



**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 2016.
- Financial Statements for the year ended on 31 December 2016 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 NO.: 136996801000  
TAX OFFICE: FAE OF ATHENS



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MANAGEMENT COMPANY SOCIÉTÉ  
ANONYME**

Management Report of the Board of Directors (BoD) of the Company 'Fraport Regional Airports of Greece Management Company SOCIÉTÉ ANONYME' for the period ended on 31 December 2016.

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

**TO THE GENERAL ASSEMBLY OF SHAREHOLDERS AS OF 08/09/2017**

Dear Shareholders,

In accordance with article 43a, para.3 of Codified Law (C.L.) 2190/20, we submit as attachments to your General Assembly, the Financial Statements of the Company, which have been prepared for the first time in accordance with the International Financial Reporting Standards (IFRS) for the period ended on 31 December 2016, together with our remarks on them and you are kindly requested to approve them.

**1. Annual review:**

The Company was founded on 2 December 2015 and its scope is 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." The airports' operation was undertaken by the two latter companies on 11 April 2017 and for this reason the Company had a limited operation during the fiscal period.

**2. Financial performance of the Company:**


Given that the Company's normal operation has not started yet, which (operation) depends on the undertaking of operations of the 14 regional airports by "Fraport Regional Airports of Greece A S.A." and "Fraport Regional Airports of Greece B S.A.", the Company had limited revenues during the period.

**3. Financial position of the Company:**


The Company's financial position is considered satisfactory in general terms.

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

**A) Profitability Ratios**

		2016	2015
Return on Invested Capital	=	$\frac{\text{Net Profit/(Loss) before tax}}{\text{Total Assets}}$	
		$\frac{-11.652}{7.061.047}$	$\frac{-1.700}{24.391}$
		-0,2% 	-7%

**B) Liquidity Ratios**

		2016	2015
Working Capital Ratio	=	$\frac{\text{Current Assets}}{\text{Short-term liabilities}}$	
		$\frac{5.522.505}{7.044.399}$	$\frac{24.391}{2.091}$
		78% 	1167%

**C) Financial/capital Structure Ratios**

		2016	2015
Equity to Total Capital	=	$\frac{15.808}{7.061.047}$	$\frac{22.300}{24.391}$
		0,2% <span style="color: green;">▲</span>	91%

**D) Activity Ratios**

		2016	2015
Asset Turnover Ratio	=	$\frac{5.204.000}{7.061.047}$	$\frac{-}{24.391}$
		74%	0%

**4. Anticipated course of the Company:**

In the next fiscal period, the company’s normal operation will commence with the provision of the corresponding services. The generation of income and the gradual generation of profit will allow the Company to implement its development plans, which encompass the modernisation, development, and/or expansion of airport infrastructures.

**5. Major risks and uncertainties:**

Due to its limited operation in the current time period, the company is not facing any particular risks and uncertainties.

The Company is not facing any foreign currency risk, or interest hedging risk because it has no receivables or liabilities in foreign currency or interest-bearing liabilities to third parties. The loan liability to the shareholders has been paid off.

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 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.

**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.

**Credit risk**

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

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

**Liquidity risk**

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

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

The developments during 2016 and the discussions at a national and international level regarding review of the terms of Greece's financing programme preserve the macroeconomic and financial environment in the country at a volatile condition. Return to economic stability depends -to a great extent- on the actions and decisions of the domestic and foreign institutions. 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 are promptly taken to minimise any impact on its operations.

**6. Branches:**

The Company has no branches.

**7. Perspective for 2017**

On 11 April 2017, the companies "Fraport Regional Airports of Greece A S.A." and "Fraport Regional Airports of Greece B S.A." paid to the Greek State the total upfront concession fee of € 1.234 billion, commencing -in this manner- the 40-year concession of the 14 regional airports, marking a huge investment in the national infrastructures, and particularly in the tourism sector that is so vital for Greek economy. Thus, the substantial operation of the company commenced, i.e. the provision of Management services to the two above companies. The Company's revenues will increase and the 2017 period is expected to be profitable.

The Company is particularly sensitive to environmental issues. In this context, environmental friendly methods have been adopted and will be applied.

**8. Significant events that occurred from the period's expiry until the submission date of this report:**

**Share capital increase**

By means of the General Assembly as of 10 February 2017, the company's share capital increase was decided by the amount of € 1,579, divided in 1,579 shares. Following such increase, the company's share capital amounted to € 31,579, divided into 31,579 shares. The amount was paid up during January 2017.

**Athens, 16/08/2017**

**The BoD members**

**THE CHAIRMAN**

STEFAN SCHULTE

**THE VICE CHAIRMAN**

CHRISTOPH HANS NANKE

German Passport No.  
C5LP2YHTY

German Passport No. C5J83LM8P/2014

**THE VICE CHAIRMAN**

DIMITRIOS COPELOUZOS

Police I.D. Card No AK 031780 / 2011



**FRAPORT REGIONAL AIRPORTS OF GREECE  
MANAGEMENT COMPANY SOCIÉTÉ  
ANONYME**

Financial Statements for the year ended on 31 December 2016 in accordance with the International Financial Reporting Standards (IFRS)

REGISTERED OFFICES : 10 GERMANIKIS SCHOLIS STR., AMAROUSIO  
ATTICA  
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**FRAPORT REGIONAL AIRPORTS OF GREECE MANAGEMENT COMPANY S.A.**  
**FINANCIAL STATEMENTS AS OF 31 DECEMBER 2016 (AMOUNTS IN EURO)**

