ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR FROM JANUARY 1st TO DECEMBER 31st

2020

(according to article 4 of law 3556/2007)

ANEK LINES S.A.
G.E.S.R. NO: 121557860000
148 KARAMANLI AVE., 73100 CHANIA, CRETE
TEL.:+30 28210 24000, www.anek.gr

CONTENTS

The annual financial report for fiscal year 2020 was drafted pursuant to art. 4 of law 3556/2007 and was approved by the Board of Directors of ANEK S.A. in its meeting of 27 April 2021.

It is noted that the present annual report is translated from the Greek original version.

STATEMENT BY THE MEMBERS OF THE BOARD OF DIRECTORS
(pursuant to art. 4, par. 2 of law 3556/2007)

The members of the Board of Directors of ANEK S.A.:

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

hereby represent that, to the best of our knowledge:

(a) the separate and consolidated annual financial statements for fiscal year from 1st January 2020 to 31st December 2020, which are prepared in accordance with the applicable International Financial Reporting Standards, accurately present the assets, liabilities, equity and results of ANEK S.A., as well as those of the companies included in the consolidation, aggregately considered as the group, and

(b) the annual report by the Board of Directors, accurately presents the progress, performance and position of the Parent Company and of the companies included in the consolidation, aggregately considered as the group, including the description of the most important risks and insecurities faced by them.

Chania, 27 April 2021

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

ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR THE FISCAL YEAR 2020

This annual report by the Board of Directors of ***ANEK S.A.*** *for the fiscal year from 1st January to 31st December 2020 was drafted in accordance with the provisions of law 4548/2018 (articles 149 -154) and is in line with the provisions of law 3556/2007 and decision no 7/448/11.10.2007 of the Capital Market Commission. This report includes information relating to the progress of the Group and the Company's activities, as well as their financial position, results, significant changes and events that took place in fiscal year 2020. It also describes the most significant risks that the Company may face in the future, its anticipated progress in the current fiscal year and the most important transactions between the Company and its related parties.*

I. BRIEF DESCRIPTION OF BUSINESS MODEL

ANONIMI NAFTILIAKI ETERIA KRITIS (ANEK) S.A. was established in 1967 and started operating in the passenger shipping sector in 1970. The Group of ANEK consists of:

- Parent Company ANEK S.A. (passenger shipping sector),
- AIGAION PELAGOS THALASSIES GRAMMES SHIPPING COMPANY (passenger shipping sector),
- ETANAP S.A. (Production and sale of bottled water - bottled water sector),
- LEFKA ORI S.A. (Packaging and trading agricultural products and packaging materials – industry sector),
- ANEK HOLDINGS S.A. (Tourism, consulting etc. - tourism sector),
- ANEK LINES ITALIA S.r.l. (Agency and representation of shipping companies - tourism sector).

Passenger shipping is the main activity of ANEK Group. The Parent Company provides maritime transport services by Ro/Pax vessels. Having completed a long journey of uninterrupted and dynamic presence in passenger shipping, ANEK has contributed decisively to the development of the sector, maintaining its Greek identity. The fleet of ANEK Group includes 7 privately-owned vessels and 2 long-term chartered vessels with purchase option, operating mainly in the routes of the Aegean and the Adriatic sea.

The Company's management focuses on the provision of high quality services to its customers, with particular attention to the safety of crew and passengers on vessels as well as to the protection of the environment. The main objective of the Company is sustainable development with responsibility, respect for the environment, employees, social partners as well as the continuous improvement of the level of satisfaction of its customers.

II. OVERVIEW OF ECONOMIC ENVIRONMENT, ACTIVITIES & FINANCIAL POSITION

In 2020 the spread of the COVID-19 pandemic brought significant negative impact on the economy. The efforts to deal with the pandemic led to the sinking of economic activity, while the implementation of emergency measures caused travel restrictions and large revenue losses in maritime transport services, tourism, as well as in accommodation and catering services.

More specifically, in the passenger shipping sector, the negative effects of the pandemic in 2020 were particularly intense, resulting in unprecedented loss of transport work and revenues. The restrictions and bans imposed on the movement of passengers to and from Italy and the islands, led to a vertical decline in passenger traffic on both the Adriatic routes and coastal shipping. In addition, the significantly reduced duration of the tourist season and the implementation, during the summer period, of a reduced passenger protocol on vessels after the pause of restrictive travel measures, further contributed to the shrinkage of transport work. The state support measures, in parallel with the efforts to reduce costs, have covered part of the operational losses emerged from the need for the uninterrupted execution of vessels' itineraries.

ANEK Group, with the main aim of ensuring the safety of passengers and seafarers on board, complied immediately and fully with all the required measures and instructions by the competent bodies, against the spread of the pandemic. In this context, the Company received the specialized certification "Biosafety Trust" from the Italian Classification Society RINA for the effective control and prevention of transmission in the workplace, developing specific procedures and taking additional measures on its vessels, where there is the largest exposure, as well as in its agencies.

The management of the Group tried to offset the losses from the significant reduction of revenues in 2020 by proceeding to restructuring of itineraries by replacement and temporary laying up of vessels, applying state tools to support employees and companies (payment extension in tax and contributions, contract suspensions, "Syn-Ergasia" program etc.) and reducing operating cost. The above measures, in combination with the fall in fuel prices and the state support of the companies in the sector, limited to a certain extent the great loss from the reduction of the revenues. In terms of financial results, which should be evaluated considering the significant impact of the pandemic on activity, in 2020 compared to 2019, ANEK Group showed a significant reduction in turnover and earnings before interest, tax, depreciation and amortization (EBITDA), while recorded losses after taxes and minority interests against profits in the previous year.

At operational level, in 2020 ANEK Group operated through privately owned and chartered vessels in Adriatic Sea (Ancona, Venice), Crete (Chania, Heraklion), Dodecanese and Cyclades. In Cyclades and Dodecanese, continued to operate in public service routes. In Crete and Adriatic routes the Group's vessels continued to execute combined itineraries along with vessels of "ATTICA S.A. HOLDINGS", while the chartering of a Company's vessel abroad was continued.

By executing 2% less itineraries compared to previous year, ANEK Group in 2020, in all routes operated, transferred in aggregate 497 thousand passengers compared to 1.044 thousand in 2019 (decrease of 52%), 115 thousand private vehicles compared to 202 thousand (decrease of 43%), and 121 thousand trucks versus 129 thousand (decrease of 7%).

The Group's consolidated turnover in 2020 amounted to € 124,5 million compared to € 173,9 million in 2019, gross profit amounted to € 14,8 million compared to € 40,3 million and earnings before interest, tax, depreciation and amortization (EBITDA) amounted to € 6,9 million in 2020 compared to € 25,6 million in 2019. Finally, consolidated results after taxes amounted to losses € 14,1 million versus profits € 3,8 million in 2019, while results after taxes and minority interests amounted to losses € 15,1 million, compared to profits € 2,6 million in 2019. In more details, the key figures included in the Group's financial statements and their variations are as follows:

- **Turnover**

Group's turnover in 2020 decreased by € 49,4 million amounting to € 124,5 million compared to € 173,9 million in 2019. Revenues from domestic shipping activities amounted to € 40,0 million versus € 51,0 million in the previous year and from shipping activities abroad amounted to € 75,2 million compared to € 111,4 million, while revenues from other activities amounted to € 9,3 million in 2020 versus € 11,5 million in 2019.

- **Gross profit**

Consolidated gross profits in 2020 decreased by € 25,5 million amounting to € 14,8 million compared to € 40,3 million in 2019. The decrease in cost of sales by € 23,9 million, which formed at € 109,7 million compared to € 133,6 million in the previous year, absorbed almost half of the decrease in turnover.

- **EBITDA**

Group's selling and administrative expenses formed at € 19,3 million versus € 25,0 million in 2019. As a result of mainly the decrease in gross profit and also in other operating expenses, in 2020 Group's earnings before interest, taxes and depreciation (EBITDA) amounted to € 6,9 million compared to € 25,6 million in 2019.

- **Financial and investment results**

The Group's net financial cost for 2020 amounted to € 8,9 million compared to € 9,5 million in the previous year, while the results from investing activities formed at losses of € 0,1 million against profits of € 0,1 million in 2019.

Net results - Total comprehensive income

As a result of the above, the consolidated net results after taxes for 2020 amounted to losses of € 14,1 million versus profits of € 3,8 million, while the net results after taxes and minority interests amounted to losses of € 15,1 million versus profits of € 2,6 million. Similarly, total comprehensive income for 2020 amounted to losses of € 14,1 million versus profits of € 3,6 million, while total comprehensive income after taxes and minority interests amounted to losses of € 15,0 million compared to profits of € 2,3 million in the previous year.

Key information of financial position statement

- The net book value of the Group's fixed tangible assets as of 31.12.2020 amounted to € 263,5 million compared to € 270,5 million as of 31.12.2019. Depreciation for year 2020 amounted to € 11,3 million and additions amounted to € 0,9 million, while the value of fixed assets increased by € 2,9 million, with a relative increase in long-term liabilities, due to the termination of a long-term vessel charter contract with purchase right and, respectively, the recognition of a new contract. There have been no significant changes in property investments, intangible assets and participations of the Group.
- The Group's trade receivables as at 31.12.2020 formed at € 30,9 million compared to € 34,2 million at the end of previous year, while other short-term receivables amounted to € 3,4 million compared to € 5,9 million. The provision formed in 2020 for doubtful debts amounted to € 1,2 million.
- The Group's cash and cash equivalents as of 31.12.2020 amounted to € 11,4 million compared to € 8,5 million as at 31.12.2019, while inventories and financial assets at fair value through results did not show significant changes.
- The Group did not presented long-term bank liabilities on 31.12.2020, given that from year 2018 the long-term loans of the Parent Company were reclassified to short-term ones. Hence, the short-term bank liabilities of the Group on 31.12.2020 amounted to € 252,9 million compared to € 258,7 million on 31.12.2019.
- The capital lease liabilities of vessels of the Group on 31.12.2020 amounted to € 9,1 million compared to € 10,7 million on 31.12.2019, while other long-term liabilities (including regulated tax debts whose repayment extends beyond the year, as well as the obligations of operating leases arising from the application of IFRS 16) on 31.12.2020 amounted to € 1,9 million compared to € 2,2 million at the end of the previous year. Employees' retirement allowances and other provisions amounted to € 5,0 million on 31.12.2020 compared to € 4,9 million on 31.12.2019, while deferred tax liabilities and asset grants did not show significant changes.
- Trade payables on 31.12.2020 amounted to € 30,3 million compared to € 36,5 million, while other short term liabilities amounted to € 19,3 million compared to € 13,0 million at the end of previous year. The increase in other short-term liabilities is mainly due to tax and contributions liabilities whose payment has been suspended until 31.12.2021 and then are expected to be regulated, as part

of the government measures to alleviate companies affected by the pandemic.

- In August 2020 the partial conversion of the Parent Company's convertible bond into common shares, was completed. With the conversion of the said bonds, the share capital was increased by the amount of € 10.843.999,50, through the issuance of 36.146.665 new registered common shares with voting rights of nominal value of euro 0,30 each. Thus, after the above, the Parent Company's share capital is now amounting to € 67.440.467,10, divided into 224.801.557 registered common and preferred shares with voting rights.

► **Cash flows**

During the fiscal year 2020, the Group presented inflows from operating activities amounting to € 7,8 million compared to € 12,3 million in the previous year. Operating cash flows before the adjustments of change in working capital amounted to € 5,8 million compared to € 27,1 million in the previous year, as a consequence of the decrease in operating results. Investing activities showed outflows (mainly due to payments for fixed assets additions) amounting to € 0,8 million compared to € 6,1 million in 2019. Finally, the financing activities showed outflows (mainly for payments of financial and operating lease installments) amounting to € 4,1 million compared to € 5,1 million in the previous year.

► **Financial ratios**

- The gross profit margin (%) of the Group (Gross Profit / Turnover) showed significant decrease in 2020 and formed at 11,9% compared to 23,2% in 2019. Respectively, EBITDA margin (Earnings before interest, taxes and depreciation / Turnover) for 2020 formed at 5,5% compared to 14,7% in the previous year.

- The ratios of general liquidity (:1) "Current assets / Current liabilities" and direct liquidity (:1) "(Current assets - Inventories) / Current liabilities" as at 31.12.2020 formed at 0,17 and 0,16 respectively, compared to 0,18 and 0,17 at the end of previous year. The low fluctuation of liquidity ratios is due to the reclassification of the long-term loans of the Parent to short-term liabilities. If the overdue long-term loans are not taken into account, the adjusted general and quick direct liquidity indicators of the Group on 31.12.2020 amounted to 0,93 and 0,89 respectively.

- The fixed assets ratio (:1) "Turnover / Fixed assets" formed at 0,47 as at 31.12.2020 compared to 0,64 at the end of previous year, affected by the large decrease in turnover, while the assets ratio (:1) "Turnover / Total assets" fell to 0,39 from 0,53 on 31.12.2019.

- The debt ratios (:1) "Liabilities / Equity" and "Long and short term borrowings / Equity" as at 31.12.2020 where negative due to the return of the Group's equity to negative level. The "Liabilities / (Equity + Liabilities)" ratio formed at 1,00 as at 31.12.2020 compared to 0,99 as at 31.12.2019, while, respectively, "Long and short term borrowings / (Equity + Liabilities)" ratio formed at 0,79 versus 0,78 at the end of previous year.

- The Group controls and monitors its capital adequacy based on the leverage ratio, which is calculated as net debt divided by total capital. "Net debt" means all debt liabilities (long and short term) after deduction of cash, whereas "total capital" refers to the sum of equity plus net debt. The management aims to preserve the leverage ratio to as low as possible levels. However, after the return of Group's equity to negative level, the leverage ratio formed at 100,4% as at 31.12.2020 versus 98,7% at 31.12.2019.

III. SIGNIFICANT EVENTS IN 2020 & LATER

- In August 2020, the process of converting part of the Company's bond loan (C.B.L.) into common shares was completed. The conversion of these bonds resulted in an increase of the share capital by € 10,8 million with the issuance of 36.146.665 new common voting shares with a nominal value of € 0,30 each. Following the above, the share capital of the Company now amounts to € 67,4 million divided into 224.801.557 common and preferred registered voting shares.
- In November 2020 was agreed the extension of the duration of the Joint Venture ANEK – SUPERFAST until 31.10.2021.
- In December 2020, it was agreed between ANEK and the owner company of Ro/Pax "ASTERION II" the extension until 31.10.2021 of the duration of the long-term charter contract with purchase right, which was expiring on 31.03.2021, with a corresponding extension of exercising the right of purchase per month until the expiration of the new contractual period.

IV. MAJOR RISKS & UNCERTAINTIES

Following is an analysis of the major business risks faced by the Group. A more detailed description of the business risks and their management is provided under note 32 of the financial statements "Causes and risk management policies".

- **Fuel price fluctuation**

Fuel cost is the key operating cost incurred by the Group which has a direct effect on the results of each period and thus, a rise in fuel prices is the most important risk faced by the Group. Fuel prices are settled in Euro, but they are indirectly affected by the EUR/USD exchange rate used as a basis for the determination of the international prices. The sensitivity of the results and equity to fuel cost changes per metric ton – ceteris paribus- in 2020 was as follows:

Fuel price change	Effect on results and equity
±5% / metric ton	(-/+) € 2,0 million
± 10% / metric ton	(-/+) € 4,0 million
± 20% / metric ton	(-/+) € 8,0 million

According to a decision of the Environmental Protection Committee of the International Maritime Organization IMO, as of January 1, 2020, all vessels of the Group use mixed sulfur fuel of 0,5% a fact that increases the cost of fuel. However, international fuel prices in 2020 fluctuated at lower levels than those of the previous year. The Group's fuel and lubricants cost for 2020 represented a 37% of the total cost of sales, compared to 39% in 2019. Fuel cost is the most significant operating cost, consequently, fuel price fluctuation is the most significant risk associated with the Group's financial results. Therefore, a possible rise in fuel cost is expected to have a significantly adverse effect on the Group's operating results, cash flows and financial position.

- **Rate fluctuation risk**

ANEK has entered into agreements for long-term syndicated loans and credit accounts with various banks. Interests for all the above loans are calculated on the basis of the Euribor rate plus a margin. Consequently, the Company is exposed to a rate fluctuation risk, as it will be burdened with extra financial cost in the event of an increase in interest rates. The sensitivity of the results and equity to long term debt rate changes in 2020 was as follows:

Rate change	Effect on results and equity
± 0,5%	(-/+) € 1,25 million
± 1%	(-/+) € 2,50 million

Consequently, a possible rise in interest rates is expected to have a significantly adverse effect on the Company's operating results, cash flows and financial position.

- **Liquidity risk**

The liquidity risk consists of the risk that the Group or the Company may not be able to meet their financial obligations and disrupt smooth operation. Due to the reclassification of long-term borrowings to short-term ones, in accordance with paragraph 74 of IAS 1, the equilibrium in the working capital of the Company and the Group was disturbed. The Group's cash and cash equivalents at 31.12.2020 amounted to € 11,4 million, while in order to avoid a possible shortage of liquidity, the management of the Group ensures that there are always available bank credits to cover emergency needs in periods of low liquidity.

- **Competition**

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

- **Credit risk**

Under the existing financial conditions, all companies are facing increased credit risks. The Group is following its customers' balances closely by applying credit control procedures and defining credit limits and specific credit policies for all the customer categories. Where it is necessary, it has obtained additional guarantees to secure the credit granted even more. The accumulative provisions formed have reached the amount of € 46,5 million, and it is considered adequate to deal with credit risk, while, there is significant dispersion of the Group's receivables. Although, that there is a concentration of receivables by the Joint venture, these receivables refer to a large number of debtors (agents, truck companies etc.) that are settled through the Joint venture (as a special scheme) and therefore the risk of concentration is limited. As regards cash and cash equivalents, the Group is not exposed to any credit risk as there is natural hedging, given that there are also loan agreements entered into with the cooperating financial institutions.

- **Foreign exchange risk**

Both the Company and the Group are not exposed to increased foreign exchange risk as almost all their transactions with customers and suppliers outside Greece are made in Euro. There is a very limited potential of foreign exchange risk caused by the market value of fuels, spare parts and other materials, or services procured by countries outside the euro-zone, which is limited in relation to the total of purchases and expenses.

- **Pandemic coronavirus COVID-19**

The spread of the COVID-19 pandemic continues in the first months of 2021, affecting the business environment and economic activity. The passenger shipping sector has been severely affected due to travel restrictions and reduced passenger protocols on vessels. Indicatively, in 2020 ANEK Group transferred 52% fewer passengers and 43% fewer P.U. vehicles compared to 2019. The prospects of the economy for 2021 have been improved due to the progress of the vaccination process and the expected pause of travel restrictions during the summer period when the Group's highest sales take place. However, uncertainty about the near future remains, mainly due to the mutations of the virus. Regarding the financial position of the Group, the management estimates that the impact of the pandemic on its activity will also be significant in 2021, at least until the pause of travel restrictions. In conclusion, at this stage it is not possible to make safe predictions regarding the evolution of the pandemic and its final effects on Group's activity for 2021. The management of the Group closely monitors the developments and takes care of the implementation of the procedures and the receiving of these measures and policies that are considered appropriate and necessary, in order to ensure the business continuity and to limit the negative consequences to the greatest possible extent.

Further analysis of the consequences of the pandemic on the operational activity of the Group and the measures taken are noted in note 32 of the financial statements "Risk management and policies".

V. PROSPECTS & EVOLUTION

The progress of the COVID-19 coronavirus vaccination program has strengthened the positive prospects for partial economic recovery in 2021. For Greece, GDP growth is expected to be high, but a critical factor will be the course of tourism, as well as the possibility for the country to benefit from the European Commission Recovery Fund.

However, the sharp decline in the transport work of the passenger shipping industry, due to the pandemic and the travel restrictions, continues in the first months of 2021. Uncertainty about the evolution of the pandemic in the near future and the extent to which it will affect passenger traffic and transport work until the end of the year, is the main risk that the industry and the Group have to face. Particularly critical will be the course of the transport work during the summer season where the highest sales of the Group take place. Also, an important role will play the state support measures to avoid consequences that will negatively affect the sector.

In addition, the prospects of the Group will depend on the conditions of competition in the sector, as well as on the formation of international oil prices which in the first months of 2021 are at higher levels in relation to the comparable period. Given that the trend of international oil prices is an unpredictable factor, any further estimate for their impact on the results of the year would be arbitrary.

The management of the Group closely monitors the developments and takes care of the implementation of the procedures and in particular the receiving of the necessary measures in order to ensure the smooth operating activity and to minimize, as far as possible, the consequences of the pandemic on the financial position.

VI. MAJOR TRANSACTIONS WITH RELATED PARTIES

It is noted that from fiscal year 2020 the financial statements of the Group are included under the equity method in the consolidated financial statements of PIRAEUS BANK (hereinafter "BANK"). The transactions and balances of the Parent Company and the other companies of the Group with the BANK group relate, mainly, to loans and debit interest, commissions and other bank expenses, as well as to deposits and credit interest. The BANK's share in the balance of the syndicated bond loan of the Parent on 31.12.2020 amounted to € 99.461 thousand, while the corresponding interest for 2020 amounted to € 2.793 thousand. Also, there are other liabilities of the Parent to the BANK amounting to € 57 thousand, while the commissions and other bank expenses amounted to € 444 thousand. Finally, the deposits of the Group companies in the BANK on 31.12.2020 amounted to € 789 thousand.

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

- **Income / Expenses**
  - In 2020 ANEK invoiced the subsidiary AIGAION PELAGOS with the amount of € 7.040 thousand (€ 8.129 thousand in 2019) for chartering of vessels, commissions and administrative support services.
  - The subsidiary ETANAP invoiced the Parent Company for sale of products with the amount of € 66 thousand (€ 133 thousand in 2019), while the company LEFKA ORI had income from the rental of machinery and sale of products to ETANAP the amount of € 154 thousand (€ 201 thousand in 2019).
  - The associate ANEK LINES ITALIA invoiced the Parent Company with the amount of € 265 thousand (€ 261 thousand in 2019) for tickets issuance commissions and vessels agency and the JOINT VENTURE with the amount of € 741 thousand (€ 1.364 thousand in 2019) for ticket issuance commissions.

- **Dividends**

  In 2020 ANEK had income through its subsidiary ETANAP from dividends amounted to € 163 thousand, same as in 2019.

- **Receivables / Liabilities**
  - As of 31.12.2020 the Parent Company had a receivable from subsidiary ETANAP amounting to € 1 thousand (a liability of € 554 thousand as at 31.12.2019), a receivable amounting to € 5.092 thousand from AIGAION PELAGOS (€ 4.646 thousand as at 31.12.2019) and a receivable from its subsidiary ANEK HOLDINGS S.A. amounting to € 82 thousand (€ 79 thousand as at 31.12.2019). Moreover, as of 31.12.2020 ANEK had no liability to / receivable from the associate ANEK LINES ITALIA (a liability of € 422 thousand at the end of previous year) and a receivable from JOINT VENTURE amounting to € 13.791 thousand (€ 15.680 thousand as at 31.12.2019).
  - At the end of year 2020, LEFKA ORI had a receivable from ETANAP amounting to € 26 thousand (€ 73 thousand as at 31.12.2019), while ANEK LINES ITALIA had a liability to JOINT VENTURE amounting to € 343 thousand (€ 854 thousand at the end of previous year).

- **Key management compensation**

The gross fees to Directors and BoD members for fiscal years 2020 and 2019 refer to short term benefits and are analyzed as follows:

	Group		Company	
	01.01.20-31.12.20	01.01.19-31.12.19	01.01.20-31.12.20	01.01.19-31.12.19
Executive members of the BoD	692	699	409	409
Non-Executive Members of the BoD	14	13	14	13
Management executives	911	902	911	902
	1.617	**1.614**	**1.334**	**1.324**

At the end of fiscal year 2020, the Company and the Group had a liability to the above persons amounted to € 8 thousand (€ 7 thousand for the Company and € 24 thousand for the Group as at 31.12.2019). As of the balance sheet date there were no stock option plans for BoD members and executives or other benefits depending on the value of shares.

VII. NON-FINANCIAL REPORTING

based on Article 151, par. 1 of law 4548 /2018

1. DEVELOPMENT STRATEGY AND OPERATION

Since the beginning of its operation, ANEK has focused on creating added value throughout the chain of its business activity, operating as a Sustainable and Responsible multi-shareholder company. This added value is maintained and strengthened by the Company itself and then disseminated to all its social partners. With the fundamental goal of always being at the forefront of business excellence and guided by the interests of shareholders and the passenger public, which in the long run ensures the sustainability of our growth prospective, we adopt practices that ensure a high level of corporate governance, structures and policies standards of professional behavior and business ethics and contribute to the smooth operation of the market and to the fostering of the trust of our shareholders.

Sustainable Development is an integral part of the operating method and development of the activities of ANEK Group. This is reflected in its vision, policy and organizational structure and aims to ensure that it operates responsibly.

ANEK Group aims to create value for all its stakeholders and in terms of the three Sustainable Development pillars: society, environment and economy.

We are developing our activity based on this approach. By monitoring the risks and challenges resulting from our activity, we are developing procedures aiming to ensure – through the establishment of a Safe Management System (SMS), the development of control processes, the preparation for emergency response and prevention of specific risks, the monitoring and assessment of results and performance – that the Group operates responsibly.

OUR MISSION:

- To keep the Company as a protagonist in the passenger shipping sector.
- To create added value for our shareholders, our customers, our partners and society, by providing high quality services.

OUR VISION:

- To operate as an example of good practice.
- To respect the environment and society with targeted actions.
- To maintain a healthy and safe working environment for the staff.

OUR VALUES:

- Planning
- Evaluation
- Integrity
- Efficiency
- Transparency

WE FOCUS ON:

- The abilities of our people.
- The needs of our customers.
- Social welfare.
- The protection of the environment.
- Sustainable development.

OUR MAIN OBJECTIVE:

- To combine efficiency and financial viability with corporate responsibility and sustainability.

PRIORITISATION OF VIABILITY:

- Financial viability of the company.
- Providing high quality services to customers.
- Staff safety and training.
- Ensuring human rights.
- Regulatory compliance and ensuring operation with transparency and ethics.
- Strengthening the activities of the local community.

WE COMMIT:

- To respect human rights.
- To protect the environment and its sustainability.
- To contribute to society.
- To contribute to culture, sports, arts and education.

We are consistent in our obligations, both to our employees and to state entities, paying salaries and both direct and indirect taxes. We generate economic value, thus contributing to the strengthening of the national economy as well as to the satisfaction of stakeholders. We invest a significant part of the financial value that we produce on an annual basis, expecting long-term and stable growth of the Company's figures. We set quality standards that are in line with the level of services provided. We invest in our relationships with our partners and suppliers. We maintain strong bonds of trust and long-term cooperation. We cover our needs for supplies from local and Greek suppliers.

WE CREATE VALUE:

Value added	Value produced	Value to share
▪ collaborating with suppliers and associates	▪ revenues	▪ to our shareholders
	▪ taxes	▪ to our suppliers
	▪ investments	▪ to our employees
▪ improving our services	▪ employees	▪ to our associates
▪ strengthening local community / supporting our customers	▪ voluntary offer	▪ to our customers
	▪ community support	▪ to local community

At ANEK, we have established policies that are the official formulation of our fundamental principles, implementing regulations and codes in accordance with international and national standards and developing systems that support our everyday operation.

Our responsible operation is achieved by:

- the application of international navigation standards,
- the compliance of vessels with all national and international regulations,
- the development of control mechanisms,
- proper monitoring and preparedness for emergencies,
- the implementation of standards that ensure:
  - the quality of our services to the passenger public,
  - a safe environment for our employees,
  - the actively contributing to local communities and vulnerable social groups in need of our assistance.

2. MATERIALITY

At the heart of our business are those issues that can have a significant impact and positively or negatively affect our relationship with our social partners and the societies in which we operate.

Through the systematic mapping of important issues (materiality analysis) and based on international reporting standards (GRI G4, AA1000) we identify all these issues that should be taken into account by the Company's management in the further development of our strategy for Sustainable development.

Our regular tactic is to respond to the issues that have the greatest impact on our social partners, to limit any negative effects from our operation and to seize opportunities in the future.

By systematically approaching the object of recording the important issues, we carried out a process of materiality analysis, which was implemented in three phases:

a. We have identified issues related to our operation in the areas of Sustainable Development, taking into account sector issues and national and international sustainability standards.

b. We identified and prioritized the issues related to our operation based on their importance for the implementation of our business goals, as well as for our internal and external environment.

c. We validated the results of the process. The development of the process of recording the material issues concerning our business activity was developed based on the international standards AA1000 and the Global Reporting Initiative.

We recognize the importance of risk analysis as well as the issues of substance in the development of our strategy for Sustainable Development and in the process of reporting our non-financial data. Thus, evaluating the most important challenges arising from our business activity, we have focused our attention on the most important issues which we monitor systematically.

Challenges	**Focus**
health and safety on board	health and safety on passengers and staff
environmental / biodiversity protection	marine pollution
quality of services provided	managing and servicing passengers
local community support	social contribution

3. TARGETING

At ANEK we follow the commitments of the United Nations Ecumenical Pact. Our responsible business operation is based on the commitment of the management in the issues of Sustainable Development. We have set objective long-term goals in accordance with the framework and the policy of our operation. Our goals pertain to:

- ensuring safety at sea, avoiding injury and loss of human life,
- the safe operation of vessels,
- the development of safety valves for any case of possible danger,
- the continuous improvement of the knowledge and preparedness of the personnel of the offices and the crews of the vessels in matters concerning the safety and protection of the environment, as well as in the preparation for the confrontation of dangerous situations,
- the assessment and evaluation of all identified risks to our vessels, staff and the environment and the timely taking of appropriate measures.

In this context, immediate priority objectives are:

- the responsibility in our business operation by creating a Code of Ethics,
- the responsibility to the Market with the completion of kitchen certifications on all vessels in the fleet and the continuous measurement of the satisfaction of our passengers,
- the responsibility to employees by further enhancing health and safety training,
- the responsibility to the environment by contributing to the reduction of emissions and more efficient waste management and raising passenger awareness on environmental responsibility issues,
- the responsibility to Society by maintaining our support for vulnerable social groups and the society in which we operate, through a participatory process, solidarity, donations and transportation sponsorships.

Global Sustainable Development Objectives – Objectives directly or indirectly related to the activity

Objective	Report	Corporate approach
3	Good health and prosperity	Ensuring an injury-free work environment. Adaptation to the international standard ISO 45001.
5	Gender equality	Our priority is the limitation of any discrimination at work.
8	Decent work and economic development	We promote a working environment of respect, equality, security and meritocracy.
10	Less inequalities	Support for selected actions of high social value that enhance the harmony of coexistence with local communities and the wider society.
11	Sustainable cities and communities	We contribute to the effort to protect and preserve the cultural and natural heritage.
12	Responsible consumption and production	We contribute to the reduction of waste production through prevention, reduction and recycling.
13	Climate action	We take all necessary measures to stabilize and reduce Co2 emissions, as well as to reduce energy consumption.
14	Life in water	We contribute to preventing all forms of marine pollution.

4. MANAGEMENT SYSTEMS AND PROCEDURES

Responsible entrepreneurship is supported by the systems and procedures we have developed that determine how we operate, how we work with our suppliers, how we serve our customers and how we perceive our role in society.

Our objective is the systematic adoption of Sustainable Development in such a way as to allow the improvement of our procedures and the evaluation of the impact of our business operation.

The standards are applied to all our vessels and the observance of all the prescribed procedures is confirmed through the annual relevant inspections.

Applied Management Systems

- International Safe Management Code (ISM Code): concerns the safety of human life and property at sea and the protection of the marine environment.
- ISPS International Ship and Port Facility Safety Code: concerns the prevention and response to terrorist attacks.

- International Maritime Labor Convention (MLC 2006): relates to the labor and social rights of seafarers and which consolidates 68 existing International Labor Organization (ILO) conventions, while complementing the regulatory status of the International Maritime Organization (IMO).
- ISO 9001 – 2015: on quality management issues.
- HACCP: within the framework of 852/2004 European Directive concerning the food safety and hygiene management system
- ISO 22000 – 2005: concerning the food safety management system. Compliance with Regulation (EU) No 1169/2011 (Article 44, Annex II) on the labeling requirements for products causing allergies in prepacked and non-prepacked foods.
- ISO 14001: standard that defines the requirements for the creation of an environmental management system. All our vessels have been certified.
- Q-CERT**:** the Company has established an energy management system in the field of "maritime transport support services" which is in compliance with the international standard EN ISO 50001: 2011.

