FRAPORT REGIONAL AIRPORTS OF GREECE "B" SOCIETE ANONYME

- Management Report of the Board of Directors (BoD) of the Company 'Fraport Regional Airports of Greece "B" SOCIETE ANONYME' for the period ended on 31 December 2017

- Financial Statements for the year ended on 31 December 2017 in accordance with the International Financial Reporting Standards (IFRS)

- Independent Chartered Auditor - Accountant Audit Report

REGISTERED OFFICE: 10 GERMANIKIS SCHOLIS STR., AMAROUSIO ATTICA
G.E.M.I. No: 133592401000
Tax Office FAE OF ATHENS

FRAPORT REGIONAL AIRPORTS OF GREECE “B” SOCIETE ANONYME

Management Report of the Board of Directors (BoD) of the Company ‘Fraport Regional Airports of Greece “B” SOCIETE ANONYME’ for the period ended on 31 December 2017

MANAGEMENT REPORT OF THE BOARD OF DIRECTORS (BoD) OF THE COMPANY FRAPORT REGIONAL AIRPORTS OF GREECE "B" S.A.

TO THE GENERAL MEETING OF SHAREHOLDERS AS AT 24/05/2018

Dear Shareholders,

Pursuant to Article 43a of Codified Law 2190/20, we submit to the General Meeting this Management Report of the Board of Directors and the attached financial statements of FRAPORT REGIONAL AIRPORTS OF GREECE "B" S.A. ("Company") which were prepared in line with the International Financial Reporting Standards (IFRSs) for the year which ended on 31 December 2017, and kindly request that you approve them.

1. Annual review:

2017 has been a milestone for the Company, as it marked the beginning of the concession by the Greek State of 7 airports for the next 40 years. The Company took up a huge challenge which is nothing less than the full upgrading and operation of the airports it manages. On 11 April 2017, the Company paid the upfront concession fee in the amount of €625,000,000 in line with the terms of the Concession Agreement of 14 December 2015, which marked the start of the operation period. To fund its business plan, the Company made the following draw-downs:

(a) At the General Meeting of 13 January 2017, the Company's share capital increase was decided by the amount of € 5,000,000, divided into 5,000,000 shares. Following such increase, the company's share capital amounted to € 15,024,000, divided into 15,024,000 shares. The amount was paid up during January 2017.

(b) At the General Meeting of 10 February 2017, the company's share capital increase was decided by the amount of € 106,976,000, divided in 106,976,000 shares. Following such increase, the company's share capital amounted to € 122,000,000, divided into 122,000,000 shares. The amount was paid up during March 2017.

c) In late March, a consortium of leading financial institutions signed a long-term financing agreement with the Company of an amount of € 408.14 million for the concession of the 7 Greek regional airports of a 40-year term. The consortium of lenders consists of the following: Alpha Bank (€ 62.45 million), National Bank of Greece (€ 22.20 million), Eurobank (€ 30.27 million), Black Sea Trade and Development Bank (€ 25.25 million) European Bank for Reconstruction and Development (€ 75.38 million), European Investment Bank (€ 130.40 million), and International Finance Corporation (€ 62.19 million), member of the World Bank Group.

(d) At the end of March the Company entered into a bond loan agreement with the shareholders for € 203.91 million from Fraport AG and € 73.89 from Slentel. In December 2017, 10% of the Company's shares were transferred from Slentel to Marguerite. Subsequently, an equal percentage of shares were transferred to the new shareholder.

Under the right concession agreement, the Company is investing some € 191 million intended to meet the needs of all 7 airports and applied towards building new facilities, and upgrading, expanding and modernizing existing ones. In particular, new terminals will be built in Kos and Mytilene, and the airports of Skiathos, Mykonos, Samos, and Santorini will be expanded and upgraded. At the same time, the interior of the airport of Rhodes will be redesigned to make it more operational and passenger-friendly. In parallel, all runways will be renovated so that they will be ready for the opening of the 2018 tourist season.

The first phase of the construction works will take about three years and is expected to be completed in stages by 2021.

In summary, the works that have been implemented since early 2018 per airport include the following:

Kos

The runway's refurbishment has been completed. Refurbishment and repair of the building complex.

Mykonos

The runway's full refurbishment has been completed. Current refurbishment, repair and upgrade of the main building.

Mytilene

Current refurbishment and repair of the building complex and of the building systems.

Rodos

The runway's upgrade has been completed. Current refurbishment, repair and upgrade of the main building, preparation for new commercial areas.

Skiathos

The apron's refurbishment has been completed. Current refurbishment, repair, and upgrade of the central terminal building.

Samos

Refurbishment of apron and refurbishment and repair of the building.

Santorini

Runway's refurbishment, repair of the building complex and of the building systems.

At the end of 2017, the first works began at the airport of Mykonos with the reconstruction of the runway. The old runway, whose life had exceeded the levels envisaged, is replaced by a new, high resistance runway capable of supporting the airport's passenger traffic for the next 20 years.

Major success was accomplished in the sector of commercial/trade leases, where the Company concluded a cooperation agreement with all its trading partners, the major one being the agreement with Dufry's subsidiary "Hellenic Duty Free Shops S.A.". Hellenic Duty Free Shops S.A., subsidiary of Dufry, will be the exclusive retailer in the airside areas of the airports and is committed to provide both Greek and international passengers with exquisite quality services.

The duty free shop areas at the airports of Rhodes and Samos will have been fully upgraded by the summer of 2018 as part of the partnership with "Hellenic Duty Free Shops S.A.".

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017 (AMOUNTS IN EURO)

In 2017, the 7 airports of Fraport Greece saw increased passenger traffic.

2. Company performance:

Operating income stood at €104.4 million, operating expenses stood at € 33.9 million (including depreciation for the year), net financial expenses were € 32.3 million and net profit before taxes €1.6 million.

Given that it is the first year in which the Company began its commercial activity, there are no comparable results for the previous year. Nonetheless, the Company performed as expected.

In general, the Company's performance is considered satisfactory given the above circumstances.

The evolution of certain key financial ratios of the Company is as follows:

A) Profitability Ratios

			2017		2016	
Return on Invested Capital	=	Net Profit/(Loss) before tax / Total Assets	1,628,150 / 991,353,855	**0.16%**	(3,620,098) / 12,298,896	**(29.43)%**

			2017		2016	
Return on Equity	=	Net Profit/(Loss) before tax / Equity	1,628,150 / 119,666,572	**1.36%**	(3,620,098) / 7,296,126	**(49.62)%**

B) Liquidity Ratios

			2017		2016	
Working Capital Ratio	=	Current Assets / Short-term liabilities	88,419,312 / 38,792,928	**2.28**	5,327,648 / 5,002,770	**1.06**

C) Financial/capital Structure Ratios

			2017		2016	
Equity to Total Capital	=	Equity / Total equity and Liabilities	119,666,572 / 991,353,855	**12.07%**	7,296,126 / 12,298,896	**59.32%**

			2017		2016	
Leverage Ratio	=	Net borrowing: / Total capital employed	488,663,237 / 608,329,810	**80.33%**	(2,180,649) / 5,115,477	**-%**

D) Activity Ratios

			2017		2016	
Asset Turnover Ratio	=	Sales / Total Assets	104,418,538 / 991,353,855	**10.53%**	- / 12,298,896	**-%**

3. Anticipated course of the Company:

There are positive prospects for 2018. At a time when Greek tourism is on a dynamic growth course, the 7 airports of Fraport Greece are expected to see a further increase in passenger traffic. At Fraport Greece we believe that a major upgrade of the 7 airports will play a decisive part in maintaining the positive image of the country's "heavy industry". This is our mission and our contribution. The Company is expected to remain profitable by increasing its income as a result of the growing passenger traffic.

Works at the airport of Kos are expected to begin in 2018. The works concern airport safety and involve in particular repair of damages to and reconstruction of the runway and the aircraft parking area. The construction of the new terminal with a surface area of 23,106 sq.m., which will replace the existing, much smaller, building, is expected to begin.
2018 will also see works for the construction of the brand new terminal in Mytilene.

The new terminals will meet the needs of both passengers and airport employees and will offer more convenience to travellers with more check-in desks, state-of-the-art baggage management systems, and comfortable waiting rooms.

4. Major risks and uncertainties:

The risk management is monitored by the Company's Management and is developed in the framework of instructions, directions and approved rules.

A. Financial risk factors

The Company is exposed to financial risks, such as market risks (market values), credit risk and liquidity risk. The Company's general risk management plan seeks to minimise the potential negative impact of the financial markets' volatility on the Company's financial performance. The Company is in the position of using Financial derivatives in order to hedge its exposure to specific risks.

The risk management is implemented by the Company's financial department, which operates under specific rules. The Board of Directors gives instructions, provides guidance and rules about interest rate risk, credit risk and non-derivative financial instruments as well as short-term cash investments.

a) Market risk

Market risk is the risk of changes in market prices as well as in exchange and interest rates affecting the fluctuations of the value held by the Company. Market risk management is the Company's effort to manage and maintain acceptable levels of exposure.

The individual risks making up the market risk and the Company's policies intended to manage them are detailed next:

i. Price risk

The Company is not exposed to the changes in the prices of equity instruments because it does not have investments, which have been recognised in the statement of financial position, either as financial assets or as investments at fair value through profit and loss.

ii. Currency risk

There is currency risk due to the Company's transactions in foreign currency. The Company is not exposed to currency risk as its financial assets and liabilities arise/are in euros, the Company's operating and presentation currency.
iii. Risk of cash flows and risk of changes in fair value due to change in the interest rates

The Company is exposed to interest rate risks from primary and derivative financial assets and liabilities.

As regards assets and liabilities, funding is pursued based on maturity match. The interest rate risk for the twelve months from the date of the statement of financial position is a check item. To this end, it is checked on a quarterly basis and reported to the Financial Risk Committee. This risk is assessed based on sensitivity analyses. They show the impact of changes on market rates, interest payments, interest income and expenses and other items in the statement of comprehensive income and equity. Changes in interest rates mean the maximum fluctuation of the base rate in the past for the respective currency and time period and/or the maximum fluctuation of the ten-year swap in the past. The deviation is considered in absolute terms.

To limit interest risk, the Company uses derivative financial instruments such as interest rate swap agreements.

b) Credit risk

The Company is exposed to credit risk and for this reason it has established and has been applying credit control procedures.

The credit risk arises from cash and cash equivalents and deposits in banks and financial institutions, including derivative financial instruments, as well as from open credit of clients, including the outstanding claims and binding transactions. As regards the credit risk arising from investments made, it is pointed out that the Company collaborates only with financial organisations of acceptable credit rating. If a credit assessment is available for clients, then the said assessment is used. If there is no credit assessment, then client's credit rating is checked by taking into account its financial condition, previous experience and other factors. The individual credit limits are determined on the basis of internal or external assessments. The application of credit limits is monitored on a constant basis.

c) Liquidity risk

The Company ensures the required liquidity mainly through its business activity and external funding. Funds are used mostly to fund capital expenses to acquire the right to operate and invest in the airports.

Operating cash flows, available cash (including cash and other financial instruments) as well as current and short-term credits and borrowing offer adequate flexibility to ensure the Company's liquidity. As at 31 December 2017, the Company's had unused credit funds in the amount of €130,404,133, as well as available funds from the bond loan with its shareholders.

B. Risk related to the macroeconomic and business environment in Greece

The macroeconomic and financial environment in Greece shows signs of continuing stability, however, there is still a sense of uncertainty. The capital controls imposed on 28 June 2015 are still in place but have become less strict. Considering that the terms and conditions agreed upon for the third bailout program will be applied and capital controls will relax further and be lifted altogether in the short or medium term, the macroeconomic and business environment is not expected to negatively affect the Company's activity.

The Company, in conjunction with its parent company, is constantly assessing the situation and its potential impact, in order to ensure that all necessary and feasible measures and appropriate actions are promptly taken to minimise any impact on its operations.

5. Branches:

The Company has seven branches at each airport that has been conceded to the company and specifically at the following airports: Rhodes, Kos, Santorini, Mykonos, Mytilene, Samos and Skiathos.

6. Treasury shares

The Company holds no treasury shares.

