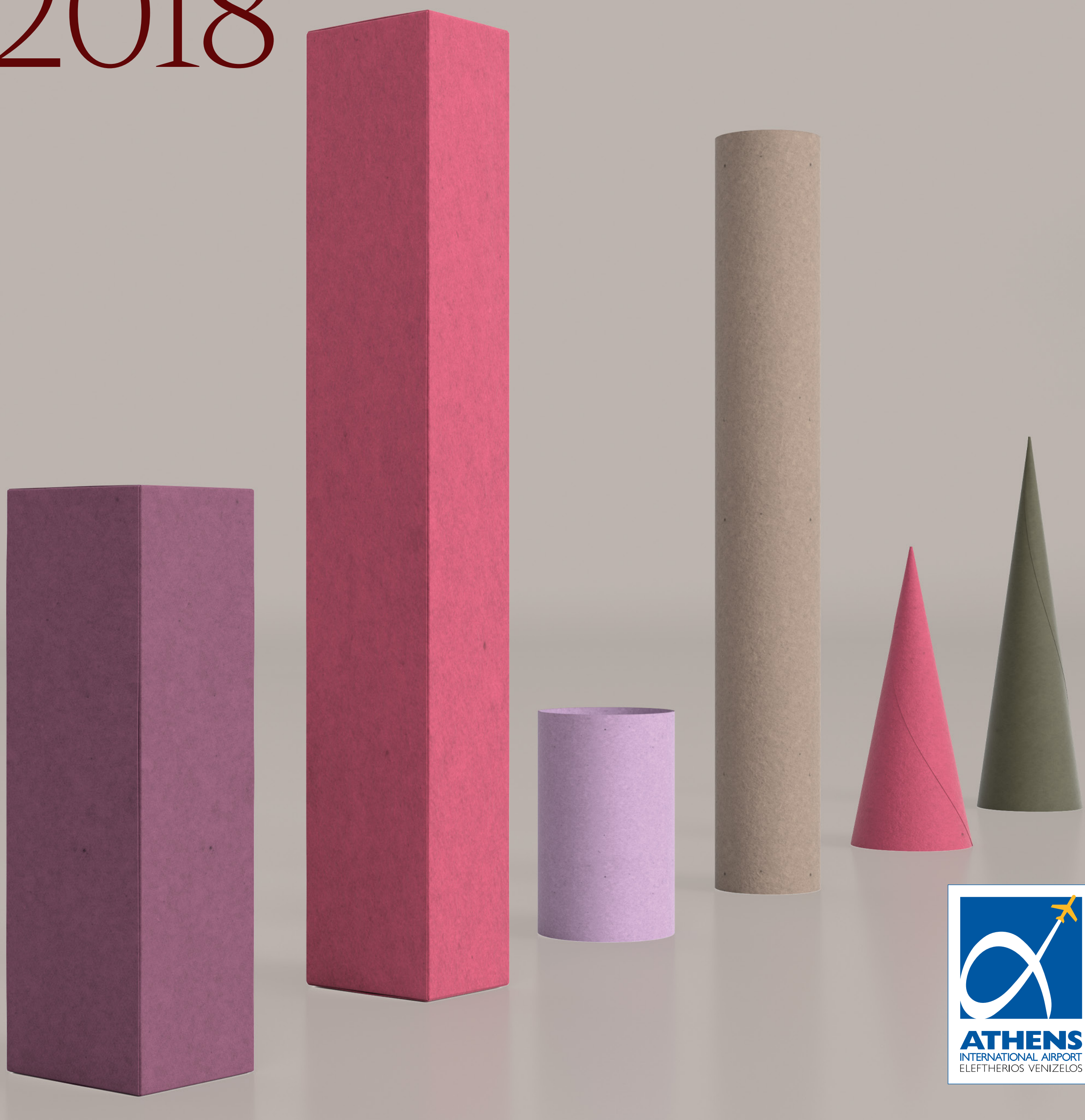
Athens International Airport
Eleftherios Venizelos

Annual & Sustainability Report 2018



Athens International Airport
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Annual & Sustainability Report 2018

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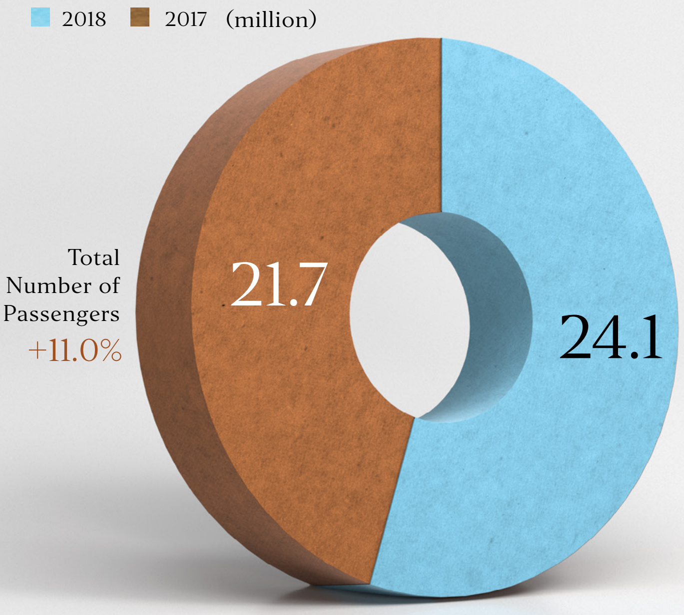
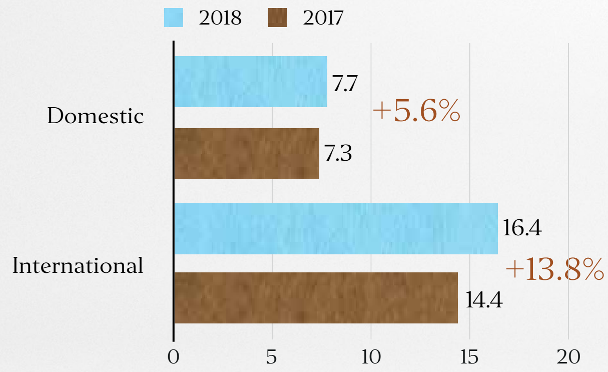
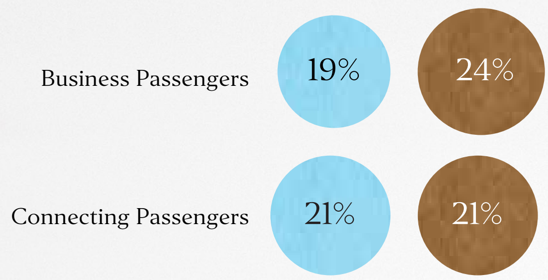
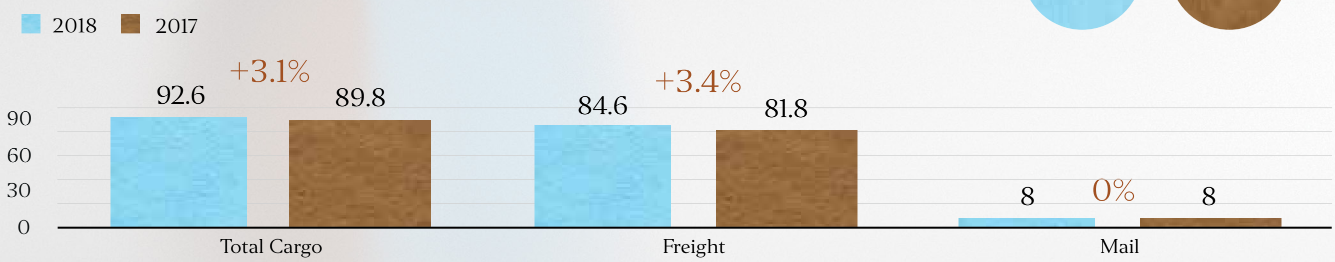






