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 2018

for the year

from 1st January to 31st December 2018

In accordance with article 4 of L. 3556/2007

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CONTENTS

DECLARATIONS BY THE MEMBERS OF THE BOARD OF DIRECTORS ... 4
ANNUAL BOARD OF DIRECTORS REPORT ... 5
A.FINANCIAL REPORT OF THE BOARD OF DIRECTORS ... 5
B.NON-FINANCIAL REPORT OF THE BoD REPORT ... 13
C.EXPLANATORY REPORT OF THE BOARD OF DIRECTORS ... 28
D.STATEMENT OF CORPORATE GOVERNANCE ... 31
D.1. Code of Corporate Governance ... 31
D.2. Board of Directors ... 34
D.3. Shareholders General Assembly ... 43
D.4. Internal Audit Operations and Risk Management ... 48
D.5. Additional information ... 50
INDEPENDENT AUDITOR'S REPORT ... 56
Statements of Profit or Loss ... 63
Statements of Other Comprehensive Income ... 65
Statements of Financial Position ... 67
Statements of Changes in Equity of the Group ... 68
Statement of Changes in Equity of the Parent Company ... 69
Statements of Cash Flow ... 70
1. Notes to the Annual Consolidated Financial Statements ... 71
1.1 General Information ... 71
1.2 Nature of operations ... 71
2. Basis of preparation of the financial statements ... 71
2.1 Basis of preparation ... 71
2.2 Going Concern ... 72
2.3 Basis of Consolidation ... 72
3. Summary of Significant accounting policies ... 73
3.1 Segment Information ... 73
3.2 Business Combinations and Goodwill ... 73
3.3 Investment in Associates ... 74
3.4 Biological Assets and Agricultural Activity ... 74
3.5 Foreign currencies ... 76
3.6 Property, plant and equipment ... 77
3.7 Investment Properties ... 78
3.8 Intangible assets ... 78
3.9 Impairment of non-financial assets ... 79
3.10 Financial Instruments - initial recognition and subsequent measurement ... 80
3.11 Derivative financial instruments and Hedge Accounting ... 85
3.12 Inventories ... 85
3.13 Share capital and Reserves ... 86
3.14 Taxes ... 86
3.15 Pensions and other post-employment benefits ... 87
3.16 Government grants ... 88
3.17 Provisions, Contingent Liabilities and Contingent Assets ... 89
3.18 Revenue from contracts with customers ... 89
3.19 Leases ... 91
3.20 Dividend Distribution ... 91
3.21 Related parties ... 91
3.22 Cash and short-term deposits ... 92
3.23 Events after the reporting period ... 92
3.24 Comparative figures ... 92
3.25 Borrowing Costs ... 92
3.26 Non-current assets held for sale and discontinued operations ... 92
3.27 Current versus non-current classification ... 93
3.28 Fair value measurement ... 93
3.29 Financial and other income /expenses ... 95

4. Changes in Accounting Policies and Application of New and Revised Standards and Interpretations ...95
5. Critical accounting judgements, estimates and assumptions ...103
6. Objectives and risk management policies ...108
6.1 Market risk ...108
6.2 Credit risk ...110
6.3 Liquidity risk ...110
7. Structure of the Group "NIREUS AQUACULATURE S.A" ...112
8. Calculation of EBITDA and Operational EBITDA ...113
9. Segment Information ...114
10. Revenue for contracts with customers for sale of non-biological assets-goods and other material ...116
11. Salaries and personnel expenses ...117
12. Third party fees and benefits ...119
13. Finance income and costs ...120
14. Other expenses ...121
15. Other income ...121
16. Income tax expense ...122
17. Earnings / (Losses) per share ...123
18. Property Plant and Equipment ...124
19. Investment properties ...126
20. Goodwill ...127
21. Intangible assets ...130
22. Investments in subsidiaries ...131
23. Deferred Income Tax Receivables/(Liabilities) ...133
24. Financial assets at fair value through OCI ...135
25. Other non-current assets ...135
26. Biological assets ...135
27. Inventories ...138
28. Trade and other receivables ...138
29. Other current financial assets ...140
30. Other current assets ...141
31. Restricted Cash ...141
32. Cash and short-term deposits ...141
33. Issued Share Capital and Reserves ...142
34. Interest Bearing loans and Borrowings ...143
35. Government Grants ...149
36. Other non-current liabilities ...150
37. Provisions ...150
38. Trade and other payables ...151
39. Other current financial liabilities ...151
40. Contingent Liabilities and Assets- Unaudited Open Tax Fiscal Years- Commitments ...152
41. Assets pledged as Security ...153
42. Related party disclosures ...155
43. Presentation of financial assets and liabilities per category ...156
44. Fair value Measurement ...157
45. Events after the reporting period ...158
INFORMATION (WITH REFERENCE) OF ARTICLE 10 OF L. 3401/2005 ...160

DECLARATIONS BY 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, 1st January to 31st December 2018, which have been compiled in accordance with International Financial Reporting Standards as adopted by the European Union, 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, 8 April 2019

The declarers

CHAIRMAN OF THE BoD & CHIEF EXECUTIVE OFFICER	**VICE PRESIDENT OF THE BoD & NON EXCEUTIVE MEMBER**	**GROUP FINANCIAL DIRECTOR & EXECUTIVE MEMBER OF THE BoD**
CHACHLAKIS G. ANTONIOS	**NIKOLAOS EMM.CHAVIARAS**	**ELISSAIOS G. EFSTRATIOS**
ID. No. AE 083337	**ID. No. AH 935562**	**ID. No. AB 593929**

ANNUAL BOARD OF DIRECTORS REPORT
of the company

"NIREUS AQUACULTURE S.A."

On the Consolidated and Separate Financial Statements
For the year 2018 (from 1st January to 31st December 2018)

Dear Shareholders,

We submit to you, based on legal requirements and the Company's articles of association, the annual financial statements for the year 2018 (1/1/2018-31/12/2018) officially approved.

For purposes of better notification, we present data and information with respect to the development of operations as well as presenting the financial position of all entities which are included in the Group 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.

A.FINANCIAL REPORT OF THE BOARD OF DIRECTORS

A.I. FINANCIAL PERFORMANCE AND EXPLANATION OF RESULTS

A.I.1 Sales

Group sales in 2018 amounted to € 197,3 mil., as compared to € 206,7 mil million, during the prior year 2017 marking a decrease of 4,6 %.

The analysis of sales variation by segment is presented in the below table:

Amounts in mil. €	**2018**	**2017**	**Variation**	**%**
Aquaculture (fish and juveniles)	178,0	187,2	-9,2	-4,9%
Fish feed	7,8	6,7	1,1	15,9%
Aviculture Stockbreeding	9,0	9,3	-0,3	-3,6%
Other	2,5	3,5	-1,0	-28,6%
Total	**197,3**	**206,7**	**-9,5**	**-4,6%**

The decrease in the value of sales of the aquaculture segment during the year by € 9,2 million or 4,9% from € 187,2 million in 2018 to € 178,0 million in 2018 is due to the decrease in the average sales price of fish by 6,2% compared to the corresponding prior year, while quantities presented an increase as compared to the prior year. The reduction in the average sales price of fish over the corresponding prior year is mainly attributed to the intense competition of the Turkish fish farming producers supported by the devaluation of the Turkish Lira versus the Euro during the year.

The fish feed segment presented an increase of € 1,1 million from € 6,7 million in 2017 to € 7,8 million in 2018 attributed to the increase in sales quantities.

The decrease of other sales by € 1,0 million, is as a result of less fish insurance indemnities received due to the absence of losses in 2018.

A.I.2. Financial Results of the Group

Amounts in million €				
	GROUP			
	31/12/2018	**31/12/2017**	**Variation**	**%**
Revenue from contracts with customers for sale of biological and non-biological assets	197,3	206,7	-9,4	-4,5%
Operational EBITDA	20,7	30,1	-9,4	-31,2%
EBITDA	2,7	42,2	-39,5	-93,6%
Results before taxes	-14,7	23,3	-38,0	-163,1%
Results after taxes	-12,6	23,4	-36,0	-153,8%

The Group's **operational EBITDA** amounted to € 20,7 million in 2018 as compared to € 30,1 million in 2017, presenting a decrease of € 9,4 million mainly due to the reduced average prices of fish compared to the corresponding prior year period.

The **EBITDA** of the Group for 2018 amounted to € 2,7 million as compared to € 42,2 million in 2017. Furthermore, the **Results before taxes** of the Group presented losses of € (14,7) million in 2018 compared to profits of € 23,3 million in 2017. The difference is attributed to reduced fish sales prices, as referred to above, in addition to the reduced biological asset valuation prices at fair value (market price) as at 31.12.2018.
Total pre-tax profits of 2018, before the effect of the valuation of biological assets at fair value amounted profits of € 3,3 million.

Results after taxes of the Group amounted to € (12,6) million in 2018 compared to € 23,4 million in 2017. The reduced losses of 2018 in the results after taxes compared to the results before taxes is attributed to the deferred tax asset of an amount of € 2,2 million.

The Results before taxes of the Group include non-recurring events of a total amount of € (3,2) million resulting from:

A. Loss from the Revaluation at Fair value of Property Plant and Equipment and of Investment Property of € (1,3) million.

The Group revalued its land, buildings, machinery and technical installations, and floating means as at 31.12.2018. The total effect for the Group from the revaluation of the above-mentioned assets at fair value was an increase in fixed assets by an amount of € 4,6 million. This effect is a result of the recognition of losses of € (1,3) million in current year's results and of a gain as a direct movement in equity (revaluation reserve) of an amount of € 5,9 million.

B. Financial expenses on the discounting of loan and interest instalments regarding the gain on the valuation of loan borrowings of an amount of € (1,9) million

During the current year an amount of € 1,9 million which relates to the discounting of loan borrowings of the Company was recognized.

A.II SHARE CAPITAL OF THE COMPANY

The Share Capital of the Company, as at 31.12.2018, amounted to € 88.205.043,60 divided into 294.016.812 common shares with voting rights, at a nominal value of € 0,30 each.

The company as at 31.12.2018 holds 24.061 treasury shares while the Group subsidiaries do not hold any shares of the Company.

A.III. SIGNIFICANT EVENTS IN THE CURRENT YEAR

A. Sale of Company's Shares

Procedures on the sale of the Company's shares is in progress and as referred to below in Section A.VI. EVENTS AFTER THE REPORTING PERIOD.

B. Resolution has been taken for the total early redemption of the bond loan dated 9.7.2007, convertible into common registered voting shares, up to an amount of € 19.995.575,10, as amended and is in force.

The Company, on 26 October 2018 proceeded with the total early repayment of the bonds of the Convertible Bond Loan (C.B.L) (issued 2007) in accordance with the specific provisions of article 3.2 of the aforementioned loan, with a total outstanding amount of € 23.634.148,48. The total repayment was made at the nominal value of each bond, plus an increase of 3,08%, the total outstanding amount being € 24.362.080. It is noted that this repayment was a binding obligation for the selling banks based on the contract dated 20.6.2018 for the purchase and sale of their shares in the Company. As regards the early repayment, the Company paid from its cash reserves the amount of approximately € 6 million as the largest portion of it has been refinanced according to the following matter.

C. Issuance of a bond loan of up to € 19.193.973, convertible into new registered shares of the Company, as applicable, non-negotiable in a regulated market.

The Company proceeded with the issuance of a new convertible bond loan of up to € 19.193.973, convertible into new shares of the Company and non-negotiable in a regulated market, in order to repay (as referred to in the above paragraph B) part of the existing C.B.L issued in 2007. The new C.B.L was issued by abolishing the pre-emptive subscription rights of the shareholders and was covered by Piraeus Bank and Eurobank Ergasias.

A.IV DEVELOPMENT OF FINANCIAL RATIOS & ALTERNATIVE PERFORMANCE INDICATORS

Based on the Guidelines of the European Securities Authority which are included with the ESMA/2015/1415el document and in accordance with the announcement of the Capital Market Committee, the Group defines as alternative performance measures, the following key financial indicators:

1.Operational EBITDA

EBITDA is defined as earnings before taxes plus or minus financial and investment results, plus total depreciation and amortization expense. Investment results include gains or (losses) on revaluation of fixed assets, grants, impairment of goodwill and intangible assets and gains or (losses) of subsidiaries held for sale. Furthermore, EBITDA excludes one-off and non-recurring charges which are not included in the normal operations of the company such as provisions for indemnity due to legal court cases, in addition to other one-off non-recurring items. These adjustments are required in order that the said financial indicator be comparative and historically consistent, in compliance and in accordance with the ESMA guidelines and the alternative performance measures (APM's)

Operational EBITDA is defined as EBITDA (calculated in accordance with the above) with biological assets being valued at cost and prior to the effect of biological assets at fair value. For the calculation of the valuation of biological assets at cost, the company applies the annual rolling weighted average cost method per unit of measurement.

As referred to in the above paragraph I.B "Financial Results of the Group" Operational EBITDA decreased by 31,4% from € 30.112k in 2017 to € 20.660k in 2018. The operational EBITDA margin decreased from 14,57% in 2017 to 10,47% in 2018.

2. Financial Ratios (Covenants)

According to the Bond Loan agreement, the Company has assumed certain obligations which must be adhered to among which, but not limited to, ensuring throughout the term of the loan, that assets are insured against all risks, that the submission of audited or reviewed annual and semi-annual consolidated financial statements are accompanied by Certificates of Compliance as well as ensuring throughout the duration of the bond loan period compliance with all financial covenants.

The agreed upon debt ratios are as follows:

a. Ratio: Net debt to EBITDA, less than 5,5 for the year 2018

The financial ratio "**Net Debt** (after the valuation of loans at fair value) **to operational EBITDA** increased from 4,86 in 2017 to 6,71 in 2018.

Following the Company's letter of request dated 13.11.2018, Piraeus Bank, as the representative of the Bondholders and the proxy for payments of the relevant CBL, and Eurobank as the Administrator, consented to the non-compliance of the aforementioned Financial ratio calculated as at 31.12.2018 and for a period up until 31.12.2019. This consensus provides a grace period for non-compliance of the above debt ratio for 12 months and during which the banks cannot request, due to non-compliance with the specific financial covenant, the immediate repayment of the loans.

b. Ratio: Net debt to Assets, less than 0,55 for 2018

Net debt to Assets amounted to 0,35 at 31.12.2018 and as a result the Company is in full compliance with the specific financial indicator.

It is noted that the calculation of EBITDA, operational EBITDA and loan borrowings are presented in Notes 8, 26 και 34 of the Annual financial statements.

A.V MAJOR RISKS AND UNCERTAINTIES

1. CURRENT ECONOMIC DEVELOPMENTS IN GREECE

Despite the economic recovery marked in the past two years, there are still concerns over the course of the Greek economy in the years to come following the completion of the rescue plan.

The Management of the Group examined the conditions prevailing in the Greek economy and considering the fact that sales of approximately 79% (31.12.2017: 79%) occur outside Greece, no significant impact on the Group's activity and results is expected to occur.

2. INVENTORIES-BIOLOGICAL-VALUATION

The business activity of the Group may be affected by risks associated with the sensitivity of inventories

The Group has significant reserves of live stock given its target to continuously supply the market with fish and juveniles. Due to their increased sensitivity, and although it has been ensured that the stocks are held in the most hygienic and safe conditions, and given the quality control performed on an ongoing basis, there is always the potential risk of impairment of inventories by the presence of a disease due pathogenic bacteria.
Although inventories of the Group are secured against a variety of risks, potential damage to the quality of the stocks would adversely affect the business and financial position of the Group.

Any price reduction of the Group's aquaculture products may adversely affect its business operations, financial position and operating results

Prices of fish products are affected by a set of factors that contribute to their formation. Indicatively, in previous years there was a small increase in the production of seabass and seabream in Greece, products that may occasionally be oversupplied resulting in reduced sales prices. Furthermore, the increase in production by Turkish producers, which products are sold in the same market, may lead to the sale of products at low prices.

Given that the production of fish is planned several months prior to the sale the finished products as the process of fish growth, in order that they reach an average commercial size takes approximately 18 months, and given that the long-term efforts made in forecasting prices of fish are extremely difficult, the Group faces the possibility of a reduction in sales prices for its products. Therefore, a negative change in prices for fish products, may materially and adversely affect the financial position and results of the Group.

The Group is subject to the risk of reduction of the total value of fish inventory given that the valuation depends upon their fair values (market prices).

The formation of fish market prices also affects the valuation of biological assets at fair value. Therefore, in the event of a reduction in market prices, a reduction in the total value of biological assets may occur, impacting the results of the financial year.

The valuation of biological assets is subject to management's assumptions, judgments and estimates on fair values.

3. CUSTOMERS-CUSTOMER CREDITS

The risk of bad debts is significantly reduced as a result of a large customer diversification.

The remaining amount of receivables is in their majority insured through customer credit insurance contracts through which 80% of the owed amount is insured in the event of default in payment.

Furthermore, the strict credit control procedures which the Group applies mitigates the risk of bad debts.

4. PERSONNEL

The Management of the Group is supported by an experienced team of qualified personnel which has complete knowledge in their area of expertise and on market conditions, thus contributing to the smooth functioning and development of the Company.

Relations between Management and personnel are at best and no working problems are encountered. As a result of these relations, the working litigation concerning working issues is minimal amongst the number of employed persons.

5. FOREIGN EXCHANGE RISK

Foreign exchange risk exposure is minimal given that transactions are realized in the Euro currency.

A.VI EVENTS AFTER THE REPORTING PERIOD

Commission approves the acquisition of the joint control of Andromeda, Nireus and Selonda by Amerra and Mubadala, subject to conditions

On 20.06.2018, Piraeus Bank, Alpha Bank, Eurobank and National Bank signed a purchase and sale contract for the sale of their 74,34% shareholding, with Andromeda Seafood Limited, a member of the Andromeda Group. Mubadala Investment Company will also participate in the acquisition scheme as a joint shareholder with Andromeda Group AMERRA Capital Management LLC. Subsequently, the European Commission (DG Comp) issued the Decision No. M.9110 / 15.2.2019, approving the acquisition of the joint control of Andromeda / Nireus / Selonda, subject to specific commitments taken by the notified parties. Approval is subject to a package of remedial measures which provide for the divestment of activities as analysed below:

(1) the preparation a final divestiture agreement with one or two potential buyers for the sale of (a) fish farms with a production of approximately 10.000 tonnes of Mediterranean fish along with their own packing units of the same capacity and (b) hatcheries generating approximately 50 million pieces of juveniles in conjunction with the transfer, to the prospective buyers, of the respective technical know - how in research and reproduction programs; and

2) the approval of the purchaser's or buyers' suitability in addition to the approval, of the terms of the above-mentioned sale and purchase, by the European Commission for Competition.

Preparatory actions for the fulfilments of the above conditions and the finalization of an agreement with the candidate buyers have begun to be implemented and it is expected that the agreement of the sale of the above assets will have been concluded and approved by the European Commission for Competition until 20/6/2019, which is the agreed date of acquisition of the joint control of Andromeda / Nireus / Selonda by Amerra Capital Management LLC and MDC Industry Holding Company LLC, shareholders of Andromeda Seafood Limited. The interest parties have the ability to request an extension of the deadline.

A.VII PROSPECTS FOR 2019

The continuously increasing world population and decreasing fish population of wild catches is expected to significantly increase the demand for aquaculture products. As a result, demand for the Group's products is expected to increase proportionally in the forthcoming decades. Moreover, demand for other product categories (juveniles, feed, aviculture and stockbreeding equipment) continues to be intense.

The Greek aquaculture companies are therefore faced, due to the devaluation of the Turkish lira, severe competitive pressures from the Turkish companies which in recent years have increased their production with high growth rates. With the devaluation of the Turkish lira, it is obvious that pressure on Greek companies as well as on European companies as a whole will intensify as they compete against Turkish companies under unequal conditions.

A.VIII BRANCHES

The company maintains 59 active branches in Greece and one in Italy.

A.IX SIGNIFICANT TRANSACTIONS BETWEEN THE COMPANY AND ITS RELATED PARTIES

I. Related Parties and Transactions

	LOCATION OF HEADQUARTERS	PERCENTAGE PARTICIPATION GROUP %	
		31.12.2018	31.12.2017
PREDOMAR S.L.	SPAIN	100%	100%
PROTEUS SA	GREECE	100%	100%
KEGO AGRI SA	GREECE	100%	100%
NIREUS INTERNATIONAL LTD	CYPRUS	100%	100%
NIREUS GMBH	GERMANY	100%	100%

Apart from the above subsidiaries, the following banks: Piraeus, Alpha Bank, Eurobank and National Bank, their percentage shareholding of which is presented in paragr. D.5.2 of the "Statement of Corporate Governance", are considered Related Parties.

The following table presents the realized transactions among related parties:

Transactions during the period	**GROUP**		**COMPANY**	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Sales of goods and services	-	-	3.996.765	3.714.012
Other income	-	-	54.000	59.127
Purchases of goods and services	298.449	190.685	3.499.583	2.605.888
Purchases of property, plant and equipment	-	-	2.379.677	2.839.589
Fees to Directors and compensation	2.310.774	2.327.799	1.767.772	1.796.996
Interest received	48.214	52.290	48.187	47.915
Interest paid and related expenses	6.808.339	6.020.657	6.793.025	6.005.031

II. Transactions with Board of Directors and Key Management

Transactions and compensation to Directors and key management	**GROUP**		**COMPANY**	
Amounts in Euro	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Salaries, employment benefits and compensation to Directors	1.339.713	1.457.137	1.147.683	1.290.707
Salaries and other employment benefits to key management	971.061	870.662	620.089	506.289
	2.310.774	**2.327.799**	**1.767.772**	**1.796.996**

B.NON-FINANCIAL REPORT OF THE BoD REPORT

(the present is prepared in accordance with the Attachments A' of L. 4308/2014 and the provisions of article 43α of L 2190/1920)

B.1. CONCISE DESCRIPTION OF THE COMPANY'S PROFILE

B.1.1 PROFILE

NIREUS AQUACULTURE S.A is the parent company of a fully vertically integrated Group, with aquaculture being its main core of activities.
The parent company was established in 1988 in Chios, in which region the first aquaculture unit initially operated. In its 30 years of operation, and through continuous development, mergers and acquisitions, NIREUS conquered the leading position in the production and sale of Mediterranean fish species worldwide, simultaneously being among the 10 largest aquaculture companies in Europe.
The company is further considered one of the key players worldwide with respect to the aquaculture fish market.
The company's shares are listed on the Main Market of the Athens Stock Exchange since 1995, while in 2009 the trading of bonds from the convertible bond loan issued in 2007, commenced.
Located in the municipality of Koropi Attica, the NIREUS Group maintains production facilities in Greece and in Spain. It sells its products to more than 35 countries worldwide and is a leader in the market with respect to all of its products: fish, juveniles and fish feed.
Our customers include large Super Market chains, wholesalers and processors in Europe and America. Furthermore, the customers of NIREUS include aquaculture companies, which are served for the purpose of meeting all operational requirements through the purchase of fish feed, juveniles of excellent quality, as well as high quality equipment.
The NIREUS Group is vertically integrated in the production and sale of aquaculture products, covering the entire value chain of fish feed production broodstock, juveniles, sea bream, sea bass, meagre, red porgy/pagrus, processed products and aquaculture equipment in the following key operating segments: i. Aquaculture operations, ii. Fish feed operations, iii. Aviculture-stockbreeding operations and iv. Other Segments which comprise of production of hatcheries, pre-fattening and fattening units, packing units, processing units, fish feed units, aquaculture equipment production unit and one (1) genetic material production unit for pig breeding. Furthermore, NIREUS has one (1) research and development units.

Information concerning the Group's production facilities in NIREUS and other Group companies in addition to the capacity of these facilities by business operations follows:

<u>I. Aquaculture Activities</u>: The Company has in active operation, a sufficient number of aquaculture units to serve its markets in accordance with its long-term strategy. More specifically, NIREUS and its Group consolidated companies currently have an annual production capacity of over 36.000 tonnes of fish and 167 million pieces of juveniles for the Mediterranean fish species in their owned facilities in Greece and in Spain, which include in Greece: 29 fattening units, 4 hatcheries, 2 pre-fattening units, 6 packing units, 1 processing unit, 2 logistics centers, 1 research and development in addition to 2 fish feed centers, and in Spain 1 pre-fattening unit.

In addition, the Group manages, through collaborations, eight (8) additional fattening units in Greece and one (1) fattening unit in Spain, one pre-fattening unit in the region of S.Evia, five (5) packing units in Greece and in Spain, in addition to (1) in Milan Italy.

The juveniles production units, fish fattening and packing units in Greece, are concentrated in Astakos Aitoloakarnanias, Igoumenitsa, Evia, Chios and, to a lesser extent, in Fokida and Argolida. The processing unit is located in Koropi, in order to better serve the needs of Greek customers. The logistics centers are located in Patras, Koropi, and in Milan, Italy.
The geographical dispersion of the units is a strategic choice of the Group in order to secure production from various risk factors, such as environmental impacts (climate, pollution, etc.).

II. Feed Fish Activities: The company has two proprietary fish feed plants with a total annual capacity of 90.000 tons. One fish feed unit is located in the industrial area of Patra in a privately owned area of 22.000 square meters, where buildings have been raised of a total surface area of approximately 6.942 sq.m. The second fish feed unit is located in the industrial area Nea Artaki, Evia on a privately-owned property of a total of 19.618 sq.m. where buildings have been built of a total area of approximately 9.009 sq.m. Offices are included in the units of the two factories.

III. Aviculture Stockbreeding Activities: The Group, and specifically the KEGO AGRI SA, has a modern genetic material production unit for pig production capacity of 140 sows, which is legally established and operates in the area "Soros" in the Local Community of Kallithea Municipal Unit of Tanagra of Viotia. The unit includes a dry period unit, pig farrowing, weaning, growth, selected animals, fattening and boars building, office buildings and biological waste unit.
As for the production of vitamin premixes and mineral supplements, this takes place, as mentioned above, by NIREUS, but for account of KEGO AGRI SA., in the privately-owned unit of the first, which is located in the Industrial Area Nea Artaki, Evia. The annual production capacity is 4.000 tons of nutritional supplements for livestock.

B.2. SOCIETY

B.2.1 MAJOR SOCIAL RISKS, WHICH ARE ASSOCIATED WITH THE COMPANY'S ACTIVITIES

B.2.1.1 CONSUMER HEALTH AND SAFETY

Consumers demand the food they purchase and consume to be safe and of a high quality. Despite the fact that the institutional and regulatory framework plays an important role in ensuring food safety and quality, the ultimate responsibility for ensuring the implementation of appropriate procedures and controls lies with the food producing company, which supervises and monitors the products produced from raw materials to the final end product.
In order to identify the critical points that determine the health and safety issues of the products it produces, the Group uses the Hazard Analysis Critical Control Points (HACCP). In contrast to the end-product quality assurance procedures, the HACCP approach allows for preventive action by identifying critical points at all stages of the production process. At the same time, the issue is also relevant to all the Group's stakeholders.

Depending on the market intended to serve each packing unit, the company chooses whether to validate the procedures that are to be followed based on internationally recognized food safety standards. For this reason, the packing unit are certified with the BRC standard, while all the packing units of the company follow the same working guidelines and the control measures that the company has established.

B.2.1.2 FISH HEALTH AND WELFARE

Fish health and welfare is vital for any aquaculture company, both from an ethical as well as from a financial perspective. The management of the issue has major impacts on the first two stages of the value chain, e.g, in relation to fish feed and its cultivation, as well as in the final stage, being the customer. More specifically, the health and welfare of fish significantly contributes to a high survival rate, while it is also a key factor for the treatment of viruses or disease. A potential disease which may emerge in a fish population and lack of timely treatment, through best management practices, can lead to significant financial consequences, to the degradation of the entire fish population's survival, and can thus reducing the quality of the produced product. Moreover, it also affects, among others, important parameters in relation to the value chain such as product price, consumers' perception of food quality and hence consumers' decision to purchase. The results of protecting the health and welfare of fish also impacts employees, shareholders, investors and the academic community as well as a wider group including social institutions and NGOs. Actions required to improve this target are to be assumed throughout the entire production chain. Effectiveness also depends upon close working relationships with suppliers as well as through the entire research and academic community, in view of developing innovative technologies, applications and products to ensure and to promote fish health and welfare.

B.2.1.3 SUSTAINABLE FISH FEED & RAW MATERIALS

<u>SUSTAINABLE FISH FEED</u>

By the term "sustainable fish feed" we refer to fish feed composed of raw materials which are natural or synthetic products and side products of vegetable or animal origin products, are produced under agricultural, livestock and fishing best and sustainable practices and do not affect human interest for nutritional use.
Sustainable fish feed is a major topic, given that sustainability of aquaculture is to a large extent based on raw materials used for the production of fish feed (fishmeal and fish oil). Apart from the reduction in supply which is the most significant risk, several objections and criticisms emerge, such as whether the use of wild catch could potentially be a ready-to-eat food instead of being used as a raw material for the production of intermediate links in the food chain, comprising a major issue with significant impacts for shareholders, customers and NGO's.

Furthermore, an important factor to be emphasized, which further impacts the sustainable development of aquaculture, is the dependence of farmed aquaculture fish on fish meal and fish oil consumption as a food ingredient, in addition to wild catch which are required for the production of consumed fishmeal and fish oil. The mathematical formula of this variable is expressed by the FIFO ratio (Fish in - Fish out). It is noted that the yield of wild catch in fishmeal and fish oil is 22,5% and 5% respectively, for ex. one kilo of wild catch ultimately generates 225g of fishmeal and 50g of fish oil.

<u>RAW MATERIALS</u>

For the purpose of fish feed production in our two plants, specific raw materials standards are used as set by the responsible person for the composition of fish feed and are ensured by the Nireus Group's Quality Department. The main raw materials used in fish feed for the farming of marine fish species are fish meal and fish oil, raw materials high in nutritional and biological value, comprising the necessary ingredients of fish feed. As regards the production of these specific raw materials, fish meal and fish oils, wild catches are used which are not directly intended for human consumption (small size, plenty of bones) they have a high-volume production and usually of a short biological life cycle (are reproduced in 1-2 years). They are harvested in various areas around the world, for which proper fisheries policies are applied. Furthermore, the diet of our fish which includes fish feed meeting which meet certain standards is taken seriously into consideration by our customers (super market chains, restaurants, end consumers), some of which also set this as a prerequisite for initially cooperating with our Group. Therefore, improper management of this significant issue negatively affects all stages of fish feed, fish cultivation and our value chain customers, while significantly impacting suppliers and relations with NGO's.

B.2.1.4 CREATING VALUE IN LOCAL COMMUNITIES

Our Group acknowledges that highly rated companies are judged not only by their financial results or by the quality of their products and services which they provide, but are also judged in terms of their contribution to the social groups with which they interact, given that there is a risk of losing their "social license to operate", i.e, from the confidence provided by the local communities to continue their operations.

Creating value in local communities, comprises a permanent chapter in the formation the CSR and the strategy of the NIREUS Group and its employees. Managing the issue directly impacts local communities of the regions in which we operate. Furthermore, influences are acknowledged to exist at various stages of our Group's value chain, such as in the production of fish feed, cultivation and processing.

B.2.2 COMPANY POLICIES (due diligence procedures inclusive)

B.2.2.1 CONSUMER HEALTH AND SAFETY

A structure of vertically integrated production processes, has allowed us to monitor controls applicable to all production stages, from the broodstock up to the final end product, both with respect to raw materials as well as, and up to, the intermediate and final end product. Furthermore, the company under the control of the Quality Control Department, prepares annual budgets for the purpose of monitoring raw materials, intermediate, semi-finished and finished products. The Group has established and operates three laboratories for the purpose of product control, one of which is used to monitor fresh harvested fish and two for monitoring feed. Through this manner regular inspection of produced products is ensured. Furthermore, in the context of self-monitoring the Group has established and maintains a long-term relationship with specialized monitoring laboratories for testing a number of parameters such as the testing of heavy metals, dioxins and other contaminants and residues. Further specialized analyses for final end products are regularly performed by the following bodies: University of Athens, University of Patras, Democritos as well as large private laboratories in Greek and abroad.

The Group has implemented a complete traceability system, in accordance with predefined health and safety standards, strictly meeting the required international standards and hence the needs of our customers worldwide. It ensures the quality of products provided, applying specific policies and systems such as :

- The non-use of genetically modified raw materials
- The continuous monitoring of the farming processes
- Continuous and strict quality controls for fry, fish feed, finished products
- Monitoring the environment through tests and measurements
- A Full traceability system.

Traceability is a method applied to fish farming according to which the Group records detailed information, at all stages of the product production process, such as from its birth, to its growth up to market size, inside the sea, to its diet, its packaging and its delivery to its final point of sale destination. In this manner, we are in a position to trace the fish's entire history until the point where the consumer purchase it to where we have delivered it, thus guaranteeing the safe and high nutritional value of food.