**TABLE OF CONTENTS**

STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER.....	9
STATEMENT OF COMPREHENSIVE INCOME AS OF 31 DECEMBER 2016.....	10
STATEMENT OF CHANGES IN EQUITY AS OF 31 DECEMBER 2016.....	11
STATEMENT OF CASH FLOWS AS OF 31 DECEMBER 2016.....	12
NOTES TO THE FINANCIAL STATEMENTS.....	13
1. General information.....	13
2. Transition to IFRS.....	13
2.1 Main principles of transition to IFRS.....	13
3. Summary of significant accounting principles.....	14
3.1 Financial statements preparation framework.....	14
3.2 New standards, amendments and interpretations.....	15
3.3 Tangible fixed assets.....	16
3.4 Intangible assets.....	17
3.5 Impairment of non-financial assets.....	17
3.6 Financial assets.....	18
3.7 Set off of financial assets.....	18
3.8 Trade receivables.....	18
3.9 Cash and cash equivalents.....	19
3.10 Share capital.....	19
3.11 Trade liabilities.....	19
3.12 Loans.....	19
3.13 Current income tax.....	20
3.14 Unaudited periods.....	20
3.15 Deferred income tax.....	20
3.16 Employee benefits.....	20
3.17 Provisions.....	22
3.18 Revenue recognition.....	22
3.19 Leases.....	23
3.20 Dividend distribution.....	23
4. Financial risk management.....	23
4.1 Financial risk factors.....	23
4.2 Determination of fair values.....	25
4.3 Capital risk management.....	25
5. Significant accounting estimates and judgements of the management.....	26
6. Tangible and intangible assets.....	26
7. Income tax and deferred tax liabilities.....	27
8. Other long-term receivables.....	28
9. Receivables from associate companies.....	29
10. Other receivables.....	29
11. Cash and cash equivalents.....	29
12. Equity.....	29
13. Suppliers and other liabilities.....	30
14. Revenues.....	31
15. Expenses per category.....	32
16. Transactions with related parties.....	32
17. Contingent liabilities and receivables.....	34
18. Events after the balance sheet date.....	35



**FRAPORT REGIONAL AIRPORTS OF GREECE MANAGEMENT COMPANY S.A.**  
**FINANCIAL STATEMENTS AS OF 31 DECEMBER 2016 (AMOUNTS IN EURO)**

**Statement of Financial Position**

	<i>Note</i>	<u>31.12.2016</u>	<u>31.12.2015</u>
<b>Assets</b>			
<b>Non-current assets</b>			
Tangible fixed assets (Property, Plant, and Equipment)	<u>6</u>	1.223.767	-
Intangible assets	<u>6</u>	247.699	-
Other long-term receivables	<u>8</u>	67.076	-
		<u>1.538.542</u>	<u>-</u>
<b>Current Assets</b>			
Receivables from associate companies	<u>9</u>	4.754.600	24.000
Other receivables	<u>10</u>	40.126	391
Cash and cash equivalents	<u>11</u>	727.779	-
		<u>5.522.505</u>	<u>24.391</u>
<b>Total assets</b>		<u><b>7.061.047</b></u>	<u><b>24.391</b></u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	<u>12</u>	30.000	-
Unpaid/owed share capital	<u>12</u>	-	24.000
Profit/(Loss) carried forward	<u>12</u>	(14.192)	(1.700)
<b>Total equity</b>		<u><b>15.808</b></u>	<u><b>22.300</b></u>
<b>Liabilities</b>			
<b>Long-term liabilities</b>			
Deferred tax liability	<u>7</u>	840	-
		<u><b>840</b></u>	<u>-</u>
<b>Short-term liabilities</b>			
Suppliers	<u>13</u>	2.005.582	1.791
Liabilities to associate companies	<u>13,16</u>	509.379	-
Loans to associate companies	<u>13,16</u>	2.828.495	-
Other liabilities & accrued expenses	<u>13</u>	1.700.943	300
		<u>7.044.399</u>	<u>2.091</u>
<b>Total liabilities</b>		<u><b>7.045.239</b></u>	<u><b>2.091</b></u>
<b>Total equity and liabilities</b>		<u><b>7.061.047</b></u>	<u><b>24.391</b></u>

The notes in pages 13-34 form an integral part of these Financial Statements.

**FRAPORT REGIONAL AIRPORTS OF GREECE MANAGEMENT COMPANY S.A.**  
**FINANCIAL STATEMENTS AS OF 31 DECEMBER 2016 (AMOUNTS IN EURO)**

**Statement of Comprehensive Income**

	<i>Note</i>	<u>2016</u>	<u>2015</u>
Revenues from provision of services	<u>14</u>	5.204.000	-
Service provision costs	<u>15</u>	<u>(4.586.206)</u>	-
<b>Gross profit and loss</b>		<b><u>617.794</u></b>	-
Other revenues	<u>14</u>	1.298	-
Administration expenses		<u>(509.579)</u>	<u>(1.700)</u>
<b>Operating results</b>		<b><u>109.513</u></b>	<b><u>(1.700)</u></b>
Financial income	<u>14</u>	1.022	-
Financial expenses	<u>15</u>	<u>(122.187)</u>	-
<b>Net loss before tax</b>		<b><u>(11.652)</u></b>	<b><u>(1.700)</u></b>
Income tax	Z	<u>(840)</u>	-
<b>Net loss for the period</b>		<b><u>(12.492)</u></b>	<b><u>(1.700)</u></b>
Other total revenues		-	-
<b>Consolidated total revenues for the period</b>		<b><u>(12.492)</u></b>	<b><u>(1.700)</u></b>

The notes in pages 13-34 form an integral part of these Financial Statements.

**FRAPORT REGIONAL AIRPORTS OF GREECE MANAGEMENT COMPANY S.A.**  
**FINANCIAL STATEMENTS AS OF 31 DECEMBER 2016 (AMOUNTS IN EURO)**

**Statement of Changes in Equity**

	Share capital	Profit and loss carried forward	Total equity
<b>Balance as of 02 December 2015</b>	<b>24.000</b>	-	<b>24.000</b>
Share capital increase	-	-	-
Net loss for the period	-	(1.700)	<b>(1.700)</b>
<b>Balance as of 31 December 2015 &amp; 1 January 2016</b>	<b>24.000</b>	<b>(1.700)</b>	<b>22.300</b>
Net loss for the period	-	(12.492)	<b>(12.492)</b>
Share capital increase	6.000	-	<b>6.000</b>
<b>Balance as of 31 December 2016</b>	<b>30.000</b>	<b>(14.192)</b>	<b>15.808</b>

The notes in pages 13-34 form an integral part of these Financial Statements.

