FRAPORT REGIONAL AIRPORTS OF GREECE MANAGEMENT COMPANY SOCIÉTÉ ANONYME

- Management Report of the Board of Directors (BoD) of the Company 'Fraport Regional Airports of Greece Management Company SOCIETE ANONYME' for the period ended on 31 December 2018.

- Financial Statements for the year ended on 31 December 2018 in accordance with the International Financial Reporting Standards (IFRS)

- Independent Chartered Auditor - Accountant Audit Report

REGISTERED OFFICES: 10 GERMANIKIS SCHOLIS STR., AMAROUSIO ATTICA
GENERAL COMMERCIAL REGISTER (GEMI) NO. 136996801000
Tax Office FAE OF ATHENS

FRAPORT REGIONAL AIRPORTS OF GREECE MANAGEMENT COMPANY SOCIÉTÉ ANONYME

Management Report of the Board of Directors (BoD) of the Company 'Fraport Regional Airports of Greece Management Company SOCIETE ANONYME' for the period ended on 31 December 2018.

BoD MANAGEMENT REPORT OF FRAPORT REGIONAL AIRPORTS OF GREECE MANAGEMENT COMPANY S.A.

TO THE GENERAL ASSEMBLY OF SHAREHOLDERS AS OF 30/05/2019

Dear Shareholders,

Pursuant to Article 43a of Codified Law 2190/20, as in force and currently applicable based on article 150 of Law 4548/2018, we submit to your General Assembly this Management Report of the Board of Directors and the attached financial statements of FRAPORT REGIONAL AIRPORTS OF GREECE MANAGEMENT COMPANY S.A. (hereinafter "Company") which were prepared in line with the International Financial Reporting Standards (IFRSs) for the year which ended on 31 December 2018, and kindly request that you approve them along with remarks on them.

1. Business plan, goals and key strategies

"Fraport Regional Airports of Greece Management Company S.A." (hereinafter the "Company") 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. The following services are cited indicatively and not restrictedly: consultation, computerisation and telecommunications services; all kinds of financial, legal, accounting and tax services; upgrade, maintenance, security, and cleaning services; design consultancy services and management services related to administration, assignment, and supervision of technical works and activities.

The Company's shareholders are: Fraport AG Frankfurt Airport Services Worldwide, Copelouzos Group and European Fund 2020 Marguerite.

2. Company performance

In 2018, operating income saw a 26,96% increase, going up to 35,01 million euros from 27,58 million euros in 2017. In 2018, operating expenses saw a 26,28% increase, going up to 32,97 million euros (including depreciation for the period) from 26,11 million euros in 2017. Lastly, for the year that ended on 31 December 2018, the Company's net profit before taxes stood at 2,03 million euros as compared to 1,43 million euros for the year that ended on 31 December 2017, experiencing a 42,38% drop.

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

			2018		2017	
Return on Invested Capital	=	Net Profit/(Loss) before tax / Total Assets	2.034.424 / 11.655.282	**17,5%**	1.428.892 / 9.163.555	**15,6%**

			2018		2017	
Return on Equity	=	Net Profit/(Loss) before tax / Equity	2.034.424 / 2.097.443	**97,0%**	1.428.892 / 980.087	**145,8%**

B) Liquidity Ratios

	2018	2017

Working Capital Ratio	=	Current Assets / Short-term liabilities	8.971.436 / 9.144.038	**98,1%**	6.554.906 / 7.829.417	**83,7%**

Γ) Financial/capital Structure Ratios

			2018		2017	
Equity to Total Capital	=	Equity / Total Equity and Liabilities	2.097.443 / 11.655.282	**18,0%**	980.087 / 9.163.555	**10,7%**

			2018		2017	
Leverage Ratio (borrowing)	=	Net borrowing: / Total capital employed	-5.681.181 / -3.583.738	**-%**	-2.158.301 / -1.178.212	**-%**

Δ) Activity Ratios

			2018		2017	
Asset Turnover Ratio	=	Sales / Total Assets	35.014.262 / 11.655.282	**300,4%**	27.579.913 / 9.163.555	**301,0%**

3. Anticipated course of the Company:

There are positive prospects for 2019. At a time when Greek tourism is on a dynamic growth course, the 14 airports of Fraport Regional Airports of Greece A S.A. and Fraport Regional Airports of Greece B S.A. are expected to see a further increase in passenger traffic. At the Company we believe that a major upgrade of the 14 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 return to profitability by increasing its income as a result of the growing passenger traffic of the airports.

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.

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 debit financial instruments at fair value through other total revenues or as debit financial instruments at fair value through profit and loss.

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

The Company is not exposed to fluctuations of interest rates prevailing in the market and which (interest rates) affect its financial position as well as its cash flows, since it does not have any interest-bearing receivables or liabilities.

iii. 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.

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, 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 high 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.

Liquidity risk

The liquidity risk is maintained at low levels by having sufficient cash available as well as by being provided with sufficient credit limits by the collaborating banks and the parent Company.

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

In 2018, Greek economy maintained the growth potential it showed in 2017, as well as showed a steady improvement of the economic climate. In 2018, the Gross Domestic Product (GDP) is expected to see an annual increase of 2%, this being the best performance it has shown in the past 11 years, maintaining the growth potential of 2017, when GDP experienced an annual increase of 1,5%. In addition, on 20 August 2018, the Third Economic Adjustment Program came to a successful completion, with a significant amount of funds having been raised to meet the country's funding needs at least in the coming three years.
The fact that the cost for servicing the public debt of Greece dropped as a result of the relief measures adopted at the Eurogroup of June 21st, was an important development in 2018. That Eurogroup decided, among others, on the enhanced surveillance regime under which the country was placed at the end of the program. Furthermore, as a result of the above developments, in 2018, the rating agencies Moody’s, S&P and Fitch embarked on a gradual upgrading of the credit rating of Greece up to B3, B+ and BB-, respectively.

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 no branches.

6. Treasury shares

The Company holds no treasury shares.

7. Activity in the research and development sector

The Company does not implement any research and development activities.

8. Environmental

The Company acknowledges its obligations towards the environment and the need for constantly improving its environmental performance. Being a company providing services, it does not generate any waste with adverse impact on the environment, thus there are no environmental issues related to the company's operation.

Our goals are:

- To reduce the consumption of energy, fuel and paper;
- To reduce our waste and increase the recycling rates;
- To raise environmental awareness in our corporate culture;

We closely monitor our energy footprint and the environmental impact from our activities, whilst we seek to improve our operations, the measurement process and increase even more the recycling rates.

9. HR

In 2018 the HR Department of Fraport Greece implemented a number of plans designed to enhance the performance and the potential of the Employees, complement the Compensation package and enhance the two ways communication flow inside the Organization.

On 31 December 2018, the Company employed 199 employees (31/12/2017: 168).

<u>Performance Appraisal System</u>

In line with the HR best practices a Performance Evaluation and Goal Setting system was developed, introduced and implemented in Fraport Greece. Based on the principles of transparency, openness, fairness and non-discrimination it was communicated to all employees, and used with excellent results.

