FRAPORT REGIONAL AIRPORTS OF GREECE "B" SOCIETE ANONYME

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

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

- Independent Chartered Auditor - Accountant Audit Report

REGISTERED OFFICES: 10 GERMANIKIS SCHOLIS STR., AMAROUSIO ATTICA
GENERAL COMMERCIAL REGISTER (G.E.M.I.) No: 133592401000
Tax Office FAE OF ATHENS

FRAPORT REGIONAL AIRPORTS OF GREECE "B" SOCIETE ANONYME

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

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

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

Dear Shareholders,

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

1. Business plan, goals and key strategies

Fraport Greece B was established in 2015 with the object of maintaining, operating, managing, improving, and developing for the coming 40 years 7 regional airports in Greece. On 11 April 2017, Fraport Greece B undertook the operation of the airports.

The project involves the operation, management, development and maintenance of 7 regional airports located on islands of the Aegean Sea. In particular, Fraport Greece B is in charge of the operation of the airports of Kos, Mytilene, Mykonos, Rhodes, Samos, Santorini and Skiathos.

Fraport Greece B has set the goal of increasing the international competitiveness of the airports through improvements in airport operations, infrastructure modernization and upgrading as well as by delivering ongoing training to staff. High-quality passenger service, qualified and highly trained staff, and compliance with safety regulations form the backbone of our mission for implementing this project . Combining cutting-edge know-how, international experience and qualified human resources, we acknowledge our responsibility to passengers. For this reason, we comply closely with the strictest international standards with a view to providing high-level services, better service, ensuring compliance with all safety procedures and regulations and, as a result, ensuring passenger satisfaction.

In accordance to the Concession Agreement, Fraport Greece B is investing approximately €191 million for the refurbishment, upgrade, and construction of new facilities in the 7 airports of the Aegean Sea Regional Airports. More specifically, three (3) new Terminals will be constructed in Kos (KGS), Mytilene (MJT) and Santorini (JTR), refurbishment and expansion will occur in three (3) Terminals, Mykonos (JMK), Samos (SMI) and Skiathos (JSI), and remodelling in one (1) terminal, Rhodes (RHO). At the same time, new baggage handling systems will be installed in most departures/arrivals areas, also smart monitoring systems, as well as safe and efficient equipment for heating/ventilation and fire safety. In addition, aprons will be rehabilitated and converted to push back operations, with LED illumination and EASA standards will be applied for marking and signage. Also, new Fire Stations will be constructed in most of the airports and commercial areas will be upgraded and developed.

By the end of 2018, all scheduled works had been completed.

A far as the New or Expansion Works are concerned, the main works of the 7 airports are as follows:

Skiathos (JSI)
The two (2) existing terminals T1 and T2 are under modification and expansion. The Terminals final size will be 9.526 m2, completely refurbished and remodelled. A new Fire Station is also under construction.

Samos (SMI)
Terminal was remodelled and expanded to a final size of 9.605 m2. A new Fire Station is under construction, as well as partial rehabilitation of the apron.

Rhodes (RHO)

The existing Terminal of area 47.390 m2 is under rearrangement and refurbishment, with considerable expansion of commercial functions. Complete rehabilitation of 80.000 m2 apron area and airside pavements refurbishment has been realized. New Fire Station will be constructed.

Mytilene (MJT)
A new Terminal of area 7.757 m2 is under construction south of the existing one. On the airside, apron will be rehabilitated and apron lights reorganized.

Kos (KGS)
A new terminal of 23.962 m2 is under construction, in phases. Complete rehabilitation of the runway has been completed. Landside will be reconfigured, and a new fire station will be constructed.

Mykonos (JMK)
Existing terminal is under remodelling and a new terminal of 4.461 m2 is under construction, for a total area of 13.420 m2. Complete rehabilitation of the runway has been completed as well as the apron, with new marking and signage. A new RFF Station will be constructed.

Santorini (JTR)
A new terminal of 15.640 m2 will be constructed in phases. Repair works have been undertaken in the runway and apron. The scope of works includes a new Fire Station.

2. Annual review:

2018 was a very successful year for the Company with an 10,3% increase in passenger traffic, serving almost 13,3 million passengers without major disruptions due to operational constraints.

For the smooth transition and operational readiness of these airports and for the upcoming ones, Operations developed an Operational Readiness and Airport Transfer (ORAT) team which participated in the testing and trials following the delivery of new equipment/systems (BHS / HBS, access control) and also coordinated the trainings of all involved stakeholders.

Push back operations were applied at 3 Airports of the Company (Mykonos, Kos and Skiathos), maximizing the apron capacity for the summer period 2018.

Terminal Capacity at many airports of the Company was a big challenge, nevertheless, the airport teams managed to offer a very good level of passenger experience by implementing several measures including: remote check-in counters placed on the curbside area, coordination with Tour Operators in order to smooth passenger arrival times and constant presence of airport staff to manage passenger flow and security screening. Customer experience was also enhanced by the cleaning services contractors of the Company, delivering high quality cleaning and pest control services.

FG Operations, in collaboration with other Departments facilitated the creation of a new lounge at Mykonos Airport in a period of less than 2 months, dedicated to business aviation (i.e. private jets).

The first round of Emergency Response Exercises, including full-scale exercises at Rhodes, were completed at all 7 Airports, with the participation of local stakeholders such as the Police, EKAV, Hellenic Fire Brigade, airline companies and ground handlers. The ARFF fleet was strengthened by the addition of new rescue and fire fighting vehicles.

Ground Handling tenders for 6 airports were successfully completed, by a small but very determined team of 5 members, resulting to the nomination of ground handling providers for the next 7 years.

The Slot Coordination Committee and the Slot Performance sub-committee were established in 2018, being the first committees established outside HCCA's capacity, aiming to improve traffic conditions, airport capacity and punctuality, and combat slot misuse. Both Committees have received positive comments from the aviation community and IATA representatives.

In November 2018, the 1st Operations Exchange Meeting was held in Athens. All the airlines operating at the 7 airports of the Company as well as those operating at the 7 airports of Fraport Regional Airports of Greece 'A' S.A., along with IATA and BAR Greece, were invited for an update on the progress of the project and a general overview of the Operations Team.

In the year 2018 Fraport Greece B implemented the new F8.2 v2.0 Group Compliance Guideline including an electronic "whistle blowing" system.

During the whole year no major compliance incident occurred and no Compliance violations were reported from Fraport Greece B employees. Fraport Greece B will extend its Compliance training program using its newly developed electronic tools.

Airline Marketing and Development – 2018

During 2018, Fraport Greece B proceeded with the implementation of a multidimensional aeronautical strategy, serving the Company's objective for traffic growth. The results of company's efforts are reflected into the considerable increase of the total traffic at the 7 Greek airports (+10,2%), with international sector being the main driver of growth presenting a double-digit increase (+11,3%).

Focusing on the key objectives that have shaped Fraport Greece B route development and marketing actions during 2018, these can be summarised hereafter:

1. The establishment of Fraport Greece B and its role at the global aviation and tourism scenes. Through Company's participation at main international and local aviation/tourism industry conferences (i.e. IATA Slot Conferences & Routes Conferences, Helexpo, Philoxenia, Hoteliers' Conferences etc.), Fraport Greece B achieved to build up a close and constructive cooperation with the airline/tourism communities and authorities, promoting effectively this way the company's business development and local synergies' objectives.

2. The extension of airlines' operating season with the introduction of operations during shoulder and winter months. Towards this direction, Fraport Greece B introduced the winter "New International Routes" incentive aiming at attracting international services and thus increasing traffic.
3. The on-going monitoring of the market opportunities and new air services development potential to targeted airlines, aiming at attracting additional traffic to Fraport Greece B airports, strengthening the international network especially outside Europe and replacing carriers that have exited the domestic network, in line with Fraport Greece B air services development strategy. During 2018, Fraport Greece B welcomed a considerable number of new routes at its airports, such as Qatar's new routes to Mykonos, being the ones contributing significantly to the strategic objective of developing new markets outside Europe.

4. The successful launch of the Market Research Project at all 7 airports of Fraport Greece B, providing Fraport Greece B with valuable insight on passengers' profile, travel and buying behavior, as well as customer satisfaction in relation to a big number of operational and commercial features and services available at the 7 airports.

5. The production of Fraport Greece B airports' own official magazines aiming at promoting Fraport Greece B airports and mostly the respective 7 unique Greek destinations. During 2018, 7 different editions were published, which were highly evaluated by the passengers and other tourism related bodies in terms of quality of content and design.

Commercial Development - 2018

Aiming at continuously increasing passenger satisfaction and safeguarding Fraport Greece B revenues within the context of the overall development of the 7 airports, the commercial plan focused on activities related to the enhancement of our offering so as to deliver significantly upgraded services in summer 2018.

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018 (AMOUNTS IN EURO)

In particular, during this quite demanding period of the project, Fraport Greece B worked closely:

✓ With F&B operators to reformulate the F&B offering at the newly developed units that incorporate the Greek flavor and local characteristics of each specific region, while also catering to the needs of multiple nationalities in accordance with our passengers' expectations, as derived from our surveys. These include the development of:
- the first Burger King in Greece and other mainstream concepts.
- a series of Greek concepts that give passengers the opportunity to taste a last flavour of Greece before departing.

✓ DUFRY for the introduction of modern "walk-through" layout concepts at the duty free shop in Rhodes airport incorporating local architectural elements and adding a local product mix. The above represent a total reconfiguration of the existing footfall of the retail areas in the airside section of the airport. Within a year, Fraport Greece B managed to almost double the total footfall of the aforementioned airport.

3. Company performance:

In 2018, operating income saw a 76,34% increase, going up to 184,1 million euros from 104.4 million euros in 2017. In 2018, operating expenses saw a 112,38% increase, going up to 149,8 million euros (including depreciation for the period) from 70,5 million euros in 2017. In 2018, net financial expenses saw a 44,93% increase, going up to 46.8 million euros from 32,3 million euros in 2017
Lastly, for the year that ended on 31 December 2018, the Company's net loss before taxes stood at 12,4 million euros as compared to the net profit before taxes of 1,6 million euros for the year that ended on 31 December 2017.

The Company performed as expected. In general, the Company's performance is considered satisfactory given the above circumstances.

