Interim Condensed Financial Statements
Six-month period ended
June 30, 2018

Thessaloniki Port Authority
Société Anonyme
Trade Reg. No. 42807/06/B/99/30
GEMI No. 58231004000
Registered Office: Thessaloniki

Statements by Members of the Board of Directors
(pursuant to article 5, par. 2C, Law 3556/2007)

The members of the Board of Directors (BoD) of the Société Anonyme "Thesssaloniki Port Authority" trading as "ThPA SA" (hereinafter the "Company") seated in Thessaloniki in the premises of the Port:

1. Sotirios Theofanis, son of Ioannis, Chairman of BoD & CEO

2. Boris Wenzel, son of Martin, Deputy Chairman of BoD, specifically appointed for this by virtue of the decision no 7407 adopted on September 11, 2018 by the Board of Directors

3. Alexander-Wilhelm Von Mellenthin, Member of the Board of Directors, specifically appointed for this by virtue of the decision no 7407 adopted on September 11, 2018 by the Board of Directors

in our aforementioned capacity, declare and warrant by the present that insofar as we know:

A. The six month financial statements of the Company for the period ended June 30, 2018, which were prepared in compliance with the International Financial Reporting Standards, as adopted by the European Union, depict in a true manner the assets and liabilities, the net position and the operating results of the Company.

B. The News release and the Management Discussion and Analysis for the six month period ended June 30, 2018 depicts in a true manner the development, performance and position of the Company, including an outline of the major risks and uncertainties it faces.

Thessaloniki, September 11, 2018

The Chairman of BoD & CEO of ThPA SA	The Deputy Chairman of BoD of ThPA SA	Appointed by the BoD Member
Sotirios Theofanis ID Card No X 190719/03	Boris Wenzel Passport No.16AL811931	Alexander-Wilhelm von Mellenthin Passport No. LF8ZHTY23

(amounts in thousands of € unless otherwise stated)

Thessaloniki Port Authority

Management Discussion and Analysis

Six-month periods ended June 30, 2018

Basis of presentation

The following Management's Discussion and Analysis ("MD&A") relates to the results of operations, liquidity and capital resources of Thessaloniki Port Authority- Société Anonyme ("Thessaloniki Port Authority" or the "Company"). This report has been prepared by Management and should be read in conjunction with the Company's interim condensed financial statements for the six-month period ended June 30, 2018, including the notes thereto. These semi-annual interim financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS").

Except as otherwise stated in Note 2 to the interim condensed financial statements, these semi-annual interim condensed financial statements were prepared using accounting policies and methods consistent with those used in the preparation of the Company's audited financial statements for the year ended December 31, 2017. Except when otherwise stated, all amounts presented in this MD&A are denominated in thousands of Euro (€). The discussion and analysis within this MD&A are as of September 11, 2018.

Caution concerning forward-looking statements

This document may contain "forward-looking statements" and "forward-looking information" within the meaning of applicable securities laws. These statements and information include estimates, forecasts, information and statements as to Management's expectations with respect to, among other things, the future financial or operating performance of the Company and capital and operating expenditures. Often, but not always, forward-looking statements and information can be identified by the use of words such as "may", "will", "should", "plans", "expects", "intends", "anticipates", "believes", "budget", and "scheduled" or the negative thereof or variations thereon or similar terminology. Forward-looking statements and information are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Readers are cautioned that any such forward-looking statements and information are not guarantees and there can be no assurance that such statements and information will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations are disclosed under the heading "Risk Management" in the Company's annual financial statements. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements and information whether as a result of new information, future events or otherwise. All written and oral forward-looking statements and information attributable to Thessaloniki Port Authority or persons acting on our behalf are expressly qualified in their entirety by the foregoing cautionary statements.

Business Overview

The main activities of the Company include ship loading and unloading, berthing and storage and the provision of other related port activities. The Company mainly provides services to containerships and conventional cargo (bulk, general, RO-RO). Other activities include coastal shipping and cruiser ship passengers and the utilization of spaces for commercial, cultural and other uses. The Company has the exclusive right to use and operate the land, buildings and installations on the land section of the Port of Thessaloniki, which belongs to the Greek Government, for until 2051.

Change in shareholding

On March 23, 2018, as part of a privatisation process launched by the Greek State, 67% of the Company's share capital was transferred to South Europe Gateway Thessaloniki (SEGT) Limited, a consortium consisting in «Deutsche Invest Equity Partners GmbH», «Belterra Investments Ltd.» and «Terminal Link SAS». The consortium committed to a significant investment program dedicated to the completion of the Pier 6 Extension Plan with its deep-water berth and the equipment upgrade. During the same period, a new management team was appointed with the primary objective to strengthen safety, improve quality of service and customer satisfaction, enhance productivity and make the Port an agile organization able to cope with a rapidly changing environment. As an example, the waiting time of vessels outside the port – a real issue for the shipping lines in term of cost and for the agricultural products - has been reduced significantly, resulting in a visible change for any citizen in Thessaloniki.

Interim Financial Highlights

The simplified income statement can be summarized as follows:

Interim Comprehensive Income Statement Figures in thousands of €	6-month period June 30, 2018	 June 30, 2017	Positive (negative) variance	Variation %
Revenue	29,152	27,956	1,196	4.3%
Cost of sales	-14,502	-13,368	-1,134	8.5%
Gross profit	14,650	14,588	62	0.4%
Gross margin as a % of sales	*50.3%*	*52.2%*		
General and administrative expenses	-2,606	-2,419	-187	7.7%
Other income and expense	1,991	1,041	950	91.3%
Operating result	14,035	13,210	825	6.2%
Operating result as a % of sales	*48.1%*	*47.3%*		
Financial income - net	542	579	-37	-6.4%
Income tax	-4,318	-3,988	-330	8.3%
Net income	10,259	9,801	458	4.7%

During the 6-month period to June 30, 2018, total revenue was € 29.2 million up 4.3% compared to the € 28.0 million revenue for the same period last year. During the period, the revenue from the Container terminal increased by 11.6% from € 16.7 million to € 18.7 million while the revenue from the Conventional port dropped by 6.1% from € 10.3 million to € 9.7 million.

