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 2019.

- Financial Statements for the year ended on 31 December 2019 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 2019.

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

TO THE GENERAL MEETING OF SHAREHOLDERS AS OF 12/06/2020

Dear Shareholders,

Pursuant to Article 150(1) of Law 4548/2018, we submit to the General Meeting this Management Report of the Board of Directors and the attached financial statements of FRAPORT REGIONAL AIRPORTS OF GREECE 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 2019, 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 2019, operating income saw a 9% increase, going up to 38,32 million euros from 35,01 million euros in 2018. In 2019, operating expenses saw a 10% increase, going up to 36,11 million euros (including depreciation for the period) from 32,97 million euros in 2018. Lastly, for the year that ended on 31 December 2019, the Company's net profit before taxes stood at 2,18 million euros as compared to 2,03 million euros for the year that ended on 31 December 2018, experiencing a 7% growth.

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

			2019		2018	
Return on Invested Capital	=	Net Profit/(Loss) before tax / Total Assets	2.181.011 / 15.827.822	**13,8%**	2.034.424 / 11.655.282	**17,5%**

			2019		2018	
Return on Equity	=	Net Profit/(Loss) before tax / Equity	2.181.011 / 3.323.659	**65,6%**	2.034.424 / 2.097.443	**97,0%**

B) Liquidity Ratios

			2019		2018	
Working Capital Ratio	=	Current Assets / Short-term liabilities	12.195.397 / 9.614.534	**126,8%**	8.971.436 / 9.144.038	**98,1%**

Γ) Financial/capital Structure Ratios

			2019		2018	
Equity to Total Capital	=	Equity / Total Equity and Liabilities	3.323.659 / 15.827.822	**21,0%**	2.097.443 / 11.655.282	**18,0%**

Δ) Activity Ratios

			2019		2018	
Asset Turnover Ratio	=	Sales / Total Assets	38.319.059 / 15.827.822	**242,1%**	35.014.262 / 11.655.282	**300,4%**

3. Anticipated course of the Company:

There are positive prospects for 2020. 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.

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. Non-financial risk factors

The company is also exposed to non financial risks, such as cyberattack risks.

All significant business and operational procedures of Fraport Manco are supported by advanced IT systems. A serious systemic error or a loss of data could lead to serious disorder of business operations, as well as to security risks. Apart from that, cybervirus and hackers' attacks might lead to systemic issues and finally to the loss of critical and/or confidential data for the company. In order to address such risks, all IT systems of critical importance for the company are properly configured and located at various sites and not at the same spot. The remaining risk arising from architecture and operation of IT systems cannot be fully eliminated due to the nature of the risk.

The continuing development of new technologies and constantly increasing global threat of cyber attacks pose increased risks for the IT systems of the company, which takes into account the said conditions in its active and preventive security management of its IT systems. Specific policies have been established for the proper observance of IT systems security of Fraport Manco, to which all employees of the company must adhere.

IT systems are of particular importance for all business and operational procedures of Fraport Manco. Despite the implementation of preventive and proactive measures, the possible implications following such attacks are estimated as of "high risk" and the incidence of such attack is estimated as "probable".

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

2019 has been a year of further recovery for the Greek economy, following the development dynamics of 2018 and 2017, despite the slow-down of global economy.

In particular, the economic sentiment and expectations indices have significantly improved indicating the continuation of the development dynamics. Specifically, the economic sentiment index has remained at high levels, above 102 points, whereas in September 2019 it reached 107,2s point whereas the confidence indexes in services and retail sectors were further enhanced – even though slight fall was seen in October 2019. Such improvement reflects, among others, the application of expansive fiscal measures amounting to 1% of the GDP, which were applied in the period May-December 2019.

Positive developments are observed in the financial sector, with the increase of deposits and the improvement of financing conditions of banks. Trust in the banking sector has been significantly enhanced and restrictions in capital movement were completely abolished as of September 1st. The improvement of liquidity potential of the banking system contributed to the increase of financing provided by banks to non financial businesses. The rates of return of Greek State and company bonds have significantly de-escalated in the last months of the year. In particular, the rate of return of the 10-year State bond reduced to 1,20% in late October from an average 1,49% in September and 2,67% in June 2019, whereas the interest rate of the 3-month treasury bills was marginally negative at -0,02% in October 2019. The de-escalation of return rates of the Greek State bonds and the prepayment of part of the loan of the IMF bring about reduction of expenses for interest and improve the sustainability of the public debt.

The so far positive course also reflects to the recent upgrade of the Greek solvency by rating agencies as well as to the increase of the GDP. Specifically, in 2019 Moody's credit rating agency upgraded the solvency of the Hellenic Republic to B1 from B3, whereas on 25/10/2019 Standard & Poor's upgraded the Greek solvency rate by one level, to BB-, keeping positive outlook. Moreover, according to projections of experts of the Eurosystem, the Greek economy growth rate is expected to be 1,9% in 2019.

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

In 2019, Fraport Greece made significant progress towards "Sustainability" and "Environmental Protection".

The key objectives to that direction were:

a) to ensure the observance of all legal requirements that were not observed during the previous operation period of airports by the Greek State

b) to ensure that the standards set by Fraport Group and the company lenders (IFC, EIB, EBRD) are observed and

c) to continue the actions of the company towards constant improvement of environmental performance and social responsibility.

In this framework, Fraport Greece applied in 2019 an Environmental & Social Management System (ESMS) based on ISO 14001:2015, with the support of its Management and close cooperation among:

- the IMS (Integrated Management Systems) department, which is responsible for the coordination of ESMS and the Process Owner for the management: of non hazardous waste,
- of the Quality, Environment, Health & Safety Management Sector (PSU-QE), which is responsible for the supervision and monitoring of the Health & Safety performance (H&S) of the Construction Contractor and the Process Owner for the management: of noise, vibrations, air pollution and climate change (incl. carbon print), water, waste, soil, hazardous and special waste, marine habitats, cultural heritage and archaeology;
- of the Wildlife Risks Management Sector (STD-WH), which is the Process Owner for the management: of the wildlife and land habitats control (incl. birdstrike);
- various other departments and sectors of the General Operations Division and the General Technical Division of Fraport Greece;
- and particularly in local Operations Teams and airport Maintenance & Construction Teams.