Cargo

Total Cargo Uplift (thousand tonnes)



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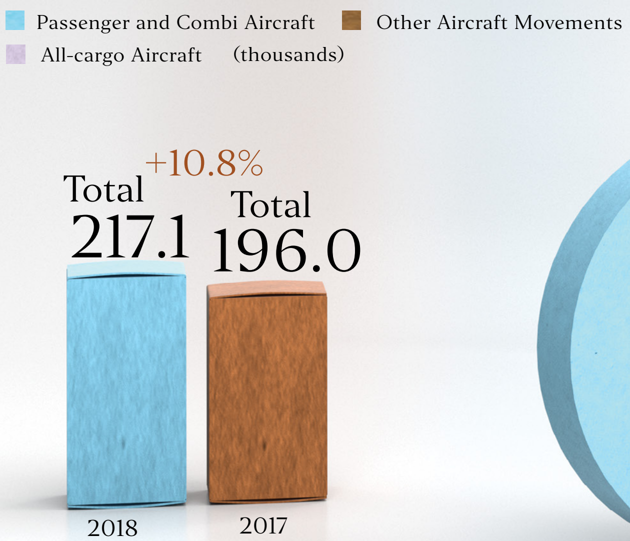
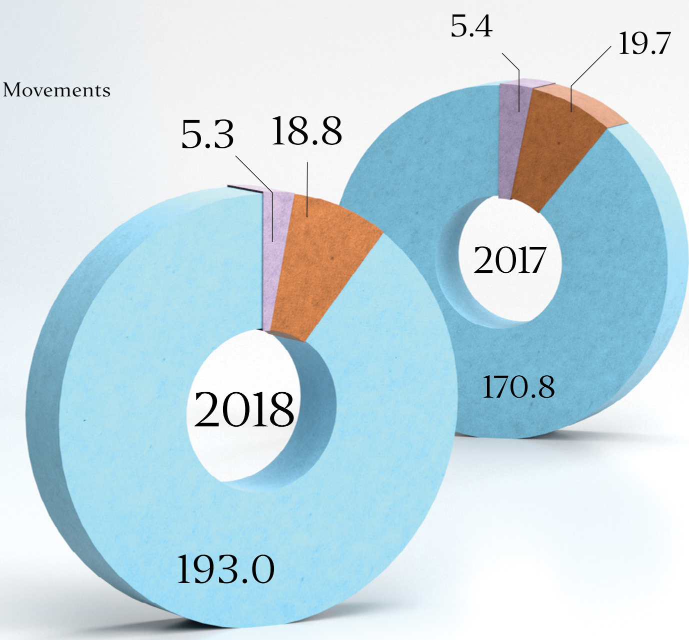
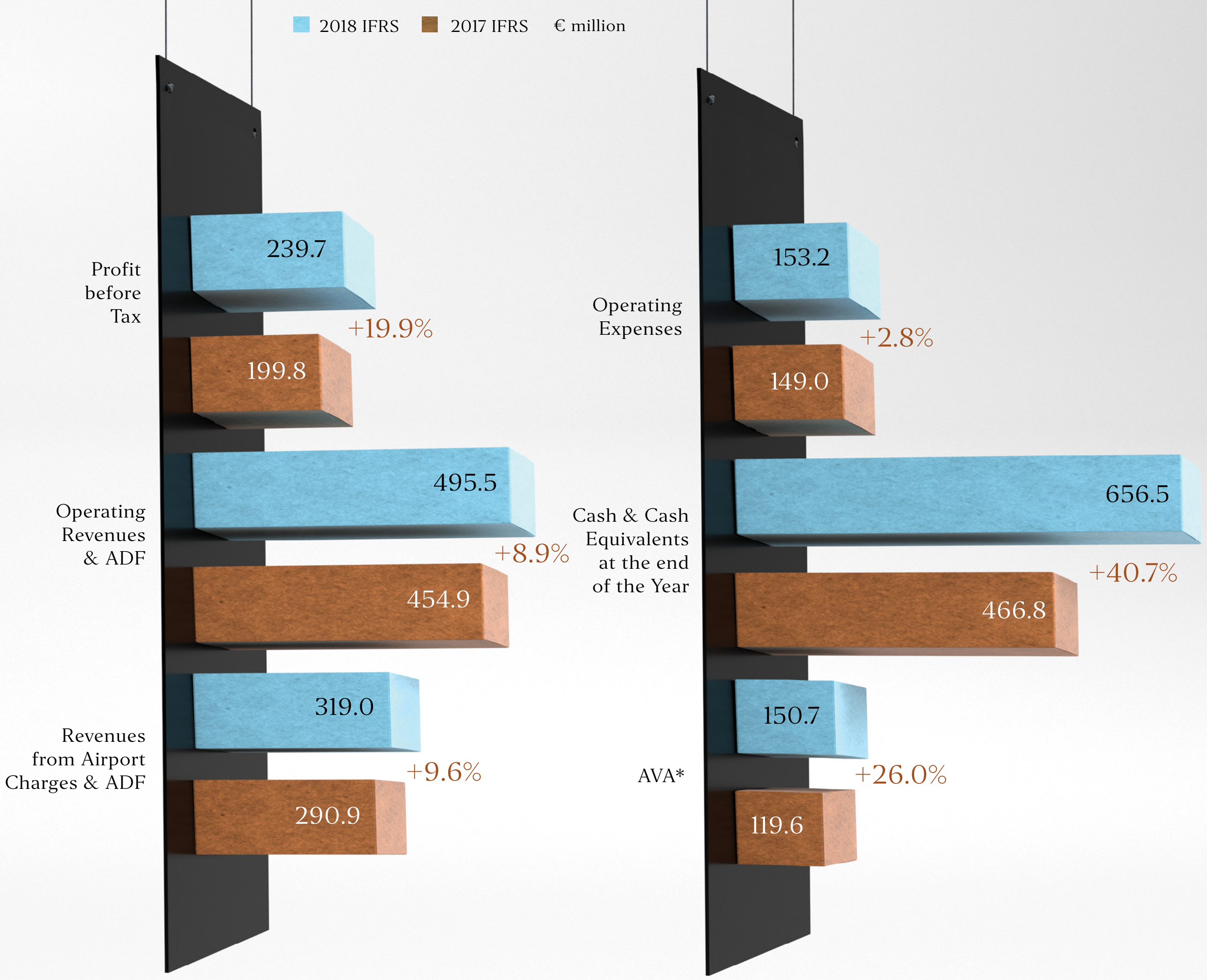


