalization of borrowing.

The Board of Directors at its meeting held on 28.03.2014 decided to respond positively to this letter.

## **PROSPECTS FOR 2014**

The global demand for the Group's major products, sea bass and seabream remains resilient. Furthermore, the demand for the remaining of the product categories (juveniles, fishfeed and aviculture stock breeding, equipment) continues to remain strong.

The average price of sea bass and sea bream is expected to increase in 2014 at satisfactory levels.

The prices of our raw materials for fishfeed are not expected to be increase in 2014.

The continuous crisis in Greece is not expected to have a significant effect on fish sales given that 90% of the fish production which the Group produces is exported. Even though it is difficult to evaluate the real consequences of the volatile economic environment in Europe, there are valid reasons for us to believe that the aquaculture sector of sea bass and sea bream, in addition to the food sector, will in total be affected to a lesser extent in comparison to other sectors (construction, mass media etc).

The Company's management trusts that the positive outcome of the negotiations with the banks in the interests of the Company, the Group and its shareholders is highly probable.

Furthermore, the management of the Company and the Group considers that:

-The Group's operations will be conducted under its normal operating cycle and an improvement in market's prices is expected.

- The Group and the Company have a strong customer and sales bases.

-The Group and the company have large inventories of current biological assets which are highly liquid.

-The Group and the Company were able to generate cash from operating activities.

-Following the IBR which was carried out for the cash flow budget up to 31.3.2015 submitted to the banks, the funding which was sought and which has the form of specific funding requirements of the Company as trade receivables and receivables from VAT has been partially implemented while the remaining is in the final stage of the approval process from the bank officials. As noted above, the working capital with which the company will be financed will be fully repaid in 2014 through the factoring of receivables.

In light of the above, the separate and consolidated financial statements of the Company and the Group have been prepared under the going concern assumption. Nevertheless, the possibility of a non-successful completion of Group's and company's loans restructuring, indicate the existence of a material uncertainty that may cast significant doubt on the Company's and the Group's ability to continue as a going concern.



## SIGNIFICANT TRANSACTIONS BETWEEN THE COMPANY AND ITS RELATED PARTIES

The major transactions between the Company and its related parties in accordance with IAS 24, relate to transactions with its subsidiaries (related entities based on article 42S of L.2190/20) which are shown in the table below.

COMPANY BEARING THE RECEIVABLE	COMPANY BEARING THE LIABILITY													TOTAL		
	NIREUS AQUACULTURE SA	PREDOMAR S.L.	PROTEUS EQUIPMENT S.A	MIRAMAR PROJECTS CO LTD - UK	NIREUS INTERNATIONAL LTD	MIRAMAR SU URUNLERI VE BALIK YEMİ URETİMİ SANAYİ VE TİCARET A.Ş.	BLUEFIN TUNA AE (GROUP)	ILKNAK SU URUNLERI SAN VE TIC A.S.	ILKNAK DENİZCİLİK A.S.	AQUACOM LTD	SEAFARM İONIAN SA	KEGO AĞRI S.A	SEAFARM İONIAN GMBH		CARBON DIS TİCARET YATIRIM İNSAAT VE SANAYİ S.A.	
NIREUS AQUACULTURE SA		3.488.083	1.374.462	-	79.419	1.342.750	4.763.606	-	-	-	698.504	-	-	-	-	11.746.824
PREDOMAR S.L.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PROTEUS EQUIPMENT S.A	-	11.320	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MIRAMAR PROJECTS CO LTD - UK	14	-	14	-	-	-	-	-	-	-	1.333.349	-	-	-	-	1.460.859
NIREUS INTERNATIONAL LTD	-	-	-	19.345	-	-	-	-	-	-	-	-	-	-	-	19.345
MIRAMAR SU URUNLERI VE BALIK YEMİ URETİMİ SANAYİ VE TİCARET A.Ş.	749.065	-	-	-	-	-	-	-	-	-	-	-	-	-	-	749.065
BLUEFIN TUNA AE (GROUP)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ILKNAK SU URUNLERI SAN VE TIC A.S.	892.872	-	8.700	-	-	199.989	-	-	-	15.220	-	211.148	-	-	12.130	1.340.059
ILKNAK DENİZCİLİK A.S.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
AQUACOM LTD	55.974	-	-	-	-	-	-	-	-	-	-	-	-	-	-	55.974
SEAFARM İONIAN SA	-	-	-	-	-	-	-	-	-	-	-	-	3.452.480	-	-	4.419.911
KEGO AĞRI S.A	2.670.370	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.670.370
SEAFARM İONIAN GMBH	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CARBON DIS TİCARET YATIRIM İNSAAT VE SANAYİ S.A.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>4.368.295</b>	<b>3.499.403</b>	<b>1.383.176</b>	<b>19.345</b>	<b>79.419</b>	<b>1.542.739</b>	<b>4.763.606</b>	<b>1.083.621</b>	<b>15.220</b>	<b>-</b>	<b>2.243.001</b>	<b>-</b>	<b>3.482.480</b>	<b>12.130</b>	<b>22.462.435</b>	<b>22.462.435</b>

PURCHASING COMPANY	SELLING COMPANY																							
	NIREUS AQUACULTURE			PURCHASING COMPANY		MIRAMAR SU URUNLERI VE BALIK YEMİ URETİMİ SANAYİ VE TİCARET A.Ş.		ILKNAK SU URUNLERI SAN VE TIC A.S.			SEAFARM İONIAN S.A			KEGO AĞRI S.A		KEGO AĞRI S.A		ILKNAK DENİZCİLİK A.S.		BLUEFIN TUNA SA (Group)		TOTAL		
	Finished Goods/ Products	Services	Other	Finished Goods/ Products	Services	Finished Goods/ Products	Fixed Assets	Inventory (to be)	Finished Goods/ Products	Services	Other	Finished Goods/ Products	Services	Fixed assets	Inventory (to be)	Finished Goods/ Products	Services	Other	Finished Goods/ Products	Finished Goods/ Products	Services	Fixed Assets	Other	
<b>NIREUS AQUACULTURE SA</b>																								
Administrative expenses	-	-	-	313.537	174.568	-	-	-	370	-	-	42.615	8.089.109	4.650	-	12.097	-	-	-	-	369.098	8.264.057	-	4.650
Fixed Assets	-	-	-	1.721.847	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.721.847	-	-	-
Finished Goods/ Products	-	-	-	-	-	82.992	-	-	4.702	-	-	-	-	-	-	-	-	-	-	-	82.992	-	-	-
<b>PREDOMAR S.L.</b>																								
Administrative expenses	-	76.211	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finished Goods/ Products	1.011.778	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,011,778	76,211	-	-
<b>PROTEUS EQUIPMENT S.A</b>																								
Administrative expenses	159	29.919	18.000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	159	39,670	-	18,000
<b>MIRAMAR SU URUNLERI VE BALIK YEMİ URETİMİ SANAYİ VE TİCARET A.Ş.</b>																								
Administrative expenses	-	-	-	-	-	-	-	-	52.342	-	1.864	-	-	-	-	-	-	-	-	-	52,342	-	-	1,864
Finished Goods/ Products	-	-	-	-	-	-	-	-	5.670.349	-	-	-	-	-	-	-	-	-	-	-	5,670,349	-	-	-
<b>ILKNAK SU URUNLERI SAN VE TIC A.S.</b>																								
Administrative expenses	-	70.790	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fixed Assets	-	-	-	44.700	-	-	-	224	-	-	-	-	-	-	-	-	-	-	-	-	44,700	161,188	-	461
Finished Goods/ Products	311.540	-	-	-	-	85.508	-	-	-	-	-	-	-	-	-	-	-	-	-	-	311,540	85,508	-	-
<b>SEAFARM İONIAN S.A</b>																								
Administrative expenses	-	27.540	18.000	-	3.297	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finished Goods/ Products	36.576	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	36,576	-	-	-
Services	-	-	-	16.830	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,830	-	-	-
<b>KEGO AĞRI S.A</b>																								
Administrative expenses	62.424	60.032	28.194	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	62,424	60,032	-	28,194
Finished Goods/ Products	2.684.787	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,684,787	-	-	-
<b>ILKNAK DENİZCİLİK A.Ş.</b>																								
Administrative expenses	-	-	-	-	-	-	-	-	-	-	639	-	-	-	-	-	-	-	-	-	-	-	-	639
<b>CARBON DIS TİCARET YATIRIM İNSAAT VE SANAYİ S.A</b>																								
Administrative expenses	-	-	-	-	-	-	-	-	-	-	318	-	-	-	-	-	-	-	-	-	-	-	-	318
<b>BLUEFIN TUNA SA (Group)</b>																								
Administrative expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Administrative expenses	104.808	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	104,808
<b>TOTAL</b>																								
Administrative expenses	62.583	374.044	61.794	313.327	178.245	-	-	-	66.312	-	2.422	42.615	8.089.109	4.650	-	12.097	30.395	401	-	-	485.934	8.671.783	-	64.617
Fixed Assets	-	-	-	1,721,847	-	-	-	224	-	-	-	-	-	-	-	-	-	-	-	-	1,721,847	161,188	-	461
Finished Goods/ Products	3,544,681	-	-	-	-	149,500	-	-	8,676,851	-	-	-	-	-	4,650	-	-	-	-	-	3,544,681	149,500	-	-



**EXPLANATORY REPORT  
OF THE BOARD OF DIRECTORS  
OF NIREUS AQUACULTURE S.A  
(based on article 7 and 8 a of L. 3556/2007)**

(a) The structure of the share capital, including the shares not listed for trading in an organized market in Greece or another member-state, reporting for each category of shares the rights and the obligations related to this category and the percentage of the total share capital that the shares of this category presented.

*The share capital of the Company amounts to 85.354.185,02 composed into 63.697.153 shares of par value Euro 1,34 each and is fully paid up. The entire company's shares are ordinary, registered, with voting rights, listed for trading on the Athens Exchange and have all the rights and the obligations prescribed by the Law.*

(b) Restrictions in the transfer of the company's shares such as restrictions in holding of shares or the obligation in obtaining prior approval from the company or other shareholders or by a Public or Administrative Authority with the reserve of the article 4 par. 2 of L. 3371/2005.

*The transfer of the company's shares is made as enacted by Law and do not exist out of its Articles of Association restrictions in their transfer.*

(c) Significant direct or indirect participations as defined by articles 9 to 11 of the L. 3556/2007.

*As at 31/12/2013 persons holding significant direct or indirect participations as defined by articles 9 to 11 of L. 3556/2007 are:*

<b>Surname</b>	<b>Name</b>	<b>Father's Name</b>	<b>Number of Shares</b>	<b>% Percentage</b>	<b>Type of participation</b>
Belles	Aristides	Stergios	13.428.101	21,16%	direct & indirect
Chaviaras	Nikolaos	Emmanuel	3.421.393	5,38%	direct & indirect
TEFTHYS OCEAN BV			15.070.847	23,68%	TEFTHYS OCEAN BV SA holds an indirect percentage of 23,68% with voting rights. The company TEFTHYS OCEAN BV is fully controlled by Linnaeus Capital Partners BV which is fully controlled by the company I.I.H.C Industrial Investments Ltd, which is controlled by Kahka Bendukidze. Given the above, Mr.



					Kahka Bendukidze, the company I.I.H.C Industrial Investments Ltd and the company Linnaeus Capital Partners BV hold a total indirect percentage of 23,68% of the shares and the voting rights (15.070.847 shares).
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(d) Holders of any type of share granting special control rights and description of relevant rights.

*Shares of the company, which grant special control rights to their shareholders do not exist.*

(e) Restrictions in voting right such as restrictions in voting rights to holders of certain percentage of the share capital or to holders of certain number of voting rights, and the time terms for exercise of voting rights.

*The Articles of Association do not provide for any restrictions in voting rights*

(f) Shareholders Agreements, which are known to the company and entail restrictions in transfer of shares or restrictions in exercise of voting rights.

*The company is not aware of the existence of shareholders agreements, which entail restrictions in the transfer of its shares or in the exercise of the voting rights arising from its shares.*

(g) Rules for appointment and/or replacement of members of the Board of Directors and amendment of the Articles of Association, when these differ to that provided by the c.L. 2190/1920.

*The rules provided by the company's Articles of Association for appointment and/or replacement of members of its Board of Directors and amendment of its articles, do not differ to that provided by the provisions of c. L. 2190/1920.*

(h) Competence of the Board of Directors or certain members of the Board of Directors, for the issue of new shares or for the purchase of treasury shares according to the article 16 of c.L. 2190/1920.

*A. The Board of Directors of the Company is allowed to proceed in the issuance of new shares, following stipulated authorization on the basis of the General Assembly's decision in the following cases.*

- 1) *In accordance with article 13 paragraph 9 of c.L2190/1920, as in force, and in execution of the decision taken at the Company's Shareholders General Meeting held on 05-06-2006, which was listed in the Register of Companies on 20-06-2006, protocol number K2-9377, the three-year Stock Option Plan granted to the Members of the Board of Directors and to the Company's Management was approved. Specifically, following the exercise of rights have been vested from the participants in the program, a decision is taken by the Board of Directors as regards the increase of the Company's share capital by an amount which corresponds to the rights that have been exercised*



*and the issuance of the respective new shares, in execution of the assumed liabilities based on the Plan. Subsequent to this, the Board of Directors proceeds with the decision released, based on article 11 of c.L.2190/1920 in respect of the certification of the paid-up share capital.*

*It is noted that due to the current economic decision of the capital market, the realisation of the exercise of the above rights in the third year has not been made possible.*

- 2) *In accordance with article 3a of c.L 2190/1920, as in force, and in execution of the decision of the A' Reiteration Extraordinary Shareholders Meeting of the Company, which was listed in the Companies Register of the Ministry of Development on 9-5-2007 with protocol number K2-6896, the issuance of the convertible bond loan into common with voting right shares with preference rights to old shareholders of an amount of 19.995.575,10 Euro was approved. Specifically, following the exercise of the right of conversion of debentures to shares, a Board of Directors decision is taken to increase the Company's share capital by an amount which corresponds to the conversion of debentures depending upon the conversion requests, and the conversion ratio, and the corresponding issuance of the company's new shares, in execution of the terms of the program of the convertible bond loan as these are in force. Subsequent to the above, the Board of Directors proceeds with the issuance of the decision, based on article 11 of c.L 2190/1920 in respect of the certified paid-up share capital.*

(h) Significant agreements of the company that are in force, amend or expire in case of a change in the company's control following public motion and the results of the agreement, except if, due to its nature, the publication of the agreement would cause serious loss in the company. The exemption of publication of the agreement is not effective when the obligation for publication arises from other provisions.

*In the event of a change in the company's control following public proposal, there are no agreements, which are in force, are amended or expire.*

(i) Agreements for indemnity compensation to members of the Board of Directors or personnel, in case of retirement or dismissal without basic reason or end of term or engagement due to public announcement.

*There are no special agreements for indemnity compensation to the members of the Board of Directors or to personnel, specifically in case of retirement or dismissal without basic cause or termination of their service or their engagement due to public proposal.*



## **STATEMENT OF CORPORATE GOVERNANCE**

(The present statement is compiled according to article 43a paragraph 3d of the Law 2190/1920 and is part of the Annual Report of the Board of Directors)

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### **GENERAL**

**The term Corporate Governance is referred to the total of rules and principles applied for the correct operation and control of the company. The ultimate purpose of the Corporate Governance is the safeguarding of the legitimate interests of the company, the promotion of the company's competition and the improvement of transparency regarding the company's operations.**

#### **1. Code of Corporate Governance**

##### **1.1 Disclosure of the voluntary compliance of the company with the code of corporate governance**

The company voluntarily complies and adopts the code of corporate governance of the Hellenic Federation of Enterprises (SEV) for public listed companies, the general ( and solely until now) broadly accepted Code of Corporate Governance which has been formed from the Hellenic Federation of Enterprises (SEV) (available at [http:// www.sev.org.gr /Uploads/pdf/KED\\_TELIKO\\_JAN2012.pdf](http://www.sev.org.gr/Uploads/pdf/KED_TELIKO_JAN2012.pdf))

##### **1.2 Deviations from the Code of Governance and explanation of the non- compliance. Special stipulations of the Code which are not applied by the company and explanations of the reasons of the non-application.**

The company states that it conforms to all legal obligations (C.L 2190/1920, C.L. 3016/2002 and C.L 3693/2008). These minimum obligations are embodied in the Code of Corporate Governance of which a company must comply with the shares of which are exchanges in an active market.

The minimum requirements are included in the above Code of Conduct (SEV) to which the company comes under except for that the code includes a series of additional (of the minimum requirements) special principles. As compared to the mentioned principles there are currently certain deviations in order that there be compliance with the conditions, values, inheritance and ownership regime of the company such that the company's interest be promoted in the best possible manner. An analysis and explanation which justifies the reasons for the deviations follows:

#### **Part A'- Board of Directors and its members**

##### **I. Role and responsibilities of the Board of Directors**

The BoD has not formed a separate committee, which manages the procedure for recommending candidates for election of the BoD and prepares itself proposals for the BoD. The proposals are subject to the judgement of the General Assembly which approves the election of the members of the Board of Directors. In addition it has not proceeded with the formation of a fee committee given that the Compensation and Benefits Committee which has been formed has replaced the Management and Performance System which was designed by Hay Group and which the company applies since 2009.



## **II. Composition of the BoD**

The BoD is comprised of three (3) executive and (4) non-executive members.

## **III. Role and characteristics of the President of the BoD**

- In the Company's Articles of Association there is discern between the responsibilities of the President and the Managing Director, however, it is permitted that these responsibilities coincide. There is no specific discern according to the Board of Directors nor is it required given the organisation and operational structure of the company.

- the BoD does not appoint an independent Vice President stemming from its independent members, but an executive Vice President, as his contribution in exercising of the executive duties of the President is considered of utmost importance.

## **IV. Duties and conduct of the members of the BoD**

-The BoD has not adopted as part of its internal rules, specific policies to encounter conflict of interests between its members and the company, given that in any case the stipulations of the law and the Articles of Association will come into effect. Certain members of the Board and any third party to whom responsibilities of the Board have been assigned are required to adequately and timely disclose to other board members the same interests that may potentially arise from transactions of the company which comprise part of their duties, as well as any other conflict of interest with those of the company or its affiliated companies arising in the performance of their duties.

## **V. Nomination of candidates for the BoD**

- the maximum service of the BoD is not a four-year period, but longer, at least five – year so that the need to elect a new BoD does not come about in shorter periods, which would mean additional formalities (as for the representation in the presence of third parties etc). Furthermore, the expanded service duration of the BOD secures the better knowledge of the company and a more discreet decision taking.

- there is no committee for recommending candidates to the BoD, given that it is not deemed necessary due to the size and operation of the company.

## **VI. Operation of the BoD**

- there is no specific rule for the operation of the BoD, as the articles of Association are adequate for the organization and operation of the BoD

- the BoD at the beginning of every calendar year does not adopt a calendar of convocations and 12month program of actions, since all its members live in Attica and the convocation of the BoD is easy when the needs of the company render it necessary or, by law, without there being a predefined action program.

- there is no provision for the support of the BoD during its work by competent, specialized and experienced secretary, since the technology exists to record and map the convocations of the BoD

- there is no obligation for the President and the non executive members of the BoD to convene on a regular basis without the presence of the executive members in order that the performance and the fees of the latter be discussed given that all relevant matters are discussed in the presence of all members of the BOD.



- there is no provision for the existence of introductory informative programs for the new members of the BoD or their constant education since the members that are promoted for election have adequate and proven experience of organisational and managerial skills.
- there is no provision for the supply of sufficient resources to the committees of the BoD for the fulfillment of their obligations and for the hiring of external consultants to the degree they are needed as such resources are approved by the management of the company, based on the company's needs.

## **VII. Evaluation of the BoD**

- there is no institutional procedure with the aim to assess the effectiveness of the BoD and its committees or the assessment of the performance of the President of the BoD during the procedure in which the independent vice- president directs, or any other non-executive member of the BOD in the absence of the independent vice-president. This procedure is not deemed necessary given the structure of the company.

## **Part B- Internal Audit Committee**

### **I. Internal Control – Audit Committee**

- no specific funds are given out to the committee for the use of external consultants, as the composition of the committee and the specialized knowledge and experience of its members ensure its operation

## **Part C- Compensation**

### **I. Level and structure of the compensation**

- there is no fee committee of compensation, comprising exclusively of non executive members, independent of their majority, which aims at defining the compensation of the executive and non-executive members of the BoD and thus there are no rules for the frequency of its convocations and other issues concerning its operation. The Compensation Committee which has been formed has replaced the Management and Performance System which was designed from Hay Group and which the company applies since 2009.
- in the contracts of the executive members of the BoD, there is no provision that the BoD may ask for part or full refund of the bonuses paid due to possible revision of the financial statements of previous years or in general erroneous financial data that were used to calculate such a bonus since such rights come about, only after the approval of the financial statements.
- the compensation of every executive member of the BoD is not approved by the BoD after the proposal of the compensation committee without the presence of the BOD's executive members, given that no such committee exists for the compensation of the Board of Directors.



### **Remuneration Structure Policy**

The wage-setting process is characterized by objectivity , transparency and professionalism , and is free from conflicts of interest .The remuneration of non -executive directors reflect the period of employment , and their duties and are not directly related to the performance of the company.

The level and structure of remuneration aim at attracting and retaining the company , board members , administrative executives and employees that add value to the company with their skills, knowledge and experience . The level of remuneration is in line with their qualifications and their contribution to the company. The Board of Directors has a clear policy as to the manner by which the company pays its executives, especially those who are suitably qualified for the effective management of the company.

The remuneration of executive board members is associated with the corporate strategy, the purpose of the company and the realization of these, with the ultimate objective of creating long-term value to the company.

In determining the remuneration of executive directors, the Board of directors takes into consideration :

- Their duties and their responsibilities
- Their performance
- The financial position, performance and the prospects of the company
- The level of remuneration for comparable executive services in comparable companies
- The level of remuneration for employees in the company and in the entire Group.

Fees paid in cash or in kind other than shares (not affiliated with shares) executive Board members .

The General Meeting of 28.6.2013 on a proposal from the Board approved for use 30.6.2013-30.6.2014 the payment of 32.100 € per month in the three executive board members now use the provision of leased cars, private insurance company mobile phone and corporate credit card.

No benefits are provided in shares or rights over shares (share-based payments) to executive Board members Non-executive board members.

The General Meeting of 28.6.2013 on a proposal from the Board of Directors approved the remuneration of non-executive board members to use 30.6.2013-30.6.2014 the amount of 1000 € per meeting with a maximum of 14 meetings. In addition to the members of the Audit Committee the amount of 500 € per meeting for the Audit Committee with a maximum of six meetings.

## **2. BOARD OF DIRECTORS**

### 2.1 Composition and Services of the BoD

#### 2.1.1 Services of the BoD



1. The primary obligation and responsibility of all members of the board of directors of the company as a listed in an organized market, is the continuous aim to enhance the long-term economic value of the company and the protection of the company's interest. The board of directors is exclusively responsible for:

- A. The election and the determination of fees of the Managing Director
- B. The approval of the employment, replacement and the assessment of the fees of the company's managers.
- C. The recommendation-proposal to the shareholders in the case of election or re-election of the members of the BOD.
- D. The review that all accounting practices and generally approved accounting standards are followed.
- E. The review of the financial results of the company in relation to the budget, the prior years and the competition.
- F. The involvement of preparation and the regular reassessment of the strategic design.
- G. The approval of significant investments, loans, acquisitions and sale of financial assets of the company.
- H. The approval of significant changes in the company's policy and its structure
- I. The monitoring of the company's compliance to the regulations, ways of operations and the decisions of the authorities
- J. The proposal for distribution of profits

2. The Company is governed by the Board of Directors that is composed of a minimum of 3 and a maximum of 11 members. The members of the Board of Directors are elected by the General Meeting of the Shareholders through a silent vote and with a quorum and a majority based on article 35 and 42 of paragraph 1 of the Articles of Association.

3. The board of Directors is revoked liberally and at any point in time before the end of the service term with a decision taken by the General Assembly of the shareholders through a quorum and a majority vote of the previous paragraph 2 of this article. The General Assembly is obliged to simultaneously elect a new Board of Directors.

The service term of the members of the Board of Directors is 5 years. It begins from their elections from the General Assembly of the shareholders and is extended up to the ordinary General Assembly who will approve the annual financial statements of the year, but which cannot exceed a six year term.

Following the expiration of the service term, the Board of Directors is renewed. The members whose term has expired can be re-elected.

4. The Board of Directors elects members in replacement of members that have resigned, have died, or have lost their identity with whichever manner. The election is feasible under the condition that the replacement of the above members is not possible from substitute members, who have been elected by the general assembly. The above election from the Board of Directors is done with a decision taken by the remaining members, if these are at least three (3) and is valid for the remaining of the service term of the members which they replace. The decision of election is submitted to the public according to article 7b of C.L. 2190/1920, as this is valid, and is announced from the Board of Directors in the immediate general assembly which follows, even though no relevant issue may have been stated in the agenda.

In the event of resignation, death or in any other manner loss of the identity of the member or members of the Board of Directors, the remaining members can continue the management and the representation of the company and without the replacement of the missing members based on the preceding paragraph, under the condition that this number exceeds half of the members, as was the case before the occurrence of the above events. In any case, it is not permitted that these members



be less than three (3). In any case, the remaining members of the Board of Directors, irrespective of their number, can proceed in convening in a general assembly with a sole aim the election of the board of directors.

5. A member of the Board of Directors can even be a legal entity. In this case the legal entity is obliged to appoint a physical person for exercising the authority of the legal entity as a member of the Board of Directors.

6. A member who is absent or who is hindered, can assign with his responsibility his representation to the Board only to another member, whom he can appoint with a notary document or with a simple letter or telefax which is addressed to the board of Directors. The power of attorney for representation can include more than one meetings. No member can represent more than one members.

7. With the reservation of the previous paragraph, each member should attend and continuously participate in the meetings of the Board of Directors.

8. Each member of the Board of Directors is obliged to a strict adherence to the company's confidential information which were made known to him as a result of his identity as a member.

9. The Board of Directors is obliged to convene at the company's head offices, each time that the law, the articles of association, or the needs of the company considers this necessary. The Board of Directors convenes on a timely basis and at a location other than the head office at another location, either at a domestic or foreign location, given that all members are present and are represented by all members and no one objects to the realisation of the meeting and the decision making. All members of the Board of Directors are invited by the President or the legal proxy at least 2 working days before convening via an invitation, which includes the time and place where the Board of Directors will convene, in addition to the matters included in the agenda with clarity, otherwise decision making is permitted only under the condition that all members of the Board of Directors are either present or are represented and no one objects to the decision taking process.

Two members of the Board of Directors can request the convocation of the Board of Directors through a request to the President or to his substitute, who are obliged to convene the Board of Directors so that the meeting be held with the time limits of 7 days commencing from the date of request.

In this request application, the matters which will occupy the Board of Directors should be stated with clarity. If the Board of Directors does not convene through the President or the substitute as of the above timeframe, it is permitted that the members that have requested the meeting that they themselves call the meeting within 5 days before the expiration of the above 7 days time limits, notifying the remaining members of the Board of Directors with an invitation.

10. The company's Board of Directors can convene through teleconferencing. In such a case the invitation to the members of the Board of Directors will include the necessary information for the participation of these in the meeting, given that the minimum technical security specifications in connection with the validity of the meeting, as these may have been specified by the Ministry of Development, are met.

11. The Board of Directors is in a quorum and convenes on a timely basis when half and one members are present or are represented by the elected members. In no case however, does the number of members who are personally present cannot be less than three (3). In order for the quorum to be identifies the rounding number is ignored.

12. The decisions of the Board of Directors are taken on a timely manner with a majority of the members who are present personally and those that may be represented. For personal matters the decisions of the Board of Directors are taken via a silent vote which is done with ballots.

13. Discussions and decisions of the Board of Directors are certified with minutes that are written in the book, which is being specially maintained for this reason and is being signed by he who has been seated as President from the members that were present in the meeting as well as from the secretary. No member can ignore the signing of the minutes of the



meeting who participated, he can however, ask that that his opinion be accurately summarized in the minutes if he disagrees with the opinion that is being taken. In any case his non-approval in no manner constitutes the decision taken as void, as long as his refusal to sign is mentioned in the minutes.

### **2.1.2 Members of the Board of Directors**

The present BOD is composed of 8 members and is the following:

1) Aristides Belles of Stergiou and Anti, economist, born in Katarakti Chios in 1953, citizen of Ano Voula Attikis, President and Managing Director, is an Executive Member.

He is also the elected Chairman of the Board of the Greek Entrepreneurship Club and has served as the elected Chairman of the Board of the Federation of Greek Mariculturers. He holds a degree in Business Administration from the University of Piraeus.

2) Nicholaos Chaviaras of Emmanuel and Ekaterini, entrepreneur, was born at Dafnona Chios in 1952, Vice-President and Managing Director, and is an Executive Member

Mr. Nicholaos Chaviaras is the co-founder and major shareholder of the Company. He is responsible for the coordination and implementation of the investment projects of NIREUS group. He is also Member of the Board in subsidiaries of the Group.

3) Anthonios Chachlakis of Georgiou, mechanical electrician was born in 1958 in Pireaus, and is a Substitute Managing Director Executive Member

Mr. Anthonios Chachlakis holds a BSc and an MSc in Electrical Engineering Department from the Technical University of Brooklyn, New York, USA. He has 10 years of managerial experience in Industrial Automation. He works for NIREUS group since 1996.

4) Epaminondas Lambadarios of Konstantinos and Kakias, lawyer was born in Athens in 1944 and is an Non-executive member

Mr. Epaminondas Lambadarios is a Graduate of the Law School of the University of Athens with a postgraduate degree in Law from the University of Harvard. From 1969 to 1970 he worked in the firm Cleary, Gottlieb, Steen & Hamilton in New York. Since 1970, he works for the law firm Lambadarios & Associates, where he holds the position of Managing Partner.

5) Konstantinos Lambrinopoulos of Petros and Euaggelia, Entrepreneur was born in Athens in 1952 and is an Independent Non-Executive Member



Konstantinos Lambrinopoulos is an Independent Non-Executive Member Graduate of the Business Administration department of the University of Piraeus and Political Sciences department of Panteion University. He is a PhD candidate in Marketing at the University of Piraeus and has 35 years of experience in managerial positions in Greek and multinational companies. He is the CEO of PRC GROUP and SPRINT Advertising. He, in addition, is the President of the BOD EEDE, the vice-president of the business club, President of the European Management Confederation, Member of the BoD IOBE, Member of the General Assembly of SEB. Is an honorary President of the European and Global Marketing Confederation.

6) Lito Ioannidou of Antonios and Alexandra, Business Consultant who was born in P. Faliro Attiki in 1954, is an Independent Non Executive Member.

Ms. Lito Ioannidou is business consultant in connection with raising funds, acquisitions and mergers, finding strategic investors and restructuring of debts in the company “ Lito Ioannidou & Cooperators LTD, Business Consultants” which was founded in 2006 and has also served as an Executive Vice President – General Manager in the Athens Exchange Market. She has also served as Local Corporate Head of Citibank Greece, President and Chief Executive Officer of City-Leasing and Executive Vice President and General Manager of the Athens Stock Exchange, as well as Chairman of the Audit Committee and Member of the Working Committee of the Federation of European Securities Exchanges and President of the Audit Committee of the Exchange Market and has dealt with the quality audit of portfolios and risk management of Citibank Germany (1986), Egypt (1988), Italy (1991) and London (1994).

Ms Lito Ioannidou holds a Bachelor of Commerce and an MBA from McGill University in Canada.

7) Markos Komondouros of Panagiotis and Janet, Economist who was born in Athens Attiki in 1963 and is an Independent Non-executive Member.

Mr. Markos Komondouros has a 15 year career in SGWarburg / UBS covering all aspects of finance and financial advisory financial services in international markets , specializing in mergers and acquisitions . After five years in London and Paris , he moved to Constantinople and founded the Turkish office of the bank. He remained in Turkey for 5 years , increasing the size of activities in all fields , with particular emphasis on international investments in Turkey . Most recently , Markos has established and led a specialist team of UBS London in the field of support services. After his departure from UBS in 2003 , Markos Komondouros continued his advisory services in the United Kingdom, Greece and Turkey .

Mark Komondouros has B.Sc in Mathematics , MBA and MA in applied linguistics, all from the University of London (Imperial College, London Business School and Birkbeck College , respectively )

In accordance with the Articles of Association, members of the board of Directors are elected by competent executives including people from various science disciplines namely economists , financial advisors,engineers, and lawyers contributing globally in developing a comprehensive strategy. The percentage representation of males to females in the Board consists of 86% men and 14% women.

The Board of Directors term of office expires at the Annual General Meeting of Shareholders in 2015 .

2.1.3 The Board of Directors convene as frequently as the needs deem it necessary.



In 2013 the Board of Directors convened 63 times in which there was always the legal majority for the purpose of decision making. In these meetings, with the major daily issue (approval of the financial statements etc) there was always a quorum of all members of the Board of Directors.

The members of the BoD have other business obligations which are referred to in the appendix of the Present.

## 2.2. Committees

The company has formed the following committees which operate a) Audit Committee, b) Strategy and Investments committee, c) Corporate Governance Committee d) Asset Utilisation Committee

### A. AUDIT COMMITTEE:

The company had already formed an Audit Committee since 2002, while it fully complies with the provisions of article 37 of the L.3693/2008 regarding the formation of Audit Committee comprising of members of the Board of Directors.

The Audit Committee has the following tasks:

- a) Supervising the financial reporting procedure
- b) Supervising the effectiveness of the Internal Audit and the risk management systems, as well as supervising the efficiency of the Internal Audit department of the company
- c) Monitoring the audit procedure on financial and consolidated financial statements.
- d) Reviewing and monitoring all issues related to the independence and objectiveness of the external Audit control firm, in particular when other services are also provided from the audit firm to the company.

The task of the audit committee and the matters of discussion are in connection with securing the effectiveness and efficiency of the company's operations, the audit and reliability of financial information presented to the investors and to the shareholders of the company, the compliance of the company with the legal and normative framework, the safeguarding of the company's assets and the location and confrontation of the most significant risks.

The Audit committee during the year 2013 (01/01/2013-31/12/2013) convened seven times as at 12.02.2013, 27.03.2013, 28.03.2013, 30.05.2013, 29.08.2013, 23.10.2013, 20.11.2013 with the participation of all members.

The members of the Audit Committee are Mr. Lambadarios Epaminondas, Mr. Konstantinos Lambrinopoulos, and Ms. Lito Ioannidou.

Ms. Lito Ioannidou is the president of the Committee.



## **B) STRATEGY AND INVESTMENTS COMMITTEE**

The main task of the Strategy and Investments Committee is to define the investment strategy of the company as well as the short-term and long term strategic goals .

The members of the Strategy and Investments Committee are currently Mr. Antonios Chachlakis, Mr.Markos Komondouros, Ms Lito Ioannidou and Mr. Epaminondas Lambadarios.

The Strategic planning and Investment Committee convene as frequently as the requirements deem this necessary.

Finally, a Group Executive Committee exists which comprises executive members of the Board of Directors and General Managers and is involved with business issues.

## **C) CORPORATE GOVERNANCE COMMITTEE**

The Corporate Governance Committee's primary task is to monitor the corporate governance system which has been adopted by the Company, to supervise the implementation of the company's internal regulations, to monitor the international trends regarding corporate governance systems and best practices, as well as the legal framework in force, and to propose to the Board of Directors amendments and improvements of best conduct.

The members of the Corporate Governance Committee currently are Mr Antonis Chachlakis, Ms Ioanna Karahaliou and Mr Constantinos Lambrinopoulos. Beginning from 22.2.2012 Ms. Ioanna Karahaliou resigned and was replaced by Mr Epaminondas Lambadarios.

The Corporate and Governance Committee convene as frequently as the requirements deem this necessary.

Finally, an Executive Committee of the Group exists which is composed from executive members of the BoD and General Managers and deals with corporate matters.

## **3. General Assembly of the Shareholders**

### **3.1 Way of operation of the General Assembly and its basic Authorities**

3.1.1 The General Assembly is the supreme body of the Company and has the right to decide for any company matter and to conclude upon all matters and the legal decisions which are submitted or said to those that are either present or absent.

More specifically the General Assembly is exclusively competent to decide upon:



α) the amendments of the articles of association which include increases or decreases of the capital share, apart from the cases which are mentioned in article six (6) paragraph of the Articles of Association and other cases that are enforced by law,

b) the election of the members of the Board of Directors, with the exemption of paragraph 1 of article 17 of the Articles of Association and the appointment of the Auditors,

c) the approval of the annual financial statements of the Company,

d) the distribution of annual profits,

e) the issuance loans with debentures as these are referred to in articles 3a, 3b, and 3c of C.L. 2190/1920.

f) the merge, extension of the duration or dissolution of the Company,

g) the appointment of liquidators,

h) the appointment of members of the first BoD, as stated in paragraph 4 of article 16 of the Articles of Association.