Position Evaluation
To put every position in the appropriate slot in the Company's Organization Placement Chart, Fraport purchased and implemented the HAY Position Evaluation system.

Every new position is evaluated by a committee comprising HR and Line Managers and placed in the appropriate slot.

Health, Accident and Disability Insurance
In the third quarter of 2018, we renewed the Health, Accident and Disability Insurance of our staff the whole cost of which is borne by the Company.

At the same time, the increase of the premiums of dependents, was subsidized by the Company to the tune of 50%.

Well being
To promote well-being and a healthy life the Company struck an agreement with a well-known chain of fitness centers in Athens which offers physical exercise, outside events, yoga classes and nutritional lectures to our staff. The entire cost of this program was absorbed by Fraport.

Social Responsibility
In 2018 we took two social responsibility activities. We introduced and promoted recycling of plastic in our premises and we organized a blood donation campaign among our employees. We started with a lecture by the National Center of Blood Donation, we enrolled the Company in the Center's register as a Blood Donating Company and we continue this year with "blood donation days" when we expect volunteers to give blood in events organized in our premises or in hospitals.

Communication enhancement
To further enhance the internal communication flow, the Company upgraded the regular meetings by using modern technology to have the airports linked in the HQ meetings and stepped up the interest of the staff in these meetings by have the employees send their question to HR in any way they wish (even anonymously) before the start of the meetings. Level C Executives then undertake to reply to these questions during the meeting.

A Breakfast with the CEO plan was introduced which gives employees the chance to have breakfast with the CEO in a relaxed environment, ask any question they want and get the answers directly from the CEO.

In addition to the above, the Company started issuing and circulating to all staff in all locations a local newsletter. To make it more effective a network of correspondents was established and the editing committee includes staff from all levels and work areas.

Training
To comply with legal requirements but also in order to enhance our Employees skills and knowledge we run 1137 courses, attended by 10.673 attendees. Number of training hours

The number of training hours reached 4.877 and the training man hours were 44.000.

At the same time, we purchased our own e-learning platform and started delivering lessons through the use of this venue. We will continue in 2019 with the introduction of more courses and we will take down the barriers in time and location while at the same time we will achieve considerable savings in travel cost and time.

			2018		2017	
Gender composition of staff employed	=	Number of women employed / Total employees	87 / 199	**43,72%**	75 / 168	**44,64%**
			2018		**2017**	
Gender composition of staff employed	=	Number of men employed / Total employees	112 / 199	**56,28%**	93 / 168	**55,36%**

Athens, 21/03/2019

For the Company's Board of Directors

THE PRESIDENT
STEFAN SCHULTE

German passport No
C5LP2YHTY

FRAPORT REGIONAL AIRPORTS OF GREECE MANAGEMENT COMPANY SOCIÉTÉ ANONYME

Financial Statements for the year ended on 31 December 2018 in accordance with the International Financial Reporting Standards (IFRS)

REGISTERED OFFICES: 10 GERMANIKIS SCHOLIS STR., AMAROUSIO ATTICA
GENERAL COMMERCIAL REGISTER (GEMI) NO. 136996801000
Tax Office FAE OF ATHENS

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Statement of Financial Position

	Not.	31.12.2018	31.12.2017
Assets			
Non-current assets			
Tangible assets	5	1.596.787	1.646.715
Intangible assets	5	1.026.061	903.074
Other long-term receivables	6	60.998	58.860
		2.683.846	**2.608.649**
Current assets			
Receivables from associate companies	7	3.220.513	4.323.644
Other receivables	8	69.742	72.961
Cash and cash equivalents	9	5.681.181	2.158.301
		8.971.436	**6.554.906**
Total assets		**11.655.282**	**9.163.555**
Equity and liabilities			
Equity			
Share capital	10	31.579	31.579
Statutory and other reserves	10	34.255	47.425
Profit and loss carried forward	10	2.031.609	901.083
Total equity		**2.097.443**	**980.087**
Liabilities			
Long-term liabilities			
Provisions for personnel compensation due to retirement or dismissal	11	375.009	266.025
Deferred tax liabilities	12	38.792	88.026
		413.801	**354.051**
Short-term/current liabilities			
Suppliers	13	1.849.214	3.300.480
Liabilities to associate/related companies	13	2.161.311	169.186
Income tax	12	396.907	378.990
Other liabilities & accrued expenses	13	4.736.606	3.980.761
		9.144.038	**7.829.417**
Total liabilities		**9.557.839**	**8.183.468**
Total equity and liabilities		**11.655.282**	**9.163.555**

The notes in pages 16 up to 38 form an integral part of these Financial Statements.

Statement of Profit and Loss and of Comprehensive Income

	Not.	**2018**	**2017**
Income	14	35.014.262	27.579.913
Operating income		**35.014.262**	**27.579.913**
Cost of consumables and services rendered	15	(14.733.493)	(9.599.086)
Staff costs	16	(13.495.603)	(11.935.249)
Other operating expenses	17	(4.100.370)	(4.138.131)
Total operating expenses before depreciation		**(32.329.466)**	**(25.672.466)**
Profit before taxes and depreciation		**2.684.796**	**1.907.447**
Depreciation	5	(642.520)	(438.250)
Operating profit		**2.042.276**	**1.469.197**
Interest income	18	9.144	544
Interest expenses	18	-	(26.826)
Other financial expenses	18	(16.996)	(14.023)
Net financial expenses		**(7.852)**	**(40.305)**
Profit before taxes		**2.034.424**	**1.428.892**
Income tax	12	(903.898)	(466.176)
Profit after taxes		**1.130.526**	**962.716**
Other comprehensive income:			
Items that are not subsequently reclassified in the profit or loss			
Actuarial profit / (loss)		(13.170)	-
Other comprehensive income:		**(13.170)**	**-**
Aggregate comprehensive income after taxes		**1.117.356**	**962.716**

The notes in pages 16 up to 38 form an integral part of these Financial Statements.

Statement of Changes in Equity

	Share capital	Other reserves	Profit and loss carried forward	Total Equity
Balance as at 01 January 2017	**30.000**	**-**	**(14.192)**	**15.808**
Results after taxes for 2017	-	-	962.716	962.716
Aggregate comprehensive income after taxes	**-**	**-**	**962.716**	**962.716**
Share capital increase (Note 10)	1.579	-	-	1.579
Share capital increase costs		-	(16)	(16)
Reserve formation		47.425	(47.425)	-
Total transactions with shareholders	**1.579**	**47.425**	**(47.441)**	**1.563**
Balance as at 31 December 2017	**31.579**	**47.425**	**901.083**	**980.087**
Balance as at 01 January 2018	**31.579**	**47.425**	**901.083**	**980.087**
Results after taxes for 2018	-	-	1.130.526	1.130.526
Other comprehensive income (Note 10)		(13.170)	-	(13.170)
Aggregate comprehensive income after taxes	**-**	**(13.170)**	**1.130.526**	**1.117.356**
Total transactions with shareholders	**-**	**-**	**-**	**-**
Balance as at 31 December 2018	**31.579**	**34.255**	**2.031.609**	**2.097.443**

The notes in pages 16 up to 38 form an integral part of these Financial Statements.