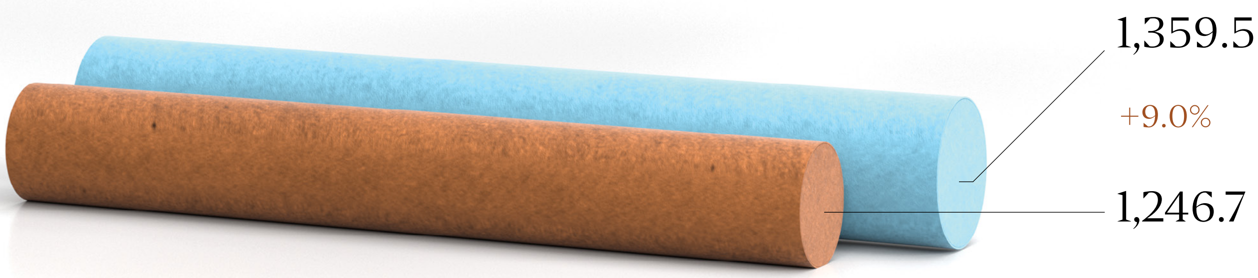


Financial Highlights



ADF: Airport Development Fund
*AVA: Added Value on Assets = Net Operating Profit after Tax – (Cost of Capital x Net Asset Value)

Total Assets



Introduction by the Chairman and the CEO

We welcome you to Athens International Airport's Annual & Sustainability Report for the year 2018. This has been indeed a good year both for the global aviation industry and for Athens. On a global scale, aviation consumers benefited from lower travel costs and additional routes, while airlines achieved healthy profitability and strong traffic rise. Respectively, it was a very good year for Athens International Airport, as we kept offering high-level services, having earned the trust of airlines, passengers, partners and stakeholders. It is fair to say that, having welcomed more than 290 million passengers and over 3.5 million flights since 2001, our airport keeps creating significant benefits for tourism, the national economy, and Athens as a destination.

Specifically, 2018, in terms of traffic, was a historic best performance year for the airport, with 24.14 million passengers. The year was successful also in terms of financial performance. Growth in operating performance due to traffic development, combined with efficient operations, led to improved profitability. Indeed, in 2018 AIA recorded Profit before Tax (PBT) of €239.7 million, higher by 19.9% compared to the previous financial year.

Key contributors to this positive performance remained AIA's developmental strategy, with one of the most comprehensive and innovative airline incentive schemes internationally, and a strategic focus on the promotion of "Destination Athens" through initiatives and synergies. Furthermore, our performance has been awarded by the ACI World ASQ Programme, for the second consecutive year, as Best Airport in Europe in terms of service quality and passenger satisfaction.

Most importantly though, 2018 has been marked by the developments on the 20-year extension of the airport's concession term from 2026 to 2046. The Airport Company submitted its final financial offer in August 2018, upon which the concession extension received the approval from the competent national and European authorities before the year-end. In February 2019, the concession extension was ratified by the Greek Parliament and became effective. This historic achievement concludes a very lengthy process, opening at the same time a new horizon and development potential for the Airport Company.

In the following chapters, you will witness the highlights of the Airport Company's business performance, but also its continuous approach to sustainability in an integrated manner as reflected in its Sustainability Policy, across all aspects of its operation and development, while embedding international best practices.

The Airport Company stands committed to the collective global effort for addressing the most pressing social, economic, and environmental challenges through:

- the adoption and upholding of the United Nations' Global Compact principles for Human Rights, Labour Relations, Environmental Impact and Anti-Corruption, and

- the acknowledgment of the United Nations' Sustainability Development Goals (SDGs) and the Agenda 2030.

Looking into the future, the years to come bring opportunities and challenges for the Airport Company. Opportunities for greater development and healthy growth, but also challenges for meticulous cost monitoring and significant expansion works, within a more complex and demanding European regulatory environment of the aviation sector, and within an increasingly competitive global arena. Building on our positive track record, we are firmly committed to continue our successful course, delivering quality and value for our shareholders, our employees, the Greek economy and society at large.

