
AEGEAN AIRLINES S.A.

General Commercial Registry 1797901000

Annual Financial Report

FOR FISCAL YEAR 2019

**In accordance with art. 4 of Law 3556/2007 and the Board of Directors’
Resolutions of the Hellenic Capital Market Commission**

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1.

Statements of the Board of Directors' Members

1. Statements of the Board of Directors' Members

(in accordance to art. 4 paragraph 2 of Law 3556/2007)

It is hereby stated that, to the best of our knowledge, the Annual Financial statements of "Aegean Airlines S.A." for the period 1 January 2019 to 31 December 2019, which were prepared in accordance to the International Financial Reporting Standards as adopted by EU, truly reflect all Assets, Liabilities and Shareholders' Equity along with the Income Statement of the Company, as well as of the companies included in the consolidation.

It is also declared that, to the best of our knowledge, the Board of Directors' Annual Report truly reflects the business developments, the performance and the position of the Company, as well as of the companies included in the consolidation, including the key risks and prospects they are facing.

Kifissia, 16 March 2020

The undersigned

Eftichios Vassilakis

Dimitrios Gerogiannis

Georgios Vassilakis

Chairman of the BoD

Chief Executive Officer

Member of the BoD

2. Annual Report of the Board of Directors

2. Annual Report of the Board of Directors

The Board of Directors' report of the company "AEGEAN AIRLINES S.A." (hereinafter called the "Company") covers the twelve-month period ending 31.12.2019. The report has been prepared in accordance with the relevant provisions of the L4548/2018, Law 3556/2007 (FEK 91A/30.4.2007), and decision 7/448/11.10.2007 of the Hellenic Capital Markets Commission.

This report contains financial and non-financial information of Aegean Airlines and its subsidiaries Olympic Air S.A. and Aegean Cyprus Limited (hereinafter jointly with the Company, called the "Group"). It aims to provide an overview to the shareholders and investors of the Company's general course, financial position and results for the period (01/01/2019 – 31/12/2019) as well as highlight major events that occurred during the period and their impact on the annual financial statements. There is also a description of the main risks and uncertainties which the Group is currently facing or may face in the foreseeable future and finally a disclosure of material transactions between the Group and its related parties.

2.1 Description of Business Model

The Group operates in the sector of aviation transportation, providing services of air transportation for passengers and cargo with domestic and international, scheduled and non-scheduled flights, in short and medium haul range.

Aegean Airlines and its wholly owned subsidiaries (100%), Olympic Air and Aegean Cyprus consist the Group.

Indicatively, the Company's objectives include also the following activities/operations:

- services related to the transportation of passengers and cargo, with domestic and international, scheduled and non-scheduled flights;
- airline services of all kinds;
- aircraft technical support and on ground handling aircraft services;
- participation in any type of domestic or foreign business with similar nature of operations (mainly in the tourism sector);
- establishment of subsidiaries or agencies;
- import, trade, leasing of aircraft and spare parts.

The controlling and monitoring of all corporate activities are carried out from the Headquarters in Athens – Kifissia Municipality, while the operational activities (flights and maintenance) are carried out by Aegean's operational base located at Athens International Airport "Eleftherios Venizelos".

➤ Mission

The Group's mission is to provide high quality services across all travel stages, via an extensive network of domestic and international destinations. Key pillars in Groups' missions consist the investment in the education, continuous employee development and the customer- centric approach.

➤ Vision

Group's development and responsible operation, contributing to sector and economy growth, creating value to all stakeholders.

➤ Corporate Values

Group's operation is governed by ethical and professional standards and the values that stem from the business mission and vision. They constitute the foundations of Group's growth and are focused to "continuous development – quality service – reliability" approach.

◦ Continuous Development

- Investing in innovation, targeting constant enhancement of services and travel experience offered;
- Employee training and development to boost performance;
- Sustainable growth with multiple benefits to the tourism sector, the economy and all stakeholders.

◦ Quality Service

- Customer centric approach and authentic high - quality passenger service culture;
- Support and development of Greek tourist product;
- Partnership with key sector stakeholders to achieve goals and promote Greek tourism.

◦ Reliability

- Conduct business in a responsible and respectful manner towards environment, employees, passengers, our suppliers and local communities;
- Worthy representation of Greece abroad;
- Support local communities.

➤ Priorities

Strategic priorities for the Group which is operating in a highly seasonal, cyclical and competitive sector, consist:

- Effective commercial policy with regards to network planning and fare management, adapting in changing circumstances;
- Maintaining competitive unit costs, focusing especially on fixed and variable fleet costs, following the recent investment in neo fleet, as well as distribution costs;
- The investment in the development and exploitation of the loyalty program as well as the development of innovative services;
- Exploiting the opportunities offered from the new fleet, with regards to the improvement of the services offered, the reduction of carbon dioxide emissions (CO₂) and enhancement of Group's competitiveness overall.
- Investing in the education through major initiatives such as the establishment of a training center and the scholarship program;
- Strategic partnerships with key sector stakeholders, promoting the Greek tourism product and its' quality characteristics.

2.2 2019 Financial Review and Business Development

2019 was a milestone year for the Group's operation as its was marked with its 20-year flying operation anniversary. Aegean managed to present solid performance for one more year, transferring 15 mil. passengers and serving an extended network of 151 destinations in 44 countries.

➤ Market Overview

◦ Greek Economy

The Greek economy continued its recovery in 2019, albeit at slower pace. Improved economic activity for the year reflects the growing contribution of the tourism sector and good exports. In the fourth quarter GDP increased 1,0% while the full year 2019, real GDP rose by 1,9%. Economic climate indicator in 2019 continued to rise, with the index being at its highest level since the beginning of the crisis. The positive outlook was also reflected in the reduction on the cost of financing and in the government bond yields.

Growth rates however remained relatively low while private consumption increased only marginally, affecting all market dynamics and businesses operating in the consumer and service sectors. Stability conditions that prevailed

in the market have clearly created a favorable environment in the tourism sector. On the other hand, the tax burden that has been imposed during the Greek economic crisis to balance country's budget deficit and the marginal increase in the economic activity and in the average disposable income, continued to adversely affect the dynamics and the competitiveness of the companies operating in the sector.

Key Economic Indicators	2018	2019	2020e	2021e
GDP	1,9%	1,9%	2,4%	2,0%
Private Consumption	1,1%	0,5%	1,5%	1,4%
Public Consumption	-2,5%	3,4%	0,3%	0,1%
Unemployment Rate	19,3%	17,3%	15,4%	14,0%
Harmonised index of consumer prices	0,8%	0,5%	0,7%	0,9%
Economic Sentiment Index	100,8	107,7	n.a.	n.a.
10 yr GGB yield	4,382	1,457	n.a.	n.a.

Source: European Economic Forecast, Inst. paper 115, 121.

On the positive side, it is important to note that several key infrastructure projects are planned to start or already implemented during 2019 in the tourism sector, while tax relief measures have been recently promoted by the Greek government.

◦ European Economy

Growth in European economies remain slow. In 2019 European economy weakened due to the sharp decline in external demand and contraction in manufacturing. In the euro area, private consumption growth has held up relatively well on the back of further job creation and real wage growth. GDP growth in the EU-27 countries is thus forecasted to slow from 1.9% in 2018 to 1.4% this year.

Major Central Banks have signaled that monetary policy will likely remain accommodative for an extended period amid downside risks to the growth outlook. Trade tensions, tariff threats, rising geopolitical tensions and the unknown features of Brexit have conspired to ensure a prolonged period of high uncertainty.

In global financial markets, monetary easing in advanced economies has led to a further reduction in bond yields. Equity markets have been volatile reflecting concerns about the slowdown of growth and trade.

◦ Oil Market

Brent crude oil averaged \$64.16/bbl in 2019, lower 11% compared with 2018. Price volatility was high with the lower price being recorded in the beginning of the year \$52.51/bbl and the highest price in the beginning of the second quarter \$75.60/bbl.

OPEC member states and Russia (OPEC+) under an agreement have cut production in 2019 to support oil prices. Increased production from United States, rising geopolitical tensions in Middle East and the macroeconomic environment have also impacted oil prices during 2019.

◦ Airline sector in Greece and Europe

In 2019 air traffic in the country recorded a 3,7% growth rate, showing a deceleration compared to the growth rates of the last six years. International passengers in 2019 increased by only 4,2% compared to the average annual growth rate of 8,8% in the six-year period 2013-2019. Domestic passenger growth rate remained at the same levels as in 2018 (+0,7%).

Athens airport traffic recorded a higher performance than the market overall. International traffic increased 8,6%, while domestic traffic remained marginally unchanged. It is noted that the average annual growth rate in the international traffic for the six-year period 2013-2019 amounted to 13,7%. Total sector flown increased during the year with domestic flights up 4,1% and international flights up 3,8%.

Thessaloniki Airport recorded an increase of 4,4% in total traffic and an increase of 10,2% in international traffic. Total traffic in all other regional airports increased by 1,0% while international traffic increased by 0,3% (according to provisional Civil Aviation Authority). In more detail, in 2019 Peloponnese (Kalamata airport) recorded the largest increase in international passengers (+9,3%). Cyclades (+6,1%) and the Dodecanese (+0,4%) also increased compared with the traffic in 2018. International passengers in Crete decreased in 2019 while in the Ionian Islands there was also a marginal decrease. Indicatively, Kalamata (+21,0%), Paros (+10,5%) and Mykonos (+9,5%) showed significant growth in 2019, while Heraklion (-21,7%), Kavala (-19,9%) and Corfu (-2,3%) declined.

Europe's low growth rates have clearly an impact in the growth rate of the inbound travelers in Greece.

Bank of Greece reported that incoming tourism traffic by all means of transport for the nine-month period (January - September 2019), increased by 1,7%. Excluding cruise data, the increase in the incoming tourism was 3,8%. Arrivals from European Union countries recorded a 3,2% increase while from US a 15,5% increase.

Total capacity offered remained flattish in Greece in 2019. In particular, total international sectors flown increased by 1,0% while most competing airline companies reduced their capacity growth rate offered to the country.

Flattish trends and capacity discipline prevailed in European aviation industry in 2019 as well. According to IATA total capacity offered increased by 3,9% in ASK's while RPK's increased by 4,5%. The main issues that airline companies faced during the year were among others that aviation authorities around the world grounded the 737-max series, while Boeing suspended production. It remains uncertain when the Boeing 737-max aircraft will return to service. Moreover, the structure of the aviation industry in Europe remains largely fragmented. In 2019 seven companies ceased operations and stopped flying mainly because of financial issues and lack of demand (Thomas Cook, Germania, Wow Air, Aigle Azur, XL Airways, Adria Airways, Flybmi and Astra Airlines).

High competition in the European airline sector and marginally lower load factors, yields and fares will lead European airline companies to report lower net profits in 2019 compared with 2018.

The Group in 2019

° Operating performance

2019 was a year of decisive milestones with the most significant ones being the celebration of 20 years of flight operation and the delivery of the first A320 neo Airbus aircraft.

At operational level in 2019 the Group operated with the same number of aircraft as in 2018. The fleet comprises of 49x aircraft of the Airbus A319-320-321 family and 12x Turboprop aircraft. Group's main strategic investment for the year was the extension of the tourism season and the increase of its aircrafts' utilization mainly in the second and fourth quarter of the year (April- May to October); i.e. starting the summer flight schedule earlier in the year than in 2018 and maintaining increased frequencies for longer period. As far as network planning is concerned, the Group offered increased frequencies and added capacity in key foreign markets while on the same time enriched its existing schedule with 7 new destinations (Marrakech, Casablanca, Ibiza, Valencia, Sarajevo, Tunis, Skopje). In addition, as far as network planning is concerned the Group converted some of its scheduled flights from regional airports mainly to Russia to charter flights.

As a result of, the increased aircraft utilization, the Group offered 8% more in ASK's. Total sectors flown in the domestic and international network reached 115,765, an increase of 6%, even though the number of aircraft remained the same.

AEGEAN welcome onboard 14,9 mil., recording a 7,3% increase. In the domestic network the Group carried 6,3 mil. passengers, a 2,9% increase, while on the international network the Group carried 8,7 mil. passengers, an increase of 10,8%. It is worth noting that the growth rates in passenger traffic recorded by the Group mainly in its international network, were higher than those of the country overall but also of the Athens Airport, which is the Group's main operating base. Load factor increased by 1 p.p. and reached 84,8% in 2019.

It is a fact that in such a highly seasonal market as the airline sector in Greece, the activity increase during the shoulders months of the summer season, always entails the risk of lower load factors or lower average fare per passenger. Commercial results proven to be particularly positive, as load factor improved and the average revenue per kilometer (RASK) increased by 2.1%. The improvement in the results stems from the efficient revenue and flight operation management and Aegean's cementation in international markets following the gradual recognition of its high quality offered services.

Key highlight of the year was the issuance of a 7-year Common Bond Loan of a total amount of €200 mil., in March 2019, trading in the Fixed Income Securities index in the Regulated the Athens Exchange Market. The Bonds interest rate set at 3,60%. From the capital raised the largest portion (75%) of the issuance shall be used to finance part of the scheduled aircraft pre-delivery payments, pursuant to the Purchase Agreement signed with Airbus on June 22, 2018 for the delivery of 30x A320neo family aircraft.

In addition, the Group entered into operating lease agreements for 16x A320neo family aircraft. The first aircraft delivered in December 2019 with the rest scheduled to be delivered during the period 2020-2021.

Finally, in October 2019 AEGEAN announced its strategic partnership with Lamda Development, under which Aegean will act as the "Official Hellinikon Project Air Carrier". At the same time Aegean acquired a 1,66% stake in Lamda Development and participated in its share capital increase, investing € 20 mil. in total, during the fourth quarter in 2019. Hellinikon Development Project is the largest project in Greece which is expected to add new

momentum to Athens Tourism, create new points of tourism interest to visit, help to alleviate the seasonality issue and finally to establish Athens as a city break destination internationally.

◦ Selected Consolidated Financial Data

In this section, Group presents its Key Financial results, Alternative Performance Measures and Key Performance Indicators that have been calculated on the basis of the consolidated financial statements for fiscal years 2018 and 2017.

The Group analyses its key financial data based on Alternative Performance Measures according to ESMA Guidelines that are widely used in financial analysis. Moreover, the Group tracks its performance efficiency by calculating key performance indicators which are used internationally in the field of air transport.

The Alternative Performance Measures must not substitute other key measures that have been calculated in accordance with IFRS or any other historical financial ratios.

Selected Indicators	Definition
EBITDA	Earnings before net interest and financial expenses, income taxes, depreciation and amortization
EBITDAR	Earnings before net interest and financial expenses, income taxes, depreciation and amortization and rental costs.
RASK (Revenue per Available Seat Kilometer).	It is calculated as the ratio of the total revenue to the total available seats multiplied by the total kilometers covered.
CASK (Cost per Available Seat Kilometer).	It is calculated as the ratio of the total expenses to the total available seats multiplied by the total kilometers covered.
CASK (Cost per Available Seat Kilometer) excluding fuel cost.	It is calculated as the ratio of the total expenses minus the fuel cost to the total available seats multiplied by the total kilometers covered.
Passenger Yield	It is calculated as the ratio total revenue to total passengers multiplied by the total kilometers covered.
Load Factor	It is calculated as the passenger kilometers (RPK) to the available seat kilometers (ASK) for scheduled flights. RPK's is the number of revenues passengers carried multiplied by the distance flown in kilometers.

The Group since January 1st 2019 adopted IFRS 16 which requires lessees to recognize most leases on their financial statements. The adoption of the standard will significantly change the presentation of certain accounts on the Statement of Comprehensive Income, on the Statement of Financial Position and on the Cash Flow Statement. More specifically, on the Statement of Comprehensive Income, IFRS 16 changes the nature of expenses related to those leases, by replacing the straight-line operating lease expense with a depreciation charge (increase) and an interest expense on the lease liability (increase). IFRS 16 requires the lessee to report on the Statement of Financial Position lease assets (the right of use assets, a non-current non-financial asset) and lease liabilities. Finally, on the Cash Flow Statement IFRS 16, reduce operating cash outflows, with a corresponding increase in financing cash outflows.

- Selected Financial ratios and operational performance indicators for fiscal years 2019 and 2018, from the Consolidated Statement of Comprehensive Income.

(amounts in € thousands)	31.12.2019	31.12.2018
Profit before taxes (a)	106.747,79	98.636,33
Depreciation (b)	145.963,19	18.694,88
Financial income (c)	28.678,86	23.138,08
Financial expenses (d)	45.333,10	17.186,34
Earnings before taxes, interest and depreciation (EBITDA) (e) = (a) + (b) - (c) + (d)	269.365,21	111.379,47
Aircraft & spare engines leasing (f)	2.533,35	133.561,03
Earnings before taxes, interest amortization and Aircraft & spare engines leasing (EBITDAR) (g) = (f) + (e)	271.898,56	244.940,50
Revenue from contracts with customers (A)	1.308.782,96	1.185.246,24
EBITDAR margin = (g)/(A)	20,8%	20,6%

(amounts in € thousands, unless noted otherwise)	31.12.2019	31.12.2018
Revenue from contracts with customers (a)	1.308.782,96	1.185.246,24
Other operating income (b)	19.285,15	17.454,53
Total income (a+b)	1.328.068,11	1.202.700,77
ASK (Total Available Seat Kilometers in millions) (c)	18.596,21	17.244,70
RPK (Total Revenue Passenger Kilometers in millions) (d)	15.768,46	14.435,28
RASK (in € cents) ((a)+(b))/(c)	7,14	6,97
Passenger Yield (in € cents) ((a)+(b))/(d)	8,42	8,33
Personnel expenses (e)	138.712,60	129.964,57
Depreciation (f)	145.963,19	18.694,88
Consumption of goods and services (g)	919.990,30	961.356,71
Financial income (h)	28.678,86	23.138,08
Financial expenses (i)	45.333,10	17.186,34
Total expenses (e)+(f)+(g)-(h)+(i)	1.221.320,33	1.104.064,42
CASK (in € cents) ((e)+(f)+(g)-(h)+(i))/c	6,57	6,40
Aircraft fuel (j)	280.507,55	245.620,30
CASK excluding the fuel cost (in € cents) ((e)+(f)+(g)-(h)+(i)-(j))/c	5,06	4,98
Load Factor	84,8%	83,9%

Consolidated revenue increased by 10,4% YoY to €1.308.782,96 thousand in 2019 from to €1.185.246,24 thousand in 2018. RASK increased to €7,14 cent from €6,97 cent while passenger yield increased to €8,42 cent from €8,33 cent driven by international network expansion and the improvement in the commercial results in the domestic market. Ancillary revenues grew 10,5% YoY, while total traffic grew 7,3%.

EBITDAR amounted to €271.898,56 thousand in 2019 compared to €244.940,50 thousand in 2018, an increase of 11,0%. The increase in operating profitability was driven by the improvement in the average fare per flight and the increase in the load factor. On the cost side, fuel cost had negatively impacted the results, showing an increase of 14,2% YoY to €280.507,55 thousand, compared to the 14,2% increase in flight hours, due to increased unit costs and effects from hedging in oil price. Maintenance cost amounted to €182.602,80 thousand in 2019 compared to €163.751,93 thousand in 2018 and personnel expense amounted to €138.712,60 thousand in 2019 compared to €129.964,57 thousand in 2018, mainly due to increased flight activity.

CASK ex-fuel remained at the same levels as in 2018 and settled to €5,06 cent from €4,98. Including fuel expense CASK increased to €6,57 cent, an increase of 2,6%.

Net Income for the year stood at €106.747,79 thousand from €98.636,33, an increase of 8,2%. The results were burdened from the bond's interest payment and the increase in interest expenses following IFRS 16 implementation.

Foreign exchange differences were also a significant influence on the financial result due to the valuation of the operating leases on the liability side following IFRS 16 application. That impact was partially offset by the valuation of the foreign currency deposits held by the Group as well as the valuation of any open position in forward contracts that the Group has not implement hedge accounting.

- Selected Financial Information for Fiscal Years 2019 and 2018 from Group's Financial Position and Cash Flow Statement.

Group's Total Assets settled to €1.333.448,54 thousand in 2019 from to €725.907,37 thousand in 2018, an increase of 83,7%, as a result of the 138,9% increase in non-current Assets following the implementation of IFRS 16 and the recognition of the Right of Use assets from operating leases.

Group's total debt settled to €539.800,21 thousand, following IFRS 16 implementation and the recognition of all future operating lease obligations. Moreover, in March 2019 the Group issued a € 200.000,00 thousand Common Bond Loan due in 2026 bearing a coupon of 3,60%. Total capital raised (net of related expenses equal to €3.900,00) shall be used as follows: a) 75% of the issues (circa €147.100,00 thousand) to finance part of the scheduled aircraft pre delivery payments pursuant to the Purchase Agreement signed with Airbus on June 22, 2018 for the delivery of 30 aircraft of the A320 neo family, b)14% of the issue (circa €27.500,00 thousand) to finance part of the investment in the new training facilities and offices at Athens International Airport and c) 11% of the issue (€21.600,00 thousand) to finance working capital needs. In 2019 the Group paid as pre-delivery payment €11.911,31 thousand.

Group's Total Equity stood at €328.425,11 thousand from €277.878,25 thousand, increased by 18,2%.

Net Cash inflows from Operating activities stood at €274.491,13 thousand, while Net Cash outflows from investing activities stood at €45.526,86 thousand. The outflow is due to the predelivery payment for the Airbus order and the equity participation in Lamda Development. Net Cash outflows from Financing activities stood at €3.908,37 thousand.

As a result Total Cash and Cash equivalent increased by €232.872,63 thousand in 2019, totaling €505.077,46 thousand.

- Perspectives, Key Risks and Uncertainties

2020 started with the delivery of two A320 neo aircraft, which were added to the first A320 neo received in December 2019. During the first half of the year, the Group is expected to receive three more A320 neo family aircraft. Consequently, a total of six new Airbus A320 neo family aircraft are expected to be added in the existing fleet for the implementation of the summer scheduled flight program.

With the new A320 neo family aircraft Aegean will be able to offer new upgraded services, while the new generation engines deliver 15% saving in fuel consumption, significantly reduced emission and noise, as well as an additional flight range possibility depending on the type and specification of the aircraft. Moreover, the new configuration in the neo fleet offers increased capacity as far as the total number of seats per aircraft is concerned, thereby reducing further the unit cost per seat. The first significant benefit in the unit cost will be visible from 2021 thereafter.

The first two months of the year started with growth rates in terms of passenger traffic and load factor for the Group.

However, it is a fact that since the last week of February, the rapid spread of COVID-19 in Europe and especially in Italy has negatively impact load factors and booking rates. The situation worsened the following days as:

- The virus was spread to many countries especially in Europe;
- The World Health Organization (WHO) officially changed the classification from a public health emergency of international concern to a pandemic;
- Italy's lockdown to address COVID-19 spread and the restriction in people's movement on the Italian territory;
- US banned on flights to/from Europe;
- Decisions by more and more countries to impose restrictions on traffic and close borders.

Tourism and aviation are the most affected industries currently from this situation, given the significant travelling restrictions applied for both business and leisure traveling.

On the operational side, Aegean is in constant communication with the relevant authorities regarding the COVID-19, in order to receive all necessary guidelines with regards to both precautionary or reactive measures to protect both its passengers and employee's health. Due to changes in passenger demand and the obligatory entry or travel restrictions that have been implemented by a number of countries to limit the spread, AEGEAN will be making adjustments to its flight schedule. Given the prevailing crisis, the impact on the load factor and the booking rate during the first couple of days of March 2020, dropped significantly. As this is a rapidly evolving situation, any assessment on the commercial or financial impact of COVID-19 for the current year, is not accurate currently, but appear to be significant.

The Group has a solid organizational structure basis to address any challenge, a solid balance sheet structure, and high liquidity, which create an additional shielding during this difficult and uncertain environment. Policy makers actions and implementations at European and national level that will mitigate, especially for the aviation sector, the impact of this unprecedented crisis, during and after it, is extremely important.

- Risk factors that may affect the business and financial position of the Group

- The airline sector is highly seasonal and cyclical. Possible economic downturn in European economy may adversely affect the tourism sector and lead to reduced tourism traffic;
- Widely spread of COVID-19 may adversely affect Greek tourism and Group;
- The uncertainty that prevails regarding the negotiation outcome for the trade agreements between UK and EU countries after the transition period;
- Geopolitical developments in neighboring countries may affect tourism in Greece;
- Increased competitors' capacity could lead to lower yield and load factor, affecting negatively Group's profitability;
- Increases in fuel cost or significant appreciation of the dollar against the euro may affect Group's financial position and operating results;
- Any environmental taxes or other changes and subsequent inability to pass the cost on to the final consumer.

- Subsequent Events

During the first quarter of 2020, the Company received three new Airbus A320 neo aircraft. In addition, the Company in February 2020 signed four 12-year sale and lease back agreements for the Airbus order deliveries scheduled in 2020 (2x aircraft) and in 2023 (2x aircraft).

On January 17, 2020 AEGEAN proceeded with a €8,0 mil. share capital increase on its wholly owned AEGEAN Cyprus subsidiary (100%). In addition, on February 27, 2020 the parent company participated and fully covered the issuance of a six-month Common Bond Loan of a total of USD 18,0 mil. The reason for the share capital increase and the bond loan issuance (alongside with company's existing liquidity) was to finance the purchase of two used aircraft from the subsidiary AEGEAN Cyprus Ltd.

The two aircraft were already leased by AEGEAN, when the purchase was decided. The seller was the aircraft's lessor, the buyer was AEGEAN Cyprus and the transfer of the ownership took place on January 17th, 2020 and on February 28th, 2020.

AEGEAN on March agreed to proceed with a minority shareholding participation of 25% in the newly established airline Animawings, member of the Romanian Memento group, for € 412.000,00 thousand. Memento Group is one of Romania's most significant travel groups and has not been a long-standing customer of AEGEAN, chartering aircraft with flights from several Romanian cities to Greece and particularly to Crete, Rhodes and Corfu. The newly established airline plans to launch charter flights from Romania in the beginning of May and will be operated and managed by Memento Group.

2.3 Key Risks and Risk Management

➤ Foreign Exchange Risk

The Company incurs a substantial portion of its expenses, such as aviation fuel, aircraft lease expenses, distribution costs, spare parts, maintenance expenses and aviation insurance premiums in U.S. dollars, whereas it generates most of its revenue in euro. Appreciation of the Euro versus the U.S. dollar positively impacts operating profit as the euro equivalent of the U.S. dollar operating expenses decreases, while depreciation of the euro versus the U.S. dollar negatively impacts the Group's operating profit. Despite the foreign exchange risk hedging policies, substantially adverse movements of the U.S. dollar could potentially have a material negative impact on the business activity, the financial status and the operating results of the Group.

At 31 December 2019 the company has entered into agreements to hedge the 59%, 17%, 8% and 11% of its estimated annual US dollar needs for 2020, 2021, 2022 and 2023 respectively. At 31 December 2018 the company has entered into agreements to hedge the 59%, 6%, 4% and 2% of its estimated annual US dollar needs for 2019, 2020, 2021 and 2022 of estimated needs.

➤ Interest Rate Risk

The Group is exposed to interest rate fluctuations risk through its bank deposits as well as through the aircraft finance leases agreed on a floating interest rate. The Group's policy is to continuously monitor its exposure to cash flow risk from interest rate fluctuations relating to its aircraft finance leases. Additionally, the Group has adopted hedging policies against interest rate risk related to finance leases. At 31 December 2019 the Group has adopted a policy of hedging to cover its interest rate risk at 29% (31/12/2018: 35%) of the total liabilities of the finance leases.

➤ Jet Fuel Risk

The Group is exposed to the fluctuations of oil price which has a direct impact on the jet fuel price. To manage this risk, the Group enters into derivative contracts on oil products to hedge specific percentages of its projected jet fuel needs. At 31 December 2019 the Group had futures contracts for the purchase of aircraft fuel covering 53% of the projected fuel needs for 2020 and 5% of estimated needs for 2021. At 31 December 2018 the Group had futures contracts for the purchase of aircraft fuel covering 71% of the projected fuel needs for 2019 and 20% of estimated needs for 2020.

➤ Credit Risk

The Group monitors its trading receivables on a regular basis, to be protected against credit risk, and whenever needed, it assesses their timely collection mainly through factoring. This risk in the current circumstances has not increased in relation to the past.

➤ Liquidity/Cash flow risk

The prudent management of liquidity risk supposes sufficient cash balances. The Company manages the risk by maintaining adequate liquid securities and sufficient credit lines from the suppliers, always align to its operational, investment and financial needs.

Related Parties' Transactions

The Company's transactions with related parties during 2019 were under usual commercial terms and they remained at the same levels with the previous period.

2019 - amounts in thousand €	Revenue	Expenses	Receivables	Liabilities
Olympic Air A.E.	106.731,86	278.052,16	14.784,12	0,00
Autohellas Hertz Group	1.295,68	1.887,39	135,05	212,81
Other related parties	500,66	767,46	436,40	128,11
2018 - amounts in thousand €	Revenue	Expenses	Receivables	Liabilities
Olympic Air A.E.	95.449,45	245.730,33	14.587,60	0,00
Autohellas Hertz Group	1.256,58	1.907,60	211,16	306,38
Other related parties	234,04	888,77	25,31	153,26

The Group directors and Board of Directors' members remuneration for the period 1/1-31/12/2019 was € 5.208,75 thousand, while the relevant amount for the Group was €5.459,27. As of 31/12/2019 the obligations towards the Group Directors were € 1.938,90 thousand while there were no receivables from the Directors or the Board of Directors members neither for the Company nor for the Group.

Respectively, for the period 1/1-31/12/2018 was € 4.885,80 thousand, while the relevant amount for the Group was €5.017,96 thousand. As of 31/12/2018 the obligations towards the Group Directors were €936,33 thousand while there were no receivables from the Directors or the Board of Directors members neither for the Company nor for the Group.

2.4 Non-Financial Information

This non-financial information Report (statement) consists of information related to the performance of “Aegean Airlines S.A.” and its subsidiaries, Olympic Air S.A. and Aegean Cyprus Limited (hereinafter with the Company jointly referred to as “the Group”), in accordance with article 151 of Law 4548/2018 and section 7 “non-financial information Report (statement)” of circular 62784/2017, pursuant to the provisions of Law 4403/2016 for the following thematic aspects:

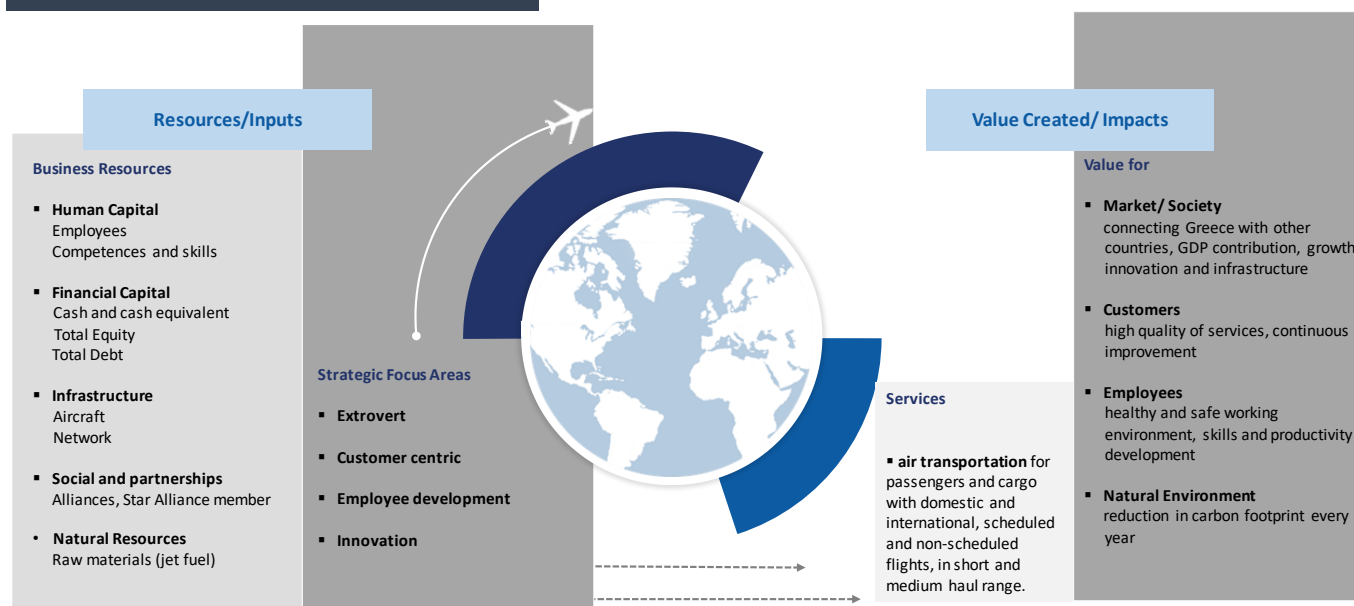
- Environmental issues
- Social and labor issues
- Respect for human rights
- Combating corruption and bribery-related issues
- Supply chain issues

Business Model

The Group operates in the sector of aviation transportation, providing services of air transportation for passengers and cargo with domestic and international, scheduled and non-scheduled flights, in short and medium haul range.

