



**PIRAEUS PORT AUTHORITY S.A**

**SIX-MONTH  
FINANCIAL REPORT  
FOR THE PERIOD**

**JANUARY 1 – JUNE 30, 2020**

IN ACCORDANCE WITH THE  
INTERNATIONAL FINANCIAL REPORTING STANDARDS  
(AS ADOPTED BY THE EUROPEAN UNION)

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**Statements of the Members of the Boards of Directors**

**(in accordance with article 5 par. 2 of L. 3556/2007)**

The following statements, which are effected in accordance with article 5 par. 2 of the L. 3556/2007, as applicable, are given by the following Members of the Board of Directors of the Company:

1. YU Zeng Gang, Chairman of the Board of Directors
2. ZHANG Anming, Chief Executive Officer (Acting)
3. ZHU Jianhui, Member of the Board of Directors

The undersigned, in our above-mentioned capacity, and in particular the third as specifically appointed by the Board of Directors of the societe anonyme company under the name "Piraeus Port Authority Societe Anonyme" and trade title "PPA S.A." (hereinafter referred to as "Company" or as "PPA"), we state and we assert that to the best of our knowledge:

- (a) the interim condensed financial information of the Company for the period from January 1, 2020 to June 30, 2020, which were compiled according to the applicable International Financial Reporting Standards as adopted by the EU, provide a true and fair view of the assets and the liabilities, the equity and the results of the period of the Company, according to that stated in paragraphs 3 to 5 of article 5 of the L.3556/2007 and the relevant executive Decisions of the Board of Directors of the Capital Market Commission.
- (b) the Report of the Board of Directors of the Company provide a true and fair view of the evolution, the achievements and the financial position of the Company, including the description of the main risks and uncertainties they face and relevant information that is required according to paragraphs 6 of article 5 of the L. 3556/2007, and the relevant executive Decisions of the Board of Directors of the Capital Market Commission.

Piraeus, September 29, 2020

YU ZENG GANG

ZHANG ANMING

ZHU JIANHUI

Chairman of the  
Board of Directors  
Passport No PE1895434

Chief Executive Officer (Acting)  
Passport No E92044606

Member of the  
Board of Directors  
Passport No PE0844394

**BOARD OF DIRECTORS' REPORT ON THE INTERIM CONDENSED FINANCIAL INFORMATION**  
**of**  
**«PIRAEUS PORT AUTHORITY S.A. -OLP S.A.»**  
**(according to the regulations of par. 6 of article 5 of L. 3556/2007)**

Regarding the Interim Condensed Financial information  
for the six month period ended June 30, 2020

The Board of Directors report on the interim condensed financial information was compiled and is in accordance with the prevailing legislation (par. 6 art. 5 of L.3556/2007) and the administrative decisions of the Capital Market Commission's Board of Directors (1/434/3-7-2007, 7/448/11-10-2007).

The report aims to inform investors about:

- The financial status, results and the general prospects of the Company for the aforementioned period as well as changes that were made.
- The most important events that took place in the first semester of the current financial period and their effect on the half year financial reports.
- The risks and uncertainties that may arise for the Company within the 2nd semester of 2020.
- The transactions and balances between the Company and any related parties, as well as the Board of Directors members' remuneration.

**A. REPORT ON 1ST SEMESTER 2020**

**Period results:**

**Statement of comprehensive income**

**i. Revenues**

The total revenues of the first half of 2020 amounted to € 66.5 million, compared to the corresponding half of 2019 (€ 70.6 million), have decreased by € 4.1 million or 5.8%. The decrease is mainly due to the significant decrease of revenues from the cruise sector, revenues of the coasting sector as well as revenues from the car terminal sector by 83.9%, 32.8% and 28.3% or by € 3.7 million, € 1.6 million and € 2.2 million, respectively. The above decrease was offset mainly by an increase in revenues from the container terminal operation and from the ship repairing sector by 17.8% and 21.8% or by € 2.0 million and € 1.4 million, respectively.

**ii. Other operating income**

Other operating income for the period amounted to € 2.0 million and compared to the corresponding period of 2019 (€ 2.9 million) has decreased by € 0.9 million or 31.0%. The change was mainly due to the decrease in rental income of € 0.4 million, the decrease in other income by € 0.4 million, as well as the decrease from the write-off of credit balances and from the forfeiture of letters of guarantee by € 0.2 million and € 0.1 million, respectively, carried out in the previous period.

The above increase was mainly offset by the € 0.2 million increase in European Union program revenues.

### **iii. Expenses**

The key operating costs mainly relate to the payroll costs which in the 1st semester of 2020 increased and amounted to € 29.2 million compared to € 28.0 million in the corresponding half of 2019 (Note 26).

As far as the other non-personnel costs are concerned, the largest decrease occurred in the "Third party services" of € 0.6 million.

The "Greek State Concession" presented a decrease of € 0.2 million due to reduced revenues (Note 22).

The provisions for legal cases amounted to € 1.3 million, while in the corresponding prior year period the provision amounted to € 3.1 million. In addition, in the current period a provision of € 3.5 million was reversed while in the corresponding period last year an amount of € 0.5 million was reversed. The reversal of the provision of the current and the previous period concerns court cases which were re-evaluated by the Legal Department of the Company based on recent events or were finalized in its favor.

Depreciation increased by € 0.3 million in the current period, amounting to € 8.8 million (30.06.2019: € 8.5 million), mainly due to the additional depreciation on the additions to property, plant and equipment of the current period.

### **iv. Net impairment losses on financial assets**

Provisions for trade and other receivables related to expected credit losses based on the Company's accounting policy in accordance with IFRS 9 were increased by € 0.1 million.

### **v. Other operating expenses**

Other operating expenses for the period amounted to € 1.0 million where compared to the corresponding period of 2019 (€ 0.6 million) have increased by € 0.4 million. The increase is mainly due to the increase of other expenses and to the loss of disposal of property, plant and equipment by € 0.2 and € 0.1 million, respectively.

## **Statement of financial position**

### **i. Total Assets**

Total assets as at 30.06.2020 amount to € 479.0 million, increased by 1.4% or € 6.5 million (31.12.2019: € 472.5 million).

The increase in total assets was mainly due to the increase in cash and cash equivalents by € 6.4 million, as well as the increase in trade and other receivables by € 8.2 million, mainly due to the increase in advances to suppliers by € 5.3 million.

This increase was mainly offset by the decrease in the net book value of the property, plant and equipment by € 6.6 million (due to the additions of the year by € 1.6 million reduced by the depreciation of the year € 8.1 million), decrease in the right to use assets amounting to € 0.8 million (mainly due to depreciation amounting to € 1.0 million plus the movement of the period amounting to € 0.2 million), decrease in the deferred tax asset by € 0.3 million and decrease in inventories by € 0.2 million.

**ii. Total Liabilities**

Total liabilities as at 30.06.2020 amounted to € 230.0 million, showing a decrease of € 9.0 million (31.12.2019: € 239.0 million).

The change in total liabilities is mainly due to the changes in the following sub-items, namely:

- decrease in the provisions for legal cases by the amount of € 2.5 million (Note 15)
- decrease in bank debt by € 3.0 million due to the repayment of two installments of the long-term loan
- decrease in accrued and other liabilities by the amount of € 6.5 million (Note 18).
- decrease in suppliers by the amount of € 4.2 million.
- decrease in short-term and long-term lease liabilities by € 2.1 million (Note 5) is mainly due to the payments of € 3.6 million which was offset by the finance cost of € 1,2 million.
- decrease in deferred income by € 0.5 million.
- increase in income taxes payable by € 4.9 million as the Company had a tax receivable of € 0.8 million as at 31 December 2019.
- increase in grants by the amount of € 4.7 million (Note 13) relating to the grant received during the period of € 5.1 million which was offset by the current period's depreciation which amounted to € 0.4 million.

**Alternative Performance Measures (APMs):**

<b>Financial Structure ratios</b>				<u>30/6/2020</u>		<u>31/12/2019</u>	
1. Current assets		136,223,484.31	<b>424%</b>			121,920,572.37	<b>322%</b>
Current liabilities		32,104,898.66				37,909,072.67	
2. Borrowings		53,499,999.99	<b>21%</b>			56,499,999.99	<b>24%</b>
Total equity		248,974,917.09				233,453,284.34	

  

<b>Performance and efficiency ratios</b>				<u>30/6/2020</u>		<u>30/6/2019</u>	
3. EBITDA		31,096,489.28	<b>47%</b>			31,697,678.46	<b>45%</b>
Revenue		66,502,522.80				70,578,809.83	

The Company uses as Alternative Performance Measures (“APMs”) the above ratios in the context of making decisions concerning its financial, operational and strategic planning, as well as assessing and publishing its performance. These APMs help to understand better the Company's financial and operating results, financial position and cash flow statement. Alternative performance measures (APMs) must always be taken into account in combination with the financial results prepared in accordance with International Financial Reporting Standards (“IFRS”) and will not replace the latter under any circumstances.

## B. Highlights of the 1st semester 2020

### ▪ *Major events*

#### **Inauguration ceremony of the “Cruise Terminal Expansion” project**

It is a mandatory investment, as foreseen by the Concession Agreement with the Greek State. It is a project with contractual financial object of € 103 million, co-funded by the European Regional Development Fund through Priority Axis 7 of the Regional Operational Program Attica 2014-2020. The Cruise Terminal Expansion to the south will be constructed 2 berthing positions for the "new generation" cruise ships of over 280m. long with a timetable for implementation of 32 months. This project will contribute to the increase of the Piraeus port capacity in order to receive big “new generation” cruise ships and consequently to the increase in homeporting (start / end of cruise trips from the port of Piraeus), which also means more revenue for the local economy.

#### **Signing of contract for the provision of project management services by PCT S.A. to PPA S.A. for the business operation of Pier I of PPA S.A.**

The main points of the contract, which has been signed on 01/04/2020, under usual commercial terms, based on which: PCT S.A. will provide to PPA S.A. a wide range of highly specialized services related to the operation of the PIER I Container Terminal, for the purpose of PPA S.A. to achieve:

- (i) the overall utilization of the Piraeus Container Terminal resources,
- (ii) the increase of the total throughput of Pier I of the port of Piraeus,
- (iii) the improvement of the quality of services provided by PPA S.A. in the Container Terminal of Pier I.

The fee of PCT S.A. will be a fixed annual service fee of sixty seven thousand Euros (€ 67,000.00) plus VAT, plus an additional management fee of four Euros (€ 4) per move, for any moves that exceed the throughput targets agreed each time, which for the period from the signing of the contract until January 31, 2021 will be 650,000 TEUs, with PCT S.A. guaranteeing throughput for this period of not less than 500,000 TEUs. The term of the contract will be three (3) years from the date of signature.

#### **Contractor declaration for the project “Repairs of Pavements and Rails for RMG Cranes of Pier I Container Terminal”. The Contractor awarded is the “UNION OF COMPANIES DAMON A.T.E. - TECHNIKI ERGON S.A. – S. TSAKOUMAGKOS A.T.E.”**

The project for the upgrade of Pier I aims to achieve smooth and modern operation at the Container Terminal. It includes the dismantling of the existing rails system in the four (4) RMG cranes lanes, the soil improvement, the installation of new rail systems, the construction of a new drainage network, the demolition of the existing damaged concrete pavements in Pier I areas and their subsequent reconstruction. The contract was signed on May 20<sup>th</sup>, 2020.

#### **Extension of validity of PPA S.A. Collective Labor Agreement (“CLA”)**

In order to facilitate the ongoing negotiations, without breaking the continuity of the CLAs regulating the employment and remuneration terms and conditions of PPA S.A.’s personnel and in order for the new Collective Agreement to include the optimal terms that will contribute to the development of the Company.

### **COVID-19 Pandemic Effect**

On 30 January 2020, the World Health Organization (WHO) declared the spread of COVID-19 a "public health emergency of international concern", while on March 11, 2020 it was declared by WHO as a pandemic. Immediately the entire healthcare staff of the country was put on alert and a series of decisions were taken with the main aim being to slow down the spread of the virus while at the same time measures were announced to reduce the impact on social and economic level. The evolution of the COVID-19 pandemic, combined with the restrictive measures taken to address it, has had a negative economic impact worldwide and has inevitably affected and will continue to affect the national economy.

The duration and severity of the effects, although they cannot be estimated reliably at present, will largely depend on:

- whether the virus will follow a seasonal pattern;
- the time required to develop effective methods for tackling the disease (vaccine, treatment);
- the effectiveness of fiscal and other reinforcing measures of economy adopted by the Eurozone countries;
- the decisions of bank supervisory authorities for providing liquidity and support to businesses and households.

### **Company's Continuity Plan in the midst of the COVID-19 Pandemic**

In this difficult time and within the above-described framework that led to unprecedented measures (eg lockdown) in almost all over the world, PPA SA, with responsibility and commitment to its corporate values, actively participated in the effort of the Greek state to limit the spread of coronavirus (COVID-19) and in the protection of the public and private health, successfully implementing a set of targeted measures to combat its transmission, in accordance with the decisions and recommendations of the Ministry of Health and National Public Health Organization, in order to ensure the health and safety of employees, customers and users of the port, who in combination are a key pillar of business development.

In particular, since the outbreak of the pandemic in Greece, the Company has implemented those policies that were deemed necessary and appropriate, in order to ensure its business continuity, its smooth operation and the reduction of negative consequences to the smallest possible extent, through the:

- Ongoing market research and procurement of personal protective equipment to maintain sufficient stock for employees
- Supply a sufficient number of laptops with the appropriate software, allowing remote access to corporate resources to employees working from home. In total the Company procured, configured and distributed **120** laptops to office personnel.
- Adoption of teleworking for employees who can perform their work from home, so as to mitigate overcrowding and avoid close contacts (In total 215 employees had followed the "Work from Home" practice with respective creation of **215** VPN accounts, for totally 4,385 days during the period from 18/3/2020 to 31/5/2020).
- Taking care of those employees belonging to vulnerable groups, in accordance with the instructions of the NPHO (EODY) and the Occupational Doctor (In total, 66 employees belonging to "fragile health" group due to various health issues, stayed at home during the period from 18/3/2020 to 31/5/2020).
- Granting "special purpose leave" to employees, in accordance with the instructions of the State Authorities (In total, 74 employees used the "Special Purpose Leave" practice for a total of 1.496 days).
- Encouraging business partners for the use of electronic services
- Maintenance of communication channel and constant updating by the competent authorities of the State and the Port (NPHO-EODY / Piraeus Port Health Services / Hellenic Coast Guard).

- Stay in their home for 14 days, for those employees who returned from abroad, according to the instructions of the NPHO (EODY).
- Restriction (where possible) of the entry of business partners into PPA's premises.
- Disinfection of public areas (*most of the time on a daily basis*):
  - inside PPA's buildings (cashiers, desks, chairs, sofas etc.),
  - ferry Terminal waiting room (close to E7 gate)
  - PPA's public buses

as well as increasing the frequency of cleaning and disinfecting workplaces where staff regularly move such as:

- waiting rooms, garages, etc.
- vehicles / machinery used in freight loading (Cranes, RMGs, Straddle Carriers etc.).

The dedicated expenses for the above prevention spread actions of COVID-19 (extra cleaning/disinfection of PPA spaces and equipment) amounted to 44,434 €.