7. Environmental issues

By developing an environmental policy system, the Company acknowledges its responsibilities and obligations to the environment and man and is developing procedures and programs aimed at the constant improvement of its environmental performance and its compliance with applicable environmental legislation. In this context, environmental friendly methods have been adopted and will be applied upon commencement of construction works. In 2017, the Company prepared the first "Annual Environmental Strategy Report", which is posted on its website at www.fraport-greece.com. The Company has developed procedures to monitor power and water consumption for most of the airports with a view to attaining the goal of saving energy and water resources. Total consumption for those airports in 2017 was:

Power consumption	15,234.8MWh
Water consumption	122,633m^3

Given that it is the first year in which the Company began its commercial activity, there are no comparable results for the previous year.

8. Employment matters

The Company hires and employs people on a non-discrimination basis. In 2017, the company had 180 employees, 103 men and 77 women. 99% of the employees are Greeks. The average salaries paid to the airport staff are much higher compared to the respective salaries that would be paid, if Fraport Greece adopted the wage terms of the Collective (Labour) Agreement. The vast majority of airport employees will be working on a 24/7 basis, thus, any night work or work during Sundays/ Bank Holidays) increase even more their monthly salaries. There is absolute respect for the rights of employees and there is a climate of peace at the workplace. There are no limitations to freedoms. The Company has an occupational physician and a safety technician. It trains its staff on new skills by way of seminars in their respective areas of responsibility based on the annual priorities set by the Management. Members of staff are constantly evaluated by the respective managers, and the evaluation reports are reviewed by the Management for purposes of promotions, salaries, employee transfers.

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017 (AMOUNTS IN EURO)

			2017		2016	
Gender composition of staff employed	=	Number of women employed / Total employees	77 / 180	**42.78%**	14 / 26	**53.85%**

			2017		2016	
Gender composition of staff employed	=	Number of men employed / Total employees	103 / 180	**57.22%**	12 / 26	**46.15%**

Athens, 29 March 2018

FOR THE B.O.D OF THE COMPANY
THE PRESIDENT
STEFAN SCHULTE

German passport No
C5LP2YHTY

FRAPORT REGIONAL AIRPORTS OF GREECE "B" SOCIETE ANONYME

Financial Statements for the year ended on 31 December 2017 in accordance with the International Financial Reporting Standards (IFRS)

REGISTERED OFFICE: 10 GERMANIKIS SCHOLIS STR., AMAROUSIO ATTICA
G.E.M.I. No: 133592401000
Tax Office FAE OF ATHENS

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FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017 (AMOUNTS IN EURO)

Statement of Financial Position

	Not.	31/12/2017	31/12/2016
Assets			
Non-current assets			
Tangible assets	5	712,853	-
Intangible assets	6	882,380,380	5,965,112
Financial derivatives	7	407,590	-
Deferred tax assets	8	4,063,024	1,006,136
Other non-current assets	10	15,370,696	-
		902,934,543	**6,971,248**
Current assets			
Trade receivables	9	4,785,015	-
Other receivables and financial assets	10	14,102,545	3,146,999
Time deposits	12	26,185,737	-
Cash and cash equivalents	11	43,346,015	2,180,649
		88,419,312	**5,327,648**
Total assets		**991,353,855**	**12,298,896**
Equity and liabilities			
Equity			
Share capital	13	122,000,000	10,024,000
Statutory and other reserves	13	529,366	-
Profit and loss carried forward	13	(2,862,794)	(2,727,874)
Total equity		**119,666,572**	**7,296,126**
Liabilities			
Long-term liabilities			
Loans	14	556,111,964	-
Provisions for personnel compensation due to retirement or dismissal	15	34,570	-
Suppliers and other long-term liabilities	16	276,747,821	-
		832,894,355	**-**
Short-term liabilities			
Suppliers and other short-term liabilities	16	30,751,391	594,745
Loans	14	2,083,025	-
Income tax	8	3,748,101	-
Liabilities to associate/related companies	17	2,210,411	4,408,025
		38,792,928	**5,002,770**
Total liabilities		**871,687,283**	**5,002,770**
Total equity and liabilities		**991,353,855**	**12,298,896**

The notes in pages 16-52 form an integral part of these Financial Statements.

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017 (AMOUNTS IN EURO)

Statement of Comprehensive Income

	Not.	2017	2016
Revenues	18	104,418,538	-
		104,418,538	**-**
Operating expenses			
Cost of consumables and services rendered	19	(42,593,161)	(2,602,000)
Staff costs	20	(6,377,497)	(96,644)
Other operating expenses	21	(5,304,966)	(927,368)
Total operating expenses before depreciation		**(54,275,624)**	**(3,626,012)**
Profit/(loss) before taxes and depreciation		**50,142,914**	**(3,626,012)**
Depreciation		(16,239,198)	-
Operating profit / (loss)		**33,903,716**	**(3,626,012)**
Interest income	22	357,329	5,914
Interest expenses	22	(32,207,064)	-
Other financial expenses	22	(425,831)	-
Net financial (expenses)/ income		**(32,275,566)**	**5,914**
Profit / (loss) before taxes		**1,628,150**	**(3,620,098)**
Income tax	8	(531,334)	1,006,136
Profit/ (loss) after taxes		**1,096,816**	**(2,613,962)**
Other comprehensive income:			
Items that may subsequently be reclassified in the profit or loss			
Cash flow hedging		529,366	-
Other comprehensive income:		**529,366**	**-**
Aggregate total income after taxes		**1,626,182**	**(2,613,962)**

The notes in pages 16-52 form an integral part of these Financial Statements.

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017 (AMOUNTS IN EURO)

Statement of Changes in Equity

	Share capital	Other reserves	Profit and loss carried forward	Total equity
Balance as at 1 January 2016	**5,024,000**	**-**	**(58,912)**	**4,965,088**
2016 result after taxes	-	-	(2,613,962)	(2,613,962)
Other comprehensive income:	-	-	-	-
Aggregate comprehensive income after taxes	**-**	**-**	**(2,613,962)**	**(2,613,962)**
Share capital increase (Note 13)	5,000,000	-	-	5,000,000
Share capital increase costs	-	-	(55,000)	(55,000)
Total transactions with shareholders	**5,000,000**	**-**	**(55,000)**	**4,945,000**
Balance as at 31 December 2016	**10,024,000**	**-**	**(2,727,874)**	**7,296,126**
Balance as at 01 January 2017	**10,024,000**	**-**	**(2,727,874)**	**7,296,126**
2017 result after taxes	-	-	1,096,816	1,096,816
Other comprehensive income:	-	529,366	-	529,366
Aggregate comprehensive income after taxes	**-**	**529,366**	**1,096,816**	**1,626,182**
Share capital increase (Note 13)	111,976,000	-	-	111,976,000
Share capital increase costs	-	-	(1,231,736)	(1,231,736)
Total transactions with shareholders	**111,976,000**	**-**	**(1,231,736)**	**110,744,264**
Balance as at 31 December 2017	**122,000,000**	**529,366**	**(2,862,794)**	**119,666,572**

The notes in pages 16-52 form an integral part of these Financial Statements.

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017 (AMOUNTS IN EURO)

Statement of Cash Flows

	Not.	1/1/2017 - 31/12/2017	01/01/2016 - 31/12/2016
Cash flow from operating activities			
Profit / (loss) before taxes		**1,628,150**	**(3,620,098)**
Adjustments for:			
Depreciation of property, plant and equipment	5	159,772	-
Intangible asset depreciation	6	16,079,427	-
Provisions for personnel compensation due to retirement or dismissal	15	34,570	-
Reversal of prepaid liability under a Concession Agreement	22	8,664,811	-
Interest and related income	22	(357,329)	(5,914)
Interest and associated expenses	22	23,542,253	-
Loss from an interest rate swap agreement recognized in profit or loss	22	281,655	-
		50,033,309	**(3,626,012)**
Changes:			
Increase in trade and other receivables		(7,164,602)	(3,146,562)
Increase in suppliers and other liabilities		38,724,915	593,522
(Decrease)/ increase in liabilities to associated undertakings		(2,197,614)	4,408,025
Net cash inflows/(outflows) from operating activities		**79,396,008**	**(1,771,027)**
Cash flow from investment activities			
Payments for additional tangible assets	5	(841,452)	-
Upfront concession fee		(625,000,000)	-
Payments for additions to other intangible assets		(8,474,183)	(5,965,112)
Advance payments to construction companies		(23,946,655)	-
Collected interest		357,329	5,914
Net cash outflows from investment activities		**(657,904,961)**	**(5,959,198)**
Cash flows from financing activities			
Income from bond loans taken out from Banks	14	277,736,870	-
Income from bond loans taken out from Shareholders	14	277,800,000	-
Share capital increase	13	111,976,000	9,931,600
Share capital increase costs		(1,231,736)	(55,000)
Payments for bond loan issuance fees		(10,715,958)	-
Payments of interest on bond loans and interest rate swap agreements		(9,705,120)	-
Increase in time deposits	12	(26,185,737)	-
Net cash flows from financial activities		**619,674,319**	**9,876,600**
Net increase in cash and cash equivalents		**41,165,366**	**2,146,375**
Cash and cash equivalents at the start of the year		2,180,649	34,274
Cash and cash equivalents in the end of period	11	**43,346,015**	**2,180,649**
Non-cash investment and financial activities		**2017**	**2016**
Addition to intangible assets (concession agreement) and concurrent recognition of liability		255,000,182	-
Addition to other intangible and tangible assets and concurrent recognition of liability		4,051,501	-
Capitalization of interest on bond loans from shareholders		12,784,738	-

The notes in pages 16-52 form an integral part of these Financial Statements.

Notes on the financial statements

1. General information

Fraport Regional Airports of Greece "B" S.A. (hereinafter the "Company") implements operations related to the upgrade, maintenance, management and operation in general, of seven regional airports of Aegean Sea, specifically of the airports of Rhodes, Kos, Santorini, Mykonos, Mytilene, Samos and Skiathos, in accordance with the terms and conditions of the relevant Concession Agreement, concluded on 14 December 2015 between the Company, its shareholders, the Hellenic Republic Asset Development Fund S.A. ("Concessionaire") and the Greek State (hereinafter the "Concession Agreement") whose term is 40 years.

The Company is a Societe Anonyme that has been founded and seated in Greece. Its registered offices (seat) are located in the Municipality of Amarousio in Attica; in specific, at 10 Germanikis Scholis street, 151 23 Marousi.

The Company was founded on 27 February 2015 by FRAPORT AG FRANKFURT AIRPORT SERVICES WORLDWIDE ("FRAPORT"), having its registered office in Germany, and SLENTEL LIMITED ("SLENTEL"), having its registered office in Cyprus (together the "Initial Shareholders"), with an initial holding in the Company of 72% and 28%, respectively. In December 2017, SLENTEL LIMITED transferred 10% of its holding, on the date of the transfer, to Marguerite Airport Greece S.A.R.L. ("MARGUERITE"). Next, considering the share capital increases which took place in 2017, the holdings of the three shareholders, FRAPORT, SLENTEL, and MARGUERITE, were 73.40%, 16.60% and 10%, respectively.

In accordance with Article 4 of the concession agreement, the Company has been granted, among others, with the exclusive right of exploitation of the concession operations in the seven airports of Aegean. These operations include inter alia the right of commercial exploitation of the airport services in each concession site of the aforementioned airports. Pursuant to Article 28.3 of the Concession Agreement, the Company's return on capital from air activities may not exceed 15.0% of the Air Activities Capital. Where the compounded cumulative return exceeds 15.0%) in 3 out of any 4 successive financial years, the Company must pay to the Greek State any such excess.

The Concession Agreement has been ratified and acquired the force of law by means of article 216 of Law 4389/2016 (GG A 94/27.5.2016).

The Company began its commercial operation and the provision of services on 11 April 2017, after having paid to the Concessionaire the upfront fee provided for in the Concession Agreement in the amount of €625,000,000.

At the end of the current financial year there were 180 employees on employment contracts of indefinite term, compared to 26 at the end of 2016.

The Financial Statements have been approved for publication by the Company's Board of Directors on 29 March 2018 and are subject to the approval by the Ordinary General Assembly of shareholders.

2. Summary of significant accounting principles

The main accounting principles that were applied during preparation of these Financial Statements are described below. These principles have been applied consistently in all periods presented, unless otherwise stated.