Prof./Dr. Dimitrios Dimitriou
Chairman

Dr. Ioannis N. Paraschis
CEO

1 Company Identity

Corporate Profile

Athens International Airport S.A. ("AIA" or the "Airport Company") was established in 1996 as a public-private partnership with a 30-year concession agreement, the Airport Development Agreement (ADA). Ratified by Greek Law 2338/95, the concession agreement grants the Airport Company the exclusive right and privilege of the 'design, financing, construction, completion, commissioning, maintenance, operation, management and development' of the new Athens International Airport. The Airport Company's registered office is situated in the Municipality of Spata, at East Attica region, Greece. AIA is a privately managed company with the following shareholders:

Shareholder Structure

Shareholder	Number of Shares	%
Hellenic Republic Asset Development Fund (HRADF)	**9,000,000**	**30%**
AviAlliance GmbH	**8,000,004**	**26.667%**
Hellenic Corporation of Assets & Participations (HCAP)	**7,500,000**	**25%**
AviAlliance Capital GmbH & Co. KGaA	**4,000,002**	**13.333%**
Copelouzos Dimitrios	**599,997**	**2%**
Copelouzou Kiriaki	**299,999**	**1%**
Copelouzos Christos	**299,999**	**1%**
Copelouzou Eleni-Asimina	**299,999**	**1%**
Total	**30,000,000**	**100%**

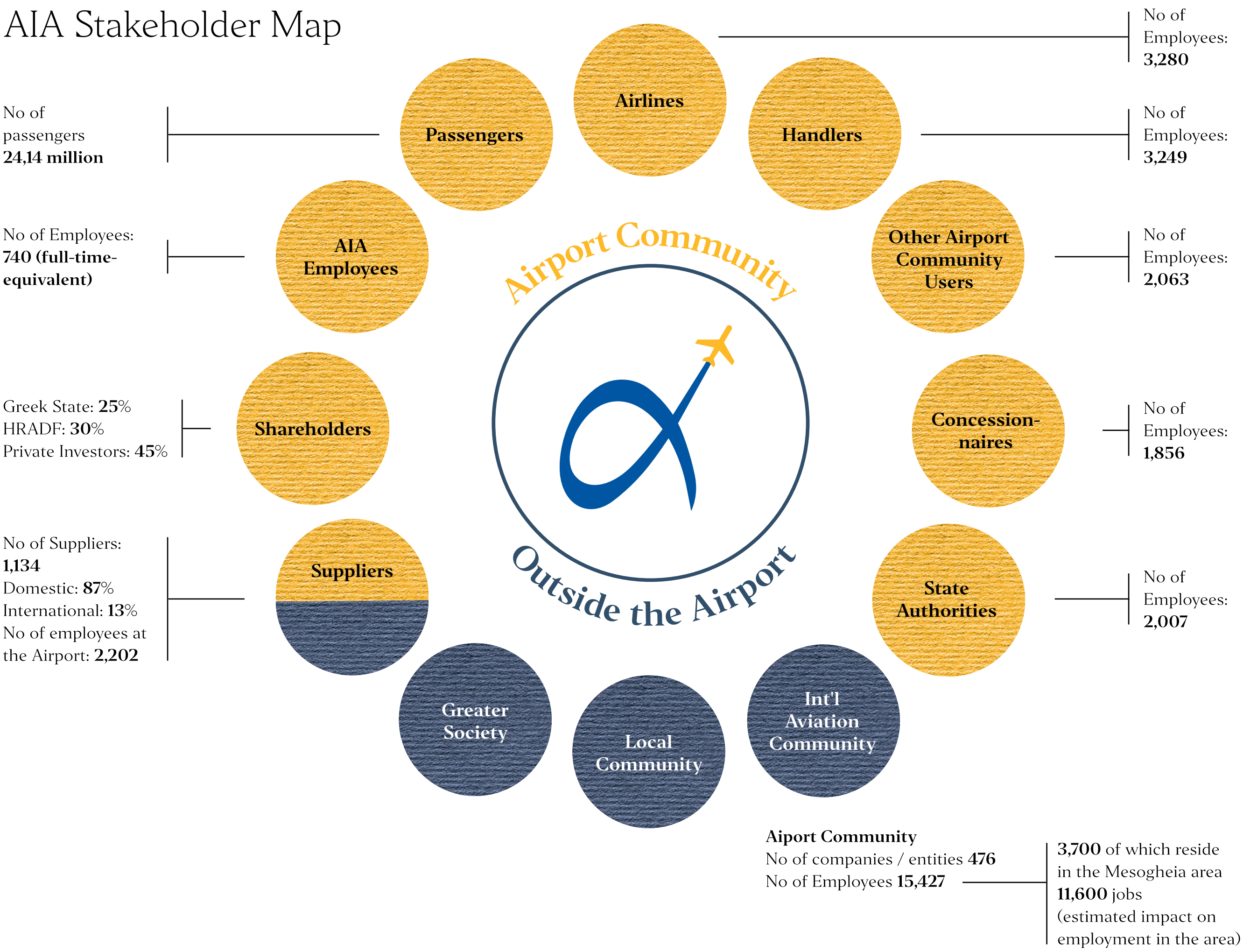
About the Airport

Athens International Airport "Eleftherios Venizelos" (the "Airport") extends in an area of approximately 16,000km² and has two runways in compliance with ICAO Aerodrome Reference Code "4E", (03L/21R: 3,800x60m and 03R/21L: 4,000x60m - incl. shoulders on both sides with a width of 7.5m). The Airport features a 168,000m² Main Terminal Building and a 34,000m² Satellite Terminal Building with a total of 24 Contact Bridges and 75 active remote aircraft parking positions. The Airport is certified for all known types of currently operating aircraft, including the Boeing 747- 8 and the Airbus A380. AIA is internationally considered a pioneer public-private partnership, being a major greenfield airport with the participation of the private sector. The cost for the development of the Airport was mainly financed from bank loans, the European Investment Bank being the major lender, while the remaining funding was provided through private shareholders equity and EU and Greek State grants. With a corporate goal to create sustainable value to all stakeholders by offering value-for-money services, AIA has implemented a successful development strategy in both its aeronautical and non-aeronautical sectors. Offering one of the most advanced incentives and marketing support schemes, AIA ensures the sustainability and development of domestic, regional and international traffic, working closely with home carriers and international carriers, legacy airlines and Low Cost Carriers (LCC). In the non-aeronautical sector AIA undertakes advanced and extensive development initiatives ranging from IT & Telecommunications systems and business activities to high-quality consumer-related products offered at its commercial terminals and business activities related to its real estate assets. The Airport Company operates in a socially and environmentally responsible way providing stakeholders an operating and working environment that meets increasing demands on service quality, safety and security.