Main achievements of the period (non exhaustive list):

1. Application of ESMS, as planned, with emphasis on management and supervision measures set in the relevant risk assessment.
2. Revision of the "Integrated Management Policy Statement" of Fraport Greece for the addition of provisions for the management of greenhouse gas emissions according to ISO 14064.
3. Update of roles and competences for the implementation of activities related to the management of Environmental and Social issues.
4. Implementation of the first "Management Review" of the Integrated Management System (IMS), including the definition of the relevant targets, action plan, revision plan and training program.
5. Certification of SKG, RHO, EFL and MJT as per ACA (Airport Carbon Accreditation).
6. Certification of all other airports as per ISO 14064.
7. Update of Environmental Guidelines to Third Parties, included in the relevant Airport User Regulations.
8. Start of participation of all employees of Fraport Greece in the recommendations for improvements related to ESMS.
9. Constant control and monitoring of the performance of the Works Construction Contractor as regards Environmental and Social issues, following an audit time schedule.
10. Drafting of reports (where required) to Lenders of the company (Annual Monitoring Report, Environmental Strategy, Business Reports etc.) and of the Group (Sustainability Report, etc.).
11. Special actions:
    - Start of extensive Soil and Underground Waters Rehabilitation Program to address the pollution of the soil, surface and underground waters -existent before the concession- at SKG, CFU, ZTH, KVA, RHO and SMI.

- Development of a new Non Hazardous Waste Management Strategy, that shall be applied to all airports, with emphasis on separate collection and recovery (reuse, recycle, etc.) of recyclable materials (paper and carton, plastics, metals, glass), bio-waste and scrap (mixed, bulk material).

- Noise monitoring during peak periods at each airport, including 24-hour on-the-spot measurements and collection of unprocessed data. The monitoring program was implemented in the period from June to September 2019, and included data assessment, estimation of Lden and Ln noise indicators using special software and results presentation.

- Air quality monitoring during peak periods at six (6) airports (SKG, CFU, CHQ, RHO, KGS, JMK). Monitoring of air pollutants that are typically connected to airports, mainly due to the combustion of jet-propelled fuel and to airport vehicles, including: Sulfur dioxide (SO2), Nitrogen dioxide (NO2), Benzene (C6H6), suspended particulate matters (PM10, PM2,5), Ozone (O3).

- Development of a proposal for the constant monitoring of noise and air pollution emissions, to be applied in the following years.

Key Performance Indicators:

• RE.1-1: Annual water consumption per traffic unit (lt/unit)

	MEAN VALUE CLUSTER A	MEAN VALUE CLUSTER B	MEAN VALUE FRAPORT GREECE
Water Consumption (lt/unit)	9,51	12,61*	10,89*

*Comments:

1.The average/mean values of Clusters were estimated without JSI, for which no reliable data exists.

2.Unexpected water consumption was detected in certain cases of monthly measurements, possibly due to construction works.

• RE.2-1: Annual energy consumption per traffic unit and fuel source or type

	MEAN VALUE CLUSTER A	MEAN VALUE CLUSTER B	MEAN VALUE FRAPORT GREECE
Electricity (kWh/unit)	1,96	1,61	1,8
Natural Gas (kWh/unit)	0,15	-	0,08
Heating Oil (lt/1000 units)	3,56	4,45	3,96
Diesel Oil (lt/1000 units)	6,03	4,17	5,2
Gasoline (vehicles) (lt/1000 units)	0,17	2,93	1,4
Liquid gas (vehicles) (lt/1000 units)	-	0,02	0,01
Diesel Oil (Fire fighting vehicles) (lt/1000 units)	2,02	2,63	2,29
Gasoline (Fire fighting vehicles) (lt/1000 units)	0,03	0,05	0,04
Diesel Oil (generators) (lt/1000 units)	3,23	1,98	2,67

• PP.9.2: Annual direct (Scope 1) and indirect (Scope 2) emissions CO2 (tons CO2)

	TOTAL FOR CLUSTER A	TOTAL FOR CLUSTER B	TOTAL FOR FRAPORT GREECE
Direct CO2 emissions (Scope 1) (tons CO2)	1.206,53	583,58	1.790,10
Indirect CO2 emissions (Scope 1) (tons CO2)	20.928,26	13.873,20	34.801,47
TOTAL	22.134,79	14.456,78	36.591,57

• PP.9-3: Annual climate intensity due to air traffic (kg CO2 per traffic unit)

	MEAN VALUE CLUSTER A	MEAN VALUE CLUSTER B	MEAN VALUE FRAPORT GREECE
Direct CO2 emissions (Scope 1) (tons CO2)	0,07	0,04	0,06
Indirect CO2 emissions (Scope 1) (tons CO2)	1,25	1,03	1,15
TOTAL	1,32	1,07	1,21

• PP.5-3: Annual production of Urban Solid Waste per traffic unit

	MEAN VALUE FOR CLUSTER A	MEAN VALUE CLUSTER B	MEAN VALUE FRAPORT GREECE
Urban Solid Waste (kg)	0,17	0,17	0,17

• PP,5-4: Annual recovery rates (%)

	MEAN VALUE CLUSTER A	MEAN VALUE CLUSTER B	MEAN VALUE FRAPORT GREECE
Material recovery (%)	6,90%	0,008	0,042

9. HR

In 2019 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.

Performance Appraisal System

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 2019, we renewed the Health, Accident and Disability Insurance of our staff the whole cost of which is borne by the Company.

Social Responsibility

In 2019 we undertook 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 Centre of Blood Donation, we enrolled the Company in the Centre'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. The Management Executives then undertake to reply to these questions during the meeting.

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 in line with the Corporate Policy on Training & HR Development, we organised 1061 training seminars in which 9.433 employees participated, 690 out of whom 2.309 were employees of Fraport Greece Management Company.

Number of training hours
The total training hours produced in 2019 arose to 4.947, whereas 38,690 training manhours were committed. As regards the staff of FGM, 6.000 training manhours were committed in the period in question for its training. At the same time, it was the 1st year that the company e-learning platform was used, hosting 12 training seminars for the staff of Fraport Greece, the result of which was the successful completion of the training of 954 employees through the commitment of 2.200 training manhours. For 2020 the organisation / implementation of new training actions has already been scheduled through the e-learning platform, with training actions such as: Compliance Training, Safety Management System, Evacuation Plan based on the company needs and the Company Strategy for continuous training and knowledge and competences enhancement of the staff, surpassing practical obstacles such as geographical distance and implementation time, while achieving significant economic benefits but not to the detriment of quality of intra-company training activities.

The Company hires and employs people on a non-discrimination basis. In 2019, the Company had 203 employees (122 men and 81 women) compared to 188 employees in 2018 (110 men and 78 women). 99% of the employees are Greeks. The average salaries paid to the airport staff are much higher compared to the respective salaries that would be paid, if Fraport Greece adopted the wage terms of the Collective (Labour) Agreement. The vast majority of airport employees will be working on a 24/7 basis, thus, any night work or work during Sundays/ Bank Holidays) increase even more their monthly salaries.

There is absolute respect for the rights of employees and there is a climate of peace at the workplace. There are no limitations to freedoms. The Company has an occupational physician and a safety technician.