Group objectives as regards Quality and Food Safety, which are reviewed annually and are redefined according to the results of the Annual Review of the Quality Control System and Occupational Health and Food Safety are the following:

▸ Environmentally, economically and socially sustainable production of fish products.
▸ Compliance with legal regulatory requirements concerning products' safety and hygiene.
▸ Providing high quality products and services by the Group to its customers.
▸ Use of the most technologically advanced methods for production and product distribution, under the continuous target of improving the quality and safety of produced fish and fish feed.
▸ Timely delivery of products, according to mutually accepted contract terms.
▸ Minimizing non-conformities to nil incidences.
▸ Ensuring conditions that guarantee occupational health and safety.
▸ The focus of all employees in a continuous effort to improve their quality of work.
▸ Suppliers' compliance with quality and technical standards and to specific product delivery schedules set by the Group.
▸ Production of feed that does not transfer natural, chemical, biological hazards to farmed animals intended for human consumption.
▸ The supply and use raw material fish feed derived from sustainable production processes, placing an emphasis on feed generated from the sea environment. Gradual reduction in the use of raw materials directly used for human consumption.
▸ The production of non-genetically modified products and the use of non-genetically modified raw materials in fishfeed.

B.2.2.2 FISH HEALTH AND WELFARE

One of the Group's main objectives and part of its overall effort is to ensure viable sustainable development by applying best practices for the fish health and welfare in the fish population. The overall control and responsibility of ensuring good health and welfare conditions of fish belongs to the Department of Fish Pathology.

The use of technology, continuous staff training, enrichment of its workforce capacity with specialized scientists / fish pathologists, modernization of equipment both in its basic Group laboratory units, as well as in various production sites, formation of special groups designed to improve survival conditions, and maintain fish health at high levels, have all in total proven as being essential in achieving the specific objective.

Generally, this specific objective is generally complex and an improvement in the prevailing situation is significantly affected by both external factors, environmental and non-environmental in nature, which can be monitored by the Group itself. Further information in relation to the issue will be presented in the forthcoming Sustainable Development Report for financial year 2018.

Responsibilities: The Group has formed special teams of scientists specialized in the prevention and treatment of various diseases in acknowledgement of these factors and their impact on the health and welfare of fish. In conjunction with the above, work groups have been developed aiming at reducing the presence of these such factors in the production environment which are responsible for adversely affecting negatively impacting the condition of the fish.

Specific actions*:* Research efforts made in fighting various diseases in collaboration with leading research institutions and through the use of external assistance and laboratory tests conducted in collaborating research centers and universities such as the University of Sterling, is of vital importance.

Policies: The Group's plans also include the design of integrated and implemented policies and actions that contribute to good fish health and welfare such as:

- Production and development conditions in locations carefully selected according to physicochemical and environmental measurements in isolated coasts with strong currents
- Cages with a small number of fish- cages with low fish stock densities so that fish can freely swim for optimum health and firm flesh (2% fish, 98% water)
- Growth which is continuously monitored
- A balanced diet with high-quality raw materials
- Strict avoidance of all chemical substances, prohibiting the use of genetically modified raw materials
- Specific protocols for managing and executing productive functions adapted to the conditions of each region
- Applying written documentation on best labor practices and behavior to ensure that farmed species are treated with caution and respect
- Continuous measurements of various physicochemical parameters of the production sea area
- Development and use of new technologies in all production processes that ensures optimal fish survival
- Applied vaccination plan tailored to the diversities and peculiarities of each species produced, arousing and exploiting the mechanisms of each species in view of fighting any possible infection

In the context of prevention planning and under the Ichthyopathology Department’s supervision, innovative and new vaccines aimed at controlling and limiting incidences of various bacterial and viral diseases, were utilized.
The target remains at high levels for the following years having designed an analytical plan of actions in order that survival be improved by 4 units until 2020.

B.2.2.3 SUSTAINABLE FISH FEED AND RAW MATERIALS

SUSTAINABLE FISH FEED

Sustainable Target*:* A sustainable target is that each kilo of wild catch yields an equal or greater amount of farmed fish, namely FIFO≤1.

Program on Sustainable Fish Feed Use : In order to achieve the above future targets, further to the significant results already achieved up until today, the Group has designed and developed a program on sustainable use of fish feed.
The sustainable fish feed project’s objective is to adopt new basic fish feed, and to adapt to animal assets -fish population-, and to guide its human resources to its use.

The new fish feed will be derived from the replacement - partly or wholly – of the food ingredients used today through the selection of the corresponding sustainable ones, namely those of sustainable origin, non-competitive to the needs of human consumption and fully meet the nutritional needs of growing fish. Further goals include the following; ensuring for the Group a higher level of productivity in addition to the improvement of individual productive indicators (KPI's).

For these targets, a number of individual sample tests of a small or larger scale are needed and have been designed to reduce risk and to adapt to the specific requirements of Mediterranean aquaculture.

The quality of end products -aquaculture fish- will remain at high levels as is today, simultaneously informing both end consumers, as well as all intermediate links in the value chain, with respect to the alternative use of sustainable raw materials in the production of fish feed.

The specific program will be one of the most significant Group projects aimed at the reduction of production costs in the following 4 years. The program is monitored by the Group's specialized executive team, which is the Nutrition Group.
For the purpose of the fish feed production's best practices, the responsible use of raw materials from renewable natural resources in addition to the reduction of the environmental impact of the fish feed production process, the Group has certified both factories which it maintains with the globally recognized GLOBALG.A.P standard. Compound Feed Manufacturing Standard.

Qualitative and Environmental Targets of Sustainable Fish Feed: Improvement in the characteristics of the final end product such as a reduction in flesh fat (<9%), and in the fish belly and the coverage of the demands in nutritional requirements for ensuring the daily dose of 250mg EPA + DHA from the consumption of 2-3 servings per week Furthermore an additional environmental target for 2019 has been set, the proportion of consumed-produced fish by the company is +1,5 (Fish In / Fish Out = 1,5). Further information in relation to the issue will be presented in the forthcoming Sustainable Development Report for financial year 2018.

RAW MATERIALS

Raw materials procurement policy: Our supply of raw materials is made in collaboration with the Group's approved suppliers. Furthermore, when it comes to screening a new supplier, raw material specifications are sent to the potential supplier, from which products are to be purchased, as specified by the responsible fish feed manager. The supplier then returns back to us the results of the requested analysis as well as a sample of the raw material to be provided, which is then tested in our own or third party laboratory in order that these be examined so that they comply with the standards. Once the specific raw material has been approved for acceptance, all remaining certificates required by the Company's Quality and Security System (required supporting documents for each consignment, etc.) are then requested from the supplier. Certificates are examined by the Quality Control department and given that these meet our requirements, the supplier is recorded on the list of approved suppliers. If deemed necessary, appropriate inspections of the supplier's premises are undertaken by a person from our Quality Control department.

Concerning procurement procedures and our broader collaboration with raw materials suppliers, there are procedures in place with corresponding forms in our Company's quality system. The responsible raw material procurement practices of our Group are further presented in the forthcoming Sustainable Development Report for financial year 2018.

Targets and Objectives: One of the environmental problems currently being faced around the globe is the overfishing of oceans, a space of which is also used for the production of fishmeal and fish oil. Thus, among the Group's objectives is the reduction of the percentage of fishmeal and fish oil derived from wild fish in our fish feed, increasing respectively the proportion of raw materials from land-based cultivations as well as those derived from products not directly intended for human consumption. At the same time, our target is that fish meal and fish oil which we use, be certified by the IFFO RS (Global Standard for the Responsible Supply of Fish meal and Fish oil) ensuring that the fish from which they are derived are harvested via responsible practices for the sustainable management of natural resources.

B.2.2.4 CREATING VALUE IN LOCAL COMMUNITIES

The Group creates value for local societies through:

- product donations and other grants
- employment workers from the local communities in a very large percentage of total Group employees
- selecting suppliers from the local communities
- carrying out educational activities in our facilities

▸ stable and frequent contact with them.

Objectives:

▸ Minimize complaints.
▸ More systematic cleaning of the sea bed, ports, coasts in operational regions.
▸ Gradual segregation and concentration (within 5 years) of fattening units, in larger demarcated by the State parks so as to reduce the fragmentation of our units, as well as arbitrary nuisance which may be created in enterprises near our activities.

B.2.3 RESULTS OF THE SAID POLICIES AND NON-FINANCIAL BASIC PERFORMANCE INDICATORS

B.2.3.1 CONSUMER HEALTH AND SAFETY

The Group is certified according to the following international recognized standards for Quality, Health and Safety of products, Environmental Management and Best Practices ISO 9001: 2015, ISO 22000: 2005, BRC, ISO 14001: 2015 GLOBALG.A.P. Proper implementation is verified by inspections from third parties, including certified bodies, responsible state authorities, the EU and other countries to which the Group exports. Examples include: FVO: Food and Veterinary Office EU, FDA: Food and Drug Administration USA, ROSSELKHOZNADZOR: Russian Veterinary Office, the national veterinary services. Furthermore, the Group is oftentimes subject to visits and inspections from its customers.

B.2.3.2 FISH HEALTH AND WELFARE

Despite the fact that our industry is facing wider challenges in relation to fish health and welfare, by evaluating and comparing our Group against similar companies in the Mediterranean aquaculture sector as well as with the broader industry of intensive aquaculture levels worldwide, all measures, rules and protocols applied within the Group as well as final performance results, confirm the Group's high level of targets.

Monitoring mechanisms*:* The NIREUS Group is certified in accordance with the updated 5.1 edition of the GLOBAL G.A.P. standard for aquaculture.

Results*:* As a result of all these successive actions, key achievements in 2018 include the achievement in the improvement of the, already high, survival rate by an additional 3%.

During 2018, efforts and sample tests were carried out with the use of electricity anaesthesia at the sudden death stage of wild catch and redesigned the equipment to improve the effectiveness of its action. The plan for introducing new vaccines and techniques which was designed during the previous years has reached the levels of materialisation and the first results are evidenced from the improvement in survival. The testing of new such procedures and vaccines is a long-term and a well-designed project, the performance of which is monitored by a specialised team of ichthiopathologists. The results of the actions will continue and be recorded in the following years. The total production of species are farmed in cages at selected sea areas with specific stocking densities per cage and per farmed species, in order to ensure both the welfare and growth of fish.

B.2.3.3 FISHFEED AND RAW MATERIALS

SUSTAINABLE FISHFEED

NIREUS Group has, for several years, focused on this significant issue, which also comprises a key target. Through systematic research undertaken by both the Nutrition team that has been formed and which consists of experienced professionals with technical know-how in the broader field of aquaculture, and through cooperation with various research institutions and universities, has achieved to maintain:

▸ reduction in the use of fishmeal from 30%, being the percentage contributed in the middle of the previous decade, to 18%, presenting a decrease of 40%, with a corresponding reduction in fish oil used from 7,5% to 4%, presenting a decrease in excess of 46%. These achievements were obtained following numerous time-consuming experiments and small sample uses in specific fish population's biomass, in addition to several improvements in the results of experiments and the replacement of specific raw materials used for fish feed with alternative raw materials mainly of plant origin.

▸ improvement in the FIFO ratio at the lowest value limits characterizing farming of Mediterranean species. During the past years the FIFO ratio of the wider Mediterranean aquaculture industry is currently at 1,85% while the NIREUS Group for 2018 target stood at 1,55 and resulted at 1,59. It is evident that the indicator still deviates from our ultimate target, however, a detailed business plan, has been designed, entailing specific steps and according to which a declining trend in the index is marked, aiming at it reaching sustainable values by early next decade. The period of such a drastic change is small compared to the overall average production cycle of Mediterranean fish species which approximates 16 to 18 months depending upon certain conditions and parameters.

RAW MATERIALS

During the screening procedures of suppliers, they are provided with a questionnaire which is completed and which includes questions concerning environmental issues as well as an assessment of their own suppliers. The Group's Quality control and Procurement Departments monitor global alerts for qualitative issues of raw materials, in order that if a supplier of ours is reported in these, that he be temporarily removed from the list of desired suppliers and depending upon the outcome of the alert, that he be either re-activated or not.

B.3. EMPLOYMENT AND RESPECT OF HUMAN RIGHTS

B.3.1 MAJOR RISKS IN RELATION TO EMPLOYMENT AND HUMAN RIGHTS, WHICH ARE ASSOCIATED WITH THE COMPANY'S ACTIVITIES

As part of our approach to corporate responsibility, we recognize and systematically prioritize the issues in relation to labour and human rights connected to our activities and that may negatively impact our stakeholders, and the overall Sustainable Development on a national basis. The links of the impacts of our activities on Sustainable Development was made possible through the UN Goals Sustainable Development.

We methodically approach the material issues related to labour and human rights that we have identified in order to limit the negative impacts that may arise from the improper management of each issue, and to increase the marginal benefits for our stakeholders through proper management. Considering the above, we strongly monitor the effects of our activities in relation to the following matters:

- Occupational Health and Safety
- Employee Training
- Freedom of association
- Elimination of child and forced labour, and
- Avoidance of discrimination in the workplace

The manner by which risks are managed is presented in the following sections.

B.3.2 COMPANY POLICIES

B.3.2.1 OCCUPATIONAL HEALTH AND SAFETY

Nireus being a Group of Aquaculture has re-examined its vision closer to sustainable development, with its approach to health and safety issues, ensuring healthy and safe working conditions.

The employees of the Group are employed as fish workers, fish feeders, workers, technical workers, maintenance workers, divers, night guards etc to all land and marine units having to deal oftentimes with difficult weather conditions due to the nature of fish farming.

By ensuring safe working conditions, by taking various protective measures, such as using measures of Personal Protective Equipment (PPE), but also through continuous education and information regarding the safe working regulations and accident prevention, the risk of accidents is minimized while at the same time Group employees' productivity and trust are reinforced.

This is achieved through complying with the Internal Labor Code, the Code of Ethics and all policies which are included in the procedures, obligations and rights governing working relations, as well as through continuous education and information on health and safety issues.

B.3.2.2 EMPLOYEE TRAINING

The training plan of the Group is designed in the long term and on a yearly basis in order that it be in line with the strategic objectives of the Management and the current business plan.
Education and development of Nireus' employees is an ongoing process in which human resources acquire the necessary skills in terms of skills, and knowledge in order to enhance its productivity and achieve its goals.

B.3.2.3 HUMAN RIGHTS

An integral feature of the Nireus Group corporate culture over the years is the care and development of employees, the respect and protection of their human rights at work.
For this purpose, we have established employment relations, recruitment, education and development policies as well as Code of Ethics with non-negotiable ethical values, meritocracy and respect for people and diversity.
The Group firmly supports the 10 principles of the UN Global Compact, which include, inter alia, support and respect for internationally proclaimed human rights on equal opportunities and non-discrimination issues, Health and Safety, freedom of association , avoidance of forced labor, child labor and the balance between work and personal life.
As human capital has been recognized as a cornerstone in value creation, the basic principles are fundamental *as the development and progress of the Group are interrelated with the development and progress of its potential.*

B.3.3 RESULTS OF THE SAI POLICIES

B.3.3.1 OCCUPATIONAL HEALTH AND SAFETY & EMPLOYEE TRAINING

In order to strengthen the culture of security in the workplace, we take a number of actions aimed at preventing the consequences of injurious factors in the workplace.

Safety Technicians:

Throughout the year, visits are made by **Security Technicians** who supervise compliance with safety rules and train workers to use Personal Protective Equipment that responds to staff conditions and jobs for employees.
Safety technicians are also responsible for conducting occupational hazard studies that exist in each of our units.

Occupational Doctors:

In all of Nireus units, regular visits are made by Health Doctors, who maintain medical records of all employees and issue Medical Certificates of staff which can be renewed at regular intervals. From 2016, renewal procedures were set at being performed on an annual basis for all staff.

Doctors in the workplace undertake the training of first aid workers on their scheduled visits. At each unit per area, a first aid pharmacy is maintained and the supervisor, according to the doctor's instructions, is responsible for renewing it. The written doctor’s recommendations are posted in a company's special book.

A Blood Bank is also maintained to meet the needs of employees and their families. In 2018, and upon request, we gave 35 bottles to colleagues and their relatives of first degree.

Occupational risk assessment: The assessment of occupational risk comprises a complex and dynamic process which through the working environment analysis, contributes to the formation of a healthy and safe workplace adapted to human potential. All information and data derived from the working environment analysis and its impact on health and safety, properly processed, contribute to the formation of preventive interventions that help to adjust the working environment to the dimensions of the working employee. In this way, a proper and effective assessment of the occupational risks, is thus, a basic requirement for safe work, rendering it fundamental in avoiding negative impacts.

Monthly reporting forms: In the context of continuous improvement of employee Health and Safety in the working environment, the Legal and Corporate affairs department, in May 2013, established a procedure of completing monthly reporting forms in relation to health, safety and other administrative issues concerning all Group units located either on land and in the sea area. This monthly form is completed by each unit’s responsible official, under the supervision of his manager, and which through e-mails is then sent to the Head of Legal and Corporate affairs who then has the responsibility of informing other departments, if deemed necessary.

It should be noted that during the period 2018 there were no fatalities or cases of occupational diseases.

B.4. MAJOR RISKS IN RELATION TO CORRUPTION AND BRIBERY

B.4.1 MAJOR RISKS IN RELATION TO CORRUPTION AND BRIBERY WHICH ARE ASSOCIATED WITH THE COMPANY'S ACTIVITIES

B.4.1.1 BUSINESS ETHICS AND INTEGRITY

Since its inception, the NIREUS Group has stood out for its professional ethics and timeless values, which characterize every aspect of its business, in all applicable areas which were incorporated in the Code of Conduct, which came into force in 2013 and which depicts the Group's position to each shareholder, partner, trader and employee. This substantiates our commitment to high standards of conduct and our continuous effort for improvement in all areas of concern.
Improper implementation and application of the above could negatively affect the entire value chain, as well as employees' morale, with the imposition of legal sanctions and fines to the Group, consequently impacting its reputation and financial performance. For this reason, this issue has been a key topic of interest for most stakeholders such as Employees, Shareholders and Investors, the Academic Community, the NGOs, suppliers and Customers, since it either directly or indirectly impacts their activities.

B.4.2 COMPANY POLICIES (due diligence inclusive)

B.4.2.1 BUSINESS ETHICS AND INTEGRITY

<u>Accountability and Transparency</u>*:* NIREUS Group is particularly attentive to the implementation of all Corporate Governance guidelines, which have been internationally established and which mainly focus on providing complete and timely information to investors and to the relevant authorities, for each substantial issue concerning either significant developments or financial information, and for the protection of shareholders' interests and rights.
Our primary interest is to communicate and notify all stakeholders with respect to our activities, in compliance with the mandatory provisions, given that this ensures the required level of transparency further to that it strengthens relationships of trust towards our Group.
In the meantime, people's duty and responsibility is to continuously act in a lawful and ethical manner. They are furthermore, to perform duties uninfluenced by others, refusing any form of reward from third parties, to adhere to professional confidentiality and to refrain from any unauthorized commercial act, or other practice, or from any prohibited use of inside information.

<u>Code of Conduct</u>*:* In compliance with all the above and by applying all actions recorded in detail in the Group's Code of Conduct, all employees thereby contribute to the prevention and/or to the proper management of any potential case of abuse, corruption or incorrect practice, thus contributing to the sustainment of the Group's high reputation. The Group's principles on corporate ethics and employees' appropriate conduct towards its customers, suppliers and other partners are, inter alia, referred to in the Group's Code of Conduct in Chapter Z "Protection of interests and resources". The Code of Conduct, also provides for the imposition of penalties in case of violation of rules, which are escalated according to the seriousness of the misconduct from reprimand up to dismissal.

<u>Global Compact of the United Nations (UN Global Compact):</u> NIREUS Group supports the 2008 Global Compact as mentioned in the relevant section of the Report "Participation and Recognition". Certain principles of the Global Compact with which NIREUS Group has voluntarily complied, includes fighting against corruption, including extortion and bribery, protection of internationally proclaimed human rights, and non-complicity in human rights abuses.

The target includes the expansion of the Grievance Management Policy (Whistleblowing Policy) enabling the notification of grievance incidents to the Group's Management as well as to any third-party stakeholder engaging with the Group such as public authorities, suppliers and customers. The above is achieved through the General Department of Legal and Corporate Affairs.

B.4.3 RESULTS OF THE SAID POLICIES

B.4.3.1 BUSINESS ETHICS AND INTEGRITY

Policies on regular and extraordinary reports*:* Having established numerous branches in Greece and abroad, and aiming at the establishment of direct and structured communication of local working groups with headquarters, NIREUS Group has established, since 2013, a monthly policy on completing Regular and Ad hoc grievance reports through a special form. Further information on the issue will be included in our Group’s Corporate Social Responsibility Report for the financial year 2018.

Grievance Management Policy (Whistleblowing Policy): Furthermore, the Groups has established since 2013 a Grievance Management Policy implemented in all facilities, aiming at establishing early warning procedures in view of tracking any illegalities and irregularities for any matter relating to the Group's operations. With respect this policy, all Group employees are notified through relevant announcements. Further information will be included in our Group’s Corporate Social Responsibility Report for the financial year 2018.

Remediation Plans: Electronic submission of Regular and Ad-hoc Grievance Reports through means of direct electronic submission and automatic notification to all responsible officials concerned is in place, thus maintaining, in this manner, an electronic file for the purpose of transparency.

B.5 ENVIRONMENT

B. 5.1 MAJOR ENVIRONMENTAL RISKS ASSOCIATED WITH COMPANY ACTIVITIES

As part of our approach to corporate responsibility, we recognize and systematically prioritize environmental issues associated with our activities and that may cause adverse effects to our stakeholders and to the wider natural environment as well as to the overall sustainable development at a national level. Linking the effects of our activities on Sustainable Development was made possible through the UN Goals Sustainable Development.
We methodically approach to environmental issues that we have identified in order to limit the negative effects that may arise from improper management and increase the marginal benefit from proper management. Considering the above, we intensively monitor the effects of our activities in connection with the following environmental issues:

- Protection of marine ecosystems on farms
- Liquid waste
- Solid wastes

The manner we manage these risks are presented in the following two sections.

B.5.2 COMPANY POLICIES

The continuous improvement of environmental performance, prevention of pollution, implementation of precautionary principles as well as ensuring compliance with legislation, comprises the NIREUS Group management's commitment over time. Towards meeting this end, the Group applies a continuously evolving Integrated Management System to all its operations, including the environment, for occupational health and safety functions. Besides being certified by GLOBAL G.A.P., the company also possesses the ISO certifications in accordance with the international ISO standards 9001: 2015, ISO 22000: 2005 (HACCP), ISO 14001: 2015 and BRC Global Standards (British Retail Association).

ESMA/2015/1415el: The design of the Environmental Management System has been prepared in accordance with the Process Mapping methodology. The assessment is documented according to the International Bibliography, the Law as well as to previous years' experience. Parameters assessed as significant become topics of environmental programs. This process is reperformed on an annual basis so that performance and substantiality of the applied environmental programs, be evaluated.

Protection of marine ecosystems in farming units:
In the laboratories where environmental parameters are monitored, analyses on farming waters and analysis of the composition of sediment fauna is performed in order to assess the impact of the activity on the environment.

Monitoring liquid waste parameters:
All liquid waste is monitored for biochemical oxygen demand (BOD), chemical oxygen demand (COD), total suspended solids (TSS), total nitrogen and total phosphorus through laboratory analyses performed either in in-house laboratories and/or at external accredited laboratories. The purpose of the analyses is to ensure that the physicochemical properties of the final recipient (sea, sewage nets) will not be modified.

Solid waste management:

The Group actively participates in Collective Recycling Programs held nationwide but is also engaged in smaller own developed projects which it has developed. Projects are reassessed, and the Group is in continuous search for materials and partners in order to improve its environmental performance.

Standard for Mediterranean farmed species of Aquaculture Stewardship Council (ASC)
AB Vasilopoulos and WWF Hellas, in the framework of their cooperation to improve the responsibility of supplying fish in their chain of supermarkets, commenced in 2013 along with Nireus an ambitious program aiming at further improving the management practices of three of Nireus' fish farming units of the sea bream and sea bass at Aliveri, Astakos and Nafpaktos.

The impact of aquaculture on fish populations, marine ecosystems, water quality and society can be significantly reduced and measurable when responsible practices are implemented. Such practices are now indispensable as the rapid growth of the sector and the increasing demand for fish farming makes it increasingly imperative to protect marine ecosystems and to maintain our seas alive by minimizing any impact created by aquaculture.

Within the framework of the AB Vasilopoulos, Nireus and WWF initiative, our country will soon have the first certified farms for seabass and seabass farming, as the Mediterranean model of the Aquaculture Stewardship Council (ASC) for these two species was presented in September 2018.

The ASC is an independent, international certification body that promotes good practices that minimizes the environmental and social footprint of the aquaculture industry. The ASC also has standards for nine different species, including salmon, shrimp and trout.

For the creation of the new model for seabass and sea bass, ASC has collaborated with environmental organizations and industry representatives, conducting pilot visits in Nireus' units in Greece and in other producers in Mediterranean countries.

C.EXPLANATORY REPORT OF THE BOARD OF DIRECTORS

(based on paragraphs 7 and 8 of article 4 of L. 3556/2007)

C.1 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 31.12.2018 amounts to € 88.205.043,60 composed into 294.016.812 shares of par value Euro 0,30 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.

C.2 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 without their being any restrictions in their transfer and according to the Articles of Association.

C.3 Significant direct or indirect participations as defined by articles 9 to 11 of the L. 3556/2007.
As at 31/12/2018 persons holding significant direct or indirect participations as defined by articles 9 to 11 of L. 3556/2007 are:

Surname	Number of Shares	% Percentage	Type of participation
Piraeus Bank	94.766.845	32,23%	Direct and indirect
Alpha Bank	60.207.070	20,48%	Direct
Eurobank	45.577.428	15,50%	Direct
National Bank of Greece	18.017.816	6,13%	Direct
Linnaeus Capital Partners BV	16.160.734	5,50%	Linnaeus Capital Partners BV (voting rights are owed by Ms. Zolotova as the sole controlling party of Linnaeus Capital Partners BV)

C.4 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.

C.5 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

C.6 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.

C.7 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.

C.8 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.

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 3a of c.L 2190/1920 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.
2) In accordance with Article 3a of L.2190 / 1920 and in execution of the 04.05.2015 decision of the Repeat Annual General Meeting of shareholders, registered in the General Commercial Register on 26.5. 2015 number no. 57022 and approved the issuance of a bond convertible into ordinary registered voting shares with preemptive right of the existing shareholders amounting to 29,466,293 euros. Specifically, each time practicing bonds conversion rights to shares following the Board of Directors to increase the share capital by the amount corresponding to the conversion of bonds into shares according to the respective conversion applications and the current conversion ratio and corresponding issue of new shares of the company, pursuant to the terms of the Program of the above bond issue, as applicable. Then the Board shall issue a decision in accordance with Article 11 of L.2190 / 1920, certifying payment of the share capital.

C.9 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.

C.10 Agreements for indemnity compensation to members of the Board of Directors or personnel, in case of retirement of 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.

It is noted that the Company, effective as of January 1, 2019 and in compliance with the provisions of Law 4548/2018 as amended by Law 4587/2018 will proceed, within the allowable statutory legal deadlines, with any required action for the purpose of harmonizing its Statutes with those of the current legislation.

D.STATEMENT OF CORPORATE GOVERNANCE

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

INTRODUCTION/ GENERAL

The term Corporate Governance refers to the total of rules and principles applied for the proper operation and management of the company.

The ultimate purpose of Corporate Governance is the safeguarding of the legitimate interests of the company, the promotion of the company's competitive advantage and the enhancement of transparency regarding the company's activities.

The legislative framework regulating statutory regulations in Greece is constituted by the provisions encompassed in the Law governing the Société Anonym Companies (L.2190 / 1920) as currently in force, in addition to Laws 3016/2002, Law 3693/2008, Law 3884/2010, Law 3873/2010 and Law 4403/2016 in which a new article of C.L.2190 /1920 (article 43bb) has been added. The framework has established the minimum mandatory contents of the Statement of Corporate Governance which is included in the Annual Report of the Board of Directors of companies with securities listed for trading on a regulated active market.

D.1. Code of Corporate Governance

D.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.

D.1.2 Deviations from the Code of Governance and explanation of non- compliance. Special stipulations of the Code which are not applied by the company and explanations of the reasons of 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 by itself proposals for the BoD.
The proposals are submitted by the Board of Directors of the company to the General Assembly which is responsible for the approval of the election of the members of the Board of Directors. In addition, it has not proceeded with the formation of a compensation 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** in 2009.

II. Composition of the BoD

The BoD is comprised of two (2) executive and (7) 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.

IV. Duties and conduct of the members of the BoD

The BoD has not adopted as part of its corporate code of conduct, 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 structure and operations of the company.

VI. Function of the BoD

- There is no specific code of conduct for the operation of the BoD, as the articles of Association and the Corporate Code of Conduct are considered adequate for the organization and functioning of the BoD
- There is no provision for the support of the BoD during the exercise of its duties by a competent, specialized and experienced secretary, since the technological infrastructure exists to record and presentation 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 compensation 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 continuous 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 allocation of sufficient resources to the committees of the BoD for the fulfilment of their obligations and for the hiring of external consultants to the degree these are needed, as such resources are approved by the management of the company, based on the company's needs.

VII. Performance Evaluation of the BoD

There is no institutional procedure which assesses 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 an independent vice-president.

This procedure is not deemed necessary given the structure of the company.

Part B- Internal Audit

I. Internal Control – Audit Committee

No specific and fixed 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 compensation committee, comprising exclusively of non-executive members, independent in 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.
- 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 as regards 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 but rather all such benefits are approved by the General Assembly.

II. Remuneration Structure Policy

The compensation setting process is characterized by objectivity, transparency and professionalism, and is free from conflicts of interest. The remuneration of non -executive directors reflects 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.

III. Fees paid in cash or in kind other than shares (not affiliated with shares) executive Board members.
The General Meeting held on 10.09.2018 following the proposal of the Board for the period 10/09/2018 – 10.09.2019 approved the payment of the net amount of up to 15.000 € per month to the CEO in addition to the fringe 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

IV. Non-executive board members Fees.

The General Meeting of the shareholders held on 10.09.2018, following the proposal from the Board of Directors, approved the remuneration of non-executive board members for the period 10.09.2018-10.09.2019 of the net amount of € 2000 per meeting with a maximum of 14 meetings. In addition to the members of the Audit Committee the net amount of € 500 per meeting for the Audit Committee with a maximum of six (6) meetings.

D.2. Board of Directors

D.2.1 COMPOSITION AND MANNER OF CONDUCT OF THE BOD

The primary obligation and responsibility of all members of the board of directors of the company as a listed in an organized market company, is the continuous enhancement of the long-term economic value of the company and the protection of the company's interest.

The Board is the ultimate governing body of the Company, which mainly modulates the strategy and development policy of the Company and decides on any matter relating to the administration, the management of its assets and generally adheres to the achievement of its purpose. As part of these responsibilities, it can decide on all matters except those that are within the exclusive competence of the General Assembly, according to Law 2190/1920, as amended, and the Articles of Association.

Each Board member shall be liable to the Company as regards the management and administration of corporate affairs in accordance with the provisions of Law 2190/1920. Furthermore, each member has obligations as stipulated by the Articles of Association, the present Regulation and the legal framework applicable to companies listed on the stock market.

D.2.1.1 The Board of Directors is exclusively responsible and liable for:

a. The review that all accounting practices and generally approved accounting standards are abided by.
b. The review of the financial results of the company in relation to the budget, the prior years and the competition
c. The involvement in the preparation and the regular reassessment of the strategic design.
d. The approval of significant investments, loans, acquisitions and sale of financial assets of the company.
e. The approval of significant changes in the company's policy and its structure
f. The monitoring of the company's compliance to regulations, operational methodologies and the decisions of the authorities
g. The proposal for distribution of profits
h. The recommendations-proposal to the shareholders in case of election or re-election of the Board members

D.2.1.2 The constitution of the Board of Directors provides as follows:

1. 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.

2. The Board members are divided into executive and non-executive. The number of non-executive members should not be less than 1/3 of the total number of members. If a fraction results, it is rounded up to the next unit. Among the non-executive members, at least two independent members must exist, in accordance with the following paragraphs. The status of the board members as executive or not is determined by the board. The independent members of the Board are appointed by the general meeting.

3.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.

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.

5.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).

6. 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.

7. 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.

8. The company, within twenty days from the establishment of the Board of Directors, shall submit to the SEC the minutes of the general meeting that elected the independent directors. Similarly, the minutes of the board is submitted within the same period and, which states the status of each member of the board as executive, non-executive or has been temporary elected as an independent member in replacement of another member who resigned, or has deceased or who for any reason was deposed.