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

A) Profitability Ratios

			2018		2017	
Return on Invested Capital	=	Net Profit/(Loss) before tax / Total Assets	(12.406.393) / 1.049.047.794	**-1,18%**	1.628.150 / 991.353.855	**0,16%**

			2018		2017	
Return on Equity	=	Net Profit/(Loss) before tax / Equity	(12.406.393) / 108.380.664	**-11,45%**	1.628.150 / 119.666.572	**1,36%**

B) Liquidity Ratios

			2018		2017	
Working Capital Ratio	=	Current Assets / Short-term liabilities	100.087.144 / 72.024.701	**1,39**	88.419.312 / 38.792.928	**2,28**

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018 (AMOUNTS IN EURO)

C) Financial/capital Structure Ratios

			2018		2017	
Equity to Total Capital	=	Equity / Total Equity and Liabilities	108.380.664 / 1.049.047.794	**10,33%**	119.666.572 / 991.353.855	**12,07%**

			2018		2017	
Leverage Ratio (borrowing)	=	Net borrowing: / Total capital employed	522.245.207 / 630.625.871	**82,81%**	488.663.237 / 608.329.810	**80,33%**

D) Activity Ratios

			2018		2017	
Asset Turnover Ratio	=	Sales / Total Assets	184.132.853 / 1.049.047.794	**17,55%**	104.418.538 / 991.353.855	**10,53%**

4. Anticipated course of the Company:

There are positive prospects for 2019. At a time when Greek tourism is on a dynamic growth course, the 7 airports of Fraport Greece B are expected to see a further increase in passenger traffic. At Fraport Greece B we believe that a major upgrade of the 7 airports will play a decisive part in maintaining the positive image of the country's "heavy industry". This is our mission and our contribution. The Company is expected to return to profitability by increasing its income as a result of the growing passenger traffic.

5. Major risks and uncertainties:

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

A. Financial risk factors

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

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

a) Market risk

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

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

i. Price risk

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

ii. Currency risk

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

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

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

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

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

b) Credit risk

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

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

c) Liquidity risk

The Company ensures the required liquidity mainly through its business activity and external funding. Funds are used mostly to fund capital expenses to acquire the concession right (realised in 2017) and invest in the airports.

Operating cash flows, available cash (including cash and other financial instruments) as well as current and short-term credits and borrowing offer adequate flexibility to ensure the Company's liquidity. As at 31 December 2018, the Company's had unused credit funds in the amount of €108.404.133 compared to €130.404.133 as at 31 December 2017, as well as available funds from the bond loan with its shareholders.

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

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

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

6. Branches:

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

7. Treasury shares

The Company holds no treasury shares.

8. Activity in the research and development sector

The Company does not implement any research and development activities, apart from the activities mentioned above regarding development of the airports it manages and operates.

9. Environmental issues

In 2018, Fraport Greece B progressed significantly towards "Sustainability" and "Environmental Protection".

The key objectives to that direction were:

(a) to ensure compliance with all legal and other requirements (Lenders', Fraport Group's, etc.); and
(b) to make the first steps towards continual improvement of the environmental performance and social responsibility above those requirements.

To that end, in 2018, Fraport Greece B proceeded to the development and application of its Environmental & Social (E&S) Management System (ESMS) according to the ISO 14001:2015 standard, by implementing in parallel a significant number of ad hoc measures, actions, projects and plans.

With the support of the Management of Fraport Greece B and close cooperation between:

- the Integrated Management System (IMS) Department (responsible for the Environmental and Social Management System (ESMS));
- the Quality, Environmental, Safety and Health (QESH) Management Section of the Projects Support Department, PSU-QE (responsible for the supervision of environmental and H&S performance of the Construction Contractor and the management of several E&S aspects);

- the Wildlife Hazards Management Section of the Safety Management Department, STD-SF (responsible for wildlife management);
- the Departments and Sections of the Operations and Technical Divisions of Fraport Greece;
- and especially the Airport Operations' and Technical Teams

Fraport Greece B:

1. Issued (and later updated) its "Integrated Management Policy Statement", including inter alia its E&S Management Policy, which is accessible and followed by all employees.

2. Identified its key E&S aspects according to international standards (EIB, EBRD, IFC, etc.):

    a. pollution prevention and control (noise and vibrations, storm water management, waste and wastewater management, hazardous materials, soil/groundwater protection, air emissions with focus on carbon emissions and climate change);
    b. community health, safety & security;
    c. biodiversity conservation (wildlife and natural environment);
    d. resource efficiency (water, energy, raw materials); and
    e. cultural heritage.

3. Performed appropriate E&S Risk Assessment at each airport based on their local conditions.

4. Set-up a first collection of Control and Monitoring Activities for safe E&S management, that will be the base for continual improvement of E&S performance in the following years.

5. Defined clear Roles and Responsibilities for the implementation of these activities.

6. Identified the required Management Programs for the effective control of the E&S risks. Examples:

    a. a procedure for hazardous waste disposal was set-up and implemented;
    b. energy audits were tendered and conducted as per the relevant legislation;
    c. appropriate GHG reports were conducted and a relevant procedure was prepared in order to support ACA accreditation. The total emissions of CO_2 for 2018 are 13.909,20t.

7. Constantly monitored the E&S performance of the Imminent Works Contractor by following a robust audit schedule.

8. Reported sufficiently (where needed) to its Lenders (Annual Monitoring Report, Environmental Strategy, Operating Reports, etc.) and the Group (Sustainability Reporting, etc.).

9. Is now in the process of setting a first set of E&S targets for 2019, as well as constructed action plans for their achievements in the following period.

10. HR

In 2018 the HR Department of Fraport Greece B 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 B. 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 Greece B purchased and implemented the HAY Position Evaluation system. Every new

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018 (AMOUNTS IN EURO)

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

Health, Accident and Disability Insurance
In the third quarter of 2018, we renewed the Health, Accident and Disability Insurance of our staff the whole cost of which is borne by the Company. At the same time, the increase of the premiums of dependents, was subsidized by the Company to the tune of 50%.

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

Communication enhancement
To further enhance the internal communication flow, the Company upgraded the regular meetings by using modern technology to have the Airports linked in the HQ meetings and stepped up the interest of the staff in these meetings by have the employees send their question to HR in any way they wish (even anonymously) before the start of the meetings. 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 we run 1.137 courses, attended by 1.724 attendees.

<u>Number of training hours</u>
The number of training hours reached 4.877 and the training man hours were 8.070. At the same time, we purchased our own e-learning platform and started delivering lessons through the use of this venue. We will continue in 2019 with the introduction of more courses and we will take down the barriers in time and location while at the same time we will achieve considerable savings in travel cost and time.

The Company hires and employs people on a non-discrimination basis. In 2018, the Company had 197 employees (120 men and 77 women) compared to 180 employees in 2017 (103 men and 77 women). 99% of the employees are Greeks. The average salaries paid to the airport staff are much higher compared to the respective salaries that would be paid, if Fraport Greece adopted the wage terms of the Collective (Labour) Agreement. The vast majority of airport employees will be working on a 24/7 basis, thus, any night work or work during Sundays/ Bank Holidays) increase even more their monthly salaries.
There is absolute respect for the rights of employees and there is a climate of peace at the workplace. There are no limitations to freedoms. The Company has an occupational physician and a safety technician.

			2018		2017	
Gender composition of staff employed	=	Number of women employed / Total employees	77 / 197	**39,09%**	77 / 180	**42,78%**
			2018		**2017**	
Gender composition of staff employed	=	Number of men employed / Total employees	120 / 197	**60,91%**	103 / 180	**57,22%**

Athens, 21/03/2019

For the Company's Board of Directors

THE PRESIDENT
STEFAN SCHULTE

German passport No
C5LP2YHTY

FRAPORT REGIONAL AIRPORTS OF GREECE “B” SOCIETE ANONYME

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

REGISTERED OFFICES: 10 GERMANIKIS SCHOLIS STR., AMAROUSIO ATTICA
GENERAL COMMERCIAL REGISTER (G.E.M.I.) No: 133592401000
Tax Office FAE OF ATHENS

TABLE OF CONTENTS

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018 (AMOUNTS IN EURO)

Statement of Financial Position

	Not.	31.12.2018	31.12.2017
Assets			
Non-current assets			
Tangible assets	5	136.142	712.853
Intangible assets	6	933.817.537	882.380.380
Derivative financial instruments	7	-	407.590
Deferred tax assets	8	10.200.464	4.063.024
Other non-current assets	10	4.806.507	15.370.696
		948.960.650	**902.934.543**
Current assets			
Receivables from associate companies	17	147.420	-
Trade receivables	9	3.850.305	4.785.015
Other receivables and financial assets	10	21.494.828	14.102.545
Time deposits	12	30.228.545	26.185.737
Cash and cash equivalents	11	44.366.045	43.346.015
		100.087.143	**88.419.312**
Total assets		**1.049.047.793**	**991.353.855**
Equity and liabilities			
Equity			
Share capital	13	122.000.000	122.000.000
Statutory and other reserves	13	90.417	529.366
Profit and loss carried forward	13	(13.709.754)	(2.862.794)
Total equity		**108.380.663**	**119.666.572**
Liabilities			
Long-term liabilities			
Loans	14	592.673.749	556.111.964
Provisions for personnel compensation due to retirement or dismissal	15	178.399	34.570
Derivative financial instruments	7	396.792	-
Suppliers and other long-term liabilities	16	275.393.489	276.747.821
		868.642.429	**832.894.355**
Short-term/current liabilities			
Loans	14	4.166.048	2.083.025
Suppliers and other short-term liabilities	16	63.725.640	30.751.391
Income tax	8	2.330.275	3.748.101
Liabilities to associate/related companies	17	1.802.738	2.210.411
		72.024.701	**38.792.928**
Total liabilities		**940.667.130**	**871.687.283**
Total equity and liabilities		**1.049.047.793**	**991.353.855**

The Notes in pages 21-62 form an integral part of these financial statements.

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018 (AMOUNTS IN EURO)

Statement of Profit and Loss and of Comprehensive Income

	Not.	2018	2017
Income	18	184.132.853	104.418.538
Operating expenses		**184.132.853**	**104.418.538**
Cost of consumables and services rendered	19	(113.767.690)	(42.593.161)
Staff costs	20	(7.463.437)	(6.377.497)
Other operating expenses	21	(5.781.289)	(5.304.966)
Total operating expenses before depreciation		**(127.012.416)**	**(54.275.624)**
Profit before taxes and depreciation		**57.120.437**	**50.142.914**
Depreciation		(22.748.415)	(16.239.198)
Operating profit		**34.372.022**	**33.903.716**
Interest income	22	215.524	357.329
Interest expenses	22	(46.686.707)	(32.207.064)
Other financial expenses	22	(307.232)	(425.831)
Net financial expenses		**(46.778.415)**	**(32.275.566)**
(Loss) / Profit before taxes		**(12.406.393)**	**1.628.150**
Income tax	8	1.559.433	(531.334)
(Loss) / Profit after taxes		**(10.846.960)**	**1.096.816**
Other comprehensive income:			
Items that are not subsequently reclassified in the profit or loss:			
Actuarial loss		(7.215)	-
Items that may subsequently be reclassified in the profit or loss:			
Cash flow hedging		(431.734)	529.366
Other comprehensive income:		**(438.949)**	**529.366**
Aggregate comprehensive income after taxes		**(11.285.909)**	**1.626.182**

The Notes in pages 21-62 form an integral part of these financial statements.