Gross margin as a % of sales was 50.3% for the 6-month period to June 30, 2018 vs 52.2% for the same period last year. Significant productivity gains have already been achieved but they only impacted the financial performance of the Company in the second part of the semester. On the other hand, the Company was affected by certain additional costs including (i) an increase in concession fees which went from 2% of total revenue to 3.5% representing an additional cost of € 428 thousand for the period in 2018 ((ii) an increase in the employee costs resulting from the reactivation of the 13th and 14th salaries which were cut when the Port was in the public sector representing an additional cost of € 540 thousand and (iii) the management fees paid to Terminal Link a related party for an amount of € 323 thousand.

Revenue

The revenue can be analyzed as follows:

Figures in thousands of € except for number of TEUS / moves / tons	6-month period ended June 30, 2018	June 30, 2017	Positive (negative) variance	Variation %
Number of TEUs	*208,553*	*188,306*	*20,247*	*10.8%*
Number of moves	*142,456*	*126,091*	*16,365*	*13.0%*
Number of tons	*1,847,744*	*2,229,774*	*-382,030*	*-17.1%*
Revenue from Container Terminal	18,681	16,737	1,944	11.6%
Revenue from Conventional Port	9,665	10,289	-624	-6.1%
Revenue from Passengers	67	80	-13	-16.3%
Revenue from Utilization of Spaces	739	850	-111	-13.1%
Total Revenue	29,152	27,956	1,196	4.3%

The number of moves handled at the Terminal container increased by 10.8% from 188,306 last year to 208,553 during the 6-month period ended June 30, 2018. Import (+14.3%) and export (+11.3%) domestic cargoes have fuelled growth. Other revenue including yard services and storage increased by 11.0%.

The number of tons handled at the Conventional cargo terminals decreased by 17.1% from 2,229,774 tons to 1,847,744 tons. Even though we noted a significant recovery during the last few months of the period, the cargos of nickel ore (-34%) and clinker (-31%) were lower than last year. On the other hand, the product mix resulted in higher average prices which limited the drop-in revenue.

Cost of sales

During the 6-month period to June 30, 2018, the cost of sales was € 14.5 million, up 8.5 % compared to the same period last year (€ 13.4 million). Several line items increased during the period including:

- The concession fee which is now 3.5% of revenue (it was 2% of revenue up until March 23, 2018). This resulted in an additional charge of € 428 thousand during the 6-month period ended June 30, 2018 compared to last year.

- The reactivation of the 13th and 14th salaries which were cut when the Port was in the public sector and which now apply as the Company is private. This resulted in an additional charge of € 540 thousand during the 6-month period ended June 30, 2018 compared to last year.

Excluding the impact of the above two items, the gross profit would have increased by € 1.0 m compared to last year and the gross margin as a percentage of revenue would have been 53.6% vs 52.2% last year. Significant productivity gains have been achieved in the last few months which explains this improvement in the adjusted margin.

Selling, General and Administrative expenses

Selling, General and Administrative expenses were € 2.6 million for the 6-month period ended June 30, 2018 vs € 2.4 million for the same period last year, an increase of € 0.2 million. The management fees payable to Terminal Link in 2018 amounted to € 0.3 million (none in 2017).

Other income and expense

The other income net of other expense is up € 0.9 million in the 6-month period to June 30, 2018 compared to the same period last year. During the period, the Company released to profit an amount payable for € 0.8 million which is now considered not due.

Financial income – net

Financial income – net is substantially unchanged compared to the previous year. The cash and cash equivalent are either fully available or invested in short term deposits with major Greek banks. The interest rates on time deposits were generally lower in the first half of 2018 compared to the same period last year. The lower interest rate receivables were compensated by the higher level of cash available in the Company.

Income tax

The effective income tax rate is 29.6% of the profit before tax (28.9% in 2017) which is in line with the corporate income tax rate prevailing in Greece.

Segment reporting

The results of the activities of the Company for the 6-month period as at June 30, 2018 and 2017 per operational sector can be summarized as follows:

6-month to June 30, 2018

Interim Comprehensive Income Statement per Segment Figures in thousands of €	Container Terminal	Conventional Port	Passenger Traffic	Utilization of Spaces	Company level	Total
Revenue	18,681	9,665	67	739	0	29,152
Cost of sales	-7,243	-6,435	-178	-646	0	-14,502
Gross profit	11,438	3,230	-111	93	0	14,649
Gross margin as a % of sales	*61,2%*	*33,4%*	*-164,6%*	*12,5%*		*50,3%*
General and administrative expenses	-735	-796	-49	-119	-907	-2,606
Other income and expense	-109	1,531	-7	205	371	1,991
Operating result	10,594	3,965	-167	179	-536	14,035
Operating result as a % of sales	*56.7%*	*41.0%*	*-248.8%*	*24.2%*		*48.1%*
Financial income - net					542	542
Income tax					-4,318	-4,318
Net income	10,594	3,965	-167	179	-4,312	10,259