			2019		2018	
Gender composition of staff employed	=	Number of women employed / Total employees	81 / 203	**39,9%**	87 / 199	**43,72%**
Gender composition of staff employed	=	Number of men employed / Total employees	122 / 203	**60,1%**	112 / 199	**56,28%**

Athens, 27/03/2020

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 2019 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.	31.12.2019	31.12.2018
Assets			
Non-current assets			
Tangible assets	5	1.331.811	1.596.787
Intangible assets	6	1.037.830	1.026.061
Rights of assets use	7	1.201.786	-
Other long-term receivables	9	60.998	60.998
		3.632.425	**2.683.846**
Current assets			
Receivables from associate companies	10	3.600.860	3.220.513
Other receivables	11	124.106	69.742
Current tax assets		142.687	-
Cash and cash equivalents	12	8.327.744	5.681.181
		12.195.397	**8.971.436**
Total assets		**15.827.822**	**11.655.282**
Equity and liabilities			
Equity			
Share capital	13	31.579	31.579
Statutory and other reserves	13	176.420	34.255
Profit and loss carried forward	13	3.115.660	2.031.609
Total equity		**3.323.659**	**2.097.443**
Liabilities			
Long-term liabilities			
Provisions for personnel compensation due to retirement or dismissal	14	218.131	375.009
Deferred tax liabilities	8	113.005	38.792
Lease liabilities	15	1.058.493	-
Other non-current liabilities	16	1.500.000	-
		2.889.629	**413.801**
Short-term/current liabilities			
Suppliers	16	1.596.794	1.849.214
Liabilities to associate/related companies	16	3.134.490	2.161.311
Income tax		-	396.907
Other liabilities & accrued expenses	16	4.702.033	4.736.606
Liabilities for leases	15	181.217	-
		9.614.534	**9.144.038**
Total liabilities		**12.504.163**	**9.557.839**
Total equity and liabilities		**15.827.822**	**11.655.282**

The notes in pages 18-43 form an integral part of these Financial Statements.

Statement of Profit and Loss and of Comprehensive Income

	Not.	**01/01/2019 -31/12/2019**	**01/01/2018-31/12/2018**
Income	17	38.319.059	35.014.262
		38.319.059	**35.014.262**
Operating expenses			
Cost of consumables and services rendered	18	(15.672.666)	(14.733.493)
Staff costs	19	(15.154.299)	(13.495.603)
Other operating expenses	20	(4.287.287)	(4.100.370)
Total operating expenses before depreciation		**(35.114.252)**	**(32.329.466)**
Profit before taxes and depreciation		**3.204.807**	**2.684.796**
Depreciation	21	(993.705)	(642.520)
Operating profit		**2.211.102**	**2.042.276**
Interest income	22	55.532	9.144
Other financial expenses	22	(85.623)	(16.996)
Net financial expenses		**(30.091)**	**(7.852)**
Profit before taxes		**2.181.011**	**2.034.424**
Income tax	8	(1.096.960)	(903.898)
Profit after taxes		**1.084.051**	**1.130.526**
Other comprehensive income:			
Items that are not subsequently reclassified in the profit or loss			
Actuarial profit / (loss)	13	142.165	(13.170)
Other comprehensive income:		**142.165**	**(13.170)**
Aggregate total income after taxes		**1.226.216**	**1.117.356**

The notes in pages 18-43 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 2018	**31.579**	**47.425**	**901.083**	**980.087**
Results after taxes for 2018	-	-	1.130.526	1.130.526
Other comprehensive income (Note 13)	-	(13.170)	-	(13.170)
Aggregate comprehensive income after taxes	**-**	**(13.170)**	**1.130.526**	**1.117.356**
Balance as at 31 December 2018	**31.579**	**34.255**	**2.031.609**	**2.097.443**
Balance as at 01 January 2019	**31.579**	**34.255**	**2.031.609**	**2.097.443**
Results after taxes for 2019	-	-	1.084.051	1.084.051
Other comprehensive income (Note 13)	-	142.165	-	142.165
Aggregate comprehensive income after taxes	**-**	**142.165**	**1.084.051**	**1.226.216**
Balance as at 31 December 2019	**31.579**	**176.420**	**3.115.660**	**3.323.659**

The notes in pages 18-43 form an integral part of these Financial Statements.

Statement of Cash Flows

	Not.	01/01/2019-31/12/2019	01/01/2018-31/12/2018
Cash Flows from Operating Activities			
Profit before taxes		**2.181.011**	**2.034.424**
Adjustments for:			
Interest income	22	(55.532)	(9.144)
Debit interest and related expenses	22	85.623	16.996
Provision for personnel bonuses	19	3.305.997	1.981.365
Provisions for personnel compensation due to retirement or dismissal	14	110.980	97.812
Depreciation of tangible, intangible assets and of assets use rights	21	993.705	642.520
		6.621.784	**4.763.973**
(Increase) / decrease			
Long-term receivables	9	-	(2.138)
Receivables from associate companies and other receivables	10, 11	(434.711)	1.106.350
Increase / (decrease)			
Suppliers	16	(252.420)	(1.451.266)
Liabilities to associate/related companies	16	973.179	1.992.125
Other liabilities & accrued expenses		(249.437)	749.457
Payments of personnel bonuses		(1.671.700)	(1.981.365)
Interest paid		(85.623)	(16.996)
Income tax		(1.607.467)	(930.825)
Net cash inflows from operating activities		**3.293.605**	**4.229.315**
Cash Flows from Investing Activities:			
Purchase of tangible assets	5	(124.095)	(361.164)
Purchase of intangible assets	6	(368.084)	(354.415)
Collected interest	22	55.532	9.144
Net cash outflows from investment activities		**(436.647)**	**(706.435)**
Cash flows from financing activities			
Financing lease principal payments	24	(210.395)	-
Net cash flows from financing activities		**(210.395)**	**-**
Net increase in cash and cash equivalents		**2.646.563**	**3.522.880**
Cash and cash equivalents at the start of the year		5.681.181	2.158.301
Cash and cash equivalents in the end of period		**8.327.744**	**5.681.181**

The notes in pages 18-43 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 203 employees on employment contracts of indefinite term, compared to 199 at the end of 2018.

The Financial Statements have been approved for publication by the Company's Board of Directors on 27/03/2020 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 2019 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

2019 has been a year of further recovery for the Greek economy, following the development dynamics of 2018 and 2017, despite the slow-down of global economy.

In particular, the economic sentiment and expectations indices have significantly improved indicating the continuation of the development dynamics. Specifically, the economic sentiment index has remained at high levels, above 102 points, whereas in September 2019 it reached 107,2 points whereas the confidence indexes in services and retail sectors were further enhanced – even though slight fall was seen in October 2019. Such improvement reflects, among others, the application of expansive fiscal measures amounting to 1% of the GDP, which were applied in the period May-December 2019.

Positive developments are observed in the financial sector, with the increase of deposits and the improvement of financing conditions of banks. Trust in the banking sector has been significantly enhanced and restrictions in capital movement were completely abolished as of September 1st. The improvement of liquidity potential of the banking system contributed to the increase of financing provided by banks to non financial businesses. The rates of return of Greek State and company bonds have significantly de-escalated in the last months of the year. In particular, the rate of return of the 10-year State bond reduced to 1,20% in late October from an average 1,49% in September and 2,67% in June 2019, whereas the interest rate of the 3-month treasury bills was marginally negative at -0.02% in October 2019. The de-escalation of return rates of the Greek State bonds and the prepayment of part of the loan of the IMF bring about reduction of expenses for interest and improve the sustainability of the public debt.