- Installation of antiseptic hand bases at Cruise Terminal and PPA's buses, as well as at key points of the company's buildings.
- Reproducing of informational videos of NPHO (EODY) at the passenger stations of Cruise Terminal and at the company's HQs.
- Installation of A4 size laminated posters with NPHO (EODY) guidelines regarding compliance with hygiene rules in prominent areas of the company's premises.
- Suspension of all business trips and delegations visits to and from abroad.
- Conduct of business meetings only via videoconferencing.
- Informing of maritime agencies about the actions to be taken by crews, in case of close contacting with PPA's employees. (Wearing masks etc.)
- Equipment of the company's ambulances with the necessary materials to be ready to deal with a potential incident.
- Creation of an Action Plan for a suspected case during work.
- Sending of informative messages via e-mail and SMS to all employees of the company, regarding preventive measures, in accordance with the instructions of NPHO (EODY).
- Supply of materials and personal protective equipment (antiseptic gels, FFP2 masks, surgical masks, gloves etc.) and distribution to all staff, considering their job position.
- Continuous communication of the Occupational Doctor with employees presenting symptoms, in order to provide medical instructions.

### **C. Evolution of Business Activities.**

#### **Cruise**

Cruise passenger traffic in the first half of 2020 was among the primary sectors affected by the COVID19 pandemic. Despite the positive indications from passenger throughput and ship pre-bookings in the first two months of the year, the pandemic and accompanying safety precautions overturned the situation bringing the activity to almost a complete standstill. Therefore, the total passenger traffic for the first eight (8) months of 2020 where the data is available decreased by 98.9% compared to the corresponding period of 2019, from 692,012 to 7,657 passengers. Home port passenger traffic decreased by 99.0% (2,698 vs. 273,433) while transit traffic decreased by 98.8% (4,959 vs. 418,579).

### **Coastal Shipping**

The restrictive measures on tourism and domestic traveling due to the Covid19 pandemic negatively affected ship routings, passenger and vehicle flows. Ship itineraries were resumed within the third week of May but at lower ship capacity utilisation for hygiene purposes. Although a lower reduction in throughput compared to the corresponding months of 2019 is recorded in May and June compared to April, passenger and vehicle volumes are below the usual levels. In particular, total passenger throughput in the 8 month period of the year compared to same period last year decreased by 34.7% from 11.8 to 7.7 million passengers, while vehicle traffic decreased by 17.3% from 1.97 million to 1.63 million vehicles. All coastal routes recorded a decrease albeit at different levels. Domestic lines (-49.2%) and Argosaronic (-49.1%) recorded the highest reduction in passenger traffic. Throughput at the Salamis ferry line (-14.9%) and the subsidized routes (-34.2%) also recorded decrease.

### **Car Terminals**

In the first half of 2020, traffic at the car terminals decreased by 31.6%. The decrease in the first half of the year was the result of halted production in OEM factories and cessation of dealers' operations both in Greece and neighboring countries. Production factories are still coming on line but usually resume operations at lower than their maximum capacity levels. As a result gateway cargo decreased to 42,353 units from 72,168 (-41.3%) and transshipment was reduced by 26.7% (106,155 units from 144,837).

### **Container Terminal**

Traffic at the Container Terminal of Pier I in the first half of 2020 reached 284,956 TEU, recording a 44.9% increase over the corresponding period of 2019. This increase is attributed to the increase of transshipment cargo from 146,864 TEU to 235,738 (60.5%), despite the slight decrease in the gateway (imports and exports) cargo by 1.2% (from 49,805 TEU to 49,218). The overall increase in cargo volume is the result of an agreement between PPA S.A. and PCT S.A. that supports a more efficient use of infrastructure with synergies between for both Piraeus' terminals.

### **Ship Repair**

The Covid-19 pandemic created unusual conditions. The seizure of ship itineraries created uncertainty of business resumption but offered the opportunity to undertake repairs during this period. As a result drydock usage days recorded a 3% increase with drydocked ships increasing by 6% (from 68 to 72) over the corresponding period of 2019. An indication of the uncertainty is that during April when the peak of the restrictions was applied, the Piraeus II and Piraeus III drydocks served no vessels. This was despite bookings that were constantly rescheduled in view of the potential resumption of services during Easter period. The fact that during the most extreme conditions an increase in service days and ships was recorded is indicative of the solidified competitive position of Piraeus for ship repairs.

### **Rental income**

The Company's income from rents compared to the previous period shows a decrease of 22.7% (Note 23). The reduction is due to the implementation by the Company of the legislation related to the COVID-19 pandemic. Specifically:

"According to article 2 of the Legislative Content Act of 20/3/2020 ratified by Law 4683/2020" The lessee of a professional lease for the establishment of a company, for which special and extraordinary measures have been taken regarding the suspension or temporary prohibition of operation for precautionary or repressive reasons related to coronavirus COVID-19, is exempted from the obligation to pay 40% of the total rent for the months of March and April 2020, by way of derogation from the existing lease provisions.

Stamp duty and VAT on a case by case basis are recalculated and imposed on the rent resulting from the above partial payment. Article 26 of Law 4683/2020 extended the exemption of 40% of the total rent for April 2020 to professional leases which "have been severely affected by the coronavirus epidemic COVID-19, under the decisions issued by authorization of paragraph 2 of article 1, paragraph 2 of article 2 and paragraphs 1 and 2 of article 3 of the 11.3.2020 Legislative Content Act (AD55), as applicable. Also with par. 1 of article 15 of law 4690/2020 the exemption from the obligation to pay 40% was extended for the months May-June 2020 and for the months during which a professional lease is affected, until the month of August 2020 at the latest".

## **D. Environmental, Social, Working Issues**

### ***D.1. Care for the Environment***

PPA S.A., as a member of the European EcoPorts Network, implements an environmental management program which is certified according to the European System PERS (Port Environmental Review System), established by the European Sea Ports Organization (ESPO).

Within the framework of the PERS environmental management system, PPA S.A. has developed and implements a specific environmental policy and maintains an updated record of the environmental parameters related to the company's activities. In accordance with European and International standards, PPA S.A. aims at the continuous improvement of its environmental performance, by protecting the environment and preserving natural resources for future generations as follows:

- I. Environmental quality monitoring programs across the port area related to:
  - Audible environment: noise measurements twice a year.
  - Air pollution: Permanent air quality measurement station and 24-hour recording.
  - Marine environment: sea water quality measurements twice a year.
  
- II. Integrated waste management system produced in areas of PPA, which includes:
  - Separate management of all generated waste streams.
  - Recycling of packaging (paper, aluminum, plastic, tetrapak) through the use of a dense network of collection points in passenger terminals, offices and other areas of the port.
  - Segregation of waste in order to keep environmental indicators by activity.
  
- III. Ship-generated Waste Management Plan in accordance with the European Directive 2000/59 and the International Convention on Marine Pollution MARPOL 73/78. According to the Plan a system for Port Reception Facilities is established for the collection and management of solid and liquid ship-generated waste.
  
- IV. Contingency plans for the prevention and preparedness of response to marine and land pollution from petroleum products and harmful substances and daily monitoring of the purification of the marine and terrestrial area of the PPA S.A.

## D.2. Social Responsibility

The Company pays particular attention to social contribution, as demonstrated and expressed through the timeless efforts and initiatives of both Management and Employees.

The Company aims to contribute to the development of its society and especially the creation of added value for the communities that surround it.

PPA S.A. activities, with regards to aiding the community, are related with:

- Boosting employment and the local economy.
- Economic support of social groups through ongoing (monthly) support of social institutions of neighboring municipalities.
- Facilitating the charitable effort of the Holy Metropolis of Piraeus.
- Aiding orphanages, special schools, sports clubs and cultural associations of Piraeus Region.

### Actions for the treatment of COVID-19 pandemic

With a sense of social responsibility, generosity and solidarity, PPA SA actively participated in the national effort to more effectively address the COVID-19 pandemic, offering the Greek state and local community its support through health equipment donations (protective masks, protective gloves, antiseptic, special protection uniforms, protective shoes' plastic covers, protective glasses), as analyzed (per entity) in the table below.

	ENTITY	DESCRIPTION
1	Hellenic Coast Guard	10,000 gloves 500 protective suits 400 protective glasses
2	TZANEIO Hospital of Piraeus	500 protective suits TYVEC CLASSIC 840 protective glasses (goggles) 1,500 protective shoes' plastic covers
3	METAXA Cancer Hospital of Piraeus	4,000 surgical masks
4	Port Surrounding Municipalities (Piraeus, Keratsini - Drapetsona, Salamis and Perama)	80,000 protective masks 288 bottles of antiseptic
5	Municipalities of the Western Sector of Athens (Peristeri, Petroupoli, Ilion, Egaleo, Agia Varvara, Haidari, Agioi Anargyroi-Kamatero)	10,000 protective masks 10,000 gloves
6	Program of the Centre for the Treatment of Addicted Persons "KETHEA IN ACTION"	3,000 protective masks 30 bottles of antiseptic

In addition, PPA SA adopted a policy of reduced charges for ferry vessels at the passenger port of Piraeus and provided discounts to concessionaires negatively affected by the Covid-19 pandemic in the Cruise and Coastal areas.

More specifically:

- It was decided to extend the duration of the designated temporary repair sites and the reduced charges that they entail for ferry ships in the passenger port of Piraeus, until April 30, 2020.
- A discount was granted for the scheduled itineraries carried out through the Central Port of Piraeus (Shipping, Barren Lines and Argosaronikos Line) for vessels entry and berthing fees.
- Discounts were granted in 105 cases of concessions for companies operating in the areas of Cruise and Coastal sectors, for the period from March 15 to May 31, 2020.
- The discount policy was extended for June 2020, and granted in 42 concessions for companies operating in the areas of Cruise and Coastal sectors.

### ***D.3. Care for the employees***

#### ***Health and Safety in the working environment***

The Company attributes utmost importance to the provision of safe workplaces for employees, traders, passengers etc.

All areas of the Port are regularly inspected to ensure that employees comply with health and safety legislation and the instructions of those responsible.

PPA S.A. also monitors and controls the compliance of third parties (contractors) with the Occupational Health and Safety legislation, requiring health and safety plans before and during the implementation of technical projects.

For this purpose, two (2) safety engineers, one of them exclusively for the needs of NEZ and a doctor are employed, reporting any safety issues to the Management of the company, in accordance with Law No. 3850/2010. Potential accidents are recorded and investigated, and corrective actions are taken in order for the accidents not to be repeated.

Additionally, at high-risk areas (Container Terminal and Perama Shipyards Zone) two ambulances with trained rescue personnel remain installed and available on a 24-hour basis, enforcing the contract (financial object of € 416,000) for the «provision of emergency pre-hospital care for two years through the staffing of the two (2) ambulances of the PPA AE».

#### ***Training***

Education is PPA's development objective to improve the service and increase productivity.

PPA S.A. is planning employee training programs, in which employees are invited to participate at the expense of the Company and is establishing an Annual Training Program which is formed by the Human Resources Dept. This Annual Training Program is either a result of the Department's call to all Departments to submit requests-proposals for training seminars' conduction for their staff or anytime throughout the year if it is considered necessary.

The approval for the implementation of the Annual Training Program is given by Management. In cases where the conduct of a seminar can be integrated into subsidized programs the Human Resources Department carry out appropriate actions to take that grant.

For 2020 1<sup>st</sup> semester

- There were **98** staff participating in **8** Seminars and 1 internal training (**226** hours total) within & outside the company, as well as **1** of them were implemented through web-seminar.
- Seminars involving staff training (employees and dock workers) related mainly on Internal Audit, ISO Certification, IT subjects as well as compliance of staff with security regulations (Ro-Ro & Cruise).

- Among these, **26** employees participated in Chinese language learning courses - which continued for the 3rd year - and **15** Chinese Managers participated in Greek language learning courses.
- Also, based on the development and specialization of its personnel, for the second year PPA SA offers, in collaboration with the Postgraduate Program "Organization, Operation, Development & Port Management", which is organized by its Department of Business Administration University of West Attica, the granting of scholarships to PPA employees.

Respectively during the 1<sup>st</sup> semester of **2019** we had **179** participations of PPA's staff in **14** in & out –house seminar (in total duration **706** hours).

#### **D.4. Certifications & Implementation of Standards and other requirements**

##### Quality & Environmental Management certification (ISO 9001:2015 & ISO 14001:2015)

PPA SA has been awarded double certification against ISO 9001:2015 for Quality Management and ISO 14001:2015 for Environmental Management by Lloyd's Register (LR) which covers the:

- Provision of Port Cruise, Ferry, RoRo and Container Terminal services
- Management of Logistics center
- Port Construction & Maintenance Projects Management

Within the 1<sup>st</sup> semester of 2020 the applied Integrated Quality & Environmental Management System was audited within the framework of the annual surveillance audits and the effectiveness of the Integrated Management System was evidenced.

The double certification demonstrates the company's commitment to best practice for quality, environmental management and pollution prevention.

Through the Integrated Quality & Environmental Management System that is applied in line with the standards' requirements, PPA SA works in a consistent way to understand customers' needs and expectations, to continually improve the level of services provided and to address the environmental challenges that emerge in daily operation activities.

PPA SA has adopted an Integrated Quality & Environmental Policy which is available for all interested parties through its official website and is being updated at regular intervals so as to be in line with the strategic planning for the company's development.

According to PPA SA Integrated Quality & Environmental Policy the Company is committed to improving environmental performance and setting quality & environmental objectives to address risks and opportunities and significant environmental aspects.

Risks and opportunities are defined through systematic analysis of internal and external issues. Significant environmental aspects are defined through the assessment of the impact port activities pose or may pose to the environment.

Also, internal audits are conducted regularly and the top management, through the Management Reviews, assesses the effectiveness of the Integrated Quality & Environmental Management System, the achievement of the objectives set and supports actions to ensure continual improvement.

Preparation for Energy Management certification (ISO 50001:2018)

During the 1<sup>st</sup> semester of 2020 the development of an Energy Management System applied at all port activities as per the ISO 50001:2018 standard's requirement continued. The aim is to achieve energy saving and reduce operational cost.

Global Reporting Initiative (GRI) Standards for Corporate Social Responsibility Reporting

The Corporate Social Responsibility Report has been prepared in accordance with GRI standards.

Preparation for the issuance of the Authorized Economic Operator (AEO) license

The issuance of the license for PPA to become an Authorized Economic Operator (AEO/ Customs Simplifications/Security and Safety) is in progress.

***D.5. Participation in European Financed Programs***

In the 1<sup>st</sup> semester of 2020, PPA SA participated in twelve (12) European R&D co-funded projects, which are under implementation process:

1	CEF	Poseidon MED II	Poseidon MED II
2	MED	PROTeuS	PROMoting security and safeTy by crEating a MED cLUster on Maritime Surveillance
3	H2020	SAURON	Scalable multidimensionAl sitUation awaReness sOlution for protectiNg european ports
4	H2020	D4Fly	Detecting Document fraud & iDentity on the fly
5	ADRION	SUPAIR	SUstainable Ports in the Adriatic Ionian Region
6	ADRION	SUPER-LNG	SUstainability PERformance of LNG-based maritime mobility
7	ADRION	NEORION	Green ShipBuilding
8	ADRION	MultiAPPRO	Multidisciplinary approach and solutions to development of intermodal transport in region
9	H2020	TRESSPASS	robust Risk basEd Screening and alert System for PASSengers
10	H2020	PIXEL	Port IoT for Environmental Leverage
11	CEF	Green C Ports	Green and Connected Ports (GREEN C PORTS)
12	Climate KIC	DeepDemo	Deep Demonstration Project

The first semester of 2020 coincided with the quarantine period due to corona-virus and the initiatives for new proposals were postponed mainly for the second semester of 2020.

