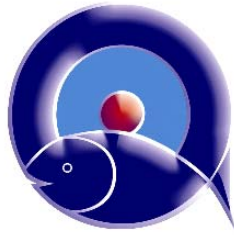




NIREUS AQUACULTURE S.A



## **NIREUS AQUACULTURE S.A.**

**Company's Number in the General Electronic Commercial Registry:  
7852901000**

**(Former: Company's Register No. 16399/06/B/88/18)**

**ANNUAL FINANCIAL REPORT 2014**

**for the year**

**from 1<sup>st</sup> January to 31<sup>st</sup> December 2014**

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



## CONTENTS

DECLARATIONS BY THE MEMBERS OF THE BOARD OF DIRECTORS .....	5
ANNUAL BOARD OF DIRECTORS REPORT .....	6
STATEMENT OF CORPORATE GOVERNANCE .....	22
INDEPENDENT CERTIFIED AUDITOR'S REPORT .....	47
Statements of Profit or Loss .....	49
Statements of Other Comprehensive Income.....	51
Statements of Financial Position .....	53
Statements of Changes in Equity .....	54
Consolidated Statement of Changes in Equity .....	54
Statement of Changes in Equity of the Parent Company.....	55
Statements of Cash Flow.....	56
1. Notes on the Annual Financial Statements.....	57
1.1 General Information.....	57
1.2 Nature of operations .....	57
1.3 Main Developments.....	57
2. Basis of preparation of the financial statements.....	58
2.1 Basis of preparation .....	58
2.2 Going Concern .....	59
2.3 Basis of consolidation .....	60
3. Summary of Significant accounting policies.....	61
3.1 Segment Information .....	61
3.2 Business Combinations and Goodwill .....	61
3.3 Investment in Associates .....	62
3.4 Biological Assets and Agricultural Activity.....	63
3.5 Foreign currency translation .....	65
3.6 Property, plant and equipment.....	66
3.7 Investment Properties .....	67
3.8 Intangible assets.....	67
3.9 Impairment of non-financial assets .....	69
3.10 Financial Instruments (receivables/ liabilities) .....	69
3.11 Derivative financial instruments and Hedge Accounting .....	75
3.12 Inventories .....	75
3.13 Share capital.....	76
3.14 Current and deferred income tax.....	76
3.15 Pensions and other post-employment benefits .....	77
3.16 Government grants .....	79
3.17 Provisions, Contingent Liabilities and Contingent Assets.....	79
3.18 Revenue and Expense Recognition .....	80
3.19 Leases.....	80
3.20 Cash Dividend and non-cash distribution to equity holders of the parent .....	81
3.21 Related parties.....	81
3.22 Cash and short-term deposits .....	81
3.23 Events after the reporting period.....	81
3.24 Comparative figures .....	82



3.25 Borrowing Costs .....	82
3.26 Non-current assets held for sale or for distribution to equity holders of the parent .....	82
3.27 Current versus non-current classification .....	83
3.28 Fair value measurement .....	83
4. Changes in accounting policies .....	85
5. Critical accounting judgements, estimates and assumptions .....	92
6. Objectives and risk management policies .....	98
6.1 Market risk .....	98
6.2 Credit risk.....	99
6.3 Liquidity risk .....	100
7. Held for sale subsidiaries .....	101
8. Structure of "NIREUS AQUACULTURE S.A" group of companies .....	104
9. Segment Information .....	105
10. Sale of non-biological assets-goods and other material.....	109
11. Salaries and personnel expenses.....	109
12. Third party fees and benefits .....	112
13. Finance income and costs.....	112
14. Other expenses.....	113
15. Other income.....	113
16. Income tax expense.....	114
17. Losses per share.....	115
18. Property Plant and Equipment.....	116
19. Investment properties .....	118
20. Goodwill .....	120
21. Intangible assets.....	123
22. Investments in subsidiaries.....	125
23. Deferred Income Tax Receivables/(Liabilities).....	131
24. Available for sale financial assets .....	132
25. Other non-current assets.....	132
26. Biological assets.....	133
27. Inventories .....	135
28. Trade and other receivables .....	135
29. Other current financial assets .....	137
30. Other current assets.....	137
31. Restricted Cash.....	138
32. Cash and short-term deposits .....	138
33. Issued Share Capital and Reserves.....	138
34. Interest Bearing loans and Borrowings .....	139
35. Government Grants.....	143
36. Other non-current liabilities .....	143
37. Provisions.....	144
38. Trade and other payables.....	145
39. Derivative Financial Instruments .....	145
40. Other current financial liabilities .....	146
41. Commitments and Contingencies and un-audited by the tax authorities open fiscal years.....	147
42. Assets pledged as Security .....	148
43. Related party disclosures.....	149
44. Presentation of financial assets and liabilities per category .....	151
45. Fair value Measurement .....	153



46. Events after the reporting period .....	154
DATA AND INFORMATION FOR THE YEAR 2014 (1 JANUARY TO 31 DECEMBER 2014).....	156
INFORMATION (WITH REFERENCE) OF ARTICLE 10 OF L. 3401/2005 .....	157



## ***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 2014, 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, 27 March 2015

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 2014 (from 1<sup>st</sup> January to 31<sup>st</sup> December 2014)**

Dear Shareholders,

We submit to you, based on legal requirements, the annual financial statements for the year 2014 (1/1/2014-31/12/2014) 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 total pre-tax results were negative € (16,5) million, compared to negative € (87,4) million during the prior year and the profit after taxes corresponding to the equity holders of the Parent Company was negative € (14,2) million from negative € (75,1) million during the prior year.

As of December 31, 2014, the equity attributable to the equity holders of the Parent Company amounted to € 60.2 million, while total net equity (after subtraction of non-controlling interests) amounted to € 51.2 million.

The Group's total sales 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 2014, total sales amounted to € 195,1 million as compared to € 198,6 million during the prior year.

Fish sales, which represent 82 % of total sales, decreased by 8,9% in volume and marked a 1,4% increase in value as compared to prior year. The weighted average selling price of fish was increased by 9 %. Operating costs for the period after the deduction of provisions marked a decrease (€ 189,1 million ) versus (€ 194,7 million) during the prior year.



Positive cash flows continued to be noted. During the year 2014, operating cash flows amounted to € 7,0 million as compared to € 7,2 million in 2013. Cash flows from operating activities and capital investments (free cash flow) amounted to € 2,3 million versus € 0,3 million noted during the prior year. Net expenditure for capital investments amounted to € 4,6million ( € 2,2 million decrease ).

The net fair value of the total biological assets as at the end of the fiscal year 2014 was reduced by € (0,4) million from € 170,2 million in 2013 to € 169,8million (which includes biological assets of the held-for-sale Turkish subsidiaries of an amount of € 6,1 million) in 2014.

## **EXPLANATION AND JUSTIFICATION OF RESULTS**

Losses incurred during the current year primarily stem from:

### **i) Loss from impairment of investments in subsidiary companies**

As at January 21 2015 the Management of the Group entered into a sales agreement for the sale of its entire shareholdings in the Turkish companies ILKNAK SU URUNLERI and MIRAMAR SU URUNLERI as well as their subsidiaries at a total sales price of an amount of €4,15 million. As a result of the above, as at 31.12.2014 the Group proceeded with an impairment of the total of its investments by the amount of € 7,1 million.

### **ii) Provisions**

The Group established provisions for bad debts amounting to € 2,5 million in addition to € 0,6 million for unaudited tax years of subsidiary companies.

### **iii) Valuation of Land and Buildings**

During 31/12/2014 the Group and Company revalued land and buildings, machinery and technical installations (self-owed and investment property) and transportation means in accordance with a recognized independent valuers. The fair value was based on the current active market values whereby current market prices were adjusted for the differences in the nature, location, and physical condition of the specific asset.

The effect from the revaluation of the above mentioned assets was a decrease in the results of the year by an amount of € 1,7 million for the Group and € 1,2 million for the Company.

## **SURVEILLANCE ISSUES**

The Company as at December 31 2014 is on surveillance according to the decision of the Athens Exchange dated 9.04.2015, based on which the shares are transferred in the category Surveillance. After the conclusion of mutual understanding agreement (MoU) with its creditors, the Company increased its efforts to exist this category.

**INDEPENDENT BUSINESS OVERVIEW**

In May 2014 the independent business review «IBR» of the financial statements with a reference date of September 30, 2013 and for the years 2011 and 2012 was completed. Furthermore, the five-year review of the business plan of the Group was completed. The conditions for preparation of the business plan and the actual business plan itself were accepted by the auditing firm that conducted the review. Furthermore, no findings from the review of the financial statements of 2011, 2012 and 2013 were reported.

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

	<b>COMPANY</b>		
	<b>amounts in thds €</b>		
	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>Change %</b>
<b>Sales revenue</b>	158.012	166.364	-5,02%
<b>EBITDA (after fair value of biological assets)</b>	14.354	(65.265)	121,99%
<b>Biological assets effect</b>	9.122	(47.814)	119,08%
<b>EBITDA (before fair value of biological assets)</b>	5.231	(17.451)	129,98%
<b>Profit before tax</b>	(8.792)	(88.577)	90,07%
<b>Profit after tax</b>	(8.499)	(76.700)	88,92%
<b>Total Assets</b>	340.705	356.304	-4,38%
<b>Total Liabilities</b>	280.533	287.731	-2,50%
<b>Total Equity</b>	60.171	68.573	-12,25%

	<b>GROUP</b>		
	<b>amounts in thds €</b>		
	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>Change %</b>
<b>Sales revenue</b>	195.174	198.578	-1,71%
<b>EBITDA (after fair value of biological assets)</b>	13.453	(60.174)	122,36%
<b>Valuation of Biological assets effect</b>	5.584	(46.377)	112,04%
<b>EBITDA (before fair value of biological assets)</b>	7.869	(13.797)	157,04%
<b>Profit before tax</b>	(16.495)	(87.433)	81,13%
<b>Profit after tax and non-controlling interests</b>	(14.152)	(75.071)	81,15%
<b>Total Assets</b>	365.063	388.733	-6,09%
<b>Total Liabilities</b>	321.663	331.047	-2,83%
<b>Total Equity</b>	43.401	57.685	-24,76%

	<b>GROUP RATIOS</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>
<b>Gross Margin EBITDA</b>	6,89%	-30,30%
<b>Net gross margin (ER.AF.M) %</b>	-7,25%	-37,80%
<b>Net Equity Return</b>	-32,61%	-130,14%
<b>Loans / Net equity</b>	7,41	5,74
<b>Loans / Total equity</b>	0,88	0,85
<b>General Liquidity</b>	0,60	0,67



## **SALES REVENUE BY SEGMENT**

Sales of aquaculture products (fish, juveniles and other related products and services) amounted to € 171,2 million compared to € 170,1 million in year of 2013. Sales of fishfeed amounted to € 10,7 million, marking an increase of € 16,0 million. Sales of aviculture products (sold through its 100% subsidiary KEGOagri) and equipment amounted to € 13,2 million (increase of € 0,8 million).

## **LOAN BORROWINGS**

The balance of the long-term loans as well as unpaid capital and interest is analysed as follows:

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 “Nireus SA”**

From the bond loan of € 90 million with an outstanding balance of as at 31.12.2014 of an amount of € 75,3 million , overdue capital instalments of € 25 million and interest of € 5,3 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 31.12.2014 amounts to € 24,16 million. There are overdue unpaid capital of an amount of € 3 million and interest instalments of an amount of € 1,7 million for the above loan as at 31.12.2014. The General Meeting resolved to defer the payment of the two instalments due on January 13, 2014 and July 31 2014 of a total amount € 3 million in addition to their corresponding interest which were due for 31 December 2014, in addition to the instalment of January 2015 for July 13, 2015.

### **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 31.12.2014 of an amount of € 3,4 million there are overdue capital instalments of € 0,74 million and interest of € 0,09 million have not yet been paid.

### **Loans of € 0,8 million of “Nireus SA” (prior Kegoagri SA):**

For the bond loan of € 0,8 million and as at 31.12.2014 of an amount of € 0,24 million there are overdue capital payments of € 0,24 million.

### **Loans of SEA FARM IONIAN**

With respect to the loans of SEA FARM IONIAN as regulated by Article 44 an amount of € 21,3 million, there are overdue capital instalments of an amount of € 5,4 million and interest of € 0,6 million have not yet been paid.

**B. FIRE- VICTIM LOANS****“Fire victim” loan of an initial amount of € 25 million of “Nireus SA”:**

With regards to the fire victim loan of € 25 million and with a balance as at 31.12.2014 of an amount of € 23,9 million there are instalments of € 4,7 million and overdue interest of € 0,4 million, which however are not overdue as at 31.12.2014 given that Piraeus Bank granted the company with a loan of an amount of € 4.245.949,24 with which it repaid the installment of the first loan of 2013 by an amount of € 1.562.500 in addition to interest up to 28.11.2014 of an amount of € 2.683.449,24. As a result, the company was enabled to be included in the provisions of the Ministerial Decision 2/38310/0025 / 14-5-2014 regarding the postponement of instalments guaranteed by the Greek State and the postponement of the payment of the instalments of 31/12/2013, 31/12/2014 and 30/6/2014 respectively to 30/6/2015, 31/12/2015 and 30/06/2016 According to the existing loan agreement between the Company and Piraeus Bank.

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

With respect to the fire victim loan of € 24,9 million and with a balance as at 31.12.2014 of an amount of € 23,7 million there are capital instalments of € 4,08 million which however are not overdue as at 31.12.2014 given that given that the National Bank granted the company with a loan of an amount of € 1.213.000 with which it repaid the installment of the first loan of 2013 by an amount of € 1.203.037,63 in addition to interest up to 31.12.2014 of an amount of € 9.962,37. As a result, the company was enabled to be included in the provisions of the Ministerial Decision 2/38310/0025 / 14-5-2014 regarding the postponement of instalments guaranteed by the Greek State and the postponement of the payment of the instalments of 31/12/2013, 31/12/2014 and 30/6/2014 respectively to 30/6/2015, 31/12/2015 and 30/06/2016 according to the existing loan agreement between the Company and the National Bank.

From the loan agreements of the above mentioned loans, an obligation results for the Group and Company as regards the compliance with specific financial ratios other terms. It should be noted that at the end of the year, 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 26/3/2015 as regards the convertible bond loan, that a waiver be granted up to 13/07/2015.

The management of the Company as at March 24, 2015 signed an Agreement of Understanding (MOU) with the lending banks (Alpha Bank, Eurobank, National Bank, Piraeus Bank and Attica Bank) which provides tolerance period (standstill) until October 31, 2015, the due and due principal and interest payments of existing loans. Mutual understanding also includes an agreement to restructure the existing debt of the Company Agreement, the key points of the restructuring agreement provide for the following:

- Capitalisation existing loans totaling € 58,6 million.
- Issuance of common Secured Bond € 58,2 million.
- Issuance of common bond loan (RCF Facility) € 31,4 million.
- Issuance of convertible bonds € 24,4 million.
- Issuance of common bond loan (VAT Facility) € 4,8 million.



Further information as regards the negotiations with the lending banks is presented in Note 2.2 of the annual financial statements.

### **Total Bank Borrowings**

Bank borrowings of the Group amounted to € 235,8 million, increased by € 4 million in 2013. On 31 December 2013, net debt was € 226,2 million (reduced by restricted cash), while the Group had € 9,7 million in cash.

### **LIABILITIES**

The total liabilities of the Group during the fiscal year 2014 (excluding borrowings) amounted to € 85,8 million compared to € 99,2 million in 2013 marking a decrease by € (13,3 ) million.

The Group's total liabilities including bank borrowings decreased by € 9,2 million , from € 321,7 million in 2014 as compared to € 331,0 million in 2013.

### **RECEIVABLES**

Considerable effort has been made by the Company's management to restrict receivables. The average recovery of trade receivables (DSO) decreased from 92 days in 2013 to 69 days in 2014.

### **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents as at 31/12/2014 amounted to € 9,7 million against € 9,1 million during the prior year 2013, of which € 4,2 million were restricted balances for 2014 and € 5,5 million for 2013 respectively

### **NET EQUITY**

The share capital of the Group as at 31/12/2014 amounted to € 85,3 million divided into 63,697,153 ordinary shares with voting rights of nominal value € 1,34 each.

### **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 2015 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 apart from the stockbreeding sector, which risk however is reduced 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 2014 is 7,35 % from 6,96% in 2013 while the average-weighted rate of long-term debt for 2014 is 3,68% versus 3,97% in 2013.

## **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:

Ποσά σε €	2014													
	USD		GBP		NOK		DKK		CAD		TRY		CHF	
Αποτέλεσμα χρήσης	5,84%	-5,84%	1,90%	-1,90%	24,49%	-24,49%	0,88%	-0,88%	4,50%	-4,50%	9,24%	-9,24%	0,81%	-0,81%
Καθαρή Θέση	(26.039)	26.039	13.762	(13.762)	(10.641)	10.641	-	-	11.274	(11.274)	1.001.428	(1.001.428)	59	(59)
Ποσά σε €														
	2013													
	USD		GBP		NOK		DKK		CAD		TRY		CHF	
Αποτέλεσμα χρήσης	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%
Καθαρή Θέση	92.453	(92.453)	14.447	(14.447)	(7.544)	7.544	-	-	11.182	(11.182)	1.635.944	(1.635.944)	378	(378)

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 2014 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:

Amounts in Euro	2014							2013						
	USD	GBP	NOK	DKK	CAD	TRL	CHF	USD	GBP	NOK	DKK	CAD	TRL	CHF
Notional amounts														
Financial assets	886.404	760.418	-	-	250.392	8.362.660	7.645	966.941	997.601	-	-	234.013	9.308.513	46.215
Financial liabilities	1.332.362	36.440	43.451	0	0	2.809.937	378	1.220.079	0	22.551	0	515	1.887.905	378
<b>Total current exposure</b>	<b>(445.958)</b>	<b>723.978</b>	<b>(43.451)</b>	<b>0</b>	<b>250.392</b>	<b>5.552.723</b>	<b>7.266</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>
Financial assets	-	-	-	-	-	5.694.759	-	4.535.699	-	-	-	-	941.091	-
Financial liabilities	-	-	-	-	-	413.790	-	920.583	-	-	-	-	12.232	-
<b>Total non-current exposure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5.280.969</b>	<b>0</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>

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

### I. Sales agreement in connection with the sale of all Turkish Subsidiaries

As at January 21 2015 the Management of the Group entered into a sales agreement for the sale of its entire shareholdings in the Turkish companies ILKNAK SU URUNLERI and MIRAMAR SU URUNLERI at a total sales price of an amount of €4.150.000. Further information is presented in Note 7 «Held-for-sale assets».



## **II. Pledge on Fish Population**

The company NIREUS SA with the agreement of 20.3.2015 has provided to the company NORSILDMEL INNOVATION A / S a floating lien on the fish population, amounting to € 10.3 million to secure the outstanding balance. The pledge is valid until 31/12/2015.

## **III. Signing of Agreement on restructuring of loans.**

On March 2015 the Company entered into an agreement of mutual understanding (MoU) with its creditors to restructure its loans with a suspension of their rights to any amounts that will come due, principal and interest during out the suspension period (standstill ) until 31 October 2015, though being payable by that date and until the end of the suspension period. The basic elements of the restructuring of loans will be:

A. Capitalisation of loans amounting to Euro 58.600.000 by issuing Nireus new shares at an issue price of € 0.30 per share, in favor of the creditor banks, which is expected to yield a total ownership stake of NIREUS to its creditors on the 75% .

II. Issue of common secured bond loans amounting to € 94.552.126 and interest rate EURIBOR + 4.25%

III. Issue of convertible bond into shares totaling € 24.466.293 for ten years, with interest rate of 1% and EUR 0.30 per share conversion price .As to the existing MOU the Company will propose to its bondholders to harmonize the basic terms in accordance with the terms of the new MOU.

It also provides that the Company will launch procedures for the merger through absorption of the subsidiary SEA FARM IONIAN AE and individual company transactions within the Group aimed at streamlining the structure. Further information is presented in Note 2.2

## **IV. Notice of Resolutions of the General Meeting of the Bondholders of the convertible bond loan of March 26, 2015.**

According to the General Meeting of the Bondholders held on December 18, 2014 the following decisions were taken:

1. The General Meeting resolved to defer the payment of the two instalments due on January 13, 2014 and July 14 2014 in addition to their corresponding interest which were due for 31 December 2014, in addition to the instalment of January 2015 for July 13, 2015.
2. It was resolved not to exercise the right to terminate the Loan until 13.07.2015.



## PROSPECTS FOR 2015

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 2015 at satisfactory levels.

The prices of our raw materials for fishfeed are not expected to be increase in 2015.

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 believes that the implementation of the Memorandum of Understanding (MoU) with the banks will have a positive outcome in the interest of the Company, the Group and its shareholders.

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 base and sales.

-The Group and the Company have biological assets, the realization of which is feasible.

-The unstable economic environment is not expected to affect the activity and results of the Group and the Company taking into account openness and export business of the Group.

-The Group and the Company have cash flows from operating activity.

- In May 2014 the independent business review «IBR» of the financial statements with a reference date of September 30, 2013 and for the years 2011 and 2012 was completed. Furthermore, the five-year review of the business plan of the Group was completed. The conditions for preparation of the business plan and the actual business plan itself were accepted by the auditing firm that conducted the review. Furthermore, no findings from the review of the financial statements of 2011, 2012 and 2013 were reported. In addition to the above, it should be mentioned and as already published by the Company, the banks have entrusted the Norwegian company APN to conduct an inventory count of the Company's fish population, which comprises part of the discussion over the restructuring of the loans. The deadline was set for 30/09/2013. From the Company's inventory count by the Norwegian company, 99.6% of the fish population recorded in the books of the Company has been confirmed.

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 YEMI URETIMI SANAYI VE TICARET A.S.	BLUEFIN TUNA AE (GROUP)	ILKNAK SU URUNLERI SAN VE TIC A.S.	ILKNAK DENIZCILIK A.S.	AQUACOM LTD	SEAFARM IONIAN SA	KEGO AGRİ S.A	SEAFARM IONIAN GMBH	CARBON DIS TICARET YATIRIM INSAAT VE SANAYI S.A.	
NIREUS AQUACULTURE SA		4.012.717	-	-	130.498	96.953	4.756.226	-	-	-	1.841	-	-	-	8.998.235
PREDOMAR S.L.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PROTEUS EQUIPMENT S.A	3.460	11.320	-	-	-	-	-	-	-	-	356.304	-	-	-	371.084
MIRAMAR PROJECTS CO LTD - UK	14	-	14	-	-	-	-	-	-	-	-	-	-	-	28
NIREUS INTERNATIONAL LTD	-	-	-	36.864	-	-	-	-	-	-	-	-	-	-	36.864
MIRAMAR SU URUNLERI VE BALIK YEMI URETIMI SANAYI VE TICARET A.S.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BLUEFIN TUNA AE (GROUP)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ILKNAK SU URUNLERI SAN VE TIC A.S.	691.933	-	50.000	-	-	425.824	-	-	-	-	117.513	-	-	16.269	1.301.539
ILKNAK DENIZCILIK A.S.	-	-	-	-	-	-	-	15.100	-	-	-	-	-	-	15.100
AQUACOM LTD	55.974	-	-	-	-	-	-	-	-	-	-	-	-	-	55.974
SEAFARM IONIAN SA	142.533	-	-	-	-	-	95.629	323.797	-	-	-	-	3.454.440	-	4.016.399
KEGO AGRİ S.A	3.634.434	-	-	-	-	-	-	-	-	-	-	-	-	-	3.634.434
SEAFARM IONIAN GMBH	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CARBON DIS TICARET YATIRIM INSAAT VE SANAYI S.A.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	4.528.348	4.024.037	50.014	36.864	130.498	522.777	4.851.855	338.897	-	-	475.658	-	3.454.440	16.269	18.429.655



**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
Linnaeus Capital Partners BV			15.070.847	23,68%	TEFTHYS OCEAN BV SA which held a direct percentage of 23,68% with voting rights was merged as at 31.12.2014 by Linnaeus Capital Partners BV which it controlled and 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, and the company I.I.H.C Industrial Investments Ltd 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)

### **TABLE OF CONTENTS**

#### **INTRODUCTION**

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

1.1 Disclosure of willing compliance of the Company with the Code of Corporate Governance

1.2 Deviations from the Code of Corporate Governance and explanation. Special stipulations of the Code that the company does not apply and explanation of the non application

##### **2. Board of Directors**

2.1 Composition and way of conduct of the Board of Directors

2.2 Audit Committees

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

3.1 Manner of operation of the General Assembly and main authorities

3.2 Shareholders' privileges and way of exercise

##### **4. Internal Auditing system and management of risks**

4.1 Main characteristics of the internal audit system

4.2 Management of risks of the Company and of the Group concerning the compilation of financial statements (the group and the company)

##### **5. Additional informative data**

#### **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 Greek code of corporate governance of the Hellenic Corporate Governance Council (HCGC) for public listed companies (referred to as "Code"). The Code is posted on the website of the Hellenic Athens Exchange Markets in the following address:

[http://www.helex.gr/documents/10180/906743/HCGC\\_GR\\_20131022.pdf/e8e7b6da-6dd0-4c30-90e9-79fe9ca8383d](http://www.helex.gr/documents/10180/906743/HCGC_GR_20131022.pdf/e8e7b6da-6dd0-4c30-90e9-79fe9ca8383d).