AIA's Stakeholders

AIA engages stakeholders in a balanced and respectful manner, always including their requirements and expectations in developing and implementing its strategy. The Airport Company has established mechanisms to elicit stakeholders' feedback, which the management evaluates and actively responds to. AIA's operational success heavily relies on its cooperation with its stakeholders. Cooperation with customers and business partners is facilitated through a structure of engagement practices (committees, exercises, workshops, joint activities, etc.) further to the day-to-day interaction. On a community engagement level, continuous interaction with authorities and their representatives facilitates the identification of material sustainability issues and the prioritisation of challenges and opportunities through a perspective of mutual trust and understanding. Mechanisms for feedback from the local society include a noise complaint line. On a wider society level, AIA engages passengers and other consumers through various feedback mechanisms (satisfaction surveys, complaint management, etc.) aiming to compile evaluation data used for planning actions for improvement. The stakeholder map reflects the diversity of the Airport Company's stakeholders based on the effect of AIA's operational and business activities both within and outside the boundaries of the Airport community.

AIA Stakeholder Map



The Airport Company

Corporate Governance

Material Issue

Governance Structure

The corporate governance framework established at AIA abides by the provisions of the Airport Company's constitutional documents, i.e. the Articles of Association, the provisions of the Airport Development Agreement and Law 2338/1995 - Government Gazette A' 202/14.9.1995 and includes a number of specific processes and procedures which aim at forging a robust governance structure and approach, in line with the principles set forth in the Law 2190/1920 as in force, article 41 of the 8th European Company Law Directive as well as the OECD Principles of Corporate Governance. The nine-member Board of Directors elected by the General Meeting of Shareholders with a two-year term of office bears the responsibility for the management and administration of all corporate matters and affairs and has in this respect delegated specific authorities to the Chief Executive Officer and members of the management respectively. The Greek State advises the Airport Company for the appointment of four members (also appointing the Chairman), while shareholders who represent the majority of the ordinary shares other than those held by the Greek State, appoint four directors and appoint the Vice Chairman. The ninth director is appointed either following an agreement between the Greek State and the shareholders holding the majority of the ordinary shares or in case of non-achievement of such an agreement, by the Chairman of the European Investment Bank. The CEO is responsible for the day to day management and operation of the Airport Company's activities, is proposed by the private shareholders and participates in all Board of Directors' meetings with no voting right. Board meetings are held monthly and are supported by a competent, qualified and experienced Company Secretary who consults Board members to ensure that statutory and regulatory requirements are met and also instructs senior management on Board matters. The schedule of matters reserved for the decision of the Board and its Committees include without limitation: (a) approval of the overall long-term strategy, corporate goals and official Business Plan, (b) approval of annual operating and capital budgets, (c) ensuring the integrity of the Airport Company's accounts and financial reporting systems, (d) approval of major pricing policies, (e) approval of major contract awards, and (f) delegation of powers related to administration, management and representation of the Company. In order to allow an effective discharge of its duties, the Board has established four Board Committees, namely the Audit, Personnel, Finance and Investment Committees, with an advisory capacity. Having specialised knowledge, Board committees discuss in depth issues in their remit and make recommendations to the Board. The Annual Ordinary General Meeting of the Shareholders approves actions and decisions of the Board of Directors taken during the previous corporate fiscal year and releases the Board of Directors from any liability of that year, in accordance with the Company's Articles of Association and the Law 2190/1920, as in force. The Airport Company is structured around four Business Units serving relevant activity sectors (Aviation, Consumers, Property and IT & Telecommunications), which hold a combined responsibility for operational excellence and business development. Business Units are supported by various corporate functions.

Board of Directors

Prof./Dr. Dimitrios Dimitriou
Chairman of the Board of Directors
- Elected Chairman of AIA's Board of Directors in September 2016
- Member of AIA's Investment and Personnel Committee
- Professor Associate, Planning, Management & Economics in Transport, Dpt. of Economics, Democritus University of Thrace (DUTh)

Holger Linkweiler
Vice-Chairman of the Board of Directors
- Elected Vice-Chairman of AIA's Board of Directors in May 2012
- Elected Member of AIA's Board of Directors in June 2011
- Managing Director of AviAlliance GmbH and AviAlliance Capital GmbH & Co. KGaA
- Member of the Supervisory Board of Flughafen Düsseldorf GmbH
- Member of the Operating Board of Aerostar Airport Holdings, LLC (San Juan Airport, Puerto Rico)

Robert Goebbels
Member of the Board of Directors
- Elected Member of AIA's Board of Directors in June 2018
- Member of the Luxembourg Government from 1984 to 1999, in charge of Economy, Transportation, Energy and Infrastructures
- Chaired the Conference leading to the Schengen Agreement
- Member of the European Parliament from 1999 to 2014

Sven Erler
Member of the Board of Directors
- Elected Member of AIA's Board of Directors in June 2017
- Director Asset Management AviAlliance GmbH
- Managing Director of Airport Holding Kft. and Airport Hungary Kft.
- Managing Director of HAP Hamburg Airport Partners Verwaltungs GmbH

Spyridon Papakonstantinou
Member of the Board of Directors
- Elected Member of AIA's Board of Directors in June 2017
- Economist

Professor Charalampos Pampoukis
Member of the Board of Directors
- Elected Member of AIA's Board of Directors in June 2016
- Professor of Private International Law, the Law School, University of Athens
- Former Minister of State to the Prime Minister
- Former Alternate Minister of Development, Competitiveness and Mercantile
- Commandeur de la Légion d' Honneur
- Member of the National Citizenship Committee
- Former Secretary General at the Ministry of Foreign Affairs
- Lawyer before the Supreme Court

Panayiotis C. Pavlopoulos
Member of the Board of Directors
- Elected Member of AIA's Board of Directors in November 2016
- Economist

Nikolaos Protonotarios
Member of the Board of Directors
- Elected Member of AIA's Board of Directors in May 2015
- Chairman of the Audit Committee, AIA Board
- Electrical Engineer

Gerhard Schroeder
Member of the Board of Directors
- Elected Member of AIA's Board of Directors in May 2012
- Managing Director of AviAlliance GmbH
- Chairman of the Board of Directors of Budapest Airport Zrt.
- Member of the Supervisory Board of Flughafen Düsseldorf GmbH
- Vice-Chairman of the Supervisory Board of Flughafen Hamburg GmbH

Dr. Jacques F. Poos
Former Member of the Board of Directors
- *Member of AIA's Board of Directors between June 2005 and May 2018*

Seating from left to right: Mr. R. Goebbels, Ms E. Papathanasopoulou (Secretary to the BoD), Prof./Dr. D. Dimitriou, Mr. H. Linkweiler, Mr. S. Erler
Standing from left to right: Mr. P. Pavlopoulos, Prof. Ch. Pampoukis, Dr. I. N. Paraschis (CEO), Mr. N. Protonotarios, Mr. S. Papakonstantinou, Mr. G. Schroeder

Board Committees

Board Committees' composition as per the decision of the Board of Directors on 20th December 2018.