- **For the safety of our passengers**

Our priority is to ensure the seaworthiness of our vessels. The main concern, according to the certified Safe Management System, is the safety at sea with the prevention of any damage and the safe operation of the vessels, through the development and application of safety valves for any case of possible danger.

Within the framework of the system, the Safety Management Manual has been prepared which describes our policy, the procedures and guidelines we have developed, the defined responsibilities of our staff, the procedures for reporting accidents, dangerous situations and non-compliance with the Code, the preparation and response procedures for emergency situations, internal control procedures, the assessment of all identified risks and the adoption of appropriate safety measures.

We also implement the International Ship and Port Facility Security Code which concerns the prevention and response to terrorist attacks.

In addition, for the safety of passengers, the necessary procedures and standards are implemented to ensure the proper functioning of the rescue equipment. This, combined with the training of crews in regular and emergency situations, is a factor for ensuring the best possible preparedness for dealing with emergencies.

- **For hygiene and food safety**

We apply the procedures of the certified management systems and the standard rules of EFET for the cleaning, preparation and storage of food, while we comply with the applicable safety regulations (MARPOL) in the procurement of hotel materials.

The sheets we use in our hotel department are tested for harmful substances according to Standard 100 by Oeko-Tex of the Institut fuer Oekologie, Technik und Innovation GmbH of Austria, with which our supplier company is certified.

To ensure the quality of our offered items, sampling checks are carried out 3-4 times a year by a recognized certification body on all our vessels, while from all food suppliers are required certificates according to the management standards ISO2008: 2015 & HACCP 22.000.

- **For the environmental protection**

We operate in accordance with the International Safe Management Code (ISM Code) for the prevention of pollution in the environment, while the Safe Management System (SMS) that we have developed enables the Company to effectively implement its policy, assessing all recognized maritime risk avoidance of pollution and reduce the likelihood of causing an environmental accident.

The Safe Management System as well as the vessels of the Company are certified by the competent authorities.

5. LABOR RIGHTS AND RESPECT FOR HUMAN RIGHTS

- **Major risks / effects**

ANEK Group invests in its people, as it acknowledges their contribution and believes that it is crucial to its responsible development. Based on the materiality analysis carried out, the most important matters are:

- Health and safety
- Information and training
- Working conditions
- Human and labor rights

The Group systematically monitors the above matters, carrying out reviews and taking corrective action as appropriate, to mitigate any negative impact on the onshore and offshore staff.

- **Corporate policies**

ANEK ensures healthy and safe working conditions for its employees, while it also offers equal development opportunities, thus creating a positive working environment. Respecting human and labor rights, it complies with all international and national rules, provisions and codes on health and safety at work, dignified living conditions on board the vessel, medical care, welfare and other forms of social protection.

- **The priorities**

  - **Health and safety**

    The health and safety of staff are our priority. Recognizing the risks involved, the Company takes all necessary measures to prevent any injuries and casualties among its staff. The Company complies with the applicable national, EU and international legislation, while it also implements the International Safe Management Code (ISM Code) and the resulting obligations concerning the safe management of vessels. It has developed and applied a certified Safe Management System, ensuring protection of the health and safety of its onshore and offshore staff. In this context:

    - It assesses all recognized risks to the vessel and staff.
    - It uses certified procedures to monitor all activities with a view to identifying possible risks.
    - It establishes protective measures and develops preventive procedures.
    - It systematically provides its onshore and offshore staff with information and training on how to address any possible risk.
    - An occupational doctor visits work areas daily.
    - It provides insurance coverage for the repatriation, living and support costs and for the contractual salaries payable to seamen, as well as coverage for contractual obligations relating to death or long-term incapacity for work in accordance with the respective Regulations of the 2006 Maritime Labor Convention (MLC 2006).

  - **Employees**

    Providing equal employment and development opportunities for all employees is not just a legal obligation, but a cornerstone of the Company's human resources policy. This policy is integrated in the procedures and management practices of human resources in each country where the Company is present and ensures their implementation. Pursuing practically respect for gender equality and addressing the low percentage of women in positions of responsibility, elements that characterize the Greek labor market, the Company through a series of measures, which on the one hand favor the harmonization of professional and personal life and on the other promote equality in treatment, as well as the meritocracy of staff, gives women employees equal opportunities for development. The Company implements a wage policy regardless of gender in all categories of employees. The Company respects and defends the differentiation of its employees regardless of gender, age, nationality, political and religious beliefs or any other discrimination. In addition to these principles, the Company recognizes the need for differentiation in terms of skills, background, knowledge and experience in a way that facilitates constructive discussion and independent thinking. It ensures excellent working conditions and gives opportunities for development based on meritocracy and equal treatment. It provides fair remuneration, based on contracts that are in line with the conditions in the national labor market and ensures compliance with the relevant national regulations, including minimum wages, working hours and days off provision. In addition, the Company defends human rights and opposes to any form of child labor, forced or compulsory labor. The Company, fully respecting the rights of employees, is committed to their full protection, in accordance with Greek Law, European Union Law and the terms of the International Labor Organization.

- **Remunerations**

  The remuneration policy is in line with the values, the business strategy, the goals and in general the long-term interests of the Company. In determining wages, market data and the weightiness of the position are taken into account, in addition to labor law and collective labor agreements. Job assessment is fundamental to an objective and fair remuneration policy. Specifically, the assessment of an executive's performance results from the achievement of his goals, which include the results of tasks, the compliance with internal procedures, the customer relations and the management of his subordinates, and also from quality criteria of the skills of the personality that are revealed in the performance of his duties. The correct and selective implementation of the remuneration policy is considered as a necessary tool for human resource management, as well as attracting and / or retaining executives at Company level, elements that contribute significantly to the achievement of the long-term business objectives of the Company.

- **Information and training**

  To keep improving the knowledge and effectiveness of our human resources in the long run, we see to it that they are provided with ongoing training and information, also offering them opportunities for promotion. Employees attend organized seminars depending on needs of the Company. Training is often provided by in-house trainers who disseminate their knowledge and experience and can support theoretical training with examples from day-to-day work experiences. Support is also provided for post-graduate programs. Also, in the context of the training provided to seamen and with a view to making sure that they are up-to-date with the national and international legislation, seminars are conducted and drills are organized on board the vessels relating to the life-saving and firefighting equipment, special radar types, safety and environmental protection, as well as information on the labor and social rights of seamen in the context of the MLC 2006.

- **Working conditions**

  Being aware of the importance of the working environment in promoting employment, ANEK has modern facilities, offering a spacious and pleasant working environment. It houses its operations in new buildings, where it was ensured from the very start that they comply with ergonomics and health and safety requirements. Safety engineers supervise the implementation of the relevant measures and make sure that working conditions are being constantly improved. They carry out regular inspections in the working areas to verify that the employees abide by health and safety rules. At the same time the Company took care of:

  - Introduce new remote work practices with the aim of protecting both vulnerable groups of workers and the flexibility of providing work by employees with increased family responsibilities (e.g. working mothers).

- Development of technological platforms to ensure the uninterrupted operation of the Company and the provision of service to the customer, to achieve the goal of working remotely and to ensure secure and continuous access to information systems.
- Creation of a private corporate digital cloud so that there is secure and classified access to digital files necessary for the uninterrupted operation of corporate processes
- Use of digital communication tools to serve remotely productive work through remote and secure access by employees.

- **Performance based on non-financial indicators**
  - A total of 280 hours of information / training were provided to onshore staff and 142 hours of information / training were provided to vessel crews.
  - Women represent 57% of the onshore staff, and 39% of the employees are over 50 years of age.
  - Long term employment relationships are established with the staff. A total of 86% of the staff have been working for ANEK for 10 years or more.
  - We strive to employ local people. Most of our employees are chosen from the local communities where we carry out our activities.

6. PANDEMIC COVID-19

Given the level of the spread of COVID-19, the European Union has launched a package of measures to help prevent the spread of coronavirus and strengthen the resilience of the internal market, including the recommendation on a coordinated approach to restricting free movement.

In order to protect public health and prevent the spread of the coronavirus, the Greek government has taken emergency measures to restrict the movement of citizens inside and outside the country.

- **The impact of the pandemic COVID-19 on Passenger Shipping and the Company**

The pandemic COVID-19 and the measures to prevent the spread of the coronavirus have strong negative effects on the passenger shipping sector. There were restrictions imposed on passengers traffic in the Aegean routes from the end of March 2020 to mid-May 2020, following the reduced passenger protocol on vessels after the pause of the restrictive measures. Respectively, in the Adriatic Sea the measures included the ban on the movement of passengers and vehicles from mid-March to the end of June 2020. Given the sharp decline in tourism in the third quarter, but also the new restrictive measures due to the outbreak of the pandemic in In the last two months of the year, the decline in the passenger traffic of the sector on domestic routes in 2020 amounted to 55% compared to 2019, while in vehicles the decline was 36%. In the Adriatic market, the negative impact was more intense on passenger traffic, which decreased by 69%, while the traffic of trucks decreased by 8%. The decline in passenger and vehicle traffic significantly affected the turnover of companies in the sector, which showed a decrease of 45% on domestic routes and 30% on Adriatic routes. As a result, revenue loss and negative results for 2020 exceeded € 300 million and € 120 million respectively.

The pandemic created significant risks for the Company which can be summarized in:

a. In the uncertainty about the evolution of the pandemic in the near future and the extent to which it will affect passenger traffic, combined with possible measures to be taken by the authorities.

b. In the fluctuation of the price of fuels which constitute the highest operating expense of the Company.

At ANEK, in order to deal with this particular emergency situation, and always guided by the safety of our passengers and employees, analyzing our key characteristics based on the direct and indirect risks that are considered important for the prevention and treatment of COVID-19, such as: the places (countries) in which the Company operates inside and outside Greece (national & international routes), the updated epidemiological data of these countries, the legal framework, the services, the equipment and the behavior of the staff, we implemented a series of protocols specially designed to protect the health of our passengers and employees.

- **Measures taken for safety of passengers and crew**

1. We have established for all vessels of our fleet Biosafety Trust Certification by RINA for safe voyage against the spread of COVID-19.

   The innovative management system certification, which is internationally recognized in the shipping industry, is based on the systematic approach of ISO to management systems combined with best scientific practices against the spread of infections, as well as the principles of organizational behavior management (OBM) for effective control and prevention of transmission in the workplace.

   The certification of the Company confirms that each vessel fully complies with all the required measures of the program against the spread of COVID-19. It is worth noting that ANEK, in cooperation with the competent authorities, has already developed specific procedures and has taken additional measures, both for its vessels and for its kiosks / agencies.

   The “Biosafety Trust” certification takes into account that the success of health assurance management systems depends to a large extent on individual responsibility. Therefore, in order to comply with the strict rules of hygiene, the system presupposes that the experienced staff has attended special training courses for specific conditions, as well as each passenger knows and follows the recommended preventive measures.

2. We have prepared a COVID-19 plan for our vessels according to the new epidemiological data, the instructions of EODY, the World Health Organization and the flag of the vessel, which includes:

   - virus prevention measures / personal hygiene measures,
   - crew training in suspected case detection,
   - measures before boarding,

- measures while boarding and during the trips,
- vessel air conditioning,
- cleaning and disinfection procedures,
- management / treatment of a suspected case on board,
- brief precautionary instructions for crew & passengers.

3. We equipped crews and staff with personal protective equipment in accordance with the guidance and instructions of the health authorities.

In order to adapt to the operating conditions created by the COVID-19 pandemic, the Company utilized the measures adopted by the state for the affected companies, such as:

- the "Syn-Ergasia" and contract suspension programs,
- the special purpose absences,
- the teleworking,
- the suspension of live councils and business meetings by teleconferencing,
- the reduction of vessels itineraries.

➢ **Crew training in the prevention and treatment of COVID-19**

We have given priority to the proper training and awareness of our staff regarding the identification of signs and symptoms of infection, knowledge of prevention, precautionary measures and procedures followed when a passenger or crew member shows symptoms of infection at sea. We provide the infrastructure (special cabins for COVID-19 / doctor's office / pharmacy / medicines) and adequacy of protective equipment (masks, clothes, gloves, disinfectants, etc.), we carry out operational inspections on all vessels of the Company (Internal Audits), we carry out Risk Assessment for COVID-19, we conduct drills to deal with suspected COVID-19 incidents at sea. Thus, we managed to create safety gates and a safe environment on the vessels for passengers and employees.

7. ENVIRONMENT

a. Major risks / effects

Biodiversity is threatened by the constant growth of human activity, which also causes environmental pollution. Therefore, several organisms are unable to adapt to fast change, thus being in danger of extinction. Maritime activity may also increase the coastal and sea-floor erosion, thus causing a change to marine ecosystems by altering the living conditions of marine organisms. In this context, we strive to protect the environment by developing and applying relevant operating procedures. To prevent any environmental damage, we assess all recognized risks and take preventive measures as appropriate.

In shipping, fleet management in terms of environmental issues is based on the following key pillars, as determined by the materiality analysis:

- Maritime pollution.
- Controlling and reducing Co_2 emissions.
- Environmental compliance.
- Sewage water and waste handling.

We systematically monitor the above matters, carrying out reviews and taking corrective action as appropriate, to mitigate any negative impact on our stakeholders.

b. Corporate policies

Sustainability is a significant part of the operating method and future planning of ANEK. The possible long-term environmental impact in respect of, inter alia, marine ecosystems, has made it necessary, firstly, to comply with environmental management procedures and, secondly, to ensure a balanced approach based on sustainable interaction. We abide by the ISM Code in respect of preventing environmental pollution, while we have also developed a Safe Management System (SMS), which allows the Company to implement its policy effectively. Both the SMS and the Company vessels have been certified by the competent authorities.

c. Priorities

- **Maritime pollution**

  It is our ongoing aim to prevent and reduce the possibility of causing an environmental accident, in particular during the procedures related to the entry and exit of liquid and solid materials to/from the vessel. We strictly abide by the established procedures and standards for controlling bunkering operations, to prevent leakage and environmental impact, as well as for controlling fuel quality in accordance with the specifications and legislation in force. We also maintain the vessel’s engines and machinery in accordance with the relevant standards, to make sure that they function more efficiently and to prevent any negative impact. We also have in place and apply Risk Assessment procedures in respect of bunkering operations and environmental pollution, in addition to observing the ISM Code.

  All our vessels have obtained a Shipboard Oil Pollution Emergency Plan (SOPEP), to ensure proper response to emergencies. Drills are also conducted to ensure better crew response to emergencies. After dry docking, the vessels obtain an Antifouling Certificate, to confirm that the paints used for the vessel are ecological and environmentally friendly. The use of environmentally friendly underwater hull paints reduces maritime pollution.

  We proceed with changing of Freon 22 with eco-friendly refrigerants in all the systems on board our vessels to prevent air pollution. We also clean the anchor chain locker every time that the vessel is taken to dry docking. Apart from its operating benefits, cleaning also helps reduce maritime pollution.

Finally, our vessels are provided with special warning signs and instructions on protecting the marine environment.

- **Controlling and reducing CO_2 emissions**

The energy and climate change policy is a significant challenge to the Company, being directly linked to the efficient operation of vessels and their gaseous emissions. Given the increasing demand for energy, reducing greenhouse emissions is a challenge. Most of the emissions from the Company's vessels come from the functioning of their engines. The Company aims to ensure rational fuel consumption for each one of its vessels, which helps cut down on greenhouse emissions. The methods used to achieve that are the following:

- The vessel's engines and machinery are maintained in accordance with the manufacturers' procedures and standards, thus ensuring more efficient functioning and, therefore, lower consumption and emission levels.
- Cleaning the hull on an annual or two-year basis depending on the condition of the hull and aiming, in particular, to ensure the best possible performance of the vessel. Proper maintenance drastically reduces the vessel's consumption and emission levels.
- Using an Exhaust Gas Boiler, to reduce the vessel's demand for energy, thus reducing greenhouse emissions which cause air pollution..
- Use of new propellers for vessels OLYMPIC CHAMPION and HELLENIC SPIRIT in order to reduce CO_2 emissions due to lower fuel consumption.

The vessels sailing abroad have obtained an Energy Efficiency Certificate and all vessels have obtained an energy efficiency plan and International Air Pollution Prevention Certificates (IAPPCs). These are revised and renewed in accordance with the legislation in force. Furthermore, all the regulations governed by the international, EU and national legislation are applied on the use of low-sulfur fuel with a view to reducing emissions.

Our Company has complied with the EU regulations (MRV) and is capable of taking emissions measurements of CO_2 in its vessels through their consumption. In addition, under international regulations, the Company records consumption, mileage and travel time on an annual basis as required by the DCS of SEEMP Part II.

- **Environmental compliance**

An essential element of our environmental policy is the compliance of procedures with the applicable EU and Greek legislation, to ensure environmental protection against possible risk of pollution caused by vessels, is an integral part of our environmental policy. ANEK complies with the ISM Code in respect of all international and national regulations, rules and guidelines and in respect of preventing maritime pollution. It has also developed an internal certified SMS, to enable its staff to implement the Group's policy effectively.

The procedures and standards which are complied with in terms of waste and sewage water handling are those recognized internationally, also in compliance with the requirements laid down in MARPOL.

- **Inventory of Hazardous Materials (IHM)**

All ANEK vessels fully comply with the requirements of the new European Regulation 1257/2013 regarding hazardous materials on vessels and their proper management. The Company has defined and applies a process of control and registration of any hazardous materials on its vessels, in application of the provisions of the regulation, which prohibits or restricts the installation and use of hazardous materials e.g. asbestos, and obliges vessels to create a list of hazardous materials (if any) by identifying their locations and quantities .

All ANEK vessels have permanent certificates of conformity (IHM) from the recognized RINA Maritime Organization, which are subject to inspections. This compliance pursues the safety and protection of the marine environment and the protection of the health of the crew on board, ensuring a healthy and safe working environment.

- **Sewage water and waste handling**

Sewage water and waste handling is an important operating procedure for vessels, for which we abide by the provisions set out in MARPOL. The Company complies with all national and EU regulations and operates in accordance with the standards established by the competent ministries, port organizations and supervisory bodies. Sewage water and waste handling are broken down into:

- Garbage Handling

  The vessels comply with all the necessary procedures and standards on garbage handling. These procedures include separating recyclable and non-recyclable objects on board the vessel, in specifically designed areas, as well as keeping a Garbage Record Book. In addition to separating recyclable and non-recyclable objects, oily residue is also separated from garbage, as it needs special handling. All types of garbage are delivered to operators that are capable of handling each type of garbage and comply with the relevant procedures and standards specified by the regulations and legislation in force.

- Oil residues (Sludge)

  Vessels comply with all the necessary sludge handling procedures and standards to make sure that sludge is disposed of safely without causing any environmental impact. Subsequent sludge handling is carried out in accordance with the regulations of the host port by a duly certified operator, to mitigate environmental impact. The International Oil Pollution Prevention Certificate (IOPPC), which is obtained by all vessels and is renewed in accordance with the legislation in force, serves as an extension and ratification of the procedures and standards complied with.

- Bilge water

  We comply with all necessary procedures and standards on bilge water handling. Just like sludge, bilge water is disposed of on trucks from the vessel to onshore facilities, in accordance with the regulations of the host port, making sure that they are properly handled to mitigate environmental impact.

- Sewage water

  We comply with all necessary procedures and standards on sewage water handling. The regulations and procedures observed ensure environmental compliance and are verified by the International Sewage Pollution Prevention Certificate (ISPPC). To ensure proper sewage water handling, all vessels are provided with a sewage treatment plant, the output point of which is fitted with a control sensor to ensure that the water discharged is pure.

- **Water management**

  Being aware of our responsibility and trying to help save water, we follow procedures for cutting down on the use of freshwater, such as using and properly maintaining boilers or reverse osmosis systems for producing freshwater from seawater, controlling the amounts of water used for water supply and addressing any leak problems immediately.

- **Energy Saving**

  1. Results on the management for energy savings in the Company's buildings.

     - Implementation of the Energy Management System (EMS) according to ISO 50001:2018

       From the beginning of 2020, the successful implementation of the EMS in the Company continued. Based on the internal inspection carried out, the user manual of the SBS was followed and the statements of suppliers of energy products and services were updated.

     - Inspection of the building and equipment

       The headquarters building in Chania and the offices in Piraeus were inspected together with the maintainer for the equipment overview and the supply and maintenance tabs were filled.

     - Control of the improvement of the energy efficiency of the building

       The energy review of the buildings in Chania and Piraeus was checked, which shows the gradual improvement of energy efficiency based on the energy baseline of 2018. The energy improvement for the year 2020 based on the energy index EnPI is 10%.

     - Identification of Resource Needs (training, production-measurement equipment, human resources)

       It was found that there is a need for resources for equipment for recording energy parameters, energy management equipment (BEMS) and training of human resources. Resources will also be sought for the gradual replacement of fluorescent lamps with LED lamps.

- Opportunities for investment programs and grant programs

  There are pending subsidized programs, such as the "Exoikonomo" program for businesses and the Company's eligibility to be subsidized for energy upgrade actions shall be examined.

- Internal Inspections

  An internal inspection was carried out on 10.12.2020 in Chania and on 14.12.2020 in Piraeus.

2. In total, the annual energy consumption in the Company's buildings for 2020 is shown by 25,58 MWh reduced from that of 2019. In relation to the reference year 2018 there is energy saving of 10%, while the set target was 5%.

- **New environmental actions**
  - We continue the ISO14001 - 2015 certification regarding the environmental management system to all the vessels of the fleet.όλου.
  - Products used to clean cabins and public spaces on vessels are certified by ECOLABEL to limit the negative impact on the environment throughout their lifetime.
  - The majority of our brochures was printed on paper certified by FSC (Sustainable Forest Management System certifying the monitoring of raw materials their processing).
  - With responsibility towards future generations and with environmental sensitivity, we have helped kids' education on issues related to natural wealth, strengthening their environmental awareness with the creative employment forms "THALASSOPAREAKI" and "ANEK SMART KIDS on board" which were distributed free of charge to all the vessels of the fleet.
  - Company's headquarters were certified according to ISO - 50001 Energy Management, in an effort to continuously improve energy efficiency and reduce its environmental impact.
  - In addition, we consistently manage our consumables utilizing the processes of recycling and reuse, while attention is paid to -as much as possible- the expansion of the use of consumables from recyclable materials and the limitation of the use of plastic. In this context, biodegradable straws are used in all points of sale of our vessels. Finally, the Company has installed a Managed Print Services (MPS) system at its headquarters, offices in Piraeus, agencies, kiosks and vessels in order to save energy, inks, paper and reduce prints.

8. SOCIETY

a. Major risks / effects

Based on the materiality analysis and the critical issues identified, ANEK Group has prioritized, and monitored its performance in, the following areas:

8.1 Transparency – fight against corruption

8.2 Legislative compliance

8.3 Personal data protection

8.4 Cyber Security

8.5 Safety on board

8.6 Quality in servicing passengers

8.7 Social contribution

The Group systematically monitors the above matters, carrying out reviews and taking corrective action as appropriate, to mitigate any negative impact on our stakeholders.

b. Corporate policies

8.1 Transparency – Fight against corruption

ANEK recognizes that ensuring transparency in all transactions that are developed in the context of its business activity is a key point for its viability and further development in the context of its activity. Any deviation from the principles and ethical practices of the Company endangers the good reputation, the credibility, the trust of the shareholders, the social partners and consequently its financial results and the possibility to develop in its field of activity.

- <u>Dealing tactics</u>

- For the Company the point of reference in the fight against corruption and bribery is the principle of integrity, which is linked to its firm commitment to zero tolerance in these matters and is implemented by avoiding any transaction and contact with any third party that may have fallen or is suspected of being involved in creating the conditions for the development of corruption, blackmail or bribery.
- ANEK stands by the 10th principle of the UN Global Compact according to which it opposes all forms of corruption, including extortion, bribery and facilitation payments, and which catalyzes the development of the relevant ethical culture throughout the Company.
- ANEK implements systems and controls at preventive and detective level to ensure the correct selection of suppliers, the avoidance of disputed payments, the correctness of payments, as well as their correct and transparent entry in the Company's accounting books.

- <u>Prevention elements</u>

- Ensuring that all transactions that take place on behalf of the Company, on behalf of its shareholders, employees, and key partners and suppliers, are governed by a high degree of integrity.

- Through defined procedures that are applied mainly in the Procurement department, as well as the management of the projects for the selection of suppliers and other partners, the conditions under which each transaction takes place are controlled on an annual basis, in order to identify and eliminate those can lead to incidents of corruption or fraud.
- The operation of the Company and its commitment to ethical business practices and good corporate governance.

▪ Results

In 2020, ANEK implemented all the necessary internal procedures to ensure its policy. Through the control mechanisms applied in the Procurement department, which examines both the selection of partners and any kind of transaction, there were no confirmed cases of corruption, incidents that led to the dismissal or disciplinary action of employees for corruption, confirmed cases related to corruption and which have led to the termination or non-renewal of cooperation with associates or public authorities related to corruption.

8.2 Legislative compliance

- Maintaining regulatory compliance at environmental, social and product level, in order to ensure that the overall corporate activity is legitimate and meets high levels of responsible entrepreneurship, strengthening the climate of trust between ANEK and its social partners trading with (customers, employees, suppliers, authorities, etc.).
- Cases of non-compliance could have a significant impact on profitability, financial position and cash flow, reputation and, consequently, ANEK's ability to meet its obligations .
- The observance of the applicable legislation, as well as the implementation of checklists for compliance with the rules concerning the activity of ANEK in 2020, resulted in the absence of cases of non-compliance with the legislation and the related impact on the environmental, social and economic level.

8.3 Personal data protection

ANEK is committed to protecting the confidential and personal information assigned to it and complies with the privacy legislation in force today. The launch of the new General Regulation on Personal Data Protection (GDPR) marked the entry into a new era, in which citizens have become more aware and more interested in their personal data than ever before. Based on the new data, the Company treats the protection of personal data as a new form of corporate responsibility. In this context, and as part of this fundamental obligation, the Company has adopted a policy for the protection of personal data in order to establish and maintain a satisfactory level of protection of personal data during their collection, management and processing. Our goal remains the continuous improvement of our practices and policies, so that the compliance obligation becomes a competitive advantage.

It is noted that throughout the period of application of travel restrictions due to the COVID-19 pandemic, the Company provides special information to passengers regarding the processing of personal data carried out for reasons of public interest in order to protect public health and constantly adjusts its policy towards adhering to the principle of data minimization during processing.

8.4 Cyber Security

ANEK fully complies with international requirements regarding cyber security and cyber risks. Compliance is included in the Company's Safe Management System and includes the identification of all identified risks and their trace, potential cyber threats, locating their vulnerabilities, establishing and providing safe practices in the operation of vessels and the Company against the Internet risks.

8.5 Safety on board

Our priority is to ensure the seaworthiness of vessels. The main concern, according to the certified Safe Management System, is the safety at sea with the prevention of any damage and the safe operation of the vessels, developing safety valves for any case of possible danger. The procedures applied concern the maintenance of machinery, equipment and hull which ensure the safe and timely transport of passengers and cargo. The maintenance of the engines and equipment is done according to the manufacturer's instructions and is checked and certified by the international classification society for each vessel. In addition, for the safety of passengers, the necessary procedures and standards are followed to ensure the proper operation of the rescue equipment. This, combined with the continuous training of crews in emergencies, is a factor in ensuring the best possible preparedness for dealing with emergencies. Finally, the Safety Certificate, which is issued by the classification society after inspections, is an additional certificate in the direction defined by the safe movement of passengers. All ANEK vessels have Asbestos-free certificates that certify the absence of asbestos helping to protect the health of passengers and crews. In all parts of the vessels where there are passengers, there are relevant signs for the information and protection of passengers and crews. In addition, in the context of security, we apply the International Ship and Port Facility Security Code (ISPS) which concerns the prevention and response to terrorist attacks and illegal activities. All ANEK vessels are certified with the above Security System.

8.6 Quality of services and provision of service to passengers

We always strive to ensure the quality of our services and to provide safe, comfortable and reliable service to our customers. Successful achievement of these objectives is mostly dependent on a sense of responsibility, professionalism and effectiveness of the staff, the latter being the most valuable asset of the Group. ANEK has obtained the following certifications:

- ISO 9001 – 2015 (DQS for Quality Management System by IQNet) on quality management issues.
- ISO 22000 – 2005 concerning the food safety management system integrating and evolving the principles of HACCP (852/2004 European Directive).
- It also complies with Regulation (EU) No 1169/2011 (Article 44, Annex II) on the labeling requirements for products causing allergies in prepacked and non-prepacked foods.
- Local food production systems certificate based on the specifications «WE DO LOCAL».

The above certifications apply to all vessels, and the compliance with the required procedures is confirmed following relevant annual inspections. Moreover, additional certifications have been obtained for some of the Group's vessels as follows:

- Special Greek cuisine quality sign for the 'A La Carte' restaurants of the vessels ELYROS, OL. CHAMPION and HELLENIC SPIRIT (from the Ministry of Tourism).

The applicable provisions and regulations are observed in respect of the food, kitchen procedures and accommodation of passengers on board, aiming to provide top quality food, drink and hotel services. A Customer Service Issues (CSI) system is also applied, to make sure that customer needs are catered for effectively and that the services offered are adapted to meet the needs of all passengers on board. Our quest for new services is constant, in the context of developing technical infrastructures aiming to ensure the provision of better and faster service to customers. In this context, the Company's new web site was developed, installed and operated in order to provide improved online access and information to the general public and the customers. Relevant information is provided to passengers on board the vessels, and there are questionnaires available at various locations of the vessel as well as complaint forms in accordance with the legislation in force. We strive to maintain open communication channels with passengers, taking advantage of electronic media, with a view to providing timely and valid information.

In the framework of our pricing policy, vulnerable social groups are subsidized through lower fares and cheaper packages.

8.7 Society contribution

We commit:

In pursuing our business development by strengthening ties with local communities that are affected by our business development, in order to contribute to improving their quality of life and prosperity.

ANEK Group has always stood by the society, supporting initiatives and actions that refer to human, culture and environment. Therefore, it has developed a multi-level activity plan taking into account the current social and financial conditions, with response to the population's requests and needs, and the cooperation with bodies and organizations which have been recognized for their work and contribution to the society.

- Strengthening volunteerism

We systematically organize volunteer blood donations, in proof of our concern for our fellow humans. In 2020, the 15th voluntary blood donation was organized at the Company's head office in Chania, in cooperation with the Volunteer Blood Donors' Association 'Saint John' and the General Hospital of Chania. Moreover, following in-house volunteer actions, money were donated to institutions in memory of deceased people, recyclable plastic (caps) were collected and delivered, to purchase wheelchairs for poor people with disabilities.

- Environmental protection

In recognition of the value of environmental protection actions to following organizations, ANEK in 2020:

- We have supported environmental actions of Kassos, Medasset, Archelon and we remain a constant supporter in the diverse actions of the Museum of Natural History of Crete, which is the largest environmental exhibition in the Mediterranean.
- We operated, in collaboration with the National Observatory of Athens / meteo.gr, on our vessels operating on the routes of Crete, information kiosks related to climate change in Crete, thus providing direct information to passengers about the weather.
- At the same time, ANEK is an active member of HELMEPA of the Hellenic Marine Environment Protection Association. HELMEPA is a private nonprofit organization that aims to create an environmental conscience to protect the seas from vessels' pollution and to enhance the level of security in the maritime community through a concerted effort to inform, train and activate from the vessel owner to the last sailor, fully supporting the International Maritime Organization 'Safe Vessels in Clean Seas'.

- Supporting vulnerable social groups

With a sense of responsibility, ANEK has stood by individuals in need as well as charitable organizations and bodies, such as the "DOCTORS OF THE WORLD", the "HORIZONTAS" Association, the Charity Association "Care for the nearby SAINT JOHN the GRACIOUS", "ELEPAP", the "Daycare Center - employment of people with disabilities KIFAAMEA", the "Panhellenic association of the heart of the children", etc. ANEK has always provided assistance in the form of products to public-benefit foundations and bodies.

- Strengthening education

- At ANEK we believe in children and young people and we try to create bridges of communication and support that will contribute to their information and development. On the Company's vessels, in Greece and in the Adriatic, educational visits are carried out on an annual basis by public and private educational institutions of all levels. In 2020, due to the special conditions due to

COVID-19, a total of 7 training visits were made to the vessels and a total of 359 students and accompanying trainers participated.