2.1. Financial statements preparation framework

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs) and the Interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as these have been adopted by the European Union and IFRS that have been issued by the International Accounting Standards Board (IASB). The financial statements have been prepared in accordance with the historical cost rule, save financial assets (including derivatives), and at fair value through profit or loss, which have been valued at their fair value.

Preparing these financial statements in accordance with the IFRS requires that use be made of accounting estimates and the opinion of the Management in implementing the accounting principles that have been adopted. The areas that contain a significant level of judgement or complexity or where assumptions and estimates significantly affect the financial statements are given in Note 4.

2.1.1. Going concern basis

The financial statements as at 31 December 2017 are prepared in accordance with the International Financial Reporting Standards (IFRS) and fairly present the Company's financial position, profit and loss, and cash flows based on the going concern principle.

These financial statements have been prepared on the going concern basis since, after evaluating all data and after taking into account the expressed commitment of shareholders, the Management believes that the Company will have sufficient funding to meet its financing and operating needs in the immediate future.

Macroeconomic conditions in Greece - Capital controls

The macroeconomic and financial environment in Greece shows signs of continuing stability, however, there is still a sense of uncertainty. The capital controls imposed on 28 June 2015 are still in place but have become less strict. Considering that the terms and conditions agreed upon for the third bailout program will be applied and capital controls will relax further and be lifted altogether in the short or medium term, the macroeconomic conditions are not expected to have a significant negative impact on the Company's activity.

The Company, in conjunction with its parent company, is constantly assessing the situation and its potential impact, in order to ensure that all necessary and feasible measures and appropriate actions are promptly taken to minimise any impact on its operations.

2.2. New standards, amendments of standards and interpretations

Standards and Interpretations mandatory for subsequent periods.

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 1.1.2017. The Company's estimate regarding the influence from application of these new standards, amendments and interpretations is cited below:

Standards and Interpretations effective for the current financial year

- **IAS 7 (Amendments) "Disclosure initiative"**

These amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

- **IAS 12 (Amendments) "Recognition of Deferred Tax Assets for Unrealised Losses"**

These amendments clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value. These amendments did not have a significant impact on the Company's financial statements.

Standards and Interpretations effective for subsequent periods

Certain new accounting standards, amendments and interpretations have entered into force for subsequent periods and were not applied at the time of preparing these financial statements.

IFRS 9 "Financial Instruments" and subsequent amendments to IFRS 9 and IFRS 7 "Financial Instruments: Disclosures" (effective for annual periods beginning on or after 1 January 2018)

IFRS 9 replaces the provisions of IAS 39 regarding classification and measurement of financial assets and financial liabilities and includes also a model of expected credit losses, which replaces the model of incurred credit losses that is currently applied. IFRS 9 establishes a hedge accounting approach based on principles and treats any inconsistencies and weaknesses in the current model of IAS 39. Based on the current estimate, IFRS 9 is not expected to have a significant impact on the Company's financial statements.

IFRS 9 (Amendments) "Prepayment Features with Negative Compensation" (effective for annual periods beginning on or after 1 January 2019)

The amendments allow companies to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met—instead of at fair value through profit or loss. The Company cannot apply the amendments earlier as they have not yet been adopted by the European Union. These amendments are not expected to have a significant impact on the Company's financial statements.

IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 1 January 2018)

IFRS 15 was issued in May 2014. The standard aims at providing a single and comprehensible model of recognition of revenue from all contracts with customers in order to improve the comparability between companies of the same sector, different sectors and different capital markets. It encompasses the principles that a financial entity must apply to determine the revenue measurement and the time point of their recognition. The main principle is that a financial entity will recognise revenue is such manner that reflects the transfer of goods or services to customers at the amount to which it expects to be entitled in return for these goods or services.

IFRS 15 establishes requirements for the recognition of revenue and expenses from contracts with customers and includes additional disclosure requirements. It includes a single five-step model to be applied to determine and recognize revenue that need to be applied to all contracts with customers. It requires that entities allocate revenue from contracts to individual enforceable obligations based on a relative standalone selling price based on the five-step model. The new standard applies to accounting periods starting on or after 1 January 2018. At this stage, the Company has not adopted the standard before the date of its entry into force. Based on analyses of the Company's business models and customary contracts with customers conducted in line with IFRS 15, the implementation of the five-step approach is not expected to create significant changes in terms of when and what revenue amounts will be recognized in the financial statements.

IFRS 16 "Leases" (effective for annual periods beginning on or after 1 January 2019)

IFRS 16 was issued in January 2016 and supersedes/replaces IAS 17. The aim of the standard is to ensure that lessees and lessors provide useful information which fairly presents the substance of the lease-related transactions. IFRS 16 introduces a single model regarding the accounting handling on the lessee's part, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a non-significant/low value. As regards the accounting handling on the lessor's part, IFRS 16 encompasses substantially the requirements of IAS 17. Therefore, lessors continue to classify leases as operating or financing leases and follow a different accounting handling for every type of lease. The new standard applies to accounting periods starting on or after 01 January 2019. At this stage, the Company has not adopted the standard before the date of its entry into force. The Company estimates that the adoption of IFRS 16 will not have a significant impact on its financial statements.

IFRIC 22 "Foreign Currency Transactions and Advance Consideration" (effective for annual periods beginning on or after 01 January 2018)

This Interpretation provides guidance about determining the date of a transaction when the standard on transactions in foreign currency, IAS 21, is applied. This Interpretation is not applicable when an entity pays or collects advance consideration for contracts in foreign currency. The Interpretation has not yet been endorsed by the EU. The Interpretation is not expected to impact the Company's financial statements.

IFRIC 23 "Uncertainty over income tax treatments**"** (effective for annual periods beginning on or after 1 January 2019)

The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. IFRIC 23 applies to all aspects of income tax accounting where there is such uncertainty, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The Interpretation has not yet been endorsed by the EU. The Interpretation is not expected to have a significant impact on the Company's financial statements.

IAS 19 (Amendments) "Plan amendment, curtailment or settlement" (effective for annual periods beginning on or after 1 January 2019)

The amendments specify how companies determine pension expenses when changes to a defined benefit pension plan occur. The amendments have not yet been endorsed by the EU. These amendments are not expected to have a significant impact on the Company's financial statements.

Annual Improvements to IFRSs (2015 – 2017 Cycle) (effective for annual periods beginning on or after 1 January 2019)

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

IAS 12 "Income taxes"

The amendments clarify that a company accounts for all income tax consequences of dividend payments in the same way.

IAS 23 "Borrowing costs"

The amendments clarify that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

2.3. Tangible fixed assets (Property, Plant, and Equipment)

The facilities, and the mechanical and other equipment mainly consist in movable assets which are not part of the concession of services, an intangible asset.

Fixed assets are presented in the financial statements at acquisition cost less accumulated depreciation and any impairment suffered by the assets. The cost of acquisition also includes the expenses directly involved in acquisition of the said assets.

Subsequent expenses are either included in the carrying amount of tangible assets or -if deemed more appropriate- are recognised as a separate asset only where it is possible that future economic benefits will inflow in the Company and under the condition that the asset's cost can be measured reliably. The carrying amount of the part that is replaced is deleted. Repair and maintenance costs are entered as expenses in the statement of comprehensive income at the time they were incurred.

The depreciation of the items of tangible fixed assets are calculated based on the assets' useful life by means of annual charges of equal amount in the period of their expected useful life, so that the cost is deleted at its residual value.

Land, buildings, facilities, fencing, ground power supply to aircraft, runways, taxiways, aircraft bridges and service areas are part of the Services Concession Agreement and make up the overall infrastructure and the right to use it has been recognized as an intangible asset.

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The estimated useful lives are as follows:

Asset category	Useful life (years)
Office building works	9
Office furniture	13
PCs and peripherals	3 - 7
Mobile phones	3 - 7
Other equipment	5 - 10

When the carrying amounts of tangible assets exceed their recoverable value, the difference (impairment) is recognized in profit or loss directly as expense (Note 2.5).

2.4. Intangible assets

Recognition of an asset as a intangible asset requires the Company to prove that the asset meets: a) the intangible asset's definition/identifiability criteria and b) the recognition criteria. This requirement is applicable to the costs that were initially incurred for the acquisition or internal generation of an intangible asset and the costs incurred subsequently for its supplementation, replacement of a part thereof or its maintenance. If there are no conditions for capitalization, costs are recognized in the statement of comprehensive income for the period to which they relate.

The intangible assets are initially measured at cost. Following initial recognition, they are reflected at their cost less any accumulated amortisation and any accumulated impaired losses (Note 2.5).

The Company assesses whether the useful life of an intangible asset is finite or indefinite and, if finite, the duration of the years or the number of productive or identical units comprising such useful life. The accounting handling for an intangible asset is based on its useful life. An intangible asset with finite useful life is amortised on the basis of the straight-line method and an intangible asset with indefinite useful life is not amortised.

The estimated useful lives are as follows:

Asset category	Useful life (years)
Software	3 - 5
Concession Agreement and associated costs	up to 40

2.4.1. Concession agreement for the exclusive right of exploitation

The exploitation right is stipulated in the Concession Agreement, which defines it as the right granted to the Company by the Greek State for the upgrade, maintenance, management and operation in general of the seven regional airports. The above right has a finite useful life of 40 years which is equal to the concession period and started on the concession commencement date, that is on 11 April 2017. The Concession Agreement will be accounted for in line with IFRIC 12 based on the intangible asset model since the Company, being the operator, will be paid by the airport users and the grantor has conceded no contractual guarantee with respect to the investment's recovery. The intangible asset represents the right granted by the Greek State to the Company to charge the airport users.

The Concession Agreement includes the upfront concession fee, which was paid on the concession commencement date and such payment was one of the prerequisites for commencement of the concession period. Upon commencement of the concession period, the above upfront concession fee was recognised in the intangible asset, as well as the present value of the well identified/determined future liabilities arising from the Concession Agreement, together with the recognition of the liability of the same amount. The discount interest rate used was the incremental interest rate for the investment at the start of the concession. Recognized financial liabilities are valued subsequently at amortized cost using the effective interest method. The intangible asset is amortised using the straight line method throughout the entire concession period (40 years).

Impairment costs are recognized in line with IAS 36 (Note 2.5).

2.4.2. Concession fee for the exclusive right of exploitation - variable concession fee

As stipulated in the Concession Agreement, during the period commencing from expiry of the investment period (4th year of concession period) until expiry of the concession period, the Company must pay HRADF the variable concession fee. The variable fee will be estimated for each concession year as a percentage on EBITDA as these are defined in the Concession Agreement, and it will be recognised in the statement of comprehensive income for the period to which it pertains.

2.4.3. Other intangible assets

The Company has intangible assets which are associated to designs, technical projects and other costs connected with the design, improvement and development of the infrastructure of the regional airports, as well as consultation services connected with the completion of the Concession Agreement. The depreciation of such assets starts with the completion of each project and continues until the end of the concession period.

Borrowing costs in connection with intangible assets which meet the conditions are capitalized at the cost of such assets (Note 2.15).

2.5. Impairment of non-financial assets

Goodwill and intangible assets with an indeterminate useful life are not subject to depreciation but checked for impairment on an annual or more frequent basis if due to events or changes in circumstances there is indication that they may be impaired. Fixed assets (tangible and intangible) that are subject to amortisation are tested for impairment whenever events or changes in circumstance indicate that their unamortised carrying amount may not be recoverable.

Impairment losses are immediately recognised as expenses and equal the difference between the unamortised and the immediately recoverable value of the underlying asset. The recoverable value is the highest amount resulting from comparison between a fixed asset's fair value less the selling cost and its value in use (the present value of cash flows which are expected to be generated according to Management estimates for future financial and operating conditions). For impairment calculation purposes, the assets are grouped at the lowest possible level in order to be linked with separate identifiable cash flows (cash-generating units).

Impaired non-financial assets are reassessed for a possible reversal of the impairment loss at each reporting date, excluding goodwill.

2.6. Financial assets

2.6.1. Classification

The Company's financial assets fall into the following categories: (i) loans and receivables, and (ii) financial assets measured at their fair value through profit or loss. The Management establishes classification upon initial recognition.