D.2.1.3 Invitation of the Board Meeting Procedures:

1. 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 and relative information material with the relevant proposals if necessary, 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 making process.

The President sets the agenda with the matters to be discussed as set by the Secretary account of at least two days prior to the of the conference invitation.

The list is drawn up by the company's CEO at its discretion, taking into account any recommendations submitted through administration procedures.
The President and the Board of Directors may at any time, commencing from the initiation of the topic on the agenda until its resolution to request, through the CEO, the submission of any additional information or document relating to the subject matter.

Each Board member may propose any topic for discussion with a brief explanation to the Managing Director, who will propose the matter to the President of the Board and include this on the agenda.

2. 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 within the time limits of 7 days commencing from the date of request.

3. 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.

D.2.1.4 Meetings - Quorum- Discussion-Resolutions

1. The Board shall meet at the headquarters of the company, whenever the law, the statutes or the needs of the company so require.
The Board can validly convene outside the corporate headquarters in another place, either in Greece or abroad, provided that all members are either present or are represented and no one not objects to the meeting and to the decision making.
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.

D.2.1.5 BoD Meetings held in 2018

1. In 2018 the Board convened twenty-three (23) times in which a quorum existed for the purpose of decision making. In meetings with an agenda of significant matters (approval of financial statements etc) a quorum of all Board members was noted.

2. The Board of Directors is in a quorum and convenes on a timely basis when half and one member 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 identified the rounding number is ignored.

3. A director who is absent or unable to attend, may delegate under his own responsibility his representation in the BOD meeting only to another member, whom he may appoint by a notarial deed or by a simple letter addressed to the Board. The authorization for representation may include more than one meeting. No director can represent more than one member.

4. Notwithstanding the preceding paragraph, each member must be present and continuously participate in meetings of the Board.

5. The existence of a quorum, is monitored by the President, upon commencement of the meeting as well during its duration. In the event that a quorum does not exist after the commencement of the meeting, the Chairman shall terminate the meeting. All resolutions taken during the meeting in which a quorum was established are legal and valid.

6. The meetings of the Board are attended at without voting rights, and after invitation of the President, the Legal Consultant of the Company and Company executives or affiliated companies or parties, given that issues of their responsibility are discussed.

7. The Chairman of the Board coordinates and directs the meetings and the overall functioning of the Board. As regards all other matters, it has the same rights and obligations as all other members of the Board.

8. During the meeting, the CEO as a rapporteur orally briefs the matter of discussion with a clear presentation of the rapporteur's decision, thereafter questions are raised by the members of the Board of Directors, and any supplementary informative proposals as well as views from the other company executives and finally the positions of its members.

The contents of the recommendations may be amended during the meeting, when the final amended proposal will be recorded.

9. The decisions of the Board of Directors are validly taken by a majority of the members who are present personally committee and those that may be represented.

10. In the event that any matter of the agenda refers to the private interest of a Board member or to a relative up to third degree, by blood or affinity, this member, following his declaration or by another Board member, is excluded from discussion and shall not participate in taking any such decision.

11. Upon completion of the discussion of each matter, the issue is put to a vote for a final resolution. Voting is always nominal and apparent and begins with the vote of the CEO as a rapporteur. If there are contrary proposals or amended proposals, the contrary proposals are first voted, then the amended ones and finally those presented by the Managing Director.

12. The discussions of the meeting may be taped after the President's proposal and decision of the Board and the relevant records are maintained until the ratification of the relevant practices.

D.2.1.6 Maintaining Minutes of the Board of Directors

1**.** Discussions and decisions of the Board of Directors are certified with minutes from he who has been seated as President from the members that were present in the meeting as well as from the secretary.

The minutes shall include: the name of those present, all agenda issues with the relevant recommendations and informative material, the summary of the discussion topics, any opinion of the minority members and finally the decisions per matter of discussion.

2. The minutes are certified in their entirety, in the next meeting or in urgent cases during the same day after being circulated to members of the Board of Directors for reading and further comments.

By exception and when deemed necessary, the part can be confirmed on the same day which encompasses the urgent matter of the Board, and in the following meeting the full text of the minutes can be signed.
Each member of the Board, prior to the validation of the minutes, can propose the oral amendment or its supplementary amendment given that it is accepted by the Board of Directors.
Recommendations can be sent in writing to the Chairman of the Board up to the date the meeting is certified, in order that these be taken into account.
If a member of the Board does not send any written proposals and is not present in the validation meeting, it is considered that he fully agrees with the text for validation which has been distributed.

3. No member can ignore the signing of the minutes of the meeting who participated, he can however, ask 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.

4. The President, with custody of the Secretary of the Board of Directors may compile the minutes through which decisions are taken without a meeting having been preceded (decisions by circulating minutes).
In this case, the preparation and signing of the attached minutes by all Board members or by their representatives, in writing or by fax is the same as the resolution of the Board of Directors.

5. The minutes of the Board, given that these are endorsed, are maintained in the Board Secretary’s file. Copies of these are given to Board members upon request.

6. Copies or extracts of the minutes are issued by the Chairman of the Board or by the persons which they substitute.

7. The secretariat support of the Board of Directors shall be provided by the Legal Counselor, who also serves as the secretary of the Board and the Secretariat of the President of the Board of Directors.

The Secretary of the Board of Directors shall ensure the delivery of copies of the Board's decisions to all internal departments of the company if necessary and to submit copies of those decisions to the public authorities, including their publication in the SA & Ltd Bulletin, in accordance with the provisions of the current legislation.

D.2.2 Information on the Members of the Board of Directors

The present BOD of the company is composed of 9 members and comprises of the following:

1) Antonios Chachlakis of Georgiou, mechanical electrician was born in 1958 in Piraeus, President and CEO, Executive Member.
Mr. Antonios Chachlakis holds a BSc and an MSc in Electrical Engineering Department from the Technical University of Brooklyn, New York, USA. He joined the Group in 1996, while he also had 10 years of managerial experience in Industrial Automation as a Manager.

2) Nicholaos Chaviaras of Emmanuel and Ekaterini, entrepreneur, was born at Dafnona Chios in 1952, Vice-President, and Non-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) Petros Fronistas of Christos and Katigkos, born in Sikinos Cyclades in 1945 and is resident of Zografou Attica, Independent Non Executive Member.

Mr. Petros Fronistas graduated from the Athens University of Economics (and Business) with a long career in the banking sector, tenure and in senior management positions, mainly in the Group of the National Bank. He is a Member of the Board of Directors of the companies THRACE PLASTICS SA (Listed on the ASE) and PRONOMIOYXOS LOGISTICS GENERAL WAREHOUSE GREECE SA.

4) Christina Sakellaridi of Stavros and Penelope, Business Consultant, born in Athens in 1929, resident of Athens, is an independent Executive Member.

Ms. Christina Sakellaridi serves as President of the Panhellenic Exporters Association, Vice President of CPB ASSET MANAGEMENT AEDAK, Owner 'Ch.G. SAKELLARIDI ' Business Consultant who served as First Vice President of ACCI (Athens Chamber of Commerce and Industry). President of Export Credit Insurance Organization (OAEP), President of the Greek Organization of Commerce Abroad (HEPO), CEO of INTERINVEST NATIONAL INVESTMENT SA, Vice Chairman of the International Chamber of Commerce & Member of the General Council of the Bank of Greece. She attended the University of Athens Law School and the FACULTE DE DROIT in Paris. She was awarded by the President of the Greek Republic Karolos Papoulias with the "Golden Cross of Merit" and by the French President Nicolas Sarkozy Lord with the "Famous Knight of the French National Order of Merit".

5) Anna Pouskouri of Michael and Helen, Economist, born in Athens in 1949, resident of Germany, Independent Non Executive Member

Anna Pouskouri has 32 years of experience in the international banking sector. She began her career in the International Trade Division of Bayerische Vereinsbank (thereafter Bayerische Hypo - und Vereinsbank, Unicredit), she established the Representative Office and in 1989 the Bank's branch in Greece. She dealt mainly with Corporate and Investment Banking (Syndicated Loans, Project Finance, Trade Finance, Shipping, Real estate) in Greece and southern Europe and lastly as Managing Director for Southern Europe. She left the Bank in June 2010 and since then offers advice on strategy and financing to companies in Greece and abroad. Ms. Pouskouri studied at the University and the Technical University of Munich Economics (MA) and Urban and Regional Development.
She has attended many training seminars, including the Advance Management Program at Harvard Business School. She speaks German, English and French.

6) Constantinos Lambrinopoulos of Petros and Evangelia, Entrepreneur, born in Athens in 1952, resident of Athens, Non- Executive Member.
Mr. Konstantinos Lambrinopoulos is a graduate in Business Administration of Piraeus University and Political Sciences in Panteion University. He is a PhD candidate in Marketing at the University of Piraeus. He has 35 years experience in managerial positions in Greek and multinational companies. He is President and CEO of SPRINT Advertising. He is also Chairman of the Board HMA (Hellenic Management Association) and Vice President of the Entrepreneurship Club, Member of the BOD of ALBA Business School and Executive Director in Being Essential S.A.
In accordance with the relevant decision of the Ordinary General Meeting of 8/9/2017 and the corporate governance principles applied by the company, Mr. Lamprinopoulos, having already been a member of the Board of Directors for more than 12 years, has become a Non-Executive Member Board of Directors

7) Lito Ioannidou of Antonios and Alexandra, Business Consultant who was born in P. Faliro Attiki in 1954, is an Independent Non Executive Member.
She is a holder of the Bachelor of Commerce and an MBA in Business Administration from McGill University, Canada. Ms. Lito Ioannidou is a Consultant for fund raising, mergers & acquisitions, finding strategic investors and restructuring of debts and business strategy through the company "LIAL BUSINESS CONSULTANTS" founded in 2006 and has served as an Executive Vice President- Managing Director of the Athens Exchange SA (2001-2005). She has also served as Chairman and CEO at City-Leasing SA (1998-2000), as Vice President - Deputy Market Manager Greece (2000), Vice President-Corporate Head (Supervisor of Corporate Credit financing (1993-2000), Vice-President Country Risk Manager (Head of the Country Management Risk) at Citibank NA, Greece (1989-1993).
Furthermore, she has also been a member of the Working Committee (Higher Coordinating Committee) of the Federation of European Securities Exchanges (FESE) and Chairman of the Audit Committee of FESE and has been involved in conducting Quality Risk Asset and Procedures Review at Citibank Germany (1986), Egypt (1988), Argentina (1989), Italy (1991), London (1994). She has participated in the Board of Directors of MAILLIS PACKAGING SYSTEMS SA & LAVIPHARM.SA

8) 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 through Vector Partners. He served in the BOD of Probank. He speaks English, Turkish, French, Spanish and Italian. He holds of a B.Sc in Mathematics from the Imperial College, an MBA from the London Business School and an MA in applied linguistics from the Birkbeck College.

9) Efstratios Elissaios of George, Economist, born in Nikaia, Attικi, - Executive Member.

Mr. Efstratios Elisaios holds a degree in Economics from the Athens University of Economics and Business and holds an MBA in International Management from the European University. He has many years of experience in positions of responsibility in major Greek companies both as a General Manager as well as a Financial Manager. From his position he has actively participated in corporate restructuring procedures during the banks entry into the share capital of the NIREUS Group, in its operational reorganisation and improvement as well as in the ongoing sale of the Group to new investors.

The above members of the Board of Directors have other professional obligations which are presented in Attachment I of the present Report.

The term of the above Board of Directors which was elected by the Annual General Meeting of 04.05.2015, ends in 2020.

D.2.3 Ensuring Diversity of the Board of Directors

The company has not implemented a specific policy for the diversity of the composition of the Board of Directors. Despite this, it is in the process of updating the corporate code of conduct as well as examining the feasibility of integrating the aforementioned policy.

The Board of Directors has, for several years, comprised of experienced and distinguished representatives of various sectors such as Businessmen, Economists, Lawyers, Engineers and Bank officials.

The following information concerns the percentage representation of members by, male/female, category.

Board of Directors	Number of Members	Percentage%
Males	6	66,6%
Females	3	33,3%
Total	**9**	**100%**

The average age of Board of Director members is 65 years.

D.2.4 Policies on disclosure of related party transactions

The Company has adopted policies to ensure that the Board has sufficient information to support its decisions in relation to transactions between related parties including transactions of subsidiaries with related parties.

Related party transactions have been included in the Six-month and Annual report of the Board of Directors as well as in the Annual and Six-month Financial report. Furthermore, all contracts relating to transactions with related parties are signed by all Board members.

D.2.5 COMMITTEES

D.2.5.1 AUDIT COMMITTEE:

The company had already formed an Audit Committee since 2002 and its establishment and operation are governed by the provisions of article 37 of L.3693 / 2008 as set for the formation of Audit Committees by the members of the Board of Directors, the provisions of L. 4449 / 2017 and the relevant circular of the Capital Market Commission No. 1302 /28-4-2017.

The Audit Committee has the following responsibilities:

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 audit procedure on financial and consolidated financial statements.

d) Reviewing and monitoring all issues related to the independence and objectiveness of the external Audit firm, in particular when other services are also provided from the audit firm to the company.
e) Informing the Board of Directors of the findings of the statutory audit and explaining the manner by which the statutory audit contributed to the integrity of the financial information and what was the role of the Audit Committee in the process.
f) Being responsible for the selection of statutory auditors or audit firms and to propose statutory auditors or audit firms to be appointed.

The audit committee's mission and the matters of discussion are in connection with ensuring the effectiveness and efficiency of the company's operations, the audit and reliability of financial information presented to investors and to the company's shareholders, the company's compliance with the legal and statutory framework, the safeguarding of the company's assets as well as the identification and confrontation of the most significant risks.

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

Ms. Lito Ioannidou is President of the Committee.

During the year 2018 (01/01/2018-31/12/2018), the Audit Committee convened 8 times as follows:
On 26.01, 21.03, 27.03, 05.06, 30.07, 25.09, 5.12., 10.12 and for the below matters:

- Preparation of Internal Audit Criteria/Internal Audit Plan 2019
- Follow Up - Internal Audit Findings 2017.
- Presentation by E&Y and discussion with the Finance Department and the members of the Internal Audit Committee on the Annual Board of Directors Report and the Supplementary Audit Report of E&Y in accordance with the new directives of the existing legislation (N.4449 / 2017 and the EC's Remarks / Clarifications / Recommendations for Article 44 of the N.4449 on April 28, 2017).
- Procedure for obtaining approvals for the assignment of a project to the statutory auditors and assessment of the independence of the statutory auditor.
- Presentations carried out by the Internal Audit on Quarterly Internal Audit Reports - Findings -Follow up.
- Presentation of Financial Statements for the year 2017 by the Financial Department, discussion with the members of the Audit Committee.
- Presentation by E&Y and discussion on the Board of Directors' Report on the Year 2017 and the corresponding Supplementary Report to the audit committee
- Approval of Financial Statements for the year 2017 (individual and consolidated)
- Presentation of Financial Statements for the first six months of 2018 by the Financial Department, Audit and discussion with the members of the Audit Committee.
- Presentation by E&Y -Audit- Review of the Financial Statements for the First Half of 2018
- Approval of the first semester of 2018 Financial Statements (Individual and Consolidated)
- Notification, examination and risk assessment for various IT issues, installation of new software, costing new products and other related issues

All members of the Audit Committee, as well as the Internal Auditor, Mr. George Soulis and the Group Financial Manager Mr. Efstratios Elissaios participated in all meetings. Certain other Company executives, by exception, also participated in meetings, such as the Accountant Manager, the IT Director, Production Manager and the Financial Controller

The independent external auditor of E&Y participated in 4 audit committee meetings and specifically on the following dates: 21.03, 27.03, 30.07, 25.09, 10.12.2018.

D.2.5.2 Corporate Governance Committee

The objective of the Corporate Governance Committee is to monitor the code of corporate governance adopted by the Company, to monitor the implementation of internal company policies as regards procedures, keeping up on trends in terms of corporate governance systems and best practices as well as with respect to prevailing domestic law and recommendations to the Board for the amendment, improvement or adoption of new best practice behaviour.

Pursuant to the decision dated 29 March 2016, the Board of Directors elected Ms. Lito Ioannidou, Ms. Christina Sakellaridis and Mr. Petros Fronistas. The Committee did not hold meetings in 2018,
The members of the Board of Directors are informed, by the Group Legal Department, of the current regulatory framework.

D.2.5.3 Strategic Planning and Investments Committee

Furthermore, given that the Internal Policies of the Company provide for the possibility of establishing other Committees, the Board of Directors at its meeting held on 3 June 2016 decided to establish a Strategic Planning and Investment Committee.

The members of the Committee are the following:
- Ms. A. Pouskouri, President
- Ms. Ch. Sakellaridi, Member
- Mr. K. Lambrinopoulos, Member
- Mr. M. Komondouros, Member
- Mr. A. Chachlakis, Member
- Mr. E. Elissaios, Member

The Committee's duties include the compilation of proposals to the Board of Directors on strategic issues.
In the year 2018, the President and the other members of the Committee received, in the context of the meetings of the BOD, information on the progress of the Group's strategic planning.

Finally, there is the Group Executive Committee composed of executive directors and General Managers that manage operational issues.

D.3. Shareholders General Assembly

D.3.1 Manner 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 on any company matter and all legal decisions are forced on all shareholders even those who may be absent, or which may disagree.

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

α) The amendments of the articles of association which include increases or decreases of the capital share, apart from the cases which are mentioned in article six (6) paragraph 3 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 of loans with debentures as these are referred to in articles 3a, 3b, and 3c of C.L. 2190/1920.
f) The merger, 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.

D.3.1.2 The General Assembly convenes obligatorily at the Company's offices or at the region of another municipality which is located within the province in which the head office 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).
D.3.1.3 The General Assembly is always convened by the BoD in an extraordinary meeting whenever it considers it necessary
D.3.1.4 The Shareholder Meeting ordinary or extraordinary, with the exception of the repetitive 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.
D.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.
D.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.
D.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.
D.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.
D.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 proxies 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.

D.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.

D.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.

D.3.2.1 Shareholders' rights irrespective of the percentage shareholding

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

Any person acting in the capacity of a shareholder in the Dematerialized Securities System files managed by "Hellenic Stock Exchanges SA", 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 B' 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) 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 210-6698224, 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 (+30) 210-6627404 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: 210-6698224.
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 paragr.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 paragr.3 and 31 paragr.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 the annual 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.

D.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.

D.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 persons which are subject to article 23a 2190/1920 as in force, under the conditions which are stated in the same article.

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 object to given specific authorization from the general meeting following the finalisation of contracts between the Company and persons which are subject to the constraints of Article 23a of Law 2190/1920 as in force, which exceed the limits of the Company's current transactions with third parties.

D.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 (apart from the remuneration on profits or fees in accordance with a specific relationship of employment or mandate).

D.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.

D.3.2.6. 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.

D.4. Internal Audit Operations and Risk Management

D.4.1 Main characteristics of the Internal Audit Operations

D.4.1.1. The Internal Audit of the company is functioned by the internal audit department according to the audit procedures as included in the internal Corporate Code of Conduct.
It is noted that the audit on the base of which the relevant report is compiled, is performed in accordance with law 3016/2002, as is currently in force 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 is valid following the alteration by the Decision of the BoD of the Hellenic Market Committee no 3/348/19.7.2005.

D.4.1.2 During the performance of the audit, the Internal Audit department, takes into account all necessary books, files, bank accounts and portfolios of the company and requests for the complete and continuous cooperation of management so that all the necessary information and data be obtained for the purpose of reaching conclusions that do not entail substantial inaccuracies. The audit does not include any evaluation of appropriate accounting principles that have been adopted as well as estimations made by management as these are a matter of the statutory auditor of the Company.

D.4.1.3 The audit scope includes the evaluation of the broader internal audit procedures. In any period under audit several audit scopes are selected, while the organization and operation of the BoD is continuously audited as well as the operation of two basic departments, that of the Shareholders and Investor Relations as well as the department of Corporate Announcements that function in accordance to law 3016/2002.

D.4.2 Risk management concerning the preparation of the Company's and Group's financial statements (Standalone and Consolidated)

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 recorded in the subsystems of sales, production, tracking and other accounting management processes, on a daily basis.

In addition a **Payroll Monitoring System and Human Resource Management system** operates for the proper presentation of the payroll costs.

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 manages all fattening production units with a daily recording and audit of all production processes.

Budgeted and actual monitoring 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 and 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 they are assigned.

Accounting review procedures and preparation of financial statements

- The existence of common policies and methodologies of the accounting departments as these have been announced to the subsidiaries of the Group, which have terms, accounting principles used by the Company and its subsidiaries, guidance for the preparation of financial statements, financial reporting consolidation etc.
- Automatic audits and checks which are carried out through the various information systems while special approval is required for one-off non-recurring extraordinary transactions.

Safeguarding of assets

- The existence of specific checks for fixed assets, 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 an approved list of levels of authorities presenting the assigned authorities granted to various company managers for performing specific transactions or duties (for example payments, receipts, legal transactions etc).

D.5. Additional information

D.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”.

D.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 obligations related to this category and the percentage of the total share capital that the shares of this category present.

The share capital of the Company as at 31.12.2018 amounts to € 88.205.043,60 composed into 294.016.812 shares of par value Euro 0,30 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, significant direct or indirect participations 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	Number of Shares	% Percentage	Type of participation
Piraeus Bank	94.766.845	32,23%	Direct and indirect
Alpha Bank	60.207.070	20,48%	Direct
Eurobank	45.577.428	15,50%	Direct
National Bank of Greece	18.017.816	6,13%	Direct
Linnaeus Capital Partners BV	16.160.734	5,50%	Linnaeus Capital Partners BV (voting rights are owed by Ms. Zolotova as the sole controlling party of Linnaeus Capital Partners BV)

(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:

1) In accordance with article 3a of c.L 2190/1920, 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.

2) In accordance with Article 3a of L.2190 / 1920 and in execution of the 04.05.2015 decision of the Repetitive Annual General Meeting of shareholders, registered in the General Commercial Register on 26.5. 2015 number no. 57022 and approved the issuance of a bond convertible into ordinary registered voting shares with preemptive right of the existing shareholders amounting to € 29.466.293. Specifically, each time practicing bonds conversion rights to shares following the Board of Directors to increase the share capital by the amount corresponding to the conversion of bonds into shares according to the respective conversion applications and the current conversion ratio and corresponding issue of new shares of the company, pursuant to the terms of the Program of the above bond issue, as applicable. Then the Board shall issue a decision in accordance with Article 11 of L.2190 / 1920, certifying payment of the 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 of 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.

It is noted that the company, effective as of January 1, 2019 and in compliance with the provisions of Law 4548/2018 as amended by Law 4587/2018 and will proceed, within the legal deadlines, to any action required for the purpose of harmonizing its Statute with the current legislation.

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

ATTACHMENT I

Name	Company which participates	Position in the Company
Antonios Chachlakis Chairman & CEO	PREDOMAR SL	Vice President & CEO
	KEGO AGRI S.A	President and CEO
	PROTEUS EQUIPMENT S.A	President and CEO
	EVOIKI SA DEVELOPMENT AQUACULTURE	President
	DEVELOPMENT SA AQUACULTURE ECHINADON NISON AND AITVLOAKARNANIAS	President
	FEDERATION OFGREEK MARICULTURE	President
	GREEK ORGANISATION OF AQUACULTURE PRODUCERS	General Secretary
Nikolaos Chaviaras Vice President	PROTEUS EQUIPMENT S.A	Vice President
	NIREUS INTERNATIONAL LTD	Member of the BOD
	KEY PARKING S.A.	Administrator
	WHITEFLEX LIMITED	President
	CHAVIARAS N. & Co	Administrator
Constantinos Labrinopoulos, Member of BOD	SPRINT ADVERTISING SA	President and CEO of the BOD
	Hellenic Management Association (HMA)	President of the BOD until June 2018. Board Member as Ex Officio as of June 2018
	ALBA Business School	Member of the BOD
	ENTERPRISE CLUB	A' Vice-President
	BEING ESSENTIAL SA	Executive Director
Lito Ioannidou , Member of BOD	LAVIPHARM SA	Member of BOD and President of the Audit Committee
	LITO IOANNIDOU LTD, CONSULTING COMPANY	Administrator
Markos Komondouros , Member of BOD	MAKE METADRASI	Deputy Member of the BOD
Petros Fronistas Member of BOD	THRAKIS PLASTICS SA	Member of the BOD
	PRONOMIOUCHOS SA AND GENERAL WAREHOUSE OF GREECE	Member of the BOD

Christina Sakellaridi, Member of BOD	KEGO AGRI SA CH.G.SAKELLARIDI CONSULTANTS PANELLINOS SYNDESMOS OF EXPORTS CPB ASSET MANAGEMENT A.E.D.A.K	Member of the BOD Owner President Vice-President
Anna Pouskouri Member of BOD	HELLAS CAPITAL LEASING SA TERRA SACRA GMBH, BERLIN AMKE limited liability Friends and Patrons of the Stavros Niarchos Foundation Cultural Center, Munich MAKE “FRIENDS AND SUPPORTERS OF THE CULTURAL CENTER OF THE STAVROS NIARCHOS” ASSOCIATION”	Independent Non-Executive Member of the BOD Co-administrator Founding Member and Administrator Founder

Athens, 8 April 2019

THE CHAIRMAN AND CEO OF THE BOD **THE MEMBERS**

THE CHAIRMAN

ANTONIOS CHACHLAKIS

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

ERNST & YOUNG (HELLAS)
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THIS REPORT HAS BEEN TRANSLATED FROM THE ORIGINAL VERSION IN GREEK

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of NIREUS AQUACULTURE S.A.

Report on the Audit of the Separate and Consolidated Financial Statements

Opinion

We have audited the accompanying separate and consolidated financial statements of Nireus Aquaculture S.A. (the Company), which comprise the separate and consolidated statement of financial position as of December 31, 2018, the separate and consolidated income statement, comprehensive income, the statement of changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.
In our opinion, the accompanying separate and consolidated financial statements present fairly in all material respects the financial position of Nireus Aquaculture S.A., and its subsidiaries (the Group) as at 31 December 2018 and its consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as endorsed by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as incorporated in Greek Law. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements" section of our report. We remained independent of the Company and Group throughout the period of our appointment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as incorporated in Greek Law, together with the ethical requirements that are relevant to the audit of the consolidated financial statements in Greece, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and consolidated financial statements of the current period. These matters and the related risks of material misstatement, were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

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

Key audit matter	How our audit addressed the key audit matter
Valuation at fair value of biological assets (Group and Company)	
Biological assets are measured at fair value in accordance with IAS 41. The total value of the biological assets of the Company and the Group amounted to € 176 million and € 186 million respectively as at December 31st, 2018. The estimation of the fair value of the biological assets is a complex process which requires significant assumptions, judgement and estimates by the management of the Company and the Group. The process of the determination of the fair value of the biological assets performed by the management of the Company and the Group included significant assumptions, judgments and estimations, the most significant of which were the volume and quantity of biomass, the size distribution in trade quantities of biomass, production costs of fish, mortality rate of fish, market prices of fish in the principal market less costs to sell and the discount rate. Taking into consideration the significance of the biological assets in both consolidated and separate statement of financial position as well as the level of subjectivity in respect of the assumptions and judgments underlying the fair value measurement of the biological assets performed by the management of the Company and the Group, we consider the valuation of biological assets at fair value as a key audit matter. The Company's and the Group's disclosures regarding its accounting policy, as well as assumptions and estimates used in its measurement of fair value of biological assets are in notes 5,3.4 and 26 of the separate and consolidated financial statements.	Our work included, but was not limited to, the following procedures: - We evaluated compared to the available external data of the industry: (i) the accounting policy used by the Company and the Group for the measurement of fair value of biological assets (ii) as well as the methodology used by the Company and the Group - We assessed the assumptions, judgements and estimates of the management of the Company and the Group regarding the discount rate, and the budgeted selling prices of the biological assets during the future period of harvest. Moreover, we compared the size contribution of biomass in trade quantities during the estimated period of harvest with the respective historical data of harvest. - We compared the estimated future market prices at the time that the biomass is expected to be harvested with the business plan of the Company and the Group. Moreover, we assessed the budgeted expenses for fish production including the scheduling of harvesting. - We evaluated with the assistance of our external specialists the assumptions and methodology used by the management of the Company and the Group for the estimated growth rate of biomass, the volume and the quality of biomass as well as the mortality rate of the biological assets. - We evaluated the valuation model used by the Company and the Group. We performed sensitivity analysis against the most significant inputs used by the management for the measurement of fair value of biological assets. - We also assessed the adequacy of the disclosures which are included in the notes to the separate and consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Assessing impairment of intangible assets and goodwill (Group and Company)	
The intangible assets of the Company and the Group include aquaculture licenses (with indefinite useful life) amounted to €11,4 million and €13,7 million respectively. Moreover, in the financial statements as at December 31st, 2018 of the Company and the Group is included goodwill amounted to €30 million and €30,3 million respectively. Both the goodwill and the intangible assets of the Company and the Group is assessed on an annual basis to identify indicators for impairment. The Management of the Company and the Group uses forecasting future cash flows based on their most recent approved budgets. The assessments of the impairment that the Company and the Group performed, included significant judgment and estimations mainly of which the growth rate of sales, prices of fish population and the discount rate. The management of the Company and the Group performed significant judgment for the allocation of the goodwill and the intangible assets to the appropriate cash generating units as well as for the assessment of the future outcome and perspective of each cash generating unit. Changes in the assumptions may lead to changes in the value of the intangible assets and goodwill. Given the materiality of the intangible assets and the goodwill in the separate and consolidated statement of financial position as well as the level of subjectivity in respect of the assumptions and judgments underlying the impairment analysis performed by the management of the Company and the Group, we consider the assessment of the impairment of intangible assets and goodwill as a key audit matter. The Company's and the Group's disclosures regarding its accounting policy, and assumptions and estimates used in its assessment for impairment of its intangible assets and goodwill are in notes 3.2, 3.8 and 21 of the separate and consolidated financial statements.	Our work included, but was not limited to, the following procedures : - We evaluated with the assistance of our internal specialists: (i) the methodology and the assumptions (projected economic growth, inflation, discount rate, budgeted selling prices of fish) which were used by the management of the Company and the Group to determine the recoverable amount of goodwill and intangible assets and (ii) the level at which the recoverable amount was determined (asset or cash generating unit) - We evaluated the impairment model which was used by the Company and the Group. We reviewed the calculation of the discount rate. Moreover, we re-performed sensitivity analysis against the most significant inputs used by the management for the impairment of Goodwill and the other Intangibles - We compared the budgeted future cash flow prepared by the management of the Company and the Group in previous years with the actual data of these years. - We also assessed the adequacy of the disclosures which are included in the notes to the separate and consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Recoverability of trade receivables (Group and Company)	
Included in the gross balance of trade receivables in note 28 of the separate and consolidated financial statements as at 31 December 2018 is an amount of €17,4 million relating to the Company's operations and €19 million relating to the Group's operations against which a provision for impairment amounted to €12,6 million and €15,4 million is recorded respectively. Management assesses the recoverability of the trade receivables of the Company and the Group and estimates allowance for doubtful accounts to reflect receivables at their recoverable amount. Management evaluates the estimated allowance based on a specific review of customer accounts taking into consideration its experience with collection trends in the aquaculture industry, third party information relating to the creditworthiness of its customers and the current economic conditions. The assessment of the impairment of trade receivables requires significant management judgment in assessing the trade debtors' ability to pay, which in turn impacts the recoverability of the Company's and Group's receivables. Therefore, we consider the assessment of the impairment of trade receivables as a key audit matter. During 2018, the Company and the Group adopted IFRS 9 ¨Financial Instruments¨ with respective adjustment of the accounting policy for the treatment of the impairment losses of Financial Instruments. The disclosures of the Company and the Group regarding their accounting policy as well as the assumptions and estimations used for the evaluation of the recoverability of trade receivables are included in notes 5, and 28 of separate and consolidated financial statements.	Our work included, but was not limited to, the following procedures : - We obtained an understanding of the Company's and Group's process to monitor trade receivables, and of the factors considered in estimating the provision for impairment. We evaluated whether the process is in line with the relevant accounting standards. - We obtained third party confirmation for a sample of trade receivables and performed procedures subsequent to the balance sheet date for receipts against the closing balance. - We evaluated management's assessment for the recoverability of trade receivables and the key assumptions of the Company and the Group used for recording the provision for impairment of trade receivables. - We obtained and reviewed legal letters to corroborate management's assumptions on the recoverability of receivables. - We assessed the correctness of the ageing analysis and the estimation of the Company and the Group for the provision recorded. - We also assessed the adequacy of the disclosures which are included in the notes to the separate and consolidated financial statements.