3.1.2 The General Assembly convenes obligatorily at the Company's offices or at the region of of another municipality which is located within the province in which the headoffice is located or in the region where the office of the exchange market is located, at least once in each financial year and within 6 months at most from the end of the year (Ordinary Shareholders Meeting).

3.1.3 The General Assembly is always convened by the BoD in an extraordinary meeting whenever it considers it necessary

3.1.4 The Shareholder Meeting ordinary or extraordinary, with the exception of the repeating Meetings and those that simulate it, must convene twenty (20) days at least before its date including the non working days. The date of publication of the invitation and the day of the General Assembly are not calculated.

3.1.5 The invitation to the Shareholder Meeting includes at least the location, the date and the time of the meeting in addition to the matters in the agenda in a clear manner.

3.1.6 The right to extension in any general assembly, ordinary or extraordinary, in person or via a proxy who is a shareholder of the company or is a third party but has been appointed from the shareholder as a proxy with any sort of document even through a simple letter is possessed by each shareholder having at least one share.

3.1.7 The Shareholder Meeting has a quorum and duly convokes in the matters of the agenda when in the said shareholders who represent one fifth (1/5) at least of the paid share capital are represented. If such quorum is not achieved the General Assembly converges again in twenty (20) days from the date of the meeting which was cancelled invited for that purpose ten (10) at least days earlier. The said repetitive meeting duly convokes for the matters of the initial agenda no matter what percentage of the share capital is represented. A new invitation is not required if in the first invitation the date and location of the repetitive meeting is stated in the provisional by law meetings, for the event of non achievement of a quorum.

3.1.8 Exceptionally, when it concerns decisions regarding the alteration of the Company's nationality, the alteration of the purpose or object of the Company's business, the alteration of the Company's shares to registered, the increase of the obligations of shareholders, the increase of share capital, which is not based on the provisions of the Articles of Association in accordance with article 13 (paragraph 1 and 2) of C.L 2190/1920 or as required by the articles of the law or through the capitalisation of reserves, the decrease of share capital, the alteration of the mode of distribution of profits, the merging, dispersion, alteration, revival of the company, extension of the company's term of operation or dissolution of the company service or renewal of the authority to the Board of Directors for capital increase in accordance with article 13 of paragraph 1



of C.L 2190/1920. The General Assembly has a quorum and duly convokes when shareholders representing two thirds (2/3) of the paid share capital are represented. If such a quorum is not achieved, the General Assembly is invited and is gathered according to the provisions of paragraph 2 of article 35 of the Articles of Association and forms a quorum and meets upon the matters of the initial agenda when at least ½ of the paid up share capital is represented. If such a quorum is still not achieved, the General Assembly is invited and is gathered and meets upon the matters of the initial agenda when at least 1/5 of the paid up share capital is represented. A new invitation is not required if in the first invitation the date and location of the repetitive meeting is stated in the provisional by law meetings, for the event of non achievement of a quorum.

3.1.9 The President of the BoD or when he is hindered his lawful replacer presides temporarily in the General Assembly and defines as secretary one of the Shareholders or their proxys who are present, until the list of shareholders is certified by the General Assembly, who are entitled to participate in the said and elects the ordinary presiding office. The Presiding Office is composed of the President and the Secretary who also executes duties of vote – teller. The election is performed with a silent vote except if the General assembly decides through a majority the election of the President with an open voting procedure.

3.1.10 The discussions and the decisions of the General Assembly are restricted to the mattes of the agenda. The agenda is drawn by the BoD and includes the proposals of the BoD towards the Assembly. Discussions other than the matters in the agenda are not permitted with the exception of extraordinary cases such as the modification of the issues of the Board of Directors to the General Assembly or for matters intended for another General Assembly.

### 3.2 Shareholders Rights and manner of exercising these

Each share carries all the rights and obligations set out in law and in the Articles of Association of the Company. Ownership of a share automatically entails acceptance by the owner of the Articles of Association and of the legal decisions taken by the competent bodies of the Company.

Each common share entitles the owner to one vote.

Shareholders' liability is limited to the nominal value of the shares they hold.

#### 3.2.1. SHAREHOLDERS RIGHTS IRRESPECTIVE OF THE PERCENTAGE SHAREHOLDING

##### **a. Right to attend and vote at the Shareholders' General Meeting**

Any person appearing in the capacity of shareholder in the Dematerialized Securities System files managed by "Hellenic Stock Exchanges SA" [former Central Securities Depository], where company's securities are being held, is entitled to participate at the General Meeting.

Shareholding capacity is evidenced by presenting a relevant written certificate issued by the aforementioned entity, or by direct online connection of our company with said entity's files. Shareholding capacity must be effective at the beginning of the fifth (5th) day ( Date of Record) prior to the date of the General Meeting, and the relevant certificate regarding the shareholding capacity must be received by Company no later than the third (3rd) day prior to the date of the General Meeting.



With regard to the 1st Reiterative Extraordinary General Meeting, the shareholding capacity must be effective at the beginning of the fourth (4th) day prior to the date scheduled for the 1st Reiterative Extraordinary General Meeting (1st Reiterative Extraordinary General Meeting date of record), and the relevant written or electronic certificate regarding shareholding capacity must be received by company no later than the third (3rd) day prior to the date of the 1st Reiterative Extraordinary General Meeting.

The same provisions are applicable in the event of a 2nd Reiterative Extraordinary General Meeting .

Any shareholder failing to comply with the provisions of article 28a of codified law 2190/1920 may participate at the General Meeting only upon its permission. Exercise of these rights does not require blockage of the beneficiary's shares or compliance with any other procedure restricting the ability to sell and transfer them during the period between the Date of Record and the date of General Meeting.

A shareholder may attend the General Meeting and vote either in person or by proxy. Each shareholder may appoint up to three (3) proxies. Legal entities may participate at the General Meeting by appointing up to three (3) individuals as proxies. However, if a shareholder holds shares in a company, which appear in several securities accounts, said restriction will not prevent said shareholder from appointing different proxies in respect of the shares in each securities account in relation with the General Meeting. A proxy acting on behalf of several shareholders may vote differently for each shareholder.

A shareholder proxy must disclose to the company, before the General Meeting begins, any specific event which may be useful to the shareholders in assessing the risk of the proxy serving interests other than those of the shareholder. In the sense of this paragraph, a conflict of interest may especially arise when a proxy: a) is a shareholder controlling the company or is another legal entity or an entity controlled by that shareholder; b) is a member of the board of directors or of the administration of the company or shareholder controlling the company in general, or another legal entity or an entity controlled by a shareholder who controls the company; c) is an employee or auditor of the company or shareholder controlling the company, or of another legal entity or entity controlled by a shareholder who controls the company; d) is spouse or first degree relative to one of the individuals referred to under (a) through (c) above.

The appointment and revocation of a shareholder proxy is made in writing and notified to the Company under the same form, at least three (3) days prior to the date scheduled for the General Meeting.

The company will make available at its website ([www.nireus.com](http://www.nireus.com)) for the purpose of the General Assembly a form which may be used for the appointment of proxy which can also be obtained from the Company's offices (tel 210-6698335, Investors Relations Department). The said form must be submitted, duly completed and signed by the shareholder, to the Company's Shareholders Service at 1st km Koropiou-Varis Avenue, Koropi Attikis 19400 or by fax to the number 210-6626998 at least three (3) days prior to the date of the General Meeting. Beneficiaries are responsible for confirming successful remittance and receipt of proxy documentation by the company, by calling the following numbers: 210-6698335.

The participation of the shareholders to the General Meeting by electronic means is not yet available.



**b. Preference rights** : In case of a share capital increase, when that increase is not realized by contribution in kind, or by the issue of convertible bonds, preference rights are granted to Shareholders of the Company at the date of issue, proportionate to their holding in the existing share capital.

According to the provisions of article 13 cl.10 of L.2190/1920, preference rights can be limited or cancelled, by decision of the General Meeting, taken according to the provisions of articles 29 cl.3 and 31 cl.2 of the L.2190/1920 ( quorum of 2/3 of the issued share capital, majority of 2/3 of the present or represented voting rights)

**c. Right to collect dividends** : According to the company's Articles of Association the minimum dividend which must be distributed each year by the Company is equal to the minimum annual dividend specified by law (Article 45 of Codified Law 2190/1920) which according to Article 3 of Development Law 148/1967 is at least 35% of the Company's net profits, after all necessary withholdings are made in order to establish the statutory reserve.

Dividends are paid within 2 months from the date of the Ordinary General Assembly of Shareholders which have approved the Company's annual financial statements. The place and method of payment is announced in notices published in the press, the ATHEX Daily Official List and website and the Company website. Dividends which remain unclaimed for a period of five years from the date on which they become payable may not be claimed and are forfeited to the State.

**d. Rights in product of liquidation**

On completion of the liquidation, the liquidators return the contributions of the Share-holders in accordance with the Articles of Association and distribute to them the balance from the liquidation of the Company's assets in proportion to their share in the paid-up capital of the Company.

**e. Right to request information** : Following a request of any shareholder, which is submitted to the Company at least five (5) full days prior to the Annual General Assembly, the Board of Directors is obligated to provide at the General Assembly the specifically requested information regarding the affairs of the Company, to the extent that these are relevant for the proper evaluation of the issues on the agenda.

**f. Right to request the recording of an accurate summary of its opinion in the minutes of a shareholders general meeting .**

**g. Right to receive copies of financial statements and reports from the Board of Directors and auditors ten (10) days prior to the Annual General Assembly.**

**h. Right to object the list of the attending and voting shareholders**, which is prepared 24 hours before the shareholders meeting, until the opening of the meeting.

**i. Right to claim loss indemnity from the company for damages** incurred due to a shareholders' meeting decision which was not taken according to the law or the company's articles of association or which was made by abuse of power from the majority shareholders or which was taken by a general meeting illegally convoked or formed or due to the fact that the



requested information on the items of the agenda were not provided . ( this right must be exercised within three (3) months from the date of the submission of the general meeting minutes to the competent authority)

**j. Right to claims against the members of the company's Board of Directors** in relation to the management of the corporate affairs , if the damage incurred was due to fraud.

### 3.2.2. SHAREHOLDERS RIGHTS REPRESENTING AT LEAST 2/100 OF THE SHARE CAPITAL

Right to request by a civil lawsuit the annulment of a shareholders' meeting decision. A decision may be annulled if taken without giving the required information requested by the shareholders who are also requesting the annulment or by abuse of right by the majority under the conditions of article 281 of the Civil Code.

### 3.2.3. SHAREHOLDERS RIGHTS REPRESENTING AT LEAST 1/20 OF THE SHARE CAPITAL

a.Right to request from the President of the meeting to postpone ( only once) the taking of a decision by the general meeting for all or some subjects of the agenda. The meeting continues within 30 days the latest.

b.Right to request from the company's Board of Directors the convocation of an extraordinary General Shareholders meeting within 30 days.

c.Right to request from the Board of Directors to include in the agenda of the General Meeting which has already been convoked any additional subjects including justification and decision drafting, if the relevant request is communicated to the Board of Directors at least fifteen (15) days before the meeting. The revised agenda is published thirteen (13) days before the meeting, including justification or decision draft.

d.Right to request, until the 7th day before the Shareholders Meeting, to be provided with the drafts of the decisions on the items of the agenda at least six (6) days before the Meeting.

e.Right to request the announcement to the Annual General Meeting the amounts which during the last two years were paid to each member of the Board of Directors or the managers of the company, as well as any benefit to these persons for any reason or any contract between them and the company.

f.Right to request that the decision on any subject of the agenda of the general meeting is taken by roll-call vote.

g.Right to oppose to the granting of permission by the general meeting for the granting of guarantee of other security in favour of the members of the Board of Directors, the persons who exercise control over the company, their spouses and relatives by blood or by marriage up to the third degree, as well as the legal entities which are controlled by the above.



h.Right to file a petition to the Court of first instance of the district where the company has its registered seat requesting the company's audit. The court orders the audit if it finds probable that certain acts violate the provisions of the law or the company's articles of association or the general meeting's decisions.

i.Right to oppose to the approval by special decision of the Shareholders General Meeting after the conclusion of a contract between the company and the members of the Board of Directors, the persons who exercise control over the company, their spouses and relatives by blood or by marriage up to the third degree, as well as the legal entities which are controlled by the above.

The above approval is not necessary in case of acts that do not exceed the limits of current transactions of the company with third parties.

#### 3.2.4. SHAREHOLDERS RIGHTS REPRESENTING AT LEAST 1/10 OF THE SHARE CAPITAL

a.Right to request for a mandatory filing of claims against the members of the Board of Directors arising from the management of the company's affairs , within six months from the request . The request of the minority shall be taken into account only if it is verified that the applicants had become shareholders at least three (3) months before such request was submitted.

b.Right to oppose to the approval by special decision of the Ordinary General Meeting on the granting of any remuneration or compensation to a Director with exception of the remuneration for services provided to the company on the basis of a special relationship of employment or mandate the amount of which is not specified in the Articles of Association.

#### 3.2.5. SHAREHOLDERS RIGHTS REPRESENTING AT LEAST 1/5 OF THE SHARE CAPITAL

a.Right to request from the Board of Directors the provision of information to the General Meeting about the course of the company matters and the financial position of the company.

b.Right to oppose to the company's waiver of its claim for damages against members of the Board of Directors or to the settlement two years after such claim was established, in the frame of the General Meeting convoked to decide upon granting of consent on the above matters.

c.Right to petition the Court of First instance requesting the audit of the company, if from the overall track record it is credible to believe that the management is not exercised according to the rules of good and prudent management.

#### 3.26. SHAREHOLDERS RIGHTS REPRESENTING AT LEAST 1/3 OF THE SHARE CAPITAL

Right to oppose to the approval by special decision of the Shareholders General Meeting of a contract between the company and the members of the Board of Directors, the persons who exercise control over the company, their spouses and relatives



by blood or by marriage up to the third degree, as well as the legal entities which are controlled by the above persons. The above approval is not necessary in case of acts that do not exceed the limits of current transactions of the company with third parties.

#### **4. System of Internal Control and Risk Management**

##### 4.1 Main characteristics of the Internal Control

4.1.1. The Internal Audit of the company is conducted by the Service of internal control according to the programme of control included in the Internal Operational Guideline of the company.

It is noted that the audit on the base of which the relevant report is drawn up in accordance with law 3016/2002, as it stands today and especially in accordance with the articles 7 and 8 of the present law, as well as Decision 5/204/2000 of the Hellenic Market Committee, as it stands after its alteration by the Decision of the BoD of the Hellenic Market Committee no 3/348/19.7.2005.

4.1.2 During the control the Service of Internal Audit takes into account all the necessary books, files, bank accounts and portfolios of the company and asks for the complete and constant cooperation of the management so that all the necessary information and data with the purpose to reach conclusions that do not entail substantial inaccuracies. This control does not include any evaluation of the appropriateness of the accounting principles that were adopted as well as the estimations made from the management as these are a matter of the legal auditor.

4.1.3 The scope of audit is the evaluation of the general level of the procedures of the system of internal control. In any period under audit several scopes of control are chosen, while the organization and operation of the BoD is constantly controlled as well as the Service of Servicing Shareholders and Investor Relations that operate based on the law 3016/2002.

##### **4.2 Risk management concerning the financial statements**

The Group has installed and maintains an infrastructure of information systems which secure the accurate reflection of financial data. More specifically, the parent company and the companies which are located in Greece operate via a Central ERP system in which entries are made to the subsystems of the commercial, productive, tracking and other accounting management processes, on a daily basis.

In addition a Payroll Monitoring System and Human Resource Management system operates for the correct presentation of the payroll charges.

Sales Management system which aims at the detailed analysis per item, document, sale customer, country etc for the preparation of the weekly sales report which includes historical, budgeted, and actual data and analysis of the deviations at both the level of the parent company as well as on a Group basis.



The production management system which all fattening production units with a daily recording and audit of all production works.

Separate budget and actual management system for each company and for the consolidated data. The organisational structure in addition to the business model of each company has been coded for each of its operations. The entries of financial production and other data are made on a cost center and business unit basis. They are audited and analysed and are presented both on a weekly basis and on a monthly basis.

Furthermore, there are security checks during the preparation of financial statements and financial reporting.

The basic areas in which the above checks operate are the following:

#### Organisation – Allocation of Responsibilities

- The assignment of responsibilities and authority to senior management as well as to middle and lower level management ensures the enhancement of the performance of the System of Internal Audit, with a parallel safeguarding of the necessary segregation of duties.
- The appropriate staffing of the finance department with employees that have the necessary technical knowledge and experience for the responsibilities to which are assigned.

#### Accounting review procedures and preparation of financial statements

- The existence of common policies and manner of operation of the accounting departments which have been announced to the subsidiaries of the Group, which have terms, accounting principles which are used from the Company and its subsidiaries, guidance for the preparation of financial statements, financial reporting consolidation etc.
- Automatic audits and checks which are carried out between the different information systems while a special approval is required for one-off extraordinary transactions.

#### Safeguarding of assets

- The existence of specific checks for the fixed assets, the inventories, cash and cash equivalents –cheques and other assets of the company, such as for instance the physical security of cash or stock and the stocktaking and the comparison of the counted quantity and those of the accounting books.
- Existence of a list of approved levels of authorities to which the assigned authorities to the various management of the company for specific transactions or duties (for example payments, receipts, legal transactions).



## **5. Additional information**

5.1 Article 10, par. 1 of the Guidance 2004/25/EK of the European Parliament and Committee of April 21st 2004, relevant to the public offerings for the titles of companies that are negotiated in organized markets:

“The EU countries ensure that the companies which are referred to in article 1 of paragraph 1 publish detailed information with respect to the following: a) structure of their capital including titles which are not listed in an organised market of an EU country and in special cases , an indication of the different categories of shares with the rights and the obligations which are associated with each category of shares and the percentage of the total share capital which they represent b) all restrictions in the transfer of titles, such as the restrictions in the ownership of titles or the obligation to obtain approval from the company or from other owners of titles, with the reservation of article 46 of the Guidance 2001/34/EK.

c) the significant direct or indirect participations (including indirect investments via pyramid structure) as defined by articles 85 of the Guidance 2001/34/EK

d) the owners of any type of title which grants special audit rights and description of the said rights

e) the audit mechanism which may possibly be provided for in a system in which employees participate , under the condition that the audit rights are not exercised directly through the employees.

f) any type of restrictions in voting rights, such as the restrictions in the voting rights to owners of a specific percentage or number of votes, the due dates of exercising the voting rights or systems to which along with the cooperation of the company, the financial rights which result from the titles and are separated from the titles.

g) agreements between shareholders which are known to the company and may possibly result in restrictions in the transfer of titles and/or voting rights as defined by the Guidance 2001/34/EK

h) regulations concerning the appointment and replacement of board of directors members in addition to the amendment of the Articles of Association

i) each significant agreement to which the company participates and which begins to be valid, is amended or expires in the event of a change in the audit of the company following public acquisition proposal and the results of such an agreement except if, due to its nature, its disclosure would create serious damage to the company. This exemption is not valid when the company is explicitly obliged to disclose similar information based on other legal requirements.

j) Each agreement which the company has contracted with the members of the board of directors or with its personnel, for which a provision exists for indemnity in the event of resignation or redundancy without a justifiable reason or their employment has terminated as a result of the public acquisition proposal”.

### **5.2 In relation to this information the company declares the following:**

(a) The structure of the share capital, including the shares not listed for trading in an organized market in Greece or another member-state, reporting for each category of shares the rights and the obligations related to this category and the percentage of the total share capital that the shares of this category presented.

*The share capital of the Company as at 31.12.2013 amounted to Euro 85.354.185,02 composed into 63.697.153 shares of par value Euro 1,34 each and is fully paid up. The entire company's shares are ordinary, registered, with voting rights, listed for trading on the Athens Exchange and have all the rights and the obligations prescribed by the Law.*



(b) Restrictions in the transfer of the company’s shares such as restrictions in holding of shares or the obligation in obtaining prior approval from the company or other shareholders or by a Public or Administrative Authority with the reserve of the article 46 of the Guidance 2001/34/EK..

*The transfer of the company’s shares is made as enacted by Law and do not exist out of its Articles of Association restrictions in their transfer.*

(c) The company does not have direct or indirect participations (including indirect investments pyramid structure) as defined by articles 85 of the Guidance 2001/34/EK.

Furthermore, the significant direct or indirect participation in the share capital and voting rights of the Company, based on the last disclosure, as defined by articles 9 to 11 of L. 3556/2007 are as follows:

<b>Surname</b>	<b>Name</b>	<b>Father’s Name</b>	<b>Number of Shares</b>	<b>% Percentage</b>	<b>Type of participation</b>
Belles	Aristides	Stergios	13.428.101	21,16%	direct & indirect
Chaviaras	Nikolaos	Emmanuel	3.421.393	5,38%	direct & indirect
TEFTHYS OCEAN BV			15.070.847	23,68%	TEFTHYS OCEAN BV SA holds an indirect percentage of 23,68% with voting rights. The company TEFTHYS OCEAN BV is fully controlled by Linnaeus Capital Partners BV which is fully controlled by the company I.I.H.C Industrial Investments Ltd, which is controlled by Kahka Bendukidze. Given the above, Mr. Kahka Bendukidze, the company I.I.H.C Industrial Investments Ltd and the company Linnaeus Capital Partners BV hold a total indirect percentage of 23,68% of the shares and the voting rights (15.070.847 shares).

(d) Holders of any type of share granting special control rights and description of relevant rights.

*Shares of the company, which grant special control rights to their shareholders do not exist.*



(e) Restrictions in voting rights such as restrictions in voting rights to holders of certain percentage of the share capital or to holders of certain number of voting rights, and the time limits for the exercise of voting rights.

*The Articles of Association do not provide for any restrictions in voting rights*

(f) Shareholders Agreements, which are known to the company and entail restrictions in transfer of shares or restrictions in exercise of voting rights.

*The company is not aware of the existence of shareholders agreements, which entail restrictions in the transfer of its shares or in the exercise of the voting rights arising from its shares.*

(g) Regulations with respect to the appointment and replacement of members of the Board of Directors and amendment of the Articles of Association.

*The rules provided by the company's Articles of Association for appointment and replacement of members of its Board of Directors and amendment of its articles, do not differ to that provided by the provisions of c. L. 2190/1920.*

(h) Ability of the Board of Directors or certain members of the Board of Directors, to the issue new shares or repurchase treasury shares.

The Board of Directors of the Company is allowed to proceed with the issuance of new shares, following stipulated authorization on the basis of the General Assembly's decision in the following cases:

*In accordance with article 13 paragraph 9 of c.L2190/1920, as in force, and in execution of the decision taken at the Company's Shareholders General Meeting held on 05-06-2006, which was listed in the Register of Companies on 20-06-2006, protocol number K2-9377, the three-year Stock Option Plan granted to the Members of the Board of Directors and to the Company's Management was approved. Specifically, following the exercise of rights have been vested from the participants in the program, a decision is taken by the Board of Directors as regards the increase of the Company's share capital by an amount which corresponds to the rights that have been exercised and the issuance of the respective new shares, in execution of the assumed liabilities based on the Plan. Subsequent to this, the Board of Directors proceeds with the decision released, based on article 11 of c.L.2190/1920 in respect of the certification of the paid-up share capital.*

*It is noted that due to the current economic decision of the capital market, the exercise of the above rights in the third year has not been made possible.*

*In accordance with article 3a of c.L 2190/1920, as in force, and in execution of the decision of the A' Reiteration Extraordinary Shareholders Meeting of the Company, which was listed in the Companies Register of the Ministry of Development on 9-5-2007 with protocol number K2-6896, the issuance of the convertible bond loan into common with voting right shares with preference rights to old shareholders of an amount of 19.995.575,10 Euro was approved. Specifically, following the exercise of the right of conversion of debentures to shares, a Board of Directors decision is taken*



*to increase the Company's share capital by an amount which corresponds to the conversion of debentures depending upon the conversion requests, and the conversion ratio, and the corresponding issuance of the company's new shares, in execution of the terms of the program of the convertible bond loan as these are in force. Subsequent to the above, the Board of Directors proceeds with the issuance of the decision, based on article 11 of c.L 2190/1920 in respect of the certified paid-up share capital.*

(i) Significant agreements of the company that are in force, amend or expire in case of a change in the company's control following public motion and the results of the agreement, except if, due to its nature, the publication of the agreement would cause serious loss in the company. The exemption of publication of the agreement is not effective when the obligation for publication arises from other provisions.

*In the event of a change in the company's control following public proposal, there are no agreements, which are in force, are amended or expire.*

(j) Agreements for indemnity compensation to members of the Board of Directors or personnel, in case of retirement or dismissal without basic reason or end of term or engagement due to public announcement.

*There are no special agreements for indemnity compensation to the members of the Board of Directors or to personnel, specifically in case of retirement or dismissal without basic cause or termination of their service or their engagement due to public proposal.*

The present Statement of Corporate Governance entails an integral and special part of the company's annual Board of Directors Report.



**Attachment I**

<b>Name</b>	<b>Company which participates</b>	<b>Position in the Company</b>
<b>Aristeidis Belles Chairman and CEO</b>	EUROMARE INSURANCE AGENCY S.A	Vice President and Managing Director
	PROTEUS EQUIPMENT S.A	President and Managing Director
	KEGO AGRI S.A	President and Managing Director
	SAFE ENERGY A.E. EXPLOITATION OF MILD FORMS OF ENERGY	President and Managing Director
	FISH OF AFRICA LTD	President
	TEMPLE TRADING	Shareholder
	SEA FARM IONIAN SA	Managing Director
	SUNNYLAND S.A. UTILISATION OF PROPERTY	President and Managing Director
	ILKNAK AS	President
	ENTERPRISE CLUB	Member
	EVOIKI DEVELOPMENT SEACULTURE COMPANY	President
	IOBE	Member
	FLEXINOVA LIMITED	Administrator
	PREDOMAR S.L	President
	MIRAMAR SU URUNLERI VE BALIK YEMI URETIMI SANAYI VE TICARET A.S.	President
	CARBON DIS TICARET YATIRIM INSAAT VE SANAYI AS	President
HELLENIC COMPANY OF BUSINESS ADMINISTRATION	Third Vice President	
<b>Nikolaos Chaviaras Vice President and Managing Director</b>	PROTEUS EQUIPMENT S.A	Vice President
	NIREUS INTERNATIONAL LTD	Member of the BOD
	MIRAMAR PROJECTS CO LTD	Member of the BOD
	SEA FARM IONIAN S.A	President
	KEGO AGRI S.A.	Vice-President and Managing Director
	KEY FOOD S.A	President
	KEY PARKING S.A.	Administrator
	WHITEFLEX LIMITED	President
	Chaviaras N. & Co	Administrator
<b>Antonios Chachlakis Deputy Managing Director</b>	SAFE ENERGY A.E. EXPLOITATION OF MILD FORMS OF ENERGY	Vice President & Deputy Managing Director
	PREDOMAR SL	Member
	KEGO AGRI S.A	Member
	PROTEUS EQUIPMENT S.A	Member
	ILKNAK AS	Member
	SEA FARM IONIAN SA	Member
	MIRAMAR SU URUNLERI VE BALIK YEMI URETIMI SANAYI VE TICARET A.S.	Member
	CARBON DIS TICARET YATIRIM INSAAT VE SANAYI AS	Member



<b>Epaminondas Labadarios Member of BOD</b>	ATHINAIKI ZITHIPOIIA	Member
	KOYTSIKOS WINERY SA	Member
	AFOI KALOGIANNI SA	Member
	DOW HELLAS	Member
	HELLENIC LEYKOLITHI	Vice-President
	SONY BMG MUSIC	Member

<b>Constantinos Labrinopoulos, Member of BOD</b>	SPRINT ADVERTISING SA.	Managing Director
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<b>Leto Ioannidou , Member of BOD.</b>	LAVIPHARM SA	Member of BOD
	M.I.MAILLIS	Member of BOD
	LETO IOANNIDOU MONOPROSOPI LTD CONSULTANTS	Adminstrator

<b>Markos Komondouros , Member of BOD</b>	ILIOGENESIS SA	Member of BOD
	CD MEDIA S.A	Member of BOD
	VECTOR PARTNERS SA	Member of BOD and Managing Director
	NEW FINANCE FUND (TANEO)	Member

Athens, 28 March 2014

THE CHAIRMAN OF THE BOD

THE MEMBERS

THE CHAIRMAN AND CEO

ARISTEIDIS ST. BELLES

An exact copy of the Minutes of the Meetings of the Board of Directors



ERNST & YOUNG (HELLAS) Certified Auditors - Accountants S.A. 11 <sup>th</sup> Km National Road Athens-Lamia 144 51 Athens, Greece	Tel: +30 210 2886 000 Fax: +30 210 2886 905 ey.com
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THIS REPORT HAS BEEN TRANSLATED FROM THE ORIGINAL VERSION IN GREEK

## ***INDEPENDENT CERTIFIED AUDITOR'S REPORT***

**To the Shareholders of "NIREUS AQUACULTURE S.A."**

### **Report on the Separate and Consolidated Financial Statements**

We have audited the accompanying separate and consolidated financial statements of NIREUS AQUACULTURE S.A., which comprise the separate and consolidated statement of financial position as at 31 December 2013, the separate and consolidated income statement, the separate and consolidated statement of comprehensive income, the separate and consolidated statement of changes in equity and the separate and consolidated statement of cash flow for the year ended, and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the separate and consolidated financial statements**

Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal controls as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express an opinion on these separate and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards of Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the separate and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate and consolidated 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 used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate and consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



## **Opinion**

In our opinion the accompanying separate and consolidated financial statements present fairly in all material respects the financial position of Nireus Aquaculture SA and its subsidiaries as at 31 December 2013, and of their financial performance and their cash flows for the year ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

## **Emphasis of matter**

Without qualifying our opinion, we draw attention to Note 2.2 to the separate and consolidated financial statements which indicates that, at December 31, 2013, (a) the Group and the Company were not in compliance with certain financial covenants and undertakings under their bond loan agreements, and as a result at December 31, 2013, bond loans amounting to € 91,8 million and € 74,4 million for the Group and Company, respectively, are classified as current liabilities, (b) the Group and the Company are in the final stages of negotiation with the lending banks to restructure the bond loans. As further discussed in Note 2.2, the refinancing of the Company's and Group's borrowings, cannot be assured, and depends on the outcome of these negotiations. Accordingly, these conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's and the Group's ability to continue as a going concern.

## **Report on Other Legal and Regulatory Requirements**

(a) The Director's Report includes a statement of Corporate Governance, which comprises the information as defined by paragraph 3d of article 43a, of Codified Law 2190/1920.

(b) We confirm that the information given in the Directors' Report is consistent with the accompanying separate and consolidated financial statements in the context of the requirements of articles 43a, 108 and 37 of C. L.2190/1920.

**Athens, 31 March 2014**

**THE CERTIFIED AUDITOR ACCOUNTANT**

**CHRISTODOULOS SEFERIS**

**S.O.E.L. R.N. 23431  
ERNST & YOUNG (HELLAS)  
CERTIFIED AUDITORS ACCOUNTANTS S.A.  
11TH KLM NATIONAL ROAD ATHENS – LAMIA  
METAMORPHOSI  
COMPANY S.O.E.L. R.N. 107**

**Statements of Profit or Loss**

(Amounts in Euro)

		<b>GROUP</b>	
		<b>31/12/2013</b>	<b>31/12/2012 (Restated*)</b>
	<b>Note</b>		
<b>Fair value of biological assets at the beginning of the period</b>		<b>240.082.616</b>	<b>251.308.832</b>
Purchases during the period		(1.342.668)	(281.583)
Sales during the period		149.471.961	158.918.631
<b>Fair value of biological assets at 31/12/2013</b>		<b>170.151.405</b>	<b>240.082.616</b>
<b>Gain or Loss arising from changes in fair value of biological assets at the end of the period</b>	<b>26</b>	<b>78.198.082</b>	<b>147.410.832</b>
Sales of non-biological goods-merchandise and other inventories	<b>9</b>	49.106.089	43.237.559
Raw Material Consumption	<b>27</b>	(107.432.939)	(104.191.177)
Salaries & personnel expenses	<b>10</b>	(30.853.823)	(31.521.439)
Third party fees and benefits	<b>11</b>	(19.988.691)	(24.398.424)
Finance expenses	<b>12</b>	(20.038.614)	(14.557.108)
Finance income	<b>12</b>	553.114	356.988
Gain or loss on measurement of financial assets at fair value	<b>19</b>	(202.837)	270.110
Depreciation	<b>18,21</b>	(8.124.227)	(9.728.782)
Other expenses	<b>14</b>	(31.817.829)	(26.895.951)
Other income	<b>15</b>	3.168.584	3.851.963
<b>Results for the period before taxes</b>		<b>(87.433.091)</b>	<b>(16.165.429)</b>
Income tax	<b>16</b>	(419.745)	(487.512)
Deferred income tax	<b>16</b>	12.371.983	2.760.209
<b>Net profit/(loss) for the period</b>		<b>(75.480.853)</b>	<b>(13.892.732)</b>
<b>Attributable to:</b>			
<b>Equity holders of the Parent company</b>		(75.071.184)	(14.050.516)
<b>Non-controlling interests</b>		(409.669)	157.784
<b>Total</b>		<b>(75.480.853)</b>	<b>(13.892.732)</b>
<b>Earnings/(losses) after taxes per share – basic in €</b>	<b>17</b>	<b>(1,1791)</b>	<b>(0,2208)</b>

\* Due to the change in accounting policy according to IAS 19 and the different accounting treatment of the derivative as referred to in Note 47.

**The attached notes form an integral part of these financial statements**



		<b>COMPANY</b>	
		<b>31/12/2013</b>	<b>31/12/2012 (Restated*)</b>
	<b>Note</b>		
<b>Fair value of biological assets at the beginning of the period</b>		<b>225.093.516</b>	<b>237.295.193</b>
Purchases during the period		(1.161.761)	-
Sales during the period		135.065.058	146.461.785
<b>Fair value of biological assets at 31/12/2013</b>		<b>155.012.142</b>	<b>225.093.516</b>
<b>Gain or Loss arising from changes in fair value of biological assets at the end of the period</b>	<b>26</b>	<b>63.821.923</b>	<b>134.260.108</b>
Sales of non-biological goods-merchandise and other inventories	<b>9</b>	31.299.118	25.540.593
Raw material consumption	<b>27</b>	(88.048.136)	(85.421.692)
Salaries & personnel expenses	<b>10</b>	(24.412.107)	(24.850.255)
Third party fees and benefits	<b>11</b>	(22.452.786)	(25.516.130)
Finance expenses	<b>12</b>	(17.378.973)	(13.327.860)
Finance income	<b>12</b>	525.657	498.602
Gain or loss on measurement of financial assets at fair value	<b>19</b>	(174.440)	277.963
Depreciation	<b>18,21</b>	(6.704.945)	(7.902.261)
Other expenses	<b>14</b>	(26.272.626)	(23.046.502)
Other income	<b>15</b>	1.220.108	1.809.172
<b>Results for the period before taxes</b>		<b>(88.577.207)</b>	<b>(17.678.262)</b>
Income tax	<b>16</b>	-	(5.659)
Deferred income tax	<b>16</b>	11.877.633	2.597.028
<b>Net profit/(loss) for the year</b>		<b>(76.699.574)</b>	<b>(15.086.893)</b>
<b>Attributable to:</b>			
<b>Equity holders of the Parent company</b>		(76.699.574)	(15.086.893)
<b>Total</b>		<b>(76.699.574)</b>	<b>(15.086.893)</b>

*\* Due to the change in accounting policy according to IAS 19 and the different accounting treatment of the derivative as referred to in Note 47.*

**The attached notes form an integral part of these financial statements**

**Statements of Other Comprehensive Income**

(Amounts in Euro)

		<b>GROUP</b>	
		<b>31/12/2013</b>	<b>31/12/2012 (Restated*)</b>
	<b>Note</b>		
<b>Net profit/(loss) for the period</b>		<b>(75.480.853)</b>	<b>(13.892.732)</b>
<b>Items which can be recycled through the income statement (I)</b>			
Currency translation differences from the consolidation of foreign subsidiaries		(1.617.384)	85.195
Effect from the change in the tax rate to 26%	<b>34</b>	(1.788.970)	-
Change in the revaluation reserve resulting from the sale of property plant & equipment		9.269	949.650
Less: Deferred Tax	<b>16</b>	2.410	189.930
		<u>6.859</u>	<u>759.720</u>
		<u>(3.399.495)</u>	<u>844.915</u>
<b>Items which cannot be recycled through the income statement (II)</b>			
Effect from the change in the tax rate to 26%	<b>34</b>	(30.138)	-
			-
Actuarial gains/(losses) on pension obligations	<b>10</b>	(7.884)	604.296
Less: Deferred Tax	<b>16</b>	2.050	(120.860)
		<u>(5.834)</u>	<u>483.436</u>
		<u>(35.972)</u>	<u>483.436</u>
<b>Other comprehensive income (I+II)</b>		<b><u>(3.435.467)</u></b>	<b><u>1.328.351</u></b>
<b>Total Comprehensive Income</b>		<b><u>(78.916.320)</u></b>	<b><u>(12.564.381)</u></b>
-Equity holders of the parent company		(78.088.241)	(12.936.034)
-Non-controlling interests		(828.079)	371.653
		<u>(78.916.320)</u>	<u>(12.564.381)</u>

\* Due to the change in accounting policy in accordance with IAS 19 and the different accounting treatment of the derivative as referred to in Note 47.