Statement of Cash Flows

	Not.	01/01/2018 - 31/12/2018	1/1/2017 - 31/12/2017
Cash Flows from Operating Activities			
Profit before taxes		**2.034.424**	**1.428.892**
Adjustments for:			
Interest income	18	(9.144)	(544)
Interest paid	18	-	26.826
Provisions for personnel compensation due to retirement or dismissal	11	97.812	266.025
Tangible & intangible asset depreciation	5	642.520	438.250
		2.765.612	**2.159.449**
(Increase) / decrease			
Long-term receivables	6	(2.138)	8.216
Receivables	7.8	1.106.350	398.121
Interest paid		-	(146.988)
Increase / (decrease)			
Suppliers	13	(1.451.266)	1.294.898
Liabilities to associate/related companies	13	1.992.125	(340.193)
Other liabilities & accrued expenses	13	749.457	2.279.818
Income tax		(930.825)	-
Net cash inflows from operating activities		**4.229.315**	**5.653.321**
Cash Flows from Investing Activities:			
Purchase of tangible assets	5	(361.164)	(674.349)
Purchase of intangible assets	5	(354.415)	(842.224)
Collected interest	18	9.144	544
Net cash outflows from investment activities		**(706.435)**	**(1.516.029)**
Cash flows from financing activities			
Share capital increase	10	-	1.579
Share capital increase costs		-	(16)
Repayment of loan		-	(2.708.333)
Net cash flows from finance activities		**-**	**(2.706.770)**
Net increase in cash and cash equivalents		**3.522.880**	**1.430.522**
Cash and cash equivalents at the start of the year		2.158.301	727.779
Cash and cash equivalents in the end of period		**5.681.181**	**2.158.301**

The notes in pages 16 up to 38 form an integral part of these Financial Statements.

Notes on the financial statements

1. General information

"Fraport Regional Airports of Greece Management Company S.A." (hereinafter the "Company") 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 performed by the two above companies. The following services are cited indicatively and not restrictedly: consultation, computerisation and telecommunications services; all kinds of financial, legal, accounting and tax services; upgrade, maintenance, security, and cleaning services; design consultancy services and management services related to administration, assignment, and supervision of technical works and activities.

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 02 December 2015 by FRAPORT AG FRANKFURT AIRPORT SERVICES WORLDWIDE ("FRAPORT AG"), having its registered office in Germany, and SLENTEL LIMITED ("SLENTEL LTD"), 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 AG, SLENTEL LTD, and MARGUERITE, were 73,40%, 16,60% and 10%, respectively.

Since 11 April 2017, the societes anonymes listed above, which the Company supports by providing all manner of management / administration services, have undertaken to manage the 14 regional airports. Therefore, the Company's substantial operation began on that date.

At the end of the current financial year there were 199 employees on employment contracts of indefinite term, compared to 168 at the end of 2017.

The Financial Statements have been approved for publication by the Company's Board of Directors on 21/03/2019 and are subject to the approval by the Ordinary General Assembly of shareholders.

2. Summary of significant accounting principles

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. The financial statements have been prepared in accordance with the historical cost rule, save financial assets, 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 2018 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

In 2018, Greek economy maintained the growth potential it showed in 2017, as well as showed a steady improvement of the economic climate. In 2018, the Gross Domestic Product (GDP) is expected to see an annual increase of 2%, this being the best performance it has shown in the past 11 years, maintaining the growth potential of 2017, when GDP experienced an annual increase of 1,5%. In addition, on 20 August 2018, the Third Economic Adjustment Program came to a successful completion, with a significant amount of funds having been raised to meet the country's funding needs at least in the coming three years. The fact that the cost for servicing the public debt of Greece dropped as a result of the relief measures adopted at the Eurogroup of June 21st, was an important development in 2018. That Eurogroup decided, among others, on the enhanced surveillance regime under which the country was placed at the end of the program. Furthermore, as a result of the above developments, in 2018, the rating agencies Moody's, S&P and Fitch embarked on a gradual upgrading of the credit rating of Greece up to B3, B+ and BB-, respectively.

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 1.1.2018. 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

IFRS 9 "Financial Instruments"

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 was applied based on IAS 39. In addition, IFRS 9 establishes a hedge accounting approach based on principles and treats any inconsistencies and weaknesses in the previous model under International Accounting Standard (IAS) 39. The impact of applying this standard to the Company is described in Note 2.3.

IFRS 15 "Revenue from Contracts with Customers"

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 recognises revenue is such manner that reflects the transfer of goods or services to customers at the amount to which it expects to entitled in return for these goods or services. The impact of applying this standard to the Company is described in Note 2.3.

Interpretation 22 of IFRIC "Foreign Currency Transactions and Advance Consideration"

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 did not impact 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 (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. These amendments are not expected to have a significant impact on the Company's 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 the right to use assets ("right of use" asset) and the respective liabilities ("lease" liability) for all lease agreements whose term is over 12 months, unless 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 Company will implement IFRS 16 in the accounting period starting on 1 January 2019.

Existing land and building lease agreements are included in the calculation of the respective rights of use and liabilities under financial leasing. On the contrary, given that the other existing lease agreements -chiefly for business and professional equipment- lack qualitative and quantitative relevance and following a detailed cost-benefit analysis and analysis of significance for the Company, it was decided that they will not be included in the recognition of rights of use and liabilities under financial leasing, pursuant to IFRS 16.

As part of applying IFRS 16 for the first time, the Company will recognize liabilities under financial leasing at the fair value of future unpaid leases of up to 1,4 million euros and rights of use for an equal amount in non-current assets. Therefore, the first-time application of the standard will not affect the Company's equity. The mean weighted discount rate for calculating fair value is around 5,49% and is computed based on the corresponding zero-risk rate of reference, in conjunction with the respective currency and lease term. For year 2019, there is expectation for an increase of the Company's EBITDA -as a result from applying IFRS 16 for the first time- by some 282 thousand euros, as well as for additional amortization of some 253,7 thousand euros, and additional interest costs of about 50,7 thousand euros. As regards the cash flow statement, IFRS 16 leads to improved cash flows from operating activities and increased cash outflows due to investment and financing activity.

As regards the remaining financial liabilities from operating leases (2,214 million euros) shown under Note 20, (a) some 1,7 million euros come from land and building leases, (b) about 539 thousand euros come from car leases and leases of other professional equipment, which are not considered in recognizing rights of use and liabilities under financial leasing under IFRS 16 due to cost-benefit analysis and their relevance for the Company.

Interpretation 23 of IFRIC "Uncertainty over income tax treatments" (effective for annual accounting 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. Interpretation 23 of IFRIC 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.

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.

IAS 1 and IAS 8 (Amendments) "Definition of material size" (effective for annual accounting periods beginning on or after 01 January 2020)

The amendments provide define more clearly what is material size and how it should be used, adding to the definition instructions which up to now were provided elsewhere in the IFRSs. In addition, now the definition comes with improved explanations. Lastly, the amendments ensure the consistent application of the definition of material size across all IFRSs. The amendments have not yet been endorsed by the EU.

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 certain 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.