### 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 30.6.2014 following the proposal from the Board for the year 30.6.2014-30.6.2015 approval was granted for the payment of an amount of 32.100 € per month to the three executive board members in addition to the additional benefits of leased cars, private insurance, 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 the shareholders held on 30.6.2014 on a proposal from the Board of Directors approved the remuneration of non-executive board members for the year 30.6.2014-30.6.2015 of 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 Piraeus, 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) Konstantinoç Lambrinopoulos of Petros and Euaggelia, Entrepreneur was born in Athens in 1952 and is an Independent Non-Executive Member

Konstantinoç 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 2014 the Board of Directors convened 66 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 2014 (01/01/2014-31/12/2014) convened 6 times as at στις 27.02.2014, 28.03.2014, 08.05.2014, 16.05.2014, 28.08.2014, 24.11.2014 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:

- a) 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 appropriate 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:



Surname	Name	Father's Name	Number of Shares	% Percentage	Type of participation
Belles	Aristides	Stergios	13.428.101	21,16%	direct & indirect
Chaviaras	Nikolaos	Emmanuel	3.421.393	5,38%	direct & indirect
Linnaeus Capital Partners BV			15.070.847	23,68%	TEFTHYS OCEAN BV SA which held a direct percentage of 23,68% with voting rights was merged as at 31.12.2014 by Linnaeus Capital Partners BV which it controlled and 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, and the company I.I.H.C Industrial Investments Ltd 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
	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
	Hellenic Management Association (HMA)	President of BOD
	ALBA Business School	Member of BOD
	Foundation for Economic and Industrial Research	Member of BOD

<b>Leto Ioannidou , Member of BOD.</b>	LAVIPHARM SA	Member of BOD
	M.I.MAILLIS	Member of BOD
	LETO IOANNIDOU MONOPROSOPI LTD CONSULTANTS	Administrator

<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, 27 March 2015

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. Chimarras 8B 151 25 Marouss, 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 2014, 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 2014, 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, 2014, (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, 2014, bond loans amounting to € 13,2 million and € 2,2 million for the Group and Company, respectively, are classified as current liabilities, (b) the Group and the Company was not repaying the part due of its contractual arrangements, amounting to € 42m and € 36m, respectively. (c) the Group management has already signed an MoU with lending banks as regards the loans restructuring. As further discussed in Note 2.2, the completion of the loans refinancing of the Company's and Group's borrowings, cannot be assured, and depends on certain approvals. 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, 30 March 2015

THE CERTIFIED AUDITOR ACCOUNTANT

PANAGIOTIS PAPAZOGLOU  
S.O.E.L. R.N. 16631  
ERNST & YOUNG (HELLAS)  
CERTIFIED AUDITORS ACCOUNTANTS S.A.

CHIMARRAS 8B MAROUSSI,  
151 25,GREECE  
COMPANY S.O.E.L. R.N. 107

**Statements of Profit or Loss**

(Amounts in Euro)

	Note	GROUP	
		31/12/2014	31/12/2013
<b>Fair value of biological assets at the beginning of the period</b>		<b>170.151.405</b>	<b>240.082.616</b>
Purchases during the period		(2.329.616)	(1.342.668)
Sales during the period		149.648.946	149.471.961
<b>Fair value of biological assets at 31/12/2014</b>		<b>169.754.070</b>	<b>170.151.405</b>
<b>Gains resulting from changes in fair value of biological assets at the end of the period</b>	<b>26</b>	<b>146.921.995</b>	<b>78.198.082</b>
Sales of non-biological goods-merchandise and other inventories	<b>10</b>	45.525.075	49.106.089
Raw Material Consumption	<b>27</b>	(101.600.716)	(107.432.939)
Salaries & personnel expenses	<b>11</b>	(28.165.353)	(30.853.823)
Third party fees and benefits	<b>12</b>	(21.253.583)	(19.988.691)
Finance expenses	<b>13</b>	(13.969.594)	(20.038.614)
Finance income	<b>13</b>	424.300	553.114
Impairment of goodwill and investments in subsidiaries	<b>20,21</b>	(423.554)	-
Losses from measurement of financial assets at fair value	<b>18,19</b>	(1.706.254)	(202.837)
Losses on subsidiary companies held for sale	<b>7</b>	(7.064.409)	-
Depreciation	<b>18,21</b>	(8.047.051)	(8.124.227)
Other expenses	<b>14</b>	(30.193.767)	(31.817.829)
Other income	<b>15</b>	3.057.706	3.168.584
<b>Results for the period before taxes</b>		<b>(16.495.205)</b>	<b>(87.433.091)</b>
Income tax		(763.719)	(419.745)
Deferred income tax	<b>16</b>	2.326.172	12.371.983
Other not charged to the operating cost taxes	<b>16</b>	(223.000)	-
<b>Net losses for the period</b>	<b>16</b>	<b>(15.155.752)</b>	<b>(75.480.853)</b>
<b>Attributable to:</b>			
<b>Equity holders of the Parent company</b>		(14.152.132)	(75.071.184)
<b>Non-controlling interests</b>		(1.003.620)	(409.669)
<b>Total</b>		<b>(15.155.752)</b>	<b>(75.480.853)</b>
<b>Earnings/(losses) after taxes per share – basic in €</b>	<b>17</b>	<b>(0,2223)</b>	<b>(1,1791)</b>

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



		<b>COMPANY</b>	
		<b>31/12/2014</b>	<b>31/12/2013</b>
<b>Fair value of biological assets at the beginning of the period</b>	<b>Note</b>	<b>155.012.142</b>	<b>225.093.516</b>
Purchases during the period		(1.476.951)	(1.161.761)
Sales during the period		137.280.990	135.065.058
<b>Fair value of biological assets at 31/12/2014</b>		<b>156.861.359</b>	<b>155.012.142</b>
<b>Gains resulting from changes in fair value of biological assets at the end of the period</b>	<b>26</b>	<b>137.653.256</b>	<b>63.821.923</b>
Sales of non-biological goods-merchandise and other inventories	<b>10</b>	20.730.975	31.299.118
Raw material consumption	<b>27</b>	(78.337.537)	(88.048.136)
Salaries & personnel expenses	<b>11</b>	(22.263.409)	(24.412.107)
Third party fees and benefits	<b>12</b>	(21.102.706)	(22.452.786)
Finance expenses	<b>13</b>	(13.124.167)	(17.378.973)
Finance income	<b>13</b>	572.621	525.657
Losses from measurement of financial assets at fair value	<b>18,19</b>	(1.243.505)	(174.440)
Impairment of investments in subsidiaries	<b>22</b>	(3.420.813)	-
Depreciation	<b>18,21</b>	(6.643.002)	(6.704.945)
Other expenses	<b>14</b>	(23.393.012)	(26.272.626)
Other income	<b>15</b>	1.779.049	1.220.108
<b>Results for the period before taxes</b>		<b>(8.792.250)</b>	<b>(88.577.207)</b>
Deferred income tax	<b>16</b>	516.509	11.877.633
Other taxes not included in operating expenses	<b>16</b>	(223.000)	-
<b>Net losses for the period</b>		<b>(8.498.741)</b>	<b>(76.699.574)</b>
<b>Attributable to:</b>			
<b>Equity holders of the Parent company</b>		(8.498.741)	(76.699.574)
<b>Total</b>		<b>(8.498.741)</b>	<b>(76.699.574)</b>

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

**Statements of Other Comprehensive Income**

(Amounts in Euro)

		<b>GROUP</b>	
		<b>31/12/2014</b>	<b>31/12/2013</b>
	<b>Note</b>		
<b>Losses for the year</b>		<b>(15.155.752)</b>	<b>(75.480.853)</b>
<b>Items which can be recycled through the income statement (I)</b>			
Currency translation differences from the consolidation of foreign subsidiaries		473.525	(1.617.384)
Effect from the change in the tax rate to 26%		-	(1.788.970)
		<u>473.525</u>	<u>(3.406.354)</u>
<b>Items which cannot be recycled through the income statement (II)</b>			
Movement in the revaluation reserve of property plant & equipment	<b>18</b>	719.833	9.269
Less: Deferred Tax		<u>(173.485)</u>	<u>(2.410)</u>
		546.348	6.859
Effect from the change in the tax rate to 26%		-	(30.138)
Remeasured actuarial gains/(losses) on defined benefit plans	<b>11</b>	21.591	(7.884)
Less: Deferred Tax		<u>(3.705)</u>	<u>2.050</u>
		17.886	(5.834)
		<u>564.234</u>	<u>(29.113)</u>
<b>Other comprehensive income (I+II)</b>		<b><u>1.037.759</u></b>	<b><u>(3.435.467)</u></b>
<b>Total Comprehensive Income</b>		<b><u>(14.117.993)</u></b>	<b><u>(78.916.320)</u></b>
-Equity holders of the parent company		(13.395.907)	(78.088.241)
-Non-controlling interests		(722.086)	(828.079)
		<b><u>(14.117.993)</u></b>	<b><u>(78.916.320)</u></b>

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



		<b>COMPANY</b>	
	<b>Note</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
<b>Net profit/(loss) for the year</b>		<b>(8.498.741)</b>	<b>(76.699.574)</b>
<b>Items which can be recycled through the income statement (I)</b>			
Effect from the change in the tax rate to 26%		-	(1.621.574)
		-	(1.621.574)
<b>Items which cannot be recycled through the income statement (II)</b>			
Movement in the revaluation reserve of property plant & equipment	<b>18</b>	138.278	8.918
Less: Deferred Tax		(35.952)	(2.319)
		102.326	6.599
Remeasured actuarial gains/(losses) on defined benefit plans	<b>11</b>	(6.096)	42.889
Less: Deferred Tax		1.585	(11.151)
		(4.511)	31.738
<b>Other comprehensive income (I+II)</b>		<b>97.815</b>	<b>(1.583.237)</b>
<b>Total Comprehensive Income</b>		<b>(8.400.926)</b>	<b>(78.282.811)</b>
<i>-Equity holders of the parent company</i>		(8.400.926)	(78.282.811)
		<b>(8.400.926)</b>	<b>(78.282.811)</b>

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

**Statements of Financial Position**

(Amounts in Euro)

	Note	GROUP		COMPANY	
		31/12/2014	31/12/2013	31/12/2014	31/12/2013
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	18	76.134.881	83.089.521	70.015.589	72.874.210
Investment property	19	4.162.995	3.847.339	3.283.012	3.483.295
Goodwill	20	30.356.630	30.766.972	19.049.833	19.049.833
Intangible assets	21	15.082.914	15.527.481	4.168.686	4.233.176
Investments in subsidiaries	22	-	-	31.808.213	35.229.026
Deferred income tax assets	23	1.489.074	400.676	-	-
Available-for-sale financial assets	24	20.905	20.914	6.800	6.800
Other long-term receivables	25	521.273	510.474	456.293	445.293
Biological assets	26	70.915.786	70.064.389	69.463.499	66.790.417
		<b>198.684.458</b>	<b>204.227.766</b>	<b>198.251.925</b>	<b>202.112.050</b>
<b>Current assets</b>					
Biological assets	26	92.746.610	100.087.016	87.397.860	88.221.725
Inventories	27	10.674.633	10.738.127	8.096.937	7.658.148
Trade and other receivables	28	37.019.482	49.829.305	32.632.913	36.846.455
Other receivables	29	6.095.901	10.711.637	4.996.357	9.890.409
Other current assets	30	1.629.324	3.801.768	1.387.035	3.428.443
Derivative financial instruments	39	10.897	195.928	10.897	195.928
Restricted cash	31	4.245.364	5.524.563	4.245.364	5.524.563
Cash and cash equivalents	32	5.441.530	3.616.545	3.685.215	2.426.166
		<b>157.863.741</b>	<b>184.504.889</b>	<b>142.452.578</b>	<b>154.191.837</b>
Held for sale assets	7	8.514.960	-	-	-
<b>Total Assets</b>		<b>365.063.159</b>	<b>388.732.655</b>	<b>340.704.503</b>	<b>356.303.887</b>
<b>EQUITY &amp; LIABILITIES</b>					
<b>Equity</b>					
Share capital	33	85.354.185	85.354.185	85.354.185	85.354.185
Less Treasury shares	33	(47.271)	(47.271)	(47.271)	(47.271)
Share premium account	33	36.248.476	36.248.476	36.248.476	36.248.476
Fair value reserves	33	30.809.596	30.112.982	29.096.988	28.633.727
Foreign currency translation reserve		(2.739.378)	(3.139.556)	-	-
Other capital reserves	33	10.245.123	8.589.748	9.057.838	8.648.031
Retained earnings		(108.684.369)	(92.536.295)	(99.538.359)	(90.264.366)
<b>Equity attributable to equity holders of the Parent Company</b>		<b>51.186.362</b>	<b>64.582.269</b>	<b>60.171.857</b>	<b>68.572.782</b>
<b>Non-controlling interests</b>		<b>(7.785.751)</b>	<b>(6.897.096)</b>	<b>-</b>	<b>-</b>
<b>Total Equity</b>		<b>43.400.611</b>	<b>57.685.173</b>	<b>60.171.857</b>	<b>68.572.782</b>
<b>Non-current liabilities</b>					
Long-term interest bearing loans borrowings	34	35.402.375	38.304.051	35.402.375	38.304.051
Deferred income tax liabilities	23	4.502.383	5.732.622	3.867.612	4.349.754
Net Employee defined Benefit obligations	11	2.365.903	2.442.990	2.106.215	2.014.338
Government grants	35	6.660.659	5.224.383	6.028.155	4.466.412
Other non-current liabilities	36	1.881.294	2.191.160	-	-
Provisions	37	3.392.058	2.674.040	717.968	708.273
<b>Total non-current liabilities</b>		<b>54.204.672</b>	<b>56.569.246</b>	<b>48.122.325</b>	<b>49.842.828</b>
<b>Current liabilities</b>					
Trade & other payables	38	48.031.309	61.233.003	44.023.371	52.645.543
Short-term interest bearing loan borrowings	34	62.762.422	61.343.499	59.911.273	55.629.064
Derivative financial instruments	39	2.316.142	2.790.360	2.316.142	2.790.360
Current portion of long-term financial liabilities	34	137.686.092	132.200.626	116.393.319	111.488.971
Other current liabilities	40	11.858.255	16.910.748	9.766.216	15.334.339
<b>Total current liabilities</b>		<b>262.654.220</b>	<b>274.478.236</b>	<b>232.410.321</b>	<b>237.888.277</b>
Held for sale liabilities	7	4.803.656	-	-	-
<b>Total Liabilities</b>		<b>321.662.548</b>	<b>331.047.482</b>	<b>280.532.646</b>	<b>287.731.105</b>
<b>Total Equity and Liabilities</b>		<b>365.063.159</b>	<b>388.732.655</b>	<b>340.704.503</b>	<b>356.303.887</b>

**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)

<b>GROUP</b>	<b>Share Capital</b>	<b>Treasury Shares</b>	<b>Share Premium</b>	<b>Asset Revaluation Reserve</b>	<b>Foreign Currency Translation Reserve</b>	<b>Other Reserves</b>	<b>Retained Earnings</b>	<b>Controlling interests</b>	<b>Non-controlling interests</b>	<b>Total</b>
<b>Balance of equity as at 1 January 2013</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>142.865.859</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)	(75.071.184)	(409.669)	(75.480.853)
Other comprehensive income	-	-	6.617	(1.708.711)	(1.342.148)	1.541	25.644	(3.017.057)	(418.410)	(3.435.467)
<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>(78.088.241)</b>	<b>(828.079)</b>	<b>(78.916.320)</b>
Change in percentage or acquisition of new subsidiary companies	-	-	-	-	-	-	-	-	-	-
Increase in share capital from the conversion of the convertible bond loan	18.595	-	139	-	-	-	-	18.734	-	18.734
Acquisition of Non-controlling interests	-	-	-	-	-	-	(213.511)	(213.511)	(826.124)	(1.039.635)
Write-off of deferred tax of the convertible bond loan	-	-	(74.396)	-	-	-	74.396	-	-	-
Transfer of retained earnings to reserves	-	-	-	-	-	8.935	(8.935)	-	-	-
Approved dividends	-	-	-	-	-	-	(572)	(572)	(45.719)	(46.291)
<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>64.582.269</b>	<b>(6.897.096)</b>	<b>57.685.173</b>
<i>Movement in equity for the period 1/1-31/12/2014</i>										
Profit / (losses) after taxes	-	-	-	-	-	-	(14.152.132)	(14.152.132)	(1.003.620)	(15.155.752)
Other comprehensive income	-	-	-	696.614	400.178	14.540	(355.107)	756.225	281.534	1.037.759
<b>Total comprehensive income after taxes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>696.614</b>	<b>400.178</b>	<b>14.540</b>	<b>(14.507.239)</b>	<b>(13.395.907)</b>	<b>(722.086)</b>	<b>(14.117.993)</b>
Net-off of retained earnings with reserves (Note 33)	-	-	-	-	-	325.298	(325.298)	-	-	-
Legal reserve (Note 33)	-	-	-	-	-	12.986	(12.986)	-	-	-
Transfer of retained earnings to other reserves (Note 33)	-	-	-	-	-	1.302.551	(1.302.551)	-	-	-
Approved dividends	-	-	-	-	-	-	-	-	(166.569)	(166.569)
<b>Balance of equity as at 31 December 2014</b>	<b>85.354.185</b>	<b>(47.271)</b>	<b>36.248.476</b>	<b>30.809.596</b>	<b>(2.739.378)</b>	<b>10.245.123</b>	<b>(108.684.369)</b>	<b>51.186.362</b>	<b>(7.785.751)</b>	<b>43.400.611</b>

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

**Statement of Changes 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 2013</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)	<b>(76.699.574)</b>
Other comprehensive income	-	-	6.617	(1.646.974)	31.738	25.382	<b>(1.583.237)</b>
<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	-	-	-	<b>18.734</b>
Reserve arising from 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>
<i>Movement in Net equity for the period 01/01-31/12/2014</i>							
Profit / (losses) after taxes	-	-	-	-	-	(8.498.741)	<b>(8.498.741)</b>
Other comprehensive income	-	-	-	463.261	(4.511)	(360.935)	<b>97.815</b>
<b>Total comprehensive income after taxes</b>	-	-	-	<b>463.261</b>	<b>(4.511)</b>	<b>(8.859.676)</b>	<b>(8.400.926)</b>
Increase in share capital from the conversion of the convertible bond loan	-	-	-	-	-	-	-
Net-off of retained earnings with reserves	-	-	-	-	414.318	(414.318)	-
<b>Balance of equity as at 31 December 2014</b>	<b>85.354.185</b>	<b>(47.271)</b>	<b>36.248.476</b>	<b>29.096.988</b>	<b>9.057.838</b>	<b>(99.538.359)</b>	<b>60.171.857</b>

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

**Statements of Cash Flow**

(Amounts in Euro)

	Note	GROUP		COMPANY	
		31/12/2014	31/12/2013	31/12/2014	31/12/2013
<b>Cash flows from operating activities</b>					
Profit before taxes		(16.495.205)	(87.433.091)	(8.792.250)	(88.577.207)
Plus/less adjustments for:					
Depreciation charge	18, 21	8.047.051	8.124.227	6.643.002	6.704.945
Provisions		5.467.451	11.542.514	197.505	7.845.919
Government Grants	35	(838.233)	(553.196)	(712.766)	(420.677)
Provisions for retirement benefit obligations		115.173	25.441	85.782	64.042
Portfolio measurement	13,39	(289.187)	(208.568)	(289.187)	(308.568)
Dividends	13	-	-	(166.569)	(45.146)
Finance income	13	(135.113)	(244.546)	(116.865)	(171.943)
Movement in the fair value of biological assets		(5.583.755)	46.370.634	(9.122.445)	47.813.841
Other non-cash items		6.479.579	(6.193.586)	4.700.853	(4.542.269)
Gains/(loss) from sale of property, plant and equipment-investments		(12.819)	183	(16.371)	484
Finance expense and similar charges	13	13.894.531	19.938.614	13.060.005	17.378.973
<b>Plus/less adjustments of working capital to net cash or related to operating activities:</b>					
Decrease of inventories		5.783.626	22.654.968	6.834.439	20.813.546
Decrease/(increase) of receivables		13.642.254	(2.221.376)	9.998.488	2.951.919
(Decrease)/increase of payable accounts (except Banks)		(15.246.604)	2.037.627	(14.080.159)	1.444.109
Less:					
Interest expense and similar charges paid		(7.500.180)	(6.415.348)	(7.366.145)	(5.702.720)
Income tax paid		(383.203)	(239.419)	65.602	-
<b>Net cash generated from operating activities (a)</b>		<b>6.945.366</b>	<b>7.185.078</b>	<b>922.920</b>	<b>5.249.248</b>
<b>Cash flows from investing activities</b>					
Acquisition of subsidiaries		-	(29.967)	-	-
Purchases of property, plant and equipment (PPE) and of intangible assets	18,21	(4.636.113)	(6.837.855)	(4.074.262)	(6.396.578)
Proceeds from sale of PPE and intangible assets		58.860	12.894	16.371	10.090
Proceeds from Government grants		2.274.509	-	2.274.509	-
Interest received	13	135.113	198.425	116.865	171.943
Dividends received		-	-	1.266.846	-
Time deposits		-	-	-	-
<b>Net cash used in investing activities (b)</b>		<b>(2.167.631)</b>	<b>(6.656.503)</b>	<b>(399.671)</b>	<b>(6.214.545)</b>
<b>Cash flows from financing activities</b>					
Proceeds from issuance of ordinary shares / convertible bond		-	19.652	-	-
Expenses related to the issue of shares		-	-	-	-
Proceeds from issued/raised bank loans		8.506.622	16.254.796	7.706.296	15.940.325
Repayments of loans		(11.994.653)	(14.362.731)	(8.249.695)	(13.129.572)
Restricted cash	31	1.279.199	(667.728)	1.279.199	(667.728)
Repayments of finance lease obligations (instalments)		-	-	-	-
Purchase / sale of treasury shares		(166.569)	(22.573)	-	-
Dividends paid		-	-	-	-
<b>Net cash used in from financing activities (c)</b>		<b>(2.375.401)</b>	<b>1.221.416</b>	<b>735.800</b>	<b>2.143.025</b>
<b>Net increase in cash and cash equivalents for the period (a) + (b) + (c)</b>		<b>2.402.334</b>	<b>1.749.991</b>	<b>1.259.049</b>	<b>1.177.728</b>
Effect from changes in the foreign exchange differences		410.684	(1.140.278)	-	-
<b>Cash and cash equivalents at beginning of the year</b>		<b>3.616.545</b>	<b>3.006.832</b>	<b>2.426.166</b>	<b>1.248.438</b>
<b>Cash associated with held for sale assets</b>		<b>(988.033)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at end of the year</b>		<b>5.441.530</b>	<b>3.616.545</b>	<b>3.685.215</b>	<b>2.426.166</b>

**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 8 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.

### **1.3 Main Developments**

#### **A. Notice of Resolutions of the General Meeting of the Bondholders of the convertible bond loan of 24 February 2014, March 24 2014, June 23 2014, July 29 2014, September 24 2014, December 18 2014 and March 26, 2015.**

According to the General Meeting of the Bondholders held on March 26, 2015 the following decisions were taken:

1. The General Meeting resolved to defer the payment of the two instalments due on January 13, 2014 and July 31 2014 in addition to their corresponding interest which were due for 31 December 2014, as well as the first instalment of January 2015 for July 13, 2015.
2. It was resolved not to exercise the right to terminate the Loan until 13.07.2015.