Loans and receivables
These include non-derivative financial assets with fixed or determinable payments, which are not traded on active markets. They are included in current assets, save those with a maturity over 12 months from the balance sheet date. The Company's loans and receivables are included in the items "Trade receivables", "Other receivables and financial assets", "Cash and cash equivalents" and "Time deposits" presented in the statement of financial position (notes 2.10, 2.12 and 2.11).

Financial assets measured at their fair value through profit or loss
This category includes financial assets held for trading. Derivatives are classified as held for trading, unless otherwise designated as hedges. Assets under this category are classified in current assets if held for trading or are anticipated to be sold within 12 months from the reporting date.

2.6.2. Recognition and measurement

Acquisitions and sales of financial assets are recognised as at the date of the transaction which is also the date on which the Company undertakes to buy or sell the asset. Loans and receivables are initially recognized at their fair value plus expenses directly attributed to the transaction. Financial assets valued at fair value through profit or loss are initially recognized at fair value and transaction costs are recognized in the period in which they are incurred. Investments are derecognised when the right to cash flows from investments ends or is transferred and the company has transferred substantially all ownership-related risks and benefits. Loans and receivables are subsequently recognised at amortised cost using the effective interest method. Financial assets valued at fair value through profit or loss are subsequently measured at fair value.

2.7. Offsetting of financial assets

Financial assets and financial liabilities should be offset and the net amount is reported in the statement of financial position when, and only when, an entity has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.8. Impairment of financial assets

At each reporting date, the company estimates whether there is objective evidence leading to the conclusion that financial assets have suffered impairment.

The impairment audit for trade receivables is described in Note 2.10.

2.9. Derivative financial assets and hedging instruments

The Company enters into financial derivative agreements on a case to case basis aiming at hedging exposure to the risk of rate change associated with long-term loan agreements.

The Company documents at the beginning of a transaction the relation between the hedging instruments and the hedged items, as well as the risk management strategy for taking hedging actions. This procedure includes connecting one derivative defined as hedging instrument to specific assets and liabilities or specific commitments or anticipated changes. Further, at the beginning of the hedging and constantly, the extent to which derivatives used in hedging transactions are particularly efficient in neutralizing changes in the current values or the cash flows of hedged items is assessed.

The fair values of the derivatives that are used for hedging purposes are disclosed in Note 3.2. Changes in the Cash Flow Hedging Reserve in Other comprehensive income are disclosed in Note 7. The overall fair value of hedging derivatives is classified to current assets or long-term liabilities when the remaining hedged item has a term over 12 months, or to current assets or short-term liabilities when the remaining term of the hedged item is under 12 months.

Cash Flow Hedging
Derivatives are initially recognized at their fair value as at the date on which the respective agreement is signed (Note 2.6).

The part of the change in the derivative fair value which is considered efficient and meets the cash flow hedging criteria, is recognized in Other comprehensive income. Profit or loss that relates to the inefficient part of the change is recognized in the statement of comprehensive income, under "Financial income" or "Financial expenses".

The cumulative amount entered in Equity is transferred to the statement of comprehensive income for the periods in which the hedged item affects the profit or loss of the period. The profit or loss that relates to the inefficient part of the hedging of floating borrowing rate exchange agreements is recognized in the statement of comprehensive income under "Financial income" or "Financial expenses".

When a hedging instrument matures or is sold or when a hedging relation stops meeting the hedge accounting criteria, the cumulative profit or loss entered by that time in Equity will remain in Equity and will be recognized when finally the anticipated transaction passes through the statement of comprehensive income. When it is not estimated any more that an anticipated transaction will take place, the cumulative profit or loss entered in Equity will be transferred immediately to the statement of comprehensive income under.

2.10. Trade receivables

Trade receivables are the sums owed by customers for services provided to them during the Company's ordinary activities/operations. If the receivables are expected to be collected within 12 months after the period's end (or within the duration period of the business's normal operating cycle, if longer than 12 months) they are entered in current assets, otherwise they are entered in non-current assets.

Receivables from customers are first carried at their fair value and are subsequently valued at amortised cost by using the effective interest method, less any impairment losses. Impairment losses are recognised when there are objective indications that the company is unable to collect all sums owed under the terms of each agreement, under which the receivable was created. Significant economic difficulties of the debtor, possibility of bankruptcy, financial restructuring, and failure of regular payments are considered indications that the receivable has been impaired. The amount in the provision shall be the difference between the carrying amount of receivables and the present value of anticipated future cash flows discounted at the effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of loss is recognised in the statement of comprehensive income. When a trade receivable cannot be collected, it is set off with the amount in the provision for trade receivables. Subsequently recoverable amounts that have been previously deleted, are credited in the statement of comprehensive income and are allocated accordingly to the assets that recovered their lost carrying amount (in whole or in part).

2.11. Time deposits

Time deposits are deposits in bank accounts which are not immediately available for use. The Company cannot use these deposits until after a specific future point in time or event. Where it is anticipated that time deposits will be used within a year from the date of the statement of financial position, they are classified as short-term assets. However, if it is not anticipated that they will be used within a year from the reporting date, they are classified as long-term assets.

2.12. Cash and cash equivalents

The Company considers as cash and cash equivalents the cash, the sight deposits, and the high liquidity and low risk short-term investments up to 3 months.

2.13. Share capital

Share capital includes the Company's registered shares. Direct expenses for the issuance of shares appear free of any relevant income tax debts as subtracted from equity.

2.14. Trade liabilities

The trade liabilities include the liabilities of paying for products and services that were acquired/received from suppliers during the Company's ordinary activities. Trade liabilities are entered into the short-term liabilities when their payment must be effected within the next 12 months. If their payment can be made beyond the 12-month period, then they are entered into the long-term liabilities.

Trade liabilities are recognised in line with the amortised cost method by using the effective interest rate.

2.15. Loans

Loans are initially entered at fair value into the proceeds/collected sums less any direct expenses incurred for their acquisition. Loans are subsequently stated at amortised cost, discounted at effective interest rate. Any difference between the proceeds (net of relevant transaction costs) and the redemption value is recognised in the statement of comprehensive income based on the borrowing's duration, using the effective interest method.

Loan expenses paid at the time new credits are signed are recognized as loan expenses insofar as it is possible that part or all of the credit line will be withdrawn. In this event they are entered as future loan expenses until the withdrawal. If new loans remain totally or partly unused, such expenses are included in prepaid expenses and recognized in profit or loss during the life of the respective credit line.

Loans are classified as short-term liabilities, unless the Company holds the unreserved right to postpone payment of the liability for at least 12 months after the reporting date.

Borrowing Costs
Borrowing costs are incurred during the acquisition or construction of an asset which meets the conditions and requires a significant amount of time to become ready for use are capitalized at the cost of the assets in line with IAS 23 "Borrowing costs". The remaining borrowing costs entered in the statement of comprehensive income when incurred. Borrowing costs are made up of interest and other costs incurred by a Company in connection with borrowing.

2.16. Income and Deferred Tax

The tax for the period is made up by current and deferred tax. Tax is recognized in the statement of comprehensive income, unless it is connected with amounts recognized in other comprehensive income or directly in equity. In this case, tax is also recognized in other comprehensive income or in equity, respectively.

Income tax
Income tax on profit is calculated in accordance with the Income Taxation Code effective in Greece. The expenditure for current income tax includes the income tax arising from the Company's profits as stated in its tax clearance statements, and any provisions for additional tax and surcharges for unaudited fiscal periods, and it is estimated in line with the statutory or substantially statutory rates of taxation.

Deferred income tax
Deferred income tax is recognised, using the liability method, arising from temporary differences between the carrying amount and the tax basis of assets and liabilities in the financial statements. Deferred income tax is not accounted for if it results from the initial recognition of an asset or liability in a transaction, with the exception of business consolidation/combination, which, when the transaction was carried out, did not affect the accounting or tax profit or loss. Deferred tax is determined in line with the tax rates and laws in force on the reporting date and are expected to be in force when the deferred tax assets are realized or the deferred tax liabilities paid.

Deferred tax liabilities are recognized insofar as there may be a future taxable profit from the use of the temporary difference generated by the deferred tax liability.
Deferred tax assets and liabilities are offset only if allowed under the law and the deferred tax assets and liabilities relate to the same tax authority and there is intention to settle them by offsetting.

2.17. Employee benefits

a) Retirement benefits

Retirement benefits include both defined contribution plans and defined benefits plans. The defined contribution plan is a pension plan under which the Company pays specific contributions to a separate legal entity. The Company has no legal or other implied obligation to pay additional contributions if there is lack of adequate assets in hand to pay to all employees the benefits corresponding to them in the current and previous time periods.

In respect of the defined contribution plans, the Company must pay contributions to public insurance funds. After having paid its contributions, the Company has no other obligation. Contributions are recognized as personnel expenses when there is a debt.

A defined benefit plan is a pension plan which establishes a specific pension amount which an employee will receive upon retirement and usually depends on one or more factors such as age, years of past service and remuneration.

The liability is entered in the statement of financial position for the defined benefit plans is the present value of the defined benefit liability on the reporting date. The defined benefit liability is calculated annually by an independent actuarial using the Projected Unit Credit Method. The present value of the defined benefit liability is calculated by discounting future cash outflows based on a discount factor equal to the rate for long-term high credit quality European corporate bonds.

The cost of the current service of the defined benefit plan recognized in the statement of comprehensive income as "Staff costs" reflects the increase in the defined benefit liability tied to an employee's service in the current period, changes in the benefit, cuts and settlements. The recognized cost of past service is recognised directly in profit or loss.

Actuarial profit or loss from empirical adjustments and changes in actuarial assumptions is charged or credited to other comprehensive income in the period in which it arises. There was no actuarial profit or loss in the financial year which ended on 31 December 2017 as it is the first period in which the Company used an actuarial study.

b) Employment termination benefits

Termination benefits are payable when employment is terminated before normal retirement date. The company recognizes such benefits when it is demonstrably committed to either terminate the employment of an employee based on a detailed plan from which there is no withdrawal possibility, or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy. Benefits falling due more than 12 months after the balance sheet date are discounted to present value.

In case of employment termination where it is not possible to establish the employees who make use of such benefits, such benefits are not recognized but notified as contingent liability.

c) Bonuses

The Company recognizes expenses and liabilities for bonuses paid when defined financial and business goals are reached. The Company recognizes a provision for bonuses when there is a contractual obligation or past practice generating an incremental liability.

2.18. Provisions

Provisions are recognised when the Company has a current legal or deemed obligation arising from past events and cash outflow will be possibly required to pay the liability and the required amount may be reliably estimated. Provisions are not recognised with respect to future operating losses.

Where various similar liabilities exist, the possibility that an outflow will be required during liquidation is determined by examining the liabilities category in its entirety. A provision is recognised even when the outflow possibility with respect to any asset included in the same category of liabilities, is small.

Provisions are determined at present value of the anticipated expenses required to cover the present liability. The discount rate used to determine the present value is before taxes and reflects the current market estimates for the time value of money and the increases related to the specific liability. The increase of the provision due to lapse of time is recognised as financial expenditure.

2.19. Revenue recognition

Revenues include the fair value of the collected or collectable consideration from the provision of services resulting from Company activities, net of value added tax, refunds and discounts.

The Company recognises income when their sum can be reliably estimated and the Company will possibly have future economic benefits as well as when certain conditions precedent are met for each one of the Company's activities. Income is not considered reliably measurable unless all significant pending matters regarding the sale are settled.

Income from services rendered
Income from services rendered derives from "air" and "non-air" activities.

"Air activities" are the provision of facilities, services and equipment for aircraft landing and parking, aircraft service, passenger, luggage, cargo and mail transportation to all airport facilities, as well as the transportation of passengers, luggage, cargo and mail to and from aircraft.

"Non-air activities" concern income from concession agreements and building rents.

Air activity charges
Income from the provision of air services are recognized in the statement of comprehensive income in the period in which they were rendered. The departure of the aircraft concerned is the criterion used to recognize income from air activities. Each arrival and the subsequent departure of an aircraft constitute a movement/flight cycle during which all necessary services are provided.

Regulatory rules have been included in the Concession Agreement to establish charges to airport users for the facilities and services provided at the airport.