The following diagram provides a description of how the Group transformed its business resources (inflows) into results (outflows), via the implementation of its business operations.

Business Model and Value creation process



Sustainable development, social contribution and engagement in collective goals that promote social prosperity and protect the environment are sustainable practises of utmost importance for the Group in its day to day business, since inception. The recognition and connection of the Group’s economic, social and environment impacts with the broader sustainable development issues are also of great importance. In the context of recognizing, understanding and assessing the sustainable development issues, which are core for its operation, the Group uses the UN’s Sustainable Development Goals as a reference and strategic tool. The procedure is carried out on an annual basis setting the dialog with interested parties. In the context of its operation, the Group collaborates with various interested parties with diverse needs and priorities, within and outside the aviation community. The Group creates the necessary conditions for the exchange of opinions, so that it is able to perceive their needs and expectations by receiving regular feedback on its operation process and the impacts that it has on interested parties.

Through this procedure and in conjunction with the interested parties' expectations, the Group improves the Sustainable Development strategy, its relevant initiatives and respective goals, aimed at operating responsibly throughout its operations at local, national and international level.

➤ Environmental issues

Recognizing the impact of climate change as one of the biggest challenge for the global community, the Group launched an emission reduction program which start with action such as the reduction in fuel consumption, efficient operational and fleet management, recycling materials, reduce noise and replacement of the existing fleet with new A320 family aircraft. A responsible attitude towards the environment is a priority for the Group. An integral part of the Group's overall policy is the full compliance and observance of the applicable legislative requirements in the conduct of any corporate activity, as well as the ongoing effort to improve its environmental performance in an effort to reduce its environmental footprint. The Group's management validates its commitment to protecting the environment through its environmental policy, which is not limited to the adoption of appropriate and best green practices, but extends to public- and employee-awareness campaigns as well as the support of bodies which are active in the environmental protection sector. Environmental compliance and environmental performances are certified in accordance with the requirements of the international standard ISO14001:2015, so as to provide complete and extensive transparency in the environmental care and protection that is provided.

Impacts	Due diligence policy and other policies
Energy consumption, greenhouse gas emissions and management of climate change	The Group systematically monitors energy consumption and the respective greenhouse gas emissions. Its goal is to improve the accuracy of the performance data, so that it has a comprehensive picture of its overall environmental footprint in order to identify areas of improvement. The Group records fuel consumption and the produced emissions based on the aircraft logbooks and with the help of the operational software systems. These procedures are in full compliance with the EU Emissions Trading System Directive (EU ETS Directive 2003/87/EC) and all subsequent updates and additions. To this end, the relevant reports and procedures are certified by the competent auditors who are registered with the European Register of Certificated Auditors and are accredited through the Hellenic Accreditation System (ESYD). The Group's efforts to reduce gaseous pollutants are governed by the following relationship which forms the basis of the Group's corporate strategy to reduce emissions of gaseous pollutants that are produced during a flight: <i>Lower Fuel Consumption->Less Emissions of Air Pollutants->Smaller Environmental Impact.</i> <u>Flight Procedures</u> The Flight Operations Department has adopted procedures which are recommended by International Organizations, the aircraft manufacturer (Airbus Green Operating Procedures) and the aviation industry, in collaboration with air traffic control, to improve fuel efficiency and reduce gas emissions. <u>Route Optimization</u> Since 2014, the Group has improved its operational performances by using innovative flight planning software. This is a flight planning system of high precision which provides

	significant operational benefits, given that it calculates specific in-flight functions (e.g. optimum aircraft cruise altitude and speed for each route separately). <u>Aircraft weight reduction</u> To reduce aircraft weight, the Group has taken the following measures: ◦ Investment in lighter and anatomical seats which have been installed in all A320 and A321 aircraft. ◦ Investment in new, lighter trolleys which are used in all aircraft. ◦ Conversion of all aircraft documents that are necessary for pilots and cabin crew into electronic format.
◦ Noise	The activities of the aviation industry cause noise pollution from aircraft during various flight phases and during taxiing. Noise pollution has been linked to various health issues, while having negative effects on flora and fauna. The Company carries out a number of measures to reduce noise pollution that is caused by its corporate activity. In particular, it has replaced its aircraft with new ones that meet the requirements of the regulatory framework, while aircraft noise emission level is even lower than the strict requirements laid down by the ICAO. In addition, the crew fully complies with the airport instructions regarding landing and take-off routes, directions and angles in order to reduce the effects of noise impact on the environment. Lastly, further measures to reduce noise impact, such as the reduction of night flights, the use of specialized technology, satellite navigation systems, etc., are being considered.
◦ Proper waste management	All regulations and legislation laid down by the European Union and Greece on environmental protection and waste management are reviewed and integrated into the Group's policies and procedures, as well as its operational planning. The policy is not restricted to the adoption of indicated and best green practices, but extends to awareness campaigns for the public, employees, as well as the support of environmental protection bodies. The Company's environmental compliance and environmental performance are certified in accordance with the international standard ISO14001:2015.
◦ Biodiversity	The Group supports the work of many environmental protection bodies, particularly with respect to injured wild animals that are transported for treatment.

Main Risks	Main risks and their management
Deviations from the applicable legislation or amendments thereof, which are related to environmental issues or climate change	The Group systematically monitors changes to legislation and takes measures in order to address any new requirements that may arise from these. It has created an Environmental Department aimed at promoting environmental protection and reducing the impact of its operation on the environment through continuous training and testing. The Environmental Department collaborates with local authorities and airport communities in Greece and abroad in relation to environmental issues. The Group acquires the legally required gaseous emission permits and purchases additional permits for its flight operations. At the same time, it has developed and implemented the appropriate infrastructure for monitoring emissions and the submission of reports.

Limited waste disposal sites mainly from the aircrafts' maintenance and repair site	The Group continues to strictly observe the proper waste management policy. With respect to recycling, the Group has designed and implemented a pioneering in-flight recycling program, which includes the separation of materials into four types. On the ground, every effort is made to minimize the consumption of disposables, and for the recycling of waste wherever possible. With reference to organic waste, a composting program is implemented by the Group in collaboration with the Athens International Airport and the end product is used to fertilize the AIA areas. With respect to hazardous waste, the nature of the Group's operations dictates the use of a number of chemicals, which are governed by strict frameworks that ensure proper management from start to finish.
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Social and Labor Issues

Social Issues

The Group, as the major airline carrier, contributes decisively towards creating value for society. By providing high quality throughout all its services, it creates value in the quality of Greek air transport and contributes substantially to sustainable, profitable growth that benefits tourism, employment, the supply chain, local communities and the country's GDP.

Impacts	Due diligence policy and other policies
◦ Flight Safety and Operational Readiness ◦ Quality product and passenger care	Flight safety, which is intertwined with its sustainable operation, is a top priority for the Group. The Group implements a Safety Management System which constitutes a key component of its responsible operation and the flight safety management procedure. Each company employee is responsible for contributing to the safety performance and continuous improvement of the organization, and give serious consideration to compliance with the safety rules and the organization's flight safety in all its operations. The electronic monitoring of all flight data (Flight Data Monitoring) constitutes an integral and fundamental part of the flight safety department. Of utmost importance is business continuity and readiness sector for the Group. The type and complexity of the operations call for a high level of operational readiness. A risk plan with the respective safeguards per risk is prepared and evaluated annually in order to manage them adequately. In addition, particular emphasis is placed on precautions aimed at preventing the occurrence of a potential risk. The Group offers high-quality services to its passengers at all travel stages. At the same time, by acknowledging the diverse needs of its passengers, it has adapted its offered services at all stages of the journey, thus attesting its commitment to provide high-quality services that correspond to the needs of its customers. Special reference should be made to the services that provide technologically advanced options to the traveler, thereby saving time and hassle during airline procedures.

	Aimed at satisfying its customers' needs and improving their experience, it has developed and implemented a comprehensive quality management system. The quality management system is in line with the requirements of international standards: ◦ ISO 9001:2015 - Quality Management System - Requirements. ◦ ISO 10002:2018- Quality Management System - Customer Satisfaction - Guidelines for Complaints to Organizations. The Group maintains an ongoing open dialog with the community through social media networks, by providing answers and immediate updates on all developments and news. In particular, both Aegean and Olympic Air have a strong social media presence (Facebook, Twitter, Instagram, LinkedIn).
◦ Development of local communities and enhancement of the Greek tourism product	Through its business operations, the Group aims at expanding the domestic network to such an extent that even the most remote island has access to mainland Greece. At the same time, the country's high connectivity with foreign countries is a key component of the Group's business operations. In addition, the support of local communities and the enhancement of the Greek tourism product contribute to the national economic growth and development via: ◦ the promotion of local suppliers and producers by integrating their products into the aircraft; ◦ synergies with institutions for the promotion of cities and regions; ◦ the sustainable development of cities, by offering safe and affordable transportation system for more and more people; The Group further contributes to upgrade Greek tourism and the Greek economy by systematically using the means that it has for projecting and promoting the Greek tourism product, such as: ◦ The BLUE magazine; ◦ The fleet's specially-painted aircraft to promote websites; ◦ The active participation and collaboration with bodies for the development of inbound tourism; ◦ Comprehensive communication plans.
◦ Support of vulnerable groups and cultural actions	Social contribution constitutes a fundamental principle of the Group's philosophy, by aiming to support vulnerable social groups, as well as the work of significant Non-Governmental Organizations (NGOs). The Group supports: ◦ The SOS Children's Villages Greece since 2008 together with passengers. When passengers issue their ticket from the Company's website, they are given the option of donating 2 euros for every transaction. For every contribution, the Group offers and additional 1 euro. Moreover, the Group's passengers support the SOS Children's Villages Greece by making an award miles donation. At the end of each calendar year, the Group converts the total amount of award miles into a monetary amount - inter alia - contributing to their nutritional needs, medical care, educational needs of children and families. In addition, ◦ With medical products, which come from the first aid boxes of the aircraft, the NGO "Ark of the world" and the Social Mission Clinic, ◦ With long-life packaged food and sealed products, which were not consumed during the flight and were collected by the cabin crew, the NGO "Boroume" aimed no food going to waste; ◦ With items from unclaimed baggage (mainly clothing) various NGOs;

- With the provision of tickets, the work of significant NGOs, bodies, students and their families;
- The following permanent sponsors: Museum of Cycladic Art, Athens and Thessaloniki Concert Halls, Hellenic Film Academy, International Film Festival and Thessaloniki Documentary Festival, Onassis Foundation, Nikos Kazantzakis Museum, Centre Culturel Hellenique, National Opera of Greece, National Museum of Contemporary Art;
- The National Basketball Teams during their transfers;
- SEGAS as the major sponsor and official sponsor in the organization of the Athens Classic (authentic) Marathon;
- Golf in Greece, as a lever for tourism development through the organization of the International Golf Tournament “Aegean Airlines ProAm” since 2006 and the Hellenic Golf Federation, the Professional Golfers' Association of Greece (Greek PGA).

Main Risks	Main risks and their management
Failure to timely determine and manage risks due to changing conditions	In the context of contributing to the ongoing improvement of the organization's level of safety, formal risk identification and risk assessment procedures are conducted. This involves the systematic review of business activities and procedures that carry a potential risk. The objective is to quantify the operational risk, to determine risk acceptance and to develop the appropriate and effective safeguards that are deemed necessary for the proper management of recognized risks at an acceptable level. The risk identification and assessment procedure follows a methodology that stems from various sources. Through the scheduled meetings of the company's responsible employees, the analysis of the incident reporting system, the monitoring of flight data, as well as the monitoring of trends (as these arise from the data analysis), it is possible for risks to be identified, which subsequently require a more detailed analysis. In addition, the Group's human resources are the substantial source of information for potential risks that may affect the Group's smooth operation. In the context of the Safety Management System, the Company has created an Incident Reporting System. The safety information is collected, analyzed and assessed by the safety management team. Consequently, this procedure helps arriving at conclusions that are able to produce objectives for achieving the common goal, which is to maximize the organization's level of safety. At the same time, the company's written commitment supports the justice policy by encouraging employees to report operational risks without being held accountable. Education of safety issues, which ensures that staff are able to perform safety management tasks in accordance with applicable regulations, is an important factor for the prevention and effective management. Education is adapted according to responsibility and participation in the safety management system of each group that it addresses. The Company has developed contingency management plans that depict the duties and required actions of the executives involved. Crisis management training mentally prepares staff, so that they are able to deal with the situation in a composed, flexible and effective manner when the need arises. The objective of the plan and the respective training is to familiarize the involved parties with their role and what is expected in an emergency situation.

Security threats and breaches in cyberspace, databases and software systems	The Group's business activity faces significant external threats, both in cyberspace and possible internal breaches of databases and software systems. The Group's data and systems may be vulnerable to theft, payment fraud, loss, damage and termination due to unauthorized access, security breaches, cyberspace attacks, computer viruses, power loss or other catastrophic events. A possible electronic security breach could have a negative impact on the customers' trust towards the Group and lead to flight disruption, negatively affecting its reputation. A risk plan with the respective safeguards per risk is prepared and evaluated on an annual basis aimed at their adequate management. Particular emphasis is placed on preventive safeguards aimed at preventing the occurrence of a potential risk. The implementation of a distaste recovery (DR) plan is in the final stage. The plan concerns the reinstatement of the information and infrastructure systems after a partial or total catastrophe (natural or voluntary) and constitutes an integral part of the Group's business continuity.
Flight delays	The Group strictly enforces the European legislation regarding compensations, while its standard practice is to provide free tickets to passengers whose flight has been significantly delayed. In particular, in case of delays of more than one hour for a domestic flight and more than two hours for an international flight for which the Group is responsible, the latter provides a free ticket to the passengers of that flight.

Labor issues

The Group acknowledges that its employees represent the most significant and valuable capital and the driving force behind its successful business operation and growth. The Group invests in building strong employee relations by ensuring an operational framework based on respect for human rights, the protection and safeguarding of their health and safety, and the strengthening of the value of each employee as an active member in the making and implementation of the strategic and business objectives. The Group takes into consideration the entire applicable law with respect to the fundamental principles as defined in the International Labor Organization's Declaration on Fundamental Principles and Rights at Work.

	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH 17 PARTNERSHIPS FOR THE GOALS
Impacts	Due diligence policy and other policies
° Health and safety at work	The Group recognizes its employees' contribution in its daily operation and in the provision of quality services and in this context ensures the creation of a safe and healthy workplace. Illnesses, injuries and other health issues may affect the work environment and the employees' performance. To protect Health and Safety, the Group is not only limited to the compliance and observance of the applicable legislative framework, but also extends to the adoption of best practices and education and awareness activities. The Company is certified with the Health and Safety Management System (OHSAS 18001:2007 standard), ensuring that the necessary health and safety precautions are taken across all its operations. The elimination of potential hazards for occupational accidents and diseases, especially in its productive units, promotes long-lasting, sustainable, productive employment and decent work, while effectively contributing towards strengthening its competitiveness.

° Training and education	Through the course of history, part of the Group's strategy has been to improve and develop the competitiveness of its employees through appropriate professional training and technical expertise. Educational needs arise in areas of knowledge, skills, experience or even personal abilities, which are presented as workplace behaviours. In the context of developing its human resources, the Group provides a range of training programs to enhance the strengths of employees' professional competence, which have a positive impact on forming a working environment that respect personality, recognizes contribution and supports the continuous development of each employee.

Main Risks	Main risks and their management
Indirect or direct accident risks and non-accident risks¹	The Group has proceeded with the rigorous implementation of safety systems and metrics in order to assess their impact on the human body, but also to identify the needs for intervention in all workplaces. Continuous progress and improvement are linked both to the preventive actions it takes and the experiences the Group derives from any incident and near accident. Staff education and training is of vital importance in maintaining and further developing an accident prevention culture. The promotion of the health and safety of staff and partners is holistically ensured through the Health and Safety Management System, but also through individual measures and actions such as: ° Design and implementation of appropriate protective means and measures, particularly in the aircraft maintenance area. ° Continuous review of all of the Company's activities, aimed at identifying potential risks, in order for appropriate measures to be taken. ° Implementation of examinations and preventive medicine programs for all staff. ° Implementation of vaccination program. ° Formation and education of First Aid and Fire Protection Teams. ° Conduct of specialized health and safety awareness and training programs to promote an accident prevention and safe work culture.

Respect for human rights

The Group takes into consideration the entire applicable law with respect to the fundamental principles as defined in the International Labor Organization's Declaration on Fundamental Principles and Rights at Work.

¹ Occupational risks are classified based on whether or not the risk results in an accident (Accident and Non-Accident Risks) with the former being divided into Indirect or Direct Accident Risks. Indirect Accidental Risks create the conditions that lead to an accident and include layout, functionality, access - evacuation, environment lighting and temperature of the workplace. Direct Accidental Risks lead to an accident and include natural, chemical and biological factors. Non-Accidental Risks do not lead to an accident, but have a short-term and long-term effect on the employee's mental and physical health.



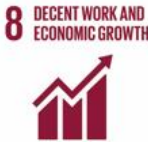
Impacts	Due diligence policy and other policies
Fair labor practices	The Group respect human rights; it supports the diversity of its employees (age, sex, nationality, religion, disability, specific skills, sex orientation, etc.) and treats all its employees with respect. It disapproves of any form of child, forced or compulsory labor. As an employer, the Group contributes towards improving the standard of living of its employees through full and safe employment and decent work. It ensures excellent working conditions; it staffs and maintains qualified staff in accordance with the principles of equal treatment, without discrimination and provides merit-based development. It provides fair salaries based on contracts that fall in line with the respective legislation and ensures compliance with national regulations on statutory minimum wages, working hours and leave.
Protection of personal data	The protection of personal data is a legal obligation of the Company, but also an essential component that lays the foundation for establishing relationships of trust with customers. The Company processes personal data in the lawful manner, regarding the rules of confidentiality and the rights of data subjects. The Company's employees have been informed and are aware of the framework for data protection, both through education and daily work, which contributes to the processing of personal data with the utmost care and confidentiality. Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data and Law 4624/2019 on the protection of personal data: The protection of natural persons in relation to the processing of personal data is a fundamental right and every natural person has the right to the protection of personal data concerning him or her. The regulation lays down new data and requirements which the Group is required to respond to and comply with. The Group invested in a software platform for the best management of information systems and databases related to the protection of personal data.

Main Risks	Main risks and their management
Potential risks for safeguarding of human rights in the workplace	Through training seminars, the Group and primarily the Human Resources Department, promote the principles of equal treatment, the respect of human rights, diversity and the provision of equal opportunities to all its employees and zero tolerance to child or force labor. In addition, the Group has established a channel of communication with the Internal Control Department, ensuring the anonymity of the complaint with respect to the reporting of incidents that pose a risk or violate basic human rights principles.

	Contracts that are concluded by the Group include terms for compliance with applicable national laws and regulations. In addition, there is an explicit provision to ensure the protection of human rights.
Personal data breach	The Group updated the procedures that are related to the management of personal data in accordance with the requirements that stem from the general data protection regulation and Greek legislation. The Group purchased software that helps automate the management of personal data of the public. Moreover, it has taken a number of technical and organizational measures such as limiting software access and database encryption.
Violation of Customers' Human Rights	The protection of human rights is a key issue in the training of staff, as well as partners, providers of ground services on safety issues, travel document checks and vigilance. Training is carried out with a view to ensuring equality for every passenger, equal treatment and preventing any racist behavior. An important part of the training is the verification of travel documents, in the context of preventing the movement of illegal passengers and particularly the illegal movement of children and persons under forced conditions.

► Combating corruption and bribery-related issues

The Group recognizes that the phenomena of corruption, bribery, fraud and money laundering from illegal activities undermine the Company's ethical environment and may result in the violation of human rights, the distortion of competition, the obstruction in the distribution of the country's financial resources and financial development.

	  
Impacts	Due diligence policy and other policies
◦ Combating corruption and bribery	Anti-corruption and anti-bribery is a key element of the Group's operating regulation. The principle of integrity is linked to the Group's commitment of zero tolerance on these issues and is implemented by avoiding any transaction and contact with a third party that is guilty of or is suspected of creating the conditions for the development of corruption, blackmail or bribery incidents. The managers' involvement in the successful implementation of the policy is immediate and effective, noting that corruption and bribery are not acceptable by the Group. In the context of maintaining an effective internal control system, the Group has adopted a risk assessment procedure which prioritizes new and existing risks. Based on the prioritization results, the respective safeguards are designed aimed at restricting the occurrence of risks, one of which concerns the participation in corruption phenomena. In the context of adequate risk management, the Group has adopted a number of measures that focus on security issues and access to information systems, the adequate

	allocation of employee duties, approval limits, complete transparency in procurements, protection of corporate assets, assurance of transactions and protection of personal data.

Main Risks	Main risks and their management
Any deviation from the principles and the ethics of the Group places its reputation and credibility at risk	The Group applies systems and controls at preventative and detection level to ensure the proper selection of suppliers, the avoidance of disputed payments, the correctness of payments, as well as their accurate and transparent recognition in the books of the Group of companies. The code of conduct of suppliers and partners foresees the encountering of corruption and bribery conditions in the supply chain.

➤ Supply chain issues

The Group has a long list of suppliers, who play a decisive role in its effective operation. The Group's suppliers are significant interested parties for the achievement of the business objectives that will ensure its sustainable development and by extension its competitiveness which not only affect the financial performance of the Group, but also its relationships with all the interested parties.

	8 DECENT WORK AND ECONOMIC GROWTH 16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS
Impacts	Due diligence policy and other policies
◦ Supply chain management	The development and maintenance of the supply chain with added value for both the Group and for the suppliers/partners, having regard to economic, environmental and social criteria, is an ongoing challenge, in line with the Group's vision. The Group is committed to the development and maintenance of effective and efficient relationships with suppliers and partners. The Group systematically monitors and objectively assesses its suppliers with respect to their contractual and ethical obligations. In addition, the procurement department staff are responsible for observing and applying the principles of the code of conduct that underpin their relationship. The Group's code of conduct for suppliers sets the minimum ethical standards and responsible behavior that must be observed by suppliers that collaborate with the Group during its normal course of business. The Group collaborates with suppliers that conform to the Code's requirements. The provisions of the Code are disclosed to prospective suppliers during their evaluation and if a collaboration agreement is achieved, the suppliers are bound in writing to comply with them.

Main Risks	Main risks and their management
Any deviation of the Group's principles and ethical practices by key suppliers	The Group applies merit-based procedures using the criteria of quality, compliance with technical specifications, reliability and locality, health and safety at work and environmental responsibility. The Group applies a supplier code of conduct based on the principles of the UN Global Compact, the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises. The Code of Conduct sets out the minimum standards of ethical and responsible behavior that must be adhered to by suppliers in the context of ethical and absolute transparency. The aim is to create shared value with suppliers, based on mutual trust, transparency, innovation, and the exchange of knowledge.

Results of the above policies and non-financial performance indicators

Key Figures	2019	2018
Environmental issues		
Fuel consumption (tonnes)	433,818	404,293
Power consumption (Gj)*	10,192	10,218
Natural gas consumption (Gj)**	4,029	4,956
Water consumption (lt)***	5,963	6,070
Gaseous emissions		
Carbon dioxide (CO ₂) emissions (tonnes)	1,366,526	1,273,526
Labor issues		
Number of employees (headcount)	2,924	2,815
Percentage of employees that are employed under open-end contracts	75%	76%
Percentage of new employees <30 years of age in the total number of employees	31%	29%
Percentage of women in the total number of employees	58%	59%
Percentage of women in key positions	43%	42%
Discriminations incidents	0	0
Percentage of women on the board of directors	0	0
Number of occupational accidents	16	29
Number of fatal occupational accidents	0	0
Social issues		
Respect for human rights		
Incidents of forced labor	0	0
Personal data loss or breach	0	0
Combating corruption and bribery-related issues		
Number of corruption or bribery incidents	0	0
Contribution policies (€)	0	0

*Consumption at Athens International Airport buildings 57 and 53

**Consumption at Athens International Airport buildings 57 and 53

***Consumption at Athens International Airport building 57

More information will be presented in the Corporate Responsibility and Sustainable Development Report for 2019, which is prepared based on the GRI Standards (2016 version).

2.5 Corporate Governance

The Board of Directors of the Company declares that the Company has adopted and fully complies with the existing corporate governance legislative framework in force in Greece and, in particular, Articles 152 and 153 of L. 3016/2002, the provisions of article 44 of L. 4449/2017 (Audit Committee) in combination with the provisions included in the Capital Market Commission letter under protocol number 1302/28.4.2017 and the decision 5/204/14.11.2000 of the BoD of the Capital Market Commission, as currently in force. The Company, by decision of the General Assembly of its shareholders dated 16 May 2018, has decided to adopt and implement the Greek Corporate Governance Code for Listed Companies of the Hellenic Federation of Enterprises, as revised in 2013 and in force (hereinafter referred to as the "Code"). This Code can be found at the web site of the Hellenic Exchanges S.A. Group at the following address:

<https://www.helex.gr/documents/10180/2227277/ESED+Kodikas+FEB+2015+-+A4+-+FINAL+-Internet.pdf/a1b406ab-52e4-4d76-a915-9abefd0a9d09>

The Company may make amendments to the Code and to the Corporate Governance Principles it applies. Taking into consideration the Company's Internal Operation Regulation, as revised by the Board of Directors' decision dated 30.08.2018, the deviations of the Code implemented by the Company compared to the general or specific principles laid down for listed companies are provided in the following table. It is noted that the deviations, as defined in the Greek Corporate Governance Code, are mentioned and justified in the Company's annual report and specifically in the section on corporate governance.

Hellenic Corporate Governance Code	Explanation/Justification of the deviations from the specific practices of the Greek Corporate Governance Code
Size and Composition of the Board of Directors	One third of the Board of Directors does not consist of independent non-executive members, free from conflicts of interest with the Company and close ties to Senior Management, key shareholders, or the Company. It consists of 2 executive members, 6 non-executive members and 3 independent non-executive members. The Board of Directors does not appoint an independent Vice-Chairman from among its independent members, but a non-executive one instead. The aforementioned balance has ensured the Board's efficient and productive operation during the last years.
Duties and behavior of the members of the Board of Directors	There is no obligation to provide a detailed disclosure of any professional commitments of the members of the Board of Directors (including significant non-executive commitments to companies and non-profit institutions) prior to their appointment in the Board of Directors, nor a limitation in the number of Boards of listed companies in which they may participate, as long as, up to now, all the members of the Board of Directors are able to fulfill their duties, devote sufficient time to them and are updated on the developments in matters relating to their duties. No approval by the Board of Directors is required for the appointment of an executive member to a Company that is not a subsidiary or an affiliated company. However, the members of the Board of Directors are required to disclose to the other members of the Board their significant own interests that may be directly affected by transactions or decisions of the Company and any other conflicts of interest with those of the Company or its affiliated companies, as defined in the relevant legislation, which arises in the performance of their duties.

Election of candidate members of the Board of Directors	There is no candidacy committee for the Board of Directors because, due to the structure and operation of the Company, this committee is not considered to be necessary at this time.
Operation of the Boards of Directors	The Board of Directors does not adopt a calendar of meetings and a 12-month action plan at the beginning of each calendar year, since it is easy to convene a meeting of the Board of Directors, when required either by the needs of the Company or by law, without a predetermined action plan. The President does not hold regular meetings with non-executive members without the presence of executive members to discuss the performance and remuneration of the latter, as well as other relevant matters, since everything is discussed in the presence of all members, while the relevant issues are also handled to a great extent by the Remuneration Policy adopted by the Company. There are no informative induction programs guaranteed by the Board of Directors for the new members of the Board of Directors, nor continuous professional training for the other members, since the individuals proposed as members of the Board of Directors already have satisfactory and proven experience and organizational-managerial skills. There is no specific provision for providing adequate resources to the committees of the Board of Directors for the performance of their duties or the recruitment of external consultants, since the relevant resources are approved ad hoc by the Company's management according to the corporate needs each time.
Evaluation of the Board of Directors and its Committees	There is no statutory procedure for evaluating the effectiveness of the Board of Directors and its committees, nor for evaluating the performance of the President of the Board of Directors during a procedure headed by the independent Vice President or any other non-executive member of the Board in the absence of an independent Vice President. This procedure is not considered necessary according to the Company's organizational structure, therefore no relevant description exists in the Company's annual corporate governance statement.
General Assembly	There is no summary of the minutes of the General Assembly of shareholders on the Company's website. However, the results of voting on each decision of the General Assembly are announced within fifteen (15) days of the General Assembly of shareholders, also translated into English.

Internal Audit

Furthermore, the Company has an Internal Operation Regulation which was approved and entered into force initially by the decision of the Board of Directors dated 31.03.2007 and was revised by the decision of the Board of Directors dated 30.08.2018, in order to be adapted to the recent amendments to the existing corporate governance legislation, including the provisions of L. 4548/2018 and article 44 of L. 4449/2017 (regarding the powers of the Audit Committee). The Company's Internal Operation Regulation has the minimum content referred to in Article 6 of L. 3016/2002, as currently in force, and is in accordance with the Company's corporate governance statement and the Corporate Governance Code adopted and applied by the Company.

Internal Audit	
	The Company has an Internal Audit Department which is an independent, objective and advisory entity, designed to add value and improve the organization's operations. It helps the Company achieve its goals, by providing a systematic approach to assessing and improving the effectiveness of risk management, internal audit systems (procedures) and corporate governance. The Internal Audit Department audits the correct implementation of the legislation and the observance of the Company's Statute and policies and procedures as a whole. The Chief Internal Auditor develops and maintains a relevant procedures manual that covers all aspects of Internal Audit actions and continuously oversees its effectiveness. Internal auditors are independent in the performance of their work, they do not hierarchically belong to any other Company unit and are supervised by the Audit Committee. The Internal Audit of the Company is an independent organizational unit, which reports to the Board of Directors and the Audit Committee, in accordance with the Statute of the Internal Audit and the Internal Operation Regulation of the Company. Specifically, according to the relevant provisions of the aforementioned texts, the Internal Audit, inter alia, submits to the Audit Committee and the Board of Directors a written audit report, detailing the procedures and internal audit actions, as well as the conclusions of the internal audit. The Internal auditor of the Company is appointed by the Board of Directors and is a full-time employee. It is not possible to appoint as internal auditor any Member of the Board of Directors or senior executives who have responsibilities other than internal audit, or relatives of the above up to second degree by blood or marriage. The Company is required to inform the Capital Market Commission of any change in the persons or the structure of the Internal Audit Department within ten (10) working days of such change. In the performance of their duties, internal auditors have the right to be informed of any documents that are absolutely necessary for them to carry out the audit. The members of the Board of Directors should cooperate and provide information to the Internal Audit Department and the Audit Committee and generally facilitate their work in any way. The Company's senior management must provide them with all the necessary means to facilitate their work. It should be noted that the provisions of the "Statute of the Internal Audit" of June 2019 do not contravene the provisions of the revised Internal Operation Regulation of 30.08.2018 and the revised Audit Committee Operating Regulation of 25.10.2018.
Responsibilities	The Internal Audit Department of the Company indicatively has the following responsibilities: • Monitoring the implementation and continuous observance of the Internal Operation Regulation and the Statute of the Company, as well as the general legislation concerning the Company, especially the legal framework of Sociétés Anonymes and the stock exchange legislation.