**FRAPORT REGIONAL AIRPORTS OF GREECE MANAGEMENT COMPANY S.A.**  
**FINANCIAL STATEMENTS AS OF 31 DECEMBER 2016 (AMOUNTS IN EURO)**

**Statement of Cash Flows**

	<i>Not.</i>	<u>31/12/2016</u>	<u>31/12/2015</u>
<b>Cash Flows from Operating Activities</b>			
<b>Net loss before tax</b>		<b>(11.652)</b>	<b>(1.700)</b>
<i>Adjustments for:</i>			
Interest income	<u>14</u>	(1.022)	-
Interest paid	<u>15</u>	122.187	-
Depreciation	<u>6</u>	55.948	-
		<b>165.461</b>	<b>(1.700)</b>
<u>(Increase) / decrease</u>			
Long-term receivables	<u>8</u>	(67.076)	-
Receivables	<u>9.10</u>	(4.794.335)	(391)
Interest paid		(2.025)	-
<u>Increase / (decrease)</u>			
Suppliers	<u>13</u>	2.003.791	1.791
Liabilities to associate companies	<u>13</u>	509.379	-
Other liabilities & accrued expenses	<u>13</u>	1.700.643	300
<b>Net Cash Flows from Operating Activities</b>		<b><u>(484.162)</u></b>	<b><u>-</u></b>
<b>Cash Flows from Investing Activities</b>			
Purchase of tangible assets	<u>6</u>	(1.268.271)	-
Purchase of intangible assets	<u>6</u>	(259.143)	-
Collected interest		1.022	-
<b>Net Cash Flows from Investing Activities</b>		<b><u>(1.526.392)</u></b>	<b><u>-</u></b>
<b>Cash Flows from Financial Activities</b>			
Share capital increase	<u>12</u>	30.000	-
Loans	<u>13</u>	3.000.000	-
Repayment of loan		(291.667)	-
<b>Net Cash Flows from Financial Activities</b>		<b><u>2.738.333</u></b>	<b><u>-</u></b>
<b>Net Increase / (decrease) in cash and cash equivalents</b>		<b><u>727.779</u></b>	<b><u>-</u></b>
Cash and cash equivalents in the beginning of period		-	-
<b>Cash and cash equivalents in the end of period</b>		<b><u>727.779</u></b>	<b><u>-</u></b>

The notes in pages 13-34 form an integral part of these Financial Statements.

## **Notes to the Financial Statements in accordance with the International Financial Reporting Standards**

### **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 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 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 the companies FRAPORT AG FRANKFURT AIRPORT SERVICES WORLDWIDE, seated in Germany holding a share by 72% of the Company's share capital and by SLENTEL LIMITED, seated in Cyprus holding a share by 28% of the Company's share capital.

Given that the companies cited above and to be supported by the Company, have not yet undertaken the management operations of the 14 regional airports, the Company's substantial operation has not commenced.

The Financial Statements have been approved for publication by the Company's Board of Directors on **16/08/2017** and are subject to the approval by the Ordinary General Assembly of shareholders.

### **2. Transition to IFRS**

#### **2.1. Main principles of transition to IFRS**

The Company has adopted and applies the International Financial Reporting Standards (IFRS) in the preparation of its Financial Statements for periods after 02 December 2015. The attached Financial Statements have been prepared in accordance with the IFRS and the accounting principles cited in Note 3.

The date of the Company's transition to the IFRS is the 2nd of December 2015. The Financial Statements prepared for the period that commenced on 02 December 2015 and to which (period) were applied the Company's accounting principles cited in Note 3, are used as comparative information for the period that commenced on 1 January 2016.

IFRS 1 requires that the Company determines the accounting principles under IFRS affecting its position and apply them retrospectively to reform the IFRS comparable financial position.

The financial statements with reporting date on 31 December 2015 had been published based on the Greek Accounting Standards (Law 4308/2014). From transition from GAS to IFRS no reclassifications and adjustments resulted. The transition process had no impact on the published financial statements of the previous period.

### **2.1.1 Application of IFRS 1**

IFRS provides some optional exemptions as well as mandatory exceptions from the principle of retrospective application. The exemptions and exceptions applicable to the Company are presented below.

### **2.1.2 Exceptions from the full retrospective application followed by the Company**

#### **Exceptions of estimates**

The estimates made in accordance with IFRS on 02 December 2015 should agree with the estimates made on the same date according to the Published Financial Statements prepared in accordance with the Greek Accounting Standards, unless it has been proved that these estimates are wrong.

## **3. Summary of significant accounting principles**

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

### **3.1. Financial statements preparation framework**

These Financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the European Union, and IFRS 1 "First-time adoption of the International Financial Reporting Standards" that was applied during transition to IFRS on 02 December 2015.

The Company applied the IFRS that were effective on 31 December 2016 for the financial data since 2 December 2015, in accordance with the transitional provisions of IFRS 1 "First-time adoption of IFRS" and of other standards.

The Company during preparation of the Financial Statements, in accordance with the provisions of IFRS 1, has applied the mandatory exceptions of IFRS 1 regarding retrospective applicability of IFRS, as cited in note 2.

The Financial Statements have been prepared based on the historical cost principle.

The preparation of these Financial Statements in accordance with the IFRS requires the use 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 5.

### **3.1.1. Going concern basis**

The Financial Statements as of 31 December 2016 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.

The developments during 2016 and the discussions at a national and international level regarding review of the terms of Greece's financing programme preserve the macroeconomic and financial environment at a volatile condition. Return to economic stability depends -to a great extent- on the actions and decisions of the domestic and foreign institutions.

The Company, in conjunction with its parent company, is constantly assessing the situation and its potential impact, in order to ensure that by promptly taking all necessary and feasible measures any impact on its operations is minimised.