#### **B. Resolutions of the Annual Ordinary General Meeting of Shareholders of 30 June 2014**

1. The General Meeting, in the context of approval of the financial statements for fiscal year 2013, approved the restated financial statements for fiscal year 2012.
2. Approved the proposal for no dividend distribution for the fiscal year 2013.



3. Released the members of the Board of Directors and the Auditors of NIREUS SA from any liability for indemnity with respect to the fiscal year 2013 and for the published company and group financial results.
4. Elected Ernst & Young as an auditor for fiscal year 2014, as well as for the issuance of the tax certificate, and pre-approved their fees.
5. Approved the paid and proposed fees, remunerations and contracts, as per articles 23a & 24, C.L. 2190/1920.
6. Granted permission to Directors and executive officers of the Company to participate in the management and the Board of Directors of affiliated (pursuant to article 42e, par. 5, C.L. 2190/1920) companies.

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

### **2.1 Basis of preparation**

The consolidated and separate financial statements as at 31 December 2014 have been prepared in accordance with International Financial Reporting Standards (IFRS) as these have been adopted by the European Union until December 31 2014.

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 fair values as presented in Note 45 of the annual financial statements. The consolidated financial statements provide comparative information in respect of the previous period.

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 2014, (prior year 31 December 2013 data included), have been approved by the company's Board of Directors on March 27, 2015. 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 2014 the Group and Company continue to be in breach of certain financial covenants for certain loans (Note 34). As a result of the above, as at 31 December 2014 bond loans, including the convertible bond loan, of € 13,2 and € 2,2 million for the Group and the Company are reclassified to short-term liabilities. The presentation of the bond and fire-victim loans as short term, as at 31 December 2014, resulted in the total short-term liabilities of the Group and of the Company to exceed total current assets by approximately € 104,8 million and € 90,0 million respectively,.

Given the financial circumstances, the Group and the Company were not in a position to fulfill part of their contractual arrangements arising from the bond loans, which include principal repayments amounting to € 34,24 million and overdue interest repayments amounting to € 7,49 million, as presented in Note 35.

The management of the Company as at March 24, 2015 has signed an Agreement of Understanding (MOU) with the lending banks (Alpha Bnak, Eurobank, National Bank, Piraeus Bank and Attica Bank) which provides for a tolerance period (standstill) until October 31, 2015, with respect to the due principal and interest payments of existing loans. The agreement of Mutual understanding also includes an agreement to restructure the existing debt of the Company Agreement, the key points of the restructuring agreement provides for the following:

- Capitalisation existing loans totaling € 58,6 million.
- Issuance of common Secured Bond € 58,2 million.
- Issuance of common bond loan (RCF Facility) € 31,4 million.
- Issuance of convertible bonds € 24,4 million.
- Issuance of common bond loan (VAT Facility) € 4,8 million.

The restructuring agreement is subject to the following conditions:

- To receive necessary approvals from the Competition Commission and the SEC.
- To draft contractual documentation by the Company.
- To receive approval from the corporate bodies of the Company.
- To apply other obligations arising from the Agreement of Mutual Understanding (MoU).

The above agreement has been made by the management of the Company for approval by the General Meeting.

The Company's management believes that the implementation of the Memorandum of Understanding (MoU) with the banks will have a positive outcome in the interest of the Company, the Group and its shareholders.



- Their activities are proceeding as normal, a further increase in sales and an improvement in market prices.
  - The Group and the Company have a strong customer base and sales.
  - The Group and the Company have biological assets, the realization of which is feasible.
- The unstable economic environment is not expected to affect the activity and results of the Group and the Company taking into account openness and export business of the Group.
- The Group and the Company have cash flows from operating activity.
  - In May 2014 the independent review of business «IBR» on the financial statements of the Company for the reporting date September 30, 2013 and for the years 2011 and 2012 has completed. We also completed the review of the five-year business plan of the Group. The conditions subject to the business plan and the business plan itself were accepted by the auditing firm that conducted the survey. Furthermore no findings in the review of the financial statements of 2011, 2012 and 2013 were noted.

In light of the above, the separate and consolidated financial statements of the Company and the Group have been prepared on the going concern basis. Therefore, the accompanying financial statements do not include adjustments, in case they would be required if the Company and the Group were not able to continue as going concern.

Nevertheless, the possibility of a successful completion of the process of restructuring of loans of the Company and the Group, indicates the existence of significant uncertainty about the possibility of a going concern.

### **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 derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognized in profit or loss. Any investment is recognized at fair value.

### ***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.

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 not within the scope of IAS 39 it is measured in accordance with the appropriate standard.

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 Investment in 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 not tested for impairment individually.

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 refer to 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 an 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, , construction in progress, 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 fair value.

A revaluation surplus which results from the revaluation of land, buildings, technical installations and floating means is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit or impairment loss of the same asset (as referred to in Note 3.9) previously recognized in profit or loss, the increase is recognized in profit and loss. A revaluation deficit is recognized in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognized in the revaluation reserve.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based in the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

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 it sale or when no future economic benefits are incurred from its use of 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 Properties**

Investment property is initially measured at cost, including transaction costs

Subsequent to initial recognition, investment properties 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 profit or loss 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 expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the profit or loss 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**

Further disclosures relating to impairment of non-financial assets are also provided in the following notes:

- Property, plant and equipment Note 18
- Intangible assets Note 21
- Goodwill and intangibles assets with indefinite lives Note 20

The Group and Company assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group and Company estimates the asset's recoverable amount. 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)**

#### ***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. The above 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 2014 and 2013.

### ***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.



## ***Impairment of financial assets***

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions Note 7
- Financial assets Note 24
- Trade Receivables Note 28,29,30

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 estimated.

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.

The determination of what is ‘significant’ or ‘prolonged’ requires judgement. In making this judgment, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

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.

## ***ii) 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.



### ***iii) 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. Taxes which have resulted from transactions recorded in the Statement of Equity are also presented under Equity instead of being recorded in the current year's profit and loss statement.

The entity's accounting policy for uncertain tax positions is that nothing is recognized for a position unless the position is considered more likely than not to occur. Where a position is considered more likely than not to occur, it is recognized and measured based in the probability of occurrence.

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***

**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

**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:** Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.
- **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 profit or loss. 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 profit or loss 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 short-term deposits***

Cash and short-term deposits in the statement of financial position comprise 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. The Group and Company have restricted cash deposits as at December 31, 2014 which are presented in Note 31 of the annual financial statements.

### ***3.23 Events after the reporting period***

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 consist of interest and other costs that an entity incurs in connection with the borrowing of funds 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 or to distribute. Costs to distribute are the incremental costs directly attributed to the distribution, excluding the finance costs and income tax expense.

The criteria for held for distribution classification is regarded as met only when the sale or distribution is highly probable and the asset or disposal group is available for immediate distribution in its present condition. Actions required to complete the distribution should indicate that it is unlikely that significant changes to the distribution will be made or that the distribution will be withdrawn. Management must be committed to the distribution within one year from the date of the classification.

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 operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a major line of business or geographical area of operations



- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or
- Is a subsidiary acquired exclusively with a view to resale

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.

As at 31 December 2014 the management of the Group decided upon the sale of the total of its business operations in Turkey entering into a sale agreement regarding the sales of its entire shareholding in the Turkish companies ILKNAK SU URUNLERI and MIRAMAR SU URULERI as well as their subsidiaries. Further information is presented in Note 7 “Held-for sale assets”.

### ***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 is 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 related disclosures for financial instruments and non –financial assets that are measured at fair value where fair value is disclosed are summarized in the following notes:

- Disclosures for valuation methods, significant estimates and assumptions Notes 18,19,20,26,28,29,45
- Quantitative disclosures of fair value measurement hierarchy Note 45
- Investment in unquoted equity shares Notes 24
- Property, plant and equipment under revaluation model Notes 18
- Investment properties Notes 19
- Financial instruments (including those at amortised cost) Notes 28,29,30,31
- Biological assets current and non-current Notes 26
- Short-term borrowing Notes 34
- Short-term portion of the long-term borrowings Notes 34

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 2014.

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

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

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. The new standard imposes changes with respect to the additional disclosures as presented in Note 19 “Investments in Associates”.

- **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 above amendment does not have an impact on the financial position or performance of the Group and Company.

- **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 above amendment does not have an impact on the financial position or performance of the Group and Company.

- **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. Management assessed the impact of IFRS 10 on its subsidiaries and there were no (material) changes to entities consolidated into 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 above standard does not have an impact on the financial position or performance of the Group and Company.



- **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. The above interpretation does not have an impact on the financial position or performance of the Group and Company.

- **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. The above amendment does not have an impact on the financial position or performance of the Group and Company.

- **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. The above amendment does not have an impact on the financial position or performance of the Group and Company.

**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 16 Property, Plant & Equipment and IAS 38 Intangible assets (Amendment): Clarification of Acceptable Methods of Depreciation and Amortization**

The amendment is effective for annual periods beginning on or after 1 January 2016. The amendment provides additional guidance on how the depreciation or amortization of property, plant and equipment and intangible assets



should be calculated. This amendment clarifies the principle in IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, the ratio of revenue generated to total revenue expected to be generated cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. 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 16 Property, Plant & Equipment and IAS 41 Agriculture (Amendment): Bearer Plants**

The amendment is effective for annual periods beginning on or after 1 January 2016. Bearer plants will now be within the scope of IAS 16 Property, Plant and Equipment and will be subject to all of the requirements therein. This includes the ability to choose between the cost model and revaluation model for subsequent measurement. Agricultural produce growing on bearer plants (e.g., fruit growing on a tree) will remain within the scope of IAS 41 Agriculture. Government grants relating to bearer plants will now be accounted for in accordance with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance, instead of in accordance with IAS 41. 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 19 Defined Benefit Plans (Amended): Employee Contributions**

The amendment is effective from 1 February 2015. 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 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**

IFRS 9 reflects the IASBs work on the replacement of IAS 39 and is being published in three phases. Phase 1 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 phases 2 and 3, the IASB will address hedge accounting and impairment of financial assets. The second 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. The IASB is currently working on drafting the final requirements on impairment. This 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 11 Joint arrangements (Amendment): Accounting for Acquisitions of Interests in Joint Operations**

The amendment is effective for annual periods beginning on or after 1 January 2016. IFRS 11 addresses the accounting for interests in joint ventures and joint operations. The amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business in accordance with IFRS and specifies the appropriate accounting treatment for such acquisitions. 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 15 Revenue from Contracts with Customers**

The standard is effective for annual periods beginning on or after 1 January 2017. IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles). Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgments and estimates. The standard has not been yet 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.

- **IAS 27 Separate Financial Statements (amended)**

The amendment is effective from 1 January 2016. This amendment will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements and will help some jurisdictions move to IFRS for separate financial statements, reducing compliance costs without reducing the information available to investors. This amendment has 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.

**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 February 2015. These annual improvements 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 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 January 2015. These annual improvements 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 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.

The IASB has issued the **Annual Improvements to IFRSs 2012 – 2014 Cycle**, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2016. These annual improvements 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 5 Non-current Assets Held for Sale and Discontinued Operations:** The amendment clarifies that changing from one of the disposal methods to the other (through sale or through distribution to the owners) should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in IFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification.
- **IFRS 7 Financial Instruments: Disclosures:** The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. Also, the amendment clarifies that the IFRS 7 disclosures relating to the offsetting of financial assets and financial liabilities are not required in the condensed interim financial report.
- **IAS 19 Employee Benefits:** The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.
- **IAS 34 Interim Financial Reporting:** The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report). The Board specified that the other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the other information in this manner, then the interim financial report is incomplete.
- **IFRS 10, IFRS 12 and IAS 28: Investment Entities: Applying the Consolidation Exception (Amendments)**

The amendments address three issues arising in practice in the application of the investment entities consolidation exception. The amendments are effective for annual periods beginning on or after 1 January 2016. The amendments clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. Also, the amendments clarify that only a subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. Finally, the amendments to *IAS 28 Investments in Associates and Joint Ventures* allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries. These 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.



- **IAS 1: Disclosure Initiative (Amendment)**

The amendments to IAS 1 *Presentation of Financial Statements* further encourage companies to apply professional judgment in determining what information to disclose and how to structure it in their financial statements. The amendments are effective for annual periods beginning on or after 1 January 2016. The narrow-focus amendments to IAS clarify, rather than significantly change, existing IAS 1 requirements. The amendments relate to materiality, order of the notes, subtotals and disaggregation, accounting policies and presentation of items of other comprehensive income (OCI) arising from equity accounted Investments The Group and Company are in the process of assessing the impact of this amendment on the financial position or performance of the Group.

## ***5. Critical accounting judgements, 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. Fair Value, Useful life and Impairment of Tangible and Intangible assets**

As at year end 31.12.2014 the useful life of assets, buildings machinery and other technical installations, transportation means of the parent company and its domestic subsidiaries were readjusted by the Company's independent valuers, based on the comparative method of similar assets which prevail in the market. The Group and the Company examine on an annual basis the extent to which an impairment of tangible assets has occurred in accordance with IFRS (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.

The investments in the subsidiary companies of the Group, ILKNAK SU URUNLERI SANAYI VE TICARET A.S NIN and MIRAMAR SU URUNLERI VE BALIK YEMI SANAYI VE TICARET AS. NIN as well as the subsidiary of these are classified as held for sale in the statement of financial position of the Company. Further information on held for sale subsidiary companies is presented in Note 7 “Held for sale assets”.

## **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 even 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 during the year 2013 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.

The valuation of biological assets of mature fish has been based on the average price of the first week of the principal market prevailing during the month of January for the Company.

## **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.

## **L. Provision for net employee defined 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 obligation was assessed according to the independent actuarial valuations of the Group and Company. Further information is presented in Note 11 of the financial statements.



## 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:

	2014							2013						
<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	832.302	968.668	-	-	177.656	8.362.660	6.315	966.941	997.601	-	-	234.013	9.308.513	46.215
Financial liabilities	1.332.362	36.440	43.451	0	0	2.809.937	378	1.220.079	0	22.551	0	515	1.887.905	378
<b>Total current exposure</b>	<b>(500.060)</b>	<b>932.228</b>	<b>(43.451)</b>	<b>0</b>	<b>177.656</b>	<b>5.552.723</b>	<b>5.937</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>
Financial assets	-	-	-	-	-	5.694.759	-	4.535.699	-	-	-	-	941.091	-
Financial liabilities	-	-	-	-	-	413.790	-	920.583	-	-	-	-	12.232	-
<b>Total non-current exposure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5.280.969</b>	<b>0</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>

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 2014 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:

<i>Amounts in Euro</i>	2014													
	USD	GBP	NOK	DKK	CAD	TRY	CHF	USD	GBP	NOK	DKK	CAD	TRY	CHF
Post-tax profit for the year	5,84%	-5,84%	1,90%	-1,90%	24,49%	-24,49%	0,88%	-0,88%	4,50%	-4,50%	9,24%	-9,24%	0,81%	-0,81%
Equity	(29.198)	29.198	17.721	(17.721)	(10.641)	10.641	-	-	7.999	(7.999)	1.001.428	(1.001.428)	48	(48)
	(29.198)	29.198	17.721	(17.721)	(10.641)	10.641	-	-	7.999	(7.999)	1.001.428	(1.001.428)	48	(48)
<i>Amounts in Euro</i>	2013													
	USD	GBP	NOK	DKK	CAD	TRY	CHF	USD	GBP	NOK	DKK	CAD	TRY	CHF
Post-tax profit for the year	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%
Equity	92.453	(92.453)	14.447	(14.447)	(7.544)	7.544	-	-	11.182	(11.182)	1.635.944	(1.635.944)	378	(378)
	92.453	(92.453)	14.447	(14.447)	(7.544)	7.544	-	-	11.182	(11.182)	1.635.944	(1.635.944)	378	(378)

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 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% (2013: +/-1%). Changes in interest rates are deemed to fluctuate on a reasonable basis in relation to current market conditions.

Amounts in Euro	GROUP				COMPANY			
	2014		2013		2014		2013	
	1,00%	-1,00%	1,00%	-1,00%	1,00%	-1,00%	1,00%	-1,00%
Post-tax profit for the year	2.309.121	-2.309.121	2.248.864	-2.248.864	2.059.074	-2.059.074	1.985.180	-1.985.180
Equity	2.309.121	-2.309.121	2.248.864	-2.248.864	2.059.074	-2.059.074	1.985.180	-1.985.180

### **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 would change the valuation positively/(negatively) by an amount of € 6,34 mil/€ (6,34) million and a change in the discount factor by +/- 1% would change the valuation (negatively)/positively by a minimum of € (0,3) million/€ 0,3 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	
	2014	2013	2014	2013
<i>Categories of financial assets</i>				
Restricted Cash	4.245.364	5.524.563	4.245.364	5.524.563
Cash and cash equivalents	5.441.530	3.616.545	3.685.215	2.426.166
Trade and other receivables	37.019.482	49.829.305	32.632.913	36.846.455
Other receivables	6.095.901	10.711.637	4.996.357	9.890.409
<b>Total</b>	<b>52.802.277</b>	<b>69.682.050</b>	<b>45.559.849</b>	<b>54.687.593</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 2014 for the Group is analyzed as follows:

#### GROUP

*Amounts in Euro*

	2014			
	Short-term		Long-term	
	within 6 months	between 6 to 12 months	between 1 to 5 years	over 5 years
Long-term borrowings	135.521.472	6.814.207	36.916.916	-
Short-term borrowings	65.064.986	-	-	-
Other Long-term liabilities	-	-	1.677.598	203.697
Trade payables	47.853.869	177.440	-	-
Other short-term liabilities	11.665.778	192.478	-	-
<b>Total</b>	<b>260.106.106</b>	<b>7.184.125</b>	<b>38.594.514</b>	<b>203.697</b>



## COMPANY

*Amounts in Euro*

	<b>2014</b>			
	<b>Short-term</b>		<b>Long-term</b>	
	<b>within 6 months</b>	<b>between 6 to 12 moths</b>	<b>between 1 to 5 years</b>	<b>over 5 years</b>
Long-term borrowings	114.016.572	6.814.207	-	-
Short-term borrowings	62.118.625	-	36.916.916	-
Trade payables	43.845.931	177.440	-	-
Other short-term liabilities	9.617.267	148.949	-	-
<b>Total</b>	<b>229.598.395</b>	<b>7.140.596</b>	<b>36.916.916</b>	<b>-</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 34.

The relevant maturity of the financial liabilities as of 31 December 2013 was as follows:

## GROUP

*Amounts in Euro*

	<b>2013</b>			
	<b>Short-term</b>		<b>Long-term</b>	
	<b>within 6 months</b>	<b>between 6 to 12 moths</b>	<b>between 1 to 5 years</b>	<b>over 5 years</b>
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>

## COMPANY

*Amounts in Euro*

	<b>2013</b>			
	<b>Short-term</b>		<b>Long-term</b>	
	<b>within 6 months</b>	<b>between 6 to 12 moths</b>	<b>between 1 to 5 years</b>	<b>over 5 years</b>
Long-term borrowings	111.538.723	3.865.237	30.418.550	12.985.904
Short-term borrowings	39.728.794	19.764.575	-	-
Trade payables	52.536.385	109.158	-	-
Other short-term liabilities	14.343.668	886.376	104.294	-
<b>Total</b>	<b>218.147.570</b>	<b>24.625.346</b>	<b>30.522.843</b>	<b>12.985.904</b>

The above contractual maturity dates reflect the gross cash flows (interest is recognized only on the loan borrowings), which may differ from the carrying values of the liabilities as at the balance sheet date.

The maturity profiles are based on contractual undiscounted payments.

**7. Held for sale subsidiaries**

As at 31.12.2014 the Group's management decided upon the sale of its entire business activity and subsidiaries in Turkey with the aim to, firstly, disengage from activities that are not in the strategic business plan and, secondly, to enhance



liquidity. As a result as at 21.01.2015, the management of the Group entered into an agreement for the sale of all shares held in the Turkish companies, for ILKNAK SU URUNLERI SANAYI VE TICARET A.S NIN (hereinafter referred to as “ILKNAK”) 617.493 shares were sold and for MIRAMAR SU URUNLERI VE BALIK YEMI SANAYI VE TICARET AS. NIN (hereinafter referred to as “MIRAMAR”) 500.000 shares were sold. The agreed upon sales price amounts to € 4.150.000 payable in cash and is considered to be within reasonable price limits as obtained from the valuations conducted by independent valuers. The direct and indirect percentage holding of Nireus Aquaculture SA prior to the sale of the Turkish subsidiaries amounted in ILKNAK to 83,563% (direct 52,53% and indirect 31,03%) , while for MIIRAMAR the percentage amounted to 99,95% (direct 0,02% and indirect 99,93%).

It is noted that the production of Turkey is less than 5% of the total Group production and will be counterbalanced by increasing the production capacity in our country.

As at 31 December 2014, the net assets of the subsidiary companies ILKNAK SU URUNLERI and MIRAMAR SU URUNLERI and their subsidiary companies ILKNAK DENIZCILIK and CARBON, were reclassified as assets held for sale in the statement of financial position of the Group. Furthermore the losses incurred from the valuation of the above companies at fair value are presented according to IFRS 5 “Non current assets held for sale» are separately in the income statement of the Group”.

The major classes of assets held for sale and its related liabilities are separately presented in the Statement of Financial Position of the Group as at 31st December 2014. The basic categories of assets and liabilities are presented in the following table:



	Note	31/12/2014
<b>Current assets</b>		
Biological assets	26	3.547.127
Inventories	27	222.808
Trade and other receivables	28	2.123.049
Other receivables	29	1.612.508
Other current assets	30	21.435
Cash and cash equivalents	32	988.033
<b>Total Assets</b>		<b>8.514.960</b>
<b>Non-current liabilities</b>		
Deferred income tax liabilities	23	186.016
Net Employee defined Benefit obligations	11	201.248
Provisions	37	30.801
<b>Total non-current liabilities</b>		<b>418.065</b>
<b>Current liabilities</b>		
Trade & other payables	38	3.850.832
Short-term interest bearing loan borrowings	34	201.902
Other current liabilities	40	332.858
<b>Total current liabilities</b>		<b>4.385.591</b>
<b>Total Liabilities</b>		<b>4.803.656</b>
<b>Net assets directly associated with held for sale assets (excluding intercompany)</b>		<b>3.711.304</b>
<b>Add: Intercompany receivables/(liabilities)</b>		<b>438.696</b>
<b>Net assets directly associated with held for sale assets (including intercompany)</b>		<b>4.150.000</b>

### Write-down of non-current and current assets

Immediately prior to the classification of ILKNAK SU URUNLERI, MIRAMAR SU URUNLERI and their investments in ILKNAK DENIZCILIK and CARBON as held for sale, the recoverable amount was estimated for non-current and current assets and no impairment loss was identified apart from any reference made in the financial statements. Following the classification as held for sale, a total impairment loss of € 7.064.409 (non-current liabilities of € 5.514.525 and of current assets of € 1.549.884 correspondingly) was recognised the statement of profit and loss under “Impairment of investments in subsidiaries”.