- We also support students of all levels through sponsorships, such as the 'TUC ECO RACING' group of the Technical University of Crete, which has received international awards from the Shell Eco Marathon fuel savings competitions, and the national 'UNILEAGUE' championship of students, which we have been sponsoring since 2010.
- We support the holding of scientific conferences, workshops, mathematical competitions, etc. at the state-of-the-art conference center of the Company. ANEK, guided by the non-negotiable value of the eternal "Journey of Knowledge", actively supported during the COVID-19 pandemic the access of students to e-learning by donating 100 tablets to municipalities in the prefecture of Chania for distribution to schools under their jurisdiction.
- Finally, ANEK actively supports new entrants in Higher Education by offering special discounts for their first journeys to and from their place of study.

▪ <u>Promoting sports and culture</u>

We support, through the institution of sponsorship, actions and initiatives that promote the sports ideal. ANEK is a sponsor of the World Karate Champion Dionysis Xenos, the also world champions Apostolos Papastamos in Swimming and Konstantinos Libanos in Cycling. At the same time, ANEK remains a supporter of the football teams "PAE CHANIA", "PAE PLATANIAS", "IERAPETRA FOOTBALL CLUB" a golden sponsor of the cycling club 'TALOS - ANEK LINES', an official sponsor of the 'CANOE-KAYAK' section of the Maritime Club of Chania 'NOX - ANEK LINES' and a great sponsor of the athletic gym club "EL. VENIZELOS ". We regularly provide activities for the promotion of culture, as well as artistic, cinematic and musical events. Indicatively, ANEK remains a major sponsor of DI.PE.THE. of Crete and the actions of GREEK INSTAGRAMERS.

▪ <u>Hosting important events</u>

ANEK is a company closely linked to Crete and supports as an assistant the actions of organizations such as the "Personnel union of Coast Guard of Eastern Crete", remaining a sponsor of the major associations that promote the tradition and culture of Crete, such as the 'Pancretan Association', the 'Panhellenic Confederation of Cretan Associations', the Association of Cretans from Selino in Athens 'The Elyros' and other cultural associations in Greece and Europe.

▪ <u>Promoting tourism</u>

- The participation of ANEK in 2020 was limited, due to the pandemic, to the 5 top tourist exhibitions in Europe, with the aim, despite the objective difficulties, of the promotion of the Greek tourist product.

- Also, in the context of substantial support and promotion of local products, the Company enriched the series of products with the company label "AEIFORIA", exclusively by Cretan suppliers, within the "WE DO LOCAL" network.

9. OUR PERFORMANCE IN NON-FINANCIAL INDICATORS

- We operate through 9 Ro / Pax vessels.
- We provide scheduled services to 18 destinations in Crete, the Aegean Sea, the Ionian Sea and the Adriatic Sea.
- We employed more than 700 onshore and offshore people during the year.
- We apply Principles and Regulation of Ethics.
- We contribute to the fight against corruption.
- We comply with the Regulatory Framework.
- We improve our performance in matters of Corporate Responsibility.
- We distributed over € 137 million in economic value.
- We apply the European Union Air Pollution Regulation (MRV) which calculates the CO2 emissions of our vessels based on their consumption. In this context, the Company records consumption, mileage and travel time on an annual basis, as required by the DCS of SEEMP Part II.
- We reduced total carbon dioxide emissions by 2,1%.
- All our vessels have permanent certificates of conformity (IHM) from the recognized RINA Maritime Organization, which are subject to inspections.
- All vessels are equipped with SOPEP (Shipboard oil pollution emergency plan), which ensures the correct response to an emergency.
- We proceeded to change the Freon 22 ecologically in all the systems of the vessels in order to prevent air pollution, while the anchor chain locker is cleaned every time a vessel goes out for its dry-docking works.
- We conducted drills on our vessels in matters of readiness - safety and environmental protection.
- We rationally manage solid waste, recognizing the need to protect the environment from solid waste and garbage from our vessels.
- We analyze the water samples of the vessels in accredited laboratories, while we clean and disinfect the water tanks in the vessel.
- We have provided our vessels with an oil pollution contingency plan.

- We continue the ISO 14001 - 2015 certification regarding the environmental management system in all vessels of the fleet.
- The products used for the cleaning of cabins and common use areas of vessels are ECOLABEL certified to reduce the negative impact on the environment throughout their life.
- The majority of our Company's forms were printed on FSC certified paper (Sustainable Forest Management System that certifies the monitoring of raw materials and their processing).
- With responsibility towards future generations and sensitivity for the environment, we have contributed to the education of our little friends on issues related to natural wealth, strengthening their environmental awareness with the creative employment forms "THALASSOPAREAKI" and "ANEK SMART KIDS on board" on which were distributed free of charge to all vessels of the fleet.
- We consistently manage our consumables utilizing the processes of recycling and reuse, while attention is paid to -as far as possible- the expansion of the use of consumables from recyclable materials and the limitation of the use of plastic. In this context, biodegradable straws are used in all points of sale of our vessels.
- We have installed in the Company's headquarters, in the offices of Piraeus, in the agencies, in the kiosks and in the vessels, a printing management system (MPS) with the aim of saving the use of energy, inks, paper and the reduction of printing.
- We are active members of HELMEPA, the Hellenic Association for the Protection of the Marine Environment.
- In order to adapt to the operating conditions created by the COVID-19 pandemic, the Company utilized all the measures adopted by the state for the affected companies, such as:
    - the "Syn-Ergasia" and contract suspension programs,
    - the special purpose absences,
    - the teleworking,
    - the suspension of live councils and business meetings by teleconferencing,
    - the reduction of vessels itineraries.
- We have prepared a COVID-19 plan for our vessels according to the new epidemiological data, the instructions of EODY, the World Health Organization and the flag of the vessel, which includes:
    - virus prevention measures / personal hygiene measures,
    - crew training in suspected case detection,
    - measures before boarding,
    - measures while boarding and during the trips,

- vessel air conditioning,
- cleaning and disinfection procedures,
- management / treatment of a suspected case on board,
- brief precautionary instructions for crew & passengers.

- We equipped crews and employees with personal protective equipment in accordance with the guidance and instructions of the health authorities.
- We recognize the importance of marine biodiversity and the responsibility to reduce the risk of disturbance.
- We comply with the legislation on the pumping and use of seawater as a ballast on our vessels.
- We use environmentally friendly cleaners in the vessel's accommodation.
- We promote active participation regarding clean shores by making beach ashtrays.
- In total, the annual energy consumption in the Company's buildings for 2020 is presented by 25,58 MWh reduced from that of 2019. In relation to the reference year 2018 there is energy savings of 10% against a target of 5%.
- The customer satisfaction indicator in respect of luggage losses is 99,6%, and the indicator in respect of vehicle damages has been steadily improving annually.
- The customer satisfaction indicator in respect of using the Company's telephone center is 81%.
- We operate with a sense of responsibility and cooperation with our social partners ensuring long-term and mutual value.
- We support Greek producers in the food supply of our vessels with 99% of the products coming from Greece, of which 50% from Crete.
- We present the local cuisine and support local producers with products in the philosophy of «WE DO LOCAL».
- We created a series of products with the corporate label "AEIFORIA" exclusively from Cretan producers in the primary sector.
- We have established and supported a safe working environment for employees and passengers.
- Women represent 57% of the onshore staff.
- Long term employment relationships are established with the staff. A total of 86% of the staff have been working for ANEK for 10 years or more.
- A total of 280 hours of information / training were provided to onshore staff and 142 hours of information / training were provided to crew staff.

- We strive to employ local people. Most of our employees are coming from local communities.
- We work to provide a high level of service ensuring the satisfaction of our customers, the sustainability and the development of our employees onshore and at sea.
- The members who chose the ANEK SMART BONUS reward program increased by 9.450, thus reaching, after 8 years of operation of the program, a number of 180.000.
- At the level of transport sponsorships, 8.631 passenger tickets and 1.219 vehicle tickets were utilized, in all the routes operated by ANEK, while a total of 732 sponsorships were approved.
- In the context of our social actions we provided facilitation -through special packages of offers- for the transportation of vulnerable social groups. The provision concerns 20% of the tickets.
- 29 valuable units of blood were collected in the context of the 15th voluntary blood donation carried out at the Company's headquarters with the participation of employees and crews, as well as ordinary citizens.
- We support, through the institution of sponsorship, actions and initiatives that promote the sports ideal. We regularly sponsor activities for the promotion of culture, as well as artistic, cinematic and musical events.
- A total of 7 educational visits were made to the Company's vessels and a total of 359 students and accompanying teachers participated.
- We support with sponsorships, schoolchildren and university students, such as the "TUC ECO RACING" team of the Technical University of Crete with international distinctions from the participations in the fuel economy competitions Shell Eco Marathon, as well as the PanHellenic championship of students «UNILEAGUE».
- We operated on our vessels information kiosks related to climate change in Crete, thus providing direct information to passengers about the weather.
- We supported vulnerable social groups (large families, students, people with disabilities, etc.) by providing special packages at 20% of the Company's tickets.
- Free food, clothing and equipment were offered to organizations and institutions, as well as over 11.800 liters of heating oil in nursing homes and institutions.
- We offered 48% more heating oil to nursing homes & institutions.
- 30 vehicles were transferred free of charge (ambulances, fire brigades, etc.), mainly to barren islands, in the context of voluntary blood donations, medical examinations, fire protection, etc. Also, 281 packages of medicines and medical supplies were transferred free of charge for the needs of the inhabitants of remote islands.

- We transferred 100% more fire trucks, ambulances, medicines and 17% more than last year, medical supplies to residents of remote islands.

VIII. CORPORATE GOVERNANCE STATEMENT

pursuant to art. 152, par. 1 of law 4548/2018, as in force from 1.1.2019

1. CORPORATE GOVERNANCE CODE

ANEK has adopted the Corporate Governance principles dictated by Greek legislation and international practices and, thus, complies with the Corporate Governance status applicable in Greece, pursuant to law 3016/2002, as currently in force. As of 1.1.2019, the new law on Societe Anonymes 4548/2018 is in force and ANEK harmonized its Memorandum of Association with its provisions under the decisions of 09.09.2019 Ordinary General Meeting and within the time frame set by article 183 par. 1 of the above law.

Corporate Governance, as a set of rules, principles and control mechanisms used as a basis for organizing and managing the Company, is aimed at ensuring transparency for investors and securing the interests of Company shareholders and all parties involved in its operation. The Company has willingly adopted the Corporate Governance Code enacted from March 2011 of the Hellenic Federation of Enterprises (SEV) for Listed Companies until its revision by the Hellenic Corporate Governance Council in October 2013, and since then the Company complies with the revised version of it (hereinafter the “Code”). The Code is posted on Hellenic Corporate Governance Council’s website, at the following address: http://www.helex.gr/en/esed. The present statement determines the way that the Company applies the code and explains the cases of not compliance to the Code’s provisions.

The regulatory framework of corporate governance in Greece is already governed by Law 4706/2020 (Government Gazette A '136 / 17.07.2020) on corporate governance of public limited companies, under which new provisions are introduced with the simultaneous abolition of the provisions of articles 1 - 11 of Law 3016/2002. The date of validity of the provisions of Law 4706/2020 pursuant to article 92 par. 3 of the above law is set at 12 months after its publication in the Government Gazette, i.e. 17.07.2021, date by which the Company will have full comply with the new provisions.

2. CONFIGURATION – ELECTION – OPERATION AND DUTIES OF THE BOARD OF DIRECTORS

2.1 COMPOSITION OF THE BoD

According to Article 12 of the Company's Articles of Association, the Company is governed by a Board of Directors consisting of nine (9) to eleven (11) members elected by the General Meeting of Shareholders by secret ballot and by an absolute majority of the votes cast in her. A member of the Board of Directors may also be a legal entity. In this case, the legal entity is obliged to appoint a natural person to exercise the powers of the legal entity as a member of the Board of Directors. This definition is made public in GEMI in accordance with article 13 of law 4548/2018 as in force. The natural person is jointly and severally liable with the legal person for the corporate management. Failure of the legal entity to appoint a natural person to exercise the respective powers within fifteen (15) days from the appointment of the legal entity as a member of the Board of Directors shall be considered as taking the legal entity from the position of the member.

2.2 ELECTION – OPERATION OF THE BoD

The Board of Directors elects among its members and by absolute majority the Chairman and up to two Vice-Chairmen among its members and may reallocate all or some of the above positions at any time. When absent or impeded, the Chairman is replaced by the Senior Vice-Chairman; when the latter is absent or impeded, he is replaced by the 2nd Vice-Chairman if elected. The above persons are elected during the first meeting of the Board of Directors, following election of its members by the General Meeting of shareholders. The BoD Chairman, or his substitute, shall chair BoD meetings, direct its operations and monitor the entire operation of the Company, keeping the BoD up to date. The Board of Directors may appoint a Managing Director from among its members, while defining its responsibilities as well as its alternate in case of impediment. Similarly, he may appoint a General Manager with an employment relationship in accordance with the organizational structure of the Company, as well as his deputy in case of impediment. The members of the Board of Directors are elected by the General Meeting for a four-year term. By exception, the term of the Board of Directors is extended until the deadline for the next Ordinary General Meeting to take place. Along with the regular members, two (2) alternate members are being elected, given that the number of candidates is greater than the number of the members to be elected, with respect tothe procedure mentioned herein: Along with the public notice addressed by the BoD convening to the General Shareholder’s Meeting, any party interested should submit in writing and within the regular deadline a letter posting his demand for candidacy. Based on the candidates, the BoD shall make an announcement determining the eligible candidates and draft the ballot, where the candidates appear in alphabetical order and distributes it to the shareholders in the room where the General Meeting is held order to proceed with the voting. Each shareholder is entitled to a number of preference crosses equal to the number of regular and substitute members to be elected and is obligated to put preference crosses that are equal to the number of the regular members of the Board of Directors and at least seven (7) preference crosses. The order of success among the candidates who have obtained the absolute majority of the votes cast in the Assembly is determined on the basis of the majority of them and a scoreboard for success and a succession list of substitute members for that purpose are drawn up. In the event of a tie between the candidates, the order of success is determined by draw.

2.3. CONVENING A BoD MEETING

The BoD convenes at the Company's seat every time the law, the Memorandum of Association or the company's needs require so, as well as every time that the Chairman or his substitute or the Managing Director finds it necessary. The BoD may also hold a teleconference, with regard to some or all of its members if all members of the Board of Directors agree and with the conditions of par. 4 of article 90 of law 4548/2018, as in force. In that event, however, the invitation extended to BoD members shall include any information required for their participation in the meeting. The Board of Directors is convened by the President or his Deputy, at the invitation of his members, at least two (2) working days before the meeting. The invitation must also clearly state the issues on the agenda, otherwise all decisions are allowed only if all members of the Board of Directors are present or represented and no one opposes the decision. Convention of the BoD may be requested by two (2) of its members by submitting an application to the BoD Chairman or his substitute, who is under obligation to convene the BoD within a deadline of seven (7) days from the date of submittal of the application. The above application shall clearly state, upon penalty of inadmissibility, the items of the agenda. Should the Chairman or his substitute fail to convent the BoD within the above deadline, the members who have requested the convention are allowed to convene the BoD themselves within a deadline of five (5) days from the expiry of the above seven (7) days deadline, notifying a relevant invitation to other BoD members.

2.4 PASSING RESOLUTIONS

The Board of Directors is in quorum and is holding a valid meeting if half plus one of its members are present or represented, but this number may never be less than three (3). In order to find the quorum number, any resulting fraction is omitted. The Board of Directors always passes resolutions on the basis of the absolute majority of votes of its members who are present or represented. The members of the Board of Directors vote at its meetings on every issue. The deliberations and resolutions of the Board of Directors are documented in relevant minutes, which are recorded in a special book of minutes and are signed by the Chairman or chairing person, as well as the members present and may be kept electronically. In case of refusal to sign by a member, a relevant mention is made in the minutes. At the request of a member of the Board of Directors, the Chairman is obliged to record in the minutes a summary of the opinion of that member. The Chairman has the right to refuse to register an opinion which refers to matters apparently outside the agenda, or whose content is clearly contrary to good morals or law. The preparation and signing of minutes by all the members of the Board of Directors or their proxies is equivalent to a resolution of the Board of Directors, even if there was no prior meeting. This regulation also applies if all members or their proxies agree to record their majority decision to the minutes without a meeting. The relevant minutes shall be signed by all the members. Any copies of and extracts from the minutes, if submitted to a Court or other authority, are ratified by the Chairman or, if he is impeded or absent, by his legal substitute.

2.5 BINDING THE COMPANY

The Company is bound validly and is generally represented legally on the basis of two signatures affixed, the first one must be that of the Chairman of the Board of Directors and the second one must be that of the Managing Director, both of them acting personally in their absent or obstruction. The Board of Directors may delegate the powers of management and representation to one or more persons, members or not. These persons may, if provided for by a decision of the Board of Directors, further assign the exercise of the powers conferred on them or by them to other members of the Board of Directors or third parties in accordance without prejudice to the restrictions in Article 20 of the Memorandum of Association.

2.6 CONFIGURATION OF THE BOARD OF DIRECTORS – CURRICULA VITAE

By virtue of the Resolution of the General Shareholders' Meeting held on 26.05.2017 and the Board of Directors' decisions of 10.07.2017, 20.12.2017*, 25.05.2018**, 22.04.2019*** and 29.12.2020**** the Company's Board of Directors is as follows:

Georgios Katsanevakis	President - Executive Member of the BoD
Spyridon Protopapadakis	Vice Chairman - Executive Member of the BoD
Ioannis Vardinoyannis	Managing Director - Executive Member of the BoD
Georgios Archontakis	Deputy Managing Director - Executive Member of the BoD
Emmanouel Apostolakis	Non-Executive Member of the BoD
Michael Georvasakis	Non-Executive Member of the BoD
Ioannis Malandrakis	Non-Executive Member of the BoD
Michael Marakakis	Independent Non-Executive Member of the BoD
Alexandros Markantonakis	Independent Non-Executive Member of the BoD
Georgios Fragkiadakis	Independent Non-Executive Member of the BoD

** Pursuant to the minutes of 20.12.2017 of the Board of Directors, filed on 26.01.2018 at GEMI, following the resignations of Messrs. Jason Dallas and Ilias Defteraios, the remaining members of the Board of Directors elected, in accordance with the Company's Articles of Association and law, Messrs. Emmanouel Apostolakis and Ioannis Stavropoulos, in replacement of the resigned members.*

*** Pursuant to the minutes of 25.05.2018 of the Board of Directors filed on 07.06.2018 at GEMI, following the resignation of mr Ioannis Ioannidis, the remaining members of the Board of Directors, in accordance with the Company's Articles of Association and law, elected mr Georgios Fragkiadakis, in replacement of the resigned member.*

**** Pursuant to the minutes of 22.04.2019 of the Board of Directors filed on 22.05.2019 at GEMI, following the resignation of mr Ioannis Stavropoulos, the remaining members of the Board of Directors, in accordance with the Company's Articles of Association and law, elected mr Ioannis Malandrakis, in replacement of the resigned member.*

***** Pursuant to the minutes of 29.12.2020 of the Board of Directors filed on 31.12.2020 at GEMI, following the death of Konstantinos Achlioptas, non-executive member of the Board, the remaining members were reorganized in accordance with the Law and its Articles of Association.*

The members of the Board of Directors are elected by the General Meeting for a four-year term. By way of exception, the term of office of the Board of Directors is extended until the expiry of the deadline within which the next Ordinary General Meeting must meet.

Following are summary CVs of the current BoD members:

- **Georgios Katsanevakis, President - Executive Member of the BoD**

He was born in Chania, Crete. He graduated in Civil Engineering from the National Technical University of

Athens. He was Chairman of the Technical Chamber of Western Crete, Chania Mayor and Prefect of Chania.

- **Spyridon Protopapadakis, Vice Chairman - Executive Member of the BoD**

He was born in Chania in 1956. He graduated from the Economic School of Rutgers University, USA and holds a Master's Degree in Transport Management and Business Administration from the State University of New York. From 1980 to 1982 he held various positions at Johnson & Johnson in the U.S. From 1984 until 1990 he was a scientific member of the K.E.P.E. drawing the five-year program in Rethymnon and Chania. From 1994 to 1997 he was Director of EL.KE.PA. Annex W. Crete. He served as Special Advisor to the Secretary General Region of Crete from 1997 to 2000. From 1987 and up to date, he has a consultancy office under the name of "Creta Consulting". He is Vice-Chairman of the Association of Passengers Shipping Companies (SEEN) and member of the Naval Chamber of Greece (NEE) and member of the Council of Shipping Coastal Transportation (SAS).

- **Ioannis Vardinoyannis, Managing Director - Executive Member of the BoD**

He was born in Episkopi, Rethymnon, Crete, in 1957. He is a graduate of a University of Finance and Marketing of a University of the USA.

- **Georgios Archontakis, Deputy Managing Director - Executive Member of the BoD**

He is a graduate of Athens Medical School. He was Director of Surgery Section, Tutor, Board Member and Deputy Director of the Hospital "Agios Savvas". In addition he was President in Athens Eye Clinic for 10 years and member of the Scientific Committee of the Hospital "Agia Sofia". From 2001 he was Director of Neurosurgery Clinic, from 2007 Director of Medical Service with 3-year term and from 2015 President with 2-year term at Chania General Hospital "St. George". He is the first neurosurgeon who applied the technique γ-knife (regular brain radiation) with innovative interventions to children and the first Greek physician who entered the Guinness book. He has been honored by the Technical University of Crete, the Hospital "Agios Savvas", the Children's Hospital and the Eye Clinic of Athens. He also served as a Prefectural member of Chania and as a member of the Municipal Council of Chania.

- **Emmanouel Apostolakis, Non-Executive Member of the BoD**

He was born in Nippos Apokoronou, Chania, Crete, in 1952. He is a graduate of Mechanical Engineer of the Higher School of Sub-mechanical Engineering of Athens and graduated from the Pedagogical Department of PATES SELETE. Since 1999 he is President of ETANAP.

- **Michael Georvasakis, Non-Executive Member of the BoD**

He was born in Rethymno Crete in 1945. He graduated from high-school grade. Mr. Georvasakis is an entrepreneur and has a factory of graphic art.

- **Ioannis Malandrakis, Non-Executive Member of the BoD**

He was born in 1964 in Voukolies Chania. He is a graduate of the University of Piraeus, Department of Business Administration with specialization in Marketing, and holds a Master's degree (MsC) in Production Engineering & Management of Technical university of Crete. He works from 1994 to the Bank of Greece. He has been scientific director of a large number of training programs for employees and unemployed, has extensive experience as a trainer of adults of EKEPIS and as Professor in Public IEK Chania. He was the General Secretary of the Labour Centre of Chania, a member of the Board to the Economic Chamber of Greece Dep. of Western Crete, Secretary of the Annex of the Association of Employees of the Bank of Greece. From 2011 up to date he is the elected Mayor of Platanias, general secretary of PED Crete and participates in many volunteer commissions and other bodies representing the local government.

- **Michael Marakakis, Independent Non-Executive Member of the BoD**

He was born in Kastelli Kissamou in 1949. He graduated from High School of Kasteli in 1974 and hired, after a public competition, by the National Bank of Greece, where held various areas of responsibility for 25 years. In 1991 he founded the limited company investment portfolio "DIAS" and until 1996 was the Vice President of the company. Moreover, from 1997 to 2004 he was Vice President and General Manager of COOPERATIVE BANK OF CHANIA, and since 2004 he holds the position of Chairman of the Board to the Bank. From 2009 since 2015 he was Vice President of the B.O.D. “PANHELLENIC BANK”. He is also Chairman of the Bank’s subsidiaries "CRETE REAL ESTATE SA", "CRETAN HOLDINGS SA" and of companies “BUSINESS PARK OF CHANIA SA”, " VIOCHYM SA", “AVEA SA” and “MILK PROCESSING INDUSTRY of CRETE SA”. Up to 2018 he was President of BoD in “PRIME ENERGY SA” and “CHIOTAKI BROS ABEE”. At the same time, he is Vice President of the “COOPERATE BANKS UNION OF GREECE”.

- **Alexandros Markantonakis, Independent Non-Executive Member of the BoD**

He was born in 1959 in Chania and studied Chemical Engineering in England. He holds a Master’s degree in Food Science & Management. He worked in food companies in England and France, and since 1985 he is an executive in the “MILLS OF CRETE”. He is currently Managing Director of the company "MILLS OF CRETE", President and Managing Director in "KRIARAS SA", General Manager of “AVEA SA”, member of BoD of “MILK PROCESSING INDUSTRY of CRETE SA” and President of the Association of Millers of Greece.

- **Georgios Fragkiadakis, Independent Non-Executive Member of the BoD (as note above)**

He was born in Athens in 1977. He studied Accounting and Financial Management at the University of Essex, he is lecturer at the University of Crete and has acquired two master's degrees in Finance and Investments and Management of Health Units. Since November 2019 he is the General Secretary of the Municipality of Chania and in the past he has been the Administrative Director of the Chania Hospital, the Director of the Rethymnon Hospital and the Deputy Governor of the 7^{th} Health District of Crete.

2.7 FEES PAID TO MEMBERS OF THE BoD

Every fee or remuneration to be paid to members of the Board of Directors is borne by the Company only if approved by a special resolution of the Ordinary General Meeting according to law 4548/2018 and the Articles of Association as in force. The fees and other remunerations paid to non-executive members of the Board of Directors are determined in accordance with law 4548/2018 and the Articles of Association as in force and are proportionate to the time spent for attending Board meetings and performing the duties assigned to them in accordance with this law. All the fees and possible remunerations paid to BoD members are referred to in Part VI of this Board of Directors’ Report.

The Board of Directors is responsible for deciding on:

a) all kinds of fees, irrespective of reason, paid to executives and internal auditors, and

b) the overall fees policy of the Company.

3. GENERAL MEETING SHAREHOLDERS

3.1 CONVENING THE GENERAL MEETING

The General Meeting of shareholders is the Company's highest-ranking administrative body. It has the right to pass resolutions on any company affair and, when comprised in accordance with the Memorandum of Association, it represents all shareholders. Its resolutions passed in accordance with the law are binding to all shareholders, even if they are absent or disagree. The General Meeting of shareholders is always convened by the Board of Directors and meets regularly at the Company's seat at least once a year, no later than the tenth (10th) calendar day of the ninth month following the end of the financial year, and if the company's shares are listed on a stock exchange having its seat in Greece, the General Meeting may be held in the area of the Municipality where there Stock Exchange's seat is.

The Board of Directors may, if deemed necessary, convene an extraordinary General Meeting. Moreover, upon request by a number of shareholders representing one twentieth (1/20) of the paid up share capital, the Board of Directors is under obligation to convene an Extraordinary General Meeting of shareholders and shall set a date for that meeting which must not be later than forty five (45) days after the date when the relevant request was submitted to the Chairman of the Board. The request include the subject of the agenda. If no General Meeting is convened by the Board of Directors within twenty (20) days from the submission of the relevant application, the meeting shall be convened by the applicant shareholders at the expense of the Company, by decision of the Court, issued during the injunction proceedings. This decision shall specify the place and time of the meeting, as well as the agenda. Applicant shareholders must prove their shareholding capacity, the number of shares they hold during the exercise of the relevant right. Such a proof is the deposit of their shares, according to the provisions of paragraph 2 of article 124 of law 4548/2018, as in force. As long as the Company has its shares listed on a regulated market, the proof of share ownership can be done by any legal means and however based on information received by the Company from the central securities depository, if it provides registration services, or through participants and registered subscribers. at the central repository of titles in any other case.

The invitations to the ordinary and extraordinary General Meetings are published at least twenty (20) days prior to the date set for the General Meeting and in the case of a Resumed Meeting following a mandatory postponement, they are published at least ten (10) days prior to the date set for the Resumed Meeting, also including non-business days. The date of publication of the invitation to the General Meeting and the date of the Meeting are not included.

The invitations for the ordinary and extraordinary General Meetings are published pursuant to article 122 par. 2 of Law 4548/2018 by their registration in GEMI, and as its shares are listed on a regulated market pursuant to article 122 par. 3 of Law 4548/2018 as in force, and on the Company's website and are made public within the same time frame in a way that ensures fast and non-discriminatory access to it , by means deemed by the BoD that are considered reasonably reliable for the effective dissemination of information to investors, such as particular print and electronic media with national and European range.

The invitation to a General Meeting includes the building and the exact address, the date and time of the Meeting, a clear list of the items of the agenda, the shareholders entitled to attend, as well as exact instructions on how the shareholders shall be able to attend the Meeting and exercise their rights either in person or through proxies or even remotely, and it is posted a conspicuous location in the Company's office, as well as, in the reception area of the Company's vessels twenty (20) full days in advance and the items of paragraph 4 of article 121 of law 4548/2018 as in force, as the Company's shares are listed on a regulated market.

The rights of minority shareholders are in accordance with article 33 of Company's Articles of Association.

3.2. MEETINGS – QUORUM

The General Meeting is in quorum and is held validly in order to discuss the items of the agenda as long as the shareholders attending the meeting either in person or through proxies represent at least one fifth (1/5) of the paid up Share Capital. If such quorum is not achieved in the first meeting, the General Meeting shall convene again within twenty (20) days of the date of the postponed meeting, by invitation sent at least ten (10) full days in advance. The resumed General Meeting shall be in quorum and decide validly on the items of the original agenda regardless of the percentage of the paid up Share Capital represented thereat. A new invitation shall not be necessary if the original invitation mentions the time and place of the resumed meetings provided for by law, in case a quorum is not achieved and provided that there are at least five (5) days between the canceled meeting and the resumed.

In extraordinary cases, when it comes to resolutions relating to changing the nationality of the Company, increasing the shareholders' obligations, changing the purpose of the company, increasing its share capital, where this is not provided for in the Memorandum of Association (unless required by law or through capitalization or reserves), reducing the share capital (unless pursuant to par. 5 of article 21 or par. 6 of article 49 of law 4548/2018 as in force), changing the method used for the appropriation of profit, a merger, breakup, conversion, revival, extension of the duration or winding up of the Company, granting the power to the Board of Directors to increase the share capital pursuant par. 1 of article 7 of Memorandum of Association, as well as in any such other case as provided for in the Law, the Meeting is in quorum and is held validly in order to discuss the items of the agenda as long as the shareholders attending the meeting either in person or through proxies represent at least the half (1/2) of the paid up share capital.

If this quorum is not achieved, the General Meeting shall be convened and held again and is in quorum according to par. 2 of the same article and validly meets on the issues of the original agenda when at least one-fifth (1/3) of the paid-up share capital is represented. Since the Company has listed its shares on a regulated market, or, in any case, when a decision is to be made concerning a capital increase, the repeated General Meeting is in quorum when one-fifth (1/5) of the shareholders present or represented are represented at least of the paid-up capital. A newer invitation is not required if the place and time of the repeat meeting have already been set in the initial invitation, provided that there are at least five (5) days between the canceled meeting and the repeated meeting.

3.3 DUTIES OF THE GENERAL MEETING

The General Meeting of shareholders decides on all issues brought to its attention and is the sole body responsible for making decisions concerning the following:

a) Amending the Memorandum of Association, including increasing or reducing of the share capital.

b) Electing the members of the Board of Directors.

c) Electing auditors.

d) Approval of the overall management according to article 108 of law 4548/2018, as well as the dismissal of the auditors.

e) Approving the Company's Annual and Consolidated Financial Statements.

f) Profit distribution.

g) The approval of the of fees or advance payment of fees according to article 109 of law 4548/2018, as in force.

h) Approval of the salary policy of article 110 and the salary report of article 112 of law 4548/2018, as in force.

i) Merger, split, conversion, revival, extension of the duration, or dissolution of the Company

j) Appointing liquidators.

The resolutions of the General Meeting are passed on the basis of the absolute majority of the votes represented thereat. In extraordinary cases, the resolutions referred to par. 3 of article 28 of the Company's Memorandum of Association are passed on the basis of a majority of two thirds (2/3) of the votes represented at the Meeting. The resolutions of the General Meeting are passed through open or secret (where necessary) ballot, using ballot papers and nominal participation forms, except for resolutions relating to the election of the persons chairing the General Meeting and resolutions relating to judicial matters, which may be passed by a show of hands or by acclamation. The General Meeting by open ballot, may decide that voting on any or all of the items on the agenda shall be by secret ballot. In this case a shareholder may state that he opposes the decision taken for the purposes of par. 3 of article 137 of law 4548/2018, as in force. No secret ballot is allowed in the case of remuneration to the members of the Board of Directors and where the law requires an explicit vote or when the vote is given at a distance, pursuant to par. 4 of article 31 of the Company's Articles of Association.