Concession Agreements
The Company has entered into concession agreements under which the right is conceded to the beneficiary to exercise commercial activity inside the airports in a space specified by the Company. Concession royalties are calculated based on the agreed schedule as a percentage of the sales generated by the concession beneficiary activity and are subject to an annual minimum guaranteed charge. Each concession agreement provides in a separate part for the rental of cargo storage spaces for a fixed monthly rent.

Building rents
The Company rents buildings it holds under the Concession Agreement and are located on the airport campus. Income from such rentals is recognized in the statement of comprehensive income on a fixed basis throughout the rental.

Interest income
Interest income is recognised on time proportion basis by using the effective interest rate.

Income from construction activity
Under IFRIC 12 the costs incurred in the period for the construction and upgrading of the airports are recognized as income on an annual basis in line with IAS 11 "Construction Contracts".

2.20. Leases

Leases where the risks and rewards of ownership are maintained by the lessor are classified as operating leases. Payments made for operating leases (net of any incentives offered by the lessor) are recognised in profit ans loss with the straight line method during the lease period.

Leases where the Company acts as the lessee are characterised operating leases.

2.21. Dividend distribution

Dividend distributed to the Company's shareholders is recognized in the financial statements for the period in which such distribution is approved by the General Meeting of the Company's Shareholders.

3. Financial risk management

3.1. Financial risk factors

Due to its operations, the Company is exposed to financial risks, such as market risks (market prices), credit risk and liquidity risk. The Company's general risk management plan seeks to minimise the potential negative impact of the financial markets' volatility on the Company's financial performance. The Company is in the position of using Financial derivatives in order to hedge its exposure to specific risks.

The risk management is implemented by the Company's financial department, which operates under specific rules. The Board of Directors gives instructions, provides guidance and rules about interest rate risk, credit risk and non-derivative financial instruments as well as short-term cash investments.

a) Market risk
Market risk is the risk of changes in market prices as well as in exchange and interest rates affecting the fluctuations of the value held by the Company. Market risk management is the Company's effort to manage and maintain acceptable levels of exposure.

The individual risks making up the market risk and the Company's policies intended to manage them are detailed next:

i. Price risk

The Company is not exposed to the changes in the prices of equity instruments because it does not have investments, which have been recognised in the statement of financial position, either as financial assets or as investments at fair value through profit and loss.

ii. Currency risk

There is currency risk due to the Company's transactions in foreign currency. The Company is not exposed to currency risk as its financial assets and liabilities arise/are in euros, the Company's operating and presentation currency.

iii. Risk of cash flows and risk of changes in fair value due to change in the interest rates

The Company is exposed to interest rate risks from primary and derivative financial assets and liabilities.

As regards assets and liabilities, funding is pursued based on maturity match. The interest rate risk for the twelve months from the balance sheet date is a check item. To this end, it is checked on a quarterly basis and reported to the Financial Risk Committee. This risk is assessed based on sensitivity analyses. They show the impact of changes on market rates, interest payments, interest income and expenses and other items in the statement of comprehensive income and equity. Changes in interest rates mean the maximum fluctuation of the base rate in the past for the respective currency and time period and/or the maximum fluctuation of the ten-year swap in the past. The deviation is considered in absolute terms.

To limit interest risk, the Company uses derivative financial instruments such as interest rate swap agreements.

Sensitivity analyses are based on the following assumptions:

Financial instruments valued at the amortized cost of acquisition at a fixed rate do not affect the Company's results for the period or equity.

Changes in the market rates for financial instruments defined as hedging instruments to hedge cash flows affect shareholder equity and are therefore included in the sensitivity calculations for equity. Maximum volatility is a parallel shift of the rate curve by 325 base units in a twelve-month period.

Changes in the market rates for interest rate derivatives (interest rate swap agreements) which are not part of a hedging relationship under IAS 39 affect the financial result and are therefore included in the sensitivity analysis for the Company's results. Maximum volatility is a parallel shift of the rate curve by 325 base units in a twelve-month period.

Considering the Company's portfolio, the structure of financial position as at 31 December 2017 and the above assumptions, the effect of an increase/decrease in market rates would be equivalent to an decrease/increase in the result for the year by 0.7 million euros due an increase/decrease in net financial expenses (2016: 0 euros). This change is due to a change in the primary net financial positions of the Company's floating interest rate.

As regards the effect on equity, an increase/decrease in market rates in line with the above assumptions would lead to an increase/decrease in equity by 2.2 million euros (2016: 0 euros).

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b) Credit risk

The Company is exposed to credit risk and for this reason it has established and has been applying credit control procedures.
The credit risk arises from cash and cash equivalents and deposits in banks and financial institutions, including derivative financial instruments, as well as from open credit of clients, including the outstanding claims and binding transactions. As regards the credit risk arising from investments made, it is pointed out that the Company collaborates only with financial organisations of acceptable credit rating. If a credit assessment is available for clients, then the said assessment is used. If there is no credit assessment, then client's credit rating is checked by taking into account its financial condition, previous experience and other factors. The individual credit limits are determined on the basis of internal or external assessments. The application of credit limits is monitored on a constant basis.

The credit risk with regards to the Company's customers as at 31 December 2017 is considered limited as the Company has secured its receivables by way of letters of guarantee and deposits which exceed the balance of the customers account in the statement of financial position. There was no reason to form an impairment provision for the year that ended on 31 December 2017.

Deposits in banks and credit institutions include sight and time deposits. Next follows the long-term credit rating as at 31 December 2017 and 2016 (by Standard and Poor's):

	31 December 2017	31 December 2016
CCC+	69,531,490	2,180,620
Total	**69,531,490**	**2,180,620**

The difference between the amount shown in the above table and the above shown as cash and cash equivalents in the statement of financial position concerns the Company's cash in hand.

c) Liquidity risk

The Company ensures the required liquidity mainly through its business activity and external funding. Funds are used mostly to fund capital expenses to acquire the concession right and invest in the airports.
Operating cash flows, available cash (including cash and other financial instruments) as well as current and short-term credits and borrowing offer adequate flexibility to ensure the Company's liquidity. As at 31 December 2017, the Company's had unused credit funds in the amount of €130,404,133 (2016: €0), as well as available funds from the bond loan with its shareholders.

There is no liquidity risk given the diversity of both sources of funding, cash in hand and financial assets.
The Company's liquidity is monitored by the Management at regular intervals.

The viability table of financial liabilities is as follows:

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As at 31 December 2017	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Bank loan liabilities	17,601,025	22,441,050	79,057,394	386,696,401	**505,795,870**
Liabilities from loans from shareholders	-	-	22,893,464	621,833,968	**644,727,432**
Liabilities under the Concession Agreement	8,456,416	11,775,639	36,430,541	637,609,315	**694,271,911**
Suppliers and other liabilities	16,863,315	933,941	-	-	**17,797,256**
Liabilities to associate/related companies	2,210,411	-	-	-	**2,210,411**

As at 31 December 2016	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Suppliers and other liabilities	549,669	-	-	-	**549,669**
Liabilities to associate/related companies	4,408,025	-	-	-	**4,408,025**

The above amounts appear in the contractual, non-prepaid cash flows and therefore do not agree with the respective sums that are shown in the financial statements in respect of Loans and concession agreements.

The breakdown for Suppliers and other liabilities does not include amounts for Customer down payments and Insurance Organizations and other taxes/duties.

3.2. Determination/measurement of fair values

The Company uses the following hierarchy for the measurement and disclosure of fair value of financial instruments by valuation technique:

Level 1: quoted (non-adjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs significantly influencing the recorded fair value, are observable either directly or indirectly.

Level 3: techniques using inputs with significant impact on the recorded fair value and not being based on observable market data.

Valuation techniques used to determine fair values:
- the fair value of interest rate swap agreements is calculated as the present value of estimated future cash flows based on the observed yield curves (Tier 2),
- the fair value of the remaining financial instruments is determined using the analysis of discounted cash flows (Tier 3), unless their maturity is under one year, in which case the carrying amount is taken to approach the fair value.

The fair values and carrying amounts for the Company's financial assets for 2017 and 2016 are given below:

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Classification under IAS 39	Valued at amortized cost		Valued at fair value	31- Dec -17
	Loans and receivables			
			Hedging instruments	
Financial assets	**Carrying amount**	**Fair value**	**Fair value**	**Total Fair Value**
Cash and cash equivalents	43,346,015	43,346,015		**43,346,015**
Time deposits	26,185,737	26,185,737		**26,185,737**
Trade receivables	4,785,015	4,785,015		**4,785,015**
Other financial receivables and financial assets	2,701,975	2,701,975		**2,701,975**
Financial derivatives				
Hedging derivatives			561,595	**561,595**
Total	**77,018,742**	**77,018,742**	**561,595**	**77,580,337**

Other financial liabilities			
Financial liabilities	**Carrying amount**	**Fair value**	**Total Fair Value**
Trade liabilities	7,682,863	7,682,863	**7,682,863**
Other financial liabilities	10,114,393	10,114,393	**10,114,393**
Liabilities to related parties	2,210,411	2,210,411	**2,210,411**
Bond loans from shareholders	290,584,738	287,716,495	**287,716,495**
Bond loans from banks	267,610,251	282,700,321	**282,700,321**
Concession Agreement	263,664,993	255,860,482	**255,860,482**
Total	**841,867,649**	**846,284,965**	**846,284,965**

Classification under IAS 39	Valued at amortized cost		Valued at fair value	31- Dec -16
	Loans and receivables			
			Hedging instruments	
Financial assets	**Carrying amount**	**Fair value**	**Fair value**	**Total Fair Value**
Cash and cash equivalents	2,180,649	2,180,649	-	**2,180,649**
Other financial receivables and financial assets	1,701,234	1,701,234	-	**1,701,234**
Total	**3,881,883**	**3,881,883**	**-**	**3,881,883**

Other financial liabilities			
Financial liabilities	**Carrying amount**	**Fair value**	**Total Fair Value**
Trade liabilities	256,053	256,053	**256,053**
Other financial liabilities	293,616	293,616	**293,616**
Liabilities to related parties	4,408,025	4,408,025	**4,408,025**
Total	**4,957,694**	**4,957,694**	**4,957,694**

The above breakdown only includes financial assets.

3.3.Capital risk management

The Company's purpose as far as capital management is concerned, is to ensure the unhindered continuation of its activities in order to secure returns for its shareholders and benefits for the other parties related to the Company, and maintain an optimum capital structure achieving reduction of the cost of capital.

Just like other companies in the industry, the Company monitors its capital based on the leverage ratio. This ratio is calculated as the ratio of net borrowing to total capital employed. Net borrowing is obtained by subtracting the Company's cash and cash equivalents from borrowings (short- and long-term borrowings appearing in the statement of financial position). Total capital is obtained as the sum of equity in the statement of financial position and net debt. For more information about the leverage ratio see Note 23.

4. Significant accounting estimates and judgements of the Management

The Management's estimates and judgements are constantly reviewed and are based on historical facts and on expectations for future events that are deemed reasonable in line with the prevailing conditions.

4.1 Critical accounting estimates and judgements

The Company proceeds to estimates and assumptions regarding evolution of future events. The estimates and assumptions that involve an important risk to lead to future material adjustments to the carrying amounts of assets and liabilities in the next 12 months pertain to the following:

Income tax

General tax risks for the Company concern the timely filing of correct tax returns, the payment of taxes and compliance with all tax laws and regulations as well as rules of reference, in particular those related to income tax.

The Company is subject to income tax, VAT and other taxes in Greece. The Company recognizes liabilities for issues that may arise following a tax audit, based on estimates that additional taxes may arise or tax losses may be reduced. Where the end tax result of those issues differs from the amounts initially recognized, differences are charged to the current tax, deferred tax and other tax assets and liabilities in the period when such differences will be determined.

Deferred tax assets

Deferred tax assets and liabilities are recognized in cases of temporary differences between the tax base for assets and liabilities using the tax rates established and are expected to apply in the periods when such differences are expected to be eliminated. Deferred tax assets are recognized for all deductible temporary differences and tax losses carried over insofar as it is likely to have tax income available to be used against deductible temporary differences and tax losses carried over. The Company considers the existence of future tax income and applies an ongoing conservative tax planning strategy when estimating the deferred tax assets to be recovered. Accounting estimates related to deferred tax assets require that the Management make assumptions about determining the time of future events, such as the likelihood of an expected future tax income and available tax planning possibilities.