## **E. Prospects and expected developments, Main Risks and Uncertainties in the 2nd semester.**

The nature of PPA's business activities depends on numerous domestic and external macroeconomic and geopolitical data with a focus on the countries of the Southeastern Mediterranean and the countries served through the port of Piraeus. It is further affected by developments in the global port industry in general, as well as the development of individual port activities that are largely related to both PPA's investment program and the level of services provided to port users.

On March 11, 2020, the World Health Organization (WHO) officially declared COVID-19 as a pandemic. Determining the duration and extent of the economic impact of the pandemic on the port-related activities involves significant uncertainty. The evaluation of the impact in the coming months, depends on a number of factors, such as the estimation of the time of return to "business as usual", the scheduling of lifting the measures to reduce the pandemic's impact, the financial measures to support the affected companies and of course the possibility of a recurring wave or potential seasonality of the pandemic as there is no, as of yet, cure or vaccine.

With the above in mind, within the first semester of 2020, the impact of the Covid19 pandemic in the port activities is primarily focused on the passenger (cruise and coastal) terminals while cargo throughput in commercial (Container and Car) terminals records mixed data.

Cruise companies have suspended cruises due to the pandemic and travel restrictions around the world that have brought the industry to a complete halt. Cruises were banned in Greece since March 15th until July 15th. During this period, only technical arrivals for supplies were allowed with limited ability to repatriate crews and the port until September 18, had served 49 compared to 585 scheduled before the pandemic.

As of 18st September, 55 arrivals are still scheduled until the end of the year but their actual implementation will depend on the pandemic conditions and the hygiene measures to be implemented by EU and Greek government as a prerequisite to allow cruise ship arrivals. However, the consequences of the pandemic are expected to affect the "modus operandi" of the industry in the long run. Such changes may affect the average ship size, maximum passenger capacity, boarding/disembarkation procedures and the numbers of cruise companies. Despite the current conditions, on September 18<sup>th</sup>, the cruise arrivals scheduled for 2021 were very promising with 730 scheduled arrivals.

In the coastal sector, there was not a total ban of routings and movement of passengers was only allowed to permanent residents of the islands and cargo trucks in order to secure market supply. As a result of the reduced demand, actual number of ship sails dropped significantly and passenger traffic was significantly affected. Because of the reduced sailings of coastal ships demand for longer port stay increased. As a response, PPA adopted a special berthing policy for the coastal port until December 31, and, although not obliged, followed the Government's decision to provide a discount to berthing dues in the coastal central port between 27, March to 31, May. Coastal sailings were increased as of June but at significantly lower capacity utilisation for hygiene purposes ranging from 60% of the registered passenger capacity for conventional ships to 65% for cabin enabled ships.

Although, it is premature to estimate actual traffic numbers for the full year, industry sources indicate a significant reduction in demand<sup>1</sup> as the general public seems hesitant to travel with public means for long transits or undertake trips to islands where hospital infrastructure is less developed. This is recorded in the peak month of August where a reduction in passenger traffic compared to the same month of 2019 records a reduction of 27.5% which is higher percentile reduction than July (-26.3%). Within these business conditions, operational sustainability of coastal shipping companies will be negatively affected which can potentially affect the number of ship routings on offer for 2021 and ship calls and volumes for the port.

The Container terminal remained fully operational during the whole period of restrictive measures taken in Greece (approx. March to June). The slowdown of the economy due to the restrictive measures, impacted gateway cargo volumes that recorded a reduction during the first half, despite the positive volumes within the first two months of the year. Transshipment volumes of Pier I recorded an increase due to a strategic synergy agreed between PPA SA and PCT SA container terminals. However, on an industry level, port volumes have decreased<sup>2</sup> and blank sailings are recorded in many European ports<sup>3</sup>. In their summer projections, both IMF<sup>4</sup> and EU Commission<sup>5</sup> negatively revised their GDP estimations for the world and European economy respectively. This indicates a faster than expected deterioration of the economy that will impact global trade and transshipment container volumes negatively within 2020. Although the estimations for the Greek economy have been revised slightly positively, the lack of actual data from tourism flows and revenues due to the very recent opening of the borders creates a high degree of uncertainty. Even if tourism flows achieve €5bil. revenue according to the optimistic scenario, this is significantly lower than the € 17.7bil. recorded in 2019<sup>6</sup> and can have a significant impact on the spending power and consequently import volumes at the port for 2020 unless spending power is supported through financial support measures by EU and the Greek Government. Nevertheless, transshipment volumes are expected to be at par with 2019 given the growth recorded in the first half. In the medium term, revitalization of globalization through the removal of protectionist trade policies will dictate the actual growth rate. Despite the low growth rate of approximately 2%<sup>7</sup> in international container volumes for 2019, SE Asia – Europe exports volumes recorded a 5% increase<sup>8</sup> which indicates a healthier trade environment in the trade lane serviced by Piraeus port. Traditionally, Piraeus serves transshipment volumes for developing countries in the eastern Mediterranean area which are estimated to grow at a faster rate than global growth and trade<sup>9</sup> and therefore, Piraeus volumes are expected to grow at a higher rate than the world average.

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<sup>1</sup> <https://www.reporter.gr/Eidhseis/Naytilia/442046-Aktoploia-Ethsia-ptwsh-ews-kai-70-sthn-epibatikh-kinshh-Ioynioy-Krisimes-oi-epomenes-10-hmeres> [Accessed 9 Jul. 2020]

<sup>2</sup> <http://www.oecd.org/coronavirus/policy-responses/covid-19-and-international-trade-issues-and-actions-494da2fa/> [Accessed 9 Jul. 2020]

<sup>3</sup> <https://sustainableworldports.org/wp-content/uploads/2020-07-06-COVID19-Barometer-Report.pdf> [Accessed 9 Jul. 2020]

<sup>4</sup> <https://www.imf.org/en/Publications/WEO/Issues/2020/06/24/WEOUpdateJune2020> [Accessed 9 Jul. 2020]

<sup>5</sup> [https://ec.europa.eu/commission/presscorner/api/files/document/print/en/ip\\_20\\_1269/IP\\_20\\_1269\\_EN.pdf](https://ec.europa.eu/commission/presscorner/api/files/document/print/en/ip_20_1269/IP_20_1269_EN.pdf) [Accessed 9 Jul. 2020]

<sup>6</sup> <https://sete.gr/el/stratigiki-gia-ton-tourismo-vasika-megethi-tou-ellinikoy-tourismoy/> [Accessed 9 Jul. 2020]

<sup>7</sup> <https://lloydlist.maritimeintelligence.informa.com/LL1130450/The-Container-Outlook> [Accessed 9 Jul. 2020]

<sup>8</sup> [https://www.bimco.org/news/market\\_analysis/2019/20190916\\_2019\\_03\\_container\\_shipping](https://www.bimco.org/news/market_analysis/2019/20190916_2019_03_container_shipping) [Accessed 15 Jul. 2020]

<sup>9</sup> <https://www.imf.org/en/Publications/WEO/Issues/2020/01/20/weo-update-january2020> [Accessed 15 Jul. 2020]

Car production factories during the peak of the pandemic ceased operations completely or severely reduced output. In addition, the restrictive measures adopted in most EU countries have impacted car sales significantly. As a result car registrations in EU in the first five month period, where data is available, recorded a 41.5% reduction<sup>10</sup> while May recorded a 52.3% reduction despite the easing of the restrictions in most EU countries during the month. Thus transshipment volumes have been reduced in most EU ports including those situated in car producing countries. Because of the disruption in supply chains and postponed demand by consumers due to the uncertainty, sales volumes are expected to record double digit reduction for the full year 2020 with a negative impact in Piraeus transshipment volumes. Registration volumes in Greece for the first half of the year record a reduction of 44.2% against 2019.

June recorded a reduction of 37.2% over the same month of 2019 which however is a considerably lower reduction rate compared to March through May. Although the market is not expected to recover to 2019 levels by the end of the year, the lower rate of reduction in June indicates that there is latent demand which can limit the drop in sales unless conditions deteriorate.

In the field of ship repairing, figures for the first half of the year show an increase due to increased availability of drydocks and increased demand from ships. This trend is expected to continue in the second half of the year. The number of ships serviced in the drydocks was also supported by the stoppage of the coastal traffic that allowed a more flexible scheduling of repairs due to idle time.

**Credit Risk:** There is no significant credit risk for the Company towards the contracting parties, since it receives advance payments or letters of guarantee from customers. In addition, the Company's deposits are placed in bank financial institutions in Greece with ratings Caa1 and Caa2 (Moody's credit rating).

**Foreign Exchange Risk:** The Company is neither involved in international trade nor has any long term loans in foreign currency and therefore is not exposed to foreign exchange risk resulting from foreign currency rate fluctuations.

**Interest rate risk:** The Company's bank loans are in Euro at floating interest rates. The Company does not use derivatives in financial instruments in order to reduce its exposure to interest rate risk fluctuation as at the balance-sheet date. The Company management believes that there is no significant risk resulting from a possible interest rate fluctuation.

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<sup>10</sup><https://www.acea.be/press-releases/article/passenger-car-registrations-41.5-five-months-into-2020-52.3-in-may> [Accessed 9 Jul. 2020]

**F. RELATED PARTIES:**

The Company provides services to certain related parties in the normal course of business. The Company's transactions, receivables and liabilities balances with related companies are as follows:

Related party	Relation with the Company	Period ended ended	Sales to related parties	Purchases from related parties
PIRAEUS CONTAINER TERMINAL S.A.	Related party	30.06.2020	34,418,890.22	786.60
		30.06.2019	31,824,912.58	-
COSCO SHIPPING LINES GREECE A.E.	Related party	30.06.2020	4,270.18	-
		30.06.2019	2,088.15	-
PCDC S.A.	Related party	30.06.2020	18,005.77	1,599.60
		30.06.2019	17,749.47	-
COSCO SHIPPING DEVELOPMENT CO. LTD	Related party	30.06.2020	35,220.00	-
		30.06.2019	-	-
COSCO (Shanghai) SHIPYARD Co LTD	Related party	30.06.2020	-	-
		30.06.2019	-	(145,000.00)
COSCO SHIPPING TECHNOLOGY Co LTD	Related party	30.06.2020	-	36,741.71
		30.06.2019	-	37,099.25
COSCO (HONG KONG) INSURANCE BROKERS L.T.D.	Related party	30.06.2020	-	285,247.72
		30.06.2019	-	124,457.62
COSCO SHIPPING AIR FREIGHT CO	Related party	30.06.2020	-	-
		30.06.2019	-	5,295.97
		<b>30.06.2020</b>	<b>34,476,386.17</b>	<b>324,375.63</b>
		<b>30.06.2019</b>	<b>31,844,750.20</b>	<b>21,852.84</b>

  

Related party	Relation with the Company	Year/Period ended	Amounts due from related parties	Amounts due to related parties
PIRAEUS CONTAINER TERMINAL S.A.	Related Party	30.06.2020	5,044,497.30	6,026.54
		31.12.2019	1,297,155.32	6,026.54
COSCO SHIPPING LINES GREECE S.A.	Related Party	30.06.2020	-	11,117.26
		31.12.2019	62,593.95	45,105.00
PCDC S.A.	Related Party	30.06.2020	273.06	-
		31.12.2019	541.33	-
COSCO (HONG KONG) INSURANCE BROKERS L.T.D.	Related Party	30.06.2020	127,281.29	-
		31.12.2019	-	-
COSCO SHIPPING DEVELOPMENT CO. LTD	Related Party	30.06.2020	-	4,554.13
		31.12.2019	87,328.44	-
		<b>30.06.2020</b>	<b>5,172,051.65</b>	<b>21,697.93</b>
		<b>31.12.2019</b>	<b>1,447,619.04</b>	<b>51,131.54</b>

The revenues of € 32,262,644.07 from Piraeus Container Terminal S.A. (PCT S.A.) are related to the fixed and variable revenue from the concession agreement (PIER II & III) and revenues of € 2,156,246.15 related to mooring and loading/uploading. In addition, the Company has received from PCT S.A. letters of guarantee regarding the concession contract, the upgrade of pier II and the construction of pier III (Note 19). Finally, PPA in April 2020, signed a contract about the provision of project management services with PCT S.A. for the business operation of Pier I of PPA S.A.

The transaction with COSCO SHIPPING DEVELOPMENT CO. LTD relates to its ship repair service.

The transaction with COSCO SHIPPING TECHNOLOGY Co. LTD relates to software support costs.

The transaction with COSCO (HONG KONG) INSURANCE BROKERS L.T.D. of the current and the previous period relates to the insurance coverage of PPA S.A. regarding third party liability, employer's liability, property and business interruption and directors and officers liability for the period from 1.11.2019-31.10.2020 and 1.11.2018-31.10.2019 respectively, according to article 17 of the Concession Agreement (Law 4404/2016).

The transaction with the company COSCO (Shanghai) SHIPYARD Co LTD of the previous period concerns a credit invoice issued to PPA S.A. from the purchase of a floating dock.

**Board of Directors Members Remuneration:** For the period ended on June 30, 2020, remuneration and attendance costs, amounting to € 445,336.12 (June 30, 2019: € 331,246.11) were paid to the Board of Directors' members. Furthermore, during the period ended June 30, 2020 emoluments of € 271,382.21 (June 30, 2019: € 291,448.20) were paid to Managers/Directors for services rendered.

The Extraordinary General Meeting of the Company's shareholders on September 23, 2019 approved the long-term incentive bonus plan, which concerns cash settlement of a certain number of Units. Beneficiaries of the program are members of the Board of Directors, senior executives and other key management and business executives who have a significant influence on the performance and uninterrupted operation of the Company.

The total number of Units of the Program is six hundred and sixty six thousand (666,000). The Board of Directors of the Company at the meeting of October 25, 2019 named the beneficiaries of the Program, to whom 498,200 units will be distributed.

The amount payable to the beneficiaries is determined by the increase in the share price from the grant date (8/10/2019: € 22.53) and the redemption date. In addition, the redemption of the Units depends on the achievement of predetermined performance criteria of the Company and the Beneficiaries.

The fair value of the long-term incentive bonus plan as of December 31, 2019 was determined using the Binomial model.

The valuation of the liability amounted to € 600,000.00 and is included in other long-term liabilities. As of June 30, 2020, no unit of the program has been vested by the beneficiaries.

## **G. GOING CONCERN DISCLOSURE:**

The Company, for the preparation of the Interim Condensed Financial Information of June 30, 2020, has adopted the going concern basis. For the application of this principle, the Company took into account the current financial developments as well as the risks arising from the financial environment and made estimates for the shaping, in the near future, of the trends and the economic environment in which it operates. The main factors that can affect the implementation of this principle are mainly related to the economic environment in Greece and internationally, tourism and the consequences of the pandemic (COVID-19) in the Greek economy and internationally.

As part of the consideration of whether to adopt the going concern basis in preparing the Interim Condensed Financial Information, management reviewed a range of scenarios and forecasts. The assumptions have been modelled on the estimated potential impact and plausible negative scenarios, along with the Company's proposed responses as a result of the COVID-19 pandemic. The Company's strong balance sheet and liquidity position, its operation in several segments, the strong and dynamic management and the experienced human resources as well as the optimistic indications after the lifting of the lockdown that was imposed, will allow the Company to successfully overcome this period of uncertainty.

Accordingly, and having reassessed the principal risks, the Directors continue to adopt the going concern basis of accounting in preparing the Interim Condensed Financial Statements and have not identified any material uncertainties to the Company's ability to continue trading as a going concern over a period of at least 12 months from the date of approval of these condensed consolidated interim financial statements.