The allocation of the write-down of assets can be illustrated as follows:



## NIREUS AQUACULTURE S.A

Property, plant and equipment (Note 18)	3.199.454
Goodwill (Note 20)	363.788
Intangible assets (Note 21)	7.266
Deferred income tax assets (Note 23)	277
Available-for-sale financial assets (Note 24)	9
Other long-term receivables (Note 25)	6.533
Biological assets (Note 26)	1.937.198
<b>Impairment of non-current Assets</b>	<b>5.514.525</b>
Biological assets (Note 26)	607.349
Inventories (Note 27)	38.150
Trade and other receivables (Note 28)	590.372
Other receivables (Note 29)	310.343
Other current assets (Note 30)	3.670
<b>Impairment of current Assets</b>	<b>1.549.884</b>
<b>Total impairment loss</b>	<b>7.064.409</b>

Initially, the impairment loss has reduced the amount of goodwill and then all other non-current assets. Following the write-off of non-current assets the residual loss has been allocated to current assets on a pro rata basis according to carrying amounts of those assets.

### **8. 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	50,02%
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	50,02%	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 while the investments in the subsidiary companies Aquacom, ILKNAK SU URUNLERI SANAYI VE TICARET A.S and MIRAMAR SU URUNLERI VE BALIK YEMI SANAYI VE TICARET and KEGO AGRI have been partially impaired (Note 22).

## 9. 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.

#### 31/12/2014

<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	171.226	10.745	12.050	3.294	(2.141)	195.174
Thrid party sales	171.226	10.745	12.050	3.294	(2.141)	195.174
Net operating costs	(163.716)	(8.753)	(13.783)	(5.270)	(20.147)	(211.669)
Profit before taxes	7.510	1.992	(1.733)	(1.976)	(22.288)	(16.495)
Depreciation expense	6.252	1.112	44	500	139	8.047

#### 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

Assets per segment include those which the executive committee monitors and which can be distinguished into separate operating segments. Liabilities are monitored on a group basis.

**31/12/2014**

Amounts in Thds of €	Aquaculture	Fishfeed	Aviculture-Stockbreeding	All other remaining segments	Eliminations/Adjustments	Consolidation
Assets per segment	261.189	20.909	3.200	7.330	72.435	365.063
Investments in associate companies (net equity method)		-	-	-	-	-
Capital expenditure	3.805	30	8	794	-	4.637

**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

**GEOGRAPHICAL INFORMATION**

Information in relation to the destination location of revenue is presented below.

*Amounts in Euro*

	<b>GROUP</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>
Greece	39.024.908	44.374.294
Euro-zone	127.883.796	122.254.501
Other countries	28.265.317	31.949.255
	<b>195.174.021</b>	<b>198.578.050</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:

**Revenue from foreign customers**

<i>Amounts in Euro</i>	<b>GROUP</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>
Greece	166.243.434	174.757.873
Spain	11.618.791	10.168.073
Turkey	17.311.796	13.652.104
	<b>195.174.021</b>	<b>198.578.050</b>

**Non current Assets**

<i>Amounts in Euro</i>	<b>GROUP</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>
Greece	92.305.442	96.417.406
Spain	3.075.348	3.170.494
Turkey	-	2.876.441
	<b>95.380.790</b>	<b>102.464.341</b>

Non-current assets exclude Turkey due to the impairment of the companies' assets and the classification of these as held for sale (Note 7).

	<b>Note</b>	<b>GROUP</b>	
		<b>31/12/2014</b>	<b>31/12/2013</b>
<b>Results for the period before taxes</b>		<b>(16.495.205)</b>	<b>(87.433.091)</b>
Finance expenses	<b>13</b>	13.969.594	20.038.614
Finance income	<b>13</b>	(424.300)	(553.114)
Gain or loss on measurement of financial assets at fair value	<b>18, 19</b>	1.706.254	202.837
Depreciation	<b>18, 21</b>	8.047.051	8.124.227
Grants	<b>35</b>	(838.233)	(553.196)
Impairment of goodwill and intangible assets	<b>20</b>	423.554	-
	<b>7</b>	7.064.409	-
<b>Profit/ (Loss) before taxes, financing and investing results and depreciation (EBITDA)</b>	<b>9</b>	<b>13.453.124</b>	<b>(60.173.723)</b>
Effect from the change in biological assets at fair value		5.583.755	(46.377.148)
<b>Profit/ (Loss) before taxes, financing and investing results and depreciation (EBITDA) - before the effect of biological assets</b>		<b>7.869.369</b>	<b>(13.796.575)</b>

	<b>Note</b>	<b>COMPANY</b>	
		<b>31/12/2014</b>	<b>31/12/2013</b>
<b>Results for the period before taxes</b>		<b>(8.792.250)</b>	<b>(88.577.207)</b>
Finance expenses	<b>13</b>	13.124.167	17.378.973
Finance income	<b>13</b>	(572.621)	(525.657)
Gain or loss on measurement of financial assets at fair value	<b>18, 19</b>	1.243.505	174.440
Depreciation	<b>18, 21</b>	6.643.002	6.704.945
Grants	<b>35</b>	(712.766)	(420.678)
Loss on impairment of subsidiaries	<b>22</b>	3.420.813	-
<b>Profit/ (Loss) before taxes, financing and investing results and depreciation (EBITDA)</b>	<b>9</b>	<b>14.353.850</b>	<b>(65.265.184)</b>
Effect from the change in biological assets at fair value		9.122.445	(47.813.841)
<b>Profit/ (Loss) before taxes, financing and investing results and depreciation (EBITDA) - before the effect of biological assets</b>		<b>5.231.405</b>	<b>(17.451.343)</b>

The Group's and Company's policy is to calculate EBITDA according to the profit before tax plus/minus the financial and investment results plus the depreciation expenses. Investment results include gains/(losses) from the revaluation of fixed



assets, grants, impairment of goodwill and intangibles assets in addition to profit/(losses) of subsidiary companies held for sale.

	NOTE	GROUP		COMPANY	
		31/12/2014	31/12/2013	31/12/2014	31/12/2013
<b>Gain or Loss arising from changes in fair value of biological assets at the end of the period</b>		<b>146.921.995</b>	<b>78.198.082</b>	<b>137.653.256</b>	<b>63.821.923</b>
Sales of non-biological goods-merchandise and other inventories	10	45.525.075	49.106.089	20.730.975	31.299.118
Raw material consumption		(101.600.716)	(107.432.939)	(78.337.537)	(88.048.136)
Salaries & personnel expenses	11	(28.165.353)	(30.853.823)	(22.263.409)	(24.412.107)
Third party fees and benefits	12	(21.253.583)	(19.988.691)	(21.102.706)	(22.452.786)
Other expenses	14	(30.193.767)	(31.817.829)	(23.393.012)	(26.272.626)
Other income	15	2.219.473	2.615.388	1.066.283	799.430
<b>Profit/ (Loss) before taxes, financing and investing results and depreciation (EBITDA)</b>		<b>13.453.124</b>	<b>(60.173.723)</b>	<b>14.353.850</b>	<b>(65.265.184)</b>
Sales revenue (non biological assets)	10	45.525.075	49.106.089	20.730.975	31.299.118
Sales revenue (biological assets) (a)	26	149.648.946	149.471.961	137.280.990	135.065.058
<b>Total Sales revenue</b>		<b>195.174.021</b>	<b>198.578.050</b>	<b>158.011.965</b>	<b>166.364.176</b>
Gross profit (non biological assets) (a)		9.745.344	11.752.802	2.884.550	5.418.378
Effect of measurement of biological assets at fair value (a)		(2.726.951)	(71.273.879)	372.266	(71.243.135)
Development costs of biological assets (a)		(123.472.959)	(124.949.558)	(107.116.724)	(109.945.934)
<b>Gross results from operations S(a)</b>		<b>33.194.380</b>	<b>(34.998.674)</b>	<b>33.421.082</b>	<b>(40.705.633)</b>

## 10. Sale of non-biological assets-goods and other material

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Sale of merchandise	30.753.590	32.626.169	7.399.016	11.826.398
Sale of finished and semi-finished goods	13.361.286	15.309.715	12.785.736	18.611.905
Sales of other inventories and scrap material	546.649	707.161	208.325	486.771
Sale of services	863.550	463.044	337.898	374.044
<b>Total sales of merchandise and other materials</b>	<b>45.525.075</b>	<b>49.106.089</b>	<b>20.730.975</b>	<b>31.299.118</b>

## 11. Salaries and personnel expenses

### (a) 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:

*Amounts in Euro*

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
<b>Balance liability at beginning of the year</b>	2.442.990	2.371.864	2.014.338	1.950.296
Current service cost (Note11b)	391.536	577.275	316.996	501.869
Interest cost (Note 13)	75.063	75.053	64.161	66.695
Benefits paid	(330.302)	(550.832)	(295.376)	(461.633)
Exchange differences arising from foreign subsidiaries	9.455	(38.254)	-	-
Remeasured actuarial (gains)/losses on obligation and effect from change in IAS 19	(21.591)	7.884	6.096	(42.889)
Less: Pensions obligation on held for sale subsidiaries (Note 7)	(201.248)	-	-	-
<b>Total liability at end of the year</b>	<b>2.365.903</b>	<b>2.442.990</b>	<b>2.106.215</b>	<b>2.014.338</b>

The main actuarial assumptions used were as follows:

	<b>31/12/2014</b>	<b>31/12/2013</b>
Discount rate	2,20%	3,20%
Future salary increases	1,80%	2,00%
Inflation rate	2,00%	2,00%

H amendment to IAS 19 clarifies that the depth of the market of high quality corporate bonds is evaluated based on the currency in which the obligation is expressed and not according to the country in which the obligation exists. When there is no in depth market for high quality corporate bonds in the same currency, government bond rates 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 1,55 % (2013: 3,16%).

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%.

### **(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>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Wages and Employee Salaries	(22.218.951)	(23.913.009)	(17.672.201)	(18.978.374)
Social contributions	(5.452.274)	(6.075.091)	(4.164.516)	(4.679.417)
Provision for staff termination indemnity (Note 10a)	(391.536)	(577.275)	(316.996)	(501.869)
Provision for unpaid employees' leave	(102.592)	(288.448)	(109.696)	(252.447)
	<b>(28.165.353)</b>	<b>(30.853.823)</b>	<b>(22.263.409)</b>	<b>(24.412.107)</b>

### Number of employed personnel

The number of employed personnel on December 31, 2014 amounted to 867 for the Company, and 1.151 for the Group while on December 31, 2013 this amounted to 883 for the Company, and 1.168 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 33). 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.



Other comprehensive income (OCI)	COMPANY	GROUP
	2014	2014
Actuarial gains/(losses) due to financial assumptions	(231.646)	(229.300)
Actuarial gains/(losses) due to demographic assumptions	-	-
Actuarial gains/(losses) due to experience	225.550	250.891
<b>Amount recorded in OCI</b>	<b>(6.096)</b>	<b>21.591</b>

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

YEARS	DEFINED BENEFIT OBLIGATION	
	GROUP	COMPANY
	31/12/2014	31/12/2014
0 to 1	52.470	46.167
2 to 5	220.948	190.575
6 to 10	306.079	273.557
11 and above	1.786.406	1.595.916
<b>Total</b>	<b>2.365.903</b>	<b>2.106.215</b>

## 12. Third party fees and benefits

The analysis of third party fees and benefits follows:

Amounts in Euro	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Third party fees and expenses	(11.159.102)	(9.938.961)	(13.133.100)	(14.300.854)
Third party benefits	(10.094.481)	(10.049.730)	(7.969.606)	(8.151.932)
<b>Total third party fees and benefits</b>	<b>(21.253.583)</b>	<b>(19.988.691)</b>	<b>(21.102.706)</b>	<b>(22.452.786)</b>

## 13. Finance income and costs

Analysis of finance income and expenses is as follows:

### Finance Expenses

Amounts in Euro

	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Interest expense from bank borrowings at amortised cost	(13.894.531)	(13.425.259)	(13.060.006)	(12.548.671)
Interest expense from defined benefit plans (Note 10a)	(75.063)	(75.053)	(64.161)	(66.696)
Loss on measurement of other financial assets	-	(100.000)	-	-
Financial loss on investments in associate companies (Note 29,37)	-	(6.438.302)	-	(4.763.606)
<b>Total finance expenses</b>	<b>(13.969.594)</b>	<b>(20.038.614)</b>	<b>(13.124.167)</b>	<b>(17.378.973)</b>

**Finance Income***Amounts in Euro*

	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Dividend income	-	-	166.569	45.146
Interest income	135.113	244.546	116.865	171.943
Gain on measurement of derivative financial instruments (Note 39)	289.187	308.568	289.187	308.568
<b>Total finance income</b>	<b>424.300</b>	<b>553.114</b>	<b>572.621</b>	<b>525.657</b>

**14. Other expenses**

The analysis of other income and expenses is the following:

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Donations and subsidies	(35.677)	(30.835)	(34.042)	(29.353)
Special export expenses	(133.813)	(213.796)	(131.931)	(212.533)
Printed material and stationery	(77.061)	(80.737)	(61.268)	(67.746)
Publication expenses	(24.674)	(18.434)	(13.867)	(6.611)
Exhibition and demonstration expenses	(21.193)	(58.842)	(21.193)	(56.936)
Transportation expenses	(16.791.070)	(17.016.766)	(14.497.788)	(15.013.209)
Sales promotion and advertising expenses	(1.615.738)	(1.257.849)	(1.582.789)	(1.237.299)
Travelling expenses	(406.617)	(417.902)	(297.817)	(319.566)
Losses from disposal of assets	(1.542)	(1.172)	-	(574)
Losses from destruction of scrap inventories	(85.003)	(166.598)	(48.280)	(69.568)
Other extraordinary & non-operating expenses	(541.288)	(248.113)	(259.805)	(200.048)
Other prior year expenses	(687.439)	(836.226)	(546.361)	(864.160)
Provision for bad debts of trade receivables and other receivables (Note 28,29)	(2.462.855)	(4.886.974)	(187.809)	(2.829.866)
Exchange differences	(1.089.763)	(1.260.677)	(109.477)	(197.005)
Subscriptions – Contributions	(111.579)	(137.292)	(89.582)	(110.993)
Consumable materials	(3.917.838)	(3.750.504)	(4.254.870)	(3.918.422)
Taxes-duties (other than the non-incorporated in the operating cost taxes)	(792.450)	(628.912)	(712.541)	(513.155)
Tax fines and surcharges	(878.399)	(254.491)	(74.980)	(127.675)
Cleaning expenses	(154.471)	(185.447)	(146.677)	(172.811)
Security expenses	(185.413)	(207.550)	(183.954)	(207.413)
Various expenses	(179.884)	(158.712)	(137.981)	(117.683)
<b>Total expenses</b>	<b>(30.193.767)</b>	<b>(31.817.829)</b>	<b>(23.393.012)</b>	<b>(26.272.626)</b>

Other expenses include bad debt provisions of an amount of € 2.462.855 (2013: € 4.886.974) and € 187.809 (2013: € 2.829.866) 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>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Sales subsidies and other sales revenue	376.089	564.642	252.827	213.341
Income from other operations	209.655	63.264	156.933	57.672
Income from operating leases	-	-	58.920	61.250
Gain on disposal of assets	22.794	988	16.371	90
Other income	662.914	737.610	448.923	397.080
Exchange differences	948.021	1.248.884	132.309	69.998
Amortization of grants on fixed assets (Note 35)	838.233	553.196	712.766	420.677
<b>Total Income</b>	<b>3.057.706</b>	<b>3.168.584</b>	<b>1.779.049</b>	<b>1.220.108</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:

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Current tax	763.719	419.745	-	-
Prior years' tax audit differences	-	-	-	-
Other non-incorporated in the operating cost taxes	223.000	-	223.000	-
Deferred tax (Note 23)	(2.326.172)	(12.371.983)	(516.509)	(11.877.633)
<b>Total</b>	<b>(1.339.453)</b>	<b>(11.952.238)</b>	<b>(293.509)</b>	<b>(11.877.633)</b>
<b>Profit before tax</b>	<b>(16.495.205)</b>	<b>(87.433.091)</b>	<b>(8.792.250)</b>	<b>(88.577.207)</b>
Tax rate	26%	26%	26%	26%
<b>Estimated tax charge</b>	<b>(4.288.753)</b>	<b>(22.732.604)</b>	<b>(2.285.985)</b>	<b>(23.030.074)</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.	2.949.300	8.049.798	1.992.476	8.393.629
<b>Actual Tax Charge</b>	<b>(1.339.453)</b>	<b>(11.952.238)</b>	<b>(293.509)</b>	<b>(11.877.633)</b>

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Current tax	763.719	419.745	-	-
Prior years' tax audit differences	-	-	-	-
Other not incorporated in operating taxes	223.000	-	223.000	-
Deferred tax	(2.326.172)	(12.371.983)	(516.509)	(11.877.633)
<b>Income tax expense</b>	<b>(1.339.453)</b>	<b>(11.952.238)</b>	<b>(293.509)</b>	<b>(11.877.633)</b>
Deferred tax - recognised in other comprehensive income (Equity holders of the parent company)	(107.656)	1.683.116	(34.367)	1.635.044
Deferred tax - recognised in other comprehensive income (non-controlling interests)	(69.534)	135.993	-	-
<b>Income tax-other comprehensive income</b>	<b>(177.190)</b>	<b>1.819.109</b>	<b>(34.367)</b>	<b>1.635.044</b>

During the prior year 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% from January 1<sup>st</sup> 2013.



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 for which the “Tax compliance Reports” for the year 2013 have been issued. Furthermore during the year the tax audit for SEAFARM IONIAN for the years 2005 to 2011 was finalised and the results of the audit are included in the results of the period as of 31.12.2014.

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.	2014
CARBON DIS TICARET YATIRIM INSAAT VE SANAYI S.A.	2014
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.	2014
BLUEFIN TUNA S.A	Since 2010
SEAFARM IONIAN S.A	2014
SEAFARM IONIAN (CENTRAL EUROPE) GMBH	Since 1999
AQUA TERRAIR S.A	Since 1999
ILKNAK DENIZCILIK A.S.	2014

Further analysis of the deferred tax is presented in Note 23 “Deferred Income Tax assets/liabilities”.

#### **17. Losses per share**

Analysis of losses per share of the Group and the Company is as follows:

**Basic and undiluted Losses per share**

<i>Amounts in Euro</i>	<b>GROUP</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>
Losses attributable to equity holders of the Company	(14.152.132)	(75.071.184)
Weighted average number of ordinary shares	63.674.763	63.667.463
<b>Losses per share (€ per share)</b>	<b>(0,2223)</b>	<b>(1,1791)</b>

Losses per share is calculated as losses 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.

During 31/12/2014 the Group and Company revalued land and buildings, machinery and technical installations (wherever deemed necessary) and transportation means in accordance with a recognized independent valuers “Geoaxis Property and Valuation Services”. The fair value was based on the current active market values whereby current market prices were adjusted for the differences in the nature, location, and physical condition of the specific asset.

The effect from the revaluation of the above mentioned assets was a decrease in the equity position of the company by an amount of € 598.716 (decrease in the profit and loss of an amount of € 736.994 and direct increase in equity of € 138.278, before taxes) and decrease for the Group of € 215.979 (decrease in the profit and loss of € 935.810 and increase in direct equity effect of € 719.833, before taxes ). The effect per asset category is presented below:

	<b>GROUP</b>				<b>COMPANY</b>			
	<b>Profit and loss statement</b>	<b>Decrease in reserves</b>	<b>Increase on reserves</b>	<b>TOTAL</b>	<b>Profit and loss statement</b>	<b>Decrease in reserves</b>	<b>Increase on reserves</b>	<b>TOTAL</b>
Land	(567.091)	(1.611.280)	-	(2.178.370)	(567.091)	(1.551.403)	-	(2.118.493)
Buildings	(358.527)	(3.097.081)	12.554	(3.443.055)	(163.938)	(2.960.968)	-	(3.124.907)
Machinery and technical installations	(4.227)	-	4.293.418	4.289.191	-	-	3.862.836	3.862.836
Floating means	(5.965)	-	1.122.220	1.116.255	(5.965)	-	787.813	781.848
<b>TOTAL</b>	<b>(935.810)</b>	<b>(4.708.361)</b>	<b>5.428.192</b>	<b>(215.979)</b>	<b>736.994</b>	<b>-</b>	<b>4.512.371</b>	<b>(598.716)</b>

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.