Other information

Management is responsible for the other information in the Financial Statements. The other information, included in the Annual Report, comprises of the Board of Directors Report, for which reference is also made in section “Report on Other Legal and Regulatory Requirements”, the Statements of the Members of the Board of Directors, and other complementary information, but does not include the separate and consolidated financial statements and our auditor’s report thereon.

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

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the separate and consolidated financial statements, management is responsible for assessing the Company’s and Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor’s Responsibilities for the Audit of the Separate and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, as incorporated in Greek Law, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and its subsidiaries. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

1. Board of Directors' Report

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

a) The Board of Directors' Report includes a Corporate Governance Statement that contains the information required by article 43bb of Codified Law 2190/1920.
b) In our opinion the Board of Directors' Report has been prepared in accordance with the legal requirements of articles 43a and 107A, and paragraph 1 (c and d) of article 43bb of the Codified Law 2190/1920 and the content of the Board of Directors' report is consistent with the accompanying financial statements for the year ended 31 December 2018.
c) Based on the knowledge and understanding concerning Nireus Aquaculture S.A and its environment, gained during our audit, we have not identified information included in the Board of Directors' report that contains a material misstatement.

2. Additional Report to the Audit Committee

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

3. Provision of Non-audit Services

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

Non-audit services provided by us to the Company and its subsidiaries during the year ended December 31, 2018, are disclosed in note 12 of the separate and consolidated financial statements.

4. Appointment of the Auditor

We were firstly appointed as auditors of the Company by the General Assembly on June 18, 2010. Our appointment has been renewed annually by virtue of decisions of the annual general meetings of the shareholders for a continuous period of 9 years.

Athens, April 10, 2019

The Certified Auditor Accountant

Andreas Hadjidamianou

S.O.E.L. R.N. 61391

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 31/12/2018	GROUP 31/12/2017
Fair value of biological assets at the beginning of the period		**197.082.545**	**180.624.862**
Purchases during the period		(604.286)	(2.098.978)
Revenue from contracts with customers for sale of biological assets		175.587.563	179.976.683
Fair value of biological assets at 31/12/2018		**185.897.457**	**197.082.545**
Gains resulting from changes in fair value of biological assets at the end of the period	**26**	**163.798.189**	**194.335.388**
Revenue from contracts with customers for sales of non-biological goods-merchandise and other inventories	**10**	21.684.434	26.706.325
Raw Material Consumption	**27**	(104.921.735)	(100.796.605)
Salaries & personnel expenses	**11**	(29.973.267)	(29.440.405)
Third party fees and benefits	**12**	(21.227.120)	(21.413.513)
Finance expenses	**13**	(9.588.818)	(9.994.581)
Finance income	**13**	52.241	105.536
Gain on measurement from refinancing of financial liabilities	**34**	227.995	-
Losses from measurement of financial assets at fair value	**18,19**	(1.332.794)	23.213
Depreciation	**18,21,35**	(6.529.161)	(5.944.107)
Other expenses	**14**	(27.717.560)	(31.475.669)
Other income	**15**	873.621	1.206.500
Profit /(loss) before taxes		**(14.653.975)**	**23.312.082**
Income tax	**16**	(129.196)	(300.017)
Deferred income tax	**16,23**	2.184.391	349.375
Profit /(loss) after taxes		**(12.598.780)**	**23.361.440**
Attributable to:			
Equity holders of the Parent company		(12.598.780)	23.361.440
Total		**(12.598.780)**	**23.361.440**
Earnings/(losses) after taxes per share – basic in €	**17**	**(0,0429)**	**0,0800**
Earnings/(losses) after taxes per share – diluted in €	**17**	**(0,0268)**	**0,0610**

The attached notes form an integral part of these financial statement

Statements of Profit or Loss

	Note	COMPANY 31/12/2018	31/12/2017
Fair value of biological assets at the beginning of the period		**187.704.805**	**172.405.271**
Purchases during the period		(257.820)	(1.709.915)
Revenue from contracts with customers for sale of biological assets		164.643.417	168.438.759
Fair value of biological assets at 31/12/2018		**176.279.661**	**187.704.805**
Gains resulting from changes in fair value of biological assets at the end of the period	**26**	**152.960.453**	**182.028.378**
Revenue from contracts with customers for sales of non-biological goods-merchandise and other inventories	**10**	11.700.110	16.834.163
Raw material consumption	**27**	(91.176.776)	(88.147.925)
Salaries & personnel expenses	**11**	(27.674.907)	(27.238.815)
Third party fees and benefits	**12**	(17.104.835)	(17.209.378)
Finance expenses	**13**	(9.503.466)	(9.776.446)
Finance income	**13**	49.894	52.316
Gain on measurement from refinancing of financial liabilities	**34**	227.995	-
Gains/(Losses) from measurement of financial assets at fair value	**18,19**	(1.327.084)	23.213
Depreciation	**18,21,35**	(6.465.301)	(5.878.637)
Other expenses	**14**	(26.881.479)	(29.969.234)
Other income	**15**	881.413	1.044.525
Profit /(loss) before taxes		**(14.313.983)**	**21.762.159**
Income tax		(13.670)	(14.686)
Deferred income tax	**16,23**	2.035.975	926.760
Profit /(loss) after taxes		**(12.291.678)**	**22.674.233**

The attached notes form an integral part of these financial statements

Statements of Other Comprehensive Income

(Amounts in Euro)

	GROUP	
	31/12/2018	**31/12/2017**
Net profit/(loss) after taxes for the year	**(12.598.780)**	**23.361.440**
Other comprehensive income		
Items which can be recycled through the income statement (I)	-	-
	-	-
Items which cannot be recycled through the income statement (II)		
Movement in the revaluation reserve of property plant & equipment (Note 18)	5.897.784	-
Less: Deferred Tax (Note 16,23)	(571.153)	-
	5.326.631	-
Remeasured actuarial gains/(losses) on defined benefit plans (Note 11)	(47.774)	(183.264)
Less: Deferred Tax (Note 16, 23)	13.854	53.147
	(33.920)	(130.116)
	5.292.711	(130.116)
Other comprehensive Income/losses (I+II)	**5.292.711**	**(130.116)**
Total Comprehensive Income/(losses) after tax	**(7.306.069)**	**23.231.324**

The attached notes form an integral part of these financial statement

Statements of Other Comprehensive Income

	COMPANY	
	31/12/2018	**31/12/2017**
Net profit/(loss) after taxes for the year	**(12.291.678)**	**22.674.233**
Items which can be recycled through the income statement (I)	-	-
	-	-
Items which cannot be recycled through the income statement (II)		
Movement in the revaluation reserve of property plant & equipment (Note 18)	5.440.299	-
Less: Deferred Tax (Note 16,23)	(447.165)	-
	4.993.134	-
Remeasured actuarial gains/(losses) on defined benefit plans (Note 11)	(29.273)	(171.420)
Less: Deferred Tax (Note 16,23)	8.489	49.712
	(20.784)	(121.708)
Other comprehensive Income/losses (I+II)	**4.972.350**	**(121.708)**
Total Comprehensive Income/(losses) after tax	**(7.319.327)**	**22.552.525**

The attached notes form an integral part of these financial statements

Statements of Financial Position

(Amounts in Euro)

		GROUP		COMPANY	
		31/12/2018	31/12/2017	31/12/2018	31/12/2017
ASSETS	**Note**				
Non-current assets					
Property, plant and equipment	**18**	82.383.133	76.369.628	80.853.814	75.027.079
Investment property	**19**	3.309.802	3.761.659	3.309.802	3.761.659
Goodwill	**20**	30.298.997	30.298.997	29.968.825	29.968.825
Intangible assets	**21**	15.613.081	15.380.188	13.408.081	13.175.188
Investments in subsidiaries	**22**		-	13.837.595	13.732.214
Deferred income tax assets	**23**	440.184	598.462	-	
Financial assets at fair value through OCI	**24**	125.455	125.455	112.340	112.340
Other long-term receivables	**25**	347.325	426.419	326.023	403.717
Biological assets	**26**	71.199.057	77.921.794	67.022.531	72.989.701
		203.717.034	**204.882.602**	**208.839.011**	**209.170.723**
Current assets					
Biological assets	**26**	114.698.400	119.160.751	109.257.130	114.715.104
Inventories	**27**	10.893.258	10.892.920	8.471.774	8.352.995
Trade and other receivables	**28**	35.471.081	36.857.304	30.793.497	31.705.420
Other receivables	**29**	4.919.947	10.328.050	5.242.871	10.305.501
Other current assets	**30**	1.324.849	430.657	1.315.118	416.717
Restricted cash	**31**	10.878.778	8.979.661	10.878.778	8.979.661
Cash and cash equivalents	**32**	9.666.513	11.032.517	9.000.630	10.087.488
		187.852.826	**197.681.860**	**174.959.798**	**184.562.886**
Total Assets		**391.569.860**	**402.564.462**	**383.798.809**	**393.733.609**
EQUITY & LIABILITIES					
Equity					
Issued Share capital	**33**	88.205.044	88.205.044	88.205.044	88.205.044
Less: Treasury shares	**33**	(47.271)	(47.271)	(47.271)	(47.271)
Share premium	**33**	36.787.122	36.787.122	36.787.122	36.787.122
Fair value reserves	**33**	42.418.363	37.095.892	41.742.522	36.753.548
Other capital reserves	**33**	74.157.540	74.191.460	73.871.413	73.892.197
Retained earnings		(92.778.698)	(80.105.316)	(90.593.332)	(78.246.832)
Total Equity		**148.742.100**	**156.126.931**	**149.965.498**	**157.343.808**
Non-current liabilities					
Long-term interest bearing loans borrowings	**34**	107.228.006	131.686.559	107.207.374	131.584.678
Deferred income tax liabilities	**23**	6.487.899	8.305.132	5.011.660	6.633.053
Net Employee defined Benefit obligations	**11**	3.189.373	3.063.831	3.020.858	2.917.648
Government grants	**35**	5.195.349	5.891.320	5.021.193	5.647.134
Other non-current liabilities	**36**	756.085	1.112.271	756.085	1.112.271
Provisions	**37**	4.221.833	4.353.766	4.022.656	4.160.955
Total non-current liabilities		**127.078.545**	**154.412.879**	**125.039.826**	**152.055.739**
Current liabilities					
Trade & other payables	**38**	55.024.178	49.934.113	49.333.385	43.125.778
Short-term interest bearing loan borrowings	**34**	12.973.402	5.309.429	12.478.085	5.208.928
Current portion of long-term financial liabilities	**34**	38.936.946	29.240.440	38.855.716	29.161.273
Other current liabilities	**39**	8.814.689	7.540.670	8.126.299	6.838.083
Total current liabilities		**115.749.215**	**92.024.652**	**108.793.485**	**84.334.062**
Total Liabilities		**242.827.760**	**246.437.531**	**233.833.311**	**236.389.801**
Total Equity and Liabilities		**391.569.860**	**402.564.462**	**383.798.809**	**393.733.609**

The attached notes form an integral part of these financial statements

Statements of Changes in Equity of the Group

Consolidated Statement of Changes in Equity

(Amounts in Euro)

GROUP	Issued Share Capital	Treasury Shares	Share Premium	Asset Revaluation Reserve	Other Reserves	Retained Earnings	Total
Balance of equity as at 1 January 2017	**87.449.210**	**(47.271)**	**36.769.486**	**37.098.494**	**75.281.788**	**(104.429.570)**	**132.122.137**
Movement in equity for the year 01/01-31/12/2017							
Profit after taxes	-	-	-	-	-	23.361.440	23.361.440
Other comprehensive income	-	-	-	(2.602)	(1.090.328)	962.814	(130.116)
Total comprehensive income after taxes	**-**	**-**	**-**	**(2.602)**	**(1.090.328)**	**24.324.254**	**23.231.324**
Increase in share capital from the conversion of the convertible bond loan (Note 33)	755.834		17.636				773.470
Total	**755.834**	**-**	**17.636**	**(2.602)**	**(1.090.328)**	**24.324.254**	**24.004.794**
Balance of equity as at 31 December 2017 as originally presented	**88.205.044**	**(47.271)**	**36.787.122**	**37.095.892**	**74.191.460**	**(80.105.316)**	**156.126.931**
Effect from the change in accounting policy (Note 4)						**(78.762)**	**(78.762)**
Balance of equity as at 1 January 2018 as restated	**88.205.044**	**(47.271)**	**36.787.122**	**37.095.892**	**74.191.460**	**(80.184.078)**	**156.048.169**
Movement in equity for the year 01/01-31/12/2018							
Profit/(loss) after taxes	-	-	-	-	-	(12.598.780)	(12.598.780)
Other comprehensive income /(loss)	-	-	-	5.322.471	(33.920)	4.160	5.292.711
Total comprehensive income/(loss) after taxes	**-**	**-**	**-**	**5.322.471**	**(33.920)**	**(12.594.620)**	**(7.306.069)**
Balance of equity as at 31 December 2018	**88.205.044**	**(47.271)**	**36.787.122**	**42.418.363**	**74.157.540**	**(92.778.698)**	**148.742.100**

The attached notes form an integral part of these financial statements

Statement of Changes in Equity of the Parent Company

(Amounts in Euro)

COMPANY

	Share Capital	Treasury Shares	Share Premium	Asset Revaluation Reserve	Other Reserves	Retained Earnings	Total
Balance of equity as at 1 January 2017	**87.449.210**	**(47.271)**	**36.769.486**	**36.755.808**	**75.517.776**	**(102.427.196)**	**134.017.813**
Movement in Net equity for the year 01/01-31/12/2017							
Profit after taxes	-	-	-	-	-	22.674.233	**22.674.233**
Other comprehensive income	-	-	-	(2.260)	(1.625.579)	1.506.131	**(121.708)**
Total comprehensive income after taxes	**-**	**-**	**-**	**(2.260)**	**(1.625.579)**	**24.180.365**	**22.552.526**
Increase in share capital from the conversion of the convertible bond loan (Note 33)	755.834	**-**	17.636	-	-	-	**773.470**
Total recognised Income/(Expense) for the period	**755.834**	-	**17.636**	**(2.260)**	**(1.625.579)**	**24.180.365**	**23.325.996**
Balance of equity as at 31 December 2017 as originally presented	**88.205.044**	**(47.271)**	**36.787.122**	**36.753.548**	**73.892.197**	**(78.246.830)**	**157.343.810**
Effect from the change in accounting policy (Note 4)						**(58.983)**	**(58.983)**
Balance of equity as at 1 Janaury 2018 as restated	**88.205.044**	**(47.271)**	**36.787.122**	**36.753.548**	**73.892.197**	**(78.305.813)**	**157.284.827**
Movement in Net equity for the year 01/01-31/12/2018							
Profit/(loss) after taxes	-	-	-	-	-	(12.291.678)	**(12.291.678)**
Other comprehensive income /(loss)	-	-	-	4.988.974	(20.784)	4.160	**4.972.350**
Total comprehensive income/(loss) after taxes	**-**	**-**	**-**	**4.988.974**	**(20.784)**	**(12.287.518)**	**(7.319.328)**
Balance of equity as at 31 December 2018	**88.205.044**	**(47.271)**	**36.787.122**	**41.742.522**	**73.871.413**	**(90.593.331)**	**149.965.499**

The attached notes form an integral part of these financial statements

Statements of Cash Flow

(Amounts in Euro)

	Note	GROUP 31/12/2018	GROUP 31/12/2017	COMPANY 31/12/2018	COMPANY 31/12/2017
Cash flows from operating activities					
(Losses) /profit before tax from continuing operations		**(14.653.975)**	**23.312.082**	**(14.313.983)**	**21.762.159**
Plus/less adjustments for:					
Depreciation charge of property plant and equipment	**18,21**	7.225.131	6.681.725	7.091.242	6.546.225
Provisions		(120.179)	2.555.603	(126.545)	2.618.472
Amortisation of Government Grants	**35**	(695.970)	(737.618)	(625.941)	(667.588)
Provisions for retirement benefit obligations		73.603	242.985	53.756	207.857
Finance income	**13**	(52.241)	(105.536)	(49.894)	(52.316)
Gain on measurement from refinancing of financial liabilities		(227.995)	-	(227.995)	-
(Gain)/loss from the movement in the fair value of biological assets	**26**	17.969.787	(12.088.468)	17.314.404	(11.534.894)
Other non-cash items		1.385.420	(215.492)	1.292.470	(194.599)
Gains/(loss) from sale of property, plant and equipment-investments		5.237	708	5.237	809
Finance costs	**13**	9.588.818	9.994.581	9.503.466	9.776.446
Total (a1)		**20.497.636**	**29.640.570**	**19.916.217**	**28.462.571**
Plus/less adjustments of working capital to net cash or related to operating activities:					
Decrease/(Increase) in inventories		(6.785.037)	(4.802.700)	(6.008.038)	(4.175.880)
Decrease/(Increase) of receivables		5.851.227	(721.790)	5.059.018	507.675
Increase/(Decrease) of payable accounts (except Banks)		6.003.817	3.401.960	7.142.010	2.953.607
Total working capital (a2)		**5.070.007**	**(2.122.530)**	**6.192.990**	**(714.598)**
Interest expense and similar charges paid		(8.646.158)	(7.172.219)	(8.563.291)	(7.096.157)
Income tax paid		(119.492)	(276.544)	(16.043)	
Total (a3)		**(8.765.650)**	**(7.448.763)**	**(8.579.334)**	**(7.096.157)**
Cash flows from operating activities (A) = (a1+a2+a3)		**16.801.993**	**20.069.277**	**17.529.873**	**20.651.816**
Cash flows from investing activities					
Purchases of property, plant and equipment (PPE) and of intangible assets	**18,21**	(8.569.120)	(10.305.755)	(8.699.878)	(10.167.372)
Proceeds from disposition of PPE and intangible assets		8.800	1.594	8.800	1.494
Interest received		52.241	105.536	49.894	52.316
Cash flows/(used in) investing activities (B)		**(8.508.079)**	**(10.198.625)**	**(8.641.184)**	**(10.113.562)**
Cash flows from financing activities					
Proceeds from share capital increase / Conversion of bonds		-	781.028	-	781.028
Expenses related to the issue of shares		-	(7.559)	-	(7.559)
Proceeds from other issued/raised short-term loans		34.930.582	8.164.448	34.535.766	8.164.448
Repayments due to the refinancing of loans		-	-	-	-
Repayments of other short-tem loans		(42.691.383)	(11.753.890)	(42.612.196)	(11.638.597)
Dividends paid		-	(33.859)	-	-
Cash flows from/(used in) financing activities (C)		**(7.760.801)**	**(2.849.832)**	**(8.076.430)**	**(2.700.680)**
Net increase in cash and cash equivalents for the period (D)= (A) + (B) + (C)		**533.113**	**7.020.820**	**812.259**	**7.837.574**
Cash and cash equivalents at beginning of the year		**11.032.517**	**8.754.791**	**10.087.488**	**6.993.008**
Restricted cash at beginning of the year		**8.979.661**	**4.236.567**	**8.979.661**	**4.236.567**
Cash and cash equivalents and restricted at beginning of the year (E)		**20.012.178**	**12.991.358**	**19.067.149**	**11.229.575**
Cash and cash equivalents at end of the year		**9.666.513**	**11.032.517**	**9.000.630**	**10.087.488**
Restricted cash at the end of the year		**10.878.778**	**8.979.661**	**10.878.778**	**8.979.661**
Cash and cash equivalents and restricted cash at the end of the year (Z) =(D)+(E)		**20.545.291**	**20.012.178**	**19.879.408**	**19.067.149**

The attached notes form an integral part of these financial statements

1. Notes to the Annual Consolidated Financial Statements

1.1 General Information

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

In accordance with decision 8/754 /14.4.2016, article 1 paragr. (c) of the Hellenic Capital Market Commission, the approved annual financial statements for the period 01/01/2017-31/12/2017 of the non-listed companies PROTEUS SA and KEGO AGRI SA are posted on the companies’ websites www.proteussa.com and www.kegoagri.gr respectively.

1.2 Nature of operations

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

2. Basis of preparation of the financial statements

2.1 Basis of preparation

The consolidated and separate financial statements as at 31 December 2018 have been prepared in accordance with International Financial Reporting Standards (IFRS) as these have been issued by the International Accounting Standards Board (IASB) and have been adopted by the European Union until 31 December 2018.
The Annual Financial Statements have been prepared on a going concern basis and in accordance with the historical cost method apart from certain specific financial assets and liabilities which are stated at fair value and as presented in Note 44 of the Annual financial statements. The consolidated financial statements are stated in Euro.

The consolidated financial statements present comparable financial information in relation to the previous year.

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 from management, 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 2018, (prior year 31 December 2017 data included), have been approved by the company's Board of Directors on 8 April 2019. 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

Repayment of Long-term Loan Instalments

It is noted that during the year 2018 the Company received, upon its request, approval (a letter of consensus) from Piraeus Bank, following the increased majority of the Bondholders, as regards the deferral of the 2018 loan instalment of a total amount of € 7.260.000 to be transferred for 28/06/2019, and thus accordingly modifying the repayment schedule of the common bond loan of € 58,2 million. Further information is presented in Note 34.

The Management of the Group, taking into consideration the contents of the information provided on 20/6/2018 by the shareholders of the Company, namely of Piraeus Bank, Alpha Bank, Eurobank and the National Bank as regards the signing of the sales and purchase agreement dated 20 June 2018 between the said Banks and the acquirer, Andromeda Seafood Limited, for the sale of 74,34% of the Company's shares (Note 45), in conjunction with the contents of the aforementioned contract which has been officially and properly disclosed, reasonably concludes that in the context of the sales transaction, the Company's total loan borrowings will be refinanced. The Management of the Group has evaluated all possible scenarios regarding the development of the above transaction and considers that the Group has the ability to repay its loans either through its liquidity and / or to refinance the short-term portion of its long-term loans.

2.3 Basis of Consolidation

The attached Group 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 2018.

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 losses 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.
All investments are initially recognized at cost and thereafter adjusted for accumulated impairment losses.

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 assessment of their fair values in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquire.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as equity is not measured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value reconsidered in the statement of profit and loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognized in profit and loss.

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 and Company 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.
4) 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:

<u>Juveniles:</u>

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) 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 per cage. The average weight multiplied by the number of fish, determines the total fish biomass provided that each fish cage contains a specific category and fish size.
(c) The Company fully measures and compares any differences arising from the actual data of cages which are harvested with the data of the above estimation for any necessary amendments.

Mature fish:

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

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

Immature fish:

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

3.5 Foreign currencies

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 busing 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.

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:

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

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. The amount of consideration to be included in the gain or loss from the derecognition of investment property is determined in accordance with the requirements for determining the transaction price in IFRS 15.

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. Amortization 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 (Notes 20, 21)

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 five (5) years although for extended periods, a long-term growth rate is calculated which is applied to future cash flows following the fifth year.

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 (Note 18)

3.10 Financial Instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial Assets

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient the Group initially measures a financial assets at its fair value plus, in the case of a financial asset not at a fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 (Note 10).

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrumental level.

The Group's business model for managing financial assets refers to how it manages its financial assts in order to generate cash flow. The business model determines whether cash flows will result from collecting contractual cash flow selling the financial assets or both.

Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the trade date i.e the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business, model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective (EIR) method and are subject to impairment, Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables.

Financial assets at fair value through OCI (debt instruments)

The Group measures debt instruments at affair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling, and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognized in OCI. Upon derecognition the cumulative fair value change in OCI is recycled to profit or loss.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives including separated embedded derivatives area also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Not withstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.
A derivative embedded in a hybrid contract, with financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative: and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either 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 or loss category.

Derecognition
A financial asset is primarily derecognized when:

- The rights to receive cash flows from the asset have expired, or

- The Group 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 regards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognizer the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form if a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

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

- Disclosures for significant assumptions (Note 5)
- Non-current Financial assets (Note 24)
- Trade Receivables (Notes 28,29,30)

The Group recognizes an allowance for expected credit losses (ECL's) for all financial assets not held at fair value through profit or loss. ECDL's are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL's are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is require for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a life-time ECL).
For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL's at each reporting period date. The Group has established a provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The company's policy, with the exception of certain customer contracts, is that receivables of foreign customers are collected on an average of 45 days, of domestic customers within 60-90 days and of customers of fish feed for juveniles within 6 months. However, in specific cases the Group may assess for certain financial assets that there is a credit issue when there is internal or external information indicating that the collection of the amounts determined under the relevant contract is unlikely to be collected in their entirety.
A financial asset is written-off when there is no reasonable expectation of recovering the contractual cash flows.

ii) Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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, and short-term and long-term loans.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at affair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement if profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition and only if the criteria of IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

Loans are initially recognized at their fair value, less any direct expense arising from the transaction. Subsequently, they are measured at amortized cost. Any difference between the amount received (less related costs) and the redemption value is recognized in the income statement on the basis of the effective interest rate method.

Loan costs incurred when new credits are signed are recognized as loan expenses when part or all of the new credit line is withdrawn. In this case, they are recorded as future loan costs until the withdrawal is made. Unless the new loans are used in full or in part, these expenses are included in prepaid expenses and are recognized in profit or loss over the life of the relevant credit line.

Loans are written off from the balance sheet when the liability arising from the contract is cancelled, expires or does not exist. The difference between the balance of the loan that has been written off or transferred to another loan and the amount paid, including non-monetary items transferred or liabilities assumed, is recognized in the income statement as Other Income / Expenses or as Financial Income / Expenses.

Loans are classified as current liabilities unless the Group has the final right to postpone the redemption for at least 12 months after the balance sheet date.

In cases where the existing loans of the Company are renegotiated, this could lead to a modification or exchange of loans with creditors that could take place in various ways. If the modification or exchange of loans represents a settlement of the original debt, or simply a renegotiation of that debt, it determines the accounting treatment to be applied by the borrower. When the terms of the existing loans are substantially different from the terms of the modified or exchanged loans, such an amendment or exchange is treated as a derecognition of the original borrowing and the resulting difference is recognized in the income statement.

The Group considers that the terms are significantly different either when the discounted present value of future cash flows under the new terms, including any costs or fees arising using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of initial borrowing, or when there is a significant change in terms, taking into account qualitative criteria. Qualitative criteria may include:

- the currency in which the borrowing is expressed
- the interest rate (eg from fixed to floating)
- changes in restrictive terms of a contract ("covenants").

Additional information is presented in Note 34.

Derecognition

A financial liability is derecognised 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii.) Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise 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 recognized 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.

The Group and Company had not used any derivative financial instruments or had undertaken any hedging activity.

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 costs of completion and the estimated costs necessary to make the sale.

3.13 Share capital and Reserves

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.
Treasury shares which are repurchased and recognized at cost are presented as a deduction of Equity. 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.
The reserves of the Group and Company mainly include legal, tax-free reserves of special laws, reserves from equity instruments, actuarial, own equity reserves, share reduction reserves as a result of a nominal value decrease and various other reserves.

3.14 Taxes

Current 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 recognized 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 recognized 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 Group does not establish any provisions for any potential tax case but only when conditions exist which tax charge impositions are possible.

Deferred Tax
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.
- With respect to 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.
Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it is probable that future profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured 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, based on the tax rates (and tax regulations) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the profit and loss is recognized outside the profit and loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

The Group offsets tax assets and deferred tax liabilities if any only if it has an enforceable right to offset current tax assets and current liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current year’s deferred tax calculation for the Company and its subsidiaries in Greece is based on the gradual decrease of the income tax rate from 29% in 2017 to 25% in 2022 (2017: 29%) while the current tax rate for the subsidiary in Spain has been based on a tax rate of 25% (2017: 25%). Further information is presented in Note 23.

3.15 Pensions and other post-employment benefits

Short-term benefits: Short-term benefits to employees in money or in kind are recognized 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 recognize 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 renumeration 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, offset against current year's depreciation, 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. 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 but are disclosed. 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 from contracts with customers

In accordance with IFRS 15 the Group recognizes revenue from contracts with customers as follows:

Revenue includes the sale of goods (Biological and Non-Biological), the services provided by a subsidiary company mainly for repair of nets, net cages and cage painting, net of value added tax, discounts and returns. Intercompany revenues within the Group are completely eliminated.

Revenue from customers is recognized when control over goods, or services provided is transferred to the customer. The transfer of control to the customer takes place at the time of delivery of goods or when services are rendered. The amount of revenue recognized is the amount the Group expects to receive in exchange for the goods or services. Payment terms usually vary depending on the type of sale and mainly depend on the nature of products, services, distribution channels and characteristics of each customer.

The Group also assesses whether its role is that of a principal or representative in any relevant agreement. The Group's assessment is that it has a principal role in all of its sales transactions.

More specifically, revenue recognition is as follows:

-Sale of fish products: Revenue for the Group derives mainly from the sale of fish and fish products either on spot sales or from contracts. The Group recognizes revenue from the sale of fish and fish products at the point in time when control of the goods is transferred to the customer. Control of an asset refers to the ability of the customer to direct the use of and obtain substantially all of the remaining benefits from the asset, and the ability of the customer to prevent others from directing the use of and receiving the benefits from the asset. Revenue is generally recognized on delivery of the goods. (i.e. at a certain point in time). Based on Group business activity of sale of fish and fish products, customers do not pay in advance, therefore there are no customer obligations arising from contracts with customers.
The Group examines whether there are any other obligations in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. Currently no multiple performance obligations have been identified. In determining the transaction price for the sale of goods, the Group examines whether the sales price for the sale of goods which has been agreed upon within the context of the sale includes any variable component (mainly of discounts given that there is no major financing element or payable amount to the customer), and recognizes the amount to the extent that it is not probable that it will be reversed in the future.

- **Revenue from customer contracts from non-biological sales**: The Group recognizes revenue when it fulfills a contractual obligation to the individual customer with the delivery of the good (which is the same as the time the control over the asset passes to the customer). If a contract includes more than one contractual obligation, the total value of the contract is allocated to the individual obligations on the basis of the individual sales values. The amount of revenue recognized is the amount attributed to the corresponding contractual obligation that has been settled, based on the consideration expected to be received by the Group in accordance with the terms of the contract.
Revenue from the sale of goods is recognized when the material risks and rewards of ownership are transferred to the acquirer if these goods are accepted by the acquirer and if the economic benefits of the transaction can be reliably measured and their inflows are considered to be highly probable in the entity.

Rebates, allowances and volume discounts are deducted from revenue.

-Revenue from customer service contracts: Revenue from services is recognized in the period in which the service is provided and during the period at which services to customers are rendered.

-Rights to discounts: The Group offers a right to discounts to its customers under terms specified in the relevant contracts. Sales discounts based on sales volumes are assessed by the Group in order to determine whether there are material rights that the customer would not acquire if he had not entered into the specific contract. The Group reached the conclusion that the above discounts do not comprise significant rights but variable considerations. Within this context the Group provides sonly annual discounts (1/1-31/12) on sales volumes based on the limits set in their contracts. All such discounts are accounted for and recognized within the financial year.

3.19 Leases

Leases are recognized as finance or operating leases during the commencement of the lease contract.

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 contracts where the lessor transfers the right to use an asset for an agreed period of time but without transferring the risks and benefits of the asset are recognized as operating leases. Payments made for operating leases (net of any incentives offered by the lessor) are proportionally recognized in the income statement for the period of the lease.

The Group and the Company as of 31.12.2018 have recognized all leases mainly of cars and motor vehicles as well as of sea areas as operating leases while commencing as of 1.1.2019 the Group has assessed the impact of the initial application of the new IFRS 16 standard in its consolidated financial statements (Note 4.2).

Group or Company as a lessor: Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit and loss due to its operating nature. Initial indirect costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

3.20 Dividend Distribution

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 cash equivalents in the Statement of Financial Position 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, 2018 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. Further information is presented in Note 45.

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. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.26 Non-current assets held for sale and discontinued operations

Non-current assets are classified as held for sale if the carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell. Costs to sell are the incremental costs directly attributed to the disposal of an asset excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale of distribution is highly probable, and the asset or disposal group is available for immediate distribution in its present condition. Actions required to complete the sale 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.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

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 separate major line of business or geographical area of operations
- Is part of a single coordinated 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.

3.27 Current versus non-current classification

The Group and Company present assets and liabilities in the statement of financial position based on current/non-current classification. An asset as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

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

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

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

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

3.28 Fair value measurement

The Group measures financial instruments, 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 18,19,26,29,31,32,34,44)
- Quantitative disclosures of fair value measurement hierarchy (Note 44)
- Investment in unquoted equity shares (Note 24)
- Property, plant and equipment under revaluation model (Note 18)

- Investment properties (Note 19)
- Financial instruments (including those at amortised cost) (Notes 28,29,30,31,32)
- Biological assets current and non-current (Note 26)
- Short-term borrowing (Note 34)
- Short-term portion of the long-term borrowings (Note 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 in the valuation of significant assets of the Group and Company, such as property plant & equipment and property investment, as well as for the provision of net employee defined benefit plans. 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.

3.29 Financial and other income /expenses

The Group and Company recognize financial income and expenses as follows:

(a) 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.