**The attached notes form an integral part of these financial statements**



		<b>COMPANY</b>	
	<b>Note</b>	<b>31/12/2013</b>	<b>31/12/2012 (Restated*)</b>
<b>Net profit/(loss) for the period (A)</b>		<b>(76.699.574)</b>	<b>(15.086.893)</b>
<b>Items which can be recycled through the income statement (I)</b>			
Effect from the change in the tax rate to 26%	<b>34</b>	(1.621.574)	-
Sale of property plant & equipment to the revaluation reserve		8.918	(11.898)
Less: Deferred Tax	<b>16</b>	<u>(2.319)</u>	<u>2.380</u>
		<u>6.599</u>	<u>(9.518)</u>
		<u>(1.614.975)</u>	<u>(9.518)</u>
<b>Items which cannot be recycled through the income statement (II)</b>			
Actuarial gains/(losses) on pension obligations	<b>10</b>	42.889	578.368
Less: Deferred Tax	<b>16</b>	<u>(11.151)</u>	<u>(115.674)</u>
		31.738	462.694
<b>Other comprehensive income (I+II)</b>		<b><u>(1.583.237)</u></b>	<b><u>453.176</u></b>
<b>Total Comprehensive Income</b>		<b><u>(78.282.811)</u></b>	<b><u>(14.633.717)</u></b>
<i>-Equity holders of the parent company</i>		<u>(78.282.811)</u>	<u>(14.633.717)</u>
		<b><u>(78.282.811)</u></b>	<b><u>(14.633.717)</u></b>

\* Due to the change in accounting policy in accordance with IAS 19 and the different accounting treatment of the derivative as referred to in Note 47.

**The attached notes form an integral part of these financial statements**

**Statements of Financial Position**

(Amounts in Euro)

	Note	GROUP			COMPANY		
		31/12/2013	31/12/2012 (Restated *)	1/1/2012 (Restated *)	31/12/2013	31/12/2012 (Restated *)	1/1/2012 (Restated *)
<b>ASSETS</b>							
<b>Non-current assets</b>							
Property, plant and equipment	18	83.089.521	84.835.794	87.968.186	72.874.210	73.006.547	76.027.519
Investment property	19	3.847.339	4.050.176	3.780.066	3.483.295	3.657.735	3.379.772
Goodwill	20	30.766.972	30.766.972	30.766.972	19.049.833	19.049.833	19.049.833
Intangible assets	21	15.527.481	15.715.901	15.853.375	4.233.176	4.419.779	4.561.590
Investments in subsidiaries	22	-	-	-	35.229.026	32.286.407	30.246.427
Deferred income tax assets	23	400.676	1.004	14.217	-	-	-
Available-for-sale financial assets	24	20.914	8.410	8.410	6.800	6.800	6.800
Other long-term receivables	25	510.474	248.250	243.565	445.293	175.514	167.530
Biological assets	26	70.064.389	53.871.417	70.614.681	66.790.417	50.037.794	67.134.038
		<b>204.227.766</b>	<b>189.497.924</b>	<b>209.249.472</b>	<b>202.112.050</b>	<b>182.640.409</b>	<b>200.573.509</b>
<b>Current assets</b>							
Biological assets	26	100.087.016	186.211.199	180.694.151	88.221.725	175.055.721	170.161.155
Inventories	27	10.738.127	9.832.519	11.456.189	7.658.148	6.204.162	8.305.672
Trade and other receivables	28	49.829.305	54.693.174	60.152.880	36.846.455	42.894.862	46.547.476
Other receivables	29	10.711.637	18.959.428	15.263.460	9.890.409	18.651.620	13.493.832
Other current assets	30	3.801.768	2.940.554	2.808.961	3.428.443	2.309.796	2.030.233
Derivative financial instruments	40	195.928	306.000	457.000	195.928	306.000	457.000
Financial assets at fair value through profit or loss	31	-	100.000	-	-	-	-
Current income tax assets							
Current tax receivables	32				5.524.563		
Restricted cash	32	5.524.563	4.856.835	10.680.945	2.426.166	4.856.835	10.680.945
Cash and cash equivalents	33	3.616.545	3.006.832	8.109.298	-	1.248.438	5.373.525
		<b>184.504.889</b>	<b>280.906.541</b>	<b>289.622.884</b>	<b>154.191.837</b>	<b>251.527.434</b>	<b>257.049.838</b>
<b>Total Assets</b>		<b>388.732.655</b>	<b>470.404.465</b>	<b>498.872.356</b>	<b>356.303.887</b>	<b>434.167.843</b>	<b>457.623.347</b>
<b>EQUITY &amp; LIABILITIES</b>							
<b>Equity</b>							
Share capital	34	85.354.185	85.335.590	85.266.404	85.354.185	85.335.590	85.266.404
Less Treasury shares	34	(47.271)	(47.271)	(47.271)	(47.271)	(47.271)	(47.271)
Share premium account	34	36.248.476	36.316.116	36.232.678	36.248.476	36.316.116	36.232.678
Fair value reserves	34	30.112.982	31.821.693	31.182.186	28.633.727	30.280.701	30.290.219
Foreign currency translation reserve		(3.139.556)	(1.797.408)	(1.784.877)	-	-	-
Other capital reserves	34	8.589.748	8.579.272	7.709.452	8.648.031	8.616.293	7.822.886
Retained earnings		(92.536.295)	(17.342.133)	(2.983.346)	(90.264.366)	(13.664.570)	1.742.886
<b>Equity attributable to equity holders of the Parent Company</b>		<b>64.582.269</b>	<b>142.865.859</b>	<b>155.575.226</b>	<b>68.572.782</b>	<b>146.836.859</b>	<b>161.307.802</b>
<b>Non-controlling interests</b>		<b>(6.897.096)</b>	<b>(5.197.174)</b>	<b>(5.282.116)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Equity</b>		<b>57.685.173</b>	<b>137.668.685</b>	<b>150.293.110</b>	<b>68.572.782</b>	<b>146.836.859</b>	<b>161.307.802</b>
<b>Non-current liabilities</b>							
Long-term interest bearing loans borrowings	35	38.304.051	85.385.318	65.417.096	38.304.051	66.856.734	44.715.072
Deferred income tax liabilities	23	5.732.622	16.044.467	18.451.428	4.349.754	14.601.262	17.080.547
Net Employee defined Benefit obligations	10	2.442.990	2.371.865	2.895.611	2.014.338	1.950.296	2.451.127
Government grants	36	5.224.383	5.777.579	6.542.601	4.466.412	4.887.090	5.515.816
Other non-current liabilities	37	2.191.160	2.611.912	3.033.440	-	-	-
Provisions	38	2.674.040	782.105	648.868	708.273	455.826	336.909
<b>Total non-current liabilities</b>		<b>56.569.246</b>	<b>112.973.246</b>	<b>96.989.044</b>	<b>49.842.828</b>	<b>88.751.208</b>	<b>70.099.471</b>
<b>Current liabilities</b>							
Trade & other payables	39	61.233.003	62.538.325	58.195.363	52.645.543	51.974.394	45.960.650
Short-term interest bearing loan borrowings	35	61.343.499	56.356.993	71.755.767	55.629.064	49.714.240	63.412.588
Derivative financial instruments	40	2.790.360	3.209.000	3.059.000	2.790.360	3.209.000	3.059.000
Current portion of long-term financial liabilities	35	132.200.626	82.567.285	106.042.017	111.488.971	80.393.845	103.791.180
Other current liabilities	41	16.910.748	15.090.931	12.538.055	15.334.339	13.288.297	9.992.656
<b>Total current liabilities</b>		<b>274.478.236</b>	<b>219.762.534</b>	<b>251.590.202</b>	<b>237.888.277</b>	<b>198.579.776</b>	<b>226.216.074</b>
<b>Total Liabilities</b>		<b>331.047.482</b>	<b>332.735.780</b>	<b>348.579.246</b>	<b>287.731.105</b>	<b>287.330.984</b>	<b>296.315.545</b>
<b>Total Equity and Liabilities</b>		<b>388.732.655</b>	<b>470.404.465</b>	<b>498.872.356</b>	<b>356.303.887</b>	<b>434.167.843</b>	<b>457.623.347</b>

\* Due to the change in accounting policy in accordance with IAS 19 and the different accounting treatment of the derivative as referred to in Note 47.

**The attached notes form an integral part of these financial statements**

**Statements of Changes in Equity****Consolidated Statement of Changes in Equity**

(Amounts in Euro)

	Share Capital	Treasury Shares	Share Premium	Asset Revaluation Reserve	Foreign Currency Translation Reserve	Other Reserves	Retained Earnings	Non-controlling interests	Total
<b>Balance of equity as at 1 January 2012, initially presented</b>	<b>85.266.404</b>	<b>(47.271)</b>	<b>36.232.678</b>	<b>31.182.186</b>	<b>(1.784.877)</b>	<b>7.802.697</b>	<b>(994.991)</b>	<b>(5.282.116)</b>	<b>152.374.710</b>
Restated amounts due to change in accounting policy *	-	-	-	-	-	(93.245)	(1.988.355)	-	(2.081.600)
<b>Balance of equity as at 1 January 2012 (restated amounts) *</b>	<b>85.266.404</b>	<b>(47.271)</b>	<b>36.232.678</b>	<b>31.182.186</b>	<b>(1.784.877)</b>	<b>7.709.452</b>	<b>(2.983.346)</b>	<b>(5.282.116)</b>	<b>150.293.110</b>
<i>Movement in equity for the period 1/1-31/12/2012</i>									
Profit / (losses) after taxes	-	-	-	-	-	-	(14.050.516)	157.784	<b>(13.892.732)</b>
Other comprehensive income	-	-	-	643.577	(12.531)	483.436	-	213.869	<b>1.328.351</b>
<b>Total comprehensive income after taxes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>643.577</b>	<b>(12.531)</b>	<b>483.436</b>	<b>(14.050.516)</b>	<b>371.653</b>	<b>(12.564.381)</b>
Increase in share capital from the conversion of the convertible bond loan	69.186	-	83.438	-	-	-	10.150	-	<b>162.774</b>
Acquisition of Non-controlling interests	-	-	-	-	-	-	63.046	(63.046)	-
Transfer of negative Non-controlling interests to retained earnings	-	-	-	-	-	-	-	77	<b>77</b>
Reserve arising from convertible bond loan	-	-	-	-	-	330.713	(330.713)	-	-
Legal reserve for the period	-	-	-	-	-	12.404	(12.404)	-	-
Approved dividends	-	-	-	-	-	-	(4.571)	(229.020)	<b>(233.591)</b>
Other changes	-	-	-	(4.070)	-	43.267	(33.779)	5.278	<b>10.696</b>
<b>Balance of equity as at 31 December 2012</b>	<b>85.335.590</b>	<b>(47.271)</b>	<b>36.316.116</b>	<b>31.821.693</b>	<b>(1.797.408)</b>	<b>8.579.272</b>	<b>(17.342.133)</b>	<b>(5.197.174)</b>	<b>137.668.685</b>
<i>Movement in equity for the period 1/1-31/12/2013</i>									
Profit / (losses) after taxes	-	-	-	-	-	-	(75.071.184)	(409.669)	<b>(75.480.853)</b>
Other comprehensive income	-	-	6.617	(1.708.711)	(1.342.148)	1.541	25.644	(418.410)	<b>(3.435.467)</b>
<b>Total comprehensive income after taxes</b>	<b>-</b>	<b>-</b>	<b>6.617</b>	<b>(1.708.711)</b>	<b>(1.342.148)</b>	<b>1.541</b>	<b>(75.045.540)</b>	<b>(828.079)</b>	<b>(78.916.320)</b>
Acquisition of non-controlling interests	-	-	-	-	-	-	(213.511)	(826.124)	<b>(1.039.635)</b>
Increase in share capital from the conversion of the convertible bond loan	18.595	-	139	-	-	-	-	-	<b>18.734</b>
Transfer of retained earnings to other reserves	-	-	-	-	-	8.935	(8.935)	-	-
Changes during the year resulting from the convertible bond loan	-	-	(74.396)	-	-	-	74.396	-	-
Approved dividends	-	-	-	-	-	-	(572)	(45.719)	<b>(46.291)</b>
<b>Balance of equity as at 31 December 2013</b>	<b>85.354.185</b>	<b>(47.271)</b>	<b>36.248.476</b>	<b>30.112.982</b>	<b>(3.139.556)</b>	<b>8.589.748</b>	<b>(92.536.295)</b>	<b>(6.897.096)</b>	<b>57.685.173</b>

\* Due to the change in accounting policy in accordance with IAS 19 and the different accounting treatment of the derivative as referred to in Note 47.

**The attached notes form an integral part of these financial statements**

**Statement of Change in Equity of the Parent Company**

(Amounts in Euro)

	Share Capital	Treasury Shares	Share Premium	Asset Revaluation Reserve	Other Reserves	Retained Earnings	Total
<b>Balance of equity as at 1 January 2012, initially presented</b>	<b>85.266.404</b>	<b>(47.271)</b>	<b>36.232.678</b>	<b>30.290.219</b>	<b>7.889.765</b>	<b>3.757.607</b>	<b>163.389.402</b>
Restated amounts due to change in accounting policy *	-	-	-	-	(66.879)	(2.014.721)	<b>(2.081.600)</b>
<b>Balance of equity as at 1 January 2012 (restated amounts) *</b>	<b>85.266.404</b>	<b>(47.271)</b>	<b>36.232.678</b>	<b>30.290.219</b>	<b>7.822.886</b>	<b>1.742.886</b>	<b>161.307.802</b>
<i>Movement in Net equity for the period 01/01-31/12/2012</i>							
Profit / (losses) after taxes	-	-	-	-	-	(15.086.893)	(15.086.893)
Other comprehensive income	-	-	-	(9.518)	462.694	-	453.176
<b>Total comprehensive income after taxes</b>	-	-	-	<b>(9.518)</b>	<b>462.694</b>	<b>(15.086.893)</b>	<b>(14.633.717)</b>
Increase in share capital from the conversion of the convertible bond loan	69.186	-	83.438	-	-	10.151	<b>162.775</b>
Reserve arising from convertible bond loan	-	-	-	-	330.713	(330.713)	-
<b>Balance of equity as at 31 December 2012</b>	<b>85.335.590</b>	<b>(47.271)</b>	<b>36.316.116</b>	<b>30.280.701</b>	<b>8.616.293</b>	<b>(13.664.570)</b>	<b>146.836.859</b>
<i>Movement in Net equity for the period 01/01-31/12/2013</i>							
Profit / (losses) after taxes	-	-	-	-	-	(76.699.574)	(76.699.574)
Other comprehensive income	-	-	6.617	(1.646.974)	31.738	25.382	(1.583.237)
<b>Total comprehensive income after taxes</b>	-	-	<b>6.617</b>	<b>(1.646.974)</b>	<b>31.738</b>	<b>(76.674.192)</b>	<b>(78.282.811)</b>
Increase in share capital from the conversion of the convertible bond loan	18.595	-	139	-	-	-	18.734
Changes during the year resulting from the convertible bond loan	-	-	(74.396)	-	-	74.396	-
<b>Balance of equity as at 31 December 2013</b>	<b>85.354.185</b>	<b>(47.271)</b>	<b>36.248.476</b>	<b>28.633.727</b>	<b>8.648.031</b>	<b>(90.264.366)</b>	<b>68.572.782</b>

\* Due to the change in accounting policy in accordance with IAS 19 and the different accounting treatment of the derivative as referred to in Note 47.

**The attached notes form an integral part of these financial statements**

**Statements of Cash Flow**

(Amounts in Euro)

	Note	GROUP		COMPANY	
		31/12/2013	31/12/2012 (restated *)	31/12/2013	31/12/2012 (restated *)
<b>Cash flows from operating activities</b>					
Profit before taxes		(87.433.091)	(16.165.429)	(88.577.207)	(17.678.262)
Plus/less adjustments for:					
Depreciation charge	18, 21	8.124.227	9.728.782	6.704.945	7.902.261
Provisions		11.542.514	1.511.004	7.845.919	618.917
Government Grants	36	(553.196)	(765.022)	(420.678)	(628.727)
Provisions for retirement benefit obligations	10	25.441	80.549	64.042	77.537
Portfolio measurement	31, 40	(208.568)	301.000	(308.568)	301.000
Dividends	12	-	-	(45.146)	(226.861)
Finance income	12	(244.544)	(356.988)	(171.943)	(271.741)
Movement in the fair value of biological assets		46.370.634	14.250.424	47.813.841	13.754.060
Other non-cash items		(6.193.586)	(643.478)	(4.542.269)	(644.069)
Gains/(loss) from sale of property, plant and equipment-investments		183	(6.325)	484	(759)
Finance expense and similar charges	12	19.938.614	14.256.108	17.378.972	13.026.860
<b>Plus/less adjustments of working capital to net cash or related to operating activities:</b>					
Decrease/(increase) of inventories		22.654.968	(1.400.538)	20.813.546	549.127
Decrease/(increase) of receivables		(2.221.376)	(3.157.709)	2.951.919	(3.971.034)
(Decrease)/increase of payable accounts (except Banks)		2.037.625	11.040.582	1.444.111	9.935.436
Less:					
Interest expense and similar charges paid		(6.415.348)	(13.744.834)	(5.702.720)	(12.457.224)
Income tax paid		(239.419)	(769.564)	-	(31.934)
<b>Net cash generated from operating activities (a)</b>		<b>7.185.078</b>	<b>14.158.562</b>	<b>5.249.248</b>	<b>10.254.587</b>
<b>Cash flows from investing activities</b>					
Acquisition of subsidiaries	22,31	(29.967)	(100.000)	-	(40)
Purchases of property, plant and equipment (PPE) and of intangible assets	18,21	(6.837.855)	(5.537.094)	(6.396.578)	(4.836.463)
Proceeds from sale of PPE and intangible assets		12.894	74.364	10.090	34.856
Interest received	12	198.425	342.310	171.943	271.741
<b>Net cash used in investing activities (b)</b>		<b>(6.656.503)</b>	<b>(5.220.420)</b>	<b>(6.214.545)</b>	<b>(4.529.906)</b>
<b>Cash flows from financing activities</b>					
Proceeds from issuance of ordinary shares / convertible bond		19.652	77	-	-
Expenses related to the issue of shares		-	(3.028)	-	(3.028)
Proceeds from issued/raised bank loans		16.254.796	741.088	15.940.325	-
Repayments of loans		(14.362.731)	(20.363.201)	(13.129.572)	(15.670.850)
Restricted cash	32	(667.728)	5.824.110	(667.728)	5.824.110
Repayments of finance lease obligations (instalments)					
Purchase / sale of treasury shares		(22.573)	(283.576)	-	-
Dividends paid					
<b>Net cash used in from financing activities (c)</b>		<b>1.221.416</b>	<b>(14.084.530)</b>	<b>2.143.025</b>	<b>(9.849.768)</b>
<b>Net increase/(decrease) in cash and cash equivalents for the period (a) + (b) + (c)</b>		<b>1.749.991</b>	<b>(5.146.388)</b>	<b>1.177.728</b>	<b>(4.125.087)</b>
Effect from changes in the foreign exchange differences		(1.140.278)	43.922	-	-
<b>Cash and cash equivalents at beginning of the year</b>		<b>3.006.832</b>	<b>8.109.298</b>	<b>1.248.438</b>	<b>5.373.525</b>
<b>Cash and cash equivalents at end of the year</b>		<b>3.616.545</b>	<b>3.006.832</b>	<b>2.426.166</b>	<b>1.248.438</b>

\* Due to the change in accounting policy in accordance with IAS 19 and the different accounting treatment of the derivative as referred to in Note 47.

**The attached notes form an integral part of these financial statements**



## **1. Notes on the Annual Financial Statements**

### **1.1 General Information**

The company “NIREUS AQUACULTURE SA” (hereinafter the “Company”) is a company (societe anonyme) and a parent company of the group “NIREUS AQUACULTURE” (hereinafter the “Group”). The structure of the Group and the subsidiary companies are presented in Note 7 of the financial statements. The registered office of the company is situated at Koropi-Attica, Dimokritou Street, Portsi Place. The company’s web site is [www.nireus.com](http://www.nireus.com). The company was established in 1988 in Chios and in 1995 was listed on the Athens Stock Exchange.

### **1.2 Nature of operations**

The Company and the subsidiary companies of the Group are involved in a range of activities in the aquaculture sector. In particular, the main activities of the Group includes the production of juveniles, and fish as well as the trading and distribution of various products in domestic and international markets, the production of equipment such as nets, cages etc. for fish farming units, the production and trade of fish feed, the production and trade of processed fish, and production and sale of stock & aviculture products.

## **2. Basis of preparation of the financial statements**

### **2.1 Basis of preparation**

The consolidated and separate financial statements as at 31 December 2013 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and which have been adopted by the European Union until December 31 2013.

The consolidated financial statements are presented in Euros.

The consolidated financial statements have been prepared on a going concern basis and in accordance with the historical cost method, as amended by the fair value revaluation of assets and liabilities at market values.

The consolidated financial statements provide comparative information in respect of the previous period. In addition, the Group presents an additional statement of financial position at the beginning of the earliest period presented when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements. An additional statement of financial position as at 1 January 2012 is presented in these financial statements due to retrospective application of certain accounting policies, refer to Note 4 “Changes in accounting policies”



The preparation of the annual of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies of the Company and the Group. These policies have been consistently applied to all years presented and which are analysed in Note 3. Areas which involve a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the separate and consolidated financial statements are stated in Note 5.

The Financial Statements as at 31 December 2013, (prior year 31 December 2011 data included), have been approved by the company's Board of Directors on March 28, 2014. According to the provisions of the Capital Market Commission, amendments to the financial statements are not permitted following their approval. Authorized changes are made only by the Shareholders during the Ordinary Annual Shareholders Meeting.

## 2.2 Going Concern

As of 31 December 2013 the Company and its subsidiary Sea Farm Ionian are in breach of certain financial covenants for certain loans (Note 35). As a result of the above, as at 31 December 2013 bond loans of € 91,8 million and € 74,4 million for the Group and the Company are reclassified to short-term liabilities. The presentation of the bond loans as short term, at 31 December 2013, resulted in the total short-term liabilities of the Group and of the Company to exceed by approximately € 82 million and € 76 million, respectively, total current assets.

Given the financial circumstances of 2013, the Group and the Company were not in a position to fulfill part of their contractual arrangements arising from the bond loans for 2013, which include principal repayments amounting to € 23,4 million and interest repayments amounting to € 4 million, as presented in Note 35.

The Group and the company are in the final stage of negotiations with their lending banks in order to restructure the total loan liabilities. In the context of the above, the Company has agreed to undertake specific actions which are required for the completion of the final agreement.

In more details, the following actions have already been initiated:

- Independence Business Review (IBR) on the company's cash flow projections to be completed for the period until 31 March 2015.
- Review on biological assets biomass with referenced date the 30<sup>th</sup> of September 2013. The assessment of biomass has already been completed by a qualified firm. Based on the initial results the appraiser has confirmed the population of biomass at a rate of 99.6%.
- During the year a review on selected accounts of the financial statements with reference date 30 September 2013 in addition to years 2011 and 2012 was performed. Furthermore a review on the five year business plan of the Group will be performed. The review is in progress and is expected to be completed in April 2014.

The Company has received a letter as of 24.03.2014 sent by the Piraeus Bank, Alpha Bank and Eurobank, in which a proposed timetable is set for the finalization of audits performed for the Company as well as other procedures and agreements, in order that, in compliance with legislation and all necessary approvals by the responsible public and private bodies, the basic Terms of the restructuring Loan (Term Sheet) be formed and approved and then implemented through all necessary corporate actions.



It should be noted that the indicative restructuring terms sent by the above banks also includes the restructuring of the Company's loans which are presented as short-term as at 31.12.2013 in addition to the capitalisation of part of the loan borrowings.

The Board of Directors at its meeting held on 28.03.2014 decided to respond positively to this letter.

The management considers that a positive outcome resulting from negotiations are in the interest of the Company, the Group and its shareholders and is highly probable. Furthermore, the management of the Company and the Group considers that:

- The Group's operations will be conducted under its normal operating cycle and an improvement in market's prices is expected.
- The Group and the Company have a strong customer and sales bases.
- The Group and the company have large inventories of current biological assets which are highly liquid.
- The Group and the Company were able to generate cash from operating activities.
- Following the IBR which was carried out for the cash flow budget up to 31.3.2015 submitted to the banks, the funding which was sought and which has the form of specific funding requirements of the Company as trade receivables and receivables from VAT has been partially implemented while the remaining is in the final stage of the approval process from the bank officials. As noted above, the working capital with which the company will be financed will be fully repaid in 2014 through the factoring of receivables.

In light of the above, the separate and consolidated financial statements of the Company and the Group have been prepared under the going concern assumption. Nevertheless, the possibility of a non-successful completion of Group's and company's loans restructuring, indicate the existence of a material uncertainty that may cast significant doubt on the Company's and the Group's ability to continue as a going concern.

Nevertheless, the possibility of an unsuccessful restructuring of the loans of the Company and the Group, indicates the existence of significant uncertainty about the going concern of Company and the Group

### **2.3 Basis of consolidation**

The attached financial statements comprise the financial statements of the Parent Company in addition to the consolidated financial statements of the Group and its subsidiaries on which the Parent Company has the ability to exercise control on 31 December 2013.

Control is achieved when the Group is exposed, or has rights, to variate returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee)



- Exposure, or rights, to variate returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than the majority of the voting rights or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss in control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

**Derecognises:**

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in Equity

**Recognises:**

- Recognises the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities



### **3. Summary of Significant accounting policies**

The main accounting policies applied in the preparation of the consolidated financial statements and the separate financial statements of the parent are set out below.

#### **3.1 Segment Information**

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. In accordance with IFRS 8, the Group uses the management approach to segment information. Information is based on that which management uses internally for evaluating the performance of operating segments and allocating resources to those segments. The segments are the following: Aquaculture, Fishfeed and Aviculture-stockbreeding.

#### **3.2 Business Combinations and Goodwill**

Business combinations are accounted for using the acquisition method. The cost of acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in the profit or loss statement.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for the appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognized in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all the assets acquired and all the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the re-assessment still results in an



excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit and loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

### **3.3 Associates**

Associates are entities over which the Group has significant influence but which does not exercise control over their financial and business strategies. Significant influence is substantiated when the Group has a right to participate in the financial and strategic decision making, without it having the right to enact these. Investments in associates on which significant influence is exercised are accounted for using the equity method.

Under the equity method, the investment in the associate is carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate until significant influence ceases to exist. Furthermore, the cost of the investment is adjusted with any potential impairment loss. When the losses attributed to the Group exceed the carrying amount of the investment, the carrying amount is reduced to zero without any further recognition of losses, except if the Group has established liabilities or has made payments in relation to the associate. The proportion of goodwill which relates to each associate company is included in the carrying amount of the investment and is neither amortised nor is individually examined for potential impairment.

The statement of profit or loss reflects the proportion of the Group's investment in the results of the associate company. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In the event that there is a change which is directly recognized in the associate company's equity, the Group recognizes the proportion of its investment in these changes and reflects these in Equity. Unrealised gains and losses arising from transactions between the Group and its associate companies are eliminated to the extent of the Group's share in the associates. The Financial Statements of an associate are prepared for the same accounting period as those of the parent company and appropriate changes are made in order to ensure consistency with those of the Group when considered necessary.

### **3.4 Biological Assets and Agricultural Activity**

Agricultural activity refers to an entity's management of the biological transformation of biological assets for sale, into agricultural produce, or into additional biological assets.



Biological assets are defined as animals and fish which are under growth and are classified as such until the point in time of harvest of the entity's biological assets, given that they are intended for sale, process or consumption. Management's right to biological assets can arise from ownership or from another type of legal action.

With the definition "Agricultural Activity" we describe a diverse range of activities, which have certain common features such as:

- ✓ Capability of change, as for example, living organisms (animals and fish) that are capable of biological transformation.
- ✓ Management of change, creating, reinforcing or at least stabilizing conditions necessary for the development of the living organism.
- ✓ Measurement of change, that is the difference brought about by biological transformation so much in quality (maturity, fat cover) as also in quantity (weight, progeny, etc.) of the entity's biological assets.

The Group and Company should recognise a biological asset or agricultural produce when and only when:

- 1) They control the asset as a result of past events.
- 2) It is probable that future economic benefits associated with the asset will flow into the Group and the Company.
- 3) The cost of the asset can be measured reliably.

A biological asset is measured upon initial recognition and at each balance sheet date at its fair value less costs to sell except from the case where the fair value cannot be measured reliably.

The Group and company, following initial recognition of the biological assets measures these at each subsequent balance sheet date at fair value less costs to sell. In such a case where the biological asset cannot be measured accurately it is remeasured at its cost less any accumulated depreciation and any accumulated impairment losses.

A gain or loss arising on initial recognition of a biological asset at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset is included in profit or loss for the period in which it arises. Gain may also arise on initial recognition of biological assets, as for example, at the birth of a living organism.

Biological assets are categorized into subcategories depending on the stage of maturity in order that the users of financial statements be informed about the timing of future cash flows that are expected to inflow to the Group and the Company from the biological resources.

Biological assets consist of mature, immature fish, juveniles and broodstock that are measured in accordance with IAS 41 and IFRS 13 as follows:

**Juveniles:**

Juveniles are counted in pieces, which arise from expected quantity net of statistically arisen mortality. This quantity is physically verified with the quantity of sold juveniles plus the quantity consumed for the production of fresh fish of the Company.



Juveniles are measured at fair value which results from the estimated selling prices less any estimated transportation costs.

**Mature and immature fish:**

The total biomass results from the following:

- (a) From a special software program measuring the biomass depending on the consumed food and the prevailing temperature and the type of the fish
- (b) The average weight per fish is calculated based on sampling testing of fish. The average weight multiplied by the number of fish, determines the total fish biomass provided that each fish cage contains a specific category and fish size.
- (c) The Company fully measures and compares any differences arising from the actual data of cages which are harvested with the data of the above estimation for any necessary amendments.

**Mature fish:**

The mature fish are measured at fair value. Due to the fact that there is no active market for fish from the Mediterranean aquaculture (and even more so for live fish ) in its present location and condition , the obligation of the valuation of these fish in accordance with IAS 41 and IFRS 13 leads to the use of a estimated fair value of the fish on the basis of a hypothetical market and on the basis of Hierarchy of Level 2 fair value, considering the present location and condition of the biological assets.

The estimated fair value of the fish population at each reporting date is based on various factors, such as considerations for the hypothetical main market, the representative participants in this market, what the highest and best use of these assets are at the reporting date, the expected period / date of harvesting, and the prevailing observable and representative market prices for the final product (harvested fish).

**Immature fish:**

Regarding immature fish, biomass is measured, based methodology which is defined by Level 3 of the fair value hierarchy, at fair value less costs to sell based on future cash flow calculations and based on the rate of maturation of each lot, minus part of the estimated gross profits expected to realised during the specified harvesting period.

**Broodstock:**

Broodstock is measured at cost less any impairment losses .

Critical accounting estimates and judgments that affect the valuation of biological assets are referred to note 5.J.



### **3.5 Foreign currency translation**

The financial statements of the Group and the Company are presented in Euros, which is the parent Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At each reporting date at which the financial statements are prepared all monetary receivables and liabilities in foreign currency are translated into Euro in accordance with the prevailing exchange rate at the balance sheet date and foreign exchange differences are recorded in the income statement of the year.

Non-monetary items denominated in foreign currency which are carried at historical cost are translated in accordance with the exchange rate at the date of acquisition. Non-monetary items which are measured at the fair value's foreign currency are translated by using the exchange rate at the date of designation of the fair value. Gains and losses resulting from the translation of the non-monetary items are recognized in the same manner as gains and losses from the change in the fair value of these items.

During the consolidation assets and liabilities of foreign entities (foreign subsidiaries) are translated to the Euro currency by using the exchange rate which prevails at the reporting date of the financial statements and the results of the year are translated using the rate which prevails at the date of transaction. The exchange differences which result from the conversion for consolidation purposes are recorded in the foreign currency translation reserve, as a separate item in the Statement of Comprehensive Income and are transferred in the Income Statement during the sale of the foreign operation.

### **3.6 Property, plant and equipment**

All owner occupied property, plant and equipment, apart from land, buildings, machinery and technical installations as well as floating means, are presented in the financial statements at cost less the accumulated depreciation and accumulated impairment losses, if any.

Cost includes all directly attributable expenditure incurred for the acquisition of the asset, in addition to the replacement cost of parts of the fixed assets in addition to the borrowing cost provided that the capitalization criteria are met.

Self-constructed property plant and equipment comprise an addition to the cost of the assets at values which include direct personnel costs, those which contribute to the construction (corresponding social contribution expenses), raw material costs and other general expenses.

Subsequent costs and borrowing costs are included in the asset's carrying amount or recognized as a separate asset provided that the capitalization criteria are met.

All repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Land and Buildings in addition to machinery, technical installations and floating means are measured at fair value reduced by accumulated depreciation and accumulated impairment loss, if any. Measurement of fair value occurs at frequent intervals so as to ensure that the fair value of an adjusted asset does not significantly differ from its book value.



Any revaluation surplus which results from the revaluation of land, buildings, mechanical equipment and floating means are credited to the asset revaluation reserve in Other comprehensive income, except if it reverses any previous impairment loss of the same asset (as described in Note 3.9) which previously had been recognized in the Income Statement. In case of an impairment, this is recognized in the results of the year, except if it reverses any previous revaluation surplus of the same asset in which case it is recognized in Other comprehensive income. In addition, the accumulated depreciation during the revaluation date is eliminated against the cost of the asset and the net amount is restated as the revalued asset amount. The revaluation surplus is transferred directly to retained earnings during the disposal (sale), write-off or full impairment of the asset.

Depreciation is calculated using the straight-line method over its estimated useful lives, as follows:

<b>Buildings</b>	<b>Average 50 years</b>
<b>Other Installations and equipment</b>	<b>Average 10 years</b>
<b>Mechanical equipment and technical installations</b>	<b>7 - 12 years</b>
<b>Other transportation means</b>	<b>8 - 25 years</b>
<b>Floating means</b>	<b>8 - 10 years</b>
<b>Furniture and othe equipment</b>	<b>5 - 10 years</b>

An asset which is used for the purpose of self-use is derecognized during its sale or when no future economic benefits are incurred from its use or sale. Gains and losses on disposals are assessed by comparing the proceeds against the carrying amount and are recorded in the income statement during the derecognition of the asset.

The assets' residual values and useful lives are reexamined, and adjusted if appropriate, for future benefits at the end of each balance sheet date.

### **3.7 Investment Property**

Investment property is initially recognized at cost, which is surcharged with all expenses in connection with acquiring the asset.

Subsequent to initial recognition, the investment property are stated at fair value, which reflects market conditions at the reporting date. Gains and losses arising from changes in the fair values of investment properties are included in the income statement in the period in which they arise, including its corresponding tax effects. Fair values are evaluated annually by an accredited external, independent valuer, applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the income statement in the period of derecognition.



Transfers to, or from, investment property should be made when, and only when, there is a change in use.

For a transfer from investment property carried at fair value to owner-occupied property or inventories, the property's cost for subsequent accounting should be its fair value at the date of change in use. For a transfer from investment property to owner occupied property, the deemed cost for the subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group and Company account for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

### **3.8 Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets mainly include licenses computer software, and other programs. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Intangible assets include goodwill, concessions and industrial property rights such as exploitation in fish farming, which relates to aquaculture licenses. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

The useful lives of assets are assessed as either finite or infinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of the reporting period.