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018 (AMOUNTS IN EURO)

Statement of Changes in Equity

	Share capital	Other reserves	Profit and loss carried forward	Total Equity
Balance as at 01 January 2017	**10.024.000**	**-**	**(2.727.874)**	**7.296.126**
Results after taxes for 2017	-	-	1.096.816	1.096.816
Other comprehensive income (Note 13)	-	529.366	-	529.366
Aggregate comprehensive income after taxes	**-**	**529.366**	**1.096.816**	**1.626.182**
Share capital increase (Note 13)	111.976.000	-	-	111.976.000
Share capital increase costs	-	-	(1.231.736)	(1.231.736)
Total transactions with shareholders	**111.976.000**	**-**	**(1.231.736)**	**110.744.264**
Balance as at 31 December 2017	**122.000.000**	**529.366**	**(2.862.794)**	**119.666.572**
Balance as at 01 January 2018	**122.000.000**	**529.366**	**(2.862.794)**	**119.666.572**
Results after taxes for 2018	-	-	(10.846.960)	(10.846.960)
Other comprehensive income (Note 13)	-	(438.949)	-	(438.949)
Aggregate comprehensive income after taxes	**-**	**(438.949)**	**(10.846.960)**	**(11.285.909)**
Balance as at 31 December 2018	**122.000.000**	**90.417**	**(13.709.754)**	**108.380.663**

The Notes in pages 21-62 form an integral part of these financial statements.

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018 (AMOUNTS IN EURO)

Statement of Cash Flows

	Not.	01/01/2018 - 31/12/2018	1/1/2017 - 31/12/2017
Cash flow from operating activities			
(Loss) / Profit before taxes		**(12.406.393)**	**1.628.150**
Adjustments for:			
Depreciation of property, plant and equipment	5	37.583	159.772
Intangible asset depreciation	6	22.710.831	16.079.427
Provisions for personnel compensation due to retirement or dismissal	15	134.210	34.570
Reversal of prepaid liability under a Concession Agreement	22	13.228.432	8.664.811
Interest and related income	22	(215.524)	(357.329)
Debit interest and related expenses	22	33.458.275	23.542.253
Loss from an interest rate swap agreement recognized in profit or loss	22	-	281.655
		56.947.414	**50.033.309**
Changes:			
Increase in trade and other receivables		4.366.786	(7.164.602)
Increase in suppliers and other liabilities		12.671.802	38.724.915
Decrease in liabilities to associated undertakings		108.113	(2.197.614)
Income tax		(1.184.367)	-
Net cash inflows from operating activities		**72.909.748**	**79.396.008**
Cash flows from investment activities:			
Payments for additional tangible assets	5	(5.047)	(841.452)
Upfront concession fee		-	(625.000.000)
Payments for additions to other intangible assets		(73.603.815)	(8.474.183)
Advance payments to construction companies		-	(23.946.655)
Collected interest		215.524	357.329
Net cash outflows from investment activities		**(73.393.338)**	**(657.904.961)**
Cash flows from financing activities			
Income from bond loans taken out from Banks	14	22.000.000	277.736.870
Income from bond loans taken out from Shareholders	14	-	277.800.000
Share capital increase	13	-	111.976.000
Share capital increase costs		-	(1.231.736)
Principal payments for bank and bond loans		(2.083.023)	-
Payments for bond loan issuance fees		-	(10.715.958)
Payments of interest on bond loans and interest rate swap agreements		(14.370.549)	(9.705.120)
Increase in time deposits	12	(4.042.808)	(26.185.737)
Net cash flows from financial activities		**1.503.620**	**619.674.319**
Net increase in cash and cash equivalents		**1.020.030**	**41.165.366**
Cash and cash equivalents at the start of the year		43.346.015	2.180.649
Cash and cash equivalents in the end of period		**44.366.045**	**43.346.015**

Non-cash investment and financial activities	**2018**	**2017**
Addition to intangible assets (concession agreement) and concurrent recognition of liability	-	255.000.182
Addition to other intangible and tangible assets and concurrent recognition of liability	-	4.051.501
Capitalization of interest on bond loans from shareholders	23.605.903	12.784.738

The Notes in pages 21-62 form an integral part of these financial statements.

Notes on the financial statements

1. General information

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

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

The Company was founded on 27 February 2015 by FRAPORT AG FRANKFURT AIRPORT SERVICES WORLDWIDE ("FRAPORT"), having its registered office in Germany, and SLENTEL LIMITED ("SLENTEL"), having its registered office in Cyprus (together the "Initial Shareholders"), with an initial holding in the Company of 72% and 28%, respectively. In December 2017, SLENTEL LIMITED transferred 10% of its holding, on the date of the transfer, to Marguerite Airport Greece S.A.R.L. ("MARGUERITE"). Next, considering the share capital increases which took place in 2017, the holdings of the three shareholders, FRAPORT, SLENTEL, and MARGUERITE, were 73,40%, 16,60% and 10%, respectively.

In accordance with Article 4 of the concession agreement, the Company has been granted, among others, with the exclusive right of exploitation of the concession operations in the seven airports of Aegean. These operations include inter alia the right of commercial exploitation of the airport services in each concession site of the aforementioned airports. Pursuant to Article 28.3 of the Concession Agreement, the Company's return on capital from air activities may not exceed 15,0% of the Air Activities Capital. Where the compounded cumulative return exceeds 15,0%) in 3 out of any 4 successive financial years, the Company must pay to the Greek State any such excess.

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

The Company began its commercial operation and the provision of services on 11 April 2017, after having paid to the Concessionaire the upfront fee provided for in the Concession Agreement in the amount of €625.000.000.

At the end of the current financial year there were 197 employees on employment contracts of indefinite term, compared to 180 at the end of 2017.

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

2. Summary of significant accounting principles

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

2.1. Financial statements preparation framework

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

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

2.1.1. Going concern basis

The financial statements as at 31 December 2018 are prepared in accordance with the International Financial Reporting Standards (IFRS) and fairly present the Company's financial position, profit and loss, and cash flows based on the going concern principle.

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

Macroeconomic conditions in Greece

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

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

2.2. New standards, amendments of standards and interpretations

Standards and Interpretations mandatory for subsequent periods.

New standards, amendments to standards and interpretations: Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after 1.1.2018. The Company's estimate regarding the influence from application of these new standards, amendments and interpretations is cited below:

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

IFRS 9 "Financial Instruments"

IFRS 9 replaces the provisions of International Accounting Standard (IAS) 39 regarding classification and measurement of financial assets and financial liabilities and includes also a model of expected credit losses, which replaces the model of incurred credit losses that was applied based on IAS 39. In addition, IFRS 9 establishes a hedge accounting approach based on principles and treats any inconsistencies and weaknesses in the previous model under IAS 39. The impact of applying this standard to the Company is described in Note 2.3.

IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 was issued in May 2014. The standard aims at providing a single and comprehensible model of recognition of revenue from all contracts with customers in order to improve the comparability between companies of the same sector, different sectors and different capital markets. It encompasses the principles that a financial entity must apply to determine the revenue measurement and the time point of their recognition. The main principle is that a financial entity recognises revenue is such manner that reflects the transfer of goods or services to customers at the amount to which it expects to entitled in return for these goods or services. The impact of applying this standard to the Group is described in Note 2.3.

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

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

Standards and Interpretations effective for subsequent periods

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

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

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

IFRS 16 was issued in January 2016 and supersedes/replaces IAS 17. The aim of the standard is to ensure that lessees and lessors provide useful information which fairly presents the substance of the lease-related transactions.

As regards the accounting handling on the lessee's part, IFRS 16 introduces a single model requiring lessees to recognise the right of using assets ("right of use" asset) and the respective liabilities ("lease" liability) for all leases whose term is over 12 months, unless the underlying asset has a non-significant/low value. As regards the accounting handling on the lessor's part, IFRS 16 encompasses substantially the requirements of IAS 17. Therefore, lessors continue to classify leases as operating or financing leases and follow a different accounting handling for every type of lease.

The Company will implement IFRS 16 in the accounting period starting on 1 January 2019.

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

As part of applying IFRS 16 for the first time, the Company will recognize liabilities under financial leasing at the fair value of future unpaid leases of up to 28 thousand euros and rights of use for an equal amount in non-current assets. Therefore, the first-time application of the standard will not affect the Company's equity. The mean weighted discount rate for calculating fair value is around 5.49% and is computed based on the corresponding zero-risk rate of reference, in conjunction with the respective currency and lease term. For year 2019, there is expectation for an increase of the Company's EBITDA -as a result from applying IFRS 16 for the first time- by some 13,7 thousand euros, as well as for additional amortization of some 12,7 thousand euros, and additional interest costs of about 1,6 thousand euros. As regards the cash flow statement, IFRS 16 leads to improved cash flows from operating activities and increased cash outflows due to investment and financing activity.

As regards the remaining financial liabilities from operating leases (7,828 million euros) shown under Note 24, (a) some 32,5 thousand euros come from land and building leases, (b) about 7,3 million euros come from other service leases ("Other services - third parties" and "Greek State") which do not meet the criteria for lease recognition under the new standard and are therefore not considered, and (c) 502 thousand euros from car leases, which are not considered in recognizing rights of use and liabilities under financial leasing under IFRS 16 due to cost-benefit analysis and their relevance for the Company.

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

The Interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. Interpretation 23 of IFRIC applies to all aspects of income tax accounting where there is such uncertainty, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

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

The amendments specify how companies determine pension expenses when changes to a defined benefit pension plan occur. The amendments have not yet been endorsed by the EU.

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

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

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

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

IAS 12 "Income taxes"

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

IAS 23 "Borrowing costs"

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

2.3. Changes in accounting principles

IFRS 9 "Financial Instruments"

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

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

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

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

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

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

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

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

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

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

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

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

IFRS 15 "Revenue from Contracts with Customers"

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

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

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

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018 (AMOUNTS IN EURO)

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

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

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

2.4. Tangible fixed assets

The facilities and the mechanical and other equipment mainly consist in movable assets which are not part of the intangible asset of the Concession Agreement.

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

Subsequent expenses are either included in the carrying amount of tangible assets or -if deemed more appropriate- are recognised as a separate asset, only where it is possible that future economic benefits will inflow in the Company and under the condition that the asset's cost can be measured reliably. The carrying amount of 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 tangible fixed assets are calculated based on the assets' useful life by means of annual charges of equal amount in the period of these assets' expected useful life, so that the cost is deleted at its residual value.

Land, buildings, facilities, fencing, aircraft ground power supply systems, runways, taxiways, aircraft bridges and aircraft service areas are part of the Services Concession Agreement and represent the overall infrastructure whose right of use has been recognized as an intangible asset (not. 2.5.1).

The estimated useful lives are as follows:

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

When the carrying amounts of tangible assets exceed their recoverable value, the difference (impairment) is recognized in profit or loss directly as expense (Note 2.6).

2.5. Intangible assets

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

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018 (AMOUNTS IN EURO)

The intangible assets are initially measured at cost. Following initial recognition, they are reflected at their cost less any accumulated amortisation and any accumulated impaired losses (Note 2.6).

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

The estimated useful lives are as follows:

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

2.5.1. Concession agreement for the exclusive right of exploitation

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

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

Impairment costs are recognized in line with IAS 36 (Note 2.6).