### **3.2. New standards, amendments of standards and interpretations**

#### **Standards and Interpretations mandatory for subsequent periods.**

Specific new standards, amendments of standards and interpretations have been issued, which are mandatory for the accounting periods after 1 January 2016 but they have not been adopted in preparation of these financial statements. The Company's estimate regarding the influence from application of these new standards, amendments and interpretations is cited below:

#### **IFRS 9 "Financial instruments" and subsequent amendments to IFRS 9 and IFRS 7**

It is applied to annual accounting periods beginning on or after 1 January 2018.

IFRS 9 replaces the provisions of IAS 39 regarding classification and measurement of financial assets and financial liabilities and includes also a model of expected credit losses, which replaces the model of incurred credit losses that is currently applied. IFRS 9 establishes a hedge accounting approach based on principles and treats any inconsistencies and weaknesses in the current model of IAS 39.

The Company is in the process of assessing/estimating IFRS 9 in its financial statements and does not anticipate any major influence from application of the standard.

#### **IFRS 15 "Revenue from Contracts with Customers"**

It is applied to the annual accounting/reporting periods beginning on or after 1 January 2017.

IFRS 15 was issued in May 2014. The standard aims at providing a single and comprehensible model of recognition of revenue from all contracts with customers in order to improve the comparability between companies of the same sector, different sectors and different capital markets. It encompasses the principles that a financial

entity must apply to determine the revenue measurement and the time point of their recognition. The main principle is that a financial entity will recognise revenue in such manner that reflects the transfer of goods or services to customers at the amount to which it expects to be entitled in return for these goods or services. The company is in the process of estimating/assessing IFRS 15 in its financial statements.

The standard is not expected to have a significant impact on the company's financial statements, since its substantial commercial operation has not started.

The Company does not fall under the provisions stipulated by the specific amendment on the reporting dates.

**IFRS 16 "Leases"**

It is applied to the annual accounting/reporting periods beginning on or after 01 January 2019. IFRS 16 was issued in January 2016 and supersedes/replaces IAS 17. The aim of the standard is to ensure that lessees and lessors provide useful information which fairly presents the substance of the lease-related transactions. IFRS 16 introduces a single model regarding the accounting handling on the lessee's part, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a non-significant/low value. As regards the accounting handling on the lessor's part, IFRS 16 encompasses substantially the requirements of IAS 17. Therefore, lessors continue to classify leases as operating or financing leases and follow a different accounting handling for every type of lease. The company is in the process of estimating/assessing the influence of IFRS 16 in its financial statements. The standard has not yet been adopted by the European Union.

**3.3. Tangible fixed assets (Property, Plant, and Equipment)**

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 the part that was replaced is deleted. Repair and maintenance costs are entered as expenses in the statement of comprehensive income at the time they were incurred.

The depreciation of the items of tangible fixed assets are calculated based on the assets' useful life by means of annual charges of equal amount in the period of their expected useful life, so that the cost is deleted at its residual value. Land is not depreciated. The estimated useful lives are as follows:

<b>Asset category</b>	<b>Useful life (years)</b>
Additions to real estate property of third parties	9
Office furniture	13
PCs and peripherals	3 - 7
Mobile phones	3 - 7
Other equipment	5 - 10



### **3.4. Intangible assets**

Recognition of an asset as a intangible asset requires the Company to prove that the asset meets: a) the intangible asset's definition/identifiability criteria and b) the recognition criteria. This requirement is applicable to the costs that were initially incurred for the acquisition or internal generation of an intangible asset and the costs incurred subsequently for its supplementation, replacement of a part thereof or its maintenance.

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

The Company assesses whether the useful life of an intangible asset is finite or indefinite and, if finite, the duration or the number of productive or identical units comprising such useful life. The accounting handling for an intangible asset is based on its useful life. An intangible asset with finite useful life is amortised and an intangible asset with indefinite useful life is not amortised. The estimated useful lives are as follows:

<b>Asset category</b>	<b>Useful life (years)</b>
Software	3 - 5

### **3.5. 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.

### **3.6. Financial assets**

#### **3.6.1 Classification**

The Company's financial assets are classified under the loans and receivables category. The Management establishes classification upon initial recognition.

#### *Loans and receivables*

These include non-derivative financial assets with fixed or determinable payments, which are not traded on active markets. The Company's loans and receivables are included in the items "Trade receivables" and "Cash and cash equivalents" presented in the statement of financial position (notes 3.8 and 3.9).

#### **3.6.2 Recognition and measurement**

Acquisitions and sales of financial assets are recognised as at the date of the transaction which is also the date on which the Company undertakes to buy or sell the asset.

Investments are initially recognized at their fair value plus transaction expenses. Investments are derecognised when the right to cash flows from investments ends or is transferred and the company has transferred substantially all ownership-related risks and benefits. Loans and receivables are subsequently recognised in unamortised cost using the effective interest method.

### **3.7. Offsetting of financial assets**

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

### **3.8. Trade receivables**

Trade receivables are the sums owed by customers for stocks sold or for services provided to them during the Company's ordinary activities/operations. If the receivables are expected to be collected within 12 months after the period's end (or within the duration period of the business's normal operating cycle, if longer than 12 months), then 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 unamortised cost by using the effective interest method, less any impairment losses. Impairment losses are recognised when there are objective indications that the company is unable to collect all sums owed under the terms of each agreement, under which the receivable was created. Significant economic difficulties of the debtor, possibility of bankruptcy, financial restructuring, and failure of regular payments are considered indications that the receivable has been impaired. The amount in the provision shall be the difference between the carrying amount of receivables and the present value of anticipated future cash flows discounted at the effective interest rate.

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

### **3.9. 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.

### **3.10. 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.

### **3.11. Trade liabilities**

The trade liabilities include the liabilities of paying for products and services that were acquired/received from suppliers during the Company's ordinary activities. Trade liabilities are entered into the short-term liabilities when their payment must be effected

within the next 12 months. If their payment can be made beyond the 12-month period, then they are entered into the long-term liabilities.