(b) Dividend income: Dividend income is recognized when the right to receive payment is established.

(c) Rental Revenue: Rental revenue of the Company is recognised as other income and includes intercompany leases among the Group.
(d) 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.

4. Changes in Accounting Policies and Application of New and Revised Standards and Interpretations

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 January 1 2018.

New Standards and interpretations
The new standards and amendments which are applied for the first time in 2018 (annual accounting periods which begin from 1 January 2018 and after) and which though do not have a material effect on the financial statements of the Group and the Company or are not applicable for the Group and the Company are analyzed as follows:

- **IFRS 9 Financial Instruments**

The final version of IFRS 9 Financial Instruments reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting.

The Group adopted the new standard on 1 January 2018 without adjusting comparative information. The impact of the adjustments resulting from the application of the new standard was recognized directly in retained earnings as at 1 January 2018 of an amount of € (78.762) in addition to an amount of € (7.695) which was recorded in current year's results.

The table presented below depicts the adjustments made for each separate line item of the Balance Sheet. Any balances not affected by the changes introduced by the new standard are not included in the table. The readjustments are analyzed in more detail below.

Impact on the published Statement of the Financial Position (increase /decrease) of the Group as at 31 December 2017:

GROUP

Extract from the Statement of Financial Position	Adjustments	31 December 2017 as published	IFRS 9	1 January 2018 with the effect of IFRS 9
ASSETS				
Non-current assets				
Deferred Tax Assets	b	598.462	31.863	630.325
Available-for-sale financial assets	a	125.455	(125.455)	-
Financial assets at fair value through OCI	a	-	125.455	125.455
			-	
Current assets			-	
Trade and other receivables	b	38.726.244	(110.625)	38.615.619
				-
EQUITY & LIABILITIES				
Retained earnings	b	(80.105.316)	(78.762)	(80.184.078)

Impact on the published Statement of the Financial Position (increase /decrease) of the Company as at 31 December 2017:

COMPANY

Extract from the Statement of Financial Position	Adjustments	31 December 2017 as published	IFRS 9	1 January 2018 with the effect of IFRS 9
ASSETS				
Non-current assets				
Deferred Tax Assets	b	-	24.091	24.091
Available-for-sale financial assets	a	125.455	(125.455)	-
Financial assets at fair value through OCI	a	-	125.455	125.455
		-	-	
Current assets		-	-	
Trade and other receivables	b	31.705.420	(83.074)	31.622.346
		-		-
		-		-
EQUITY & LIABILITIES		-	-	
Retained earnings	b	(78.246.832)	(58.982)	(78.305.814)

(a) Classification and measurement

Under IFRS 9, The Group and Company initially measures a financial asset at its fair value plus transaction costs, when a financial asset is not stated at fair value through profit and loss.

According to IFRS 9, after initial recognition, financial assets are measured at fair value through the income statement, at amortized cost or at fair value through the statement of comprehensive income. The classification is based on the following two criteria: (a) the Group's and the Company's business model for the management of the specific items and (b) the characteristics of their contractual cash flows.

Financial assets that the Group had classified as available-for-sale under IAS 39 are now classified as financial assets measured at fair value through the statement of other comprehensive income. Changes in the measurement of financial assets are included in "items that will not be classified in the income statement in the future". IFRS 9 allows companies an irrevocable choice to measure an investment that is not held for trading at fair value through other comprehensive income.
The Group's policy on financial liabilities remains broadly the same as that followed under IAS 39.

(b) Impairment

The adoption of the IFRS 9 led to a change in the accounting treatment of impairment losses on financial assets as it replaced the treatment of IAS 39 for recognizing losses incurred by recognizing expected losses.

With respect to "Trade receivables", the Group applied the simplified approach of the standard and calculated the expected credit losses over the life of the receivables. For this purpose, a table was used which calculates the forecasts in a way that reflects past experience and forecasts of the future financial situation of customers and the economic environment.

For other financial assets the expected credit losses are calculated over a 12-month period. Expected losses for the 12-month period are the proportion of expected losses over the life of the financial asset resulting from credit events that are likely to occur within 12 months of the balance sheet date. In any case, if there is a significant increase in credit risk from initial recognition, the provision will be based on the expected credit losses over the life of the financial asset.

The Group and Company’s policy, with the exception of certain customer contracts, is that receivables of foreign customers are collected on an average of 45 days, of domestic customers within 60-90 days and of customers of fish feed for juveniles within 6 months. However, in specific cases the Group may assess for certain financial assets that there is a credit issue when there is internal or external information indicating that the collection of the amounts determined under the relevant contract is unlikely to be collected in their entirety.

The effect of this adjustment, as presented in the previous referred to tables, on the statement of financial position as at 1 January 2018 was a decrease in "Retained earnings" by an amount of € 78.762, a decrease in the "Trade and other receivables" by an amount of € 110.625, an increase in the “Deferred income tax assets” by an amount of € 31.863 and a decrease in the current year’s results by € 7.695.

The below table depicts the reconciliation of the impairment provision based on IAS 39 with the corresponding provision as calculated in accordance with IFRS 9:

GROUP

	Impairment provision in accordance with IAS 39 as at 31 December 2017	Adjustment	Expected credit loss of IFRS 9 as at 1 January 2018
Trade and other receivables in accordance with IAS 39 Finance Assets which are measured at amortised cost in accordance with IFRS 9	(15.857.558)	(110.625)	(15.968.183)

COMPANY

	Impairment provision in accordance with IAS 39 as at 31 December 2017	Adjustment	Expected credit loss of IFRS 9 as at 1 January 2018
Trade and other receivables in accordance with IAS 39 Finance Assets which are measured at amortised cost in accordance with IFRS 9	(12.918.233)	(83.074)	(13.001.307)

(c) Hedging

The Group has not adopted hedge accounting, therefore the application of hedge accounting in accordance with IFRS 9 does not have any impact on the financial statements of the Group and Company.

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

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

From 1 January 2018, the Group adopted the new standard by applying the modified retrospective approach without any adjustment to comparative information. The new standard did not have a significant impact on the consolidated financial statements when it was applied, since there were no significant differences in the application of the new accounting policies. Therefore, the application of IFRS 15 had no impact on the Group retained earnings or required adjustments for its transition. Although IFRS 15 does not introduce material differences from the Group's current accounting policies, the related accounting policy was stated as follows:

The Group recognizes revenue when a contractual obligation to the individual customer is met by the delivery of the good or the service (which is the same as when the control over the good or service passes to the customer). If a contract includes more than one contractual obligation, the total value of the contract is allocated to the individual obligations on the basis of the individual sales values. The amount of revenue recognized is the amount attributed to the corresponding contractual obligation that has been settled, based on the consideration expected to be received by the

Group in accordance with the terms of the contract. Any variable fee is included in the amount of revenue recognized, to the extent that it is unlikely that this amount will be reversed in the future.

The rights to future sales volume discounts are assessed by the Group in order to determine whether they are material rights that the customer would not acquire if he had not entered into the specific contract.

The Group provides customers with volume discounts based on the limits set out in their contracts. Discounts are annual (1/1/-31/12) and are recognised within the financial year. Revenue from contracts with customers according to the Group's commercial policy is broken down per business segment in Note 9. Furthermore, the Group concluded that the transfer of control to the customer over the goods takes place at a specific point time when the customer receives the goods, as it is then when the customer is able to obtain the benefits of the products.

Revenue from customer service contracts is recognized in the accounting period in which the services are provided as the customer acquires control of the promised services according to the stage of completion of each specific performance obligation and is evaluated on the basis of the actual service provided as a percentage of the total services to be provided.

- **IFRS 15: Revenue from Contracts with Customers (Clarifications)**

The objective of the Clarifications is to clarify the IASB’s intentions when developing the requirements in IFRS 15 *Revenue from Contracts with Customers*, particularly the accounting of identifying performance obligations amending the wording of the “separately identifiable” principle, of principal versus agent considerations including the assessment of whether an entity is a principal or an agent as well as applications of control principle and of licensing providing additional guidance for accounting of intellectual property and royalties. The Clarifications also provide additional practical expedients for entities that either apply IFRS 15 fully retrospectively or that elect to apply the modified retrospective approach.

- **IFRS 2: Classification and Measurement of Share based Payment Transactions (Amendments)**

The Amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, for share-based payment transactions with a net settlement feature for withholding tax obligations and for modifications to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The above amendments have no impact on the results of the Group and company.

- **IAS 40: Transfers to Investment Property (Amendments)**

The Amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The Amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management’s intentions for the use of a property does not provide evidence of a change in use. The above amendments have no impact on the results of the Group and company.

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

The Interpretation clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The Interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or a non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. The Interpretation states that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. This Interpretation has not yet been endorsed by the EU. The above interpretation has no impact on the results of the Group and company.

The **IASB has issued the Annual Improvements to IFRSs 2014 – 2016 Cycle**, which is a collection of amendments to IFRSs.

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

  The above amendment had no impact on the results of the Group and company.

4.2 Standards which have been issued but which are not applicable in the current financial period and which the Group and Company has not earlier adopted.

- **IFRS 16: Leases**

The standard is effective for annual periods beginning on or after 1 January 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). The new standard requires lessees to recognize most leases on their financial statements. Lessees will have a single accounting model for all leases, with certain exemptions. Lessor accounting is substantially unchanged.

The standard is expected to primarily affect the accounting treatment of the Group's operating leases. The Group has assessed the impact of the initial application of the Standard on its consolidated financial statements. More specifically, all the information available which supported the estimation, with relative accuracy, of the impact of the initial application of IFRS 16 in its financial statements have been disclosed in its financial statements as presented below.

<u>Transition to the New Standard</u>

The Group will apply IFRS 16 for the first time as of 1 January 2019 using the revised retrospective approach. Based on this approach, the Group a) will recognize a liability that will be measured at the present value as a result of the discounting of the lease payments remaining to be paid at the additional borrowing rate in force at the date of initial application; and b) will recognize a right to use a fixed asset by measuring that right in addition to a liability with the difference being recorded in retained earnings. Any impact of the application of the standard will be recognized as an adjustment to retained earnings as at 1 January 2019, without any change in comparative information. In addition, the Group will use the exemption provided by the standard for the determination of leases. This in practice means applying the requirements of IFRS 16 to all contracts that were in effect on 1 January 2019 and recognized as leases under IAS

17 and IFRIC 4. In addition, the Group will use the exemptions of the standard with respect to leases with a residual maturity of less than 12 months at the date of initial application of the standard and leases of low value fixed assets. Finally, the Group has decided to apply a single discount rate to each category of leases with similar characteristics (such as leases with a similar maturity, for similar fixed assets and in a similar economic environment).

Given the available information and following the above noted work tasks, the Group has assessed that the impact resulting from the adoption of the new standard as at 1 January 2019 is a decrease in retained earnings by approximately € 90K-100K, an increase of approximately € 700K-800K in property plant and equipment, an increase in deferred tax assets of an amount of approximately € 30K-40K and an increase in liabilities of approximately € 800K-900K.

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

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

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

The Amendment is effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted. The Amendment allows financial assets with prepayment features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract (so that, from the perspective of the holder of the asset there may be ‘negative compensation’), to be measured at amortized cost or at fair value through other comprehensive income. These Amendments have not yet been endorsed by the EU. The above amendment has no impact on the results of the Group and Company.

- **IAS 28: Long-term Interests in Associates and Joint Ventures (Amendments)**

The Amendments are effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted. The Amendments relate to whether the measurement, in particular impairment requirements, of long term interests in associates and joint ventures that, in substance, form part of the ‘net investment’ in the associate or joint venture should be governed by IFRS 9, IAS 28 or a combination of both. The Amendments clarify that an entity applies IFRS 9 Financial Instruments, before it applies IAS 28, to such long-term interests for which the equity method is not applied. In applying IFRS 9, the entity does not take account of any adjustments to the carrying amount of long-term interests that arise from applying IAS 28. The above amendment has no impact on the results of the Group and Company.

- **IFRIC INTERPETATION 23: Uncertainty over Income Tax Treatments**

The Interpretation is effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances. The above interpretation has no impact on the results of the Group and Company.

- **IAS 19: Plan Amendment, Curtailment or Settlement (Amendments)**

The Amendments are effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. The amendments require entities to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement has occurred. The amendments also clarify how the accounting for a plan amendment, curtailment or settlement affects applying the asset ceiling requirements. The above amendment has no impact on the results of the Group and Company.

- **Conceptual Framework in IFRS standards**

The IASB issued the revised Conceptual Framework for Financial Reporting on 29 March 2018. The Conceptual Framework sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards. IASB also issued a separate accompanying document, Amendments to References to the Conceptual Framework in IFRS Standards, which sets out the amendments to affected standards in order to update references to the revised Conceptual Framework. It's objective is to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction. For preparers who develop accounting policies based on the Conceptual Framework, it is effective for annual periods beginning on or after 1 January 2020.
The above amendment has no impact on the results of the Group and Company.

- **IFRS 3: Business Combinations (Amendments)**

The IASB issued amendments in Definition of a Business (Amendments to IFRS 3) aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The Amendments are effective for business combinations for which the acquisition date is in the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period, with earlier application permitted. These Amendments have not yet been endorsed by the EU. The Group and Company are in the process of assessing the impact of this amendment on their financial position or performance.

- **IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of ‘material’ (Amendments)**

The Amendments are effective for annual periods beginning on or after 1 January 2020 with earlier application permitted. The Amendments clarify the definition of material and how it should be applied. The new definition states that, ’Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity’. In addition, the explanations accompanying the definition have been improved. The Amendments also ensure that the definition of material is consistent across all IFRS Standards. These Amendments have not yet been endorsed by the EU.

The **IASB has issued the Annual Improvements to IFRSs 2015 – 2017 Cycle**, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. 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 3 Business Combinations and IFRS 11 Joint Arrangements*:** The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.
- ***IAS 12 Income Taxes*:** The amendments clarify that the income tax consequences of payments on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits has been recognized.
- ***IAS 23 Borrowing Costs*:** The amendments clarify paragraph 14 of the standard that, when a qualifying asset is ready for its intended use or sale, and some of the specific borrowing related to that qualifying asset remains outstanding at that point, that borrowing is to be included in the funds that an entity borrows generally.

The above improvements have no impact on the results of the Group and Company.

5. Critical accounting judgements, estimates and assumptions

The preparation of the Group’s consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Group’s accounting policies, management has made various judgements. Those which management has assessed to have the most significant effect on the amounts recognised in the consolidated financial statements have been discussed in the individual notes of the related financial statement line items.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also described in the individual notes of the related financial statement line items below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

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. 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.

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 for 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.
The adoption of IFRS 9 by the Group and the Company resulted in a change in the accounting treatment of impairment losses for financial assets as it replaced the treatment of IAS 39 for recognition of realized losses with the recognition of expected losses.

The Group uses a table with which it calculates the expected credit losses over the life of its receivables. This table is based on past experience but is adjusted to reflect forecasts for the future financial situation of customers as well as the economic environment. At each balance sheet date, the historical percentages used and future estimates on the financial situation are updated.
The correlation between historical data, future financial conditions and the expected credit losses includes significant estimates. The amount of expected credit losses depends on a large extent on changes in conditions and forecasts of the future financial situation. In addition, past experience and forecasts for the future may not lead to conclusions indicative of actual default rates in the future.

Further information is provided in Notes 4.1, 28 and 37.

B. Impairment testing on goodwill and intangibles assets with an indefinite useful life

The Company and the Group examine and reassess the fair value and useful life of intangible assets when there are indications of a change in value.

The Group and the Company assess whether there is impairment of goodwill and intangible assets with an indefinite useful life at least once a year and examine the events or conditions that render the possibility of impairment, such as a significant adverse change in the business environment or a decision to sell or dispose a unit or segment. For the purpose of impairment testing, the value in use of each cash generating unit (CGU) to which an amount of goodwill and intangible assets with indefinite useful life has been allocated, must be assessed.

The application of the valuation methodology of the value in use, takes into consideration the actual operating results, future business plans and financial projections of the Group and the Company in order to estimate the future cash flows of the CGU and selection of the appropriate discount rate, based on which the present value of future cash flows is determined. The Group and the Company annually consider whether the aforementioned assets have been impaired, in accordance with the accounting policy stated in paragraph 3.9.

Further information is provided in Notes 20 and 21.

C. Fair Value, Useful life and Impairment of Tangible and Intangible assets

The Company and the Group examine and estimate the fair value and useful life of tangible and intangible assets when there are indications of changes in value. Additionally, tangible and intangible assets are examined for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. With respect to the examination and assessment of the fair value and any potential impairment the Group and Company cooperates with independent valuers.

Further information is provided in Notes 18,19.

D. 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 exist, 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 is sensitive to parameters 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.

Further information is provided in Note 22.

E. Current income taxes and deferred tax assets

The Group and Company are subject to income taxes from various 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.

Deferred tax assets are recognized on all unused tax losses to the extent that sufficient profits will be available to offset these tax losses.

The Group and Company recognize deferred tax assets for transferred tax loses when sufficient taxable profits have resulted for two continuous years.

Further information is provided in Notes 16,23.

F. 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 biomass

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 of biomass affects the price at which the biological assets will be valued given that each size category is separately sold in the market.

Distribution of fish between 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 juveniles 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 3.4, the Company reviewed all estimates and judgments in connection with the adoption of new IFRS 13 which are made during the valuation of biological assets. As a result of the above the following changes in estimates are hereby presented:

1.Level of separation between mature and immature:

As the intention and plan of the Company is to harvest cages with an average weight of over 340 gr. per unit, management considered as the appropriate segregation point between mature and immature fish the weight level.

2. Valuation methodology immature fish:

The Company examines the best practices that are internationally accepted for the valuation of immature fish, and alters the valuation model of immature fish population when deemed necessary.

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.

G. Retirement Benefit Obligations

The present value of the pension obligations for the Group’s defined benefit plans depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost / (income) for pensions include the discount rate and salary rate increases. Any changes in these assumptions will impact the carrying amount of pension obligations. The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency and jurisdiction in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.
Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 11.

H. Provisions for litigation

The Group has pending court cases (Note 37,40). Management assesses the outcome of cases, taking into account the available information of the Group’s legal department and, if there is a possibility of a negative outcome, the Group proceeds to the establishment of the necessary provisions. Provisions, where appropriate, are calculated based on the present value of the management's estimates of the expense that will be required to settle the expected liabilities at the balance sheet date.

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

Amounts in Euro	2018							2017						
Notional amounts	**USD**	**GBP**	**NOK**	**DKK**	**CAD**	**TRL**	**CHF**	**USD**	**GBP**	**NOK**	**DKK**	**CAD**	**TRL**	**CHF**
Financial assets	647.261	101.565	-	-	409.002		12.234	1.028.050	170.291			385.664		3.796
Financial liabilities	62.311	22.539	12.307	0	0	0	412	21.474	184	19.965	0	0	0	-
Total current exposure	**584.950**	**79.026**	**(12.307)**	**0**	**409.002**	**0**	**11.822**	**1.006.575**	**170.107**	**(19.965)**	**0**	**385.664**	**0**	**3.796**

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 2018 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							**2018**							
	USD		**GBP**		**NOK**		**DKK**		**CAD**		**TRY**		**CHF**	
	3,55%	-3,55%	0,65%	-0,65%	13,50%	-13,50%	0,77%	-0,77%	2,85%	-2,85%	91,21%	-91,21%	2,00%	-2,00%
Post-tax profit for the year	20.788	(20.788)	517	(517)	(1.662)	1.662	-	-	11.653	(11.653)	-	-	236	(236)
Equity	20.788	(20.788)	517	(517)	(1.662)	1.662	-	-	11.653	(11.653)	-	-	236	(236)

Amounts in Euro							**2017**							
	USD		**GBP**		**NOK**		**DKK**		**CAD**		**TRY**		**CHF**	
	5,19%	-5,19%	1,95%	-1,95%	29,27%	-29,27%	0,32%	-0,32%	4,02%	-4,02%	27,32%	-27,32%	4,04%	-4,04%
Post-tax profit for the year	52.253	(52.253)	3.316	(3.316)	(5.844)	5.844	-	-	15.515	(15.515)	-	-	153	(153)
Equity	52.253	(52.253)	3.316	(3.316)	(5.844)	5.844	-	-	15.515	(15.515)	-	-	153	(153)

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% (2017: +/-1%). Changes in interest rates are deemed to fluctuate on a reasonable basis in relation to current market conditions.

	GROUP				**COMPANY**			
Amounts in Euro	**2018**		**2017**		**2018**		**2017**	
	1,00%	-1,00%	1,00%	-1,00%	1,00%	-1,00%	1,00%	-1,00%
Post-tax profit for the year	1.644.303	-1.644.303	1.677.795	-1.677.795	1.639.582	-1.639.582	1.674.524	-1.674.524
Equity	1.644.303	-1.644.303	1.677.795	-1.677.795	1.639.582	-1.639.582	1.674.524	-1.674.524

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 € 8,3 mil/€ (8,3) mil 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	
	2018	**2017**	**2018**	**2017**
Categories of financial assets				
Restricted Cash	10.878.778	8.979.661	10.878.778	8.979.661
Cash and cash equivalents	9.666.513	11.032.517	9.000.630	10.087.488
Trade and other receivables	35.471.081	36.857.304	30.793.497	31.705.420
Other receivables	4.919.947	10.328.050	5.242.871	10.305.501
Total	**60.936.319**	**67.197.532**	**55.915.776**	**61.078.070**

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.

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 180 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 2018 for the Group is analyzed as follows:

GROUP

Amounts in Euro	2018			
	Short-term		Long-term	
	within 6 months	between 6 to 12 moths	between 1 to 5 years	over 5 years
Long-term borrowings (*)	17.215.516	17.500.154	66.405.985	68.424.764
Short-term borrowings (*)	786.858	284.050	14.136.200	-
Other Long-term liabilities	-	-	756.085	-
Trade payables	55.024.178	-	-	-
Other short-term liabilities	8.814.689	-	-	-
Total	**81.841.241**	**17.784.204**	**81.298.270**	**68.424.764**

(*) Interest expenses of the reporting period are included

COMPANY

Amounts in Euro	2018			
	Short-term		Long-term	
	within 6 months	between 6 to 12 months	between 1 to 5 years	over 5 years
Long-term borrowings (*)	17.174.154	17.458.791	66.385.304	68.424.764
Short-term borrowings (*)	284.050	284.050	14.136.200	-
Other Long-term liabilities	-	-	756.085	-
Trade payables	49.333.385	-	-	-
Other short-term liabilities	8.126.299	-	-	-
Total	**74.917.888**	**17.742.841**	**81.277.589**	**68.424.764**

(*) Interest expenses of the reporting period are included

The maturity of the financial liabilities at 31 December 2017 for the Group is analyzed as follows:

GROUP

Amounts in Euro	2017			
	Short-term		Long-term	
	within 6 months	between 6 to 12 moths	between 1 to 5 years	over 5 years
Long-term borrowings (*)	15.065.052	17.058.137	111.263.283	77.910.294
Short-term borrowings (*)	5.433.055	-	-	-
Other Long-term liabilities		-	1.112.271	-
Trade payables	49.934.113	-	-	-
Other short-term liabilities	7.540.670	-	-	-
Total	**77.972.890**	**17.058.137**	**112.375.554**	**77.910.294**

(*) Interest expenses of the reporting period are included

COMPANY

Amounts in Euro	2017			
	Short-term		Long-term	
	within 6 months	**between 6 to 12 moths**	**between 1 to 5 years**	**over 5 years**
Long-term borrowings (*)	15.023.689	17.016.774	111.159.877	77.910.294
Short-term borrowings (*)	5.329.077	-	-	-
Other Long-term liabilities			1.112.271	-
Trade payables	43.125.778	-	-	-
Other short-term liabilities	6.838.083	-	-	-
Total	**70.316.627**	**17.016.774**	**112.272.148**	**77.910.294**

(*) Interest expenses of the reporting period are included

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.

7. Structure of the Group "NIREUS AQUACULATURE S.A"

The company has the following subsidiaries which are consolidated via the full consolidation method as follows:

COMPANY	**PARTICIPATION PERCENTAGE**
PROTEUS EQUIPMENT S.A	100%
NIREUS INTERNATIONAL LTD	100%
PREDOMAR S.L.	100%
KEGO AGRI S.A	100%
NIREUS GMBH	100%

The companies participating in the financial statements are set out in the following table:

COMPANY	**COUNTRY OF INCORPORATION**	**PARTICIPATION PERCENTAGE**	**METHOD OF CONSOLIDATION**
PROTEUS EQUIPMENT S.A	GREECE	100%	Full consolidation
NIREUS INTERNATIONAL LTD	CYPRUS	100%	Full consolidation
PREDOMAR S.L.	SPAIN	100,00% indirect	Full consolidation
KEGO AGRI S.A	GREECE	100%	Full consolidation
NIREUS GMBH	GERMANY	100%	Full consolidation

8. Calculation of EBITDA and Operational EBITDA

EBITDA is defined as earnings before taxes plus or minus financial and investment results, plus total depreciation and amortization expense. Investment results include gains or (losses) on revaluation of fixed assets, grants, impairment of goodwill and intangible assets and gains or (losses) of subsidiaries held for sale. Furthermore, EBITDA excludes one-off and non-recurring charges which are not included in the normal operations of the company such as provisions for indemnity due to legal court cases, in addition to other one-off non-recurring items. These adjustments are required in order that the said financial indicator be comparative and historically consistent, in compliance and in accordance with the ESMA guidelines and the alternative performance measures (APM's)

Operational EBITDA is defined as EBITDA (calculated in accordance with the above) with biological assets being valued at cost and prior, that is, to the effect of biological assets at fair value. For the calculation of the valuation of biological assets at cost, the company applies the annual rolling weighted average method of cost per unit of measurement.

A detailed calculation of EBITDA and Operational EBITDA is presented below:

	Note	GROUP 31/12/2018	GROUP 31/12/2017
Profit /(loss) before taxes		**(14.653.975)**	**23.312.082**
Plus:			
Finance expenses	**13**	9.588.818	9.994.581
Finance income	**13**	(52.241)	(105.536)
Gain on measurement from refinancing of financial liabilities	**34**	(227.995)	-
Losses from measurement of financial assets at fair value	**18,19**	1.332.794	(23.213)
Losses from sale of subsidiary companies		-	-
Depreciation	**18,21,35**	6.529.161	5.944.107
Extraordinary and non-recurring expenses		173.285	3.078.368
Profit before taxes, financing and investing results and depreciation (EBITDA)		**2.689.847**	**42.200.389**
(Gains)/Losses from the change in biological assets at fair value	**26**	17.969.787	(12.088.468)
Profit before taxes, financing and investing results and depreciation - (Operational EBITDA)		**20.659.634**	**30.111.921**

	Note	COMPANY 31/12/2018	COMPANY 31/12/2017
Results for the period before taxes		**(14.313.983)**	**21.762.159**
Plus:			
Finance expenses	**13**	9.503.466	9.776.446
Finance income	**13**	(49.894)	(52.316)
Gain on measurement from refinancing of financial liabilities	**34**	(227.995)	-
Losses from measurement of financial assets at fair value	**18,19**	1.327.084	(23.213)
Losses from sale of subsidiary companies			
Depreciation	**18,21,35**	6.465.301	5.878.637
Extraordinary and non-recurring expenses		166.919	3.010.663
Profit before taxes, financing and investing results and depreciation - (EBITDA)		**2.870.898**	**40.352.376**
(Gains)/Losses from the change in biological assets at fair value	**26**	17.314.404	(11.534.894)
Profit before taxes, financing and investing results and depreciation - (Operational EBITDA)		**20.185.302**	**28.817.482**

ONE-OFF AND NON-RECURRING EXPENSES

One-off and non-recurring expenses of the Group and Company of an amount of € 173.285 (2017: € 3.078.368) and € 166.919 (2017: € 3.010.663) respectively compared to the prior year are presented in the table below:

	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Provisions for indemnities due to prior year litigations	-	(1.528.368)	-	(1.528.368)
Recognition of employees' right to vacation days of the prior year	(173.285)	(1.550.000)	(166.919)	(1.447.189)
Other one-off loss items	-	-	-	(35.106)
Total one-off and non-recurring expenses	**(173.285)**	**(3.078.368)**	**(166.919)**	**(3.010.663)**

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.

The following amounts are presented in Euro.

31/12/2018

Amounts in Thds of €	Aquaculture	Fishfeed	Aviculture-Stockbreeding	Other remaining segments	Eliminations/ Adjustments	Consolidation
Sales revenue per segment	178.529	7.775	8.856	5.228	(3.116)	197.272
Net operating costs	(178.119)	(6.610)	(8.584)	(2.662)	(15.951)	(211.926)
Profit before taxes	410	1.165	272	2.566	(19.067)	(14.654)
Depreciation expense	5.427	820	37	245	-	6.529

31/12/2017

Amounts in Thds of €	Aquaculture	Fishfeed	Aviculture-Stockbreeding	Other remaining segments (*)	Eliminations/ Adjustments	Consolidation
Sales revenue per segment	188.402	6.710	9.192	5.565	(3.186)	206.683
Net operating costs	(151.553)	(5.711)	(9.315)	(2.521)	(14.271)	(183.371)
Profit before taxes	36.849	999	(124)	3.044	(17.457)	23.312
Depreciation	4.818	802	34	290	-	5.944

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.

31/12/2018

Amounts in Thds of €	Aquaculture	Fishfeed	Aviculture-Stockbreeding	Other remaining segments (*)	Eliminations/ Adjustments	Consolidation
Assets per segment	285.884	21.385	3.006	5.557	75.737	391.570
Capital expenditure	7.942	224	2	78	323	8.569

31/12/2017

Amounts in Thds of €	Aquaculture	Fishfeed	Aviculture-Stockbreeding	Other remaining segments (*)	Eliminations/ Adjustments	Consolidation
Assets per segment	288.427	19.254	2.743	6.531	85.609	402.563
Capital expenditure	9.329	237	104	141	494	10.306

GEOGRAPHICAL INFORMATION

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

Amounts in Euro	GROUP	
	31/12/2018	**31/12/2017**
Greece	41.466.047	43.475.827
Spain	137.679.713	141.430.066
Other countries	18.126.237	21.777.115
	197.271.997	**206.683.008**

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 per Country of subsidiary

Amounts in Euro	GROUP	
	31/12/2018	**31/12/2017**
Greece	183.456.681	193.271.745
Spain	13.815.316	13.411.263
	197.271.997	**206.683.008**

Non-current Assets

Amounts in Euro	GROUP	
	31/12/2018	**31/12/2017**
Greece	98.649.818	92.691.059
Spain	2.656.198	2.820.416
	101.306.016	**95.511.475**

Non-current assets include property, plant and equipment and intangible assets in addition to investment property.

There is no customer which exceeds 10% of the sales revenue of the Group and Company. It is noted that no changes have occurred in the definition or the measurement base of the segments' gain or loss as compared to the consolidated financial statements of the prior year.

10. Revenue for contracts with customers for sale of non-biological assets-goods and other material

Based on IFRS 15 revenue from contracts with customers for sale of non-biological assets and other material are analysed as follows:

Amounts in Euro	GROUP		COMPANY	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Revenue from contracts with customers for sales of merchandise	11.500.552	16.658.761	2.534.848	7.807.097
Revenue from contracts with customers for sales of finished and semi-finished goods	9.074.427	8.541.991	8.637.587	7.799.428
Revenue from contracts with customers for sales of other inventories and scrap material	779.828	1.243.519	224.627	927.954
Revenue from contracts with customers for sales of services	329.627	262.054	303.048	299.684
Total Revenue from contracts with customers for sales of merchandise and other materials	**21.684.434**	**26.706.325**	**11.700.110**	**16.834.163**

Revenue from contracts with customers for sales of merchandise: Sale of merchandise of the Group amounting to € 11,5 million include fish from third parties, aviculture and aquaculture equipment of the company's subsidiaries. Sales of merchandise decreased from € 16,7 million 31.12.2017 to € 11,5 million 31.12.2018 due to the reduced fish sales of the Company.

Revenue from contracts with customers for sales of finished and semi-finished products: Sales of finished and semi-finished products which include fish feed of the Company as well as aquaculture equipment of the subsidiary companies (own produce) did not present a significant fluctuation in the year.

Revenue from contracts with customers for sales of other inventories and scrap material: Sales of other inventories include payments of fish insurance indemnities, which decreased by € 0,5 million compared to the corresponding prior year.

Revenue from contracts with customers for sales of services: Sales of services include transportation services (of juveniles) to customers of a foreign subsidiary company, as well as maintenance equipment services of a domestic subsidiary to its customers.

11. Salaries and personnel expenses

(α) Retirement benefit obligations

The Group and Company assess the retirement benefit obligation as the present value of the legal obligation which has been assumed for the lump sum indemnity payment to personnel who terminate employment as a result of retirement. The relative obligation was estimated based on actuarial calculations.