Fair vale of financial instruments

The fair value of financial instruments not traded on an active market (such as derivatives used by the Company to hedge interest rate risk) is determined using valuation methods which require the use of assumptions and subjective judgment.

Impairment of tangible and intangible assets

The Company's tangible and intangible assets are initially entered at cost and then depreciated based on their useful life. At each reporting date the Company checks for indications of impairment of its tangible and intangible assets. The impairment audit is conducted based on market information and Management estimates of future operating and financial conditions. Whenever there are indications of impairment, an impairment audit is carried out comparing the carrying amount of each cash-generating unit against the respective recoverable amount. The Company's management determines the recoverable amount through estimates which include basic assumptions about the period of the estimated cash flows, cash flows, the growth rate of flows and the discount interest rate. The assumptions are disclosed in the Company's financial statements in line with relevant provisions of IAS 36. As at 31 December 2017, there were no indications of impairment for the Company's tangible and intangible assets.

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4.2 Critical assessments in the accounting policies applied
There were no critical assessments regarding the application of the Company's accounting principles.

5. Tangible assets

Acquisition Cost	Improvements in third-party property	Mechanical equipment	Furniture and other equipment	Total
Balance as of 01 January 2016	-	-	-	-
Balance as of 31 December 2016	**-**	**-**	**-**	**-**
Balance as of 01 January 2017	**-**	**-**	**-**	**-**
Additions during the period	216,370	527,601	128,653	872,624
Balance as of 31 December 2017	**216,370**	**527,601**	**128,653**	**872,624**

Depreciation	Improvements in third-party property	Mechanical equipment	Furniture and other equipment	Total
Balance as of 01 January 2016	-	-	-	-
Balance as of 31 December 2016	**-**	**-**	**-**	**-**
Balance as of 01 January 2017				
Amortisations for the period	14,178	116,300	29,293	159,771
Balance as of 31 December 2017	**14,178**	**116,300**	**29,293**	**159,771**

Net carrying amount	Improvements in third-party property	Mechanical equipment	Furniture and other equipment	Total
Balance as of 31 December 2016	**-**	**-**	**-**	**-**
Balance as of 31 December 2017	**202,192**	**411,301**	**99,360**	**712,853**

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6. Intangible assets

Acquisition Cost	Concession Agreement Assets	Designs - Technical Projects and other Expenses	Total
Balance as of 01 January 2016	**-**	**-**	**-**
Additions during the period	-	5,965,112	**5,965,112**
Balance as of 31 December 2016	**-**	**5,965,112**	**5,965,112**
Balance as of 01 January 2017	**-**	**5,965,112**	**5,965,112**
Additions during the period	880,000,182	12,494,513	892,494,695
Balance as of 31 December 2017	**880,000,182**	**18,459,625**	**898,459,807**

Depreciation	Concession Agreement Assets	Designs - Technical Projects and other Expenses	Total
Balance as of 01 January 2016	**-**	**-**	**-**
Balance as of 31 December 2016	**-**	**-**	**-**
Balance as of 01 January 2017	**-**	**-**	**-**
Amortisations for the period	15,972,606	106,821	**16,079,427**
Balance as of 31 December 2017	**15,972,606**	**106,821**	**16,079,427**

Net carrying amount	Concession Agreement Assets	Designs - Technical Projects and other Expenses	Total
Balance as of 31 December 2016	**-**	**5,965,112**	**5,965,112**
Balance as of 31 December 2017	**864,027,576**	**18,352,804**	**882,380,380**

The Concession Agreement assets represent the right that the Greek State gave the Company to use the airports (Note 1).

The Concession Agreement includes the upfront concession fee of €625,000,000, which was paid on the concession commencement date and such payment was one of the prerequisites for commencement of the concession period. Upon commencement of the concession period, the above upfront concession fee was recognised in the intangible asset, as well as the present value of the well identified/determined future liabilities arising from the Concession Agreement in the amount of €255,000,182.

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The intangible assets concern designs, technical projects, borrowing and other costs connected with the design, improvement and development of the infrastructure of the regional airports, as well as consultation services connected with the completion of the Concession Agreement.
Charges from the Company's initial shareholders, FRAPORT AG and SLENTEL related to the successful completion of the Concession Agreement have been capitalized at the cost of intangible assets.

	31/12/2017	31/12/2016
FRAPORT AG	113,650	906,537
SLENTEL	-	322,000
Total	**113,650**	**1,228,537**

7. Financial derivatives

As part of the bond loan it entered into with the bank consortium described in Note 14, the Company entered into an interest rate swap agreement to hedge part of its risk deriving from changes in the interest rates of the Acquisition Term Loan Facility which has a floating interest rate. Based on the interest rate swap agreement, loss was recorded at the initial recognition of the derivative at fair value. This loss will be recognized in the statement of comprehensive income throughout the life of the derivative reducing its fair value.

	31/12/2017	31/12/2016
Interest rate swap agreements	407,590	-
Total	**407,590**	**-**

Details about the interest rate swap agreements

Interest rate swap nominal value as at 31 December 2017	55,873,077
Fixed rate	1.6010%
Floating rate	Half-yearly Euribor
Maturity	31 December 2034

Until 30 September 2017 the hedging relationship met the hedging accounting criteria and changes in the derivative fair value were therefore recognized in other comprehensive income. As part of a review of the hedging relationship on 31 December 2017, the Company assessed that it no longer met the criteria and, therefore, recognized the change in the fair value of the derivative for the period between October 1st and the end of the year in the statement of comprehensive income, reclassifying at the same time part of the profit which had been recognized in other comprehensive income. That amount stood at €10,287. For the year that ended on 31 December 2017, the total amounts recognized in the statement of comprehensive income and in other comprehensive income represented a loss of

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€281,655 and a profit of €529,366, respectively. The above amounts are the net result after the effect of deferred taxation and of a loss of €154,005 which was recognized in the year and derived from the initial recognition of the derivative at fair value. In addition, interest expenses in the amount of €660,957 related to the derivative were also recognized in the statement of comprehensive income.

8. Income tax and deferred tax

Income tax is calculated by the 29% tax rate (2016: 29%) on the taxable income. The total income tax charged in the statement of comprehensive income is broken down as follows:

	31/12/2017	**31/12/2016**
Current income tax	3,748,101	-
Deferred tax	(3,216,767)	(1,006,136)
Total income tax	**531,334**	**(1,006,136)**

Deferred income tax arises from the temporary differences between the carrying amount and the tax basis of assets and liabilities and is determined based on the effective income tax rate.

Deferred tax receivables and liabilities are set off when a legally enforceable right of setting off current tax receivables against current tax receivables is existent, and when deferred income tax pertains to the same tax authority.

Deferred tax Claims and Liabilities	**31/12/2017**	**31/12/2016**
Deferred tax receivables expected to be recovered after 12 months	(4,299,634)	(1,006,136)
Deferred tax liabilities expected to be settled after 12 months	236,610	-
Deferred tax assets (net)	**(4,063,024)**	**(1,006,136)**

The overall change in the deferred income tax account is as follows:

	31/12/2017	**31/12/2016**
Balance as at January 1st	**(1,006,136)**	**-**
Credit in profit or loss	(3,216,767)	1,006,136
Charge to other comprehensive income	159,879	-
Balance as at December 31st	**(4,063,024)**	**(1,006,136)**

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The breakdown in the deferred income tax account is as follows:

Deferred tax assets	Tax losses	Concession Fee	Under-capitalization	Liability for personnel compensation due to retirement or dismissal	Total
Balance as at 1 January 2016	-	-	-	-	**-**
Credit / (charge) to profit or loss and to the statement of comprehensive income	(1,006,136)	-	-	-	**(1,006,136)**
As at 31 December 2016	**(1,006,136)**	**-**	**-**	**-**	**(1,006,136)**
Credit / (charge) to profit or loss and to the statement of comprehensive income	1,006,136	(1,412,684)	(2,876,925)	(10,025)	**(3,293,498)**
As at 31 December 2017	**-**	**(1,412,684)**	**(2,876,925)**	**(10,025)**	**(4,299,634)**

Deferred tax liabilities	Tangible and intangible assets	Financial derivatives	Total
Balance as at 1 January 2016	-	-	**-**
As at 31 December 2016	**-**	**-**	**-**
Credit / (charge) to profit or loss and to the statement of comprehensive income	121,392	115,218	**236,610**
As at 31 December 2017	**121,392**	**115,218**	**236,610**

Income tax as listed in the statement of comprehensive income agrees with the tax arising from application of applicable tax rates.

	31/12/2017	**31/12/2016**
Profit/ Loss before taxes	1,628,150	(3,620,098)
Corporate profits tax rate	29%	29%
Income tax	472,163	(1,049,828)
Expenses not deducted for taxation purposes	76,255	43,692
Tax losses for which no tax receivable was recognised	(17,084)	-
Total income tax	**531,334**	**(1,006,136)**

The tax compliance audit for issuance of the tax clearance certificate for 2017 period is carried out by the firm which audits the financial statements, PwC SA, and no additional substantial tax liabilities are expected to arise other than those reflected in these financial statements. The unaudited years were 2015, 2016, and 2017.

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9. Trade receivables

	31/12/2017	31/12/2016
Trade receivables	4,506,093	-
Income earned	278,922	-
	4,785,015	**-**

Risk of Default Analysis

	31/12/2017	31/12/2016
Not delayed and impaired	4,357,646	-
30 - 180 days	148,447	-
	4,506,093	**-**

All trade receivables are initially recognized at their fair value, which coincides with their nominal value, given that the Company offers its customers short-term credits.

Where customers delay payment beyond the usual credit limits agreed upon, the Company reserves the right to charge default interest pursuant to the respective contracts signed with customers. This interest is recognized as income only when its recovery is likely. For the year that ended on 31 December 2017 there was no need to form a provision for the impairment of trade receivables.

10.Other receivables and financial assets

	31/12/2017	31/12/2016
Prepaid borrowing costs	2,547,476	-
Guarantees granted	85,830	-
Advance payments for construction projects	12,737,390	-
Other receivables and financial information in the long run	**15,370,696**	**-**
Advance payments for construction projects	11,209,265	-
Greek State: taxes withheld and prepaid	54,487	-
Receivables from the Greek State (VAT	2,577,553	1,695,387
Prepaid expenses for the next period	222,648	1,445,765
Other debtors	38,592	5,847
Other receivables and financial information in the short run	**14,102,545**	**3,146,999**
Total	**29,473,241**	**3,146,999**
Non-current assets	15,370,696	-
Current assets	14,102,545	3,146,999
	29,473,241	**3,146,999**

The fair value of other financial assets is given in Note 3.2.

Deferred borrowing costs concern costs directly linked to the bond loan taken out from the European Investment Bank (Note 14). Such costs concern only the portion of the loan for which no bonds have been issued and are, therefore, included in the statement of financial position as prepaid instead of in non-current assets. Once the bonds are issued, it will be carried over and subtracted from the loans and begin to be depreciated in line with the effective interest method.

Advance payments for construction projects concern payments made to the construction company which has undertaken the maintenance, improvement and development works at the airports conceded under the Concession Agreement. The initial advance payment was in the amount of €24,894,775 and is being decreased by offsetting 15% of the value of the invoices issued by the construction company. For the year that ended on 31 December 2017, the amount offset was €948,120 and has been recognized as an addition to intangible assets.

11.Cash and cash equivalents

	31/12/2017	31/12/2016
Cash at hand	262	29
Sight deposits	43,345,753	2,180,620
	43,346,015	**2,180,649**

Sight deposits are denominated in euros.

12.Time deposits

	31/12/2017	31/12/2016
Reserve Account for the Loan	11,906,137	-
Reserve Account for State Payments	14,168,116	-
Reserve Account for Capital Expenses	111,484	-
	26,185,737	**-**

Time deposits concern amounts deposited by the Company into pledged accounts in line with the terms of the bank bond loan.
Sight deposits are denominated in euros.