Piraeus, September 29, 2020

THE CHAIRMAN OF BoD

YU Zeng Gang



[Translation from the original text in Greek]

## **Report on Review of Interim Financial Information**

**To the Board of directors of Piraeus Port Authority S.A.**

### **Introduction**

We have reviewed the accompanying condensed statement of financial position of Piraeus Port Authority S.A. (the "Company"), as of 30 June 2020 and the related condensed statements of comprehensive income, changes in equity and cash flow statements for the six-month period then ended, and the selected explanatory notes that comprise the interim condensed financial information and which form an integral part of the six-month financial report as required by L.3556/2007.

Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Financial Reporting Standards as they have been adopted by the European Union and applied to interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

### **Scope of Review**

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

### **Conclusion**

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

### **Report on other legal and regulatory requirements**

Our review has not revealed any material inconsistency or misstatement in the statements of the members of the Board of Directors and the information of the six-month Board of Directors Report, as defined in articles 5 and 5a of Law 3556/2007, in relation to the accompanying condensed interim financial information.



Pricewaterhouse Coopers S.A  
268 Kifissias Avenue  
152 32 Halandri  
SOEL Reg. No. 113

Athens, 29 September 2020  
The Certified Auditor

Despina Marinou  
SOEL Reg. No. 17681

**STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED JUNE 30, 2020**

	<u>Notes</u>	<u>01.01-30.6.2020</u>	<u>01.01-30.6.2019</u>
Revenue	<b>21</b>	66,502,522.80	70,578,809.83
Cost of sales	<b>22</b>	(36,592,112.36)	(36,543,944.48)
<b>Gross profit</b>		<b>29,910,410.44</b>	<b>34,034,865.35</b>
Administrative expenses	<b>22</b>	(8,251,956.55)	(12,855,080.08)
Net impairment losses on financial assets	<b>9</b>	(413,729.85)	(300,000.00)
Other operating expenses	<b>23</b>	(964,593.44)	(622,359.74)
Other operating income	<b>23</b>	2,012,658.18	2,907,917.43
Financial income	<b>24</b>	249,761.45	428,586.91
Financial expenses	<b>24</b>	(1,696,668.03)	(1,721,115.60)
<b>Profit before income taxes</b>		<b>20,845,882.20</b>	<b>21,872,814.27</b>
Income taxes	<b>7</b>	(5,324,249.45)	(5,998,141.00)
<b>Net profit after taxes (A)</b>		<b>15,521,632.75</b>	<b>15,874,673.27</b>
<b>Net other comprehensive income not to be reclassified in profit or loss in subsequent period:</b>			
Actuarial losses		-	(1,438.90)
Income taxes	<b>7</b>	-	374.11
<b>Other total comprehensive income after tax (B)</b>		<b>-</b>	<b>(1,064.79)</b>
<b>Total comprehensive income after tax (A)+(B)</b>		<b>15,521,632.75</b>	<b>15,873,608.48</b>
<b>Profit per share (Basic and diluted)</b>	<b>27</b>	<b>0.6209</b>	<b>0.6350</b>
Weighted Average Number of Shares (Basic)	<b>27</b>	25,000,000	25,000,000
Weighted Average Number of Shares (Diluted)	<b>27</b>	25,000,000	25,000,000

**The accompanying notes are an integral part of the Interim Condensed Financial Information**

**STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2020**

	<u>Notes</u>	<u>30.6.2020</u>	<u>31.12.2019</u>
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, Plant and Equipment	<b>4</b>	267,756,821.22	274,323,383.77
Right-of-use assets	<b>5</b>	62,160,831.15	62,984,475.38
Investment property		734,338.38	734,338.38
Intangible assets		543,748.18	665,112.76
Other non-current assets	<b>6</b>	1,909,101.36	1,909,693.36
Deferred tax assets	<b>7</b>	9,648,297.41	9,956,955.39
<b>Total non current assets</b>		<b>342,753,137.70</b>	<b>350,573,959.04</b>
<b>Current assets</b>			
Inventories	<b>8</b>	2,950,040.19	3,195,219.72
Trade Receivables and other receivables	<b>9</b>	19,950,614.08	11,781,648.31
Restricted cash	<b>10</b>	213,267.48	213,267.48
Cash and cash equivalents	<b>10</b>	113,109,562.56	106,730,436.86
<b>Total Current Assets</b>		<b>136,223,484.31</b>	<b>121,920,572.37</b>
<b>TOTAL ASSETS</b>		<b>478,976,622.01</b>	<b>472,494,531.41</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	<b>11</b>	50,000,000.00	50,000,000.00
Other reserves	<b>12</b>	81,062,544.70	81,062,544.70
Retained earnings		117,912,372.39	102,390,739.64
<b>Total equity</b>		<b>248,974,917.09</b>	<b>233,453,284.34</b>
<b>Non-current liabilities</b>			
Long-term borrowings	<b>16</b>	47,499,999.99	50,499,999.99
Lease liabilities	<b>5</b>	64,088,553.65	66,263,864.40
Government grants	<b>13</b>	20,900,492.09	16,185,136.25
Reserve for staff retirement indemnities	<b>14</b>	13,086,416.00	12,869,348.79
Provisions	<b>15</b>	15,931,936.91	18,400,468.08
Other non-current liabilities	<b>29</b>	600,000.00	600,000.00
Deferred income	<b>19</b>	35,789,407.61	36,313,356.89
<b>Total Non-Current Liabilities</b>		<b>197,896,806.25</b>	<b>201,132,174.40</b>
<b>Current Liabilities</b>			
Trade accounts payable		2,896,023.50	7,129,038.48
Short term of long term borrowings	<b>16</b>	6,000,000.00	6,000,000.00
Lease liabilities	<b>5</b>	1,196,450.73	1,143,207.76
Income tax		4,922,143.83	-
Accrued and other current liabilities	<b>18</b>	17,090,280.61	23,636,826.43
<b>Total Current Liabilities</b>		<b>32,104,898.67</b>	<b>37,909,072.67</b>
<b>Total liabilities</b>		<b>230,001,704.92</b>	<b>239,041,247.07</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>478,976,622.01</b>	<b>472,494,531.41</b>

The accompanying notes are an integral part of the Interim Condensed Financial Information

**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED JUNE 30, 2020**

	<b>Notes</b>	<b>Share capital (Note 11)</b>	<b>Statutory reserve (Note 12)</b>	<b>Other reserves (Note 12)</b>	<b>Retained earnings</b>	<b>Total</b>
<b>Total Equity at January 1, 2019</b>		<b>50,000,000.00</b>	<b>11,003,190.12</b>	<b>68,287,029.53</b>	<b>79,655,334.51</b>	<b>208,945,554.16</b>
Net profit after taxes		-	-	-	15,874,673.27	15,874,673.27
Total comprehensive income after income taxes of the period		-	-	-	(1,064.79)	(1,064.79)
<b>Total comprehensive income after income taxes</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>15,873,608.48</b>	<b>15,873,608.48</b>
Dividends 2018	<b>17</b>	-	-	-	(10,600,000.00)	(10,600,000.00)
<b>Total Equity at June 30, 2019</b>		<b>50,000,000.00</b>	<b>11,003,190.12</b>	<b>68,287,029.53</b>	<b>84,928,942.98</b>	<b>214,219,162.64</b>
<b>Total Equity at January 1, 2020</b>		<b>50,000,000.00</b>	<b>12,775,515.17</b>	<b>68,287,029.53</b>	<b>102,390,739.64</b>	<b>233,453,284.34</b>
Profit after income taxes		-	-	-	15,521,632.75	15,521,632.75
Other comprehensive loss after income taxes		-	-	-	-	-
<b>Total comprehensive income after income taxes</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>15,521,632.75</b>	<b>15,521,632.75</b>
<b>Total Equity at June 30, 2020</b>		<b>50,000,000.00</b>	<b>12,775,515.17</b>	<b>68,287,029.53</b>	<b>117,912,372.39</b>	<b>248,974,917.09</b>

The accompanying notes are an integral part of the Interim Condensed Financial Information

**CASH FLOW STATEMENT FOR THE PERIOD ENDED JUNE 30, 2020**

	<u>Notes</u>	<u>01.01-30.06.2020</u>	<u>01.01-30.06.2019</u>
<b>Cash flows from Operating Activities</b>			
Profit before income taxes		20,845,882.20	21,872,814.27
Adjustments for:			
Depreciation and amortisation	<b>25</b>	8,205,628.24	7,950,655.64
Amortisation of subsidies	<b>25</b>	(432,362.52)	(432,362.47)
Depreciation right-of-use assets	<b>25</b>	1,030,434.78	1,014,042.33
Finance cost for lease liabilities	<b>24</b>	1,230,521.07	1,216,151.01
Gain on disposal of property, plant & equipment	<b>23</b>	116,163.73	-
Financial expenses, net	<b>24</b>	216,385.51	76,377.68
Provision for staff retirement indemnities	<b>14</b>	367,067.21	386,975.10
Other Provisions		(2,054,801.32)	2,214,382.80
		<b>29,524,918.90</b>	<b>34,299,036.36</b>
<b>Operating profit before working capital changes</b>			
<b>(Increase)/Decrease in:</b>			
Inventories		245,179.53	(313,494.74)
Trade and other receivables		(2,760,526.60)	(5,971,448.27)
Other long term assets		592.00	252,546.84
<b>Increase/(Decrease) in:</b>			
Trade accounts payable		(2,084,775.97)	(183,893.35)
Accrued and other current liabilities		(6,769,365.30)	(11,607,029.35)
Deferred income		(523,949.28)	(300,069.89)
Interest paid		(176,710.25)	(176,767.11)
Payments for staff leaving indemnities	<b>14</b>	(150,000.00)	(605,793.23)
Interest on debtors late payments	<b>24</b>	17,875.34	41,908.73
		<b>17,323,238.37</b>	<b>15,434,995.99</b>
<b>Net cash from Operating Activities</b>			
<b>Cash flow from Investing activities</b>			
Grants received	<b>13</b>	5,147,718.36	-
Proceeds from the sale of property, plant and equipment		50.00	-
Capital expenditure for property, plant and equipment		(3,545,867.00)	(4,684,358.57)
Advances for capital expenditure for property, plant and equipment		(5,487,743.36)	-
Interest and related income received		19,345.63	386,678.18
		<b>(3,866,496.37)</b>	<b>(4,297,680.39)</b>
<b>Net cash used in Investing Activities</b>			
<b>Cash flows from Financing Activities</b>			
Net change in long-term borrowings		(3,000,000.00)	(3,000,000.00)
Interest paid		(518,864.63)	(500,485.39)
Lease payments	<b>5</b>	(3,558,751.67)	(40,674.61)
		<b>(7,077,616.30)</b>	<b>(3,541,160.00)</b>
<b>Net cash used in Financing Activities</b>			
<b>Net increase in cash and cash equivalents</b>		<b>6,379,125.70</b>	<b>7,596,155.60</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>106,730,436.86</b>	<b>80,937,181.40</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>113,109,562.56</b>	<b>88,533,337.00</b>

The accompanying notes are an integral part of the Interim Condensed Financial Information

**NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED JUNE 30, 2020**

**1. ESTABLISHMENT AND ACTIVITY OF THE COMPANY**

“Piraeus Port Authority S.A” (from now on “PPA S.A.” or “Company”) was established in 1930 as Civil Law Legal Corporation (C.L.L.C.) by Law 4748/1930, which was revised by L.1559/1950 and was ratified by L.1630/1951 and converted into a Société Anonyme (S.A.) by Law 2688/1999. The Company is located at Municipality of Piraeus, at 10 Akti Miaouli street.

The Company’s main objective based on its articles of incorporation is to perform its obligations, conduct its activities and exercise its faculties under or in respect of the concession agreement between the Company and the Hellenic Republic dated 13 February 2002 regarding the use and exploitation of certain areas and assets within the Port of Piraeus, as amended and in force.

The Company may, by way of an illustrative but no means exhaustive list, conduct and be engaged in the following activities:

- to use all rights assigned to the Company pursuant to the Concession Agreement and maintain, utilize and exploit all concession assets in accordance with the Concession Agreement;
- provide services and facilities to vessels, cargo and passengers, including ship berthing and cargo and passenger handling to and from the port;
- install, organize and exploit all kinds of port infrastructure;
- undertake any activities related to the port and all other commercial activities associated with or reasonably incidental to the operation of the port of Piraeus;
- engage third parties to provide any kind of port services;
- award contracts for works;
- engage in such further activities as are prudent or customary for the proper conduct of its business and operations in accordance with the Concession Agreement; and
- engage in any and all activities, transactions or operations of a type that are generally conducted by commercial corporations.

The main activities of the Company are anchoring services of vessels, handling cargo, loading and unloading services as well as goods storage and car transportation. The Company is also responsible for the maintenance of port facilities, the supply of port services (water, electricity, telephone connection etc. supply), for services provided to travelers (coastal and cruise ships) and for renting space to third parties.

The Company is governed by the principles of L. 4548/2018 as replaced the Company Law 2190/1920 and the founding Law 2688/1999, as amended by Law 2881/2001 and Law 4404/2016.

The duration period of the Company is one hundred (100) years from the effective date of Law 2688/1999. This period may be extended by special resolution of the shareholders general meeting.

The Company is a subsidiary of COSCO SHIPPING (Hong Kong) Limited which controls 51.00% of the voting rights, with date of transfer of such rights on 10 August 2016. COSCO SHIPPING (Hong Kong) Limited is 100% held by China Ocean Shipping (Group) Company, which is 100% held by China COSCO SHIPPING Corporation Limited, a Chinese state-owned company. As a result, China COSCO SHIPPING Corporation Limited, by indirectly holding 100% of COSCO SHIPPING (Hong Kong) Limited, indirectly holds 51% of the voting rights in PPA.

The Company’s number of employees as at June 30, 2020 amounted to 1,002. At December 31, 2019, the respective number of employees was 998.

## **2. BASIS OF PREPARATION OF FINANCIAL INFORMATION**

### **(a) Basis of Preparation of Financial information:**

The accompanying interim condensed financial information that refer to the period ended on June 30, 2020, have been prepared in accordance with the International Accounting Standard (IAS) 34 “Interim Financial Reporting”.

The Company, for the preparation of the Interim Condensed Financial Information of June 30, 2020, has adopted the going concern basis.

The accompanying interim condensed financial information do not include all the information required in the annual financial information and therefore should be examined in combination with the published annual financial information for the year ended 2019, which are available on the internet in the address [www.olp.gr](http://www.olp.gr).

### **(b) Approval of Financial information:**

The Board of Directors of Piraeus Port Authority S.A. approved the six-month financial report for the period ended at June 30, 2020, on September 29, 2020.

### **(c) Significant Accounting Judgments and Estimates:**

The Company makes estimates and judgments in order to select the most appropriate accounting principles in relation to future developments and transactions. Estimates and judgments adopted in the preparation of the interim condensed financial information are consistent with those followed in the preparation of the annual financial statements for the year ended December 31, 2019, adjusted, where appropriate, by the impact of the COVID-19 pandemic.

Specifically, in 2019, Company's management having assessed the segment report identified indications of impairment for the container terminal and has used discounted cash flows to calculate the value in use. The value in use was higher than the carrying amount and consequently, no impairment loss was recognized. The impact of COVID-19 on specific segments of activity (Note 20) as well as the deterioration of the macroeconomic environment, led the Company to proceed with an interim assessment of impairment of the recoverable amount for the sectors of activity that were significantly affected and recorded losses due to COVID-19 pandemic impact and deteriorating macroeconomic conditions.