Pursuant to par. 5 of article 31 of the Company's Articles of Association, by decision of the General Meeting, taken by open vote after the approval of the annual financial statements the overall management that took place during the respective year may be approved. However, the resignation of the Company from its claims against the members of the Board of Directors or other persons or the conciliation of the Company with them may only take place under the conditions of paragraph 7 of article 102 of law 4548/2018, as in force. In the voting on the approval of the overall management, according to the first paragraph, the members of the Board of Directors are entitled to participate only with shares of which they are owners, or as representatives of other shareholders, but if they have received a relevant authorization with explicit and specific instructions. The same applies to the employees of the Company. However, a waiver of the Company by its claims against the members of the Board of Directors or other persons or a compromise of the Company with them can take place only under the conditions of paragraph 7 of article 102 of law 4548/2018. During a lawsuit for compensation of the Company due to the responsibility of the members of the Board of Directors in accordance with articles 102 et seq. of law 4548/2018, the above approval is taken into consideration.

4. INTERNAL AUDIT SERVICE

The Internal Audit Service audits the method used to organize and operate certain Company activities in order to verify and confirm existing procedures as to how they are implemented and whether they are correct, representative and appropriate for the benefit of the Company. The Head of the Service (Internal Auditor) is appointed by the Company’s Board of Directors. Members of the Board of Directors, current executives performing other duties, or any relatives of these persons up to second degree by blood or by marriage, may not be appointed as internal auditors. The internal auditor is accountable on a hierarchical basis to the Company’s Management; however, he is independent in performing his duties and has the right to become aware of Company information and obtain access to any Company Service. The Company’s Divisions and employees are required to cooperate with and provide information to the internal auditor and generally to facilitate his work in all possible ways. The Company’s Management is required to provide the internal auditor with all means necessary for facilitating the performance of appropriate and effective audit.

In particular, the Internal Audit Service performs the following duties:

- It monitors the implementation and continuous observance of the Company’s Internal Operating Regulation and Memorandum of Association, as well as of the overall legislation relating to the Company, and in particular of the legislation on sociétés anonymes and stock exchange.
- It reports to the Company’s Board of Directors any cases of conflict between the private interests of BoD members or Company executives and the Company’s interests, as identified during the performance of its duties.
- Internal auditors are required to inform the Board of Directors in writing at least once a quarter about the audit performed, as well as to attend the General Meetings of shareholders.
- Internal auditors provide, following approval by the Company’s Board of Directors, any information

requested in writing by Supervising Authorities, cooperate with these Authorities and facilitate their monitoring, auditing and supervising work in all possible ways.

The Internal Audit Service submits to the Board of Directors a quarterly report on the audit performed, and communicates it to the Internal Audit Committee. It also submits extraordinary reports, as the case may be, where it feels that the time left until the drafting of the ordinary report is long and the matter to be taken care of or the information to be provided to the Board of Directors is urgent.

Mr. Nikolaos Xynos is serving as the Company's Internal Auditor. Following is a short CV:

Nikolaos Xynos, Head of Internal Audit
He was born in 1961 in Kozani. He holds a degree in Finance and Management Administration from the Eastern Michigan University, USA. He has worked for ANEK since 1992 and was appointed as Head of the Internal Audit Service in January 2010.

According to the aforementioned during the fiscal year 2020 the Internal Audit Service has conducted frequent inspections of the various Services and Managements of the Company in order to verify the dully operation and the implementation of any and all procedures which are provided in the Procedure Manual. The findings of the Internal Audit Service for the fiscal year 2020 were analysed during four (4) meetings in which the Internal Audit Service and the its supervising body, the Audit Committee participated.

During the process of compliance with Law 4706/2020, the Company will re-evaluate the procedures of the Internal Audit Service and will make the necessary corrective changes.

5. COMMITTEES COMPRISING BoD MEMBERS

To ensure that the Company functions safely, as well as that financial and legal risks are minimized, the Board of Directors has decided, in accordance with the existing institutional framework and the provisions on corporate governance to set up the following two (2) Committees:

A) The Audit Committee

B) The Fees and Benefits Committee

The Board of Directors may decide to set up other committees too, at discretion, if it feels that they will facilitate its work. The composition and operation of these committees is provided by Articles 3, 4 of law 3016/2002, Articles 44, 52, 53 of law 4449/2017 and the Company's Rules of Procedure and their purpose is to assist the Board of Directors in exercise of his work.

A) AUDIT COMMITTEE

1. Purpose
Following are some of the Audit Committee's obligations:

- informs the Board of Directors for the outcome of the statutory audit and explains how the statutory audit contributed to the integrity of the financial information and what was the role of the Audit Committee in this process,
- monitors the financial reporting process and make recommendations or proposals to ensure its integrity,
- monitors the effectiveness of the company's internal control, quality assurance and risk management systems and, where applicable, the internal control department with regard to the financial information of the audited company, without infringing its independence,
- monitors the statutory audit of the annual and consolidated financial statements and, in particular, their performance, taking into account any findings and conclusions of the competent authority pursuant to Article 26 (6) of Regulation (EU) 537/2014,
- reviews and monitors the independence of statutory auditors or audit firms in accordance with Articles 21, 22, 23, 26 and 27 and Article 6 of Regulation (EU) 537/2014 and in particular the suitability of providing non-audit services to the Company in accordance with Article 5 of Regulation (EU) 537/2014,
- is responsible for the selection procedure for statutory auditors or audit firms and proposes statutory auditors or audit firms to be appointed in accordance with Article 16 of Regulation (EU) 537/2014, unless paragraph 8 of Article 16 of Regulation (EU) No. 537/2014.

2. Configuration - Convocation - Meetings

The Audit Committee consists of three members, non-executive members of the Board of Directors and members elected by the General Meeting of Shareholders. It meets at least four (4) times a year. Especially, for the fiscal year 2020 the members of the Audit Committee jointly with the members of the Internal Audit Service participated in five (5) meetings in order to evaluate the findings of the Audit and such evaluation has been communicated as per foreseen procedure to the competent authorities of the Company (President of the BoD, Managing Director, the BoD). In addition, three (3) meeting were held with the Company's statutory auditors to evaluate the course of external audit and to inform the Commission of the important issues and findings of the audit.

3. Composition

The Audit Committee consists of non-executive members of the Board of Directors and members elected by the General Meeting of the Company's shareholders. The members of the Audit Committee as a whole have sufficient knowledge of the sector in which the Company operates and most of them are independent of it, within the meaning of the provisions of Law 3016/2002 (A'110). The Chairman of the Audit Committee is appointed by its members or elected by the General Assembly of the Company's shareholders and is independent of the Company. At least one member of the Audit Committee is a statutory auditor, suspended or retired, or has sufficient knowledge of audit and accounting. On 26.05.2017 the Ordinary General Meeting of Company shareholders appointed the following members of the Audit Committee:

Chairman: Georgios Fragkiadakis

Member: Michael Georvasakis

Member: Alexandros Markantonakis

During the process of compliance with Law 4706/2020, the Company will re-evaluate the procedures of the Audit Committee and will make the necessary corrective changes.

B) FEES & BENEFITS COMMITEE

1. Purpose

Any decisions relating to all kinds of fees paid to Company executives and internal auditors, as well as to the Company's overall fees policy, are made by the Board of Directors, always in compliance with legal procedures, in particular with art. 99, 100, 109 and 110 of law 4548/2018, as in force. The responsibility of the fees and benefits committee is to make proposals to the Board of Directors concerning the following:

- it's recommendation to the General Meeting on the determination of all kinds of fees and benefits to be paid to the executive members of the Board of Directors, and
- the determination of the overall policy concerning the fees and benefits to be paid to Company executives, always within the framework that may have been set forth by the General Meeting.

2. Configuration – Convocation – Meetings

- Immediately after appointment of its members, the Fees & Benefits Committee is established by electing its Chairman. It is not necessary to reestablish the Committee if a vacant position therein is filled by the Board of Directors, unless the Chairman's vacant position is filled.
- The Fees & Benefits Committee holds its meetings upon informal (verbal) invitation extended by its Chairman, at least once a year. The Chairman may convene the Committee at any time, at discretion. The invitation is not subject to deadline.
- The Committee is in quorum and holds its meeting validly as long as three of its members are present. A member may be represented by another member. In any event, at least two Committee members must attend the meeting in person.
- All efforts are made for the Committee to make unanimous decisions. Where it is impossible to make a unanimous decision, the relevant decision may be made by ordinary majority of the attending members. The decisions of the Fees & Benefits Committee are not binding.

3. Composition

The members of the Fees & Benefits Committee are appointed and removed by the Board of Directors. The Fees & Benefits Committee comprises two (2) non-executive members of the Board of Directors and the Managing Director. According to the 1642/13/10.07.2017 BoD decision and according to the minutes 18/14.07.2017 of the Remuneration & Benefits Committee, the Committee comprises the following members:

Chairman: Alexandros Markantonakis

Member: Ioannis Vardinoyannis

Member: Michael Georvasakis

The Fees & Benefits Committee meets with a view to recommending to the Board of Directors the remuneration of the members of the Board of Directors regarding their pre-approval by the Ordinary General Meeting for the current fiscal year and subsequently, following the relevant decision of the Board of Directors Council for the appointment of its members, meets in order to form a body. In the year 2020, for this purpose, was held one (1) session.

6. ORGANIZATIONAL AND OPERATING COMPANY STRUCTURES

6.1 GENERAL SECRETARIAT

- The General Secretariat of ANEK is responsible for ensuring the sorting incoming mail properly and forwarding it to the competent Divisions and Departments of ANEK. It is also responsible for processing outgoing mail.
- The General Secretariat is responsible for coordinating the Secretariat Departments of the different Divisions.
- Each ANEK Division operates its own Secretariat Division, which reports to the respective Manager. It is organized and operates in a way similar to that of the General Secretariat. It main responsibility is similar to that of the General Secretariat and, in particular, it ensures the keeping and processing of the Division’s registry.

6.2 PUBLIC RELATIONS AND SHAREHOLDER SERVICE DEPARTMENT

- The department sees to it that the public is informed, through the Stock Exchange, about every event which, if disclosed, is expected to affect the purchase of Company shares in accordance with the Stock Exchange Regulation and applicable law, as currently in force.
- The department is responsible to the Managing Director for the providing shareholders with immediate and indiscriminate information and service with regard to the exercise of their duties in accordance with the law and the Company’s Memorandum of Association.
- The department sees to it that, when the Annual Ordinary General Meeting of Company shareholders is held, shareholders have the Company’s Annual Report in their hands, as well as that all disclosed company publications (Annual Report, interim and annual financial statements, management reports by the Board of Directors and the certified auditors-accountants) are sent to every party involved in hard copy or electronic format).
- The department is responsible for keeping and updating the Company’s list of shareholders in accordance with the law. To perform this duty, the department must contact the Central Securities Depository.

During the process of compliance with Law 4706/2020, the Company will re-evaluate the procedures of the Public Relations and Shareholder Service Department and will make the necessary corrective changes.

6.3 LEGAL DEPARTMENT

- The department is responsible to the Managing Director for providing the Company with legal coverage so as to ensure and protect its interests.
- It is kept up to date with general and special legal issues relating to the Company and ensures the coordination and management of such issues at an operational level, and proposes ways to ensure Company interests.
- It is responsible for receiving, registering and managing all legal documents, subpoenas, etc. relating to the Company.

During the process of compliance with Law 4706/2020, the Company will re-evaluate the responsibilities of the Legal Department and will make the necessary corrective changes.

7. INTERNAL AUDIT AND RISK MANAGEMENT SYSTEM

7.1 KEY FEATURES OF THE INTERNAL AUDIT SYSTEM

The Management evaluates the adequacy of the Internal Audit System on the basis of best company practices. In particular, evaluation includes an examination of the audit environment, of the risk assessment procedure, of the auditing mechanisms and safeguards, of the communication and information system, as well as of the role and responsibility of the Management, internal auditors and other staff members. In particular, an examination is made of whether important executive, recording and approval functions are administratively and operationally distinct (four eyes principle).

7.2 RISK MANAGEMENT IN CONNECTION WITH THE DRAFTING OF FINANCIAL STATEMENTS

The Company has invested in the development and maintenance of state-of-the-art computer infrastructures ensuring, through a number of safeguards, that financial figures are correctly presented and all kinds of operating risks are minimized. Moreover, a results analysis is performed on a monthly basis, which covers all important aspects of business activity. Comparisons are carried out between the actual, historic and budgeted accounts, including sufficient detailed explanation of all significant differences. Most of the reports are automated and are generated by a special M.I.S. application and, as referred to above, important executive, recording and approval functions are administratively and operationally distinct (four eyes principle). At an administrative information level, the Company is supported by an internally developed regional M.I.S. system drawing data from the accounting data base in the form of excel, ascii and batch files. The gathering and processing of information by the system is automated. Users are provided with information early enough, and the data provided are subjected to an independent check by the Computer Department to ensure accuracy, reliability and completeness. Access to the system is classified.

The Financial Division personnel is not often changed. The Division's employees hold higher or highest level degrees, and those appointed at "key" positions are fully trained to perform their duties, thus ensuring that the completeness of the financial statements prepared. The Manager of the Financial Division is responsible for the accuracy of the financial information published.

The external auditors inform the Audit Committee on an annual basis about any possible weaknesses in the internal audit system and submit a statement of independence; they do not provide non-auditing services. The Board of Directors is informed, at least on a six-month basis, about the key business risks faced by the Group and verifies that these risks are fully defined, adequately estimated and effectively managed.

As regards the management of financial and operating risks, the Management is currently establishing limits for the discontinuation of loss-causing activities and the determination of criteria for an early warning system.

During the process of compliance with Law 4706/2020, the Company will re-evaluate the Internal Control System and will make the necessary corrective changes.

8. INFORMATION REQUIRED BY ARTICLE 10 PAR. 1 OF DIRECTIVE 2004/25/EC ON TAKEOVER BIDS

The required information is included in part IX "Explanatory Report by the Board of Directors".

9. COMPLIANCE WITH CODE PROVISIONS

The Company in addition to the provisions of the law, adopts and complies with the Hellenic Corporate Governance Code, which is available on the web site of the Hellenic Corporate Governance Council on www.helex.gr/en/esed. Furthermore, it is specified that:

- The Company has adopted Special Practice A.II 2.2 – despite the fact that since it is considered a small listed company the exceptions of Annex I apply, the BoD constitutes in majority by non-executives members –the independent included- thus seven (7) members of the BoD from the total of eleven (11) members, which were elected by the Ordinary General Meeting of 26 May 2017 and were subsequently replaced pursuant the minutes of 20.12.2017, 25.05.2018, 22.04.2019 and 29.12.2020 as in item 2.6 of this statement.

- The Company has adopted Special Practice A.III 3.1 – despite the fact that since it is considered a small listed company the exceptions of Annex I apply and by virtue of Article 22 par. 2 of the Articles of Association in combination with the Internal Regulation the competences of the Managing Director are specified.

- The BoD of the Company has conducted annual evaluation of the internal control system, examining the diversity of the activities and the efficiency of the internal control unit, the adequacy of the risk management and internal control reports addressed to the Audit committee of the BoD. Furthermore, in all cases of problems the Management has reacted immediate and efficient in order to be resolved.

- The BoD has examined the main risks that the company may face, which are reflected in the Explanatory Report as well as the internal control system.
- There is full transparency as to the remuneration of the President, the Vice President, the Managing Director the Deputy Managing Director and as to the remuneration of each member of the BoD for its presence in the meetings of the BoD and of the committees, since all remunerations are approved for the past year by the Annual General Meeting of the Shareholders and preapproved for the future year. Each and every decision adopted is been published as per law to the website of the Company as well as to the ASE website. The members of the Board of Directors of the Company do not receive any other benefits or bonuses in addition to the above fees and / or indemnities.

During the process of compliance with Law 4706/2020, the Company will re-evaluate the procedures of Internal Audit and will make the necessary corrective changes.

DEVIATIONS FROM SPECIAL PRACTICES OF THE HELLENIC CORPORATE GOVERNANCE CODE

Hereunder the BoD refers to the occasions and the reasons due to which deviated from the Special Practices for listed companies of the aforementioned Code during the fiscal year 2020:

Deviation from the Special Practice A.II.2.8

The Company does not publish in the present Declaration its policy in relation to the diversity of the constitution of the BoD and of the executives managers, as well of the quorum of representation of each gender. Already from the planning and publication of the Company's original Articles of Association, it was evident and fully reflected in the Company's Articles of Association its intention to be in close proximity to the local, political and scientific community. The diversity manifested is related to the current position of candidates for election as members of the Board of Directors of the Company, which is free and unhindered, among candidates with recognized professional course and experience as well as scientific training. The Company does not have a specific gender quota policy in its Board of Directors because it considers that the skills and qualifications of its respective members are not identical with the gender of each of them. In any case, the selection and recruitment of people with the required skills takes place through transparent procedures, is determined according to the needs of the Company and is based on the principle of non-discrimination, equal opportunities policy and the right of all to work regardless of gender and age.

In particular, on 31.12.2020, the Company employed as administrative staff employees representing both sexes and all the age categories as follows:

AGE	MEN	WOMEN
Up to 30	3	3
30-50	42	63
Over 50	35	38
TOTAL	**80**	**104**

During the process of compliance with Law 4706/2020, the Company will make the necessary corrective changes.

Deviation from the Special Practice A.IV.4.5

As per the provisions of Article 18 par. 2e of the Articles of Association the Company has provided that the preparation and signing of minutes by all members of the Board of Directors or their representatives is equivalent to a decision of the Board of Directors even if no previous meeting has been preceded by law, article 90 par. 4 of law 4548/2018, as in force, with the consent of all members of the Board the meeting may be held by teleconference. Furthermore, pursuant to Article 13 par. 4 of the Articles of Association, *"The unjustified abstention of a Director from the Board meetings over a period exceeding three months amounts to a waiver which is deemed to have been effected once the Board of Directors has decided and it shall be made accordingly to the record of it".* Due to the aforementioned provisions the Company achieved not to exist often and constant absences during the meetings of the BoD and all the members to participate and to be informed of the subjects of the agenda.

During the process of compliance with Law 4706/2020, the Company will make the necessary by law corrective changes.

Deviation from the Special Practice A.V.5.4-5.8

The Company has not yet established a Nomination Committee for the constitution of the BoD nevertheless the Company is in the stage of elaboration of the specific competences and qualities which the members of the BoD shall have as well as in the stage of the determination of the criteria of the members of the BoD on the basis that until now any and all expression of interest amongst nominees as well as their election by the General Meeting of the Shareholders took place amongst candidates with recognized professional background, experience and scientific qualifications.

During the process of compliance with Law 4706/2020, the Company will make the necessary by law corrective changes.

Deviation from the Special Practice A.VI.6.1

There is not a specific operational framework of the BoD since the provisions of the Articles of Association and of the internal regulation are considered to be efficient for the organization and the operation of the BoD. At the begging of each calendar year the BoD does not apply a calendar of meetings or a 12-month agenda which may be reviewed depending on the company’s needs, since the convention and the meetings of the BoD meetings are very flexible when is necessary by the Company’s needs or the Law.

Deviation from the Special Practice A.VI.6.2 & 6.3

No company Secretary has been appointed to support the Company’s BoD, as the Secretary’s responsibilities providing practical support to the Chairman and members of the Board of Directors with a view to ensuring compliance with the Company’s internal rules and relevant laws and regulations, ensuring proper information flow between the Board of Directors and its committees, providing its members with information concerning Company's affairs upon assumption of their duties as well as throughout their terms, and organizing the meetings of shareholders appropriately - are performed by the Shareholder Service Department, the Corporate Announcement Department and the Legal Department, depending on the type of the relevant issues.

Deviation from the Special Practice A.VI.6.5

The company does not apply an induction program for new board members and continuing professional development programs, since all new members of the BoD are adequately informed for all company's matters by the old members and for regulatory and legal framework of their authority by the Shareholder Service Department, the Corporate Announcement Department and the Legal Department.

During the process of compliance with Law 4706/2020, the Company will make the necessary by law corrective changes.

Deviation from the Special Practice A.VI.6.9

The Company does not finance the Bod Committees for the fulfillment of their duties and the hiring of external advisors, since the implementation of such practices would lead to a burden for the Company which would be disproportionate to the time and cost required.

Deviation from the Special Practice A.VII.7.2 -7.3

The Company has not adopted a procedure of evaluation of the performance of the BoD, nevertheless is on the stage of setting the criteria and the method for adequate evaluation of such. Furthermore, in relation to the practice of the evaluation of the BoD every 2 years the Articles of Association of the Company provides a four year term of the BoD and the evaluation of the BoD as a collective body is subject to the authority of the highest body of the Company thus the General Meeting.

During the process of compliance with Law 4706/2020, the Company will make the necessary by law corrective changes.

IX. EXPLANATORY REPORT BY THE BOARD OF DIRECTORS

This explanatory report by the Board of Directors of ANEK S.A. to the Ordinary General Meeting of its Shareholders includes detailed information with regard to the issues referred to in art. 4, par. 7 of law 3556/2007:

1. Structure of the Company's share capital

The Parent Company's share capital as of 31.12.2020 amounted to € 67.440.467,10 divided into a) 221.519.681 common voting shares of the nominal value of € 0,30 each and b) 312.163 preferred voting shares issued in 1990 of the nominal value of € 0,30 each and 2.969.713 preferred voting shares issued in 1996 of the nominal value of € 0,30 each. The Company's shares are all listed on the Athens Exchange.

The change of share capital occurred after the certification, based on the decision of the Board of Directors of the Company dated 29.06.2020, of the increase of share capital in the amount of € 10.843.999,50, due to the conversion of 10.844.000 convertible bonds of a nominal value of one (1) euro each in shares, with a conversion price of € 0,30, based on the from 29.03.2017 Convertible Bond Loan Program of € 22.000.000 issued by the Company and the Coverage Agreement with Piraeus Bank SA, Alpha Bank A .E., Bank of Attica and National Bank of Greece SA, which was approved by the decision of 13.03.2017 of the 2nd Repeat Extraordinary General Meeting of the Company's shareholders and the listing of 36.146.665 new common registered shares of the Company for trading in the Supervised Category of the organized Market of the Athens Stock Exchange on 25.08.2020. The Company has made the necessary announcements of Regulated Information in accordance with Law 3556/2007.

Shareholders responsibility is limited to the face value of the shares they own. Each share provides all the rights provided for by law and the Company's Articles of Incorporation. All (common and preferred) shares are voting rights. Preferred shares issued in 1990 and 1996 enjoy only those benefits stipulated by law, namely the preferential collection of first dividend and preferential participation in the proceeds of liquidation.
The Company does not hold own shares.

2. Restrictions to the transfer of the Company's shares

All company shares are transferred in accordance with the law, and the Company's Articles of Association do not include any restrictions on such transfer.

3. Significant direct or indirect holdings as laid down in articles 9 to 11 of law 3556/2007

The shareholders holding more than 5% of all Company voting rights are:

i. The company "PIRAEUS BANK SA" holding 28,13% of the share capital of the Company: a) directly 61.307.097 common nominal shares corresponding to 27,27% of the share capital of the Company the respective voting rights and b) indirectly 1.929.210 voting rights corresponding to 0,86% of the total voting rights of the Company.

ii The company "VARMIN AEBE" holding directly 50.039.780 common nominal shares corresponding to 22,26% of the ordinary share capital and the respective voting rights of the Company.

iii. Mrs. AMALIA – ANASTASIA VARDINOYANNI of IOSIF holding a) directly 191.191 common nominal shares corresponding to 0,085% of the total voting rights of the Company and b) indirectly (due to her participation in the share capital of the company "VARMIN AEBE") 50.039.780 voting rights corresponding to 22,26% of the total voting rights of the Company.

4. Shares owners with special controlling rights

There are no such shares providing their holders with special rights to control.

5. Restrictions to the right to vote

No provision is made in the Company's Articles of Incorporation for restrictions to the right to vote arising from its shares.

6. Agreements of the Company's shareholders

The Company is not aware if there are any agreements among its shareholders imposing restrictions to the transfer of its shares or to exercising the rights to vote arising from such shares.

7. Rules for appointing and replacing BoD members and amending the Articles of Incorporation

The rules provided for in the Company's Memorandum of Association on the appointment and replacement of BoD members and the amendment to the Memorandum's provisions are not different from those provided for in law 4548/2018 as applicable and to article 13 of Company's Articles of Incorporation as in force after its decisions of 09.09.2019 ordinary General Meeting on its harmonization.

8. BoD authorization to issue new or buy treasury shares

The Board of Directors has no right to increase the Company's share capital by the issue of new shares, or to buy treasury shares, without the prior approval of the General Meeting.

9. Significant agreements that enter into force, that are modified or expire as a result of audit change following a public proposal

There are no significant agreements that enter into force, are modified or expire as a result a change in auditing the Company following a public proposal.

10. Agreements with members of the Board of Directors or the Company's personnel

There are no agreements between the Company and members of its Board of Directors or its personnel providing for the payment of compensation in case of resignation or dismissal on no serious grounds or termination of term or employment as a result of a public proposal.

Chania, 27 April 2021

the Board of Directors of ANEK

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of ANEK LINES 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 **ANEK LINES S.A.** (the Company), which comprise the separate and consolidated statement of financial position as at **31 December 2020**, the separate and consolidated statements of comprehensive income, 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 **ANEK LINES S.A.** and its subsidiaries (the Group) as at **31 December 2020**, their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as incorporated into the Greek Legislation. 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 are independent of the Company and its consolidated subsidiaries throughout our appointment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as incorporated into the Greek Legislation and the ethical requirements that are relevant to the audit of the separate and consolidated financial statements in Greece, and we have fulfilled our other ethical responsibilities in accordance with the requirements of the current legislation and the above-mentioned IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Notes 2 and 32 in the separate and consolidated financial statements which in particular indicate that the working capital of the Company and the Group is negative respectively by € 260,0 million and € 251,2 million, the equity of the Company remains negative by € 9,9 million while there are overdue liabilities towards credit institutions.

The above events and conditions in conjunction with the significant impact that the crisis of the Coronavirus pandemic (COVID-19) continuous to have on the Group's financial results, as stated in Notes 2 and 32, indicate that a material uncertainty exists that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. The Note 2 in the separate and consolidated financial statements indicates the measures taken or designed by management to ensure the smooth continuation of the Company's and the Group's operation. In addition, the government decisions regarding the package of measures to strengthen the economy and to compensate for the adverse effects of the pandemic as well as its health control mainly through the vaccination programmes implemented internationally, constitute critical parameters that significantly affect the activity and operational continuity of the Company and the Group. Our opinion is not modified in respect of this matter.

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 audited period. These matters 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. In addition to the matter described in the "Material Uncertainty Related to Going Concern" section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Impairment of non-current assets (vessels)	
Key audit matter	**Addressing the audit matter**
As at 31.12.2020, the Group discloses in its annual consolidated financial statements tangible assets amounting € 263,3 million of which € 248,0 million are ships and account for 77,8% of the Group's total assets. The Group's entire fleet is tested annually for impairment according to IAS 36, based on valuations for each ship individually, by two independent expert valuers. On the basis of the valuations by these independent valuers is determined the current value of each ship at the date of the financial statements (end of year) and compared with the respective carrying amount. Where it is found that the latter exceeds the current value of the ship, the value in use of a cash flow unit shall be estimated in order to determine whether there is an impairment. The value in use derives from the Net Present Value model (DCF), which uses significant assumptions such as estimates of future income, operating expenses and capital expenditures, as well as the amount of the discount interest.	Our audit procedures regarding the audit of impairment include: • Evaluation of the overall impairment process conducted by management and its consistency with applicable accounting standards (IFRS). • Assessment of independence, objectivity, appropriateness and adequacy of expert valuers used by management to estimate the current value of the ships at 31.12.2020. • Evaluation of the appropriateness of the calculation models applied by management. • Assessment of the reasonableness of the significant assumptions of the budgets drawn up by management, considering market data as well as the assumptions used in previous years. • Evaluation of the mathematical accuracy of the model used and its agreement with the management's business plan. • Assessment of the rationality of the discount interest

Impairment of non-current assets (vessels)	
Key audit matter	**Addressing the audit matter**
We also note that in addition to the objective and particular characteristics of ships, their value may also be determined by the route on which they operate. This audit area is considered to be significant due to: - the significant size and complexity of the DCF model based on the requirements of IAS 36, - the significant assumptions applied by management regarding residual values and the useful life of assets, - the significant assumptions of the budgets drawn up by management, - the effects of the COVID-19 pandemic on the Greek economy, tourism and the transport sector to which the Group has a high exposure. The disclosures of the Group regarding this matter are included in Notes 3vii & 12 in the annual separate and consolidated financial statements.	and checking its calculation methodology. • Conduct of value sensitivity test to changes in the significant assumptions and the discount interest in order to assess the adequacy of the value margin. • Assessment of the appropriateness and adequacy of disclosures in the financial statements prepared by Management for the year 2020, in order to ensure proper disclosure of the above mentioned assumptions, estimates and sensitivity analysis.

Revenue recognition	
Key audit matter	**Addressing the audit matter**
The Company's and the Group's turnover for the year ended 31.12.2020 amounted respectively to € 110,0 million and € 124,5 million. The recognition of the Company's and the Group's revenue from fares (tickets) is complex due to the volume of transactions, the complexity of the information systems, the time allocation of revenue and the use of an external service body (JV ANEK-SUPERFAST) as a basic mechanism for accounting and allocating (time and among consortium members) the proceeds from fares (tickets). For these reasons this area is considered critical to our audit.	Our audit procedures regarding the audit of revenue include: • Evaluation of appropriateness of the Company's and the Group's revenue recognition accounting policies as well as of their compliance with applicable accounting standards (IFRS 15). • Evaluation of the general internal control and information systems used by the Company and the Group for ensuring proper revenue recognition. • Evaluation of the operational effectiveness of the internal control of the service body (JV ANEK-

Revenue recognition	
Key audit matter	**Addressing the audit matter**
Relevant reference is made in notes 3.v and 4 in the annual separate and consolidated financial statements.	SUPERFAST) regarding the proper recognition in the special settlements of fare revenue and their proper allocation to the members of the Joint Venture. • Assessment of the adequacy and reliability of the computer systems of the Company and the service body (JV ANEK - SUPERFAST) used to recognize the revenue in the correct period. • Reconciliation of the deferred income account with passenger and vehicle tickets issued and untraveled. • Reconciliation between accounting and commercial systems. • Conduct analytical procedures to detect unexpected fluctuations. • Confirmation of customer balances and revenues using letters for a sample of the total population and reconciliation with the monthly revenue clearances of the service body (JV ANEK - SUPERFAST). • Examination of the supporting documents and contracts for a sample of the total population. • Assessment of the adequacy and appropriateness of the disclosures in the financial statements drawn up by the Management for the year 2020.

Maritime incident of Norman Atlantic	
Key audit matter	**Addressing the audit matter**
As stated in Note 31 of the annual financial statements, on 28.12.2014 there was a fire on the chartered ship Norman Atlantic while sailing in the Adriatic Sea, which led to the raising of a significant number of claims, a large proportion of which has already been settled out of court, while at the same	Our audit procedures include: • Assessment of the reasonableness of the management's estimates of the future outcome of the incident in conjunction with its history and in particular the number of settlements completed to date and

Maritime incident of Norman Atlantic	
Key audit matter	**Addressing the audit matter**
time pending the litigation of actions filed by injured parties before the competent Greek and Italian Courts against the Company, the ship-owner and the ship-owner of the ship. The incident is covered by an international mutual insurance co-operative, but the court and legal proceeding in general are still ongoing, so uncertainty remains as to its final outcome and its possible impact on the financial statements of the Company and the Group. Due to the complex nature of the matter we value this risk as significant. The disclosures of the Group regarding this matter are included in Note 31 in the annual separate and consolidated financial statements.	their insurance coverage, the pending civil claims, the issued reports and the decisions of authorities as well as criminal and civil courts. • Assessment of the reasonableness of the Company's legal advisors assessments and their consistency with the applicable legal national and international framework covered mainly by (EC) No. 392/2009 of 23 April 2009 on the liability of carriers engaged in the carriage of passengers by sea in the event of an accident and subject to the limitations of liability laid down in the "Athens Convention". • Review of the special payment account for compensation and expenses of the incident. • Examining of the amounts referred to in the insurance contract as deductibles and the correct accounting of the relevant provision. • Discussion directly with the Company's Legal Department about the development of the incident. • Assessment of the adequacy and appropriateness of the disclosures in the annual financial statements in relation to the above maritime incident.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Board of Directors' Report for which reference is made to the "Report on other Legal and Regulatory Requirements", to the Statements of the Members of the Board of Directors, but does not include the financial statements and the 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 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 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 IFRSs, as adopted 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 the 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 (art. 44 L. 4449/2017) of the Company 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 into the Greek Legislation, 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 into the Greek Legislation, we exercise professional judgement and maintain professional skepticism 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 condi-

tions 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 and 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 of its subsidiaries audit. 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 audited 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 the Corporate Governance Statement included in this report, according to the provisions of paragraph 5 of article 2 of L. 4336/2015 (part B'), we note that:

a) The Board of Directors' Report includes the Corporate Governance Statement that provides the data and information defined under article 152 of L. 4548/2018.

b) In our opinion the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of the articles 150-151 and 153-154 and the paragraph 1 (cases c' and d') of the article 152 of L. 4548/2018 and its content corresponds with the accompanying financial statements for the year ended 31.12.2020.

c) Based on the knowledge we obtained during our audit of ANEK LINES S.A. and its environment, we have not identified any material misstatements in the Board of Directors' Report

2. Additional Report to the Audit Committee

Our audit opinion on the accompanying separate and consolidated financial statements is consistent with the Additional Report to the Company's Audit Committee referred to in Article 11 of European Union (EU) Regulation 537/2014.