The respective obligation of the Group and the Company is as follows:

	GROUP		COMPANY	
Amounts in Euro	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Balance liability at beginning of the year	3.063.831	2.771.065	2.917.648	2.662.257
Current service cost (Note11b)	358.133	228.315	330.187	205.030
Interest cost (Note 13)	51.939	49.782	49.454	47.534
Benefits paid	(332.304)	(168.594)	(305.704)	(168.592)
Remeasured actuarial (gains)/losses on obligation and effect from change in IAS 19	47.774	183.263	29.273	171.419
Total liability at end of the year	**3.189.373**	**3.063.831**	**3.020.858**	**2.917.648**

The main actuarial assumptions used were as follows:

	31/12/2018	**31/12/2017**
Discount rate	1,60%	1,70%
Future salary increases	1,80%	1,80%
Inflation rate	2,00%	2,00%

The 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.

The assessment of the present value of the defined benefit liability and as applicable of the service cost, was made in accordance with the Projected Unit Credit Method (IAS 19, par.67).

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 as assessed as at 31.12.2018 at an average yield of 1,36% (2017: 1,36%) which is consistent with the principles of IAS 19, for it is based on bonds with respect to the currency and estimated duration in relation to employee benefits, and which is suitable for long-term forecasts.
Within this context, a discount rate of 1,6% was assumed during the year, as opposed to 1,7% during the prior year, so that it converges with the long term iBoxx AA Corporate Overall 10+ EUR indices.

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 a 0,5% higher rate compared to the anticipated increase in salaries would result in an actuarial liability being increased by 8% while the exact opposite percentage, that is the use of a decreased rate of 0,5% rate would result in the actuarial liability being less by 7%.

The use of an increased technical interest rate of 0,5% would result in the service cost being less than 10% while the opposite percentage rate, namely the use of a smaller interest rate of 0,5% would result in a higher service cost by 11%.

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 service cost being increased by 10% while the exact opposite percentage, that is the use of a decreased by 0,5% rate would result in the service cost being less than 9%.

Other comprehensive income (OCI)	**COMPANY 2018**	**COMPANY 2017**	**GROUP 2018**	**GROUP 2017**
Actuarial gains/(losses) due to financial assumptions	45.635	(40.195)	48.230	(42.338)
Actuarial gains/(losses) due to experience	(16.361)	(131.224)	(456)	(140.926)
Amount recorded in OCI	**29.273**	**(171.419)**	**47.774**	**(183.264)**

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

	DEFINED BENEFIT OBLIGATION	
YEARS	GROUP	COMPANY
	31/12/2018	31/12/2018
0 to 1	159.469	151.043
2 to 5	95.681	90.626
6 to 10	63.787	60.417
11 and above	2.870.435	2.718.772
Total	3.189.373	3.020.858

	DEFINED BENEFIT OBLIGATION	
YEARS	GROUP	COMPANY
	31/12/2017	31/12/2017
0 to 1	153.192	145.882
2 to 5	91.915	87.529
6 to 10	61.277	58.353
11 and above	2.757.448	2.625.883
Total	3.063.831	2.917.648

(β) Employee benefit expense

The expenses recognised for benefits to employees are analysed as follows:

	GROUP		COMPANY	
Amounts in Euro	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Wages and Employee Salaries	(23.827.315)	(23.447.289)	(22.072.482)	(21.733.942)
Social contributions	(5.787.819)	(5.764.801)	(5.272.238)	(5.299.843)
Provision for staff termination indemnity (Note 11a)	(358.133)	(228.315)	(330.187)	(205.030)
Total	**(29.973.267)**	**(29.440.405)**	**(27.674.907)**	**(27.238.815)**

Number of employed personnel

The number of employed personnel as at December 31, 2018 amounted to 1.100 for the Company, and 1.165 for the Group while as at December 31, 2017 the corresponding number totalled 1.079 for the Company, and 1.146 for the Group.

12. Third party fees and benefits

The analysis of third-party fees and benefits follows:

	GROUP		COMPANY	
Amounts in Euro	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Third party fees and expenses	(11.661.339)	(12.004.593)	(8.088.329)	(8.279.854)
Third party benefits	(9.565.781)	(9.408.920)	(9.016.506)	(8.929.524)
Total third party fees and benefits	**(21.227.120)**	**(21.413.513)**	**(17.104.835)**	**(17.209.378)**

For the year ended December 31, 2018, third party fees and benefits include statutory auditors' fees of € 12.600 in relation to non-audit services (excluding statutory auditing services and issuance of tax audit reports).

13. Finance income and costs

Analysis of finance income and expenses is as follows:

Finance Expenses

Amounts in Euro	GROUP		COMPANY	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Interest expense from bank borrowings at amortised cost	(9.536.879)	(9.944.799)	(9.454.012)	(9.728.912)
Interest expense from defined benefit plans liabilities	(51.939)	(49.782)	(49.454)	(47.534)
Total finance expenses	**(9.588.818)**	**(9.994.581)**	**(9.503.466)**	**(9.776.446)**

Finance Income

Amounts in Euro	GROUP		COMPANY	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Interest income	52.241	105.536	49.894	52.316
Total finance income	**52.241**	**105.536**	**49.894**	**52.316**

Net financial expenses recognised in the current year’s results amounted to € 9.588.818 (2017: € 9.994.581) from which an amount of € 1.936.032 (2017: € 1.768.863) relates to the discounting of loan and interest instalments regarding the gain on the valuation of loan borrowings of the company. Further information is presented in Note 34 “Interest Bearing and Loan Borrowings”.

14. Other expenses

Amounts in Euro	GROUP 31/12/2018	GROUP 31/12/2017	COMPANY 31/12/2018	COMPANY 31/12/2017
Transportation expenses	(19.328.743)	(18.656.909)	(18.469.352)	(17.794.506)
Printed material and stationery expenses	(4.122.916)	(4.549.528)	(4.482.526)	(4.595.212)
Other extraordinary expenses	(1.038.524)	(948.077)	(926.885)	(665.528)
Taxes and stamp duties	(833.324)	(1.101.498)	(782.497)	(1.035.240)
Various expenses	(425.290)	(411.189)	(402.966)	(393.456)
Travelling expenses	(422.896)	(387.157)	(317.971)	(285.136)
Sales promotions and advertising expenses	(385.214)	(207.440)	(372.950)	(179.764)
Cleaning expenses	(212.012)	(261.941)	(212.012)	(255.541)
Security expenses	(184.550)	(175.211)	(184.550)	(175.211)
Recognition of employees right to vacation days & other personnel expenses (Note 37)	(173.286)	(2.350.398)	(166.919)	(2.247.587)
Provisions for indemnities due to prior year litigations (Note 37)	-	(1.528.368)	-	(1.528.368)
Subscriptions-Contributions	(127.415)	(96.647)	(114.540)	(88.292)
Sales exhibitions	(85.239)	(110.387)	(85.239)	(110.387)
Foreign Exchange differences	(153.588)	(358.672)	(146.016)	(352.863)
Special export expenses	(110.014)	(138.455)	(108.780)	(136.046)
Printed material and stationery expenses	(91.957)	(79.766)	(85.684)	(72.743)
Provisions for bad debts other receivables (Note 28)	(22.592)	(114.026)	(22.592)	(53.354)
Total expenses	**(27.717.560)**	**(31.475.669)**	**(26.881.479)**	**(29.969.234)**

The analysis of other expenses is the following:

15. Other income

Analysis of other operating income is as follows:

Amounts in Euro	GROUP 31/12/2018	GROUP 31/12/2017	COMPANY 31/12/2018	COMPANY 31/12/2017
Sales subsidies and other sales revenue	302.067	443.751	302.067	443.751
Income from other operations	91.202	140.371	59.152	120.050
Income from operating leases	-	-	54.000	59.127
Other income from unutilised provisions of bad debts (Note 28,29)	289.304	-	288.412	-
Other income from the write-off of suppliers (Note 38, 39)	-	315.986	-	225.735
Exchange differences	115.328	101.132	109.324	95.839
Other income	75.720	205.260	68.458	100.023
Total Income	**873.621**	**1.206.500**	**881.413**	**1.044.525**

Other income mainly relates to third party revenue. The Group does not have any rental income from third parties.

16. Income tax expense

The income tax expense of the Group and the Company is as follows:

	GROUP		COMPANY	
Amounts in Euro	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Current tax	(129.196)	(300.017)	(13.670)	(14.686)
Deferred tax	2.184.391	349.375	2.035.975	926.760
Income tax expense	**2.055.195**	**49.358**	**2.022.305**	**912.074**
Deferred tax - recognised in other comprehensive income (Equity holders of the parent company)	(557.299)	53.147	(438.676)	49.712
Income tax-other comprehensive income	**(557.299)**	**53.147**	**(438.676)**	**49.712**

The reconciliation between Income tax and deferred tax as compared to the estimated charge is presented below:

	GROUP		COMPANY	
Amounts in Euro	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/21/2017**
Current tax	(129.196)	(300.017)	(13.670)	(14.686)
Deferred tax	2.184.391	349.375	2.035.975	926.760
Total	**2.055.195**	**49.358**	**2.022.305**	**912.074**
Profit/(Losses) before tax	**(14.653.975)**	**23.312.082**	**(14.313.983)**	**21.762.159**
Tax rate	29%	29%	29%	29%
Estimated tax charge	**(4.249.653)**	**6.760.504**	**(4.151.055)**	**6.311.026**
Effect from the change in the income tax rate	(151.376)	-	(130.818)	-
Deferred income tax asset for the year				
Tax effect of non-taxed income/expense which are non tax deductible for tax purposes	(1.300.670)	(1.740.676)	(1.386.936)	(2.153.914)
Use of tax losses of the prior year for which no deferred tax has been calculated	7.549.016	3.759.718	7.549.016	3.759.718
Utilisation of prior year deferred tax asset on tax losses	-		-	(1.279.888)
Utilisation of tax losses unrecognised during the prior year	-	(1.279.888)	-	-
Effect of recognition of deferred tax assets on tax losses	(3.902.512)	(7.549.016)	(3.902.512)	(7.549.016)
Actual Tax Charge	**(2.055.195)**	**(49.358)**	**(2.022.305)**	**(912.074)**

According to the Group's policies, deferred tax assets are recognized following two (2) consecutive profitable years. As a result, the Group and Company as at 31.12.2018 had carried forward accumulated losses of approximately € 5,9 million, and a thin cap of € 8,1 million for which the company has recognized a deferred tax asset of € 3.902.512 (2017: € 7.549.016). The Group recognizes deferred tax assets for unused prior year losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses will be off-set against the above-mentioned profits in accordance with paragraph 34 of IAS 12 (Note 23).

The parent company and the domestic subsidiary have been audited for tax purposes for the prior years, according to the provisions of par. 5 of article 82 of L. 2238/94 and the provisions of article 65A, of L. 4174/2013 for which "Tax compliance Reports" have been issued. Furthermore, for the year 2017, the tax audit of the parent company and its subsidiary KegoAgri SA were completed during the current year having been subject to an audit by the Chartered and Certified Accountants according to the provisions of article 65A, of L. 4174/2013.

With respect to the financial year 2018, the Company as well as its domestic subsidiary KegoAgri SA are in the process of having the Tax Compliance Certificate issued, as provided by L.4174 / 2013. Upon completion of the tax audit the Group's management does not expect that any significant tax liabilities will result beyond those recognized and reported in the Financial Statements.

Furthermore, the tax years from 2013 up until 2018 of the subsidiary company Predomar remain unaudited, while the audit of the subsidiary company Nireus GMBH for the year 2018 is in progress.

According to the same provisions and based on the tax audit of prior years, companies which may incur taxable profits following the off-set 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 for unaudited tax years is considered adequate.

Information with respect to the unaudited tax years:
The unaudited, by the tax authorities, financial years for the group companies are as follows:

GROUP COMPANIES	UNAUDITED TAX YEARS
NIREUS AQUACULTURE S.A (*)	-
PROTEUS EQUIPMENT S.A	2016
PREDOMAR S.L.	Since 2013
KEGO AGRI S.A	-
NIREUS INTERNATIONAL LTD	Since 2006
NIREUS GMBH	-

(*) According to current legislation years 2009 and 2010 are considered time barred

Further information on deferred tax is presented in Note 23 “Deferred tax receivables/(liabilities)”

17. Earnings / (Losses) per share

Analysis of earnings / (losses) per share of the Group and the Company is as follows:

Basic Earnings/(losses) per share

Amounts in Euro	GROUP	
	31/12/2018	**31/12/2017**
Earnings /(losses) attributable to equity holders of the Company	(12.598.780)	23.361.440
Weighted average number of ordinary shares	293.994.422	291.944.354
Earnings/(losses) per share (€ per share)	**(0,0429)**	**0,0800**

Earnings/(losses) per share are 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.

Diluted Earnings/(losses) per share

Amounts in Euro	**GROUP 31/12/2018**	**GROUP 31/12/2017**
Earnings/(losses) attributable to equity holders of the Company	(10.965.620)	25.226.432
Weighted average number of ordinary shares	409.683.863	413.462.354
Diluted earnings/(losses) per share (€ per share)	**(0,0268)**	**0,0610**

Diluted earnings/(losses) per share, profit or losses per share which are attributed to the equity holders, in addition to, the weighted average of shares which are outstanding are adjusted so that all effects from the conversion of shares to common shares are taken into consideration.

18. Property Plant and Equipment

Land utilized for the purpose of either production or administration is stated at fair value. Similarly, buildings, machinery, technical installations and floating means are presented at fair value less accumulated depreciation reduced by any other impairment losses which are recognized as at the date of measurement (Note 5C).

During 31/12/2018 the Group and Company revalued land and buildings, machinery and technical installations (wherever deemed necessary) and floating means in accordance with the studies performed by the 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 each specific asset.

The effect from the revaluation of the above mentioned assets was an increase in the equity position of the Company by an amount of € 4.775.529, namely a decrease in the profit or loss of an amount of € (664.768) and a direct increase in equity by € 5.440.297, (before taxes) and an increase for the Group of € 5.227.308 through a decrease in the profit or loss statement of € (670.477) and a direct increase in equity by € 5.897.785, (before taxes). The effect per asset category is presented below:

	GROUP				**COMPANY**			
	Profit or Loss Statement	**Increase in Revaluation Reserve**	**Decrease in Revaluation Reserve**	**Total**	**Profit or Loss Statement**	**Increase in Revaluation Reserve**	**Decrease in Revaluation Reserve**	**Total**
Land	-91.914	288.769	0	196.855	-91.914	202.935	0	111.021
Buildings	-495.418	163.956	-1.388.612	-1.720.074	-495.418	0	-1.388.612	-1.884.030
Machinery and technical installations	-22.301	5.062.337	0	5.040.036	-16.592	4.854.639	0	4.838.047
Floating Means	-60.844	1.771.335	0	1.710.491	-60.844	1.771.335	0	1.710.491
Total	**-670.477**	**7.286.397**	**-1.388.612**	**5.227.308**	**-664.768**	**6.828.909**	**-1.388.612**	**4.775.529**

Other property, plant and equipment are presented at acquisition cost less accumulated depreciation less and impairment costs.

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.

Property, plant and equipment is analysed as follows:

GROUP

Amounts in Euro	Land	Buildings	Other Installations and equipment	Mechanical equipment and technical installations	Other Transportation means	Floating means	Furniture and other equipment	Assets under construction	Total
Cost									
Balance at 1 January 2017	**7.604.524**	**37.966.130**	**54.527.298**	**13.673.047**	**6.242.057**	**4.284.563**	**8.352.313**	**222.924**	**132.872.856**
Additions	-	611.499	5.159.703	89.408	577.503	-	462.263	3.199.129	**10.099.505**
Disposals	-	256	(75.377)	-	(95.064)	(1.990)	(13.035)	-	**(185.210)**
Reclassifications	210.460	-	(8.621)	8.621	-	-	-	-	**210.460**
Reclassifications from work-in-progress	-	42.419	308.737	-	586.901	-	1.926	(1.777.021)	**(837.038)**
Balance at 31 December 2017	**7.814.984**	**38.620.304**	**59.911.740**	**13.771.076**	**7.311.397**	**4.282.573**	**8.803.467**	**1.645.032**	**142.160.573**
Accumulated depreciation									
Balance at 1 January 2017	**-**	**(4.559.734)**	**(40.086.102)**	**(2.771.606)**	**(4.236.384)**	**(663.454)**	**(7.716.555)**	**-**	**(60.033.835)**
Depreciation charge	-	(922.855)	(2.752.931)	(1.354.255)	(293.942)	(331.682)	(284.269)	-	**(5.939.934)**
Disposals	-	-	74.223	11	95.056	501	13.033	-	**182.824**
Reclassifications	-	-	(96)	96		-	-	-	**-**
Balance at 31 December 2017	**-**	**(5.482.589)**	**(42.764.906)**	**(4.125.754)**	**(4.435.270)**	**(994.635)**	**(7.987.791)**	**-**	**(65.790.945)**
Net Book Value at 31 December 2017	**7.814.984**	**33.137.715**	**17.146.834**	**9.645.322**	**2.876.127**	**3.287.938**	**815.676**	**1.645.032**	**76.369.628**
Cost									
Balance at 1 January 2018	**7.814.984**	**38.620.304**	**59.911.740**	**13.771.076**	**7.311.397**	**4.282.573**	**8.803.467**	**1.645.032**	**142.160.573**
Additions	21.362	289.559	4.249.733	75.645	1.317.482	94.097	343.690	1.973.344	**8.364.912**
Disposals	-	-	(251.452)	-	(55.168)	(7.045)	(13.268)	-	**(326.933)**
Reclassifications	-	-	(330.644)	330.644	-	-	-	-	**-**
Reclassifications from work-in-progress	-	1.920.753	74.398	-	407.479	-	121.915	(3.335.593)	**(811.048)**
Transfers to investment property	(210.460)	-	-	-	-	-	-	-	**(210.460)**
Revaluation	196.854	(4.449.547)	-	(517.803)	-	(617.466)	-	-	**(5.387.962)**
Balance at 31 December 2018	**7.822.740**	**36.381.069**	**63.653.775**	**13.659.562**	**8.981.190**	**3.752.159**	**9.255.804**	**282.783**	**143.789.082**
Accumulated depreciation									
Balance at 1 January 2018	**-**	**(5.482.589)**	**(42.764.906)**	**(4.125.754)**	**(4.435.270)**	**(994.635)**	**(7.987.791)**	**-**	**(65.790.945)**
Depreciation charge	-	(897.697)	(3.108.050)	(1.395.686)	(60.621)	(751.265)	(229.450)	-	**(6.442.769)**
Disposals	-	(204)	151.452	-	46.884	2.059	12.305	-	**212.496**
Reclassifications	-	-	36.399	(36.399)	584.116	(584.116)	-	-	**-**
Revaluation of assets	-	2.729.474	-	5.557.838	-	2.327.957	-	-	**10.615.269**
Balance at 31 December 2018	**-**	**(3.651.016)**	**(45.685.105)**	**(1)**	**(3.864.891)**	**(0)**	**(8.204.936)**	**-**	**(61.405.949)**
Net Book Value at 31 December 2018	**7.822.740**	**32.730.053**	**17.968.670**	**13.659.561**	**5.116.299**	**3.752.159**	**1.050.868**	**282.783**	**82.383.133**

COMPANY

Amounts in Euro	Land	Buildings	Other Installations and equipment	Mechanical equipment and technical installations	Other Transportation means	Floating means	Furniture and other equipment	Assets under construction	Total
Cost									
Balance at 1 January 2017	**7.499.286**	**35.240.511**	**55.940.676**	**13.346.163**	**6.108.625**	**4.284.563**	**8.196.268**	**222.924**	**130.839.016**
Additions	-	503.373	5.257.234	-	555.502	-	445.884	3.199.129	**9.961.122**
Disposals	-	256	(74.961)	-	(95.064)	(1.990)	(12.485)	-	**(184.244)**
Reclassifications	210.460	-	(8.621)	8.621	-	-	-	-	**210.460**
Reclassifications from work-in-progress	-	42.419	308.737	-	586.901	-	1.926	(1.777.021)	**(837.038)**
Balance at 31 December 2017	**7.709.746**	**35.786.559**	**61.423.065**	**13.354.784**	**7.155.964**	**4.282.573**	**8.631.593**	**1.645.032**	**139.989.316**
Accumulated depreciation									
Balance at 1 January 2017	**-**	**(3.996.396)**	**(40.320.234)**	**(2.686.044)**	**(4.101.357)**	**(663.455)**	**(7.572.154)**	**-**	**(59.339.640)**
Depreciation charge	-	(690.044)	(2.896.352)	(1.317.834)	(294.107)	(331.682)	(274.484)	-	**(5.804.503)**
Disposals	-	-	73.864	-	95.058	501	12.483	-	**181.906**
Reclassifications	-	-	(96)	96	-	-	-	-	**-**
Balance at 31 December 2017	**-**	**(4.686.440)**	**(43.142.818)**	**(4.003.782)**	**(4.300.406)**	**(994.636)**	**(7.834.155)**	**-**	**(64.962.237)**
Net Book Value at 31 December 2017	**7.709.746**	**31.100.119**	**18.280.247**	**9.351.002**	**2.855.558**	**3.287.937**	**797.438**	**1.645.032**	**75.027.079**
Cost									
Balance at 1 January 2018	**7.709.746**	**35.786.559**	**61.423.065**	**13.354.784**	**7.155.964**	**4.282.573**	**8.631.593**	**1.645.032**	**139.989.316**
Additions	21.362	280.873	4.470.785	-	1.317.482	94.097	337.727	1.973.344	**8.495.670**
Disposals	-	-	(251.452)	-	(55.168)	(7.045)	(12.716)	-	**(326.381)**
Reclassifications									**-**
Reclassifications from work-in-progress	-	1.920.753	74.398	-	407.479	-	121.915	(3.335.593)	**(811.048)**
Transfers to investment property	(210.460)	-	-	-	-	-	-	-	**(210.460)**
Revaluation	111.023	(4.404.663)	-	(469.460)	-	(617.466)			**(5.380.566)**
Balance at 31 December 2018	**7.631.671**	**33.583.522**	**65.716.796**	**12.885.324**	**8.825.757**	**3.752.159**	**9.078.519**	**282.783**	**141.756.531**
Accumulated depreciation									
Balance at 1 January 2018	**-**	**(4.686.440)**	**(43.142.818)**	**(4.003.782)**	**(4.300.406)**	**(994.636)**	**(7.834.155)**	**-**	**(64.962.237)**
Depreciation charge	-	(657.453)	(3.313.532)	(1.303.725)	(59.918)	(751.264)	(222.987)	-	**(6.308.879)**
Disposals	-	-	151.452	-	46.884	2.059	11.909	-	**212.304**
Reclassifications	-	-	-	-	584.116	(584.116)	-	-	**-**
Revaluation of assets	-	2.520.631	-	5.307.507	-	2.327.957			**10.156.095**
Balance at 31 December 2018	**-**	**(2.823.262)**	**(46.304.898)**	**-**	**(3.729.324)**	**-**	**(8.045.233)**	**-**	**(60.902.717)**
Net Book Value at 31 Decembers 2018	**7.631.671**	**30.760.260**	**19.411.898**	**12.885.324**	**5.096.433**	**3.752.159**	**1.033.286**	**282.783**	**80.853.814**

In the Profit and loss statement, the figure “Depreciation” also includes amortization of grants on assets which has been offset against deprecation. With respect to the current year, amortization of grants amounted to € 625.941 for the Company and € 695.971 for the Group. The corresponding prior year figure amounts to € 667.589 for the Company and € 737.618 for the Group (Note 35).

Other “Installations and equipment” mainly include fixed assets concerning fattening and hatchery units and more specifically 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 2018, the fair values are based on valuations performed by the external valuer.

	Range
Significant valuation input from unobservable data	
Price per €/m2 -Land	**€** 3-220
Price per €/m2 -Buildings	**€** 188-872

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

Assets measured at fair value	**Date of Measurement**	**TOTAL**	***LEVEL 1***	***LEVEL 2***	***LEVEL 3***
Office	December 31 2018	4.600.596	-	-	v
Retail	December 31 2018	26.906.829	-	-	v
		31.507.425			

Mortgages and pledges against Group assets are analysed in Note 41, below.

19. Investment properties

The investment property of the Group and the Company is analysed as follows:

Amounts in Euro	**GROUP** Land	**GROUP** Buildings	**GROUP** Total	**COMPANY** Land	**COMPANY** Buildings	**COMPANY** Total
Carrying value at 1 January 2017	**1.541.657**	**2.407.249**	**3.948.906**	**1.541.657**	**2.407.249**	**3.948.906**
Reclassification	(210.460)	-	**(210.460)**	(210.460)	-	**(210.460)**
Gains/(losses) from fair value	95.360	(72.147)	**23.213**	95.360	(72.147)	**23.213**
Carrying value at 31 December 2017	**1.426.557**	**2.335.102**	**3.761.659**	**1.426.557**	**2.335.102**	**3.761.659**
Reclassification	210.460	-	**210.460**	210.460	-	**210.460**
Gains/(losses) from fair value	(527.945)	(134.372)	**(662.317)**	(527.945)	(134.372)	**(662.317)**
Carrying value at 31 December 2018	**1.109.072**	**2.200.730**	**3.309.802**	**1.109.072**	**2.200.730**	**3.309.803**

Investment property is measured on an annual basis, at year-end by the use of an independent qualified valuer.

As at 31 December 2018 the Group and Company revalued land and buildings based on a evaluation performed by an accredited independent valuer. The fair value has been based on market values whereby the current values were revalued based on 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 2018, the fair values are based on valuations performed by the external valuer.

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

Assets measured at fair value	**Date of Measurement**	**TOTAL**	***LEVEL 1***	***LEVEL 2***	***LEVEL 3***
Office	December 31 2018	329.060	-	-	v
Retail	December 31 2018	2.980.742	-	-	v
		3.309.802			

Assets measured at fair value	**Date of Measurement**	**TOTAL**	***LEVEL 1***	***LEVEL 2***	***LEVEL 3***
Office	December 31 2017	426.488	-	-	v
Retail	December 31 2017	3.335.171	-	-	v
		3.761.659			

Further information is presented in Note 44.
Significant increases (decreases) in the estimated price per square meter in isolation would result in a significantly higher (lower) fair value.
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 € (662.317) respectively (2017: Company € 23.213 and Group €23.213) respectively through profit and loss (before tax).

20. Goodwill

GROUP		**COMPANY**	
Amounts in Euro		*Amounts in Euro*	
Carrying value at 1 January 2017	**30.298.997**	**Carrying value at 1 January 2017**	**29.968.825**
Carrying value at 31 December 2017	**30.298.997**	**Carrying value at 31 December 2017**	**29.968.825**
Carrying value at 31 December 2018	**30.298.997**	**Carrying value at 31 December 2018**	**29.968.825**

The remaining amount of € 29.968.825 relates to the carrying value of prior years' merged companies.

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

The carrying amount of goodwill and fish-farm licenses allocated to each of the cash-generating units is further analysed in Note 22:

	AQUACULTURE		FISHFEED		AVICULTURE - STOCKBREEDING		TOTAL	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Goodwill	26.590.022	26.590.022	3.708.975	3.708.975	-	-	30.298.997	30.298.997
Aquaculture Licenses	13.680.000	13.680.000	-	-	-	-	13.680.000	13.680.000

The Group performed an annual impairment test on goodwill and intangible assets with an indefinite useful life as at 31 December 2018. During the examination of indications of impairment, the Group examines, among other factors, the relationship between the market capitalization and the carrying value.

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 to reflect the demand conditions of each operating segment. The pre-tax discount rate applied to cash flow projections is 7,6%. The cash flows which relate to the 5-year period 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 (2019-2023) the compound growth rate of (CAGR) for the aquaculture and fish feed segments is estimated at 3,7%, while for the Aviculture stock breeding segment, projections are set at 3,9%. Following the 5-year period, cash flows are extended with a growth rate of 3% for the aquaculture and fish feed segments and 2% for the aviculture and stockbreeding segment 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.

The impairment test resulted in that the recoverable amount of the aquaculture segment and of the fish feed segment exceeded their carrying value reflecting the positive prospects of the market in the future.

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 used for the extension of cash flows after the budget period

- Margin of earnings before interest, taxes, depreciation and amortization – Margins of earnings before interest, taxes, depreciation and amortization 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 ("CGU"). 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 in use for the three CGU's with respect to movements in the above parameters for the segments of Aquaculture and Fish feed, from which it was concluded that any reasonable change in the above parameters would not result in the carrying value exceeding the recoverable value for any of the above CGU's.

21. Intangible assets

The intangible assets of the Group and Company relate mainly to acquired aquaculture licenses and computer software licenses. Analysis of the carrying values of the above is presented in summary in the tables here below:

GROUP			
Amounts in Euro	**Computer and other software**	**Aquaculture Licences**	**Total**
Cost			
Balance 1 January 2017	**10.167.101**	**13.680.000**	**23.847.101**
Additions	206.250	**-**	206.250
Transfers from work under construction	837.038	-	837.038
Balance 31 December 2017	**11.210.389**	**13.680.000**	**24.890.389**
Accumulated amortisation			
Balance 1 January 2017	**(8.768.410)**	**-**	**(8.768.410)**
Amortisation charge	(741.791)	-	(741.791)
Balance at 31 December 2017	**(9.510.201)**	**-**	**(9.510.201)**
Net book value at 31 December 2017	**1.700.188**	**13.680.000**	**15.380.188**
Cost			
Balance 1 January 2018	**11.210.389**	**13.680.000**	**24.890.389**
Additions	204.208	**-**	204.208
Transfers from work under construction	811.048	-	811.048
Balance 31 December 2018	**12.225.645**	**13.680.000**	**25.905.645**
Accumulated amortisation			
Balance 1 January 2018	**(9.510.201)**	**-**	**(9.510.201)**
Amortisation charge	(782.363)	-	(782.363)
Balance at 31 December 2018	**(10.292.564)**	**-**	**(10.292.564)**
Net book value at 31 December 2018	**1.933.081**	**13.680.000**	**15.613.081**

COMPANY

Amounts in Euro	Computer and other software	Aquaculture Licences	Total
Cost			
Balance 1 January 2017	**10.160.026**	**11.475.000**	**21.635.026**
Additions	206.250	-	206.250
Transfers from work under construction	837.038	-	837.038
Balance 31 December 2017	**11.203.314**	**11.475.000**	**22.678.314**
Accumulated amortisation			
Balance 1 January 2017	**(8.761.404)**	**-**	**(8.761.404)**
Amortisation charge	(741.722)	-	(741.722)
Balance at 31 December 2017	**(9.503.126)**	**-**	**(9.503.126)**
Net book value at 31 December 2017	**1.700.188**	**11.475.000**	**13.175.188**
Cost			
Balance 1 January 2018	**11.203.314**	**11.475.000**	**22.678.314**
Additions	204.208	-	204.208
Transfers from work under construction	811.048	-	811.048
Balance 31 December 2018	**12.218.570**	**11.475.000**	**23.693.570**
Accumulated amortisation			
Balance 1 January 2018	**(9.503.126)**	**-**	**(9.503.126)**
Amortisation charge	(782.363)	-	(782.363)
Balance at 31 December 2018	**(10.285.489)**	**-**	**(10.285.489)**
Net book value at 31 December 2018	**1.933.081**	**11.475.000**	**13.408.081**

"Aquaculture licences" on a Group level relate to the value of the aquaculture licenses of the Company, the Group "SEAFARM IONIAN SA", "KEGO AGRI SA", and "PREDOMAR S.L", which resulted from 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, RED ANCHOR SA and SEAFARM IONIAN SA. The aforementioned goodwill is not depreciated, but is assessed for impairment loss at each reporting period, in accordance with IAS 36.

The management of the Group and Company examines the current conditions which arise from the developments in the Greek economy and the broader context of the economic environment and assessed that no material changes have occurred in the fair values as at 31.12.2018.

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.

Amounts in Euro	**COMPANY**
	31/12/2018
Opening Balance	**13.732.214**
Additions	105.381
Closing Balance	**13.837.595**

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

	31/12/2017					31/12/2018			
COMPANY NAME	Cost 01.01.2017	Share Capital Increase	Impairment of Investment	Amount as per Financial Position	Share Capital Increase	Impairment of Investment	Amount as per Financial Position	Country of incorporation	Percentage Shareholding 31.12.2018
PROTEUS SA	1.379.347	-	-	1.379.347	-	-	1.379.347	GREECE	100,00%
NIREUS GMBH	-	3.875.000	(3.875.000)	-	-	-	-	GERMANY	100,00%
NIREUS INTERNATIONAL LTD	6.400.033	-	-	6.400.033	105.381	-	6.505.414	CYPRUS	100,00%
KEGO AGRI S.A	5.952.834	-	-	5.952.834		-	5.952.834	GREECE	100,00%
TOTAL	13.732.214	3.875.000	(3.875.000)	13.732.214	105.381	-	13.837.595		

During the current year the subsidiary company Nireus International Ltd proceeded with an increase in its Share Capital by an amount of € 105.381 by off-setting a corresponding liability towards its parent company, and with a corresponding increase in the Company's investment in its subsidiary.