The so far positive course also reflects to the recent upgrade of the Greek solvency by rating agencies as well as to the increase of the GDP. Specifically, in 2019 Moody's credit rating agency upgraded the solvency of the Hellenic Republic to B1 from B3, whereas on 25/10/2019 Standard & Poor's upgraded the Greek solvency rate by one level, to BB-, keeping positive outlook. Moreover, according to projections of experts of the Eurosystem, the Greek economy growth rate is expected to be 1,9% in 2019.

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 accounting periods beginning on or after 1 January 2019. The Company's estimate regarding the influence from application of these new standards, amendments and interpretations is cited below:

<u>Standards and Interpretations effective for the current financial year</u>

IFRS 16 "Leases"

IFRS 16 was issued in January 2016 and supersedes/replaces IAS 17. The aim of the standard is to ensure that lessees and lessors provide useful information which fairly presents the substance of the lease-related transactions. IFRS 16 introduces a single model regarding the accounting handling on the lessee's part, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a non-significant/low value. The parent Company has set as level the amount of $ 5.000 as "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.

On 1 January 2019, the Company adopted IFRS 16, applying the amended retroactive approach. Based on this approach, the Company recognised lease liabilities regarding leases that were formerly classified as "operating leases" in line with the IAS 17 principles. The liabilities were measured at their present value, as such arises from the prepayment of remaining rents according to the incremental borrowing cost (rate of interest) applicable on the date of initial application of the Standard, i.e. on 1/1/2019. Furthermore, it recognised one right of use asset by measuring this right into an amount equal to the respective liability that was recognised. The comparative information was not reformulated and there was no impact from the new Standard's application on Equity at its first application, i.e. on 1/1/2019, adjusted with any advance payments of rents existent immediately before the date of initial application.

The payments of Company's rents related to land and building lease agreements, are included in the calculation of the respective rights of use and liabilities arising from financing leases. On the contrary, the other leasing agreements, mostly of operational and professional equipment, due to the lack of qualitative and quantitative relevance and following a detailed cost-benefit analysis, are not included in the recognition of rights of use and liabilities under financing leases, pursuant to IFRS 16.

During the transition date of 1/1/2019, the liabilities arising from the operating leases of land and buildings -existent on that date- were prepaid by using the incremental discount rate of interest applicable to properties, i.e. 4,6%. The impact from the standard's adoption for the Company is analysed as follows:

Recognition of rights of use asset and of equal-amount of financing lease liabilities totalling € 1.450.105 on the date of transition to IFRSs (1/1/2019).

• Depreciation increase by € 248.319 for the first period from the standard's adoption date.

• Net decrease of expenses by € 173.795 for the first period from the standard's adoption date (decrease of operating leases / increase of financial results).
• The above effect brought changes in the cash flows for operating and financing activities in the Company's statement of cash flows.

At the same time, the Company functions as an intermediate lessor, by sub-leasing property to the associate companies Fraport Regional Airports of Greece A S.A. and Fraport Regional Airports of Greece B S.A.

IFRS 16 requires that the intermediate lessor treats the main lease and the sub-lease as two separate contracts in accounting terms and treats the contracts both as the lessee and the lessor in accounting terms. Similarly, it is prohibited to offset the financial income (from the sub-lease) and the financial expenses (from the main lease).

On the date of adoption of the Standard, i.e. 1/1/2019, the sub-lease's term covered only a small part of the original lease and the present value of rents was by far lower than the fair value of the underlying right of use. Therefore, the Company being the intermediate lessor, decided that the financing lease recognition criteria were not met, and it did not recognised the financial receivable, whilst it classified the lease as operating.

The following table presents the adjustments made after introduction of the new Standard.

Obligations (commitments) from operating leases as at 31 December 2018	**2.214.997**
(Less): Short-term leases	(500.307)
(Less): Other adjustments	(10.119)
Prepayment of future rents based on the incremental borrowing rate of interest	(254.466)
Lease liabilities as at 1 January 2019	**1.450.105**
Out of which:	
Non-current lease liabilities	271.217
Current lease liabilities	1.178.888
Lease liabilities as at 1 January 2019	**1.450.105**

IFRS 9 (Amendments) "Prepayment Features with Negative Compensation"

The amendments allow companies to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met—instead of at fair value through profit or loss. The amendments do not affect the Company's financial statements.

IFRIC 23 "Uncertainty over income tax treatments"

The Interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. IFRIC 23 applies to all aspects of income tax accounting where there is such uncertainty, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The interpretation does not affect the Company's financial statements.

IAS 19 (Amendments) "Plan amendment, curtailment or settlement"

The amendments specify how companies determine pension expenses when changes to a defined benefit pension plan occur. The amendments do not affect the Company's financial statements.

Annual Improvements to IFRSs (2015 – 2017 Cycle)

The amendment set out below include changes to a specific IFRS, which does not affect the Company's financial statements.

IAS 12 "Income taxes"

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

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.

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

The amendments provide define more clearly what is material 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 across all IFRSs. These amendments are not expected to have a significant impact on the Company's financial statements.

IFRS 9, IAS 39 and IFRS 7 (Amendments) "Reformation of reference rates" (effective for annual accounting periods beginning on or after 01 January 2020)

The amendments change some requirements regarding risk hedging accounting in order to provide facilitation about the potential impact of the uncertainty caused by the change in reference rates. In addition, these amendments require that companies provide additional information to investors as regards their hedging relations, which are directly affected by these uncertainties. These amendments are not expected to have a significant impact on the Company's financial statements.

IAS 1 (Amendment) "Classification of Liabilities as Current or Non-current" (effective for annual reporting periods beginning on or after 01 January 2022)

The amendment clarifies that liabilities are classified as current or non-current based on the rights being effective the expiry of the reference period. The classification is not affected by the expectations of the entity or by events after the reporting date. Furthermore, the amendment deciphers the meaning of the term "settlement" of a liability under IAS 1. The amendment has not yet been endorsed by the EU.

2.3. 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
Rights of use asset	Shorter duration between lease and asset's useful life

2.4. Intangible assets

Recognition of an asset as 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 (amortised 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

2.5. 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.

2.6. Financial assets

2.6.1. Classification

The Company classifies all its 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.

2.6.2. 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.

2.6.3. 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 measurement category based on the financial assets it holds:

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 "Receivables from associate companies", "Other receivables", "Cash and cash equivalents" presented in the statement of financial position (Notes 2.9, 2.10). They are included in current assets, save those with a maturity over 12 months from the balance sheet date.

2.6.4. Impairment of financial assets

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).

2.7. 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.