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

### **3.12. Loans**

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

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

### **Borrowing costs**

All borrowing costs are entered in the profit and loss upon incurred, except for the borrowing costs related to fixed assets under construction. The borrowing costs related to fixed assets under construction are encompassed in the acquisition value of the specific asset in accordance with the provisions of IAS 23 "Borrowing Cost".

### **3.13. Current income tax**

Current tax is estimated 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.

### **3.14. Unaudited periods**

Until publication of the financial statements, the Company received no order for audit by the tax authorities for the period 2016. The 2015 period, which is the Company's first accounting period, has not also been audited.

### **3.15. 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. However, no deferred tax liabilities are recognized if they result from the initial recognition of any goodwill. 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 income tax is established at the tax rates expected to be applicable in the period, during which the receivable or liability will be settled, after taking into account the tax rates (tax legislation) established until the reporting date.

Deferred tax receivables shall be recognized to the extent there shall be future taxable profit to use the temporary difference generated by the deferred tax liability.

Deferred tax receivables and liabilities are set off when a legally enforceable right to set off current tax receivables and liabilities is existent and when the deferred tax receivables and liabilities are related to income tax imposed by the same tax authority or to the same taxable entity or to different taxable entities, when there is intention to settle everything else on a net basis.

### **3.16. Employee benefits**

#### **a) Pension/retirement liabilities**

As defined contribution plan is considered the pension plan in whose context the Company applying it, pays fixed contributions to a separate legal person.

Under a defined contribution plan, the Company has no legal or contractual obligation to make further contribution payments if the fund does not have sufficient assets to pay benefits to all employees, which (benefits) arise from their years of service, both current and past.

As defined benefit plan is usually considered the pension plan, which sets out payment of a fixed amount of pension, usually in relation to one or more factors, i.e. age, years of service and salary of employees.

As regards defined contribution plans, the Company pays contributions to a fund for public pension insurance plans on a mandatory basis. After payment of contributions, the Company has no further payment obligations/liabilities. Regular contributions are accounted for as net recurring expenditure in the year when they are rendered due. Prepaid contributions are recognised in assets to the extent where the refund or reduction of future payments is feasible.

The liability entered in the statement of financial position for the defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The defined benefit obligation is annually determined by an independent actuarial using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

The current employment cost of the defined benefit plan is recognised in the statement of comprehensive income except for the case when it is included in the cost of an asset. The current employment cost reflects the increase of the defined benefit liability arising from employment of personnel during the period, as well as the changes due to cutbacks or settlements.

The cost of past service is recognised directly in profit or loss.

Net interest cost is determined as the net amount between the liability for the defined benefit plan and the fair value of the plan's assets multiplied with the discount interest rate. Such cost is encompassed in the statement of comprehensive income, under the 'employee benefits' item.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the other comprehensive income in the year they were incurred.

The Company has not established a provision for post-employment benefits due to the fact that no employee has not founded the relevant right.

#### **b) Employment termination benefits**

Termination benefits are payable when employment is terminated before the normal retirement date or when the employee accepts to voluntarily retire in exchange for these benefits. The company recognises 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. Lay-off or voluntary redundancy benefits that fall due after more than 12 months after the balance sheet date, they should be discounted at present value.

#### **3.17. 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.

#### **3.18. Revenue recognition**

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

The Company recognises 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 is not considered as reliably estimated until all potentials related to sales have been resolved.

#### **A) Sales/provision of services**

The revenues coming from the provision of services are recognised when the Company has completed the service provision to the customer and the latter has accepted the services (there is no unfulfilled obligation that could affect the final acceptance of services by the customer).

#### **B) 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.

### **3.19. Leases**

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

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

### **3.20. 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.

## **4. Financial risk management**

### **4.1. 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.

#### **b) Credit risk**

**FRAPORT REGIONAL AIRPORTS OF GREECE MANAGEMENT COMPANY S.A.**  
**FINANCIAL STATEMENTS AS OF 31 DECEMBER 2016 (AMOUNTS IN EURO)**

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.

The Company holds a sight deposit account in Alpha Bank whose credit rating is presented in the table below:

	<b>Long-term</b>	<b>Short-term</b>
Standard and Poor's	CCC+	C
Moody's	Caa3	NP
Fitch	RD	RD

**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:

	<b><u>31/12/2016</u></b>	
	<b>Short-term</b>	<b>Long-term</b>
	<b><u>Within 6 months</u></b>	<b><u>later than 5 years</u></b>
Trade liabilities	2.005.582	-
Liabilities to associate/related companies	509.379	-
Loans from associate/related companies	2.828.495	-
Other financial liabilities	26.726	-
<b>Total</b>	<b><u>5.370.182</u></b>	<b><u>-</u></b>
	<b><u>31/12/2015</u></b>	
	<b>Short-term</b>	<b>Long-term</b>
	<b><u>Within 6 months</u></b>	<b><u>later than 5 years</u></b>
Trade liabilities	1.791	-
<b>Total</b>	<b><u>1.791</u></b>	<b><u>-</u></b>

#### **4.2. Determination/measurement of fair values**

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

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

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

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

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.

#### **4.3. Capital risk management**

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

To maintain or change its capital structure, the Company may change the dividend to be distributed to shareholders, return funds to shareholders, issue new shares or proceed to the sale of assets.

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

The leverage rate is presented in the table below:

	<b><u>31/12/2016</u></b>
Total Borrowing	2,828,495
Less: Cash and cash equivalents	(727,779)
Net borrowing:	2,100,716
Equity	<u>15,808</u>
Total capital employed	2,116,524
<b>Leverage rate</b>	<b>99.25%</b>

The company had no borrowing during the 2015 period.



## 5. 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.

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

A judgement by the Company is required to determine a provision of income tax. There are many transactions and calculations about which the final tax determination is uncertain. If the final tax is different than the initially recognised tax, the difference will affect the income tax and the provision for deferred taxation of the period.