Audit Committee:
N. Protonotarios (Chairman)
G. Schroeder (Member)
P. Tampourlos (Member)

Finance Committee:
G. Schroeder (Chairman)
H. Linkweiler (Member)
R. Goebbels (Member)
P. Pavlopoulos (Member)
S. Papakonstantinou (Member)

Investment Committee:
H. Linkweiler (Chairman)
Prof./Dr. D. Dimitriou (Member)
G. Schroeder (Member)

Personnel Committee:
R. Goebbels (Chairman)
Prof./Dr. D. Dimitriou (Member)
H. Linkweiler (Member)

From left to right: Mr. George P. Eleftherakos, Mr. Alexandros M. Aravanis, Dr. Ioannis N. Paraschis, Mr. Panagiotis K. Michalarogiannis

Chief Officers

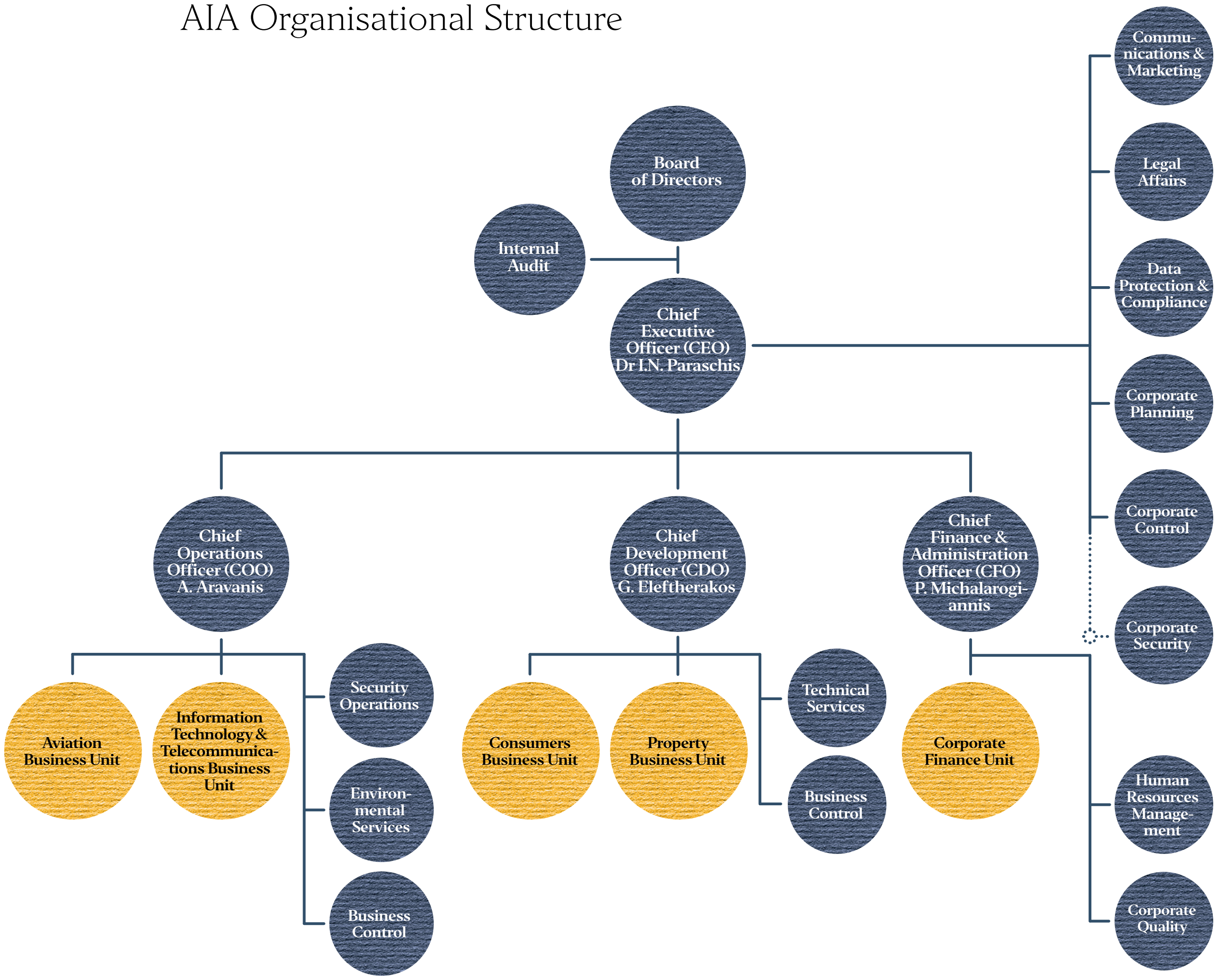
Dr. Ioannis N. Paraschis
Chief Executive Officer

Mr. Alexandros M. Aravanis
Chief Operations Officer

Mr. George P. Eleftherakos
Chief Development Officer

Mr. Panagiotis K. Michalarogiannis
Chief Finance & Administration Officer

AIA Organisational Structure



System of Internal Controls and Risk Management

The Airport Company maintains a sound system of internal controls to safeguard the Company's assets and ensure that significant risks are identified and adequately managed. For this purpose, AIA applies Enterprise Risk Management (ERM) practices and implements internal organisational arrangements as follows:

- The Internal Audit with a mission to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.
- The Statutory Auditor, within the framework to audit the airport's annual statutory financial statements, among other procedures obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- The Finance function implements an integrated and coordinated approach to financial risks and financial reporting.
- The role of operational managers who design, implement and supervise the execution of procedures that serve controls.
- The role of the Corporate Control department, assigned with Risk Management responsibilities, providing management with assistance in developing processes and controls to manage risks and monitoring the timely remediation of potential deficiencies. The role is also responsible for operational business continuity planning.