It should be noted that the tangible assets have been reduced by the impairment associated with held for sale assets of € 3.199.454 (Note 7)

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 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	<b>6.825.918</b>
Disposals/write-offs	-	-	(31.645)	(11.324)	(180.751)	(1.844)	(204.601)	-	<b>(430.165)</b>
Reclassifications to/from fixed/intangible assets	-	2.065.972	798.011	-	-	-	11.206	(3.534.095)	<b>(658.906)</b>
Exchange differences	(25.655)	(196.836)	(703.381)	(123.681)	(7.845)	(22.525)	(38.915)	(19.219)	<b>(1.128.057)</b>
<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)	-	<b>(7.270.503)</b>
Disposals/write-offs	-	-	29.861	750	180.747	1.249	204.479	-	<b>417.086</b>
Exchange differences	6.465	8.454	421.521	34.899	7.530	3.948	15.537	-	<b>498.354</b>
<b>Balance at 31 December 2013</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>
<b>Cost</b>									
<b>Balance at 1 January 2014</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>
Additions	-	479.280	2.793.266	36.388	202.212	153.638	160.573	1.581.069	<b>5.406.426</b>
Disposals/write-offs	-	(6.420)	(188.172)	(49.127)	(25.696)	(2.831)	-	-	<b>(272.246)</b>
Reclassifications to/from fixed/intangible assets	(409.552)	656.186	(1.292.889)	1.458.247	-	-	580	(2.116.753)	<b>(1.704.181)</b>
Held for sale assets (Note 7)	(78.037)	(1.054.940)	(2.201.293)	(1.506.358)	(44.130)	(112.641)	(166.875)	-	<b>(5.164.274)</b>
Revaluation of assets	(2.178.370)	(6.889.832)	(5.078.037)	(5.078.037)	-	(783.806)	-	-	<b>(14.930.045)</b>
Exchange differences	3.388	40.324	142.956	21.531	1.648	(5.008)	6.773	3.321	<b>214.933</b>
<b>Balance at 31 December 2014</b>	<b>7.723.350</b>	<b>36.431.278</b>	<b>60.575.324</b>	<b>15.460.767</b>	<b>4.815.616</b>	<b>4.494.583</b>	<b>9.330.904</b>	<b>645.596</b>	<b>139.477.418</b>
<b>Accumulated depreciation</b>									
<b>Balance at 1 January 2014</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>
Depreciation charge	-	(965.295)	(3.331.267)	(2.231.378)	(103.010)	(494.484)	(183.494)	-	<b>(7.308.927)</b>
Disposals/write-offs	-	856	185.811	12.897	25.762	944	201	-	<b>226.471</b>
Reclassifications	-	-	449.792	(449.792)	-	-	-	-	-
Held for sale assets (Note 7)	-	105.482	1.749.379	-	23.889	-	86.070	-	<b>1.964.820</b>
Revaluation of assets	-	3.446.777	-	9.367.228	-	1.900.061	-	-	<b>14.714.066</b>
Exchange differences	-	(3.249)	(87.436)	(8.059)	(1.200)	1.523	(3.262)	-	<b>(101.683)</b>
<b>Balance at 31 December 2014</b>	-	<b>(3.112.386)</b>	<b>(47.203.604)</b>	<b>1.405</b>	<b>(4.292.552)</b>	<b>26.828</b>	<b>(8.762.227)</b>	-	<b>(63.342.536)</b>
<b>Net Book Value at 31 December 2014</b>	<b>7.723.350</b>	<b>33.318.892</b>	<b>13.371.720</b>	<b>15.462.171</b>	<b>523.064</b>	<b>4.521.410</b>	<b>568.677</b>	<b>645.596</b>	<b>76.134.881</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 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	<b>6.390.184</b>
Disposals/write-offs	-	-	(1.546)	(11.323)	(168.903)	(845)	(751)	-	<b>(183.368)</b>
Reclassifications to/from fixed/intangible assets	-	1.995.715	711.255	-	-	-	11.206	(3.377.082)	<b>(658.906)</b>
Write-off of depreciation	-	-	-	-	-	-	-	-	-
<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)	-	<b>(5.853.042)</b>
Disposals/write-offs	-	-	1.546	750	168.903	845	751	-	<b>172.795</b>
Movements/Exchange differences	-	-	-	-	-	-	-	-	-
<b>Balance at 31 December 2013</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>
<b>Cost</b>									
<b>Balance at 1 January 2014</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>
Additions	-	231.079	2.390.934	-	163.977	70.395	133.959	1.581.068	<b>4.571.412</b>
Disposals/write-offs	-	-	(145.974)	-	(17.194)	-	-	-	<b>(163.168)</b>
Reclassifications to/from fixed/intangible assets	(306.228)	1.332.734	88.834	-	-	-	580	(2.040.229)	<b>(924.309)</b>
Revaluation of assets	(2.118.493)	(6.327.333)	-	(4.159.325)	-	(420.712)	-	-	<b>(13.025.863)</b>
Write-off of depreciation	-	-	-	-	-	-	-	-	-
<b>Balance at 31 December 2014</b>	<b>7.445.317</b>	<b>31.175.789</b>	<b>47.072.949</b>	<b>14.333.220</b>	<b>3.675.937</b>	<b>3.116.899</b>	<b>8.200.209</b>	<b>223.149</b>	<b>115.243.469</b>
<b>Accumulated depreciation</b>									
<b>Balance at 1 January 2014</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>
Depreciation charge	-	(735.745)	(2.619.477)	(2.009.015)	(74.780)	(317.747)	(150.509)	-	<b>(5.907.273)</b>
Disposals/write-offs	-	-	145.975	-	17.257	-	201	-	<b>163.433</b>
Reclassifications	-	-	-	-	-	-	-	-	-
Revaluation of assets	-	3.202.426	-	8.022.161	-	1.202.560	-	-	<b>12.427.147</b>
Movements/Exchange differences	-	-	-	-	-	-	-	-	-
<b>Balance at 31 December 2014</b>	-	<b>(476.710)</b>	<b>(33.791.508)</b>	<b>(0)</b>	<b>(3.292.420)</b>	<b>0</b>	<b>(7.667.242)</b>	-	<b>(45.227.880)</b>
<b>Net Book Value at 31 December 2014</b>	<b>7.445.317</b>	<b>30.699.079</b>	<b>13.281.441</b>	<b>14.333.220</b>	<b>383.517</b>	<b>3.116.899</b>	<b>532.967</b>	<b>223.149</b>	<b>70.015.589</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 2014, the fair values are based on valuations performed by the external valuer.

	<b>Range</b>
<b>Significant valuation input from unobservable data</b>	
<b>Price per €/m2 -Land</b>	€ 49-235
<b>Price per €/m2 -Buildings</b>	€ 247-913

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

<b>Assets measured at fair value</b>	<b>Date of Measurement</b>	<b>TOTAL</b>	<b>LEVEL 1</b>	<b>LEVEL 2</b>	<b>LEVEL 3</b>
Office	December 31 2014	6.287.963	-	-	v
Retail	December 31 2014	34.754.278	-	-	v
		<b>41.042.242</b>			

Further information is presented in Note 44.

Mortgages and pledges against Group's assets are analysed in Note 43, below.

## **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 2013</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>
Sales/Write-offs/Transfers from fixed assets	<b>409.552</b>	<b>676.548</b>	<b>1.086.100</b>	<b>306.228</b>	-	<b>306.228</b>
Gains/(losses) from fair value	(560.715)	(209.729)	<b>(770.444)</b>	(296.782)	(209.729)	<b>(506.511)</b>
<b>Carrying value at 31 December 2014</b>	<b>1.304.243</b>	<b>2.858.752</b>	<b>4.162.995</b>	<b>1.100.808</b>	<b>2.182.204</b>	<b>3.283.012</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 31/12/2014 the Group and Company revalued land and buildings based on independent recognised valuers “Geoaxis Property and Valuation Services”. 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 2014, the fair values are based on valuations performed by the external valuer.

**Range**

**Significant valuation input from unobservable data**

<b>Price € /m2 -Land</b>	€ 6-64
<b>Price € /m2 -Building</b>	€ 199-280

Significant increases (decreases) in estimated price per square meter in isolation would result in a significantly higher (lower) fair value.

The following table provides the fair value measurement hierarchy of the Group’s assets and liabilities:

<b>Assets measured at fair value</b>	<b>Date of Measurement</b>	<b>TOTAL</b>	<b>LEVEL 1</b>	<b>LEVEL 2</b>	<b>LEVEL 3</b>
Office	December 31 2014	489.187	-	-	v
Retail	December 31 2014	3.673.808	-	-	v
		<b>4.162.995</b>			

Further information is presented in Note 44.

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 € 506.511 (2013:€174.440) and €770.444 (2013: €202.837) respectively through profit and loss (before tax).

**20. Goodwill**

<b>GROUP</b>		<b>COMPANY</b>	
<i>Amounts in Euro</i>		<i>Amounts in Euro</i>	
Carrying value at 1 January 2013	30.766.972	Carrying value at 1 January 2013	19.049.833
Carrying value at 31 December 2013	30.766.972	Carrying value at 31 December 2013	19.049.833
Impairment losses (Note 21)	(46.554)	Impairment losses	-
Transfer to held for sale subsidiaries (Note 7)	(363.788)	Deductions	-
<b>Carrying value at 31 December 2014</b>	<b>30.356.630</b>	<b>Carrying value at 31 December 2014</b>	<b>19.049.833</b>

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:

	<b>AQUACULTURE</b>		<b>FISHFEED</b>		<b>AVICULTURE - STOCKBREEDING</b>		<b>TOTAL</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
<b>Goodwill</b>	26.590.022	27.000.364	3.708.975	3.708.975	57.633	57.633	30.356.630	30.766.972
<b>Aquaculture Licenses</b>	13.680.000	14.057.000	-	-	-	-	13.680.000	14.057.000

The Group performed its annual impairment test for goodwill and fish-farm licenses as at 31 December 2014. 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 2014, 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.

During the year part of the Aquaculture CGU which relates to the aquaculture licenses of «CARBON DIS TICARET YATIRIM INSAAT VE SANAYI AS (CARBON) », a company which is located in Turkey, has been impaired. The licenses which comprise the Company's only asset which are recognized in the Group's consolidated financial statements amount to €377.000 in addition to the corresponding goodwill of € 46.554. The reason for the impairment loss recognition is due to the financial difficulties encountered by the Company which did not have the funds to undertake investment activities within the time limits granted and all efforts to sell the company did not succeed, thereby rendering the aquaculture licenses inactive. The reason for the impairment is attributed to the financial difficulties encountered by the Company which did not have the funds to undertake investment activities within the time limits granted and all efforts to sell the company did not succeed, thereby rendering the aquaculture licenses inactive. Therefore, Carbon's recoverable



amount, as a part of the total Aquaculture CGU, has been assessed to zero given its non contribution to the CGU to which it belongs. As a result, and taking into consideration that as at December 31 2014, the book value of the Aquaculture CGU exceeded its recoverable amount, an impairment loss was recognized. The total amount of the write-off of € 423.554 is reflected in the Income Statement figure “Impairment of goodwill and Aquaculture licenses”.

Furthermore the goodwill of the Group has been impaired by the amount € 363.788 which is associated with the goodwill of the held-for-sale subsidiary ILKNAK SU URUNLERI and which amount is included in the total loss of € 7.064.409 in the figure “Gain/(loss) on subsidiary companies held for sale.

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 (2015-2019) 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 0,25% would result in the carrying value exceeding its recoverable amount by € 2 million. Furthermore a negative change in the growth rate in perpetuity by approximately 0,5% would result in the carrying value exceeding its recoverable amount by € 2 million.



Furthermore a decrease in the (%) EBITDA margin by 0,5% would result in the carrying value exceeding its recoverable amount by € 2 million.

Regarding the fishfeed unit, a possible adverse change in in the (%) EBITDA margin by 1% would result in the carrying amount exceeding its recoverable amount by € 2.5 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 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)
Spin-off assets	-	-	-
Transfers from work under construction	658.906	-	658.906
Re-estimation	-	-	-
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>
<b>Balance 1 January 2014</b>	<b>7.832.257</b>	<b>14.057.000</b>	<b>21.889.257</b>
Additions	96.317	-	96.317
Disposals/Write-offs/Transfers to investments	(36.800)	(377.000)	(413.800)
Transfers from work under construction	618.081	-	618.081
Held for sale assets (Note 7)	(47.219)	-	(47.219)
Exchange differences	1.906	-	1.906
<b>Balance 31 December 2014</b>	<b>8.464.542</b>	<b>13.680.000</b>	<b>22.144.542</b>
<b>Accumulated amortisation</b>			
<b>Balance 1 January 2014</b>	<b>(6.361.776)</b>	-	<b>(6.361.776)</b>
Amortisation charge	(738.124)	-	(738.124)
transfer to held for sale subsidiaries (Note 7)	39.953	-	39.953
Exchange differences	(1.681)	-	(1.681)
<b>Balance at 31 December 2014</b>	<b>(7.061.628)</b>	-	<b>(7.061.628)</b>
<b>Net book value at 31 December 2014</b>	<b>1.402.914</b>	<b>13.680.000</b>	<b>15.082.914</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 2013</b>	<b>6.908.725</b>	<b>2.766.000</b>	<b>9.674.725</b>
Additions	6.394	-	6.394
Transfers from work under construction	658.906	-	658.906
<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)
<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>
<b>Balance 1 January 2014</b>			
<b>Balance 1 January 2014</b>	<b>7.574.025</b>	<b>2.766.000</b>	<b>10.340.025</b>
Additions	89.958	-	89.958
Disposals/Write-offs/Transfers to investments	(36.800)	-	(36.800)
Transfers from work under construction	618.081	-	618.081
<b>Balance 31 December 2014</b>	<b>8.245.264</b>	<b>2.766.000</b>	<b>11.011.264</b>
<b>Accumulated amortisation</b>			
<b>Balance 1 January 2014</b>	<b>(6.106.849)</b>	-	<b>(6.106.849)</b>
Amortisation charge	(735.729)	-	(735.729)
<b>Balance at 31 December 2014</b>	<b>(6.842.578)</b>	-	<b>(6.842.578)</b>
<b>Net book value at 31 December 2014</b>	<b>1.402.686</b>	<b>2.766.000</b>	<b>4.168.686</b>

The “Aquaculture licences” on a Group level relate to the value of the aquaculture licenses of the Company, the Group “SEAFARM IONIAN SA”, the Group “KEGO”, and “PREDOMAR S.L”, that which resulted following the acquisition of the corresponding subsidiaries. The Company’s aquaculture license value relates to the value of aquaculture licenses of the absorbed subsidiary companies KEGO S.A and RED ANCHOR SA. The aforementioned goodwill is not depreciated, but is tested for impairment loss, in accordance with IAS 36 (Note 20).

During the year part of the Aquaculture CGU which relates to the aquaculture licenses of «CARBON DIS TICARET YATIRIM INSAAT VE SANAYI AS (CARBON)», a company which is located in Turkey, has been impaired. The licenses which comprise the Company’s only asset which are recognized in the Group’s consolidated financial statements amount to €377.000 prior to the company being classified as held for sale (Note 20).

Intangible assets include an impairment loss of € 7.266 associated with the held for sale assets (Note 7).



## 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>31/12/2014</b>
Opening Balance	<b>35.229.026</b>
Less: Impairments	<b>(3.420.813)</b>
<b>Closing Balance</b>	<b>31.808.213</b>

The company's percentage participation in investments, which are not listed on the Athens Stock Exchange Market, is analysed as follows:

### 2014

<u>Company</u>	<u>Cost</u>	<u>Impairment of Investment</u>	<u>Amount as per Financial Position</u>	<u>Country of incorporation</u>	<u>Percentage Shareholding</u>
PROTEUS EQUIPMENT S.A	29.347	-	29.347	GREECE	50,00%
AQUACOM LTD	1.141.394	(860.486)	280.908	VIRGIN ISLANDS	100,00%
ILKNAK SU URUNLERI SAN Ve TIC A.S.	3.979.492	(2.060.155)	1.919.337	TOYPKIA	52,530%
NIREUS INTERNATIONAL LTD	7.380.508	-	7.380.508	CYPRUS	100,00%
MIRAMAR SU URUNLERI VE BALIK YEMI URETIMI SANAYI VE TICARET A.S.	272	(172)	100	TURKEY	0,02%
SEA FARM IONIAN S.A	13.745.179	-	13.745.179	GREECE	26,454%
KEGO AGRI S.A	8.952.834	(500.000)	8.452.834	GREECE	100,00%
	<b>35.229.026</b>	<b>(3.420.813)</b>	<b>31.808.213</b>		

### 2013

<u>Company</u>	<u>Cost</u>	<u>Amount as per Financial Position</u>	<u>Country of incorporation</u>	<u>Percentage Shareholding</u>
PROTEUS EQUIPMENT S.A	29.347	29.347	GREECE	50,00%
AQUACOM LTD	1.141.394	1.141.394	VIRGIN ISLANDS	100,00%
ILKNAK SU URUNLERI SAN Ve TIC A.S.	3.979.492	3.979.492	TOYPKIA	52,530%
NIREUS INTERNATIONAL LTD	7.380.508	7.380.508	CYPRUS	100,00%
MIRAMAR SU URUNLERI VE BALIK YEMI URETIMI SANAYI VE TICARET A.S.	272	272	TURKEY	0,02%
SEA FARM IONIAN S.A	13.745.179	13.745.179	GREECE	26,454%
KEGO AGRI S.A	8.952.834	8.952.834	GREECE	100,00%
	<b>35.229.026</b>	<b>35.229.026</b>		

During the fourth quarter of 2014 and as of October 1, 2014, the subsidiary company Carbon Dis Ticaret Yatirim Insaat Ve Sanayi SA which is located in Turkey has been rendered insolvent and is subject to liquidation



Furthermore, due to the Management's decision to sell its entire business operations and its subsidiary companies in Turkey, as at 31.12.2014 the Group proceeded with the partial impairment of its investments as presented in the above table by the amount of € 2.920.813 million which represents the loss which the Group expects that will occur on the basis of the fair value of the Turkish subsidiaries as compared to their acquisition cost.

Furthermore as a result of the annual impairment test on the fishfeed CGU level (as referred to below), management has recognised an additional impairment loss of € 500.000 with respect to the subsidiary company KEGO AGRI.

## 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	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Investments in subsidiaries	23.355.378	26.276.191	8.452.835	8.952.835	31.808.213	35.229.026

Regarding separate Financial Statements of the Company, an impairment test was conducted as of 31 December 2014 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 have been calculated according to the current state of the assets of the Company. Indicatively it is noted that for the 5 year period (2015-2019) 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 the recoverable amount of the Aquaculture segment exceeds the book value thus reflecting the positive prospects which prevail in the market for the future.

Regarding the shareholdings which were allocated to the CGU agriculture and stockbreeding, the Company as at December 31, 2014 proceeded with an impairment of those investments (KEGO AGRI) due to current year's significant losses. The impairment testing carried out showed that the carrying amount was less than its estimated recoverable value by € 500.000 and therefore, the Company impaired its participation by the corresponding amount. For the purpose of impairment testing of investments, the recoverable amount is determined by the value in use, which was calculated based on cash flow projections from financial budgets approved by the Group management, covering a period of five years. The cash generating unit ("CGU") considered for participations impairment testing purposes is the same as that used for impairment



testing of goodwill and therefore disclosures regarding the assumptions used are the same as those listed below in the disclosures for impairment testing of goodwill.

The pre-tax rate used to discount projected cash flows is 8.6%, while growth in perpetuity (after five years) used is 4% and for the next five (2015-2019) this is estimated at 3%, taking into account the long-term prospects of the Group.

### Sensitivity Analysis

A sensitivity analysis was performed regarding the positive or negative change in the discount rate by 0.25%, the positive or negative change in the growth rate in perpetuity by 0.50%. An increase in the discount rate by 0.25% (maintaining constant the growth rate in perpetuity) would lead to a further impairment charge of € 0,5 mil., while a decrease in the growth rate in perpetuity by 0.50% (maintaining constant the discount rate) would lead to further impairment amounting to € 0,7 million.

### Financial Statements of subsidiary companies

The group has three subsidiaries with material non-controlling interests (exceeding 50%). Information regarding these subsidiaries is as follows:

#### Period 1/1/-31/12/2014

<i>Amounts in Euro</i>			
NAME OF SUBSIDIARY	Principal place of business	Percentage of Non-Controlling Interests 31.12.2014	Profit/(loss) allocated to NCI 31.12.2014
PROTEUS EQUIPMENT S.A	Greece	50,0%	123.064
SEAFARM IONIAN S.A	Greece	73,5%	(1.520.067)
SEAFARM IONIAN (CENTRAL EUROPE) GMBH	Germany	73,5%	(106.902)

#### Period 1/1/-31/12/2013

<i>Amounts in Euro</i>			
NAME OF SUBSIDIARY	Principal place of business	Percentage of Non-Controlling Interests 31.12.2013	Profit/(loss) allocated to NCI 31.12.2013
PROTEUS EQUIPMENT S.A	Greece	50,0%	183.164
SEAFARM IONIAN S.A	Greece	73,5%	(731.327)
SEAFARM IONIAN (CENTRAL EUROPE) GMBH	Germany	73,5%	(1.295)



It should be noted that there are no restrictions between the Group and the above mentioned subsidiaries as regards to their access to the assets and the liabilities of the Group, in addition to the transfer of funds and dividends between the Group and the companies.

From the above companies the subsidiary company SEAFARM IONIAN belongs to the operating segment of aquaculture while PROTEUS belongs to other segments.

Summarised financial information including goodwill and aquaculture licenses recognized upon initial acquisition of the subsidiary companies, but prior to intercompany eliminations, is as follows:

<i>Amounts in Euro</i>	31/12/2014	
	Consolidation Adjustments	
<b>SEAFARM IONIAN S.A</b>		
<b>Goodwill &amp; Aquaculture Licenses recognised upon Acquisition</b>		
Aquaculture Licenses		<b>8.709.000</b>
Goodwill		<b>10.918.992</b>

<i>Amounts in Euro</i>	31/12/2014		
	Condensed Statement of Financial Position		
SUBSIDIARY COMPANY	SEAFARM IONIAN S.A	SEAFARM IONIAN (CENTRAL EUROPE) GMBH	PROTEUS EQUIPMENT S.A
<b>ASSETS</b>			
Property, plant and equipment	4.129.391	-	197.456
Investment property	879.983	-	-
Other non-current assets	1.151.245	810.717	1.543
Inventories	-	-	1.488.264
Trade and other receivables	466.330	-	836.673
Cash & cash equivalents	182.697	-	64.938
Other current assets	1.620.859	-	109.279
<b>Total Assets</b>	<b>8.430.505</b>	<b>810.717</b>	<b>2.698.154</b>
<b>EQUITY &amp; LIABILITIES</b>			
Share capital	12.952.331	975.000	60.000
Other reserves of equity	(33.210.165)	(1.371.626)	665.635
<b>Total Net Equity</b>	<b>(20.257.833)</b>	<b>(396.626)</b>	<b>725.635</b>
Provisions & Pension Obligations	2.715.492	-	82.619
Other long-term liabilities	2.122.645	396.626	39.288
Trade & other payables	1.223.621	-	1.698.189
Other short-term liabilities	1.333.807	810.717	152.422
Long-term liabilities payable within the following year	21.292.773	-	-
<b>Total Liabilities</b>	<b>28.688.339</b>	<b>1.207.343</b>	<b>1.972.518</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>8.430.505</b>	<b>810.717</b>	<b>2.698.154</b>



Amounts in Euro	31/12/2013		
	Condensed Statement of Financial Position		
SUBSIDIARY COMPANY	SEAFARM IONIAN S.A	SEAFARM IONIAN (CENTRAL EUROPE) GMBH	PROTEUS EQUIPMENT S.A
<b>ASSETS</b>			
Property, plant and equipment	5.169.794	-	135.048
Investment property	364.044	-	-
Intangible assets	(0)	-	0
Other non-current assets	746.501	3.088.361	716
Inventories	-	-	1.406.281
Trade and other receivables	2.877.087	118.794	1.701.433
Cash & cash equivalents	165.996	3.052	14.843
Other current assets	2.421.052	2.452	177.940
<b>Total Assets</b>	<b>11.744.475</b>	<b>3.212.659</b>	<b>3.436.261</b>
<b>EQUITY &amp; LIABILITIES</b>			
Share capital	12.952.331	975.000	60.000
Other reserves of equity	(31.350.809)	(1.226.271)	716.596
<b>Total Net Equity</b>	<b>(18.398.477)</b>	<b>(251.271)</b>	<b>776.597</b>
Provisions & Pension Obligations	1.965.324	-	80.012
Other long-term liabilities	2.667.112	-	25.941
Trade & other payables	2.242.889	1.854.038	1.254.483
Other short-term liabilities	2.555.972	1.609.892	1.299.228
Long-term liabilities payable within the following year	20.711.655	-	-
<b>Total Liabilities</b>	<b>30.142.952</b>	<b>3.463.931</b>	<b>2.659.664</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>11.744.475</b>	<b>3.212.659</b>	<b>3.436.261</b>

Amounts in Euro	31/12/2014		
	Condensed Income Statement		
SUBSIDIARY COMPANY	SEAFARM IONIAN S.A	SEAFARM IONIAN (CENTRAL EUROPE) GMBH	PROTEUS EQUIPMENT S.A
Sales of non-biological goods-merchandise and other inventories	7.350.287	-	3.294.437
Other income and costs	(10.088.732)	251.271	(2.941.099)
<b>Results for the period before taxes</b>	<b>(2.738.445)</b>	<b>251.271</b>	<b>353.338</b>
Income & deferred taxes	671.615	(396.626)	(107.210)
<b>Net profit for the period</b>	<b>(2.066.830)</b>	<b>(145.355)</b>	<b>246.128</b>
Other comprehensive income	207.474	-	-
<b>Total Comprehensive Income/ (loss)</b>	<b>(1.859.356)</b>	<b>(145.355)</b>	<b>246.128</b>



31/12/2013			
Condensed Income Statement			
SUBSIDIARY COMPANY	SEAFARM IONIAN S.A	SEAFARM IONIAN (CENTRAL EUROPE) GMBH	PROTEUS EQUIPMENT S.A
Sales of non-biological goods-merchandise and other inventories	8.331.509	-	3.284.697
Other income and costs	(10.266.038)	(1.761)	(2.790.063)
<b>Results for the period before taxes</b>	<b>(1.934.530)</b>	<b>(1.761)</b>	<b>494.634</b>
Income & deferred taxes	940.147		(128.306)
<b>Net profit for the period</b>	<b>(994.383)</b>	<b>(1.761)</b>	<b>366.328</b>
Other comprehensive income	(62.739)	-	
<b>Total Comprehensive Income/ (loss)</b>	<b>(1.057.122)</b>	<b>(1.761)</b>	<b>366.328</b>

31/12/2014			
Condensed Cash Flow Statement			
SUBSIDIARY COMPANY	SEAFARM IONIAN S.A	SEAFARM IONIAN (CENTRAL EUROPE) GMBH	PROTEUS EQUIPMENT S.A
Net cash generated from operating activities	1.112	(3.052)	1.483.331
Net cash generated from investing activities	15.589		179
Net cash (generated) from financing activities	-		(1.433.415)
<b>Net increase/(decrease) in cash and cash equivalents for period</b>	<b>16.701</b>	<b>(3.052)</b>	<b>50.095</b>
Cash and cash equivalents at beginning of the period	165.996	3.052	14.843
Cash and cash equivalents at end of the period	<b>182.697</b>	<b>-</b>	<b>64.938</b>

31/12/2013			
Condensed Cash Flow Statement			
SUBSIDIARY COMPANY	SEAFARM IONIAN S.A	SEAFARM IONIAN (CENTRAL EUROPE) GMBH	PROTEUS EQUIPMENT S.A
Net cash generated from operating activities	391.095	(3.052)	29.529
Net cash generated from investing activities	(271.841)	-	(2.629)
Net cash (generated) from financing activities	9.631	-	(22.573)
<b>Net increase/(decrease) in cash and cash equivalents for period</b>	<b>128.885</b>	<b>(3.052)</b>	<b>4.327</b>
Cash and cash equivalents at beginning of the period	37.111	-	10.516
Cash and cash equivalents at end of the period	<b>165.996</b>	<b>(3.052)</b>	<b>14.843</b>



It should be noted that during the year dividends paid by the subsidiary company PROTEUS EQUIPMENT SA amounted to € 1.433.415 (tax included) from which an amount of € 333.138 relates to the profit distribution of the year 2013 and an amount of € 1.100.277 relates to the profit distribution of prior years. The corresponding amount of the prior year's period amounted to € 22.573.