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

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

2.5.3. Other intangible assets

The Company has intangible assets which are associated to designs, technical projects and other costs connected with the design, improvement and development of the infrastructure of the regional airports, as well as consultation services connected with the completion of the Concession Agreement.

The depreciation of such assets starts with the completion of each project and continues until the end of the concession period.

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

2.6. Impairment of non-financial assets

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

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

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

2.7. Financial assets

2.7.1. Classification

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

2.7.2. Recognition and derecognition

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 derecognised when the right to cash flows from investments ends or is transferred and the Company has transferred substantially all risks and benefits resulting from their ownership.

2.7.3. Measurement

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

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

(a) Financial assets measured at amortized cost: Financial assets are measured at amortized cost if held within a business model for the purpose of keeping them and collecting the contractual cash flows that meet the SPPI standard.

Financial assets within this business model give rise to cash flows on specific dates and the cash flows which represent exclusively principal and interest payments on the each outstanding loan (Solely Payments of Principal and Interest - SPPI). Interest income from such assets is included in financial income and recognized using the effective interest rate. Any profit or loss arising from the write-off is recognized directly in profit or loss. The financial assets classified in this category are included in the items "Trade receivables", "Other receivables and financial assets", "Cash and cash equivalents" and "Time deposits" presented in the statement of financial position (notes 2.10, 2.11 and 2.12). They are included in current assets, save those with a maturity over 12 months from the balance sheet date.

(b) Financial assets measured at fair value through profit or loss: Under this category are placed financial assets not measured at amortized cost or fair value through other comprehensive income. Incurred and non-incurred profit or loss resulting from changes in the fair value of financial assets measured at their fair value with changes in the profit and loss, are recognised in the profit or loss of the period in which they arise. Derivatives are classified at fair value through profit or loss, unless they are classified as hedges (Note 2.9). Assets under this category are classified in current assets if held for trading or are anticipated to be sold within 12 months from the reporting date.

2.7.4. Impairment of financial assets

Starting from 1 January 2018, the Company complies with the requirements laid down in IFRS 9 on the impairment of financial assets.

The Company recognizes impairment provisions for anticipated credit loss for all financial assets, with the exception of financial assets measured at fair value through profit or loss. Anticipated credit loss is based on the difference between contractual cash flows and all the cash flows the Company expects to obtain. The difference is paid in advance based on an estimate of the initial effective rate for the financial asset. As regards contractual assets and receivables from customers, the Company follows the simplified approach under the standard and, therefore, calculates anticipated credit loss based on the anticipated credit loss for the entire lifetime of such assets. Determining expected default is based on historic information on inability to liquidate receivables and on qualitative information about possible future defaults. The probability of default of the counterparty, considering the insolvency rates received from external sources, is used to calculate the expected credit loss from inability to liquidate receivables in regard to financial assets.

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

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

2.8. Offsetting of financial assets

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position when, and only when, an entity has a legally enforceable right to set off the recognised amounts and at the same time the entity intends either to settle on a net basis, or the asset's acquisition and liability's settlement can be made simultaneously.

2.9. Derivative financial assets and hedging instruments

The Company concludes financial derivative agreements aiming at hedging exposure to the risk of rate change associated with long-term loan agreements.

When a transaction starts being effected, the Company documents the financial relationship between hedges and hedged items, including the extent to which changes in the cash flows of hedges are expected to be hedge changes in the cash flows of the items hedged. The Company also documents the risk management goals and strategy for risk hedging transactions. Further, at the beginning of the hedging and constantly, the extent to which derivatives used in hedging transactions are particularly efficient in neutralizing changes in the current values or the cash flows of hedged items is assessed.

IFRS 9 includes three requirements on hedging efficiency: (i) there is a financial relationship between the hedge and the hedged item; (ii) the effect of credit risk does not dominate value changes which come about as a result of the financial relationship; and (iii) the hedging ratio accurately reflects the quantity of the hedged item and the quantity of the hedge used in the actual financial hedging. If a hedging relationship ceases to meet the efficiency requirements in terms of the degree of hedging, while the risk management goal remains unchanged, the degree of hedging is adjusted (adjusting the quantities specified of either the hedged item or the hedge) so that the hedging relationship meets the quality criteria. The fair values of the derivative financial instruments that are used for hedging purposes are disclosed in Note 3.2. The changes in the cash flow hedging reserve are entered in other comprehensive income and are disclosed in Notes 7 and 13. The overall fair value of hedging derivatives is classified to current assets or long-term liabilities when the remaining hedged item has a term over 12 months, or to current assets or short-term liabilities when the remaining term of the hedged item is under 12 months.

Cash Flow Hedging

Derivatives are initially recognized at their fair value as at the date on which the respective agreement is signed (Note 2.7).

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

The cumulative amount entered in Equity is transferred to the statement of profit and loss and of comprehensive income for the periods in which the hedged item affects the profit or loss of the period. The profit or loss that relates to the efficient part of the hedging of floating borrowing rate exchange agreements is recognized in the statement of profit and loss and of comprehensive income under "Financial income" or "Financial expenses" simultaneously with recognition of interest from hedged loans.
When a hedging instrument matures or is sold or when a hedging relation stops meeting the hedge accounting criteria, the cumulative profit or loss entered by that time in Equity will remain in Equity and will be recognized when finally the anticipated transaction passes through the statement of profit and loss and of comprehensive income. When it is not estimated any more that an anticipated transaction will take place, the cumulative profit or loss entered in Equity will be transferred immediately to the statement of profit and loss and of comprehensive income.

2.10. Trade receivables

Trade receivables are the sums owed by customers for services provided to them during the Company's ordinary activities/operations. If the receivables are expected to be collected within 12 months after the period's end, they are entered in current assets, otherwise they are entered in non-current assets.

Receivables from customers are first carried at their fair value and are subsequently valued at amortised cost by using the effective interest method, less any impairment losses (Note 2.7.4).

2.11. Time deposits

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

2.12. Cash and cash equivalents

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

2.13. Share capital

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

2.14. 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 amortised cost method by using the effective interest rate.

2.15. Loans

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

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

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

Borrowing Costs

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

2.16. Income and Deferred Tax

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

2.17. 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 2018 saw actuarial losses at €9.619 (2017: €0).

b) Employment termination benefits

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

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

c) Bonuses

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

2.18. Provisions

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

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

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

2.19. Revenue recognition

The Company recognizes revenue in a way that reflects the transfer of goods or services to customers at the amount that it anticipates as a consideration for such goods or services, excluding amounts collected on the behalf of third parties (e.g. value-added tax). Revenue is recognized when the customer takes control of the goods or services, placing the time of the transfer of control either in a given moment in time or over time. Variable amounts are included in the consideration and computed using either the "expected value" or the "most probable amount" method, depending on which method is expected to forecast more accurately the amount to which the Company is entitled, on condition that a downwards revision of the recognized revenue is highly improbable. Revenue from the provision of services is recognized in the accounting period in which the services are rendered and measured according to the nature of the services provided. Receivables from customers are recognized when there is an unconditional entitlement of the Company to receive the consideration for the contractual obligations it has performed to the customer.

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

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

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

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

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

In addition, under the Concession Agreement and Article 228 of the Ratification Law, for the period between the Concession Commencement Date and October 31st in the immediately following year, as well as for all periods between November 1st and October 31st each year after that the Company must demonstrate to the Hellenic Civil Aviation Authority (HCAA) that the Maximum Average Yield per Departing Passenger is not exceeded in the respective period. Where the Maximum Average Yield per Departing Passenger is exceeded above 3% in any calendar year, the Company must pay to the Greek State the excess of the Maximum Average Yield per Departing Passenger multiplied by the actual number of departing Passengers. In addition, a fine of 25% of the amount concerned shall be paid to the Greek State. Where the Maximum Average Yield per Departing Passenger is exceeded by a percentage less than or equal to 3% in any calendar year, the Company must count the amount exceeding the Maximum Average Yield per Departing Passenger multiplied by the actual number of departing Passengers in next year's Regulated Aeronautical Revenues calculation of the actual yield per departing Passenger.

The Company bills Air Services every fifteen days (with the exception of the Airport Modernization and Development Fees, which are collected by HCAA and paid to the Company daily). Airlines can pay either cash (before the airport departs) or get a credit period ranging between 5 and 20 days. Because this credit is short-term, it does not involve significant financial items. Where credit is granted, the Company receives collaterals in the form of either letters of guarantees or bank deposits.

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

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

Both income from concession agreements and building rents are considered leasing revenue and accounted for in line with IAS 17 "Leases".

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

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

2.20. Leases

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

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

2.21. Dividend distribution

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

2.22. 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

Due to its operations, the Company is exposed to financial risks, such as market risks (market prices), credit risk and liquidity risk. The Company's general risk management plan seeks to minimise the potential negative impact of the financial markets' volatility on the Company's financial performance. The Company is in the position of using Financial derivatives in order to hedge its exposure to specific risks.
The risk management is implemented by the Company's financial department, which operates under specific rules. The Board of Directors gives instructions, provides guidance and rules about interest rate risk, credit risk and non-derivative financial instruments as well as short-term cash investments.

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

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

i. Price risk

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

ii. Currency risk

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

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

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

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

To limit interest risk, the Company uses derivative financial instruments such as interest rate swap agreements.
Sensitivity analyses are based on the following assumptions:

Financial instruments valued at the amortized cost of acquisition at a fixed rate do not affect the Company's results for the period or equity.
Changes in the market rates for financial instruments defined as hedging instruments to hedge cash flows affect shareholder equity and are therefore included in the sensitivity calculations for

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018 (AMOUNTS IN EURO)

equity. Maximum volatility is a parallel shift of the rate curve by 325 base units in a twelve-month period.

Changes in the market rates for interest rate derivatives (interest rate swap agreements) which are not part of a hedging relationship in line with the provisions of IFRS 9 (2017: IAS 39) affect the financial result and are therefore included in the sensitivity analysis for the Company's results. Maximum volatility is a parallel shift of the rate curve by 325 base units in a twelve-month period.

Considering the Company's portfolio, the structure of financial position as at 31 December 2018 and the above assumptions, the effect of an increase in market rates would be equivalent to an increase in the result for the year, due to the interest rate swap agreement, by 1,7 million euros due to an increase in net financial income, whereas a decrease would cause no change to the results. (2017: 0,7 million Euros). This change is due to a change in the primary net financial positions of the Company's floating interest rate. Respectively, the lack of change in the event of a drop in market rates is due to the floor rate of the interest rate swap agreement.

As regards the effect on equity, an increase/ decrease in market rates in line with the above assumptions would lead to a decrease by 1,1 million euros, leaving equity unchanged, respectively (2017: 2,2 million Euros). As mentioned above, the lack of change as a result of a possible drop in market rates is due to the floor interest rate of loan agreements.

b) Credit risk

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

The credit risk with regards to the Company's customers as at 31 December 2018 is considered limited as the Company has secured its receivables by way of letters of guarantee and deposits which exceed the balance of the customers account in the statement of financial position. For the year that ended on 31 December 2018 an impairment provision was made for €94.311.