## 6. Tangible and intangible assets

	<b>Additions to real estate of third parties</b>	<b>Fixed equipment</b>	<b>Total tangible assets</b>
<b>Acquisition value</b>			
<b>02/12/2015</b>	-	-	-
Additions during the period	-	-	-
Reductions during the period	-	-	-
<b>31/12/2015</b>	-	-	-
Additions during the period	538,924	729,347	1,268,271
Reductions during the period	-	-	-
<b>31/12/2016</b>	<b>538,924</b>	<b>729,347</b>	<b>1,268,271</b>
<b>Accumulated amortisations</b>			
<b>02/12/2015</b>	-	-	-
<b>31/12/2015</b>	-	-	-
Amortisations for the period	14,970	29,534	44,504
Amortisation of reductions	-	-	-
<b>31/12/2016</b>	<b>14,970</b>	<b>29,534</b>	<b>44,504</b>
<b>Net carrying amount</b>			
<b>31/12/2015</b>	-	-	-
<b>31/12/2016</b>	<b>523,954</b>	<b>699,813</b>	<b>1,223,767</b>

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 rates set by the Company for year 2016, see Note 3.3.

**FRAPORT REGIONAL AIRPORTS OF GREECE MANAGEMENT COMPANY S.A.**  
**FINANCIAL STATEMENTS AS OF 31 DECEMBER 2016 (AMOUNTS IN EURO)**

	<b>Intangible assets</b>	
<b>Acquisition value</b>		
<b>02/12/2015</b>		-
Additions during the period		-
Reductions during the period		-
<b>31/12/2015</b>		-
Additions during the period	259,143	
Reductions during the period		-
<b>31/12/2016</b>	<b>259,143</b>	
<b>Accumulated amortisations</b>		
<b>02/12/2015</b>		-
<b>31/12/2015</b>		-
Amortisations for the period	11,444	
Amortisation of reductions		-
<b>31/12/2016</b>	<b>11,444</b>	
<b>Net carrying amount</b>		
<b>31/12/2015</b>		-
<b>31/12/2016</b>	<b>247,699</b>	

The intangible assets pertain to software programmes. As regards the depreciation/amortisation rates set by the Company for year 2016, see Note 3.4.

## **7. Income tax and deferred tax liabilities**

The domestic income tax is calculated by the 29% tax rate (2015: 29%) on the taxable income. The total income tax charged in the statement of comprehensive income is broken down as follows:

	<b>31/12/2016</b>	<b>31/12/2015</b>
Current income tax	-	-
Deferred income tax	(840)	-
<b>Total income tax</b>	<b>(840)</b>	-

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

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

The deferred tax liabilities account is analysed as follows:

	<b>31/12/2016</b>	<b>31/12/2015</b>
Initial balance	-	-
Debit/charge in the statement of comprehensive income	(840)	-
<b>Final amount</b>	<b>(840)</b>	-

**FRAPORT REGIONAL AIRPORTS OF GREECE MANAGEMENT COMPANY S.A.**  
FINANCIAL STATEMENTS AS OF 31 DECEMBER 2016 (AMOUNTS IN EURO)

The net deferred tax liabilities listed in the financial statements are analysed as follows:

<b>Deferred tax receivable on tax losses</b>	<b>134,260</b>	-
Tangible fixed assets (Property, Plant, and Equipment)	(129,478)	-
Intangible assets	(5,622)	-
<b>Deferred tax liability</b>	<b>(135,100)</b>	-
Deferred tax	(840)	-
<b>Net deferred tax liability</b>	<b>(840)</b>	-

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

	<u>31/12/2016</u>	<u>31/12/2015</u>
Losses before tax	(11,652)	(1,700)
Corporate profits tax rate	29%	29%
Income tax	3,379	493
Non-deductible expenses in the income tax	(4,219)	-
Tax losses for which no tax receivable was recognised	-	(493)
<b>Total income tax</b>	<b>(840)</b>	-

The tax compliance audit for issuance of the tax clearance certificate for 2016 period is carried out by PwC and no additional substantial tax liabilities are expected to arise other than those reflected in the Financial Statements.

**8. Other long-term receivables**

	<u>31/12/2016</u>	<u>31/12/2015</u>
Guarantees granted	67,076	-

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

**9. Receivables from associate companies**

	<u>31/12/2016</u>	<u>31/12/2015</u>
<b>Unpaid/owed share capital</b>		
Unpaid/owed share capital	-	24,000

The receivable pertains to a sum of unpaid share capital on 31 December 2015, which (receivable) was collected within 2016.

	<u>31/12/2016</u>	<u>31/12/2015</u>
<b>Trade receivables from related parties</b>		
FRAPORT REGIONAL AIRPORTS OF GREECE A S.A.	2,472,102	-
FRAPORT REGIONAL AIRPORTS OF GREECE B S.A.	2,282,498	-
	<b>4,754,600</b>	-

**FRAPORT REGIONAL AIRPORTS OF GREECE MANAGEMENT COMPANY S.A.**  
FINANCIAL STATEMENTS AS OF 31 DECEMBER 2016 (AMOUNTS IN EURO)

For detailed information regarding transactions with related parties, see note 16.

**10. Other receivables**

	<u>31/12/2016</u>	<u>31/12/2015</u>
Receivables from the Greek State from taxes	153	391
Prepaid expenses for the next period	8,975	-
Prepaid expenses for collaborators	8,004	-
Down payments to suppliers	<u>22,994</u>	<u>-</u>
<b>Total</b>	<b>40,126</b>	<b>391</b>

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

**11. Cash and cash equivalents**

	<u>31/12/2016</u>	<u>31/12/2015</u>
Cash at hand	1,441	-
Short-term Sight deposits (in Euro)	<u>726,338</u>	<u>-</u>
	<b>727,779</b>	<b>-</b>

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

**12. Equity**

	<u>31/12/2016</u>	<u>31/12/2015</u>
Share capital	30,000	24,000
Profit/(Loss) carried forward	<u>(14,192)</u>	<u>(1,700)</u>
	<b>15,808</b>	<b>22,300</b>

**Share capital**

The Company's share capital amounts in total to € 30,000, divided into 30,000 ordinary registered shares of € 1.00 par value each. The share capital is fully paid in. Any proposed change in the ownership regime should be disclosed to the Hellenic Republic Asset Development Fund (HRADF) and the Hellenic Republic (Greek State).