### 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.

### 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	
	2014	2013	2014	2013	2014	2013	2014	2013
<b>DEFERRED TAX LIABILITIES</b>								
Intangible assets	(194.201)	(208.259)	(206.593)	(221.712)	13.950	(51.200)	15.118	(51.360)
Property, Plant & Equipment	(8.997.008)	(9.595.210)	(7.644.225)	(8.202.199)	772.885	(92.486)	593.926	(39.406)
Inventories	(5.176.157)	(3.603.187)	(4.888.782)	(2.516.947)	(1.552.395)	8.496.824	(2.371.836)	8.981.934
Receivables	7.435.762	6.657.389	4.977.081	5.009.440	869.517	3.147.945	51.166	2.488.160
Retirement benefit obligations	652.545	621.867	544.776	522.063	32.491	157.744,00	21.128	144.100
Other non-current liabilities	642.246	584.436	946.616	877.271	46.551	46.789,00	69.345	137.350
Provisions	219.705	183.681	185.455	154.992	35.976	533.339,00	30.463	83.827
Other current liabilities	2.218.060	27.337	2.218.060	27.337	2.107.197	133.028	2.107.199	133.028
Less: transfer of deferred tax on held for sale subsidiaries	185.739	-	-	-	-	-	-	-
	<b>(3.013.309)</b>	<b>(5.331.946)</b>	<b>(3.867.612)</b>	<b>(4.349.754)</b>	<b>2.326.172</b>	<b>12.371.983</b>	<b>516.509</b>	<b>11.877.633</b>
<b>TOTAL DEFERRED TAX ASSETS</b>	1.489.074	400.676	-	-				
<b>TOTAL DEFERRED TAX LIABILITIES</b>	(4.502.383)	(5.732.622)	(3.867.612)	(4.349.754)				
<b>TOTAL DEFERRED TAX</b>	<b>(3.013.309)</b>	<b>(5.331.946)</b>	<b>(3.867.612)</b>	<b>(4.349.754)</b>				

### Statement of Comprehensive Income

	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Movement in the revaluation reserve of property plant & equipment	(173.485)	(2.410)	(35.952)	(2.319)
Remeasured actuarial gains/(losses) on defined benefit plans	(3.705)	2.050	1.585	(11.151)
Total	<b>(177.190)</b>	<b>(360)</b>	<b>(34.367)</b>	<b>(13.470)</b>

The deferred taxes of the Group include an amount of € 277 associated with the impairment of held for sale assets ((Note 7).



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 31/12/2014 of an amount of € 4.502.383 relate to the subsidiaries located in Spain by an amount of € 198.855 (tax rate 25%-30%) and by an amount of € 4.303.528 for companies that are located in Greece (tax rate 26%). The respective amounts as at 31/12/2013 were for the companies which are located in Turkey € 714.037, those located in Spain by an amount of € 484.411 and by an amount of € 4.534.174 for companies that are located in Greece.

The deferred tax receivables for the Group as at 31/12/2014 of € 1.489.074 relates to companies that are located in Greece. The corresponding amounts as at 31/12/2013 of an amount 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 Company and the Group have not recognized deferred tax assets on tax losses.

## 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>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
<b>Beginning of the year</b>	<b>20.914</b>	<b>8.410</b>	<b>6.800</b>	<b>6.800</b>
Additions	-	12.504	-	-
Less: transfer to held for sale subsidiaries (Note 7)	(9)	-	-	-
<b>Balance at end of the year</b>	<b>20.905</b>	<b>20.914</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.

The available for sale assets of the Group include an amount of € 9 associated with held for sale subsidiaries ((Note 7).

## 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>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Other non-current receivables	3.600	2.935	5.440	2.209
Guarantees provided	524.206	507.539	450.853	443.084
Less: held for sale subsidiaries (Note 7)	(6.533)	-	-	-
<b>Total</b>	<b>521.273</b>	<b>510.474</b>	<b>456.293</b>	<b>445.293</b>



Non-current assets include an amount of € 6.533 which relates to held for sale assets (Note 7).

## 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>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
<b>Balance of biological assets at 1 January</b>	<b>170.151.405</b>	<b>240.082.616</b>	<b>155.012.142</b>	<b>225.093.516</b>
Increases due to purchases of biological assets	2.329.616	1.342.668	1.476.951	1.161.761
Gain/Loss arising from changes in fair value attributable to price or quantity changes of biological assets	146.921.995	78.198.082	137.653.256	63.821.923
Decreases due to sales of biological assets	(149.648.946)	(149.471.961)	(137.280.990)	(135.065.058)
Less: biological assets on held for sale assets (Note 7)	(6.091.674)	-	-	-
<b>End balance of biological assets at 31 December</b>	<b>163.662.396</b>	<b>170.151.405</b>	<b>156.861.359</b>	<b>155.012.142</b>
<b>ANALYSIS OF BIOLOGICAL ASSETS IN BALANCE SHEET</b>				
A) Biological assets of fish (Assets – Non-current assets)	72.654.984	69.887.389	69.463.499	66.790.417
B) Biological Poultry-Livestock (Assets - Non-current assets)	198.000	177.000	-	-
Less: biological assets on held for sale assets (Note 7)	(1.937.198)	-	-	-
<b>TOTAL BIOLOGICAL ASSETS - Assets - Non-current</b>	<b>70.915.786</b>	<b>70.064.389</b>	<b>69.463.499</b>	<b>66.790.417</b>
C) Biological assets fish (Inventories - Current assets)	96.735.001	99.834.131	87.397.860	88.221.725
D) Biological Poultry-Livestock (Inventories - Current assets)	166.085	252.885	-	-
Less: Transfer to held for sale subsidiaries (Note 7)	(4.154.476)	-	-	-
<b>TOTAL BIOLOGICAL ASSETS - Assets - Current</b>	<b>92.746.610</b>	<b>100.087.016</b>	<b>87.397.860</b>	<b>88.221.725</b>
<b>TOTAL BIOLOGICAL ASSETS</b>	<b>163.662.396</b>	<b>170.151.405</b>	<b>156.861.359</b>	<b>155.012.142</b>

The biological assets of the Group include an amount of € 2.544.547 associated with held for sale assets (allocated to Non-current assets of an amount of € 1.937.198 and to current assets of an amount of € 607.349) (Note 7).

### 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. If the biomass at sea was 1% higher than our estimates this would result in a change in IAS 41 valuation of approximately Euro 719.375.

#### **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 2014 were of harvest size, a volatility in the price by +/- 5% would change the valuation positively/(negatively) by an amount of € 6,34 mil/€ (6,34) million and a change in the discount factor by +/- 1% would change the valuation (negatively)/positively by a minimum of € (0,3) million/€ 0,3 million.

#### **Write-down of biomass (extraordinary mortality)**

Extraordinary mortality is accounted for when a site either experiences elevated mortality over time or massive mortality due to an incident on the farm (outbreak of disease, lack of oxygen etc).

The foreign exchange differences (losses) which results from the valuation of the biological assets of the foreign subsidiary companies amounts to € 304.440,48 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>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Merchandise	1.305.900	1.625.721	2.714	1.589
Finished and semi-finished goods	3.888.008	3.048.803	3.812.170	2.970.142
Work in progress	178.013	108.914	178.013	108.914
Raw and auxiliary materials-Package materials	5.481.642	5.818.827	4.039.129	4.492.938
Consumables	75.253	130.237	64.911	84.565
Packing items	6.775	5.625	-	-
Less: transfer to held for sale subsidiaries (Note 7)	(260.958)	-	-	-
<b>Total</b>	<b>10.674.633</b>	<b>10.738.127</b>	<b>8.096.937</b>	<b>7.658.148</b>

The amount of inventories which was consumed during the year and included in consumables, amounts to € 101.600.716 for the Group and € 78.337.537 for the Company (2013: € 107.432.939 for the Group and € 88.048.136 for the Company). For the assessment of the inventories Management takes into consideration the most reliable data available at the date of measurement.

The inventory of the Group includes an amount of € 38.150 associated with the impairment of the held for sale assets ((Note 7).

## 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>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Trade receivables from third parties (Trade debtors)	33.470.255	36.936.102	28.845.492	30.577.636
Trade receivables from third parties (Notes)	3.232.339	3.517.360	1.539.788	1.549.788
Trade receivables from third parties (Cheques receivable)	18.416.186	23.225.318	12.460.602	14.744.191
Less: Provision for uncollectible receivables	(15.585.877)	(13.849.475)	(10.212.969)	(10.025.160)
Less: transfer to held for sale subsidiaries (Note 7)	(2.513.421)	-	-	-
<b>Total trade &amp; other receivables-net</b>	<b>37.019.482</b>	<b>49.829.305</b>	<b>32.632.913</b>	<b>36.846.455</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 trade receivables of the Group include an impairment loss of € 590.372 associated with held for sale assets ((Note 7).

The movement in the established provision for bad debts of trade receivables is presented below:



	GROUP		COMPANY	
Opening Balance 01/01/2014	13.849.475	11.006.019	10.025.160	8.359.063
Additions during the year (Note 14)	2.218.455	2.571.638	187.809	1.668.921
Reclassifications	-	292.694	-	-
Write-offs	(479.857)	(2.824)	-	(2.824)
Reversals (income from unused provisions) (Note 15)	(15.478)	(18.052)	-	-
Foreign Exchange differences	13.281	-	-	-
<b>Closing Balance 31/12/2014</b>	<b>15.585.876</b>	<b>13.849.475</b>	<b>10.212.969</b>	<b>10.025.160</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 € 1.736.401 (2013: € 2.843.456) mainly relates to the additional provision of an amount of € 2.218.455 (2013: € 2.571.638) from which an amount of € 187.809 relates to the Company, a reversal of an amount of € (15.478) (2013: 18.052) and write-off of an amount of € (479.856) (2013: € 2.824).

It should be noted that the Group's customer balances include an impairment loss of € 590.372 which concern the customer balances of the held to sale subsidiaries (Note 7).

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:

### 2014

GROUP						
	<30	30-60	60-90	90-180	Over 180	Total
<b>2014</b>	15.207.120	8.530.680	4.155.851	4.448.201	4.677.630	<b>37.019.482</b>

COMPANY						
	<30	30-60	60-90	90-180	Over 180	Total
<b>2014</b>	12.982.583	7.255.594	3.375.436	3.861.948	5.157.352	<b>32.632.913</b>

### 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>

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>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Sundry debtors	10.678.964	12.591.652	8.258.383	11.604.517
Receivables from Factoring	-	820.899	-	820.899
Receivable from the public sector	5.403.129	7.534.200	3.385.093	5.277.655
Other receivables	553.985	45.650	-	-
Bad debt receivables	2.323.387	213.257	1.179.072	30.000
Employee financial assistance	138.602	132.791	100.597	84.127
Less : Provision for bad debts	(10.879.315)	(10.626.812)	(7.926.789)	(7.926.789)
Less: transfer to held for sale subsidiaries (Note 7)	(2.122.851)	-	-	-
<b>Total</b>	<b>6.095.901</b>	<b>10.711.637</b>	<b>4.996.357</b>	<b>9.890.409</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 other current financial assets of the Group include an amount of € 310.343 associated with the impairment of the held for sale assets ((Note 7).

The balance of other receivables has been netted off against established provision which is presented below:

	<b>GROUP</b>		<b>COMPANY</b>	
Opening Balance 01/01/2014	10.626.812	3.932.605	7.926.789	2.002.238
Additions during the year (Note 14)	244.400	7.078.942	-	5.924.551
Reclassifications	-	(292.694)	-	-
Foreign Exchange differences	8.103	(92.041)	-	-
<b>Closing Balance 31/12/2014</b>	<b>10.879.315</b>	<b>10.626.812</b>	<b>7.926.789</b>	<b>7.926.789</b>

**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>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Deferred expenses	347.737	383.590	251.002	318.723
Accrued income	815.961	2.384.720	687.556	2.084.530
Inventory-in-transit	-	-	-	-
Other prepayments and accrued income	490.731	1.033.458	448.477	1.025.190
Less: transfer to other current assets held for sale	(25.105)	-	-	-
<b>Total</b>	<b>1.629.324</b>	<b>3.801.768</b>	<b>1.387.035</b>	<b>3.428.443</b>



Other current assets of the Group include an amount of € 3.670 associated with held for sale assets ((Note 7).

### 31. Restricted Cash

As at 31/12/2014 the Group and Company have restricted cash balances of an amount of € 4.245.364 (31/12/2013: € 5.524.563) which relates to the pledge against the firevictim loan of the National Bank € 4.000.000 in addition to an amount of € 217.480,27 in relation to short-term borrowings from Eurobank and of an amount of € 27.883,72 for short-term borrowings from Piraeus Bank (Note 42).

### 32. 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>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Cash on hand	48.771	70.576	41.734	54.581
Sight bank deposits	6.380.792	3.545.969	3.643.481	2.371.585
Less: Transfer to held for sale subsidiaries (Note 7)	(988.033)	-	-	-
<b>Total</b>	<b>5.441.530</b>	<b>3.616.545</b>	<b>3.685.215</b>	<b>2.426.166</b>

The cash and cash equivalents represent cash and bank deposits available upon first call.

### 33. Issued Share Capital and Reserves

#### 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.

<i>Amounts in Euro</i>	<b>GROUP</b>					<b>COMPANY</b>				
	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 2013</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	<b>18.734</b>	13.877	18.595	-	139	<b>18.734</b>
Effect from the change in the tax rate to 26%	-	-	-	6.617	<b>6.617</b>	-	-	-	6.617	<b>6.617</b>
Write-off of deferred tax on the convertible bond loan	-	-	-	(74.396)	<b>(74.396)</b>	-	-	-	(74.396)	<b>(74.396)</b>
<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>
<b>Balance at 31 December 2014</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>

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:



<i>Amounts in Euro</i>	<b>GROUP</b>	<b>COMPANY</b>
<b>Balance at 1 January 2013</b>	<b>31.821.693</b>	<b>30.280.701</b>
Sale of fixed assets measured at fair value	(18.978)	(18.784)
Revaluation of assets	(1.689.733)	(1.628.190)
<b>Balance at 31 December 2013</b>	<b>30.112.982</b>	<b>28.633.728</b>
Revaluation of assets	340.876	102.326
Write-off of revaluation reserve	361.776	361.776
Sale of fixed assets measured at fair value	(6.038)	(841)
<b>Balance at 31 December 2014</b>	<b>30.809.596</b>	<b>29.096.988</b>

### iii) Other reserves

Other reserves of the Company are as follows:

<b>GROUP</b>							
<i>Amounts in Euro</i>	<b>LEGAL RESERVE</b>	<b>UNDER SPECIAL LAW PROVISIONS</b>	<b>SHARE BASED PAYMENTS RESERVE</b>	<b>ACTUARIAL DIFFERENCES RESERVE</b>	<b>CONVERTIBLE BOND LOAN RESERVE</b>	<b>VARIOUS RESERVES</b>	<b>TOTAL OTHER CAPITAL RESERVES</b>
<b>Balance as at January 1 2013</b>	<b>2.411.055</b>	<b>1.570.554</b>	<b>385.300</b>	<b>390.191</b>	-	<b>3.822.172</b>	<b>8.579.272</b>
Actuarial gains/(losses) on pension obligations	-	-	-	1.541	-	-	<b>1.541</b>
Movements during the year from distribution of profits	8.935	-	-	-	-	-	<b>8.935</b>
<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>3.822.172</b>	<b>8.589.748</b>
Share options under IFRS 2	-	-	-	-	-	-	-
Net -off of reserves with retained earnings	654.280	-	-	-	-	973.569	<b>1.627.849</b>
Actuarial gains/(losses) on pension obligations	-	-	-	14.540	-	-	<b>14.540</b>
Movements during the period from distribution of profits	12.986	-	-	-	-	-	<b>12.986</b>
<b>Balance at 31 December 2014</b>	<b>3.087.255</b>	<b>1.570.554</b>	<b>385.300</b>	<b>406.272</b>	-	<b>4.795.741</b>	<b>10.245.123</b>

<b>COMPANY</b>							
<i>Amounts in Euro</i>	<b>LEGAL RESERVE</b>	<b>UNDER SPECIAL LAW PROVISIONS</b>	<b>SHARE BASED PAYMENTS RESERVE</b>	<b>ACTUARIAL DIFFERENCES RESERVE</b>	<b>RESERVE OF CONVERTIBLE BOND LOAN</b>	<b>VARIOUS RESERVES</b>	<b>TOTAL OTHER CAPITAL RESERVES</b>
<b>Balance as at January 1 2013</b>	<b>2.142.259</b>	<b>1.274.002</b>	<b>385.300</b>	<b>395.815</b>	-	<b>4.418.917</b>	<b>8.616.293</b>
Actuarial gains/(losses) on pension obligations	-	-	-	31.738	-	-	<b>31.738</b>
Transfer of reserve for the coverage of equivalent losses	-	-	-	-	-	-	-
<b>Balance at 31 December 2013</b>	<b>2.142.259</b>	<b>1.274.002</b>	<b>385.300</b>	<b>427.553</b>	-	<b>4.418.917</b>	<b>8.648.031</b>
Share options under IFRS 2	-	-	-	-	-	-	-
Net -off of reserves with retained earnings	654.280	-	-	-	-	(239.962)	<b>414.318</b>
Actuarial gains/(losses) on pension obligations	-	-	-	(4.511)	-	-	<b>(4.511)</b>
Movements during the period from distribution of profits	-	-	-	-	-	-	-
<b>Balance at 31 December 2014</b>	<b>2.796.539</b>	<b>1.274.002</b>	<b>385.300</b>	<b>423.042</b>	-	<b>4.178.955</b>	<b>9.057.838</b>

The amount of € 1.627.849 relates to the transfer of retained earnings to reserves from the profit distribution of the Turkish subsidiary companies of an amount of € 1.302.551, in addition to an amount of € 325.298 regarding the net-off of tax losses which appear in the tax return of the year 2013 (POL 1143/15.5.2014) whereby following the net-off the losses brought forward are reduced.

### 34. Interest Bearing loans and Borrowings

The non-current and current borrowings are as follows:



<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
<b>Non-current borrowings</b>				
Bank borrowings	173.088.467	170.504.677	151.795.694	149.793.022
Less: Borrowings payable in following year (Loans)	(137.686.092)	(132.200.626)	(116.393.319)	(111.488.971)
<b>Total non-current borrowings</b>	<b>35.402.375</b>	<b>38.304.051</b>	<b>35.402.375</b>	<b>38.304.051</b>
<b>Liabilities payable in following year</b>				
Liabilities payable in following year (Loans)	137.686.092	132.200.626	116.393.319	111.488.971
<b>Total liabilities payable in following year</b>	<b>137.686.092</b>	<b>132.200.626</b>	<b>116.393.319</b>	<b>111.488.971</b>
<b>Short-term loans</b>				
Bank borrowings	62.964.324	61.343.499	59.911.273	55.629.064
Less: transfer to held for sale subsidiaries (Note 7)	(201.902)	-	-	-
<b>Total short-term loans</b>	<b>62.762.422</b>	<b>61.343.499</b>	<b>59.911.273</b>	<b>55.629.064</b>
<b>Total loans</b>	<b>235.850.889</b>	<b>231.848.176</b>	<b>211.706.967</b>	<b>205.422.086</b>

Maturity dates of non-current borrowings are analysed below:

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Between 1 and 2 years	9.245.704	6.094.913	9.245.704	6.094.913
Between 2 and 5 years	26.156.671	19.627.423	26.156.671	19.627.423
Over 5 years	-	12.581.715	-	12.581.715
	<b>35.402.375</b>	<b>38.304.051</b>	<b>35.402.375</b>	<b>38.304.051</b>

The actual weighted average borrowing rate of the Group is as follows:

	<b>31/12/2014</b>	<b>31/12/2013</b>
	<b>€</b>	<b>€</b>
Bank borrowings (current)	7,35%	6,96%
Bank borrowings (non-current)	3,68%	3,97%

The major long-term loans of the Group and that of the Company as at 31 December 2014 are summarized as follows:

#### A. BOND LOANS

**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:

- a. Extension of the loan balance for an additional 3 years and until July 2015
- b. Euribor interest rate of +5%
- c. Repayment in 4 six month installments of € 1.500.000 and a final payment of € 17.916.743,74
- d. Adjustment of the conversion ratio to 9,25
- e. 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%.

**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, according to the amendment of April 27 2013, will be made in 20 six-month installments, the first payable in 24 months and the last payment being in 180 months beginning from the disbursement of the loan.

With respect to the bond loan of € 75,2 million which has been presented from long-term liabilities to short-term liabilities-amounts payable with the following year as at 31.12.2014, the Company had not received an explicit approval from the bond loan holders as regards the deferral of the outstanding instalments of € 25 million. The possibility that the loan will be called in due to non-payment of the instalments is remote.

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 “Nireus SA”**

From the bond loan of € 90 million with an outstanding balance of as at 31.12.2014 of an amount of € 75,3 million, overdue capital instalments of € 25 million and interest of € 5,3 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 31.12.2014 amounts to € 24,16 million. There are overdue unpaid capital of an amount of € 3 million and interest instalments of an amount of € 1,7 million for the above loan as at 31.12.2014. The General Meeting resolved to defer the payment of the two instalments due on January 13, 2014 and July 14 2014 of a total amount € 3 million in addition to their corresponding interest which were due for 31 December 2014, in addition to the instalment of January 2015 for July 13, 2015.