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

	31.12.2018	**31.12.2017**
Caa2	74.593.944	-
Caa3	-	69.531.490
Total	**74.593.944**	**69.531.490**

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

c) Liquidity risk

The Company ensures the required liquidity mainly through its business activity and external funding. Funds are used mostly to fund capital expenses to acquire the concession right (realised in 2017) and invest in the airports.
Operating cash flows, available cash (including cash and other financial instruments) as well as current and short-term credits and borrowing offer adequate flexibility to ensure the Company's liquidity. As at 31 December 2018, the Company's had unused credit funds in the amount of

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018 (AMOUNTS IN EURO)

€108.404.133 compared to €130.404.133 as at 31 December 2017, as well as available funds from the bond loan with its shareholders.

There is no liquidity risk given the diversity of both sources of funding, cash in hand and financial assets.

The Company's liquidity is monitored by the Management at regular intervals.

The viability table of financial liabilities is as follows:

As at 31 December 2018	**Within 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total**
Bank loan liabilities	22.743.567	23.857.207	120.404.215	454.272.583	621.277.572
Shareholder loan liabilities	-	-	28.718.140	653.815.993	682.534.133
Liabilities under the Concession Agreement	11.936.965	12.131.538	64.351.810	585.619.542	674.039.856
Suppliers and other liabilities	42.525.209	1.432.120	-	-	43.957.329
Liabilities to associate/related companies	1.802.738	-	-	-	1.802.738
As at 31 December 2017	**Within 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total**
Bank loan liabilities	17.601.025	22.441.050	79.057.394	386.696.401	505.795.870
Shareholder loan liabilities	-	-	22.893.464	621.833.968	644.727.432
Liabilities under the Concession Agreement	8.456.416	11.775.639	36.430.541	637.609.315	694.271.911
Suppliers and other liabilities	16.863.315	933.941	-	-	17.797.256
Liabilities to associate/related companies	2.210.441	-	-	-	2.210.441

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

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

3.2. Determination/measurement of fair values

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

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

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

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

Valuation techniques used to determine fair values:

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

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018 (AMOUNTS IN EURO)

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

Classification under IFRS 9	Valued at amortized cost		Valued at fair value	31-Dec-18
			Hedging instruments	
Financial assets	**Carrying amount**	**Fair value**	**Fair value**	**Total Fair Value**
Cash and cash equivalents	44.366.045	44.366.045	-	44.366.045
Time deposits	30.228.545	30.228.545	-	30.228.545
Trade receivables	3.850.305	3.850.305	-	3.850.305
Other financial receivables and financial assets	8.818.557	8.818.557	-	8.818.557
Total	**87.263.452**	**87.263.452**	-	**87.263.452**

Other financial liabilities			
Financial liabilities	**Carrying amount**	**Fair value**	**Total Fair Value**
Trade liabilities	32.911.365	32.911.365	32.911.365
Other financial liabilities	11.706.403	11.706.403	11.706.403
Liabilities to related parties	1.802.738	1.802.738	1.802.738
Bond loans from shareholders	308.441.838	321.324.410	321.324.410
Bond loans from banks	288.397.960	302.942.636	302.942.636
Concession agreement	268.437.008	260.726.512	260.726.512
Derivative financial assets			
Hedging derivatives	-	503.842	503.842
Total	**911.697.312**	**931.917.905**	**931.917.905**

Classification under IAS 39	Valued at amortized cost		Valued at fair value	31-Dec-17
	Loans and receivables			
			Hedging instruments	
Financial assets	**Carrying amount**	**Fair value**	**Fair value**	**Total Fair Value**
Cash and cash equivalents	43.346.015	43.346.015	-	43.346.015
Time deposits	26.185.737	26.185.737	-	26.185.737
Trade receivables	4.785.015	4.785.015	-	4.785.015
Other financial receivables and financial assets	2.701.975	2.701.975	-	2.701.975
Derivative financial assets	`			
Hedging derivatives	-	-	561.595	561.595
Total	**77.018.742**	**77.018.742**	**561.595**	**77.580.337**

Other financial liabilities			
Financial liabilities	**Carrying amount**	**Fair value**	**Total Fair Value**
Trade liabilities	7.682.863	7.682.863	7.682.863
Other financial liabilities	10.114.393	10.114.393	10.114.393
Liabilities to related parties	2.210.411	2.210.411	2.210.411
Bond loans from shareholders	290.584.738	287.716.495	287.716.495
Bond loans from banks	267.610.251	282.700.321	282.700.321
Concession agreement	263.664.993	255.860.482	255.860.482
Total	**841.867.649**	**846.284.965**	**846.284.965**

The above breakdown only includes financial assets.

3.3. Capital risk management

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

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

4. Significant accounting estimates and judgements of the Management

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

4.1 Critical accounting estimates and judgements

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

Income tax

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

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

Deferred tax assets

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

Fair value of financial instruments

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

Impairment of tangible and intangible assets

The Company's tangible and intangible assets are initially entered at cost and then depreciated based on their useful life. At each reporting date the Company checks for indications of impairment of its tangible and intangible assets. The impairment audit is conducted based on market information and Management estimates of future operating and financial conditions. Whenever there are indications of impairment, an impairment audit is carried out comparing the carrying amount of each cash-generating unit against the respective recoverable amount.

The Company's management determines the recoverable amount through estimates which include basic assumptions about the period of the estimated cash flows, cash flows, the growth rate of flows and the discount interest rate. The assumptions are disclosed in the Company's financial statements in line with relevant provisions of IAS 36. As at 31 December 2018, there were no indications of impairment for the Company's tangible and intangible assets.

4.2 Critical assessments in the accounting policies applied

There were no critical assessments regarding the application of the Company's accounting principles.

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018 (AMOUNTS IN EURO)

5. Tangible assets

	Improvements in third-party property	Mechanical equipment	Furniture and other equipment	Total
Acquisition value				
Balance as at 01 January 2017	-	-	-	-
Additions during the period	216.370	527.601	128.653	872.624
Balance as at 31 December 2017	**216.370**	**527.601**	**128.653**	**872.624**
Balance as at 01 January 2018	**216.370**	**527.601**	**128.653**	**872.624**
Additions during the period	-	5.047	-	5.047
Transfers/Reclassifications	(216.370)	(424.201)	(21.030)	(661.601)
Balance as at 31 December 2018	**-**	**108.447**	**107.623**	**216.070**

	Improvements in third-party property	Mechanical equipment	Furniture and other equipment	Total
Depreciation				
Balance as at 01 January 2017	-	-	-	-
Amortisations for the period	14.178	116.300	29.293	159.771
Balance as at 31 December 2017	**14.178**	**116.300**	**29.293**	**159.771**
Balance as at 01 January 2018	**14.178**	**116.300**	**29.293**	**159.771**
Amortisations for the period	-	27.465	10.119	37.584
Transfers/Reclassifications	(14.178)	(82.219)	(21.030)	(117.427)
Balance as at 31 December 2018	**-**	**61.546**	**18.382**	**79.928**

	Improvements in third-party property	Mechanical equipment	Furniture and other equipment	Total
Net carrying amount				
Balance as at 31 December 2017	**202.192**	**411.301**	**99.360**	**712.853**
Balance as at 31 December 2018	**-**	**46.901**	**89.241**	**136.142**

In the year that ended 31 December 2018, assets of a total net carrying amount of €544.174 were transferred from the tangible assets to the intangible assets item (Note 6).

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018 (AMOUNTS IN EURO)

6. Intangible assets

	Concession Agreement Assets	Licenses, Software and other intangible assets	Designs - Technical Projects/Works and other Expenses	Total
Acquisition cost				
Balance as at 01 January 2017	**-**	**-**	**5.965.112**	**5.965.112**
Additions during the period	880.000.182	-	12.494.513	892.494.695
Balance as at 31 December 2017	**880.000.182**	**-**	**18.459.625**	**898.459.807**
Balance as at 01 January 2018	**880.000.182**	**-**	**18.459.625**	**898.459.807**
Additions during the period	-	5.958	73.597.857	73.603.815
Transfers/Reclassifications	-	-	661.601	661.601
Balance as at 31 December 2018	**880.000.182**	**5.958**	**92.719.083**	**972.725.223**

	Concession Agreement Assets	Licenses, Software and other intangible assets	Designs - Technical Projects/Works and other Expenses	Total
Depreciation				
Balance as at 01 January 2017	**-**	**-**	**-**	**-**
Amortisations for the period	15.972.606	-	106.821	**16.079.427**
Balance as at 31 December 2017	**15.972.606**	**-**	**106.821**	**16.079.427**
Balance as at 01 January 2018	**15.972.606**	**-**	**106.821**	**16.079.427**
Amortisations for the period	22.000.005	5.958	704.869	22.710.831
Transfers/Reclassifications			117.427	117.427
Balance as at 31 December 2018	**37.972.611**	**5.958**	**929.117**	**38.907.686**

	Concession Agreement Assets	Licenses, Software and other intangible assets	Designs - Technical Projects/Works and other Expenses	Total
Net carrying amount				
Balance as at 31 December 2017	**864.027.576**	**-**	**18.352.804**	**882.380.380**
Balance as at 31 December 2018	**842.027.571**	**-**	**91.789.966**	**933.817.537**

In the year that ended 31 December 2018, assets of a total net carrying amount of €544.174 were transferred from the tangible assets to the intangible assets item (Note 5).

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

The Concession Agreement includes the upfront concession fee of €625.000.000, which was paid on the concession commencement date and such payment was one of the prerequisites for commencement of the concession period. Upon commencement of the concession period, the above upfront concession fee was recognised in the intangible asset, as well as the present value of the well identified/determined future liabilities arising from the Concession Agreement in the amount of €255.000.182.

The intangible assets concern designs, technical projects, borrowing and other costs connected with the design, improvement and development of the infrastructure of the regional airports, as well as consultation services connected with the completion of the Concession Agreement.

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018 (AMOUNTS IN EURO)

Charges from the Company's initial shareholders, FRAPORT AG and SLENTEL related to the successful completion of the Concession Agreement have been capitalized at the cost of intangible assets.

	31.12.2018	31.12.2017
FRAPORT AG	-	113.650
SLENTEL	-	-
Total	-	**113.650**

7. Derivative financial instruments

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

Liability as of 31/12/2018

	31.12.2018	31.12.2017
Interest rate swap agreements for cash flow hedging	(396.792)	-
Total	**(396.792)**	**-**

Receivable as of 31/12/2017

	31.12.2018	31.12.2017
Interest rate swap agreements for cash flow hedging		407,590
Total	**-**	**407,590**

	31.12.2018	31.12.2017
Details about the interest rate swap agreements		
Interest rate swap nominal value as at 31 December	55.873.077	55.873.077
Fixed rate	1,6010%	1,6010%
Floating rate	Euribor	Euribor
Maturity	31 December 2034	31 December 2034

From commencement of the interest rate swap agreement until 30 September 2017 the hedging relationship met the hedging accounting criteria and changes in the derivative fair value were therefore recognized in other comprehensive income. As part of a review of the hedging relationship on 31 December 2017, the Company assessed that it no longer met the criteria and, therefore, recognized the change in the fair value of the derivative for the period between 1 October 2017 and 31 December 2017 in the statement of profit and loss and of comprehensive income. Therefore, a part of the profit recognized is reclassified to total comprehensive income. This amount stood at €10.287 for 2017 and at €41.149 for 2018. As part of a review of the hedging relationship on 31 December 2018, the Company assessed that it met the criteria and, therefore, recognized the change in the fair value of the derivative for the period between 01 January 2018 and the end of the year in the statement of comprehensive income.