Intangible assets with indefinite useful lives are not amortised but are tested for impairment at least on an annual basis, either individually or at the cash-generating unit level. The assessment expense is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Aquaculture licenses are not amortised due to indefinite useful life, although licenses and software computer licenses and other programs are amortised using the straight-line method over their estimated useful lives, from 1 to 5 years.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is derecognized.

#### **Development Costs**

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale



- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to reliably measure the expenditure during the development

Following initial recognition of the development expenditure of the asset, the cost model is applied requiring the asset to be carried at cost less accumulated amortization and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use, while the asset is tested for impairment on an annual basis during its development stage.

### ***3.9 Impairment of non-financial assets***

The Group and Company assess at each financial statement's reporting date whether an indication exists whereby the carrying value of the non-financial assets is not recoverable. In the event whereby an indication for impairment exists or whether an annual impairment test is necessary, the recoverable amount of the asset is assessed. The recoverable amount of the asset is the greater between the fair value of the asset or the Cash-Generating Unit, less the required selling costs and the value in use and is individually assessed for each asset, except if the asset does not create cash flows which are to a large extent independent from other assets or group of assets. If the carrying amount of an asset or Cash generating unit exceeds the revalued recoverable amount, then the asset is considered impaired and is thus decreased until its recoverable amount. For the valuation of its value in use, the valued future cash flows are discounted at present value with the use of a pre-tax interest rate which reflects the current market value for the time-value of money and for the risks which are associated with these assets. For the assessment of the fair value less the selling expenses, the most recent market transactions are taken into consideration if these exist. If such corresponding transactions cannot be identified in the market, then an appropriate revaluation method is used.

The Group's and Company's assessment of impairment losses is based on detailed budgets and projected calculations which are prepared separately for each Cash generating unit of the Group to which each asset has been allocated. The budgets and projected calculations generally cover a period of 5 years although for extended periods, a long term growth rate is calculated which is applied to future cash flows following the fifth year.

The impairment losses are recognized in current year's results apart from the revalued assets where the previous valuation results have been recognized in Other Comprehensive Income until the amount of the previous revaluation.



### **3.10 Financial Instruments (receivables/ liabilities)**

#### **A) Financial Instruments-initial recognition and subsequent measurement**

##### **i) Financial Assets**

##### **Initial Recognition and Measurement**

During initial recognition, financial assets are classified into the following categories:

- Loans and receivables
- Financial assets at fair value through profit or loss
- Available-for-sale financial assets
- Held-to-maturity investments

The classification of the financial assets is made according to management's intent and is based on the characteristics and the reason for which it has been acquired. All financial assets are recognized initially at fair value which is the value at which it has been acquired, plus, in cases where investments are not valued at fair value through profit or loss, all directly attributed transaction costs.

The financial assets of the Group and the Company include cash and short-term deposits, trade and other receivables, available for sale financial assets and derivative financial instruments.

Measurement of financial assets after initial recognition depends on the category to which they belong:

- **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included under finance income in the income statement. The losses arising from impairment are recognized in the income statement under other financial costs.

Receivables and loans are included in current assets, with the exception of items with a maturity date in excess of 12 months following the reporting date. These are classified as non-current assets in the balance sheet date and are presented as "Trade and other receivables" and "Other Receivables", constituting the largest part of the Group's financial assets.

- **Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments



which have not been designated as hedging instruments. Following initial recognition, financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with changes in fair value recognized in finance income or finance costs in the statement of profit or loss.

The Group and Company evaluate its financial assets held for trading, other than derivatives, to determine whether the intention to sell them in the near term is still appropriate. When, in the rare circumstances, the Group is unable to trade these financial assets due to inactive markets and management's intent to sell them in the foreseeable future significantly changes, the Group may elect to reclassify these financial assets in rare circumstances. The reclassification to loans and receivables, available for sale or held to maturity depends on the nature of the asset. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option at designation, these instruments cannot be reclassified after initial recognition.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit and loss.

- **Available-for-sale financial assets**

Available-for-sale financial investments include equity and debt securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to liquidity needs or in response to changes in the market conditions.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value when this can be reliably measured, with unrealized gains or losses being recognized in other comprehensive income and credited in the available for sale reserve until the investment is derecognized at which time the cumulative gain or loss is recognized in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from available-for-sale reserve to the statement of profit or loss in finance costs. Interest earned whilst holding available for sale financial investments is reported as interest income using the EIR method.

- **Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities. The Financial assets are classified as held-to-maturity investments provided that the Group's Management has the positive intent and ability to hold until maturity. Following initial recognition, the held-to-maturity financial investments are measured at amortised cost using the effective interest method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. The EIR amortization is included in finance income in the statement of profit or loss. The losses arising from impairment are recognized in the income statement in finance costs.

The Group did not have any held-to-maturity investments during the years ended 31 December 2013 and 2012.



## ***Derecognition***

A financial asset is derecognized when:

- The rights to receive cash flows from the asset have expired
- The Group or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement: and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

### ***ii) Impairment of financial assets***

The Group assesses at each reporting date whether there is an objective indication that a financial asset or a group of financial assets has been impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably measured.

More specifically, the Group and the Company carries out an impairment test for certain receivables on an individual basis (for example for each customer separately) in cases where collection of the receivable has been characterized as overdue as at the balance sheet date or in cases where objective evidence indicates the need for impairment. All other receivables are categorized and tested for impairment on an aggregate basis. The categories have as a common characteristic the geographical distribution, the operational segment of the counterparties and if any, other common characteristics of credit risk which characterizes them.

Indication of impairment may include events such as when debtors or a group of debtors are experiencing significant financial difficulties, default or delinquency in interest or principal payments, the probability of bankruptcy or financial restructuring, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in the structure of payments or financial conditions that associate with defaults.

- **Financial assets carried at amortised cost**

For financial assets carried at amortised cost, the Group or Company initially assesses whether an objective indication of impairment exists for financial assets that are solely significant, on an individual basis, or on an aggregate basis for financial assets that are not individually significant. If the Group assesses that no objective indication exists for impairment on an individual basis, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.



The amount of any impairment loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated cash flows is discounted at the financial assets original effective interest rate.

The carrying amount of the asset is either reduced directly in equity or through a provision account. The amount of the loss is recognized in the statement of profit or loss.

In the event whereby in subsequent periods, the impairment loss is reduced and the reduction objectively relates to an event which occurs following the recognition of the impairment loss, the impairment loss which had been previously recognized is reversed either directly or through a provision account. The reversal does not result in a carrying amount of the asset which exceeds the amount which the amortised cost of the asset would have had if the impairment had not been recognized during the date of the reversal. The amount of the reversal is recognized in the income statement.

- **Available-for-sale financial assets**

For available-for-sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below cost. "Significant" is evaluated against the original cost of the investment below and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in the income statement - is removed from other comprehensive income and recognized in the income statement. Impairment losses on equity investments are not reversed through the income statement; increases in their fair value after impairment are recognized directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortized cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortized cost and the current fair value, less any impairment loss on that investment previously recognized in the statement of profit or loss.

Future interest income continues to be accrued based on the reduced amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in the statement of profit or loss, the impairment loss is reversed through the statement of profit or loss.

## ***B) Financial Liabilities***

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group and the Company determine the classification of its financial liabilities at initial recognition.



### **Initial recognition and measurement**

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The financial liabilities of the Group and the Company include trade and other payables, other long-term and short-term liabilities, short-term and long-term loans and derivative financial instruments.

Subsequent measurement of financial liabilities depends on the classification as follows:

- **Loans and trade payables**

Bank borrowings provide financing to the Group and to the Company. The distinction between short-term and long-term is based according to prevailing contracts, if a repayment in the next 12 months or afterwards is made accordingly.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the effective interest rate method (EIR) amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the income statement.

The convertible bond loan is composed of two parts: a financial liability (a contracted liability to deliver cash or another financial asset) and an equity component (a purchase right granted to the holder which provides the capability, for a fixed period of time, to convert the instrument into common shares). The financial benefit of such an instrument is substantially the same as the simultaneous issuance of such a title, with a lien of a premature settlement and a right to purchase common shares or with the issuance of a debt title having a splitted purchase right of shares. As a result, the company presents both the liability and the equity portion (net of taxes) separately identified in the Balance Sheet.

Trade payables, are initially recognized at cost and are subsequently remeasured at amortised cost less settlement payments.

- **Financial liabilities at fair value through profit and loss**

Financial liabilities at fair value through profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit and loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separate embedded derivatives are also classified as held for trading unless they are designated as hedging instruments. Gains or losses on liabilities held for trading are recognized in the income statement.



## **Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognized in the income statement.

### ***C) Off-setting of financial statements***

Financial assets and financial liabilities are off-set and the net amount is presented in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

### ***3.11 Derivative financial instruments and Hedge Accounting***

Derivative financial assets such as futures and forwards, swaps and option contracts are used for financial risk management from the Group's business activities and the financing of these activities.

All derivatives are initially recognised at fair value on the date of settlement and are subsequently re-measured at their fair value. Derivatives are reported as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value is determined from the price prevailing in active markets or through the use of measurement techniques in cases where there is no active market for these instruments. Gains or losses from changes during the year, in the fair value of derivatives that are not recognised as hedging instruments, are recognised in the statement of profit or loss, apart from the effective portion of the hedged derivatives which have been characterized as a cash flow hedge which is recognized in other comprehensive income.

### ***3.12 Inventories***

Inventories include raw materials, consumables and goods purchased.

The cost of inventories includes all purchase costs, conversion and other costs realised in order for the inventories to reach their present state and position and financial costs are not included. The cost is determined in accordance with the weighted average.

The purchase costs of inventories comprises the purchase price, import duties and other taxes (other than those which subsequently can be recovered by the entity from the tax authorities), and transport, handling and other directly attributable costs. Trade discounts, rebates and other similar items are deducted in determining the purchase cost.



The costs of conversion of inventories include costs directly related to the units of production, such as direct labour. They also include a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods. Fixed production overheads comprise indirect costs of production that remain relatively constant irrespective of the volume of production, such as depreciation and maintenance of factory buildings and equipment, and the cost of factory management and administration. Variable production overheads are those indirect costs of production that vary directly, or nearly directly, with the volume of production, such as indirect materials and indirect labour. The allocation of fixed production overheads to the costs of conversion is based on the normal capacity of the production facilities. Normal capacity is the production expected to be achieved on average over a number of periods or seasons under normal circumstances, taking into account the loss of capacity resulting from planned maintenance. The actual level of production may be used if it approximates normal capacity.

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses incurred until its completion and which ever costs are associated with the sale.

### ***3.13 Share capital***

Share capital is determined according to the nominal value of shares issued. Ordinary shares are classified as equity. Expenses incurred in connection with the issuance of shares are presented in equity as a deduction, net of tax, from the proceeds.

No gain or loss is recognized in the income statement on the purchase, sale, issue or cancellation of the Group's and Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in the share premium. Voting rights related to the treasury shares are nullified for the Group and no dividends are allocated to them.

### ***3.14 Current and deferred income tax***

Taxes charged to the period's results consist of current and deferred taxes, i.e. taxes and tax relieves related to the financial benefits which incur during the period but have been charged or are going to be charged by the tax authorities in different periods. The income tax is recognised in the income statement of the period, except for taxes relating to transactions which have been directly classified in equity (outside the income statement), in which case the respective tax is similarly charged to equity (outside the income statement).

Current income taxes include short-term liabilities or receivables attributable to the tax authorities which relate to taxes payable on the period's taxable income in addition to any taxes relating to prior years which could not be previously assessed. Current taxes are calculated according to the effective tax rates and tax laws prevailing as at the Balance Sheets dates in the territories in which the Group operates and in which taxable income arises. All changes in short-term tax assets or liabilities are recognised as tax expenses in the current year's income statement.

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of the assets and liabilities and their carrying amounts for financial reporting purposes.



Deferred tax liabilities are recognized for all taxable temporary differences except where the deferred tax liability arises from:

- ❖ the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting profit nor taxable profit or loss.
- ❖ in respect of taxable temporary differences associated with investments in subsidiaries and associates where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward or unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be used against the deductible temporary differences, and the carry forward of unused tax losses, except:

- ❖ when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting profit nor taxable profit or loss.
- ❖ In respect of deductible temporary differences associated with investments in subsidiaries and associates deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are calculated according to the tax rates which are expected to be applied in the period during which the asset will be recognized or the liability will be settled, taking into account the tax rates (and tax regulations) that are in effect or have been enacted during the date of preparation of the Balance Sheet. In the event of the inability to determine the time of reversal of the temporary differences the tax rate applicable in the year following the balance sheet date is used.

Current year's deferred tax calculation is based on the current tax rate of 26%.

### ***3.15 Pensions and other post-employment benefits plans***

**Short-term benefits:** Short-term benefits to employees in money or in kind are recognised as an expense when they are accrued. Any outstanding amounts are classified as a liability, while in case the amount already paid exceeds the amount of the benefits, the Group and company recognise the excessive amount as an asset (prepaid expense) only to the extent that the prepayment will lead to a reduction of future or in return payments.

**Benefits on retirement:** The benefits on retirement include a lump sum pension indemnity or other benefits (social security or medical coverage) paid to employees upon retirement in exchange for their service. Therefore, they include both



defined contribution plans and defined benefit plans. The accrued cost of the defined contribution plans is recorded as an expense in the period to which it refers.

**Defined contribution plan:** According to the defined contribution plan, the Group's or company's obligation (legal or constructive) is limited to the amount agreed to for contribution to the entity (e.g. social security entity), which manages the contributions and grants the benefits. Therefore, the amount of benefits received by the employee is defined by the amount contributed by the company and the employee and the paid investments of these contributions.

The accrued cost in a defined contribution plan is recognized as an expense in the period in which it relates to.

**Defined benefit plan:** The staff termination indemnity provision recorded in the balance sheet for the defined benefit plan is the current 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 Group's and Company's liability.

The liability for this plan is determined using the projected unit credit method from an independent valuer and is composed of 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. Re-measurements 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 Group recognizes restructuring-related costs

The Group recognizes the following changes in the defined benefit obligation under "finance costs", "salaries and personnel expenses"

The effect from the change would have in the current year on the Group's and Company's Financials Statements for the comparative figures of 2012 is presented in Note 4 "Change in Accounting Policies".

**Share-based payment transactions:** Employees (including senior executives) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).



The cost of equity-settled transactions is recognized, together with a corresponding increase in other capital in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

The share based stock options which have been granted to specific high level executives have been recorded in the results of the previous years with a corresponding increase in the reserve in equity. Up until the reporting date of the financial statements no stock option rights have been exercised and therefore the established reserve has not yet been converted to shares.

### **3.16 Government grants**

The Group and the Company recognize government grants, which satisfy the following criteria: a) There is reasonable assurance that the Group and company will comply with all attached conditions and b) the grants will be received. Grants which are associated with expenses are recognized at fair value and are recognized on a systematic basis in income, based on the matching principle of the grants with the respective cost, which will be granted. Government grants which relate to assets are included in the long-term liabilities as deferred income and are recognized as income on a systematic basis over the useful lives of the asset.

### **3.17 Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Group and Company have 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. Examples of present obligations which arise from a present legal or constructive obligation as a result of past events include warranties on products, litigations or onerous contracts. Restructuring provisions are recognised only when a detailed formal plan has been developed and implemented or Management has at least announced the main features of the plan to those that are likely to be affected by it. Provisions are not recognised for future operating losses.

Provisions are measured at an expected cost which is required to determine the present obligation, using the most reliable evidence that is available as at balance sheet date, including the risks and uncertainties specific to the present obligation. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures, expected that will be required, to settle the obligation. The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The discount rate does not reflect risks for which future cash flow estimates have been adjusted. Where the discounting method is used, the carrying amount of a provision increases in each period to reflect the flow of time. This increase is recognized as a borrowing cost in the statement of profit or loss. Where there are a number of similar obligations, the probability that an outflow will be required for settlement is assessed by considering the class of obligations in its entirety.

The expense relating to a provision may be presented in the statement of profit or loss, net of the amount recognized for a reimbursement. A provision is used only for an expense for which the provision was originally recognized. Provisions are



examined at each balance sheet date and the provision is reversed if an outflow of sources required to settle the obligation ceases to be probable.

Probable inflows of economic benefits for the Group which do not yet meet the criteria of an asset are considered contingent assets. Contingent assets and contingent liabilities are not recognized in the Balance Sheet. Contingent liabilities which are recognized under the scope of a business combination are measured at fair value. Subsequent to this they are remeasured at the higher of the amount of the provision which would have been recognized based on the basic recognition principles as described above and at the amount which was initially recognized, less any accumulated amortization which was recognized based on the principles of revenue recognition.

### **3.18 Revenue and Expense Recognition**

**(a) Revenue:** Revenue comprises the fair value of the produced fish and other biological assets, sales of goods and services, net of value added tax rebates and discounts. Inter-company revenue within the Group is fully eliminated. Revenue is recognized as follows:

- **Sales of biological assets:** Are recognized after their harvest, provided that the products are delivered to the customer who has accepted the products and collectibility of the related receivables is reasonably assured.
- **Sales of goods:** Sales of goods are recognized when a Group entity has delivered products to the customer who has accepted the products and collectibility of the receivables is reasonably assured.
- **Sales of services:** Sales of services are recognized in the accounting period in which the services are rendered, by reference to the completion of the specific transaction assessed on the basis of the actual service provided as a proportion to the total services which are to be provided.
- **Interest income:** Interest income is recognized on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired (new carrying) value is recognized using the original effective interest.
- **Dividend income:** Dividend income is recognized when the right to receive payment is established.

**(b) Expenses:** Expenses are recognized in the income statement on an accrual basis. Payments realized for operating leases are transferred to the income statement as expenses, during the time of use of the leased asset. Interest expenses are recognized on an accrual basis.

**(c) Gains/Losses attributed to changes in Fair Value of Biological Assets:** Are recognized during the year and result from changes both in price, quantity and development of the Biological assets.

### **3.19 Leases**

Liabilities from finance leases are measured at initial value net of the amount of principal repayments.



**Group or Company as a lessee:** Finance leases on assets where substantially all risks and rewards of ownership are transferred to the Group or Company are capitalized at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the income statement. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Lease agreements where the lessor transfers the right of use of the asset for an agreed period of time, without transferring the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

**Group or Company as a lessor:** When assets are leased out under a finance lease, the present value of the minimum lease payments is recognized as a receivable. The difference between the gross receivable and the present value of the receivable is recognized as unearned finance income. Lease income is recognized over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

### ***3.20 Cash Dividend and non-cash distribution to equity holders of the parent***

The Group and Company recognizes a liability to make a cash and non-cash distributions to equity holders of the parent when the distribution is authorized and the distribution is no longer at the discretion of the Company. A distribution is authorized when it is approved by its shareholders. A corresponding amount is recognized directly in Equity.

Non-cash distributions are measured at fair value of the assets to be distributed with fair value remeasurement recognized directly in equity.

Dividends to shareholders are included in the item "Other Current Liabilities" in the period in which the General Meeting of Shareholders approves the dividends.

### ***3.21 Related parties***

Transactions and intercompany balances between the related parties and the Group and Company are disclosed according to IAS 24 "Related Party Disclosures". These transactions relate to transactions between management, the principal shareholders and the subsidiaries of the Group with the parent company and other subsidiaries that comprise the Group.

### ***3.22 Cash and cash equivalents***

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months, such as products of the financial market and bank deposits as well as overdraft bank accounts.



### ***3.23 Post Balance Sheet events***

The presented amounts in the financial statements are adjusted to reflect events arising after the balance sheet date for which conditions existed prior to the balance sheet date.

Events which occurred after the balance sheet date and for which no indications existed as at the balance sheet date but occurred subsequent to this date, are disclosed in the notes to the financial statements.

### ***3.24 Comparative figures***

Comparative figures are restated in the event of a change in accounting policy or prior period error.

### ***3.25 Borrowing Costs***

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets. All other borrowing costs are expensed in the period in which they are incurred. Other borrowing costs are charged to the period in which they are realised.

### ***3.26 Non-current assets held for sale or for distribution to equity holders of the parent***

Non-current assets are classified as held for sale if the carrying amount will be recovered principally through sale or for distribution to equity holders of the parent if their carrying amounts will be recovered principally through sale or distribution rather than through continuing use.

Immediately prior to being classified as held for sale the carrying amount of the item is measured in accordance with the applicable standard.

After classification of an asset as held for sale, it is measured at the lower of the carrying amount and fair value less costs to sell. Costs to distribute are the incremental costs directly attributed to the distribution, excluding the finance costs and income tax expense. An impairment loss is recognized in profit or loss for any initial and subsequent write-down of the asset and disposal group to fair value less selling costs. A gain for any subsequent increase in fair value less selling costs is recognized in profit or loss to the extent that it is not in excess of the cumulative impairment loss previously recognized either in accordance with IFRS 5 or in accordance with IAS 36. Non-current assets (or disposal groups) that are classified as held for sale are not depreciated.

Assets and liabilities as held for sale or distribution are presented separately as a current item in the statement of financial position.

A disposal group qualifies as discontinued operations if it is:



- A component of the Group that is a CGU or a group of CGU's
- Classified as held for sale or distribution or already in such a way, or
- A major lien of business or major geographical area

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

### **3.27 Current versus non-current classification**

- The Group and Company present assets and liabilities in the statement of financial position based on current/non-current classification. An asset as current when it is:
  - Expected to be realized or intended to be sold or consumed in normal operating cycle
  - Held primarily for the purpose of trading
  - Expected to be realized within twelve months after the reporting period, or
  - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group and Company classify all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### **3.28 Fair value measurement**

The Group measures financial instruments, such as derivatives, and non-financial assets such as investment properties, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or



- In the absence of a principle market, in the most advantageous market for the asset or the liability

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participant would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participants ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in it highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level of input that is significant to the fair value measurement as a whole:

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2- Valuation techniques for which the lowest input that is significant to the fair value measurement is directly or indirectly observable
- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group determines the policies and procedures for both recurring and non-recurring measurements, such assets held for distribution for discontinued operations.

External valuers are involved for the valuation of significant assets of the Group and Company, such as property plant & equipment and property investment, as well as significant liabilities. Involvement of external valuers is decided upon annually by the Group after discussion with and approval by the Company's audit committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, management verifies the basic inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.



For the purpose of fair value disclosures, the Group determines classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### **4. Changes in accounting policies**

##### **4.1 New and revised standards and interpretations**

The accounting policies adopted are consistent with those of the previous financial year, except for the changes resulting from the adoption of new standards and interpretations effective as of from January 1 2013.

##### **Standards and interpretations mandatory for the current financial year which have an effect on the financial statements of the Group**

- **IAS 1 Financial Statement Presentation (Amended) – Presentation of Items of Other Comprehensive Income**

The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or ‘recycled’) to profit or loss at a future point in time (for example, net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) would be presented separately from items that will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment has only affected presentation in the Statement of Other Comprehensive Income and has had no impact on the Group’s financial position or performance.

- **IAS 19 Employee Benefits (Revised)**

IAS 19 initiates a number of amendments to the accounting for defined benefit plans, including actuarial gains and losses that are now recognised in other comprehensive income (OCI) and permanently excluded from profit and loss; expected returns on plan assets that are no longer recognised in profit or loss, instead, there is a requirement to recognise interest on the net defined benefit liability (asset) in profit or loss, calculated using the discount rate used to measure the defined benefit obligation, and; unvested past service costs are now recognised in profit or loss at the earlier of when the amendment occurs or when the related restructuring or termination costs are recognised. Other amendments include new disclosures, such as, quantitative sensitivity disclosures. The application of the revised IAS 19 has an effect on the presentation and of the annual financial statements of the Group and the Company along with the comparative data of the prior period.

During the prior year the Group and Company recognized actuarial gains/(losses) directly in the profit and loss statement.



The opening balances at 1 January 2012 and the comparative information from the year-ended 31 December 2012 have been restated in the consolidated financial statements. The quantitative impact on the financial statements is provided below:

**Impact on the statement of profit or loss:**

<b>Statement of Profit or Loss</b>	<b>Group 31/12/2012</b>	<b>Company 31/12/2012</b>
Other income/(expenses)	(604.295)	(578.368)
<b>Results for the period before taxes</b>	<b>(604.295)</b>	<b>(578.368)</b>
Deferred income tax	120.859	115.674
<b>Net profit for the period</b>	<b>(483.436)</b>	<b>(462.694)</b>
<b>Earnings after taxes per share – basic in €</b>	<b>(483.436)</b>	<b>(462.694)</b>
<b>Profit/ (Loss) before taxes, financing and investing results and depreciation (EBITDA)</b>	<b>(604.295)</b>	<b>(578.368)</b>

**Impact on Other Comprehensive Income:**

<b>Statement of Other Comprehensive Income</b>	<b>Group 31/12/2012</b>	<b>Company 31/12/2012</b>
<b>Net profit for the period</b>	<b>(483.436)</b>	<b>(462.694)</b>
Other comprehensive income	483.436	462.694
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>

**Impact on the Statement of Financial Position:**

<b>Statement of Financial Position</b>	<b>Group 31/12/2012</b>	<b>Company 31/12/2012</b>	<b>Group 1/1/2012</b>	<b>Company 1/1/2012</b>
Retained Earnings	(390.191)	(395.815)	93.245	66.879
Actuarial Differences Reserve	390.191	395.815	(93.245)	(66.879)

**Impact on the Statement of Cash flows:**

<b>Cash flow statement</b>	<b>Group 31/12/2012</b>	<b>Company 31/12/2012</b>
Profit before tax	(604.295)	(578.368)
Non-cash items	604.295	578.368



- **IFRS 13 Fair Value Measurement**

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS. The application of IFRS 13 has not materially impacted the fair value measurements carried out by the Group and Company. IFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including IFRS 7 Financial Instruments: Disclosures.

Prior to the adoption of IFRS 13, the Company until the year 2012 valued its biological population at fair value less estimated point of sale costs at the time of harvesting, in accordance with the principles and guidelines of measurement as described in IAS 41.

During the year the adoption of IFRS 13 introduced new principles and guidelines regarding the measurement of fair value, according to which:

- The highest and best use is determined from the perspective of market participants, even if the entity intends to make a different use, and as a result the entity assesses the fair value of a non-financial asset considering the maximum and optimal use by the market participants

- The valuation techniques used to measure fair value maximize the use of relevant observable inputs and minimize the use of unobservable inputs

- The fair value measurement is based on the market and not on a specific entity and the objective of fair value measurement is to determine the price at which a normal transaction to sell the asset or transfer the liability between participants market at the measurement date would take place under current market conditions ie an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability.

The Company's management assessed the above changes considering the market conditions, the intense price volatility and the prevailing uncertainty that existed on 31.12.2013. Due to the industry's liquidity problems, sales as at the balance sheet date did not represent normal purchase / sale prices, and the fact that there were no reliable estimates of future prices for deliveries of harvested products, the Company decided that the valuation of biological population of mature fish be made using the average price list of the first week of January set for the Company's main market, which in practice constitutes the average sales price which takes place in January less point of sale costs (such as transportation and packaging costs).

**Standards and interpretations mandatory for the current financial year which do not have a significant effect on the financial statements of the Group**

- **IFRS 7 Financial Instruments: Disclosures (Amended) - Offsetting Financial Assets and Financial Liabilities**

These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g. collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognized financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. The above amendment does not have an impact on the financial position or performance of the Group and Company.

- **IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine**

This interpretation applies to waste removal (stripping costs) incurred in surface mining activity, during the production phase of the mine. The interpretation addresses the accounting for the benefit from the stripping activity. The interpretation is not applicable to the Group and Company.

- **The IASB has issued the Annual Improvements to IFRSs – 2009 – 2011 Cycle**, which contains amendments to its standards and the related Basis for Conclusions. The annual improvements project provides a mechanism for making necessary, but non-urgent, amendments to IFRS. The effective date for the amendments is for annual periods beginning on or after 1 January 2013. Earlier application is permitted in all cases, provided that fact is disclosed. This project has not yet been endorsed by the EU. The following amendments did not have an impact on the financial position or performance of the Group.
- **IAS 1 Financial Statement Presentation:** This improvement clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative period is the previous period.
- **IAS 16 Property, Plant and Equipment:** Clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory.
- **IAS 32 Financial Instruments: Presentation:** Clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes. The amendment removes existing income tax requirements from IAS 32 and requires entities to apply the requirements in IAS 12 to any income tax arising from distributions to equity holders.
- **IAS 34 Interim Financial Reporting:** Clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in IFRS 8 Operating Segments. Total assets and liabilities for a particular reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total amount disclosed in the entity's previous annual financial statements for that reportable segment.



**4.2 The following New Standards, Amendments and Interpretations have been issued but have not yet been applied to the Group and to the Company nor has there been any earlier application.**

- **IAS 28 Investments in Associates and Joint Ventures (Revised)**

The Standard is effective for annual periods beginning on or after 1 January 2014. As a consequence of the new IFRS 11 Joint arrangements and IFRS 12 Disclosure of Interests in Other Entities, IAS 28 Investments in Associates, has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The Group and Company are in the process of assessing the impact of this amendment on the financial position or performance of the Group.

- **IAS 32 Financial Instruments: Presentation (Amended) - Offsetting Financial Assets and Financial Liabilities**

The amendment is effective for annual periods beginning on or after 1 January 2014. These amendments clarify the meaning of “currently has a legally enforceable right to set-off”. The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The Group and Company are in the process of assessing the impact of this amendment on the financial position or performance of the Group.

- **IFRS 9 Financial Instruments: Classification and Measurement and subsequent amendments to IFRS 9 and IFRS 7-Mandatory Effective Date and Transition Disclosures; Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39**

IFRS 9, as issued, reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of financial assets, but will not have an impact on classification and measurements of financial liabilities. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The subsequent package of amendments issued in November 2013 initiate further accounting requirements for financial instruments. These amendments a) bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements; b) allow the changes to address the so-called ‘own credit’ issue that were already included in IFRS 9 Financial Instruments to be applied in isolation without the need to change any other accounting for financial instruments; and c) remove the 1 January 2015 mandatory effective date of IFRS 9, to provide sufficient time for preparers of financial statements to make the transition to the new requirements. These standard and subsequent amendments have not yet been endorsed by the EU. The Group and Company are in the process of assessing the impact of this amendment on the financial position or performance of the Group.



- **IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements**

For companies which apply IFRS as adopted by the EU, the effective date is 1 January 2014. IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also addresses the issues raised in SIC-12 Consolidation — Special Purpose Entities.

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled and therefore are required to be consolidated by a parent, compared with the requirements that were in IAS 27. The Group and Company are in the process of assessing the impact of this amendment on the financial position or performance of the Group.

- **IFRS 11 Joint Arrangements**

For companies which apply IFRS as adopted by the EU, the effective date is 1 January 2014. IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. The Group and Company are in the process of assessing the impact of this amendment on the financial position or performance of the Group.

- **IFRS 12 Disclosures of Interests in Other Entities**

For companies which apply IFRS as adopted by the EU, the effective date is 1 January 2014. IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. The Group and Company have included the necessary disclosure requirements.

- **Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)**

The guidance is effective for annual periods beginning on or after 1 January 2014. The IASB issued amendments to IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities. The amendments change the transition guidance to provide further relief from full retrospective application. The date of initial application' in IFRS 10 is defined as 'the beginning of the annual reporting period in which IFRS 10 is applied for the first time'. The assessment of whether control exists is made at 'the date of initial application' rather than at the beginning of the comparative period. If the control assessment is different between IFRS 10 and IAS 27/SIC-12, retrospective adjustments should be determined. However, if the control assessment is the same, no retrospective application is required. If more than one comparative period is presented, additional relief is given to require only one period to be restated. For the same reasons IASB has also amended IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities to provide transition relief.



- **Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)**

The amendment is effective for annual periods beginning on or after 1 January 2014. The amendment applies to a particular class of business that qualify as investment entities. The IASB uses the term ‘investment entity’ to refer to an entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. An investment entity must also evaluate the performance of its investments on a fair value basis. Such entities could include private equity organisations, venture capital organisations, pension funds, sovereign wealth funds and other investment funds. Under IFRS 10 Consolidated Financial Statements, reporting entities were required to consolidate all investees that they control (i.e. all subsidiaries). The Investment Entities amendment provides an exception to the consolidation requirements in IFRS 10 and requires investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them. The amendment also sets out disclosure requirements for investment entities.

- **IFRS 14 Regulatory Deferral Accounts**

The standard is effective for annual periods beginning on or after 1 January 2016. □The aim of this interim standard is to enhance the comparability of financial reporting by entities that are engaged in rate-regulated activities, whereby governments regulate the supply and pricing of particular types of activity. This can include utilities such as gas, electricity and water. Rate regulation can have a significant impact on the timing and amount of an entity’s revenue. □The IASB has a project to consider the broad issues of rate regulation and plans to publish a Discussion Paper on this subject in 2014. Pending the outcome of this comprehensive Rate-regulated Activities project, the IASB decided to develop IFRS 14 as an interim measure. IFRS 14 permits first-time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognize such amounts, the standard requires that the effect of rate regulation must be presented separately from other items. An entity that already presents IFRS financial statements is not eligible to apply the standard. This standard has not yet been endorsed by the EU. The Group and the Company consider that the above guidance will have no effect on its financial statements.

- **IFRIC Interpretation 21: Levies**

The interpretation is effective for annual periods beginning on or after 1 January 2014. The Interpretations Committee was asked to consider how an entity should account for liabilities to pay levies imposed by governments, other than income taxes, in its financial statements. This Interpretation is an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. This interpretation has not yet been endorsed by the EU.



- **IAS 36 Impairment of Assets (Amended) – Recoverable Amount Disclosures for Non-Financial Assets**

This amendment is effective for annual periods beginning on or after 1 January 2014. These amendments remove the unintended consequences of IFRS 13 on the disclosures required under IAS 36. In addition, these amendments require disclosure of the recoverable amounts for the assets or CGUs for which impairment loss has been recognised or reversed during the period.

- **IAS 39 Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting (amendment)**

This amendment is effective for annual periods beginning on or after 1 January 2014. Under the amendment there would be no need to discontinue hedge accounting if a hedging derivative was novated, provided certain criteria are met. The IASB made a narrow-scope amendment to IAS 39 to permit the continuation of hedge accounting in certain circumstances in which the counterparty to a hedging instrument changes in order to achieve clearing for that instrument. This amendment has not yet been endorsed by the EU.

- **IAS 19 Defined Benefit Plans (Amended): Employee Contributions**

The amendment is effective from 1 July 2014. The amendment applies to contributions from employees or third parties to defined benefit plans. The objective of the amendment is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. This amendment has not yet been endorsed by the EU.

**The IASB has issued the Annual Improvements to IFRSs 2010 – 2012 Cycle, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 July 2014. These annual improvements have not yet been endorsed by the EU.**

- **IFRS 2 Share-based Payment:** This improvement amends the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition' (which were previously part of the definition of 'vesting condition').
- **IFRS 3 Business combinations:** This improvement clarifies that contingent consideration in a business acquisition that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of IFRS 9 Financial Instruments.
- **IFRS 8 Operating Segments:** This improvement requires an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments and clarifies that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly.
- **IFRS 13 Fair Value Measurement:** This improvement in the Basis of Conclusion of IFRS 13 clarifies that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting if the effect of not discounting is immaterial.



- **IAS 16 Property Plant & Equipment:** The amendment clarifies that when an item of property, plant and equipment is revalued, the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.
- **IAS 24 Related Party Disclosures:** The amendment clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.
- **IAS 38 Intangible Assets:** The amendment clarifies that when an intangible asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.

**The IASB has issued the Annual Improvements to IFRSs 2011 – 2013 Cycle, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 July 2014. These annual improvements have not yet been endorsed by the EU.**

- **IFRS 1 First-time adoption of IFRS:** This improvement clarifies that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but that permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first IFRS financial statements.
- **IFRS 3 Business Combinations:** This improvement clarifies that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.
- **IFRS 13 Fair Value Measurement:** This improvement clarifies that the scope of the portfolio exception defined in paragraph 52 of IFRS 13 includes all contracts accounted for within the scope of IAS 39 Financial Instruments: Recognition and Measurement or IFRS 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in IAS 32 Financial Instruments: Presentation.
- **IAS 40 Investment Properties:** This improvement clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in IFRS 3 Business Combinations and investment property as defined in IAS 40 Investment Property requires the separate application of both standards independently of each other.

## ***5. Critical accounting estimates and assumptions***

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions that affect the value of assets and liabilities, revenue and expenses during the year, in addition to the disclosures of contingent assets and liabilities which are included in the financial statements. Actual results may differ from those, which have been estimated, under different conditions and circumstances. Estimates and judgments are continuously evaluated and are based on historical experience and other factors, including expectations of future events as assessed to be reasonable under the present circumstances.