6-month to June 30, 2017

Interim Comprehensive Income Statement per Segment Figures in thousands of €	Container Terminal	Conventional Port	Passenger Traffic	Utilization of Spaces	Company level	Total
Revenue	16,737	10,289	80	850	0	27,956
Cost of sales	-6,301	-6,340	-182	-545	0	-13,368
Gross profit	10,436	3,949	-102	305	0	14,588
Gross margin as a % of sales	*62.4%*	*38.4%*	*-126.6%*	*35.8%*		*52.2%*
General and administrative expenses	-713	-773	-46	-113	-774	-2,419
Other income and expense	34	548	4	446	9	1,041
Operating result	9,757	3,725	-144	638	-765	13,210
Operating result as a % of sales	*58.3%*	*36.2%*	*-179.6%*	*75.0%*		*47.3%*
Financial income - net					580	580
Income tax					-3,988	-3,988
Net income	9,757	3,725	-144	638	-4,174	9,801

With 11.6% revenue increase and productivity gains, the Container terminal could absorb the higher concession fees and the impact of the reactivation of the 13th and 14th month salaries almost without deteriorating the gross margin (61.2% versus 62.4% last year). After a weak start, the second part of the semester showed a significant improvement in terms of activity.

The Conventional cargo was negatively impacted by adverse conditions in the first six months of 2018, due to lacklustre performance of some key bulk commodities. This led to a decrease in revenue of 6.1% compared to the same period last year. However, significant productivity gains have been achieved, allowing an improvement of the Operating result by 6.2% when compared to the first six months of 2017.

Liquidity and Capital Resources

The following table provides a summary of the Company's cash flows for the 6-month periods as at June 30, 2017 and June 30, 2018 (figures in thousands of €):

Interim condensed Cashflow Statement Figures in thousands of €	Six month period June 30, 2018	 June 30, 2017
Net income	10,259	9,801
Depreciation and amortization	1,986	1,912
Income tax	4,318	3,988
Finance income net	-542	-580
Other non cash items	-2	453
Cash generated by the operations before working capital	16,018	15,575
Working capital requirement	-671	-1,468
Income tax paid and financial income net	482	369
Purchase of property plant and equipment	-1,582	-749
Variation in cash generated by operation	14,246	13,727
Sale (purchase) of financial assets	9,436	-24,673
Purchase of financial instruments linked to concession agreement	-10,000	
Variation in cash and cash equivalent	13,681	-10,946
Cash and cash equivalent beginning of the period	80,889	48,458
Cash and cash equivalent end of the period	94,570	37,512

During the 6-month period to June 30, 2018, the cash generated from operations before working capital requirements amounted to € 16.0 million compared to € 15.6 million for the same period last year.

The working capital requirement was € 0.7 million compared to € 1.5 million in the same period last year despite the increased revenue. The Company generally receives advance payments for services which are settled at regular intervals thus limiting the working capital requirements.

During the period, the Capex amounting to € 1.6 million was mainly related the construction of a new drainage network decided in 2017. The first significant capital expenditures are expected toward the end of the year.

The variation in cash was € 13.7 million during the 6-month period ended June 30, 2018 versus € -10.9 million in the same period last year.

As part of the concession agreement, the Company put € 10.0 million of cash in an escrow account. This amount constitutes a guarantee to the benefit of the Greek State for the concession fee to be paid. As at December 31, 2017 the Company held € 9.4 million in deposits for periods longer than 3 months that have been converted into cash in 2018.

As at June 30, 2018, cash and cash equivalents - excluding restricted cash and deposits for periods longer than three months classified in financial assets - totalled € 94.6 million compared to € 80.9 million as at December 31, 2017. The Company does not have any borrowing outstanding.

Risk Factors

For a comprehensive discussion of the important factors that could impact the Company's operating results, please refer to the Company's annual financial statements. Risks inherent to the Port industry and specific to the Company include, but are not limited to, risks associated with the following matters:

- Evolution of the worldwide / Greek / Central Macedonia / Thessaloniki economies
- Failure to meet customer expectations
- Access and quality of the road and railways infrastructure to / from the Port
- Increasing competition from other Ports and other modes of containers and commodities transportation.
- Changes in the strategy of liners and chargers
- Inheritance of environmental issues
- Greek Government policy and actions contrary to the interests of the Company
- Decision of the Greek State as a minority shareholder not in line with other shareholders' strategy and objectives
- Controlling shareholders having interests that conflict with those of the holders of the securities.
- Bankruptcy or liquidity issues of Greek banks
- Greek law regarding investment limits
- Liquidity and price of the securities depending on an active trading market
- Decision regarding dividend policy in the future
- Related party transactions not at arm's length
- Climate risk and natural disasters
- Inability to retain key personnel or attract and retain highly qualified personnel
- Inability to secure a management service contract with a service provider having adequate port management expertise
- Wage increases, strikes and labour disruptions.
- Death / injury of Port or third parties' employees
- Operating assets aging and requiring repair or replacement
- New equipment not operating as designed
- Evolution of vessels making equipment obsolete / not adapted
- Management information systems and internal control systems less developed than those of similar companies
- Congestion

- Dependence on customs authorities for the timely provision of our services
- Non-compliance with ISPS and other regulations
- Product liability and claims
- Third party cyberattacks
- Terrorist attacks

Related-Party Transactions

For details of related-party transactions, please refer to Note 14 of the condensed interim financial statements.

Capital Stock

As at June 30, 2018, the capital stock of the Company amounted to € 30.2 million, divided into 10,080,000 common shares. The common shares of the Company are distributed as follows:

	Number of shares	%
Common shares held directly or indirectly by principal shareholder	6,753,600	67.0%
Common shares held by Hellenic Republic Asset Development Fund	732,594	7.3%
Common shares held by the Public	2,593,806	25.7%
Total common shares issued and outstanding	**10,080,000**	**100%**

Critical Accounting Estimates

The interim condensed financial statements have been prepared in accordance with IFRS. The Company's significant accounting policies are described in Notes 1 to 5.21 of the 2017 annual financial statements.