For the year that ended on 31 December 2018, the total amounts recognized in the statement of profit and loss and of comprehensive income and in other comprehensive income represented a loss of €264.476 (2017: €281.655) and a loss of €431.734 (2017: profit of €529.366) respectively.

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018 (AMOUNTS IN EURO)

The above amounts are the net result after the effect of deferred taxation and of a loss of €308.004 which was recognized in the year (2017: €154.005) and derived from the initial recognition of the derivative at fair value. In addition, interest expenses in the amount of €904.467 (2017: €660.957) related to the derivative were also recognized in the statement of comprehensive income.

8. Income tax and deferred tax

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

	31.12.2018	**31.12.2017**
Current income tax	4.467.430	3.748.101
Deferred tax	(6.026.863)	(3.216.767)
Total income tax	**(1.559.433)**	**531.334**

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

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

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

Deferred tax assets and liabilities	**31.12.2018**	**31.12.2017**
Deferred tax assets expected to be recovered after 12 months	(10.032.577)	(4.299.634)
Deferred tax liabilities expected to be settled after 12 months	(167.887)	236.610
Deferred tax assets (net)	**(10.200.464)**	**(4.063.024)**

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

	31.12.2018	**31.12.2017**
Balance as at January 1st	**(4.063.024)**	**(1.006.136)**
Credit in profit or loss	(6.026.863)	(3.216.767)
(Credit) / debit-charge to other comprehensive income	(110.577)	159.879
Balance as at December 31st	**(10.200.464)**	**(4.063.024)**

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

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018 (AMOUNTS IN EURO)

Deferred tax assets	**Tax losses**	**Concession Fee**	**Undercapitali-zation**	**Liability for personnel compensation due to retirement or dismissal**	**Total**
As at 01 January 2017	**(1.006.136)**	**-**	**-**	**-**	**(1.006.136)**
Debit-charge/(credit) to profit or loss and to the statement of comprehensive income	1.006.136	(1.412.684)	(2.876.925)	(10.025)	(3.293.498)
As at 31 December 2017	**-**	**(1.412.684)**	**(2.876.925)**	**(10.025)**	**(4.299.634)**
Debit-charge/(credit) to profit or loss and to the statement of comprehensive income	-	(1.737.999)	(3.960.370)	(34.574)	(5.732.943)
As at 31 December 2018	**-**	**(3.150.682)**	**(6.837.295)**	**(44.599)**	**(10.032.577)**

Deferred tax liabilities	**Tangible and intangible assets**	**Derivative financial instruments**	**Total**
As at 01 January 2017	**-**	**-**	**-**
Debit-charge / credit to profit or loss and to the statement of comprehensive income	121.392	115.218	236.610
As at 31 December 2017	**121.392**	**115.218**	**236.610**
Debit-charge / credit to profit or loss and to the statement of comprehensive income	(105.401)	(299.096)	(404.497)
As at 31 December 2018	**15.991**	**(183.878)**	**(167.887)**

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

	31.12.2018	**31.12.2017**
Profit/ (Loss) before taxes	**(12.406.393)**	**1.628.150**
Corporate profits tax rate	29%	29%
Income tax	(3.597.854)	472.163
Expenses not deducted for taxation purposes	1.184.522	76.255
Tax losses for which no tax receivable was recognised	82.346	(17.084)
2017 tax correction	211.136	-
Effect of the tax rate change	560.417	-
Total income tax	**(1.559.433)**	**531.334**

The tax compliance audit for issuance of the tax clearance certificate for 2018 period is carried out by PwC S.A. which carries out the mandatory audit the financial statements, and no additional substantial tax liabilities are expected to arise other than those reflected in these financial statements. The unaudited years were 2015, 2016, 2017, and 2018.

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018 (AMOUNTS IN EURO)

9. Trade receivables

	31.12.2018	31.12.2017
Trade receivables	3.672.328	4.506.093
Less: Provision for impairment	(94.311)	-
Net trade receivables	**3.578.017**	**4.506.093**
Income earned	272.288	278.922
	3.850.305	**4.785.015**

Age analysis of balances of business customers

	31.12.2018	31.12.2017
Not delayed and impaired	2.782.249	4.357.646
Delayed for 30 - 180 days but not impaired	795.768	148.447
	3.578.017	**4.506.093**

Change in the provision for impairment of business customers:

	31.12.2018	31.12.2017
Balance as at January 1st	-	-
Provision for impairment	94.311	-
Balance as at December 31st	**94.311**	**-**

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

Where customers delay payment beyond the usual credit limits agreed upon, the Company reserves the right to charge default interest pursuant to the respective contracts signed with customers. This interest is recognized as income only when its recovery is likely. For the year that ended on 31 December 2018 an impairment provision was made for trade receivables for €94.311 (2017: €0).

The Companies trade receivables as on 31 December 2018 and 2017 are broken down as follows:

	31.12.2018	31.12.2017
<u>Trade receivables</u>		
Trade receivables	3.944.616	4.785.015
Provision for impairment of receivables	(94.311)	-
Balance as at December 31st	**3.850.305**	**4.785.015**

10. Other receivables and financial assets

	31.12.2018	31.12.2017
Prepaid borrowing costs	2.547.476	2.547.476
Guarantees granted	85.830	85.830
Advance payments for construction projects	2.173.201	12.737.390
Other receivables and financial information in the long run	**4.806.507**	**15.370.696**
Advance payments for construction projects	12.474.992	11.209.265
Greek State: taxes withheld and prepaid	32.329	54.487
Receivables from the Greek State (VAT)	8.716.045	2.577.553
Prepaid expenses for the next period	254.781	222.648
Other debtors	16.681	38.592
Other receivables and financial information in the short run	**21.494.828**	**14.102.545**

Total	**26.301.335**	**29.473.241**
Non-current assets	4.806.507	15.370.696
Current assets	21.494.828	14.102.545
	26.301.335	**29.473.241**

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

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

Advance payments for construction projects concern payments made to the construction company which has undertaken the maintenance, improvement and development works at the airports conceded under the Concession Agreement. The initial advance payment was in the amount of €24.894.775 and is being decreased by offsetting 15% of the value of the invoices issued by the construction company. For the year that ended on 31 December 2018, the amount offset was €9.298.462 (2017: €948.120) and has been recognized as an addition to intangible assets.

11. Cash and cash equivalents

	31.12.2018	**31.12.2017**
Cash at hand	647	262
Sight deposits	44.365.398	43.345.753
Total	**44.366.045**	**43.346.015**

Sight deposits are denominated in euros.

12. Time deposits

	31.12.2018	**31.12.2017**
Reserve Account for the Loan	11.796.217	11.906.137
Reserve Account for State Payments	18.432.328	14.168.116
Reserve Account for Capital Expenses	-	111.484
Total	**30.228.545**	**26.185.737**

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

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

	31.12.2018	**31.12.2017**
Caa2	74.593.943	-
Caa3	-	69.531.489
Total	**74.593.943**	**69.531.489**

13. Equity

	31.12.2018	**31.12.2017**
Share capital	122.000.000	122.000.000
Other reserves	90.417	529.366
Profit and loss carried forward	(13.709.754)	(2.862.794)
Total	**108.380.663**	**119.666.572**

Share capital

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018 (AMOUNTS IN EURO)

The Company's share capital amounts in total to € 122.000.000, divided into 122.000.000 ordinary registered shares of € 1,00 par value each. The share capital is fully paid in. Any proposed change in the ownership regime should be disclosed to the Hellenic Republic Asset Development Fund (HRADF) and the Greek State.

	Number of shares	Par Value	Share Capital
As at 1 January 2017	**10.024.000**	**1**	**10.024.000**
Increases in the year	111.976.000	1	111.976.000
As at 31 December 2017	122.000.000	1	122.000.000
As at 1 January 2018	**122.000.000**	**1**	**122.000.000**
As at 31 December 2018	**122.000.000**	**1**	**122.000.000**

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

	Actuarial profit/(loss) reserve	Reserve following change in the fair value of derivative financial instruments	Total
As at 1 January 2017	-	-	-
Increases in the year		529.366	529.366
As at 31 December 2017	**-**	**529.366**	**529.366**
As at 1 January 2018	-	**529.366**	**529.366**
Increases/ (Reductions) during the period	(7.215)	(431.734)	(438,949)
As at 31 December 2018	**(7.215)**	**97.632**	**90.417**

14. Loans

Borrowing as at 31 December 2018 is broken down as follows:

	31.12.2018	31.12.2017
Long-term loans		
Bank loans (net of deferred borrowing costs)	284.231.911	265.527.226
Bond loans from associated/related parties	308.441.838	290.584.738
Total	**592.673.749**	**556.111.964**
Short-term loans		
Bank loans (net of deferred borrowing costs)	4.166.048	2.083.025
Total	**4.166.048**	**2.083.025**

Bank Bond Loan

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

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018 (AMOUNTS IN EURO)

Under the above agreement an ordinary secured bond loan in the total amount of €408.141.003 was issued pursuant to Law 3156/2003. The bond loan comprises two lines of credit:

a) Acquisition Bonds for a maximum total amount of €277.736.870. Acquisition Bonds for the total committed amount were issued in 2017 to cover part of the Upfront Concession Fee. The Acquisition Bonds include 2 series as follows:

	% on the total	Amount
1. Acquisition Fixed Rate Bonds	46,71%	129.728.423
2. Acquisition Floating Rate Bonds	53,29%	148.008.447
Total	**100%**	**277.736.870**

Series (2) is broken down into:

	% on the total	Amount
1. Acquisition Hedged Floating Rate Bonds	37,75%	55.873.077
2. Acquisition Unhedged Floating Rate Bonds	62,25%	92.135.370
Total	**100%**	**148.008.447**

b) European Investment Bank Bonds for a maximum total amount of €130.404.000 intended to fund capital expenses linked to the Concession Agreement, including project management and other fees, and development expenses incurred during the period of the imminent works (linked to imminent refurbishment works and imminent new or expansion works), and other expenses approved by the European Investment Bank and incurred in connection with the project. This line of credit is made up of two series as follows:

	% on the total	Amount
1. EIB Fixed Rate Bonds	66,90%	87.239.000
1. EIB Floating Rate Bonds	33,10%	43.165.133
Total	**100%**	**130.404.133**

European Investment Bank Loans for a total amount of €22.000.000 (2017: €0) were issued in 2018. All loan facilities undisbursed as at 31 December 2018 were in the amount of €108.404.133 (2017: €130.404.133).