The basic judgments and estimates made by the Group and Company which have the most significant impact on the financial statements, mainly relate to:



## **A. Classification of investments**

Management uses its judgment with respect to the classification of an investment as held to maturity, measured at fair value through profit or loss, or available-for-sale. For investments classified as held to maturity, management assesses whether the criteria of IAS 39 are met and in particular whether the Group and Company have the positive intent and ability to hold to maturity. The company classifies the investments at fair value through profit or loss if they are held for trading and if these were acquired principally for the purpose of generating profit in the short term. All other investments are classified as available-for-sale.

## **B. Recovery of Receivables**

Management examines the recoverability of the carrying amounts of accounts receivable on an annual basis, given external information (data base of customers credit ratings, legal advisors) in order to assess the recoverability of the carrying value of accounts receivable.

## **C. Provisions**

Bad debt accounts are presented according to estimations as regards the amounts which are expected to be recovered following analysis as well as in accordance with the experience of the Group regarding the probability of customer default. At the time at which a specific account is subject to a greater risk as compared to the normal credit risk (for example, low customer credibility, dispute in respect of the existence or the amount of the receivable etc) the Group and the Company establish a provision for bad debts in view of covering the loss which may be estimated and which stems from these receivables. The established provision is remeasured with a corresponding charge to the results of each year and any write-offs are accounted for through the provision.

## **D. Impairment of goodwill and intangible assets with an indefinite useful life**

The Group and Company examine at least on an annual basis whether an impairment of goodwill and intangible assets with an indefinite useful life exists, and examines the conditions and circumstances surrounding such an impairment, such for example a significant and adverse change in the corporate environment or a decision to dispose a cash generating unit or a reporting segment. For the purpose of impairment testing the value in use of each cash generating unit must be estimated and to which a specific portion of goodwill and intangible assets with an indefinite useful life has been allocated. The application of the methodology used in assessing the value in use takes into consideration the actual operating results, future company plans and the Group's and Company's financial projections in view of the calculations of future cash generating unit's cash flows and the selection of the appropriate discount rate with which the present value of the future cash flows are calculated. The Group and the Company examine on an annual basis by what amount, if any, the abovementioned assets have been impaired in accordance with the accounting policy referred to in paragraph 3.9.



## **E. Useful life of Tangible and Intangible assets**

During the year the Management of the Company, reassessed and readjusted as of 1.1.2013 the useful life of assets, that is for buildings and other installations, transportation means, furniture and other equipment of the parent company and its domestic subsidiaries, based on the comparative method of similar assets which exist in the market. From the reassessment, the fixed assets' depreciation expense was decreased on average and in its totality by an amount of € 955.684 for the Company and of € 1.015.360 for the Group (Note 18).

## **F. Impairment of investments in subsidiaries and associates**

The management of the Company examines the existence of any indication of impairment of the Company's investments in the share capital of other companies through the impairment test of cash generating units to which these investments are allocated. In the event that indications of impairment are proven, the Company proceeds in the calculation of the value in use of the cash generating unit based on the discount cash flow method. The recoverable amount which is reflected through cost, is sensitive to factors such as the discount interest rate which is used in the above method as well as in the projected cash inflows and in the incremental rate which is used for extrapolation purposes and approximate calculations.

## **G. Discontinued operations**

Management examines the classification of a non-current asset (or disposal group) as held for sale if the carrying amount will be recovered principally through sale rather than through continuing use. In order for this to occur, the asset or (disposal group) should be immediately available for sale at its present state, based on terms which are common and standardized for the sale of such assets (or disposal group). In order for the sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset (or disposal group), and an active program to locate a buyer and complete the plan must have been initiated. Furthermore, the asset (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value.

An entity shall not classify, as held for sale, a non-current asset (or disposal group) that is to be abandoned. This is because its carrying amount will be recovered principally through continuing use. Non-current assets (or disposal groups) to be abandoned include non-current assets (or disposal groups) that are to be used until the end of their economic life and non-current assets (or disposal groups) which will not be further used instead of them being sold.

## **H. Provision for Income taxes**

The Group and Company are subject to income taxes from numerous tax regulatory authorities. The provision for income taxes includes the current tax and the provision for possible additional taxes which may incur as a result of the audit from the tax authorities in addition to that significant judgments are required in determining the provision for income taxes. The actual income taxes may differ from the estimated amounts due to future changes in the tax regulations, significant changes in the regulations of the countries in which the Group operates or unanticipated effects from the final assessment of the tax liability of each year from the tax authorities. In the event whereby the final additional taxes which result following the tax



audits are different from the initial estimations, these differences will affect the income taxes and the deferred taxes of the year in which the tax differences were assessed.

## **I. Fair value of financial instruments**

In cases where the fair value of the financial assets and liabilities which are recorded in the financial statements cannot be derived from the market, the fair value is assessed through other valuation techniques such as the discounted cash flows. The data used in these valuation methods take into consideration observable market data, provided that this is feasible. In the event that this is not feasible, judgement is required in determining the fair values in assessing the market risk, the credit risk and variability. Changes in the parameters may affect the published fair values of the financial instruments.

## **J. Fair value of biological assets**

The accounting policies and methods applied for the valuation of biological assets are explained in Note 3.4 .

As referred to in Note 3.4, the valuation of biological assets is subject to significant estimates and judgments, the most important of which are described below.

### **Assumptions estimates and judgments in determining the fair value of live fish**

The estimated fair value of biomass is always based on assumptions, estimates and judgments involving a degree of uncertainty, even if the company has gained considerable experience in the assessment of these factors.

These estimates apply to the following key factors: the volume of biomass, size distribution of biological assets and market prices.

#### **Biomass volume**

The determination of the volume of biomass is itself an estimate based on the number of juveniles placed in the sea/cages , the expected growth from the time of stocking , the accuracy of the Company's biological model, the estimated mortality based on statistical models and observed mortality etc. The uncertainty in relation to the volume of the biomass is usually low , although it is higher in cases where there may be an occurrence which has resulted in massive mortality, especially in the beginning of the cycle, or if the fishes state of health restricts the treatment of the fish.

The Company monitors any deviations between the estimated volume of biomass and the actual data from harvesting in case any differences arise , in order that the valuation models be altered ( if required).

#### **Size distribution of fish**

Size distribution of fish in each cage: The fish in the sea, grow at different rates , where even under good conditions, the average weight of fish can result in a significant difference in the quality and weight of the fish. The size distribution affects



the price at which fish is sold, as each class of fish size is separately priced in the market. In assessing the value of biomass a normal, and expected size distribution is applied.

Distribution of fish to mature and immature: The Company distributes the fish population between mature or immature , depending on whether the fish population in a cage meets the Company's internal criteria for harvesting and sale. As far as fry is concerned, and given that an active market exists at which sales are made, this category is classified as mature biological stocks. As regards fish fattening, the mature fish category, includes the fish population that exists in the cages and which satisfy the criteria of the company's size on harvesting and sale, while the remaining fish fattening is classified as immature fish . Management periodically evaluates its assessment of the criteria for mature and immature classification, depending on the dynamics of the market (demand, prices per weight class, etc.) regarding the sizes from which the harvesting of each cage will be made.

### **Fair value**

The assumption of fair value estimation is very significant for the valuation of biological assets and even small changes in market prices will significantly affect the valuation. The methodology used for determining the market value is presented in Note 3.4 whereby various parameters which require estimates and judgments are presented.

The valuation depends on inter alia on the estimated fair value / prices of biological assets , which, as there is no organized market for live fish , is calculated based on various parameters taken into account , such as the prevailing market values of the harvested species , the development of the contracts of future delivery ( if any ) , the estimated market prices during the harvesting period if it can be estimated reliably , any adjustments to be made for potential differences between the assets are valued and the prevailing prices in the market of harvested species and which primarily concern the condition and location of the species under assessment .

Further assessments are carried out in connection with prices which are of the highest and best use during the period of these assessment of the assets, who the participants in the hypothetical representative market are and what is the most appropriate type of valuation each time within the hierarchy of valuation of IFRS 13. For immature fish, additional estimates are made as regards future costs to be incurred until these the assets become mature as well as estimates on the discount rates of future cash flows.

The Group and the Company used as a source of the fair value prices the recent transactions on which specific adjustments were made taking into account , as described above , various factors such as the prevailing market values of harvested species , changes in contracts for future delivery (when such is the case ) , the estimated market prices during the harvesting period if these could be estimated reliably, any adjustments for potential differences between the assets which are valued and the prevailing prices in the market for harvested species which mainly concern the condition and location of species under assessment . With the adoption of IFRS 13 which provided explanations in relation to the measurement of fair value and which introduced the requirement of maximizing the use of observable data to any method of measurement, the Group and the Company proceeded with the reassessment of the method used in calculating the fair value of mature fish population



limiting the unobservable data and focusing measurement on actual prices of recent transactions that occur during each reporting date.

As referred to in Note 4.1, the Company reviewed all estimates and judgments in connection with the adoption of new IFRS 13 which are made during the valuation of biological assets.

As a result of the above the following changes in estimates are hereby presented:

1. Level of separation between mature and immature :

As the intention and plan of the Company is to harvest cages with an average weight of over 380 g . per unit , management considered as the appropriate segregation point between mature and immature fish the weight level . The separation point used at 31.12.2012 was 200g .

2. Valuation methodology immature fish:

The Company is exploring the best practices that are internationally accepted for the valuation of immature fish , and proceeded with the valuation model of immature fish population.

Estimates and judgments are reviewed by Management at each reporting period in order that the Company complies , where applicable , with the general conditions and dynamics prevailing in the market in which the Company operates and which may be changed in the future depending on changes in circumstances and market dynamics .

Further information on the fair value of biological assets is provided in Note 26.

## **K. Contingent assets and liabilities**

The Group and Company have contingent liabilities in respect of legal claims arising from the ordinary course of business. At each balance sheet date management takes into account the negotiations which have been undertaken and uses judgment in assessing which of these will not materially affect the financial position of the Group or Company. Nevertheless, the assessment of contingent liabilities relating to litigations and legal claims is a complex procedure that includes judgments as regards probable consequences and interpretations relating to laws and regulations. Changes in judgments or interpretations are likely to result in an increase or a decrease of the Group's contingent liabilities in the future.

**6. Objectives and risk management policies****6.1 Market risk****Foreign exchange risk**

The Group and Company operate internationally. The exposure to foreign exchange risk is zero because the transactions are realized in Euro. Foreign exchange risk arises from future commercial transactions, as well as from net investments in foreign operations.

The Group and Company have certain investments in foreign operations, whose net assets are exposed to foreign currency transaction risk. Foreign exchange risk arises from the rate of the Turkish Lira against the Euro.

The financial assets and the respective liabilities in foreign currency, translated into Euro at the fixing rate, are analyzed as follows:

	2013							2012						
Amounts in Euro	USD	GBP	NOK	DKK	CAD	TRL	CHF	USD	GBP	NOK	DKK	CAD	TRL	CHF
<b>Notional amounts</b>														
Financial assets	966.941	997.601	-	-	234.013	9.308.513	46.215	838.370	568.672	-	-	186.908	9.623.567	121.289
Financial liabilities	1.220.079	0	22.551	0	515	1.887.905	378	1.756.953	6.093	1.619	0	0	1.002.705	385
<b>Total current exposure</b>	<b>(253.138)</b>	<b>997.601</b>	<b>(22.551)</b>	<b>0</b>	<b>233.498</b>	<b>7.420.609</b>	<b>45.836</b>	<b>(918.583)</b>	<b>562.579</b>	<b>(1.619)</b>	<b>0</b>	<b>186.908</b>	<b>8.620.863</b>	<b>120.904</b>
Financial assets	4.535.699	-	-	-	-	941.091	-	-	-	-	-	-	5.744.585	-
Financial liabilities	920.583	-	-	-	-	12.232	-	-	-	-	-	-	743.875	-
<b>Total non-current exposure</b>	<b>3.615.116</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>928.859</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5.000.710</b>	<b>0</b>

The table below presents the sensitivity of the after-tax profit for the year as well as of equity in relation to financial assets and financial liabilities and the Euro exchange rate against the above currencies.

We assume that a change occurs on 31 December 2013 in the exchange rate Euro/Foreign Currency. This percentage is based on a typical variance of the foreign currency, as this arises from the monthly observation of the Euro against any foreign currency, for a period of 12 months.

In the event where the Euro changes in relation to the Foreign Currency by the following percentages then the impact on the after-tax profit for the year and on equity is as follows:

	2013													
	USD	GBP		NOK		DKK		CAD		TRL		CHF		
	2,75%	-2,75%	1,45%	-1,45%	33,45%	-33,45%	0,21%	-0,21%	4,79%	-4,79%	19,59%	-19,59%	0,82%	-0,82%
	92.453	(27.434)	14.447	(14.447)	(7.544)	7.544	-	-	11.182	(11.182)	1.635.944	(1.635.944)	378	(378)
	92.453	(27.434)	14.447	(14.447)	(7.544)	7.544	-	-	11.182	(11.182)	1.635.944	(1.635.944)	378	(378)
	2012													
	USD	GBP		NOK		DKK		CAD		TRL		CHF		
	3,48%	-3,48%	1,76%	-1,76%	13,21%	-13,21%	1,09%	-1,09%	2,93%	-2,93%	5,38%	-5,38%	0,40%	-0,40%
	(31.944)	31.944	9.893	(9.893)	(214)	214	-	-	5.473	(5.473)	733.468	(733.468)	483	(483)
	(31.944)	31.944	9.893	(9.893)	(214)	214	-	-	5.473	(5.473)	733.468	(733.468)	483	(483)

The Group's and Company's exposure to foreign exchange risk varies over the year in proportion to the volume of transactions in foreign currency. However, the above analysis is deemed representative of the Group's and Company's exposure to foreign exchange risk.

**Interest rate risk**

The Group's and Company's income and operating cash flows are substantially independent of changes in market interest rates. The Group and Company have significant interest-bearing assets. Group and Company policy, estimating the present economic junctures and in general the fluctuation of the Euro interest rates, is to maintain part of borrowings in products with floating interest rates EURIBOR and SPREAD. At the end of the accounting period, the total borrowings related to loans with floating interest rates.

The risk of changes in the interest rates mainly arises from the long-term borrowings, the largest balance of which has duration until the year 2014.

The table below presents the sensitivity of the post-tax profit for the year as well as of equity at a reasonable change in the interest rate of +1% or -1% (2012: +/-1%). Changes in interest rates are deemed to fluctuate on a reasonable basis in relation to current market conditions.

Amounts in Euro	GROUP				COMPANY			
	2013		2012		2013		2012	
	1,00%	-1,00%	1,00%	-1,00%	1,00%	-1,00%	1,00%	-1,00%
Post-tax profit for the year	2.248.864	(2.248.864)	2.359.804	(2.359.804)	1.985.180	-1.985.180	2.066.166	-2.066.166
Equity	2.248.864	(2.248.864)	2.359.804	(2.359.804)	1.985.180	-1.985.180	2.066.166	-2.066.166

**Price risk**

The Group and Company have exposed to equity securities price risk due to investments held either for trading or which are classified as available-for-sale financial assets. Changes in the value of assets are significant so as to result in a significant fluctuation which can result in risk to the Group due to non-maturity dates.

The Group is exposed to changes in the value of its biological assets. The Group assesses price risk fluctuations of biological assets regularly and examines the need for actions in order to anticipate the financial risk. A volatility in the price by +/- 5% and a change in the discount factor by +/- 1% would change the valuation from a minimum of € 163,5 million to a maximum of € 176,9 million.

The financial analysis department operates towards meeting this purpose, by collecting information in view of offering the product, from the domestic and international production, in addition to changes in demand from the existing Traditional International market and the new markets introduced in Eastern Europe and America. This information is evaluated and the parameters regarding the level of inventories and the product's expected prices for the following two (2) years are set.

**6.2 Credit risk**

The Group and Company's exposure to credit risk is limited to financial assets, which at the Balance Sheet date are analyzed as follows:

*Amounts in Euro*

	GROUP		COMPANY	
	2013	2012	2013	2012
<i>Categories of financial assets</i>				
Restricted Cash	5.524.563	4.856.835	5.524.563	4.856.835
Cash and cash equivalents	3.616.545	3.006.832	2.426.166	1.248.438
Trade and other receivables	49.829.305	54.693.174	36.846.455	42.894.862
Other receivables	10.711.637	18.959.428	9.890.409	18.651.620
<b>Total</b>	<b>69.682.050</b>	<b>81.516.269</b>	<b>54.687.593</b>	<b>67.651.755</b>

The Group and Company's management considers all of the above financial assets, which have not been impaired in prior period financial statements, of a high credit rating.

For trade and other receivables, the Group and Company are not exposed to significant credit risks. The wholesale of fresh fish and -livestock are mainly made to customers, who are insured for the payment of their debt. Moreover, the sale of juveniles is realized in its totality with the term that retention of ownership of the product up until its settlement. Therefore due to that the time required for the completion of the production cycle of fresh fish is greater than the credit time granted for the sale, the receivable is fully secured.

### 6.3 Liquidity risk

The Group and Company manages its liquidity needs by carefully monitoring its debts, long-term financial liabilities as well as of the payments that are made on a daily basis. The liquidity needs are monitored on a daily and weekly basis as well as on a rolling period of 30 days. The Long-term liquidity needs for the next 6 months and the following year are monthly assessed.

The Group and Company maintains cash for covering liquidity needs for a period of 30 days. The funds for the long-term liquidity requirements are additionally maintained by an adequate amount of committed credit facilities including the ability to sell long-term financial assets.

The maturity of the financial liabilities at 31 December 2013 for the Group is analyzed as follows:

*Amounts in Euro*

	2013			
	Short-term		Long-term	
	within 6 months	between 6 to 12 moths	between 1 to 5 years	over 5 years
Long-term borrowings	133.091.540	3.865.237	30.418.550	12.985.904
Short-term borrowings	44.878.686	20.725.644	-	-
Other Long-term liabilities	-	-	2.095.493	95.668
Trade payables	61.106.813	126.190	-	-
Other short-term liabilities	15.787.217	980.214	143.317	-
<b>Total</b>	<b>254.864.256</b>	<b>25.697.285</b>	<b>32.657.360</b>	<b>13.081.572</b>

The maturities of long-term borrowings during the year decreased compared to the previous year as a result of the reclassification of loans with maturities as presented in Note 35.

The relevant maturity of the financial liabilities as of 31 December 2012 was as follows:



Amounts in Euro

	<b>2012</b>			
	<b>Short-term</b>		<b>Long-term</b>	
	<b>within 6 months</b>	<b>between 6 to 12 months</b>	<b>between 1 to 5 years</b>	<b>over 5 years</b>
Long-term borrowings	19.134.320	13.837.714	127.490.587	27.925.395
Short-term borrowings	16.809.123	43.806.334	-	-
Other Long-term liabilities	-	-	1.683.507	928.405
Trade payables	58.089.527	4.097.297	351.500	-
Other short-term liabilities	4.841.965	10.105.648	143.317	-
<b>Total</b>	<b>98.874.935</b>	<b>71.846.993</b>	<b>129.668.911</b>	<b>28.853.800</b>

The above contractual maturity dates reflect the gross cash flows, which may differ from the carrying values of the liabilities as at the balance sheet date.

### **7. Structure of "NIREUS AQUACULTURE S.A" group of companies**

The company has the following participations which are consolidated either through the full consolidation or through the net equity method as follows:

<b>COMPANY</b>	<b>PARTICIPATION PERCENTAGE</b>
AQUACOM LTD	100,00%
PROTEUS EQUIPMENT S.A	50,00%
BLUEFIN TUNA A.E (GROUP)	25,00%
ILKNAK SU URUNLERI SAN Ve TIC A.S.	83,563%
NIREUS INTERNATIONAL LTD	100,00%
MIRAMAR PROJECTS CO LTD - UK	100,00%
MIRAMAR SU URUNLERI VE BALIK YEMI URETIMI SANAYI VE TICARET A.S.	99,95%
CARBON DIS TICARET YATIRIM INSAAT VE SANAYI A.S.	99,944%
PREENGORDE DE DORADAS PARA MARICULTURA S.L.	100,00%
KEGO AGRI S.A	100,00%
SEAFARM IONIAN S.A	26,454%
SEAFARM IONIAN (CENTRAL EUROPE) GMBH	26,454%
ILKNAK DENIZCILIK A.S.	84,981%
FISH OF AFRICA LTD (dormant)	100,000%
AQUA TERRAIR A.E.	12,963%



The companies participating in the financial statements are set out in the following table:

COMPANY	COUNTRY OF INCORPORATION	PARTICIPATION PERCENTAGE	METHOD OF CONSOLIDATION
AQUACOM LTD	BRITISH VIRGIN ISLANDS	100,00%	Full consolidation
PROTEUS EQUIPMENT S.A	GREECE	50,00%	Full consolidation
NIREUS INTERNATIONAL LTD	CYPRUS	100,00%	Full consolidation
MIRAMAR PROJECTS CO LTD - UK	ENGLAND	100,00% indirect	Full consolidation
MIRAMAR SU URUNLERI VE BALIK YEMI URETIMI SANAYI VE TICARET A.S.	TURKEY	99,93% indirect + 0,02% direct = 99,95%	Full consolidation
ILKNAK SU URUNLERI SAN VE TIC A.S.	TURKEY	52,53% direct + 31,033% indirect = 83,563%	Full consolidation
CARBON DIS TICARET YATIRIM INSAAT VE SANAYI A.S.	TURKEY	99,944% indirect	Full consolidation
PREENGORDE DE DORADAS PARA MARICULTURA S.L.	SPAIN	100,00% indirect	Full consolidation
KEGO AGRI S.A	GREECE	100,00%	Full consolidation
ILKNAK DENIZCILIK A.S	TURKEY	84,981% indirect	Full consolidation
BLUEFIN TUNA S.A	GREECE	25,00%	Net equity
SEAFARM IONIAN S.A	GREECE	26,454% direct	Full consolidation
SEAFARM IONIAN (CENTRAL EUROPE) GMBH	GERMANY	26,454% indirect	Full consolidation
AQUA TERRAIR S.A	GREECE	12,963% indirect	Net equity

It should be noted that the consolidation method used for the subsidiary company PROTEUS EQUIPMENT SA and SEA FARM IONIAN SA is that of the full consolidation method, given that the parent company “NIREUS AQUACULTURE SA” has the control of the above companies through the ability of the parent company to appoint the majority of the members of the Board of Directors who control these companies.

Furthermore, the Company AQUA TERRAIR SA is consolidated through the net equity method given that the subsidiary company SEA FARM IONIAN SA holds a 49% shareholding in AQUA TERRAIR and therefore has a significant influence on the company.

It should be noted that the Companies AQUA TERRAIR and BLUE FIN TUNA are fully impaired.

For further analysis see Note 12.

## 8. Segment Information

### Information per segment

The Group’s operating segments have been designated based on monthly internal information which is provided to an Executive Committee (“CODM”) which has been assigned by Management and which monitors the allocation of resources and the performance of the segments’ operations as well as determining their business activities.

We consider that it be mentioned that the operating segments have similar products and production, similar policies (sales – distribution) and similar financial characteristics that have been accumulated in one segment.



The operating segments which have been determined based on the financial decision making and the location of monitoring are as followed:

- Aquaculture
- Fish feed
- Aviculture-Stockbreeding

The segment of Aquaculture includes the sales of whole and processed fish in addition to the sales of juveniles.

The remaining segments mainly include sales of equipment for Aquaculture companies.

The profit before tax per segment does not include the segment's financial results and the general administrative expenses are presented under the column eliminations/adjustments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The following amounts are presented in Euro.

#### 31/12/2013

<i>Amounts in Thds of €</i>	<b>Aquaculture</b>	<b>Fishfeed</b>	<b>Aviculture-Stockbreeding</b>	<b>All other remaining segments</b>	<b>Eliminations/Adjustments</b>	<b>Consolidation</b>
Sales revenue per segment	170.077	16.027	11.463	3.285	(2.274)	198.578
Intersegment sales	-	-	-	-	-	-
Thrid party sales	170.077	16.027	11.463	3.285	(2.274)	198.578
Net operating costs	(233.422)	(12.945)	(11.847)	(2.250)	(25.547)	(286.011)
Profit before taxes	(63.345)	3.082	(384)	1.035	(27.821)	(87.433)
Depreciation expense	6.314	1.115	39	511	146	8.124

#### 31/12/2012

<i>Amounts in Thds of €</i>	<b>Aquaculture</b>	<b>Fishfeed</b>	<b>Aviculture-Stockbreeding</b>	<b>All other remaining segments</b>	<b>Eliminations/Adjustments</b>	<b>Consolidation</b>
Sales revenue per segment	176.234	12.556	12.536	2.834	(2.004)	202.156
Intersegment sales	-	-	-	2.004	(2.004)	-
Thrid party sales	176.234	12.556	12.536	830	-	202.156
Net operating costs	(175.862)	(10.830)	(12.211)	(1.590)	(17.828)	(218.321)
Profit before taxes	372	1.726	325	(760)	(17.828)	(16.165)
Depreciation expense	7.787	1.131	45	565	201	9.729

Assets per segment include those which the executive committee monitors and which can be distinguished into separate operating segments. Liabilities are monitored as a whole.

**31/12/2013**

Amounts in Thds of €	Aquaculture	Fishfeed	Aviculture-Stockbreeding	All other remaining segments	Eliminations/Adjustments	Consolidation
Assets per segment	273.561	18.834	3.801	6.545	85.992	388.733
Investments in associate companies (net equity method)	17	-	-	-	-	17
Capital expenditure	6.613	20	94	-	111	6.838

**31/12/2012**

Amounts in Thds of €	Aquaculture	Fishfeed	Aviculture-Stockbreeding	All other remaining segments	Eliminations/Adjustments	Consolidation
Assets per segment	340.104	21.815	3.620	9.379	95.486	470.404
Capital expenditure	5.358	90	5	2	82	5.537

**GEOGRAPHICAL INFORMATION**

Information in relation to the destination location of revenue is presented below.

<i>Amounts in Euro</i>	<b>GROUP</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>
Greece	44.374.294	46.573.387
Euro-zone	122.254.501	122.239.327
Other countries	31.949.255	33.343.476
	<b>198.578.050</b>	<b>202.156.190</b>

An analysis of the revenue and non current assets based on the geographical area of customers in which they are located is presented below:

<i>Amounts in Euro</i>	<b>31/12/2013</b>	<b>31/12/2012</b>
Greece	174.757.873	181.291.676
Spain	10.168.073	11.035.528
Turkey	13.652.104	9.828.986
	<b>198.578.050</b>	<b>202.156.190</b>

**Non current Assets**

<i>Amounts in Euro</i>	<b>31/12/2013</b>	<b>31/12/2012</b>
Greece	96.417.406	97.862.941
Spain	3.170.494	3.304.701
Turkey	2.876.441	3.434.229
	<b>102.464.341</b>	<b>104.601.871</b>



	NOTE	GROUP	
		31/12/2013	31/12/2012
<b>Results for the period before taxes</b>		<b>(87.433.091)</b>	<b>(16.165.429)</b>
Finance expenses	12	20.038.614	14.557.108
Finance income	12	(553.114)	(356.988)
Gain or loss on measurement of financial assets at fair value	19	202.837	(270.110)
Depreciation	18, 21	8.124.227	9.728.782
Grants	36	(553.196)	(765.022)
<b>Profit/ (Loss) before taxes, financing and investing results and depreciation (EBITDA)</b>	<b>8</b>	<b>(60.173.723)</b>	<b>6.728.341</b>
Effect from the change in biological assets at fair value		(46.377.148)	(14.265.783)
<b>Profit/ (Loss) before taxes, financing and investing results and depreciation (EBITDA) - before the effect of biological assets</b>		<b>(13.796.575)</b>	<b>20.994.124</b>

	NOTE	COMPANY	
		31/12/2013	31/12/2012
<b>Results for the period before taxes</b>		<b>(88.577.207)</b>	<b>(17.678.262)</b>
Finance expenses	12	17.378.973	13.327.860
Finance income	12	(525.657)	(498.602)
Gain or loss on measurement of financial assets at fair value	19	174.440	(277.963)
Depreciation	18, 21	6.704.945	7.902.261
Grants	36	(420.678)	(628.727)
<b>Profit/ (Loss) before taxes, financing and investing results and depreciation (EBITDA)</b>	<b>8</b>	<b>(65.265.184)</b>	<b>2.146.567</b>
Effect from the change in biological assets at fair value		(47.813.841)	(13.754.060)
<b>Profit/ (Loss) before taxes, financing and investing results and depreciation (EBITDA) - before the effect of biological assets</b>		<b>(17.451.343)</b>	<b>15.900.627</b>

	NOTE	GROUP		COMPANY	
		31/12/2013	31/12/2012	31/12/2013	31/12/2012
<b>Gain or Loss arising from changes in fair value of biological assets at the end of the period</b>		<b>78.198.082</b>	<b>147.410.832</b>	<b>63.821.923</b>	<b>134.260.108</b>
Sales of non-biological goods-merchandise and other inventories	9	49.106.089	43.237.559	31.299.118	25.540.593
Raw material consumption		(107.432.939)	(104.191.177)	(88.048.136)	(85.421.692)
Salaries & personnel expenses	10	(30.853.823)	(31.521.439)	(24.412.107)	(24.850.255)
Third party fees and benefits	11	(19.988.691)	(24.398.424)	(22.452.786)	(25.516.130)
Profits/Losses from consolidation by the net equity method		-	-	-	-
Other expenses	14	(31.817.829)	(26.895.951)	(26.272.626)	(23.046.502)
Other income	15	2.615.388	3.086.941	799.430	1.180.445
<b>Profit/ (Loss) before taxes, financing and investing results and depreciation (EBITDA)</b>		<b>(60.173.723)</b>	<b>6.728.341</b>	<b>(65.265.184)</b>	<b>2.146.567</b>
Sales revenue (non biological assets)	9	49.106.089	43.237.559	31.299.118	25.540.593
Sales revenue (biological assets) (a)	26	149.471.961	158.918.631	135.065.058	146.461.785
<b>Total Sales revenue</b>		<b>198.578.050</b>	<b>202.156.190</b>	<b>166.364.176</b>	<b>172.002.378</b>
Gross profit (non biological assets) (a)		11.752.802	10.334.664	5.418.378	4.019.360
Effect of measurement of biological assets at fair value (a)		(71.273.879)	(11.507.799)	(71.243.135)	(12.201.677)
Development costs of biological assets (a)		(124.949.558)	(132.036.567)	(109.945.934)	(113.580.854)
<b>Gross results from operations S(a)</b>		<b>(34.998.674)</b>	<b>25.708.929</b>	<b>(40.705.633)</b>	<b>24.698.615</b>

**9. Sale of non-biological assets-goods and other material**

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
Sale of merchandise	32.626.169	27.918.255	11.826.398	9.572.223
Sale of finished and semi-finished goods	15.309.715	12.787.366	18.611.905	14.245.858
Sales of other inventories and scrap material	707.161	1.656.674	486.771	1.271.984
Sale of services	463.044	875.264	374.044	450.528
<b>Total sales of merchandise and other materials</b>	<b>49.106.089</b>	<b>43.237.559</b>	<b>31.299.118</b>	<b>25.540.593</b>

**10. Salaries and personnel expenses****(α) Retirement benefit obligations**

The Group and Company assess the retirement benefit obligation as the present value of the legal obligation which has been assumed for the lump sum indemnity payment to personnel who terminate employment as a result of retirement. The relative obligation was estimated based on actuarial calculations.

The respective obligation of the Group and the Company is as follows:

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
<b>Balance liability at beginning of the year</b>	2.371.864	2.895.611	1.950.296	2.451.127
Current service cost (Note10b)	577.275	272.515	501.869	187.512
Interest cost (Note 12)	75.053	146.447	66.695	127.246
Benefits paid	(547.129)	(290.474)	(461.633)	(245.837)
Exchange differences arising from foreign subsidiaries	(38.254)	3.100		-
Actuarial (gains)/losses on obligation and effect from change in IAS 19	4.181	(655.334)	(42.889)	(569.752)
<b>Total liability at end of the year</b>	<b>2.442.990</b>	<b>2.371.864</b>	<b>2.014.338</b>	<b>1.950.296</b>

The main actuarial assumptions used were as follows:

	<b>31/12/2013</b>	<b>31/12/2012</b>
Discount rate	3,20%	3,40%
Future salary increases	2,00%	2,00%
Inflation rate	2,00%	2,00%

According to IAS 19, the discounted interest rate of defined obligations following termination of services should be determined by reference to the yield of high quality corporate bonds at the end of the reporting period. In countries where there is no deep market in such bonds the yields on corporate bonds should be used instead. For this reason the basis on which the discount rate was determined was the decreasing trend which the yield of the European bonds



iBoxx AA Corporate Overall 10+ EUR indices present and which was determined at 3,16% (2012: 2,71%).

The use of an increased technical interest rate of 0,5% would result in the actuarial liability being smaller than 7% while the opposite percentage rate, meaning the use of a smaller interest rate of 0,5% would result in a higher actuarial liability by 8%.

The corresponding sensitivity checks with respect to the anticipated increase in salaries, that is the use of the 0,5% higher than the anticipated increase in salaries would result in the actuarial liability being increased by 8% while the exact opposite percentage, that is the use of a decreased by 0,5% rate would result in the actuarial liability being less than 7%.

According to the revised IAS 19 “Employee Benefits” (IAS19.93), which amendment is applicable as of 1 January 2013, with retrospective application, the actuarial gains/(losses) are presented in other comprehensive income (OCI) in the Statement of Other comprehensive income. The impact on the financial statements from the change in accounting policies is presented in Note 4 “Changes in accounting policies”.

### (β) Employee benefit expense

The expenses recognised for benefits to employees are analysed as follows:

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
Wages and Employee Salaries	(23.913.009)	(25.022.597)	(18.978.374)	(19.865.790)
Social contributions	(6.075.091)	(6.192.650)	(4.679.417)	(4.778.035)
Provision for staff termination indemnity (Note 10a)	(577.275)	(272.515)	(501.869)	(187.512)
Provision for unpaid employees' leave	(288.448)	(33.677)	(252.447)	(18.917)
	<b>(30.853.823)</b>	<b>(31.521.439)</b>	<b>(24.412.107)</b>	<b>(24.850.255)</b>

### Number of employed personnel

The number of employed personnel on December 31, 2013 amounted to 883 for the Company, and 1.168 for the Group while on December 31, 2012 this amounted to 857 for the Company, and 1.166 for the Group.

### Personnel compensation based on equity instruments

On 05/06/2006 the Company approved an equity - settled, share-based compensation plan granting share options up to 1.400.000 ordinary shares with voting right, over the years 2006, 2007 and 2008 to Members of the Board of Directors., General Directors, Managers and Head of Departments of the Company and of its related companies, conditional on the employee completing at least three year’s service in the company or in a related company. In case of termination of the employment relationship with the company, either due to retirement or due to notice of termination, the right ceases to be in force. The exercise price of each granted option will be preferential and it will be the prevailing average price of the parent Company’s share over the period 1/10 – 1/11 of each year reduced by 40%. The options will be exercised within the first fifteen days of the month of November of each year of the plan in force. Options may be exercised proportionally



commencing three years from the grant date, namely at a rate 40% in November 2006, at a rate 30% in November 2007 and at a rate 30% in November 2008, always though within the first fifteen days of November of each year of effect of the plan. Should this time limit elapse with no action taken the option is amortised. In 2006 were exercised 494.350 options and in 2007 were exercised 364.500 options.

Due to the current exchange market price, the third phase of the program was postponed based on the decision taken by the Board as at November 3, 2008, which vesting conditions were met in November 2008. The Company had established a reserve for the last phase of the vesting conditions which is presented in Equity (Note 34). During the prior year, the Company decided to transfer the remaining reserve which related to the first and second phase of the program and the right of which had been exercised by the holders, to Retained Earnings.