2.8. Impairment of financial assets

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

The impairment audit for trade receivables is described in Note 2.9.

2.9. 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 2.6.4).

2.10. 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.

2.11. 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.

2.12. 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.

2.13. 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.

2.14. 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. The period that ended on 31 December 2019 saw actuarial profits at € 187.290 (2018: actuarial loss at € 17.560).

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.

2.15. 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.

2.16. 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 profit and loss statement and 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.

On 1/1/2019 the Company made an analysis of the -existing on that date- lease contracts with related parties, and after taking into account that a) the sub-lease term is quite shorter than the original lease term, and b) the present value of future rents is much lower than the fair value of the underlying right of use, and concluded that the financing lease recognition criteria were not met and classified the leases as operating.

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.

2.17. Leases

The Company leases various assets such as real estate property, means of transport, and other existing lease agreements pertain mostly to operational and professional equipment.

In the context of the first application of IFRS 16 the Company proceeded to the impact assessment of the new standard. Due to lack of quality and quantity importance and following careful cost-benefit analysis, the Company concluded that the existing leasing contracts of means of transport and of other operational and professional equipment are not included to the acknowledgement of rights of use and obligations arising from financing leases as per IFRS 16.

The rights of use asset are measured at their cost, decreased by the accumulated amortisation and impairment of their value and adjusted during the re-measurement of the corresponding lease liabilities. The cost of the right of use asset includes the amount of lease liabilities that have been recognised, the original directly-associated related expenses and the payments for leases made on or before the effective date, decreased at the amount of offered discounts or other incentives. Except for cases where the Company is rather certain that the leased asset will be in its possession at the end of the lease contract, the recognised rights of asset use are amortised with the straight-line method during the shortest life between the underlying asset's useful life and the lease contract terms. The rights of use asset are subject to impairment audit.

2.18. 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.

2.19. 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 2019.

Deposits in banks and credit institutions include sight deposits. Next follows the long-term credit rating as at 31 December 2019 and 2018 (by Moody's):

	31.12.2019	**31.12.2018**
Caa1	8.327.318	-
Caa2	-	5.681.121
Total	**8.327.318**	**5.681.121**

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:

As at 31 December 2019	**within 1 year**	**later than 1 year**	**Between 2 and 5 years**	**Over 5 years**	**Total**
Trade liabilities	1.596.794	-	-	-	1.596.794
Liabilities from associate companies	3.134.490	-	-	-	3.134.490
Lease liabilities	181.217	192.833	609.050	256.610	1.239.710
Other financial liabilities	2.399.153	-	1.500.000	-	3.899.153
	7.311.654	**192.833**	**2.109.050**	**256.610**	**9.870.147**

As at 31 December 2018	**within 1 year**	**later than 1 year**	**Between 2 and 5 years**	**Over 5 years**	**Total**
Trade liabilities	1.849.214	-	-	-	1.849.214
Liabilities from associate companies	2.161.311	-	-	-	2.161.311
Other financial liabilities	2.348.235	-	-	-	2.348.235
	6.358.760	**-**	**-**	**-**	**6.358.760**

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

3.2. Non-financial risk factors

The company is also exposed to non financial risks, such as cyberattack risks.

All significant business and operational procedures of Fraport Manco are supported by advanced IT systems. A serious systemic error or a loss of data could lead to serious disorder of business operations, as well as to security risks. Apart from that, cybervirus and hackers' attacks might lead to systemic issues and finally to the loss of critical and/or confidential data for the company. In order to address such risks, all IT systems of critical importance for the company are properly configured and located at various sites and not at the same spot. The remaining risk arising from architecture and operation of IT systems cannot be fully eliminated due to the nature of the risk.

The continuing development of new technologies and constantly increasing global threat of cyber attacks pose increased risks for the IT systems of the company, which takes into account the said conditions in its active and preventive security management of its IT systems. Specific policies have been established for the proper observance of IT systems security of Fraport Manco, to which all employees of the company must adhere.

IT systems are of particular importance for all business and operational procedures of Fraport Manco. Despite the implementation of preventive and proactive measures, the possible implications following such attacks are estimated as of "high risk" and the incidence of such attack is estimated as "probable".

3.3. 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 2019 and 2018 are given below:

Classification under IFRS 9	Valued at amortized cost		31.12.2019
	Loans and receivables		
Financial assets	**Carrying amount**	**Fair value**	**Total Fair Value**
Cash and cash equivalents	8.327.744	8.327.744	8.327.744
Receivables from associate companies	3.600.860	3.600.860	3.600.860
Other receivables	37.728	37.728	37.728
Total	**11.966.332**	**11.966.332**	**11.966.332**

Other financial liabilities			
Financial liabilities	**Carrying amount**	**Fair value**	**Total Fair Value**
Suppliers	1.596.794	1.596.794	1.596.794
Lease liabilities	1.239.710	1.239.710	1.239.710
Liabilities to associate/related companies	3.134.490	3.134.490	3.134.490
Other liabilities & accrued expenses	2.399.153	2.399.153	2.399.153
Total	**8.370.147**	**8.370.147**	**8.370.147**

Classification under IFRS 9	Valued at amortized cost		31.12.2018
	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**

The above breakdown only includes financial assets.

3.4. Capital risk management

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

Just like other companies in the industry, the Company monitors its capital based on the leverage ratio. This ratio is calculated as the ratio of net borrowing/debt to total capital employed. Net borrowing is obtained by subtracting the Company's cash and cash equivalents from the Company's borrowings (short- and long-term borrowings for leases appearing in the statement of financial position). Total capital is obtained as the sum of equity in the statement of financial position and net debt. For more information about the leverage ratio see Note 24.

4. Significant accounting estimates and judgements of the Management

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

4.1. Critical accounting estimates and judgements

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

Income tax

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

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

Deferred tax liabilities

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

Impairment of tangible and intangible assets

The Company's tangible and intangible assets are initially entered at cost and then depreciated based on their useful life. At each reporting date the Company checks for indications of impairment of its tangible and intangible assets. The impairment audit is conducted based on market information and Management estimates of future operating and financial conditions. Whenever there are indications of impairment, an impairment audit is carried out comparing the carrying amount of each cash-generating unit against the respective recoverable amount. The Company's management determines the recoverable amount through estimates which include basic assumptions about the period of the estimated cash flows, cash flows, the growth rate of flows and the discount interest rate. The assumptions are disclosed in the Company's financial statements in line with relevant provisions of IAS 36. As at 31 December 2019, there were no indications of impairment for the Company's tangible and intangible assets.

Liability for personnel compensation due to retirement or dismissal

The present value of retirement/pension benefits of the Company's defined personnel benefit plan is based on a number of factors determined with the use of actuarial methods and assumptions. Such actuarial assumption is also the discount interest rate used to estimate the benefit's cost and the payroll increase percentage. Any changes in these assumptions will affect the balance of pension liabilities. The Company determines the appropriate discount rate at the end of each year. This is defined as the interest rate which should be used to determine the present value of future cash flows, which are expected to be required to cover the liabilities of pension/retirement plans. Other significant assumptions of the liabilities of pension benefits are partially based on current market conditions. Further information is provided in Note 14.