2.3. Changes in accounting principles

IFRS 9 "Financial Instruments"

On 24 July 2014, the International Accounting Standards Board (IASB) published IFRS 9 "Financial Instruments". As regards the way financial instruments are accounted for and measured, IFRS 9 has replaced IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 introduces a standard approach for the classification and measurement of financial assets based on:

α) the contractual cash flow characteristics of financial assets which should consist exclusively in payments of principal and interest on the principal amount outstanding (SPPI criterion), and
β) the business model based on which financial assets are managed. IFRS 9 recognizes financial assets based on business models, whose objective is:

- To hold financial assets in order to obtain contractual cash flows;
- To collect contractual cash flows and sell financial assets; and
- To trade financial assets.

The financial assets which the Company had classified as "Loans and trade receivables" under IAS 39, are now classified in line with the model whose objective is to hold financial assets with a view to collecting contractual cash flows.

The financial assets which the Company had classified as "Held for sale" under IAS 39, are now classified in line with the model whose objective is attained by both collecting contractual cash flows and selling financial assets.

These financial assets cannot any more be recycled in the profit or loss statement when sold.

The Company does not hold financial assets under the model whose objective is attained by both trading in them or collecting contractual cash flows and selling financial assets.

The Management estimates that these changes have affected neither the Company's Equity nor the accounting handling of financial assets.

The Company will recognize impairment provisions for anticipated credit loss for all financial assets, with the exception of financial assets measured at fair value through profit or loss. These changes have not materially affected the Company's financial statements.

The adoption of IFRS 9 "Financial Instruments" had no effect on the accounting policies regarding financial liabilities, which, in essence, remain unchanged. As regards liabilities measured at fair value, changes in fair value, if caused by changes in the credit risk itself, are no longer recorded in profit or loss. The Company has no liabilities which would be measured at fair value.

As regards hedge accounting, IFRS 9 introduces new rules geared towards the management of a company's risks, in particular as regards the management of non-financial risks. The application of IFRS 9 has no substantial impact on the accounting handling of risk hedging for the Company. All existing accounting hedges as at 31 December 2018 full comply with the accounting hedging requirements set out in IFRS 9.

IFRS 9 was adopted under EU Law on 22 November 2016 and is applicable to financial statements for periods starting on or after 1 January 2018.

IFRS 15 "Revenue from Contracts with Customers"

On 28 May 2014, the International Accounting Standards Board (IASB) published the new standard: IFRS 15 "Revenue from Contracts with Customers". The new standard on revenue recognition is intended to bring together existing rules and establish standard base principles applicable to all sectors and revenue categories.

Under IFRS 15, revenue must be recognized when the company has complied with its obligation to perform and the customer has authority to dispose of and can derive benefits from the promised goods and services. As regards establishing the revenue recognition time frame and amount, IFRS 15 envisages the application of a five-step model framework considering the following detailed rules for the individual levels:

1. Identify the contract(s) with a customer.
2. Identify the performance obligations in the contract.
3. Determine the transaction price.
4. Allocate the transaction price to the performance obligations in the contract.
5. Recognise revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 replaces IAS 11 "Construction Contracts" and IAS 18 "Revenue" and the related interpretations of IFRIC. IFRS 15 was adopted under EU Law on 22 September 2016 and is applicable to financial statements for periods starting on or after 1 January 2018. Therefore, the date of application of IFRS 15 in the EU coincides with the initial application date adopted by the International Accounting Standards Board (IASB).

The first time IFRS 15 was applied, the Management evaluated contracts with customers related to the Company's respective business activities, and the revenue generating from them. The evaluation showed that the adoption of the new standard has had no effect on the Company's profit and equity.

On 12 April 2016, the International Accounting Standards Board published clarifications about IFRS 15 Revenue from Contracts with Customers relating to: determining the performance obligations under a contract, principal versus agent considerations and revenue from licenses. As is the case with IFRS 15, changes became effective on 1 January 2018, and EU adopted it on 31 October 2017.

2.4. Tangible fixed assets

Fixed assets are presented in the acquisition cost less accumulated depreciation calculated on the basis of their useful life as determined by Company, less any impairment. 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 an asset that is replaced is deleted. Repair and maintenance costs are entered as expenses in the statement of profit and loss and 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 is not depreciated. The estimated useful lives are as follows:

Asset category	**Useful life (years)**
Improvements in third-party property	9
Office furniture	13
PCs and peripherals	3 - 7
Mobile phones	3 - 7
Other equipment	5 - 10

2.5. Intangible assets

Recognition of an asset as an 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.

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 (cost model/method).
The Company assesses whether the useful life of an intangible asset is finite or indefinite and, if finite, the duration 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 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

2.6. Impairment of non-financial assets

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 the fixed asset's fair value less the required selling cost and its value in use. 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 balance sheet date, excluding goodwill.

2.7. Financial assets

2.7.1. Classification

Starting on 1 January 2018, the Company classifies all if financial assets under the following categories: (i) financial assets at amortised cost, and (ii) financial assets measured at their fair value through profit or loss ("EAMA"). This classification is dependent on: (a) the Company's business model based on which the financial assets is managed, and (b) the characteristics of the contractual flows of the financial asset. Under IFRS 9 it is not allowed to separate embedded derivatives, if any, under a hybrid contract, when the main contract is a financial asset falling within the scope of this standard. In these cases, the entire hybrid asset is placed under one of the above categories.

2.7.2. Recognition and derecognition

Acquisitions and sales of financial assets are recognised as at the date of the transaction, on which (date) the Company undertakes to buy or sell the asset. Investments are derecognised when the right to cash flows from investments ends or is transferred and the Company has transferred substantially all risks and benefits resulting from their ownership.

2.7.3. Measurement

Upon initial recognition, the Company measures its financial assets at fair value and, where a financial asset is not measured at fair value through profit or loss, it adds the costs that are directly attributed to the transaction concerned. With regard to financial assets measured at fair value through profit or loss, transaction costs are recognized in the result of the period in which they arise.

The Company's financial assets may be measured later depending on the Company's business model for the management of individual financial assets and on the characteristics of their cash flows. The Company uses the following two measurement categories based on the financial assets it holds:

(a) Financial assets measured at amortized cost: Financial assets are measured at amortized cost if held within a business model for the purpose of keeping them and collecting the contractual cash flows that meet the SPPI standard. Financial assets within this business model give rise to cash flows on specific dates and the cash flows which represent exclusively principal and interest payments on each outstanding loan (Solely Payments of Principal and Interest - SPPI). Interest income from such assets is included in financial income and recognized using the effective interest rate. Any profit or loss arising from the write-off is recognized directly in profit or loss. The financial assets classified in this category are included in the items "Trade receivables from associate companies", "Other receivables", "Cash and cash equivalents" presented in the statement of financial position (Notes 2.10 2.11). They are included in current assets, save those with a maturity over 12 months from the balance sheet date.