3. Provision of Non-Audit Services

We have not provided to the Company and its subsidiaries the prohibited non-audit services referred to in Article 5 of EU Regulation 537/2014.

4. Equity and related requirements of L. 4548/18

In note 2 on the separate and consolidated financial statements reference is made to the fact that the equity of the parent company has become negative and are applicable the provisions of par. 4, article 119 of L. 4548/18 based on which the Company's Board of Directors has to convene the general meeting within a period of six (6) months from the end of the year for taking appropriate measures.

5. Auditor's Appointment

Grant Thornton was appointed for the first time as audit firm of ANEK LINES S.A. by the dated 04.06.2006 decision of the annual ordinary general meeting of shareholders. Since then, our appointment has been constantly renewed for a total period of fifteen years based on the annual decisions of the Annual General Meeting.

SOL S.A. was appointed for the first time as audit firm of ANEK LINES S.A. by the dated 20.06.1993 decision of the annual ordinary general meeting of shareholders. Since then, our appointment has been constantly renewed for a total period of twenty-eight years based on the annual decisions of the Annual General Meeting.

Athens, 27 April 2021

The Certified Auditors Accountants

Emmanouil N. Diamantoulakis
Institute of CPA (SOEL) Reg. No. 13101

Grant Thornton
An instinct for growth™

Chartered Accountants Management Consultants
56, Zefirou Str., 175 64 Palaio Faliro
Institute of CPA (SOEL) Reg. No. 127

Nikolaos E. Kollyris
Institute of CPA (SOEL) Reg. No. 35591

Crowe

SOL S.A.
Member of Crowe Global
3, Fok. Negri Str., 112 57 Athens, Greece
Institute of CPA (SOEL) Reg. No. 125

ANNUAL SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE FISCAL YEAR 2020

The amounts included in the financial statements are in EUR thousand
Any differences in totals are due to the rounding of figures.

STATEMENTS OF COMPREHENSIVE INCOME

	Note	Group 01.01.20-31.12.20	Group 01.01.19-31.12.19	Company 01.01.20-31.12.20	Company 01.01.19-31.12.19
Turnover (sales)	*4*	124.452	173.891	109.986	157.039
Cost of sales	*5*	(109.681)	(133.635)	(99.905)	(122.951)
Gross profit		**14.771**	**40.256**	**10.081**	**34.088**
Other income	*7*	1.918	1.671	2.201	2.104
Administrative expenses	*6*	(7.842)	(9.489)	(7.118)	(8.711)
Selling expenses	*6*	(11.475)	(15.469)	(9.410)	(12.868)
Other expenses	*7*	(1.794)	(2.290)	(1.694)	(2.209)
Earnings / (losses) before taxes, financing and investing results (EBIT)		**(4.422)**	**14.679**	**(5.940)**	**12.404**
Financial expenses	*8*	(9.366)	(9.534)	(9.343)	(9.520)
Financial income	*8*	419	55	385	5
Results from investing activities	*9*	(116)	89	(113)	83
Results from measurement of investments in associates	*10*	36	101	482	695
Other provisions	*11*	-	(817)	-	(817)
Earnings / (losses) before taxes		**(13.449)**	**4.573**	**(14.529)**	**2.850**
Income tax	*22*	(666)	(756)	(198)	(194)
Earnings / (losses) after taxes		**(14.115)**	**3.817**	**(14.727)**	**2.656**
Other comprehensive income / (expenses)					
Transferred to the income statement:					
Change of taxation rate on land deferred taxes		-	26	-	8
		-	**26**	**-**	**8**
Non-transferred to the income statement:					
Profit / (loss) for employee retirement benefits	*23*	6	(259)	19	(246)
Deferred taxes		3	4	-	-
		9	**(255)**	**19**	**(246)**
Other comprehensive income / (expenses) after taxes		**9**	**(229)**	**19**	**(238)**
Total comprehensive income / (expenses) after taxes		**(14.106)**	**3.588**	**(14.708)**	**2.418**
Profit / (loss) attributable to:					
Parent's Shareholders		(15.066)	2.577	-	-
Non-controlling interest		951	1.240	-	-
Total comprehensive income / (expenses) attributable to:					
Parent's Shareholders		(15.050)	2.342	-	-
Non-controlling interest		944	1.246	-	-
Earnings after taxes per share - basic (expressed in €)	*27*	(0,0740)	0,0137	(0,0723)	0,0141
Earnings after taxes per share - diluted (expressed in €)	*27*	(0,0740)	0,0119	(0,0723)	0,0122
Earnings before taxes, financial, investing results & depreciation (EBITDA)		6.867	25.638	4.831	22.898

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

STATEMENTS OF FINANCIAL POSITION

		Group		Company	
	Σημ.	**31.12.20**	**31.12.19**	**31.12.20**	**31.12.19**
ASSETS					
Tangible fixed assets	*12*	263.259	270.453	255.834	263.271
Investment property	*12*	1.748	1.753	672	678
Intangible assets	*12*	217	268	217	268
Investments in subsidiaries	*13*	-	-	6.632	6.348
Investments in associates	*13*	2.232	2.196	2.232	2.196
Other long term receivables		64	1.438	37	1.412
Deferred tax assets	*22*	245	251	-	-
Total non-current assets		**267.765**	**276.359**	**265.624**	**274.173**
Inventories	*14*	2.689	3.156	1.597	2.047
Trade receivables	*15*	30.921	34.201	30.052	33.282
Other short-term receivables	*15*	3.421	5.861	3.043	5.159
Financial assets at fair value through profit and loss	*16*	2.765	2.859	1.827	1.867
Cash and cash equivalents	*17*	11.421	8.498	3.405	2.019
Total current assets		**51.217**	**54.575**	**39.924**	**44.374**
TOTAL ASSETS		**318.982**	**330.934**	**305.548**	**318.547**
EQUITY AND LIABILITIES					
Share capital	*18*	67.440	56.597	67.440	56.597
Share premium account	*18*	599	745	599	745
Reserves	*19*	23.614	25.137	22.018	23.571
Results carried forward	*20*	(105.722)	(91.686)	(100.005)	(86.339)
Total company shareholders' equity		**(14.069)**	**(9.207)**	**(9.948)**	**(5.426)**
Non-controlling interest		13.134	12.538	-	-
Total equity		**(935)**	**3.331**	**(9.948)**	**(5.426)**
Long-term bank borrowings	*21*	-	-	-	-
Deferred tax liabilities	*22*	1.058	1.064	293	295
Employee retirement benefit liabilities	*23*	2.850	2.766	2.663	2.605
Other provisions	*23*	2.146	2.122	2.086	2.063
Subsidies	*12*	444	451	-	-
Capital lease liabilities	*24*	9.121	10.737	9.121	10.737
Other long term liabilities	*25*	1.915	2.231	1.374	2.152
Total non-current liabilities		**17.534**	**19.371**	**15.537**	**17.852**
Short-term bank borrowings	*21*	252.862	258.708	252.862	258.708
Trade payables	*26*	30.256	36.487	29.085	35.778
Other short term liabilities	*26*	19.265	13.037	18.012	11.635
Total current liabilities		**302.383**	**308.232**	**299.959**	**306.121**
Total liabilities		**319.918**	**327.603**	**315.496**	**323.973**
TOTAL EQUITY AND LIABILITIES		**318.982**	**330.934**	**305.548**	**318.547**

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

STATEMENTS OF CHANGE IN SHAREHOLDER'S EQUITY

Group	Note	Share capital	Share premium	Asset revaluation reserves	Other reserves	Results carried forward	Total	Non-controlling interest	Total
Balance as at 01.01.2019		**56.597**	**745**	**2.121**	**7.486**	**(82.987)**	**(16.038)**	**7.169**	**(8.869)**
Total comprehensive income of year 2019				14		2.328	**2.342**	1.246	**3.588**
Reserves formed of subsidiaries					21	(21)	-		-
Transfer of reserves	*19*				15.501	(15.501)	-		-
Effect from cease of subsidiary consolidation					(6)	4.495	**4.489**	4.471	**8.960**
Dividends to non-controlling interest							-	(348)	**(348)**
Shareholders' equity as at 31.12.2019		**56.597**	**745**	**2.135**	**23.002**	**(91.686)**	**(9.207)**	**12.538**	**3.331**
Balance as at 01.01.2020		**56.597**	**745**	**2.135**	**23.002**	**(91.686)**	**(9.207)**	**12.538**	**3.331**
Total comprehensive income of year 2020						(15.050)	**(15.050)**	944	**(14.106)**
Share capital increase	*18*	10.844					**10.844**		**10.844**
Expenses of share capital increase	*18*		(146)				**(146)**		**(146)**
Reserves formed of subsidiaries	*20*				29	(29)	-		-
Transfer of reserves	*19*				(1.553)	1.042	**(511)**		**(511)**
Dividends to non-controlling interest							-	(348)	**(348)**
Shareholders' equity as at 31.12.2020		**67.440**	**599**	**2.135**	**21.479**	**(105.722)**	**(14.069)**	**13.134**	**(935)**

Company	Note	Share capital	Share premium	Asset revaluation reserves	Other reserves	Results carried forward	Total
Balance as at 01.01.2019		**56.597**	**745**	**964**	**7.098**	**(73.248)**	**(7.844)**
Total comprehensive income of year 2019				8		2.410	**2.418**
Transfer of reserves	*19*				15.501	(15.501)	-
Shareholders' equity as at 31.12.2019		**56.597**	**745**	**972**	**22.599**	**(86.339)**	**(5.426)**
Balance as at 01.01.2020		**56.597**	**745**	**972**	**22.599**	**(86.339)**	**(5.426)**
Total comprehensive income of year 2020						(14.708)	**(14.708)**
Share capital increase	*18*	10.844					**10.844**
Expenses of share capital increase	*18*		(146)				**(146)**
Transfer of reserves	*19*				(1.553)	1.042	**(511)**
Shareholders' equity as at 31.12.2020		**67.440**	**599**	**972**	**21.046**	**(100.005)**	**(9.948)**

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

CASH FLOW STATEMENTS

		Group		Company	
	Note	01.01.20-31.12.20	01.01.19-31.12.19	01.01.20-31.12.20	01.01.19-31.12.19
Operating activities					
Profits / (loss) before tax		(13.449)	4.573	(14.529)	2.850
Plus / (less) adjustments for:					
Depreciation		11.296	11.023	10.771	10.494
Grants amortization		(7)	(64)	-	-
Profit / (loss) from sale of non-current assets		(6)	(2)	-	(1)
Provisions		1.299	2.322	1.209	2.270
Foreign exchange differences		(384)	189	(384)	189
Results of investing activities		(2.234)	(189)	(2.683)	(777)
Financial expenses (less financial income)		9.331	9.290	9.342	9.326
		5.846	**27.142**	**3.726**	**24.351**
Plus / (less) adjustments for changes of working capital accounts or related to operating activities:					
Reduction / (increase) of inventories		445	(169)	450	(135)
Reduction / (increase) of receivables		5.578	(3.193)	5.613	(3.284)
Increase/(reduction) of payable accounts (except loan liabilities)		(2.088)	(4.049)	(2.630)	(4.188)
Less:					
Interest and related expenses paid		(1.423)	(6.665)	(1.406)	(6.651)
Income tax paid		(516)	(780)	(172)	(150)
Total cash flows generated from operating activities (a)		***7.842***	***12.286***	***5.581***	***9.943***
Investing activities					
Acquisition of affiliates, securities and other investments		(2)	(607)	(2)	(607)
Proceeds from the sale of securities and other investments		51	-	-	-
Acquisition of fixed assets		(952)	(5.517)	(170)	(5.139)
Proceeds from the sale of fixed assets		20	2	-	1
Interest received		36	47	1	1
Dividend received		-	-	163	163
Total cash flows generated from investing activities (b)		***(847)***	***(6.075)***	***(8)***	***(5.581)***
Financing activities					
Payments for expenses of share capital increase	18	(146)	-	(146)	-
Payments for capital leases		(3.573)	(3.228)	(3.573)	(3.228)
Payments for operating leases		(206)	(212)	(132)	(134)
Proceeds from borrowings		550	143	-	144
Payments of borrowings	18	(336)	(1.423)	(336)	(1.423)
Dividends paid		(361)	(343)	-	-
Total cash flows generated from financing activities (c)		***(4.072)***	***(5.063)***	***(4.187)***	***(4.641)***
Net increase/(decrease) in cash and cash equivalents (a) + (b) + (c)		**2.923**	**1.148**	**1.386**	**(279)**
Cash & cash equivalents at beginning of the year		8.498	7.350	2.019	2.298
Cash & cash equivalents at end of the year		**11.421**	**8.498**	**3.405**	**2.019**

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

NOTES ON THE FINANCIAL STATEMENTS OF FISCAL YEAR 2020

AMOUNTS IN THOUSANDS € UNLESS OTHERWISE STATED

1. General information for the Company and the Group

The Company was established in 1967 (Government Gazette 201/10.04.67) under the corporate name “Anonimi Naftiliaki Etaria Kritis S.A.” trading as “ANEK LINES” (hereinafter “ANEK” , “Company” or the “Parent”) and operates in the passenger shipping sector. The Company’s seat is located in the municipality of Chania and its registered offices are located on 148 Karamanli Ave, Chania. ANEK is recorded in General Company Register with number 121557860000 and its website address is www.anek.gr. The Company’s shares have been listed in the Athens Stock Exchange since 1999 and since 2013 are trading in “under surveillance” category. In addition to the Parent company, the Group includes the following subsidiaries and associates with the following participation percentages:

Name	*Group percentage*	*Registered office*	*Activity*
ETANAP S.A.	31,90%	Stilos, Chania	Production and sale of bottled water
LEFKA ORI S.A.	48,24%*	Stilos, Chania	Packaging and trading agricultural products and packaging materials
ANEK HOLDINGS S.A.	99,32%**	Chania	Tourism - participation in other companies - consulting, etc.
AIGAION PELAGOS THALASSIES GRAMMES SHIPPING COMPANY	100%	Chania	Sailing company under Law 959/79
ANEK ITALIA S.r.l.	49%	Ancona, Italy	Agency and representation of shipping companies

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

*** direct participation: 99% and indirect via ETANAP: 0,32%*

The aforementioned companies, in which ANEK participates by more than 50%, as well as “ETANAP” in which the Parent company has the control, have been included in the consolidated financial statements as at 31st December 2020 using the full consolidation method. “ANEK LINES ITALIA S.r.l.” in which the Parent Company participates by 49% was consolidated using the equity method. In addition to the above, Parent Company holds a 50,11% stake in LASITHIOTIKI SHIPPING COMPANY (LANE) which was consolidated until 31.12.2018 using the full consolidation method. This subsidiary has not been included in the interim consolidated financial statements, as the Group's Management estimates that control loss has been incurred in compliance with IFRS 10 (see note 1 in Annual financial report of 2019).

The financial statements of the subsidiaries for the year 2020, as well as the relevant auditors’ reports and reports of their Board of Directors are posted on the Company's website www.anek.gr under the section “Company - Investors Centre - Financial Results” .

It is noted that from 30.06.2020 the Group’s financial statements are included under the equity method in the consolidated financial statements of PIRAEUS BANK due to the inclusion of ANEK in the portfolio of the Bank’s affiliates.

The number of personnel employed as at 31st December 2020 was 617 for the Company (out of which 433 as vessels' crew) and 670 for the Group (out of which 433 as vessels' crew). Respectively, at the end of 2019 the Company had a number of 705 persons and the Group 762.

The annual financial statements of year 2020 have been approved by BoD of ANEK at the meeting of Apil 27, 2021.

2. Preparation basis of the financial statements

The attached annual separate and consolidated financial statements (hereinafter "financial statements") have been drafted according to the International Financial Reporting Standards (hereinafter "IFRS"), which have been issued by the International Accounting Standards Board (IASB) (and their interpretations). All the IFRS issued and in force at the date of drafting of the annual financial statements have been adopted by the European Union. The financial statements have been drafted according to the going concern principle and the historical cost principle, as modified with the adjustment of specific assets and liabilities at fair values.

Going concern

The going concern is used for the preparation of the annual corporate and consolidated financial statements as it was deemed appropriate by the management of the Group, despite the fact that there are facts and statements that create substantial uncertainty regarding its confirmation. More specifically:

a) The capital adequacy of the Company has deteriorated in recent years and as a result its equity on 31.12.2020 is negative by € 9,9 million.

   Address of issue: After the conversion of part of the Company's bond loan into common shares in August 2020, there was an increase of share capital by € 10,8 million which improved the Group's capital adequacy, while the bond lenders reserve the right to convert the remaining amount of the convertible loan amounting to € 11,2 million. The management estimates that after the exit from the pandemic crisis, the Company can also produce internal capital based on operating profitability and gradually restore the integrity of equity.

b) The working capital of the Company and the Group is negative by € 260,0 million and € 251,2 million respectively, mainly due to the reclassification of the long-term loans of the Parent to short-term bank liabilities in accordance with paragraph 74 of IAS 1 (see note 21 "Long-term and short-term bank liabilities").

   Address of issue: The Group maintained positive operating cash flows and satisfactory EBITDA despite the significant reduction in revenue caused by the pandemic crisis and, therefore, the financing of operating activity is achieved from current income. In addition, the management plans include the settlement of loan and other liabilities after the restoration of normalcy and, possibly, the sale of fixed assets (vessels) for debt reduction.

c) The spread of the COVID-19 pandemic in 2020 resulted to a significant reduction in all categories of transport work. The strict restrictions and bans imposed on the movement of passengers to and from Italy and the islands, led to a vertical decline in passenger traffic on both the Adriatic lines and coastal shipping.

Address of issue: The management closely monitors the developments and ensures the implementation of the procedures and in particular the taking of the measures that are deemed deliberate and necessary, in order to ensure the continuity of the business and to reduce, as far as possible, the negative consequences. More specifically, in an effort to offset the loss from the significant reduction in revenue, it has restructured itineraries by replacement and temporary laying up of vessels and continues to apply state tools to support employees and companies (payment extension in tax and contributions, contract suspensions, “Syn-Ergasia” program etc.) The above measures, in combination with the fall in fuel prices and the state support of the sector’s companies, offset to some extent the sharp decline in revenue in 2020. In the first months of 2021 the situation has not particularly changed since still apply restrictions on passenger movements and government support measures. The gradual lifting of restrictions and the restart of tourism in the summer season are expected to have a positive impact on the operational results of the second half of 2021.

Considering the above, the financial statements of the Group prepared under the principle of going concern, as well as the management estimates that the above actions will allow the Group to continue its operation for at least the next 12 months from the reporting date of these financial statements.

- **Important accounting estimates, judgments and assumptions**

The drafting of financial statements according to the IFRS requires that the management proceeds to estimates, admissions, assumptions and evaluation judgments that affect the assets and liabilities, the notification of any receivables and payables on the date of the financial statements as well as the published amounts of income and expenses. The actual results may be different from such estimates. These estimates, admissions and evaluation judgments are made in order to select the most appropriate accounting principles and are based on the prior experience of the Group’s management in relation to the level or the volume of relevant transactions or events and on other factors relevant to the expectations on the future developments and transactions. Moreover, they are reexamined periodically in order to correspond to the current conditions and reflect the current risks.

Significant accounting estimates for the Group's assets - since they have a large impact on the financial position and the results - are those that are related to:

a) Group vessels, their useful life, residual value and current value (see note 3 vi).

b) Possible events and liabilities related to legal claims, indemnities and maritime events. The management of the Group, considering the actual facts and that certain cases have not been finalized, considers that their outcome will not have a significant impact on the financial position and operation of the Company and the Group. Nonetheless, defining potential liabilities related to litigation claims and claims is a complex process that includes judgments about possible consequences and interpretations of laws and regulations. Changes in judgments or interpretations are likely to lead to an increase or decrease in the Group's contingent liabilities in the future.

c) The recoverability of the receivables, the assessment of certain balances as unsafe and the need for formation of impairment provisions for doubtful receivables and for expected credit losses under IFRS 9.

- **Accounting policy for Joint - Venture ANEK - SUPERFAST**

Regarding the accounting policy of the Joint Venture "ANEK – SUPERFAST" (hereinafter referred to as "Joint Venture") in the financial statements, it is noted that the Group applies IFRS 11 that aligns the accounting of investments in joint ventures with the rights and obligations of the venturers on those joint ventures. The objective of the Joint Venture is to create revenue and the distribution among the venturers as determined by the contractual arrangement. The Group's participation in the Joint Venture is identified in accordance with the requirements of IFRS 11 as «joint operation». According to this classification, the Group recognizes in its financial statements:

a) its assets, including its share of any assets held jointly,

b) its liabilities, including its share of any liabilities incurred jointly,

c) its share of the revenue from the sale of the output by the joint operation and

d) its expenses, including its share of any expenses incurred jointly

Finally, it is noted that according to the amendment of its article of association from 02.11.2020 the duration of the Joint Venture expires on 31.10.2021.

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

The International Accounting Standards Board (IASB) and the IFRIC have issued a number of new IFRS and interpretations, which are either mandatory for accounting periods beginning on January 1st 2020 or after, or are not mandatory, as since the publishing date of the financial statements have not adopted by the European Union. The Group has fully adopted all IFRSs and interpretations that are effective after January 1, 2020 and examines the impact of the adoption of other IFRS and interpretations in the financial statements. The most significant new standards, interpretations and revisions are presented below:

(a) New standards and interpretations, revisions and amendments to existing Standards that are effective from 1st January 2020 and on and have been adopted by the European Union:

- ***Revision of the conceptual framework for financial reporting***

In March 2018 the IASB issued the revised Conceptual Framework for Financial Reporting (Conceptual Framework), the objective of which was to incorporate some important issues that were not covered, as well as update and clarify some guidance that was unclear or out of date. The revised Conceptual Framework includes a new chapter on measurement, which analyzes the concept on measurement, including factors to be considered when selecting a measurement basis, concepts on presentation and disclosure, and guidance on de-recognition of assets and liabilities from financial statements. In addition, the revised Conceptual Framework includes improved definitions of an asset and a liability, guidance supporting these definitions, update of recognition criteria for assets and liabilities, as well as clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting. The above have no material impact on Group's financial statements. The above are effective for annual periods starting from 01.01.2020.

- ***Amendments to references to the conceptual framework in IFRS standards***

In March 2018 the IASB issued Amendments to References to the Conceptual Framework, following its revision. Some Standards include explicit references to previous versions of the Conceptual Framework. The objective of these amendments is to update those references so that they refer to the revised Conceptual Framework and to support transition to the revised Conceptual Framework. The above have no material impact on Group's financial statements. The above are effective for annual periods starting from 01.01.2020.

- ***Amendments to IFRS 3 – Definition of a business***

In October 2018 the IASB issued narrow-scope amendments to IFRS 3 to improve the definition of a business. The amendments will help companies determine whether an acquisition made is of a business or a group of assets. The amended definition emphasizes that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. In addition to amending the wording of the definition, the Board has provided supplementary guidance. The above have no material impact on Group's financial statements. The above are effective for annual periods starting from 01.01.2020.

- ***Amendments to IAS 1 and IAS 8 – Definition of material***

In October 2018 the IASB issued amendments to its definition of material to make it easier for companies to make materiality judgments. The definition of material helps companies decide whether information should be included in their financial statements. The updated definition amends IAS 1 and IAS 8. The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS Standards. The above have no material impact on Group's financial statements. The above are effective for annual periods starting from 01.01.2020.

- ***Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest rate benchmark reform***

In September 2019 the IASB issued amendments to some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the Interest Rate Benchmark reform. The amendments are designed to support the provision of useful financial information by companies during the period of uncertainty arising from the phasing out of interest – rate benchmarks such as interbank offered rates (IBORs). It requires companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The above have no material impact on Group's financial statements. The above are effective for annual periods starting from 01.01.2020.

- ***Amendments to IFRS 16 - COVID-19 related rent concessions***

In May 2020 the IASB issued amendments to IFRS 16 that provide lessees with an exemption from assessing whether a Covid-19-related rent concession is a lease modification. More specifically, the amendments clarify that if certain conditions are met, lessees are not required to assess whether particular Covid-19-related rent concessions are lease modifications. Instead, lessees that apply the practical expedient, would account for those rent concessions as if they were not lease modifications. It applies to Covid-19-related rent concessions that reduce lease payments due on or before June 30, 2021. The above have no material impact on Group's financial statements. The above are effective for annual periods starting from 01.06.2020.

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

- ***Amendments to IAS 1*** **- Classification of Liabilities as Current or Non-current**

In January 2020 the IASB issued amendments to IAS 1 that affect requirements for the presentation of liabilities. Specifically, they clarify one of the criteria for classifying a liability as non-current, the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments include: (a) specifying that an entity's right to defer settlement must exist at the end of the reporting period; (b) clarifying that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement; (c) clarifying how lending conditions affect classification; and (d) clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments. The Group will examine the impact of the above on its Financial Statements, though it is not expected to be significant. The above are effective from annual periods starting on or after 01.01.2022 and have not been adopted by the European Union.

- ***IFRS 17 - Insurance contracts***

In May 2017 the IASB issued a new Standard, IFRS 17, which replaces an interim Standard, IFRS 4. The aim of the project was to provide a single principle-based standard to account for all types of insurance contracts, including reinsurance contracts that an insurer holds. A single principle-based standard would enhance comparability of financial reporting among entities, jurisdictions and capital markets. IFRS 17 sets out the requirements that an entity should apply in reporting information about insurance contracts it issues and reinsurance contracts it holds. Furthermore, in June 2020, the IASB issued amendments, which do not affect the fundamental principles introduced when IFRS 17 has first been issued. The amendments are designed to reduce costs by simplifying some requirements in the Standard, make financial performance easier to explain, as well as ease transition by deferring the effective date of the Standard to 2023 and by providing additional relief to reduce the effort required when applying the Standard for the first time. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above are effective from annual periods starting on or after 01.01.2023 and have not been adopted by the European Union.

- ***Amendments to IFRS 4 - Insurance contracts, deferral of IFRS 9***

In June 2020 the IASB issued amendments that declare deferral of the date of initial application of IFRS 17 by two years, to annual periods beginning on or after January 1, 2023. As a consequence, the IASB also extended the fixed expiry date for the temporary exemption from applying IFRS 9 “Financial Instruments” in IFRS 4 “Insurance Contracts”, so that the entities are required to apply IFRS 9 for annual periods beginning on or after January 1, 2023. The Group will examine the impact of the above on its financial statements, though it is not expected to have any**.** The above apply to annual periods beginning on or after 1 January 2021 and have not been adopted by the European Union.

- ***Amendments to IFRS 3, IAS 16, IAS 37 and annual improvements 2018 - 2020***

In May 2020, the IASB issued a package of amendments which includes narrow-scope amendments to three Standards as well as the Board’s Annual Improvements, which are changes that clarify the wording or correct minor consequences, oversights or conflicts between requirements in the Standards. More specifically:

- ***Amendments to IFRS 3 Business Combinations*** update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
- ***Amendments to IAS 16 Property, Plant and Equipment*** prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss.
- ***Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets*** specify which costs a company includes when assessing whether a contract will be loss-making.
- ***Annual Improvements 2018-2020*** make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases.

The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above apply to annual periods beginning on or after 1 January 2022 and have not been adopted by the European Union.

- ***Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest rate benchmark reform, Phase 2***

In August 2020 the IASB has finalized its response to the ongoing reform of IBOR and other interest benchmarks by issuing a package of amendments to IFRS Standards. The amendments complement those issued in 2019 and focus on the effects on financial statements when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the reform. More specifically, the amendments relate to how a company will account for changes in the contractual cash flows of financial instruments, how it will account for a change in its hedging relationships as a result of the reform, as well as relevant information required to be disclosed. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any**.** The above apply to annual periods beginning on or after 1 January 2021 and have not been adopted by the European Union.

- ***Amendments to IAS 1 – Presentation of financial statements***

In February 2021 the IASB issued narrow-scope amendments that pertain to accounting policy disclosures. The objective of these amendments is to improve accounting policy disclosures so that they provide more useful information to investors and other primary users of the financial statements. More specifically, companies are required to disclose their material accounting policy information rather than their significant accounting policies. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any**.** The above apply to annual periods beginning on or after 1 January 2023 and have not been adopted by the European Union.

- ***Amendments to IAS 8 - Accounting policies, changes in accounting estimates and errors: definition of accounting estimates***

In February 2021 the IASB issued narrow-scope amendments that they clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any**.** The above apply to annual periods beginning on or after 1 January 2023 and have not been adopted by the European Union.

- ***Amendments to IFRS 16 - COVID-19 related rent concessions beyond 30 June 2021***

In March 2021, the IASB issued amendments to the practical expedient of IFRS 16, that extend the application period by one year to cover Covid-19-related rent concessions that reduce only lease payments due on or before 30 June 2022. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above apply to annual periods beginning on or after 1 April 2021 and have not been adopted by the European Union.

3. Principal accounting policies

The principal accounting policies used in preparing the attached annual financial statements for fiscal year 2020 are as follows:

(i) Consolidation basis

The attached consolidated financial statements include the financial statements of the Parent Company as well as of all subsidiary companies in which ANEK can exercise control. The control is exercised when ANEK, through a direct or indirect ownership of percentages in capitals maintains the majority of votes or has the power to exercise control in the boards of directors of subsidiaries. The subsidiaries are consolidated from the day the essential control is transferred to the Parent company, and they cease to be consolidated when the control is no longer exercised. The buyout accounting method is used for the consolidation of the subsidiaries that are bought out. The cost of a buyout is calculated as the sum of the fair values as at the date of transfer of the subsidiary's assets, of the shares issued and of the existing liabilities plus any cost incurred in connection with the buyout. The assets acquired and liabilities undertaken are recorded initially at fair value, regardless of the minority interest. The difference between the acquisition cost and the fair value of the assets acquired and liabilities undertaken is recorded as goodwill. If the acquisition cost is lower than the fair value, the resulting negative goodwill is recognized immediately in profit and loss account. The goodwill resulting from the acquisition of subsidiaries, associates and joint ventures is shown under intangible assets and is not subject to amortization, but is subject to impairment control on an annual basis. If interests are sold, any possible goodwill is taken into account in calculating profits / (losses). All the related party transactions and balances have been written-off in the attached consolidated financial statements. Where it was required, the accounting policies of subsidiaries have been amended so that consistency with the accounting policies that were adopted by the Group can be ensured. Moreover, all subsidiaries prepare their financial statements for the same period and at the same date as those of the Parent Company.

(ii) Investment in subsidiaries

The Company applies the amendment to IAS 27 "Consolidated and separate financial statements" and valuates its investments in subsidiaries by the equity method in the separate financial statements. Minority interest represents the percentage of profits / (losses) and equity which do not correspond to the Group and are presented in the consolidated financial statements separately. If minority interests are purchased by the Company, the difference between the buyout price and the net book value of the equity of the Company that is bought out is recognized as goodwill.

(iii) Investments in associates

ANEK's investments in other companies in which it exercises essential influence, which are not subsidiaries or joint ventures, are presented by using the equity method and are recorded initially at acquisition cost, including any possible goodwill recognized at the time of buyout. According to the equity method, the profits / (losses) resulting after the buyout are recognized in profit and loss account, and the amounts recorded directly in the associate's equity are recognized directly in the Group's equity. The Company applies the amendment to IAS 27 "Consolidated and separate financial statements" valuating its investments in subsidiaries by the equity method in the separate financial statements.