- Monitoring the compliance with the commitments contained in the Company's information bulletins and business plans regarding the use of funds raised by the Stock Exchange.
- Controlling the legality of remunerations and any kind of benefits to management executives regarding the decisions of the competent bodies of the Company.
- Reporting to the Board of Directors any cases of conflict of private interests of BoD members or senior executives with the interests of the Company, as these cases are identified during the performance of its duties.
- Providing written information, as required by law, at least one (1) time per trimester, to the Audit Committee and the Board of Directors regarding the audit conducted.
- Attending the General Assemblies of shareholders and if necessary, providing information to the Company's shareholders during these Assemblies.
- Providing, upon approval by the Company's Board of Directors, any information requested in writing by the Supervisory Authorities, cooperating with them and facilitating in every possible way the monitoring, control and supervision work they perform.
- Ensuring that the employees are kept informed of the current legislation concerning their activity.

Moreover, the Internal Audit Department is responsible for the following:

- Ensuring the lawful representation of the Company transactions,
- Confirming the reliability and accuracy and ensuring the completeness of the financial and operational information generated and the means used.
- Preparing a flexible annual audit plan that includes any risk and control point identified by senior management,
- Evaluating the adequacy and effectiveness, as well as promoting the quality and continuous improvement, of risk management and audit procedures.

By decision of the Board of Directors dated 18 February 2014, the position of Internal Auditor is assigned to Mr. Menexiadis Marios, son of Evgenios, full-time and exclusive employee, fulfilling the criteria of independence of par. 3, Article 7 of L. 3016/2002, i.e. he is not a member of the Board of Directors, a senior executive who has responsibilities other than internal audit, or a relative of the above up to the second degree by blood or by marriage. He also fulfills the conditions and terms regarding the responsibilities and in particular the characteristics of the Internal Auditor, as they are exhaustively referred to the provisions of Articles 7 and 8 of L. 3016/2002 and the Decision 5/204/14.11.2000 of the Board of Directors of the Capital Market Commission, regarding companies listed in the ATHEX, as amended and in force.

Mr. Menexiadis Marios, is also responsible for the communication with the Personal Data Protection Authority for the respective issues.

General Assembly

General Assembly	Information on the operation of the General Assembly of shareholders and its basic powers, as well as a description of shareholders' rights and how to exercise them
Operation of the General Assembly	The Board of Directors ensures that the preparation and conduct of the General Assembly of Shareholders facilitate the effective exercise of the shareholders' rights, who can be fully informed on all matters related to their participation in the Assembly, including the issues on the agenda and their rights at the General Assembly. The Board of Directors makes use of the General Assembly of shareholders to facilitate their substantive and open discussion with the Company. In compliance with the provisions of L. 4548/2018, the Company posts on its website at least twenty (20) days before the General Assembly, in both Greek and English, information on: • the date, time and location of the General Assembly of shareholders, • the basic rules and practices of participation, including the right to include items in the agenda and submit questions, as well as the time limits within which such rights may be exercised, • voting procedures, terms of proxy representation and the forms used for proxy voting, • the proposed agenda for the assembly, including draft decisions for discussion and voting, as well as any accompanying documents, • the proposed list of candidate members of the Board of Directors and their resumes (in case of election of new members), and • the total number of shares and voting rights as of the date of the General Meeting. At minimum, the President of the Company's Board of Directors and/or Vice President and Chief Executive Officer must be present in the General Assembly of shareholders, in order to provide information and updates on matters of their duties put forward for discussion and on questions or clarifications requested by the shareholders. The President of the General Meeting must allow sufficient time to take questions from shareholders.
Main powers of the General Assembly	The General Assembly of shareholders is the supreme body of the Company and is entitled to decide in general on every corporate affair. Its lawful decisions oblige both absent and disagreeing shareholders. The General Assembly is the only competent body to decide on: • Any matter submitted to it by the Board of Directors or by the persons entitled, under the provisions of the Law or the Statute, to cause it to be convened.

Rights of shareholders and ways of exercising them

- Amendments to the Statute. Such amendments relate to the increase or decrease of the share capital, the dissolution of the Company, the extension of its duration and its merger with another company.
- The election of the members of the Board of Directors and the auditors.
- The approval of the Company's Remuneration Policy, according to L. 4548/2018.
- The election of the Company's Audit Committee, as specified in L. 4449/2017 and in the Company's Audit Committee Operating Regulation.
- The adoption or reform of the annual financial statements prepared by the Board of Directors and the allocation of the net profits.
- The approval, by special open vote, of the total management conducted by the Board of Directors and the discharge of the auditors from any responsibility after the approval of the annual financial statements and after hearing the report on the Board of Directors' actions and the general status of the Company's corporate affairs. Only Members of the Board of Directors and employees who own shares may participate in the above voting.
- The hearing of chartered auditors about the auditing of the Company's books and accounts they have conducted.
- The issue of bond loans with a right to right to profits, according to Article 72 of L. 4548/2018, and convertible bond loans.
- The appointment of liquidators in case of dissolution of the Company.
- The bringing of actions against members of the Board of Directors or auditors, for breach of their duties under the Law and the Statute.

Every shareholder appearing in the records of the entity where the Company's securities are held may participate and vote in the General Assembly of the Company. The exercise of these rights does not entail blocking of the shares of the beneficiary or observing any similar procedure. Shareholders having the right to participate in the General Assembly may be represented by a person legally authorized by them.

The rights of the Company's shareholders stemming from its share are proportional to the percentage of the capital that corresponds to the paid-up value of the share. Each share provides all rights specified in L. 4548/2018, as amended and in force, as well as the Company's Statute.

The President of the Board of Directors, the Vice President and the Chief Executive Officer are available for meetings with the shareholders of the Company that have significant holdings and discuss with them any issues related to the governance of the Company. Moreover, the President makes sure that the views of the shareholders are communicated to the Board of Directors.

Board of Directors

Information on the composition and operation of the Board of Directors	Pursuant to Article 6 of the Company's current Statute, the Company is governed by the Board of Directors, which consists of seven (7) to fifteen (15) members. A member of the Board of Directors may also be a legal entity. In this case, the legal entity is required to designate a natural person for the exercise of the legal person's powers as a member of the Board of Directors. Failure by the legal person to designate a natural person for the exercise of the respective powers within 15 days of the appointment of the legal person as a member of the Board of Directors shall be considered a resignation of the legal person from the position of a member. The Board of Directors is elected by the General Assembly for a three-year term, which shall be extended until the expiry of the period within which the next Ordinary General Assembly must be convened after the expiry of its term of office and until the relevant decision is taken. In any case, the term may not exceed a period of four years. The members of the Board of Directors can be shareholders or not and they are always re-eligible and freely revocable. The Board of Directors consists of executive and non-executive members, pursuant to L. 3016/2002 on corporate governance, as amended and in force. The number of non-executive members of the Board of Directors must not be less than 1/3 of the total number of members; if this number is a fraction, it is rounded up to the next integer. At least two (2) non-executive members of the Board of Directors are independent, that is, they have no relationship of dependence with the Company or persons affiliated with it, within the meaning of Article 4 of L. 3016/2002 on corporate governance, as amended and in force. The Company's current Board of Directors was initially elected at the annual Ordinary General Assembly of shareholders held on 16.05.2018 and consisted of 12 members, of which three (3) executive, nine (9) non-executive and three (3) independents, within the meaning of the provisions of L. 3016/2002. In particular, the current composition of the Board of Directors was formed after its establishment into a body, pursuant to the decision of the Board of Directors, and its reestablishment into a body on 24.05.2018 following the death of the President of the Board of Directors, Theodoros Vassilakis, who passed away on May 17, 2018 and the decision of the Company's Board of Directors to continue the management and representation of the Company by the remaining 11 members, of which two (2) are executive members, while nine (9) are non-executive members and three (3) of those are independent non-executive members, within the meaning of the provisions of Article 4 of L. 3016/2002, without the direct election of a new member, in accordance with the provisions of the Company's Statute and the law.
Operation and Responsibilities of the Board of Directors	According to Article 11 of the Statute, the Board of Directors, acting collectively, is responsible for the management and administration of corporate affairs. It generally decides on any matter concerning the Company other than those which, either by Law or by the Statute, are decided by the General Assembly of shareholders. The responsibilities of the Board of Directors also include the issue of a bond loan, with the exception of convertible bond loans, for which the

provisions of Article 3 of the Statute apply, and bond loans with a right to profits, for which the General Assembly is solely responsible. Indicatively and not restrictively, the Board of Directors:

- (a) Represents the Company in and out of court.
- (b) Initiates and conducts trials, proceeds to confiscations, prenotations and mortgages, consents to their removal, waives privileges, lawsuits and legal remedies, proceeds to settlements in and out of court and stipulates arbitration.
- (c) Acquires, creates or delegates rights in rem and in personam to movable and immovable property, without prejudice to Article 19 of L. 4548/2018, and accepts obligations, enters into any type of contracts, without prejudice to articles 99 ff. of L. 4548/2018, participates in public or other tenders, as well as in public or private calls for tenders and calls for bids.
- (d) Appoints, places and terminates employees and representatives of the Company, regulates their remuneration and salaries, provides and revokes any general and special proxies for the Company.
- (e) Issues, accepts and signs or warrants or endorses bills in order, bills of exchange, checks, as well as each title in order.
- (f) Determines the Company's expenses in general.
- (g) Inspects the books and the Company's Treasury, prepares the annual financial statements, recommends depreciations in the facilities and bad debts, and proposes the dividends and profits to be distributed.
- (h) Regulates the internal operation of the Company and issues the relevant regulations and, in general, proceeds to every act of management of the Company and its property and has every power and right to manage the corporate interests and the action of each act for the materialization of the goals pursued by the Company.
- (i) Receives any type of loan or credit with or without a specific guarantee and provides loans to companies with which the Company has business relations for the purposes of the Company.
- (j) Provides all kinds of guarantees for credit documents or obligations undertaken by companies in which the Company may have interests or participation, as well as for credit documents or obligations undertaken by companies or persons with whom the Company may have business relationships.
- (k) Issues and prepares all types of credit documents, accepts and endorses them, including liabilities with or without security in rem.
- (l) Carries out and generally executes any act, contract, and relevant transaction, incidental or complementary, which is necessary or advisable for the achievement of the Company's purposes.

The Company is represented before third parties, as well as before any Public, Judicial or other Authority, by its Board of Directors. The Board of Directors has the right, by special decision, to delegate the representation of the Company to one or more persons, whether or not they are members of the Board of Directors.

Also, according to Article 9 of the Company's Statute, the Board of Directors meets at the registered office of the Company whenever the Law, the Statute or the Company's needs so require, at a date and time specified by the President or

the Vice-President replacing him, or whenever at least two (2) of the members request so in writing. The Board of Directors may meet by teleconferencing in accordance with Article 90, par. 4 of Law 4548/2018. In this case, the invitation to the members of the Board of Directors includes the necessary information and technical instructions for their participation in the meeting. Also, any member of the Board of Directors may request that the meeting be teleconferenced, if he resides in a country other than that in which the meeting is held or if there is another important reason, particularly illness or disability.

Moreover, the Board of Directors is responsible for approving the Operating Regulation of the Audit Committee and the Remuneration Committee. It is also responsible for electing the members of the Company's Remuneration Committee.

The Board of Directors examines the main risks that the company faces at times, assisted, among others, by the Audit Committee and the Internal Audit Office. The Board of Directors also regularly reviews the Company's corporate strategy, main business risks and internal audit systems.

The Chairman's and Chief Executive Officer's responsibilities are outlined below:

President of the Board of Directors	Sets the daily Agenda, ensures the prompt operation of the Board of Directors, facilitates the effective contribution by non-executive Board members to the work of the Board, ensures constructive relations between executive and non-executive members, is available for meetings with the shareholders of the Company, makes sure that the views of the shareholders are communicated to the Board of Directors, calls the members of the Board of Directors in meetings which he leads himself. Himself in his own capacity or, after authorization by the Board of Directors, any member by the Board of Directors, any Company employee in whichever relation with the Company, or any lawyer of the Company, may: • Represent the Company in court or out of court. • Represent the Company before any authority. • In case of obvious risk due to postponement and without a decision by the Board of Directors, raise or defend against legal claims and proceedings, assign plenipotentiaries and proceed to any court or out-of-court actions to defend the interests of the Company. These actions are immediately submitted to the Board of Directors for approval. • Assume all responsibilities assigned by the Board of Directors and sign contracts on behalf of the Company according to the relevant authorizations given by the Board of Directors.
Chief Executive Officer	The Chief Executive Officer is responsible for the implementation of the Company's strategic targets and its day to day management. He is responsible for

the smooth, proper and effective operation of the Company according to its strategic targets, business plans and action guidelines as those are determined by the decisions of the Board of Directors and the General Assembly of Shareholders.

The Chief Executive Officer reports to the Company's Board of Directors, provides guidance on strategic actions and validates the important decisions of the Company. He is the Head of all Company divisions and, inter alia, is responsible for:

a) Strategic direction:

- Strategic decision making with respect to business strategy development, as well as proposing significant investments.
- Defining the Company's organizational plans.
- Ensuring the implementation of the Company's decisions and informing the Board of Directors regarding Company matters.

b) Executive Guidance:

- Coordination and supervision of senior management, ensuring their effectiveness and efficiency for the Company's smooth operation.
- Decision making or participation in the process of significant business decisions of the Company.
- Defining the risk management policies. Risk assessment and application of actions and procedures for their effective management.

c) Performance Management:

- Defining budgetary targets as well as proposing annual performance targets. Implementing the annual budget targets.
- Supervising the Company's financial management.
- Ensuring the procedure designed to meet targets and reach results.

d) Human Resources Development:

- Recruiting and providing guidance to the senior executives of the Company.
- Defining guidelines related to the performance evaluation, as well as the promotion, development and remuneration policy of executives.

The Chief Executive Officer is responsible for the coordination of the Company's individual business units and for making proposals to the Board of Directors regarding matters within its power.

Audit Committee

The Company has established an Operating Regulation of the Audit Committee, which was approved and entered into force by the decision of the Company's Board of Directors on 25.10.2018 and is posted on the company's web site. The Operating Regulation of the Audit Committee was prepared in compliance with the Capital Market Commission letter under protocol number 1302/28.4.2017 and covers the composition, role, duties and way of operation and evaluation of the Audit Committee as specified in the above letter, article 44 of L. 4449/2017 and the Corporate Governance Code adopted and applied by the Company.

Composition of the Audit Committee	In accordance with the Company's Internal Operation Regulation and the Operating Regulation of the Audit Committee, the Audit Committee consists of at least three (3) members, namely non-executive members of the Board of Directors, elected by the General Assembly of the Company's shareholders. The Audit Committee is convened by its Chairman or, in the event of his absence or impediment, by his alternate, who shall act as Chairman. Decisions shall be taken by a majority of its members and in the event of a tie, the Chairman's vote shall prevail. The members of the Audit Committee as a whole have proven sufficient audit and accounting knowledge in the sector in which the Company operates and are mostly independent of the Company, within the meaning of the provisions of L. 3016/2002, as in force. In accordance with the Company's Internal Operation Regulation, the Chairman of the Audit Committee of the Company is appointed by its members or elected by the General Assembly of shareholders of the Company and is independent of the Company within the meaning of the provisions of L. 3016/2002, as in force. Pursuant to the Operating Regulation of the Audit Committee, which was approved by the Board of Directors at the meeting of 25.10.2018, the President of the Board of Directors may not act as the Chairman of the Audit Committee. The current composition of the Audit Committee of the Company consists of the following members, who were elected by the General Assembly of shareholders' decision dated 29/05/2019 for a three-year term: 1) Nikolaos Sofianos – independent member, not a member of the Board of Directors, Chairman 2) Georgios - Nikolaos Nanopoulos – non-executive member 2) Konstantinos Kalamatas – independent non-executive member According to the Operating Regulation of the Audit Committee, the decision of the General Assembly of the Company's shareholders to elect the members of the Audit Committee is adequately substantiated by the qualifications of the proposed members of the Audit Committee, as well as the independence of the elected independent members. Additionally, the Board of Directors of the Company ensures the provision of the appropriate information and training to each member of the Audit Committee, to enable the effective performance of its duties. It is prohibited for persons holding similar positions or capacity or conducting transactions incompatible with the purpose of this Committee to participate in it. Subject to the aforementioned, the participation of a person in the Audit Committee does not preclude his participation in another Committee of the Board of Directors, as long as this does not affect the proper performance of the duties of the person as a member of the Audit Committee.

Meetings and decision-making

The Audit Committee monitors and supervises Internal Audit through the Internal Audit Department, meets regularly once every trimester of each year, i.e. at least four (4) times per year, keeping Minutes of these meetings. It meets extraordinarily when, in the opinion of the President of the Board of Directors or the Chairman of the Audit Committee, special circumstances require it. The findings of the audit conducted by the bodies of the supervisory authorities and the Internal Audit Department are evaluated during the meetings, and the reports to be submitted to the Board of Directors of the Company are prepared.

According to the Operating Regulation of the Audit Committee, the Audit Committee shall meet at least once per trimester with the Head of the Internal Audit to discuss his matters of competence, as well as any problems that may arise from the internal audits. Moreover, the Regulation provides that the Audit Committee shall invite, when appropriate, the Head of the Internal Audit to attend specific meetings or specific items of the agenda and give an opinion on them. Similarly, according to the same Regulation, the Audit Committee receives information on the annual audit schedule of the Internal Audit Office prior to its implementation and requests its own annual schedule of activities.

Responsibilities of the Audit Committee

The Audit Committee acts as an objective body, which is responsible for reviewing and evaluating the auditing practices and the performance of internal and external auditors. The main function of the Audit Committee is to assist the Board of Directors in the performance of its duties, by overseeing the Company's financial reporting procedures, policies and internal audit system. The main responsibilities of the Company's Audit Committee, in compliance with par. 3, Article 44 of L. 4449/2017, are the following:

- a) it informs the Board of Directors of the outcome of the statutory audit and explains how the statutory audit contributed to the integrity of the financial information and what role the audit committee had in the process,
- b) it monitors the financial reporting process and makes recommendations or proposals to ensure its integrity,
- c) it monitors the effectiveness of the Company's internal audit, quality assurance and risk management systems, and, where applicable, its internal audit department, regarding the financial information of the Company, without violating the latter's independence,
- d) it monitors the statutory audit of the annual and consolidated financial statements and, in particular, its performance, taking into account any findings and conclusions of the Accounting Standardization and Audit Committee, in accordance with par. 6 of Article 26 of Regulation (EU) 537/2014 and par. 5 of Article 44 of L. 4449/2017,
- e) it reviews and monitors the independence of certified auditors' accountants or audit firms, in accordance with Articles 21, 22, 23, 26 and 27 and Article 6 of Regulation (EU) 537/2014 and, in particular, the suitability of providing non-audit services to the audited entity, in accordance with Article 5 of Regulation (EU) 537/2014,
- f) it is responsible for the selection procedure for certified auditors' accountants or audit firms and proposes those to be appointed, in accordance with Article 16 of the Regulation (EU) 537/2014, unless par. 8 of Article 16 of Regulation (EU) 537/2014 applies,
- g) it issues an opinion on the approval and revision of the Company's Operating Regulations and the Corporate Governance Code and also submits, at its discretion, a proposal for the revision of the Operating Regulation of the Audit Committee.

	Additionally, the Audit Committee monitors and supervises the proper functioning of the Internal Audit Office according to professional standards and takes note of the work of the Internal Audit Office and its reports. The Head of the Internal Audit Office reports to the Board of Directors and the Audit Committee. Additionally, the Audit Committee monitors and supervises the proper functioning of the Internal Audit function according to professional standards and takes note of the work of the Internal Audit Department and its reports. The Head of the Internal Audit reports to the Board of Directors and the Audit Committee. The members of the Board of Directors must cooperate and provide information both to the Internal Audit Department and to the Audit Committee and generally facilitate their work in any way. In particular, the Board of Directors shall provide the Audit Committee with the assistance of an external consultant, provided that the Audit Committee so justifiably requests, by providing the necessary funds for this purpose. The Company's senior management must provide all the necessary means to facilitate their work. The Audit Committee has full access to all Company data needed for the performance of its duties and the Company makes available to the Audit Committee any person the Committee deems necessary. The Operating Regulation of the Audit Committee is posted on the Company's website at the following link: https://el.about.aegeanair.com/diakubernisi/kanonismos-leitoyrgias-tis-epitropis-elegxoy-tis-etaireias/
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Remuneration Committee

Composition of the Remuneration Committee	According to the Operating Regulation of the Remuneration Committee, the Remuneration Committee consists of three (3) members with a three-year term, which are all non-executive members of the Board of Directors and are mostly independent, in the sense of the law as in force each time. The Remuneration Committee is chaired by an independent non-executive member of the BoD. The Chairman of the Remuneration Committee is responsible for scheduling and conducting the meetings. The term of the members is automatically extended until the first ordinary General Meeting after the expiration of their term, which however cannot exceed a period of four years. In case of a vacancy in the Remuneration Committee (indicatively due to resignation), the Board of Directors must immediately appoint a replacement. Persons holding at the same time positions or properties or carrying out transactions that are incompatible with the purpose of the Committee are not allowed to participate in the Remuneration Committee. The Executive Chairman, the Managing Director and the Chief Financial Officer of the Company (possibly also other members of the Board if deemed necessary by the Committee) may be invited by the Committee to attend the meetings.
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Meetings and decision-making

The members of the Remuneration Committee have, in total, sufficient knowledge and experience in remuneration issues.

The members of the Remuneration Committee are all appointed by the Board of Directors by a decision which adequately justifies the qualifications of the members of the Committee. By the same decision, one of the elected independent members of the Committee is also appointed as Deputy Chairman, while it is also possible to appoint alternate members to replace the regular members of the Remuneration Committee is possible, in the event of impediment of the latter.

The participation of a person in the Remuneration Committee does not preclude participation in another Committee of the Board of Directors, as long as this does not affect the proper performance of the duties of the person as a member of the Remuneration Committee.

The current composition of the Remuneration Committee of the Company consists of the following members of the Board of Directors, who were elected by decision of the Company's Board of Directors dated 21/11/2019 for a three-year term:

- 1) Alexandros Makridis, independent non-executive member of the Board of Directors, Chairman
- 2) Nikolaos-Georgios Nanopoulos, non-executive member of the Board of Directors and
- 3) Victor Pizante, independent non-executive member of the Board of Directors

The Remuneration Committee shall be convened exclusively by its Chairman or, in case of absence or impediment, by the alternate Chairman.

The Remuneration Committee meets regularly at least two (2) times per year, and in any case prior to the establishment of the Remuneration Policy and the preparation of the Remuneration Report, or any revision thereof. Extraordinary meetings are held when it is deemed necessary, in the opinion of the President of the Board of Directors or the Chairman of the Remuneration Committee. The meeting may be held in person or through audio-visual media, at the Company's headquarters or in any place suitable for the purpose of the meeting. By decision of the Board of Directors, the Secretary of the Remuneration Committee will be appointed and will keep minutes of the meetings. It is forbidden for a member of the Remuneration Committee to be represented by another member, except in the case of replacement of a full member by an alternate because of an impediment of the former. Replacement of the full members can never result in a composition of the Remuneration Committee other than that required by the Operating Regulation of the Remuneration Committee.

The Remuneration Committee is convened by an invitation communicated to them at least two working days before the meeting, or five (5) days before, if the venue of the meeting is not the registered office of the Company. The invitation includes the items on the agenda, as well as the date, time and place of the remuneration committee meeting. No invitation is required if all the members are present on the day of the meeting and no one is in opposition.

At the meetings of the Remuneration Committee, efforts must be made to involve all of its members as much as possible (in person or through audio-visual media). If at least two members (regular or alternate) are not present at the

Responsibilities of the Remuneration Committee

meeting, the meeting shall be canceled and repeated without a new invitation within seven (7) days of its cancellation (where at least two members will still be required to attend). Decisions shall be taken by a majority of its members and in the event of a tie, the Chairman's vote shall prevail.

As far as not specifically defined in the Operating Regulation of the Remuneration Committee, articles 89 - 93 of L. 4548/2018 apply to the meetings and decision-making of the Remuneration Committee.

The Remuneration Committee acts as an independent and objective body that assists the Board of Directors in the performance of its duties with regard to the remuneration of the Board of Directors, the executives and the employees of the Company, being responsible drawing up procedures and checking the Remuneration Policy and the Remuneration Report of Articles 110-113 of L. 4548/2018. Specifically, the Remuneration Committee:

- a) Establishes the remuneration policy for the members of the Company's Board of Directors with the possibility to include also other directors and employees of the Company. The Remuneration Committee defines and includes in the Remuneration Policy as a minimum, all the elements required by the law and the Corporate Governance Code implemented by the Company, with all appropriate differentiations according to the roles and duties of each of these persons.
- b) Suggests a temporary derogation from the Company's Remuneration Policy, provided that (a) the Remuneration Policy sets forth the procedural conditions under which a derogation may be made from its content; (b) the Remuneration Policy defines the specific points under which the derogation may be applied, (c) this derogation is necessary for the long-term servicing of the interests of the Company as a whole or for ensuring its viability.
- c) Reviews the payroll and working conditions of the Company's employees and takes into account the relevant findings when determining the Remuneration Policy.
- d) Submits proposals to the Board of Directors for any matter concerning the remuneration of the Company's Board of Directors, its directors and employees, in compliance with the principles of the law and the Code of Corporate Governance of the Company regarding the said remuneration, also taking into account the best international practices and European Commission's Recommendations.
- e) Regularly revises the terms and conditions of the current contract agreements of the members of the Board of Directors and the directors of the Company, including indemnities in the event of departure from the company, as well as the pension arrangements.
- f) In the event of a revision of the Remuneration Policy, it submits a report to the Board of Directors, describing and explaining all changes in the Remuneration Policy, as well as the manner in which the votes and views of the shareholders on the Policy and the Remuneration Report have been taken into account since the last vote on these issues.
- g) Defines measures to avoid or manage conflicts of interest regarding remuneration issues embodied in the Remuneration Policy.

h) Defines the performance targets for any variable remuneration of the executive Members of the Board and senior executives, as well as the objectives associated with rights or stock options.

i) Examines and submits proposals to the Board of Directors (and, as such, to the General Meeting of Shareholders, when required) regarding any stock option rights or stock option plans.

k) Submits proposals for the review and improvement of any process related to the drafting of the Remuneration Policy, the Remuneration Report and the determination of the information contained therein.

l) Prepares the Remuneration Report of article 112 of L. 4548/2018. The Remuneration Committee determines and includes in the Remuneration Report all the information required by L. 4548/2018 and the Corporate Governance Code of the Company. The Remuneration Committee submits a report to the Board of Directors outlining how the Remuneration Report takes into account the outcome of the General Assembly's vote on the previous Remuneration Report.

m) Is generally responsible for proposing, making decisions and expressing an opinion on any matter falling under Articles 109-114 of L. 4548/2018, either voluntarily or at the request of the Board of Directors or the General Assembly.

The Operating Regulation of the Remuneration Committee is posted on the Company's website at the following link:

<https://el.about.aegeanair.com/diakubernisi/operating-regulations-of-the-companys-remuneration-committee/>

The table below includes the members of the Board of Directors:

Board of Directors members	Capacity	Date of appointment	End of Term
1. Eftichios Vassilakis	Chairman, Executive Member	16.5.2018	16.5.2021
2. Anastasios David	A Vice Chairman, Non-Executive Member	16.5.2018	16.5.2021
3. Panagiotis Laskaridis	B' Vice Chairman, Non-Executive Member	16.5.2018	16.5.2021
4. Dimitrios Gerogiannis	Managing Director, Executive Member	16.5.2018	16.5.2021
5. George Vassilakis	Non-executive Member	16.5.2018	16.5.2021
6. Christos Ioannou	Non-executive Member	16.5.2018	16.5.2021
7. Konstantinos Kalamatas	Independent, Non-executive Member	16.5.2018	16.5.2021
8. Achilleas Constantakopoulos	Non-executive Member	16.5.2018	16.5.2021
9. Alexandros Makridis	Independent, Non-executive Member	16.5.2018	16.5.2021
10. Nikolaos George Nanopoulos	Non-executive Member	16.5.2018	16.5.2021
11. Victor Pizante	Independent, Non-executive Member	16.5.2018	16.5.2021

2.6 Explanatory Report of the Board of Directors

(ARTICLE 4, PARAGRAPH. 7 & 8 OF L.3556/2007)

1. Structure of the Company's share capital

The Company's share capital amounts to forty-six million four hundred twenty-one thousand and one hundred fifteen euros (€ 46,421,115), divided into seventy one million four hundred seventeen thousand and one hundred common voting shares (71,417,100 shares), of a par value of sixty five euro cents each (€ 0.65). All the shares are registered and listed for trading in the Securities Market of the Athens Stock Exchange under the "Large Cap" classification.

2. Limits on transfer of Company shares

There are no restrictions set by the Company's Articles of Association regarding the transfer of shares.

3. Significant direct or indirect holdings in accordance with the provisions of articles 9 – 11 of Law 3556/2007

As of 31.12.2019 the following investors held more than 5% of the Company's voting rights: Eftichios Vassilakis 37,08% (1,24% direct, 24,18% through Evertrans S.A. and 11,66% through Autohellas S.A.), Alnesco Enterprices Company Limited 8,56%, Siana Enterprices Company Limited 8,56% and Achilleas Constantakopoulos 5,19%.

4. Shares conferring special control rights

There are no Company shares that carry any special rights of control.

5. Limitations on voting rights

The Articles of Association make no provision for any limitations on voting rights.

6. Shareholder agreements which result to limitations in the transfer of shares or limitations to exercise voting rights

The Company is not aware of any Shareholder agreements which result to limitations in the transfer of shares or limitations to exercise voting rights.

7. Rules governing the appointment and replacement of members of the Board of Directors and the amendment of the Articles of Association

The members of the Board of Directors are elected from the General Shareholders' Meeting, through a secret voting procedure, for a three-year term extended up to the Annual General Shareholders' Meeting due in the term's final year. The members may be shareholders or non-shareholders and can be re-elected.

Replacement of a member can be authorized by at least 3 other members and is subject to the approval of the next General Shareholders' Meeting.

The Board may consist of seven (7) up to fifteen (15) members.

8. Authority delegated to the BoD or certain members of the Board for the issue of new shares or acquisition of own shares

According to the provisions of article 13 par. 1 item b) of C.L. 2190/1920 and the article 5 of the Articles of Association, the Company's Board of Directors has the right, following a relevant decision by the General Shareholder's Meeting that is subject to the publicity announcements of article 7b of C.L. 2190/1920, to increase the Company's share capital with the issuance of new shares, through a decision by the Board of Directors that is made with a majority of at least two thirds (2/3) of its total members. In this case, Company's share capital may be increased by no more than the share capital amount paid up on the date when the Board of Directors was granted such power by the General Meeting. This power of the Board of Directors may be renewed by the General Meeting for a period that may not exceed five years per instance of renewal.

9. Important agreements which are entered in force, amended or terminated in the event of change in the control of the Company following a public offer

There are no agreements which enter into force, are amended or terminated in the event of change in the control of the Company following a public offer.

10. Agreements that the Company has entered into with Board members or employees regarding compensation payments in the case of resignation, dismissal without valid reason and termination of their office period or employment because of a public offering.

The Company has no significant agreements with members of the Board of Directors or its employees providing for the payment of compensation, especially in the case of resignation or dismissal without valid reason or termination of their period of office or employment due to a public offer.

11. The Company has branches or offices in 57 locations in Greece and abroad.

Kifissia, March 16th, 2019

Aegean Airlines S.A.

Chief Executive Officer

Dimitrios Gerogiannis

3.

Independent Auditors Report

THIS REPORT HAS BEEN TRANSLATED FROM THE ORIGINAL VERSION IN GREEK

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of AEGEAN AIRLINES S.A..

Report on the Audit of the Separate and Consolidated Financial Statements

Opinion

We have audited the accompanying separate and consolidated financial statements of Aegean Airlines S.A. (the Company), which comprise the separate and consolidated statement of financial position as of December 31, 2019, the separate and consolidated statement of comprehensive income, the statement of changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying separate and consolidated financial statements present fairly in all material respects the financial position of Aegean Airlines S.A., and its subsidiaries (the Group) as at December 31, 2019 and its consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as endorsed by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as incorporated in Greek Law. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements" section of our report. We remained independent of the Company and Group throughout the period of our appointment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as incorporated in Greek Law, together with the ethical requirements that are relevant to the audit of the consolidated financial statements in Greece, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and consolidated financial statements of the current period. These matters and the related risks of material misstatement, were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the separate and consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying separate and consolidated financial statements.