2.7.4. Impairment of financial assets

Starting from 1 January 2018, the Company complies with the requirements laid down in IFRS 9 on the impairment of financial assets. The Company recognizes impairment provisions for anticipated credit loss for all financial assets, with the exception of financial assets measured at fair value through profit or loss. Anticipated credit loss is based on the difference between contractual cash flows and all the cash flows the Company expects to obtain. The difference is paid in advance based on an estimate of the initial effective rate for the financial asset. As regards contractual assets and receivables from customers, the Company follows the simplified approach under the standard and, therefore, calculates anticipated credit loss based on the anticipated credit loss for the entire lifetime of such assets.

Determining expected default is based on historic information on inability to liquidate receivables and on qualitative information about possible future defaults. The probability of default of the counterparty, considering the insolvency rates received from external sources, is used to calculate the expected credit loss from inability to liquidate receivables in regard to financial assets.

The Company has opted to also follow the simplified approach under the standard for contractual assets and receivables from customers involving significant funding items. The Company receives either letters of guarantee or down payments as guarantee against its receivables from its aviation and non-aviation activity, hence greatly reducing the anticipated impairment loss from inability to liquidate receivables.

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 profit and loss and 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 profit and loss and of comprehensive income and are allocated accordingly to the assets that recovered their lost carrying amount (in whole or in part).

2.8. Offsetting of financial assets

Financial assets and financial liabilities are 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 at the same time the entity intends either to settle on a net basis, or the asset's acquisition and liability's settlement can be made simultaneously.

2.9. 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.

2.10. 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, they are entered in the current assets. Otherwise, they are entered in the 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 (Note 2.7.4).

2.11. 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.

2.12. Share capital

Share capital includes the Company's registered shares. Direct expenses for the issuance of shares appear -after deduction of the related income tax- into a reduction of the issued instrument.

2.13. Trade liabilities

The trade liabilities include the liabilities for payment of 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 year. 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 unamortised cost method by using the effective interest rate.

2.14. Income tax and deferred tax

The tax for the period is made up by current and deferred tax. Tax is recognized in the statement of profit and loss and 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 are 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.

2.15. Employee benefits

a) Retirement benefits

Staff 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 compensation 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 profit and loss and 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 reporting 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.

2.16. 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.

2.17. Revenue recognition

Income includes 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 revenues when the revenue amount can be reliably estimated; when it is possible that future economic benefits may flow into the entity and when certain criteria have been met for each one of the Company’s activities. The revenue amounts are not considered as reliably estimated until all potentials related to sales have been resolved.

A) Provision of services
Income from the provision of services are recognized in the statement of comprehensive income in the period in which they were rendered and exclusively pertain to services provided to related parties. Recognition is made by issuance of an invoice at the end of each month. More specifically, the Company has concluded agreements to provide 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. The management fees, under the relevant agreements, is calculated on any cost of the Company for the provision of the above-mentioned services including a profit margin by up to 6%.

B) Revenues from lease
The revenues from lease pertain to sub-lease of the Company’s offices to the associate companies Fraport Regional Airports of Greece A S.A. and Fraport Regional Airports of Greece B S.A.

Γ) Interest income
Interest income is recognised on time proportion basis by using the effective interest rate. When receivables are impaired, their carrying amount is reduced to their recoverable sum, which is the present value of the expected future cash flows discounted at the initial effective interest rate. Income interest or impaired loans are recognised by using the initial effective interest rate.

2.18. 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 and loss with the straight line method during the lease period.

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

2.19. Dividend distribution

Dividend distribution to the Company’s shareholders is recognised as a liability in the Financial Statements for the period during which the distribution is approved by shareholders.

2.20. Rounding

Differences between amounts in the Financial Statements and the respective amounts in the notes are due to rounding.

3. Financial risk management

3.1. Financial risk factors

The Company due to its activity/operations 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 provides instructions and directions regarding the general risk management as well as specific instructions for the management of specific risks such as the credit risk.

a) Market risk

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

The Company is not exposed to fluctuations of interest rates prevailing in the market and which (interest rates) affect its financial position as well as its cash flows, since it does not have any interest-bearing receivables or liabilities.
iii. 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.

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. There was no reason to form an impairment provision for the year that ended on 31 December 2018.

Deposits in banks and credit institutions include sight deposits. Next follows the long-term credit rating as at 31st December 2018 and 2017 (by Standard and Poor's):

	31.12.2018	**31.12.2017**
Caa2	5.681.121	-
Caa3	-	2.157.901
Total	**5.681.121**	**2.157.901**

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 liquidity risk is maintained at low levels by having sufficient cash available as well as by being provided with sufficient credit limits by the collaborating banks and the parent company.

The viability table of financial liabilities is as follows:

	31.12.2018	
	Short-term	**Long-term**
	within 1 year	**later than 1 year**
Trade liabilities	1.849.214	-
Liabilities from associate companies	2.161.311	-
Other financial liabilities	2.348.235	-
	6.358.760	**-**

	31.12.2017	
	Short-term	**Long-term**
	within 1 year	**later than 1 year**
Trade liabilities	3.300.480	-
Liabilities from associate companies	169.186	-
Other financial liabilities	1.893.663	-
	5.363.329	**-**

The breakdown for Other financial 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.

The fair value of the 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. For disclosure reasons, we note that the carrying amount of the accounts receivable and payable, as well as of the loans is considered approaching their fair values at the balance sheet preparation date.

The fair values and carrying amounts for the Company's financial assets for 2018 and 2017 are given below:

Classification under IFRS 9	**Valued at amortized cost**		**31-Dec-18**
	Loans and receivables		
Financial assets	**Carrying amount**	**Fair value**	**Total Fair Value**
Cash and cash equivalents	5.681.181	5.681.181	5.681.181
Receivables from associate companies	3.220.513	3.220.513	3.220.513
Other receivables	26.442	26.442	26.442
Total	**8.928.136**	**8.928.136**	**8.928.136**

Other financial liabilities

Financial liabilities	Carrying amount	Fair value	Total Fair Value
Suppliers	1.849.214	1.849.214	1.849.214
Liabilities to associate/related companies	2.161.311	2.161.311	2.161.311
Other liabilities & accrued expenses	2.348.235	2.348.235	2.348.235
Total	**6.358.760**	**6.358.760**	**6.358.760**

Classification under IAS 39	Valued at amortized cost		31-Dec-17
	Loans and receivables		
Financial assets	**Carrying amount**	**Fair value**	**Total Fair Value**
Cash and cash equivalents	2.158.301	2.158.301	2.158.301
Receivables from associate companies	4.323.644	4.323.644	4.323.644
Other receivables	1.279	1.279	1.279
Total	**6.483.224**	**6.483.224**	**6.483.224**

Other financial liabilities			
Financial liabilities	**Carrying amount**	**Fair value**	**Total Fair Value**
Suppliers	3.300.480	3.300.480	3.300.480
Liabilities to associate/related companies	169.186	169.186	169.186
Other liabilities & accrued expenses	1.893.663	1.893.663	1.893.663
Total	**5.363.329**	**5.363.329**	**5.363.329**

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.

The Company monitors capital structure through the leverage ratio. The leverage ratio is determined as the ratio of net borrowing to total capital employed. Net borrowing is determined as "Total borrowing" (including "short-term and long-term borrowing" as listed in the Statement of Financial Position) less "Cash and cash equivalents". Total capital employed is determined as "Equity" as this is listed in the balance sheet, plus any net borrowing.