The part of the share capital owed by shareholders as of 1 January 2016 has been paid during the period.

*number of shares*

	<u>31/12/2016</u>	<u>31/12/2015</u>
Paid-up shares	30,000	-
Unpaid shares	<u>-</u>	<u>24,000</u>
	<b>30,000</b>	<b>24,000</b>

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

**FRAPORT REGIONAL AIRPORTS OF GREECE MANAGEMENT COMPANY S.A.**  
FINANCIAL STATEMENTS AS OF 31 DECEMBER 2016 (AMOUNTS IN EURO)

**13. Suppliers and other liabilities**

	<u>31/12/2016</u>	<u>31/12/2015</u>
<b>Trade Liabilities</b>		
Domestic suppliers	1,602,414	1,791
Foreign suppliers	<u>403,168</u>	<u>-</u>
<b>Total</b>	<b><u>2,005,582</u></b>	<b><u>1,791</u></b>
<b>Liabilities to associate/related companies</b>		
Liabilities to associate/related companies	509,379	-
Loans to associate/related companies	<u>2,828,495</u>	<u>-</u>
	<b><u>3,337,874</u></b>	<b><u>-</u></b>
<b>Liabilities from taxes Duties</b>		
VAT	887,336	-
Salaried Services Tax	545,002	-
Other Taxes and Duties	7,162	300
IKA	175,015	-
Other funds	59,701	-
Accrued expenses for the period	26,677	-
Other liabilities	<u>50</u>	<u>-</u>
<b>Total</b>	<b><u>1,700,943</u></b>	<b><u>300</u></b>

The loan liabilities from related parties pertain to loans concluded in 2016, the first one with the parent company ("FRAPORT AG") and the second with the related entity ("SLENTEL LTD").

The loan agreement with Fraport AG was concluded on 15 February 2016, with the purpose to fund the project development cost in line with the budget that was agreed upon between the shareholders. The loan's initial amount equals € 1,950,000 and its repayment, including any accrued interest, must be effected on 31 December 2016. The interest is calculated, from the date when the Company actually received the amount, at an interest rate by 5% on the unpaid amount arising from day to day and is paid at the loan's expiry.

The loan agreement with Slentel Ltd was concluded on 15 February 2016, with the purpose to fund the project development cost in line with the budget that was agreed upon between the shareholders. The loan's initial amount equals € 1,050,000 and its repayment, including any accrued interest, must be effected on 31 December 2016. The interest is calculated, from the date when the Company actually received the amount, at an interest rate by 5% on the unpaid amount arising from day to day and is paid at the loan's expiry.

The total capital and corresponding interest have been paid to both lending companies during March 2017.

Liabilities from taxes-Duties and to social security funds pertain to deducted taxes and social security contribution payments for November and December 2016, which were not rendered overdue on the reporting date.

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

**FRAPORT REGIONAL AIRPORTS OF GREECE MANAGEMENT COMPANY S.A.**  
FINANCIAL STATEMENTS AS OF 31 DECEMBER 2016 (AMOUNTS IN EURO)

**14. Revenues**

<b>Revenues</b>	<b>31/12/2016</b>	<b>31/12/2015</b>
Services provided	5,204,000	-
<b>Total</b>	<b>5,204,000</b>	<b>-</b>

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 implementation of their activities related to the design, financing, construction, completion, maintenance, operation and development of the works to be performed by the two above companies.

<b>Other revenues</b>	<b>31/12/2016</b>	<b>31/12/2015</b>
	<b>6</b>	<b>5</b>
Revenues from rents	1,156	-
Extraordinary and non-operating	142	-
<b>Total</b>	<b>1,298</b>	<b>-</b>

The revenues from rents 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 the reporting date, the Company has agreements for the following minimum future rentals:

	<b>2016</b>	<b>2015</b>
Within 1 year	8,160	-
1-5 years	32,640	-
Over 5 years	31,484	-
	<b>72,284</b>	<b>-</b>

<b>Financial income</b>	<b>31/12/2016</b>	<b>31/12/2015</b>
	<b>6</b>	<b>5</b>
Interest income	1,022	-

The financial income pertains mostly to interest income resulting from deposits.

**15. Expenses per category**

<b>Service provision costs</b>	<b>31/12/2016</b>	<b>31/12/2015</b>
Personnel fees and expenses	2,471,646	-
Third-party fees and expenses	1,257,682	-
Third-party benefits	194,547	-
Taxes -duties	67,630	-
Miscellaneous expenses	536,865	-
Interest and associated costs	7,483	-
Depreciation	50,353	-
	<b>4,586,206</b>	<b>-</b>

**FRAPORT REGIONAL AIRPORTS OF GREECE MANAGEMENT COMPANY S.A.**  
**FINANCIAL STATEMENTS AS OF 31 DECEMBER 2016 (AMOUNTS IN EURO)**

	<b>31/12/2016</b>	<b>31/12/2015</b>
<b>Administration expenses</b>		
Personnel fees and expenses	274,627	-
Third-party fees and expenses	139,742	1,700
Third-party benefits	21,616	-
Taxes -duties	7,514	-
Miscellaneous expenses	59,654	-
Interest and associated costs	831	-
Depreciation	5,595	-
	<b>509,579</b>	<b>1,700</b>
<b>Financial expenses</b>	<b>31/12/2016</b>	<b>31/12/2015</b>
Interest of loans from related parties	122,187	-

The financial expenses pertain to interest of loans from related parties, which (interest) was rendered accrued during 2016.

**16. Transactions with related parties**

Receivables from related parties as of 31 December 2015 pertained to the owed share capital. For relevant information see note 9.

There were no transactions with related parties in year 2015.