(iv) Currency of operation and presentation, and conversion of foreign currencies

The currency of operation and presentation used in the financial statements of ANEK and its subsidiaries is the Euro. Transactions in other currencies are converted into euros according to the currency exchange rates that were valid on the dates of these transactions. Upon the date of drafting of the financial statements, the monetary elements of assets and liabilities expressed in other currencies are adapted so that they depict the current currency exchange rates. The earnings and losses that result from transactions in foreign currencies during the period, as well as at the end-of-year appraisal of monetary elements in foreign currencies, are registered in the attached profit and loss account, with the exception of transactions that fulfill the conditions for the counterbalancing of cash flows presented in equity under “total comprehensive income”.

(v) Recognition of revenues

The Company and the Group recognize income in order to reflect the transfer of the promised goods or services to customers in an amount reflecting the consideration they consider to be entitled to these goods or services. Revenue from contracts with customers is recognized when all of the following criteria are met:

a) The parties to the contract have approved the contract and are committed to performing their respective obligations.

b) The Company or the Group may determine the rights of each party in respect of the goods or services to be transferred.

c) The Company or the Group may determine the payment terms for the goods or services to be transferred.

d) The contract has a commercial character.

e) It is probable that the Company or the Group will receive the consideration it is entitled to in respect of the goods or services to be transferred to the customer. Revenue is measured at the fair value of the consideration received, net of value added tax, refunds, rebates and charges of taxes or fees. All taxes and charges charged by the Group to passengers on behalf of third parties are recorded on a net basis. The amount of revenue is considered to be measurable reliably when all possible commitments relating to the sale of goods or the provision of services have been resolved. The following specific recognition criteria should also be met when recognizing revenue:

Revenues from fares (tickets or vessels’ charters): The revenues from tickets are recognized at the moment when the passengers/ vehicles execute the trip (traveling tickets). The revenues from the chartering of vessels are recognized based on the accrual principle, as per the stipulations laid down in relevant contracts. Government subsidies for subsidized routes are recognized in the relevant period and are included in “turnover”. With the adoption of IFRS 15, there has been no change in the recognition of revenue from tickets and chartering. The Group separates possible other obligations that may be included in the contract and is a separate obligation to execute and identifies the proportion of revenue attributable to it (customer loyalty program).

Revenues from goods sold and provision of services onboard: The earnings from goods sold and the provision of services onboard are recognized at the moment of the sale or the provision of the service, when the relevant receipts are issued.

Revenues from goods sold and provision of services of non-shipping companies: The revenues from goods sold are recognized at the moment of sale and they are accounted by the issuance of the respective invoices. The earnings from the provision of services are accounted at the period when the services are provided.

Interest: The interest revenues are recognized according to the accrued accounting policy.

Dividends: The dividends are recognized as revenues when the right to collect them is established.

(vi) Fixed assets and depreciations / Investments in property

- The vessels, the buildings and the furniture, as well as the other equipment are appraised at the historical (or deemed) cost plus subsequent additions and minus accumulated depreciation / amortization and any provisions for their impairment. The historical cost of buildings since the IFRS transition date (01.01.2004) has been the deemed cost according to IFRS 1.
- Lands are measured at fair value, as determined on the basis of a study prepared by an independent assessor, and adjustment differences, and if positive, are recorded in equity as a real estate adjustment reserve (net of the relevant deferred tax). If the measurement results in net book value impairment, this is recognized as expense in profit and loss account, unless the reduction reverses a prior increase in the "adjustment reserve".
- As regards the vessels, the Group's management proceeded to an estimate of the relevant useful life, which was set at 40 years from the launching year of each vessel. It is deemed that there are no components of a different useful life other than subsequent expenses relating to additions to and improvements of vessels, which are separated and depreciated partially and based on equal amounts within a five-year period. The residual values of vessels are set initially to 20% of the acquisition cost, but are reviewed annually (taking into account their current prices, as they arise from estimates made by independent firms) in an effort to come up with a more accurate estimate of their values at the end of their useful lives, and they are adjusted when necessary.
- Repair and maintenance costs are recorded in the expenses of the fiscal year when they were incurred. Significant improvements are capitalized at the cost of the corresponding fixed assets if they add to their useful lives, increase their production capacity or reduce their operating cost.

- The cost and the accumulated depreciation of an asset are written-off upon its sale or withdrawal, or when no further financial benefits are expected from its continued use. The earnings or the losses resulted from the distribution of an asset are included in the income statement of the year in which the respective asset is withdrawn.
- The Group's intangible assets include all accounting software programs, which are measured at acquisition cost less accumulated amortization and any possible impairment losses.
- The depreciation – amortization is calculated according to the fixed method with coefficients that reflect the useful life duration of the respective assets as follows:

Type of fixed asset	Useful Life
Vessels	40 years
Buildings	20 - 50 years
Plants	66 years
Mechanical equipment	8 years
Other transport means	5 - 9 years
Furniture and fixtures	5 - 10 years
Software - P/C	3 - 10 years

The useful live and residual value of buildings is adjusted when necessary after taking into account the relevant estimates made by an independent assessor.

- Investment real estate is intended for making revenues from rental fees or profits from reselling and are measured as acquisition cost less accumulated depreciation and any possible impairment losses.

(vii) Impairment of assets (exclusive of goodwill)

The accounting values of the non-current assets are audited annually for purposes of impairment when events or changes in conditions suggest that their accounting value may not be retrievable. When the accounting value of some asset exceeds the retrievable amount, the respective impairment loss is registered in the income statement, unless if there is a credit balance in the readjustment reserve for the same asset. The retrievable value is defined as the highest value between the net sale price and the use value. The net sale price is the amount that can be received from the sale of a property asset in the context of a reciprocal transaction in which the parties are fully aware and voluntarily adhere to, after the deduction of any additional immediate cost for the distribution of the property asset, while the use value is the net current value of the estimated future cash flows that are expected to be executed by the continuous use of a property asset and from the return that is expected to result from its distribution at the end of its estimated useful life. For the purposes of defining the impairment, the elements in assets are grouped at the lowest level for which the cash flows may be separately recognized. More specifically, the impairment test of the accounting values of the most important assets of the Parent Company and the Group includes the following:

a) Vessels: On the basis of estimates made by independent firms of assessors, the current value of each vessel is determined as at the balance sheet date (at the end of each fiscal year) and is compared against the corresponding net book value. If it is identified that the latter is higher than the current value of a vessel, the value in use of a cash flow unit is determined to find out whether there are reasons for impairment.

b) Investments in subsidiaries: As regards the Parent Company's investments, their equity is taken into account, plus any possible goodwill which is not shown in the subsidiaries' financial statements.

(viii) Inventories

Inventories are measured at the lower of their acquisition cost and net realizable value. The acquisition cost, including the acquisition value plus other purchasing expenses, is determined by using the weighted average cost method. The net realizable value of merchandise and products is the estimated sale price in the normal operation, minus the estimated necessary cost for their sale. The net liquid value of fuel, lubricants and materials on vessels, as well as of raw and auxiliary materials of trade and industrial subsidiary companies is the cost for their replacement. Provisions for slowly distributed or devaluated reserves are formed if deemed necessary.

(ix) Accounts receivable

The accounts receivable appear at their nominal value, after provisions for any uncollected balances. All receivables the Group are short-term (to be collected in one year maximum) and, therefore, there is no need to proceed with discounting at balance sheet date. On every balance sheet date all the delayed or doubtful receivables are estimated in order to find out whether it is, or is not, necessary to form an impairment provision for these receivables. Any balance definitely not collected is written-off by a respective reduction of the provision for bad debts. The provision amount is recorded as an expense in profit and loss under "other expenses".

(x) Cash and cash equivalents

The Group considers time deposits and other high liquidity investments of a maturity date of less than three months as cash and cash equivalents. Cash and cash equivalents comprise cash and sight deposits, as well as overdrafts in banks, which are shown as current bank liabilities.

(xi) Share capital

Common and preferred shares are shown in the share capital of shareholders' equity, which represents the value of the Company's shares issued and in circulation. The amount paid above the par value per share is recognized in the shareholders' equity under "share premium account". Additional expenses relating to the issue of new shares are recorded in the shareholders' equity, by deducting them from the "share premium account". Own shares represent Parent Company shares acquired and held by the Parent Company or its subsidiaries and are shown at acquisition cost, by deducting them from the shareholders' equity. Upon purchase, sale, or cancellation of own shares, the relevant accounts and the results of the relevant act or liquidation are recognized directly in equity.

(xii) Bank loans

All loan liabilities are initially recorded at the cost that reflects their fair value reduced by the respective expenses for the loan. Following initial recording, they are measured at amortized cost using the effective interest method. Those loan liabilities that are payable within the following twelve months from the balance sheet date are shown as current bank liabilities.

(xiii) Borrowing cost

Borrowing costs are recognized as expense in the period in which they are incurred and include the interest of current and non-current bank liabilities, as well as the amortization of the cost incurred for obtaining the loans in accordance with their duration.

(xiv) Provision for retirement benefits

***(a) Short-term benefits*:** Short-term benefits to employees (except for termination or retirement) in money or in kind are recognised as an expense when they are accrued.

***(b) Post-employment benefits*:** Post-employment benefit schemes (except for the vessels' crew), comprise both defined contribution plans and defined benefit plans. The accrued cost of the defined contribution plans is recognised as an expense in the period it concerns. The liability recognised in the balance sheet in respect of defined benefit pension plans is calculated at the discounted value of future benefits to employees that have been accrued at the balance sheet date. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the other comprehensive income in the period in which they occur. Past-service cost is recognised immediately in income. It is noted that in respect of the vessels' crew, based on applicable laws is stated that does not accumulate rights on indemnity compensation in case of dismissal or retirement and consequently the financial statements do not include relevant provision.

***c) Termination benefits*:** Termination benefits are employee benefits payable as a result of a Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept voluntary redundancy in exchange for those benefits. The Group recognises the termination benefits as an obligation and termination at the earlier among the following dates: a) when the entity is without realistic possibility of withdrawal and b) when the entity recognises reconstruction cost that comes under IAS 37 and entails payment of termination benefits. Where termination benefits fall due more than 12 months, after the balance sheet date, are discounted to their present value.

(xv) Public insurance programs

The vessel crews are insured in NAT, whereas the Group's administrative personnel is mostly covered by the principal public insurance body for the private sector (EFKA) that provides pension and medical-pharmaceutical benefits. Every employee is under the obligation to contribute part of his monthly salary to the fund, while part of the total contribution is covered by the Group. Upon retirement, the retirement fund is responsible for the payment of retirement benefits to the employees. Thus the Group does not have any legal or implicit obligation to pay future benefits based on that plan.

(xvi) Income tax (current and deferred)

According to the legislation in force on the taxing of vessels (law 27/1975, article 2), the earnings from the exploitation of the vessels are exempted from income taxes. According to the same law, the vessels under a Greek flag are subject to a special tax on the basis of registered tons of total capacity. This tax is considered to be an income tax. The earnings from the non-shipping activities are taxed according to the general provisions on income tax. The income tax rate according to the article 58 of law 4172/2013 as amended at the basis of article 22 of law 4646/2019 was set for the closing year and onwards to 24%. Deferred income taxes have been calculated either on differences in accounting and tax bases of subsidiaries operating under the ordinary income tax regime, or on differences in accounting and tax bases of the Group's shipping companies which are expected to affect their realization or settlement in the determination of income tax. Current and deferred tax is calculated on the basis of the financial statements of each of the companies included in the consolidated financial statements in accordance with the tax laws in force in Greece or other tax frameworks in which the foreign subsidiaries operate. Income tax expense includes current vessel tax under law 27/1975, income tax on non-shipping activities resulting from the profits of each company, tax audit differences and differences in deferred income taxes based on statutory tax rates. Income tax relating to items that are recognized directly in equity is recognized in the statement of comprehensive income.

(xvii) Operating / financial leases

The Group has implemented IFRS 16 using the simplified approach by registering, on the date of initial application, the rights to use assets with an amount equal to the lease obligations, adjusted by the amount of any prepaid or past rents due to.

a) Cases in which the Group is a lessee

Operating leases: The Group recognizes a right to use an asset and the lease obligation at the beginning of the lease. The right of use is initially valued at the cost, which includes the amount of the initial recognition of the lease obligation, any lease payments made at the beginning or before the start of the lease minus any lease incentives received, any initial direct costs and valuation liability for any costs of restoring the right to use an asset.

After initial recognition, the right of use is valued at the cost of acquisition reduced by any cumulative depreciation and impairment losses and adjusted in the event of any reassessment of the lease obligation.

The right of use is depreciated by the method of fixed depreciation until the end of the lease period, unless the contract provides for the transfer of ownership of the underlying asset to the Group at the end of the lease period. In this case, the right of use is depreciated during the useful life of the underlying asset. In addition, the right of use is checked for impairment losses, if any, and is adjusted in cases where there is an adjustment of the lease obligation.

Lease obligation at initial recognition consists of the present value of future residual lease payments. The Group uses the imputed rental interest rate to discount the remaining future rents and, where this cannot be determined, uses the marginal borrowing rate (IBR).

Lease payments included in the valuation of lease liability include the following:

- fixed payments,

- variable payments depending on an indicator or an interest rate,

- amounts expected to be paid on the basis of residual value guarantees,

- the price of the exercise of the purchase right that the Group considers will exercise and penalties for termination of the lease, if the determination of the duration of the lease has taken into account the exercise of the right of complaint by the Group.

After the start date of the lease period, the lease obligation decreases with the payment of lease, increases with the financial expense and is reassessed for any changes in the lease.

A reassessment is made when there is a change in future lease payments that may result from a change in an indicator or if there is a change in the Group's estimate of the amount expected to be paid for a residual value guarantee, a change during the lease and a change in the estimate of exercise the right to purchase the underlying item, if any. When the lease obligation is adjusted, a corresponding adjustment is made to the book value of the right of use or is recorded in the results when the book value of the right of use becomes zero.

According to the policy chosen by the Group, the right of use is recognized in the "Tangible fixed assets" and the obligation to lease in "Other long-term liabilities" and "Other short-term liabilities". In cases where the Group operates as a lessor with an operating lease, the right of use concerning the main contract is included in the category “Investments in property”.

The Group has chosen to use the exception provided by IFRS 16 and not to recognize a right of use and a lease obligation for leases not exceeding 12 months or for leases in which the underlying asset is of low value (less than € € 5 thousand when new). In these leases, the payments of the operating lease are recognized as an expense in the total income statement on a fixed basis during the lease.

Financial leases: These leases, which relate to tangible fixed assets, are capitalized at the commencement of the lease at the lowest value between the fair and present value of the minimum lease and are depreciated on the basis of the useful life of the fixed assets. Each lease is divided between the obligation and the financial expenses in order to achieve a fixed interest rate on the remaining financial obligation. The corresponding obligation, net of financial expenses, is depicted in the financial position statement as a long-term or short-term financial lease obligation. The corresponding expenses are recorded in the comprehensive income statement.

The Group has recognized as financial leases the long-term leases of vessels with the right to purchase. Therefore, these vessels appear in the financial statements in the tangible fixed assets, while the liabilities arising from charter contracts appear in the long-term and short-term liabilities of the financial position.

b) Cases in which the Group is a lessor

Operating leases: In the case of operating leases, the Group classifies the leased fixed asset as an asset, making depreciation based on its useful life. The amounts of lease, corresponding to the use of the leased fixed asset, are recognized as income, in the category "other income", by the accrued method.

Financial leases: In the case of financial leases, in which the Group operates as a lessor, the total amount of leases provided for in the lease is entered into the category of loans and receivables from customers. The difference between the present value (net investment) of rents and the total amount of rents is recognized as non-accrued interest and is deductible. Leasing receipts reduce the total demand for lease, while financial income is recognized by the accrued method. Receivables from financial leases are considered to impair their value in accordance with IFRS 9.

When the Group is an intermediate lessor, it evaluates the classification of the sublease by referring to the right to use the main lease, in essence the Group compares the terms of the main lease with those of the sublease. Conversely, if the main lease is a short-term lease in which the Group applies the exception described above, then it classifies the sublease as an operating lease. In this case, the Group recognizes the amounts of rent corresponding to the sublease of the leased fixed income as income, in the category "other income", by the accrued method.

(xviii) State grants

State grants that concern the subsidization of fixed assets are recognized at their fair value when there is certainty that the grant will be collected and all the relevant terms of receipt will be upheld. These grants are registered under long-term obligations as income of subsequent years and are transferred to profit and loss in installments according to the estimated useful life of subsidized assets, less the cost of goods sold. Grants related to expenses are systematically registered under the revenues for the period in which these must be reconciled with the respective expenses.

(xix) Provisions and contingent liabilities

Provisions are recognized when the Group has current legal or deemed liabilities as a result of previous events, their liquidation is possible through the outflow of resources and the respective amounts of payables may be reliably appraised. The provisions are reexamined on every balance sheet date and are adjusted so as to depict the current value of the expense that is expected to be disbursed in order to settle the liability. In what concerns the provisions expected to be liquidated in the long-term, when the time value of money will be significant, the relevant amounts are calculated by prepaying the estimated future cash flows with a coefficient before taxes that reflects the current estimates of the market on the time value of money and where deemed necessary, the risks specifically related to the liability. Contingent liabilities are not recognized in the financial statements but they are made known, unless the possibility of an outflow of resources that incorporate financial benefits is minimum. Contingent receivables are not recognized in the financial statements but they are made known provided that the inflow of financial benefits is possible.

(xx) Earnings per share

The principal earnings per share are calculated by dividing the net profits or losses (after the deduction of preferred dividends of there are any) by the average balanced number of shares in circulation for the duration of every year (exempting the average of shares that were acquired as own shares). The earnings per share in the consolidated financial statements are calculated by dividing the net profits or losses after the deduction of minority interests with the average balanced number of shares. Impairment of diluted earnings per share is calculated by dividing net profit or loss after deducting minority interests by the weighted average number of shares adjusted for potential convertible stock options.

(xxi) Dividends

Dividends are recorded as liability in the financial statements of the year in which the General Meeting of shareholders approves the relevant distribution proposal made by the Board of Directors.

(xxii) Segmental information

The Group presents the information required by IFRS 8, which has provided for an administrative approach for the information provided per operating segment. The relevant information provided must be the one the used by the management internally to evaluate the performance of the Group's operating segments. Adoption of the new standard did not have a significant effect on how operating segments are recognized for information purposes. The change relates to separating the non-shipping activities of the Group, which are shown in a separate column (segment). Shipping activities are still presented in segments arising from the lines in which the vessels are operated: domestic routes (coastal shipping) and foreign routes (mostly in the Adriatic Sea).

(xxiii) Financial assets and liabilities

The Group recognizes financial instruments as assets or liabilities if it becomes a counterparty that acquires rights or obligations under the contractual terms of the financial instrument. The financial assets and liabilities of the Group relate to equity securities (shares of listed companies and other investment portfolio securities such as shares in cooperative banks and shares of unlisted companies), cash and cash equivalents, liabilities to suppliers and certain elements of other receivables and other liabilities.

Initial recognition of financial assets

The Group measures the financial assets at their initial recognition at their fair value. In the case of financial instruments that are not estimated at fair value through profit or loss, the value at initial recognition is increased by transaction costs and decreases by income and commissions directly attributable to their acquisition or creation.

Classification and measurement of financial assets

All financial assets that are within the scope of IFRS 9 are subsequently measured at their initial recognition at amortized cost or at fair value. In accordance with IFRS 9, financial assets are classified into one of the following three categories:

- at amortized cost "AC", provided that both of the following conditions are met:
  - the financial asset is held within a business model, the objective of which is to hold financial assets for the purpose of collecting contractual cash flows, and
  - based on the contractual terms of the financial asset, cash flows that consist exclusively of capital repayment and interest on the outstanding capital are created at specific dates (solely payments of principle and interest – SPPI)
- at fair value through other income directly in equity "FVTOCI", provided that both of the following conditions are met:
  - the financial asset is maintained in the context of a business model the objective of which is achieved both by the collection of contractual cash flows and the sale of financial assets, and
  - under the contractual terms of the financial asset, cash flows that consist solely of capital repayments and interest on the outstanding capital are created at specific dates
- fair value through "FVTPL" results: in all other cases, financial assets will be measured at fair value through profit or loss.

The basis of the classification and subsequent measurement depends on the following two factors:

- The entity's business model for the management of financial assets.
- The characteristics of the contractual cash flows of the entity.

The Group's business model refers to the way in which the Group manages its financial assets to generate cash flows and determines whether cash flows arise from the collection of contractual cash flows, the sale of financial assets, or both. Business model evaluation is performed on the basis of scenarios reasonably expected by the Company and the Group and is not based on "worst case" or "crisis simulation" scenarios.

The SPPI test is the second condition for the classification of a financial asset in one of the AC or FVTOCI or FVTPL classes by the Group. In particular, for a financial item to be measured in AC or FVTOCI, its contractual terms must lead to specific cash flow dates that consist of capital and interest payments on the outstanding principal.

The Group classifies financial assets that are not held as part of "holding for the purpose of collecting contractual cash flows" or "holding for the purpose of collecting contractual cash flows or sale of financial assets" in FVTPL.

Impairment

The adoption of IFRS 9 led to a change in the accounting treatment of impairment losses for financial assets, as no longer recognized losses but expected credit losses. The expected credit losses are equal to the present value of the difference between the conventional flows and the flows that the Group considers to receive. Expected credit losses for each year are recognized in the results. In the statement of financial position the amounts of accumulated expected credit losses are presented as follows:

- Financial assets at amortized cost: the amounts of accumulated recurring credit risk losses are deducted from the carrying amount of the Instruments prior to impairment.
- Financial assets at fair value through other comprehensive income recognized directly in equity: for these instruments no accrual of accrued receivables is recognized separately in the statement of financiall position, however its amount is disclosed in the notes to the financial statements.

Participations

The Company classifies equity participations in the scope of IFRS 9 in FVTPL except for investments in subsidiaries, associates and joint ventures that are accounted for in accordance with IFRS 10 "Consolidated Financial Statements", IAS 27 "Separate Financial Statements" or IAS 28 "Investments in Associates and Joint Ventures”. For other participations falling within the scope of IFRS 9 (shares of listed and unlisted companies and shares in cooperative banks), changes from their fair value measurement and results from their sale are recognized in the line "results from investment activities ”of the statement of comprehensive income.

Trade receivables

Receivables from debtors as well as other receivables are classified in the portfolio of financial instruments that are valued at amortized cost "AC", ie they are initially recorded at transaction value and are examined for receivables at regular intervals. When there is a clear indication that the Company is not able to collect all the amounts due, based on the contractual terms, a relevant impairment record is made. The resulting impairment losses are recognized directly in profit or loss. Receivables from customers and other receivables are usually immediate receivables and therefore do not include time value. The Group applies the simplified approach of IFRS 9 for the calculation of expected credit losses, according to which, in each reporting period, the loss forecast is always measured at an amount equal to the expected credit losses over the life as provided by IFRS 9.

Financial liabilities

The financial liabilities of the Group are valued at non-depreciated costs and interest by the real interest rate method. The results from the valuation or discontinuation of recognition of liabilities valued at fair value are recognized in the financial results of the total income statement.

Interruption of recognition of financial data and liabilities

The Group discontinues the identification of financial assets when:

• the cash flows of the financial and financial data have expired,

• transfers the contractual rights to collect the cash flows from the financial and economic data and at the same time transfers the risks and the benefits deriving from them,

• loans or investments in securities become inadmissible receipts, at which point they are written off.

• the contractual terms of the financial and economic data are substantially changed.

The Group discontinues the recognition of a financial obligation (or its sanctuaries) when it is contractually fulfilled, canceled or expired.

(xxiv) Measurement of financial assets' fair value

Fair value is the price that would be received to sell an asset (financial or non-financial) or paid to transfer a liability (financial or non-financial) in an orderly transaction between market participants at the measurement date. In measuring the fair value it is assumed that the transaction of selling the asset or transfer the liability takes place either: (i) the principal market for the asset or liability or (ii) in absence of the main market, in the most advantageous market for the asset or liability. A financial instrument is considered to be negotiable in a main market if the trading price is directly and regularly available from an exchange, broker, industry group, a pricing service or regulatory body and those prices represent actual and regularly in ongoing market transactions at arm's length base. An entity does not need to undertake an exhaustive search of all possible markets to trace the main market or, in absence of the main market, the most advantageous market, but takes into account all reasonably available information. In lack of appropriate evidence to the contrary, the market in which an entity would normally undertake a transaction to sell the asset or transfer the liability is considered to be the main market or in absence of the main market, the most advantageous market. If there is a principal market for the asset or liability, the fair value measurement represents the price on that market (whether that price is directly observable or estimated using another valuation technique), even if the price in a different market is potentially more advantageous at the measurement date. IFRS 13 establishes a hierarchy of valuation models on the objectivity of the data used in these models (observable or non-observable data). Observable data are based on market data and derived from independent sources, while non-observable inputs refer to management assumptions. The Group and the Company estimate the fair value of financial instruments relying on relevant framework that classifies financial assets to a three-level hierarchy, based on the data used for their valuation, as described below:

Level 1: Investments at fair value based on quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Investments held at fair value based on valuation models in which all the elements that significantly affect the fair value are based (either directly or indirectly) on observable market data.

Level 3: Investments at fair value based on valuation models in which the elements that significantly affect the fair value are not based on observable market data.

4. Segmental information

As mentioned above in note 3xxii, the main business activity of the Group is concentrated upon passenger ferry shipping activities, both in domestic and abroad routes. The main sources of revenue are generated from passenger, P.U. vehicles and truck fares, as well as other on-board activities (bar, restaurants, stores and casinos). Revenue of non-shipping Group companies which participate in the consolidated turnover are included in “other activities”.

AMOUNTS IN THOUSANDS € UNLESS OTHERWISE STATED

The following chart presents a geographical segmentation of the activities of both the Group and the Company for the fiscal years 2020 and 2019:

	Shipping activities		Other	
01.01.20 - 31.12.20	**Domestic**	**Abroad**	**Activities**	**Domestic**
Group				
Revenues from fares	38.563	70.602	-	109.165
On board revenues	1.313	4.508	-	5.821
Other	111	122	9.233	9.466
Total income	**39.987**	**75.232**	**9.233**	**124.452**
Cost of sales	39.775	65.034	4.872	109.681
Gross operating results	**212**	**10.198**	**4.361**	**14.771**
Vessels’ additions / (reductions) and transfers to the value	110	4.132	-	4.242
Vessels’ depreciation	3.283	6.984	-	10.267
Net book value of vessels	80.118	167.859	-	247.977
Non distributed assets	-	-	-	71.005
Total Assets 31.12.20	**-**	**-**	**-**	**318.982**

Company				
Revenues from fares	33.330	70.602	-	103.932
On board revenues	1.313	4.508	-	5.821
Other	111	122	-	233
Total income	**34.754**	**75.232**	**-**	**109.986**
Cost of sales	34.871	65.034	-	99.905
Gross operating results	**(117)**	**10.198**	**-**	**10.081**
Vessels’ additions / (reductions) and transfers to the value	110	4.132	-	4.242
Vessels’ depreciation	3.283	6.984	-	10.267
Net book value of vessels	80.118	167.859	-	247.977
Non distributed assets	-	-	-	57.571
Total Assets 31.12.20	**-**	**-**	**-**	**305.548**

AMOUNTS IN THOUSANDS € UNLESS OTHERWISE STATED

	Shipping activities		Other	
01.01.19 - 31.12.19	**Domestic**	**Abroad**	**Activities**	**Domestic**
Group				
Revenues from fares	47.255	103.533	-	150.788
On board revenues	3.266	7.729	-	10.995
Other	474	174	11.460	12.108
Total income	**50.995**	**111.436**	**11.460**	**173.891**
Cost of sales	47.350	80.211	6.074	133.635
Gross operating results	**3.645**	**31.225**	**5.386**	**40.256**
Vessels' additions and transfers to the value	254	1.094	-	1.348
Vessels' depreciation	2.486	7.531	-	10.017
Net book value of vessels	65.266	188.736	-	254.002
Non distributed assets	-	-	-	76.932
Total Assets 31.12.19	**-**	**-**	**-**	**330.934**
Company				
Revenues from fares	41.863	103.533	-	145.396
On board revenues	3.266	7.729	-	10.995
Other	474	174	-	648
Total income	**45.603**	**111.436**	**-**	**157.039**
Cost of sales	42.739	80.212	-	122.951
Gross operating results	**2.864**	**31.224**	**-**	**34.088**
Vessels' additions and transfers to the value	254	1.094	-	1.348
Vessels' depreciation	2.486	7.531	-	10.017
Net book value of vessels	65.266	188.736	-	254.002
Non distributed assets	-	-	-	64.545
Total assets 31.12.19	**-**	**-**	**-**	**318.547**

Revenue from domestic fares in 2020 includes income from state subsidies for public services routes amounting to € 9.279 thousand for the Group compared to € 6.182 thousand in 2019. The difference compared to the previous year is mainly due to government subsidies given as a result of travel restrictions due to COVID-19, in the context of ensuring maritime transport and the need to maintain the ferry network. Additions, impairment, depreciation and net book value of vessels were allocated to geographic activities depending on the time of operation of each vessel on domestic and abroad routes.

Any further allocation would be arbitrary given that other assets and liabilities from which the Group's income and expenses result are common and cannot be separated into segments.

AMOUNTS IN THOUSANDS € UNLESS OTHERWISE STATED

5. Cost of sales

The cost of sales appearing on the financial statements of 2020 and 2019 can be analyzed as follows:

	Group		Company	
	01.01.20-31.12.20	01.01.19-31.12.19	01.01.20-31.12.20	01.01.19-31.12.19
Crew cost, crew benefits, etc.	27.591	32.937	26.463	32.117
Fuels, lubricants and consumables	45.696	59.608	39.098	51.300
Insurance, port expenses and water supply	11.161	11.410	10.812	11.094
Repairs & maintenance, chartering and other operating expenses	14.568	19.254	13.265	18.423
Depreciation	10.665	10.426	10.267	10.017
	109.681	**133.635**	**99.905**	**122.951**

6. Administrative & Selling expenses

Administrative expenses for 2020 and 2019 are analyzed below:

	Group		Company	
	01.01.20-31.12.20	01.01.19-31.12.19	01.01.20-31.12.20	01.01.19-31.12.19
Payroll cost and other personnel expenses	5.141	6.249	4.924	6.047
Other administrative expenses	2.514	3.063	2.010	2.492
Depreciation	187	177	184	172
	7.842	**9.489**	**7.118**	**8.711**

Respectively, the selling expenses are analyzed as follows:

	Group		Company	
	01.01.20-31.12.20	01.01.19-31.12.19	01.01.20-31.12.20	01.01.19-31.12.19
Payroll cost & other personnel expenses	3.081	3.750	2.635	3.313
Sales commissions	5.299	7.768	4.930	7.238
Other selling expenses	2.651	3.530	1.526	2.012
Depreciation	444	421	319	305
	11.475	**15.469**	**9.410**	**12.868**

"Payroll cost" under administrative and selling expenses includes a provision for staff retirement indemnity (see relevant note 23 "Employee benefits").

7. Other income / expenses

Other income appearing in the financial statement for the Group and the Parent Company is analyzed as follows:

AMOUNTS IN THOUSANDS € UNLESS OTHERWISE STATED

	Group		Company	
	01.01.20-31.12.20	01.01.19-31.12.19	01.01.20-31.12.20	01.01.19-31.12.19
Provision of services to third parties, rental fees, commissions and other	418	668	841	1.126
Income from claims and forfeiture clause	237	224	228	224
Income from subsidies and other	1.263	779	1.132	754
	1.918	**1.671**	**2.201**	**2.104**

Respectively, other expenses are analyzed as follows:

	Group		Company	
	01.01.20-31.12.20	01.01.19-31.12.19	01.01.20-31.12.20	01.01.19-31.12.19
Provisions (doubtful receivables and other)	1.258	1.559	1.184	1.545
Other expenses	536	731	510	664
	1.794	**2.290**	**1.694**	**2.209**

8. Financial results

Financial expenses and income for the Group and the Parent Company are analyzed as follows:

	Group		Company	
	01.01.20-31.12.20	01.01.19-31.12.19	01.01.20-31.12.20	01.01.19-31.12.19
Interest expenses	7.685	7.473	7.680	7.473
Other financial expenses	1.681	1.867	1.663	1.853
Foreign exchange difference expenses	-	194	-	194
	9.366	**9.534**	**9.343**	**9.520**
Interest income	35	51	1	1
Foreign exchange difference income	384	4	384	4
	419	**55**	**385**	**5**

Other financial expenses, apart from commissions and other bank expenses, include the financial costs arising from financial leases of Company's vessels and operating leases (IFRS 16) totaling € 439 thousand for the Group and € 435 thousand for the Company, the financial cost of the part of the Convertible Bond Loan in the equity amounted to € 248 thousand, as well as the interest on tax arrangements the financial costs of the actuarial study. There were no borrowing costs that were capitalized during the year.