The Company had no borrowing during the 2018 period.

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.

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 and intangible assets

	Additions to real estate of third parties	Fixed equipment	Total tangible fixed assets
Acquisition value			
Balance as at 01 January 2017	**538.924**	**729.347**	**1.268.271**
Additions during the period	127.836	547.432	675.268
Reductions during the period	-	(919)	(919)
Balance as at 31 December 2017	**666.760**	**1.275.860**	**1.942.620**
Balance as at 01 January 2018	**666.760**	**1.275.860**	**1.942.620**
Additions during the period	214.964	146.200	361.164
Transfers/Reclassifications	-	(66.260)	(66.260)
Balance as at 31 December 2018	**881.724**	**1.355.800**	**2.237.524**

	Additions to real estate property of third parties	Fixed equipment	Total tangible fixed assets
Depreciation			
Balance as at 01 January 2017	**14.970**	**29.534**	**44.504**
Amortisations for the period	66.424	184.977	251.401
Balance as at 31 December 2017	**81.394**	**214.511**	**295.905**
Balance as at 01 January 2018	**81.394**	**214.511**	**295.905**
Amortisations for the period	80.259	266.414	346.673
Transfers/Reclassifications	-	(1.841)	(1.841)
Balance as at 31 December 2018	**161,653**	**479,084**	**640,737**
Net carrying amount			
Balance as at 31 December 2017	**585.366**	**1.061.349**	**1.646.715**
Balance as at 31 December 2018	**720.071**	**876.716**	**1.596.787**

The tangible fixed assets (property, plant, and equipment) pertain to equipment, and more specifically office furniture, PCs and peripherals, mobile phones and other small appliances, as well as architectural design of the Company's office building. As regards the depreciation/amortisation rates set by the Company for year 2018, see Note 2.4.

	Intangible assets
Acquisition value	
Balance as at 01 January 2017	**259.143**
Additions during the period	842.224
Balance as at 31 December 2017	**1.101.367**
Balance as at 01 January 2018	**1.101.367**
Additions during the period	354.415
Transfers/Reclassifications	66.260
Balance as at 31 December 2018	**1.522.042**

	Intangible assets
Depreciation	
Balance as at 01 January 2017	**11.444**
Amortisations for the period	186.849
Balance as at 31 December 2017	**198.293**
Balance as at 01 January 2018	**198.293**
Amortisations for the period	295.847
Transfers/Reclassifications	1.841
Balance as at 31 December 2018	**495.981**

	Intangible assets
Net carrying amount	
Balance as at 31 December 2017	**903.074**
Balance as at 31 December 2018	**1.026.061**

The intangible assets pertain to software programmes. As regards the depreciation/amortisation rates set by the Company for year 2018, see Note 2.5.

6. Other long-term receivables

	31.12.2018	31.12.2017
Guarantees granted	60.998	58.860
Total	**60.998**	**58.860**

The long-term receivables pertain to rental deposits/guarantees.

7. Receivables from associate companies

Trade receivables from related parties	**31.12.2018**	**31.12.2017**
FRAPORT REGIONAL AIRPORTS OF GREECE A S.A.	1.940.743	2.142.122
FRAPORT REGIONAL AIRPORTS OF GREECE B S.A.	1.279.770	2.181.522
Total	**3.220.513**	**4.323.644**

Age analysis of balances of business customers	**31.12.2018**	**31.12.2017**
Not delayed and impaired	3.220.513	4.323.644
Total	**3.220.513**	**4.323.644**

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

For detailed information regarding transactions with related parties, see note 19.

8. Other receivables

	31.12.2018	31.12.2017
Receivables from the Greek State from taxes	1.453	82
Prepaid expenses for the next period	30.929	51.226
Prepaid expenses for collaborators	10.918	11.465
Down payments to suppliers	21.501	8.991
Other debtors	4.941	1.197
Total	**69.742**	**72.961**

There are no guarantees / collateral against the above receivables. The fair value of receivables equals their carrying amount.

9. Cash and cash equivalents

	31.12.2018	31.12.2017
Cash at hand	60	400
Short-term Sight deposits (in Euro)	5.681.121	2.157.901
Total	**5.681.181**	**2.158.301**

The sums of the sight deposits are in euro and are deposited in domestic bank accounts.

The following table shows the credit rating by Moody's of sight and time deposits.

	31.12.2018	31.12.2017

Caa2	5.681.121	-
Caa3	-	2.157.901
Total	**5.681.121**	**2.157.901**

10. Equity

	31.12.2018	31.12.2017
Share capital	31.579	31.579
Other reserves	34.255	47.425
Profit and loss carried forward	2.031.609	901.083
Total	**2.097.443**	**980.087**

Share capital

The Company's share capital amounts in total to € 31.579, divided into 31.579 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 Hellenic Republic (Greek State).

	Number of shares	Par Value	Share Capital
As at 1 January 2017	**30.000**	**1**	**30.000**
Increases in the year	1.579	1	1.579
As at 31 December 2017	**31.579**	**1**	**31.579**
As at 1 January 2018	**31.579**	**1**	**31.579**
As at 31 December 2018	**31.579**	**1**	**31.579**

	Actuarial profit/(loss) reserve	Statutory reserve	Total
As at 1 January 2017	**-**	**-**	**-**
Increases in the year	-	47.425	47.425
As at 31 December 2017	**-**	**47.425**	**47.425**
As at 1 January 2018	**-**	**47.425**	**47.425**
Increases/ (Reductions) during the period	(13.170)	-	(13.170)
As at 31 December 2018	**(13.170)**	**47.425**	**34.255**

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

11. Liability for personnel compensation due to retirement or dismissal

The amounts recognized in the statement of financial position are:

Liabilities in the statement of financial position for:	**31-Dec-18**	**31-Dec-17**
Pension benefits	375.009	266.025
Total	**375.009**	**266.025**

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

	31-Dec-18	**31-Dec-17**

Opening balance	**266.025**	-
Total charge in the statement of profit and loss and of comprehensive income	97.812	266.025
Total charge to other comprehensive income	17.560	-
Benefits paid	(9.167)	-
Adjustment to the liability due to transfer of an employee from "FRAPORT REGIONAL AIRPORTS OF GREECE B SOCIETE ANONYME" to "FRAPORT REGIONAL AIRPORTS OF GREECE MANAGEMENT COMPANY S.A."	2.779	-
Ending balance	**375.009**	**266.025**

The amounts recognized in the statement of profit and loss and of comprehensive income are:

	31-Dec-18	**31-Dec-17**
Current employment cost	86.966	-
Financial cost	4.305	-
(Profit)/Loss from cuts/contract terminations/cut backs	6.541	
Other cost	-	266.025
Total included in benefits to employees	**97.812**	**266.025**

The actuarial losses recognized as empirical adjustments and changes to actuarial assumptions are:

	31-Dec-18	**31-Dec-17**
Charges to other comprehensive income:		
Actuarial loss for the period	17.560	-
Total	**17.560**	-

The main actuarial assumptions used for accounting purposes are:

	31-Dec-18	**31-Dec-17**
Discount rate	1,60%	1,60%
Annual average long-term inflation	2,00%	1,75%
Future salary increases	2,00%	0,25%
Average weighted duration of retirement benefits	14,1 years	14,1 years
Staff turnover rate	1,2%	1,2%

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

		Effect on compensation benefits			
31-Dec-18	Change in assumption by	Assumption increase		Assumption decrease	
Discount rate	0,50%	-9,0%	341.241	10,1%	413.052
Payroll change rate	0,50%	10,1%	412.698	-9,0%	341.209
Staff turnover rate	0,50%	-9,3%	340.175	10,4%	413.989

		Effect on compensation benefits			
31-Dec-17	Change in assumption by	Assumption increase		Assumption decrease	
Discount rate	0,50%	-8,8%	242.615	9,9%	292.373
Payroll change rate	0,50%	9,8%	292.127	-8,8%	242.593
Staff turnover rate	0,50%	-9,1%	241.876	10,2%	293.021

12. Income tax and deferred tax liabilities

Income tax is calculated by the 29% tax rate (2017: 29%) on the taxable income. The total income tax charged in the statement of profit and loss and of comprehensive income is broken down as follows:

	31.12.2018	**31.12.2017**
Current income tax	948.742	378.990
Deferred tax	(44.844)	87.186

Total	**903.898**	**466.176**

Deferred tax assets are the result of temporary differences between the carrying amount and the tax base of assets and liabilities and are calculated using the tax rates established and are expected to apply in the periods when such differences are expected to be eliminated. ΠΟΛ.1228/2018 established the gradual reduction of tax rates for profits derived by legal persons from business activities. Next are the tax rates expected to apply in the coming years:

Year	**Tax Rate**
For 2019	28%
For 2020	27%
For 2021	26%
For 2022 and after	25%

Deferred tax assets 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 assets and liabilities	**31.12.2018**	**31.12.2017**
Deferred tax assets expected to be recovered after 12 months	(93.752)	(77.147)
Deferred tax liabilities expected to be settled after 12 months	132.544	165.173
Deferred tax liabilities (net)	**38.792**	**88.026**

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

	31.12.2018	**31.12.2017**
Balance as at January 1st	**88.026**	**840**
Charge-debit / (credit) to profit and loss	(44.844)	87.186
Charge to other comprehensive income	(4.390)	-
Balance as at December 31st	**38.792**	**88.026**

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

Deferred tax assets	**Tax losses**	**Liability for personnel compensation due to retirement or dismissal**	**Total**
As at 01/01/2017	(134.260)	**-**	**(134.260)**
Debit-charge / (credit) to profit or loss and to the statement of comprehensive income	134.260	(77.147)	57.113
As at 31/12/2017	**-**	**(77.147)**	**(77.147)**
Debit-charge / (credit) to profit or loss and to the statement of comprehensive income		(16.605)	(16.605)
As at 31/12/2018	**-**	**(93.752)**	**(93.752)**

Deferred tax liabilities	**Tangible assets**	**Intangible assets**	**Total**
As at 01/01/2017	**129.478**	**5.622**	**135.100**

Debit/charge to profit or loss and to the statement of comprehensive income	15.633	14.440	30.073
As at 31/12/2017	**145.111**	**20.062**	**165.173**
(Credit) to profit or loss and to the statement of comprehensive income	(29.953)	(2.676)	(32.629)
As at 31/12/2018	**115.158**	**17.386**	**132.544**

Next follows a reconciliation between income tax as listed in the statement of profit and loss and of comprehensive income and the tax arising from application of the statutory tax rates.

	31.12.2018	**31.12.2017**
Profit before taxes	2.034.424	1.428.892
Corporate profits tax rate	29%	29%
Income tax	589.983	414.379
Expenses not deducted for taxation purposes	84.387	52.290
Tax losses for which no deferred tax assets were recognised	-	(493)
2017 tax correction	241.669	-
Effect of the tax rate change	(12.141)	-
Total income tax	903.898	466.176

The tax compliance audit for the issuance of the tax certificate for year 2018 is conducted by the company PwC S.A. which carries out the mandatory audit of the financial statements. It is not expected that there will be substantial tax liabilities in addition to those listed in these financial statements. The unaudited years were 2015, 2016, 2017, and 2018.

13. Suppliers and other liabilities

Trade liabilities	**31.12.2018**	**31.12.2017**
Domestic suppliers	1.763.746	3.194.259
Foreign suppliers	85.468	106.221
Total	**1.849.214**	**3.300.480**

Liabilities to associate/related companies	**31.12.2018**	**31.12.2017**
Other liabilities to associate/related companies	2.148.811	169.186
Other liabilities to joint ventures	12.500	-
Total	**2.161.311**	**169.186**

Other liabilities & accrued expenses	**31.12.2018**	**31.12.2017**
VAT	1.402.569	1.151.150
Salaried Services Tax	484.730	494.265
Other Taxes and Duties	14.332	11.362
IKA	486.740	430.321
Accrued expenses for the period	2.347.023	1.879.170
Other liabilities	1.212	14.493
Total	**4.736.606**	**3.980.761**

Liabilities from taxes-duties and to social security funds pertain to debts from deducted taxes and social security contributions for November and December 2018, which were not rendered overdue on the reporting date.
The carrying amount of all the above approaches their fair value.

14. Revenues

Sales	**01/01/2018 - 31/12/2018**	**1/1/2017 - 31/12/2017**
Provision of services	34.950.586	27.570.206
Revenues from rents	8.160	8.160
Other revenues	55.516	1.547
Total	**35.014.262**	**27.579.913**

The Company has invoiced the administrative support services it provided to the related companies Fraport Regional Airports of Greece A S.A. and Fraport Regional Airports of Greece B S.A. regarding handling of their activities related to the design, financing, construction, completion, maintenance, operation and development of the works performed by the two above companies.

The revenues from rents pertain to sub-lease of the Company's offices to the related companies Fraport Regional Airports of Greece A S.A. and Fraport Regional Airports of Greece B S.A. On the reporting date, the Company has agreements for the following minimum future rentals:

	2018	**2017**
Within 1 year	8.160	8.160
1-5 years	32.640	32.640
Over 5 years	15.164	23.324
Total	**55.964**	**64.124**

15. Cost of consumables and services rendered

	01/01/2018 - 31/12/2018	**1/1/2017 - 31/12/2017**
Maintenance costs (a)	7.754.542	4.975.178
Cleaning costs (a)	4.573.780	2.573.249
Costs of staff services received from the parent company	769.542	603.898
Technical support to Information Systems (b)	1.390.227	1.131.207
Cost of various consumables	245.402	315.554
Total	**14.733.493**	**9.599.0856**

(a) Maintenance and cleaning costs concern repair, maintenance and cleaning services received for the 14 regional airports. Such costs are initially charged to Fraport Regional Airports of Greece Management Company S.A. and then passed on to Fraport Regional Airports of Greece A S.A. and to Fraport Regional Airports of Greece B S.A.