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

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

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

a) Debt to Equity

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018 (AMOUNTS IN EURO)

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

In addition, collateral has been given the main ones being:
(i) Pledge on 100% of the Company's shares
(ii) Pledge on the shares of FRAPORT REGIONAL AIRPORTS OF GREECE MANAGEMENT COMPANY S.A.
(iii) Pledge on the Company's insurance contracts
(iv) Pledge on the Company's bank accounts except for the operations account
(v) Pledge on Project Contracts, including, among others, the good performance bond, the contract with the constructor, the contract with "Hellenic Duty Free Shops SA", the contract with the Independent Engineer, the Company's commercial contracts
(vi) Maintaining the pledge on bank guarantee accounts:
a) Reserve Account for State Payments
b) Reserve Account for Capital Expenses
c) Repayment Reserve Account
(vii) Keeping funds committed by shareholders to cover any cash shortage during the imminent works.

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

Bond loan from the Company's shareholders
On 24 March 2017, the Company and its initial shareholders, Fraport Ag Frankfurt Airport Services Worldwide and Slentel Limited entered into an agreement for an ordinary non-secured bond loan pursuant to Law 3156/2003 and the conditions of the respective plan with a view to applying the loan proceeds exclusively towards the needs of the Project. The initial agreement was amended on 20 December 2017 as Marguerite Airport Greece S.A.R.L. acquired a holding in the Company. The loan bond series are:
a) Initial Funding Bonds for a total amount of: €276.800.000.
b) Additional Bonds for a total amount of €1.500.000.
c) "Standby Bonds" of a total amount of up to €90.000.000 – This is the maximum amount the Company can receive as the amount is determined based on any Standby Bonds that Fraport Regional Airports of Greece "B" S.A. may have issued under the Sponsor Support Agreement.
d) PIK Bonds. These bonds are issued at the time when the Company ought to pay interest and bondholders acquire them instead of interest up to the amount of €162.277.000. Therefore, this series will be used to capitalize unpaid accrued interest to result from the bond loan.

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

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

31.12.2018

	Fixed rate	Floating rate up to 6 months	Total
Total loans	454.840.001	88.373.843	543.213.844
Effect of interest rate swaps	53.625.953	-	53.625.953
	508.465.954	**88.373.843**	**596.839.797**

31.12.2017

	Fixed rate	Floating rate up to 6 months	Total

Total loans	415.546.006	88.776.004	504.322.010
Effect of interest rate swaps	53.872.979	-	53.872.979
	469.418.985	**88.776.004**	**558.194.989**

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

	31.12.2018	**31.12.2017**
Up to 1 year	4.166.048	2.083.025
Between 1 and 2 years	4.304.919	4.166.050
Between 2 and 5 years	39.727.498	20.691.394
Over 5 years	551.637.813	541.381.139
	599.836.278	**568.321.608**

The difference between the total annual principal payments listed above and the relevant amounts shown in the statement of financial position are the result of accrued loan interest for the period between the end of the interest period and the end of the year.

Bank loans include unamortized deferred borrowing costs for €9.255.884 which are being amortized in profit or loss based on the effective interest rate method.

	31.12.2018	**31.12.2017**
Balance as at January 1st	10.126.619	-
Loan issuance fees	-	10.715.958
Funding cost depreciation	(870.735)	(589.339)
Balance as at December 31st	**9.255.884**	**10.126.619**

Movements regarding loans during the year are listed below:

	31.12.2018	**31.12.2017**
Balance as at January 1st	**558.194.989**	**-**
Loans taken during the year	22.000.000	555.536.870
Principal repayment during the year	(2.083.025)	-
Interest on bond loan from shareholders capitalized during the year (issuance of bonds)	17.346.500	7.035.933
Accrued interest incurred on the bond loan from the shareholders	6.259.403	5.748.805
Accrued interest incurred on a bond loan from the shareholders of the previous year capitalized in the year	(5.748.805)	-
Loan issuance fees	-	(10.715.958)
Funding cost depreciation	870.735	589.339
Balance as at December 31st	**596.839.797**	**558.194.989**

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018 (AMOUNTS IN EURO)

15. Liability for personnel compensation due to retirement or dismissal

The amounts recognized in the statement of financial position are:

Liabilities in the statement of financial position for:	**31-Dec-18**	**31-Dec-17**
Pension benefits	178.399	34.570
Total	**178.399**	**34.570**

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

	31-Dec-18	**31-Dec-17**
Opening balance	34.570	-
Total charge in the statement of profit and loss and of comprehensive income	134.210	34.570
Total charge to other comprehensive income	9.619	-
Ending balance	**178.399**	**34.570**

The amounts recognized in the statement of comprehensive income are:

	31-Dec-18	**31-Dec-17**
Current employment cost	133.691	34.570
Financial cost	519	-
Total included in benefits to employees	**134.210**	**34.570**

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

Charges to other comprehensive income:	**31-Dec-18**	**31-Dec-17**
Actuarial loss for the period, before taxes	9.619	-
Total	**9.619**	-

The main actuarial assumptions used for accounting purposes are:

	31-Dec-18	**31-Dec-17**
Discount rate	1,50%	1,50%
Annual average long-term inflation	2,00%	1,75%
Future salary increases	2,00%	2,00%
Average weighted duration of retirement benefits	12,4 years	12,4 years
Staff turnover rate	2,2%	2,2%

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018 (AMOUNTS IN EURO)

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

31-Dec-18	Change in assumption by	Effect on compensation benefits: Assumption increase		Assumption decrease	
Discount rate	0,50%	-11,10%	158.536	12,80%	201.173
Payroll change rate	0,50%	12,60%	200.936	-11,10%	158.536
Staff turnover rate	0,50%	-11,60%	157.737	13,20%	201.969

31-Dec-17	Change in assumption by	Effect on compensation benefits: Assumption increase		Assumption decrease	
Discount rate	0,50%	-8,57%	31.607	9,56%	37.875
Payroll change rate	0,50%	9,46%	37.841	-8,57%	31.607
Staff turnover rate	0,50%	-8,92%	31.487	9,89%	37.988

16. Suppliers and other liabilities

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

	31.12.2018	31.12.2017
Long-term trade receivables	1.432.120	316.040
Short-term trade receivables	31.479.245	7.366.823
	32.911.365	**7.682.863**

Suppliers and other liabilities are broken down as follows:

	31.12.2018	31.12.2017
Suppliers	1.432.120	316.040
Payable guarantees (c)	-	617.901
Liabilities related to the Concession Agreement (b)	256.661.369	255.313.880
Deferred income (a)	17.300.000	20.500.000
Suppliers and other liabilities, long-term	**275.393.489**	**276.747.821**
Suppliers	31.479.245	7.366.823
Payable guarantees (c)	2.959.607	2.242.185
Liabilities related to the Concession Agreement (b)	11.775.639	8.351.113
Deferred income (a)	6.991.586	3.240.275
Insurance institutions and other taxes/ duties	1.373.144	594.166
Withheld taxes on interest	359.893	355.839
Customer, third-party advance payments	3.990	1.319.446
Deferred income (ADF)	696.178	-
Accrued interest on bank loans	35.739	114.671
Provision for contribution to the State against airport modernization and development fees recovered (Note 19)	6.692.044	5.774.187
Provision for fire safety services	472.325	329.913
Provision for bonuses	179.286	455.870
Other liabilities, short-term part	706.964	606.903
Suppliers and other liabilities, short-term	**63.725.640**	**30.751.391**
Total	**339.119.129**	**307.499.212**

The Company's contractual obligations under contracts with customers are broken down as follows:

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018 (AMOUNTS IN EURO)

	31.12.2018	31.12.2017
Reconciliation of Contract Balances		
Opening balance of contractual obligation	-	-
Deferred income (ADF)	696.178	-
Closing balance of contractual obligation	**696.178**	**-**

a) On 23 March 2017 a contract was entered into with Hellenic Duty Free Shops S.A. member of "DUFRI AG". Under that contract, Hellenic Duty Free Shops S.A. has the exclusive right to open stores selling certain types of duty free and duty paid products. Hellenic Duty Free Shops S.A. pays a monthly variable fee which is a percentage of sales. In addition, Hellenic Duty Free Shops S.A. made an advance payment of €25.000.000 to the Company against the future concession fee. In 2018 an amount of €3.000.000 was offset (2017: €1.500.000). The amount to be offset during 2019 is €3.200.000 and the amount to be offset in the remaining 11 years is €17.300.000. The above amounts have been included under deferred income in the table above.

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

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

Liabilities from taxes-duties and to social security funds pertain to deducted taxes and social security contribution payments for November and December 2018, which were not rendered overdue on the reporting date.

17. Transactions with related parties

The Company's receivables from related parties as at 31 December 2018 and 31 December 2017 are the following and pertain to advertising services.

Receivables from associate companies

	31.12.2018	31.12.2017
INTERBUS S.A.	147.420	-
	147.420	**-**

The Company's liabilities to related parties as at 31 December 2018 and 31 December 2017 are the following and pertain to administrative support fees and rent for the Company's offices.

Liabilities	31.12.2018	31.12.2017
FRAPORT REGIONAL AIRPORTS OF GREECE MANAGEMENT COMPANY S.A. (services)	1.279.770	2.181.522
FRAPORT REGIONAL AIRPORTS OF GREECE "A" SOCIÉTÉ ANONYME (services)	30.752	-
FRAPORT AG (bond loan and accrued interest)	226.274.912	213.285.811
FRAPORT AG (services)	4.281	28.889
SLENTEL (bond loan and accrued interest)	51.286.290	48.236.301
MARGUERITE (bond loan and interest incurred)	30.880.636	29.062.626
REDEX S.A.	487.936	-
	310.244.576	**292.795.149**

The Company's transactions with related parties for the year 2018 are the following:

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018 (AMOUNTS IN EURO)

	TRANSACTIONS 2018		
	Services received	Interest	Total
FRAPORT REGIONAL AIRPORTS OF GREECE MANAGEMENT COMPANY S.A.	17.086.282	-	17.086.282
FRAPORT AG	11.007	12.989.101	13.000.108
SLENTEL	34.875	3.369.935	3.404.810
MARGUERITE	-	1.968.849	1.968.849
REDEX S.A.	1.095.875	-	1.095.875
	18.228.039	**18.327.886**	**36.555.925**

	Provision of services
INTERBUS S.A.	340.180
	340.180

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

	TRANSACTIONS 2017		
	Services received	Interest	Total
FRAPORT REGIONAL AIRPORTS OF GREECE MANAGEMENT COMPANY S.A.	13.399.465	-	13.399.465
FRAPORT AG	330.014	9.380.611	9.710.625
SLENTEL	77.140	2.825.094	2.902.234
MARGUERITE	-	579.033	579.033
	13.806.619	**12.784.738**	**26.591.357**

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

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

In the year that ended 31 December 2017, the Company took out a bond loan from its initial shareholders. Next, following the transfer of SLENTEL's percentage to MARGUERITE, MARGUERITE acquired a right to an equal percentage of the bond loan. More information is available in Notes 1 and 14.