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 2018	**666.760**	**1.275.860**	**1.942.620**
Additions during the period	214.964	146.200	361.164
Reductions during the period	-	(66.260)	(66.260)
Balance as at 31 December 2018	**881.724**	**1.355.800**	**2.237.524**
Balance as at 01 January 2019	**881.724**	**1.355.800**	**2.237.524**
Additions during the period	54.227	69.868	124.095
Balance as at 31 December 2019	**935.951**	**1.425.668**	**2.361.619**

	Additions to real estate property of third parties	Fixed equipment	Total tangible fixed assets
Depreciation			
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**
Balance as at 01 January 2019	**161.653**	**479.084**	**640.737**
Amortisations for the period	108.381	280.690	389.071
Balance as at 31 December 2019	**270.034**	**759.774**	**1.029.808**
Net carrying amount			
Balance as at 31 December 2018	**720.071**	**876.716**	**1.596.787**
Balance as at 31 December 2019	**665.917**	**665.894**	**1.331.811**

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 2019, see Note 2.3.

6. Intangible assets

	Total
Acquisition value	
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**
Balance as at 01 January 2019	**1.522.042**
Additions during the period	368.084
Balance as at 31 December 2019	**1.890.126**

	Total
Depreciation	
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**
Balance as at 01 January 2019	**495.981**
Amortisations for the period	356.315
Balance as at 31 December 2019	**852.296**

	Total
Net carrying amount	
Balance as at 31 December 2018	**1.026.061**
Balance as at 31 December 2019	**1.037.830**

The intangible assets pertain to software programmes. As regards the depreciation/amortisation rates set by the Company for year 2019, see Note 2.4.

7. Rights of use asset

	Total
Acquisition value	
Balance as at 01 January 2018	**-**
Balance as at 31 December 2018	**-**
Balance as at 01 January 2019	**-**
Additions during the period	1.450.105
Balance as at 31 December 2019	**1.450.105**

	Total
Depreciation	
Balance as at 01 January 2018	-
Balance as at 31 December 2018	**-**
Balance as at 01 January 2019	-
Amortisations for the period	248.319
Balance as at 31 December 2019	**248.319**

	Total
Net carrying amount	
Balance as at 31 December 2018	**-**
Balance as at 31 December 2019	**1.201.786**

IFRS 16 "Leases" introduces a single model regarding the accounting handling on the lessee's part, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a non-significant/low value. The parent company has set the amount of $ 5.000 as "non-significant/low value".

Payment of the Company's rents are related to building leases. The Company recognised rights of use asset and equal-amount financing lease liabilities totalling € 1.450.105 on the date of the standard's adoption (1/1/2019).

For the year ended on 31/12/2019, the Company had rights of use asset of unamortised value of € 1.201.786. Amortisations increased by € 248.319 for the first period from the standard's adoption date.

8. Income tax and deferred tax

Income tax is calculated by the 24% tax rate (2018: 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:

	01/01/19 - 31/12/2019	01/01/2018- 31/12/2018
Current income tax	1.067.872	948.742
Deferred tax	29.088	(44.844)
Total	**1.096.960**	**903.898**

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. Pursuant to article 22 of law 4646/2019 voted on 12/12/2019, the income tax rate for legal persons in Greece is set for year 2019 to 24% from 28% and for years 2020 onwards to 24%. The change in the tax rate affected positively both the deferred tax of the profit and loss statement by € 1.552, and the deferred tax in the other comprehensive income by € 176.

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	**31.12.2019**	**31.12.2018**
Deferred tax assets expected to be recovered after 12 months	(52.351)	(93.752)
Deferred tax liabilities expected to be settled after 12 months	165.356	132.544
Deferred tax liabilities (net)	**113.006**	**38.792**

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

	2019	2018
Balance as at January 1st	**38.792**	**88.026**
Charge-debit / (credit) to profit and loss	29.088	(44.844)
Charge /(credit) to other comprehensive income	45.125	(4.390)
Balance as at December 31st	**113.005**	**38.792**

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

Deferred tax assets	**Liability for personnel compensation due to retirement or dismissal**	**Total**
As at 01/01/2018	**(77.147)**	**(77.147)**
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)**
Debit/charge to profit or loss and to the statement of comprehensive income	41.401	41.401
As at 31/12/2019	**(52.351)**	**(52.351)**

Deferred tax liabilities	**Tangible assets**	**Intangible assets**	**Total**
As at 01/01/2018	**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**
Debit-charge / (Credit) to profit or loss and to the statement of comprehensive income	37.079	(4.266)	32.812
As at 31/12/2019	**152.237**	**13.120**	**165.356**

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.

	01/01/19 - 31/12/2019	01/01/2018-31/12/2018
Profit before taxes	**2.181.011**	**2.034.424**
Corporate profits tax rate	24%	29%
Income tax	523.443	589.983
Expenses not deducted for taxation purposes	297.278	84.387
Previous year tax correction	277.792	241.669
Effect of the tax rate change	(1.552)	(12.141)
Total income tax	**1.096.960**	**903.898**

The tax compliance audit for the issuance of the tax certificate for year 2019 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 years unaudited by the competent tax authorities were 2015, 2016, 2017, and 2018.

9. Other long-term receivables

	31.12.2019	31.12.2018
Guarantees granted	60.998	60.998
Total	**60.998**	**60.998**

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

10. Receivables from associate companies

	31.12.2019	31.12.2018
FRAPORT REGIONAL AIRPORTS OF GREECE A S.A.	2.588.025	1.940.743
FRAPORT REGIONAL AIRPORTS OF GREECE B S.A.	1.012.835	1.279.770
Total	**3.600.860**	**3.220.513**

Age analysis of balances of business customers

	31.12.2019	31.12.2018
Not delayed and impaired	3.600.860	3.220.513
Total	**3.600.860**	**3.220.513**

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 23.

11. Other receivables

	31.12.2019	31.12.2018
Receivables from the Greek State from taxes	8.330	1.453
Prepaid expenses for the next period	78.048	30.929
Prepaid expenses for collaborators	-	10.918
Down payments to suppliers	31.841	21.501
Other debtors	5.887	4.941
Total	**124.106**	**69.742**

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

12. Cash and cash equivalents

	31.12.2019	31.12.2018
Cash at hand	426	60
Short-term sight deposits (in Euro)	8.327.318	5.681.121
Total	**8.327.744**	**5.681.181**

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.