In relation with the container segment, the recoverable amount of the sector was determined by the value in use which was calculated based on adjusted discounted cash flows and revised business plans of the sector. The pre-tax interest rate used to discount the projected cash flows is 7.50% (31.12.2019: 7.00%). Sensitivity analysis was performed on the positive or negative change in the discount rate and revenues by 0.25% and 0.50% respectively. Based on the results, the present value exceeds the carrying amount of the tangible assets of the container terminal and therefore at 30 June 2020, no impairment was recorded.

Regarding the cruise sector, which was most affected by the impact of COVID-19, the recoverable amount was determined by the value in use, which was calculated based on discounted cash flows and revised business plans for the sector. The pre-tax interest rate used to discount the projected cash flows is 7.50%. Sensitivity analysis was performed on the positive or negative change in the discount rate and income by 0.25% and 0.50% respectively. Based on the results, the present value exceeds the carrying amount of tangible fixed assets of the cruise segment and therefore at 30 June 2020, no impairment was recorded.

In addition, the Company has included disclosures about the impact of the COVID-19 pandemic have been included in the notes:

- Trade and other receivables (Note 9)
- Revenue (Note 21)
- Other operating income (Note 23)

### 3. PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed financial information, are consistent with those used in the preparation of the annual financial statements of the Company for the year ended December 31, 2019, except for the adoption of new standards and interpretations applicable for fiscal periods beginning at January 1, 2020.

***New standards, amendments to standards and interpretations:*** Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after January 1, 2020. The Company's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

#### **Standards and Interpretations effective for the current financial year**

##### **IAS 1 and IAS 8 (Amendments) 'Definition of material'**

The amendments clarify the definition of material and how it should be applied by including in the definition guidance which until now was featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRSs.

##### **IFRS 9, IAS 39 and IFRS 7 (Amendments) 'Interest rate benchmark reform'**

The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

#### **Standards and Interpretations effective for subsequent periods**

**IFRS 16 (Amendment) 'Covid-19-Related Rent Concessions'** (effective for annual periods beginning on or after 1 June 2020). The amendment provides lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for rent concessions in the same way as they would for changes which are not considered lease modifications. The amendment has not yet been endorsed by the EU.

**IFRS 4 (Amendment) 'Extension of the Temporary Exemption from Applying IFRS 9'** (effective for annual periods beginning on or after 1 January 2021). The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 'Insurance Contracts' from applying IFRS 9 'Financial Instruments', so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023. The amendment has not yet been endorsed by the EU.

**IAS 16 (Amendment) 'Property, Plant and Equipment – Proceeds before Intended Use'** (effective for annual periods beginning on or after 1 January 2022). The amendment prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also requires entities to separately disclose the amounts of proceeds and costs relating to such items produced that are not an output of the entity's ordinary activities. The amendment has not yet been endorsed by the EU.

**IAS 37 (Amendment) 'Onerous Contracts – Cost of Fulfilling a Contract'** (effective for annual periods beginning on or after 1 January 2022). The amendment clarifies that 'costs to fulfil a contract' comprise the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. The amendment also clarifies that, before a separate provision for an onerous contract is established, an entity recognises any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract. The amendment has not yet been endorsed by the EU.

**IAS 1 (Amendment) 'Classification of liabilities as current or non-current'** (effective for annual periods beginning on or after 1 January 2023). The amendment clarifies that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. The amendment has not yet been endorsed by the EU.

**Annual Improvements to IFRS Standards 2018–2020** (effective for annual periods beginning on or after 1 January 2022)

The amendments set out below include changes to two IFRSs. The amendments have not yet been endorsed by the EU.

*IFRS 9 'Financial instruments'*

The amendment addresses which fees should be included in the 10% test for derecognition of financial liabilities. Costs or fees could be paid to either third parties or the lender. Under the amendment, costs or fees paid to third parties will not be included in the 10% test.

*IFRS 16 'Leases'*

The amendment removed the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 of the standard in order to remove any potential confusion about the treatment of lease incentives.

The Company's Management is in the process of assessing the impact of the standards or the modification of the standards on its financial position or performance.

**4. PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment are analysed as follows:

	Buildings	Machinery & equipment	Motor vehicles and floating docks	Furniture, fixtures and fittings	Advances & Assets under construction	Total
<b><u>COST</u></b>						
Balance January 1, 2019	255,035,209.59	158,411,076.37	42,203,611.72	8,460,036.79	4,624,839.23	468,734,773.70
Additions	405,590.25	868,792.55	2,451,570.60	392,783.89	4,794,685.47	8,913,422.76
Disposals/ write off	-	-	-	(2,074.00)	-	(2,074.00)
	959,363.54	594.72		858,457.73	(1,818,415.99)	-
Transfers	-	-	-	-	(309,863.37)	(309,863.37)
<b>Balance December 31, 2019</b>	<b>256,400,163.38</b>	<b>159,280,463.64</b>	<b>44,655,182.32</b>	<b>9,709,204.41</b>	<b>7,291,245.34</b>	<b>477,336,259.09</b>
Additions	40,432.30	256,351.95	-	96,800.86	1,238,352.73	1,631,937.84
Disposals/ write off	-	(484,225.97)	-	-	-	(484,225.97)
Transfers	139,400.00	-	-	29,500.00	(168,900.00)	-
<b>Balance June 30, 2020</b>	<b>256,579,995.68</b>	<b>159,052,589.62</b>	<b>44,655,182.32</b>	<b>9,835,505.27</b>	<b>8,360,698.07</b>	<b>478,483,970.96</b>
<b><u>DEPRECIATION</u></b>						
Depreciation January 1, 2019	(80,929,663.62)	(91,129,356.08)	(8,782,988.78)	(6,223,307.15)	-	(187,065,315.63)
Depreciation	(7,859,338.37)	(6,208,886.59)	(1,380,968.82)	(500,422.73)	-	(15,949,616.51)
Disposals	-	-	-	2,056.82	-	2,056.82
<b>Depreciation December 31, 2019</b>	<b>(88,789,001.99)</b>	<b>(97,338,242.67)</b>	<b>(10,163,957.60)</b>	<b>(6,721,673.06)</b>	<b>-</b>	<b>(203,012,875.32)</b>
	(3,944,698.13)	(3,099,499.17)	(748,151.67)	(289,937.69)	-	(8,082,286.66)
Disposals / write off	-	368,012.24	-	-	-	368,012.24
<b>Depreciation June 30, 2020</b>	<b>(92,733,700.12)</b>	<b>(100,069,729.60)</b>	<b>(10,912,109.27)</b>	<b>(7,011,610.75)</b>	<b>-</b>	<b>(210,727,149.74)</b>
<b><u>NET BOOK VALUE</u></b>						
January 1, 2019	174,105,545.97	67,281,720.29	33,420,622.94	2,236,729.64	4,624,839.23	281,669,458.07
December 31, 2019	167,611,161.39	61,942,220.97	34,491,224.72	2,987,531.35	7,291,245.34	274,323,383.77
June 30, 2020	163,846,295.56	58,982,860.02	33,743,073.05	2,823,894.52	8,360,698.07	267,756,821.22

During the period ended June 30, 2020, the total investments of the Company's property, plant and equipment amounted to € 1,631,937.84 and related mainly to the improvement of port infrastructure under construction and purchase of machinery and equipment (at 01.01-30.06.2019 amounted to € 3,012,651.47). In the current period, the Company has made payments of € 3,545,867.00 to suppliers related to investments in tangible and intangible fixed assets (30.06.2019: € 4,684,358.57).

There is no property, plant and equipment that have been pledged as security.

**5. RIGHT OF USE ASSETS – LEASE LIABILITIES**

The recognised right-of-use assets and lease liabilities as at June 30, 2020 and December 31, 2019 are analysed as follows:

	<u>30.06.2020</u>	<u>31.12.2019</u>
<b>Right-of-use assets</b>		
Concession Agreement with Greek State	61,758,820.43	62,735,244.48
Motor vehicles	402,010.72	249,230.90
	<b><u>62,160,831.15</u></b>	<b><u>62,984,475.38</u></b>
	<u>30.06.2020</u>	<u>31.12.2019</u>
<b>Lease-liabilities</b>		
Current	1,196,450.73	1,143,207.76
Non-current	64,088,553.65	66,263,864.40
	<b><u>65,285,004.38</u></b>	<b><u>67,407,072.16</u></b>

The amounts recognized in the statement of comprehensive income and the movement of the right of use of assets and the lease liability from January 1, 2020 to June 30, 2020 are analysed as follows:

	<b>Right-of-use assets</b>			<b>Lease liability</b>
	<b>Concession Agreement with</b>	<b>Motor vehicles</b>	<b>Total</b>	
<b>Balance 1.1.2020</b>	<b><u>62,735,244.48</u></b>	<b><u>249,230.90</u></b>	<b><u>62,984,475.38</u></b>	<b><u>67,407,072.16</u></b>
Additions	-	261,038.55	261,038.55	261,038.55
Cancellation / modification of contracts	-	(54,248.00)	(54,248.00)	(54,875.73)
Depreciation (Note 25)	(976,424.04)	(54,010.74)	(1,030,434.78)	-
Finance cost (Note 24)	-	-	-	1,230,521.07
Payments	-	-	-	(3,558,751.67)
<b>Balance 30.06.2020</b>	<b><u>61,758,820.44</u></b>	<b><u>402,010.71</u></b>	<b><u>62,160,831.15</u></b>	<b><u>65,285,004.38</u></b>

Lease expense for leases with duration less than 12 months for the period ended June 30, 2020 amounted to € 110,500.51.

The amounts recognized in the statement of comprehensive income and the movement of the right of use of assets and the lease liability from January 1, 2019 to June 30, 2019 are analysed as follows:

	<b>Right-of-use assets</b>			<b>Lease liability</b>
	<b>Concession Agreement with Greek State</b>	<b>Motor vehicles</b>	<b>Total</b>	
<b>Balance 1.1.2019</b>	<b><u>64,688,092.55</u></b>	<b><u>224,371.58</u></b>	<b><u>64,912,464.13</u></b>	<b><u>64,912,464.13</u></b>
Additions	-	21,253.95	21,253.95	21,253.95
Depreciation (Note 25)	(976,424.04)	(37,618.29)	(1,014,042.33)	-
Finance cost (Note 24)	-	-	-	1,216,151.01
Payments	-	-	-	(40,674.61)
<b>Balance 30.06.2019</b>	<b><u>63,711,668.51</u></b>	<b><u>208,007.24</u></b>	<b><u>63,919,675.75</u></b>	<b><u>66,109,194.48</u></b>

**6. OTHER NON-CURRENT ASSETS**

This account consists of the following:

	<u>30/6/2020</u>	<u>31/12/2019</u>
Guarantees to third parties	323,407.75	325,687.75
Car leases guarantees	68,797.00	67,109.00
Receivable from project contractor of Pier I	1,685,440.67	1,685,440.67
<b>Less:</b> Allowance for project contractor of Pier I	<u>(168,544.06)</u>	<u>(168,544.06)</u>
<b>Total</b>	<u><b>1,909,101.36</b></u>	<u><b>1,909,693.36</b></u>

The movement of the allowance for project contractor of Pier I is analyzed as follows:

	<u>30/6/2020</u>	<u>30/6/2019</u>
<b>Beginning balance</b>	<b>168,544.06</b>	<b>257,854.39</b>
Provision reversal	-	(31,896.48)
<b>Ending balance</b>	<u><b>168,544.06</b></u>	<u><b>225,957.91</b></u>

**Receivables from project contractor of Pier I:** This claim represents the difference found in incorrect data application on some review rates of the Ministry (IPEXODE) and was recognized by the project contractor of Pier I. On March 9, 2012 the Company and the project contractor of Pier I co-signed an "extrajudicial agreement of debt acknowledgment", under which the requirement from the later will be paid in seven (7) instalments up to December 31, 2012. Then on September 24, 2012, the request of the contractor of the project "Pier I" was partially approved and the debt settled in fourteen (14) monthly instalments starting from September 30, 2012 onwards until October 31, 2013.

Due to non-compliance of settlement, PPA held in October 2013 in forfeiture contractor's guarantee letters for accrued interest of € 1.5 million and is expected to debate the re-settlement agreement instalments.

Furthermore, due to this non-compliance of settlement, the Company, through its Board of Directors, decided on the 24<sup>th</sup> of February 2014 to exercise any remedy and recourse to any procedure for the forced recovery of its claim.

**7. INCOME TAX (CURRENT AND DEFERRED)**

The income tax rate for legal entities for the year 2019 amounted to 28%. With article 22 of law 4646/2019, the income tax rate for legal entities for the fiscal year 2020 amounts to twenty-four percent (24%).

The amounts of income taxes are analysed as follows:

	<u>1/1-30/06/2020</u>	<u>1/1-30/06/2019</u>
Current income taxes	5,015,591.47	5,686,188.85
Deferred income taxes	308,657.98	311,952.15
<b>Total</b>	<u><b>5,324,249.45</b></u>	<u><b>5,998,141.00</b></u>
 <b><u>Other Comprehensive Income</u></b>		
Deferred income taxes	-	(374.11)
<b>Total</b>	<u><b>-</b></u>	<u><b>(374.11)</b></u>

Deferred taxes are defined as timing differences that exist in assets and liabilities between the accounting records and tax records (mainly provisions and differences in depreciation rates of fixed assets) and are calculated by applying the official tax rates.

The movement of deferred tax asset is analyzed as follows:

	<u>30/6/2020</u>	<u>30/6/2019</u>
<b>Opening balance</b>	<b>9,956,955.39</b>	<b>8,531,222.40</b>
Income taxes	(308,657.98)	(311,952.15)
Income taxes credit – Other		
Comprehensive Income	-	374.11
<b>Closing balance</b>	<b><u>9,648,297.41</u></b>	<b><u>8,219,644.36</u></b>

The tax audit for the financial years 2011 to 2018 was performed by the statutory auditors of the Company. The tax audit for 2019 financial year is in progress by the Company's statutory auditors. The tax certificate will be granted after the publication of the interim financial information.

The deferred tax asset balance has been built mainly in previous years (before 2016) when the Company was operating under specific legislation Law 1559/1950 and Law 2688/1999. According to these the Company believes that they have taken the ultimate possible measure for collecting a long outstanding receivable balance which is to assign those balances to tax department for collection. For such balances of € 25 million for which the company has recorded € 4.8 million deferred tax asset the Company intends to utilize this deferred asset when they will write off these balances in the future. That intention was declared in a notice letter to the Ministry of Finance but no response has been received yet. A response is critical for any future action to be determined by the Company.

## 8. INVENTORIES

The balance of inventories is analysed as follows:

	<u>30/6/2020</u>	<u>31/12/2019</u>
Consumable materials	445,540.36	500,793.04
Spare parts and equipment	2,504,499.83	2,694,426.68
<b>Total</b>	<b><u>2,950,040.19</u></b>	<b><u>3,195,219.72</u></b>

The total cost of inventory consumption for the period ended June 30, 2020 amounted to € 1,037,058.40 while that of the respective period ended June 30, 2019 amounted to € 1,075,428.56 (Note 22). There was no inventory devaluation to their net realizable value.