Regulatory Compliance

Through its Audit Committee, the Board is committed to operating a strict policy of compliance with all applicable laws and regulations. For this purpose, the Manager Data Protection & Compliance has undertaken the responsibility to bring together required activities of all departments, especially in the areas of aerodrome operations, ground handling services, environment, security, information technology, accounting & tax, procurement, labour, fire safety, design & construction and Airport charges policy.

Process Management

The Airport Company maintains and continuously updates a system of procedural documentation ensuring that management directives are adopted and corporate objectives are achieved. A corporate Process Management system is established and maintained by the Corporate Quality department for ensuring effective interfaces, proper authorisation and version control of procedural documentation. The Company invests in management systems that enhance controls and serve its commitment for providing high-quality, state-of-the-art services. Where necessitated by business or compliance reasons, these systems are certified in accordance with prevailing standards.

Information

On an annual basis, the Airport Company issues and publicly discloses a number of reports that cover all aspects of activities and performance. Furthermore, AIA has developed a reporting system, which not only supports the Management in its strategic decision-making, but also fosters effective communication within the Company as well as with external parties. Publicly available information regarding the Airport Company is found on the Company's website.

Monitoring

The Airport Company practises continuous monitoring in order to safeguard that controls and other planned actions are carried out properly and to identify those key exceptions that require quick and effective review and management action. Scheduled periodic audits performed both by external auditors and the Company's Internal Audit department aim to further assure adequacy of the internal control environment. Furthermore, enhanced IT solutions applied on data compilation & analysis facilitate the continuous monitoring process with appropriate performance indicators. Steadily reinforcing the role of its Business Units, AIA's Value Based Management (VBM) methodology measures performance against predefined targets on both financial and non-financial metrics and parameters (e.g. systems performance, quality of services, safety of operations, environmental responsibility, personnel safety, training).

Business Conduct

The Airport Company aims at being acknowledged as an exemplary responsible company within the market it operates while influencing others in their effort to follow a path of sustainability. Airport Company's corporate values (Accountability, Team Spirit, Respect, Effectiveness, and Customer Focus) are embedded in all aspects of its operation and development. The Airport Company applies a Code of Business Conduct, developed in line with global best practices, which urges employees to conduct business activities in accordance with corporate values, thus aiming to preserve its good reputation, maintain public trust and bolster stakeholders' confidence. The Code of Business Conduct is complemented by a Code of Relations with Business Partners for ensuring proper governance across the Airport Company's supply chain.

Anti-Fraud

Prevention of fraud is a crucial element of the Airport Company's Policies, and strict compliance to the relevant rules must be secured by involved employees, management members and members of the Board of Directors. Both Management and employees are expected to behave in an honest and fair way, in line with the provisions of the Airport Company's Code of Business Conduct for compliance, integrity and avoidance of conflict of interest, thus promoting fraud avoidance. The Airport Company has established an Anti-Fraud Policy that embeds a system of internal controls, securing adequate containment of fraud risk. An internal framework is provided for all employees to report suspected act of fraud or other similar irregularities and a mechanism is in place for undertaking formal investigation of such irregularities and designing specific actions to rectify identified control gaps.

Regular Review of Controls by the Board

The Board regularly reviews main risks to the business and the effectiveness of the system of Internal Controls in managing these risks, including financial, operational and compliance controls, as well as the Risk Management Process. For this purpose, the Board, has delegated specific responsibilities to the Audit Committee. The purpose of the Audit Committee is to provide a structure systematic oversight of the organisation's governance, risk management and internal control practices. This committee is also responsible for overseeing the Internal Audit department, external auditors and other assurance providers. It supervises business ethics and sustainability, as well as the adequacy of the Airport Company's process regarding compliance with all legal and regulatory requirements.

Sustainability Context

Sustainability, as a balanced multi-faceted approach that takes account of the social, environmental and economic aspects of business with a long-term perspective, is embedded in the strategy of the Airport Company, in an integrated manner across key characteristics of our business:

The Sustainability Policy is regularly revised, in order to reflect upon emerging sustainability trends and global standards.

The Sustainability Policy makes provision for the annual Materiality Analysis and the resulting Action Plan, which is approved by AIA's senior management and communicated through this Annual & Sustainability Report. The Sustainability Committee, consisting of members of the management, is primarily responsible for formulating and validating the perspectives of the sustainability strategy.

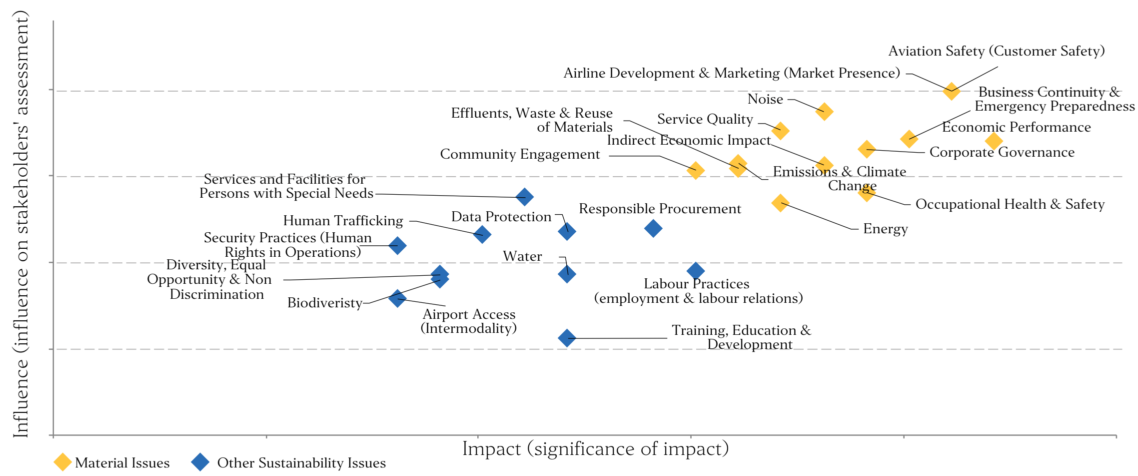
In line with the Sustainability Policy, the Airport Company engages in independent sustainability assurance for confirming the accuracy, completeness and compliance with applicable standards of corporate disclosures. AIA's reporting abides by the Global Reporting Initiative (GRI) Standards and is in line with the Airport Company's sustained commitment to the United Nations Global Compact, the acknowledgement of the United Nations' Sustainability Development Goals (SDGs) and the Agenda 2030, contributing to the global sustainability effort. The Audit Committee reviews the independence and the quality of sustainability assurance services engaged by the Management to ensure that public disclosures are accurate, complete and adhere to applicable standards.