Key Audit Matter	How our audit addressed the key audit matter
Provision for aircraft maintenance (separate and consolidated financial statements)	
The Company and the Group operate aircrafts, under lease agreements based on which certain maintenance requirements have to be met. During the contract period, a provision is made with the estimated amounts required to be paid in the future for the fulfilment of the contractual commitments. The calculation of the related amounts requires by management the use of judgements, estimates and assumptions which may change in the future. The provision for aircraft maintenance as at 31 December 2019 amounted to €39m and to €43m for the Company and the Group, respectively. We have identified the provision of aircraft maintenance as a key audit matter because of the high degree of uncertainty of the judgements, the estimates made and the assumptions used by the management in the process to determine the related amounts. The Company's and the Group's disclosures relevant to the accounting policy, the judgements, the estimates and the assumptions on the provision for aircraft maintenance can be found in notes 2.2 and 3.19 of the separate and consolidated financial statements.	The audit procedures that we performed, among others, have as follows: • We assessed the design of management controls over the calculation of the provision for aircraft maintenance. • We assessed whether the Company and the Group used consistently to those used in prior periods the methodology for the calculation of the provision for aircraft maintenance and we audit the judgements, estimates and assumptions in the calculation of the provision for aircraft maintenance for the expected cost of maintenance of aircrafts, engines and other components, the flight hours of flight cycles, the maintenance program taking into consideration the agreements signed with maintenance providers for aircrafts and engines, the discount rate and the foreign exchange rates. • We recalculated the amounts included in the model used by the management for the calculation of the provision for aircraft maintenance and discussed with management the judgements, estimates and assumptions used and compared them to internal and external sources and data. • Also, we assessed the sufficiency of related disclosures in the separate and consolidated financial statements.

Key Audit Matter	How our audit addressed the key audit matter
Revenue recognition and loyalty programs (separate and consolidated financial statements)	
Revenues for the year ended 31 December 2019 amounted to €1.049m and €1.309m for the Company and the Group, respectively, and refer to sales of flight tickets and products and services rendered.	The audit procedures that we performed, among others, have as follows: • We tested the IT controls of systems and applications supporting the significant classes of transactions related to revenue such as logical access, change and IT operation management control.

Key Audit Matter	How our audit addressed the key audit matter
Revenue recognition and loyalty programs (separate and consolidated financial statements) – continue	
Flight ticket sales represent the main revenue source and comprise direct ticket sales, ticket sales through agents and interline ticket sales. Revenues related to flight ticket sales are accounted for as flown and at year-end deferred revenue is recognized for the non-flown tickets as the service has not yet been provided. This amount is subsequently recognized as revenue when the flight takes place. Deferred revenues as at 31 December 2019 amounted to €102m and €107m for the Company and the Group respectively. In addition, the Company and the Group have established a loyalty program that is treated as a separate component of the sales transaction which requires delivery in the future upon redemption of the miles earned by customers. The management makes judgements, estimates and assumptions with a high degree of uncertainty and uses actuarial methods and historical data and information for the quantification of the fair value of the miles offered to customers and the percentage of miles which are not expected to be redeemed. Relevant deferred revenues at 31 December 2019 amounted to €43m for the Company and the Group. We identified the revenues from ticket sales and deferred revenues as a key audit matter due to the level of the related accounts, the amount of transactions involved and the volume of information processed in various IT systems, the inherent risk of not recognizing revenues in the correct period, the amount of time needed to audit these accounts and the judgements, estimates and assumptions used by the management for the calculation of the related amounts. The Company's and the Group's disclosures relevant to the accounting policy, the judgements, the estimates and the assumptions used for the revenues from ticket sales and for deferred revenues can be found in notes 2.2, 2.4, 3.21 and 3.24 of the separate and consolidated financial statements.	• We audited reconciliations between accounting and commercial systems. • For a sample of direct sales we tested revenues recorded in the system upon issuance of the ticket and the classification when tickets were flown. • For sales through agents we received the monthly sales analysis per country and we audited the reconciliation of the accounts involved to general ledger. We audited a sample of reports from agents and tested the reconciliation of basic fare, VAT and taxes to the relevant accounts in the general ledger. • For interline revenue, we received the monthly clearance by IATA and we audited the reconciliation to the revenue accounts in the general ledger. • We identified non-financial information that enabled us to draw conclusions for the variation of the value of sales performed. • For a sample of revenue for tickets not flown until December 31, 2019, we checked the breakdown of current and deferred revenue. • For the Miles and Bonus loyalty program, we tested the calculation of the part of the revenue that is deferred to next year, we assessed the actuarial valuation of the Company in relation to the fair value of the miles awarded and the assumptions with respect to the percentage of awarded miles not expected to be redeemed through the use of historical trends. We included in our team experts in actuarial assessments. • We assessed the sufficiency of related disclosures in the separate and consolidated financial statements.

Key Audit Matter	How our audit addressed the key audit matter
Improper measurement of the Right-of-Use Asset and Lease Liability (separate and consolidated financial statements) The Company and the Group adopted the new IFRS 16 standard “Leases” on January 1, 2019 and measured the lease liability at the present value of the remaining leases. At the same time, equivalent asset’s right of use was recognized. The main lease categories of the Company and the Group are aircrafts and spare engines. The measurement of the right of use assets and lease liabilities requires by management the use of judgements, estimates and assumptions. At December 31, 2019 the Company and the Group had recognized an right of use assets of €340m and €390m respectively and lease liabilities of €291m and €343m respectively. We identified the measurement of the right of use assets and lease liabilities as a key audit matter due to the level of the related accounts, the amount of transactions involved and the volume of information processed in various IT systems, the amount of time needed to audit these accounts and the judgements, estimates and assumptions used by the management for the calculation of the related amounts. The Company’s and the Group’s disclosures relevant to the accounting policy, the judgements, the estimates and the assumptions used for the measurement of the right of use assets and lease liabilities can be found in notes 2.1, 2.2, 2.11 and 3.3 of the separate and consolidated financial statements.	
	The audit procedures that we performed, among others, have as follows: • We assessed the design of management controls over the measurement of the right of use assets and lease liabilities. • We have checked the completeness of the right of use assets and lease liabilities. • For a sample of lease agreements we have checked through recalculation the measurement of the right to use assets and liabilities from the specific leases as well as recalculated the interest and depreciation expense related to those leases. • We have reviewed, the judgements, estimates and assumptions used by the Company and the Group to calculate the incremental borrowing rate for the calculation of the present value of the leases. • We assessed the sufficiency of related disclosures in the separate and consolidated financial statements.

Key Audit Matter	How our audit addressed the key audit matter
Derivative contracts (separate and consolidated financial statements)	
The Group and the Company enters into derivative contracts to hedge risks arising from the variation of prices in fuel, interest rates and foreign exchange. Derivatives are considered by the management as cash flow hedges and any change in their fair value is transferred to Other Comprehensive Income, otherwise are recognized at the statement of comprehensive income of the year. At December 31, 2019 the Company and the Group had recognized derivative assets of €12m and derivative liabilities of €15m, respectively. We have identified the valuation and recognition of derivative contracts as a key audit matter due to the level and the nature of the related accounts as well as the complexity of the accounting treatment, the hedging relationships and the uncertainties surrounding the judgements, estimates and assumptions used by the management for the calculation of the related amounts. The Group's and the Company's disclosures relevant to the accounting policy, the judgements, the estimates and the assumptions used for the calculation of the value of derivatives can be found in notes 2.2, 2.9 and 3.23 of the separate and consolidated financial statements.	The audit procedures that we performed, among others have as follows: • We audited the classification of derivative assets and liabilities in the statement of financial position of the Company and the Group. • We included in our team derivative experts specialized in the valuation of derivative contracts. • We assessed the effectiveness of the derivative contracts, by category of contract, on the basis of the applicable accounting framework and the related effectiveness criteria. • We audited the terms of open contracts as at December 31, 2019 and recalculated the fair value of a sample of these. • We audited the proper accounting treatment of the contracts that were closed within 2019. • We assessed the sufficiency of related disclosures in the separate and consolidated financial statements.

Other information

Management is responsible for the other information in the Annual Report. The other information, includes the Board of Directors' Report, for which reference is also made in section "Report on Other Legal and Regulatory Requirements", the Statements of the Members of the Board of Directors, but does not include the separate and consolidated financial statements and our auditor's report thereon.

Our opinion on the separate and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate and consolidated 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 separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Those Charged with Governance for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with International Financial Reporting Standards as endorsed by the European Union, and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, management is responsible for assessing the Company's and Group'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 management either intends to liquidate the Company and the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee (Law 44 v.4449/2017) is responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated 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, as incorporated in Greek Law, 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 separate and consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the separate and consolidated 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 and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 and the Group'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 separate and consolidated 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 and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and its subsidiaries. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

1. Board of Directors' Report

Taking into consideration that management is responsible for the preparation of the Board of Directors' Report and Corporate Governance Statement that is included therein, according to the provisions of paragraph 5 article 2 of Law 4336/2015 (part B), we report that:

- a) The Board of Directors' Report includes a Corporate Governance Statement that contains the information required by article 152 of Law 4548/1920.
- b) In our opinion the Board of Directors' Report has been prepared in accordance with the legal requirements of articles 150-151 and 153-154 and paragraph 1 (c and d) of article 152 of Law 4548/2018 and the content of the Board of Directors' report is consistent with the accompanying separate and consolidated financial statements for the year ended December 31, 2019.
- c) Based on the knowledge and understanding concerning Aegean Airlines S.A. and its environment, obtained during our audit, we have not identified information included in the Board of Directors' Report that contains a material misstatement.

2. Additional Report to the Audit Committee

Our opinion on the separate and consolidated] financial statements is consistent with our Additional Report to the Audit Committee of the Group, in accordance with Article 11 of the EU Regulation 537/2014.

3. Provision of Non-audit Services

We have not provided any prohibited non-audit services per Article 5 of the EU Regulation 537/2014. Non-audit services provided by us to the Company and its subsidiaries during the year ended December 31, 2019, are disclosed in note 3.39 of the separate and consolidated.

4. Appointment of the Auditor

We were firstly appointed as auditors of the Company by the General Assembly on May 12, 2015. Our appointment has been renewed annually by virtue of decisions of the annual general meetings of the shareholders for a continuous period of 5 years.

Athens, 16 March 2020

Vassilios Kaminaris
Certified Auditor Accountant
SOEL R.N. 2041

ERNST & YOUNG (HELLAS)
Certified Auditors – Accountants S.A.
8B Chimarras, Maroussi,
151 25, Greece
Company SOEL R.N. 107

4. Consolidated Financial Statements in accordance with IFRS for the year ended 31 December 2019

The annual financial statements for the year ended 31.12.2019 from pages 58 until 127 have been approved by the Board of Directors of Aegean Airlines on March 16, 2020.

The undersigned

Eftichios Vassilakis
I.D. no AN049866

Dimitrios Gerogiannis
I.D. no AB642495

Michael Kouveliotis
I.D. no P490629

Maria Zannaki
I.D. no Σ723984

Chairman of the BoD

Chief Executive Officer

Chief Financial Officer

Chief Accountant

The financial statements constitute an integral part of the Annual Financial Report which can found at www.aegeanair.com and which incorporated the Independent Auditor's Report.

4.1

Statement of Financial Position of the Company 31.12.2019

	Note	31.12.2019	31.12.2018
ASSETS			
Non-current assets			
Intangible assets	3.1	26.120,81	26.743,81
Tangible assets	3.2	69.369,36	140.901,09
Right of use assets	3.3	339.958,00	0,00
Advances for future aircraft leases	3.5	10.343,41	0,00
Investments in subsidiaries	3.4	72.416,56	72.416,56
Other long term assets	3.7	30.811,77	28.055,58
Derivatives	3.23	5.927,74	1.727,63
Financial Assets	3.8	24.080,80	525,00
Total non-current assets		579.028,45	270.369,67
Current assets			
Inventories	3.9	12.352,37	11.610,42
Trade and other receivables	3.10	108.236,85	115.474,79
Advances	3.11	26.334,59	19.051,12
Financial Assets	3.8	11.791,45	18.478,49
Derivatives	3.23	5.934,03	10.645,12
Advances for future aircraft leases	3.5	28.595,76	0,00
Restricted Cash	3.12	8.712,64	10.409,17
Cash and cash equivalents	3.12	360.781,00	164.095,82
Total current assets		562.738,69	349.764,93
TOTAL ASSETS		1.141.767,14	620.134,60
EQUITY			
Share capital	3.13	46.421,11	46.421,11
Share premium	3.14	72.775,98	72.775,98
Other reserves	3.15	16.065,04	-6.140,54
Retained earnings		94.944,12	96.018,73
Total equity		230.206,24	209.075,27
LIABILITIES			
Long term liabilities			
Borrowings	3.17	196.566,77	0,00
Derivatives	3.23	9.043,16	6.771,94
Provision for retirement benefits obligations	3.16	12.657,77	11.968,43
Provision for aircraft maintenance	3.19	26.765,32	11.283,45
Contract Liabilities	3.21	32.951,44	25.978,48
Deferred tax liabilities	3.6	7.770,77	5.000,37
Lease Liabilities	3.3	171.047,39	12.273,62
Total long term liabilities		456.802,62	73.276,29
Short term liabilities			
Trade and other payables	3.18	60.299,60	45.281,01
Borrowings	3.17	2.181,15	0,00
Other short term liabilities	3.20	94.824,78	91.433,99
Contract Liabilities	3.21	118.312,80	115.701,55
Accrued expenses	3.22	40.584,06	43.403,74
Derivatives	3.23	6.073,38	31.038,30
Provisions	3.19	12.239,27	264,44
Lease Liabilities	3.3	120.243,24	10.660,01
Total short term liabilities		454.758,29	337.783,05
Total liabilities		911.560,90	411.059,34
TOTAL EQUITY AND LIABILITIES		1.141.767,14	620.134,60

4.2

Statement of Financial Position of the Group 31.12.2019

	Note	31.12.2019	31.12.2018
ASSETS			
Non-current assets			
Intangible assets	3.1	42.400,94	43.505,63
Goodwill	3.1	39.756,30	39.756,30
Tangible assets	3.2	70.062,17	140.623,41
Right of use assets	3.3	390.041,00	0,00
Advances for future aircraft leases	3.5	10.343,41	0,00
Financial assets	3.8	24.080,80	525,00
Other long term assets	3.7	35.415,59	32.534,31
Derivatives	3.23	5.927,74	1.727,63
Total non-current assets		618.027,96	258.672,28
Current assets			
Inventories	3.9	18.027,76	17.577,37
Trade and other receivables	3.10	117.542,98	128.376,52
Advances	3.11	28.451,14	20.482,48
Financial assets	3.8	11.791,45	18.478,49
Derivatives	3.23	5.934,03	10.645,12
Advances for future aircraft leases	3.5	28.595,76	0,00
Restricted Cash	3.12	8.712,64	10.409,17
Cash and cash equivalents	3.12	496.364,83	261.265,93
Total current assets		715.420,59	467.235,09
TOTAL ASSETS		1.333.448,54	725.907,37
EQUITY			
Share capital	3.13	46.421,11	46.421,11
Share premium	3.14	72.775,98	72.775,98
Other reserves	3.15	16.065,05	(6.140,54)
Retained earnings		193.162,98	164.821,70
Total equity		328.425,11	277.878,25
LIABILITIES			
Long term liabilities			
Borrowings	3.17	196.566,77	0,00
Derivatives	3.23	9.043,16	6.771,94
Provision for retirement benefits obligations	3.16	13.478,62	12.479,80
Provision for aircraft maintenance	3.19	30.632,53	16.247,45
Contract Liabilities	3.21	32.951,44	25.978,48
Deferred tax liabilities	3.6	9.783,11	6.585,78
Lease Liabilities	3.3	205.478,25	12.273,62
Total long term liabilities		497.933,88	80.337,07
Short term liabilities			
Trade and other payables	3.18	85.318,67	65.830,13
Borrowings	3.17	2.181,15	0,00
Other short term liabilities	3.20	99.665,56	94.431,76
Contract Liabilities	3.21	126.241,72	122.311,81
Accrued expenses	3.22	36.406,65	38.271,51
Derivatives	3.23	6.073,37	31.038,30
Current tax liabilities	3.29	1.087,82	4.762,97
Provisions	3.19	12.359,41	385,56
Lease Liabilities	3.3	137.755,19	10.660,01
Total short term liabilities		507.089,55	367.692,05
Total liabilities		1.005.023,43	448.029,12
TOTAL EQUITY AND LIABILITIES		1.333.448,54	725.907,37

4.3 Statement of Comprehensive Income of the Company 31.12.2019

Condensed Statement of Comprehensive Income	Note	2019	2018
Revenue from contracts with customers	3.24	1.049.449,56	959.581,45
Other operating income	3.25	36.201,38	32.972,15
Personnel expenses	3.27	(125.922,57)	(117.441,29)
Depreciation		(129.277,38)	(17.992,48)
Consumption of goods and services	3.26	(750.173,20)	(789.540,26)
Finance income	3.28	27.191,34	21.650,30
Finance expense	3.28	(39.798,06)	(15.446,38)
Loss before tax		67.671,08	73.783,49
Income tax	3.29	(18.656,30)	(22.948,19)
Loss after tax		49.014,78	50.835,30
		2019	2018
Other comprehensive income			
(a) Other comprehensive income that may be reclassified to profit or loss in subsequent periods			
Cash flow hedging			
Reclassification of Profit / (Loss)		(5.030,03)	(26.302,25)
Net change in fair value		29.509,42	9.456,14
Income tax		(4.223,91)	4.716,91
Debt Instruments at FV through OCI			
Reclassification of Profit / (Loss)		557,70	73,34
Net change in fair value		(1.336,20)	180,61
Income tax		186,84	(71,10)
Total (a)		19.663,83	(11.946,36)
(b) Other comprehensive income that will not be reclassified to profit or loss in subsequent periods			
Net actuarial profit/ (loss) on defined benefit plans		86,46	(280,18)
Deferred tax		(182,42)	78,45
Net change in fair value - equity instruments		(4.080,79)	0,00
Deferred tax		979,39	0,00
Total (b)		(3.197,36)	(201,73)
Other comprehensive income/ (losses) for the period net of tax		16.466,47	(12.148,09)

4.4 Statement of Comprehensive Income of the Group 31.12.2019

Condensed Consolidated Statement	Note	2019	2018
Revenue from contracts with customers	3.24	1.308.782,96	1.185.246,24
Other operating income	3.25	19.285,15	17.454,53
Personnel expenses	3.27	(138.712,60)	(129.964,57)
Depreciation		(145.963,19)	(18.694,88)
Consumption of goods and services	3.26	(919.990,30)	(961.356,71)
Finance income	3.28	28.678,86	23.138,08
Finance expense	3.28	(45.333,10)	(17.186,34)
Profit before tax		106.747,79	98.636,35
Income tax	3.29	(28.210,24)	(30.718,83)
Profit after tax		78.537,54	67.917,52
		2019	2018
Other comprehensive income			
(a) Other comprehensive income that may be reclassified to profit or loss in subsequent periods			
Cash flow hedging			
Reclassification of Profit / (Loss)		(5.030,03)	(26.302,25)
Net change in fair value of cash flow hedges		29.509,42	9.456,14
Income tax		(4.223,91)	4.716,91
Debt Instruments at FV through OCI			
Reclassification of Profit / (Loss)		557,70	73,34
Net change in fair value of cash flow hedges		(1.336,20)	180,61
Income tax		186,84	(71,10)
Total (a)		19.663,82	(11.946,36)
(b) Other comprehensive income that will not be reclassified to profit or loss in subsequent periods			
Net actuarial profit/ (loss) on defined benefit plans		(129,78)	(240,59)
Deferred tax		(73,05)	66,97
Net change in fair value - equity instruments		(4.080,79)	0,00
Deferred tax		979,39	0,00
Total (b)		(3.304,23)	(173,62)
Other comprehensive income/ (losses) for the period net of tax		16.359,59	(12.119,98)
Total comprehensive income/(losses) for the period net of tax		94.897,13	55.797,54
Basic and diluted earnings per share in €		1,10	0,95

4.5

Statement of changes in the Equity of the Company 31.12.2019

Company	Issued capital	Share premium	Cash flow hedge reserves	Other Reserves	Financial Assets	Accumulated Profit / (Loss)	Total equity
Balance at 01.01.2018	46.421,11	72.775,98	(6.246,06)	10.222,79	65,68	73.283,16	196.522,65
IFRS 15 & 9 Impact	0,00	0,00	0,00	0,00	(164,78)	13.309,60	13.144,82
Profit for the year	0,00	0,00	0,00	0,00	0,00	50.835,29	50.835,29
Other comprehensive income/ (losses)	0,00	0,00	(12.129,20)	0,00	182,83	(201,73)	(12.148,10)
Total comprehensive income/ (losses)	0,00	0,00	(12.129,20)	0,00	18,05	63.943,16	51.832,02
Dividends Paid	0,00	0,00	0,00	0,00	0,00	(39.279,40)	(39.279,40)
Statutory Reserve	0,00	0,00	0,00	1.928,19	0,00	(1.928,19)	0,00
Balance on 31.12.2018	46.421,11	72.775,98	(18.375,26)	12.150,98	83,73	96.018,73	209.075,27
Balance on 01.01.2019	46.421,11	72.775,98	(18.375,26)	12.150,98	83,73	96.018,73	209.075,27
Profit for the year	0,00	0,00	0,00	0,00	0,00	49.014,78	49.014,78
Other comprehensive income/ (losses)	0,00	0,00	20.361,18	(105,70)	(591,65)	(3.197,36)	16.466,47
Total comprehensive income/ (losses)	0,00	0,00	20.361,18	(105,70)	(591,65)	45.817,42	65.481,24
Dividends Paid	0,00	0,00	0,00	0,00	0,00	(42.850,26)	(42.850,26)
Bord of Directors fees	0,00	0,00	0,00	0,00	0,00	(1.500,00)	(1.500,00)
Statutory Reserve	0,00	0,00	0,00	2.541,76	0,00	(2.541,76)	0,00
Balance on 31.12.2019	46.421,11	72.775,98	1.985,91	14.587,04	(507,92)	94.944,13	230.206,26

4.6

Statement of changes in the Equity of the Group 31.12.2019

Group	Issued capital	Share premium	Cash flow hedging reserves	Reserves (other)	Debt Instruments at FV through OCI	Accumulated Profit / (Loss)	Total equity
Balance at 01.01.2018	46.421,11	72.775,98	(6.246,06)	10.222,78	65,68	124.700,81	247.940,31
IFRS 15 & 9 Impact	0,00	0,00	0,00	0,00	(164,78)	13.584,58	13.419,81
Profit/ (loss) for the period	0,00	0,00	0,00	0,00	0,00	67.917,52	67.917,52
Other comprehensive income/ (losses)	0,00	0,00	(12.129,20)	0,00	182,84	(173,62)	(12.119,98)
Total comprehensive income/ (losses)	0,00	0,00	(12.129,20)	0,00	18,06	81.328,46	69.217,35
Dividends	0,00	0,00	0,00	0,00	0,00	(39.279,39)	(39.279,39)
Reserves	0,00	0,00	0,00	1.928,19	0,00	(1.928,19)	0,00
Balance on 31.12.2018	46.421,11	72.775,98	(18.375,26)	12.150,97	83,74	164.821,70	277.878,25
	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Balance on 01.01.2019	46.421,11	72.775,98	(18.375,26)	12.150,97	83,74	164.821,70	277.878,25
Profit/ (loss) for the period	0,00	0,00	0,00	0,00	0,00	78.537,54	78.537,54
Other comprehensive income/ (losses)	0,00	0,00	20.361,18	(105,70)	(591,66)	(3.304,23)	16.359,59
Total comprehensive income/ (losses)	0,00	0,00	20.361,18	(105,70)	(591,66)	75.233,31	94.897,13
Dividends	0,00	0,00	0,00	0,00	0,00	(42.850,26)	(42.850,26)
Bord of Directors fees	0,00	0,00	0,00	0,00	0,00	(1.500,00)	(1.500,00)
Statutory Reserve	0,00	0,00	0,00	2.541,76	0,00	(2.541,76)	0,00
Balance on 31.12.2019	46.421,11	72.775,98	1.985,92	14.587,04	(507,92)	193.162,99	328.425,12

The Group has applied IFRS 16 using the cumulative effect method. Under this method, the comparative information is not restated. See Note 3.3
The notes on pages 65 to 127 are an integral part of these stand alone and consolidated financial statements.

4.7

Cash Flow Statement of the Company 31.12.2019

	31.12.2019	31.12.2018
Cash flows from operating activities		
Profit before tax	67.671,08	73.783,49
Adjustments for:		
Depreciation (Notes 3.1, 3.2, 3.3)	129.277,38	17.992,48
Provisions for aircraft maintenance , bad debts and other provision (Notes 3.8, 3.16, 3.19(2))	38.105,40	16.417,37
Losses/(gains) from foreign exchange differences (Note 3.28)	(823,21)	(6.996,60)
(Revenue)/ expense, (Gain) / loss from investing activities	(7.633,10)	(1.446,94)
Finance Cost (Note 3.28)	21.056,98	2.246,74
Cash flows from operating activities before changes in working capital	247.654,53	101.996,55
Changes in working capital		
(Increase)/Decrease in inventories (Note 3.9)	(741,95)	(2.646,37)
(Increase)/ Decrease in receivables	(27.975,82)	(19.936,15)
Increase/ (Decrease) in liabilities	43.762,86	20.822,02
Total changes in working capital	15.045,09	(1.760,50)
Interest expenses paid	(18.426,78)	(2.111,17)
Income tax paid	(22.088,97)	(30.555,66)
Net cash flows from operating activities	222.183,88	67.569,21
Cash flows from investing activities		
Purchases of tangible assets (Notes 3.1, 3.2)	(18.665,54)	(11.671,99)
Sales of tangible assets	68,65	0,00
Tangible assets prepayments	(18.831,56)	(47.895,75)
Purchases of financial assets	(16.199,81)	(11.442,86)
Purchase of equity instruments	(20.000,00)	0,00
Sales of financial assets	25.390,83	0,00
Interest and other financial income received	2.413,64	939,99
Net cash flows from investing activities	(45.823,80)	(70.070,60)
Cash flows from financing activities		
Bond loan	200.000,00	0,00
Bond issuance costs	(3.820,25)	0,00
Dividends paid	(42.782,81)	(39.215,90)
Aircraft leases paid	(123.703,04)	0,00
Financial leases capital paid	0,00	(9.931,04)
Future aircraft lease prepayments	(11.928,12)	0,00
Net cash flows from financing activities	17.765,77	(49.146,94)
Net (decrease)/increase in cash and cash equivalents	194.125,85	(51.648,33)
Cash, cash equivalents & restricted cash at the beginning of the period (Note 3.12)	174.504,99	222.403,88
Net foreign exchange differences	862,80	3.749,44
Cash, cash equivalents & restricted cash at the end of the period	369.493,64	174.504,99

4.8

Cash Flow Statement of the Group 31.12.2019

	31.12.2019	31.12.2018
Cash flows from operating activities		
Profit before tax	106.747,80	98.636,35
Adjustments for:		
Depreciation (Notes 3.1, 3.2, 3.3)	145.963,21	18.694,88
Provisions for aircraft maintenance , bad debts and other provision (Notes 3.8, 3.16, 3.19(2))	37.221,11	16.570,26
Losses/(gains) from foreign exchange differences (Note 3.28)	456,82	(6.986,73)
Impairments loss of tangible assets	9,00	0,00
(Revenue)/ expense, (Gain) / loss from investing activities	(7.633,22)	(1.509,71)
Finance Cost (Note 3.28)	23.819,15	2.311,01
Cash flows from operating activities before changes in working capital	306.583,87	127.716,06
Changes in working capital		
(Increase)/Decrease in inventories (Note 3.9)	(450,38)	(2.384,12)
(Increase)/ Decrease in receivables	(27.275,48)	(19.132,89)
Increase/ (Decrease) in liabilities	52.129,92	20.051,14
Total changes in working capital	24.404,06	(1.465,87)
Interest expenses paid	(21.728,56)	(2.175,44)
Income tax paid	(34.768,24)	(37.680,06)
Net cash flows from operating activities	274.491,13	86.394,69
Cash flows from investing activities		
Purchases of tangible assets (Notes 3.1, 3.2)	(18.665,54)	(11.742,54)
Sales of tangible assets	68,77	0,00
Tangible assets prepayments	(18.831,56)	(47.895,75)
Purchases of financial assets	(16.199,81)	(11.442,86)
Purchase of equity instruments	(20.000,00)	0,00
Sales of financial assets	25.390,83	0,00
Interest and other financial income received	2.710,45	1.002,76
Capital return from subsidiary's share capital reduction	(45.526,86)	(70.078,39)
Cash flows from financing activities		
Bond loan	200.000,00	0,00
Bond issuance costs	(3.820,25)	0,00
Dividends paid	(42.782,81)	(39.215,90)
Aircraft leases paid	(137.560,44)	0,00
Financial leases capital paid	0,00	(9.931,04)
Future aircraft lease prepayments	(11.928,12)	0,00
Net cash flows from financing activities	3.908,37	(49.146,94)
Net (decrease)/increase in cash and cash equivalents	232.872,63	(32.830,65)
Cash, cash equivalents & restricted cash at the beginning of the period (Note 3.12)	271.675,10	300.931,51
Net foreign exchange differences	529,60	3.574,24
Cash, cash equivalents & restricted cash at the end of the period	505.077,33	271.675,10

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1

Information for the Group

➤ 1.1 General Information

The Company AEGEAN AIRLINES S.A. is a Societe Anonyme airline company (hereafter referred as “The Company”) under the discreet title AEGEAN AIRLINES, which bears the title of AEGEAN AIRLINES S.A. in its international transactions. The Company’s duration has been defined until 31/12/2044 and can be extended after that, following the decision of the General Shareholders Meeting. The Company’s registered address is in the Municipality of Kifissia, Attiki (31 Viltanioti St. PC 145 64). The parent company AEGEAN AIRLINES S.A. and its subsidiaries form AEGEAN Group (hereafter referred as “The Group”).

The financial statements for the period that ended in the 31st December 2019 have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as they have been adopted by the European Union and have been approved by the Board of Directors of the Company on March 16th 2020 and are subject to approval of the General Shareholders Meeting that will take place within the first half of 2020.

➤ 1.2 Nature of Operations

The Company and the Group operate in the sector of public airline transportations, providing transport of passengers and goods inside and outside the Greek territory, conducting scheduled and unscheduled flights. At the same time, they render aviation services, technical support and ground handling aircraft services. Indicatively, the Company’s and the Group’s objectives include among others the following activities/operations:

- participation in any type of local or foreign company of similar nature of operations;
- establishment of subsidiaries and agencies;
- import, trade, leasing of aircraft and spare parts.

2

Basis of Preparation of the Annual Financial Statements

The Company’s financial statements have been prepared in accordance with the International Financial Reporting Standards (“IFRS”), as adopted by EU. The financial statements have been prepared under the historical cost principle except for certain categories of assets and liabilities measured at fair values. These categories are the ones stated below:

- Financial derivatives;
- Debt and equity instruments

Financial statements are presented in thousand euro (€ ‘000), except if stated otherwise. In case of small variances in decimals are mainly due to rounding.

Management assesses the basic financial figures and if necessary, verifies Company’s compliance with medium-term budgeted amounts, as wells as loan covenants if any, in order to assess Company’s ability to continue as going concern and prepare the annual separate and group financial statements using the going concern basis of accounting.

Basis of Consolidation

The accompanied consolidated financial statements include parent’s financial statements, as well as the financial statements of any subsidiary in which the parent company has significant control. The subsidiaries (companies in which the Group directly or indirectly controls more than 50% of the votes or otherwise controls the

administration) have been consolidated. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and cease to be consolidated from the date on which control ceases to be in effect.

The financial statements of subsidiaries are prepared on the same date and with the same accounting principles as the financial statements of the parent. Intra-group transactions (including investments), balances and unrealized gains on transactions between Group companies are eliminated. Losses are allocated to non-controlling interests even if the balance is negative. Transactions that lead to change in ownership in subsidiaries are recognized in shareholders' equity. The results of subsidiaries acquired or sold during the financial period are included in the consolidated statement of comprehensive income from or up to the date of acquisition or sale, respectively.