AMOUNTS IN THOUSANDS € UNLESS OTHERWISE STATED

9. Results from investing activities

The results from investing activities are analyzed as follows:

	Group		Company	
	01.01.20-31.12.20	01.01.19-31.12.19	01.01.20-31.12.20	01.01.19-31.12.19
Profits / (losses) from the sale and measurement of financial assets at fair value	(45)	88	(42)	82
Profits / (losses) from the sale of fixed assets	-	1	-	1
Other profits / (losses)	(71)	-	(71)	-
	(116)	**89**	**(113)**	**83**

Upon evaluation of the securities (listed on the Athens Stock Exchange or not) included in the Company's portfolio, in accordance with their current value as at 31.12.2020, incurred losses amounting to € 45 thousand, compared to profits € 88 thousand at 31.12.2019. Upon the impairment test of the value of Group's vessels, which is carried out at the end of each fiscal year, on 31.12.2020 no need for impairment occurred. "Other profits / (losses)" of the Group include a profit of € 1,920 thousand that resulted from the write-off of a bilateral loan of the Parent on 30.06.2020 in combination with the change of the lease terms and a new finance lease agreement for a vessel (see note 21 "Long-term and short-term bank liabilities "), as well as a loss of € 1,991 thousand arising from the settlement of court costs of the arbitration procedure against the company" MINOAN LINES S.A." (see note 31 "Contingent liabilities / receivables – litigious disputes or disputes in arbitration".

10. Results from measurement of investments in associates

The Company measures its investments in subsidiaries and associates using the equity method. Upon the valuation of investments in associates as at 31.12.2020 there was a profit of € 482 thousand as compared to € 695 thousand at 31.12.2019. Regarding "results from measurement of investments in associates" in Group's Statements of Comprehensive Income see note 13 "Investments in subsidiaries and associates".

11. Other provisions

"Other provisions" of the previous year's statement of Comprehensive Income amounting to € 817 thousand included provision (expense) for non-collection of deductible amount of a vessels' insurance compensation, as well as income from non-used provisions for tax audits of previous years.

AMOUNTS IN THOUSANDS € UNLESS OTHERWISE STATED

12. Fixed assets / Investments in property

- **Privately-used tangible assets**

The tables of tangible fixed assets for the Group and the Company are shown below:

Group	Vessels	Land and buildings	Other Equipment	Property in progress	Rights of use	Total
Acquisition value 01.01.19	**460.359**	**18.453**	**14.084**	**-**	**-**	**492.896**
Additions	1.348	172	60	1.310	1.003	3.893
Reductions	(8.689)	-	(287)	-	-	(8.976)
Acquisition value 31.12.19	**453.018**	**18.625**	**13.857**	**1.310**	**1.003**	**487.813**
Additions	11.863	100	204	501	-	12.668
Reductions	(13.301)	-	(61)	-	-	(13.362)
Transfers	1.141	157	-	(1.298)	-	-
Adjustments	-	-	-	-	26	26
Acquisition value 31.12.20	**452.721**	**18.882**	**14.000**	**513**	**1.029**	**487.145**
Accumulated depreciation 01.01.19	**196.728**	**5.592**	**12.087**	**-**	**-**	**214.407**
Depreciation	10.018	346	399	-	208	10.970
Reductions	(7.730)	-	(287)	-	-	(8.017)
Accumulated depreciation 31.12.19	**199.016**	**5.938**	**12.199**	**-**	**208**	**217.360**
Depreciation	10.267	358	384	-	230	11.239
Reductions	(4.539)	-	(47)	-	-	(4.586)
Adjustments	-	-	-	-	(127)	(127)
Accumulated depreciation 31.12.20	**204.744**	**6.296**	**12.536**	**-**	**311**	**223.886**
Net book value 31.12.19	**254.002**	**12.687**	**1.658**	**1.310**	**796**	**270.453**
Net book value 31.12.20	**247.977**	**12.586**	**1.464**	**513**	**719**	**263.259**

Company	Vessels	Land and buildings	Other Equipment	Property in progress	Rights of use	Total
Acquisition value 01.01.19	**454.208**	**12.374**	**2.155**	**-**	**-**	**468.737**
Additions	1.348	12	11	1.141	763	3.275
Reductions	-	-	(10)	-	-	(10)
Acquisition value 31.12.19	**455.556**	**12.386**	**2.156**	**1.141**	**763**	**472.002**
Additions	11.863	-	23	-	-	11.886
Reductions	(13.301)	-	-	-	-	(13.301)
Transfers	1.141	-	-	(1.141)	-	-
Adjustments	-	-	-	-	26	26
Acquisition value 31.12.20	**455.259**	**12.386**	**2.179**	**-**	**789**	**470.613**
Accumulated depreciation 01.01.19	**191.536**	**4.683**	**2.080**	**-**	**-**	**198.299**
Depreciation	10.018	266	30	-	127	10.441
Reductions	-	-	(10)	-	-	(10)
Accumulated depreciation 31.12.19	**201.554**	**4.949**	**2.100**	**-**	**127**	**208.731**
Depreciation	10.267	267	34	-	146	10.714
Reductions	(4.539)	-	-	-	-	(4.539)
Adjustments	-	-	-	-	(127)	(127)
Accumulated depreciation 31.12.20	**207.282**	**5.216**	**2.134**	**-**	**146**	**214.779**
Net book value 31.12.19	**254.002**	**7.437**	**56**	**1.141**	**635**	**263.271**
Net book value 31.12.20	**247.977**	**7.170**	**45**	**-**	**643**	**255.834**

- **Vessels with financial lease agreements**

Parent company has entered into two long-term charter vessels contracts with purchase option, which have been recognized as financial leases. Therefore, these vessels in financial statements are included in the tangible fixed assets. Their net book value on 31.12.2020 amounts to € 40,3 million compared to € 38,6 million on 31.12.2019, while their current value based to estimates from independent firms of assessors amounts to € 42,5 million. The vessels' reductions and additions of the year include, respectively, the de-recognition and the value of a new long-term charter contract with purchase option for the vessel "KYDON", due to changes in the terms of lease and succession in the person of the lessor. The new contract, as the previous one, was recognized as a finance lease. Regarding the long-term charter contract with purchase option for the vessel "ASTERION II" which expired on 31.03.2021, it is noted that in December 2020 the Company and the ship-owner agreed to extend its duration until 31.10.2021, with a corresponding extension to the right of exercising the purchase option per month until the expiration of the new contractual period.

- **Rights of use**

The Group implemented for the first time the IFRS 16 "Leases" in the previous year, recognizing on the date of initial application (01.01.2019) assets refer to buildings and equipment, as rights of use assets of € 1.003 thousand and equal liabilities from leases. Respectively, the Company recognized rights of use assets related to buildings amounting to € 763 thousand and equal liabilities from leases. In the fiscal year 2020, due to changes in the terms of the relevant lease agreements (e.g. duration of leases) and the state measures of mandatory reduction of rents due to COVID-19, adjustments were made to the acquisition value and depreciation of rights of use with a negative impact of € 101 thousand at their net book value. For the depreciation of rights of use, the relevant payments and the discount rate, see note 30 "Commitments and contractual liabilities".

- **Investment property**

"Investment property" includes the Parent Company's privately-owned offices, which are leased, as well as the value of lands of subsidiaries which are outside the production network and are occupied to provide the company with additional funds. The income from leasing out the Parent Company's offices in fiscal year 2020 amounted to € 27 thousand, as in the previous year, and no relevant expenses were incurred, apart from depreciation. Following are the amounts recorded under "Investment property" for the Group and the Company:

AMOUNTS IN THOUSANDS € UNLESS OTHERWISE STATED

	Group	Company
Acquisition value 01.01.19	**2.036**	**961**
Additions / (reductions)	-	-
Acquisition value 31.12.19	**2.036**	**961**
Additions / (reductions)	-	-
Acquisition value 31.12.20	**2.036**	**961**
Accumulated depreciation 01.01.19	**278**	**278**
Depreciation	5	5
Accumulated depreciation 31.12.19	**283**	**283**
Depreciation	5	5
Accumulated depreciation 31.12.20	**288**	**288**
Net book value 31.12.19	**1.753**	**678**
Net book value 31.12.20	**1.748**	**672**

- **Intangible assets**

All intangible assets include the Group's computer software, whose values for 2020 and 2019 are as follows:

	2020	2019
Acquisition value 01.01	2.407	2.407
Additions for the year	-	-
Acquisition value 31.12	**2.407**	**2.407**
Accumulated depreciation 01.01	2.139	2.091
Depreciation for the year	51	48
Accumulated depreciation 31.12	**2.190**	**2.139**
Net book value 31.12	**217**	**268**

There was no need for impairment of the value of intangible assets.

- **Vessel's fair value – Impairment test**

As referred to note 3 vii, the Group measures the values of the vessels at the balance sheet date by obtaining estimates from independent firms of assessors in order to determine their current values. If it is identified that the net book value is higher than the current value of a vessel, the value in use of a cash flow unit is determined to find out whether there are reasons for impairment. In accordance with relevant estimations performed on 31.12.2020 the total current value of the Company's owned vessels (with the exception of the two vessels that have been recognized in the fixed assets with financial lease contracts) amounted to a total of € 210,3 million compared to € 207,7 million which is the corresponding book value. Nevertheless, for a vessel that the net book value was less than its current value at the end of 2020, as retrievable value was used its value in use and there was no need for impairment. Cash flow provisions are based on management's approved budgets that cover the useful life of vessels. In addition a sensitivity analysis was performed for the model's underlying assumptions (discount rates, EBITDA and residual values) to examine the adequacy of the value margin. According the sensitivity analysis the retrievable value exceeds the net book value. The discount rate used for the determination of value in use was the weighted average cost of capital after tax that stood at 5,5%. The corresponded discount rate for the comparable period was 5,1%.

AMOUNTS IN THOUSANDS € UNLESS OTHERWISE STATED

- **Grants for assets**

The non-amortized balance of the Group's grants for assets as at 31st December 2020 amounted to € 451 thousand of which € thousand are shown under "non-current liabilities" and € 7 thousand included in "other current liabilities". The movement of fixed assets grants for 2020 and 2019 are analyzed as follows:

	2020	2019
Opening net book value (non-current & current liabilities)	457	521
Transfer to fixed assets		-
Amortization of grants	(6)	(64)
Non amortized balance of grants	**451**	**457**
Transfer to current liabilities	(7)	(6)
Grants for assets as non-current liabilities	**444**	**451**

- **Existing encumbrances on fixed assets**

On Group's assets there are the following liens:

a) 1st mortgages on the vessels of € 343,8 million,

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

c) Pre-notations on property of € 15,1 million pledges on machinery (of the subsidiary companies ETANAP and LEFKA ORI) of € 2,5 million.

The above liens exist to secure borrowing liabilities of a total amount of € 247,1 million as at 31.12.2020.

- **Depreciation of fixed assets**

Depreciation in the annual financial statements has been allocated as follows:

	Group		Company	
	01.01.20-31.12.20	**01.01.19-31.12.19**	**01.01.20-31.12.20**	**01.01.19-31.12.19**
Cost of sales	10.665	10.425	10.267	10.018
Administrative expenses	187	177	184	172
Selling expenses	444	421	319	304
	11.296	**11.023**	**10.770**	**10.494**

AMOUNTS IN THOUSANDS € UNLESS OTHERWISE STATED

13. Investments in subsidiaries & affiliates

The Company, applying the amendment to IAS 27 "Consolidated and separate financial statements", valuated its investments in subsidiaries and associates using the equity method in the separate financial statements.

- **Subsidiaries**

Parent Company shares in subsidiaries and the relevant participation quotas are listed in note 1. The book values of investments in subsidiaries as presented in the attached financial statements are as follows:

Company	**31.12.20**	**31.12.19**
ETANAP S.A.	6.054	5.779
LEFKA ORI S.A.	578	569
	6.632	**6.348**

The values of Parent's participations in the above subsidiaries are increased compared to the previous year with the proportion of the corresponding total comprehensive income for the year and reduced by dividends received. For the values of the subsidiaries "ANEK HOLDINGS S.A." and "AIGAION PELAGOS S.C." there has been a total impairment in previous years.

- **Affiliates**

The participation value in the associate "ANEK LINES ITALIA S.r.l." in the consolidated financial statements on 31.12.2020 stands at € 2.232 thousand compared to € 2.196 thousand at 31.12.2019 and, in comparison to the previous year, is increased by the part of earnings for year 2020 that corresponds to the Group. The key figures of the financial statements of associate "ANEK LINES ITALIA S.r.l." for year 2020 are as follows:

Total assets	8.802	Total turnover	2.149
Less: Total liabilities	*(4.247)*	Earnings before taxes	102
Total equity	4.555	Earnings after taxes	65

During 2020, "ANEK LINES ITALIA S.r.l." did not distribute any dividends. The "earnings from associates" included in the consolidated comprehensive income of amount € 36 thousand represent the Group's share on the total comprehensive income after taxes for fiscal year 2020. The corresponding amount for year 2019 was € 101 thousand.

AMOUNTS IN THOUSANDS € UNLESS OTHERWISE STATED

14. Inventories

Inventories as at 31.12.2020 and 31.12.2019 are analyzed as follows:

	Group		Company	
	31.12.20	31.12.19	31.12.20	31.12.19
Fuel and lubricants	1.484	1.844	1.372	1.740
Merchandise, products, raw and auxiliary materials and packaging materials	1.205	1.312	225	307
	2.689	**3.156**	**1.597**	**2.047**

There are no encumbrances on the Group and the Company's inventories and there was no need for impairment of value.

15. Trade receivables and other short term receivables

Trade receivables include the following:

	Group		Company	
	31.12.20	31.12.19	31.12.20	31.12.19
Trade (outstanding balances)	44.887	44.811	44.846	45.111
Cheques and notes	32.508	34.701	30.269	32.125
	77.395	**79.512**	**75.115**	**77.236**
Less: provisions for doubtful receivables	(46.474)	(45.311)	(45.063)	(43.954)
	30.921	**34.201**	**30.052**	**33.282**

Upon the impairment test on trade receivables as at 31.12.2020 emerged the necessity to form an additional provision for doubtful receivables, according IFRS 9, amounting to € 1.108 thousand for the Company and € 1.182 thousand for the Group. The corresponding provisions for year 2019 were € 1.478 thousand for the Company and € 1.492 thousand for the Group.

The accumulative provisions as at 31.12.2020 are considered as adequate for covering any losses could emerge. It is noted that a significant part of Group's trade receivables is covered with guarantees received (see note 31 "Contingent liabilities/ receivables"). The movement of provisions for doubtful receivables for 2020 is as follows:

	Group	Company
Opening balance	45.311	43.954
Additional provision in P&L	1.182	1.109
Use of provision	(19)	-
	46.474	**45.063**

The Group's credit policy relating to trade receivables ranges, as the case may be, from 2 to 4 months. The ageing of trade receivables maturing is as follows:

AMOUNTS IN THOUSANDS € UNLESS OTHERWISE STATED

	Group	Company
Fully paid receivables	25.511	24.949
Non-impaired receivables in arrears		
< 90 days	2.218	1.966
90 - 180 days	1.552	1.513
> 180 days	1.639	1.623
	30.920	**30.051**
Impaired receivables	46.474	45.063
	77.394	**75.114**

Other short-term receivables as of 31.12.2020 and 31.12.2019 are analyzed as follows:

	Group		**Company**	
	31.12.20	**31.12.19**	**31.12.20**	**31.12.19**
Other state receivables	462	681	120	-
Prepayments to suppliers	483	424	441	401
Accrued expenses & prepaid expenses	1.539	1.430	1.529	1.427
Sundry debtors	937	3.326	953	3.331
	3.421	**5.861**	**3.043**	**5.159**

All the above receivables are short-term and as a result of that fact, there is no need to proceed with discounting at balance sheet date.

16. Financial Assets at fair value through profit and loss

Financial assets at fair value through profit and loss presented in the attached annual financial statements are as follows:

	Group		**Company**	
	31.12.20	**31.12.19**	**31.12.20**	**31.12.19**
Shares of companies listed on the A.S.E.	110	148	103	139
Other investments	2.655	2.711	1.724	1.728
	2.765	**2.859**	**1.827**	**1.867**

“Other investments” include, mainly, shares in non-listed cooperative banks and other companies.

17. Cash and cash equivalents

The cash and cash equivalents analysis is as follows:

AMOUNTS IN THOUSANDS € UNLESS OTHERWISE STATED

	Group		Company	
	31.12.20	31.12.19	31.12.20	31.12.19
Cash on hand	136	546	121	498
Bank accounts	11.285	7.952	3.284	1.521
	11.421	**8.498**	**3.405**	**2.019**

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

18. Share capital / Share premium account

- **Share capital**

In August 2020, the process of converting part of the Company's bond loan (C.B.L.) into common shares was completed. The conversion of these bonds resulted in an increase in the share capital by € 10.843.999,50 with the issuance 36.146.665 new common voting share. Following the above, the share capital of the Company now amounts to € 67.440.467,10 divided into 224.801.557 common and preferred registered voting shares with a nominal value of € 0,30 each.

- **Share premium account**

The difference emerged from issuance of shares at share premium price as at 31.12.2020 amounts to € 599 thousand compare to € 745 thousand at 31.12.2019 and cannot be allocated for the payment of dividends or percentages. It may, however, be either capitalized or offset against damages, unless there are reserves or other funds that may be legally used to offset those losses. Share premium account on 31.12.2020 is reduced by € 146 thousand compared to the previous year due to the expenses of the share capital increase resulting from the aforementioned conversion of part of the bond loan of the Parent Company.

19. Reserves

The reserves as at 31st December 2020 and 2019 are analyzed as follows:

	Group		Company	
	31.12.20	31.12.19	31.12.20	31.12.19
Legal reserve	312	282	-	-
Statutory reserves	225	225	-	-
Property revaluation reserves	1.676	2.135	972	972
Reserve from convertible bond	526	2.079	526	2.079
Other reserves	20.875	20.416	20.520	20.520
	23.614	**25.137**	**22.018**	**23.571**

- **Legal reserve**

In compliance to Greek trade legislation, the companies are obligated to deduct 5% from the profit of each year and form a legal reserve until it reaches a third of their initial capital. According to the Company's articles of association, the aforementioned percentage amounts to 10%. Distribution of legal reserve is prohibited.

- **Statutory reserves**

These involve the optional provision for additional reserve, from net profits of each year in compliance to the Company's articles of association.

- **Property revaluation reserves (net after deferred tax)**

These are reserves for the revaluation of lands at their fair value as determined by an independent assessor. In previous year, the value of the reserve was adjusted by € 14 thousand for the Group and € 8 thousand for the Company due to the change in the tax rate of deferred.

- **Reserve from convertible bond**

During the year 2017 the restructuring of the Parent's long-term borrowing had completed, where, inter alia, a new bond loan had joined, part of which is convertible to shares under conditions. According to IAS 32, and given that the this loan is considered as a composite financial instrument, an amount of € 2.079 thousand was recognized in the equity as a "reserve from convertible bond". Following the aforementioned conversion of part of the bond loan, in August 2020, the reserve was adjusted (reduced) by € 1.553 thousand with a corresponding adjustment (increase) of the "results carried forward" by € 1.042 thousand and the balance of the bond loan by € 511 thousand.

- **Other reserves**

Other reserves include, mainly, reserves from special taxation regime which are subject to tax in case they are distributed, but due to accumulated losses are not going to be distributed, and therefore the relative deferred taxes were not computed. In the closing fiscal year, based on the circular "E. 2021/2019 Clarifications regarding the application of the provisions of article 62 of law 4389/2016", a transfer was made from the "results carried forward" to "other reserves "amounting to € 15.501 thousand which concerned tax free income from capitalized loan's interest write-off incurred in the fiscal year 2017.

20. Results carried forward

The movement of the "results carried forward" account for the Group and the Company during 2020 was as follows:

AMOUNTS IN THOUSANDS € UNLESS OTHERWISE STATED

	Group	Company
Opening balance	(91.685)	(86.338)
Net results for fiscal year 2020	(15.066)	(14.728)
Actuarial gains / (losses) after taxes	16	19
Formation of legal reserve	(29)	-
Transfer from reserve from convertible bond	1.042	1.042
Result carried forward at the end of year	**(105.722)**	**(100.005)**

21. Long term and short term bank borrowings

- **Long term loans**

From 31.12.2018 in the Parent's statement of financial position, the long-term loans have been reclassified to short-term loans according to paragraph 74 of IAS 1. According to the contracts, the lack of debt servicing is considered as non-compliance to meet the terms and conditions undertaken, therefor the Company is obliged to repay the loans in full. The aforementioned Parent's long-term loans, with a total initial amount of € 264,5 million, were concluded in March 2017 on a basis of a floating interest rate (Euribor plus spread) for a period of 7 years and a final repayment date on 31st December 2023, and were analyzed as follows:

- Bond syndicated loan of € 219,9 million (part of which amounting to € 22,0 million is convertible under conditions).
- Bilateral loan of € 44,6 million.

It is noted that as mentioned above, in August 2020, the process of converting part of the Company's bond loan (C.B.L.) into common shares was completed. The conversion of these bonds resulted in an increase in the share capital by € 10,8 million with the issuance of 36.146.665 new common voting shares with a nominal value of € 0,30 each.

Collaterals have been provided to secure the aforementioned syndicated loans (shipping mortgages on vessels, concession of the product of an insurance compensation) to the lending banks. According to the terms and conditions of the relevant agreements, the Company may repay these debts earlier free of charge. The loan agreements also lay down the conditions for termination thereof, including not in-time payment, non-compliance with the general and financial guarantees provides, as well as the provision of information. Also, the agreements involve economic sanctions concerning requirements for the conditioning of the minimum borrowing level, as for the securities offered. The Company has also provided specific guarantees in connection with its compliance with laws and regulations, maintaining its type of business activity, environmental issues, as well as insurance coverage.

In addition to the above loans, there was also a bilateral loan of the Parent concluded in 2014, the balance of which on 31.12.2019 amounted to € 2,6 million and was written off in 2020 in combination with the change in the leasing terms and succession of the lessor entity of the vessel "KYDON" and the new leasing contract of this vessel. The result from the above write-off and the change in the terms of the lease amounted to a profit of € 1,9 million which is included in the results from investment activities for the year 2020.

AMOUNTS IN THOUSANDS € UNLESS OTHERWISE STATED

The balances of the above loans appearing in the financial position statement were measured at amortized cost using the effective interest method and were not essentially different from their fair values. The average actual cost of the Company's long-term borrowing in 2020 was σε 2,85% compared to 2,81% in 2019.

The total interest expenses for the Company's long-term loans, for years 2020 and 2019 amounted to € 7.204 thousand and € 7.006 thousand, respectively.

- **Short term loans**

Group's "short term borrowings" at 31.12.2020 of total amount of € 252,9 million, compared to € 258,7 million at 31.12.2019, include the Company's total long-term loans (bond and bilateral) that have been reclassified and were not servicing (see previous paragraph) amounted to € 245,0 million. Moreover, the Company has contracted agreements of current accounts in euro of variable interest (Euribor plus margin rate) which were mostly granted by the banks assigning cheques receivable, using the above grants as securities. The Group's and Company's total short-term bank liabilities referred to these current accounts as at 31.12.2020 amounted to € 7.830 thousand compared to € 8.510 thousand at 31.12.2019.

The total amount of interest on short-term loans (current accounts) of the Parent for the fiscal years 2020 and 2019 amounted to € 477 thousand and € 466 thousand, respectively.

- **Cash flow agreement from financing activities**

According the amended IAS 7 is required a disclosure of changes in financial liabilities of the statement of financial position, including changes arising from the cash generating activities, as well as non-cash changes. The relevant agreement for the Group is as follows:

	Balance at 31.12.19	Cash flows	Effect bond loan	Bond conversion	Other moves	Balance at 31.12.20
Long term loans	-	-	-	-	-	-
Short term loans	258.708	(336)	759	(10.844)	4.575	252.862
Capital leases	14.636	(3.573)	-	-	2.917	13.980
Operating leases	799	(206)	-	-	163	756
Total	**274.143**	**(4.115)**	**759**	**(10.844)**	**7.655**	**267.598**

"Other movements" of short-term loans concern by € 7,2 million in interest due in 2020 that increased the loan liabilities and by € 2,6 million in the aforementioned write-off of a bilateral loan of the Parent Company. Respectively, "other movements" of the capital leases relate, mainly, to the change of the terms of the lease of a long-term charter contract. Finally, an amount of € 0,5 million that appears in the Group's cash flow statement as an inflow from "issued / withdrawn loans" relates to the collection of a re-payable down payment of a subsidiary.

AMOUNTS IN THOUSANDS € UNLESS OTHERWISE STATED

22. Deferred tax and tax income

The Parent company and its subsidiaries operating passenger shipping sector are not subject to income tax for the profits arising from this business activity. As income tax is considered the tax in regard to law 27/1975 (tax applied to the shipping tons of the total tonnage of the vessel).

The unaudited fiscal years of the Parent Company and of the consolidated subsidiaries are presented in the following table:

Company	Unaudited years
ANEK S.A.	-
ETANAP S.A.	-
LEFKA ORI S.A.	-
ANEK HOLDINGS S.A.	2015 - 2020
AIGAION PELAGOS SC	2015 - 2020

From the fiscal year 2011 onwards, the Group companies are subject to the tax audit of the certified auditors - accountants according to the provisions of article 82 of law 2238/94 and article 65a of law 4174/13. The auditors' reports for the years 2011 - 2019 were issued without qualification. The finalization of the above tax audits is carried out according to POL 1034/2016. The audit for the year 2020 is in progress and the related report is expected to be issued after the financial statements of 31.12.2020 have been published. However, no significant tax liabilities are expected to arise. It is noted that at the beginning of 2020, the tax audit of the fiscal years 2016 and 2017 for the Parent was completed, which resulted in tax differences and surcharges of a total amount of € 53 thousand, which were covered by relevant provisions.

Group companies have formed provisions for additional taxes that may arise in the future tax closure of the unaudited years. Accumulated provisions amounted to € 291 thousand for the Company and € 345 thousand for the Group.

The income tax appearing in profit and loss account for the years 2020 and 2019 for the Company and the Group is analyzed as follows:

	Group		Company	
	31.12.20	31.12.19	31.12.20	31.12.19
Income tax on taxable income	463	586	-	-
Tax under law 27/1975	200	200	200	200
Deferred taxes of temporary differences	3	(3)	(2)	(1)
Difference due to change of tax rate	-	(27)	-	(4)
	666	**756**	**198**	**195**

AMOUNTS IN THOUSANDS € UNLESS OTHERWISE STATED

Deferred income taxes are accounted based on different accounting and tax bases of assets and receivables of subsidiaries falling under normal tax assessment, as well as various accounting and tax bases of assets and liabilities of the Parent Company, which (differences) are expected to pertain an effect on tax during the asset matching or their settlement.

Deferred income taxes are calculated by using the tax rates expected to be used as a basis for settling receivables and liabilities in the future. At the end of the previous year the Group calculated the deferred tax on the basis of 24% tax rate as applies from 2019 and on. The re-estimation of deferred taxes on the basis of the reduced tax rate resulted to profits of € 27 thousand for the Group and € 4 thousand for the Company, while other comprehensive income of 2019 benefiting by € 26 thousand for the Group and € 8 thousand for the Company.

The balance of the deferred tax liabilities of the Group as at 31.12.2020 amounts to € 1.058 thousand (€ 293 thousand for the Parent Company) results mainly from the measurement of land and buildings at fair value, given that the profits from a potential sale thereof probably will be subject to tax in compliance with the general income tax provisions. Moreover, the balance of the Group's deferred tax liabilities as at 31.12.2020 amounting to € 245 thousand resulted, mainly, from subsidiaries' provisions for doubtful debts.

23. Employees benefits / Other provisions

- **Payroll cost**

As at 31.12.2020 the Group employed a total of 670 persons in vessels and offices. Payroll cost included in the financial statements is analyzed as follows:

	Group		**Company**	
	31.12.20	**31.12.19**	**31.12.20**	**31.12.19**
Wages and salaries	31.629	36.920	30.158	35.767
Other employee benefits	1.100	1.157	1.084	1.144
Employer contributions for social security	2.946	4.791	2.685	4.510
Compensations	-	17	-	17
	35.675	**42.885**	**33.927**	**41.438**
Plus: Retirement cost of plans in results	160	88	116	76
	35.835	**42.973**	**34.043**	**41.514**

Short-term benefits to executives are referred below (note 29 "Balances and Related Party Transactions").

- **Staff retirement indemnity**

The liabilities of the Group resulting from its obligation to pay retirement indemnities are determined through an actuarial study prepared by independent actuarial. The tables below present the composition of the net cost included in income statement for years 2020 and 2019 as well as, the movement of the liabilities for employee compensations. Liabilities' movement recognized in the statement of financial position is as follows:

AMOUNTS IN THOUSANDS € UNLESS OTHERWISE STATED

	Group		Company	
	31.12.20	31.12.19	31.12.20	31.12.19
Opening balance	2.766	2.445	2.605	2.301
Effect from cease of subsidiary consolidation	-	(9)	-	-
Benefits paid	(70)	(17)	(39)	(17)
Provision recognized in income statement	160	88	116	76
Provision recognized in equity	(6)	259	(19)	245
Net balance at the end of year	**2.850**	**2.766**	**2.663**	**2.605**

The additional staff retirement indemnity provisions formed during the fiscal year are included in the administration and selling expenses. The above accumulated provision pertains to Group employees other than vessel crews as the latter, according to applicable law, do not accumulate indemnity rights in the event of dismissal or retirement. Amounts recognized in the income statement are as follows:

	Group		Company	
	31.12.20	31.12.19	31.12.20	31.12.19
Current service cost	68	69	45	59
Interest cost	23	39	21	37
Termination benefits	23	(45)	23	(45)
Pre-service cost due to modifications	46	25	27	25
Total cost for the year	**160**	**88**	**116**	**76**

According the revised IAS 19, actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the other comprehensive income in the period in which they occur. The movement of actuarial results in equity statement is as follows:

	Group		Company	
	31.12.20	31.12.19	31.12.20	31.12.19
Actuarial gains / losses - opening balance	(920)	(1.231)	(860)	(1.105)
Effect from cease of subsidiary consolidation	-	52	-	-
Actuarial gains / losses for the year	(6)	259	(19)	245
Actuarial gains / losses at the end of the year	**(926)**	**(920)**	**(879)**	**(860)**

The main actuarial assumptions are the following:

Average annual long-term growth of inflation... 1,7%

Discount rate 0,8%

Average annual long-term payroll increase ………….............................. 1,7%

Average expected repayment period…………………..........................13,99 years

AMOUNTS IN THOUSANDS € UNLESS OTHERWISE STATED

The actuarial results are dependent on the actuarial assumptions. The effect of changes in significant actuarial assumption (sensitivity analysis) are as follows:

- The use of a higher discount rate by 0,5% would result the liability for retirement benefits to be lower by 6%, while the opposite movement, ie the use of lower discount rate by 0,5%, would result to a higher liability by 6%.

- Correspondingly, the use of an average annual long-term payroll increase higher by 0,5% would result the liability for retirement benefits to be higher by 6% while the opposite movement would result to a lower liability by 5%.

- **Other provisions**

Group's other provisions as at 31.12.2020 amounting to € 2.146 thousand (€ 2.086 thousand for the Company) pertain to tax audit differences of previous years of amount € 345 thousand, litigious disputes or disputes in arbitration of amount € 1.463 thousand and to non-collection of deductible amount of vessel's insurance compensation amounting € 338 thousand.

24. Capital leases liabilities

The Company has entered into a vessel's two long term leasing contract, with purchase option, which are recognized as finance leases. Therefore, these vessels are including as fixed assets in the financial statements. The total liabilities under the relevant contracts as at 31.12.2020 amounting to 14,0 million (compared to € 14,6 million at the end of the previous year) of which an amount of € 9,1 million is including in non-current liabilities. The aging of the capital leases liabilities as at 31.12.2020 is as follows:

Within next year	4.859
Between 2 – 5 years	9.121
After 5 years	-
Total	**13.980**

Moreover, in note 30 "Commitments and contractual liabilities" is presenting the distribution of the future payments due to these finance leases.