### 11. Third party fees and benefits

The analysis of third party fees and benefits follows:

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
Third party fees and expenses	(9.938.961)	(12.430.949)	(14.300.854)	(16.062.310)
Third party benefits	(10.049.730)	(11.967.475)	(8.151.932)	(9.453.820)
<b>Total third party fees and benefits</b>	<b>(19.988.691)</b>	<b>(24.398.424)</b>	<b>(22.452.786)</b>	<b>(25.516.130)</b>

### 12. Financial results

Analysis of finance income and expenses is as follows:

#### Finance Income

*Amounts in Euro*

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
Dividend income	-	-	45.146	226.861
Interest income	244.546	356.988	171.943	271.741
Gain on measurement of derivative financial instruments (Note 40)	308.568	-	308.568	-
<b>Total finance income</b>	<b>553.114</b>	<b>356.988</b>	<b>525.657</b>	<b>498.602</b>

**Finance Expenses***Amounts in Euro*

	GROUP		COMPANY	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Interest expense from bank borrowings at amortised cost	(13.425.259)	(13.809.661)	(12.548.671)	(12.599.614)
Interest expense from defined benefit plans (Note 10a)	(75.053)	(146.447)	(66.696)	(127.246)
Commissions and other similar charges			-	
Loss on measurement of other financial assets (Note 31)	(100.000)	-	-	-
Loss from measurement of derivative financial instruments	-	(301.000)	-	(301.000)
Loss from sale of participating interests	-	-	-	-
Financial loss on investments in associate companies (Note 29,38)	(6.438.302)	(300.000)	(4.763.606)	(300.000)
<b>Total finance expenses</b>	<b>(20.038.614)</b>	<b>(14.557.108)</b>	<b>(17.378.973)</b>	<b>(12.726.860)</b>

During the current year, the Group and Company, within the scope of the rationalization of their structure and their disengagement from their strategic activities, decided upon their disinvestment from the associate company for which it was assessed that further significant funds would have been required in order that its course of operations be recovered and business activities be assumed.

Within the scope of this decision and taking into consideration recent discussions with investors the management of the Group and Company have decided to disinvest from the investment in associates and the management of the Group and Company assess that even if a strategic investor were found, the offer price would still not have been adequate for the recovery of the loss of the financial exposure of the Group and Company with respect to this.

It should be noted that the pre-sale agreement of the BlueFin Tuna to the Spanish company was cancelled, as the company did not obtain the approval from IPAT in connection with the granting of the harvesting terms for tuna for 2014. Furthermore no agreement was reached as regards the regulation of loan borrowings with the banks. In light of these developments and considerations, management decided to disinvest and charge the results of the period with the financial cost of this disinvestment.

As a result, management proceeded with the recognition of the maximum estimated loss to which the Group and Company could be exposed to, of an amount of € 4,8 million, which relates to provisions in connection with contingent liabilities arising from guarantees on the loan, advance payments on share capital increases, and receivables from the associate company, an amount which was recognized in the results for the year ended 31 December 2013 (Note 29). No other guarantees to banks or to any other party that have been provided by "NIREUS" for BlueFin Tuna.

Furthermore, a provision was established for the forfeiture of guarantee of the associate company Aqua Terrair of the subsidiary company SEAFARM IONIAN of an amount of € 1.674.696 (Note 38).

In addition, during the year the subsidiary company KegoAgri SA recognized an impairment loss on its investment held, of an amount of € 100.000 on the basis of its current market fair value.

**13. Investments in associates**

The Group and the Company decided during 2013 to fully disinvest from BlueFin Tuna SA, after the non-approval of tuna harvest. The participation of the Company and the Group in BlueFin Tuna SA had been fully impaired in previous years and



following the recognition of entries in the current year, the Group and Company have recognised the maximum share of their exposure to it, given that the company has become entirely dormant (Note 12).

#### 14. Other expenses

The analysis of other income and expenses is the following:

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
Donations and subsidies	(30.835)	(25.352)	(29.353)	(25.152)
Special export expenses	(213.796)	(252.470)	(212.533)	(249.394)
Printed material and stationery	(80.737)	(91.696)	(67.746)	(71.770)
Publication expenses	(18.434)	(35.723)	(6.611)	(18.347)
Exhibition and demonstration expenses	(58.842)	(86.119)	(56.936)	(66.143)
Transportation expenses	(17.016.766)	(16.700.307)	(15.013.209)	(15.027.775)
Sales promotion and advertising expenses	(1.257.849)	(769.527)	(1.237.299)	(749.779)
Travelling expenses	(417.902)	(523.018)	(319.566)	(354.865)
Losses from disposal of assets	(1.172)	-	(574)	-
Losses from destruction of scrap inventories	(166.598)	(68.596)	(69.568)	(2.099)
Other extraordinary & non-operating expenses	(248.113)	(373.448)	(200.048)	(119.539)
Other prior year expenses	(836.226)	(635.222)	(864.160)	(580.115)
Provision for bad debts of trade receivables and other receivables (Note 28,29)	(4.886.974)	(1.083.514)	(2.829.866)	(200.000)
Operating provisions (Note 38)	-	(100.000)	-	(100.000)
Exchange differences	(1.260.677)	(904.980)	(197.005)	(277.079)
Subscriptions – Contributions	(137.292)	(120.556)	(110.993)	(105.367)
Consumable materials	(3.750.504)	(3.827.827)	(3.918.422)	(4.013.052)
Taxes-duties (other than the non-incorporated in the operating cost taxes)	(628.912)	(709.936)	(513.155)	(577.524)
Tax fines and surcharges	(254.491)	(90.299)	(127.675)	(49.527)
Cleaning expenses	(185.447)	(176.946)	(172.811)	(167.943)
Security expenses	(207.550)	(160.659)	(207.413)	(160.481)
Various expenses	(158.712)	(159.756)	(117.683)	(130.551)
<b>Total expenses</b>	<b>(31.817.829)</b>	<b>(26.895.951)</b>	<b>(26.272.626)</b>	<b>(23.046.502)</b>

Other expenses include an amount of € 4.886.974 which regards the provision for bad debt expense and other receivables (2012: € 1.083.514 ) and € 2.829.866 (2012: € 200.000) for the Company (Note 28 and 29).

#### 15. Other income

Analysis of other operating expenses is as follows:

*Amounts in Euro*

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
Sales subsidies and other sales revenue	564.642	783.344	213.341	298.219
Income from other operations	63.264	97.093	57.672	75.698
Income from operating leases	-	17.083	61.250	48.150
Gain on disposal of assets	988	6.325	90	759
Other unutilised prior year income	-	169.399	-	69.820
Other income	737.610	960.918	397.080	461.671
Exchange differences	1.248.884	1.052.779	69.998	226.128
Amortization of grants on fixed assets (Note 36)	553.196	765.022	420.677	628.727
<b>Total Income</b>	<b>3.168.584</b>	<b>3.851.963</b>	<b>1.220.108</b>	<b>1.809.172</b>

Other income mainly relates to third party revenue.

### 16. Income tax expense

The income tax expense of the Group and the Company is as follows:

*Amounts in Euro*

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
Current tax	419.745	487.512	-	5.659
Deferred tax (Note 23)	(12.371.983)	(2.760.209)	(11.877.633)	(2.597.028)
<b>Total</b>	<b>(11.952.238)</b>	<b>(2.272.697)</b>	<b>(11.877.633)</b>	<b>(2.591.369)</b>
<b>Profit before tax</b>	<b>(87.433.091)</b>	<b>(16.165.429)</b>	<b>(88.577.207)</b>	<b>(17.678.262)</b>
Tax rate	26%	20%	26%	20%
<b>Estimated tax charge</b>	<b>(22.732.604)</b>	<b>(3.233.086)</b>	<b>(23.030.074)</b>	<b>(3.535.652)</b>
Adjustments for change in tax rate	2.730.568	-	2.758.812	-
Effect of non-recognition of deferred tax assets on tax losses and the effect on deductible expenses.	8.049.798	960.389	8.393.629	944.283
<b>Actual Tax Charge</b>	<b>(11.952.238)</b>	<b>(2.272.697)</b>	<b>(11.877.633)</b>	<b>(2.591.369)</b>

*Amounts in Euro*

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
Current tax	419.745	487.512	-	5.659
Deferred tax	(12.371.983)	(2.760.209)	(11.877.633)	(2.597.028)
<b>Income tax expense</b>	<b>(11.952.238)</b>	<b>(2.272.697)</b>	<b>(11.877.633)</b>	<b>(2.591.369)</b>
Deferred tax - recognised in other comprehensive income (Equity holders of the parent company)	1.683.116	310.790	1.635.044	113.294
Deferred tax - recognised in other comprehensive income (non-controlling interests)	135.993	-	-	-
<b>Income tax-other comprehensive income</b>	<b>1.819.109</b>	<b>310.791</b>	<b>1.635.044</b>	<b>113.294</b>



In January 2013 the new legislation of L. 4110/18-1-2013 (FEK 17/23-1/2013 A) was enacted, on the basis of which new changes were introduced in relation to income taxes of legal entities, such as the increase in the income tax rate from 20% to 26% for the financial years which begin from January 1 2013 and thereafter.

The effect from the change in the income tax rate of 26% on the annual Financial Statements due to the increase in the deferred tax liability amounts to an additional charge of € 2.730.568 and € 2.758.812 for the Group and Company respectively, in the Income Statement, as well as in a decrease in reserves in Equity by an amount of € 1.819.109 and € 1.635.044 for the Group and Company respectively, as presented in the Statement of other comprehensive income.

The parent company and all domestic subsidiaries have been audited for tax purposes for the prior year, according to the provisions of par. 5 of article 82 of L. 2238/94.

The tax audit for the fiscal year 2012 which was carried out by certified auditors have issued an unqualified tax certificate. An unqualified tax certificate for the fiscal year 2012 was also issued to the Groups' subsidiaries PROTEUS, SEA FARM IONIAN and KEGOagri. Furthermore, the tax audit for the subsidiary company SEAFARM IONIAN for the years 2005 to 2011 is being carried out and has not yet been finalized.

According to the same provisions and based on the tax audit of prior years, the companies which may have taxable profits after the net off of accumulated tax losses, have established a provision for contingent tax liabilities which may arise from the tax audit of the open tax years. The established provision therefore for unaudited tax years is considered adequate.

**Information in respect of unaudited, by the tax authorities, financial years**

The unaudited, by the tax authorities, financial years for the group companies are as follows:

<b><u>GROUP COMPANIES</u></b>	<b>UNAUDITED TAX YEARS</b>
NIREUS AQUACULTURE S.A	From 2009 to 2010
AQUACOM LTD	---
PROTEUS EQUIPMENT S.A	2010
ILKNAK SU URUNLERI SAN Ve TIC A.S.	Since 2013
CARBON DIS TICARET YATIRIM INSAAT VE SANAYI S.A.	Since 2013
PREDOMAR S.L.	Since 2007
KEGO AGRI S.A	2010
NIREUS INTERNATIONAL LTD	Since 2006
MIRAMAR PROJECTS CO LTD - UK	Since 2005
MIRAMAR SU URUNLERI VE BALIK YEMI URETIMI SANAYI VE TICARET A.S.	Since 2013
BLUEFIN TUNA S.A	Since 2010
SEAFARM IONIAN S.A	From 2005 to 2010
SEAFARM IONIAN (CENTRAL EUROPE) GMBH	Since 1999
AQUA TERRAIR S.A	Since 1999
ILKNAK DENIZCILIK A.S.	Since 2013

Further analysis of the deferred tax is presented in Note 23 “Deferred Income Tax assets/liabilities”.



## 17. Earnings per share

Analysis of earnings per share of the Group and the Company is as follows:

### Basic earnings per share

<i>Amounts in Euro</i>	<b>GROUP</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>
Profit attributable to equity holders of the Company	(75.071.184)	(14.050.516)
Weighted average number of ordinary shares	63.667.463	63.628.613
<b>Basic earnings/(losses) per share (€ per share)</b>	<b>(1,1791)</b>	<b>(0,2208)</b>

Basic earnings per share is calculated as profit attributable to equity holders of the parent Company divided by the weighted average number of ordinary shares in issue during the year.

## 18. Property Plant and Equipment

Land utilized for the purpose of either production or administration is stated at fair value. Similarly, buildings are presented at fair value less accumulated depreciation reduced by any other impairment losses.

The remaining fixed assets are presented at cost less accumulated depreciation and accumulated impairment losses.

Depreciation expense of tangible assets (except for land which is a non-depreciable asset) is calculated on a straight-line basis over the useful life of the asset.

During the first quarter of 2013, the Management of the Company reexamined the useful life of assets of the Parent Company and those of its domestic subsidiary companies and restated these for certain asset categories.

The positive effect from the readjustment of the accounting estimate of the assets' useful life on the results of the period after taxes amount to € 955.684 for the Company and on the results after taxes and minority interests of an amount of € 1.015.360 for the Group.

Property, plant and equipment is analysed as follows:



GROUP									
	Land	Buildings	Other Installations and equipment	Mechanical equipment and technical installations	Other Transportation means	Floating means	Furniture and other equipment	Assets under construction	Total
<i>Amounts in Euro</i>									
<b>Cost</b>									
<b>Balance at 1 January 2012</b>	<b>10.407.959</b>	<b>40.499.609</b>	<b>59.425.949</b>	<b>19.770.160</b>	<b>4.903.200</b>	<b>4.850.450</b>	<b>10.277.884</b>	<b>1.484.155</b>	<b>151.619.366</b>
Additions	-	414.423	2.743.571	202.499	40.247	423.166	178.627	1.499.126	5.501.659
Disposals/write-offs	-	(2.149)	(3.854.838)	(80.383)	(331.490)	(13.510)	(1.190.048)	(20.592)	(5.493.010)
Reclassifications to/from fixed/intangible assets	-	5.712	237.158	810.940	-	-	-	(1.789.754)	(735.944)
Revaluation of assets	-	308.119	-	(11.897)	-	-	-	-	296.222
Exchange differences	3.617	10.355	73.130	21.809	1.383	5.210	2.791	11.427	129.722
<b>Balance at 31 December 2012</b>	<b>10.411.576</b>	<b>41.236.069</b>	<b>58.624.970</b>	<b>20.713.128</b>	<b>4.613.340</b>	<b>5.265.316</b>	<b>9.269.254</b>	<b>1.184.362</b>	<b>151.318.015</b>
<b>Accumulated depreciation</b>									
<b>Balance at 1 January 2012</b>	-	<b>(4.641.123)</b>	<b>(42.396.065)</b>	<b>(2.227.453)</b>	<b>(4.421.752)</b>	<b>(437.288)</b>	<b>(9.527.499)</b>	-	<b>(63.651.180)</b>
Depreciation charge	-	(882.698)	(4.648.937)	(2.250.168)	(226.988)	(463.335)	(347.858)	-	(8.819.984)
Disposals/write-offs	-	487	3.822.668	16.466	331.491	1.558	1.190.049	-	5.362.719
Revaluation of assets	-	694.925	-	-	-	-	-	-	694.925
Exchange differences	(6.465)	(6.789)	(50.535)	(1.217)	(1.171)	(204)	(2.320)	-	(68.701)
<b>Balance at 31 December 2012</b>	<b>(6.465)</b>	<b>(4.835.198)</b>	<b>(43.272.869)</b>	<b>(4.462.372)</b>	<b>(4.318.420)</b>	<b>(899.269)</b>	<b>(8.687.628)</b>	-	<b>(66.482.221)</b>
<b>Net Book Value at 31 December 2012</b>	<b>10.405.111</b>	<b>36.400.871</b>	<b>15.352.101</b>	<b>16.250.756</b>	<b>294.920</b>	<b>4.366.047</b>	<b>581.626</b>	<b>1.184.362</b>	<b>84.835.794</b>
<b>Cost</b>									
<b>Balance at 1 January 2013</b>	<b>10.411.576</b>	<b>41.236.069</b>	<b>58.624.970</b>	<b>20.713.128</b>	<b>4.613.340</b>	<b>5.265.316</b>	<b>9.269.254</b>	<b>1.184.362</b>	<b>151.318.015</b>
Additions	-	101.475	2.633.501	-	256.838	4.284	282.909	3.546.911	6.825.918
Disposals/write-offs	-	-	(31.645)	(11.324)	(180.751)	(1.844)	(204.601)	-	(430.165)
Reclassifications to/from fixed/intangible assets	-	2.065.972	798.011	-	-	-	11.206	(3.534.095)	(658.906)
Exchange differences	(25.655)	(196.836)	(703.381)	(123.681)	(7.845)	(22.525)	(28.915)	(19.219)	(1.128.057)
<b>Balance at 31 December 2013</b>	<b>10.385.921</b>	<b>43.206.680</b>	<b>61.321.456</b>	<b>20.578.123</b>	<b>4.681.582</b>	<b>5.245.231</b>	<b>9.329.853</b>	<b>1.177.959</b>	<b>155.926.805</b>
<b>Accumulated depreciation</b>									
<b>Balance at 1 January 2013</b>	<b>(6.465)</b>	<b>(4.835.198)</b>	<b>(43.272.869)</b>	<b>(4.462.372)</b>	<b>(4.318.420)</b>	<b>(899.269)</b>	<b>(8.687.628)</b>	-	<b>(66.482.221)</b>
Depreciation charge	-	(870.213)	(3.348.397)	(2.262.768)	(107.850)	(487.145)	(194.130)	-	(7.270.503)
Disposals/write-offs	-	-	29.861	750	180.747	1.249	204.479	-	417.086
Exchange differences	6.465	8.454	421.521	34.899	7.530	3.948	15.537	-	498.354
<b>Balance at 31 December 2013</b>	<b>-</b>	<b>(5.696.957)</b>	<b>(46.169.884)</b>	<b>(6.689.491)</b>	<b>(4.237.993)</b>	<b>(1.381.217)</b>	<b>(8.661.742)</b>	-	<b>(72.837.284)</b>
<b>Net Book Value at 31 December 2013</b>	<b>10.385.921</b>	<b>37.509.723</b>	<b>15.151.572</b>	<b>13.888.632</b>	<b>443.589</b>	<b>3.864.014</b>	<b>668.111</b>	<b>1.177.959</b>	<b>83.089.521</b>

COMPANY

	Land	Buildings	Other Installations and equipment	Mechanical equipment and technical installations	Other Transportation means	Floating means	Furniture and other equipment	Assets under construction	Total
<i>Amounts in Euro</i>									
<b>Cost</b>									
<b>Balance at 1 January 2012</b>	<b>9.870.038</b>	<b>33.617.406</b>	<b>41.318.851</b>	<b>17.555.590</b>	<b>3.805.561</b>	<b>3.119.941</b>	<b>8.806.961</b>	<b>810.561</b>	<b>118.904.909</b>
Additions	-	260.349	2.297.569	202.499	41.106	352.875	153.245	1.498.592	4.806.235
Disposals/write-offs	-	-	(2.313.128)	(53.264)	(261.702)	(4.755)	(1.081.976)	(10.991)	(3.725.816)
Reclassifications to/from fixed/intangible assets	-	-	86.238	810.940	-	-	-	(1.633.122)	(735.944)
Revaluation of assets	-	-	-	(11.897)	-	-	-	-	(11.897)
<b>Balance at 31 December 2012</b>	<b>9.870.038</b>	<b>33.877.755</b>	<b>41.389.530</b>	<b>18.503.868</b>	<b>3.584.965</b>	<b>3.468.061</b>	<b>7.878.230</b>	<b>665.040</b>	<b>119.237.487</b>
<b>Accumulated depreciation</b>									
<b>Balance at 1 January 2012</b>	-	<b>(1.606.972)</b>	<b>(27.531.121)</b>	<b>(1.987.191)</b>	<b>(3.371.949)</b>	<b>(274.561)</b>	<b>(8.105.595)</b>	-	<b>(42.877.390)</b>
Depreciation charge	-	(668.705)	(3.494.484)	(2.007.964)	(203.477)	(295.299)	(324.348)	-	(6.994.277)
Disposals/write-offs	-	-	2.283.625	13.264	261.703	159	1.081.976	-	3.640.727
<b>Balance at 31 December 2012</b>	<b>-</b>	<b>(2.275.677)</b>	<b>(28.741.981)</b>	<b>(3.981.891)</b>	<b>(3.313.723)</b>	<b>(569.701)</b>	<b>(7.347.967)</b>	-	<b>(46.230.940)</b>
<b>Net Book Value at 31 December 2012</b>	<b>9.870.038</b>	<b>31.602.078</b>	<b>12.647.549</b>	<b>14.521.977</b>	<b>271.242</b>	<b>2.898.360</b>	<b>530.263</b>	<b>665.040</b>	<b>73.006.547</b>
<b>Cost</b>									
<b>Balance at 1 January 2013</b>	<b>9.870.038</b>	<b>33.877.755</b>	<b>41.389.530</b>	<b>18.503.868</b>	<b>3.584.965</b>	<b>3.468.061</b>	<b>7.878.230</b>	<b>665.040</b>	<b>119.237.487</b>
Additions	-	65.839	2.639.916	-	113.092	-	176.985	3.394.352	6.390.184
Disposals/write-offs	-	-	(1.546)	(11.323)	(168.903)	(845)	(751)	-	(183.368)
Reclassifications to/from fixed/intangible assets	-	1.995.715	711.255	-	-	-	11.206	(3.377.082)	(658.906)
<b>Balance at 31 December 2013</b>	<b>9.870.038</b>	<b>35.939.309</b>	<b>44.739.155</b>	<b>18.492.545</b>	<b>3.529.154</b>	<b>3.467.216</b>	<b>8.065.670</b>	<b>682.310</b>	<b>124.785.397</b>
<b>Accumulated depreciation</b>									
<b>Balance at 1 January 2013</b>	-	<b>(2.275.677)</b>	<b>(28.741.981)</b>	<b>(3.981.891)</b>	<b>(3.313.723)</b>	<b>(569.701)</b>	<b>(7.347.967)</b>	-	<b>(46.230.940)</b>
Depreciation charge	-	(667.714)	(2.577.571)	(2.032.005)	(90.077)	(315.957)	(169.718)	-	(5.853.042)
Disposals/write-offs	-	-	1.546	750	168.903	845	751	-	172.795
<b>Balance at 31 December 2013</b>	<b>-</b>	<b>(2.943.391)</b>	<b>(31.318.006)</b>	<b>(6.013.146)</b>	<b>(3.234.897)</b>	<b>(884.813)</b>	<b>(7.516.934)</b>	-	<b>(51.911.187)</b>
<b>Net Book Value at 31 December 2013</b>	<b>9.870.038</b>	<b>32.995.918</b>	<b>13.421.149</b>	<b>12.479.399</b>	<b>294.257</b>	<b>2.582.403</b>	<b>548.736</b>	<b>682.310</b>	<b>72.874.210</b>

Other Installations and equipment mainly include fixed assets which relate to the fattening units and the hatchery unit and more specifically the cages, nets, anchorage, air compressor, generators, filters etc.

Fair value of the properties was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for differences in the nature, location or condition of the



specific property. As the date of revaluation 31 December 2013, the fair values are based on valuations performed by the external valuer.

**Range**

**Significant valuation input**

Price per €/m <sup>2</sup> -Land	€ 56-297
Price per €/m <sup>2</sup> -Buildings	€ 350-910

Mortgages and pledges against Group's assets are analysed in Note 43, below.

If machinery and technical installations in addition to floating means were to be valued at cost the net book values would be the following:

<b>GROUP</b>	<b>Mechanical equipment and technical installations</b>	<b>Floating means</b>	<b>Total</b>
<b>Amounts in Euro</b>			
<b>Cost</b>			
<b>Balance at 31 December 2013</b>	<b>30.615.976</b>	<b>6.973.524</b>	<b>37.589.500</b>
<b>Accumulated depreciation 31 December 2013</b>	<b>(27.423.564)</b>	<b>(5.769.254)</b>	<b>(33.192.818)</b>
<b>Net Book value at 31 December 2013</b>	<b>3.192.411</b>	<b>1.204.270</b>	<b>4.396.680</b>

<b>Company</b>	<b>Mechanical equipment and technical installations</b>	<b>Floating means</b>	<b>Total</b>
<b>Amounts in Euro</b>			
<b>Cost</b>			
<b>Balance at 31 December 2013</b>	<b>27.659.158</b>	<b>4.454.192</b>	<b>32.113.350</b>
<b>Accumulated depreciation 31 December 2013</b>	<b>(24.766.820)</b>	<b>(3.484.508)</b>	<b>(28.251.328)</b>
<b>Net Book value at 31 December 2013</b>	<b>2.892.338</b>	<b>969.684</b>	<b>3.862.022</b>

**19. Investment properties**

The investment property of the Group and the Company is analysed as follows:

<i>Amounts in Euro</i>	<b>GROUP</b>			<b>COMPANY</b>		
	<b>Land</b>	<b>Buildings</b>	<b>Total</b>	<b>Land</b>	<b>Buildings</b>	<b>Total</b>
<b>Carrying value at 1 January 2012</b>	<b>1.619.743</b>	<b>2.160.323</b>	<b>3.780.066</b>	<b>1.219.449</b>	<b>2.160.323</b>	<b>3.379.772</b>
Gains/(losses) from fair value	(173.632)	443.742	<b>270.110</b>	(165.779)	443.742	<b>277.963</b>
<b>Carrying value at 31 December 2012</b>	<b>1.446.111</b>	<b>2.604.065</b>	<b>4.050.176</b>	<b>1.053.670</b>	<b>2.604.065</b>	<b>3.657.735</b>
Gains/(losses) from fair value	9.295	(212.132)	<b>(202.837)</b>	37.692	(212.132)	<b>(174.440)</b>
<b>Carrying value at 31 December 2013</b>	<b>1.455.406</b>	<b>2.391.933</b>	<b>3.847.339</b>	<b>1.091.362</b>	<b>2.391.933</b>	<b>3.483.295</b>



Investment property is measured on an annual basis, at year-end either by a study carried out by the Company or by the use of an independent qualified valuer.

As at 31/12/2013 the Group and Company revalued land and buildings based on independent recognised valuers. The fair value has been based on market values whereby the current values were revalued in accordance with the location and physical condition of the respective assets.

The fair value of land was determined based on the most recent transactions observable in the market in accordance with the sales comparison Method. The fair value of buildings was determined based on the method of depreciable replacement cost. The above methods are in accordance with the International Valuation Standards Committee.

Fair value of the properties was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for differences in the nature, location or condition of the specific property. As the date of revaluation 31 December 2013, the fair values are based on valuations performed by the external valuer.

	<b>Range</b>
<b>Significant valuation input</b>	
<b>Price € /m2 -Land</b>	€ 25-99
<b>Price € /m2 -Building</b>	€ 108-150

The effect from the revaluation of land and buildings at fair value was a decrease in the equity position of the Company and Group by an amount of € 174.440 and € 202.837 respectively through profit and loss (amounts are before tax).

## **20. Goodwill**

Goodwill acquired through business combinations and intangible assets with indefinite lives, i.e. fish-farm licenses, have been allocated to three cash-generating units (CGUs), which are also operating and reportable segments, for impairment testing as follows:

- Aquaculture unit
- Fish feed unit
- Aviculture-Stockbreeding unit



Carrying amount of goodwill and fish-farm licenses allocated to each of the cash-generating units is further analysed in Note 21:

	AQUACULTURE		FISHFEED		AVICULTURE - STOCKBREEDING		TOTAL	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012	31/12/2013	31/12/2012	31/12/2013	31/12/2012
<b>Goodwill</b>	27.000.364	27.000.364	3.708.975	3.708.975	57.633	57.633	30.766.972	30.766.972
<b>Aquaculture Licenses</b>	14.057.000	14.057.000	-	-	-	-	14.057.000	14.057.000

The Group performed its annual impairment test for goodwill and fish-farm licenses as at 31 December 2013. The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. As at 31 December 2013, the market capitalisation of the Group was below the book value of its equity, indicating a potential impairment of goodwill and impairment of the assets of each operating segment.

The recoverable amount of the three operating segments has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The projected cash flows have been calculated in such a way so as reflect the demand conditions of each segment. The pre-tax discount rate applied to cash flow projections is 8,6%. The cash flows which relate to the period of 5 years change in accordance with estimates for operating profits, investments for equipment and working capital needs. Indicatively it is noted that for the 5 year period (2014-2018) the compound growth rate of (CAGR) for the aquaculture segment is estimated at 4%, for fish feed segment at 3% while for the Aviculture stock breeding segment the projections are 2%. Following the 5 year period the cash flows are extended with a growth rate of 3% taking into consideration the long-term projections of the company for the three segments in addition to the course of long-term inflation.

The above percentages are based on management's projections. More specifically, management assesses that the recoverable amount of the Aquaculture segment exceeds the book value thus reflecting the positive prospects which prevail in the market for the future. Similarly, the recoverable amount of the Aquaculture & the Aviculture stockbreeding segment exceeds the book value. Therefore, there is no issue of impairment of goodwill and aquaculture licenses.

The calculation of value-in-use for the three units is most sensitive to the following assumptions:

- a) Profit margin
- b) Discount rates
- c) Market share during the budget period
- d) Growth rate to perpetuity
  - *Margin of earnings before interest, taxes, depreciation and amortisation* – Margins of earnings before interest, taxes, depreciation and amortisation are based on estimations during the budget period of five years and relate to expected prices, sale quantities, market share and cost of sale and operating costs. Estimations for those amounts use the existing data of the industry in which the three units operate.



- Discount rates – Discount rates reflect the current market assessment of the risks specific to each cash generating unit. The discount rate was estimated based on the average percentage of a weighted average cost of capital for the industry which takes into account the debt to equity ratio. The cost of capital arises from the expected yield of investments from the investors of the Group and the cost of debt is based on the debt that the Group should accommodate. This rate was further adjusted to reflect the market assessment of any risk specific to the cash generating unit for which future estimates.
- Market share during the budget period – These assumptions are important because, as well as using industry data for growth rates management assesses how the unit's position, relative to its competitors, might change over the budget period. Management expects stability in the market where the three units operate during the budgeted period.
- Growth rate to perpetuity – Rates are based on long-term prospective of the group for the three reporting segments.

### **Profit before interest, taxes, depreciation and amortization (EBITDA)**

Profit before interest, tax and depreciation are based on historical data and estimates during the period for the next five years for the two cash generating units and more specifically for the CGU aquaculture and fish feed, such that future changes are incorporated in the Group's profitability, as expected by management.

### **Discount rate**

The discount rates reflect the assessment of the current status of the risks related to each Cash Generating Unit. The discount rate was calculated as the average of the weighted average cost of capital in the industry. This percentage is further adjusted in order to reflect the assumptions of the market risk for each cash-generating unit for which the estimates of future cash flows has not been adjusted. The discount rate used for impairment testing is reduced due to recent improvements in the credit quality as well as due to prospects of the Greek public debt , and that of the EU as a whole. Moreover , this discount rate includes an additional percentage of risk-taking (company specific risk premium) as a result of the sensitivity analysis conducted on key operating parameters of the cash flows.

### **Perpetuity growth**

The growth rate is based on the Group's long-term prospects for both units.

### **Sensitivity analysis of changes in assumptions**

Management performed a sensitivity analysis of the value in use and the three cash generating units as regards changes in the above assumptions. With respect to the Aviculture stock breeding segment, management assess that any potential and intense change in any of the above mentioned assumptions will not result in the book value to exceed the recoverable amount of the respective unit.



Regarding the aquaculture unit, a potential negative change in cash flows at a discount rate of 1% and a negative change in the growth rate in perpetuity by approximately 0,25% would result in the carrying value exceeding its recoverable amount by € 0,7 million.

Regarding the fishfeed unit, a possible adverse change in cash flows at a discount rate of 1% and a negative change in the growth rate in perpetuity by approximately 0,25% would result in the carrying amount exceeding its recoverable amount by € 3,6 million.

## 21. Intangible assets

The intangible assets of the Group and Company relate mainly to acquired aquaculture licences and computer software licences. Analysis of the carrying values of the above is presented in summary in the tables here below:

<b>GROUP</b>			
<i>Amounts in Euro</i>	<b>Computer and other software</b>	<b>Aquaculture Licences</b>	<b>Total</b>
<b>Cost</b>			
<b>Balance 1 January 2012</b>	<b>6.403.191</b>	<b>14.057.000</b>	<b>20.460.191</b>
Additions	35.436	-	35.436
Transfers from work under construction	735.944	-	735.944
<b>Balance 31 December 2012</b>	<b>7.176.051</b>	<b>14.057.000</b>	<b>21.233.051</b>
<b>Accumulated amortisation</b>			
<b>Balance 1 January 2012</b>	<b>(4.606.816)</b>	-	<b>(4.606.816)</b>
Amortisation charge	(908.798)	-	(908.798)
Exchange differences	(1.536)	-	(1.536)
<b>Balance at 31 December 2012</b>	<b>(5.517.150)</b>	-	<b>(5.517.150)</b>
<b>Net book value at 31 December 2012</b>	<b>1.658.901</b>	<b>14.057.000</b>	<b>15.715.901</b>
<b>Balance 1 January 2013</b>	<b>7.176.051</b>	<b>14.057.000</b>	<b>21.233.051</b>
Additions	11.937	-	11.937
Disposals/Write-offs/Transfers to investments	(4.700)	-	(4.700)
Transfers from work under construction	658.906	-	658.906
Exchange differences	(9.937)	-	(9.937)
<b>Balance 31 December 2013</b>	<b>7.832.257</b>	<b>14.057.000</b>	<b>21.889.257</b>
<b>Accumulated amortisation</b>			
<b>Balance 1 January 2013</b>	<b>(5.517.150)</b>	-	<b>(5.517.150)</b>
Amortisation charge	(853.724)	-	(853.724)
Exchange differences	9.098	-	9.098
<b>Balance at 31 December 2013</b>	<b>(6.361.776)</b>	-	<b>(6.361.776)</b>
<b>Net book value at 31 December 2013</b>	<b>1.470.481</b>	<b>14.057.000</b>	<b>15.527.481</b>



## COMPANY

<i>Amounts in Euro</i>	<b>Computer and other software</b>	<b>Aquaculture Licences</b>	<b>Total</b>
<b>Cost</b>			
<b>Balance 1 January 2012</b>	<b>6.142.552</b>	<b>2.766.000</b>	<b>8.908.552</b>
Additions	30.229	-	30.229
Transfers from work under construction	735.944	-	735.944
<b>Balance 31 December 2012</b>	<b>6.908.725</b>	<b>2.766.000</b>	<b>9.674.725</b>
<b>Accumulated amortisation</b>			
<b>Balance 1 January 2012</b>	<b>(4.346.962)</b>	-	<b>(4.346.962)</b>
Amortisation charge	(907.984)	-	(907.984)
<b>Balance at 31 December 2012</b>	<b>(5.254.946)</b>	-	<b>(5.254.946)</b>
<b>Net book value at 31 December 2012</b>	<b>1.653.779</b>	<b>2.766.000</b>	<b>4.419.779</b>
<b>Balance 1 January 2013</b>			
<b>Balance 1 January 2013</b>	<b>6.908.725</b>	<b>2.766.000</b>	<b>9.674.725</b>
Additions	6.394	-	6.394
Disposals/Write-offs/Transfers to investments	-	-	-
Transfers from work under construction	658.906	-	658.906
Exchange differences	-	-	-
<b>Balance 31 December 2013</b>	<b>7.574.025</b>	<b>2.766.000</b>	<b>10.340.025</b>
<b>Accumulated amortisation</b>			
<b>Balance 1 January 2013</b>	<b>(5.254.946)</b>	-	<b>(5.254.946)</b>
Amortisation charge	(851.903)	-	(851.903)
Exchange differences	-	-	-
<b>Balance at 31 December 2013</b>	<b>(6.106.849)</b>	-	<b>(6.106.849)</b>
<b>Net book value at 31 December 2013</b>	<b>1.467.176</b>	<b>2.766.000</b>	<b>4.233.176</b>

The “Aquaculture licences” on a Group level relate to the value of the aquaculture licenses of the companies of the Group “SEAFARM IONIAN SA”, The Group “KEGO”, “PREENGORDE DE DORADAS PARA MARICULTARA S.L (PREDOMAR)”, “ NIREUS AQUACULTURE SA” and “CARBON DIS TICARET YATIRIM INSAAT VE SANAYI A.S. (CARBON)”, that which resulted following the appraisal of the independent appraisers, and was assessed at a value of € 14.057.000. The resulting goodwill is not depreciated, but is tested for impairment loss, on an annual basis. Further analysis is presented in Note 20.

In the Company’s Statement of Financial Position, the presented value of Aquaculture licenses relates to the value of aquaculture licenses based on IAS 38, of the absorbed subsidiary companies KEGO S.A and RED ANCHOR SA.



## 22. Investments in subsidiaries

In the financial statements of the Company, investments in subsidiary companies have been measured at acquisition cost less any impairment losses.