Business combinations and goodwill

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses. A business is defined as a set of activities and assets that can be managed for the purpose of creation of benefits to its owners.

If the acquired assets are not a business, the transaction is accounted for as an acquisition of an asset and the acquisition cost is allocated to assets and liabilities, based on their relative fair values at the acquisition date.

Business combinations are accounted with the acquisition method. The cost of an acquisition is the fair value of the assets acquired, equity issued and liabilities assumed at the date of exchange, plus the amount of non-controlling interest measured in, for each combination, either at fair value or at the proportion of non-controlling interest at fair value of the net identifiable assets acquired. Acquisition-related costs are expensed as incurred.

If the cost of acquisition is less than the fair value of the net identifiable assets acquired, the difference is recognized directly in the income statement.

Goodwill on acquisitions of subsidiaries is recorded as an intangible asset. Goodwill is not amortized but is subject to at least annual testing for impairment. Thus, after initial recognition, goodwill is measured at cost less any accumulated impairment losses. For impairment testing purposes, goodwill is allocated, at the acquisition date, to each cash-generating unit that is expected to benefit from the combination.

The impairment test is performed by comparing the recoverable amount (value in use) of the unit with the carrying amount of each unit including the goodwill allocated to this unit. The recoverable amount is the higher of fair value less any costs to sell, and the unit value in use. More specifically the value in use is determined by using discounting future cash flows with an appropriate discount rate. An impairment loss recognized for goodwill is not reversed in subsequent periods. Impairment loss recognized for goodwill is not reversed in subsequent periods. Gains and losses on the disposal of subsidiaries are determined taking into account the goodwill relating to the entity sold.

Investments in subsidiaries

In the financial statements of the parent company, investments in subsidiaries are valued at cost of acquisition less any accumulated impairment losses. The impairment test is carried out whenever there is any indication of impairment based on the provisions of IAS 36 "Impairment of Assets" (Note 3.4)

➤ 2.1 Standards, Interpretations and amendments to existing standards

A) Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs which have been adopted by the Group as of 1 January 2019:

- **IFRS 16: Leases**

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). The new standard requires lessees to recognize most leases on their financial statements. Lessees have a single accounting model for all leases, with certain exemptions. Lessor accounting is substantially unchanged. The impact from the new IFRs adoption is analyzed below.

Classification and measurement

IFRS 16 permits various approaches at the transition date, whereas the Group has decided to apply the modified retrospective approach, under which the comparative information is not restated. Specifically, the management elected to follow the method based on which all right of use assets (ROU asset) are measured at an amount equal to the lease liability as per January 1, 2019.

Leases previously classified as finance leases according to IAS 17

Up to 31/12/2018, finance leases were capitalized at initial recognition, at the lower of the fair value of the leased asset and the present value of the minimum lease payments.

As at 1/1/2019 the book value of the right of use asset and lease liability at the adoption date equals the book value of the financed leased asset and the lease liability measured prior that date, in accordance with IAS 17. The Company and the Group didn't change the carrying amount of relevant asset and liability at the date of initial application.

Leases previously classified as operating leases according to IAS 17

Up to 31/12/2018 all operating leases, according to IAS 17, were not capitalized, but all rentals were recognized in the income statement over the lease period.

As at 1/1/2019 the Group and the Company measured all liabilities at an amount equal to the present value of all outstanding lease payments, using the incremental borrowing rate at that date. At the same time, an equal amount was recognized as a right of use asset. This asset includes not only the present value of all future lease payments, but also any prepayments made prior to the initial recognition date.

Exemptions

The Company and the Group decided to apply the exemptions provided by the standard concerning the short-term leases (duration of 12 months or less, without purchase option of the underlying asset). Lease payments associated with those leases are recognized as an expense on either a straight-line basis over the lease term or another systematic basis. Furthermore, the Company and the Group decided to exclude initial direct costs from the measurement of the right of use asset.

With respect to the incremental borrowing rate determination, the Company and the Group applied the practical expedient provided by the new standard, according to which a single discount rate may be applied to a portfolio of leases with similar characteristics.

The Company and the Group applied the practical expedient provided by the standard and did not account for each lease component within the contract separately from the non-lease components.

Lease categories

Main asset category, affected from the new standard application, include aircrafts leases previously classified as operating leases. Moreover, the Company and the Group recognized the right of use assets relating to building and office leases, leased airport spaces, spare aircraft engines as well as leased vehicles.

Discount rate

The method used for the determination of discount rate is described in “Important judgments, accounting estimates and assumptions” section

Impact in the Financial Statements

The table below analyses the 1/1/2019 impact in every single line of the separate and consolidated statement of financial position, increase/(decrease), following the initial application of IFRS 16.

Amounts in thousand €	Company	Group
	1/1/2019	1/1/2019
Non-current assets		
Rights of use assets	368.773,69	434.831,41
Tangible assets	(56.871,64)	(56.871,64)
Current assets		
Prepayments	(5.535,79)	(5.535,79)
TOTAL ASSETS	306.366,26	372.423,98
Long-term liabilities		
Lease liabilities	201.248,94	250.196,51
Finance lease liabilities	(12.270,33)	(12.270,33)
Short-term liabilities		
Lease liabilities	128.050,96	145.161,10
Finance lease liabilities	(10.663,30)	(10.663,30)
TOTAL LIABILITIES	306.366,26	372.423,98

Tangible assets decrease relates to reclassification of leases previously recognized as finance to the Right of use assets account.

Finance lease liabilities decrease relates to their reclassification to Lease liabilities account.

The following table reconciles the amount disclosed as operating leases commitments at the 31/12/2018 financial statements with the opening balance of lease liabilities as at 01/01/2019.

Amounts in thousand €	Company	Group
Operating lease commitments at 31/12/2018	322.581,36	404.414,72
Foreign exchange difference at 1/1/2019	1.439,30	1.775,38
Discount using incremental borrowing rate at IFRS 16 initial application	(24.360,66)	(32.637,96)
Other adjustments	7.478,01	(227,44)
Plus:		
Lease liabilities recognized as finance lease liabilities at 31/12/2018	22.933,63	22.933,63
Minus:		
Short-term leases	(771,75)	(900,72)
Lease Liabilities at 1/1/2019	329.299,90	395.357,61
Of which:		
<i>Short-term portion of lease liabilities</i>	<i>128.050,96</i>	<i>145.161,10</i>
<i>Long-term portion of lease liabilities</i>	<i>201.248,94</i>	<i>250.196,51</i>

• IFRS 9: Prepayment features with negative compensation (Amendment)

The Amendment allows financial assets with prepayment features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract (so that, from the perspective of the holder of the asset there may be 'negative compensation'), to be measured at amortized cost or at fair value through other comprehensive income. This amendment did not have a significant impact on the consolidated financial statements

• IAS 28: Long-term Interests in Associates and Joint Ventures (Amendments)

The Amendments relate to whether the measurement, in particular impairment requirements, of long-term interests in associates and joint ventures that, in substance, form part of the 'net investment' in the associate or joint venture should be governed by IFRS 9, IAS 28 or a combination of both. The Amendments clarify that an entity applies IFRS 9 Financial Instruments, before it applies IAS 28, to such long-term interests for which the equity method is not applied. In applying IFRS 9, the entity does not take account of any adjustments to the carrying amount of long-term interests that arise from applying IAS 28. These amendments did not have a significant impact on the consolidated financial statements.

• IFRIC INTERPETATION 23: Uncertainty over Income Tax Treatments

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances. This interpretation did not have a significant impact on the consolidated financial statements.

• IAS 19: Plan Amendment, Curtailment or Settlement (Amendments)

The Amendments require entities to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement has occurred. The Amendments also clarify how the accounting for a plan amendment, curtailment or settlement affects applying the asset ceiling requirements. These amendments did not have a significant impact on the consolidated financial statements.

- The **IASB has issued the Annual Improvements to IFRSs 2015 – 2017 Cycle**, which is a collection of amendments to IFRSs. These improvements did not have a significant impact on the consolidated financial statements.
 - **IFRS 3 Business Combinations and IFRS 11 Joint Arrangements:** The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.
 - **IAS 12 Income Taxes:** The amendments clarify that the income tax consequences of payments on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits has been recognized.
 - **IAS 23 Borrowing Costs:** The amendments clarify paragraph 14 of the standard that, when a qualifying asset is ready for its intended use or sale, and some of the specific borrowing related to that qualifying asset remains outstanding at that point, that borrowing is to be included in the funds that an entity borrows generally.

B) Standards issued but not yet effective and not early adopted

- **Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU. The Group management deems that this amendment will not have significant effect in the consolidated financial statements.

- **Conceptual Framework in IFRS standards**

The IASB issued the revised Conceptual Framework for Financial Reporting on 29 March 2018. The Conceptual Framework sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards. IASB also issued a separate accompanying document, Amendments to References to the Conceptual Framework in IFRS Standards, which sets out the amendments to affected standards in order to update references to the revised Conceptual Framework. Its objective is to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction. For preparers who develop accounting policies based on the Conceptual Framework, it is effective for annual periods beginning on or after 1 January 2020.

- **IFRS 3: Business Combinations (Amendments)**

The IASB issued amendments in Definition of a Business (Amendments to IFRS 3) aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The Amendments are effective for business combinations for which the acquisition date is in the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period, with earlier application permitted. These Amendments have not yet been endorsed by the EU. The Group management deems that these amendments will not have significant effect in the consolidated financial statements.

- **IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of 'material' (Amendments)**

The Amendments are effective for annual periods beginning on or after 1 January 2020 with earlier application permitted. The Amendments clarify the definition of material and how it should be applied. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity'. In addition, the explanations accompanying the definition have been improved. The Amendments also ensure that the definition of material is consistent across all IFRS Standards. The Group management deems that this amendment will not have significant effect in the consolidated financial statements.

- **Interest Rate Benchmark Reform - IFRS 9, IAS 39 and IFRS 7 (Amendments)**

The amendments are effective for annual periods beginning on or after 1 January 2020 and must be applied retrospectively. Earlier application is permitted. In September 2019, the IASB issued amendments to IFRS 9, IAS 39 and IFRS 7, which concludes phase one of its work to respond to the effects of Interbank Offered Rates (IBOR) reform on financial reporting. Phase two will focus on issues that could affect financial reporting when an existing interest rate benchmark is replaced with a risk-free interest rate (an RFR). The amendments published, deal with issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative interest rate and address the implications for specific hedge accounting requirements in IFRS 9 Financial Instruments and IAS 39 Financial Instruments: Recognition and Measurement, which require forward-looking analysis. The amendments provided temporary reliefs, applicable to all hedging relationships that are directly affected by the interest rate benchmark reform, which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate. There are also amendments to IFRS 7 Financial Instruments: Disclosures regarding additional disclosures around uncertainty arising from the interest rate benchmark reform. The Group management deems that these amendments will not have significant effect in the consolidated financial statements.

- **IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current or non-current. The amendments affect the presentation of liabilities in the statement of financial position and do not change existing requirements around measurement or timing of recognition of any asset, liability, income or expenses, nor the information that entities disclose about those items. Also, the amendments clarify the classification requirements for debt which may be settled by the company issuing own equity instruments. These Amendments have not yet been endorsed by the EU. The Group management deems that this amendment will not have significant effect in the consolidated financial statements.

➤ 2.2 Important judgments, accounting estimates and assumptions

The preparation of financial statements according to International Financial Reporting Standards (IFRS) requires the formulation of judgments, assumptions and estimates by the management that affect assets, liabilities and related disclosures at the reporting date of the financial statements. They also affect the disclosures of contingent assets and liabilities at the reporting date as well as the published revenues and expenses during the period. Actual results may differ from those estimated. Estimates and judgments are based on experience from the past

as well as other factors including expectations for future events which are considered reasonable under specific circumstances while they are reassessed continuously with the use of all available information.

Judgments

During the application of accounting policies, Company's management applies its judgment based on market information in which it operates. Possible future changes in the current conditions are considered in order for the most proper accounting policy to be applied. Management's judgment regarding estimates used in accounting policies, are summarized in the following categories:

Accounting treatment of liabilities (provisions) regarding aircraft maintenance

The Group is committed to satisfy certain maintenance obligations, as prescribed by the contract terms, upon lease termination. During the lease period the Group is obliged to follow the maintenance program required by the airframe and engine constructors. The estimated maintenance cost is charged in group expenses within the lease period, based on the expected maintenance for the airframe, engines and limited life parts using the flight hours or flight cycles. This estimation is based on Group maintenance program and the relevant contracts agreed with maintenance providers. See note 3.19(2)

Estimates and assumptions

Specific amounts which are included in or affect the financial statements and the relevant disclosures are assessed by the Group management in order to proceed in assumptions regarding values or conditions non certain at the preparation of the financial statements. An accounting estimate is considered important when it is significant for the financial position and the results of the Group and it requires difficult, subjective or complex judgments by the Group management and is often a result of uncertain assumptions. The Group evaluates such estimates continuously, based on historical experience, experts consultation, current trends, other methods which are deemed reasonable at the moment, as well as assumptions on how these could alter in the future.

Impairment

IFRS 9 introduces the expected credit loss ("ECL") approach to be applied on all financial assets measured at amortized cost ("AC") or at fair value with the corresponding changes allocated to other comprehensive income ("FVTOCI").

Debt Instruments

With respect to debt instruments the Group applies the general impairment model, under which the Group assess at each reporting date, whether the credit risk associated to any particular debt instrument has been increased, since its initial recognition, applying in addition the low risk simplification for all investment grade debt securities. Upon a significant increase in credit risk the Group measures lifetime expected credit losses.

Customers and other trade Receivables

The Group applies the IFRS 9 simplified approach to measure expected credit losses using a lifetime expected loss allowance for all trade and other receivables. Therefore, the Group measures at each reporting date the loss allowance for its trade and other receivables at an amount equal to their lifetime expected credit losses.

Financial assets with contractual payments over 90 days past due, constitute default events, but assess any given creditworthiness information with respect to certain cases, when a contractual claim collection problem is considered possible.

The expected credit losses on the trade and other receivables are estimated using a provision matrix based on the Group's historical experience of credit losses and cash recoveries on defaulted exposures.

Impairment of investment in subsidiaries

The parent company examines at each balance sheet date whether indications of impairment of investments in subsidiaries exist. Determining impairment indications requires management to make judgments regarding external and internal factors and the extent to which they affect the recoverability of these assets. If indications

of impairment exist, the Company makes an estimate of the recoverable amount. The calculation of the recoverable amount requires estimates regarding future cash flows associated with the investment, business plan, discount and growth rates. See note 3.4.

Impairment of intangible assets

Intangible assets that have indefinite useful life (goodwill and slots) are not subject to amortization but are tested for impairment. More specifically, goodwill impairment test is performed annually or more frequently if there are indications of impairment. Indications for slots value impairment are considered at each reporting period. An impairment loss is recognized for the amount exceeds intangible assets carrying value, not anticipated to be recovered. Any intangible asset being previously impaired, apart from goodwill, is reassessed by the management at each reporting period for potential reversal of impairment. See note 3.1

Loyalty program revenue recognition

The Group estimates the fair value of unredeemed loyalty points (miles) of Miles & Bonus program, by utilizing historical and statistical data. This calculation uses estimates for the expected redemption rate as well as the fair value of the redeemable product. See note 2.4d, 3.21

Determining lease period with extension option

The Group determines as lease period, the contractual lease duration, including any period referring to (a) lease extension option, if it is highly probable that will be exercised or (b) lease termination option, if it is highly probable that will be exercised.

The Group, in certain lease agreements, retains the option to extend the lease period. The Group assesses if it is certain that this option will be exercised, considering all the factors that create financial incentive to exercise the renewal option. Subsequently the lease inception date, the Group reassesses the lease period, if a significant event occurs or there is a change in the conditions that could affect the exercise option (or not) of right renewal (such as a change in Group business strategy).

Income tax (current & deferred)

The measurement of income taxes provisions is heavily based on estimates. There are a lot of transactions for which the accurate calculation of the tax is not possible in the normal course of business. The Company recognizes liability provisions for anticipated tax matters, based on estimates for potential amounts due for additional taxes. When the expected final tax payable is different from the initial estimates in the financial statements when those are finalized, both income tax and provisions for deferred taxation are affected. Moreover, possible effects from the tax audit of previous periods are included in note 3.29 and are recorded in the account 'Income Tax' of the Income Statement.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will occur against which tax losses may be offset and tax credits may be used. The recognition of deferred tax assets requires significant estimates and judgment with respect to future activities and prospects of the Group and the amount and timing of taxable profits.

Fair value of derivatives and other financial instruments / Hedge accounting

The Company uses derivatives to manage a series of risks including interest rates, foreign currency exchange rates (EUR/USD) and jet fuel price. Accounting for derivatives, in order to qualify for hedge accounting, requires that at the inception of the arrangement the details of the hedging relationship must be formally documented and the hedged value and the hedging instrument must meet certain requirements. From the beginning of a hedging and thereafter, every quarter the hedging effectiveness is evaluated both retrospectively and prospectively. In cases where the hedging becomes ineffective, it does no longer qualify as a hedge instrument in the future. The fair values of the derivative contracts are calculated using pricing models from an independent platform, making assumptions based on the market, which are confirmed by independent sources. Additional information regarding the use of derivatives is provided in note 3.23.

Fair value of financial instruments

All assets and liabilities for which the fair value is measured or disclosed in the financial statements, are categorized according to the hierarchy levels, described below:

The fair value of financial instruments traded in active markets is determined at each reporting date in relation to the stock market values or values determined by broker offers, without deduction for transaction costs (Hierarchy Level 1).

The fair value of financial instruments not traded in active markets is determined using: (i) appropriate valuation techniques for which the data, that have significant impact on the fair value accounted for, are directly or indirectly identifiable (Hierarchy Level 2), (ii) techniques for which the data, that have significant impact on the fair value accounted for, are not easily identified in the markets (Hierarchy Level 3) and may include recent transactions under normal conditions, the current fair value of another instrument similar to these instruments, discounted cash flow analysis or other valuation models.

For assets and liabilities recognized in the financial statements at fair value, the Group determines whether there are transfers made during the year between the hierarchy levels at the end of each year.

Contingencies

The Company is involved in litigation and claims in its normal course of operations. Management, based on experience and the fact that the trial procedures are still in process, estimates that any resulting settlements would not materially affect its financial position and operations. However, the determination of contingent liabilities relating to the litigation and claims is a complex process that involves judgments as to the possible outcomes and interpretation of laws and regulations. Future changes to the judgments or the interpretations may increase or decrease the Company's contingent liabilities in the future. Contingent assets / liabilities balances are analyzed in note 3.31.

Useful life of depreciable assets

The Group management evaluates the useful life of depreciable assets in every period. On December 31st 2019 the management believes that the useful lives of the assets are in line with their expected usage. The depreciable amounts are analyzed in notes 3.1 and 3.2. Intangible assets useful life can be considered definite or indefinite.

Post-retirement benefits to personnel

Post-retirement obligations are determined using actuarial valuations. An actuarial valuation requires the management to proceed in various assumptions, such as the future salary increases etc. At each reporting date, when this provision is revised, management tries to more precisely assess these assumptions. See note 3.16

Inventories provision

The Company periodically assesses the existing inventory and, if it is necessary, establishes a provision for spare parts impairment. The respective exercise is performed in cooperation with the Technical Department. Any inventories decrease to Net Realizable Value (NRV) and any loss occurred is recognized in the Statement of Comprehensive Income when occurred.

Discount rate

Future lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Company and the Group use the incremental borrowing rate.

A single discount rate is applied to a portfolio of leases with similar characteristics, such as the lease duration and the transaction currency, evaluating specific market financial ratios and other bond loan issued by companies of similar creditworthiness.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

2.3 Foreign Currency Translation

The Group financial statements are presented in Euros (€) which is its operating currency.

Foreign currency transactions are converted into the operating currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the conversion of remaining balances at year-end exchange rates, are recognized in the income statement in the accounts “financial income” & “financial expense”, respectively. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2.4 Revenue and expenses recognition

The Company and the Group recognize revenues in order to reflect the transfer of the promised goods or services to customers in an amount equal to the consideration they consider fair to collect for these goods or services.

Revenue from contracts with customers is recognized when all of the following criteria are met:

- The parties to the contract have approved the contract and are committed to perform their respective obligations
- The Company or the Group can identify each party’s rights regarding the goods or services to be transferred
- The Company or the Group can identify the payment terms for the goods or services to be transferred
- The contract has a commercial substance and
- It is probable that the Company or the Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

Revenue is measured at the fair value of the benefit received, net of tax, credits, trade discounts and airport fees. All taxes and related charges collected by the Group from passengers on behalf of third parties (e.g. airport taxes) are recorded on a net basis, as the Group acts as an agent.

The amount of revenue is estimated that it can be measured reliably only when all contingent liabilities related to it have been resolved.

The Company’s respective trade receivables are mainly paid in advance or have a limited maturity (up to 3 months).

(a) Scheduled and charter flights

The Company and the Group operate in the sector of public airline transportations, providing transport of passengers and goods inside and outside the Greek territory, conducting scheduled and unscheduled flights.

Therefore, it recognizes revenues when it satisfies the performance obligation of rendering the service to the customer at a given point in time. The performance obligation is satisfied when the flight is flown and the passenger is uplifted. With the adoption of IFRS 15 there has been no change in the revenue recognition from scheduled and charter flights.

The Group separates other obligations that may be included in the contract and constitute a separate performance obligation and determines the proportion of revenue attributable to them (i.e. customer loyalty miles, see (d))

(b) Ancillary Services

Specific categories of ancillary services, such as baggage fees, reissuing tickets fees, "fast track" and "chargeable seat" services, etc., are considered to be a modification of the contract and are directly related the flight performance. Therefore, they are recognized as revenue when the flight is flown. Under IAS 18, the major part of these ancillary services was recognized at the transaction date.

(c) Unused tickets

Passengers pay for their ticket, but do not always exercise its right, i.e. the ticket remains unused. Recognition of unused tickets as revenue is based on the expected breakage amount of tickets remaining unused in proportion to the pattern of rights exercised by the passenger based on historical information. The portion of revenues that has not been recognized based on the said exercise is transferred to a contract liability account and recognized by the company when the likelihood of the passengers exercising their remaining rights becomes remote. Prior to the adoption of IFRS 15, revenues from unused tickets were recognized only when the likelihood of the passengers exercising their remaining rights becomes remote.

(d) Customer loyalty program

The Company has a loyalty program for its customers, whose members can earn points (miles) through flights with the Group's airline companies, Star Alliance companies or through transactions with other partners. Part of ticket revenue attributable to earned miles reduces revenue recognized when the flight is flown and is transferred to contract liability account. The Company determines the separate sale price of this deferred income using the expected cost-plus margin approach. The redemption rate is calculated based on an actuarial study, using historical data of passengers' behavior in relation to mileage redemption. The obligation shall be reduced with the corresponding recognition of the revenue, when the actual miles are redeemed by passengers, which in substance is when the obligation performance is satisfied.

In the event of non-redeeming miles through the Company's channels, the related charges received from other partners are netting of the related revenue, since the Company acts as an agent.

There has been no significant change in the recognition of this revenue since the adoption of IFRS 15, which is though coincided with the use of an actuarial study by the Company, in order to assess more accurately the future behavior of passengers in terms of mileage redemption.

(e) Goods

The sale of goods refers to product sales on board. Related revenue is recognized at the transaction date, when the performance obligation is satisfied, and the customer takes control of the asset. The adoption of IFRS 15 did not affect the recognition of travel value revenue.

(f) Interest Income

Interest income is calculated using the method of the effective interest rate, which is the rate discounting future flows for the expected duration of the financial instrument at the net book value of the asset or liability.

Incremental costs of obtaining a contract with customers

The Company and the Group incur various costs in order to obtain a contract (sale of a ticket) with a customer, which they would not have incurred if the contract haven't been obtained (sales commission etc). These direct sales costs are considered as incremental contract costs and are directly related to the contract. They increase the resources that will be used to fulfill the performance obligation in the future and are expected to be recovered.

These costs are initially recognized in Advances of current assets. Then, they are allocated to the corresponding flight performance obligation and are amortized when this flight is flown in the income statement. See note 3.11

With respect to baggage claims paid to passengers for damages occurred, these amounts are recognized against respective revenue.

Other Expenses

Expenses are recognized in the income statement on an accrual basis. Interest expense is recognized on a time-proportion basis using the effective interest rate.

➤ 2.5 Intangible Assets

Intangible assets include airports slots, software licenses, Olympic Air brand and goodwill. Airport slots are assets with an indefinite useful life, given the Group satisfies their minimum use, they remain available for future use and therefore not amortized but subject to an impairment test annually. Exercise for impairment indications is mainly based on available slots trading data. Software licenses are valued at historic cost less amortization and/or any other possible impairment. Amortization of intangible assets is calculated applying the straight-line method in the useful life of the assets which is between 1 to 10 years.

Goodwill is an asset with an indefinite useful life, therefore it is not amortized, but is subject to impairment testing annually. It derives from the company's acquisitions and is calculated as a balance between the acquisition price and the fair value of the net assets acquired. (Note 3.1)

Useful life for Intangible Assets

Category	Useful life
Software	5 years
Olympic Air brand name	Contract terms (49 years)
Other	10 years

➤ 2.6 Tangible Assets

Tangible assets are recognized in the financial statements at acquisition cost, less accumulated depreciation and loss of impairment, if any. The acquisition cost includes all the directly attributable expenses for the acquisition of the asset. Subsequent expenditure is added to the carrying value of the tangible asset or is recognized as a separate fixed asset, only if it is expected to increase the future economic benefits for the Company and their cost can be accurately and reliably measured.

Depreciation of tangible fixed assets (other than Land which is not depreciated) is calculated using the straight-line method over their useful life, as follows:

Category	Useful life
Buildings	10-20 years
Machinery	6-22 year
Aircrafts	20-25 years
Vehicles	3-5 years
Aircraft/airport equipment	3-8 years
Other equipment	5 years

The residual values and useful economic life of tangible fixed assets are reassessed at each reporting period. Upon sale of a tangible assets, any difference between the proceeds and the book value is recognized as gain or loss to the income statement.

➤ 2.7 Impairments of tangible and Intangible Assets

The tangible and intangible assets that are valued at cost less depreciation/amortization, are reviewed for impairment when events or circumstances indicate that the residual value may not be recoverable. The impairment loss is the amount by which the book value of the cash-generating unit exceeds its recoverable amount. The recoverable amount is determined by discounting the future cash flows expected from the cash-generating unit.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Net selling price is considered as the possible proceeds from the sale of an asset in an arm's length transaction in which the parties have full knowledge and adhere voluntarily, after deducting any additional direct cost of disposal of the asset, while value in use is the present value of the estimated future cash flows expected to be realized by the continuing use of an asset and its disposal at the end of its estimated useful life.

If the Group is unable to estimate the recoverable amount of an asset for which there is an indication of impairment, it determines the recoverable amount of the cash-generating unit to which the asset belongs.

Reversal of an impairment loss on the value of assets recognized in prior years is made only when there is sufficient evidence that the impairment no longer exists or has decreased. In such cases the above reversal is recognized as income. Management estimates that there is no indication of impairment of the Group's fixed assets.

➤ 2.8 Pre-delivery payments

Pre-delivery payments in foreign currency are paid by the Company to Airbus in order to finance the aircraft manufacture, in accordance to the contractual terms of the agreement. Such advances are recognized at cost and classified as non-current assets.

The Company is likely to enter into a sale and leaseback agreement in the future with lessors who will finance these aircrafts in full. According to these agreement's clauses, the right and the commitment to purchase the aircraft is assigned to the lessor on the date of its delivery. At the delivery date, the lessor pays the full purchase price and the Company collects the full amount already paid in advance. Consequently, the related non-current asset is derecognized, and any gain or loss is recognized in the statement of comprehensive income.

The present value of the pre-delivery payments relating to future sale and leaseback agreements is determined based on discounted cash flows and is translated using the prevailing exchange rate at each reporting date. These advances are classified in Advances for future aircraft leases.

In case of no sale and leaseback agreement, the pre-delivery payments are considered part of the final aircraft purchase price. As such, they are classified in the Tangible assets, translated in the foreign exchange rate at the date of the transaction.

➤ 2.9 Financial Assets

Initial Recognition of financial assets

The Group measures financial assets on their initial recognition at their acquisition fair value. The Group recognizes initially trade receivables without a significant financing component at their transaction price.

Classification and Measurement of financial assets

All financial assets that fall within the scope of IFRS 9 are measured, subsequently to their initial recognition, at amortized cost or fair value.

Accordingly, Company's financial assets are classified in one of the following categories:

1. Amortized cost ("AC")

2. Fair Value through other comprehensive income ("FVTOCI")

3. Fair Value through profit or loss ("FVTPL")

The basis of their classification and subsequent measurement depends on the following two conditions:

- Entity's business model for managing the financial assets ("Business Model Assessment")
- Entity's contractual cash flow characteristics (SPPI test)

The business model of the Group refers to how the Group manages its financial assets in order to generate cash flows and determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The business model assessment is performed based on scenarios that the Group reasonably expects to occur, and not based on "worst case" or "stress case" scenarios.

The SPPI test, according to which the asset's contractual cash flows should be determined that are solely payments of principal and interest on the principal amount outstanding, is the second condition for classification of a financial asset in either AC or FVTOCI categories by the Group. In particular, for a debt instrument to be measured at AC or FVTOCI, its contractual terms must give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortized cost ("AC")

A financial asset is measured at AC only if both of the following conditions are met, unless it is designated as at FVTPL on initial recognition:

- i. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows ("HTC") and,
- ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Accordingly, the Group classifies financial assets at AC, when the financial assets both are held within a business model with the objective to hold them until maturity, collecting mostly of their contractual cash flows and these financial assets give rise to cash flows consisting only of payments of principal and interest. All financial assets that fail the SPPI test are subsequently measured at FVTPL; except for investments in equity instruments not held for trading that are elected at initial recognition to be measured at FVTOCI.

The Group subsequent to their initial recognition measures financial assets under this category at amortized cost using the effective interest. These financial assets are subject to the impairment requirements as per IFRS 9. Amortized cost of a financial asset is defined as the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and adjusted for any loss allowance.

Fair Value through Other Comprehensive Income ("FVTOCI")

A financial asset is measured at FVTOCI only if both of the following conditions are met, unless it is designated as at FVTPL on initial recognition:

- i. The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- ii. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Accordingly, the Group classifies financial assets at FVOCI, when are held within a business model with objective to hold the financial assets to collect the contractual cash flows, but also the Group expects to sell these financial assets when this is necessary (e.g. to fulfill a specific need for liquidity). In addition, these financial assets give rise to cash flows consisting only of payments of principal and interest.

The Group subsequent to their initial recognition measures financial assets under this category at fair value, with changes in their fair value recognized in other comprehensive income ("OCI"), except for:

- interest income
- foreign exchange gains or losses

- impairment gains or losses

Are recognized in profit and loss and computed in the same manner as for financial assets measured at AC. Any fair value changes recognized in OCI are transferred to profit and loss when the debt security is derecognized.

Fair Value through Profit and Loss (“FVTPL”)

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income. Any financial asset that fails the SPPI test is classified by the Group, at FVTPL (except if it is an investment in equity instrument designated in FVTOCI).

The Group classifies the financial assets that are not held within the “hold to collect” or “hold to collect and sell business models”, at FVTPL.

Since the option to designate a financial asset at fair value in its initial recognition is irrevocable, if a financial asset is designated as at FVTPL at initial recognition, the Group does not reclassify out of FVTPL to AC or FVTOCI, if the business model changes.

Financial assets at FVTPL are carried in the statement of financial position at fair value with changes in the fair value between reporting dates in the statement of profit and loss. Financial assets at FVTPL are not subject to the impairment requirements.

Equity Instruments

By default, the Group classifies equity participations under the scope of IFRS 9 at FVTPL unless; the Group makes an irrevocable election/designation at initial recognition for particular investments in equity to present subsequent changes in fair value in other comprehensive income.

Only dividend income that does not clearly represent a recovery as part of the cost of the investment is recognized in profit or loss, with all other gains and losses recognized in OCI. These gains and losses remain permanently in equity and are not subsequently reclassified to profit or loss, following derecognition.

Reclassification of Financial assets

A financial asset is reclassified by the Group, only when Group’s business model for managing financial assets changes. In general, a change in the business model is expected to be rare and occurs when the Group either begins or ceases to perform an activity that is significant to its operations. An example of business model’s change is when a business line is acquired, disposed of or terminated.