13.Equity

	31/12/2017	31/12/2016
Share capital	122,000,000	10,024,000
Other reserves	529,366	-
Profit and loss carried forward	(2,862,794)	(2,727,874)
Total	**119,666,572**	**7,296,126**

Share capital

The Company's share capital amounts in total to € 122,000,000.00, divided into 122,000,000 ordinary registered shares of € 1.00 par value each. The share capital is fully paid in. Any proposed change in the ownership regime should be disclosed to the Hellenic Republic Asset Development Fund (HRADF) and the Greek State.

	Number of shares	Face Value	Share capital
Balance as at 1 January 2016	**5,024,000**	**1.00**	**5,024,000**
Increases in the year	5,000,000	1.00	5,000,000
As at 31 December 2016	**10,024,000**	**1.00**	**10,024,000**

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As at 1 January 2017	10,024,000	1.00	10,024,000
Increases in the year	111,976,000	1.00	111,976,000
As at 31 December 2017	**122,000,000**		**122,000,000**

As regards composition of the Company's Share Capital s. Note 1 (General information).

	Reserve following change in the fair value of financial derivatives
Balance as at 1 January 2016	-
As at 31 December 2016	-
As at 1 January 2017	-
Increases in the year	529,366
As at 31 December 2017	**529,366**

14.Loans

Borrowing as at 31 December 2017 is broken down as follows:

	31/12/2017	31/12/2016
Long-term loans		
Bank loans (net of deferred borrowing costs)	265,527,226	-
Bond loans from associated/related parties	290,584,738	-
	556,111,964	**-**
Short-term loans		
Bank loans (net of deferred borrowing costs)	2,083,025	
	2,083,025	
Total	**558,194,989**	

Bank Bond Loan

On 24 March 2017, the Company entered into an agreement for an ordinary secured bond loan with a consortium of financial institutions ("Bondholders") to fund a) the Upfront Concession Fee, and b) the Imminent Refurbishment and Expansion Works as well as the Imminent New Works at the regional airports of Rhodes, Kos, Santorini, Mykonos, Mytilene, Samos and Skiathos.

Under the above agreement an ordinary secured bond loan in the total amount of€408,141,003 was issued pursuant to Law 3156/2003. The bond loan comprises two lines of credit:

a) Acquisition Bonds for a maximum total amount of €277,736,870. Acquisition Bonds for the total committed amount were issued in 2017 to cover part of the Upfront Concession Fee. The Acquisition Bonds include 2 series as follows:

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	% on the total	Amount
1. *Acquisition Fixed Rate Bonds*	46.71%	€ 129,728,423
2. *Acquisition Floating Rate Bonds*	53.29%	€ 148,008,447
Total	**100%**	**€277,736,870**

Series (2) is broken down into:

	% on the total	Amount
(i) *Acquisition Hedged Floating Rate Bonds*	37.75%	€ 55,873,077
(ii) *Acquisition Unhedged Floating Rate Bonds*	62.25%	€ 92,135,370
Total	**100%**	**€ 148,008,447**

b) European Investment Bank Bonds for a maximum total amount of €130,404,133 intended to fund capital expenses linked to the Concession Agreement, including project management and other fees, and development expenses incurred during the period of the imminent works (linked to imminent refurbishment works and imminent new or expansion works), and other expenses approved by the European Investment Bank and incurred in connection with the project. This line of credit is made up of two series as follows:

	% on the total	Amount
(i) EIB Fixed Rate Bonds	66.90%	€ 87,239,000
(ii) EIB Floating Rate Bonds	33.10%	€ 43,165,133
	100%	**€ 130,404,133**

Until the date of the statement of financial position no European Investment Bank Bonds had been issued. All loan facilities disbursed as at 31 December 2017 were in the amount of €130,404,133.

The Company must ensure that at least 65% of the bond loan will be issued by way of fixed rate bonds and hedged floating rate bonds.

The Acquisition Term Loan Facility matures on 31 December 2034. The EIB Term Loan Facility matures on 31 December 2041.

The bond loan includes, among other things, financial commitments which the Company must comply with, the main ones being linked to the following ratios:

a) Debt to Equity
b) Historic Debt Coverage Ratio
c) Projected for Debt Coverage Ratio
d) Loan Life Coverage Ratio

In addition, collateral has been given the main ones being:
(i) Pledge on 100% of the Company's shares
(ii) Pledge on the shares of FRAPORT REGIONAL AIRPORTS OF GREECE MANAGEMENT COMPANY S.A.
(iii) Pledge on the Company's insurance contracts
(iv) Pledge on the Company's bank accounts except for the operations account

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(v) Pledge on Project Contracts, including, among others, the good performance bond, the contract with the constructor, the contract with "Hellenic Duty Free Shops SA", the contract with the Independent Engineer, the Company's commercial contracts
(vi) Maintaining the pledge on bank guarantee accounts:
a) Reserve Account for State Payments
b) Reserve Account for Capital Expenses
c) Repayment Reserve Account
(vii) Keeping funds committed by shareholders to cover any cash shortage during the imminent works.

The funding documents provide for cases and conditions of mandatory prepayment, which are the usual and include mandatory prepayment through a Cash Sweep mechanism.

Bond loan from the Company's shareholders
On 24 March 2017, the Company and its initial shareholders, Fraport Ag Frankfurt Airport Services Worldwide and Slentel Limited entered into an agreement for an ordinary non-secured bond loan pursuant to Law 3156/2003 and the conditions of the respective plan with a view to applying the loan proceeds exclusively towards the needs of the Project. The initial agreement was amended on 20 December 2017 as Marguerite Airport Greece S.A.R.L. acquired a holding in the Company. The loan bond series are:
a) Initial Funding Bonds for a total amount of: €276,800,000.
b) Additional Bonds for a total amount of €1,500,000.
c) Standby Bonds for a total amount up to €90,000,000. This is the maximum amount the Company can receive as the amount is determined based on any Standby Bonds that Fraport Regional Airports of Greece "A" S.A. may have issued under the Sponsor Support Agreement.
d) PIK Bonds. These bonds are issued at the time when the Company ought to pay interest and bondholders acquire them instead of interest up to the amount of €162,277,000. Therefore, this series will be used to capitalize unpaid interest incurred under the bond loan.

It is pointed out that the Additional Bonds and Initial Funding Bonds make up the Initial Funding Loan.
The Bond Loan with the Shareholders has a fixed rate (6%) and a six-month interest period and matures (no later than) 31 December 2042.

The loans are broken down based on interest rate exposure as follows:

31/12/2017	**Fixed rate**	**Floating rate** *up to 6 months*	**Total**
Total loans	415,546,006	88,776,004	504,322,010
Effect of interest rate swaps	53,872,979	-	53,872,979
	469,418,985	**88,776,004**	**558,194,989**

Next follow the dates of maturity of long-term loans and the change during the year:

	31/12/2017	**31/12/2016**
Up to 1 year	2,083,025	-
Between 1 and 2 years	4,166,050	-
Between 2 and 5 years	20,691,394	-
Over 5 years	541,381,139	-
	568,321,608	**-**

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	31/12/2017	31/12/2016
Balance as at January 1st	**-**	**-**
Loans taken during the year	555,536,870	**-**
Interest on bond loan from shareholders capitalized during the year (issuance of bonds)	7,035,933	-
Interest incurred on the bond loan from the shareholders	5,748,805	
Loan issuance fees	(10,715,958)	-
Funding cost depreciation	589,339	-
Balance as at December 31st	**558,194,989**	**-**

15.Liability for personnel compensation due to retirement or dismissal

It is noted that there are no comparative figures as at 31 December 2016 none of the Company's employees had established right to compensation due to retirement.

The amounts recognized in the statement of financial position are:

	31- Dec -17
Liabilities in the statement of financial position for:	
Pension benefits	34,570
Total	**34,570**

Next follows the change in the liability in the statement of financial position:

	31- Dec -17
Starting balance	-
Total charge in the statement of comprehensive income	34,570
Ending balance	**34,570**

For the year that ended on 31 December 2017 no actuarial profit or loss was recognized as a result of empirical adjustments and changes to actuarial assumptions.

The amounts recognized in the statement of comprehensive income are:

	31- Dec -17
Charges in profit or loss:	
Current employment cost	34,570
Total	**34,570**

The main actuarial assumptions used for accounting purposes are:

Discount rate	1.50%
Annual average long-term inflation	1.75%
Future salary increases	0.25%
Average weighted duration of retirement benefits	12.4 years
Staff turnover rate	2.2%

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Next follows the sensitivity analysis for retirement compensation as a result of changes in the main assumptions:

		Effect on compensation benefits			
	Change in assumption by	Assumption increase		Assumption decrease	
Discount rate	0.50%	-8.57%	31,607	9.56%	37,875
Payroll change rate	0.50%	9.46%	37,841	-8.57%	31,607
Staff turnover rate	0.50%	-8.92%	31,487	9.89%	37,988

16.Suppliers and other liabilities

Trade receivables are broken down as follows based on the year of repayment:

	31/12/2017	**31/12/2016**
Long-term trade receivables	316,040	-
Short-term trade receivables	7,366,823	256,053
	7,682,863	**256,053**

Suppliers and other liabilities are broken down as follows:

	31/12/2017	**31/12/2016**
Suppliers	316,040	-
Payable guarantees (c)	617,901	-
Liabilities related to the Concession Agreement (b)	255,313,880	-
Deferred income (a)	20,500,000	-
Suppliers and other liabilities, long-term	**276,747,821**	**-**
Suppliers	7,366,823	256,053
Payable guarantees (c)	2,242,185	-
Liabilities related to the Concession Agreement (b)	8,351,113	-
Deferred income (a)	3,240,275	-
Insurance institutions and other taxes/ duties	594,166	45,076
Withheld taxes on interest	355,839	-
Customer, third-party advance payments	1,319,446	-
Interest incurred on bank loans	114,671	-
Provision for contribution to the State against airport modernization and development fees recovered (Note 19)	5,774,187	-
Provision for fire safety services	329,913	-
Provision for bonuses	455,870	-
Other liabilities	606,903	293,616
Suppliers and other liabilities, short-term	**30,751,391**	**594,745**
Total	**307,499,212**	**594,745**

a) On 23 March 2017 a contract was entered into with Hellenic Duty Free Shops S.A. member of "DUFRI AG". Under that contract Hellenic Duty Free Shops S.A. has the exclusive right to open stores selling certain types of duty free and duty paid products. Hellenic Duty Free Shops S.A. pays a monthly variable fee which is a percentage of sales. In addition, Hellenic Duty Free Shops S.A. made an advance payment of €25,000,000 to the Company against the future concession fee. In 2017 an amount of €1,500,000 was offset. The amount to be offset during 2018 is €3,000,000 and the amount to be offset in the remaining 11 years is €20,500,000. The above amounts have been included under deferred income in the table above.

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017 (AMOUNTS IN EURO)

b) Liabilities related to the Concession Agreement include the present value of well identified/determined future liabilities under the Concession Agreement.

c) Payable guarantees represent cash guarantees received by the Company from counterparties to whom the right to use the airport facilities has been granted against the timely payment of their financial liabilities under the concession agreements signed. Cash guarantees are adjusted each year based on latest available estimates of the sales the concession beneficiaries are expected to record in the following year.

Liabilities from taxes-duties and to social security funds pertain to deducted taxes and social security contribution payments for November and December 2017, which were not rendered overdue on the reporting date.

17.Transactions with related parties

The Company's liabilities to related parties as at 31 December 2017 are the following and pertain to administrative support fees and rent for the Company's offices.