	31.12.2019	31.12.2018
Caa1	8.327.318	-
Caa2	-	5.681.121
Total	**8.327.318**	**5.681.121**

13. Equity

	31.12.2019	31.12.2018
Share capital	31.579	31.579
Other reserves	176.420	34.255
Profit and loss carried forward	3.115.660	2.031.609
Total	**3.323.659**	**2.097.443**

Share capital

The Company's share capital amounts in total to € 31.579 (2018: 31.579) divided into 31.579 ordinary registered shares (2018: 31.579 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 2018	**31.579**	**1**	**31.579**
As at 31 December 2018	**31.579**	**1**	**31.579**
As at 1 January 2019	**31.579**	**1**	**31.579**
As at 31 December 2019	**31.579**	**1**	**31.579**

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

	Actuarial profit/(loss) reserve	Statutory reserve	Total
As at 1 January 2018	-	**47.425**	**47.425**
Increases in the year	(13.170)	-	(13.170)
As at 31 December 2018	**(13.170)**	**47.425**	**34.255**
As at 1 January 2019	**(13.170)**	**47.425**	**34.255**
Increases in the year	142.165	-	142.165
As at 31 December 2019	**128.995**	**47.425**	**176.420**

14. Liability for personnel compensation due to retirement or dismissal

The amounts recognized in the statement of financial position are:

	31.12.2019	31.12.2018
Pension benefits	218.131	375.009
Total	**218.131**	**375.009**

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

	2019	2018
Balance as at January 1st	**375.009**	**266.025**
Total charge in the statement of profit and loss and of comprehensive income	110.980	97.812
Total (credit) / debit-charge in the statement of other comprehensive income	(187.290)	17.560
Benefits paid	(81.683)	(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."	1.115	2.779
Balance as at December 31st	**218.131**	**375.009**

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

	01/01/19 - 31/12/2019	01/01/2018- 31/12/2018
Current employment cost	35.865	86.966
Financial cost	6.019	4.305
Loss from cuts / contract terminations / cut backs	69.096	6.541
Total included in benefits to employees	**110.980**	**97.812**

The actuarial profit recognised in the current year (2018: losses) as empirical adjustments and changes to actuarial assumptions are:

	01/01/19 - 31/12/2019	1/1/2018 - 31/12/2018
(Credit) / debit-charge to other comprehensive income:		
Actuarial (profit) / loss for the period	(187.290)	17.560
Total	**(187.290)**	**17.560**

The main actuarial assumptions used for accounting purposes are:

	31.12.2019	31.12.2018
Discount rate	1,00%	1,60%
Annual average long-term inflation	2,00%	2,00%
Future salary increases	2,00%	2,00%
Average weighted duration of retirement benefits	14,1 years	14,1 years
Staff turnover rate	5,0%	1,2%

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

		Effect on compensation benefits			
31.12.2019	Change in assumption by	Assumption increase		Assumption decrease	
Discount rate	0,50%	-7,9%	200.830	8,9%	237,437
Payroll change rate	0,50%	8,7%	237.138	-7,9%	200,911
Staff turnover rate	0,50%	-8,4%	199.708	9,4%	238,615

		Effect on compensation benefits			
31.12.2018	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

15. Lease liabilities

	31.12.2019	31.12.2018
Non-current lease liabilities		
Financing lease liabilities	1.058.493	-
Total non-current lease liabilities	**1.058.493**	**-**
Current lease liabilities		
Financing lease liabilities	181.217	-
Total current lease liabilities	**181.217**	**-**
Total lease liabilities	**1.239.710**	**-**

The financing lease liabilities. included in the above tables. are broken down as follows:

	31.12.2019	31.12.2018
Financing lease liabilities - minimum rents		
Up to 1 year	253.547	-
1-5 years	917.287	-
Over 5 years	240.745	-
Total	**1.411.579**	**-**
Less: Future financial charges of financing leases	(171.869)	-
Fair value of financing lease liabilities	**1.239.710**	**-**

The dates of maturity of the non-current financing lease liabilities are detailed as follows:

	31.12.2019	31.12.2018
Between 1 and 2 years	192.833	-
Between 2 and 5 years	609.050	-
Over 5 years	256.610	-
	1.058.493	**-**

16. Suppliers and other liabilities

Trade liabilities	31.12.2019	31.12.2018
Domestic suppliers	1.433.873	1.763.746
Foreign suppliers	162.921	85.468
Total	**1.596.794**	**1.849.214**

Liabilities to associate/related companies	31.12.2019	31.12.2018
Other liabilities to associate/related companies	3.121.990	2.148.811
Other liabilities to joint ventures	12.500	12.500
Total	**3.134.490**	**2.161.311**

Other liabilities & accrued expenses	31.12.2019	31.12.2018
VAT	1.299.843	1.402.569
Salaried Services Tax	509.707	484.730
Other Taxes and Duties	10.432	14.332
IKA	482.898	486.740
Accrued expenses for the period	243.825	130.485
Other liabilities	-	1.212
Bonuses. short-term part	2.155.328	2.216.538
Total	**4.702.033**	**4.736.606**

Other non-current liabilities	31.12.2019	31.12.2018
Bonuses. long-term part	1.500.000	-
	1.500.000	**-**

Liabilities from taxes-duties and to social security funds pertain to debts from deducted taxes and social security contributions for November and December 2019, which were not rendered overdue on the reporting date.

The carrying amount of all the above approaches their fair value.

The bonuses pertain to provisions regarding the accomplishment of defined economic and business objectives of the current and future years.

17. Income

Sales	**01/01/19 - 31/12/2019**	**01/01/2018- 31/12/2018**
Provision of services	38.290.019	34.950.586
Revenues from rents	8.160	8.160
Other revenues	20.880	55.516
Total	**38.319.059**	**35.014.262**

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. (See Note 2.16). On the reporting date, the Company has agreements for the following minimum future rentals:

	2019	**2018**
Within 1 year	8.160	8.160
1-5 years	32.640	32.640
Over 5 years	7.004	15.164
	47.804	**55.964**

18. Cost of consumables and services rendered

	01/01/19 - 31/12/2019	**01/01/2018 - 31/12/2018**
Maintenance costs (a)	7.682.772	7.754.542
Cleaning costs (a)	5.436.221	4.573.780
Costs of staff services received from the parent company	700.384	769.542
Technical support to Information Systems (b)	1.613.640	1.390.227
Cost of various consumables	239.649	245.402
Total	**15.672.666**	**14.733.493**

(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.