Changes in intention related to particular financial, the temporary disappearance of a particular market for financial assets or a transfer of financial assets between parts of the Group with different business models, are not considered by the Group changes in business model.

The reclassification is applied prospectively from the reclassification date, which is the first day of the first reporting period following the change in the business model, therefore previously recognized gains, losses (including impairment gains or losses) or interest are not restated.

Financial derivatives and hedge accounting

The Company has not adopted the requirements of IFRS 9, with respect to hedge accounting, and continues to apply IAS 39.

All financial derivative assets are initially recognized at the fair value on the trade date and subsequently at their fair value. Financial derivative instruments are recognized in assets when their fair value is positive and in liabilities when their fair value is negative. Their fair value is calculated from the value they have on an active market or through other valuation techniques when an active market does not exist for these financial instruments.

The profit or loss recognition depends whether a derivative has been determined as a hedging item and if hedging exists based on the nature of the hedged item. Profit or loss arising from the change of the fair value of derivatives that are not recognized as hedging items, is recognized in the income statement. The Company is using hedge accounting when at the commencement of the hedging transaction, and the subsequent use of financial derivatives can determine and justify the hedging relationship between the hedged item and the instrument used for hedging, relating to its risk management policy and strategy for hedging. Moreover hedge accounting is used

only when it is expected that the hedging strategy will be highly effective and reliably and continuously calculated, for the periods it was intended for, as per the reconciliation of the movements in the fair value or the cash flows resulting from the hedged risk. The Company is hedging cash flows using financial derivative instruments.

Cash flow hedging

With cash flow hedging the Company is covering risks coming from an asset, liability or future transaction that cause fluctuations in the cash flows and which could have an impact to the period's result. For financial derivatives classified as hedging items for cash flow hedging purposes, special accounting treatments are required. In order to fulfill the hedge accounting requirements, certain conditions relating to justification, hedging effectiveness and reliable calculation must be met.

The changes in the fair value of the effective part of the hedging derivative are recognized in the equity while the ineffective part is recognized in the comprehensive income statement. The accumulated balances in the equity are transferred in the income statement of the periods where the hedging derivatives are recognized. In particular, amounts relating to hedging of fuel prices increase or decrease fuel expenses, amounts relating to hedging of foreign exchange rate increase or decrease relative expenses and amounts relating to hedging of interest rates increase or decrease finance costs.

When a financial instrument expires, is either sold or exercised without being replaced, or when a hedged item does no longer fulfill the criteria of hedge accounting, cumulative gain or loss remains in equity and it is recognized when the transaction occurs. If the hedged transaction is not expected to occur, gains or losses are recognized directly in the income statement.

2.10 Inventories

The inventories include aircraft spare parts and goods. The purchase price includes all the costs incurred to bring the inventories at their current location and condition. The inventories cost is calculated using the weighted average cost method every reporting period.

Aircraft spare parts of significant value that be can be utilized for over a period of one year are capitalized in tangible assets. Otherwise, they are expenses as incurred in the statement of income.

On the balance sheet date, the inventories are measured at the lower of valuation cost and net realizable value (NRV). The Company at the end of each fiscal year considers any case of obsolescence of inventory and establishes any provision or write off.

2.11 Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

Right of use asset (ROU)

At the date the asset is available for use, the Group recognizes a right of use asset and a lease liability.

The cost of the right-of-use asset shall comprise:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The Group

incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Right of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

The group determines the long-term and short-term portion of a lease liability based on its settlement date.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date in case the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Exemptions

The Company and the Group decided to apply the exemptions provided by the standard concerning the short-term leases (duration of 12 months or less, without purchase option of the underlying asset). Lease payments associated with those leases are recognized as an expense on either a straight-line basis over the lease term or another systematic basis. Furthermore, the Company and the Group decided to exclude initial direct costs from the measurement of the right of use asset.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms.

➤ 2.12 Cash and cash equivalents - Restricted Cash

Cash and cash equivalents include cash at bank, petty cash as well as short term highly liquid deposits with an original maturity of three months or less. Restricted cash refer to cash collaterals with counterparties that derivative contracts have been signed, in order to offset exchange rate or fuel price fluctuations.

➤ 2.13 Share Capital

Share capital is determined using the nominal value of shares that have been issued. Share premium reserve includes all premiums more than the nominal price received at the date of the issue.

A share capital increase through cash includes any share premium during the initial share capital issuance. Any cost related to the capital increase or any tax benefit is deducted from the product of the share capital increase.

Retained earnings include the result of the current and the previous periods.

➤ 2.14 Employee benefits due to retirement and other short-term benefits to employees

Short term benefits

Short term employee benefits in cash or in kind are recognized as expense when incurred. Any unpaid amount is recognized as liability.

Retirement benefits

The Company has established both defined benefit and defined contribution plans.

Typically, defined benefit schemes provide for a benefit the employee will receive on retirement, based on factors such age, service years and compensation received.

The balance sheet liability in respect of a defined benefit plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of the plan's assets.

The defined benefit obligation is measured annually by independent actuaries using the projected unit credit method. The current value of the defined benefits is estimated by discounting the future expected cash outflows (using the interest rate of European bonds index Iboxx AA Corporate Overall 10+ EUR indices), issued in the currency the benefits will be paid at and have similar maturity terms to those of the retirement's liability.

The actuarial gains or losses that result from adjustments based on empirical adjustments and changes in actuarial assumptions are recorded in other comprehensive income and through it in retained earnings

A defined contribution plan is a retirement scheme where the Company pays defined contributions, to an independent institution (the fund) that operates the contributions and provides the benefits, on a compulsory or non-compulsory basis. The Company has no other legal or any other type of obligation for further contributions if the fund is unable to meet its contract requirements and provide to the employees the agreed benefits for current or past services. Prepaid contributions are recognized as assets to the extent the cash return or decrease is expected in the future payments.

➤ 2.15 Financial Liabilities

Financial liabilities include derivative liabilities, trade and other payable liabilities, borrowings and lease liabilities measured at amortized cost.

Financial liabilities are recognized when the Company becomes a party to the contractual agreements of the instrument and derecognized when the obligation under the liability is discharged, cancelled or expires.

Borrowings provide a long-term financing source to the Group. They are initially recognized at cost, which includes the initial proceeds less any issuance cost. Subsequent of initial recognition, borrowings are measured at amortized cost using the effective interest rate method.

All interest related charges are recognized as an expense in "financial expense" in the income statement.

Trade payables are recognized initially at their nominal value and subsequently valued at their amortized cost less any settlement payments.

Dividends payable to the shareholders are included in "Other short-term liabilities" when they are approved by the Shareholders' General Meeting.

When a current financial liability is exchanged with another of different type and terms but from the same originator, this is dealt as termination of the initial liability and commencement of a new one. Any difference in the book values is recognized in the income statement.

2.16 Income tax and deferred tax

Current Income Tax

Current income tax receivables / liabilities comprise of obligations to / or claims from tax authorities, based on taxable income of the current or previous reporting periods that have not been settled until the balance sheet date.

They are measured at tax rates and tax laws that are enacted on the respective financial year based on the taxable profits for the period. All differences in tax assets / liabilities are charged to the income statement for the period as part of the income tax expense.

Deferred tax

Deferred income tax is calculated with the net liability method focuses on temporary differences between the carrying amounts of assets and liabilities of the financial statements and the corresponding tax bases. Deferred tax assets are re-examined at every balance sheet date and are reduced to the extent that it is no longer possible that enough taxable income will be available to allow the use of benefit (in total or partially) of the deferred tax asset. Deferred tax liabilities are recognized for all temporal tax differences except when the deferred tax liability arises from the initial recognition of goodwill.

Deferred tax assets and liabilities are measured at tax rates that are expected to be enacted when the asset will be recovered or the liability settled taking into consideration the tax rates already enacted by the time of the balance sheet date.

Most changes in deferred tax assets or liabilities are recognized as tax revenue - expense. Changes in deferred tax assets or liabilities related to a change in the value of asset or liability recognized in equity through the statement of other comprehensive income or directly, are recognized in equity through the statement of comprehensive income or directly respectively.

The Company recognizes a previously unrecognized deferred tax asset to the extent that it is probable that future taxable profit will allow the recovery of the deferred tax asset.

The Group is subject to periodic tax audits by the tax authorities. In case of complex and uncertain tax treatments, the Group Management proceeds with judgements and estimates for the determination of the income tax as well as of the deferred tax. If deemed necessary, the Group seeks for experts' advice, in order to identify the most proper tax treatment, as well as to recognize the adequate provision. When the Group proceeds with the payment of imposed amounts, in order to appeal against the tax authorities and assesses that the outcome of the case will be favorable, the respective payments are posted as receivables, to be offset against potential liabilities in case of a negative outcome or to be refunded in case of a positive outcome. Upon finalization of said cases, any difference in relation to the provisions is recognized in the income statement.

2.17 Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has present legal or assumed obligations as a result of past events, their settlement is probable through an outflow of economic resources from the Company and the liability can be estimated reliably. The time frame or the resources' outflow may be uncertain. A present obligation stems from the existence of a legal or assumed obligation resulting from past events such as warranties, legal disputes or onerous contracts. When the total or part of the estimated provision settlement amount is expected to be paid by a third party, the remuneration will be recognized only if it is more probable than not that the remuneration will be paid by the financial entity. The remuneration amount recognized cannot exceed the provision amount.

The expense relating to a provision is presented in the income statement, net of the provision initially formed. A provision is used only for the purpose it was initially formed. Provisions are evaluated at each balance sheet date and adjusted accordingly in order to depict the best most current estimation. Provisions are valued at the balance sheet date and are adjusted in order to reflect the present value of the obligation's expected settlement cost.

In such cases where the possible economic resources outflow as a result of present obligation is not probable or the amount or the provision cannot be reliably estimated no provision for contingent obligations is recognized in the financial statements however they are disclosed if the probability of economic resources outflows is high. Contingent assets are recognized in the financial statements but are disclosed when the economic resources inflow is probable. Possible economic resources inflows for the Company that do not meet the conditions for an asset are considered as contingent assets.

2.18 Operating Segments

The Group is managed as one business unit that provides high-quality air transport within and outside the Greek territory. Operations are monitored and managed by the Board of Directors, which acts as the Chief Operating Decision Maker - CODM.

For more efficient decision-making, CODM is provided with all necessary information (route revenue, available resources, competition analysis), which is evaluated for the entire network, with the goal of maximizing the overall financial results and not to improve the results of a particular route.

Finally, it should be noted that profitability is measured based on the result, profit or loss, from operating activities before income tax, without taking into account the financial results and extraordinary items.

➤ 3.1 Intangible Assets

As at 31/12/2019 intangible assets amounted to € 26.120,81 and € 42.400,94 for the Company and the Group, respectively. The changes in the mentioned amounts are analyzed as follows:

Company	Slots	Software	Other	Total
Cost of acquisition				
Balance 01.01.2018	22.030,00	16.051,30	2.696,73	40.778,03
Additions	0,00	1.428,21	0,00	1.428,21
Disposals/Write offs	0,00	0,00	0,00	0,00
Balance 31.12.2018	22.030,00	17.479,51	2.696,73	42.206,24
Depreciations				
Balance 01.01.2018	0,00	10.862,17	2.052,54	12.914,71
Depreciations	0,00	2.293,18	254,54	2.547,72
Disposals/Write offs	0,00	0,00	0,00	0,00
Balance 31.12.2018	0,00	13.155,35	2.307,07	15.462,43
Net Book value at 31.12.2018	22.030,00	4.324,15	389,66	26.743,81
Cost of acquisition				
Balance 01.01.2019	22.030,00	17.479,51	2.696,73	42.206,24
Additions	0,00	1.913,25	737,49	2.650,74
Disposals/Write offs	0,00	0,00	0,00	0,00
Balance 31.12.2019	22.030,00	19.392,76	3.434,22	44.856,98
Depreciations				
Balance 01.01.2019	0,00	13.155,35	2.307,07	15.462,43
Depreciations	0,00	2.997,11	276,69	3.273,79
Disposals/Write offs	0,00	0,00	0,00	0,00
Balance 31.12.2019	0,00	16.152,46	2.583,71	18.736,17
Net Book value at 31.12.2019	22.030,00	3.240,30	850,51	26.120,81

Group	Brand name	Slots	Software	Other	Total
Cost of acquisition					
Balance 01.01.2018	21.750,05	22.039,00	21.917,06	2.696,73	68.402,84
Additions	0,00	0,00	1.449,81	0,00	1.449,81
Disposals/Write offs	0,00	0,00	0,00	0,00	0,00
Balance 31.12.2018	21.750,05	22.039,00	23.366,87	2.696,73	69.852,65
Depreciations					
Balance 01.01.2018	4.721,41	0,00	16.515,08	2.054,49	23.290,97
Depreciations	412,83	0,00	2.388,65	254,58	3.056,05
Disposals/Write offs	0,00	0,00	0,00	0,00	0,00
Balance 31.12.2018	5.134,23	0,00	18.903,73	2.309,06	26.347,03
Net Book value at 31.12.2018	16.615,82	22.039,00	4.463,14	387,67	43.505,63
Cost of acquisition					
Balance 01.01.2019	21.750,05	22.039,00	23.366,87	2.696,73	69.852,65
Additions	0,00	0,00	1.913,25	737,49	2.650,74
Disposals/Write offs	0,00	(9,00)	0,00	0,00	(9,00)
Balance 31.12.2019	21.750,05	22.030,00	25.280,12	3.434,22	72.494,39
Depreciations					
Balance 01.01.2019	5.134,24	0,00	18.903,73	2.309,06	26.347,04
Depreciations	412,84	0,00	3.056,90	276,69	3.746,42
Disposals/Write offs	0,00	0,00	0,00	0,00	0,00
Balance 31.12.2019	5.547,08	0,00	21.960,63	2.585,75	30.093,46
Net Book value at 31.12.2019	16.202,97	22.030,00	3.319,49	848,47	42.400,94

The Group performs its annual impairment test of goodwill, amounted to €40 mil, every year-end. The goodwill, from acquisition of Olympic Air, was examined for impairment with the value-in-use method. More specifically, discounted cash flows were used based on the 5-year business plan of the Group, which is considered as one cash generating unit (CGU).

Future cash flows over the Group 5-year business plan were determined on the basis of an estimated long-term growth rate of 0,5%, which was considered reasonable by the Management. The discount rate used was 8,9%. In the above assumptions, a sensitivity analysis was performed to determine the impact on the recoverable amount due to a possible change in these assumptions by +/- 0.5%.

There was no need of impairment, since the CGU recoverable amount highly exceeded its current book value at 31/12/2019.

3.2 Tangible Assets

Company	Buildings	Aircraft Owned	*Finance Leased Aircraft	*Aircraft Finance Leased – Maintenance component	Aircraft equipment	Airports equipment	Other vehicles	Furniture and other equipment	Advances for tangible assets	Total
Cost of acquisition										
Balance 01.01.2018	12.203,30	6.475,32	69.956,21	74.733,32	35.270,39	2.066,59	1.057,61	11.844,12	2.758,90	216.365,77
Additions	538,62	0,00	0,00	6.005,53	2.017,53	0,00	3,11	1.678,98	49.201,87	59.445,65
Disposals/write offs	0,00	0,00	0,00	0,00	0,00	(5,19)	(18,29)	(5,85)	(177,95)	(207,28)
Balance 31.12.2018	12.741,93	6.475,32	69.956,21	80.738,86	37.287,92	2.061,40	1.042,42	13.517,25	51.782,82	275.604,13
Depreciations										
Balance 01.01.2018	6.270,53	3.642,35	27.990,79	55.402,82	14.370,36	1.627,31	513,74	9.462,59	0,00	119.280,49
Depreciations	1.163,62	323,77	3.150,53	7.279,16	2.706,87	77,48	122,08	621,25	0,00	15.444,76
Disposals/write offs	0,00	0,00	0,00	0,00	0,00	(5,19)	(11,77)	(5,25)	0,00	(22,21)
Balance 31.12.2018	7.434,15	3.966,12	31.141,32	62.681,99	17.077,23	1.699,60	624,06	10.078,58	0,00	134.703,05
Net Book value 31.12.2018	5.307,78	2.509,20	38.814,89	18.056,87	20.210,69	361,80	418,36	3.438,67	51.782,82	140.901,08
Cost of acquisition										
Balance 01.01.2019	12.741,93	6.475,31	69.956,18	80.738,88	37.287,92	2.061,40	1.042,42	13.517,25	51.782,82	275.604,11
*IFRS 16 effect (Note 3.3)	0,00	0,00	(69.956,18)	(80.738,88)	0,00	0,00	0,00	0,00	0,00	(150.695,06)
Additions	290,97	0,00	0,00	0,00	7.385,27	50,60	0,00	884,04	27.322,50	35.933,37
Disposals/write offs	0,00	0,00	0,00	0,00	(5.408,60)	0,00	(60,92)	(63,00)	0,00	(5.532,52)
**Reclassification to "Advances for future aircraft leases"	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	(38.593,55)	(38.593,55)
Balance 31.12.2019	13.032,90	6.475,31	0,00	0,00	39.264,59	2.112,00	981,50	14.338,29	40.511,77	116.716,35
Depreciations										
Balance 01.01.2019	7.434,15	3.966,13	31.141,32	62.682,10	17.077,23	1.699,60	624,06	10.078,58	0,00	134.703,16
*IFRS 16 effect (Note 3.3)	0,00	0,00	(31.141,32)	(62.682,10)	0,00	0,00	0,00	0,00	0,00	(93.823,42)
Depreciations	1.023,76	323,77	0,00	0,00	4.209,53	67,06	119,72	843,48	0,00	6.587,32
Disposals/write offs	0,00	0,00	0,00	0,00	0,00	0,00	(60,92)	(59,16)	0,00	(120,07)
Balance 31.12.2019	8.457,90	4.289,89	0,00	0,00	21.286,76	1.766,66	682,86	10.862,91	0,00	47.346,99
Depreciable value 31.12.2019	4.575,00	2.185,42	0,00	0,00	17.977,83	345,33	298,64	3.475,37	40.511,77	69.369,36

* The Company and the Group have applied IFRS 16 as of 01/01/2019. From the date of the new standard adoption, the items " Finance Leased Aircraft " and " Aircraft Finance Leased – Maintenance reserves " are included in "Right of Use Asset" (Note 3.4).

** For reclassifications information see Note 3.5

Group	Buildings	Aircraft Owned	*Finance Leased Aircraft	*Aircraft Finance Leased – Maintenance component	Aircraft equipment	Airports equipment	Other vehicles	Furniture and other equipment	Advances for tangible assets	Total
Cost of acquisition										
Balance January 1st 2018	12.203,30	6.475,32	69.956,21	74.733,32	34.320,48	2.066,59	1.234,53	16.606,05	2.758,90	220.354,70
Additions	538,62	0,00	0,00	6.005,53	2.017,53	0,00	3,11	1.727,90	49.201,87	59.494,56
Disposals/write offs	0,00	0,00	0,00	0,00	0,00	(5,19)	(18,29)	(45,04)	0,00	(68,51)
Balance December 31st 2018	12.741,93	6.475,32	69.956,21	80.738,86	36.338,01	2.061,40	1.219,34	18.288,92	51.782,82	279.602,81
Depreciations	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Balance January 1st 2018	6.270,53	3.642,35	27.990,79	55.402,82	14.242,06	1.627,31	673,84	13.554,22	0,00	123.403,93
Depreciations	1.163,62	323,77	3.150,53	7.279,16	2.611,88	77,48	124,70	866,55	0,00	15.597,69
Disposals/write offs	0,00	0,00	0,00	0,00	(0,02)	(5,19)	(11,77)	(5,25)	0,00	(22,23)
Balance December 31st 2018	7.434,15	3.966,12	31.141,32	62.681,99	16.853,92	1.699,60	786,78	14.415,52	0,00	138.979,40
Net Book value December 31st 2018	5.307,78	2.509,20	38.814,89	18.056,87	19.484,08	361,80	432,56	3.873,40	51.782,82	140.623,41
Cost of acquisition										
Balance January 1st 2019	12.741,93	6.475,31	69.956,21	80.738,86	36.338,00	2.061,40	1.219,34	18.288,91	51.782,82	279.602,79
*IFRS 16 effect (Note 5.4)	0,00	0,00	(69.956,21)	(80.738,86)	0,00	0,00	0,00	0,00	0,00	(150.695,07)
Additions	290,97	0,00	0,00	(0,00)	7.385,27	50,60	0,00	885,09	28.466,36	37.078,29
Disposals/write offs	0,00	0,00	0,00	0,00	(5.408,60)	0,00	(75,99)	(63,00)	0,00	(5.547,59)
**Reclassification to "Advances for future aircraft leases"	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	(38.593,55)	(38.593,55)
Balance December 31st 2019	13.032,90	6.475,31	0,00	(0,00)	38.314,67	2.112,00	1.143,35	19.111,00	41.655,63	121.844,87
Depreciations										
Balance January 1st 2019	7.434,15	3.966,13	31.141,32	62.681,99	16.853,89	1.699,60	786,77	14.415,52	0,00	138.979,36
*IFRS 16 effect (Note 5.4)	0,00	0,00	(31.141,32)	(62.681,99)	0,00	0,00	0,00	0,00	0,00	(93.823,31)
Depreciations	1.023,76	323,77	0,00	(0,00)	4.114,53	67,06	107,25	1.110,30	0,00	6.746,68
Disposals/write offs	0,00	0,00	0,00	0,00	0,00	0,00	(60,88)	(59,16)	0,00	(120,03)
Balance December 31st 2019	8.457,90	4.289,89	0,00	(0,00)	20.968,42	1.766,66	833,15	15.466,67	0,00	51.782,70
Depreciable value December 31st 2019	4.575,00	2.185,42	(0,00)	(0,00)	17.346,25	345,33	310,20	3.644,34	41.655,63	70.062,17

* The Company and the Group have applied IFRS 16 as of 01/01/2019. From the date of the new standard adoption, the items " Finance Leased Aircraft " and " Aircraft Finance Leased – Maintenance reserves " are included in "Right of Use Asset" (Note 3.4).

** For reclassifications information see Note 3.5

➤ 3.3 Right of use assets/ Lease liabilities

At 31/12/2019 the Group fleet consisted of 62 aircraft, out of which 50 aircraft owned by the parent company and 12 by the subsidiary company, Olympic Air.

The table below presents the Group fleet at 31/12/2019.

FLEET 31.12.2019			
Manufacturer. Model	Operator		Total
	Aegean	Olympic Air	
Airbus A320ceo	37	-	37
Airbus A320neo	1	-	1
Airbus A321ceo	11	-	11
Airbus A319ceo	1	-	1
Bombardier Dash 8-Q400	-	8	8
Bombardier Dash 8-100	-	2	2
ATR 42-600	-	2	2
Total	50	12	62

The Company also owns one Learjet 60, which is used for air-taxi flights. See Note 3.2.

Group fleet at 31/12/2018 was as follows:

FLEET 31.12.2018			
Manufacturer/ Model	Operator		Total
	Aegean	Olympic Air	
Airbus A320ceo	37	-	37
Airbus A321ceo	11	-	11
Airbus A319ceo	1	-	1
Bombardier Dash 8-Q400	-	8	8
Bombardier Dash 8 - 100	-	2	2
ATR 42-600	-	2	2
Total	49	12	61

Following the adoption of IFRS 16, the right of use assets, as well as the respective lease liabilities for the Company and the Group at 31/12/2019 were:

Company	Right of use assets					Lease liabilities
	Aircrafts	Aircraft Engines	Buildings	Vehicles	Total Assets	
Opening balance 1/1/2019	344.310,58	12.499,47	11.221,29	742,35	368.773,69	329.299,90
Additions	59.336,31	2.278,44	1.586,00	1.085,32	64.286,07	51.526,47
Modifications	26.443,91	0,00	0,00	0,00	26.443,91	26.443,91
Disposals	0,00	0,00	(101,47)	(22,07)	(123,54)	(124,15)
Depreciation	(113.638,58)	(2.936,89)	(2.408,17)	(438,51)	(119.422,14)	0,00
Interest expense	0,00	0,00	0,00	0,00	0,00	13.395,83
Payments	0,00	0,00	0,00	0,00	0,00	(133.623,60)
FX Valuation	0,00	0,00	0,00	0,00	0,00	4.372,27
Ending balance 31/12/2019	316.452,23	11.841,03	10.297,65	1.367,10	339.958,00	291.290,62

Group	Right of use assets					Lease liabilities
	Aircrafts	Aircraft Engines	Buildings	Vehicles	Total Assets	
Opening balance 1/1/2019	409.755,89	12.499,47	11.793,32	782,73	434.831,41	395.357,61
Additions	59.336,31	2.278,44	1.586,00	1.149,32	64.350,07	51.590,46
Modifications	26.443,91	0,00	0,00	0,00	26.443,91	26.443,91
Disposals	0,00	0,00	(101,81)	(22,07)	(123,88)	(124,15)
Depreciation	(129.565,24)	(2.936,89)	(2.495,84)	(462,88)	(135.460,85)	0,00
Interest expense	0,00	0,00	0,00	0,00	0,00	16.092,62
Payments	0,00	0,00	0,00	0,00	0,00	(151.480,33)
FX Valuation	0,00	0,00	0,00	0,00	0,00	5.353,32
Ending balance 31/12/2019	365.970,87	11.841,03	10.781,66	1.447,10	390.040,66	343.233,45

All amounts recognized in the income statements are summarized below:

	Company		Group	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Depreciation expense of right of use assets	119.422,14	0,00	135.460,85	0,00
Interest expense on lease liabilities	13.395,83	0,00	16.092,62	0,00
Expense relating to short-term leases	2.391,42	0,00	2.957,69	0,00
Total	135.209,39	0,00	154.511,16	0,00

The lease payments are analyzed as follows:

	Company		Group	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Payments relating to lease liabilities	133.623,60	0,00	151.480,33	0,00
Payments relating to short-term leases	2.391,42	0,00	2.957,69	0,00
Σύνολο	136.015,03	0,00	154.438,01	0,00

➤ 3.4 Investment in subsidiaries

Investments in subsidiaries are analyzed as follows:

Company	Country of activity	Participation	31.12.2019	31.12.2018
Olympic Air A.E.	Greece	100%	62.416,56	62.416,56
Aegean Cyprus LTD	Cyprus	100%	10.000,00	10.000,00
Investment in subsidiaries			72.416,56	72.416,56

Management estimates that there are no impairment indications in the investments in its subsidiaries.

➤ 3.5 Advances for future aircraft leases

Advances paid with respect to future sale and leaseback agreements is determined based on discounted cash flows and is translated using the prevailing exchange rate at each reporting date.

As at 31/12/2018 the outstanding balance is € 38.939,17, part of which (€ 28.595,76) is anticipated to be settled within next year.

The year-end translation of advances resulted in a gain of €749,20. Furthermore, an amount of €259,31 was recorded in the income statement from the discounting calculation. Both amounts have been recognized in finance income/expense accounts.

Advances for tangible assets were classified at 31/12/2018 in the below accounts:

- Non-current assets – Advances for assets acquisitions (€ 48.201,37)
- Current assets – Advances (€ 3.581,49)

However, for better presentation purposes, the outstanding balance at 31/12/2018 was reclassified to the Tangible assets account. Note 3.2

Advances relating to future aircraft leases (over one-year period) have been reclassified to the Non-current assets, in the Advances for future aircraft leases account, while those referring to aircraft leases within one year have been classified to the Current assets, in the Advances account.

➤ 3.6 Deferred tax assets/ liabilities

The deferred tax assets/liabilities arising from the corresponding temporary tax differences for the Company and the Group are the following:

	Company		Group	
Company	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Revaluation of assets and depreciation/amortization	731,94	(5.286,89)	225,52	(4.835,26)
Right of use depreciation	51.178,93	(132.768,85)	0,00	0,00
Lease Liabilities	69.909,75	0,00	26.614,87	(36.160,84)
Receivables	15.515,01	(8.582,42)	6.451,42	(8.692,68)
Provisions for employee retirement benefits	2.855,45	0,00	2.893,97	0,00
Derivatives	2.816,81	(33,38)	7.122,50	0,00
Bonds	0,00	(1.166,23)	0,00	(14,51)
Other short-term liabilities	36.903,16	(39.844,05)	11.034,16	(9.639,52)
Total for offsetting	179.911,05	(187.681,81)	54.342,43	(59.342,81)
Balance	(7.770,76)		(5.000,38)	

	31.12.2019		31.12.2018	
Group	Asset	Liability	Asset	Liability
Revaluation of assets and depreciation/amortization	903,81	(6.398,05)	4.912,81	(10.752,77)
Right of use depreciation	51.178,93	(132.768,85)	0,00	0,00
Lease Liabilities	69.909,75	(419,41)	26.614,87	(36.160,84)
Receivables	15.712,01	(8.582,43)	10.186,31	(12.677,62)
Provisions for employee retirement benefits	2.855,45	0,00	3.037,15	0,00
Derivatives	2.816,81	(884,04)	0,00	(14,51)
Bonds	0,00	(1.166,24)	7.122,50	0,00
Other short-term liabilities	36.903,16	(39.844,03)	12.317,21	(11.170,90)
Total for offsetting	180.279,93	(190.063,04)	64.190,84	(70.776,63)
Balance	(9.783,11)		(6.585,79)	

3.7 Other long-term assets

Other long-term assets are analyzed as follows:

	Company		Group	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Security deposits relating to lease agreements	30.207,39	27.148,99	34.667,61	31.627,73
Other assets	604,37	906,56	747,98	906,56
Total	30.811,77	28.055,55	35.415,59	32.534,29

In accordance with the aircraft operating lease contract terms, the Company and the Group provide security deposits. Account balance increase mainly comes from the new operating lease agreements signed.

Minor part of the above security deposits refers to building leases that the Group and the Company uses for its main operations.

Other long-term assets account includes long-term receivable amount from sales of assets.

➤ 3.8 Financial assets

The account includes Company's investments in debt and equity instruments, which are traded in primary and secondary markets and they are measured at fair value through other comprehensive income (Fair value hierarchy Level 1).

Part of this account, amounting to €24m, reflects Company's participation in Lamda Development share capital (1,66%), since during the year the Company agreed an MOU for the promotion of Hellinikon Development Project, as its official Air Carrier. Management irrevocably decided to measure this financial asset at fair value through OCI at initial recognition.

Apart from the above investment, in 2019 the Company and the Group also purchased debt instruments amounted to €16.450,76 (31/12/2018 €11.442,86).

At 31/12/2019 an additional provision of € 60 was established, for impairment of expected credit losses. The amount is included in the financial expenses. (Note 3.28)

No transfers of financial assets between Level 1 and Level 2 hierarchies were made.

➤ 3.9 Inventories

The inventories refer to goods sold on board during international flights and to aircraft spare parts.

Regarding the aircraft spare parts, the Company and the Group maintain specific volume of spare parts to respond in any possible maintenance and repair needs.

	Company		Group	
Closing Stocks	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Goods	722,24	655,61	722,24	655,61
Aircraft spare parts	11.630,13	10.954,81	17.305,52	16.921,76
Total	12.352,37	11.610,42	18.027,76	17.577,38

The changes in the inventories are analyzed as below:

	Company		Group	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Goods				
Opening balance	655,61	760,21	655,61	760,21
Purchases for the period	2.402,55	2.110,09	2.402,55	2.110,09
Consumption for the period	(2.335,93)	(2.214,69)	(2.335,93)	(2.214,69)
Closing balance	722,24	655,61	722,24	655,61
Aircraft spare parts				
Opening balance	10.954,82	8.203,85	16.921,77	14.433,05
Purchases for the period	11.599,99	9.237,06	14.535,88	11.851,20
Spare parts consumption for the period	(10.924,67)	(6.486,10)	(14.152,13)	(9.362,49)
Closing balance	11.630,13	10.954,81	17.305,52	16.921,76
Total inventories	12.352,37	11.610,42	18.027,76	17.577,38

➤ 3.10 Customers and other trade receivables

Customers and other trade receivables refer mainly to the following balances:

	Company		Group	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Domestic customers	17.752,98	6.967,31	10.352,48	8.591,86
International customers	3.399,57	3.585,60	4.065,13	3.954,90
Greek State	491,50	505,73	1.325,56	505,73
Other debtors	33.675,83	29.645,42	59.553,17	56.754,76
Accrued income	32.363,55	37.084,77	33.275,57	43.417,80
Contract Assets	12.474,40	11.170,65	1.608,50	1.564,18
Suppliers advances	6.667,97	14.972,43	7.309,19	3.006,89
Total	106.825,78	103.931,90	117.489,59	117.796,12
Allowance for doubtful debts	(3.440,15)	(1.932,19)	(6.292,69)	(4.881,71)
Total Customers	103.385,63	101.999,71	111.196,90	112.914,41
Other receivable	4.851,22	13.475,07	6.346,09	15.462,10
Total Trade and Other Receivables	108.236,85	115.474,78	117.542,98	128.376,52

Other debtors balance refers to receivables from ticket sales through IATA travel agents in Greece or abroad and tickets sold from/to other airline companies.