As at 31.12.2018 the Group does not have any non-controlling interests.

It should be noted that there are no restrictions between the Group and the above-mentioned subsidiaries as regards their access to the assets and the liabilities of the Group, nor is there any restriction to the transfer of funds and dividends between the Group and companies.

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	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Investments in subsidiaries	7.884.760	7.779.379	5.952.835	5.952.835	13.837.595	13.732.214

The recoverable amount of the unit was determined according to the value in use which was calculated based on the projected cash flows from financial budgets of the company approved by senior management, covering a 5-year period. 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 7,6%. 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 (2019-2023) the compound growth rate of (CAGR) for the aquaculture and fish feed segments is estimated at 3,7%, while for the Aviculture stock breeding segment projections are set at 3,9%. Following the 5-year period the cash flows are extended with a growth rate of 3% for the aquaculture and fish feed segments and 2% for the aviculture and stockbreeding segment taking into consideration the long-term projections of the company for the three segments in addition to the course of long-term inflation.

The impairment test indicates that the recoverable amount of the aquaculture segment exceeds its carrying value reflecting positive expectations which prevail in the market for the future.

For the purpose of impairment testing, the recoverable amount was determined as the value in use, calculated on the basis of projected cash flows from the Group's financial budgets approved by management, covering a period of five years. The CGU being tested for impairment is the same as that used for goodwill impairment and therefore disclosures regarding assumptions used are the same as those presented above in the disclosures for goodwill impairment (Note 20).

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			
	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
DEFERRED TAX LIABILITIES				
Intangible assets	(244.511)	(238.995)	(244.511)	(238.995)
Property, Plant & Equipment	(8.392.387)	(8.460.456)	(7.974.621)	(8.163.143)
Investments in subsidiaries	-	-	1.287.445	1.333.432
Biological Assets	(5.782.444)	(11.111.928)	(5.583.290)	(10.797.835)
Receivables	5.979.141	6.640.428	5.241.824	5.884.618
Long-term loan borrowings	(3.512.723)	(4.382.822)	(3.512.723)	(4.382.822)
Net Employee defined Benefit obligations	748.051	974.612	700.866	932.218
Other non-current liabilities	85.232	122.107	62.454	110.732
Provisions	1.260.855	1.292.809	1.173.652	1.204.994
Other current liabilities	(91.441)	(91.441)	(65.268)	(65.268)
Receivable from tax losses carried forward	3.902.512	7.549.016	3.902.512	7.549.016
	(6.047.715)	**(7.706.670)**	**(5.011.660)**	**(6.633.053)**
TOTAL DEFERRED TAX ASSETS	440.184	598.462	-	-
TOTAL DEFERRED TAX LIABILITIES	(6.487.899)	(8.305.132)	(5.011.660)	(6.633.053)
TOTAL DEFERRED TAX	**(6.047.715)**	**(7.706.670)**	**(5.011.660)**	**(6.633.053)**

	STATEMENT OF PROFIT OR LOSS				STATEMENT OF OTHER COMPREHENSIVE INCOME			
	GROUP		COMPANY		GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017
DEFERRED TAX LIABILITIES								
Intangible assets	(5.516)	46.965	(5.516)	46.965	-	-	-	-
Property, Plant & Equipment	639.224	166.321	635.685	164.490	(571.153)	-	(447.163)	-
Investments in subsidiaries	-	-	(45.987)	1.123.750	-	-	-	-
Biological Assets	5.329.483	(3.429.362)	5.214.545	(3.345.120)	-	-	-	-
Receivables	(693.149)	(1.208.191)	(666.885)	(1.770.658)	31.863	-	24.091	-
Long-term loan borrowings	870.099	2.272.688	870.099	2.272.688	-	-	-	-
Net Employee defined Benefit obligations	(240.416)	120.605	(239.841)	113.200	13.854	53.147	8.487	49.712
Other non-current liabilities	(36.875)	(329.035)	(48.278)	(327.404)	-	-	-	-
Provisions	(31.955)	1.562.432	(31.343)	1.487.402	-	-	-	-
Other current liabilities	-	(2.642.346)	-	(2.627.851)	-	-	-	-
Receivable from tax losses carried forward	(3.646.504)	3.789.298	(3.646.504)	3.789.298	-	-	-	-
	2.184.391	**349.375**	**2.035.975**	**926.760**	**(525.436)**	**53.147**	**(414.585)**	**49.712**

The movement in deferred tax in Other comprehensive Income of the Group of an amount of € (525.436) includes an effect (deferred tax asset) of an amount of 1.139.082 from the change in the income tax rate, while the Profit or Loss Statement of the Group of an amount of € 2.184.391 includes an effect of € (151.376) (deferred tax liability).

The corresponding movement in deferred tax in Other comprehensive Income of the Group of an amount of € (414.585) includes an effect (deferred tax asset) of an amount of €1.133.314 from the change in the income tax rate, while the movement in the Profit or Loss Statement of the Group of an amount of € 2.035.975 includes an effect of € (130.818) (deferred tax liability)

Reconciliation of deferred tax liabilities, net

	GROUP	COMPANY
Beginning Balance as at 1 January 2018	**(7.706.670)**	**(6.633.053)**
Tax recognised prior to the change in the income tax rate in the Profit or Loss	2.335.767	2.166.796
Effect from the change in the tax rate in the Profit or Loss Statement	(151.376)	(130.818)
Deferred tax-income/(expense) recognised during the period in profit and loss	**2.184.391**	**2.035.978**
Deferred tax-income/(expense) recognised during the period in OCI		
Effect from the change in accounting policy IFRS 9	**31.863**	**24.091**
Tax recognised prior to the change in the income tax rate in the Profit or Loss	(1.696.381)	(1.571.990)
Effect from the change in the tax rate in OCI	1.139.082	1.133.314
Tax recognised in Other comprehensive income	**(557.299)**	**(438.676)**
Ending Balance as at 31 December 2018	**(6.047.715)**	**(5.011.660)**

The basic income tax rate for Societe Anonyme companies in Greece for the fiscal year ending 31 December 2018 is 29% (2017: 29%). Pursuant to Article 23 of the recent Law 4579, passed in December 2018, the tax rates for the profits resulting from business activity of legal persons are gradually reduced by 1% per year, as follows: 28% for the tax year 2019, 27% for the tax year 2020, 26% for the tax year 2021 and 25% for the tax year 2022 onwards.
At 31 December 2018, the effect of the change in future tax rates in Other comprehensive income amounts to € 1,1 million profit and € (0,2) million losses in the Statement of Profit or loss.

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 31.12.2018 relate to the subsidiary located in Spain by an amount of € 162.750 (tax rate 25%), and by an amount of 6.325.148 for companies located in Greece. The respective amounts as at 31.12.2017 were, for the Company located in Spain of an amount of € 338.649, and an amount of € 7.966.483 for companies that are located in Greece.

The deferred tax receivables for the Group as at 31.12.2018 of € 440.184 relate to companies located in Greece. The corresponding amounts as at 31.12.2017 of € 598.462 result from the companies located in Greece.

According to the Group's policy, deferred tax assets are recognised following two consecutive profitable years. As a result, the Company has recognised a deferred tax asset on unused tax losses of an amount of € 3.902.512 (2017: € 7.549.016, to the extent that it is probable that future taxable profits will be available against which unused tax losses will be available to be offset against future profits in accordance with paragraph 34 of IAS 12 (Note 16).
The decrease in the deferred tax asset by € 3.646.504 from € 7.549.016 in 2017 to € 3.902.512 in 2018 is attributed to the reduction in the carried forward tax losses by an amount of € 3.386.193 in addition to the gradual reduction in the income tax rate from 29% to 25% in 2022 of an amount of € 260.311.

24. Financial assets at fair value through OCI

The change in the financial assets at fair value through OCI is analysed as follows:

Amounts in Euro	GROUP		COMPANY	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Guarantees to third parties	**125.455**	**125.455**	**112.340**	**112.340**
Balance at end of the year	**125.455**	**125.455**	**112.340**	**112.340**

Financial Assets at fair value relate to investments in non-listed in an organised market, companies. All such financial assets are stated at historical cost which approximates their fair value.

25. Other non-current assets

Other non-current assets of the Group and the Company relate to receivables, which are to be collected at the end of the following year-end, and are analysed in the table here below:

	GROUP		COMPANY	
Amounts in Euro	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Guarantees to third parties	347.325	426.419	326.023	403.717
Total	**347.325**	**426.419**	**326.023**	**403.717**

26. Biological assets

Biological assets comprise broodstock, fish, juveniles and stock breeding products as at the Balance Sheet date and are measured at fair value. Following the adoption of IFRS 13 as of 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:

Amounts in Euro	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Balance of biological assets at 1 January	**197.082.545**	**180.624.862**	**187.704.805**	**172.405.271**
Increases due to purchases of biological assets	604.286	2.098.978	257.820	1.709.915
Gain/Loss arising from changes in fair value attributable to price or quantity changes of biological assets	163.798.189	194.335.388	152.960.453	182.028.378
Decreases due to sales of biological assets	(175.587.563)	(179.976.683)	(164.643.417)	(168.438.759)
Ending balance of biological assets	**185.897.457**	**197.082.545**	**176.279.661**	**187.704.805**
ANALYSIS OF BIOLOGICAL ASSETS IN BALANCE SHEET				
A) Biological assets of fish (Assets – Non-current assets)	70.826.057	77.612.794	67.022.531	72.989.701
B) Biological Poultry-Livestock (Assets - Non-current assets)	373.000	309.000		
TOTAL BIOLOGICAL ASSETS - Assets - Non-current	**71.199.057**	**77.921.794**	***67.022.531***	***72.989.701***
C) Biological assets fish (Inventories - Current assets)	114.533.782	119.030.349	109.257.130	114.715.104
D) Biological Poultry-Livestock (Inventories - Current assets)	164.618	130.402	-	-
TOTAL BIOLOGICAL ASSETS - Assets - Current	***114.698.400***	***119.160.751***	***109.257.130***	***114.715.104***
TOTAL BIOLOGICAL ASSETS	**185.897.457**	**197.082.545**	**176.279.661**	**187.704.805**

Analysis of the effect of the Valuation of Biological Assets at Fair Value versus Cost

The effect from the valuation of biological assets at fair value versus their valuation at cost amounts to a loss of € (17.969.787) (2017: gain of € 12.088.468) for the Group and losses of an amount of € (17.314.404) (2017: gain of € 11.534.894) for the Company as presented in the following table.

	GROUP			COMPANY		
	LOCAL GAAP	ADJUSTMENT	IFRS	LOCAL GAAP	ADJUSTMENT	IFRS
Fair value of Biological assets at beginning 1.1.2018	158.468.200	38.614.345	197.082.545	150.471.111	37.233.694	187.704.805
Less:Fair value of Biological assets at ending 31.12.2018	165.252.899	20.644.558	185.897.457	156.360.371	19.919.290	176.279.661
Gain/(loss) in the movement in th fair value of biological assets	**6.784.699**	**- 17.969.787**	**- 11.185.089**	**5.889.261**	**- 17.314.404**	**- 11.425.144**

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 made on the following factors and parameters: 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 placement, 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 when early in the cycle, or if the health condition of the fish restricts the treatment of fish. If the biomass in the sea varied by +/(-) 1% as compared to estimates this would result in a change in IAS 41 valuation by approximately € 1,0 million / € (1,0) million.

Size distribution of fish

Fish in sea grows in various rates and even under conditions of satisfactory estimates, the average weight of the fish can result in considerable fish quality and weight variation. 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 / Discount Rate

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 at December 31, 2018 were are harvest size, a change in the prices by +/(-) 5% per kilo weight would alter the valuation by a positive/negative € 8,3 mil. / € (8,3) mil. and a change in the discounting rate by +/(-)1% would (negatively)/positively alter the valuation 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 decrease in biological assets of the Group as of 31.12.2018, mainly resulting from the Company, as compared to the prior year € 31.12.2017 by approximately € 11,2 mil., is mainly attributed to the decrease in the fair value prices of biological assets as at 31.12.2018 while the number of fresh fish at year end marked an increase as compared to the prior year.

The Group has insured, against any form of risk, all of its biological assets at foreign reputable insurance companies. The respective receivables regarding insurance indemnity claims are factored, as pledged assets, to the banks.

The company NIREUS SA, based on the agreement dated 01.01.2019 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 31.12.2019.

First class pledged assets regarding the biological assets of fish population against loans obtained amount to € 129.700.000, and second-class pledges amount to € 10.300.000, in favour of the bondholders. An amount of € 10.300.000, regards a first-class pledge in favour of creditors as described in Note 41 below.

27. Inventories

The inventories of the Group and the Company are as follows:

Amounts in Euro	GROUP		COMPANY	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Merchandise	1.090.489	1.045.451	126.192	25
Finished and semi-finished goods	4.469.784	3.983.210	4.215.257	3.975.925
Work in progress	82.269	119.698	82.269	119.698
Raw and auxiliary materials-Package materials	5.126.879	5.529.936	4.005.294	4.198.268
Consumables	123.837	214.625	42.762	59.079
Total	**10.893.258**	**10.892.920**	**8.471.774**	**8.352.995**

The amount of inventories consumed during the year and included in "Raw material consumption" of the profit or loss statement, amounts to € 104.921.735 for the Group and € 91.176.776 for the Company (2017: €100.796.605 for the Group, and € 88.147.925 for the Company).

For the assessment of the net selling price of inventories, management takes into consideration the most reliable data available as at the measurement date.

28. Trade and other receivables

The trade and other receivables of the Group and the Company are as follows:

	GROUP		COMPANY	
Amounts in Euro	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Trade receivables to third parties (Trade debtors)	35.578.242	35.901.439	30.812.563	31.024.569
Trade receivables from third parties (Intercompany)	-	-	3.487.695	3.607.026
Trade receivables from third parties (Notes)	2.893.422	2.980.585	1.334.920	1.519.788
Trade receivables from third parties (Cheques receivable)	12.485.497	13.832.838	7.803.414	8.472.270
Provision for uncollectible receivables	(15.486.080)	(15.857.558)	(12.645.095)	(12.918.233)
Total	**35.471.081**	**36.857.304**	**30.793.497**	**31.705.420**

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

Amounts in €

	GROUP		COMPANY	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Opening Balance	15.857.558	13.856.332	12.918.233	12.890.762
Additions during the year	11.754	254.460	11.754	149.646
Reclassification to other receivables	-	1.746.766	-	(122.175)
Effect from the change in accounting policy	121.463		93.912	-
Write-offs	(141.281)	-	(141.189)	-
Reversals (income from used provisions)	(363.414)	-	(237.614)	-
Closing Balance	**15.486.080**	**15.857.558**	**12.645.095**	**12.918.233**

With respect to the Group's and Company'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 negative movement in the established, during the year, provision of the Group of an amount of € (371.478) (2017: € 2.001.226) relates to the net effect of: an additional provision of an amount of € 11.754 (2017: € 254.460) which relates to the Company, a write-off of an amount of € (141.281), used provisions of an amount of € (363.414) in addition to an amount of 121.463 which relates to the effect from the adoption of the new IFRS 9 standard (Note 4.1)

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:

2018

GROUP						
2018	<30	30-60	60-90	90-180	Over 180	Total
Trade receivables and other receivables	16.717.012	9.426.655	4.053.591	1.943.158	15.975.760	**48.116.176**
Provision for bad debts	-	-	-	-	(12.645.095)	**(12.645.095)**
COMPANY						
2018	**<30**	**30-60**	**60-90**	**90-180**	**Over 180**	**Total**
Trade receivables and other receivables	13.173.091	7.857.479	3.272.110	3.808.814	18.168.083	**46.279.577**
Provision for bad debts	-	-	-	-	(15.486.080)	**(15.486.080)**

2017

GROUP						
2017	<30	30-60	60-90	90-180	Over 180	Total
Trade receivables and other receivables	19.666.518	7.312.018	3.486.627	4.208.524	18.041.175	**52.714.862**
Provision for bad debts	-	-	-	-	(15.857.558)	**(15.857.558)**
COMPANY						
2017	**<30**	**30-60**	**60-90**	**90-180**	**Over 180**	**Total**
Trade receivables and other receivables	15.985.035	6.263.038	2.492.327	3.389.396	16.493.857	**44.623.653**
Provision for bad debts	-	-	-	-	(12.918.233)	**(12.918.233)**

The company's policy, with the exception of certain customer contracts, is that receivables of foreign customers are collected on average in 45 days, of domestic customers in 60-90 days and of customers of juvenile feed in 6 months.

29. Other current financial assets

The other current financial assets of the Group and the Company are as follows:

Amounts in Euro	GROUP 31/12/2018	GROUP 31/12/2017	COMPANY 31/12/2018	COMPANY 31/12/2017
Sundry debtors - third parties	8.666.263	10.078.531	8.600.494	10.013.313
Sundry debtors intercompanies		-	714.770	486.061
Receivable from the State	3.265.919	8.127.915	2.949.921	7.679.442
Bad debt receivables	2.629.712	2.644.381	2.629.712	2.644.381
Employee financial assistance	95.807	46.542	77.414	43.306
Provision for bad debts	(9.737.754)	(10.569.319)	(9.729.440)	(10.561.003)
Total	**4.919.947**	**10.328.050**	**5.242.871**	**10.305.501**

The decrease in the Group's receivables from the State of an amount of € 4.861.996, from € 8.127.915 in 2017 to € 3.265.919 in 2018, mainly relates to the collection of value added tax returns, following the Company's claims from the State.

All of the above receivables are current and of a short-term maturity. The carrying value of these current financial assets is assessed that it approximates its fair value.

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

Amounts in €

	GROUP 31/12/2018	GROUP 31/12/2017	COMPANY 31/12/2018	COMPANY 31/12/2017
Opening Balance	10.569.319	12.389.356	10.561.003	14.181.300
Additions during the year	-	53.280	-	97.422
Reclassification from trade receivables	-	(1.746.766)	-	122.175
Write-offs of provisions of other receivables	(816.895)	(126.551)	(816.895)	(3.839.894)
Used provisions	(14.669)	-	(14.669)	-
Closing Balance	**9.737.754**	**10.569.319**	**9.729.440**	**10.561.003**

It should be noted that in accordance with IAS 32 an offsetting of financial assets and financial liabilities has been made.

30. Other current assets

The other current assets of the Group and the Company are as follows:

Amounts in Euro	GROUP 31/12/2018	GROUP 31/12/2017	COMPANY 31/12/2018	COMPANY 31/12/2017
Deferred expenses	1.154.629	283.493	1.146.518	271.998
Accrued income	170.220	146.339	168.600	144.719
Inventory-in-transit		825	-	-
Total	**1.324.849**	**430.657**	**1.315.118**	**416.717**

31. Restricted Cash

As at 31.12.2018 the Group and Company have restricted cash balances of an amount of € 10.878.777,89 (31.12.2017: € 8.979.661,15) from which an amount of € 4.000.000 relates to the pledge for the collateral requirements of the fire victim loan of the National Bank, an amount of € 5.118.300 regards VAT returns for years 2017 and 2018 provided as a pledge for a bond loan, an amount of € 205.093,40 relates to letters of guarantees of the National Bank for the good performance and payment of sea leases, an amount of € 1.479,99 relates to a pledge for the short-term loans of Eurobank, an amount of € € 107.105,16 from which (a) an amount of € 15.629,38 relates to letters of guarantees issued for the good performance and payment of sea leases while (b) an amount of € 91.475,78 concerns short-term borrowings from Piraeus Bank, an amount of €104.664,58 regards the commitment for repayment of interest and taxes of the convertible bond loan issued in 2007, an amount of € 184,20 relates to short-term borrowings of Alpha Bank and an amount of € 556 relates to the short-term borrowings of Eurobank.

Furthermore, during the year an amount of € 1.341.394 was deemed restricted due to the Company's liability of indemnity towards a third party in relation to a court litigation which is in progress before the Athens Multi-Member court of First Instance (Note 41).

32. Cash and short-term deposits

The cash and cash equivalents of the Group and the Company are as follows:

Amounts in Euro	GROUP 31/12/2018	GROUP 31/12/2017	COMPANY 31/12/2018	COMPANY 31/12/2017
Cash on hand	54.363	48.744	52.464	46.640
Sight bank deposits	9.612.150	10.983.773	8.948.166	10.040.848
Total	**9.666.513**	**11.032.517**	**9.000.630**	**10.087.488**

The cash and cash equivalents represent cash and bank deposits available upon demand.

33. Issued Share Capital and Reserves

i) Issued Capital

The Company's share capital consists of common registered shares with a nominal value € 0,30 each. 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. All shares are listed and freely traded in the main market of the Athens Stock Exchange.

	GROUP					COMPANY				
Amounts in Euro	Number of shares	Share capital (ordinary shares)	Treasury shares	Share premium	Total	Number of shares	Share capital (ordinary shares)	Treasury shares	Share premium	Total
Balance at 1 January 2017	291.497.368	87.449.210	(47.271)	36.769.486	124.171.425	291.497.368	87.449.210	(47.271)	36.769.486	124.171.425
Increase in share capital due to merger of subsidiary company	2.519.444	755.834	-	17.636	773.470	2.519.444	755.834	-	17.636	773.470
Balance at 31 December 2017	294.016.812	88.205.044	(47.271)	36.787.122	124.944.895	294.016.812	88.205.044	(47.271)	36.787.122	124.944.895
Balance at 31 December 2018	294.016.812	88.205.044	(47.271)	36.787.122	124.944.895	294.016.812	88.205.044	(47.271)	36.787.122	124.944.895

The share capital of the company, as at 31.12.2018, amounted to € 88.205.043,60 divided into 294.016.812 common shares with voting rights, at a nominal value of € 0,30 each.

Treasury Shares

The company as at 31.12.2018 holds 24.061 treasury shares while the Group subsidiaries do not hold any shares of the Company.

ii) Fair value Revaluation Reserve

The analysis of fair value reserves is as follows:

Amounts in Euro	GROUP	COMPANY
Balance at 31 December 2016	**37.098.494**	**36.755.808**
Sale of fixed assets measured at fair value	(2.602)	(2.260)
Balance at 31 December 2017	**37.095.892**	**36.753.548**
Sale of fixed assets measured at fair value	(4.160)	(4.160)
Revaluation of assets	4.187.549	3.859.820
Change in income tax rate	1.139.082	1.133.314
Balance at 31 December 2018	**42.418.363**	**41.742.522**

iii) Other reserves

Other reserves are as follows:

GROUP							
Amounts in Euro	LEGAL RESERVE	UNDER SPECIAL LAW PROVISIONS	RESERVE INTENDED FOR SHARE CAPITAL INCREASE	SHARE BASED PAYMENTS RESERVE	ACTUARIAL DIFFERENCES RESERVE	OTHER RESERVES	TOTAL OTHER CAPITAL RESERVES
Balance at 1 January 2017	3.678.290	727.788	-	385.300	343.368	70.147.042	75.281.788
Actuarial gains and losses from pension obligations	-	-	-	-	(130.116)	-	(130.116)
Net-off of reserves with retained earnings	-	-	-	(385.300)	-	(574.912)	(960.212)
Balance at 31 December 2017	3.678.290	727.788	-	-	213.252	69.572.129	74.191.460
Actuarial gains and losses from pension obligations	-	-	-	-	(33.920)	-	(33.920)
Balance at 31 December 2018	3.678.290	727.788	-	-	179.332	69.572.129	74.157.540

COMPANY

Amounts in Euro

	LEGAL RESERVE	UNDER SPECIAL LAW PROVISIONS	RESERVE INTENDED FOR SHARE CAPITAL INCREASE	SHARE BASED PAYMENTS RESERVE	ACTUARIAL DIFFERENCES RESERVE	VARIOUS RESERVES	TOTAL OTHER CAPITAL RESERVES
Balance at 1 January 2017	**3.487.165**	**624.273**	**-**	**385.300**	**338.617**	**70.682.421**	**75.517.776**
Actuarial gains and losses from pension obligations	-	-	-	-	(121.708)	-	**(121.708)**
Net-off of reserves with retained earnings	-	-	-	(385.300)	-	(1.118.571)	**(1.503.871)**
Balance at 31 December 2017	**3.487.165**	**624.273**	**-**	**-**	**216.909**	**69.563.850**	**73.892.197**
Actuarial gains and losses from pension obligations	**-**	**-**	**-**	**-**	(20.784)	**-**	**(20.784)**
Balance at 31 December 2018	**3.487.165**	**624.273**	**-**	**-**	**196.125**	**69.563.850**	**73.871.413**

Under the Greek law, companies are required to transfer at least 5% of their annual net profits to a statutory reserve until the reserve equals one third of the share capital. This reserve cannot be distributed but can be used to write-off of cumulative losses.

34. Interest Bearing loans and Borrowings

The non-current and current borrowings are as follows:

Amounts in Euro	**GROUP**		**COMPANY**	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Total non-current borrowings	107.228.006	131.686.559	107.207.374	131.584.678
Total liabilities payable in following year	38.936.946	29.240.440	38.855.716	29.161.273
Total short-term loans	12.973.402	5.309.429	12.478.085	5.208.928
Total loans	**159.138.354**	**166.236.428**	**158.541.175**	**165.954.878**

The above loan borrowings include the effect from the valuation of Group loans at fair value:

Loan borrowings long-term and short-term excluding the gain from the restructuring of loan borrowings are analysed as follows:

Amounts in Euro	**GROUP**		**COMPANY**	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Total non-current borrowings	120.633.148	146.799.738	120.612.516	146.697.857
Total liabilities payable in following year	38.936.946	29.240.440	38.855.716	29.161.273
Total short-term loans	12.973.402	5.309.429	12.478.085	5.208.928
Total loans	**172.543.496**	**181.349.607**	**171.946.317**	**181.068.057**

Maturity dates of non-current borrowings are analysed below:

Amounts in Euro	GROUP		COMPANY	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Between 1 and 2 years	8.303.531	32.971.459	8.282.899	32.890.326
Between 2 and 5 years	44.669.509	39.882.358	44.669.509	39.861.610
Over 5 years	67.660.108	73.945.921	67.660.108	73.945.921
	120.633.148	**146.799.738**	**120.612.516**	**146.697.857**

The major loans of the Group and that of the Company as at 31 December 2018 are summarized as follows:

	31/12/2018					
(Amounts in € million)	**BALANCE PRIOR TO THE EFFECT OF THE VALUATION AT FAIR VALUE**	**REMAINING BALANCE OF GAIN DUE TO RESTRUCTURING OF LOANS**	**BALANCE OF LOANS IFRS**	**LONG-TERM PORTION IFRS**	**SHORT-TERM PORTION OF LOANS**	**SHORT-TERM INTEREST IFRS**
A. BOND LOANS						
1 Common Bond Loan of an amount up to € 58,2 million	54,6	(1,6)	53,0	33,7	18,9	0,5
2 Convertible Bond Loan of an amount up to € 29,4 million	20,2	(4,5)	15,7	15,7	-	0,0
3 Common Bond Loan of an amount up to € 4,8 million	4,7	(0,3)	4,4	4,4	-	0,0
4 Common Bond Loan of an amount up to € 31,4 million	23,3	(0,9)	22,3	22,1	-	0,2
5 a.Convertible Bond loan of an amount up to € 20,0 million	(0,0)	0,0	-	-	-	-
b.Convertible Bond loan of an amount up to € 19,0 million	18,3	(6,1)	12,1	12,1	-	0,0
6 Amortised Loan of an amount up to € 13 million	13,5		13,5	13,0	-	0,5
7 Amortised Loan of an amount € 4,4 million	-					
B.FIRE VICTIM LOANS						
1 Fire victim loan of an initial amount of € 25 million	9,9	-	9,9	-	9,9	-
2 Fire victim loan of an initial amount of € 24,9 million	8,7	-	8,7	-	8,7	-
C. OTHER LONG-TERM LOANS	6,5	-	6,5	6,3	0,2	-
D. SHORT-TERM LOANS	12,9	-	12,9	-	12,7	0,2
GRAND TOTAL (A+B+C+D)	172,5	(13,4)	159,1	107,2	50,3	1,5

The major loans of the Group and that of the Company as at 31 December 2017 are summarized as follows:

	31/12/2017					
(Amounts in € million)	**BALANCE PRIOR TO THE EFFECT OF THE VALUATION AT FAIR VALUE**	**REMAINING BALANCE OF GAIN DUE TO RESTRUCTURING OF LOANS**	**BALANCE OF LOANS IFRS**	**LONG-TERM PORTION IFRS**	**SHORT-TERM PORTION OF LOANS**	**SHORT-TERM INTEREST IFRS**
A. BOND LOANS						
1 Common Bond Loan of an amount up to € 58,2 million	54,6	(1,9)	52,7	44,9	7,3	0,5
2 Convertible Bond Loan of an amount up to € 29,4 million	20,2	(5,0)	15,2	15,1	-	0,0
3 Common Bond Loan of an amount up to € 4,8 million	4,7	(0,3)	4,4	4,3	-	0,0
4 Common Bond Loan of an amount up to € 31,4 million	23,3	(1,0)	22,2	22,0	-	0,2
5 Convertible Bond loan of an amount up to € 20,0 million	24,2	(6,8)	17,3	17,3	-	-
6 Amortised Loan of an amount up to € 13 million	11,0	-	11,0	7,8	2,9	0,3
7 Amortised Loan of an amount € 4,4 million	-	-	-			
B.FIRE VICTIM LOANS						
1 Fire victim loan of an initial amount of € 25 million	17,1	-	17,1	10,3	6,8	-
2 Fire victim loan of an initial amount of € 24,9 million	20,6	-	20,6	9,6	10,6	0,4
C. OTHER LONG-TERM LOANS	0,4	-	0,4	0,3	0,1	0,0
D. SHORT-TERM LOANS	5,3		5,3	-	-	-
GRAND TOTAL (A+B+C+D)	181,3	(15,1)	166,2	131,7	27,7	1,6

Loan liabilities, prior to the effect of the valuation of the Group's loans at fair value, as at 31.12.2018 amounted to € 172,5 million (2017: € 181,3 million) while the corresponding net loan borrowings (reduced by restricted cash and cash equivalents) prior to the effect of the valuation at fair value amounted for the Group to € 152,0 million (2017: € 161,3 million).

AI. BOND LOANS

1. **Common Bond Loan of an amount up to € 58,2 million**: Bond loan contract with a syndicate of banks amounting to € 58.219.126. The entire repayment of the loan is set at (7) years with full repayment in 2022. The base rate of the loan is set at the variable Euribor rate plus a margin of 4,25%.

   It is noted that during the year 2018 the Company received, upon its request, approval (letter of consensus) from Piraeus Bank, following the increased majority of the Bondholders, for the postponement of payment of the 2018 installment of a total amount of € 7.260.000 (initially payable on 16.10.2018) for 28/06/2019 and in a corresponding amendment of the repayment schedule of the common bond loan of € 58,2 million.

2. **Convertible Bond Loan of an amount up to € 29,4 million:** Convertible bond loan contract of an amount of €29.466.293 with a syndicate of banks. Under the new contract the following terms hold:

   a. Loan Duration 10-year period with full repayment in September 2025
   b. Interest rate: 1% (fixed for the entire loan period)
   c. Conversion Ratio: 3,22 shares with voting shares at € 0,30 each
   d. Conversion Price € 0,31 per share
   e. Nominal value: € 1 per bond

3. **Common Bond Loan of an amount up to € 4,8 million:** Bond loan contract with a syndicate of banks of an amount of up to € 4.883.00. Duration of 10 years to be fully repaid in September 2025. The base rate of the loan is set at variable Euribor rate plus a margin of 4,25%.

4. **Common Bond Loan of an amount up to € 31,4 million.:** Bond loan contract with a syndicate of banks amounting to € 31,4 million to be fully repaid on September 2025. The base interest rate of the loan is fixed at Euribor rate plus a margin of 4.25%.

5. **Convertible Bond loan of an amount up to € 19,2 million and repayment of the CBL issued in 2007 up to € 20 million**:

   a. Repayment of the Convertible Bond loan of an amount up to € 20 million
   The Company, on 26 October 2018 proceeded with the total early repayment of the bonds of the Convertible Bond Loan (C.B.L) (issued 2007) in accordance with the specific provisions of article 3.2 of the aforementioned loan, with a total outstanding amount of € 23.634.148,48. The total repayment was made at the nominal value of each bond, plus an increase of 3,08%, the total outstanding amount being € 24.362.080.

   b. Issuance of the Convertible bond loan of up to € 19,2 million
   Following the above a new convertible bond loan of up to € 19.193.973, convertible into new shares of the Company and non-negotiable in a regulated market, was issued in order to refinance part of the existing C.B.L (2007). The new C.B.L will be issued by abolishing the pre-emptive subscription rights of the shareholders as it will be covered by Piraeus Bank and Eurobank Ergasias as lenders.
   The new C.B.L, the issuance of which is proposed to facilitate the early repayment of the C.B.L (issued 2007), was refinanced by the amount of € 18.243.555 until 31.12.2018.