(b) Technical support to information systems concerns support and maintenance services for the technical infrastructure of the Company as well as of Fraport Regional Airports of Greece A S.A. and Fraport Regional Airports of Greece B S.A. Such costs are initially charged to Fraport Regional Airports of Greece Management Company S.A. and then passed on to Fraport Regional Airports of Greece A S.A. and to Fraport Regional Airports of Greece B S.A.

16. Staff costs

	01/01/2018 - 31/12/2018	**1/1/2017 - 31/12/2017**
Salaries and daily wages	11.105.994	9.675.900
Social security costs	2.302.643	1.993.324
Provision for personnel compensation due to retirement or dismissal	86.966	266.025
Total	**13.495.603**	**11.935.249**

Employee average	**01/01/2018 - 31/12/2018**	**1/1/2017 - 31/12/2017**
Permanent employees	199	168
Total	**199**	**168**

17. Other operating expenses

	01/01/2018 - 31/12/2018	**1/1/2017 - 31/12/2017**
Premiums	44.507	30.401
Advertising costs	709.760	497.274
Expenses for consultation, technical and audit services	1.057.597	1.318.366
Rental costs	525.491	440.379
Other taxes	23.886	11.650
Staff training costs	69.723	125.379
Other operating expenses	1.669.406	1.714.682
Total	**4.100.370**	**4.138.131**

Audit service costs are:

	01/01/2018 - 31/12/2018	**1/1/2017 - 31/12/2017**
Mandatory audit of the annual financial statements	25.500	20.000
Other assurance services	15.000	17.000
Total	**40.500**	**37.000**

18. Financial expenses

	01/01/2018 - 31/12/2018	**1/1/2017 - 31/12/2017**
Financial income		
Interest income	9.144	544
Total financial income	**9.144**	**544**
Financial expenses		
Interest on loans from associated companies	-	(26.826)
Other financial expenses	(16.996)	(14.023)
Total financial expenses	**(16.996)**	**(40.849)**
Total financial expenses	**(7.852)**	**(40.305)**

19. Transactions with related parties

In 2018 and 2017, the transactions with related parties were as follows:

	31.12.2018	
	Services received	**Provision of services**
FRAPORT REGIONAL AIRPORTS OF GREECE A S.A.		
Administrative support fees		17.868.104
Rents		4.080
FRAPORT REGIONAL AIRPORTS OF GREECE B S.A.		
Administrative support fees		17.082.202
Rents		4.080
FRAPORT AG		
Personnel and computerisation fees	1.605.869	
AirIT Systems Gmbh		
IT fees	50.000	
Redex S.A.		

Building facilities management	7.736.457	
Interbus S.A.		
Advertising services	122.360	

	31.12.2017	
	Services received	**Provision of services**
FRAPORT REGIONAL AIRPORTS OF GREECE A S.A.		
Administrative support fees	-	14.274.708
Rents	-	4.080
FRAPORT REGIONAL AIRPORTS OF GREECE B S.A.		
Administrative support fees	-	13.295.385
Rents	-	4.080
FRAPORT AG		
Personnel and computerisation fees	1.807.240	-
AirIT Systems Gmbh		
IT fees	37.500	-

Also, the Company repaid during the period 2018 loans taken by related parties, which (loans) are presented in the table below:

	31.12.2018		**31.12.2017**	
	FRAPORT AG	**SLENTEL LTD**	**FRAPORT AG**	**SLENTEL LTD**
Principal	-	-	2.036.668	791.827
Interest for the year	-	-	19.770	7.056
Repayment	-	-	(2.056.438)	(798.883)
	-	-	-	-

The open balances from/to related parties on 31/12/2018 are as follows:

	31.12.2018	
	Liabilities	**Receivables**
FRAPORT REGIONAL AIRPORTS OF GREECE A S.A.		1.940.743
FRAPORT REGIONAL AIRPORTS OF GREECE B S.A.		1.279.770
FRAPORT AG	131.990	-
AirIT Systems Gmbh	12.500	-
Redex S.A.	1.995.866	-
Interbus S.A.	20.956	-

The respective amounts as at 31/12/2017 were:

	31.12.2017	
	Liabilities	**Receivables**
FRAPORT REGIONAL AIRPORTS OF GREECE A S.A	-	2.142.122
FRAPORT REGIONAL AIRPORTS OF GREECE B S.A	-	2.181.522
FRAPORT AG	156.686	-
AirIT Systems Gmbh	12.500	-

The Company is a subsidiary of the company Fraport AG Frankfurt airport services worldwide, which holds 73.4% in Company's share capital, related to the company Slentel Limited, which holds 16.6% in the Company's share capital and related to Marguarite Airport Greece SARL, which holds 10% in the Company's share capital.

The Company is related to the companies Fraport Regional Airports of Greece A S.A. and Fraport Regional Airports of Greece B S.A. in accordance with the definition of IAS 24, para. 9, point b, due to the fact that both companies are also subsidiaries of Fraport AG Frankfurt airport services worldwide. In addition, the companies share the same BoD Chairman and 2 out of the 5 other BoD members.

Also, the Company paid fees to key Management executives. The key Management executives consist of personnel authorised by the Board of Directors for the design, administration, and control of the Company's activities. The fees paid to them are analysed below:

	2018	2017
Fees to key Management officers	1.947.618	1.267.005

20. Contingent liabilities and receivables

The Company has not been audited for 2015, 2016, 2017 and 2018. For 2016 and 2017 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 2018 is conducted by PWC S.A. and it is not expected that there will be substantial tax liabilities in addition to those listed in these financial statements.

Operating leases

The payments for operating leases relate to rents paid by the Company for some of its vehicles, its offices, and for the executives' houses. In the current period, the operating leases payments amounted to €525.491 (2017: €338.976) and were recognised in the statement of profit and loss and of comprehensive income for the period. On the reporting date, the Company had the following obligations arising from operating leases:

	2018	2017
Within 1 year	445.725	392.579
1-5 years	1.083.170	1.308.013
Over 5 years	686.102	596.880
	2.214.997	**2.297.472**

21. Events after the balance sheet date

No significant events have occurred after the reporting date of the financial statements.

Athens, 21/03/2019

THE PRESIDENT	**THE VICE PRESIDENT**
STEFAN SCHULTE	ALETTA ALICE GERDA LILLY FREIIN VON MASSENBACH
German passport No C5LP2YHTY	German passport No C5J8KHMR7
THE CHIEF FINANCE OFFICER	**THE HEAD OF ACCOUNTING DEPARTMENT**
EVANGELOS BALTAS	TAIRIDOU KIRIAKI
Police ID Card No AK096400	Police ID Card No AB 573682

Direct Translation of the independent auditor's report issued on the statutory financial statements of «Fraport Regional Airports of Greece Management Company S.A.» for the year ended 31 December 2018 from the original text in Greek.

Independent auditor's report

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

Report on the audit of the financial statements

Our opinion

We have audited the financial statements of «Fraport Regional Airports of Greece Management Company S.A.» (Company) which comprise the statement of financial position as of 31 December 2018, the statements of profit or loss and 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 as at 31st December 2018, 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 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 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 2018 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 Management Company 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.

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.

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, 27 March 2019
The Certified Auditor Accountant

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

Dimitris Sourbis
Soel Reg. No 16891