25. Other long term liabilities

Other long-term liabilities of the Group on 31.12.2020 of a total amount € 1,9 million, versus € 2,2 million at 31.12.2019, include regulated tax liabilities of the Company (based on law 4321/2015) amounting to € 0,7 million, the repayment of which extends beyond one year, as well as liabilities arising from the recognition of assets as rights of use for buildings and equipment during the implementation of IFRS 16.

AMOUNTS IN THOUSANDS € UNLESS OTHERWISE STATED

Moreover, an amount of € 0,5 million relates to the amortized cost of a repayable down payment of a subsidiary.

26. Trade and other current liabilities

Trade liabilities include the following:

	Group		Company	
	31.12.20	**31.12.19**	**31.12.20**	**31.12.19**
Trade liabilities	26.710	34.404	25.675	33.875
Cheques payable	3.546	2.083	3.410	1.903
	30.256	**36.487**	**29.085**	**35.778**

Respectively, the other current liabilities are as follows:

	Group		Company	
	31.12.20	**31.12.19**	**31.12.20**	**31.12.19**
Taxes and social security	9.830	6.560	9.129	5.476
Customer prepayments	244	693	4	424
Salaries payable and sundry debtors	4.270	2.539	4.043	2.587
Accrued expenses	194	246	172	208
Deferred income	4.727	2.999	4.664	2.940
	19.265	**13.037**	**18.012**	**11.635**

All the above liabilities are current and, as a result, there is no need to proceed with discounting at the balance sheet date. As mentioned above in note 25 the non-current part of the regulated tax and trade obligations transferred to "other long term liabilities". The increase in taxes and social security liabilities is due to the suspension of their payments until 31.12.2021 where they are expected to be settled, as part of the state measures to alleviate companies affected by the pandemic. Deferred income of the Company and the Group includes the amount of € 268 thousand relating to deferred income from customer loyalty program.

27. Earnings / (losses) per share

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

AMOUNTS IN THOUSANDS € UNLESS OTHERWISE STATED

	Group		Company	
	01.01.20-31.12.20	01.01.19-31.12.19	01.01.20-31.12.20	01.01.19-31.12.19
Earnings / (losses) after taxes corresponding to Parent shareholders	(15.066)	2.577	(14.727)	2.656
Weighted number of shares	*203.716.002*	*188.654.892*	*203.716.002*	*188.654.892*
Earnings / (losses) per share - basic (€)	(0,0740)	0,0137	(0,0723)	0,0141
Earnings / (losses) per share - diluted (€)	(0,0740)	0,0119	(0,0723)	0,0122

The potential shares resulting from the convertible bond loan lead to an increase in profits / (reduction of losses) per share with the result that, based on IAS 33 par. 41 - 44, it is not considered to have a dilution effect on them (antidilution effect). Therefore, the basic earnings / (losses) per share for the year 2020 are equal to the impaired earnings / (losses) per share.

28. Dividends

Pursuant to the provisions of the Greek commercial law, companies are obliged each year to distribute a first dividend equal at least to 35% of profits after taxes and after having formed the legal reserve. Non-distribution of the minimum dividend is permitted only by decision of the General Meeting received with increased quorum and a majority of 80% of the capital represented in the General Assembly. For fiscal year 2020 the Company is not able to distribute dividends.

29. Balances and transactions with related parties

Balances (receivables / liabilities) with associated parties, as defined by IAS 24, as at 31st December 2020 and 2019 are as follows:

	Group		Company	
	31.12.20	31.12.19	31.12.20	31.12.19
Receivables from:				
- subsidiaries	-	-	5.176	4.726
- affiliates	-	-	-	-
- other related parties	14.580	15.680	14.144	15.680
- executives & BoD members	-	-	-	-
	14.580	**15.680**	**19.320**	**20.406**
Liabilities to:				
- subsidiaries	-	-	-	554
- affiliates	-	422	-	422
- other related parties	99.519	-	99.518	-
- executives & BoD members	8	24	8	7
	99.527	**446**	**99.526**	**983**

AMOUNTS IN THOUSANDS € UNLESS OTHERWISE STATED

The purchases and the sales with associated parties are as follows for the years 2020 and 2019 are as follows:

	Group		Company	
	01.01.20-31.12.20	01.01.19-31.12.19	01.01.20-31.12.20	01.01.19-31.12.19
Purchases of goods & services from:				
- subsidiaries	-	-	66	133
- affiliates	266	264	265	261
- other related parties	3.249	-	3.248	-
	3.515	**264**	**3.579**	**394**
Sales of services to:				
- subsidiaries	-	-	7.049	8.144
- affiliates	1	8	1	8
- other related parties	1	-	-	-
	2	**8**	**7.050**	**8.152**

It is noted that from fiscal year 2020 the Group's financial statements are included under the equity method in the consolidated financial statements of PIRAEUS BANK due to the inclusion of ANEK in the portfolio of the Bank's affiliates..

The invoicing of transactions between Group companies was done in accordance with the arm's length principle. These transactions, as well as, the intercompany dividends and the fees of BoD members and executives as referred to below are those that defined by IAS 24.

- **Intercompany dividends**

During year 2020 the Parent Company received dividend from the subsidiary "ETANAP" amounting to € 163 thousand, same as in year 2019.

- **Key management compensation**

The gross fees to Directors and BoD members for fiscal years 2020 and 2019 refer to short term benefits and are analyzed as follows:

	Group		Company	
	01.01.20-31.12.20	01.01.19-31.12.19	01.01.20-31.12.20	01.01.19-31.12.19
Executive members of the BoD	692	699	409	409
Non-Executive Members of the BoD	14	13	14	13
Management executives	911	902	911	902
	1.617	**1.614**	**1.334**	**1.324**

The fees of BoD members are approved by the annual ordinary General Meeting. As of the balance sheet date there were no stock option plans for BoD members and executives or other benefits depending on the value of shares.

AMOUNTS IN THOUSANDS € UNLESS OTHERWISE STATED

- **Auditors' fees**

The fees charged by the auditors in 2020 for the mandatory audit of the Group's annual accounts, as well as, the tax audit, amounted to € 208 thousand and no other services were provided.

30. Commitments and contractual liabilities

- **Leases (except financial)**

With the adoption of IFRS 16 on 31.12.2019 the Group recognized in its financial statements liabilities related to leases that had previously been classified as operating leases under IAS 17. On 31 December 2020, Group companies had entered into lease agreements mainly for renting buildings, expiring at different dates until 2027. The rent expenses of the Group included in the comprehensive income statement for the year 2020 amounted to € 38 thousand related to short-term leases of buildings and equipment, while in 2019 was € 73 thousand. The lease paid in the fiscal year 2020 and have been capitalized on the basis of IFRS 16, mainly concerned buildings and amounted to € 132 thousand for the Company and € 206 thousand for the Group, while the relevant depreciation included in comprehensive income statement amounted to € 146 thousand for the Company and € 229 thousand for the Group. The discount rate for the calculation of lease liabilities amounted to 4,5%.

The minimum future payable lease for buildings on non-reversible operating leases at 31st December 2020 are as follows:

In the following year	201
From the 2nd to the 5th year	495
After 5th year	158
Total	**854**

- **Financial leases**

The Parent Company has signed lease agreements for two vessels as mentioned above in note 24. The future lease payments according the relevant contracts are as follows:

Within next year	5.166
Between 2 – 5 years	9.690
After 5 years	-
Total	**14.856**

- **Capital commitments**

There were no capital commitments for the Company or the Group as at 31st December 2020.

- **Other commitments**

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

31. Contingent liabilities / receivables – litigious disputes or disputes in arbitration

- **Litigations**

There are no disputes in litigation or arbitration, or other liabilities burdening the Group, which could significantly affect its financial position other than those for which relevant provisions have been formed at 31.12.2020 amounting to € 1.463 thousand.

- **Contingent liabilities /receivables**

The Group's contingent liabilities as at 31.12.2020 arising from its normal activity pertain to guarantees granted to secure liabilities and performance bonds amounting to € 1.327 thousand. Respectively, the Group has received guarantees for receivables amounting to € 1.969 thousand. Moreover, as mentioned above (note 22 "Deferred tax and income tax"), the tax liabilities of Group companies for certain fiscal years have not been finalized, but appropriate provisions have been formed for possible additional taxes. Finally, with regard to the Group's mortgages, see related analysis in note 12 "Fixed Assets / Investment Property".

- **"NORMAN ATLANTIC" case**

As regards the developments in relation to the fire incident case on board the chartered vessel "NORMAN ATLANTIC" in December 2014 (see note 29 of the annual financial report for the year 2014), it is noted that penal proceedings are in progress before the Criminal Court of Bari, investigating the causes of the fire. The relevant procedure is progressing slowly due to the COVID-19 pandemic. In addition to the Company's members of the management and crew members that are involved in the Italian penal procedure, the Company itself as a legal entity is also involved. The further progress of the case and the examination of critical legal issues by the Court is expected in order to indicate whether there is a possibility of an administrative fine or any financial burdens to be imposed by the Court against the Company. In relation to the Greek Jurisdiction, the first instance trial before the Multi-member Misdemeanor Court of Piraeus was completed in January 2021 and the issuance of a final decision on the appeal is expected within the current year. The above mentioned incident has brought a significant number of claims, most of which have been extra judicially settled, while there are still pending civil actions that have been filed before the Greek and Italian Courts by the parties sustained damages against the Company, the ship-owner company and the Managers of the Vessel. The above mentioned compensations and expenses are covered by the Mutual Insurance Association, with which the Company has Charterers' Liability Cover (P&I) and Legal Protection (FD&D). Therefore, the compensation process of the above mentioned incident is not expected to burden the Company's financial results.

AMOUNTS IN THOUSANDS € UNLESS OTHERWISE STATED

- **Legal procedure against “MINOAN LINES S.A.”**

Following the issuance of a decision by the London Court of Arbitration - which has rejected both the lawsuit (claim) of the Company against the company "MINOAN LINES SA" (see note 29 of the annual financial report 2014), as well as the counterclaim of "MINOAN LINES SA" against the Company - the parties have completed the out-of-court settlement procedure for all legal costs and expenses and a charge of € 1.9 million has incurred, which is included in the results from investment activities for the year 2020.

32. Risk managements and policies

► **Credit risk**

Under the existing financial conditions, all companies are facing increased credit risks. The Group is following its customers’ balances closely by applying credit control procedures and defining credit limits and specific credit policies for all the customer categories. Where it is necessary, it has obtained additional guarantees to secure the credit granted even more. The accumulative provisions formed have reached the amount of € 46,5 million and it is considered adequate to deal with credit risk, while, there is significant dispersion of the Group’s receivables. Although, that there is a concentration of receivables by the Joint venture, these receivables refer to a large number of debtors (agents, truck companies etc.) that are settled through the Joint Venture (as a special scheme) and therefore the risk of concentration is limited. As regards cash and cash equivalents, the Group is not exposed to any credit risk as there is natural hedging, given that there are also loan agreements entered into with the cooperating financial institutions.

The maximum exposure to credit risk at the balance sheet date is analyzed as follows:

	Group		**Company**	
	01.01.20-31.12.20	**01.01.19-31.12.19**	**01.01.20-31.12.20**	**01.01.19-31.12.19**
Trade receivables	30.921	34.201	30.052	33.282
Other receivables	3.421	5.861	3.043	5.159
Cash and cash equivalents	11.421	8.498	3.405	2.019
	45.763	**48.560**	**36.500**	**40.460**

The maturing of the balances of trade receivables and the changes to impairment provisions are listed in note 15 “Trade receivables and other current receivables”.

► **Liquidity risk**

The liquidity risk consists of the risk that the Group or the Company may not be able to meet their financial obligations and disrupt smooth operation. Due to the reclassification of long-term borrowings to short-term ones, in accordance with paragraph 74 of IAS 1, the equilibrium in the working capital of the Company and the Group was disturbed. The Group's cash and cash equivalents at 31.12.2020 amounted to € 11,4 million, while in order to avoid a possible shortage of liquidity, the management of the Group ensures that there are always available bank credits to cover emergency needs in periods of low liquidity. The Company prepares short-term and long-term cash flows from which its cash requirements arise in a timely manner. The maturity of the Group's trade and other payables at 31.12.2020 is as follows:

AMOUNTS IN THOUSANDS € UNLESS OTHERWISE STATED

	up to 6 months	6 to 12 months	above 1 year
Trade liabilities	20.682	3.544	-
Leasing liabilities	3.990	868	9.121
Other current liabilities	7.020	6.156	1.374

► **Foreign exchange risk**

Both the Company and the Group are not exposed to increased foreign exchange risk as almost all their transactions with customers and suppliers outside Greece are made in Euro. There is a very limited potential of foreign exchange risk caused by the market value of spare parts and other materials, or services procured by countries outside the euro-zone, which is extremely limited in relation to the total of purchases and expenses.

► **Competition**

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

► **Rate fluctuation risk**

ANEK has entered into agreements for long-term syndicated loans and credit accounts with different banks. Interests for all the above loans are calculated on the basis of the Euribor rate plus a margin. Consequently, the Company is exposed to a rate fluctuation risk, as it will be burdened with extra financial cost in the event of an increase in interest rates. The sensitivity of the results and equity to long term debt rate changes in 2020 was as follows:

Rate change	Effect on results and equity
± 0,5%	(-/+) € 1,25 million
± 1%	(-/+) € 2,50 million

Consequently, a possible rise in interest rates is expected to have a significantly adverse effect on the Group's operating results, cash flows and financial position.

► **Fuel price fluctuation risk**

Fuel cost is the key operating cost incurred by the Group which has a direct effect on the results of each period and thus, a rise in fuel prices is the most important risk faced by the Group. Fuel prices are settled in Euro, but they are indirectly affected by the EUR/USD exchange rate used as a basis for the determination of the international prices. The sensitivity of the results and equity to fuel cost changes per metric ton – ceteris paribus- in 2020 was as follows:

AMOUNTS IN THOUSANDS € UNLESS OTHERWISE STATED

Fuel price change	Effect on results and equity
±5% / metric ton	(-/+) € 2,0 million
± 10% / metric ton	(-/+) € 4,0 million
± 20% / metric ton	(-/+) € 8,0 million

According to a decision of the Environmental Protection Committee of the International Maritime Organization IMO, as of January 1, 2020, all vessels of the Group use mixed sulfur fuel of 0,5% a fact that increases the cost of fuel. However, international fuel prices in 2020 fluctuated at lower levels than those of the previous year. The Group's fuel and lubricants cost for 2020 represented a 37% of the total cost of sales, compared to 39% in 2019. Fuel cost is the most significant operating cost, consequently, fuel price fluctuation is the most significant risk associated with the Group's financial results. Therefore, a possible rise in fuel cost is expected to have a significantly adverse effect on the Group's operating results, cash flows and financial position.

- **Capital risk management policies and procedures**

The Group's main objective is the efficient management of its funds in order to maintain its high credit standing on the market for favorable financing with the ultimate aim of ensuring its smooth operation in the future. The Group's policy remains to maintain high creditworthiness and, in the context of adjusting its capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce borrowing. The Group monitors its capital adequacy based on the leverage ratio, which is calculated by dividing net borrowing by total capital employed. "Net borrowing" means total debt (long-term and short-term) liabilities after deduction of cash and "total capital employed" is the sum of own funds plus net borrowing. Management aims to keep the leverage ratio as low as possible.

	31.12.2020	31.12.2019
Total debt	252.862	258.708
Less: cash equivalents	(11.421)	(8.498)
Net borrowing (a)	**241.441**	**250.210**
Total equity	(935)	3.331
Total capital employed (b)	**240.506**	**253.541**
Leverage ratio (a) / (b)	**100,4%**	**98,7%**

- **Presentation of financial assets and liabilities per category**

Financial assets and liabilities at the financial statement date may be broken down per category as follows:

AMOUNTS IN THOUSANDS € UNLESS OTHERWISE STATED

	Group		Company	
	31.12.2020	**31.12.2019**	**31.12.2020**	**31.12.2019**
Current assets				
Trade receivables	30.921	34.201	30.052	33.282
Other receivables	3.421	5.861	3.043	5.159
Cash and cash equivalents	11.421	8.498	3.405	2.019
Financial assets at fair value	2.765	2.859	1.827	1.867
Total current assets	**48.528**	**51.419**	**38.327**	**42.327**
Non-current liabilities				
Financial liabilities measured at amortized cost	-	-	-	-
Capital leases liabilities	9.121	10.737	9.121	10.737
Other long term liabilities	1.915	2.231	1.374	2.152
Current liabilities				
Financial liabilities measured at amortized cost	252.862	258.708	252.862	258.708
Capital leases liabilities	4.859	3.899	4.859	3.899
Trade & other liabilities	39.749	42.379	37.402	40.366
Total liabilities	**308.506**	**317.954**	**305.618**	**315.862**

► **Pandemic coronavirus COVID-19**

The spread of the COVID-19 pandemic continues in the first months of 2021, affecting the business environment and economic activity. The passenger shipping sector has been severely affected due to travel restrictions and reduced passenger protocols on vessels. Indicatively, in 2020 ANEK Group transferred 52% fewer passengers and 43% fewer P.U. vehicles compared to 2019. The prospects of the economy for 2021 have been improved due to the progress of the vaccination process and the expected pause of travel restrictions during the summer period when the Group's highest sales take place. However, uncertainty about the near future remains, mainly due to the mutations of the virus. Regarding the financial position of the Group, the management estimates that the impact of the pandemic on its activity will also be significant in 2021, at least until the pause of travel restrictions. In conclusion, at this stage it is not possible to make safe predictions regarding the evolution of the pandemic and its final effects on Group's activity for 2021. The management of the Group closely monitors the developments and takes care of the implementation of the procedures and the receiving of these measures and policies that are considered appropriate and necessary, in order to ensure the business continuity and to limit the negative consequences to the greatest possible extent.

In summary, the effect of the pandemic on the Group's activity is as follows:

Sales / operating activity: A negative impact on traffic is expected both on coastal shipping and on the Adriatic routes, especially as long as the restrictions and the reduced passengers protocols apply. Indicatively, it is mentioned that at the first quarter of 2021 the reduction in the traffic of passengers and cars approaches, in all routes operated, exceeds 67% and 32% respectively.

Liquidity / working capital: The Group has adopted the government measures that may enhance its liquidity (extension in payment of taxes and contributions, suspension of employment contracts, program “Syn-ergasia” etc.).

Supply chain: No problems have been identified in the Group's supply chain.

Operational continuity: The Group's activity continues normally. The management monitors the developments and evaluates the operational plan and the needs for taking measures that may concern the frequency of itineraries, their reschedule, etc.

Health and safety: The Group, with the main aim of ensuring the protection of passengers and seafarers on vessels, complied immediately and fully with all the required measures and instructions by the competent bodies against the spread of the pandemic. In this context, ANEK received the specialized certification "Biosafety Trust" from the Italian Classification Society RINA for the effective control and prevention of transmission in the workplace, developing specific procedures and taking additional measures on its ships, where the largest exhibition exists, as well as in its agencies. Also, a COVID-19 plan was prepared for the vessels according to the new epidemiological data, the instructions of the EODY, the World Health Organization and the flag of the vessel, while the crews and the workers were provided with personal protective equipment according to the guidance and instructions of the health authorities. Priority was given to proper training and awareness of staff regarding the identification of signs and symptoms of infection, knowledge of prevention, precautionary measures and procedures followed when a passenger or crew member develops symptoms of infection onboard.

33. Financial assets at fair value

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments per valuation technique according to the requirements of IFRS 7 "Financial Instruments: Disclosures”:

Level 1: Investments that are valued at fair value based on quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Investments that are valued at fair value, using valuation techniques for which all inputs, which have a significant fair value, are based (either directly or indirectly) on observable market data.

Level 3: Investments that are valued at fair value, using valuation techniques, in which the data, significantly affecting the fair value, are not based on observable market data.

The Group, in accordance with the requirements of IFRS 9 and IFRS 13, at the end of each reporting period of the financial statements performs the required calculations regarding the determination of the fair value of the financial instruments. The financial assets held by the Group, the fair value of which at 31.12.2020 amounts to € 2.765 thousand, are relating to shares of listed companies and shares in cooperative banks and are classified in Level 1.The carrying value of the following financial assets and liabilities is considered to be a reasonable approximation of fair value:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables.

34. Subsequent events

There are no events later than 31 December 2020 which would substantially affect the financial position and results of the Group and the Company or which should be mentioned in notes on financial statements.

Chania, 27 April 2021

Vice-Chairman	**Managing Director**
Spyridon I. Protopapadakis **ID Card No. AA490648**	**Ioannis I. Vardinoyannis** **ID Card No. Π 966572**
Chief Financial Officer	**Chief Accountant**
Stylianos I. Stamos **ID Card No. AM 480641**	**Ioannis E. Spanoudakis** **Economic Chamber License No. 20599, Class A**

DATA & INFORMATION FOR FISCAL YEAR 2020

ANEK LINES S.A.

No of G.E.C.R.: 121557860000
Registered Office: 148 Karamanli Avenue, Chania

Financial data and information for the period from 1 January 2020 to 31 December 2020

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

COMPANY INFORMATION

Supervising authority: Ministry of Development, Societe Anonyme Division
Company's website: www.anek.gr
Board of Directors: Katsanevakis Georgios (Chairman), Protopapadakis Spyridon (Vice Chairman), Vardinoyannis Ioannis (Managing Director), Archontakis Georgios (Deputy Managing Director), Apostolakis Emmanouil (Non executive member), Georvasakis Michael (Non executive member), Malandrakis Ioannis (Non executive member), Marakakis Michael (Independent non executive member), Markantonakis Alexandros (Independent non executive member), Fragkiadakis Georgios (Independent non executive member)
Date of approval of the annual financial statements: April 27, 2021
Certified auditors - accountants: Diamantoulakis Emmanouil (SOEL Reg. No 13101) - Kollyris Nikolaos (SOEL Reg. No. 35591)
Auditing firms: GRANT THORNTON (Reg. No 127), SOL SA (Reg. No 125)
Type of auditors' report: Unqualified opinion - Material uncertainty related to going concern assumption

STATEMENT OF FINANCIAL POSITION (parent company and consolidated)

(Amounts in € thousand)	Group		Company	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
ASSETS				
Tangible assets	263.259	270.453	255.834	263.271
Investments in property	1.748	1.753	672	678
Intangible assets	217	268	217	268
Other non-current assets	2.541	3.885	8.901	9.956
Inventories	2.689	3.156	1.597	2.047
Trade receivables	30.921	34.201	30.052	33.282
Other current assets	6.186	8.720	4.870	7.026
Cash & cash equivalents	11.421	8.498	3.405	2.019
TOTAL ASSETS	**318.982**	**330.934**	**305.548**	**318.547**
EQUITY & LIABILITIES				
Share capital	67.440	56.597	67.440	56.597
Other equity items	(81.509)	(65.804)	(77.388)	(62.023)
Equity attributable to shareholders of the parent (a)	**(14.069)**	**(9.207)**	**(9.948)**	**(5.426)**
Non-controlling interests (b)	13.134	12.538	-	-
Total Equity (c) = (a) + (b)	**(935)**	**3.331**	**(9.948)**	**(5.426)**
Long-term borrowings	-	-	-	-
Provisions and other long-term liabilities	17.534	19.371	15.537	17.852
Short-term borrowings	252.862	258.708	252.862	258.708
Other short-term liabilities	49.521	49.524	47.097	47.413
Total liabilities (d)	**319.917**	**327.603**	**315.496**	**323.973**
TOTAL EQUITY AND LIABILITIES (c) + (d)	**318.982**	**330.934**	**305.548**	**318.547**

STATEMENT OF CHANGES IN EQUITY (parent company and consolidated)

(Amounts in € thousand)	Group		Company	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Equity at the beginning of the year (01.01.2020 and 01.01.2019, respectively)	3.331	(8.869)	(5.426)	(7.844)
Total comprehensive income after taxes	(14.106)	3.588	(14.708)	2.418
Share capital increase (minus related esxpenses)	10.698	-	10.698	-
Dividends paid	(347)	(348)	-	-
Other equity movements	(511)	8.960	(512)	-
Equity at the end of the year (31.12.2020 and 31.12.2019, respectively)	**(935)**	**3.331**	**(9.948)**	**(5.426)**

ADDITIONAL DATA & INFORMATION

1. Group entities that are included in the consolidated financial statements are presented in note 1 in the annual financial statements as of 31.12.2020, including locations, percentage Group ownership and consolidation method. **2.** The basic accounting principles adopted in the financial statements are consistent with those of the annual financial statements of 2019, adjusted with the revisions to IFRS. **3.** There are no litigious disputes or disputes in arbitration against the Group that could significantly affect the financial position.The recorded relevant provisions as at 31.12.2020 for the Group and the Company amounted to € 1.463 thousand for the Group and the Company. **4.** The number of employees at 31.12.2020 was 670 persons (617 for the Company) and at 31.12.2019 was 762 persons (705 for the Company). **5.** At the end of the period no shares of the parent company were possessed by the parent company neither by any subsidiary or associate company. **6.** Group's "other comprehensive income" in the statement of comprehensive income for the year 2020 refers totally to actuarial profits after taxes, whereas in 2019 referred by € 26 thousand to the possitive impact of a taxation rate change on land deferred taxes and by € 255 thousand to actuarial losses after taxes. "Other equity movements" in the statement of changes in equity for year 2020 refers to the impact of the revaluation of the reserve of the convertible bond loan following the partial conversion of the bond loan in August 2020, whereas in 2019 referred to the impact of a subsidiary's cease in consolidation. **7.** The provisions for the un-audited tax years of the Group companies, which are presented in note 22 of the annual financial statements, amounted to € 345 thousand (€ 291 thousand for the Company). The accumulated provisions for doubtful debts amounted to € 46.474 thousand for the Group and € 45.063 thousand for the Company, while the provisions for retirement benefits amounted to € 2.850 thousand for the Group and € 2.663 thousand for the Company. Othe provisions amounted to € 338 thousand for the Group and € 332 thousand for the Company. **8.** The ratio "Earnings / (losses) after taxes per share basic - (in €)" are calculated based in the weighted average number of total shares. For the calculation of the diluted earnings per share were taken into account the potential shares from the Parent company's convertible bond according the relevant terms of issue and the IAS 33 requirements. **9.** Intercompany transactions (inflows and outflows) since the beginning of the current year and intercompany balances as of 31.12.2020 that have resulted from the transactions with the related parties, as defined by IAS 24, are as follows:

(Amounts in € thousand)	Group	Company
a) Inflows	2	7.213
b) Outflows	3.504	3.568
c) Receivables	14.580	19.320
d) Payables	99.520	99.518
e) Key management compensations	1.617	1.334
f) Receivables from key management	-	-
g) Payables to key management	8	8

TOTAL COMPREHENSIVE INCOME (parent company and consolidated)

(Amounts in € thousand)	Group from 01.01 to		Company from 01.01 to	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Turnover	124.452	173.891	109.986	157.039
Gross profit / (loss)	14.771	40.256	10.081	34.088
Earnings / (losses) before taxes, financing and investing results (EBIT)	(4.422)	14.679	(5.940)	12.404
Earnings / (losses) before taxes (EBT)	(13.449)	4.573	(14.529)	2.850
Earnings / (losses) after taxes (A)	(14.115)	3.817	(14.727)	2.656
Owners of the parent	*(15.066)*	*2.577*	-	-
Non-controlling interests	*951*	*1.240*	-	-
Other comprehensive income after taxes (B)	9	(229)	19	(238)
Total comprehensive income after taxes (A) + (B)	(14.106)	3.588	(14.708)	2.418
Owners of the parent	*(15.050)*	*2.342*	-	-
Non-controlling interests	*944*	*1.246*	-	-
Basic earnings / (losses) after taxes per share - (in €)	(0,0740)	0,0137	(0,0723)	0,0141
Diluted earnings / (losses) after taxes per share - (in €)	(0,0740)	0,0119	(0,0723)	0,0122
Proposed dividend per share - (in €)	-	-	-	-
Earnings / (losses) before taxes, financing and investing results, depreciation and amortization (EBITDA)	6.867	25.638	4.831	22.898

CASH FLOW STATEMENT (parent company and consolidated)

(Amounts in € thousand)	Group from 01.01 to		Company from 01.01 to	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Operating activities				
Earnings / (losses) before taxes	(13.449)	4.573	(14.529)	2.850
Adjustments for:				
Depreciation	11.296	11.023	10.771	10.494
Grants amortization	(7)	(64)	-	-
(Gain) / loss from disposal of property, plant and equipment	(6)	(2)	-	(1)
Provisions	1.299	2.322	1.209	2.270
Exchange differences	(384)	189	(384)	189
Results of investing activity	(2.234)	(189)	(2.683)	(777)
Financial expenses (less financial income)	9.331	9.290	9.342	9.326
	5.846	27.142	3.726	24.351
Adjustments for changes in working capital:				
Decrease / (increase) of inventories	445	(169)	450	(135)
Decrease / (increase) of receivables	5.578	(3.193)	5.613	(3.284)
Increase / (decrease) of liabilities (other than borrowings)	(2.088)	(4.049)	(2.630)	(4.188)
Less:				
Interest and financial expenses paid	(1.423)	(6.665)	(1.406)	(6.651)
Income tax paid	(516)	(780)	(172)	(150)
Cash flows from operating activities (a)	***7.842***	***12.286***	***5.581***	***9.943***
Investing activities				
Acquisition of affiliates, securities and other investments	(2)	(607)	(2)	(607)
Proceeds from the sale of securities and investments	51	-	-	-
Purchase of tangible and intangible assets	(952)	(5.517)	(170)	(5.139)
Proceeds from the sale of property, plant and equipment	20	2	-	1
Interest received	36	47	1	1
Dividends received	-	-	163	163
Cash flow from investing activities (b)	***(847)***	***(6.075)***	***(8)***	***(5.581)***
Financing activities				
Procceds from share capital increase	-	-	-	-
Payments for expenses from share capital increase	(146)	-	(146)	-
Payments of capital leases	(3.573)	(3.228)	(3.573)	(3.228)
Payments of operating leases	(206)	(212)	(132)	(134)
Proceeds from borrowings	550	143	-	144
Payment of borrowings	(336)	(1.423)	(336)	(1.423)
Dividends paid	(361)	(343)	-	-
Cash flow from financing activities (c)	***(4.072)***	***(5.063)***	***(4.187)***	***(4.641)***
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	**2.923**	**1.148**	**1.386**	**(279)**
Cash and cash equivalents at beginning of the year	8.498	7.350	2.019	2.298
Cash and cash equivalents at the end of the year	**11.421**	**8.498**	**3.405**	**2.019**

Chania, 27 April 2021

THE VICE CHAIRMAN	THE MANAGING DIRECTOR	THE CHIEF FINANCIAL OFFICER	THE CHIEF ACCOUNTANT
SPYRIDON I. PROTOPAPADAKIS **ID No AA 490648**	**IOANNIS I. VARDINOYANNIS** **ID No Π 966572**	**STYLIANOS I. STAMOS** **ID No AM 480641**	**IOANNIS E. SPANOUDAKIS** **H.E.C. License No 20599 A' Class**

INFORMATION PROVIDED UNDER ART. 10 OF LAW 3401/2005

The above disclosures and announcements made by ANEK in 2020 have been published in the daily official list of the Athens Stock Exchange and are posted on ASE's website at www.helex.gr and at the Company's website at www.anek.gr.

Date	Subject
12.02.2020	Announcement of privileged information
24.04.2020	Annual Financial Results for the year 2019
06.05.2020	Announcement for Economic Calendar
29.06.2020	Invitation to the Annual General Meeting
29.06.2020	Announcement regarding commentary of press publication
01.07.2020	Announcement of privileged information
01.07.2020	Announcement regarding commentary of press publication
03.07.2020	Press release - Biosafety Trust Certification
21.08.2020	Listing and commencement of trading of the new shares of the company issued due to the increase of the share capital after the conversion of bonds
24.08.2020	Listing and commencement of trading of the new shares of the company issued due to the increase of the share capital after the conversion of bonds (Proper repetition)
25.08.2020	Announcement of regulated information according to Law 3556/2007: Number of voting rights and amount of share capital
27.08.2020	Announcement of regulated information according to Law 3556/2007: Notification for change of percentage of shareholders voting rights
01.09.2020	Announcement of regulated information according to Law 3556/2007: Notification for change of percentage of shareholders voting rights
01.09.2020	Announcement of regulated information according to Law 3556/2007: Notification for change of percentage of shareholders voting rights
02.09.2020	Resolutions of the Annual General Meeting 2020
25.09.2020	Financial results for the first semester 2020
08.12.2020	Financial results for the nine month period and 3rd quarter 2020
31.12.2020	Notification of a change in the composition of the Board of Directors