Non-IFRS measures

EBITDA represents Net income before financial income and expense, income taxes, depreciation and amortization. EBITDA is a non-IFRS quantitative measure used to assist in the assessment of the Company's ability to generate cash from its operations. The Company believes that the presentation of EBITDA is useful to investors because it is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in the port industry. EBITDA is not defined in IFRS and should not be considered to be an alternative to Net income for the period or Operating result or any other financial metric required by such accounting principles.

Reconciliation of EBITDA is as follows:

(amounts in thousands of € unless otherwise stated)

Figures in thousands of €	6-month period ended June 30, 2018	6-month period ended June 30, 2017
Operating result	14,035	13,210
Depreciation and amortization	1,986	1,912
EBITDA	**16,020**	**15,122**

During the 6-month period ended June 30, 2018, the EBITDA was € 16.0 million versus € 15.1 million for the same period last year, a 5.9% increase. This increase in EBITDA is in line with the improved operating result and the stability of the depreciation expense.

Litigation and claims

Generally, the Company is subject to legal proceedings, claims and legal action arising in the ordinary course of business. The Company's Management does not expect that the ultimate costs to resolve these matters will have a material adverse effect on the Company's financial position, results of operations or cash flows. As disclosed in note 8.27 of the financial statements of the Company as at December 31, 2017, the Company is involved in certain litigations including (i) a claim from the Customs Office of Thessaloniki regarding cigarette cargoes and (ii) a claim relating to the call for tenders for the construction of floating parking lots in the Port.

Subsequent Events

There are no post balance sheet events to be reported.

Outlook

The Company's business strategy is to strengthen safety, improve quality of service and customer satisfaction and enhance productivity through better organization, training and state of the art equipment. The challenge will be to make the Port an agile organization able to cope with a rapidly changing environment and to identify new services and new opportunities. The Company considers that it has the human resources, the port management expertise and the financial capacity to successfully execute its strategy.

Thessaloniki, September 11, 2018

The Chairman of BoD & CEO of ThPA SA	The Deputy Chairman of BoD of ThPA SA	Appointed by the BoD Member
Sotirios Theofanis ID Card No X 190719/03	Boris Wenzel Passport No.16AL811931	Alexander-Wilhelm von Mellenthin Passport No. LF8ZHTY23

ERNST & YOUNG (HELLAS)
Certified Auditors – Accountants S.A.
8B Chimarras str., Maroussi
151 25 Athens, Greece

Tel: +30 210 2886 000
Fax:+30 210 2886 905
ey.com

REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL INFORMATION

To the Shareholders of "THESSALONIKI PORT AUTHORITY S.A."

Introduction

We have reviewed the accompanying interim condensed statement of financial position of "THESSALONIKI PORT AUTHORITY S.A." as of 30 June 2018, and the related interim condensed statements of comprehensive income, changes in equity and cash flows for the six-month period then ended and the selected explanatory notes, that comprise the interim condensed financial information and which form an integral part of the six-month financial report required by Law 3556/2007. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Financial Reporting Standards, as they have been endorsed by the European Union and applied to interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

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

Conclusion

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

ERNST & YOUNG (HELLAS)
Certified Auditors – Accountants S.A.
8B Chimarras str., Maroussi
151 25 Athens, Greece

Tel: +30 210 2886 000
Fax:+30 210 2886 905
ey.com

Report on other legal and regulatory matters

Our review has not identified any inconsistency between the other information contained in the six-month financial report prepared in accordance with article 5 of Law 3556/2007 and the accompanying interim condensed financial information.

Athens, 11 September 2018
THE CERTIFIED AUDITOR ACCOUNTANT

SOFIA KALOMENIDES
S.O.E.L. R.N. 13301

ERNST & YOUNG (HELLAS)
CERTIFIED AUDITORS ACCOUNTANTS S.A.
Chimarras 8B Maroussi,
151 25, Greece
COMPANY S.O.E.L. R.N. 107

Thessaloniki Port Authority
Interim condensed balance sheet as at June 30, 2018
Assets

Figures in thousands of €	Note	June 30, 2018	December 31, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	5	44,847	45,197
Intangible assets	5	658	754
Deferred income tax assets		5,473	5,795
Restricted cash	7	10,000	-
Other non-current assets		3,065	3,065
		64,043	**54,811**
Current assets			
Inventories, net		1,692	1,806
Trade receivables, net	6	4,317	3,664
Other current assets		4,336	4,677
Other financial assets	7		9,436
Cash and cash equivalent	7	94,570	80,889
		104,915	**100,472**
Total assets		**168,958**	**155,283**

Thessaloniki Port Authority
Interim condensed balance sheet as at June 30, 2018
Equity and Liabilities

Figures in thousands of €	Note	June 30, 2018	December 31, 2017
EQUITY			
Share capital	8	30,240	30,240
Share premium and retained earnings	8	47,984	65,350
Other reserves	8	65,350	42,261
		143,574	**137,852**
LIABILITIES			
Non-current liabilities			
Leasehold deposits received		124	124
Pension and other provisions for liabilities and charges	15	5,882	5,649
		6,005	**5,773**
Current liabilities			
Trade payables		1,636	2,396
Customer advances		2,925	2,995
Current income tax liability		5,255	1,327
Other current liabilities	8	9,563	4,941
		19,378	**11,658**
Total equity and liabilities		**168,958**	**155,283**