**9. TRADE AND OTHER RECEIVABLES**

This is analysed as follows:

	<u>30/6/2020</u>	<u>31/12/2019</u>
Trade Debtors	52,967,309.84	49,075,313.08
Minus: Provision for doubtful debts	(40,528,042.05)	(40,114,312.20)
<b>Total trade receivables</b>	<b>12,439,267.79</b>	<b>8,961,000.88</b>
Personnel loans	308,287.28	338,984.83
Prepaid Expenses	577,820.63	366,832.56
Income tax advance	-	799,514.54
Advances to suppliers	6,715,645.47	1,420,353.68
Other receivable	2,113,636.45	2,099,005.36
Minus: Provision for other receivables and advances to suppliers	(2,204,043.54)	(2,204,043.54)
<b>Total other receivables</b>	<b>7,511,346.29</b>	<b>2,820,647.43</b>
<b>Total trade and other receivables</b>	<b>19,950,614.08</b>	<b>11,781,648.31</b>

Trade receivables are normally settled on 10 days' terms. One single customer represents 52% of the Company's total revenue (2019: 45%). The outstanding amount of this customer as at June 30, 2020 amounted to € 5,044,497.30 (2019: € 1,297,155.32) (Note 29).

For trade receivables and other receivables, the Company has calculated estimated credit losses (ECLs) based on lifetime expected credit losses. Taking into consideration that trade receivables are normally settled within 10 days from the issuance of the invoice, the risk of default and the expected loss rate of 0.5% has been determined by management whereas for all balances that are outstanding for more than 10 days, the Company has considered the risk of default, the days past due and the historical credit losses experienced adjusted to reflect current and forward-looking information per debtor to measure the expected credit losses for each individual trade receivable balance. In the current COVID-19 impacted environment, the Company is actively monitoring the recoverability of trade receivables and ensures that the loss allowance recorded reflects, on a timely basis management's best estimate of potential losses in compliance with IFRS 9.

The movement in the provision for doubtful accounts receivable is analyzed as follows:

	<u>30/6/2020</u>	<u>30/6/2019</u>
<b>Beginning balance</b>	<b>40,114,312.20</b>	<b>39,218,306.26</b>
Provision for the period	413,729.85	300,000.00
Provision used	-	(126,722.60)
<b>Ending balance</b>	<b>40,528,042.05</b>	<b>39,391,583.66</b>

The provision utilized for the previous period of € 126,722.60 relates to the write-off of a customer's debt based on a decision of the Board of Directors, for which a provision for doubtful debts had been made in a previous year.

The net impairment losses on financial assets are analysed as follows:

	<u>30/6/2020</u>	<u>30/6/2019</u>
<b>Impairment losses</b>		
-movement in loss allowance for trade receivables	413,729.85	300,000.00
<b>Net impairment losses on financial assets</b>	<b>413,729.85</b>	<b>300,000.00</b>

The Company receives payments in advance for services rendered on an ordinary basis. Customer payments in advance of € 4,511,981.11 are included in "Accrued and other current liabilities" (2019: € 4,701,372.39) (Note 18).

**Income tax advance:** As at December 31, 2019 the Company had an income tax advance receivable of € 799,514.54 and there was no income tax liability.

**Personnel loans:** The Company provides interest-free loans to its personnel. The loan amount per employee does not exceed approximately € 3,000.00 and loan repayments are made by withholding monthly instalments from the employee salaries.

**Advances to suppliers:** The significant increase in the advances to suppliers concerns an advance given within the current period to suppliers for the purchase of tangible fixed assets that mainly concerned the project "Cruise Terminal Expansion".

**Other receivable:** Other receivable includes the short term of the compulsory seizure of Piraeus municipality amounted to € 238,838.62 (2019: € 238,838.62), for which the Company's Legal Department estimates that will be received in 2020, as well as receivable from third parties and municipality of Drapetsona amounted to € 1,874,797.83 (2019: € 1,860,166.74).

## 10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are analyzed as follows:

	<u>30/6/2020</u>	<u>31/12/2019</u>
Cash in hand	48,480.00	89,334.36
Cash at banks and time deposits	113,061,082.56	106,641,102.50
<b>Total</b>	<b>113,109,562.56</b>	<b>106,730,436.86</b>
Restricted cash	213,267.48	213,267.48
<b>Total</b>	<b>113,322,830.04</b>	<b>106,943,704.34</b>

Cash at banks earns interest at floating rates based on monthly bank deposit rates. Interest earned on cash at banks and time deposits is accounted for on an accrual basis and for the period ended June 30, 2020, amounted to € 231,886.11 (for the period ended June 30, 2019, amounted to € 386,677.34) and is included in financial income in the statement of comprehensive income (Note 24).

Furthermore restricted cash of € 213,267.48 refers to compulsory seizure of Company's deposits, in favor of a municipality against which there are pending trials.

## 11. SHARE CAPITAL

The Company's share capital amounts to € 50,000,000.00, fully paid up and consists of 25,000,000 ordinary shares, of nominal value € 2.00 each. In the Company's share capital there are neither shares which do not represent Company's capital nor bond acquisition rights.

## 12. RESERVES

Reserves are analyzed as follows:

	<u>30/6/2020</u>	<u>31/12/2019</u>
Statutory reserve	12,775,515.17	12,775,515.17
Special tax free reserve L. 2881/2001	61,282,225.52	61,282,225.52
Specially taxed income reserve	728,128.36	728,128.36
Taxed reserve L. 4172/2013 art. 72	6,087,915.56	6,087,915.56
Taxed reserve based on general provisions	188,760.09	188,760.09
<b>Total</b>	<b><u>81,062,544.70</u></b>	<b><u>81,062,544.70</u></b>

**Statutory reserve:** Under the provisions of Greek corporate Law companies are obliged to transfer at least 5% of their annual net profit, as defined, to a statutory reserve, until the reserve equals the 1/3 of the issued share capital. The reserve is not available for distribution throughout the Company activity.

**Special tax free reserve Law 2881/2001:** This reserve was created during the PPA S.A. conversion to a Société Anonyme. The total Company net shareholder funds (Equity) was valued, by the article 9 Committee of the Codified Law 2190/1920, at € 111,282,225.52, € 50,000,000.00 out of which was decided by Law 2881/2001 to form the Company share capital and the remaining € 61,282,225.52 to form this special reserve.

**Untaxed or specially taxed income reserve:** This is interest income which was either not taxed or taxed by withholding 15% tax at source. In case these reserves are distributed, they are subject to tax on the general income tax provision basis. Based on Article 72 par.11 of Law 4172/2013 those reserves are subject (from 1 January 2014) to an independent taxation at a rate of 19%. On December 30th, 2014, the Company proceed to the taxation of those reserves which amounted to € 1,428,029.58. After the tax deduction the taxed reserves of Article 72 N.4172/2013 and the taxed reserve with the general provisions amounting to € 6,087,915.56 and € 188,760.09 respectively were created.

## 13. GOVERNMENT GRANTS

The movement of government grants is analyzed as follows:

	<u>30/6/2020</u>	<u>31/12/2019</u>
<b>Opening</b>	<b>28,094,773.09</b>	<b>28,094,773.09</b>
Grant received	5,147,718.36	-
<b>Closing</b>	<b>33,242,491.45</b>	<b>28,094,773.09</b>
Accumulated amortization	(12,341,999.36)	(11,909,636.84)
<b>Net Book Value</b>	<b><u>20,900,492.09</u></b>	<b><u>16,185,136.25</u></b>

Grants received up to December 31, 2011 relate to the requirements of the Olympic Games of 2004 (€ 11,400,000.00) and on the construction of infrastructure for the OSE S.A. port station (€ 3,700,000.00).

Also, a grant of € 3,653,518.80 has been received in 2012 and is divided in a) € 2,536,168.80, which relates to the widening of the quay Port Alon and b) € 1,117,350.00 for the construction of new dock at the area of Agios Nikolaos in the central port of Piraeus, under the operational program "Improvement of accessibility-energy" of the Attica region. Finally, a grant amounted to € 9,901,740.45 has been received in December 2013 and relates to the operational program "Support Accessibility" of the Ministry of Infrastructure, Transport and Network and in particular in two projects which have been completed.

According to a decision of Attica Region issued during 2018, it was decided to return the amount of € 13,735.39 for the correction of the subsidy for the project "Widening of the quay Port Alon".

Moreover, according to a decision of Attica Region issued during 2018, it was decided to return the amount of € 546,750.77 for the correction of the subsidy for the project "Construction of new dock of Ag. Nikolaos».

In March of the current period, a grant amount of € 5,147,718.36 was received from the Attica Regional Fund for the project "Expansion of the Passenger Port for the service of the cruise" construction of a new Pier on the south side of the central port, with a total approved amount of € 97,720,853.49 from the ATPIC WPP (NSRF 2013 - 2020) according to the decision A.Π.403 / 11-2-2020.

There are no other obligations regarding the received grants.

#### 14. RESERVE FOR STAFF RETIREMENT INDEMNITIES

The relevant provision movement for the period ended on June 30, 2020 and the financial year ended December 31, 2019 is as follows:

<b>Liability in Statement of Financial Position 1.1.2019</b>	<b><u>11,637,337.02</u></b>
Current cost of Employment	589,250.00
Cost of employment	1,344,994.00
Interest cost on liability	235,074.00
Loss from financial assumption change-OCI	476,129.00
Experience loss-OCI	(30,378.00)
Benefits paid	<u>(1,383,057.23)</u>
<b>Liability in Statement of Financial Position 31.12.2019</b>	<b><u>12,869,348.79</u></b>
Current cost of Employment	286,634.73
Interest cost on liability	80,432.48
Benefits paid	<u>(150,000.00)</u>
<b>Liability in Statement of Financial Position 30.06.2020</b>	<b><u>13,086,416.00</u></b>

The principal actuarial assumptions used are as follows:

	<u>30/06/2020</u>	<u>31/12/2019</u>
Discount Rate	1,25%	1,25%
Salaries increase	0,00%	0,00%
Average annual growth rate of long-term inflation	1,50%	1,50%

**15. PROVISIONS**

The Company has made provisions for various pending court cases as at June 30, 2020 amounting to € 15,931,936.91 (31.12.2019: € 18,400,468.08) for lawsuits from personnel and other third party.

The movement of the provision is as follows:

	<u>30/6/2020</u>	<u>30/6/2019</u>
<b>Opening balance</b>	<b>18,400,468.08</b>	<b>14,881,101.00</b>
Charge of the year (Note 22)	1,260,029.45	3,105,905.89
Provision used	(214,693.80)	(659,626.61)
Reversal of provision (Note 22)	(3,513,866.82)	(500,000.00)
<b>Closing balance</b>	<b><u>15,931,936.91</u></b>	<b><u>16,827,380.28</u></b>

The current's period provision relates to legal cases of employees and other third parties amounting to € 1,006,090.97 and € 253,938.48 respectively (31.12.2019: € 4,150,252.29 and € 1,342,890.26). The provision used relates to legal cases which have been finalised against the Company and a provision has been made in prior years. The current and prior year reversal of the provision relates to legal cases which have been reassessed by the Company's legal department based on current developments or finalized in favor of the Company.

**16. LONG AND SHORT-TERM BORROWINGS**
**a) Long-term borrowings**

The Long-term borrowings as at June 30, 2020 and December 31, 2019 respectively, are as follows:

	<u>30/6/2020</u>	<u>31.12.2019</u>
Total of Long term borrowings	53,499,999.99	56,499,999.99
Minus:		
Short term portion of Long term borrowings	<u>6,000,000.00</u>	<u>6,000,000.00</u>
<b>Long term portion</b>	<b><u>47,499,999.99</u></b>	<b><u>50,499,999.99</u></b>

Balance included in the following loans between the Company and the European Investment Bank:

**1. Loan of € 35,000,000.00 for the construction of Container Terminal Pier I, issued on 30/7/2008.**

The repayment of the loan will be in thirty (30) semi-annual installments, payable from December 15, 2013 up to and including June 15, 2028. As amended in October 2, 2017 the loan bears an annual interest rate, that is the sum of a variable interest rate and a margin of 0.25% which is payable quarterly.

From this contract there are obligations and restrictions for the Company, the most important of which are summarized as follows: (i) to submit the annual financial statements within 1 month of publication along with a Certificate of Compliance audited by a recognized firm of certified auditors, and (ii) to hold throughout the duration of the loan and until fully repaid, the following financial ratios, calculated on annual financial statements, audited by certified auditors, for each financial year:

1. EBITDA [Profit / (loss) before interest, taxes, depreciation and amortization] / Interest  $\geq$  3.00
2. Total net bank debt / EBITDA [Profit / (loss) before interest, tax, depreciation, amortization]  $\leq$  9.80
3. Total shareholders' equity  $\geq$  140 million

**2. Loan of € 55,000,000.00 for the construction of Container Terminal Pier I issued on the 10/02/2010.**

The repayment of the loan will be in thirty (30) semi-annual installments, payable from 15 June 2015 up to and including 15 December 2029. As amended in October 2, 2017 the loan bears an annual interest rate, that is the sum of a variable interest rate and a margin of 0.25% which is payable quarterly.

From this contract there are obligations and restrictions for the company, the most important of which are summarized as follows: (i) to submit the annual financial statements within 1 month of publication along with a Certificate of Compliance audited by a recognized firm of certified auditors, and (ii) to hold throughout the duration of the loan and until fully repaid, the following financial ratios, calculated on annual financial statements, audited by certified auditors, for each financial year:

1. EBITDA [Earnings before interest, taxes, depreciation and amortization] / Interest  $\geq$  3.00
2. Total net bank debt / EBITDA [Earnings before interest, taxes, depreciation, amortization]  $\leq$  9.80
3. Current assets / current liabilities  $\geq$  1.2
4. Total shareholders' equity  $\geq$  140 million.

On September 26, 2017 a Guarantee Issuance Facility Agreement was signed between the Company and the "Export Import Bank of China", in respect of the issuance of guarantees of an initial amount of € 75,074,999.99 to support the loans from the European Investment Bank outstanding debt. The amount of guarantee is variable and is based on an amortization table linked to the total outstanding balance of both loans agreements. The guarantee bears an issuance fee of zero point six per cent (0.6%) of the relevant maximum guarantee amount. This fee paid for the period ended June 30, 2020 amounted to € 229,436.71 (30.06.2019: € 228,809.83) and is included in financial expenses (Note 24).

For the period ended June 30, 2020 and 2019, total interest expense on long-term borrowings, amounted to € 59,883.42 and € 99,387.65 respectively and is also included in financial expenses (Note 24).

On November 8, 2019 a loan agreement of € 100,000,000.00 was signed between PPA S.A. and the European Investment Bank. The purpose of the loan is to invest in the expansion and upgrading of many areas of Piraeus Port, including the extension of the car terminal, improving the infrastructure of the ship repair zone, the development of a new logistics Port Center, the construction of a new cruise service facility, the acquisition of new container terminal equipment and the renovation-upgrading of other port and electromechanical installations. Guarantor of P.P.A. regarding the loan is the Export-Import Bank of China (based on contract 14/11/2019) and a letter of guarantee amounting to € 105,000,000.00 will be issued at the time the loan is drawn down.

From the agreement's sign off until June 30, 2020 the Company had not withdraw any amount, under this facility.

**b) Short-term borrowings:**

The Company has a credit line available for € 50,000,000.00 with National Bank of Greece valid until September 30, 2020. The credit line bears annual variable interest rates of Euribor, plus margin 2.9%. The Company has not utilised any amount under the overdraft agreement.

**17. DIVIDENDS**

The Annual General Meeting of the Company approved on June 28, 2019 the proposal of the Board of Directors for the distribution of a dividend for the year 2018 amounting to € 10,600,000.00 or € 0.4240 per share. The dividend is subject to withholding tax at the corresponding rate provided by income tax. The dividend for the year 2018 was paid on July 26, 2019.

**Dividend distribution proposal:** On February 20, 2020 the Board of Directors of the Company proposed the distribution of dividend for the year 2019 amounting to € 13,470,000.00 or € 0.5388 per share, which was approved by the General Meeting of the Company on July 17, 2020 ( Note 31).