19. Staff costs

	01/01/19 - 31/12/2019	**01/01/2018- 31/12/2018**
Salaries and daily wages	9.698.076	9.124.629
Personnel bonuses	3.305.997	1.981.365
Social security costs	2.045.265	2.302.643
Provision for personnel compensation due to retirement or dismissal	104.961	86.966
Total	**15.154.299**	**13.495.603**

	31.12.2019	**31.12.2018**
Number of Employees	203	199
Total	**203**	**199**

20. Other operating expenses

	01/01/2019-31/12/2019	01/01/2018-31/12/2018
Premiums	49.712	44.507
Advertising costs	596.271	709.760
Expenses for consultation. technical and audit services	1.395.773	1.057.597
Rental costs	203.224	525.491
Other taxes	11.283	23.886
Staff training costs	90.424	69.723
Other operating expenses	1.940.600	1.669.406
Total	**4.287.287**	**4.100.370**

Audit service costs are:

	01/01/2019-31/12/2019	01/01/2018-31/12/2018
Mandatory audit of the annual financial statements	29.000	25.500
Other assurance services	15.000	15.000
	44.000	**40.500**

21. Depreciation

	01/01/19 - 31/12/2019	01/01/2018-31/12/2018
Intangible asset depreciation	356.315	295.848
Tangible asset depreciation	389.071	346.672
Depreciation of rights of use asset	248.319	-
Total	**993.705**	**642.520**

22. Financial expenses - Net

	01/01/19 - 31/12/2019	01/01/2018-31/12/2018
Financial income		
Interest income	55.532	9.144
Total	**55.532**	**9.144**
Financial expenses		
Financing lease interests - IFRS 16	(71.652)	-
Other financial expenses	(13.971)	(16.996)
Total	**(85.623)**	**(16.996)**
Financial expenses - Net	**(30.091)**	**(7.852)**

23. Balances and related parties

In 2019 and 2018, the transactions with related parties were as follows:

	01/01/19 -31/12/2019	
	Services received	**Provision of services**
FRAPORT REGIONAL AIRPORTS OF GREECE A S.A.		
Administrative support fees	-	20.675.173
Rents	-	4.080
FRAPORT REGIONAL AIRPORTS OF GREECE B S.A.		
Administrative support fees	-	17.613.392
Rents	-	4.080
FRAPORT AG		
Personnel and computerisation fees	1.855.477	-
AirIT Systems Gmbh		
IT fees	50.000	-
Redex S.A.		
Building facilities management	7.181.271	-
Interbus S.A.		
Advertising services	64.850	-
B2B S.A.		
Advertising services	43.545	-

	01/01/2018 - 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	1.639.599	-
AirIT Systems Gmbh		
IT fees	50.000	-
Redex S.A.		
Building facilities management	7.736.457	-
Interbus S.A.		
Advertising services	122.360	-
B2B S.A.		
Advertising services	42.611	-

The open balances from/to related parties on 31/12/2019 and 31/12/2018 are as follows:

	31.12.2019	
	Liabilities	**Receivables**
FRAPORT REGIONAL AIRPORTS OF GREECE A S.A.	-	2.588.025
FRAPORT REGIONAL AIRPORTS OF GREECE B S.A.	-	1.012.835
FRAPORT AG	330.972	-
AirIT Systems Gmbh	12.500	-
Redex	2.724.243	-
B2B S.A.	5.965	-
Interbus	60.810	-

	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 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:

	01/01/19 - 31/12/2019	**01/01/2018 - 31/12/2018**
Fees to key Management officers	1.909.563	1.947.618

24. Capital management

The Company's net borrowing (as per IFRS 16) on 31/12/2019 (31/12/2018: no borrowing) is presented in detail in the table below:

	31.12.2019	31.12.2018
Non-current lease liabilities	1.058.493	-
Current lease liabilities	181.217	-
Less: Cash and cash equivalents	(8.327.744)	(5.681.181)
Net lease liabilities	**(7.088.034)**	**(5.681.181)**
Total equity	3.323.659	2.097.443
Total capital employed	**(3.764.375)**	**(3.583.739)**
Leverage ratio	-	-

The calculation of the capital leverage ratio on 31/12/2019 is not applicable (31/12/2018: no borrowing). This ratio is calculated as the ratio of net borrowing to total capital employed (i.e. total equity plus net borrowing).

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

	31.12.2019	31.12.2018
Cash and cash equivalents	8.327.744	5.681.181
Borrowing - payable in the following year	(181.217)	-
Borrowing - payable after one year	(1.058.493)	-
Net borrowing	**7.088.034**	**5.681.181**

	Other assets	Financing lease liabilities		
	Cash in hand/bank	Lease liabilities within 1 year	Lease liabilities after 1 year	Total
Net borrowing as at 01 January 2018	**2.158.301**	**-**	**-**	**2.158.301**
Cash flows	3.522.880	-	-	3.522.880
Net borrowing as at 31 December 2018	**5.681.181**	**-**	**-**	**5.681.181**
Net borrowing as at 01 January 2019	**5.681.181**	**-**	**-**	**5.681.181**
Cash flows	2.646.563	-	210.395	2.856.958
Non-cash transactions - Recognition of new financing leases	-	-	(1.450.105)	(1.450.105)
Non-cash transactions - Transfer to short-term borrowing	-	(181.217)	181.217	-
Net borrowing as at 31 December 2019	**8.327.744**	**(181.217)**	**(1.058.493)**	**7.088.034**

25. Contingent liabilities

The Company has not been audited for 2015, 2016, 2017 and 2018. For 2016, 2017 and 2018 it was audited pursuant to Law 4174/2013 and received a tax compliance certificate from PwC S.A. without reservations. The tax compliance audit for issuance of the tax clearance certificate for 2019 period is carried out by PwC S.A. and no additional substantial tax liabilities are expected to arise other than those reflected in these financial statements.

Other leases

On the reporting date, the Company has the following commitments/obligations as regards car leases:

	Within 1 year	1-5 years	Over 5 years
Car leasing - third parties	135.401	198.897	-
	135.401	**198.897**	**-**

26. Events after the balance sheet date

The emergence of Covid-19 early in 2020 and its spread during the period that followed, has led to the adoption of preventive and other measures globally, some of which may affect the passenger traffic and by extension the financial data of the Company for financial year 2020. The Company watches carefully the course of the issue, so as to respond immediately to the requirements of the global and domestic environment. Specifically, the Company is in constant contact with the National Public Health Organisation (EODY) as regards issues relating to the coronavirus, in view of obtaining all relevant directives concerning air traffic, either in terms of general preventive preparation or regarding recommended action for certain cases.

Besides the above, no other events have taken place after the date of the financial statements which could materially affect the Company's financial position which should be reported under the International Financial Reporting Standards.

Athens, 27/03/2020

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

FRAPORT REGIONAL AIRPORTS OF GREECE MANAGEMENT COMPANY SOCIÉTÉ ANONYME

Independent Chartered Auditor - Accountant Audit Report

Direct Translation of the independent auditor's report issued on the statutory financial statements of «Fraport Regional Airports of Greece Management Company S.A.» for the year ended 31 December 2019 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 2019, 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 2019, 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 Law 4548/2018**.**

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 Law 4548/2018.

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 2019 is consistent with the financial statements,
- The Board of Directors' Report has been prepared in accordance with the legal requirements of articles 150 and 153 of Law 4548/2018.

In addition, in light of the knowledge and understanding of the Company 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 Law 4548/2018, 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 2020

The Certified Auditor Accountant

Dimitris Sourbis
SOEL Reg. No 16891

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