**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 31.12.2014 of an amount of € 3,4 million there are overdue capital instalments of € 0,74 million and interest of € 0,09 million have not yet been paid.

**Loans of € 0,8 million of “Nireus SA” (prior Kegoagri SA):**

For the bond loan of € 0,8 million and as at 31.12.2014 of an amount of € 0,24 million there are overdue capital payments of € 0,24 million.

**Loans of SEA FARM IONIAN**

With respect to the loans of SEA FARM IONIAN as regulated by Article 44 an amount of € 21,3 million, there are overdue capital instalments of an amount of € 5,4 million and interest of € 0,6 million have not yet been paid.

**B. FIRE- VICTIM LOANS**

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

With regards to the fire victim loan of € 25 million and with a balance as at 31.12.2014 of an amount of € 23,9 million there are instalments of € 4,7 million and overdue interest of € 0,4 million, which however are not overdue as at 31.12.2014 given that Piraeus Bank granted the company with a loan of an amount of € 4.245.949,24 with which it repaid the installment of the first loan of 2013 by an amount of € 1.562.500 in addition to interest up to 28.11.2014 of an amount of € 2.683.449,24. As a result, the company was enabled to be included in the provisions of the Ministerial Decision 2/38310/0025 / 14-5-2014 regarding the postponement of instalments guaranteed by the Greek State and the postponement of the payment of the instalments of 31/12/2013, 31/12/2014 and 30/6/2014 respectively to 30/6/2015, 31/12/2015 and 30/06/2016 According to the existing loan agreement between the Company and Piraeus Bank.

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

With respect to the fire victim loan of € 24,9 million and with a balance as at 31.12.2014 of an amount of € 23,7 million there are capital instalments of € 4,08 million which however are not overdue as at 31.12.2014 given that given that the National Bank granted the company with a loan of an amount of € 1.213.000 with which it repaid the installment of the first loan of 2013 by an amount of € 1.203.037,63 in addition to interest up to 31.12.2014 of an amount of € 9.962,37. As a result, the company was enabled to be included in the provisions of the Ministerial Decision 2/38310/0025 / 14-5-2014 regarding the postponement of instalments guaranteed by the Greek State and the postponement of the payment of the instalments of 31/12/2013, 31/12/2014 and 30/6/2014 respectively to 30/6/2015, 31/12/2015 and 30/06/2016 according to the existing loan agreement between the Company and the National Bank.

From the loan agreements of the above mentioned loans, an obligation results for the Group and Company as regards the compliance with specific financial ratios other terms. It should be noted that at the end of the year, 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 26/3/2015 as regards the convertible bond loan, that a waiver be granted up to 13/07/2015.



The management of the Company as at March 24, 2015 signed an Agreement of Understanding (MOU) with the lending banks (Alpha Bnak, Eurobank, National Bank, Piraeus Bank and Attica Bank) which provides tolerance period (standstill) until October 31, 2015, the due and due principal and interest payments of existing loans. Mutual understanding also includes an agreement to restructure the existing debt of the Company Agreement, the key points of the restructuring agreement provide for the following:

- Capitalisation existing loans totaling € 58,6 million.
- Issuance of common rem Secured Bond € 58,6 million.
- Issuance of common bond loan (RCF Facility) € 31,4 million.
- issuance of convertible bonds € 24,6 million.
- Issuance of common bond loan (VAT Facility) € 4,8 million.

The existing pledged assets as these arise from the loan borrowing contracts of the Group and the Company are analysed in Note 42.

### 35. 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 2013</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>
Proceeds received over the year	2.274.509	2.274.509
Recognised in the income statement (Note 15)	(838.233)	(712.766)
<b>Balance at 31 December 2014</b>	<b>6.660.659</b>	<b>6.028.155</b>

### 36. Other non-current liabilities

The analysis of other non-current liabilities, of the Group and the Company, is as follows:

<i>Amounts in Euro</i>	<b>GROUP</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>
Non-current liabilities based on article 44 L.1892/90	1.881.294	2.191.160
<b>Total</b>	<b>1.881.294</b>	<b>2.191.160</b>

Other non-current liabilities, relating to long-term liabilities at 31/12/2014 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.

**37. Provisions**

The analysis of provisions for the Group and the Company is as follows:

<b>Amounts in Euro</b>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Provisions in relation to court litigation	52.000	52.000	-	-
Other provisions	2.535.859	2.532.040	717.968	708.273
Provision for unaudited tax years	835.000	90.000	-	-
Less: Provisions on held for sale assets (Note 7)	(30.801)	-	-	-
<b>Total</b>	<b>3.392.058</b>	<b>2.674.040</b>	<b>717.968</b>	<b>708.273</b>

The movement in the provision during the year is presented below:

	<b>GROUP</b>							
	<b>31/12/2014</b>				<b>31/12/2013</b>			
	<b>Provisions in relation to court litigation</b>	<b>Other provisions</b>	<b>Provision for unaudited tax years</b>	<b>TOTAL</b>	<b>Provisions in relation to court litigation</b>	<b>Other provisions</b>	<b>Provision for unaudited tax years</b>	<b>TOTAL</b>
Beginning Balance	52.000	2.532.040	90.000	2.674.040	117.346	574.759	90.000	782.105
Additions during the year	-	114.692	745.000	859.692	-	1.966.845	-	1.966.845
Reclassification	-	-	-	-	-	-	-	-
Write-off of provisions	-	(111.993)	-	(111.993)	(65.346)	(3.701)	-	(69.047)
Collections of receivables	-	-	-	-	-	-	-	-
Foreign exchange differences	-	1.120	-	1.120	-	(5.863)	-	(5.863)
Less: Transfer to held for sale subsidiaries	-	(30.801)	-	(30.801)	-	-	-	-
<b>Ending Balance</b>	<b>52.000</b>	<b>2.505.058</b>	<b>835.000</b>	<b>3.392.058</b>	<b>52.000</b>	<b>2.532.040</b>	<b>90.000</b>	<b>2.674.040</b>

	<b>COMPANY</b>							
	<b>31/12/2014</b>				<b>31/12/2013</b>			
	<b>Provisions in relation to court litigation</b>	<b>Other provisions</b>	<b>Provision for unaudited tax years</b>	<b>TOTAL</b>	<b>Provisions in relation to court litigation</b>	<b>Other provisions</b>	<b>Provision for unaudited tax years</b>	<b>TOTAL</b>
Beginning Balance	-	708.273	-	708.273	-	455.826	-	455.826
Additions during the year	-	109.695	-	109.695	-	252.447	-	252.447
Reclassification	-	-	-	-	-	-	-	-
Write-off of provisions	-	(100.000)	-	(100.000)	-	-	-	-
<b>Ending Balance</b>	<b>-</b>	<b>717.968</b>	<b>-</b>	<b>717.968</b>	<b>-</b>	<b>708.273</b>	<b>-</b>	<b>708.273</b>

**Provisions in relation to court litigation**

The balance of the provision as at 31.12.2014 relates to the subsidiary company Sea Farm Ionian S.A 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 € 2.535.859 (2013: € 2.532.040) and for the Company of an amount of € 717.968 (2013: € 708.273 ) relate to the provision for unpaid employees leave of an amount of € 861.163 and € 717.968



for the Group and Company, as well as a provision for forfeiture of guarantee of the associate company Aqua Terrair of the subsidiary company SEAFARM IONIAN an amount of € 1.674.696.

### Provision for unaudited tax years

The amount of € 835.000 relates to the provision for unaudited open tax years of the subsidiary companies of the Group.

### 38. 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>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Trade payables	34.408.889	39.239.332	31.960.087	35.309.827
Cheques payable	14.785.777	20.297.060	12.063.284	17.335.716
Promissory notes	252.296	113.454	-	-
Notes payable	2.435.179	1.583.157	-	-
Less: transfer to held for sale subsidiaries	(3.850.832)	-	-	-
<b>Total</b>	<b>48.031.309</b>	<b>61.233.003</b>	<b>44.023.371</b>	<b>52.645.543</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 31.12.2014 from which the company purchases raw materials (fishfeed) amount are the following:

<b>Creditors</b>	<b>Overdue</b>	
	<b>31.12.2014</b>	<b>Overdue 31.12.2013</b>
Norsildmel Innovation	6.056	7.801
Akaport SA	1.064	2.994
Gordini	50	570
Agridient	461	66
<b>Σύνολο</b>	<b>7.631</b>	<b>11.431</b>

### 39. Derivative Financial Instruments



<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
CAP contracts with or without knock out barrier-Cash flow hedging	10.897	195.928	10.897	195.928
Interest Derivative	(2.316.142)	(2.790.360)	(2.316.142)	(2.790.360)
<b>Derivative financial instruments (assets)</b>	<b>(2.305.245)</b>	<b>(2.594.432)</b>	<b>(2.305.245)</b>	<b>(2.594.432)</b>

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
<b>Opening balance</b>	<b>(2.594.432)</b>	<b>(2.903.000)</b>	<b>(2.594.432)</b>	<b>(2.903.000)</b>
Changes in fair value	289.187	308.568	289.187	308.568
<b>Total</b>	<b>(2.305.245)</b>	<b>(2.594.432)</b>	<b>(2.305.245)</b>	<b>(2.594.432)</b>

The Company holds a derivative financial instrument which had been signed with Piraeus Bank (prior Millenium) in June 2011 with effective date January 2013 and a relevant premium that was agreed to be paid to Piraeus 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 measured at fair value and a loss on measurement was recognized of an amount of € 289.187 (2013: € 308.568 ) (Note 13).

#### **40. 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>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Wages and salaries payable	2.266.229	2.414.001	1.759.090	1.924.729
Dividends	164.177	164.177	91.294	91.294
Social security	2.661.780	4.309.030	2.317.731	3.913.489
Taxes - duties	1.286.308	1.323.274	903.956	844.822
Accrued expenses	715.609	2.714.480	682.374	2.525.109
Sundry creditors - Prepayments	5.097.010	5.985.786	4.011.771	6.034.896
Less: transfer to held for sale subsidiaries	(332.858)	-	-	-
<b>Total</b>	<b>11.858.255</b>	<b>16.910.748</b>	<b>9.766.216</b>	<b>15.334.339</b>

**41. Commitments and Contingencies and un-audited by the tax authorities open fiscal years**

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 42: “Assets pledged as Security” arising in the ordinary course of business, as following:

**Guarantees**

The Group’s contingent liabilities for the year amounted to € 27.055.579 from which an amount of € 24.757.917 relate to the Company’s guarantees towards its associates and subsidiaries. The Group has valued its guarantees at an amount of € 23.880.883 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 € 23.257.917 given that the Company has established a provision for contingent liabilities which results from its associate companies BlueFin Tuna SA. The contingent assets for the year amount to € 465.491 for the Group and to the amount of € 194.425 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 2014, 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:

*Amounts in Euro*

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
No later than 1 year	74.430	221.383	26.440	133.477
Later than 1 year and no later than 5 years	422.562	817.210	139.133	442.075
Later than 5 years	1.129.778	463.430	783.665	194.999
	<b>1.626.770</b>	<b>1.502.023</b>	<b>949.238</b>	<b>770.551</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.

**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.

## **42. Assets pledged as Security**

During 31/12/2014 the encumbrances and liens on pledged property plant and equipment of the Company amounted to € 153.591.561,99 and on the Group’s assets the liens amounted to € 159.932.841,36, 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 31/12/2014 to € 23.866.398.

(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 31/12/2014 to € 75.279.421.

(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 31/12/2014 amounted to € 75.279.421.

(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 24.910.000 from the National Bank of Greece, under the framework of favourable regulations for the fire victims, the balance of which as at 31/12/2014 amounted to € 23.706.962.

(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 31/12/2014 amounted to € 136.821,93.

(b) A Mortgage has been registered underwritings of € 180.000 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 31/12/2014 to € 593.540,16.

(d) An underwriting of a mortgage of an amount of € 296.404 has been registered to secure the loan from the National Bank of Greece, the balance of which as at 31/12/2014 amounted to € 1.402.240,37.



(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 31/12/2014 amounted to € 337.904,94. 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 € 68.500.000 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 31/12/2014 (Note 31).
- On short term loan borrowings of the Company with Eurobank of an amount of € 217.480,27 and of Piraeus bank of 27.883,72 has been restricted (Note 31).
- There is a pledge of fish population of an amount of € 5.500.000 in favour of Eurobank for a loan of € 2.934.865,01
- 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 € 1.992.519,80
- On the balance of the syndicated loan of the Subsidiary company Sea Farm Ionian SA (balance as at 31/12/2014 an amount of € 3.043.344,87) a pledge of fish population of NIREUS AQUACULTURE SA exists (as at 31/12/2014 of an amount of €2.986.075)
- The company NIREUS SA with the agreement of 1.7.2014 has provided to the company NORSILDMEL INNOVATION A / S a floating lien on the fish population, amounting to € 10,3 million to secure the outstanding balance. The pledge is valid until 31/12/2015.

Apart from the above, there are no other pledged assets or liens on property plant and equipment of the Group and Company.

### 43. 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>Sales of goods and services</b>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Subsidiaries	-	-	5.207.750	4.276.499
Associates	-	108.414	-	104.808
<b>Total</b>	<b>-</b>	<b>108.414</b>	<b>5.207.750</b>	<b>4.381.307</b>

<b>Other income</b>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2013</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Subsidiaries	-	-	61.060	61.794
Associates	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>61.060</b>	<b>61.794</b>

**Purchases of goods and services**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Subsidiaries	-	-	12.566.120	13.233.784
Associates	-	108.414	-	3.606
Directors and key management	190.694	100.190	135.569	86.690
<b>Total</b>	<b>190.694</b>	<b>208.604</b>	<b>12.701.689</b>	<b>13.324.080</b>

**Sales of property, plant and equipment**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Subsidiaries	-	-	11.200	-
Associates	6.000	-	-	-
<b>Total</b>	<b>6.000</b>	<b>-</b>	<b>11.200</b>	<b>-</b>

**Purchases of property, plant and equipment**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Associates	6.000	-	-	-
<b>Total</b>	<b>6.000</b>	<b>-</b>	<b>1.287.054</b>	<b>1.726.447</b>

**Fees to Directors and compensation**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Directors and key management	2.021.109	1.849.465	1.054.034	1.238.176
<b>Total</b>	<b>2.021.109</b>	<b>1.849.465</b>	<b>1.054.034</b>	<b>1.238.176</b>

**Period-end balances arising from Fees to Directors and compensation**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Directors and key management	409.789	350.453	342.092	213.139
<b>Total</b>	<b>409.789</b>	<b>350.453</b>	<b>342.092</b>	<b>213.139</b>

**Period-end balances arising from purchases of goods and services**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Directors and key management	36.871	32.285	25.007	23.015
<b>Total</b>	<b>36.871</b>	<b>32.285</b>	<b>25.007</b>	<b>23.015</b>

**Receivables**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Subsidiaries	-	-	4.242.009	6.983.218
Associates	4.851.855	4.763.606	4.756.226	4.763.606
<b>Total</b>	<b>4.851.855</b>	<b>4.763.606</b>	<b>8.998.235</b>	<b>11.746.824</b>

**Payables**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Subsidiaries	-	-	4.528.347	4.368.295
Associates	4.851.855	4.763.606	-	-
<b>Total</b>	<b>4.851.855</b>	<b>4.763.606</b>	<b>4.528.347</b>	<b>4.368.295</b>

**Key Management Compensation**

The fees of the members of the Board of Directors for the year 2014 and 2013 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.

	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	950.751	962.924	818.586	849.506
	543.699	569.702	213.802	323.538
	717.353	417.030	157.215	151.822
	<b>2.211.803</b>	<b>1.949.655</b>	<b>1.189.603</b>	<b>1.324.866</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

	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	77.603	158.824	44.979	40.420
	90.751	83.631	60.615	61.261
	278.306	140.283	261.505	134.473
	<b>446.660</b>	<b>382.738</b>	<b>367.099</b>	<b>236.154</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% owed by Mr. Aristides Belles, acts as a mediation center following the approval by the Annual General Meeting of NIREUS SA 2010.

**44. 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 and non-financial instruments which are presented in the consolidated and stand alone financial statements.

	GROUP				COMPANY			
	COST		FAIR VALUE		COST		FAIR VALUE	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
<b>Non-financial Financial Assets</b>								
Buildings, Land, Mechanical Equipment & technical installations, Floating means	46.887.703	53.866.385	76.134.881	83.089.521	43.684.600	47.006.483	70.015.589	72.874.210
Investment Property	3.333.240	3.333.240	4.162.995	3.847.339	3.221.791	3.221.791	3.283.012	3.483.295
Biological assets-non-current	144.344.000	155.733.000	163.662.396	170.151.405	138.058.000	145.331.000	156.861.359	155.012.142
<b>Financial Assets</b>								
Derivative financial instruments	10.897	195.928	10.897	195.928	10.897	195.928	10.897	195.928
Restricted cash	4.245.364	5.524.563	4.245.364	5.524.563	4.245.364	5.524.563	4.245.364	5.524.563
Cash and cash equivalents	5.441.530	3.616.545	5.441.530	3.616.545	3.685.215	2.426.166	3.685.215	2.426.166
<b>Financial Liabilities</b>								
Long-term borrowing liabilities	35.402.375	38.304.051	35.402.375	38.304.051	35.402.375	38.304.051	35.402.375	38.304.051
Short-term borrowings	62.762.422	61.343.499	62.762.422	2.790.360	59.911.273	55.629.064	59.911.273	55.629.064
Derivative financial instruments	2.316.142	2.790.360	2.316.142	61.343.499	2.316.142	2.790.360	2.316.142	2.790.360
Current portion of long-term financial liabilities	137.686.092	132.200.626	137.686.092	132.200.626	116.393.319	111.488.971	116.393.319	111.488.971

The Group uses the following hierarchy for the determination of the fair value of its financial assets and liabilities per valuation method.



	GROUP		Hierarchy of Fair Value
	FAIR VALUE		
	31/12/2014	31/12/2013	
<b>Non-financial Financial Assets</b>			
Buildings, Land, Mechanical Equipment & technical installations, Floating means	76.134.881	83.089.521	Level 3
Investment Property	4.162.995	3.847.339	Level 3
Biological assets-non-current	163.662.396	170.151.405	Level 2,3
<b>Financial Assets</b>			
Derivative financial instruments	10.897	195.928	Level 2
Restricted cash	4.245.364	5.524.563	Level 1
Cash and cash equivalents	5.441.530	3.616.545	Level 1
<b>Long-term borrowing liabilities</b>			
Long-term borrowing liabilities	35.402.375	38.304.051	Level 2
Derivative financial instruments	2.316.142	2.790.360	Level 2
Short-term borrowings	62.762.422	61.343.499	Level 2
Liabilities payable within the following year	137.686.092	132.200.626	Level 2

	COMPANY		Hierarchy of Fair Value
	FAIR VALUE		
	31/12/2014	31/12/2013	
<b>Non-financial Financial Assets</b>			
Buildings, Land, Mechanical Equipment & technical installations, Floating means	70.015.589	72.874.210	Level 3
Investment Property	3.283.012	3.483.295	Level 3
Biological assets-non-current	156.861.359	155.012.142	Level 2,3
<b>Financial Assets</b>			
Derivative financial instruments	10.897	195.928	Level 2
Restricted cash	4.245.364	5.524.563	Level 1
Cash and cash equivalents	3.685.215	2.426.166	Level 1
<b>Long-term borrowing liabilities</b>			
Long-term borrowing liabilities	35.402.375	38.304.051	Level 2
Derivative financial instruments	2.316.142	2.790.360	Level 2
Short-term borrowings	59.911.273	55.629.064	Level 2
Liabilities payable within the following year	116.393.319	111.488.971	Level 2

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.

#### 45. Fair value Measurement

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities

<b>ASSETS MEASURED AT FAIR VALUE ARE DISCLOSED</b>	<b>NOTE</b>	<b>DATE OF VALUATION</b>	<b>AMOUNT</b>	<b>LEVEL 1</b>	<b>LEVEL 2</b>	<b>LEVEL 3</b>
Buildings, Land, Mechanical Equipment & technical installations, Floating means	<b>18</b>	31 December 2014	76.134.881	-	-	√
Investment Property	<b>19</b>	31 December 2014	4.162.995	-	-	√
Biological assets-non-current	<b>26</b>	31 December 2014	70.915.786	-	-	√
Biological assets-current	<b>26</b>	31 December 2014	92.746.610	-	√	-
Derivative financial instruments	<b>34</b>	31 December 2014	10.897	-	-	-
Restricted cash	<b>31</b>	31 December 2014	4.245.364	√	-	-
Cash and cash equivalents	<b>32</b>	31 December 2014	5.441.530	√	-	-
<b>LIABILITIES MEASURED AT FAIR VALUE ARE DISCLOSED</b>						
Long-term loan borrowings	<b>34</b>	31 December 2014	35.402.375	-	√	-
Short-term loan borrowings	<b>34</b>	31 December 2014	62.762.422	-	√	-
Derivative financial instruments	<b>39</b>	31 December 2014	2.316.142	-	√	-
Current portion of long-term financial liabilities	<b>34</b>	31 December 2014	137.686.092	-	√	-

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. During the year revaluation at fair value was made based on current market conditions (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 39). The long-term and short-term debt level 2 assessed by the Group and the Company on the basis of various 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 34).

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) immature fish which are 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 current spot prices (Note 26).

## **46. Events after the reporting period**

### **I. Sales agreement in connection with the sale of all Turkish Subsidiaries**

As at January 21 2015 the Management of the Group entered into a sales agreement for the sale of its entire shareholdings in the Turkish companies ILKNAK SU URUNLERI and MIRAMAR SU URUNLERI at a total sales price of an amount of €4.150.000. Further information is presented in Note 7 «Held-for-sale assets».

### **II. Pledge on Fish Population**

The company NIREUS SA with the agreement of 20.3.2015 has provided to the company NORSILDMEL INNOVATION A / S a floating lien on the fish population, amounting to € 10.3 million to secure the outstanding balance. The pledge is valid until 31/12/2015.

### **III. Signing of Agreement on restructuring of loans.**

On March 2015 the Company entered into an agreement of mutual understanding (MoU) with its creditors to restructure its loans with a suspension of their rights to any amounts that will come due, principal and interest during out the suspension period (standstill ) until 31 October 2015, though being payable by that date and until the end of the suspension period. The basic elements of the restructuring of loans will be:

A. Capitalisation of loans amounting to Euro 58.600.000 by issuing Nireus new shares at an issue price of € 0.30 per share, in favor of the creditor banks, which is expected to yield a total ownership stake of NIREUS to its creditors on the 75% .

II. Issue of common secured bond loans amounting to € 94.552.126 and interest rate EURIBOR + 4.25%

III. Issue of convertible bond into shares totaling € 24.466.293 for ten years, with interest rate of 1% and EUR 0.30 per share conversion price .As to the existing MOU the Company will propose to its bondholders to harmonize the basic terms in accordance with the terms of the new MOU. Further information is presented in Note 2.2.

It also provides that the Company will launch procedures for the merger through absorption of the subsidiary SEA FARM IONIAN AE and individual company transactions within the Group aimed at streamlining the structure.



#### **IV. Notice of Resolutions of the General Meeting of the Bondholders of the convertible bond loan of March 26,2015.**

According to the General Meeting of the Bondholders held on December 18, 2014 the following decisions were taken:

1. The General Meeting resolved to defer the payment of the two instalments due on January 13, 2014 and July 14 2014 in addition to their corresponding interest which were due for 31 December 2014, in addition to the first instalment of January 2015 for July 13, 2015.
2. It was resolved not to exercise the right to terminate the Loan until 13.07.2015.