Thessaloniki Port Authority

Interim condensed income statement for the 6-month period ended June 30, 2018

Figures in thousands of €	Note	6-month period to June 30, 2018	June 30, 2017
Revenue	9	29,152	27,956
Cost of sales		-14,502	-13,368
Gross profit		**14,650**	**14,588**
General and administrative expenses		-2,606	-2,419
Other income and expense	10	1,991	1,041
Operating result		**14,035**	**13,210**
Financial income - net	12	542	579
Profit before income tax		**14,577**	**13,789**
Income tax	13	-4,318	-3,988
Net income		**10,259**	**9,801**
Earnings per share	*16*	*1.02*	*0.97*

Thessaloniki Port Authority
Interim condensed statement of changes in equity

Figures in thousands of €	Share capital	Share premium and retained earnings	Other reserves	Total equity
Balance at January 1, 2017	**30,240**	**40,170**	**65,045**	**135,455**
Net income	-	9,801	-	9,801
Dividend distributed	-	-	-	0
Net income allocated to reserves	-	-	-	0
Other comprehensive income net of tax	-		63	63
Balance at June 30, 2017	**30,240**	**49,971**	**65,108**	**145,320**
Net Loss	-	-2,558	-	-2,558
Dividend distributed	-	-4,939	-	-4,939
Net income allocated to reserves	-	-242	242	0
Other comprehensive income net of tax	-	29		29
Balance at December 31, 2017	**30,240**	**42,261**	**65,350**	**137,852**
Net income	-	10,259	-	10,259
Dividend distributed	-	-4,536		-4,536
Balance at June 30, 2018	**30,240**	**47,984**	**65,350**	**143,574**

Statement of comprehensive income

Figures in thousands of €	6-month period to June 30, 2018	June 30, 2017
Net income	10,259	9,801
Financial instruments available for sale	-	63
Remeasurement of pension obligation	-	-
Comprehensive income	**10,259**	**9,864**

Thessaloniki Port Authority

Interim condensed cash flow statement for the 6-month period June 30, 2018

Figures in thousands of €	Note	Six month period ended June 30, 2018	June 30, 2017
Net income		10,259	9,801
Adjustments for:			
Depreciation and amortization	5	1,986	1,912
Non-cash changes in provisions and considerations payable		779	495
Share-based compensation expenses		-	-39
Income tax	13	4,318	3,988
Financial income, net		-542	-580
Cash generated from operations before changes in operating assets and liabilities		**16,799**	**15,578**
Changes in operating assets and liabilities :			
Inventories		115	-58
Trade accounts receivable and other receivables		-44	528
Trade accounts payable and other payables		-1,524	-1,942
Cash generated from operations		**15,346**	**14,106**
Interest paid, net		-26	-1
Income tax paid		-	-
Net cash flow from operating activities (a)		**15,319**	**14,104**
Purchase of property , plant and equipment	5	-1,582	-749
Sale of financial instruments available for sale		-	488
Purchase of financial instruments related to concession agreement	7	-10,000	-
Sale (purchase) of financial assets		9,436	-25,161
Interest and related income collected		508	370
Net cash (used in) investing activities (b)		**-1,638**	**-25,051**
Proceeds from issuance (repayments) of borrowings		-	-
Dividends paid		-	-
Net cash generated from / (used in) investing activities (c)		-	-
Net increase in cash and cash equivalents (a) + (b) + (c)		**13,681**	**-10,947**
Cash and cash equivalents at beginning of the period		80,889	48,458
Cash and cash equivalents at end of the period	7	**94,570**	**37,512**

Selected notes to the interim condensed financial statements as at June 30, 2018

1. Basis of preparation

These interim condensed financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting. Because all the disclosures required by IFRS are not included, these interim statements should be read in conjunction with the audited financial statements of Thessaloniki Port Authority Public Limited Company for the year ended December 31, 2017.

Except when otherwise stated, all amounts are presented in thousands of Euro (€). The Euro (€) is the functional and the presentation currency of the Company.

2. Selected notes on critical accounting policies and new accounting pronouncements

2.1. Accounting policies

The accounting policies have been consistently applied with those of the annual financial statements for the year ended December 31, 2017 except for the income tax expense which, in accordance with IAS 34, is recognized based on Management's best estimate of the average effective annual income tax rate expected for the full financial year (see note 13).

2.2. Seasonal fluctuations

Ports typically experiences a low season in spring and summer months and peaks in autumn and before year end. During summer time many factories are on a collective leave resulting in low demand for logistic services, especially for export services. The peak transportation season starts in autumn and the active transportation time usually lasts until Christmas. After Christmas and the New Year, activity decreases and the volume of shipped cargo slows down. The port activity is also affected by the seasonality in the agricultural sector. As a result, of these seasonal fluctuations, the financial performance of the Company for the first 6-months does not necessarily reflects the performance of the Company on a full year basis.

2.3. Liquidity

The Company is committed to a capital expenditure program amounting to € 180 million to be performed no later than March 2026. The Company believes that it will have adequate financial resources to implement this program.

2.4. Impairment testing and useful life of the assets

The Company performed impairment tests at the level of its identified cash generated units, the impairment test involves comparing the carrying value of the Company's long-lived assets with the corresponding expected discounted cash flows generation as at December 31, 2017. The Company also reassessed the useful life of its assets considering the new capex plan. Based on the internal forecasts and projections made and the revision of the useful life of certain assets, an impairment charge and an accelerated depreciation expense were recognized as at December 31, 2017 for an amount of € 6 million.

Based on the latest information available, the Company considers that there is no triggering event which would justify an impairment testing as at June 30, 2018.

2.5. New accounting pronouncements

Standards, amendments and interpretations to existing standards that were adopted by the Company during the period with no material impact on the financial statements include:

- IFRS 9, Financial instruments - Classification of financial assets and financial liabilities (January 1, 2018) ;
- IFRS 15, Revenue from contracts with customers (January 1, 2018) ;
- Annual improvement 2014-2016; amendments to IFRS 1 and IAS 28.