In 2016, the transactions with related parties were as follows:

	<b>31/12/2016</b>	
	<b>Services received</b>	<b>Services provided</b>
<b>FRAPORT REGIONAL AIRPORTS OF GREECE A S.A.</b>		
Administrative support fees	-	2,602,000
Rents	-	578
<b>FRAPORT REGIONAL AIRPORTS OF GREECE B S.A.</b>		
Administrative support fees	-	2,602,000
Rents	-	578
<b>FRAPORT AG</b>		
Personnel and computerisation fees	593,328	
<b>PROMITHEAS GAS S.A.</b>		
Rents	54,052	-

Also, the Company was granted during the period with loans by related parties, which (loans) are presented in the table below:

	<b>FRAPORT AG</b>	<b>SLENTEL S.A.</b>
Initial capital	1,950,000	1,050,000
Interest	86,668	35,519
Repayment	-	- 293,692
Loan liability as of 31/12/2016	<b>2,036,668</b>	<b>791,827</b>

The open balances from/to related parties on 31/12/2016 are as follows:

**FRAPORT REGIONAL AIRPORTS OF GREECE MANAGEMENT COMPANY S.A.**  
 FINANCIAL STATEMENTS AS OF 31 DECEMBER 2016 (AMOUNTS IN EURO)

	<b>31/12/2016</b>		
	<b>LIABILITIES</b>	<b>LOAN LIABILITIES</b>	<b>RECEIVABLES</b>
FRAPORT REGIONAL AIRPORTS OF GREECE A S.A.	-	-	2,472,102
FRAPORT REGIONAL AIRPORTS OF GREECE B S.A.	-	-	2,282,498
FRAPORT AG	508,957	2,036,668	-
SLENTEL S.A.	-	791,827	-
PROMITHEAS GAS S.A.	422	-	-

The Company is a subsidiary of the company Fraport AG Frankfurt airport services worldwide, which owns 72% of the Company's share capital, and related to the company Sntel Limited, which owns the remaining 28% of 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 two companies share the same BoD Chairman and 2 BoD members out of the 5 other members.

The Company has been founded with the scope 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 related company Sntel Limited belongs to the same group also with the company Promitheas Gas S.A. owned by the BoD member Mr. Copelouzos.

Moreover, the company paid fees to the 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:

	<b><u>31/12/2016</u></b>
FEES OF KEY EXECUTIVES OF THE MANAGEMENT	935,979.94

## **17. Contingent liabilities and receivables**

### **Operating leases**

The payments for operating leases relate to rents paid by the Company for some of its vehicles, its offices, and for the executives' houses. In the current period, the operating leases payments amounted to € 130,559 and were recognised in the statement of comprehensive income for the period. On the reporting date, the Company had the following obligations arising from operating leases:

	<b>2016</b>	<b>2015</b>
Within 1 year	288,285	-
1-5 years	919,993	-
Over 5 years	792,000	-
	<b><u>2,000,278</u></b>	<b>-</b>



**18. Events after the balance sheet date**

After the reporting date, the share capital was increased, which, however, does not affect the present financial statements of the company.

By means of the General Assembly as of 10 February 2017, the company's share capital increase was decided by the amount of € 1,579, divided in 1,579 shares. Following such increase, the company's share capital amounted to € 31,579, divided into 31,579 shares. The amount was paid up during January 2017.

**Athens 16/08/2017**

**THE CHAIRMAN**

STEFAN SCHULTE

**THE VICE CHAIRMAN**

DIMITRIOS COPELOUZOS

German Passport No.  
C5LP2YHTY

Police ID Card No AK031780

**THE CHIEF FINANCIAL OFFICER**

EVANGELOS BALTAS

**THE HEAD OF ACCOUNTING**

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



## **Independent Chartered Auditor - Accountant Audit Report**

To the Shareholders of the Company “FRAPORT REGIONAL AIRPORTS OF GREECE MANAGEMENT COMPANY SOCIETE ANONYME”

### **Audit Report on the Financial Statements**

We have audited the accompanying financial statements of the Company “FRAPORT REGIONAL AIRPORTS OF GREECE MANAGEMENT COMPANY SOCIETE ANONYME” which comprise the Statement of Financial Position as of 31 December 2016, the Statements of Comprehensive Income, of Changes in Equity and of Cash Flows for the period/year ended on this date, as well as a summary of significant accounting policies/principles and methods and other explanatory notes.

### **Management’s Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, as these have been adopted by the European Union, as well as for those internal safeguards (control) that the management considers necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor’s responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Auditing Standards, integrated in the Greek Law (GG/B'/2848/23.10.2012). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence/proof about the amounts and disclosures in the financial statements. The procedures selected are based on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal safeguards (control) relevant to the preparation and fair presentation of the company's financial statements 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 safeguards (control). An audit also includes evaluating the appropriateness of accounting principles and methods used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have gathered is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company “FRAPORT REGIONAL AIRPORTS OF GREECE MANAGEMENT COMPANY SOCIETE ANONYME” as of 31 December 2016, and of its financial performance and its cash flows for the period ended on that date, in accordance with the International Financial Reporting Standards, as adopted by the European Union.

### **Report on other Legal and Regulatory Requirements**

Taking into consideration that the management is responsible for preparing the BoD’s Management Report, in accordance with the provisions of paragraph 5, article 2 (part B) of Law 4336/2015, we note the following:

- a) In our opinion, the BoD’s Management Report has been prepared in line with the applicable legal requirements under article 43a of Codified Law 2120/1920 and its content corresponds to the attached financial statements of the fiscal period ended on 31 December 2016.
- b) Based on the knowledge we acquired during our audit about the Company “FRAPORT REGIONAL AIRPORTS OF GREECE MANAGEMENT COMPANY SOCIETE ANONYME” and its environment, we have not detected any material misstatements in the Management Report of its Board of Directors.



Athens, 30 August 2017  
The Certified Auditor – Chartered Accountant

PricewaterhouseCoopers  
Auditors Société Anonyme  
Certified Auditors – Chartered Accountants  
SOEL Reg. No. 113

Dimitrios Sourbis  
SOEL Reg. No. 16891