<i>Amounts in Euro</i>	<b>COMPANY</b>
	<b>31/12/2013</b>
Opening Balance	<b>32.286.407</b>
Additions	2.942.619
<b>Closing Balance</b>	<b>35.229.026</b>

The company's percentage participation in investments, which are not listed on the Athens Stock Exchange Market, is analysed as follows:

<b>Company</b>	<b>Amount as per Financial Position</b>	<b>Country of incorporation</b>	<b>Percentage Shareholding</b>
PROTEUS EQUIPMENT S.A	29.347	GREECE	50,00%
AQUACOM LTD	1.141.394	VIRGIN ISLANDS	100,00%
ILKNAK SU URUNLERI SAN Ve TIC A.S.	3.979.492	TOYPKIA	52,530%
NIREUS INTERNATIONAL LTD	7.380.508	CYPRUS	100,00%
MIRAMAR SU URUNLERI VE BALIK YEMI URETIMI SANAYI VE TICARET A.S.	272	TURKEY	0,02%
SEA FARM IONIAN S.A	13.745.180	GREECE	26,454%
KEGO AGRI S.A	8.952.834	GREECE	100,00%
	<b>35.229.026</b>		

### Investments impairment test

The Company identifies similar nature CGUs as those identified by the Group which effectively overlap individual investments in subsidiaries. For the purpose of the impairment test of investments the Company allocates its investments namely to Aquaculture unit and Fish-Feed unit where investments in subsidiaries have been allocated for impairment test purposes:

	AQUACULTURE		AVICULTURE AND STOCKBREEDING		TOTAL	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Investments in subsidiaries	26.276.191	23.333.572	8.952.835	8.952.835	35.229.026	32.286.407

Regarding separate Financial Statements of the Company, an impairment test was conducted as of 31 December 2013 for investment in subsidiaries where an indicator of impairment existed mainly due to loss-making subsidiaries. More specifically, an impairment test on the cash generating units of the Aquaculture segment was performed where an indication existed mainly due to the loss making of the subsidiaries. The recoverable amount of the unit was determined based on



value in use which was calculated based on the projected cash flows from financial budgets of the company approved by senior management covering a period of 5 years. The projected cash flows have been calculated in order that these reflect the current demand. The pre-tax interest which was used for the discount of the projected cash flows amounts to 8,6%. The cash flows which relates to the 5 years change in accordance with the projections for operating profits, investments in equipment and working capital requirements. Indicatively it is noted that for the 5 year period (2014-2018) the compound growth rate of (CAGR) for the aquaculture segment is estimated at 4%. Following the 5 year period the cash flows are extended with a growth rate of 3% taking into consideration the long-term projections and the course of long-term inflation. Management has assessed, through the impairment testing, that that the recoverable amount of the Aquaculture segment exceeds the book value thus reflecting the positive prospects which prevail in the market for the future.

### **Sensitivity analysis of assumptions used**

The calculation of the value in use of the unit is more sensitive to the above mentioned assumptions in calculating the value in use of the CGU of the Group (Note 20). A potential negative change in the cash flows at a discount rate of 1% and a negative change in the growth rate in perpetuity by approximately 0,25% would result in the carrying amount exceeding the recoverable amount.

### **INCREASE OF SUBSIDIARIES' SHARE CAPITAL**

The implementation of the decision of the 22.12.2010 Ordinary General Meeting of the company İlknak Su Ürünleri Sanayi ve Ticaret A.Ş. ("İlknak SA"), that had been pending as regards the capitalisation of its liabilities by an amount of € 3.923.492 towards NIREUS AQUACULTURE SA, was ultimately finalised during the year.

Furthermore, the company's SEAFARM IONIAN (CENTRAL EUROPE) GMBH investment in its subsidiary company İlknak SA increased by an amount of € 1.415.780 as a result of the capitalisation of its receivable from İlknak SA. which company increased its share capital through the capitalisation of its liabilities towards SEAFARM IONIAN (CENTRAL EUROPE) GMBH. The non-participation of the remaining shareholders of İlknak SA. in each of the above transactions resulted in a change in the shareholding percentage of all shareholders in the company.

Following the two above share capital increases, the total shareholding percentage (direct and indirect) of the Company in its subsidiary company İlknak SA increased from 78,37% to 83,56% with an increase in its direct percentage from 24,91% to 52,53%, and with a decrease in its indirect percentage from 53,45% to 31,03%.

Furthermore, during the year the share capital of the subsidiary company İLKNAK DENİZCİLİK A.S. increased by an amount of € 72.759 with the participation of all shareholders of the company by a percentage equivalent to each shareholding in its subsidiary.



2013			2012			CHANGE (2013-2012)	
SHAREHOLDERS	SHARES	PERCENTAGE SHAREHOLDING	SHARES	PERCENTAGE SHAREHOLDING	SHARES	PERCENTAGE SHAREHOLDING	
SEAFARM IONIAN GmbH	99.021	17%	99.021	29%	-	-12%	
AQUACOM LIMITED	47.523	8%	47.523	14%	-	-6%	
NIREUS chio Aquaculture S.A	324.706	56%	84.706	25%	240.000	31%	
SEAFARM IONIAN S.A	122	0%	122	0%	-	0%	
MIRAMAR PROJECT CO LTD	107.988	19%	107.988	32%	-	-13%	
BEYHAN TOSUN	640	0%	640	0%	-	0%	
<b>TOTAL</b>	<b>580.000</b>	<b>100%</b>	<b>340.000</b>	<b>100%</b>	<b>240.000</b>	<b>100%</b>	

### 23. Deferred Income Tax Receivables/(Liabilities)

Deferred income tax assets and liabilities which result from relative temporary tax differences, are as follows:

	STATEMENT OF FINANCIAL POSITION				INCOME STATEMENT			
	GROUP		COMPANY		GROUP		COMPANY	
	2013	2012	2013	2012	2013	2012	2013	2012
<b>DEFERRED TAX LIABILITIES</b>								
Intangible assets	(208.259)	(169.030)	(221.712)	(181.803)	(51.200)	(56.515)	(51.360)	(37.662)
Property, Plant & Equipment	(9.595.210)	(7.708.572)	(8.202.199)	(6.541.201)	(92.486)	(79.088)	(39.406)	(58.070)
Inventories	(3.603.187)	(12.237.133)	(2.516.947)	(11.498.881)	8.496.824	2.886.256	8.965.046	2.750.812
Receivables	6.657.388	2.384.683	5.009.440	1.830.971	3.147.945	208.738	2.439.046	92.761
Retirement benefit obligations	621.867	473.429	522.063	389.115	157.744	15.365,00	144.100	15.383
Other non-current liabilities	584.436	540.034	877.271	741.124	46.789	34.213,00	137.350	59.724
Provisions	183.681	84.873	154.992	71.165	533.339	6.623,00	83.827	13.925
Other current liabilities	27.337	588.249	27.337	588.249	133.028	(255.383)	133.028	(239.845)
	<b>(5.331.946)</b>	<b>(16.043.467)</b>	<b>(4.349.754)</b>	<b>(14.601.262)</b>	<b>12.371.983</b>	<b>2.760.209</b>	<b>11.811.631</b>	<b>2.597.028</b>
<b>TOTAL DEFERRED TAX ASSETS</b>	400.676	1.004	-	-				
<b>TOTAL DEFERRED TAX LIABILITIES</b>	<b>(5.732.622)</b>	<b>(16.044.467)</b>	<b>(4.349.754)</b>	<b>(14.601.262)</b>				
<b>TOTAL DEFERRED TAX</b>	<b>(5.331.946)</b>	<b>(16.043.462)</b>	<b>(4.349.754)</b>	<b>(14.601.262)</b>				

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through the future taxable profits is probable. The offsetting of deferred income tax assets and liabilities occurs when there is, on behalf of the company, a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The deferred tax liabilities of the Group as at 31/12/2013 of an amount of € 5.732.622 relate to the subsidiaries located in Turkey by an amount of € 714.038 (tax rate 20%), to subsidiaries located in Spain by an amount of € 484.410 (tax rate 25%-30%) and by an amount of € 4.534.174 for companies that are located in Greece (tax rate 26%). The respective amounts as at 31/12/2012 were for the companies which are located in Turkey € 540.712, those located in Spain by an amount of € 338.193 and by an amount of € 15.165.562 for companies that are located in Greece.

The deferred tax receivables for the Group as at 31/12/2013 of € 245.077 relate to an amount of € 244.683 for companies that are located in Greece and of an amount of € 394 for subsidiary companies that are located in Turkey. The corresponding amounts as at 31/12/2012 of € 1.004 stem entirely from the subsidiary companies which are located in Turkey.

In accordance with the new tax legislation and based on L. 4110/18-1-2013 (FEK 17/23-1-2013 issue. A) the income tax rate increased from 20% to 26% beginning from 1.1.2013. The effect from the change in the tax rate to 26% on the Group's annual financial statements relating to the opening balances amount to € 2.730.567 and € 2.758.812 accordingly in the income statement, and a decrease in reserves of € 1.819.109 (€ 1.683.116 excluding non-controlling interests) and €



1.621.573 in Equity for the Group and Company respectively due to the increase in the deferred tax liability, as presented in the Statement of other comprehensive income.

From the above amount of € 1.819.109 for the Group an amount of 1.825.726 relates to fixed assets and (€ 6.617) relates to the increase in capital reserve, while for the Company the amount of € 1.621.574 relates to € 1.628.191 as regards fixed assets, € 5.643 to the convertible loan and an amount of € (12.260) to the increase in share capital reserve.

## 24. Available for sale financial assets

The change in available-for-sale financial assets is analysed as follows:

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
<b>Beginning of the year</b>	<b>8.410</b>	<b>8.410</b>	<b>6.800</b>	<b>6.800</b>
Additions	12.504	-	-	-
<b>Balance at end of the year</b>	<b>20.914</b>	<b>8.410</b>	<b>6.800</b>	<b>6.800</b>

Assets held for investment relate to investments in non-listed in an organised market, companies. All assets held for investment, are stated at historical cost given that their fair value cannot be accurately measured.

## 25. Other non-current assets

Other non-current assets of the Group and the Company relate to receivables, which are to be collected subsequent to the following year-end, and are analysed in the table here below:

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
Other non-current receivables	2.935	2.935	2.209	2.577
Guarantees provided	507.539	245.315	443.084	172.937
<b>Total</b>	<b>510.474</b>	<b>248.250</b>	<b>445.293</b>	<b>175.514</b>

## 26. Biological assets

Biological assets comprise of juveniles-generating adult fish, fish juveniles and stock breeding products as at the Balance Sheet date and are measured at fair value. Following the adoption of IFRS 13 beginning from 1.1.2013 and as at each balance sheet date the measurement of fair value is based on IFRS 13 in conjunction with the specific requirements of IAS 41. According to IFRS 13, fair value is the current exit price which is determined with reference to the principal market which is the market at which the greatest volume of activity is observed.



During periods of substantial increases/(decreases) in inventory and increases/(decreases) in sales prices, this methodology applied results in significant gains/(losses) arising from the difference between the production cost and the sales value.

The reconciliation of the biological assets stated at fair value is presented in the following table:

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
<b>Balance of biological assets at 1 January</b>	<b>240.082.616</b>	<b>251.308.832</b>	<b>225.093.516</b>	<b>237.295.193</b>
Increases due to purchases of biological assets	1.342.668	281.583	1.161.761	-
Gain/Loss arising from changes in fair value attributable to price or quantity changes of biological assets	78.198.082	147.410.832	63.821.923	134.260.108
Decreases due to sales of biological assets	(149.471.961)	(158.918.631)	(135.065.058)	(146.461.785)
<b>End balance of biological assets at 31 December</b>	<b>170.151.405</b>	<b>240.082.616</b>	<b>155.012.142</b>	<b>225.093.516</b>
<b>ANALYSIS OF BIOLOGICAL ASSETS IN BALANCE SHEET</b>				
<b>A) Biological assets of fish (Assets – Non-current assets)</b>	69.887.389	53.685.417	66.790.417	50.037.795
<b>B) Biological Poultry-Livestock (Assets - Non-current assets)</b>	177.000	186.000	-	-
<i>TOTAL BIOLOGICAL ASSETS - Assets - Non-current</i>	<b>70.064.389</b>	<b>53.871.417</b>	<b>66.790.417</b>	<b>50.037.795</b>
<b>C) Biological assets fish (Inventories - Current assets)</b>	99.834.131	185.871.250	88.221.725	175.055.721
<b>D) Biological Poultry-Livestock (Inventories - Current assets)</b>	252.885	339.949	-	-
<i>TOTAL BIOLOGICAL ASSETS - Assets - Current</i>	<b>100.087.016</b>	<b>186.211.199</b>	<b>88.221.725</b>	<b>175.055.721</b>
<b>TOTAL BIOLOGICAL ASSETS</b>	<b>170.151.405</b>	<b>240.082.616</b>	<b>155.012.142</b>	<b>225.093.516</b>

### Valuation of biological Assets

The accounting principles and the valuation model applied for valuation of biological assets are explained in Note 3.4

### Assumptions used in determining the fair value of live fish

The estimated fair value of biomass will always be based on uncertain assumptions even though the company has obtained substantial expertise in assessing these factors. Estimates are applied for the following factors: biomass volume, the quality of the biomass, the size distribution and market prices.

### Biomass volume

The biomass volume is in itself an estimate based on the number of juveniles placed in the sea, the estimated growth from the time of stocking, estimated mortality based on observed and expected mortality etc. The uncertainty with regards to biomass volume is normally low. The uncertainty will, however, be higher if an incident has resulted in mass mortality, especially early in the cycle, or if the health condition of the fish which restricts treatment of fish.

### The size distribution

Fish in sea grows in various rates and even under conditions of good estimates, the average weight of the fish can result in considerable variation in the quality and weight of the fish. The size distribution affects the price achieved for the fish as each size category of fish is priced separately in the market. When estimating the biomass value a normal, expected size distribution is applied.

**Market price**

The market price assumption is significant for the valuation and even minor changes in the market price will significantly result in changes in the valuation. The methodology used for establishing the market price is explained in Note 3.4. If it is assumed that all fish as per December 2013 were of harvest size, a volatility in the price by +/- 5% and a change in the discount factor by +/- 1% would change the valuation positively/(negatively) by a minimum of € 6,74/ € (6,7) million.

The foreign exchange differences which results from the valuation of the biological assets of the foreign subsidiary companies amounts to € 1.785.992 which has been presented in the Raw Materials Consumption figure in the Income Statement.

The Group has insured against any form of risk all its biological assets at foreign reputable insurance companies. Any receivable regarding insurance indemnities are factored due to the pledge with the banks.

The pledged assets regarding the biological assets of fish population against loans obtained amount to € 93.856.479 as described in Note 43 below.

**27. Inventories**

The inventories of the Group and the Company are as follows:

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
Merchandise	1.625.721	1.737.623	1.589	191.241
Finished and semi-finished goods	3.048.803	2.348.625	2.970.142	2.214.537
Work in progress	108.914	134.590	108.914	134.590
Raw and auxiliary materials-Package materials	5.818.827	5.464.906	4.492.938	3.574.826
Consumables	130.237	143.276	84.565	88.968
Packing items	5.625	3.499	-	-
<b>Total</b>	<b>10.738.127</b>	<b>9.832.519</b>	<b>7.658.148</b>	<b>6.204.162</b>

The amount of inventories which was consumed during the year and included in consumables, amounts to € 107.432.939 for the Group and € 88.048.136 for the Company (2012: € 104.191.177 for the Group and € 85.421.692 for the Company).

For the assessment of the inventories Management takes into consideration the most reliable data available at the date of measurement.

The Group and Company perform impairment testing of its inventories on a continuous basis and as at 31/12/2013 no such indication was identified and thus deemed necessary.

**28. Trade and other receivables**

The trade and other receivables of the Group and the Company are as follows:

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
Trade receivables from third parties (Trade debtors)	36.936.102	35.440.464	30.577.636	33.610.119
Trade receivables from third parties (Notes)	3.517.360	4.988.284	1.549.788	1.498.080
Trade receivables from third parties (Cheques receivable)	23.225.318	25.270.444	14.744.191	16.145.726
Less: Provision for uncollectible receivables	(13.849.475)	(11.006.018)	(10.025.160)	(8.359.063)
<b>Total trade &amp; other receivables-net</b>	<b>49.829.305</b>	<b>54.693.174</b>	<b>36.846.455</b>	<b>42.894.862</b>

Under the scope of the Group's working capital requirements, the Group uses factoring services for its receivables in view of the immediate collection of domestic debtors. The factoring contracts signed regard collection of receivables with recourse.

The movement in the established provision for bad debts of trade receivables is presented below:

	<b>GROUP</b>		<b>COMPANY</b>	
Opening Balance 01/01/2013	11.006.019	10.369.018	8.359.063	7.859.063
Additions during the year (Note 14)	2.571.638	642.245	1.668.921	500.000
Reclassifications	292.694	-	-	-
Write-offs	(2.824)	-	(2.824)	-
Reversals (income from unused provisions) (Note 15)	(18.052)	(5.244)	-	-
<b>Closing Balance 31/12/2013</b>	<b>13.849.475</b>	<b>11.006.019</b>	<b>10.025.160</b>	<b>8.359.063</b>

With respect to the Group's receivables, an assessment of the impairment indicators has been performed. Receivables that have been impaired mainly relate to the Group's customers and debtors, who encounter financial difficulties.

The movement in the established, during the year, provision of the Group of an amount of € 2.843.456 relates to the additional provision of an amount of € 2.571.638, a reclassification of an amount of € 292.694 and a reversal of an amount of € 18.052 and write-off of an amount of € (2.824).

All of the above receivables are current and of a short-term maturity. The fair value of these current financial assets is not independently assessed given that their carrying value approximates their fair value, given that its collectibles is expected to occur within a time period where the effect of the time value of money is considered insignificant. There is no concentration of credit risk in relation to these customers given that the Group has a big number of customers and the credit risk is dispersed. The ageing of receivables is considered for the Group and Company are the following:

**2013**

GROUP						
	<30	30-60	60-90	90-180	Over 180	Total
<b>2013</b>	19.745.924	10.128.885	4.977.427	3.635.099	11.341.970	<b>49.829.305</b>

**2012**

GROUP						
	<30	30-60	60-90	90-180	Over 180	Total
<b>2012</b>	19.040.801	10.619.135	5.625.755	7.856.294	11.551.190	<b>54.693.174</b>

COMPANY						
	<30	30-60	60-90	90-180	Over 180	Total
<b>2012</b>	12.571.345	7.635.733	4.520.912	4.581.700	13.585.172	<b>42.894.862</b>

COMPANY						
	<30	30-60	60-90	90-180	Over 180	Total
<b>2013</b>	17.000.819	8.614.881	3.861.409	1.840.973	5.528.373	<b>36.846.455</b>

**29. Other current financial assets**

The other current financial assets of the Group and the Company are as follows:

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Sundry debtors	12.591.652	9.346.730	11.604.517	9.380.018
Receivables from Factoring	820.899	854.711	820.899	854.711
Receivable from the public sector	7.534.200	12.341.184	5.277.655	10.222.890
Other receivables	45.650	81.971	-	-
Bad debt receivables	213.257	43.889	30.000	30.000
Employee financial assistance	132.791	223.249	84.127	166.239
Less : Provision for bad debts	(10.626.812)	(3.932.306)	(7.926.789)	(2.002.238)
<b>Total</b>	<b>10.711.637</b>	<b>18.959.428</b>	<b>9.890.409</b>	<b>18.651.620</b>

All the above receivables are current (short-term maturity). The fair value of these current financial assets is not determined independently as the carrying value is considered that approximates their fair value given that its collectibility is expected to occur within a time period where the effect of the time value of money is considered insignificant.



The balance of other receivables includes the established provision which is presented below:

	<b>GROUP</b>		<b>COMPANY</b>	
Opening Balance 01/01/2013	3.932.606	3.297.570	2.002.238	2.002.238
Additions during the year (Note 14)	7.078.942	741.269	5.924.551	-
Reclassifications	(292.694)	-	-	-
Write-offs	-	(121.375)	-	-
Foreign Exchange differences	(92.041)	15.141	-	-
<b>Closing Balance 31/12/2013</b>	<b>10.626.812</b>	<b>3.932.605</b>	<b>7.926.789</b>	<b>2.002.238</b>

The movement in the established, during the year, provision of the Group of an amount of € 7.078.942 relates mainly to an additional provision established for a balance of the associate company Bluefin Tuna SA of € 4.859.235. This amount relates to a financial cost incurred by the Company during the process of its disengagement from the relevant investment and more analytically € 3.203.79 results from the activation of guarantees over some of its loans that were granted by NIREUS SA which have been paid, with additional funding that Nireus received from banks, as well as for credit lines of an amount € 1.163.720 and trade amount of an amount of € 491.724 (Note 12). Nireus after recording this undertaken financial cost has also recorded a receivable from this company and a simultaneous provision for its probable non collection as the financial condition of this entity is such that the collection of the amount is doubtful.

Furthermore, a provision was established for Bluewater Flatfish Farms of an amount of € 944.456 other bad debts of an amount of € 1.275.251.

### **30. Other current assets**

The other current assets of the Group and the Company are as follows:

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
Deferred expenses	383.590	576.038	318.723	400.691
Accrued income	2.384.720	2.286.695	2.084.530	1.838.768
Inventory-in-transit	-	31	-	31
Other prepayments and accrued income	1.033.458	77.790	1.025.190	70.306
<b>Total</b>	<b>3.801.768</b>	<b>2.940.554</b>	<b>3.428.443</b>	<b>2.309.796</b>

### **31. Financial assets at fair value through profit or loss**

The financial assets held for trading and the other financial assets recognised at their initial recognition at fair value through profit or loss is analysed here below as follows:



	<b>GROUP</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>
<b>Financial assets at fair value through profit or loss</b>		
Securities	-	100.000
<b>Total</b>	<b>-</b>	<b>100.000</b>

	<b>GROUP</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>
<i>Amounts in Euro</i>		
<b>Opening balance</b>	100.000	-
Additions	-	100.000
Changes in fair value	(100.000)	-
<b>Closing Balance</b>	<b>-</b>	<b>-</b>

The changes in fair value of these financial assets are included in the item "Finance income/costs" (Note 12.).

The fair value of the above equity instruments is based on their current market value, in the market in which these are traded.

### **32. Restricted Cash**

As at 31/12/2013 the Group and Company have restricted cash balances of an amount of € 5.524.563 (31/12/2012: € 4.856.835) which relates to the pledge against the firevictim loan (Note 43).

### **33. Cash and short-term deposits**

The cash and cash equivalents of the Group and the Company are as follows:

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
Cash on hand	70.576	54.022	54.581	45.463
Sight bank deposits	3.545.969	2.449.210	2.371.585	849.375
Time bank deposits	-	503.600	-	353.600
<b>Total</b>	<b>3.616.545</b>	<b>3.006.832</b>	<b>2.426.166</b>	<b>1.248.438</b>

The cash and cash equivalents represent cash and bank deposits available upon first call.

### **34. Equity**

#### **i) Issued Capital**

The share capital of the Company consists of common registered shares of € 1,34 par value. All shares grant equal rights concerning the receipt of dividends and the repayment of capital, and represent one voting right at the Shareholders' General Assembly of the Company. The shares of the Company are freely traded in the Athens Stock Exchange.



Amounts in Euro	GROUP					COMPANY				
	Number of shares	Share capital (ordinary shares)	Treasury shares	Share premium	Total	Number of shares	Share capital (ordinary shares)	Treasury shares	Share premium	Total
<b>Balance at 1 January 2012</b>	<b>63.631.645</b>	<b>85.266.404</b>	<b>(47.271)</b>	<b>36.232.678</b>	<b>121.451.811</b>	<b>63.631.645</b>	<b>85.266.404</b>	<b>(47.271)</b>	<b>36.232.678</b>	<b>121.451.811</b>
Share capital increase from the conversion of debentures	51.631	69.186	-	83.438	152.624	51.631	69.186	-	83.438	152.624
<b>Balance at 31 December 2012</b>	<b>63.683.276</b>	<b>85.335.590</b>	<b>(47.271)</b>	<b>36.316.116</b>	<b>121.604.435</b>	<b>63.683.276</b>	<b>85.335.590</b>	<b>(47.271)</b>	<b>36.316.116</b>	<b>121.604.435</b>
Share capital increase from the conversion of convertible bond loan	13.877	18.595	-	139	18.734	13.877	18.595	-	139	18.734
Effect from the change in the tax rate to 26%	-	-	-	6.617	6.617	-	-	-	6.617	6.617
Write-off of deferred tax on the convertible bond loan	-	-	-	(74.396)	(74.396)	-	-	-	(74.396)	(74.396)
<b>Balance at 31 December 2013</b>	<b>63.697.153</b>	<b>85.354.185</b>	<b>(47.271)</b>	<b>36.248.476</b>	<b>121.555.390</b>	<b>63.697.153</b>	<b>85.354.185</b>	<b>(47.271)</b>	<b>36.248.476</b>	<b>121.555.390</b>

During the current year and based on the decision of the Board of Directors dated 12.07.2013, the Company's share capital increased by an amount of € 18.595,18 and 13.877 new shares were issued from the conversion of 1.500 convertible bonds to shares at € 1,34 par value. As a result, the Company's share capital amounts to € 85.354.185,02 and is divided into 63.697.153 common registered shares of nominal value 1,34 each.

## ii) Fair value Revaluation Reserve

The analysis of fair value reserves is as follows:

Amounts in Euro	GROUP	COMPANY
<b>Balance at 1 January 2012</b>	<b>31.182.186</b>	<b>30.290.219</b>
Revaluation of assets	643.577	(9.518)
Sale of fixed assets measured at fair value	(4.071)	-
<b>Balance at 31 December 2012</b>	<b>31.821.693</b>	<b>30.280.701</b>
Sale of fixed assets measured at fair value	(18.978)	(18.784)
Effect from the change in the tax rate to 26%	(1.689.733)	(1.628.190)
<b>Balance at 31 December 2013</b>	<b>30.112.982</b>	<b>28.633.727</b>

## iii) Other reserves

Other reserves of the Company are as follows:

Amounts in Euro	GROUP						
	LEGAL RESERVE	UNDER SPECIAL LAW PROVISIONS	SHARE BASED PAYMENTS RESERVE	ACTUARIAL DIFFERENCES RESERVE	CONVERTIBLE BOND LOAN RESERVE	VARIOUS RESERVES	TOTAL OTHER CAPITAL RESERVES
<b>Balance at 1 January 2012, as initially presented</b>	<b>2.398.651</b>	<b>1.570.554</b>	<b>385.300</b>	<b>-</b>	<b>(330.713)</b>	<b>3.778.905</b>	<b>7.802.697</b>
Restated amounts due to change in accounting policy (Note 46)	-	-	-	(93.245)	-	-	(93.245)
<b>Balance 1/1/2012, restated</b>	<b>2.398.651</b>	<b>1.570.554</b>	<b>385.300</b>	<b>(93.245)</b>	<b>(330.713)</b>	<b>3.778.905</b>	<b>7.709.452</b>
Restated amounts due to change in accounting policy (Note 46)	-	-	-	483.436	-	-	483.436
Changes throughout the year arising from convertible Bond Loan	-	-	-	-	330.713	-	330.713
<b>Balance at 31 December 2012</b>	<b>2.411.055</b>	<b>1.570.554</b>	<b>385.300</b>	<b>390.191</b>	<b>-</b>	<b>3.822.172</b>	<b>8.579.272</b>
Transfer of stock option reserve	-	-	-	1.541	-	-	1.541
Movements during the period from distribution of profits	8.935	-	-	-	-	-	8.935
<b>Balance at 31 December 2013</b>	<b>2.419.990</b>	<b>1.570.554</b>	<b>385.300</b>	<b>391.732</b>	<b>-</b>	<b>3.822.172</b>	<b>8.589.748</b>



## COMPANY

Amounts in Euro

	LEGAL RESERVE	UNDER SPECIAL LAW PROVISIONS	SHARE BASED PAYMENTS RESERVE	ACTUARIAL DIFFERENCES RESERVE	RESERVE OF CONVERTIBLE BOND LOAN	VARIOUS RESERVES	TOTAL OTHER CAPITAL RESERVES
<b>Balance at 1 January 2012, as initially presented</b>	2.142.259	1.274.002	385.300	-	(330.713)	4.418.918	7.889.765
Restated amounts due to change in accounting policy (Note 30)				(66.879)			(66.879)
<b>Balance 1/1/2012, restated</b>	2.142.259	1.274.002	385.300	(66.879)	(330.713)	4.418.918	7.822.886
Restated amounts due to change in accounting policy (Note 30)	-	-	-	462.694	-	-	462.694
Changes throughout the year arising from convertible Bond Loan	-	-	-	-	330.713	-	330.713
<b>Balance at 31 December 2012</b>	2.142.259	1.274.002	385.300	395.815	-	4.418.918	8.616.293
Transfer of stock option reserve	-	-	-	-	-	-	-
Movements during the period from distribution of profits	-	-	-	-	-	-	-
<b>Balance at 31 December 2013</b>	2.142.259	1.274.002	385.300	427.553	-	4.418.918	8.648.031

The actuarial differences reserve presents the actuarial gains and losses which result from the actuarial valuations which are performed for the purpose of assessment of employee benefits. Beginning from January 1 2013, the Group has adopted the revised IAS 19, based on which the actuarial gains and losses are recognized in the Statement of Comprehensive Income, thus resulting in the reclassification of an amount of € 390.191 (2012: € 483.436, 2011: € (93.245)) and € 395.815 (2012: € 462.694, 2011: € (66.879)) for the Group and Company respectively, from Retained Earnings, to the actuarial differences reserve in Equity.

Based on the new tax provisions of Article 72, paragraph 12 of L.4172 there is an obligation regarding the netting of the Company's untaxed reserves of an amount to € 70 thousand with the carried forward, from prior year, losses.

During the current year actuarial losses recognized during the year amounted to € (7.049) for the Group and actuarial gains of € 31.738, reduced by deferred tax, for the Company.

### 35. Interest Bearing loans and Borrowings

The non-current and current borrowings are as follows:

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
<b>Non-current borrowings</b>				
Bank borrowings	170.504.677	167.952.603	149.793.022	147.250.579
Less: Borrowings payable in following year (Loans)	(132.200.626)	(82.567.285)	(111.488.971)	(80.393.845)
<b>Total non-current borrowings</b>	<b>38.304.051</b>	<b>85.385.318</b>	<b>38.304.051</b>	<b>66.856.734</b>
<b>Liabilities payable in following year</b>				
Liabilities payable in following year (Loans)	132.200.626	82.567.285	111.488.971	80.393.845
<b>Total liabilities payable in following year</b>	<b>132.200.626</b>	<b>82.567.285</b>	<b>111.488.971</b>	<b>80.393.845</b>
<b>Short-term loans</b>				
Bank borrowings	61.343.499	56.356.993	55.629.064	49.714.240
<b>Total short-term loans</b>	<b>61.343.499</b>	<b>56.356.993</b>	<b>55.629.064</b>	<b>49.714.240</b>
<b>Total loans</b>	<b>231.848.176</b>	<b>224.309.596</b>	<b>205.422.086</b>	<b>196.964.819</b>

Maturity dates of non-current borrowings are analysed below:



<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
Between 1 and 2 years	6.094.913	12.382.617	6.094.913	9.135.939
Between 2 and 5 years	19.627.423	48.096.983	19.627.423	38.356.944
Over 5 years	12.581.715	24.905.718	12.581.715	19.363.851
	<b>38.304.051</b>	<b>85.385.318</b>	<b>38.304.051</b>	<b>66.856.734</b>

The actual weighted average borrowing rate of the Group is as follows:

	<b>31/12/2013</b>	<b>31/12/2012</b>
	<b>€</b>	<b>€</b>
Bank borrowings (current)	6,96%	7,64%
Bank borrowings (non-current)	3,97%	4,06%

The major long-term loans of the Group and that of the Company as at 31 December 2013 are summarized as follows:

**Bond Loan of € 90 million:** As at 28 January 2008, the Company signed a bond loan contract of a total amount of € 90 million with a joint venture with banks and a Euribor interest rate plus a margin which fluctuates according to the financial indicators which are specified in the contract. The purpose of the loan was the refinancing of the previous loan borrowings. The full repayment of the loan is stated to be a portion at the beginning of 2015 in 10 six-month instalments from which the first 9 will be of an equivalent amount for the repayment of 50% of the loan and the last instalment will be paid at the expiration date of the loan for the remaining 50% of the total amount of the loan. The basic interest rate will be based on the corresponding Euribor plus a profit margin of 4%.

**Convertible Bond loan € 20,0 million:** On July 11 2007 the Company signed the contract of a convertible bond loan with a duration of 5 years to be fully repaid on July 2012. As at September 29, 2012 an agreement was signed between the bondholders with respect to the extension of the loan agreement. Based on the new contract the following were agreed upon:

- Extension of the loan balance for an additional 3 years and until July 2015
- Euribor interest rate of +5%
- Repayment in 4 six month installments of € 1.500.000 and a final payment of € 17.916.743,74
- Adjustment of the conversion ratio to 9,25
- Change in the loan term ratios

**Bond loan € 5 million:** On May 30, 2005 the company signed a joint venture agreement of 13 year duration to be fully repaid at the end of 2021, via 27 six-month instalments with the first instalment paid on 23 November 2008. The basic interest rate will be based on the corresponding Euribor plus a profit margin of 1%.

**Long-term loan € 25 million:** On February 14 2008, the Company signed a long-term contract based on decision Number 36579/ B.1666 (FEK 1740 30.8.2007) on fire victims, of an 8 year duration and with 16 six month capital instalments € 1,5



million each, to be fully repaid at the end of 2019. In accordance with the FEK No. 1346-25.04.2012, the loan instalments of the financial year of 2012 will be transferred for repayment along with the final loan instalments. The basic interest rate is set in accordance with the interest rate of the Interest bearing Bills of the Greek State increased by 70%, that which is subsidized by 50% from the Greek State.

**Long-term loan € 24,9 million:** During the merger with KEGO AGRI, the Company undertook the liability a long-term contract based on the decision Number 36579/ B.1666 (FEK 1740 30.8.2007) on fire victims, of the of an 8 year duration loan with 16 equivalent six month capital instalments. The date of commencement of repayment was determined to be September 30 2012 and the date of full repayment is at the end of 2019, after a two year postponement which was granted in 2010, to be fully repaid at the end of 2019. In accordance with the FEK No. 1346-25.04.2012, the loan instalments of the financial year of 2012 will be transferred for repayment along with the final loan instalments. The basic interest rate is set in accordance with the interest rate of the Interest bearing Bills of the Greek State increased by 70%, that which is subsidized by 50% from the Greek State.

**Syndicate loan € 4 million:** On the 25th of October 2005 the company SEAFARM IONIAN SA signed a joint venture contract of an amount of € 4 million as working capital, with Nireus being a guarantor. The repayment of the loan will be in 27 instalments, the first being payable in 24 months and the last in 180 days following the day of repayment of the loan. The basic interest rate will be based on the six month Euribor plus a profit margin of 1%.

In comparison with the financial statements as at 30.06.2013 a reclassification was made regarding a portion of the long-term loan of € 71,1 million from long-term liabilities to short-term liabilities-amounts payable with the following year. As at 31.12.2013 the Company had not received an explicit approval from the bond loan holders as regards the deferral of the outstanding instalments of € 15 million. The likelihood that the loan will be called in due to non-payment of the instalments is remote as explicitly referred to in Note 2.2.

The balance of the long-term loans as well as unpaid capital and interest is analysed as follows:

**Bond Loan of an initial amount of € 90 million of “NIRUES SA”**

From the bond loan of € 90 million with an outstanding balance of as at 31.12.2013 of an amount of € 71,1 million, overdue capital instalments of € 15 million and interest of € 1,1 million, have not been paid as at year end.

**Convertible Bond loan of an initial of “Nireus SA”:**

The outstanding balance of the convertible bond loan as at 31.12.2013 amounts to € 22,4. There are no overdue unpaid capital and interest instalments for the above loan. Based on the resolution of the Meeting of the Bondholders of 24/3/2014 the repayment of the instalments and interest as of January 2014 were postponed to 30/6/2014.

**Bond loan of an initial amount of € 5 million of “Nireus SA”:**

From the bond loan of € 5 million with an outstanding balance of as at 31.12.2013 of an amount of € 3,4 million there are overdue capital instalments of € 0,4 million and interest of € 0,02 million have not yet been paid.

**“Fire victim” loan of an initial amount of € 25 million of “Nireus SA”:**

From the fire victim loan of € 25 million and with a balance as at 31.12.2013 of an amount of € 26,7 million (interest of an amount of € 1,7 million included )overdue capital instalments of € 3,1 million and interest of € 1,7 million have not yet been paid. However the loan is considered to be callable immediately upon demand as the contract stipulates that non-payment of three (3) consecutive instalments, with due interest, force the loan due and payable.

**“Fire victim” loan of an initial amount of € 24,9 million of “Nireus SA”:**

From the fire victim loan of € 24,9 million and with a balance as at 31.12.2013 of an amount of € 26,0 million (interest of an amount of € 1,2 million included) overdue capital instalments of € 2,6 million and interest of € 1,2 million have not yet been paid. However the loan is considered to be callable immediately upon demand as the contract stipulates that non-payment of three (3) consecutive instalments, with due interest, force the loan due and payable.