Contract assets outstanding balance refers to 2019 revenue invoiced within January 2020 and mainly include interline revenue, as well as revenue from redemption/conversion of award points in loyalty programs that Company participates.

Accrued income includes mainly Group claims to lessors for reimbursement by maintenance reserves, when a maintenance has been carried out within the year but the invoice was issued the following year.

Trade and other receivables amount is considered to be short-term and therefore their fair value is not considered to be materially different from their book value.

Ageing of non-impaired trade and other receivable, as well as expected credit losses are presented in the table below:

Ageing Analysis of customers/debtors (Company)						
31.12.2019	Not past due	< 30 days	30-60 days	61-90 days	> 90 days	Total
Expected Credit Loss Rate	2,42%	15,75%	19,85%	28,14%	64,78%	3,22%
Estimated total gross carrying amount at default	103.447,88	1.981,81	343,45	339,64	713,00	106.825,78
Lifetime ECL	2.502,37	312,16	68,16	95,58	461,87	3.440,15
Ageing Analysis of customers/debtors (Group)						
31.12.2019	Not past due	< 30 days	30-60 days	61-90 days	> 90 days	Total
Expected Credit Loss Rate	2,38%	14,00%	19,77%	31,22%	90,47%	5,36%
Estimated total gross carrying amount at default	109.625,38	3.653,71	354,47	645,99	3.210,05	117.489,59
Lifetime ECL	2.605,13	511,69	70,08	201,70	2.904,10	6.292,69
Ageing Analysis of customers/debtors (Company)						
31.12.2018	Not past due	< 30 days	30-60 days	61-90 days	> 90 days	Total
Expected Credit Loss Rate	0,87%	10,65%	22,46%	37,25%	92,69%	1,86%
Estimated total gross carrying amount at default	100.410,02	2.030,51	234,47	678,23	578,66	103.931,90
Lifetime ECL	874,16	216,35	52,66	252,64	536,38	1.932,19
Ageing Analysis of customers/debtors (Group)						
31.12.2018	Not past due	< 30 days	30-60 days	61-90 days	> 90 days	Total
Expected Credit Loss Rate	1,02%	11,11%	22,75%	35,35%	96,68%	4,14%
Estimated total gross carrying amount at default	110.991,85	2.147,18	656,51	830,34	3.170,25	117.796,13
Lifetime ECL	1.135,22	238,56	149,35	293,56	3.065,01	4.881,70

The movement of provision is analyzed below:

	Company		Group	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Balance as at the beginning of the year	1.932,19	0,00	4.881,71	2.837,39
Adoption of IFRS 9	0,00	1.420,89	0,00	1.720,91
Adjusted opening balance	1.932,19	1.420,89	4.881,71	4.558,30
Unused Provision	0,00	0,00	0,00	(278,39)
Impairment losses recognized on receivables	1.507,96	511,30	1.410,98	601,80
Balance at year end	3.440,15	1.932,19	6.292,69	4.881,71

The Company made no write-offs in 2019 (2018: €689,36) but received cash recoveries amounting to € 126,31 (2018: € 126,37). The Group didn't make any write-offs in 2019 and 2018 while an amount of € 178,9 (2018: € 137,87) was collected.

➤ 3.11 Prepayments

Prepayments relate to amounts paid in advance for certain transactions with third parties or to the Company's and the Group's employees.

Prepayments balance is analyzed below:

	Company		Group	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Advances to employees	0,00	0,00	0,00	7,51
Employees prepaid expenses	0,13	0,13	50,08	0,13
Other advances paid	110,86	98,83	110,86	98,83
Income tax prepayment	1.627,00	1.726,07	1.627,00	1.726,07
Prepaid expenses	24.551,59	17.226,08	26.618,19	18.649,94
Fixed assets prepayments	45,00	0,00	45,00	0,00
Total	26.334,59	19.051,12	28.451,14	20.482,49

Prepaid expenses mainly relate to aircraft maintenance and insurance and other operating costs.

The income tax liability for the year ended 31 December 2019 has been offset to the Income tax prepayment paid last year for 2019.

Prepaid expenses account includes the asset recognized by the incremental costs of obtaining contract with customers.

	Company		Group	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Contact Cost asset	4.373,90	4.280,99	4.373,90	4.280,99
Amortization of contract cost	(177,74)	87,30	(177,74)	87,30

➤ 3.12 Cash and cash equivalents- Restricted Cash

Cash and cash equivalents of the Company and the group are analyzed as follows:

	Company		Group	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Cash	123,88	303,60	162,47	343,14
Current accounts	186.486,59	84.506,07	261.956,37	139.455,63
Short term time deposits	140.478,01	59.733,62	200.553,47	101.914,64
Cash equivalents	33.692,51	19.552,52	33.692,51	19.552,52
Total	360.781,00	164.095,82	496.364,83	261.265,93

Cash equivalent refer to low risk investments which can be immediately liquidated (less than 3 months). (Treasury bills, money market funds).

Part of Company and Group cash accounts, amounting to €129,93m (31/12/2018: €94,80m) and €146,23m (31/12/2018: €99,27m) respectively, include cash denominated in foreign currency (mainly USD).

The Group restricted cash as at 31/12/2019 amounted at €8.712,64 (31/12/2018: €10.409,17), concerning cash collateral provided to third parties, in the context of contracts for derivative financial instruments used as security for hedging contracts.

➤ 3.13 Share Capital

The Company share capital at 31/12/2019 and 31/12/2018 is €46.421, divided into 71.417.100 common registered shares of nominal value sixty-five eurocents (€ 0,65) per share.

All shares have been fully paid and participate in the profits.

➤ 3.14 Share Premium

The share premium at 31/12/2019 and 31/12/2018 amounts to € 72.775,98.

➤ 3.15 Other reserves

Other reserves comprise of statutory, special reserves, cash flow hedge reserve, as well as reserves arising from financial assets measured at fair value through OCI.

Company's other reserves are analyzed as follows:

Reserves	Statutory reserves	Special Reserves	Fair value reserves (cash flow hedge)	Financial Assets	Total
Balance at 31.12.2017	9.866,27	356,50	(6.246,08)	65,67	4.042,37
Change for the period	1.928,19	0,00	(12.129,15)	18,05	(10.182,91)
Balance at 31.12.2018	11.794,46	356,50	(18.375,23)	83,73	(6.140,54)
Change for the period	2.541,76	(105,73)	20.361,18	(591,65)	22.205,56
Balance at 31.12.2019	14.336,24	250,77	1.985,96	(507,91)	16.065,05

Group other reserves are analyzed as follows:

Reserves	Statutory reserves	Special Reserves	Fair value reserves (cash flow hedge)	Financial Assets	Total
Balance at 31.12.2017	9.866,28	356,50	(6.246,08)	65,70	4.042,41
Change for the period	1.928,19	0,00	(12.129,20)	18,05	(10.182,96)
Balance at 31.12.2018	11.794,47	356,50	(18.375,28)	83,76	(6.140,55)
Change for the period	2.541,76	(105,73)	20.361,18	(591,65)	22.205,56
Balance at 31.12.2019	14.336,24	250,77	1.985,90	(507,89)	16.065,01

The fair value reserves are presented net of deferred taxes.

➤ 3.16 Provision for employee retirement benefits

The amounts analyzed below are recognized as defined benefit plan for the Company and they are based on independent actuarial calculations:

	Company	
	31.12.2019	31.12.2018
Amounts recognized in the income statement		
Current service cost	827,11	740,52
Interest cost	203,46	185,38
Additional post retirement and termination benefits paid out, not provided for	517,51	437,85
Total expense to the income statement	1.548,08	1.363,74
Changes in net obligation recognized in the balance sheet		
Net obligation at the start of the year	11.968,43	10.878,52
Benefits paid by the employer	(772,33)	(554,02)
Total expense recognized in the income statement	1.548,08	1.363,74
Amount recognized in other comprehensive income	(86,41)	280,18
Net obligation at the end of the year	12.657,77	11.968,43
Changes in the present value of the obligation		
Present value of the obligation - Opening period	11.968,43	10.878,52
Current service cost	827,11	740,52
Interest cost	203,46	185,38
Benefits paid by the employer	(772,33)	(554,02)
Additional payments	517,51	437,85
Actuarial loss	(86,41)	280,18
Present value at the end of fiscal year	12.657,77	11.968,43

Actuarial assumptions were:

	31.12.2019	31.12.2018
Discount rate	1,20%	1,70%
Expected salary increase percentage	1,75%	2,00%
Average years of working life	23,15	23,93

The Group amounts are as follows:

	31.12.2019	31.12.2018
Amounts recognized in the income statement		
Current service cost	911,71	815,09
Interest cost	212,11	192,52
Additional post retirement and termination benefits paid out, not provided for	522,33	462,13
Cost recognized in the income statement	1.646,15	1.469,74
Changes in net obligation recognized in the balance sheet		
Net obligation at the start of the year	12.479,80	11.324,64
Benefits paid by the employer	(777,15)	(581,26)
Total expense recognized in the income statement	1.646,15	1.469,74
Amount recognized in the Other Comprehensive Income	129,83	266,67
Net obligation at the end of the year	13.478,63	12.479,80
Changes in the present value of the obligation		
Present value of the obligation - Opening period	12.479,80	11.324,64
Current service cost	911,71	815,09
Interest cost	212,11	192,52
Benefits paid by the employer	(777,15)	(581,26)
Additional payments	522,33	462,13
Actuarial loss	129,83	266,67
Present value at the end of the year	13.478,63	12.479,80

The sensitivity analysis of the actuarial calculation for the Group and the Company is analyzed as follows:

By using a higher by 0,5% discount rate the actuarial obligation would be lower by 8%. In contrary if the discount rate was decreased by 0,5% the actuarial obligation would be higher by 9%.

The relevant sensitivity checks for the expected salaries % increase are as follows:

If the expected salaries % increase was increased by 0,5% then the actuarial obligation would be higher by 8% and if the expected salaries % increase was decreased by 0,5% then the actuarial obligation would be lower by 7%.

The actuarial obligation for the Company for each scenario mentioned above is analyzed as follows:

Discount rate increase by 0,5%	11.618,16	-8%
Discount rate decrease by 0,5%	13.741,58	9%
Expected salaries % increase by 0,5%	13.662,72	8%
Expected salaries % decrease by 0,5%	11.739,31	-7%

➤ 3.17 Borrowings

Pursuant to the resolution dated February 22nd 2019, the Board of Directors of the company resolved the issuance of a Common Bond Loan of a total amount of up to €200 mil., divided into up to 200.000 dematerialized, common, bearer bonds, each of a nominal value of €1.000 (the "Bonds").

Following the completion of the Public Offer on 7 March 2019, 200,000 common, bearer bonds of the Company were allocated and the amount of €200 mil. has been raised. The final yield has been set at 3,60%, the Bonds interest rate at 3,60% and the offer price of the Bonds at €1.000 each, i.e. 100% of the nominal value.

At 31/12/2019 the fair value of the borrowing liabilities for the Company and the Group amounted to €217.780,00.

The Group's and the Company's lease liabilities are analyzed as follows:

	Company		Group	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Borrowings				
Long-term portion	196.566,77	0,00	196.566,77	0,00
Short-term portion	2.181,15	0,00	2.181,15	0,00
Carrying value of bond loan	198.747,92	0,00	198.747,92	0,00

The movement of bond loan account is analyzed as follows:

	Company		Group	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Bond loan issuance	200.000,00	0,00	200.000,00	0,00
Less: bond loan issuance cost	(3.820,25)	0,00	(3.820,25)	0,00
Initial recognition	196.179,75	0,00	196.179,75	0,00
Interest of the year	5.861,15	0,00	5.861,15	0,00
Amortization of issuance cost	387,02	0,00	387,02	0,00
Bond coupon payment	(3.680,00)	0,00	(3.680,00)	0,00
Ending balance	198.747,92	0,00	198.747,92	0,00

Company confirms that all covenants agreed by the Common Bond Loan are monitored and maintained within the accepted ranges.

➤ 3.18 Suppliers and other liabilities

The analysis for the Company and the Group is as follows:

	Company		Group	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
State-owned entities	24,54	25,07	24,54	25,07
Abroad suppliers	32.828,76	24.695,74	36.265,11	29.774,54
Domestic suppliers	27.446,31	20.560,20	49.029,02	36.030,52
Total	60.299,60	45.281,01	85.318,67	65.830,13

Abroad suppliers outstanding balance mainly relates to aircraft maintenance and fuel cost liabilities.

Suppliers and other liabilities book values approximate their fair values.

➤ 3.19 Provision

1) Tax unaudited years

The Company has been tax audited for the fiscal years 2007 - 2010 according to the par. 5 of Article 82 of L.2238/1994 and according to the Article 65A of L.4174/2013 for the fiscal years 2011-2018 by its certified auditor accountants. Within February 2020, the Company received a tax audit order by the tax authorities for the year 2014.

The subsidiary Olympic Air S.A. has been tax audited for the fiscal years 2011 - 2018 according to the par. 5 of Article 82 of L.2238/1994 and according to the Article 65A of L.4174/2013 by its certified auditor accountants. In September 2019, Olympic Air received an audit order from the tax authorities for the fiscal year 2012, which is in process.

The subsidiary AEGEAN CYPRUS LTD has not been audited by the tax authorities of Cyprus. It is noted, however, that the company was and remains inactive and has no taxable income.

The Company and the Group have not formed a provision for tax audit differences as it is estimated by the Group's management that the results of future audits by the tax authorities, if ultimately realized, will not have a material effect on the financial statements of the Group.

For 2019 the Company and its subsidiary Olympic Air, are being tax audited by the certified auditor accountants according to the Article 65A of the L.4174/2013. The audit is still ongoing and the relevant tax certificates are expected to be provided after 2019 financial statements issuance date. Any potential additional tax liabilities that may arise from the tax audit are not expected to have significant impact in the Group's financial statements.

It should be noted that at 31/12/2018, the amount of €468,97 thousand, in other long-term assets, referred to Company's claim to Greek State for tax audit differences that were attributed by the tax audit carried out by the tax authorities for the fiscal years 2007-2011 and for which the Company has appealed to the tax courts. Since the outcome was uncertain, the Company had established an equal provision classified against long-term assets. In February 2020 tax court resolved in favor of the Company and an amount of €233,08 thousand was offset with Company's tax liabilities. Consequently, at 31/12/2019 an equal reversal of provision was recorded.

2) Maintenance Reserves

The accumulated provision for future aircraft maintenance is as follows:

	Company		Group	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Balance as at January 1st	11.283,44	4.757,46	16.247,44	9.633,83
Annual provision	157.709,64	140.591,34	161.633,15	144.200,29
Less: Provision used	(130.252,92)	(134.065,36)	(135.273,24)	(137.586,67)
Balance as at December 31st	38.740,16	11.283,44	42.607,35	16.247,45

An amount of € 11.974,83 has been provided for short-term maintenance expenses, anticipated to occur within next year. For long-term maintenance expenses the amount provided is € 26.765,35.

Provision increase, compared to prior year amounts, mainly results from new terms in lease agreements extensions, with respect to maintenance reserves payments.

3) Other Provisions

The Company has established a provision for litigation cases amounting to € 320,71. The respective amount for the Group amounts to € 440,84. (31/12/2018 € 320,71 for the Company and € 440,84 for the Group).

➤ 3.20 Other Short-Term Liabilities

Account relates to Group and Company short-term liabilities to social security organizations and other creditors that are directly related to business operation. The analysis is as follows:

	Company		Group	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Airport Taxes	66.473,03	60.225,74	69.898,39	61.915,64
Social Security Contributions	5.212,74	4.923,91	5.770,68	5.476,83
Other Short term liabilities	18.116,41	18.548,95	18.435,74	18.789,88
Payroll and other taxes	4.998,64	5.231,69	5.536,79	5.745,71
Vallue Added Tax	23,96	2.503,69	23,96	2.503,69
Total	94.824,78	91.433,99	99.665,56	94.431,76

➤ 3.21 Contract Balances

	Company		Group	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Trade Receivables (Note 3.10)	103.385,63	101.999,71	111.196,90	112.914,41
Contract assets (Note 3.10)	12.474,40	11.170,65	1.608,50	1.564,18
Contract Liabilities	(151.264,24)	(141.680,04)	(159.193,16)	(148.290,29)

Contract assets outstanding balance refers to 2019 revenue invoiced within January 2020 and mainly include interline revenue, as well as revenue from redemption/conversion of award points in loyalty programs that Company participates.

1) Contract Liabilities – short term

	Company		Group	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Liabilities from tickets sold but non-flown				
Fare	90.087,52	86.271,74	94.800,46	91.527,60
Ancillary services	11.488,85	9.863,40	12.469,17	10.111,78
Total	101.576,37	96.135,14	107.269,64	101.639,39
Customer advances	6.523,81	10.490,95	8.759,47	11.596,96
Liabilities from customer loyalty program – short term	10.212,62	9.075,47	10.212,62	9.075,47
Total contract liabilities – short term	118.312,80	115.701,55	126.241,72	122.311,81

2) Contract Liabilities – Long term

Long-term portion of contract liabilities for the Group and the Company amounts to € 32.951,44 (31/12/2018: € 25.978,48) and includes long-term portion of the Miles & Bonus customer loyalty program liability.

	31.12.2019	31.12.2018
Balance as of 01/01	35.053,95	33.396,64
Effect of adoption of IFRS 15	0,00	(6.148,06)
Adjusted Balance at 01/01	35.053,95	27.248,58
Additions of miles	14.079,36	14.684,66
Redemption of miles	(5.969,25)	(6.879,30)
Liability as of 31/12	43.164,06	35.053,95

➤ 3.22 Accrued Expenses

Accrued expenses are analyzed as follows:

	Company		Group	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Agents' commissions	4.151,48	3.796,48	4.960,68	4.446,02
Use of software	68,67	89,19	68,67	89,19
Aircraft fuel	960,40	1.196,86	1.265,15	1.493,49
Aircraft maintenance expense	16.822,77	10.127,72	17.173,06	10.295,99
Airport charges	9.582,45	8.954,34	8.597,61	12.945,83
Other Airline companies' Cost	5.271,13	11.590,37	731,53	1.125,32
Other fees payable	2.520,84	437,67	2.708,93	845,64
Other expenses	1.206,33	7.211,10	901,02	7.030,02
Total	40.584,06	43.403,74	36.406,65	38.271,51

Other expenses mainly include accrued expenses relating to the purchase of emission allowances.

3.23 Derivatives

Derivatives are analyzed as follows:

	Company		Group	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Non-current assets				
Derivatives for cash flow hedge				
Forward contracts in US \$	1.804,52	1.727,63	1.804,52	1.727,63
Commodities' swaps (jet fuel)	415,06	0,00	415,06	0,00
Interest rate swaps	1.281,73	0,00	1.281,73	0,00
Total	3.501,31	1.727,63	3.501,31	1.727,63
Derivatives				
Forward contracts in US \$	2.426,43	0,00	2.426,43	0,00
Total	2.426,43	0,00	2.426,43	0,00
Derivatives assets (long-term portion)	5.927,74	1.727,63	5.927,74	1.727,63
Current assets				
Derivatives for cash flow hedge				
Forward contracts in US \$	1.904,24	10.645,12	1.904,24	10.645,12
Commodities' swaps (jet fuel)	3.079,85	0,00	3.079,85	0,00
Total	4.984,09	10.645,12	4.984,09	10.645,12
Derivatives				
Forward contracts in US \$	949,95	0,00	949,95	0,00
Total	949,95	0,00	949,95	0,00
Derivatives assets (short-term portion)	5.934,03	10.645,12	5.934,03	10.645,12
Total derivative assets	11.861,77	12.372,75	11.861,77	12.372,75
Non-current liabilities				
Derivatives for cash flow hedge				
Forward contracts in US \$	(1.084,15)	(10,62)	(1.084,15)	(10,62)
Commodities' swaps (jet fuel)	0,00	(6.739,24)	0,00	(6.739,24)
Interest rate swaps	(7.377,83)	(22,08)	(7.377,83)	(22,08)
Total	(8.461,98)	(6.771,94)	(8.461,98)	(6.771,94)
Derivatives				
Forward contracts in US \$	(581,17)	0,00	(581,17)	0,00
Total	(581,17)	0,00	(581,17)	0,00
Derivatives liabilities (long-term portion)	(9.043,16)	(6.771,94)	(9.043,16)	(6.771,94)
Current liabilities				
Derivatives for cash flow hedge				
Forward contracts in US \$	(1.864,91)	(2.806,16)	(1.864,91)	(2.806,16)
Commodities' swaps (jet fuel)	(4.197,23)	(28.232,14)	(4.197,23)	(28.232,14)
Interest rate swaps	(11,23)	0,00	(11,23)	0,00
Total	(6.073,37)	(31.038,30)	(6.073,37)	(31.038,30)
Derivatives				
Forward contracts in US \$	0,00	0,00	0,00	0,00
Total	0,00	0,00	0,00	0,00
Derivatives liabilities (short-term portion)	(6.073,37)	(31.038,30)	(6.073,37)	(31.038,30)
Total derivative liabilities	(15.116,53)	(37.810,23)	(15.116,53)	(37.810,23)

The Company holds derivatives used as cash flow hedging instruments to hedge the risk of exchange rate fluctuations (\$/€), as well as open positions in dollar forward contracts, for which no hedge accounting has been applied.

Hedging derivatives are classified either as assets or liabilities. Fair value of a derivative considered as hedging instrument is classified either as a non-current asset or a non-current liability (if hedged item maturity is more than 12 months) or as a current asset or a current liability (if hedged item maturity is less than 12 months).

Fair value of dollar forward contracts, for which no hedge accounting has been applied, is classified as non-current asset or long-term liability, if the remaining maturity of the contract is longer than 12 months and as a current asset item or short-term liability, if the remaining maturity of the contract is less than 12 months.

Within first half of 2019, the Company de-designated part of USD forward contracts, amounting to \$180m, which were considered cash flow hedge as at 31/12/2018.

The cumulative gain / loss of the de-designated hedging derivatives that have been previously recognized in equity, from the time of de-designation of the cash flow hedge will remain in equity until the underlying hedged transaction takes place.

a) Forward contracts in US dollars (currency forwards & options)

Forward contracts are used for cash flow hedging of risk relating to USD/EURO exchange rate movement.

As at 31/12/2019, the Company had entered into forward contracts to hedge 59%, 17%, 8% and 11% of its estimated needs in US dollar for 2020, 2021, 2022 and 2023, respectively. As at 31/12/2018, the Company had entered into forward contracts to hedge 59%, 6%, 4% and 2% of its estimated needs in US dollar for 2019, 2020, 2021 and 2022, respectively.

The nominal amount as of open forward contracts at 31/12/2019 was € 357.842,27 (31/12/2018: € 361.572,05). (Level 2)

Maturity	Maturity amount in thousand \$ 31.12.2019	Maturity amount in thousand \$ 31.12.2018
2019	0,00	342.000,00
2020	246.000,00	36.000,00
2021	72.000,00	24.000,00
2022	36.000,00	12.000,00
2023	48.000,00	0,00
Σύνολο	402.000,00	414.000,00

In addition to the aforementioned positions held for cash flow hedging purposes, the Company as of 31/12/2019 held open positions of 12 million US dollar forward contracts with maturity in 2020 and 156 million US dollar with maturity within the years 2021-2023, for which the Group has not applied hedge accounting. These positions are held in accordance with the Company's foreign exchange risk management policy. The nominal amount of these forward contracts on 31/12/2019 amounts to €149.546,02. (Level 2)

b) Commodity swaps (jet fuel swaps)

On 31 December 2019 the Company had entered into jet fuel swaps for a total quantity of 273 thousand metric tons which could cover 53% of the projected jet fuel needs in 2020 and 5% in 2021. (future transactions)

On 31 December 2018 the Company had entered into jet fuel swaps for a total quantity of 377 thousand metric tons which could cover 71% of the projected jet fuel needs in 2019 and 20% in 2020. (future transactions)

Maturity	Metric Tons 31.12.2019	Metric Tons 31.12.2018
2019	0,00	293.000,00
2020	249.000,00	84.000,00
2021	24.000,00	0,00
Σύνολο	273.000,00	377.000,00

c) Interest Rate Swaps

Interest rate swaps (IRS) are used as hedging instruments to cover Company's risk from interest cash flows. IRS contracts cover 29% of floating rate lease liabilities interest (31/12/2018: 35%). The nominal value of the open IRS contracts as at 31/12/2019 was €2.897,14 (31/12/2018: €8.406,73). (Level 2)

In addition, at 31/12/2019, the Company had open positions on future interest rate swaps to cover the interest rate risk of five (8) aircraft leases, expected to be delivered within the period 2020-2022. The nominal amount of interest rate swaps at 31/12/2019 amounts to €362.204,02.

Derivatives are measured at fair value at the balance sheet date, provided by the financial institutions, the Company has entered into an agreement, and they represent, in good faith, assumptions and estimations of the mentioned institutions based on the available information for the market trends. The parameters used to calculate the fair value differ depending on the type of derivative.

➤ 3.24 Revenue from contracts with customers

Revenue from contracts with customers refers to tickets sales, sales of goods and other services rendered. Revenue from contracts with customers per service category is analyzed as follows:

	Company		Group	
	2019	2018	2019	2018
Revenue from scheduled flights	754.435,17	713.816,36	1.098.403,81	1.014.913,68
Revenue from chartered flights	157.755,40	122.177,23	78.817,95	51.632,38
Other operating income related to flights	137.258,99	123.587,86	131.561,20	118.700,18
Total	1.049.449,56	959.581,45	1.308.782,96	1.185.246,24

A geographic breakdown of revenue from contracts with customers is provided below:

Company	2019		
	Domestic	International	Total
Revenue from scheduled flights	8.698,43	745.736,74	754.435,17
Revenue from chartered flights	59.553,78	98.201,62	157.755,40
Other operating income related to flights	30.756,44	106.502,55	137.258,98
Total	99.008,65	950.440,91	1.049.449,56
Company	2018		
	Domestic	International	Total
Revenue from scheduled flights	8.243,13	705.573,22	713.816,36
Revenue from chartered flights	56.804,92	65.372,32	122.177,23
Other operating income related to flights	27.709,34	95.878,51	123.587,86
Total	92.757,40	866.824,05	959.581,45
Group	2019		
	Domestic	International	Total
Revenue from scheduled flights	269.447,61	828.956,20	1.098.403,81
Revenue from chartered flights	397,73	78.420,22	78.817,95
Other operating income related to flights	28.395,73	103.165,47	131.561,20
Total	298.241,07	1.010.541,89	1.308.782,96
Group	2018		
	Domestic	International	Total
Revenue from scheduled flights	259.234,60	755.679,08	1.014.913,68
Revenue from chartered flights	574,77	51.057,62	51.632,38
Other operating income related to flights	23.614,05	95.086,13	118.700,18
Total	283.423,42	901.822,82	1.185.246,24

In 2019, the Group recognized baggage claims from passengers against relevant sales. For comparability reasons a reclassification has been performed for 2018 damage expenses of € 1.476,01 and € 2.196,30 for the Company and the Group, respectively.

➤ 3.25 Other Income

Other income account includes income by other than Company and Group main business operation and is analyzed as follows:

Other Income	Company		Group	
	2019	2018	2019	2018
Greek Manpower Employment Organization subsidies	18,29	17,71	18,29	17,71
Services rendered to third parties	35.747,53	31.947,05	15.831,24	13.340,62
Income from Training	311,29	311,29	915,26	943,71
Rental income	46,01	23,91	202,03	293,12
Other income	78,26	672,19	2.318,34	2.859,36
Total	36.201,38	32.972,15	19.285,15	17.454,53

➤ 3.26 Consumptions of materials and services

These amounts refer to the operating expenses of the Company and the Group and they are analyzed as follows:

	Company		Group	
	2019	2018	2019	2018
Aircraft fuel	212.171,58	178.896,71	280.507,55	245.620,30
Aircraft maintenance	157.709,63	140.798,96	182.602,80	163.751,93
Overflight Expenses	60.300,30	57.755,14	71.469,77	67.484,87
Handling charges	48.933,91	45.019,06	71.559,77	65.905,83
Airport charges	52.061,56	46.256,50	68.754,09	63.957,11
Catering costs	32.657,02	29.876,89	36.574,07	32.518,44
Distribution costs	68.295,81	63.805,33	85.552,57	79.617,80
Marketing costs	16.340,65	15.224,62	17.505,66	16.238,75
Rentals	10.765,79	128.987,74	2.533,35	133.561,03
Inventories' consumption	2.347,11	2.218,13	2.347,11	2.218,13
Other operating expenses	88.589,84	80.701,18	100.583,57	90.482,53
Total	750.173,19	789.540,26	919.990,30	961.356,71

Aircraft fuel and aircraft maintenance movement is affected by many different causes, such as flight activity, fuel price, USD/EURO exchange rate, US dollar and aircraft fuel forward contracts impact.

Rentals account decrease is a result of IFRS 16 adoption. Note 3.3

Further analysis of Other operating expenses is presented below:

	Company		Group	
	2019	2018	2019	2018
Third party fees	13.091,42	12.262,26	13.655,77	12.598,63
Board of Directors remuneration	2.480,00	0,00	2.480,00	0,00
Cargo expenses	1.900,44	1.696,55	2.136,95	1.931,38
Personnel training	3.879,44	3.600,14	4.441,73	4.314,77
Mail & Telecommunications expenses	2.933,34	2.657,84	3.283,24	3.037,58
Rents	576,60	3.168,30	(53,39)	2.755,69
Insurance premiums	1.747,41	1.430,21	1.921,76	1.594,62
Maintenance for building and equipment	975,78	888,17	1.063,00	946,86
Travel expenses	5.379,32	4.390,15	8.564,59	7.149,40
Stationary	648,15	471,83	722,36	544,86
Subscriptions	3.328,15	3.124,12	3.968,05	3.678,26
Emission rights (CO2)	8.977,78	8.699,00	10.979,59	10.700,81
Other expenses	42.672,00	38.312,61	47.419,91	41.229,66
Total	88.589,84	80.701,18	100.583,57	90.482,53

Other expenses account includes provision for impairment loss of doubtful debts of € 1.507,96 for the Company and € 1.410,98 for the Group (31/12/2018 € 511,30 for the Company and € 601,80 for the Group). (Note 3.10)

➤ 3.27 Employee Costs

Employee costs include salaries as well as provisions for retirement benefits.

	Company		Group	
	2019	2018	2019	2018
Salaries and wages	102.426,97	95.029,71	112.705,57	105.017,05
Employers' contribution	22.464,98	21.485,68	24.878,34	23.896,69
Provision for retirement benefits	1.030,62	925,89	1.128,69	1.050,83
Total	125.922,57	117.441,29	138.712,60	129.964,57

The number of employees is the following:

	Company		Group	
	2019	2018	2019	2018
Employees	2.711,00	2.498,00	2.924,00	2.703,00

➤ 3.28 Financial Income/ Expense

Financial income / expense analysis is as follows:

	Company		Group	
	2019	2018	2019	2018
Interest and expenses from long term liabilities	6.531,19	85,32	6.531,19	85,32
Interest and expenses from short term liabilities	1,08	49,95	6,14	50,34
Letters of Guarantee commissions	495,01	559,71	745,75	800,13
Finance leases interest	13.783,56	1.026,21	16.479,08	1.026,21
Foreign exchange losses	17.896,92	13.199,64	20.372,10	14.634,52
Other financial expenses	505,44	525,56	613,99	589,83
Impairment of financial assets	584,85	0,00	584,85	0,00
Total financial expenses	39.798,06	15.446,38	45.333,10	17.186,34
Other interest income	2.784,14	1.454,07	3.080,96	1.516,83
Foreign exchange gains	24.407,20	20.196,24	25.597,90	21.621,24
Total financial income	27.191,34	21.650,30	28.678,86	23.138,08

Amounts in foreign exchange differences account (Gains & Losses) derive from the fact that the Company and the Group have a significant number of transactions in foreign currencies (inflows & outflows).