**18. ACCRUED AND OTHER CURRENT LIABILITIES**

This account is analyzed as follows:

	<u>30/6/2020</u>	<u>31/12/2019</u>
Taxes payable (except Income taxes)	2,108,743.02	5,608,919.52
National insurance and other contribution	2,170,762.41	2,690,418.35
Salaries Payable	1,569,080.99	1,124,552.74
Concession Agreement Liability	648,031.33	1,912,902.56
Other creditors	717,449.69	3,827,276.09
Other Short Term Obligations	617,249.45	854,577.50
Regulatory Authority for Ports	672,857.23	466,562.41
Greek State committed dividends	804,000.00	804,000.00
Customers' payment in advance	4,511,981.11	4,701,372.39
Provision for employee's voluntary retirement incentives	351,000.00	45,000.00
Accrued expenses	2,919,125.38	1,601,244.87
<b>Total</b>	<b><u>17,090,280.61</u></b>	<b><u>23,636,826.43</u></b>

**Taxes Payable:** Current period's amount consists of: a) Value Added Tax € 1,040,820.13 (2019: € 3,933,411.31), b) Employee withheld income tax € 858,035.79 (2019: € 1,424,095.70) and c) other third party taxes € 209,887.10 (2019: € 251,412.51).

**Concession Agreement Liability:** From the adoption of IFRS 16 (Note 5), this liability relates to the variable amount in excess of the minimum annual fee regarding the current period of € 1,750,000.00. Regardless of the application of the new standard, the Company's contractual obligation to pay to the Greek State as at June 30, 2020 is € 2,398,031.33 (December 31, 2019: € 5,412,902.54)

**Payment in advance:** The Company receives payments in advance for services rendered on an ordinary basis, which are then settled on a regular basis. Customer payments in advance amounted to € 4,511,981.11 (2019: € 4,701,372.39). Customer advances include an amount of € 206,976.00 (2019: € 209,204.00) as a liability arising from contracts with customers in the application of the IFRS 15.

**19. DEFERRED INCOME**

- a) On April 27, 2009 “PCT S.A.” paid € 50,000,000.00 as a one-off consideration for the use of port facilities of Piers II and III of SEMPO of PPA (N.3755/2009). From the aforementioned amount, € 2,930,211.41 was offset with the cost of supplies and parts provided by PCT S.A., while the remaining amount of € 47,069,788.59 is amortized over the concession period. In August 2009, PPA S.A received from PCT S.A. three letters of guarantee amounted to € 61.4 million, € 21.0 million and € 42.0 million respectively for the concession agreement, the upgrade of PIER II and the construction of PIER III respectively. On September 2016, the last letter of guarantee reduced by 50% upon completion of the project construction of the eastern side of PIER III. The letter of guarantee of € 61.4 million was replaced by the same terms with a corresponding equivalent letter of guarantee of “COSCO SHIPPING Ports Limited” and came into force on 26.8.2019. The guarantee of € 21.0 million has been returned. The initial concession period was thirty (30) years, which increased to thirty five (35) years, after the completion the construction of the port infrastructure on the east side of Pier III.

In addition, the Company has received from PCT S.A. letter of guarantee for the construction of the petroleum pier of € 475,000.00.

Following the transfer of the cumulative amount € 14,457,149.35 on revenue of the years 2009 until June 30, 2020 the new balance at June 30, 2020 amounted to € 32,612,639.24 (December 31, 2019: € 33,285,064.79).

- b) The Company receives Fixed Annual Consideration from PCT S.A based on the length and surface of conceded land. Fixed Annual Considerations is invoiced in advance in April and October of each fiscal year. As a result the Company has recognized deferred revenue of € 3,099,349.84 and € 3,015,668.46 as at June 30, 2020 and December 31, 2019 respectively.

<b>Balance December 31, 2018</b>	<b><u>36,840,224.36</u></b>
<b>Less:</b> Amortization of the year – Initial concession	(1,344,851.10)
<b>Less:</b> Deferred Fixed Annual Consideration for the period 1.1.2019-31.3.2019 realized	(2,210,308.45)
<b>Plus:</b> Deferred Fixed Annual Consideration for the period 1.1.2020-31.3.2020	3,015,668.46
<b>Balance December 31, 2019</b>	<b><u>36,300,733.27</u></b>
<b>Less:</b> Amortization of the year – Initial concession	(672,425.55)
<b>Less:</b> Deferred Fixed Annual Consideration for the period 1.1.2020-31.3.2020 realized	(3,015,668.46)
<b>Plus:</b> Deferred Fixed Annual Consideration for the period 1.7.2020-30.9.2020	3,099,349.84
<b>Balance June 30, 2020</b>	<b><u>35,711,989.10</u></b>

- c) Additionally as at June 30, 2020, deferred income includes an amount of € 77,418.51 which relates to the deferred income from rentals (31.12.2019: € 12.623,62).

## 20. SEGMENT INFORMATION

The Company operates in Greece, regardless of the fact that its clientele includes international companies. Additionally, the Company has no other commercial or industrial activities other than the provision of services solely in the Port area and does not have income or assets from foreign customers (based on the geographical area in which they operate).

The port of Piraeus is a port engaging in complex activities, putting work in many areas of port activity , such as containers Car-terminal, coasting, cruise, Ro-Ro, ship repairing, environmental and logistics services.

It is the main port of coastal connecting mainland Greece and the islands, the main cruise port service in the country , the main container port and the main car – terminal port of the country.

PPA S.A. provides all the requested port services: water, fuel oil, solid and liquid slot tankers, jack residual oil, electricity, fiber optics and internet, victuals, repairs, environmental services and is fully connected to all activities with modern computer systems.

The management of PPA SA monitors, at the level of results, the above activities and takes business decisions based on the implemented internal management information system.

Based on the above and in accordance with the provisions of IFRS 8, the Company has determined to disclose the following segments:

- Container Terminal
- Handling Car
- Coasting
- Cruise
- Ship repairing
- Other segments (water supply, space management, merchandise management)

The other segments include activities representing less than 10 % of total revenue and profit in all segments and therefore are not disclosed as separate operating segments.

The Company level, includes revenues and expenses that are not allocated by operating segment because management monitors them at entity level.

Management does not make business decisions and does not monitor periodically the assets and liabilities of the business sectors and for this reason does not make the relevant disclosures as required by the provisions of IFRS 8.

The segment information for the period ended June 30, 2020 and June 30, 2019, is analysed as follows:

30.06.2020	CONTAINER TERMINAL		CAR TERMINAL	COASTING	CRUISE	SHIP REPAIRING (TANKS AND DOCK)	OTHER SEGMENTS	COMPANY	TOTAL
	CONTAINER TERMINAL OPERATION	CONSESSION ARRANGEMENT PIER II&III							
Revenues	13,072,519.01	32,262,644.10	5,557,896.41	3,219,191.73	713,183.99	8,100,305.00	3,576,782.56	-	66,502,522.80
Cost of sales	(18,168,523.21)	(1,957,167.75)	(4,149,070.43)	(2,096,130.94)	(1,780,408.92)	(4,918,660.41)	(3,522,150.70)	-	(36,592,112.36)
<b>Gross profit/(loss)</b>	<b>(5,096,004.20)</b>	<b>30,305,476.35</b>	<b>1,408,825.98</b>	<b>1,123,060.79</b>	<b>(1,067,224.93)</b>	<b>3,181,644.59</b>	<b>54,631.86</b>	-	<b>29,910,410.44</b>
Other expenses	(1,954,121.64)	(5,023,975.19)	(758,416.82)	(355,998.41)	(34,921.75)	(1,350,862.07)	(659,227.76)	507,243.80	(9,630,279.84)
Other income	-	-	-	-	-	572,484.03	920,039.64	520,134.51	2,012,658.18
Financial income	-	-	-	-	-	-	-	249,761.45	249,761.45
Financial expenses	(527,781.70)	(583,727.33)	(101,193.53)	(59,984.97)	(14,250.70)	(157,402.02)	(78,094.79)	(174,232.99)	(1,696,668.03)
<b>Profit/ (loss) before income taxes</b>	<b>(7,577,907.54)</b>	<b>24,697,773.83</b>	<b>549,215.63</b>	<b>707,077.41</b>	<b>(1,116,397.38)</b>	<b>2,245,864.53</b>	<b>237,348.95</b>	<b>1,102,906.77</b>	<b>20,845,882.20</b>
Income taxes	-	-	-	-	-	-	-	(5,324,249.45)	(5,324,249.45)
<b>Net profit / (loss) after taxes</b>	<b>(7,577,907.54)</b>	<b>24,697,773.83</b>	<b>549,215.63</b>	<b>707,077.41</b>	<b>(1,116,397.38)</b>	<b>2,245,864.53</b>	<b>237,348.95</b>	<b>(4,221,342.68)</b>	<b>15,521,632.75</b>
Depreciation and amortisation (including right-of-use assets depreciation)	3,432,373.43	1,762,881.98	416,305.17	566,458.59	624,153.67	1,206,229.01	795,177.19	121.46	8,803,700.50
<b>(Losses)/Earnings before Interest, Taxes, Depreciation and Amortisation</b>	<b>(3,617,752.41)</b>	<b>27,044,383.14</b>	<b>1,066,714.33</b>	<b>1,333,520.97</b>	<b>(477,993.01)</b>	<b>3,609,495.56</b>	<b>1,110,620.93</b>	<b>1,027,499.77</b>	<b>31,096,489.28</b>

30.06.2019	CONTAINER TERMINAL		CAR TERMINAL	COASTING	CRUISE	SHIP REPAIRING (TANKS AND DOCK)	OTHER SEGMENTS	COMPANY	TOTAL
	CONTAINER TERMINAL OPERATION	CONSESSION ARRANGEMENT PIER II&III							
Revenues	11,095,550.77	31,824,912.59	7,753,422.58	4,787,936.12	4,430,096.27	6,651,399.92	4,035,491.58	-	70,578,809.83
Cost of sales	(15,636,927.22)	(2,026,241.76)	(4,253,217.10)	(2,811,619.79)	(3,307,739.35)	(4,846,009.87)	(3,662,189.39)	-	(36,543,944.48)
<b>Gross profit/(loss)</b>	<b>(4,541,376.45)</b>	<b>29,798,670.83</b>	<b>3,500,205.48</b>	<b>1,976,316.33</b>	<b>1,122,356.92</b>	<b>1,805,390.05</b>	<b>373,302.19</b>	-	<b>34,034,865.35</b>
Other expenses	(1,481,671.26)	(4,309,778.85)	(1,041,195.90)	(628,257.05)	(544,651.30)	(964,109.37)	(712,535.26)	(4,095,240.83)	(13,777,439.82)
Other income	-	-	-	-	-	435,172.14	1,656,432.63	816,312.66	2,907,917.43
Financial income	-	-	-	-	-	-	-	428,586.91	428,586.91
Financial expenses	(521,392.83)	(556,345.19)	(136,800.81)	(81,894.97)	(68,297.67)	(117,280.98)	(62,336.05)	(176,767.10)	(1,721,115.60)
<b>Profit/ (loss) before income taxes</b>	<b>(6,544,440.54)</b>	<b>24,932,546.79</b>	<b>2,322,208.77</b>	<b>1,266,164.31</b>	<b>509,407.95</b>	<b>1,159,171.84</b>	<b>1,254,863.51</b>	<b>(3,027,108.36)</b>	<b>21,872,814.27</b>
Income taxes	-	-	-	-	-	-	-	(5,998,141.00)	(5,998,141.00)
<b>Net profit / (loss) after taxes</b>	<b>(6,544,440.54)</b>	<b>24,932,546.79</b>	<b>2,322,208.77</b>	<b>1,266,164.31</b>	<b>509,407.95</b>	<b>1,159,171.84</b>	<b>1,254,863.51</b>	<b>(9,025,249.36)</b>	<b>15,874,673.27</b>
Depreciation and amortisation	3,362,123.59	1,654,781.07	380,703.27	594,458.20	703,838.79	1,116,289.55	720,141.03	-	8,532,335.50
<b>(Losses)/Earnings before Interest, Taxes, Depreciation and Amortisation</b>	<b>(2,660,924.12)</b>	<b>27,143,673.05</b>	<b>2,839,712.85</b>	<b>1,942,517.48</b>	<b>1,281,544.41</b>	<b>2,392,742.37</b>	<b>2,037,340.59</b>	<b>(3,278,928.17)</b>	<b>31,697,678.46</b>

**21. REVENUES**

Revenues are analyzed as follows:

	<u>1/1-30/06/2020</u>	<u>1/1-30/06/2019</u>
Revenue from:		
Loading and Unloading	14,377,577.12	14,065,871.07
Storage	1,594,899.11	1,884,916.68
Supply of water	841,405.63	1,179,518.52
Dry docking services	4,038,825.84	3,714,715.31
Cruise services	313,978.23	2,833,668.21
Ferry services	2,529,298.38	3,652,475.40
Environmental services	1,070,223.23	1,341,618.50
Mooring	2,448,682.14	4,334,989.80
Shipbuilding Repair Zone services	4,061,479.16	2,936,684.61
Other supporting services	2,834,920.80	2,683,925.21
Revenue from concession of liquid wastes' collection and transportation	128,589.09	125,513.94
<b>Total</b>	<b><u>34,239,878.73</u></b>	<b><u>38,753,897.25</u></b>

**Revenue from Fixed and Variable Consideration:**

Revenue from concession agreement Pier II+III	31,565,259.24	31,122,007.03
Other income from concession agreement Pier II+III	697,384.83	702,905.55
<b>Total</b>	<b><u>66,502,522.80</u></b>	<b><u>70,578,809.83</u></b>

The significant reduction in cruise and coastal shipping revenue is solely due to its impact from the COVID 19 pandemic. The decrease in revenue for the period is mainly due to the decrease in cruise revenue by € 2.5 million or 88.9%, mooring revenue by € 1.9 million or 43.5% and coastal revenue by € 1.1 million or 30.8%. The decrease was mainly offset by an increase in ship repair revenues by € 1.1 million or 38.3%.

Specifically in terms of cruise revenue, cruise passenger traffic in the first half of 2020 was one of the key sectors affected by the pandemic. Despite the positive signs from the total number of passengers and pre-bookings of the ships for the first 2 months of the year, the pandemic and the consequent precautionary security measures, reversed the situation leading the activity to almost complete inactivity. As a result, total passenger traffic for the first half of 2020 decreased by 98% compared to the corresponding period of 2019.

In terms of revenue from coastal, restrictive measures in tourism and domestic movement due to the pandemic have negatively affected the launch of ships as well as the flow of passengers and vehicles. Ferry services continued in the 3rd week of May but with limited capacity coverage for hygiene reasons.

Therefore, despite the smallest decrease in numbers recorded in May and June compared to April, passenger and vehicle volumes were much lower than in the same period last year.

The variable consideration of the period from the concession of Piers II and III amounted to € 25,366,559.56 (30.06.2019: € 26,586,598.58).