**Loans of SEA FARM IONIAN**

With respect to the loans of SEA FARM IONIAN as regulated by Article 44 an amount of € 21 million, there are overdue capital instalments of an amount of € 2,2 million

From the contract of the above mentioned described loans of the Company an obligation results for the Group and Company to comply with specific financial ratios other terms. It should be noted that at the end of the period 31.12.2013, the Group and Company did not comply with certain loan covenants and terms which are specified in the existing loan contracts. It should be noted that a decision was taken in the General Meeting of Bondholders held on 24/3/2014 as regards the convertible bond loan, that a waiver be granted up to 30/6/2014.

The Group and Company are under negotiations with the lending banks with respect to the restructuring of the loan payments which is under communication on specific indicative terms for the 2014. There is a stated willingness on both sides that the agreement be completed.

The existing pledged assets as these arise from the loan borrowing contracts of the Group and the Company are analysed in Note 43.

**36. Government Grants**

The analysis of Grants of the Group and the Company is as follows:

<b>Government Grants</b>		
<i>Amounts in Euro</i>	<b>GROUP</b>	<b>COMPANY</b>
<b>Balance at 1 January 2012</b>	<b>6.542.601</b>	<b>5.515.816</b>
Recognised in the income statement (Note 15)	(765.022)	(628.727)
<b>Balance at 31 December 2012</b>	<b>5.777.579</b>	<b>4.887.089</b>
Recognised in the income statement (Note 15)	(553.196)	(420.677)
<b>Balance at 31 December 2013</b>	<b>5.224.383</b>	<b>4.466.412</b>

**37. Other non-current liabilities**

The analysis of other non-current liabilities, of the Group and the Company, is as follows:

*Amounts in Euro*

	<b>GROUP</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>
Non-current liabilities based on article 44 L.1892/90	2.191.160	2.611.912
<b>Total</b>	<b>2.191.160</b>	<b>2.611.912</b>

Other non-current liabilities, relating to long-term liabilities at 31/12/2013 relating to the Group result from liabilities of the Group “SEAFARM IONIAN SA” which is subject to article 44 of L. 1892/90. Further analysis of ageing of liabilities is presented in Note 6.

**38. Provisions**

The analysis of provisions for the Group and the Company is as follows:

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
Provisions in relation to court litigation	52.000	117.346	-	-
Other provisions	2.532.040	574.759	708.273	455.826
Provision for unaudited tax years	90.000	90.000	-	-
<b>Total</b>	<b>2.674.040</b>	<b>782.105</b>	<b>708.273</b>	<b>455.826</b>

The movement in the provision during the year is presented below:

	<b>GROUP</b>							
	<b>31/12/2013</b>				<b>31/12/2012</b>			
	Provisions in relation to court litigation	Other provisions	Provision for unaudited tax years	TOTAL	Provisions in relation to court litigation	Other provisions	Provision for unaudited tax years	TOTAL
Beginning Balance	117.346	574.759	90.000	782.105	117.346	441.522	90.000	648.868
Additions during the year	-	1.966.846	-	1.966.846	-	148.106	-	148.106
Write-off of provisions	(65.346)	(3.702)	-	(69.048)	-	(14.430)	-	(14.430)
Foreign exchange differences	-	(5.863)	-	(5.863)	-	(439)	-	(439)
<b>Ending Balance</b>	<b>52.000</b>	<b>2.532.040</b>	<b>90.000</b>	<b>2.674.040</b>	<b>117.346</b>	<b>574.759</b>	<b>90.000</b>	<b>782.105</b>

	<b>COMPANY</b>							
	<b>31/12/2013</b>				<b>31/12/2012</b>			
	Provisions in relation to court litigation	Other provisions	Provision for unaudited tax years	TOTAL	Provisions in relation to court litigation	Other provisions	Provision for unaudited tax years	TOTAL
Beginning Balance	-	455.826	-	455.826	-	336.909	-	336.909
Additions during the year	-	252.447	-	252.447	-	118.917	-	118.917
Write-off of provisions	-	-	-	-	-	-	-	-
<b>Ending Balance</b>	<b>-</b>	<b>708.273</b>	<b>-</b>	<b>708.273</b>	<b>-</b>	<b>455.826</b>	<b>-</b>	<b>455.826</b>

**Provisions in relation to court litigation**

The balance of the provision as at 31.12.2013 relates to the subsidiary company Sea Farm Ionian of an amount of € 52.000 for which cases either no final decision has been issued or a decision has been issued from the multi-member first instance court has been appealed.

**Other provisions**

Other provisions for the Group of an amount of € 2.532.040 (2012: € 574.759) and for the Company of an amount of € 708.273 (2012: € 455.825) relate to the provision for unpaid employees leave of an amount of € 757.344 and € 608.273 for the Group and Company, a provision for forfeiture of guarantee of the associate company Aqua Terrair of the subsidiary company SEAFARM IONIAN an amount of € 1.674.696, in addition to an amount of € 100.000 which regards a provision for penalties and surcharges on the settlement of insurance contributions for the company.

**Provision for unaudited tax years**

The amount of € 90.000 relates to the provision for unaudited open tax years of the subsidiary companies of the Group.

**39. Trade and other payables**

The analysis of the balances of trade and other payables of the Group and the Company, are as follows:

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
Trade payables	39.239.332	36.116.654	35.309.827	32.039.625
Cheques payable	20.297.060	23.855.462	17.335.716	19.934.769
Promissory notes	113.454	437.074	-	-
Notes payable	1.583.157	2.129.135	-	-
<b>Total</b>	<b>61.233.003</b>	<b>62.538.325</b>	<b>52.645.543</b>	<b>51.974.394</b>

The carrying values that are recognised in the balance sheet reasonably approach their fair values.

The main overdue supplier's balances of as at 31.12.2013 amount are the following:

<b>Supplier</b>	<b>Overdue Amount 31.12.2013 Euro ('000)</b>
Norsildmel Innovation A/S	7.801
Akaport SA	2.994
Hordafor	671
Elbe (Tate & Lyle)	677
Gordini	570
Roquette Italia Spa	170
Agridient	66
Inproquisa	103
Aviagen UK Ltd	321
<b>Total</b>	<b>13.373</b>

**40. Derivative Financial Instruments**

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
CAP contracts with or without knock out barrier-Cash flow hedging	195.928	306.000	195.928	306.000
Interest Derivative	(2.790.360)	(3.209.000)	(2.790.360)	(3.209.000)
<b>Derivative financial instruments (assets)</b>	<b>(2.594.432)</b>	<b>(2.903.000)</b>	<b>(2.594.432)</b>	<b>(2.903.000)</b>

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
<b>Opening balance</b>	<b>(2.903.000)</b>	<b>(2.602.000)</b>	<b>(2.903.000)</b>	<b>(2.602.000)</b>
Changes in fair value	308.568	(301.000)	308.568	(301.000)
<b>Total</b>	<b>(2.594.432)</b>	<b>(2.903.000)</b>	<b>(2.594.432)</b>	<b>(2.903.000)</b>

During 2013, the Company recorded the derivative financial instrument which had been signed with Millenium Bank in March 2011 with effective date January 2013 and relevant premium that was agreed to be paid to Millenium Bank in quarterly instalments from 2013 until 2019. Upon its initial recognition, the fair value of the derivative asset was € 3 million and the fair value of the liability relating to the premium was also (€2,8) million. However, by the end of 2011, the fair value of the derivative asset decreased to € 2,7 million and therefore, the values that should have been recorded in the statement of financial position of 2011 were 457 thousands and (€ 3) million for the derivative asset and the premium respectively. The decrease in the fair value of the derivative should have been recorded in the Income Statement of 2011 by an amount of € 2,6 million plus relevant deferred tax effect.

During the year, the derivative financial instrument was revalued at fair value and a loss on measurement was recognized of an amount of € 308.568 (Note 12).

**41. Other current financial liabilities**

The analysis of other current liabilities is as follows:

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
Wages and salaries payable	2.414.001	1.401.546	1.924.729	1.089.226
Dividends	164.177	130.318	91.294	91.294
Social security	4.309.030	3.418.765	3.913.489	2.998.817
Taxes - duties	1.323.274	1.013.114	844.822	448.665
Accrued expenses	2.714.480	3.577.316	2.525.109	3.517.136
Sundry creditors - Prepayments	5.985.786	5.549.872	6.034.896	5.143.159
<b>Total</b>	<b>16.910.748</b>	<b>15.090.931</b>	<b>15.334.339</b>	<b>13.288.297</b>



## **42. Contingent Assets & Contingent Liabilities and un-audited fiscal years by the tax authorities-Commitments**

The Company and the Group have contingent liabilities and assets with respect to Banks, other guarantees and other securities-pledged assets, as presented in Note 43: “Assets pledged as Security” arising in the ordinary course of business, as following:

### **Guarantees**

The Group’s contingent liabilities for the year amounted to € 26.497.911 from which an amount of € 24.217.508 relate to the Company’s guarantees towards its associates and subsidiaries. The Group has valued its guarantees at an amount of € 23.323.216 given that it has proceeded in establishing a provision for guarantees in its affiliates Aqua Terrair and Blue Fin Tuna. The company has valued its guarantees to an amount of € 22.717.508 given that the Company has established a provision for contingent liabilities which results from its associate companies BlueFin Tuna SA (Note 12). The contingent assets for the year amount to € 1.056.285 for the Group and to the amount of € 695.425 for the Company.

No significant charges are expected to result from the contingent liability. No additional payments are expected to arise following the preparation of the financial statements.

### **Information in respect of contingent liabilities from sea-area operating leases.**

At 31 December 2013, certain companies of the Group have leased sea- areas under operating lease agreement. The future minimum lease payments payable under the lease terms are as follows:

#### **Sea Areas**

*Amounts in Euro*

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
No later than 1 year	221.383	278.076	133.477	129.082
Later than 1 year and no later than 5 years	817.210	554.643	442.075	194.231
Later than 5 years	463.430	548.741	194.999	133.616
	<b>1.502.023</b>	<b>1.381.460</b>	<b>770.551</b>	<b>456.929</b>

There are no other claims or litigations to national or arbitrary courts that may have a material effect on the financial position or operations of the Group, apart from those referred to in Note 38 and for which the Company has established a corresponding provision.

### **Shareholders agreement between Nireus-SeaFarm Ionian and Creditors**

For under the date April 27, 2005 between the Nireus Aquaculture SA and its shareholders SEAFARM IONIAN ( Banks - Creditors ) and by agreement between the SEAFARM IONIAN SA and bank creditors on NIREFS SA after expiry 10 year



until the end of the 15th year of the payment of the share capital of SEAFARM IONIAN entitled to buy ( preemptive right ) from the banks - creditors total stake to 30 % of its total shares SEA FARM IONIAN price redemption € 1.00 plus interest. Failure to exercise or partial exercise of a right, obligation to buy exclusively from the banks at the end of the 15th year of the increase , the remaining shares until the completion of 31,80 % of the total shares of SEAFARM IONIAN.

## **Tax obligations**

The unaudited tax years for the Group are presented in Note 16 “Income taxes”.

For the year 2013 the company and its subsidiary companies are in the process of issuing the tax certificate based on the provisions of paragraph 5 of article 82 of L.2238/1994.

## **43. Assets pledged as Security**

During 31/12/2013 the encumbrances and liens on pledged property plant and equipment of the Company amounted to € 143.397.638 and on the Group’s assets the liens amounted to € 152.851.883, the analysis of which is presented below:

1. The following mortgages have been registered for the fixed assets of the parent company “NIREUS AQUACULTURE SA”:

(a) First class mortgages, have been registered of an amount of € 10.000.000 in favour of the Greek State, to secure the issuance of a loan an amount of € 25.000.000 from the Bank of Piraeus, under the framework of favourable regulations for the fire victims, the balance of which amounted as at 31/12/2013 to € 26.723.219,15.

(b) First class mortgages, of an amount of € 15.000.000, have been registered in favour of the Alpha Bank as a representative of the bond loaners, to secure the bond loan of an amount of € 90.000.000, the balance of which amounted as at 31/12/2013 to € 71.034.414,83.

(c) A first class mortgage has been registered of an amount of € 6.240.000 in favour of the Alpha Bank as a representative of the bond loaners, to secure the bond loan of an amount of € 90.000.000, the balance of which as at 31/12/2013 amounted to € 71.034.414,83.

(d) Mortgages of an amount of € 7.000.000 in favour of the Greek State for the securing of the bond loan of an amount of Euro 26.026.793,27 from the National Bank of Greece, under the framework of favourable regulations for the fire victims, the balance of which as at 31/12/2013 amounted to € 26.026.793,27.

(e) An underwriting of a mortgage of an amount of € 264.123 in favour of EUROBANK has been registered.

2. An underwriting of a mortgage from the National Bank of Greece of an amount of € 2.000.000 has been registered on the land of the consolidated subsidiary company “KEGO AGRI S.A” to secure the long-term loan of the parent company “NIREUS AQUACULTURE S.A”.

3. On the land of the consolidated subsidiary “SEAFARM IONIAN S.A”, the following mortgages have been registered:

(a) An underwriting of a mortgage of an amount of € 200.000, to secure the loan from Attikis Bank S.A, the balance of which as at 31/12/2013 amounted to € 118.339,64.

(b) A Mortgage has been registered of an amount of € 100.000 and underwritings of € 230.000 in favour of “AGROINVEST S.A”.

(c) An underwriting of a mortgage of an amount of € 381.511 to secure a loan from the Bank of Piraeus, the balance of which amounted as at 31/12/2013 to € 576.496,34.



(d) An underwriting of a mortgage of an amount of € 296.404,98 has been registered to secure the loan from the National Bank of Greece, the balance of which as at 31/12/2013 amounted to € 1.363.933,93.

(e) Mortgages have been registered of an amount of € 3.283.364 to secure the loan from the Bank of Piraeus, the balance of which as at 31/12/2013 amounted to € 328.994,81. It should be mentioned that the referred to balance will be paid in 20 equivalent semi-annual interest and capital instalments of an amount of € 16.449 each, in accordance with the regulation of article 44 by which the company has guaranteed the payment of the abovementioned amount.

4. In addition the following pledges have been underwritten for certain loans:

- On the loan referred to in (1a) Contracts related to fish population of an amount of € 11.556.000 have been pledged in favor of the Piraeus Bank
- On the loan referred to in (1b) Contracts related to fish population and floating installations owed by “NIREUS AQUACULTURE S.A” of an amount of € 68.504.180 have been secured.
- On the loan referred to in (1d) Insurance contracts which cover products, raw materials and loss of income of a total amount of € 10.000.000. In respect of the same loan, bank deposits of an amount of € 4.000.000 have been restricted as at 31/12/2013.
- There is a pledge of fish population of an amount of € 5.500.000 in favour of Eurobank for a loan of € 2.850.000
- There is a pledge of fish population of an amount of € 2.000.000 in favour of the Bank of Piraeus for a loan of € 1.898.306
- On the balance of the syndicated loan of the Subsidiary company Sea Farm Ionian SA (balance as at 31/12/2013 an amount of € 2.962.964) a pledge of fish population of the subsidiary company ILKNAK SA exists (as at 31/12/2013 of an amount of € 2.962.964).
- There is a pledge of fish population of an amount of € 3.357.887,66 on the Company’s bond loan of € 5.000.000 which as at 31/12/2013 has a balance of € 3.333.335.

Apart from the above, there are no other pledged assets or liens on property plant and equipment of the Group and Company.

#### **44. Related party disclosures**

##### **Related party transactions**

The company’s purchases and sales, cumulatively from the beginning of the current year as well as the balance of receivables and payables of the company that have resulted from the transactions with related parties at the end of the current year are as follows:

<b><u>Sales of goods and services</u></b>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
Subsidiaries	-	-	4.276.499	3.946.328
Associates	108.414	105.013	104.808	105.013
<b>Total</b>	<b>108.414</b>	<b>105.013</b>	<b>4.381.307</b>	<b>4.051.342</b>

**Other income**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
Subsidiaries	-	-	61.794	47.130
Associates		19.625	-	-
<b>Total</b>	<b>-</b>	<b>19.625</b>	<b>61.794</b>	<b>47.130</b>

**Purchases of goods and services**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
Subsidiaries	-	-	13.233.784	13.638.923
Associates	108.414	124.639	3.606	-
Directors and key management	100.190	65.040	86.690	65.040
<b>Total</b>	<b>208.604</b>	<b>189.679</b>	<b>13.324.080</b>	<b>13.703.963</b>

**Sales of property, plant and equipment**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
Subsidiaries	-	-	-	34.756
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34.756</b>

**Purchases of property, plant and equipment**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
Subsidiaries	-	-	1.726.447	1.413.690
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1.726.447</b>	<b>1.413.690</b>

**Fees to Directors and compensation**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
Directors and key management	1.849.465	2.360.664	1.238.176	1.347.354
<b>Total</b>	<b>1.849.465</b>	<b>2.360.664</b>	<b>1.238.176</b>	<b>1.347.354</b>

**Period-end balances arising from Fees to Directors and compensation**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
Directors and key management	350.453	234.256	213.139	188.633
<b>Total</b>	<b>350.453</b>	<b>234.256</b>	<b>213.139</b>	<b>188.633</b>

**Period-end balances arising from purchases of goods and services**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
Directors and key management	32.285	5.583	23.015	5.583
<b>Total</b>	<b>32.285</b>	<b>5.583</b>	<b>23.015</b>	<b>5.583</b>

**Receivables**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
Subsidiaries	-	-	6.983.218	12.687.933
Associates	4.763.606	1.727.350	4.763.606	1.566.897
<b>Total</b>	<b>4.763.606</b>	<b>1.727.350</b>	<b>11.746.824</b>	<b>14.254.830</b>

**Payables**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
Subsidiaries	-	-	4.368.295	3.052.683
Associates	4.763.606	1.727.350	-	-
<b>Total</b>	<b>4.763.606</b>	<b>1.727.350</b>	<b>4.368.295</b>	<b>3.052.683</b>

**Transactions with major Directors**

The fees of the members of the Board of Directors for the year 2013 and 2012 are as follows:

**Transactions and compensation to Directors and key management**

*Amounts in Euro*

Salaries, employment benefits and other compensation to Directors  
Salaries and other employment benefits to key management  
Compensation to Directors approved by A.G.M.

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
Salaries, employment benefits and other compensation to Directors	962.924	936.341	849.506	843.675
Salaries and other employment benefits to key management	569.702	664.236	323.538	349.940
Compensation to Directors approved by A.G.M.	417.030	825.127	151.822	218.779
	<b>1.949.655</b>	<b>2.425.704</b>	<b>1.324.866</b>	<b>1.412.394</b>

**Payables to Directors and key management**

*Amounts in Euro*

Payables for salaries, employment benefits and other compensation  
Payables for Directors compensation approved by A.G.M.  
Pension and other post-employment benefit obligations

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
Payables for salaries, employment benefits and other compensation	158.824	29.427	40.420	15.426
Payables for Directors compensation approved by A.G.M.	83.631	78.642	61.261	42.002
Pension and other post-employment benefit obligations	140.283	131.769	134.473	136.787
	<b>382.738</b>	<b>239.838</b>	<b>236.154</b>	<b>194.215</b>

For the insured biological assets, as well as for the insurance of fixed assets of the Group, the company EUROMARE BROKER SA, a company 100% owned by Mr. Aristides Belles, acts as a mediation center following the approval by the Annual General Meeting of NIREUS SA 2010.

**45. Presentation of financial assets and liabilities per category**

**Financial Assets and Liabilities:** The following tables present a comparison between the cost and fair value amounts per category of financial instruments which are presented in the consolidated and stand alone financial statements.

	<b>GROUP</b>			<b>Hierarchy of Fair Value</b>
	<b>FAIR VALUE</b>			
	<b>31/12/2013</b>	<b>31/12/2012</b>	<b>31/12/2011</b>	
<b>Financial Assets</b>				
Derivative financial instruments	195.928	306.000	457.000	Level 2
Financial assets at fair value through profit or loss	-	100.000	-	Level 2
<b>Long-term borrowing liabilities</b>				
Derivative financial instruments	2.790.360	3.209.000	3.059.000	Level 2
Long-term borrowing liabilities	38.304.051	85.385.318	65.417.096	Level 2
Short-term borrowings	61.343.499	56.356.993	71.755.767	Level 2
Liabilities payable within the following year	16.910.748	15.090.931	12.538.055	Level 2
<b>Contingent Liabilities</b>				
Guarantees	24.823.215	27.997.022	26.650.562	



	COMPANY			Hierarchy of Fair Value
	FAIR VALUE			
	31/12/2013	31/12/2012	31/12/2011	
<b>Financial Assets</b>				
Derivative financial instruments	195.928	306.000	457.000	Level 2
Financial assets at fair value through profit or loss	-	-	-	-
<b>Long-term borrowing liabilities</b>				
Derivative financial instruments	2.790.360	3.209.000	3.059.000	Level 2
Long-term borrowing liabilities	38.304.051	66.856.734	44.715.072	Level 2
Short-term borrowings	55.629.064	49.714.240	63.412.588	Level 2
Liabilities payable within the following year	15.334.339	13.288.297	9.992.656	Level 2
<b>Contingent Liabilities</b>				
Guarantees	22.717.508	27.290.562	26.650.562	

The Group uses the following hierarchy for the determination of the fair value of its financial assets and liabilities per valuation method.

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

During the year there were no reclassifications between the level of hierarchies.

#### 46. Fair value Measurement

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities

ASSETS MEASURED AT FAIR VALUE ARE DISCLOSED	NOTE	DATE OF VALUATION	AMOUNT	LEVEL 1	LEVEL 2	LEVEL 3
Buildings, Land, Mechanical Equipment & technical installations, Floating means	18	31 December 2010	65.648.290	-	-	√
Investment Property	19	31 December 2013	3.847.339	-	-	√
Biological assets-non-current	26	31 December 2013	70.064.389	-	-	√
Biological assets-current	26	31 December 2013	100.087.016	-	√	-
				-		
				-		
<b>LIABILITIES MEASURED AT FAIR VALUE ARE DISCLOSED</b>						
Long-term loan borrowings	35	31 December 2013	38.304.051	-	√	-
Short-term loan borrowings	35	31 December 2013	61.343.499	-	√	-
Derivative financial instruments	40	31 December 2013	2.790.360	-	√	-
Current portion of long-term financial liabilities	35	31 December 2013	132.200.626	-	√	-

The fair value of buildings, land and machinery, technical installations and floating means for the Group and the Company are measured at fair value Level 3 by independent valuers. Estimates of fair value are made at regular intervals in order to ensure that the fair value does not significantly differ from the book value (Note 18).



The fair value of investment property is measured at level 3 for the Group and the Company by independent valuers. During the year revaluation at fair value was made based on current market conditions (Note 19).

The fair value of financial assets and liabilities consist of the amount at which the instrument could be negotiated in a current transaction between willing parties, other than in forced or liquidation sale.

Derivative financial instruments Level 2 consist of interest rate financial instruments. The Group and the Company use a variety of methods and make assumptions that are based on market conditions existing at each balance sheet date. The interest rate instruments are measured at fair value using forward rates derived from observable yield curves (Note 40). The long-term and short-term debt level 2 assessed by the Group and the Company on the basis of parameters such as interest rates, specific country risk factors, the current prices as at the date of the financial statements. For long-term debt values determined by the market are used (Note 35).

Biological assets are measured as follows: (i) Live fish (mature fish) are measured to net market value. Effective markets for sale of fish of the Mediterranean sea do not exist so the valuation of live fish under IAS 41 and IFRS 13 implies establishment of an estimated fair value of the mature fish in a hypothetical market and based on the hierarchy of fair value level 2. (ii) as regards the immature fish defined as level 2, biomass is measured at fair value less cost to sell, including a proportionate expected gross profit at harvest.

The valuation reflects the current location and condition of the fish, expected quality grading and size distribution. Broodstock is valued at cost less any potential impairment losses. The valuation is completed for each business unit and is based on biomass in sea for each sea water site and the estimated market price in each market derived from the development in contract, if such cases exist, as well as spot prices (Note 26).

#### **47. Reclassifications/ Adjustments**

The Group and Company have adopted the revised standard IAS 19 (Employee Benefits), which standard has resulted in changes in the statement of financial position and in the statements of changes in equity in the interim financial statements. In accordance with IAS 8 “Accounting Policies Changes in Accounting Estimates and Errors”, such a change has a retrospective application resulting in a restatement of prior period balances where applicable in the interim financial statement. As a result cumulative actuarial gains for years 2011 and 2012 of an amount of € 390.191 as at 1.1.2013 for the Group (1.1.2012: actuarial losses € 93.245 and gains of € 483.436 for the year 2012) and of an amount of € 395.815 for the Company (1.1.2012: actuarial losses € 66.879 and gains of € 462.696 for the year 2012) have been reclassified from Retained Earnings to Other Comprehensive Income through the Actuarial differences reserve in Equity. (Note 34 Equity). Further analysis on the impact on the financial statements is presented in Note 4 “Changes in accounting policies”.

During 2013, the Company recorded the derivative financial instrument which had been signed with Millenium Bank in March 2011 with effective date January 2013 and relevant premium that was agreed to be paid to Millenium Bank in quarterly instalments from 2013 until 2019. Upon its initial recognition, the fair value of the derivative asset was € 3 million and the fair value of the liability relating to the premium was also (€2,8) million. However, by the end of 2011, the fair



value of the derivative asset decreased to € 2,7 million and therefore, the values that should have been recorded in the statement of financial position of 2011 were 457 thousands and (€ 3) million for the derivative asset and the premium respectively. The decrease in the fair value of the derivative should have been recorded in the Income Statement of 2011 by an amount of € 2,6 million plus relevant deferred tax effect.

The financial statements of 2012 have been restated to correct this error. The 2012 opening retained earnings should have been € 2,6 million lower and the impact of 2012 Income Statement is € 25 thousand which relates to the further decrease in the value of the derivative plus relevant deferred tax. Accordingly, the 2012 statement of financial position should include a derivative asset amounting to € 300 thousand and a liability of (€ 3,2) million. The effect of the restatement on those financial statements is summarised below.

Amounts in (“000”) Euro

Date	Financial Assets	Financial Liabilities	Effect on the results of the period	Effect on Net Equity
18/3/2011	3.030	(2.837)	193	193
31/12/2011	457	(3.059)	(2.796)	(2.602)
30/9/2012	267	(3.145)	(275)	(2.878)
31/12/2012	306	(3.209)	(25)	(2.903)

The effect of the correction of the error on basic earnings/(losses) per share for the year 2012 is immaterial.

#### **48. Events after the reporting period**

##### **A. Notice of Resolutions of the General Meeting of the Bondholders of the convertible bond loan of 24 February 2014 and March 24 2014**

1. The General Meeting resolved to postpone the payment of the instalment due on 13 January to 30 June 2014.
2. The immediate use of any collateral / securitization to secure the rights of the Bondholders of the Loan, as requested by Bondholders was not approved.
3. The different treatment of the minority bondholders in connection with their repayment, as per their request (indicatively their early repayment, redemption of their participation in the Loan) was not approved.
4. A specific **proposal was submitted for the change in the conversion price from €1,35 to € 0,30**, from the Bondholders representing 2,71% of the outstanding balance of the loan, which must be approved by the approval authorities of the Bank Bondholders who see the examination of the request in a positive perspective. Under this context, the Company is committed to assign the valuation of the Group to an independent firm.
5. It was decided upon that the Loan not be defaulted and that a waiver be provided until 30.06.2014



## B. Pledge on Fish Population

The company NIREUS SA with the agreement of 23.1.2014 has provided to the company NORSILDMEL INNOVATION A / S a floating lien on the fish population, amounting to 10.3 million Euros to secure the outstanding balance. The pledge is valid through until 31/03/2014.

## C. Bank Letter

The Company has received a letter as of 24.3.2014 sent by Piraeus Bank, Alpha Bank and Eurobank, in which a proposed timetable is set for the finalization of audits conducted for the Company as well as other procedures and agreements in order that, in compliance with legislation and all necessary approvals by responsible public and private bodies, the basic Conditions of the restructuring Loan (Term Sheet) be formed and then implemented through the necessary corporate actions.

It should be noted that the indicative restructuring conditions sent by the above banks include part of the capitalization of borrowings.

The Board of Directors at its meeting held on 28.03.2014 decided to respond positively to this letter.

There were no other events following the year ended 31 December 2013 which relate to the Group or to the company and which will require reference to in accordance with the International Financial Reporting Standards.

Koropi, March 28, 2014

<b>CHAIRMAN AND MANAGING DIRECTOR</b>	<b>VICE PRESIDENT AND MANAGING DIRECTOR</b>	<b>GROUP CHIEF FINANCIAL OFFICER</b>	<b>ACCOUNTING MANAGER</b>
BELLES ST. ARISTEIDIS I.D No: AB 347823	CHAVIARAS EMM. NIKOLAOS I.D. No: AH 935562	EFSTRATIOS G. ELISSAIOS I.D. No: AB 593929	KONSTANTOPOULOS G. IOANNIS I.D. No: AB 264939



DATA AND INFORMATION FOR THE YEAR 2013 (1 JANUARY TO 31 DECEMBER 2013)

Financial statements for Nireus Aquaculture S.A. for 2013, including Balance Sheet, Income Statement, Cash Flow, and Additional Information. The table is organized into columns for periods (2012/2013, 2012/2012, 2011/2012, 2010/2012) and rows for various financial categories like Assets, Liabilities, and Equity.

**INFORMATION (WITH REFERENCE) OF ARTICLE 10 OF L. 3401/2005**

During the year and until the present date, Nireus Aquaculture SA, made available to the public, in accordance with the applicable legislation, the following information which are posted on the company's web site at [www.nireus.com](http://www.nireus.com) as well as on the web site of the Athens Stock Exchange at [www.athex.gr](http://www.athex.gr).

DATE	ANNOUNCEMENT	WEB SITE
	<b>Resolutions of Shareholders General Meeting</b>	
6.6.2013	Proxy Form for the Annual General Meeting of Shareholders	<a href="http://www.nireus.com">www.nireus.com</a>
6.6.2013	Draft decisions for the Annual Meeting of Shareholders	<a href="http://www.nireus.com">www.nireus.com</a>
6.6.2013	Invitation to Annual Meeting of Shareholders	<a href="http://www.nireus.com">www.nireus.com</a>
1.7.2013	Resolutions of the Annual Ordinary General Meeting of Shareholders of 28 June 2013	<a href="http://www.nireus.com">www.nireus.com</a>
1.7.2013	Presentation for the 2013 Annual Ordinary Meeting of Shareholders	<a href="http://www.nireus.com">www.nireus.com</a>
5.12.2013	INVITATION TO THE GENERAL MEETING OF THE BONDHOLDERS	<a href="http://www.nireus.com">www.nireus.com</a>
5.12.2013	Proxy Form for the General Meeting of the Bondholders of 12.12.2013	<a href="http://www.nireus.com">www.nireus.com</a>
10.12.2013	Proxy Form for the General Meeting of the Bondholders of 17.12.2013	<a href="http://www.nireus.com">www.nireus.com</a>
10.12.2013	Invitation to the Company's Bondholders to General Meeting of the Bondholders on 17.12.2013	<a href="http://www.nireus.com">www.nireus.com</a>
17.12.2013	Update on General Meeting of Bondholders of 17.12.2013	<a href="http://www.nireus.com">www.nireus.com</a>
30.12.2013	Update on 1st Repetitive General Meeting of Bondholders of 30.12.2013	<a href="http://www.nireus.com">www.nireus.com</a>
10.1.2014	Resolutions of the 2nd Repetitive General Meeting of the Bondholders of 10 January 2014	<a href="http://www.nireus.com">www.nireus.com</a>
17.1.2014	Proxy Form for the General Meeting of the Bondholders of 27.01.2014	<a href="http://www.nireus.com">www.nireus.com</a>
17.1.2014	Invitation to General Meeting of Bondholders	<a href="http://www.nireus.com">www.nireus.com</a>
28.1.2014	Resolutions of the General Meeting of the Bondholders of 27 January 2014	<a href="http://www.nireus.com">www.nireus.com</a>
17.2.2014	Invitation to Company's Bondholders to General Meeting of the Bondholders on 24.02.2014	<a href="http://www.nireus.com">www.nireus.com</a>
17.2.2014	Proxy Form for the General Meeting of the Bondholders of 24.02.2014	<a href="http://www.nireus.com">www.nireus.com</a>
25.2.2014	Notice of Resolutions of the General Meeting of the Bondholders of 24 February 2014	<a href="http://www.nireus.com">www.nireus.com</a>
14.3.2014	Proxy Form for the General Meeting of the Bondholders of 24.03.2014	<a href="http://www.nireus.com">www.nireus.com</a>
14.3.2014	Invitation to Company's Bondholders to General Meeting of the Bondholders	<a href="http://www.nireus.com">www.nireus.com</a>
24.3.2014	Notice of Resolutions of the General Meeting of the Bondholders of 24 March 2014	<a href="http://www.nireus.com">www.nireus.com</a>
	<b>Annotation of Financial Statements</b>	
29.3.2013	12M 2012 Financial Results	<a href="http://www.nireus.com">www.nireus.com</a>
30.5.2013	3M 2013 Financial Results	<a href="http://www.nireus.com">www.nireus.com</a>
30.8.2013	6M 2013 Financial Results	<a href="http://www.nireus.com">www.nireus.com</a>
29.11.2013	9M 2013 Financial Results	<a href="http://www.nireus.com">www.nireus.com</a>
	<b>Other announcements and Press Releases</b>	
8.1.2013	Payment of Interest on the Convertible Bond Loan (Eleventh Period)	<a href="http://www.nireus.com">www.nireus.com</a>
10.1.2013	Review and setting of the interest rate on Convertible Bond Loan	<a href="http://www.nireus.com">www.nireus.com</a>
28.3.2013	Reply to questions from the Capital Market Commission	<a href="http://www.nireus.com">www.nireus.com</a>
29.3.2013	Financial Calendar 2013	<a href="http://www.nireus.com">www.nireus.com</a>
4.7.2013	Invitation for the conversion of the Company's convertible bonds	<a href="http://www.nireus.com">www.nireus.com</a>
9.7.2013	Payment of Interest (twelfth period) and Partial Capital Repayment (first period) on the Convertible Bond Loan	<a href="http://www.nireus.com">www.nireus.com</a>
10.7.2013	Review and setting of the interest rate on the Convertible Bond Loan	<a href="http://www.nireus.com">www.nireus.com</a>
12.7.2013	NUMBER OF BONDS OF CONVERTIBLE BOND LOAN	<a href="http://www.nireus.com">www.nireus.com</a>
26.7.2013	Listing of the new shares of NIREUS resulting from the conversion of the Company's convertible bonds.	<a href="http://www.nireus.com">www.nireus.com</a>
29.7.2013	Notification for the acquisition of shares of subsidiary through capitalization of receivables	<a href="http://www.nireus.com">www.nireus.com</a>
31.7.2013	Announcement for the Total Amount of Share Capital – Law 3556/2007	<a href="http://www.nireus.com">www.nireus.com</a>
16.10.2013	Tax certificate for fiscal year 2012	<a href="http://www.nireus.com">www.nireus.com</a>
13.11.2013	ANNOUNCEMENT – ANSWER OF NIREUS SA TO THE OPEN PROPOSAL OF MR. J. STEFANIS FOR THE MERGER OF SELONDA AND NIREUS	<a href="http://www.nireus.com">www.nireus.com</a>
10.1.2014	Review and setting of the interest rate on the Convertible Bond Loan	<a href="http://www.nireus.com">www.nireus.com</a>
10.1.2014	Announcement for the Postponement of Payment of the Interest and Partial Capital Repayment	<a href="http://www.nireus.com">www.nireus.com</a>
28.1.2014	Announcement for the Postponement of Payment of the Interest and Partial Capital Repayment	<a href="http://www.nireus.com">www.nireus.com</a>
29.1.2014	Review and setting of the interest rate on the Convertible Bond Loan	<a href="http://www.nireus.com">www.nireus.com</a>
12.2.2014	Reply to a question from the Capital Market Commission	<a href="http://www.nireus.com">www.nireus.com</a>
25.2.2014	Announcement for the Postponement of Payment of the Interest and Partial Capital Repayment	<a href="http://www.nireus.com">www.nireus.com</a>
26.2.2014	Review and setting of the interest rate on the Convertible Bond Loan	<a href="http://www.nireus.com">www.nireus.com</a>
28.3.2014	Announcement for the Postponement of Payment of the Interest and Partial Capital Repayment	<a href="http://www.nireus.com">www.nireus.com</a>
28.3.2014	Review and setting of the interest rate on the Convertible Bond Loan	<a href="http://www.nireus.com">www.nireus.com</a>
	<b>Changes in the BOD or upper level management directors</b>	
31.1.2013	Announcement of Change to Senior Executives	<a href="http://www.nireus.com">www.nireus.com</a>
20.2.2013	Announcement of Change to Senior Executives	<a href="http://www.nireus.com">www.nireus.com</a>