➤ 3.29 Income Tax

Income tax is analyzed below:

	Company		Group	
	2019	2018	2019	2018
Current tax	(18.450,33)	(17.843,89)	(27.464,38)	(26.177,67)
Deferred tax	(205,97)	(5.104,30)	(745,86)	(4.541,16)
Total Tax	(18.656,30)	(22.948,19)	(28.210,24)	(30.718,83)
Profit /(loss) before taxes	67.671,08	73.783,49	106.747,79	98.636,33
	24%	29%	24%	29%
Tax estimated on existing tax rate	(16.241,06)	(21.397,21)	(25.609,01)	(28.604,54)
Tax on expenses not deductible for tax purposes	(960,00)	(1.508,00)	(1.142,40)	(1.743,91)
Recognition of subsidiary's deferred tax	(3.008,14)	(42,98)	(3.008,14)	(370,37)
Other permanent differences	1.552,89	0,00	1.549,30	0,00
Income Tax	(18.656,30)	(22.948,19)	(28.210,24)	(30.718,82)

Income tax rate for legal entities for the year ended 31/12/2019 is 24% (2018: 29%), as amended by the article 22 of L.4646/2019, according to which, legal entities business profit will be taxed with a 24% rate for 2019 and onwards.

➤ 3.30 Commitments

The Company signed Aircraft Purchase Agreement with Airbus S.A.S. which provides for the acquisition of a total of 30 new generation aircraft of the A320neo family, two types of A320neo and A321neo, with an option right of 12 additional aircraft. The order includes at least 10 aircraft of the highest A321neo version, with the option to increase of further converting part of the order from A320neo to A321neo. Aircraft deliveries are expected to begin within the first half of 2020 (2x aircraft), followed by deliveries of 8x aircraft in 2022 and 10 more for each year of 2023 and 2024. The above option right provides for deliveries within the years 2024-2026, given relevant prior disclosures.

The price of the above purchase agreement (30x aircraft) is based on the Airbus fuselage and engines public pricelist, with further discounts agreed by the parties. This amount is adjusted through an annual adjustment clause, designed to increase the price of each aircraft, by applying a mathematical formula that reflects the changes in the prevailing economic conditions. Prices are depending on the engine selection, the weights selected and any type of aircraft configuration.

In this context, the total value of this 42x aircraft investment amounts to approximately USD 5 billion. However, airlines agree significant discounts on price lists.

In addition, the Company entered into lease agreements for 15x aircraft of the A320neo family as per the following schedule: 8x in 2020 and 7x in 2021, of 12-year lease period.

The Company has also agreed sale and lease back agreements for 5x aircraft of the A320neo family, scheduled to be delivered in 2022, with a 12-year lease period.

The lease commitments will depend on (1) aircraft delivery time, (2) US interest rates at delivery, (3) estimated lease rental future escalation rate agreed among all counterparties (4) the Euro/US dollar exchange rate at the delivery date and (5) the aircraft type.

On 24.12.2019, the Company has signed the following agreements with International Aero Engines LLC :

- Engine Purchase and Support Agreement including manufacturer's warranties and guarantees for the engines included in the Purchase Agreement with Airbus dated 22 June 2018 and for four spare engines PW1127GA-JM and two spare engines PW1133GA-JM. The agreed introductory assistance credits with IAE form the final net price of the Airbus aircraft included in the above mentioned agreement.
- Engine Fleet Management Program Agreement regarding 45 to 55 Airbus A320neo and A321neo, powered with PW1100G-JM engines which includes the aircraft ordered to Airbus under the Purchase Agreement dated 22 June 2018, the aircraft to be directly delivered from lessors and 6 spare engines PW1100G-JM. The Engine Fleet Management Program Agreement includes all the key terms of engines maintenance based on their flight activity.

➤ 3.31 Contingent Liabilities/ Contingent assets

Legal or in arbitration disputes

The pending legal or in arbitration disputes and other contingent future events are not expected to have a material effect in the financial position or the operation of the Company and the Group.

The Company's management based on previous court decisions as well as on the fact that the trial procedures have not been finalized yet, estimates that their outcome would not have a material impact on its financial position and operation.

An analysis of the pending legal cases follows:

	Company		Group	
	2019	2018	2019	2018
Labor disputes	148,44	138,44	252,33	198,44
Accidents	0,00	0,00	0,00	0,00
Other	2.484,50	645,01	2.564,72	705,14
Σύνολο	2.632,93	783,45	2.817,05	903,58

Contingent Liabilities

The contingent liabilities of the Company and the Group arising from the issuance of bank letters of guarantee are analyzed as follows:

	Company		Group	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Letters of guarantee	23.448,00	28.257,23	38.315,94	44.513,56

➤ 3.32 Related parties' transactions and balances

The most significant transactions of the Company with related parties according to IAS 24, appear on the following table:

	Company	
Balances with other companies owned by the major shareholder	2019	2018
Receivables (End of period balance from sale of goods- services)	135,05	211,16
Liabilities (End of period balance from purchase of goods- services)	212,81	306,38
Balances with subsidiaries		
Receivables (End of period balance from sale of goods- services)	14.784,12	14.587,60
Liabilities (End of period balance from purchase of goods- services)	0,00	0,00
Balances with other related parties		
Receivables (End of period balance from sale of goods- services)	436,40	25,31
Liabilities (End of period balance from purchase of goods- services)	128,11	153,26

	Company	
Transactions with other companies owned by the major shareholder	2019	2018
Income – Services provided from the Company	1.295,68	1.256,58
Expenses – Services the Company received	1.887,39	1.907,60
Transactions with subsidiaries		
Income – Services provided from the Company	106.731,86	95.449,45
Expenses – Services the Company received	278.052,16	245.730,33
Transactions with other related parties		
Income – Services provided from the Company	500,66	234,04
Expenses – Services the Company received	767,46	888,77

The transactions with companies owned by the major shareholder of the Company relate mainly to rental expense and services rendered. The transactions with the subsidiary company mainly relate to aircraft leases and other services rendered. All transactions are on arm's length basis.

➤ 3.33 Transactions with Directors and Board of Directors members

Compensation to Directors and Board of Directors members is analyzed below:

	Company		Group	
	2019	2018	2019	2018
BoD members fees	2.480,00	1.500,00	2.480,00	1.500,00
Directors' salaries	2.233,46	2.865,58	2.445,38	3.034,32
Directors' social insurance expenses	241,80	230,36	268,85	254,25
Other payments to directors	253,49	289,86	265,05	299,98
Total	5.208,75	4.885,80	5.459,27	5.088,55
Obligations to directors'	1.938,90	985,40	1.942,88	1.008,94

By decision of the Annual General Meeting dated 29/05/2019, the pre-approval for the year 2019 and the maximum remuneration from the net profits of the fiscal year, of the executive members of the Board of Directors, amounting to € 2.000 thousand, was resolved in accordance to the provision of article 109 of L.4548/2018.

No other transactions, receivables or liabilities with the directors or the Board of Directors members exist.

➤ 3.34 Earnings/Loss per share

Earnings/(Loss) per share was calculated based on the weighted average number of shares and the total number of shares and is analyzed as follows:

	Group	
	2019	2018
Profit / (Loss) before tax	106.747,79	98.636,35
Income tax	(28.210,24)	(30.718,83)
Profit / (Loss) after tax	78.537,54	67.917,52
Weighted Average number of shares	71.417.100,00	71.417.100,00
Basic and diluted earnings per share in €	1,10	0,95

➤ 3.35 Risk Management

The Group is exposed to multiple risks. The risk management policy of the Group aims to reduce the negative impact on outcome resulting from the unpredictability of financial markets and the variations in costs and sales.

The Group uses financial derivative instruments to hedge its exposure to certain types of risk.

- The risk management policy is executed by the Financial Department of the Group. The procedure is the following:
- Evaluation of risks associated with the activities and operations of the Group
- Design of a methodology and selection of appropriate financial products to reduce risks

- Execution / implementation, in accordance with the procedure approved by the management

Foreign currency risk

The Group due to the nature of the industry is exposed to variations in foreign currency exchange rate which arise mainly from US Dollar.

This kind of risk arises mainly from transactions in foreign currency. The Group's exposure to foreign exchange risk varies during the period according to the seasonal volume of transactions in foreign currency.

To manage this kind of risk the Group enters into forward currency exchange contracts with financial organizations.

Interest rate risk

The Group's policy is to minimize interest rate cash flow risk exposure on long – term financing.

With relation to the above risk the Group has hedged a portion of its financial leases obligations.

Jet fuel risk

The Group is exposed to the fluctuations of the price of oil which directly influences the price of jet fuel. To manage this risk the Group enters into derivative contracts on oil products in order to hedge part of its projected jet fuel needs.

The following tables present:

- The sensitivity of the period's result as well as of the equity's if a reasonable movement of +/- 50 basis points in the Euro / USD exchange rate takes place.
- The sensitivity of the period's result as well as of the equity's in a reasonable movement of +/- 10 basis points in the interest rates.
- The sensitivity of the period's result as well as of the equity's in a reasonable movement of +/- \$75/MT in the Jet fuel price.

Company 31.12.2019	Balance sheet value	Foreign exchange risk		Interest rate risk		Fuel price risk	
		+50 bps	-50 bps	+10 bps	-10 bps	+75 USD/MT	-75 USD/MT
Financial assets (FVOCI)	11.762,31	0,00	0,00	(40,78)	41,04	0,00	0,00
Receivables	72.982,20	(245,77)	247,97	0,00	0,00	0,00	0,00
Cash and cash equivalents	145.471,90	(489,89)	494,27	0,00	0,00	0,00	0,00
Derivatives - hedging	(6.049,96)	(1.069,51)	1.130,87	2.027,84	(2.051,23)	13.851,70	(13.851,70)
Derivatives	2.795,20	(464,59)	468,58	0,00	0,00	0,00	0,00
Liabilities	(294.452,91)	991,60	(1.000,47)	0,00	0,00	0,00	0,00
Net earnings after tax/Equity	0,00	(208,65)	210,36	0,00	0,00	0,00	0,00
Total comprehensive income after tax/Equity	0,00	(1.069,51)	1.130,87	1.987,07	(2.010,19)	13.851,70	(13.851,70)

Company 31.12.2018	Balance sheet value	Foreign exchange risk		Interest rate risk		Fuel price risk	
		+50 bps	-50 bps	+10 bps	-10 bps	+75 USD/MT	-75 USD/MT
Financial assets (FVOCI)	18.478,49	0,00	0,00	(52,28)	52,61	0,00	0,00
Receivables	26.208,50	(80,90)	81,61	0,00	0,00	0,00	0,00
Cash and cash equivalents	69.196,56	(213,61)	215,48	0,00	0,00	0,00	0,00
Derivatives	(25.437,49)	(1.066,64)	1.075,79	3,74	(3,75)	17.532,97	(17.532,97)
Liabilities	(45.166,30)	139,43	(140,65)	0,00	0,00	0,00	0,00
Net earnings after tax/Equity	0,00	(155,08)	156,45	0,00	0,00	0,00	0,00
Total comprehensive income after tax/Equity	0,00	(1.066,64)	1.075,79	(48,53)	48,87	17.532,97	(17.532,97)

Group 31.12.2019	Balance sheet value	Foreign exchange risk		Interest rate risk		Fuel price risk	
		+50 bps	-50 bps	+10 bps	-10 bps	+75 USD/MT	-75 USD/MT
Financial assets (FVOCI)	11.762,31	0,00	0,00	(40,78)	41,04	0,00	0,00
Receivables	77.859,96	(262,20)	264,55	0,00	0,00	0,00	0,00
Cash and cash equivalents	176.658,41	(594,91)	600,23	0,00	0,00	0,00	0,00
Derivatives for cash flow hedge	(6.049,96)	(1.069,51)	1.130,87	2.027,84	(2.051,23)	13.851,70	(13.851,70)
Derivatives	2.795,20	(464,59)	468,58	0,00	0,00	0,00	0,00
Liabilities	(347.456,02)	1.170,09	(1.180,56)	0,00	0,00	0,00	0,00
Net earnings after tax/Equity	0,00	(151,61)	152,81	0,00	0,00	0,00	0,00
Total comprehensive income after tax/Equity	0,00	(1.069,51)	1.130,87	1.987,07	(2.010,19)	13.851,70	(13.851,70)

Group 31.12.2018	Balance sheet value	Foreign exchange risk		Interest rate risk		Fuel price risk	
		+50 bps	-50 bps	+10 bps	-10 bps	+75 USD/MT	-75 USD/MT
Financial assets (FVOCI)	18.478,49	0,00	0,00	(52,28)	52,61	0,00	0,00
Receivables	26.208,50	(80,90)	81,61	0,00	0,00	0,00	0,00
Cash and cash equivalents	69.196,56	(213,61)	215,48	0,00	0,00	0,00	0,00
Derivatives	(25.437,49)	(1.066,64)	1.075,79	3,74	(3,75)	17.532,97	(17.532,97)
Liabilities	(45.166,30)	139,43	(140,65)	0,00	0,00	0,00	0,00
Net earnings after tax/Equity	0,00	(155,08)	156,45	0,00	0,00	0,00	0,00
Total comprehensive income after tax/Equity	0,00	(1.066,64)	1.075,79	(48,53)	48,87	17.532,97	(17.532,97)

Fair value hierarchy levels

Company 31.12.2019	Derivative type	Level 1	Level 2	Level 3
Assets				
Forwards contracts in USD	(FWD)	0,00	7.085,14	0,00
Jet fuel commodity swaps	(FWD)	0,00	3.494,91	0,00
Interest rate swaps	(IRS)	0,00	1.281,73	0,00
Bonds & Shares		35.872,25	0,00	0,00
Total Assets		35.872,25	11.861,77	0,00
Liabilities				
Forwards contracts in USD	(FWD)	0,00	(3.530,24)	0,00
Jet fuel commodity swaps	(FWD)	0,00	(4.197,23)	0,00
Interest rate swaps	(IRS)	0,00	(7.389,06)	0,00
Total Liabilities		0,00	(15.116,53)	0,00

Company 31.12.2018	Derivative type	Level 1	Level 2	Level 3
Assets				
Forwards contracts in USD	(FWD)	0,00	12.372,75	0,00
Jet fuel commodity swaps	(FWD)	0,00	0,00	0,00
Interest rate swaps	(IRS)	0,00	0,00	0,00
Bonds & Shares		19.003,49	0,00	0,00
Total Assets		19.003,49	12.372,75	0,00
Liabilities				
Forwards contracts in USD	(FWD)	0,00	(2.816,78)	0,00
Jet fuel commodity swaps	(FWD)	0,00	(34.971,38)	0,00
Interest rate swaps	(IRS)	0,00	(22,08)	0,00
Total Liabilities		0,00	(37.810,23)	0,00

Group 31.12.2019	Derivative type	Level 1	Level 2	Level 3
Assets				
Forwards contracts in USD	(FWD)	0,00	7.085,14	0,00
Jet fuel commodity swaps	(FWD)	0,00	3.494,91	0,00
Interest rate swaps	(IRS)	0,00	1.281,73	0,00
Bonds & Shares		35.872,25	0,00	0,00
Total Assets		35.872,25	11.861,77	0,00
Liabilities				
Forwards contracts in USD	(FWD)	0,00	(3.530,24)	0,00
Jet fuel commodity swaps	(FWD)	0,00	(4.197,23)	0,00
Interest rate swaps	(IRS)	0,00	(7.389,06)	0,00
Total Liabilities		0,00	(15.116,53)	0,00

Group 31.12.2018	Derivative type	Level 1	Level 2	Level 3
Assets				
Forwards contracts in USD	(FWD)	0,00	12.372,75	0,00
Jet fuel commodity swaps	(FWD)	0,00	0,00	0,00
Interest rate swaps	(IRS)	0,00	0,00	0,00
Bonds & Shares		19.003,49	0,00	0,00
Total Assets		19.003,49	12.372,75	0,00
Liabilities				
Forwards contracts in USD	(FWD)	0,00	(2.816,78)	0,00
Jet fuel commodity swaps	(FWD)	0,00	(34.971,38)	0,00
Interest rate swaps	(IRS)	0,00	(22,08)	0,00
Total Liabilities		0,00	(37.810,23)	0,00

Level 1 values refer to published prices and Level 2 values are based on measurement techniques.

In particular, bonds and shares are traded in active markets and they are measured at their market price at the balance sheet date. Hedging derivatives are measured using international pricing platforms.

Credit risk

The maximum exposure to credit risk, without taking into consideration any letters of guarantee and security deposits, is as follows:

Classes of assets	Company		Group	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Cash and cash equivalents	369.493,64	174.504,99	505.077,46	271.675,10
Financial Assets	35.872,25	19.003,49	35.872,25	19.003,49
Derivatives assets	11.861,77	12.372,75	11.861,77	12.372,75
Trade and other receivables	108.236,85	115.474,79	117.542,98	128.376,52
Total	525.464,51	321.356,01	670.354,47	431.427,85

The management considers that all the above financial assets are of high credit quality.

In order to be protected against the credit risk, the Group monitors on a regular basis its trading receivables and whenever necessary, assesses the insurance of the receivables collection.

Possible credit risk also exists in cash and cash equivalents and in derivative contracts. The risk may arise from the possibility of the counterparty becoming unable to meet its obligations towards the Group. To minimize this risk, the Group examines regularly its degree of exposure to every individual financial institution. As far as it concerns its deposits, the Group is dealing only with reputable financial institutions of high credit ratings.

Liquidity risk

Liquidity risk is managed effectively by maintaining sufficient cash levels. The Group manages its liquidity by maintaining adequate cash levels as well as ensuring the provision of credit facilities not only from financial institutions but also from suppliers, always in relation to its operating, investing and financing requirements.

It is noted that as at 31/12/2019 the Group had a cash position of € 505,078 m. securing its ability to settle the short-term and medium-term liabilities.

The Company and Group financial liabilities' maturity as at 31/12/ 2018 and 31/12/2019 are analyzed as follows:

Company	Within 6 months	6 – 12 months	1-5 years	More than 5 years
Borrowings	2.181,15	0,00	0,00	196.566,77
Lease liabilities	63.461,05	57.505,11	176.984,69	19.407,43
Trade payables	60.299,60	0,00	0,00	0,00
Other short term liabilities	68.935,82	0,00	0,00	0,00
Contract Liabilities (short term)	78.908,09	105.973,57	0,00	0,00
Derivatives	3.919,83	2.153,53	9.043,16	0,00
Contract Liabilities (long term)	0,00	0,00	16.691,56	19.633,82
Total	277.705,54	165.632,21	202.719,41	235.608,01

Company	Within 6 months	6 – 12 months	1-5 years	More than 5 years
Borrowings	0,00	0,00	0,00	0,00
Lease liabilities	5.358,66	5.304,65	12.270,33	0,00
Trade payables	45.281,01	0,00	0,00	0,00
Other short term liabilities	74.611,99	9.863,40	0,00	0,00
Contract Liabilities (short term)	24.090,30	122.407,18	0,00	0,00
Derivatives	14.430,85	16.629,53	6.749,86	0,00
Contract Liabilities (long term)	0,00	0,00	25.978,48	0,00
Total	163.772,80	154.204,76	44.998,68	0,00

Group	Within 6 months	6 – 12 months	1-5 years	More than 5 years
Borrowings	2.181,15	0,00	0,00	196.566,77
Lease liabilities	73.152,28	65.325,84	211.415,56	19.407,43
Trade payables	85.318,67	0,00	0,00	0,00
Other short term liabilities	81.071,74	33.809,08	0,00	0,00
Contract Liabilities (short term)	78.908,09	105.973,57	0,00	0,00
Derivatives	3.919,83	2.153,53	9.043,16	0,00
Contract Liabilities (long term)	0,00	0,00	16.691,56	19.633,82
Total	324.551,77	207.262,02	237.150,28	235.608,01

Group	Within 6 months	6 – 12 months	1-5 years	More than 5 years
Borrowings	0,00	0,00	0,00	0,00
Lease liabilities	5.358,66	5.304,65	12.270,33	0,00
Trade payables	65.830,13	0,00	0,00	0,00
Other short term liabilities	32.516,12	10.111,78	0,00	0,00
Contract Liabilities (short term)	24.766,26	128.676,98	0,00	0,00
Derivatives	14.430,85	16.629,53	6.749,86	0,00
Contract Liabilities (long term)	0,00	0,00	25.978,48	0,00
Total	142.902,01	160.722,94	44.998,68	0,00

The above maturities reflect the future gross cash flows.

Policies and procedures on capital management

Primary target of the capital management is to ensure preservation of the high-ranking credit rating as well as solid equity ratios so as to support and expand the operations and maximize shareholders' value.

The Company monitors capital based on shareholders' total equity plus lease liabilities, less cash and cash equivalents as they appear on the balance sheet.

The Capital for the fiscal years 2019 and 2018 is analyzed as follows

	Company		Group	
	2019	2018	2019	2018
Total Equity	230.206,24	209.075,27	328.425,11	277.878,25
Plus: Loans (including leases previously recognised as finance leases)	211.305,59	22.933,63	211.305,59	22.933,63
Less: Cash and cash equivalents (including restricted cash)	(369.493,64)	(174.504,99)	(505.077,46)	(271.675,10)
Capital	72.018,19	57.503,91	34.653,24	29.136,79
Total Equity	230.206,24	209.075,27	328.425,11	277.878,25
Plus: Loans (including leases previously recognised as finance leases)	211.305,59	22.933,63	211.305,59	22.933,63
Total capital	441.511,83	232.008,90	539.730,70	300.811,89
Capital / Total capital ratio:	0,16	0,25	0,06	0,10

The Company's target is to maintain the above ratio of capital /total capital less than 0,50.

According to the existing legislation, specific provisions required regarding the capital adequacy, with which Company is in total compliance.

➤ 3.36 Dividends

During the General Shareholders meeting, which took place on May 29th 2019, it was resolved the distribution of a dividend equal to € 0,60 per share, for a gross amount of € 42.850.260,00, which after the Law 4172 withholding tax was € 40.366.166,84. Until 31/12/2019 and amount of € 40.292.566,78 has been distributed and the relevant withholding tax of € 2.484.097,16 has been settled.

Board of Directors will propose the annual dividend for fiscal year 2019 in the upcoming annual General Assembly Shareholders' meeting.

➤ 3.37 Subsequent Events

During the first quarter of 2020, the Company received three new Airbus A320 neo aircraft. In addition, the Company in February 2020 signed four 12-year sale and lease back agreements for the Airbus order deliveries scheduled in 2020 (2x aircraft) and in 2023 (2x aircraft).

On January 17, 2020 AEGEAN proceeded with a €8,0 mil. share capital increase on its wholly owned AEGEAN Cyprus subsidiary (100%). In addition, on February 27, 2020 the parent company participated and fully covered the issuance of a six-month Common Bond Loan of a total of USD 18,0 mil. The reason for the share capital increase and the bond loan issuance (alongside with company's existing liquidity) was to finance the purchase of two used aircraft from the subsidiary AEGEAN Cyprus Ltd.

The two aircraft were already leased by AEGEAN, when the purchase was decided. The seller was the aircraft's lessor, the buyer was AEGEAN Cyprus and the transfer of the ownership took place on January 17th, 2020 and on February 28th, 2020.

AEGEAN on March agreed to proceed with a minority shareholding participation of 25% in the newly established airline Animawings, member of the Romanian Memento group, for € 412.000,00 thousand. Memento Group is one of Romania's most significant travel groups and has not been a long-standing customer of AEGEAN, chartering aircraft with flights from several Romanian cities to Greece and particularly to Crete, Rhodes and Corfu. The newly established airline plans to launch charter flights from Romania in the beginning of May and will be operated and managed by Memento Group.

The first two months of the year started with growth rates in terms of passenger traffic and load factor for the Group.

However, it is a fact that since the last week of February, the rapid spread of COVID-19 in Europe and especially in Italy has negatively impact load factors and booking rates. The situation worsened the following days as:

- The virus was spread to many countries especially in Europe;
- The World Health Organization (WHO) officially changed the classification from a public health emergency of international concern to a pandemic;
- Italy's lockdown to address COVID-19 spread and the restriction in people's movement on the Italian territory;
- US banned on flights to/from Europe;
- Decisions by more and more countries to impose restrictions on traffic and close borders.

Tourism and aviation are the most affected industries currently from this situation, given the significant travelling restrictions applied for both business and leisure traveling.

On the operational side, Aegean is in constant communication with the relevant authorities regarding the COVID-19, in order to receive all necessary guidelines with regards to both precautionary or reactive measures to protect both its passengers and employee's health. Due to changes in passenger demand and the obligatory entry or travel restrictions that have been implemented by a number of countries to limit the spread, AEGEAN will be making adjustments to its flight schedule. Given the prevailing crisis, the impact on the load factor and the booking rate during the first couple of days of March 2020, dropped significantly. As this is a rapidly evolving situation, any assessment on the commercial or financial impact of COVID-19 for the current year, is not accurate currently, but appear to be significant.

The Group has a solid organizational structure basis to address any challenge, a solid balance sheet structure, and high liquidity, which create an additional shielding during this difficult and uncertain environment. Policy makers actions and implementations at European and national level that will mitigate, especially for the aviation sector, the impact of this unprecedented crisis, during and after it, is extremely important.

➤ 3.38 Report on the use of funds from Bond Loan for the period 12/03/2019 up to 31/12/2019

In accordance with the provisions of paragraph 4.1.2 of the Athens Exchange Stock Market Regulation, the decision no. 25/17.07.2008 of the Board of Directors of Athens Stock Exchange and the decision no. 8/754/14.04.2016 of the Board of Directors of Hellenic Capital Markets Commission, it is hereby announced that from the issuance of the seven year Common Bond Loan of €200m bearer bonds of the Company with a nominal value of €1.000 each, that was implemented according to the decision of the Board of Directors of the Company dated 22/02/2019 and the approval of the content of the Prospectus from the Hellenic Capital Market Commission dated 28/02/2019, a total net amount of €200m was raised. The cost of the issuance amounted at €3.820,25thousand and it was covered in total from the amount raised. The Bond Loan issue was fully covered and the payment of the raised funds was certified by the Company's Board of Directors on 12/03/2019.

On 13/03/2019 the 200.000 dematerialized, common, bearer bonds admitted for trading in the category of Fixed Income Securities of the Regulated Market of the Athens Exchange (the "Athens Exchange").

According to the commitments set out in the relevant Prospectus approved by the Hellenic Capital Market Commission and the decision of the Board of Directors dated 22/02/2019, it is disclosed that the use of the raised funds (€200.000.000), minus €3.820,25 thousand relating to issue costs, is as follows:

Use of funds	Rate of use	Total funds	Issuing costs	Net Amount for allocation	Funds allocated to 31.12.2019	Unallocated funds
Scheduled aircraft pre-delivery	75%	150.000,00	2.865,19	147.134,81	5.977,36	141.157,45
New training facilities and offices at Athens International Airport	14%	28.000,00	534,84	27.465,16	44,58	27.420,59
Finance working capital needs of the Company	11%	22.000,00	420,23	21.579,77	21.579,26	0,51
Total	100%	200.000,00	3.820,25	196.179,75	27.601,20	168.578,55

➤ 3.39 Auditor's fees

Auditors' fees for 2019 was € 230 thousand (2018: € 402,50 thousand). The amount includes the statutory audit of financial statements and the provision of tax certificate for the fiscal year 2019. Furthermore, permitted non-audit services were provided for an amount of € 23 thousand.

The accompanied Financial Statements are the ones approved by the Board of Directors of "Aegean Airlines S.A." on 16/03/2020 and are uploaded on the Company's website (www.aegeanair.com) for investors' reference, where they will remain for at least 5 years after their preparation and public announcement date.

Kifissia, March 16th 2020

Chairman of the BoD Chief Executive Officer Chief Financial Officer Chief Accountant

Eftichios Vasilakis Dimitrios Gerogiannis Michael Kouveliotis Maria Zannaki
I.D. no. AN049866 I.D. no. AB642495 I.D. no. AO148706 I.D. no. AO135556

5.

Company announcements as per Art. 10 Law 3401/2005 published during fiscal year 2019

Aegean Airlines had disclosed the following information over the period beginning 01/01/2019 and ending 31/12/2019, which are posted on the Company's website www.aegeanair.com (in the link <https://en.about.aegeanair.com/investor-relations/announcements/announcements/> regarding the announcements and in the link <https://en.about.aegeanair.com/investor-relations/general-assemblies/> regarding the General Assemblies) as well as the website of Athens Exchange www.helex.gr.

Date	Subject
27/12/2019	Announcement with regards to Croatia Airlines
20/12/2019	Decisions of the Extraordinary General Shareholders Meeting
29/11/2019	Invitation for an Extraordinary General Meeting
21/11/2019	Nine Month 2019 Results & KPIs
15/10/2019	Tax Audit 2018 and Tax Certificate Issuance
9/10/2019	Release date of Nine-Month 2019 trading update
7/10/2019	AEGEAN to become "Official Hellinikon Project Air Carrier"
16/9/2019	First Half 2019 results
11/9/2019	Conference Call Invitation
11/9/2019	Election of Vice-Chairman - BoD constitution into a body
11/9/2019	Reschedule of Analysts Conference Call Time
05/9/2019	First Interest Payment Period of the Common Bond Loan
29/7/2019	Publication date of First Half 2019 financial results
3/7/2019	Regulatory Information – Notification of acquisition of major holdings pursuant to Law 3556/2007
3/6/2019	First Quarter 2019 Trading Update
29/5/2019	Decisions of the Annual Shareholders General Meeting
29/5/2019	Dividend Payment Announcement
10/5/2019	Release date of First Quarter 2019 trading update
22/4/2019	Invitation to the Ordinary General Meeting of Shareholders
8/4/2019	Information in relation to the implementation of Article 29 of Law 4569/2018
29/3/2019	Proposal for Dividend Distribution for FY 2018
28/3/2019	2018 Financial Results
27/3/2019	Amendment of Financial Calendar 2019
27/3/2019	Conference Call Invitation
21/3/2019	Conference Call Invitation
18/3/2019	Financial Calendar 2019
12/3/2019	Announcement for the commencement of trading of Bonds and the use of capital raised
12/3/2019	Announcement for the results of the Public Offer
7/3/2019	Announcement to the Investment Public of the Final Yield, Interest Rate and Offer Price of the Bonds
1/3/2019	Announcement – Invitation to Investors
28/2/2019	Announcement for the availability of the Prospectus
25/2/2019	BoD resolution on the Issuance of a Common Bond Loan
24/1/2019	Participation in Public Tender Process

Additionally at website: https://en.about.aegeanair.com/investor-relations/announcements/trade-acknowledgements/?_ga=2.93711450.618804279.1583392588-889801814.1583392588 (www.aegeanair.com, Aegean Group/Investors, Financial Results/Announcements) and to the website of Athens Stock Exchange www.helex.gr Announcements of Regulated Information according to Law 3556/2007 (Transaction Disclosure) were posted on the following dates:

Date	Subject
30/12/2019	Trade Acknowledgements
30/12/2019	Trade Acknowledgements
23/12/2019	Trade Acknowledgements
4/12/2019	Trade Acknowledgements
27/11/2019	Trade Acknowledgements
26/11/2019	Trade Acknowledgements
19/3/2019	Trade Acknowledgements
14/3/2019	Trade Acknowledgements
14/3/2019	Trade Acknowledgements

The annual financial statements of the Company and the Group, the audit report of the Certified Auditor Accountant and the Management Report of the Board of Directors for the year ended December 31, 2019 have been posted to the Company's website www.aegeanair.com.

Also, the Data and Information and the Annual Financial Report according to the International Financial Reporting Standards of 100% subsidiary Olympic Air are published in accordance with Law 2190 and posted on www.aegeanair.com and www.olympicair.com

6. Website of the Annual Financial Report

The annual financial statements of the Company and the Group, the audit report of the Certified Auditor Accountant and the Management Report of the Board of Directors for the year ended December 31, 2018 have been posted to the Company's website www.aegeanair.com.

Also, the Data and Information and the Annual Financial Report according to the International Financial Reporting Standards of 100% subsidiary Olympic Air are published in accordance with Law 2190 and posted on www.aegeanair.com and www.olympicair.com