The loan terms are as follows:

a. Loan duration is set at 10 years to be fully repaid in October 2025. The bonds will be issued in two series Series A: 18.243.555 Bonds και Series B: 950.418 Bonds.

b. Interest rate: 1% (fixed for the entire loan period).

c. Conversion ratio: 3,2258 common shares with voting rights at € 0,30 each

d. Conversion price: € 0,31 per share

e. Par value: € 1 per bond

6. **Amortised Loan of an amount up to € 13 million**: Loan agreement set for (5) years to be fully repaid in 2021 and up to the amount of € 13.000.000.
   The base interest rate is set at Euribor a margin of 4,25%.

7. **Amortised Loan of an amount up to € 4,4 million**.: Loan agreement was signed between the company and Piraeus Bank of an amount of 4.439.143, which will be repaid in 2021.

   The base interest rate is set at Euribor a margin of 4,25%.

AII. VALUATION OF LOAN LIABILITIES

Debt-for-debt renegotiations

Under IFRS, a restructuring is accounted for as an extinguishment if either the renegotiated debt instrument is on different terms from the existing instrument or the renegotiated instrument is with a different lender. In this case the existing instrument is derecognized, and the initial debt instrument is recognized at fair value. The difference between the fair value of the renegotiated instrument and the carrying amount of the old instrument is recognized in the profit or loss statement. Any costs or fees incurred in the event of extinguished debt are recognized as part of the gain or loss on extinguishment.

As a result of the above in accordance with IFRS, the company adopted the accounting treatment of restructuring of existing debt obligations based on the principle of whether the changed terms were "substantially different" from the previous terms of existing loans.
The assessment of the new loans has revealed that there is a "substantial modification" of the loans and therefore the company proceeded with the extinguishment of the existing liability and the subsequent recognition of a new debt obligation in accordance with IFRS, in which the accounting treatment included the following:

-Derecognition of existing loan obligations
-Recognition of the new loan at fair value, based on the expected future cash flows of the modified liability, and discounted using the interest rate at which the entity could raise debt with similar terms and conditions of the market
-Gain equal to the difference between the book value of the old loan obligation and the fair value of the new loan liability, that is of amount of € 227.995 (difference between the book value of the old loan of € 6.019.745 and the fair value of new loan liability of € 6.247.740) which was recognized in the Profit or Loss statement in the figure "Gain on measurement from refinancing of financial liabilities ".

B. FIRE-VICTIM LOANS

1. "Fire victim" loan of an initial amount of € 25 million of "Nireus SA":

The loan is to be fully repaid at 31.12.2019. The interest rate applied is set according to the interest rate of the Greek Government Treasury Bills of a twelve-month duration of the last issue before the beginning of each interest period increased by 70% plus the applicable levy according to Law 128/75.

For the period 1.1.2018 to 30.06.2018 the interest rate was set at 8,37% while from 01.07.2018 up until 31.12.2018 the interest rate decreased to 2,25%.

2. "Fire victim" loan of an initial amount of € 24,9 million of "Nireus SA":

The loan is to be fully repaid at 31.12.2019. The interest rate applied is set according to the interest rate of the Greek Government Treasury Bills of a twelve-month duration of the last issue before the beginning of each interest period increased by 70% plus the applicable levy according to Law 128/75.

For the period 1.1.2018 to 30.06.2018 the interest rate was set at 8,45% while from 01.07.2018 up until 31.12.2018 the interest rate decreased to 2,25%.

C. OTHER LONG-TERM LOANS

Other long-term loans of the Group include other loans of the Company of a total amount of € 6,4 million which Piraeus Bank and the National Bank granted to the company via long-term borrowings for the purpose of the repayment of the above fire victim loans in addition to the long-term loans of the subsidiary company Predomar SL of an amount of € 0,1 million.

D. SHORT-TERM LOANS

Other short-term loans of the Group include other loans of the Company and its subsidiaries.

Covenants - Financial Ratios:

According to the Bond Loan agreement, the Company has assumed certain obligations which must be adhered to among which, but not limited to, ensuring throughout the term of the loan, that assets are insured against all risks, that the submission of audited or reviewed annual and semi-annual consolidated financial statements are accompanied by Certificates of Compliance as well as ensuring throughout the duration of the bond loan period compliance with all financial indicators (covenants).

The agreed upon debt ratios are as follows:

1. Net debt to EBITDA, less than 5,5 for the year 2018 and 7 for the prior year 2017
2. Net debt to Assets, less than 0,55 for the years 2018 and 2017

The above financial ratios for the purpose of complying with the terms of the loans are calculated based on the consolidated Balance Sheet with the exception of foreign companies (Greek Group).

Group financial ratios:

1. Net debt to Operational EBITDA

Net debt to operational EBITDA presented an increase from 4,86 in 2017 to 6,71 in 2018.

Amounts in € thds.	GROUP FINANCIAL INDICATORS			
		31/12/2018		31/12/2017
Net debt (after the effect of the valuation of loans at fair value)/operational EBITDA	138.593 / 20.660	= 6,71	146.224 / 30.112	=4,86

2. Net Debt to total Assets

Net debt to total assets presented a small decrease, namely from 0,36 in 2017 to 0,35 in 2018.

Amounts in € thds.	GROUP FINANCIAL INDICATORS			
		31/12/2018		31/12/2017
Net debt / Total Assets	138.593 / 391.570	=0,35	146.224 / 402.564	=0,36

Net Debt is defined as long-term interest-bearing loans borrowings, short-term interest-bearing loans, the current portion of the long-term loans payable in the following year, based on the financial statements, less cash & cash equivalents and restricted cash.

As regards the first debt ratio **"Net Debt to EBITDA"** and following the Company's letter of request dated 13.11.2018, Piraeus Bank, as the representative of the Bondholders and the proxy for payments of the relevant CBL, and Eurobank as the Administrator, consented to the non-compliance of the aforementioned Financial ratio calculated as at 31.12.2018 and for a period up until 31.12.2019. This consensus provides a grace period for non-compliance of the above debt ratio for 12 months and during which the banks cannot request, due to non-compliance with the specific financial covenant, the immediate repayment of the loans.

Regarding the second covenant "Net Asset Liabilities to Assets", the Company was in full compliance with the ratio as at 31.12.2018.

Reconciliation of liabilities derived from financing activities:

The reconciliation of liabilities derived from financing activities of the Company and the Group are presented in the following tables:

COMPANY	31.12.2017	Cash flows				Non-Cash Movements		31.12.2018
		Proceeds from other issued/raised short-term loans	Repayments of other short-tem loans	Interest expense and similar charges paid	Conversion of bond loans	Change in Fair Value	Accrued and recorded interest	
Loans borrowings	165.954.879	34.535.766	(42.612.196)	(7.670.218)	-	1.708.036	6.624.908	158.541.175

GROUP	31.12.2017	Cash flows				Non-Cash Movements		31.12.2018
		Proceeds from other issued/raised short-term loans	Repayments of other short-tem loans	Interest expense and similar charges paid	Conversion of bond loans	Change in Fair Value	Accrued and recorded interest	
Loans borrowings	166.236.428	34.930.582	(42.691.383)	(7.717.332)	-	1.708.036	6.672.021	159.138.353

The existing pledged assets as these arise from the loan borrowing contracts of the Group and the Company are presented in Note 41.

35. Government Grants

The analysis of Grants of the Group and the Company is as follows:

Government Grants		
Amounts in Euro	**GROUP**	**COMPANY**
Balance at 1 January 2017	**6.628.938**	**6.314.723**
Amortisation of grants	(737.618)	(667.589)
Balance at 31 December 2017	**5.891.321**	**5.647.134**
Amortisation of grants	(695.971)	(625.941)
Balance at 31 December 2018	**5.195.349**	**5.021.193**

"Depreciation" as presented in the Profit and loss statement includes amortization of government grants having been offset against depreciation expense. With respect to the current year, the amortization figure amounts to € 625.941 for the Company and € 695.971 for the Group. The corresponding prior year figure amounted to € 667.589 for the Company and € 737.618 for the Group (Note 18).

36. Other non-current liabilities

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

Amounts in Euro	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Non-current liabilities based on article 44 L.1892/90	756.085	1.112.271	756.085	1.112.271
Total	**756.085**	**1.112.271**	**756.085**	**1.112.271**

Other non-current liabilities, relating to long-term liabilities at 31.12.2018 relating to the Group result from liabilities of the merged subsidiary “SEAFARM IONIAN SA” which is subject to article 44 of L. 1892/90. Further analysis of the ageing of liabilities is presented in Note 6.

37. Provisions

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

Amounts in Euro	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Provisions for indemnities due to prior year litigations	1.913.368	1.913.368	1.913.368	1.913.368
Recognition employees' right to vacation days and other personnel expenses	2.218.465	2.350.398	2.109.288	2.247.587
Provision for unaudited tax years	90.000	90.000	-	-
Total	**4.221.833**	**4.353.766**	**4.022.656**	**4.160.955**

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

GROUP

	31/12/2018				31/12/2017			
	Provisions for indemnities due to prior year litigations	Recognition employees' right to vacation days and other personnel expenses	Provision for unaudited tax years	TOTAL	Provisions for indemnities due to prior year litigations	Recognition employees' right to vacation days and other personnel expenses	Provision for unaudited tax years	TOTAL
Beginning Balance	1.913.368	2.350.398	90.000	**4.353.766**	224.696	675.100	90.000	**989.795**
Additions during the year	-	173.285		**173.285**	1.913.368	2.350.398	-	**4.263.766**
Prior year provisions used/reversed	-	(305.218)		**(305.218)**	(224.696)	(675.100)	-	**(899.796)**
Ending Balance	**1.913.368**	**2.218.465**	**90.000**	**4.221.833**	**1.913.368**	**2.350.398**	**90.000**	**4.353.766**

COMPANY

	31/12/2018				31/12/2017			
	Provisions for indemnities due to prior year litigations	Recognition employees' right to vacation days and other personnel expenses	Provision for unaudited tax years	TOTAL	Provisions for indemnities due to prior year litigations	Recognition employees' right to vacation days and other personnel expenses	Provision for unaudited tax years	TOTAL
Beginning Balance	1.913.368	2.247.587	-	4.160.955	224.696	631.015	-	855.711
Additions during the year	-	166.919	-	166.919	1.913.368	2.247.587	-	4.160.955
Prior year provisions used/reversed	-	(305.218)	-	(305.218)	(224.696)	(631.015)	-	(855.711)
Ending Balance	**1.913.368**	**2.109.288**	**-**	**4.022.656**	**1.913.368**	**2.247.587**	**-**	**4.160.955**

Provisions for indemnities due to prior year litigations

The provisions in relation to court litigations of the Group and Company of an amount of € 1.913.368 (2017: € 1.913.368) mainly relates to court case litigation by third parties against NIREUS AQUACULURE SA. It is noted that the above amount also includes interest of an amount of € 450.000.

Recognition of employees' rights to vacation days and other personnel expenses

The Group and Company during the prior year recognized, for the first time, the employees' right to vacation days at the point at which the right has been vested for the following financial year, taking into consideration that the employees' right to vacation days must be recognized during the period in which employee services have been rendered instead of when the Company has the legal obligation to grant such a right.
The total amount of the entitlement as at 31 December 2018 for the Group and the Company amounted to € 2.218.465 million and € 2.109.288 million respectively.

38. Trade and other payables

The analysis of the balances of trade and other payables of the Group and the Company, are as follows:

	GROUP		COMPANY	
Amounts in Euro	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Trade payables	40.708.595	32.154.422	35.818.669	26.873.007
Cheques payable	14.249.248	17.977.548	13.514.716	16.376.964
Promissory notes	66.335	-	-	-
Proviison for write-off of balances	-	(197.857)	-	(124.193)
Total	**55.024.178**	**49.934.113**	**49.333.385**	**43.125.778**

The carrying values which are recognized in the statement of financial position approximate their fair values.

39. Other current financial liabilities

The analysis of other current liabilities is as follows:

	GROUP		COMPANY	
Amounts in Euro	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Wages and salaries payable	1.201.130	1.175.957	1.114.513	1.112.351
Social security	-	1.787.897	-	1.692.237
Taxes - duties	1.485.371	1.092.243	1.397.235	798.182
Accrued expenses	864.952	1.079.646	568.431	1.078.038
Provision of purchases	1.195.009	9.576	1.194.176	9.576
Sundry creditors - Customer Prepayments	4.068.227	2.513.480	3.851.944	2.249.241
Provision for write-off of balances	-	(118.129)	-	(101.542)
Total	**8.814.689**	**7.540.670**	**8.126.299**	**6.838.083**

40. Contingent Liabilities and Assets- Unaudited Open Tax Fiscal Years- Commitments

The Company and the Group have contingent liabilities and assets with respect to Banks, other guarantees and other securities-pledged assets, as presented in Note 41: “Assets pledged as Security” arising in the ordinary course of business, as following:

Guarantees

The letters of guarantee and guarantees to third parties as at 31.12.2018 amount to € 5.983.012 for the Group, from which an amount of € 5.600.000 relates to guarantees granted by the Company to its subsidiaries and an amount of € 383.012 as regards letters of guarantees for ensuring the satisfactory performance of suppliers’ contracts and for securing obligations. The contingent assets for the year amount to € 1.459.857 for the Group and the Company respectively.

No significant charges are expected to result from contingent liabilities. No additional payments are expected to result following the preparation of the financial statements.

Information in respect of contingent liabilities from sea-area operating leases.

At 31 December 2018, 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	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Less than 1 year	233.803	264.163	203.112	233.473
Between 1 and 5 years	933.047	1.101.379	869.696	1.007.337
Above 5 years	785.250	1.093.760	785.250	1.093.760
Total	**1.952.100**	**2.459.302**	**1.858.059**	**2.334.570**

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.

Tax obligations

The unaudited tax years for the Group are presented in Note 16 “Income tax expense”.

For the year 2018 the company and its subsidiary company KegoAgri SA are in the process of issuing the tax certificate based on the provisions in accordance with L. 4174/2013.

41. Assets pledged as Security

During 31.12.2018 the encumbrances and liens on the Company's pledged property plant and equipment amounted to € 436.451.562 and on the Group's assets, liens amounted to € 438.451.562, the analysis of which is presented below:

1) The following mortgages and pledges have been registered for the fixed assets of the parent company "NIREUS AQUACULTURE SA":

(a) a first-class pledge amounting to € 2.903.070 has been registered in favor of Piraeus Bank, being the representative bank and on behalf of the bondholders on insurance contracts for floating equipment so as to secure the bond of up to € 58,2 million, the balance of which as at 31.12.2018 amounted to € 53.047.929.

(b) a pledge, in favor of Piraeus Bank being a representative and on behalf of the bondholders, has been registered on insurance contracts for inventory (biological assets) of fish population and pre-fattening of an amount of € 116.350.000. More specifically with respect to the amount of €86.050.000 a first-class pledge has been registered on insurance contracts for inventory (biological assets), while for the amount of € 30.300.000 a second-class pledge has been registered in favour of the above bank bondholders.

Furthermore, with respect to the amount of € 30.300.000 on insurance contracts for inventory (biological assets) a first-class pledge has been registered and is analyzed as follows:

(i) a pledge of an amount of € 11.700.000 in favor of the Greek state to secure a loan of € 25.000.000 by Piraeus bank with the guarantee of the Greek state, the balance of which as at 31.12.2018 amounted to Euro 9.895.833

(ii) a pledge of an amount of € 10.200.000 in favor of the Greek state to ensure the firefighting loan of € 24.100.000 from the National Bank of Greece SA with a guarantee of Greek state, the balance of which as at 31.12.2018 amounted to € 8.652.803.

(iii) a pledge of an amount of € 8.400.000 for the Company NORSILDMEL INNOVATION A / S as a collateral against the outstanding amount

(c) A floating class pledge, on inventory has been registered as follows:

(i)first class pledge in favour of NORDSILDMEL INNOVATION A/S, has been assigned so as to secure the liability of an amount €10.300.000

(ii) a second-class pledge of an amount of € 10.300.000 on inventory in favour of the Bank of Piraeus being the representative and on behalf of the bondholders,

(iii) a first-class pledge of an amount of € 129.700.000, on inventory, and in favour of the Bank of Piraeus being the representative and on behalf of the bondholders, to ensure the bond of up to € 58,2 million the balance of which as at 31.12.2018 amounts to € 53.047.929.

(d) a first-class pledge has been assigned in favor of Piraeus Bank, being the representative and on behalf of the bondholders, to ensure the bond of € 58,2 million, as follows:

- Underwritings on insurance fixed asset contracts between European Reliance General Insurance and NIREUS AQUACULTURE SA amounting to € € 25.507.229
- Marine insurance contracts on ships between the European Reliance General Insurance and NIREUS AQUACULTURE SA amounting to € 6.147.869.

(e) a first-class pledge has been registered in favor of Piraeus Bank being the representative and on behalf of the bondholders, on the equipment (mooring materials, nets, cages) of an amount € 10.562.974,8 so as to ensure the bond of € 58,2 million.

(f) A second-class floating pledge on the total aggregate value of the Accepted Claims on which there is a Pledge Agreement on the factoring of receivables from Piraeus Factoring and the National Bank Factoring. The pledge account balance should not be less than 105% of the outstanding amount the Loan. The pledge is in favor of Piraeus Bank as a representative and on behalf of the bondholders for the common bond loan of up to € 31.450.000, the balance of which as at 31.12.2018 amounted to € 22.345.866.

(g) a first-class pledge has been recorded in favor of Piraeus Bank being the representative and on behalf of the bondholders on the shares of PROTEUS EQUIPMENT SA of an amount of € 60.000,30 so as to secure the bond loan of up to € 58.2 million, the balance of which amounted to € 53.047.929.

(h) a first-class mortgage of amount of approximately € 10.000.000 on fixed assets in favor of the Greek State, to secure the loan of € 25.000.000 by Piraeus Bank, issued under the scope of favorable regulations for the fire victims, the balance of which as at 31.12.2018 amounted to € 9.895.833.

(i) Mortgages of an amount of € 7.000.000 on fixed assets have been registered in favor of the Greek State, to secure the fire-victim loan of € 24.910.000 million from the National Bank, in the framework of favorable regulations for the fire-victims, the balance of which as at 31.12.2018 amounted to € 8.652.803.

(j) First class underwritings of a mortgage prenotation (with the exception of the property on which there is a second class underwriting pledge by the Agricultural bank of Greece as referred to in paragraph (k) below) have been registered on property up to the amount of € 69.879.010 in accordance with decisions No. 3397S/2015 and 5S/2016 of the Athens District Court based on which the registration of the underwritings on the company's assets was resolved upon in favor of Piraeus Bank, being the representative and on behalf of the bondholders, in order to secure the bond loan of € 58,2 million.

(k) Mortgages of an amount of € 1.969.742,15 on fixed assets have been registered to secure the loans of ATE (Agricultural bank of Greece- under special liquidation), which balance as at 31/12/2018 amounted to € 131.835,88. This remaining balance will be paid in the remaining 8 equal semi-annual installments of € 16.449,74 each, in accordance with the provision in Article 44 in which the company has been subject, which guaranteed the payment of the above amount.

(l) a first class assigned pledge has been registered in favour of Piraeus Bank on behalf of the representative banks concerning claims on VAT refunds of € 5.118.300.

(m) In relation to the fire victim loans of the National Bank, loans of a total amount of € 4.000.000 have been registered.

(n) the following amounts have been pledged: € 205.093,40 relates to letters of guarantees for the good performance and payment of sea leases of the National Bank, an amount of € 1.479,99 relates to a pledge for the short-term loans of Eurobank, an amount of € € 107.105,16 from which (a) an amount of € 15.629,38 relates to letters of guarantees issued for the good performance and payment of sea leases while (b) an amount of € 91.475,78 concerns short-term borrowings from Piraeus Bank, an amount of €104.664,58 regards the commitment for repayment of interest and taxes of the convertible bond loan issued in 2007, an amount of € 184,20 relates to short-term borrowings of Alpha Bank and an amount of € 556 which relates to the short-term borrowings of Eurobank.

Furthermore, during the year an amount of € 1.341.394 was deemed restricted due to the Company's liability of indemnity towards a third party in relation to a court litigation which is in progress before the Athens Multi-Member court of First Instance.

(o) A first-class naval mortgage has been registered on a series of company's marine ships for an amount of € 3.742.890.

2) An underwriting of a mortgage prenotation 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".

There are no other assets pledged as security on the fixed assets for the Company and of the Group.

42. Related party disclosures

I. Related Parties and Transactions

	LOCATION OF HEADQUARTERS	PERCENTAGE PARTICIPATION GROUP %	
		31.12.2018	31.12.2017
PREDOMAR S.L.	SPAIN	100%	100%
PROTEUS SA	GREECE	100%	100%
KEGO AGRI SA	GREECE	100%	100%
NIREUS INTERNATIONAL LTD	CYPRUS	100%	100%
NIREUS GMBH	GERMANY	100%	100%

Apart from the above subsidiaries, the following banks: Piraeus, Alpha Bank, Eurobank and National Bank, their percentage shareholding of which is presented in paragr. D.5.2 of the "Statement of Corporate Governance" are considered Related Parties.

The following tables present the realized transactions as well their outstanding balances of receivables and payables among related parties:

Transactions during the period	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Sales of goods and services	-	-	3.996.765	3.714.012
Other income	-	-	54.000	59.127
Purchases of goods and services	298.449	190.685	3.499.583	2.605.888
Purchases of property, plant and equipment	-	-	2.379.677	2.839.589
Fees to Directors and compensation	2.310.774	2.327.799	1.767.772	1.796.996
Interest received	48.214	52.290	48.187	47.915
Interest paid and related expenses	6.808.339	6.020.657	6.793.025	6.005.031

Receivables	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Subsidiaries	-	-	4.202.465	4.093.087
Associates	4.851.023	4.851.023	4.851.023	4.851.023
Total	**4.851.023**	**4.851.023**	**9.053.488**	**8.944.110**

Payables	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Subsidiaries	-	-	355.732	
Associates	4.851.023	4.851.023	-	-
Total	**4.851.023**	**4.851.023**	**355.732**	**-**

II. Transactions with Board of Directors and Key Management

The fees of the members of the Board of Directors and those of key management including the Group's liabilities towards them for the year 2018 and 2017 are as follows:

Transactions and compensation to Directors and key management	**GROUP**		**COMPANY**	
Amounts in Euro	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Salaries, employment benefits and compensation to Directors	1.339.713	1.457.137	1.147.683	1.290.707
Salaries and other employment benefits to key management	971.061	870.662	620.089	506.289
	2.310.774	**2.327.799**	**1.767.772**	**1.796.996**

Payables to Directors and key management	**GROUP**		**COMPANY**	
Amounts in Euro	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Payables for salaries, employment benefits and other compensation	45.210	46.603	39.110	40.503
Payables for Directors compensation approved by A.G.M.	40.053	26.279	21.916	14.836
Pension and other post-employment benefit obligations	234.463	337.463	213.463	316.463
	319.726	**410.345**	**274.489**	**371.802**

43. 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 standalone financial statements.

	GROUP				**COMPANY**			
	COST		**FAIR VALUE**		**COST**		**FAIR VALUE**	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Financial Assets								
Restricted cash	10.878.778	8.979.661	10.878.778	8.979.661	10.878.778	8.979.661	10.878.778	8.979.661
Cash and cash equivalents	9.666.513	11.032.517	9.666.513	11.032.517	9.000.630	10.087.488	9.000.630	10.087.488
Financial Liabilities								
Long-term borrowing liabilities	107.228.006	131.686.559	107.228.006	131.686.559	107.207.374	131.584.678	107.207.374	131.584.678
Short-term borrowings	12.973.402	5.309.429	12.973.402	5.309.429	12.478.085	5.208.928	12.478.085	5.208.928
Current portion of long-term financial liabilities	38.936.946	29.240.440	38.936.946	29.240.440	38.855.716	29.161.273	38.855.716	29.161.273

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

	GROUP		**Hierarchy Level of Fair Value**	**COMPANY**		**Level of Fair Value**
	FAIR VALUE			**FAIR VALUE**		
	31/12/2018	**31/12/2017**		**31/12/2018**	**31/12/2017**	
Financial Assets						
Restricted cash	10.878.778	8.979.661	Level 1	10.878.778	8.979.661	Level 1
Cash and cash equivalents	9.666.513	11.032.517	Level 1	9.000.630	10.087.488	Level 1
Long-term borrowing liabilities						
Long-term borrowing liabilities	107.228.006	131.686.559	Level 2	107.207.374	131.584.678	Level 2
Short-term borrowings	12.973.402	5.309.429	Level 2	12.478.085	5.208.928	Level 2
Liabilities payable within the following year	38.936.946	29.240.440	Level 2	38.855.716	29.161.273	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.

44. Fair value Measurement

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

ASSETS MEASURED AT FAIR VALUE ARE DISCLOSED	***NOTE***	***DATE OF VALUATION***	***GROUP AMOUNT***	***COMPANY AMOUNT***	***LEVEL 1***	***LEVEL 2***	***LEVEL 3***
Buildings,Land,Mechanical Equipment & technical installations,Floating means	**18**	31 December 2018	82.383.133	80.853.814	-	-	√
Investment Property	**19**	31 December 2018	3.309.802	3.309.802	-	-	√
Biological assets-non-current	**26**	31 December 2018	71.199.057	67.022.531	-	-	√
Biological assets-currrent	**26**	31 December 2018	114.698.400	109.257.130	-	√	-
Restricted cash	**31**	31 December 2018	10.878.778	10.878.778	√	-	-
Cash and cash equivalents	**32**	31 December 2018	9.666.513	9.000.630	√	-	-
LIABILITIES MEASURED AT FAIR VALUE ARE DISCLOSED							
Long-term loan borrowings	**34**	31 December 2018	107.228.006	107.207.374	-	√	-
Short-term loan borrowings	**34**	31 December 2018	12.973.402	12.478.085	-	√	-
Current portion of long-term financial liabilities	**34**	31 December 2018	38.936.946	38.855.716	-	√	-

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 (Note19).

Long-term and short-term debt is measured at level 2 assessed by the Group and Company on the basis of various parameters such as interest rates, specific country risk factors, and current prices prevailing as at the balance sheet date. As regards long-term debt, market values are used in addition to the utilisation of technical methods in determining the fair value of financial liabilities such as discounting the future contractual cash flows with the appropriate market interest rates (Notes 13,34).

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 is defined as level 2, biomass is measured at fair value less cost to sell, including a proportionate expected gross profit at harvest.

If it is assumed that all fish, as at December 31, 2018 were are harvest size, a change in the prices by +/(-) 5% per kilo weight would alter the valuation by a positive/negative € 8,3 mil /(€ 8,3) mil and an change in the discounting rate by +/(-)1% would (negatively)/positively alter the valuation by a minimum of € (0,3) million / € 0,3 million (Note 26).

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 assessed for each business unit and is based on the biomass in the sea for each sea water site in addition to the estimated market prices prevailing in each market and as derived from the contracts in progress, if applicable, as well as on current spot prices (Note 26).

45. Events after the reporting period

Commission approves the acquisition of the joint control of Andromeda, Nireus and Selonda by Amerra and Mubadala, subject to conditions

On 20.06.2018, Piraeus Bank, Alpha Bank, Eurobank and National Bank signed a sales and purchase agreement for the sale of their 74,34% shareholding, with Andromeda Seafood Limited, a member of the Andromeda Group. Mubadala Investment Company will also participate in the acquisition scheme as a joint shareholder with Andromeda Group AMERRA Capital Management LLC. Subsequently, the European Commission (DG Comp) issued the Decision No. M.9110 / 15.2.2019, approving the acquisition of the joint control of Andromeda / Nireus / Selonda, subject to specific commitments taken by the notified parties. Approval is subject to a package of remedial measures which provide for the divestment of activities as analysed below:

(1) the preparation a final divestiture agreement with one or two potential buyers for the sale of (a) fish farms with a production of approximately 10.000 tonnes of Mediterranean fish along with their own packing units of the same capacity and (b) hatcheries generating approximately 50 million pieces of juveniles in conjunction with the transfer, to the prospective buyers, of the respective technical know - how in research and reproduction programs; and

2) the approval of the purchaser's or buyers' suitability in addition to the approval, of the terms of the above-mentioned sale and purchase, by the European Commission for Competition.

Preparatory actions for the fulfilments of the above conditions and the finalization of an agreement with the candidate buyers have begun to be implemented and it is expected that the agreement of the sale of the above assets will have been concluded and approved by the European Commission for Competition until 20/6/2019, which is the agreed date of acquisition of the joint control of Andromeda / Nireus / Selonda by Amerra Capital Management LLC and MDC Industry Holding Company LLC, shareholders of Andromeda Seafood Limited. The interest parties are enabled and have a right to request for an extension of the deadline.

There were no other events following the year ended 31 December 2018 which relate to the Group or to the company and which will require reference to in accordance with the International Financial Reporting Standards as have been endorsed by the European Union (EE).

Koropi, 8 April, 2019

CHAIRMAN OF THE BoD & CHIEF EXECUTIVE OFFICER	VICE PRESIDENT OF THE BoD & NON EXECUTIVE MEMBER	GROUP FINANCIAL OFFICER & EXECUTIVE BoD MEMBER	ACCOUNTING MANAGER
ANTONIOS G. CHACHLAKIS I.D. No: AE 083337	NIKOLAOS EMM. CHAVIARAS I.D. No: AH 935562	EFSTRATIOS G. ELISSAIOS I.D. No: AB 593929	IOANNIS G. KONSTANTOPOULOS I.D. No: AB 264939

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 is posted on the company's web site at www.nireus.com as well as on the web site of the Athens Stock Exchange at www.athex.gr.

DATE	ANNOUNCEMENT	WEB SITE
	Resolutions of Shareholders General Meeting	
3.8.2018	Proxy Form for the Annual General Meeting of Shareholders 10.09.2018	www.nireus.com
3.8.2018	Invitation to the Annual General Meeting of Shareholders 10.09.2018	www.nireus.com
20.8.2018	Draft Decisions for the Annual General Meeting of Shareholders on 10.09.2018	www.nireus.com
27.8.2018	Revised invitation of ordinary general assembly	www.nireus.com
28.8.2018	Revised Draft Decisions for the Annual General Meeting of Shareholders on 10.09.2018	www.nireus.com
28.8.2018	Revised Proxy Form for the Annual General Meeting of Shareholders 10.09.2018	www.nireus.com
31.8.2018	Invitation to Meeting of Bondholders on 10.09.2018	www.nireus.com
31.8.2018	Report of the Board of Directors, according to article 12 par.10ED of the codified law 2190/20, for the issuance of the convertible bond loan of an amount of up to €	www.nireus.com
3.9.2018	Proxy Form for the Meeting of the Bondholders of 10.09.2018	www.nireus.com
10.9.2018	Notice of Resolutions of the Meeting of the Bondholders of 10.09.2018	www.nireus.com
11.9.2018	Resolutions of the Annual Ordinary General Meeting of Shareholders of 10 September 2018	www.nireus.com
	Annotation of Financial Statements	
29.3.2018	12M 2017 Financial Results	www.nireus.com
27.9.2018	Press Release 6M 2018	www.nireus.com
	Other announcements and Press Releases	
		www.nireus.com
24.05.2018	Announcement: Invitation to the Shareholders of the Absorbed Seafarm Ionian SA	www.nireus.com
24.05.2018	Key Information Document	www.nireus.com
14.06.2018	Invitation for the dematerialization of the bond certificates of the Convertible Bond Loan issued 2007 of Nireus Aquaculture SA	www.nireus.com
21.06.2018	Announcement in relation to business developments	www.nireus.com
22.06.2018	Reply to the Capital Market Commissions's questions	www.nireus.com
26.6.2018	Announcement to the Investing Public	www.nireus.com
21.8.2018	Announcement	www.nireus.com
11.9.2018	Announcement of the election of a new BoD member and reorganization of the BoD body	www.nireus.com
14.9.2018	Annoucement	www.nireus.com
14.9.2018	Announcement of publication date of the 6 months 2018 Financial Results	www.nireus.com
27.9.2018	Announcement of publication date of the 6 months 2018 Financial Results	www.nireus.com
9.10.2018	Announcement of Business Development	www.nireus.com
18.2.2019	Announcement in relation to business development	www.nireus.com
13.3.2019	Announcement in relation to business development	www.nireus.com
19.3.2019	Announcement in relation to business development	www.nireus.com