There were no other events following the year ended 31 December 2014 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 27, 2015

<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 2014 (1 JANUARY TO 31 DECEMBER 2014)



**NIREUS AQUACULTURE S.A**  
Company's Number in the General Electronic Commercial Registry: 7852901000  
(Former: Company's Register No. 16399/06/B/88/18)



Address of Registered Office: Municipality of Kropias, Attiki, Dimokritou, 1st Km Koropou-Varis Ave, 19400 Koropi  
Financial data and information for the period from 1 January 2014 to 31 December 2014  
(published in accordance with L.2190/20, article 135 for companies that prepare annual financial statements, consolidated or non-consolidated, in accordance with IFRS)

The following data and information, which result from the Financial Statements, aim at providing a general briefing of the financial position and the results of operations of "NIREUS AQUACULTURE S.A." and its Group. We, therefore, recommend that the reader visit the Issuer's website, where the Financial Statements as well as the Auditor's Review Report are presented, whenever required prior to proceeding with any investing decision, or with any other transaction with the Issuer.

Authorized Prefecture: Ministry of Development/General Secretariat of Commerce  
Company's web site: www.nireus.com  
Date of Approval of the Financial Statements by the Board of Directors: March 27, 2015

Certified Public Accountant Auditor: PANAGIOTIS K. PAPAZOGLU (S.O.E.A.R.N. 16651)  
Ernst & Young (Hellas) Certified Auditor/Accountants S.A. (Reg. SOEL R.N. 107)  
Type of Auditor's Report: Unqualified opinion - emphasis of matter

Board of Directors: Antonios Dafinis, Vasilios Chalkias, Antonios Chalkias, Lamprinos Eximianidis, Ioannis Lala, Ioannis Lala, Lamprinos Eximianidis, Lamprinos Eximianidis

President & CEO, Executive Member: Vasilios Chalkias  
Non-executive Member: Antonios Chalkias  
Deputy Managing Director, Executive Member: Lamprinos Eximianidis  
Independent Non-executive Member: Ioannis Lala  
Independent Non-executive Member: Lamprinos Eximianidis

STATEMENT OF FINANCIAL POSITION (Consolidated and non-consolidated) Amounts reported in Euro	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
<b>ASSETS</b>				
Intangible plant and equipment	76,114,881	83,089,521	70,215,589	72,874,210
Intangible property	4,152,789	3,897,239	3,283,022	3,483,295
Intangible assets	80,267,670	86,986,760	73,498,611	76,357,505
Biological assets non-current	70,515,296	70,064,389	69,769,417	67,969,417
Other non-current assets	2,521,252	932,664	32,275,356	31,682,119
Biological assets current	92,746,610	100,697,016	87,397,860	88,221,725
Inventories	10,674,613	10,738,127	8,996,937	7,656,148
Trade and other receivables	37,653,662	49,820,306	35,869,450	35,869,450
Other current assets	17,423,016	23,850,441	14,234,808	21,465,509
Hold for sale assets	8,254,500	-	-	-
<b>TOTAL ASSETS</b>	<b>350,063,159</b>	<b>388,723,625</b>	<b>340,794,503</b>	<b>356,303,887</b>
<b>EQUITY &amp; LIABILITIES</b>				
Other income	85,354,185	85,354,185	85,354,185	85,354,185
Equity attributable to equity holders of the Parent Company (a)	(85,354,185)	(85,354,185)	(85,354,185)	(85,354,185)
Non-current liabilities	31,186,362	64,582,289	60,171,857	68,572,782
Other short-term liabilities	38,400,611	57,685,173	60,171,857	68,572,782
Long-term liabilities	18,802,277	18,265,195	12,719,950	15,538,777
Other short-term liabilities	62,700,422	61,349,499	59,911,279	59,620,044
Other short-term liabilities payable within the following period	137,686,092	132,200,626	116,391,139	111,468,971
Yield for sale liabilities	4,802,626	-	-	-
<b>Total Liabilities (d)</b>	<b>312,662,248</b>	<b>333,647,642</b>	<b>289,532,646</b>	<b>287,731,105</b>
<b>Total Equity and Liabilities (c) + (d)</b>	<b>350,063,159</b>	<b>388,723,625</b>	<b>340,794,503</b>	<b>356,303,887</b>

STATEMENT OF COMPREHENSIVE INCOME (Consolidated and non-consolidated) Amounts reported in Euro	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Sales revenue (non biological assets)	45,325,075	49,106,089	20,730,975	31,299,118
Sales revenue (biological assets) (a)	489,686,586	498,471,388	489,686,586	498,471,388
<b>Total Sales revenue</b>	<b>534,911,661</b>	<b>547,577,477</b>	<b>510,417,561</b>	<b>539,770,506</b>
Other income (non biological assets) (a)	1,712,200	1,712,200	1,712,200	1,712,200
Other income (biological assets) (a)	(2,736,961)	(17,273,876)	372,266	(71,243,135)
Effect of measurement of biological assets at fair value (a)	(122,472,298)	(124,988,874)	(102,116,724)	(105,958,539)
<b>Profit/(Loss) before taxes, financing and investing results (EBIT)</b>	<b>310,434,602</b>	<b>305,027,537</b>	<b>210,385,002</b>	<b>262,881,040</b>
Profit/(Loss) before taxes (EBT)	6,244,206	87,244,750	6,244,206	87,244,750
Profit/(Loss) before taxes (EBT)	(16,495,202)	(87,433,611)	(16,495,202)	(87,433,611)
Profit/(Loss) after taxes (a)	(15,155,752)	(79,408,833)	(15,155,752)	(79,408,833)
Equity holder's share (a)	(24,522,427)	(127,077,494)	(24,522,427)	(127,077,494)
Non-controlling interests	(1,033,630)	(409,809)	(1,033,630)	(409,809)
Other comprehensive income after taxes (b)	1,937,229	(8,438,607)	97,815	(1,689,337)
<b>Total comprehensive income after taxes (a) + (b)</b>	<b>(13,218,523)</b>	<b>(77,847,340)</b>	<b>(14,080,567)</b>	<b>(79,097,170)</b>
Equity holder's share (a)	(20,208,142)	(108,286,742)	(20,208,142)	(108,286,742)
Non-controlling interests	(2,990,381)	(3,089,399)	(2,990,381)	(3,089,399)
Profit/(Loss) after taxes per share - basic (a)	(0,222,088)	(0,828,079)	(0,222,088)	(0,828,079)
Profit/(Loss) after taxes per share - basic (a)	(0,222,088)	(0,828,079)	(0,222,088)	(0,828,079)
Profit/(Loss) before taxes, financing and investing results and Distribution (EBITDA) after taxes (a)	13,615,124	(80,173,123)	14,353,050	(80,263,184)

STATEMENT OF CHANGES IN EQUITY (Consolidated and non-consolidated) Amounts reported in Euro	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Opening Balance (20/01/2014 and 01/01/2013 respectively)	57,485,173	137,616,685	68,572,782	146,836,810
Total comprehensive income after taxes (continuing operations)	(14,117,993)	(78,616,300)	(14,080,567)	(79,097,170)
Transfer/(Decrease) of share capital	(168,509)	18,734	-	18,734
Other changes	-	(1,039,025)	-	-
Net equity for the period closing balance (31/12/2014 and 31/12/2013 respectively)	<b>43,400,611</b>	<b>57,485,173</b>	<b>60,171,857</b>	<b>68,572,782</b>

STATEMENT OF CASH FLOW (Consolidated and non-consolidated) Amounts reported in Euro	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
<b>Cash Flow from operating activities</b>				
Profit/(Loss) before taxes (continuing operations)	(16,495,202)	(87,433,611)	(16,495,202)	(87,433,611)
Adjustments for:				
Depreciation	8,847,051	8,124,227	6,443,002	6,794,945
Provisions	5,467,461	11,542,214	197,505	7,846,929
Government Grants	(938,212)	(533,390)	(938,212)	(533,390)
Repayment benefits obligations	115,173	25,441	89,182	(304,566)
Provisions	(289,187)	(208,568)	(289,187)	(208,568)
Financial results	(1,813,793)	(78,516,230)	(1,813,793)	(78,516,230)
Interest income	(135,113)	(244,544)	(135,113)	(244,544)
Change in fair value of biological assets	(5,488,752)	46,378,214	(5,488,752)	46,378,214
Other non-cash items	6,478,579	(6,165,588)	4,700,853	(4,542,269)
Change/(Increase) in cash, plant and equipment	(12,819)	483	(12,819)	484
Interest expense and similar charges	13,894,531	19,938,614	13,894,531	19,938,614
<b>Net cash from operating activities</b>	<b>(1,813,793)</b>	<b>(78,516,230)</b>	<b>(1,813,793)</b>	<b>(78,516,230)</b>
<b>Cash Flow from investing activities</b>				
Proceeds from sale of PPE and intangible assets	5,783,420	22,056,968	6,834,439	20,811,546
Decrease/(Increase) of non-current liabilities	(1,442,224)	(2,221,379)	(1,442,224)	(2,221,379)
Decrease/(Increase) of similar charges paid	(17,246,694)	2,037,425	(17,246,694)	2,037,425
Interest income	1,712,200	1,712,200	1,712,200	1,712,200
Net cash from investing activities (a)	(12,193,298)	(2,465,086)	(12,193,298)	(2,465,086)
<b>Cash Flow from financing activities</b>				
Proceeds from issue of ordinary shares/convertible bond	-	-	-	(29,407)
Proceeds from sale of PPE and intangible assets	(4,836,113)	(8,837,855)	(4,836,113)	(8,837,855)
Proceeds from sale of PPE and intangible assets	36,880	12,894	36,880	12,894
Proceeds from grants	2,274,509	1,562,211	2,274,509	1,562,211
Interest received	135,113	196,415	135,113	196,415
Dividends received	-	-	1,266,846	-
<b>Net cash generated from financing activities (b)</b>	<b>(2,426,831)</b>	<b>(6,856,500)</b>	<b>(2,426,831)</b>	<b>(6,856,500)</b>
<b>Cash Flow from financing activities</b>				
Proceeds from issue of ordinary shares/convertible bond	-	16,652	-	16,652
Proceeds from sale of PPE and intangible assets	8,506,622	16,294,796	7,700,295	15,940,325
Proceeds from loans	(1,943,653)	(14,362,713)	(1,943,653)	(13,259,572)
Repayment Cash	1,278,199	(507,238)	1,278,199	(507,238)
Dividends paid	(166,500)	(27,273)	-	-
<b>Net cash generated from financing activities (c)</b>	<b>(2,373,485)</b>	<b>(1,321,416)</b>	<b>735,800</b>	<b>3,143,025</b>
<b>Net increase/(decrease) in cash and cash equivalents for the period (a)+(b)+(c)</b>	<b>2,402,334</b>	<b>1,749,991</b>	<b>1,239,409</b>	<b>1,772,778</b>
Effect from changes in the foreign exchange differences	410,684	(1,140,278)	-	-
<b>Cash and cash equivalents at beginning of the year</b>	<b>3,615,545</b>	<b>3,006,832</b>	<b>2,426,166</b>	<b>1,248,438</b>
<b>Cash and cash equivalents on hand for sale subsidiaries (2014/2013)</b>	<b>(888,033)</b>	-	-	-
<b>Cash and cash equivalents at end of the year</b>	<b>3,148,196</b>	<b>2,266,554</b>	<b>2,426,166</b>	<b>1,248,438</b>

**ADDITIONAL DATA AND INFORMATION:**

1. The Group companies, which are included in the consolidated financial statements, with the respective addresses, participation percentages, method of consolidation and reference to unclassified tax years are analysed in Note 8: Structure of "NIREUS AQUACULTURE S.A." group of companies and Note 10: "Income taxes" of the annual Financial Statements.

2. The company holds 22,300 treasury shares of a total value of € 47,270,70.

3. Of those companies that are consolidated in the financial statements, the following are the only ones that have been audited:

4. "Other comprehensive income after taxes" presented in the Statement of Comprehensive Income of the Group is analysed as follows:

5. There are no other claims or obligations to non-current or arbitrary courts that may have a material effect on the financial position or operations of the Group.

6. (a) The following mortgages have been registered for the fixed assets of the parent company "NIREUS AQUACULTURE S.A." (i) 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 amounting to € 25,000,000 from the Bank of Piraeus, under the framework of favourable regulations for the balance of which amounted to € 31/12/2014 to € 23,866,398.00. 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 holders, to secure the bond loan of an amount of € 60,000,000, the balance of which as at 31/12/2014 amounted to € 73,279,421.

(ii) Mortgages of an amount of € 1,000,000 in favour of the Greek State for the securing of the bond loan of an amount of € 24,970,000 from the National Bank of Greece, under the framework of favourable regulations for the five victims, the balance of which as at 31/12/2014 amounted to € 23,706,962. (a) An underwriting of a mortgage of an amount of € 264,123 in favour of EUROBANK has been registered. (b) An underwriting of a mortgage of an amount of € 200,000, to secure the loan from Alpha Bank S.A., the balance of which as at 31/12/2014 amounted to € 1,981,811. (c) A mortgage has been registered underwritten of € 180,000 in favour of "AGROVEST S.A." 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 to € 31/12/2014 to € 693,540. (d) An underwriting of a mortgage of an amount of € 298,404.98 has been registered to secure the loan from the National Bank of Greece, the balance of which as at 31/12/2014 amounted to € 1,402,240.37. (e) Mortgages have been registered of an amount of € 2,200,000 in favour of the Bank of Piraeus, the balance of which as at 31/12/2014 amounted to € 1,337,904.84. It should be mentioned that the interest to be paid is to be paid in 20 equivalent semi-annual interest and capital instalments of an amount of € 16,400 each, in accordance with the regulation of article 44 by which the company has guaranteed the payment of the aforementioned amount. A. In addition the following pledges have been undertaken for certain loans:

(i) On the loan referred to in (a) Contracts related to the population and holding installations owned by "NIREUS AQUACULTURE S.A." for an amount of € 68,500,000 have been restricted.

(ii) On the loan referred to in (b) Contracts related to the population and holding installations owned by "NIREUS AQUACULTURE S.A." for an amount of € 1,981,811.00 have been restricted.

(iii) On the loan referred to in (c) 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 31/12/2014 (Note 3).

(iv) There is a pledge of fair population of an amount of € 5,500,000 in favour of Eurobank for a loan of € 2,654,866.07.

(v) There is a pledge of fair population of an amount of € 2,000,000 in favour of the Bank of Piraeus for a loan of € 1,981,811.00.

(vi) On the balance of the specialised loan of the Subsidiary company Sea Farm Ionia SA (Balance as at 31/12/2014 an amount of € 3,043,344.87) a pledge of fair population of NIREUS AQUACULTURE S.A. exists (as at 31/12/2014 of an amount of € 2,986,675).

(vii) The company NIREUS SA with the agreement of 1.7.2014 has provided to the company NIREUSDEL INNOVATION A/S a floating loan on the fair population, amounting to € 10.3 million to secure the outstanding balance. The pledge is valid until 31/12/2015.

4. The provisions of the Group and the Parent company are analysed as follows:

	GROUP	COMPANY
	31/12/2014	31/12/2014
Provisions related to litigation and court disputes	52,000	-
Provisions related to unclassified tax years	833,000	-
Other provisions	2,535,855	717,568

5. The provisions in relation to the court and/or litigation issues of an amount of € 60,000 related to provisions for cases under litigation and in favour of third party issues, for which Management has taken these to the superior Court. Other provisions of the Group of an amount of € 2,635,855 relates to the provision of employee unpaid leave of € 861,163 and to the provision for guarantees of associate company of € 1,674,696. Further information on provisions is presented in Note 37 "Provisions" of the annual financial statements.

7. The number of employed personnel on December 31, 2014 totalled 867 for the Company, and 1,151 for the Group (for the Company, and 1,168 for the Group for the Company, 863 Subsidiaries, 285).

8. The amounts of Revenue and Expenses of the company, commencing from the beginning of the period as well as the balance of receivables and payables of the company that have arisen from transactions with related parties at the end of the current period as these are specified based on IAS 24 are as follows:

	GROUP	COMPANY
	31/12/2014	31/12/2014
a) Revenue	534,911,661	510,417,561
b) Expenses	(491,693,138)	(479,939,994)
c) Revenues	4,851,855	4,538,347
d) Expenses	(2,211,864)	(1,999,203)
e) Provisions related to litigation and court disputes	446,660	367,099

9. The consolidated subsidiary company "SEAFARM IONIAN SA" and the absorbed by "OCTAFARM S.A." according to the ref. No. 407/016.6.2005 and No. 827/18.10.2005 decisions of the Athens Court of Appeal have been subject to article 44 of L. 1992/1990 and arranged their liabilities to Banks, Suppliers and Creditors, which are presented in the above financial statements of the Group in accordance with the aforesaid decisions.

10. Significant subsequent events following December 31, 2014 are presented in the Notes to the Financial Statements which events which affect the figures of the published financial statements.

11. Significant subsequent events following December 31, 2014 are presented in the Notes to the Financial Statements which events which affect the figures of the published financial statements.

12. Significant subsequent events following December 31, 2014 are presented in the Notes to the Financial Statements which events which affect the figures of the published financial statements.

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34. Significant subsequent events following December 31, 2014 are presented in the Notes to the Financial Statements which events which affect the figures of the published financial statements.

35. Significant subsequent events following December 31, 2014 are presented in the Notes to the Financial Statements which events which affect the figures of the published financial statements.

36. Significant subsequent events following December 31, 201

**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>	
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 on 24.03.2014	<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>
5.6.2014	Proxy Form for the Annual General Meeting of Shareholders	<a href="http://www.nireus.com">www.nireus.com</a>
5.6.2014	Draft decisions for the Annual Meeting of Shareholders	<a href="http://www.nireus.com">www.nireus.com</a>
5.6.2014	Invitation to Annual Meeting of Shareholders	<a href="http://www.nireus.com">www.nireus.com</a>
13.6.2014	Proxy Form for the General Meeting of the Bondholders of 23.06.2014	<a href="http://www.nireus.com">www.nireus.com</a>
13.6.2014	Invitation to Company's Bondholders to General Meeting of the Bondholders on 23.06.2014	<a href="http://www.nireus.com">www.nireus.com</a>
24.6.2014	Notice of Resolutions of the General Meeting of Bondholders of 23 June 2014	<a href="http://www.nireus.com">www.nireus.com</a>
30.6.2014	Resolutions of the Annual Ordinary General Meeting of Shareholders of 30 June 2014	<a href="http://www.nireus.com">www.nireus.com</a>
30.6.2014	Presentation for the 2014 Annual Ordinary Meeting of Shareholders	<a href="http://www.nireus.com">www.nireus.com</a>
16.7.2014	Proxy Form for the General Meeting of the Bondholders of 29.07.2014	<a href="http://www.nireus.com">www.nireus.com</a>
16.7.2014	Invitation to Company's Bondholders to General Meeting of the Bondholders on 29.07.2014	<a href="http://www.nireus.com">www.nireus.com</a>
30.7.2014	Notice of Resolutions of the General Meeting of Bondholders of 29 July 2014	<a href="http://www.nireus.com">www.nireus.com</a>
11.9.2014	Proxy Form for the General Meeting of the Bondholders of 24.09.2014	<a href="http://www.nireus.com">www.nireus.com</a>
11.9.2014	Invitation to Company's Bondholders to General Meeting of the Bondholders on 24.09.2014	<a href="http://www.nireus.com">www.nireus.com</a>
25.9.2014	Notice of Resolutions of the General Meeting of Bondholders of 24 September 2014	<a href="http://www.nireus.com">www.nireus.com</a>
25.9.2014	Announcement for the Deferment of Payment of the Interest and Partial Capital Repayment	<a href="http://www.nireus.com">www.nireus.com</a>
9.12.2014	Proxy Form for the General Meeting of the Bondholders of 18.12.2014	<a href="http://www.nireus.com">www.nireus.com</a>
9.12.2014	Invitation to Company's Bondholders to General Meeting of the Bondholders on 18.12.2014	<a href="http://www.nireus.com">www.nireus.com</a>
18.12.2014	Notice of Resolutions of the General Meeting of the Bondholders of 18.12.2014	<a href="http://www.nireus.com">www.nireus.com</a>
10.3.2015	Proxy Form for the General Meeting of the Bondholders of 26.03.2015	<a href="http://www.nireus.com">www.nireus.com</a>
10.3.2015	Invitation to Company's Bondholders to General Meeting of the Bondholders on 26.03.2015	<a href="http://www.nireus.com">www.nireus.com</a>
27.3.2015	Announcement for the Deferment of Payment of the Interest and Partial Capital Repayment	<a href="http://www.nireus.com">www.nireus.com</a>
27.3.2015	Notice of Resolutions of the General Meeting of the Bondholders of 26 March 2015	<a href="http://www.nireus.com">www.nireus.com</a>
	<b>Annotation of Financial Statements</b>	
31.3.2014	12M 2013 Financial Results	<a href="http://www.nireus.com">www.nireus.com</a>
8.4.2014	Announcement	<a href="http://www.nireus.com">www.nireus.com</a>
30.5.2014	3M 2014 Financial Results	<a href="http://www.nireus.com">www.nireus.com</a>
29.8.2014	Proxy Form for the Annual General Meeting of Shareholders	<a href="http://www.nireus.com">www.nireus.com</a>
28.11.2014	9M 2014 Financial Results	<a href="http://www.nireus.com">www.nireus.com</a>
	<b>Other announcements and Press Releases</b>	
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>
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>
31.3.2014	NIREUS SA - 2014 Financial Calendar	<a href="http://www.nireus.com">www.nireus.com</a>
28.5.2014	Reply to a Question from the Capital Market Commission	<a href="http://www.nireus.com">www.nireus.com</a>
26.6.2014	Review and setting of the interest rate on the Convertible Bond Loan	<a href="http://www.nireus.com">www.nireus.com</a>
26.6.2014	Announcement for the Deferment of Payment of the Interest and Partial Capital Repayment	<a href="http://www.nireus.com">www.nireus.com</a>
26.6.2014	Notification for important changes on voting rights – Law 3556/2007	<a href="http://www.nireus.com">www.nireus.com</a>
11.7.2014	Review and setting of the interest rate on the Convertible Bond Loan	<a href="http://www.nireus.com">www.nireus.com</a>
29.7.2014	Announcement for the Deferment of Payment of the Interest and Partial Capital Repayment	<a href="http://www.nireus.com">www.nireus.com</a>
29.7.2014	Review and setting of the interest rate on the Convertible Bond Loan	<a href="http://www.nireus.com">www.nireus.com</a>
18.12.2014	Announcement	<a href="http://www.nireus.com">www.nireus.com</a>
24.12.2014	Announcement for the Deferment of Payment of the Interest and Partial Capital Repayment	<a href="http://www.nireus.com">www.nireus.com</a>
29.12.2014	Review and setting of the interest rate on the Convertible Bond Loan	<a href="http://www.nireus.com">www.nireus.com</a>
5.1.2015	Comment on a published article	<a href="http://www.nireus.com">www.nireus.com</a>
9.1.2015	Review and setting of the interest rate on the Convertible Bond Loan	<a href="http://www.nireus.com">www.nireus.com</a>
23.1.2015	ANNOUNCEMENT ON BUSINESS DEVELOPMENT	<a href="http://www.nireus.com">www.nireus.com</a>
20.3.2015	NIREUS receives ACTIVE GREECE AWARDS 2015 for its export performance	<a href="http://www.nireus.com">www.nireus.com</a>
26.3.2015	Signing of Memorandum of Understanding with the Group's Creditor Banks	<a href="http://www.nireus.com">www.nireus.com</a>
27.3.2015	Review and setting of the interest rate on the Convertible Bond Loan	<a href="http://www.nireus.com">www.nireus.com</a>