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

18. Income

	01/01/2018 - 31/12/2018	1/1/2017 - 31/12/2017
Air Services		
Airport modernization and development fees	78.012.829	67.931.616
Other income from air services	24.012.376	17.104.500
Income from air services	**102.025.205**	**85.036.116**
Non-air activities		
Commercial activities	7.820.100	5.836.873

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018 (AMOUNTS IN EURO)

Rent and other associated income	2.934.871	2.069.256
Income from construction services (IFRIC 12) (Note 6)	69.679.432	10.731.035
Other income	1.673.245	745.258
Income from non-air services	**82.107.648**	**19.382.422**
Total	**184.132.853**	**104.418.538**

Income from air services is next broken down by airport:

	01/01/2018 - 31/12/2018	1/1/2017 - 31/12/2017
Airport of Mykonos	10.914.049	8.591.021
Airport of Skiathos	3.350.502	3.035.046
Airport of Santorini	17.746.665	13.695.944
Airport of Kos	20.255.703	16.819.451
Airport of Mytilene	3.702.301	2.618.545
Airport of Rhodes	42.492.134	37.589.430
Airport of Samos	3.563.851	2.686.679
	102.025.205	**85.036.116**

Separation of the Company's sales based on the revenue's time of recognition	**01/01/2018 - 31/12/2018**	**1/1/2017 - 31/12/2017**
Revenue from the provision of services delivered at a certain point of time	102.025.205	85.036.116
Total	**102.025.205**	**85.036.116**

Income from the provision of air services are recognized in the statement of comprehensive income in the period in which they were rendered. The departure of the aircraft concerned is the criterion used to recognize income from air activities. As the aircraft arrival and departure cycle, during all the necessary services are provided, is considered too short, the revenue is accounted for at that specific time (aircraft departure).

19. Cost of consumables and services

	01/01/2018 - 31/12/2018	1/1/2017 - 31/12/2017
Cost of construction services (IFRIC 12) (Note 6)	69.679.432	10.731.035
Maintenance costs	3.875.967	2.868.696
Costs of services received	32.295.110	22.594.426
Variable concession costs (a)	6.712.636	5.774.187
Cost of various consumables	1.204.545	624.817
Total	**113.767.690**	**42.593.161**

a) Pursuant to the Concession Agreement for each Concession Year ending after (a) the Concession Commencement Date and up to 1 November 2024, an amount corresponding to 8,5% of the airport modernization and development fees received by the Company after such date in any Concession Year and after (b) 1 November 2024, 35% of the airport modernization and development fees received by the Company after such date in any Concession Year will be paid to the State as the Levy to fund in part (i) the HCAA in its role as airport regulator, (ii) the deficit incurred by the operation of the airports retained by the State and (iii) the PSO routes. For the year that ended on 31 December 2018 the relevant cost recognized by the Company was €6.712.636 (2017: €5.774.187) and is part of the variable concession cost.

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018 (AMOUNTS IN EURO)

20. Staff costs

	01/01/2018 - 31/12/2018	1/1/2017 - 31/12/2017
Salaries and daily wages	5.794.285	5.030.564
Social security costs	1.535.461	1.312.363
Provision for personnel compensation due to retirement or dismissal	133.691	34.570
Total	**7.463.437**	**6.377.497**

Employee average	01/01/2018 - 31/12/2018	1/1/2017 - 31/12/2017
Temporary employees	5	-
Permanent employees	192	180
Total	**197**	**180**

21. Other operating expenses

	01/01/2018 - 31/12/2018	1/1/2017 - 31/12/2017
Premiums	1.085.675	1.189.852
Advertising costs	23.957	13.211
Expenses for consultation, technical and audit services	1.180.933	1.291.674
Rental costs	136.835	61.038
Other taxes	10.713	4.034
Power costs	2.034.555	1.443.034
Water supply and sewage costs	325.765	186.235
Waste management cost	194.203	251.690
Staff training costs	19.193	257.179
Flight Management Authority fees	156.093	135.904
Impairment provision for trade receivables	94.311	-
Other operating expenses	519.056	471.115
Total	**5.781.289**	**5.304.966**

Audit service costs are:

	01/01/2018 - 31/12/2018	1/1/2017 - 31/12/2017
Mandatory audit of the annual financial statements	66.000	55.000
Other assurance services	31.500	41.500
Other associated non-audit services	2.000	500
	99.500	**97.000**

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018 (AMOUNTS IN EURO)

22. Financial expenses

	01/01/2018 - 31/12/2018	1/1/2017 - 31/12/2017
Financial income		
Interest income	215.524	357.329
Total financial income	**215.524**	**357.329**
Financial expenses		
Interest on bond loans from Banks	(14.225.922)	(10.096.558)
Interest expenses on bonds - Shareholders	(18.327.886)	(12.784.738)
Interest on interest rate swap agreements	(904.467)	(660.957)
Reversal of prepaid liability under a Concession Agreement	(13.228.432)	(8.664.811)
Total financial expenses	**(46.686.707)**	**(32.207.064)**
Other financial expenses		
Loss from the valuation of an interest rate swap agreement recognized in the statement of profit and loss and comprehensive income	(264.476)	(281.655)
Other	(42.756)	(144.176)
Total other financial expenses	**(307.232)**	**(425.831)**
Total financial expenses	**(46.778.415)**	**(32.275.566)**

23. Capital management

	31.12.2018	31.12.2017
Long Term bank Debt	592.673.749	556.111.964
Short term bank debt	4.166.048	2.083.025
Less: Cash and cash equivalents	(44.366.045)	(43.346.015)
Time deposits	(30.228.545)	(26.185.737)
Net borrowing	**522.245.207**	**488.663.237**
Total equity	108.380.664	119.666.573
Total capital employed	**630.625.871**	**608.329.810**
Leverage ratio	**82,81%**	**80,33%**

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

	31.12.2018	31.12.2017
Cash and cash equivalents	44.366.045	43.346.015
Time deposits	30.228.545	26.185.737
Borrowing - payable in the following year	(4.166.048)	(2.083.025)
Borrowing - payable after one year	(592.673.749)	(556.111.964)
Net borrowing	**(522.245.207)**	**(488.663.237)**

Other assets	Financial leasing liabilities

	Cash in hand/bank	Time deposits	Borrowing payable within 1 year	Borrowing payable after 1 year	Total
Net borrowing as at 01 January 2017	**2.180.649**	**-**	**-**	**-**	**2.180.649**
Cash flows net of funding costs	41.165.366	26.185.737	(2.083.025)	(542.737.887)	(477.469.809)
Loan interest capitalized during the year (issuance of bonds)	-	-	-	(7.035.933)	(7.035.933)
Accrued interest incurred on the bond loan from the shareholders	-	-	-	(5.748.805)	(5.748.805)
Other non-cash transactions - Funding cost depreciation	-	-	-	(589.339)	(589.339)
Net borrowing as at 31 December 2017	**43.346.015**	**26.185.737**	**(2.083.025)**	**(556.111.964)**	**(488.663.237)**
Cash flows (net of funding costs)	1.020.031	4.042.808	2.083.025	(22.000.000)	(14.854.136)
Loan interest capitalized during the year (issuance of bonds)	-	-	-	(17.346.500)	(17.346.500)
Accrued interest incurred on the bond loan from the shareholders	-	-	-	(510.598)	(510.598)
Other non-cash transactions - Funding cost depreciation	-	-	-	(870.735)	(870.735)
Other non-cash transactions	-	-	(4.166.048)	4.166.048	-
Net borrowing as at 31 December 2018	**44.366.046**	**30.228.545**	**(4.166.048)**	**(592.673.749)**	**(522.245.206)**

24. Underwriting liabilities and receivables

Operating leases

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

	Within 1 year	1-5 years	Over 5 years
Car leasing - third parties	97.714	359.703	44.550
Other services- third parties	141.498	302.400	-
Greek State (Fire Brigade)	5.480.080	1.370.020	-
Office rentals - related parties	8.880	16.320	7.255
	5.728.171	**2.048.443**	**51.804**

Construction contracts

Pursuant to the contract signed on 22 March 2017 by and between the Company and Intracom Constructions Societe Anonyme Technical and Steel Constructions (Intrakat), the Company assigned to Intrakat the design and construction of works at the regional airports managed by the Company.

As at 31 December 2018 the underwriting liabilities under the above contract stood at €94.108.093 (2017: €154.656.609).

Fire Truck Supply Agreement

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018 (AMOUNTS IN EURO)

Under the agreement made on 24/01/2019 with retroactive effect from 13/12/2018 between the Company and Rosenbauer International AG (Rosenbauer), the Company awarded to Rosenbauer the supply of fire trucks for the regional airports the Company manages.

As at 31 December 2018 the underwriting liabilities under the above contract stood at €1.032.290 (2017: €0).

25. Contingent liabilities

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

The Company has not been audited for 2015, 2016, 2017 and 2018. For 2016 and 2017 it was audited pursuant to Law 4174/2013 and received a tax compliance certificate PWC S.A. without reservations. The tax compliance audit for the issuance of the tax certificate for 2018 is conducted by PWC S.A. and it is not expected that there will be substantial tax liabilities in addition to those listed in the financial statements.

26. Events after the Reporting date

On 31/01/2019, the Company disbursed 40.000.000 euros from the bond credit line of the European Investment Bank.

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, 21/03/2019

THE PRESIDENT	**THE VICE PRESIDENT**
STEFAN SCHULTE	ALETTA ALICE GERDA LILLY FREIIN VON MASSENBACH
German passport No C5LP2YHTY	German passport No C5J8KHMR7
THE CHIEF FINANCE OFFICER	**THE HEAD OF ACCOUNTING DEPARTMENT**
EVANGELOS BALTAS	TAIRIDOU KIRIAKI
Police ID Card No AK096400	Police ID Card No AB573682

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

Independent auditor's report

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

Report on the audit of the financial statements

Our opinion

We have audited the financial statements of «Fraport Regional Airports of Greece B S.A.» (Company) which comprise the statement of financial position as of 31 December 2018, the statements of profit or loss and comprehensive income, changes in equity and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects the financial position of the Company as at 31st December 2018, the financial performance and the cash flow for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the statutory requirements of Codified Law 2190/1920.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as they have been transposed into Greek Law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

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

Independence

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

Other Information

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

PricewaterhouseCoopers SA, 268 Kifissias Avenue, 15232 Halandri, Greece
T: +30 210 6874400, F: +30 210 6874444, www.pwc.gr

260 Kifissias Avenue & Kodrou Str., 15232 Halandri, T: +30 210 6874400, F:+30 210 6874444
17 Ethnikis Antistassis Str., 55134 Thessaloniki, T: +30 2310 488880, F: +30 2310 459487

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

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

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

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

- The information given in the the Board of Directors' Report for the year ended at 31 December 2018 is consistent with the financial statements
- The Board of Directors' Report has been prepared in accordance with the legal requirements of articles 43a of the Codified Law 2190/1920.

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

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

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

Athens, 27 March 2019
The Certified Auditor Accountant

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

Dimitris Sourbis
Soel Reg. No 16891