**22. ANALYSIS OF EXPENSES**

Expenses (cost of sales and administrative expenses) are analyzed as follows:

	<u>1/1-30/06/2020</u>	<u>1/1-30/06/2019</u>
Payroll and employee related costs (Note 26)	29,223,394.38	28,068,925.22
Third party fees	411,780.57	371,630.32
Third party services	4,452,967.08	5,064,347.13
Depreciation- Amortization (Note 25)	8,803,700.50	8,532,335.50
Taxes and duties	241,907.04	430,872.88
General expenses	2,279,066.98	2,427,543.61
Cost of sales of inventory and consumables (Note 8)	1,037,058.40	1,075,428.56
Provision for pending lawsuits (Note 15)	(2,253,837.37)	2,605,905.89
Consession agreement fee (Note 18)	648,031.33	822,035.45
<b>Total</b>	<b><u>44,844,068.91</u></b>	<b><u>49,399,024.56</u></b>

The above expenses are analyzed as follows:

	<u>1/1-30/06/2020</u>	<u>1/1-30/06/2019</u>
Cost of sales	36,592,112.36	36,543,944.48
Administrative expenses	8,251,956.55	12,855,080.08
<b>Total</b>	<b><u>44,844,068.91</u></b>	<b><u>49,399,024.56</u></b>

**23. OTHER OPERATING INCOME / EXPENSES**
**OTHER OPERATING INCOME**

	<u>1/1-30/06/2020</u>	<u>1/1-30/06/2019</u>
Rental income	1,492,523.67	1,931,011.17
Income from European Union programs	364,712.41	142,469.61
Debtor's credit balances write off	-	198,414.55
Income from the confiscation of letters of gua	-	118,958.61
Various other operating income	155,422.10	517,063.49
<b>Total</b>	<b><u>2,012,658.18</u></b>	<b><u>2,907,917.43</u></b>

Rental income relates to rents from the lease of land and building facilities of the Company. These include the amount related to the investment properties.

According to the Act of Legislative Content (A' 68), which was ratified by article 1 of law 4683/2020 (A' 83), "the lessee of a professional lease which is used to establish a business for which they have been received during the months of March, April, May 2020 or are also received in the month of June 2020, special and extraordinary measures which are taken to suspend or temporarily ban operation for preventive or repressive reasons related to Coronavirus COVID-19, is exempted from the obligation to pay 40% of the total rent and in June 2020". As a result of the application of the above, rental income shows a decrease 22.7% compared to the previous period.

**OTHER OPERATING EXPENSES**

	<u>1/1-30/06/2020</u>	<u>1/1-30/06/2019</u>
Third parties compensation	441,246.18	425,076.29
Third party fees for development plan	-	7,200.00
Loss on disposal of fixed assets	116,163.73	-
Other expenses	407,183.53	190,083.45
<b>Total</b>	<b><u>964,593.44</u></b>	<b><u>622,359.74</u></b>

**24. FINANCIAL INCOME/ (EXPENSES)**

The amounts are analyzed as follows:

	<u>01/01-30/06/2020</u>	<u>01/01-30/06/2019</u>
Interest income and related financial income	231,886.11	386,677.34
Finance cost for lease liabilities (Note 5)	(1,230,521.07)	(1,216,151.01)
Interest expense and related financial expenses	(466,146.96)	(504,964.59)
	<b><u>(1,464,781.92)</u></b>	<b><u>(1,334,438.26)</u></b>
Interest on debtors late payments	17,875.34	41,909.57
<b>Total</b>	<b><u>(1,446,906.58)</u></b>	<b><u>(1,292,528.69)</u></b>

**25. DEPRECIATION- AMORTISATION**

The amounts are analyzed as follows:

	<u>1/1-30/06/2020</u>	<u>01/01-30/06/2019</u>
Depreciation of property, plant and equipment (Note 4)	8,082,286.66	7,931,329.95
Software depreciation	123,341.58	19,325.69
Depreciation of right of use assets (Note 5)	1,030,434.78	1,014,042.33
Fixed assets subsidies amortisation (Note 13)	(432,362.52)	(432,362.47)
<b>Total</b>	<b><u>8,803,700.50</u></b>	<b><u>8,532,335.50</u></b>

**26. PAYROLL AND RELATED COSTS**

The amounts are analyzed as follows:

	<u>01/01-30/06/2020</u>	<u>01/01-30/06/2019</u>
Wages and salaries	22,453,378.33	21,410,204.66
Social security costs	5,395,741.56	5,240,971.50
Other staff costs	588,707.28	621,009.96
Provision for staff leaving indemnities (Note 14)	367,067.21	386,975.10
Dismissal compensation	-	27,264.00
Employee retirement incentives	418,500.00	382,500.00
<b>Total</b>	<b><u>29,223,394.38</u></b>	<b><u>28,068,925.22</u></b>

The Company announced in prior years the offer of voluntary retirement incentives to those employees who are close to retirement date.

During the current period, an employee used an incentive amount of € 22,500.00, as a result of which the relevant provision that had been made on 31/12/2019 was reversed. Also, an additional provision of € 328,500.00 was made for 3 workers and 12 employees as well as incentives of € 90,000.00 paid for 2 workers and 2 employees. The balance of the provision for retirement incentives as of June 30, 2020 and December 31, 2019 amounts to € 351,000.00 and € 45,000.00 respectively (Note 18).

During the prior period the Company made an additional provision of € 180,000.00 for retirement incentives for 4 additional employees and 4 workers who had announced their intention to use the incentives within 2019. In addition, 13 employees and 5 workers have used incentives for which part of the forecast for the prior years was used and the additional amount of € 202,500.00 was registered in "Employee retirement incentives". During the prior period, an additional 3 employees and 6 workers announced and used incentives.

**27. EARNINGS PER SHARE**

The amounts are analyzed as follows:

	<u>01/01-30/06/2020</u>	<u>01/01-30/06/2019</u>
<b>Profit for the year</b>	15,521,632.75	15,874,673.27
Weighted average number of shares	25,000,000	25,000,000
<b>Basic Earnings per share</b>	<b><u>0.6209</u></b>	<b><u>0.6350</u></b>

**28. COMMITMENTS AND CONTINGENCIES**

- (a) **Litigation and Claims:** The Company is currently involved in a number of legal proceedings and has various claims of a total amount of approximately € 173,2 million concerning mainly labour disputes and legal proceedings with municipalities around the port, arising in the ordinary course of business. Based on currently available information, management and its legal department believe that the outcome of these proceedings will not have a significant effect on the Company's operating results or financial position, except for the recorded provisions in Note 15.
- (b) **Liabilities arising from letters of Guarantee:** The Company has issued letters of guarantee amounting to € 20,019,969.51 (December 31, 2019: € 20,019,969.51), of which € 4,546,581.01 (December 31, 2019: € 4,546,581.01) in favor of the General Directorate of Customs (E 'and F' Customs Office) of the Ministry of Economy for the operation of all warehouses for temporary storage of goods PPA S.A. Under the current concession agreement of 24.06.2016 between PPA and the Greek Government, PPA has issued a letter of guarantee in favor of the Ministry of Finance General Secretariat of Public Property amounted to € 15,000,000.00.
- (c) **Future minimum rentals receivable:** Future minimum rentals receivable, under non-cancellable operating leases as at June 30, 2020 are as follows:

	<u>30/6/2020</u>
Within 1 year	15,349,504.15
Between 1 and 2 years	14,544,517.67
Between 2 and 3 years	14,222,970.32
Between 3 and 4 years	13,937,867.00
Between 4 and 5 years	13,570,746.52
Over 5 years	259,824,639.25
<b>Total</b>	<b><u>331,450,244.91</u></b>

- (d) **Contractual commitments:** The outstanding balance of the contractual commitments with suppliers on significant infrastructure projects (construction, maintenance, improvements, etc.) at June 30, 2020 amounted to approximately € 116.9 million of which approximately € 103.0 million relates to the project "Passenger Port Expansion - South Zone - Phase A ' (December 31, 2019: approximately € 9.0 million).
- (e) **Special Contribution to Social Insurance Institute (IKA – TEAM):** On November 7, 2011 the Company notified the management of IKA of its intention to stop paying the special contribution in favor of the supplementary fund of Company's employees, since after the merger of IKA with IKA – TEAM the management of the Company considered that there was no further obligation. From October 2013, The Company decided to cease the payments to those institutions. The management of the Company believes that this contingent liability could be settled without significant adverse effects on its financial position.
- (f) **Commitments for investments based on concession agreement:** Based on the concession agreement signed on June 24, 2016 between the PPA and the Greek Government, derives the commitment to invest in projects into the Port within the next five years an amount of € 293.8 million. By June 30, 2020, mandatory investments totaling € 54.5 million (31.12.2019: € 54,1 million) had been completed. Additionally, in assets under construction is included the amount of € 7.9 million concerning mandatory investments.

**29. RELATED PARTY TRANSACTIONS**

The Company provides services to certain related parties in the normal course of business. The Company's transactions, receivables and liabilities balances with related companies are as follows:

Related party	Relation with the Company	Period ended ended	Sales to related parties	Purchases from related parties
PIRAEUS CONTAINER TERMINAL S.A.	Related party	30.06.2020	34,418,890.22	786.60
		30.06.2019	31,824,912.58	-
COSCO SHIPPING LINES GREECE A.E.	Related party	30.06.2020	4,270.18	-
		30.06.2019	2,088.15	-
PCDC S.A.	Related party	30.06.2020	18,005.77	1,599.60
		30.06.2019	17,749.47	-
COSCO SHIPPING DEVELOPMENT CO. LTD	Related party	30.06.2020	35,220.00	-
		30.06.2019	-	-
COSCO (Shanghai) SHIPYARD Co LTD	Related party	30.06.2020	-	-
		30.06.2019	-	(145,000.00)
COSCO SHIPPING TECHNOLOGY Co LTD	Related party	30.06.2020	-	36,741.71
		30.06.2019	-	37,099.25
COSCO (HONG KONG) INSURANCE BROKERS L.T.D.	Related party	30.06.2020	-	285,247.72
		30.06.2019	-	124,457.62
COSCO SHIPPING AIR FREIGHT CO	Related party	30.06.2020	-	-
		30.06.2019	-	5,295.97
		<b>30.06.2020</b>	<b>34,476,386.17</b>	<b>324,375.63</b>
		<b>30.06.2019</b>	<b>31,844,750.20</b>	<b>21,852.84</b>

Related party	Relation with the Company	Year/Period ended	Amounts due from related parties	Amounts due to related parties
PIRAEUS CONTAINER TERMINAL S.A.	Related Party	30.06.2020	5,044,497.30	6,026.54
		31.12.2019	1,297,155.32	6,026.54
COSCO SHIPPING LINES GREECE S.A.	Related Party	30.06.2020	-	11,117.26
		31.12.2019	62,593.95	45,105.00
PCDC S.A.	Related Party	30.06.2020	273.06	-
		31.12.2019	541.33	-
COSCO (HONG KONG) INSURANCE BROKERS L.T.D.	Related Party	30.06.2020	127,281.29	-
		31.12.2019	-	-
COSCO SHIPPING DEVELOPMENT CO. LTD	Related Party	30.06.2020	-	4,554.13
		31.12.2019	87,328.44	-
		<b>30.06.2020</b>	<b>5,172,051.65</b>	<b>21,697.93</b>
		<b>31.12.2019</b>	<b>1,447,619.04</b>	<b>51,131.54</b>

The revenues of € 32,262,644.07 (Note 21) from Piraeus Container Terminal S.A. (PCT S.A.) are related to the fixed and variable revenue from the concession agreement (PIER II & III) and revenues of € 2,156,246.15 related to mooring and loading/uploading. In addition, the Company has received from PCT S.A letters of guarantee regarding the concession contract, the upgrade of pier II and the construction of pier III (Note 19). Finally, PPA in April 2020, signed a contract about the provision of project management services with PCT S.A. for the business operation of Pier I of PPA S.A.

The transaction with COSCO SHIPPING DEVELOPMENT CO. LTD relates to its ship repair service.

The transaction with COSCO SHIPPING TECHNOLOGY Co. LTD relates to software support costs.

The transaction with COSCO (HONG KONG) INSURANCE BROKERS L.T.D. of the current and the previous period relates to the insurance coverage of PPA S.A. regarding third party liability, employer' s liability, property and business interruption and directors and officers liability for the period from 1.11.2019-31.10.2020 and 1.11.2018-31.10.2019 respectively, according to article 17 of the Concession Agreement (Law 4404/2016).

The transaction with the company COSCO (Shanghai) SHIPYARD Co LTD of the previous period concerns a credit invoice issued to PPA S.A. from the purchase of a floating dock.

**Board of Directors Members Remuneration:** For the period ended on June 30, 2020, remuneration and attendance costs, amounting to € 445,336.12 (June 30, 2019: € 331,246.11) were paid to the Board of Directors members. Furthermore, during the period ended June 30, 2020 emoluments of € 271,382.21 (June 30, 2019: € 291,448.20) were paid to Managers/Directors for services rendered.

The Extraordinary General Meeting of the Company's shareholders on September 23, 2019 approved the long-term incentive bonus plan, which is cash settled of a certain number of Units. Beneficiaries of the program are members of the Board of Directors, senior executives and other key management and business executives who have a significant influence on the performance and uninterrupted operation of the Company.

The total number of Units of the Program is six hundred and sixty six thousand (666,000). The Board of Directors of the Company at the meeting of October 25, 2019 named the beneficiaries of the Program, to whom 498,200 units will be distributed.

The amount payable to the beneficiaries is determined by the increase in the share price from the grant date (8/10/2019: € 22.53) and the redemption date. In addition, the redemption of the Units depends on the achievement of predetermined performance criteria of the Company and the Beneficiaries.

The fair value of the long-term incentive bonus plan as of December 31, 2019 was determined using the Binomial model

The valuation of the liability amounted to € 600,000.00 and is included in other long-term liabilities. As of June 30, 2020, no unit of the program has been vested by the beneficiaries.

**30. FINANCIAL INSTRUMENTS**

**Fair Value:** The carrying amounts reflected in the accompanying statement of financial position for cash and cash equivalents, trade and other accounts receivable, prepayments, trade and other accounts payable and accrued and other current liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The fair value of variable rate loans and borrowings approximate the amounts appearing in the statement of financial position.

The Company categorized its financial instruments carried at fair value in three categories, defined as follows:

Level 1: Quoted (unadjusted) values from active financial markets for identical negotiable assets or liabilities.

Level 2: Other techniques for which all inflows that have a significant impact on the recorded fair value are identified or determined directly or indirectly from active financial markets.

Level 3: Techniques that use inflows that have a significant impact on the recorded fair value and are not based on quoted prices from active financial markets.

During the period ended June 30, 2020, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

As at June 30, 2020 and December 31, 2019, the Company held the following financial instruments:

<u>June 30, 2020</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Financial liabilities</b>				
Interest bearing loans and borrowings (including short term portion)	-	53,499,999.99	-	<b>53,499,999.99</b>
Investment property	-	-	734,338.38	<b>734,338.38</b>
<u>December 31, 2019</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Financial liabilities</b>				
Interest bearing loans and borrowings (including short term portion)	-	56,499,999.99	-	<b>56,499,999.99</b>
Investment property	-	-	734,338.38	<b>734,338.38</b>

**31. SUBSEQUENT EVENTS**

The Annual General Meeting of the Company approved on July 17, 2020 the proposal of the Board of Directors for the distribution of a dividend for the fiscal year 2019 amounting to € 13,470,000.00 or € 0.5388 per share. The dividend for the year 2019 was paid on July 31, 2020.

Except the above, there are no other subsequent events after June 30, 2020 that may significantly affect the Company's financial position.

Piraeus, September 29, 2020

CHAIRMAN OF THE BOARD OF  
DIRECTORS

CHIEF EXECUTIVE OFFICER (ACTING)

FINANCIAL MANAGER

YU ZENG GANG

ZHANG ANMING

IOANNIS KOUKIS

Passport No PE1895434

Passport No E92044606

License No. O.E.E. 0007437  
A' Class