IFRS 9, Financial instruments - The Company's policy is not to enter into complex financial instruments. When measuring expected credit losses, the Company considers the risk or probability that a credit loss occurs by reflecting the possibility that it may occur or not, even if the possibility of a credit loss occurring is very low. The adoption of IFRS 9 had no material impact on the classification or disclosures related to financial assets and financial liabilities.

IFRS 15, Revenue from contracts with customers - The Company generally accounts for revenue on the basis of the services provided, i.e. when the containers or the cargoes are loaded and unloaded. Customer rebates may apply when a customer reaches specified thresholds (number of containers or tons of cargoes). Rebates are treated as variable consideration. Variable consideration is included in the revenue at interim periods at the Company's best estimate, and only to the extent that it is highly probable that there will be no significant revenue reversal. The adoption of IFRS 15 had no material impact on revenue recognition for the Company.

Standards, amendments and interpretations to existing standards that are not yet mandatory effective and have not been early adopted by the Company include:

- IFRS 16, Leases (January 1, 2019);
- Amendments to IAS 19;
- Annual improvement 2014 – 2016; amendments to IFRS 3, IFRS 11, IAS 23 and IAS 12.

IFRS 16, Leases - As disclosed in its annual financial statements as at December 31, 2017, the Company assessed that its existing concession arrangement did not fall within the scope of IFRIC 12 – Service concession arrangements. As a result, IFRS 16 will apply as of January 1, 2019 and the Company will have to recognize rights-of-use assets and lease liabilities in the context of its concession agreement. The amounts recognized as assets and liabilities are generally limited to fixed concession payments. The concession fees applicable to the Company are variable and function of revenue. The concession arrangement provides for a minimum amount payable but it is unlikely to apply. The Company is currently assessing whether certain variable lease payments are in-substance fixed leased payments given the relative stability and predictability of the revenue. Management has assessed that the asset and liability to be recognized as at January 1, 2019 should not exceed € 65 million and that the EBITDA could be impacted positively by approximately € 2.0 million each year going forward. The final amount will be determined as at January 1, 2019 and the final assumptions used will depend upon the general economy, the financial market and the situation of the Company regarding its other commitments as at January 1, 2019. As at June 30, 2018, except for the concession arrangement, the Company did not enter into significant operating leases or equivalent.

The application of the other standards and amendments is not expected to have a material impact on the financial statements of the Company.

2.6. Significant events period

On March 23, 2018, as part of a privatisation process launched by the Greek State, 67% of the Company's share capital was transferred to South Europe Gateway Thessaloniki (SEGT) Limited, a consortium consisting in «Deutsche Invest Equity Partners GmbH», «Belterra Investments Ltd.» and «Terminal Link SAS». The consortium committed to a significant investment program dedicated to the completion of the Pier 6 Extension Plan with its deep-water berth and the equipment upgrade.

3. Financial risk management

The Company is exposed to a variety of financial risks through its activity, including financial counter-party risk and credit risk. The Company's cash and cash equivalent is placed in major Greek banks. The Company's management of cash is limited by the capital controls restrictions prevailing in Greece. The Company does not hold any financial instruments, to the exception of time deposits and cash at the bank.

4. Segment reporting

The Company operates in Greece, irrespective of the fact that its customer base includes international companies. Additionally, the Company does not engage in commercial or industrial activities other than the provision of services solely within the boundaries of the Port of Thessaloniki.

The Company's Management has identified the following four operating segments for disclosure:

- Container Terminal,
- Conventional Port,
- Passenger Traffic,
- Utilization of Spaces .

The business segment information for the 6-month periods ended June 30, 2017 and June 30, 2018 is as follows:

6-month period to June 30,2018

Interim Comprehensive Income Statement per Segment Figures in thousands of €	Container Terminal	Conventional Port	Passenger Traffic	Utilization of Spaces	Company level	Total
Revenue	18,681	9,665	67	739	0	29,152
Cost of sales	-7,243	-6,435	-178	-646	0	- 14,502
Gross profit	11,438	3,230	-111	93	0	14,650
General and administrative expenses	-735	-796	-49	-119	-907	-2,606
Other income and expense	-109	1,531	-7	205	371	1,991
Operating result	10,594	3,965	-167	179	-536	14,035
Financial income - net					542	542
Income tax					-4,318	-4,318
Net income	10,594	3,965	-167	179	-4,312	10,259

6-month period to June 30,2017

Interim Comprehensive Income Statement per Segment Figures in thousands of €	Container Terminal	Conventional Port	Passenger Traffic	Utilization of Spaces	Company level	Total
Revenue	16,737	10,289	80	850	0	27,956
Cost of sales	-6,301	-6,340	-182	-545	0	-13,368
Gross profit	**10,436**	**3,949**	**-101**	**304**	**0**	**14,588**
General and administrative expenses	-713	-773	-46	-113	-774	-2,419
Other income and expense	34	548	4	446	9	1,041
Operating result	**9,757**	**3,725**	**-144**	**638**	**-765**	**13,210**
Financial income - net					580	580
Income tax					-3,988	-3,988
Net income	**9,757**	**3,725**	**-144**	**638**	**-4,174**	**9,801**

One customer accounts for more than 10% of total revenue. It is active in the operating segment “Container terminal” and represents 18.2%, of the total revenue.