Liabilities	**31/12/2017**	**31/12/2016**
FRAPORT REGIONAL AIRPORTS OF GREECE MANAGEMENT COMPANY S.A.	2,181,522	2,282,498
FRAPORT AG (bond loan and interest incurred)	213,285,811	-
FRAPORT AG (services)	28,889	1,413,920
SLENTEL (bond loan and interest incurred)	48,236,301	-
SLENTEL (services)		711,607
MARGUERITE (bond loan and interest incurred)	29,062,626	-
	292,795,149	**4,408,025**

The Company's transactions with related parties for the year 2017 are the following:

	TRANSACTIONS 2017		
	Services received	**Interest**	**Total**
FRAPORT REGIONAL AIRPORTS OF GREECE MANAGEMENT COMPANY S.A.	13,299,465	-	13,299,465
FRAPORT AG	330,014	9,380,611	9,710,625
SLENTEL	77,140	2,825,094	2,902,234
MARGUERITE	-	579,033	579,033
	13,706,619	**12,784,738**	**26,491,357**

	TRANSACTIONS 2016		
	Services received	**Interest**	**Total**
FRAPORT REGIONAL AIRPORTS OF GREECE MANAGEMENT COMPANY S.A.	2,602,578	-	2,602,578
FRAPORT AG	1,413,920	-	1,413,920
SLENTEL	711,607	-	711,607
	4,728,105	**-**	**4,728,105**

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017 (AMOUNTS IN EURO)

The Company is related to FRAPORT REGIONAL AIRPORTS OF GREECE MANAGEMENT COMPANY S.A. according to the definition of IAS 24, para. 9, point b, due to the fact that both companies are subsidiaries of FRAPORT AG FRANKFURT AIRPORT SERVICES WORLDWIDE. In addition, the two companies share the same BoD Chairman and 2 BoD members out of the 5 other members.

The remuneration of the above members of management are billed by the associated company FRAPORT REGIONAL AIRPORTS OF GREECE MANAGEMENT COMPANY S.A., which has been founded to provide all kinds of management/administration services to the companies FRAPORT REGIONAL AIRPORTS OF GREECE A S.A. and FRAPORT REGIONAL AIRPORTS OF GREECE B S.A. and to implement all kinds of activities related to the design, financing, construction, completion, maintenance, operation and development of the works to be performed by the two above companies.

In the year that ended on December 31st, the Company took out a bond loan from its initial shareholders. Next, following the transfer of SLENTEL's percentage to MARGUERITE, MARGUERITE acquired a right to an equal percentage of the bond loan. More information is available in Note 1.

Transactions with related parties are made based on usual market conditions.

18.Revenues

	1/1/2017-31/12/2017	01/01/2016-31/12/2016
Air Services		
Airport modernization and development fees	67,931,616	-
Other income from air services	17,104,500	-
	85,036,116	**-**
Non-air activities		
Commercial activities	5,836,873	-
Rent and other associated income	2,069,256	-
Income from construction services (IFRIC 12) (Note 6)	10,731,035	-
Other revenues	745,258	-
	19,382,422	**-**
Total	**104,418,538**	**-**

19.Cost of consumables and services

	1/1/2017-31/12/2017	01/01/2016-31/12/2016
Cost of construction services (IFRIC 12) (Note 6)	10,731,035	-
Maintenance costs	2,868,696	-
Costs of services received	22,594,426	2,602,000
Variable concession costs (a)	5,774,187	-
Cost of various consumables	624,817	-
Total	**42,593,161**	**2,602,000**

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017 (AMOUNTS IN EURO)

a) Pursuant to the Concession Agreement for each Concession Year ending after (a) the Concession Commencement Date and up to 1 November 2024, an amount corresponding to 8.5% of the airport modernization and development fees received by the Company after such date in any Concession Year and after (b) 1 November 2024, 35% of the airport modernization and development fees received by the Company after such date in any Concession Year will be paid to the State as the Levy to fund in part (i) the HCAA in its role as airport regulator,

(ii) the deficit incurred by the operation of the airports retained by the State and (iii) the PSO routes. For the year that ended on 31 December 2017 the relevant cost recognized by the Company was €5,774,187 and is part of the variable concession costs.

20.Staff costs

	1/1/2017-31/12/2017	01/01/2016-31/12/2016
Salaries and daily wages	5,030,564	77,278
Social security costs	1,312,363	19,366
Provision for personnel compensation due to retirement or dismissal	34,570	-
Total	**6,377,497**	**96,644**

Number of employees as at December 31st	1/1/2017-31/12/2017	01/01/2016-31/12/2016
Temporary employees	-	-
Permanent employees	180	26
Total	**180**	**26**

21.Other operating expenses

	1/1/2017-31/12/2017	01/01/2016-31/12/2016
Premiums	1,189,852	-
Advertising costs	13,211	-
Expenses for consultation, technical and audit services	1,291,674	919,077
Rental costs	61,038	578
Other taxes	4,034	853
Power costs	1,443,034	-
Water supply and sewage costs	186,235	-
Waste management cost	251,690	-
Staff training costs	257,179	-
Flight Management Authority fees	135,904	-
Other operating expenses	471,115	6,860
Total	**5,304,966**	**927,368**

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017 (AMOUNTS IN EURO)

Audit service costs are:

	1/1/2017-31/12/2017	01/01/2016-31/12/2016
Mandatory audit of the annual financial statements	55,000	15,000
Other assurance services	41,500	3,750
Other associated non-audit services	500	-
Total	**97,000**	**18,750**

22.Financial expenses

	1/1/2017-31/12/2017	01/01/2016-31/12/2016
Financial income		
Interest income	357,329	5,914
Total financial income	**357,329**	**5,914**
Financial expenses		
Interest on bond loans from Banks	(10,096,558)	-
Interest on bond loans from Shareholders	(12,784,738)	-
Interest on interest rate swap agreements	(660,957)	-
Reversal of prepaid liability under a Concession Agreement	(8,664,811)	-
Total financial expenses	**(32,207,064)**	**-**
Other financial expenses		
Loss from the valuation of an interest rate swap agreement recognized in the statement of comprehensive income	(281,655)	-
Other	(144,176)	-
Total other financial expenses	**(425,831)**	**-**
Total financial expenses	**(32,275,566)**	**5,914**

23.Capital management

	31/12/2017	31/12/2016
Long Term bank Debt	556,111,964	-
Short term bank debt	2,083,025	
Less: Cash and cash equivalents	(43,346,015)	(2,180,649)
Time deposits	(26,185,737)	-
Net borrowing	**488,663,237**	**(2,180,649)**
Total equity	119,666,573	7,296,126
Total capital employed	**608,329,810**	**5,115,477**
Leverage ratio	**80.33%**	**-%**

This part presents a breakdown of net borrowing and the various items for each of the years included here.

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017 (AMOUNTS IN EURO)

	31/12/2017	31/12/2016
Cash and cash equivalents	43,346,015	2,180,649
Time deposits	26,185,737	-
Borrowing payable in the following year	(2,083,025)	-
Borrowing payable after one year	(556,111,964)	-
Net borrowing	**(488,663,237)**	**2,180,649**

	Other assets		Financial leasing liabilities		
	Cash in hand/bank	Time deposits	Borrowing payable within 1 year	Borrowing payable after 1 year	Total
Net borrowing as at 1 January 2016	**34,274**	**-**	**-**	**-**	**34,274**
Cash flows	2,146,375	-	-	-	2,146,375
Net borrowing as at 31 December 2016	**2,180,649**	**-**	**-**	**-**	**2,180,649**
Cash flows (net of funding costs)	41,165,366	26,185,737	(2,083,025)	(542,737,887)	(477,469,809)
Loan interest capitalized during the year (issuance of bonds)	-	-	-	(7,035,933)	(7,035,933)
Interest incurred on the bond loan from the shareholders	-	-	-	(5,748,805)	(5,748,805)
Other non-cash transactions - Funding cost depreciation	-	-		(589,339)	(589,339)
Net borrowing as at 01 January 2017	**43,346,015**	**26,185,737**	**(2,083,025)**	**(556,111,964)**	**(488,663,237)**

24.Underwriting liabilities and receivables

Operating leases

Payments for operating leases concern rents paid by the Company to a related party for its offices, for leased cars to third parties as well as for payments for services received mostly from the Greek State and private individuals. As at the reporting date, the Company had the following obligations arising from operating leases:

	Within 1 year	1-5 years	Over 5 years
Car leasing - third parties	83,398	333,591	122,456
Other services - third parties	142,432	571,965	-
Greek State (Fire Brigade)	5,480,080	6,621,763	-
Office rentals - related parties	4,080	16,320	11,582
	5,709,990	**7,543,639**	**134,038**

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017 (AMOUNTS IN EURO)

Construction contracts

Pursuant to the contract signed on 22 March 2017 by and between the Company and Intracom Constructions Societe Anonyme Technical and Steel Constructions (Intrakat), the Company assigned to Intrakat the design and construction of works at the regional airports managed by the Company. As at 31 December 2017 the underwriting liabilities under the above contract stood at €154,656,609.

25.Contingent liabilities

The company has contingent liabilities in respect of banks, other guarantees and other issues that result from its normal operations from which no substantial charges are expected.

The Company has not been audited for 2015, 2016, and 2017. For 2016 it was audited pursuant to Law 4174/2013 and received a tax compliance certificate from PWC SA without reservations. The tax compliance audit for the issuance of the tax certificate for 2017 is conducted by PWC SA and it is not expected that there will be substantial tax liabilities in addition to those listed in the financial statements.

26. Reclassifications

The amount of € 3,626,012 was transferred from the "Administrative Expenses" account to the "Costs of Supplies and Services", "Staff Expenses", "Other Operating Expenses" in the Statement of Total Income as at 31.12.2016, so that it is comparable to the Statement of Total Income as at 31.12.2017.

27.Events after the reporting date

Following the reporting date, the following occurred but this does not affect the current financial statements of the Company. On January 31, 2018, the Company disbursed a "European Investment Bank" bond of € 2.000.000 for the purpose of financing airport renovation projects.

Athens, 29 March 2018

THE PRESIDENT	**THE VICE CHAIRMAN**
STEFAN SCHULTE	CHRISTOPH HANS NANKE
German passport No C5LP2YHTY	German passport No C5J83LM8P
THE CHIEF FINANCIAL OFFICER DEPARTMENT	**THE HEAD OF ACCOUNTING**
EVANGELOS BALTAS	TAIRIDOU KIRIAKI
Police ID Card No AK096400	Police ID Card No AB 573682

FRAPORT REGIONAL AIRPORTS OF GREECE "B" SOCIETE ANONYME

Independent Chartered Auditor - Accountant Audit Report

Direct Translation of the independent auditor's report issued on the statutory financial statements of «Fraport Regional Airports of Greece B S.A.» for the year ended 31 December 2017 from the original text in Greek. The below translation of the audit report should not be accompanied by any financial statements except for the statutory financial statements for the year ended 31 December 2017, prepared in accordance with International Financial Reporting Standards.

Independent auditor's report

To the Shareholders of «Fraport Regional Airports of Greece B S.A.»

Report on the audit of the financial statements

Our opinion

We have audited the financial statements of «Fraport Regional Airports of Greece B S.A.» (Company) which comprise the statement of financial position as of 31 December 2017, the statements of comprehensive income, changes in equity and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects the financial position of the Company and the Group as at 31st December 2017, the financial performance and the cash flow for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the statutory requirements of Codified Law 2190/1920.

Basis for opinion

We conducted

our audit in accordance with International Standards on Auditing (ISAs), as they have been transposed into Greek Law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the separate and consolidated financial statements section of our report.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

During our audit we remained independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that has been transposed into Greek Law, and the ethical requirements of Law 4449/2017, that are relevant to the audit of the financial statements in Greece. We have fulfilled our other

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ethical responsibilities in accordance with Law 4449/2017, and the requirements of the IESBA Code.

Other Information

The members of the Board of Directors are responsible for the Other Information. The Other Information is the Board of Directors Report (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the Other Information and except to the extent otherwise explicitly stated in this section of our Report, we do not express an audit opinion or other form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Board of Directors Report, we considered whether the Board of Directors Report includes the disclosures required by Codified Law 2190/1920.

Based on the work undertaken in the course of our audit, in our opinion:

- The information given in the the Board of Directors' Report for the year ended at 31 December 2017 is consistent with the financial statements
- The Board of Directors' Report has been prepared in accordance with the legal requirements of articles 43a of the Codified Law 2190/1920.

In addition, in light of the knowledge and understanding of the Company «Fraport Regional Airports of Greece B S.A.» and the environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Board of Directors' Report. We have nothing to report in this respect.

Responsibilities of Board of Directors and those charged with governance for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the requirements of Codified Law 2190/1920, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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Report on other legal and regulatory requirements

“With respect to the Board of Directors Report, the procedures we performed are described in the “Other Information” section of our report”.

Athens, 30 March 2018
The Certified Auditor Accountant

PricewaterhouseCoopers S.A
Certified Auditors Accountants
SOEL Reg. No. 113

Dimitris Sourbis
Soel Reg. No 16891

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