5. Property, plant and equipment and intangible assets

The variation in Property, plant and equipment can be analysed as follows (figures in thousands of €):

Figures in thousands of €	Buildings-Facilities	Machinery-Mechanical Equipment	Means of Transportation	Furniture and other equipment	Projects under construction	Total
Gross fixed assets as at January 1, 2017	21.885	67.304	4.285	4.537	12.011	110.022
Acquisitions	53	1.054	0	126	1.039	2.272
Impairment of fixed assets	0	-419	0	-69	0	-488
Transfers	96	639	0	17	-759	-7
Gross fixed assets as at December 31, 2017	**22.034**	**68.577**	**4.285**	**4.611**	**12.291**	**111.798**
Accumulated depreciation as at January 1, 2017	8.438	42.187	2.798	3.763	0	57.186
Period depreciation	904	2.347	177	194	0	3.621
Accelerated depreciation	0	3.740	0	0	0	3.740
Impairment of fixed assets	0	1.367	757	-69	0	2.055
Accumulated depreciation as at December 31, 2017	**9.342**	**49.641**	**3.731**	**3.887**	**0**	**66.602**
Net book value as at December 31, 2017	**12.693**	**18.936**	**554**	**723**	**12.291**	**45.197**
Gross fixed assets as at January 1, 2018	22.034	68.577	4.285	4.611	12.291	111.798
Acquisitions	77	111	0	100	1.292	1.581
Impairment of fixed assets	0	-94	0	-84	-14	-192
Transfers	0	1.459	0	0	-1.459	0
Gross fixed assets as at June 30, 2018	**22.112**	**70.053**	**4.285**	**4.627**	**12.110**	**113.187**
Accumulated depreciation as at January 1, 2018	9.342	49.641	3.731	3.887	0	66.602
Period depreciation	456	1.284	58	91	0	1.888
Impairment of fixed assets	0	-67	0	-83	0	-150
Accumulated depreciation as at June 30, 2018	**9.798**	**50.858**	**3.789**	**3.895**	**0**	**68.340**
Net book value as at June 30, 2018	**12.314**	**19.195**	**496**	**732**	**12.110**	**44.847**

Intangible assets amounting to € 658 thousand as at June 30, 2018 (€ 754 thousand as at December 31, 2017) mainly correspond to software development. The amortization expense for the 6-month period as at June 30, 2018 was € 98 thousand (€ 91 thousand for the 6-month period ended June 30, 2017).

The Property, plant & equipment depreciation expense and the intangible asset amortization expense amounting to € 1,986 thousand for the 6-month period ended June 30, 2018 (€ 1,915 thousand for the 6-month period ended June 30, 2017) have been charged to the income statement as follows:

Figures in thousands of €	June 30, 2018	June 30, 2017
Cost of sales	1,875	1,802
General and administrative expenses	111	110
Depreciation and amortization expense	**1,986**	**1,912**

6. Trade receivables, net

Trade receivables can be analysed as follows:

Figures in thousands of €	June 30, 2018	December 31, 2017
Trade receivables	4,990	4,685
Provision for bad debt	-673	-1,022
Trade receivables, net	**4,317**	**3,663**

The Company generally receives advance payments for services which are settled at regular intervals or is paid when the containers or the cargo is claimed. Occasionally in case of bankruptcy the containers or the cargos may not be claimed. In this case the Company is entitled to sell the goods through an auction process. During the 6-month period ended June 30, 2018, the Company was able to auction goods amounting to € 950 thousand through this process and the related provision amounting to € 320 thousand was reversed to net income.

7. Cash and cash equivalent

Cash and cash equivalents can be broken down as follows:

Figures in thousands of €	June 30, 2018	December 31, 2017
Sight deposits	4,640	4,567
Time deposits	89,930	56,445
Interest bearing Greek government treasury bills	-	19,877
Cash and cash equivalent	**94,570**	**80,889**

Time deposits invested for a period up to three months amount to € 89,930 thousand as at June 30, 2018 and are included in cash and cash equivalents. Time deposits for periods longer than three months are classified in other financial assets (none as at June 30, 2018, € 9,436 thousand as at December 31, 2017

As part of the concession agreement, the Company put € 10.0 million of cash in an escrow account. This amount constitutes a guarantee to the benefit of the Greek State for the concession fee to be paid and is presented as restricted cash under non-current assets in the condensed interim balance sheet.

8. Equity

The Company's share capital stands at € 30,240 thousand and is divided into 10,080,000 ordinary registered shares with a face value of €3.00 each. The share capital was fully paid up. There are no dilutive financial instruments and therefore only the basic earnings per share is reported on the face of the interim condensed income statement. There was no change in the number of shares during the period.
The statutory reserve may not be distributed while the Company is in operation. Untaxed reserves include reserves from income under special taxation as well as the special untaxed reserve amounting to €57.1 million.

The general meeting of shareholders of June 28, 2018 decided to distribute dividends amounting to €4,536 thousand or € 0.45 per share (€ 4,939 thousand and € 0.49 per share in 2017). The dividend was paid on July 11, 2018 and is presented in other current liabilities in the interim condensed balance sheet.

9. Revenue

The revenue can be analyzed as follows:

Figures in thousands of €	6-month period to June 30, 2018	6-month period to June 30, 2017
Ship services	13,626	12,164
Land services	4,513	3,850
Mooring and berthing	535	716
Income from other services	7	7
Container terminal	**18,681**	**16,737**
Ship services	7,665	8,661
Land services	1,193	589
Mooring and berthing	600	644
Income from other services	207	395
Conventional port	**9,665**	**10,289**
Ship services	0	0
Land services	17	19
Mooring and berthing	22	26
Income from other services	28	35
Passenger port	**67**	**80**
Utilization of spaces	133	276
Income from other provisions	606	574
Uilization of spaces and other	**739**	**850**
Total revenue	**29,152**	**27,956**

10. Other income and expense

The line item Other income and expense can be analysed as follows:

Figures in thousands of €	6-month period to June 30, 2018	June 30, 2017
Income from rent	1,223	1,283
Reversal of provision for doubtful debt	347	-
Reversal of an amount payable considered not due	782	-
Other miscellaneous	48	27
Other income	**2,400**	**1,310**
Provision for compensation payable	-	221
Provision from losses in rent	181	-
Reduced supplier penalty fee receivable	124	-
Other miscellaneous	104	48
Other expense	**-409**	**-269**
Other income and expense, net	**1,991**	**1,041**

During the six month period ended June 30,2018, the Company released to profit (i) a provision for doubtful debt for an amount of € 347 thousand (please refer to note 6) and (ii) an amount payable of €782 thousand which pertains to an accrual for which the obligation has been assessed and not being applicable is now considered not due.

11. Employees

The number of employees of the Company on June 30, 2018 and 2017 can be broken down as follows:

In number of employees	6-month period to June 30, 2018	June 30, 2017
Salaried staff	255	261
Waged staff	159	174
Number of employees	**414**	**435**

The compensation paid to employees can be broken down as follows:

Figures in thousands of €	6-month period to June 30, 2018	June 30, 2017
Full-time staff salaries	3,874	3,650
Employer contributions to social security funds	970	988
Side benefits	115	117
Provision for personnel compensation	40	41
Subtotal	**4,999**	**4,796**
Wages	2,504	2,475
Apprentice wages	35	54
Employer contributions to social security funds	672	710
Side benefits	53	56
Provision for personnel compensation	25	26
Subtotal	**3,289**	**3,321**
Compensation paid to employees	**8,288**	**8,117**

12. Financial income, net

The financial income and expense can be broken down as follows:

Figures in thousands of €	6-month period to June 30, 2018	June 30, 2017
Interest received from the banks	568	581
Interest charges and related expenses	-26	-1
Financial Income, net	**542**	**580**

13. Income tax charge

The income tax charge can be analyzed as follows:

Figures in thousands of €	6-month period to June 30, 2018	June 30, 2017
Current income tax	3,996	4,153
Deferred income tax	322	-165
Income tax charge	**4,318**	**3,988**

The effective income tax rate is 29.6% (28.9% in 2017) applicable to the profit before tax. There are no significant differences between the effective income tax rate applicable to the Company and the corporate income tax rate prevailing in Greece.

14. Related party transactions

For the 6-month period ended June 30, 2018, salaries and attendance fees paid to members of the Board of Directors amounted to a total of € 117 thousand (€ 85 thousand in the same period of 2017). Senior executives paid fees amounting to € 274 thousand (€ 282 thousand in the same period of 2017).

The above fees were subject to employer's social security contributions amounting to € 63 thousand (€ 75 thousand in the same period of 2017).

The Company entered into a management service agreement with Terminal Link whereby Terminal link provides operational management. The fees accounted for during the 6-month period ended June 30, 2018 amounted to € 323 thousand of which € 148 thousand were invoiced (none in 2017).

15. Provision for risks and charges, commitment and contingencies

The provision for risk can be analyzed as follows:

Figures in thousands of €	June 30, 2018	December 31, 2017
Pension	4,245	4,193
Other liabilities and charges	1,637	1,456
Provision for liabilities and charges	**5,882**	**5,649**

There has been no new information regarding the litigations disclosed in note 8.27 of the annual financial statements of the Company as at December 31, 2017. As a reminder, the Company is involved in certain litigations including (i) a claim from the Customs Office of Thessaloniki regarding cigarette cargoes and (ii) a claim relating to the call for tenders for the construction of floating parking lots in the Port.
As part of the concession agreement, the Company committed to provide a letter of credit for an amount of € 20 million. This set up is under consideration at report date and should be effective before year end.

The Company, acting as a lessor, entered into various operating lease agreements, The Company's minimum future amounts receivable under those leases can be broken down as follows:

Figures in thousands of €	June 30, 2018	June 30, 2017
Less than 1 year	1,434	1,461
Between 1 and 5 years	1,233	1,376
More than 5 years	423	832
Lease commitment	**3,090**	**3,668**

The rent income for the period ended June 30, 2018 amounted to € 1,223 thousand (€ 1,283 thousand for the 6-month period ended June 30, 2017) (note 10).

As at June 30, 2018, the Company held letters of credit from suppliers and customers worth € 1,887 thousand compared to € 3,977 thousand as at December 31, 2017. Of these, an amount of € 770 thousand relates to suppliers and € 1,117 thousand relates to customers, compared to € 2,827 thousand for suppliers and € 1,151 thousand for customers as at December 31, 2017.

16. Earnings per share

Basic earnings per share are calculated by dividing the net profit corresponding to the holders of common shares of the company with the average weighted number of common shares in circulation during the six month period.

	6-month period to	
	June 30, 2018	June 30, 2017
Net profits corresponding to company shareholders	10,259	9,801
Average weighted number of common shares	10,080	10,080
Basic earnings per share (€/share)	**1.02**	**0.97**

17. Subsequent events

There are no post balance sheet events to be reported.

THESSALONIKI, 11/09/2018

THOSE RESPONSIBLE FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

THE CHAIRMAN OF BoD & CEO OF ThPA SA	THE DEPUTY CHAIRMAN OF BoD OF ThPA SA	THE DIRECTOR OF FINANCIAL DEPARTMENT	THE HEAD OF THE ACCOUNTING DEPARTMENT
SOTIRIOS THEOFANIS	BORIS WENZEL	ASTERIOS BROZOS	MERSINA CHONDROUDAKI
ID Card No. X 190719/03	PASSPORT No. 16AL811931	ID Card No. AN 203262/17	ID Card No. AE 179855/07 LICENSE NO 0039369

(amounts in thousands of € unless otherwise stated)