Materiality Analysis

Development and continuous update of AIA's Sustainability strategy is based on annual redefinition and prioritisation of the material issues, i.e. those of significant impact for the Airport Company and of significant influence on its stakeholders.

With a total of 24 sustainability issues, of which 13 are prioritized as material, the materiality analysis was updated in 2018. The GRI index in the Appendix of this Report presents the linkage between the material issues with the GRI Standards and which of the GRI disclosures have received external assurance. In line with the GRI Standards and the related Airport Operators Sector Supplement (GRI-G4 AOSS), the evaluation of materiality is based on two parameters: "Impact" (Significance of Impact) and "Influence" (Influence on Stakeholders' Assessment). The elaborated description of these two parameters is included in the "Materiality Evaluation Model" in the Appendix of this Report. Identification of issues' boundaries consider the unique characteristics of an airport environment. Specific boundaries were defined and evaluated for "Scale of Impact" and particularly those relating to Global, National and Airport Community-level impact. The outcome of the materiality analysis is shown in the following chart, while the material issues through the report are marked with a relevant identification symbol:

AIA's Materiality Map

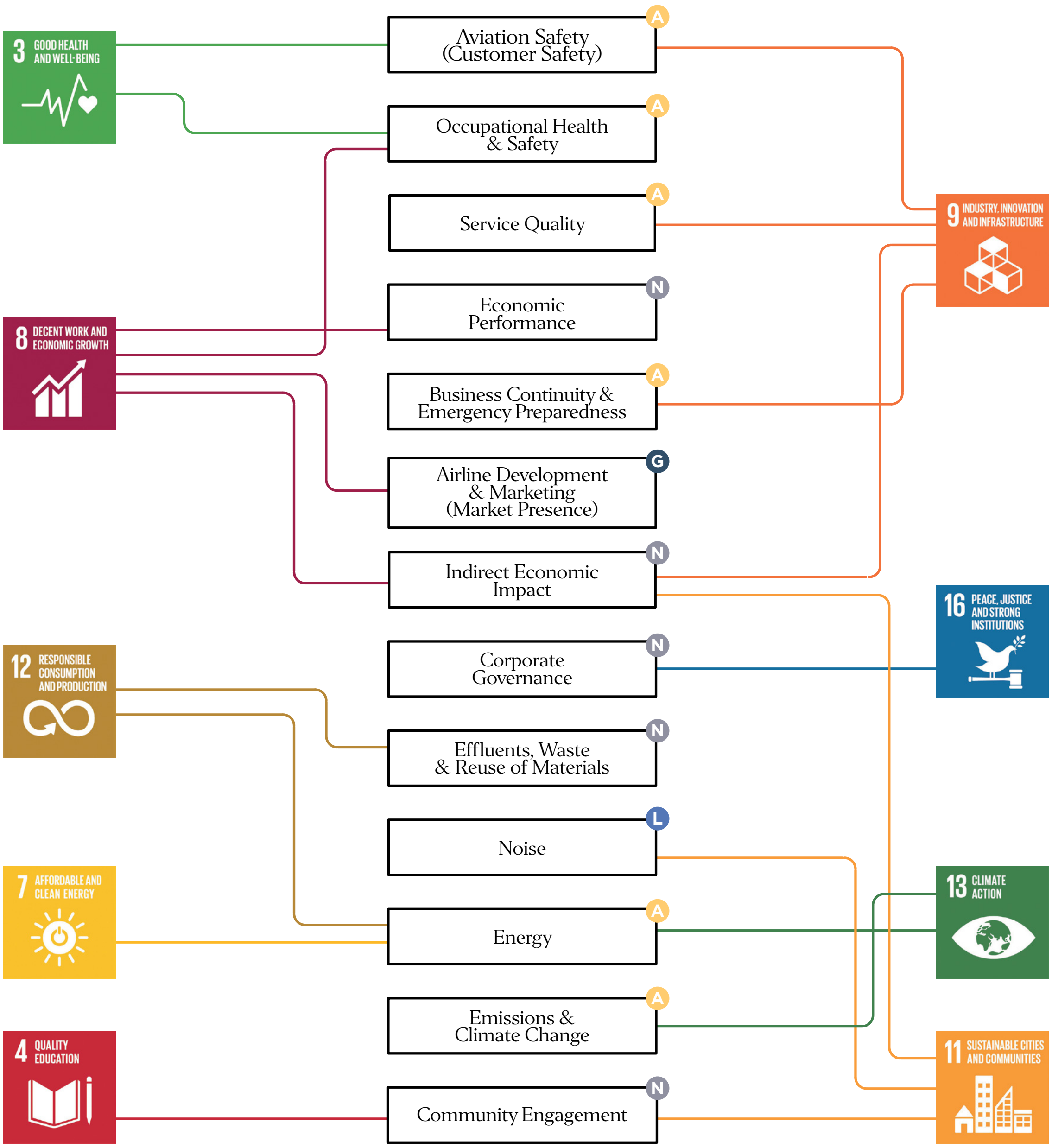


AIA's Material Issues and Correlation with the Global Sustainable Development Goals

Scale of Impact

- G Global
- N National
- A Airport Community
- L Local

SUSTAINABLE DEVELOPMENT GOALS



Linking AIA's business objectives with the Sustainable Development Goals

In line with the Airport Company's sustaining commitment to the United Nations Global Compact, AIA adopts and upholds the related sustainability principles for Human Rights, Labour Relations, Environmental Impact and Anti-Corruption. Furthermore, the Airport Company acknowledges the United Nations' Sustainability Development Goals (SDGs) and the Agenda 2030, contributing to the global sustainability effort. Regardless of size and industry, all companies can contribute to the achievement of the SDGs by carrying out business in a responsible manner, while pursuing opportunities to address societal and environmental challenges through innovation and collaboration. Global challenges – ranging from climate change, water and food crises, to poverty, conflict and inequality – drive the transformation of business models and the embedding of globally acknowledged values in everyday business. Hence, the 17 Sustainable Development Goals can be directly correlated with business activities. This is also the case for AIA, as the Airport Company's sustainability issues have a direct impact on the majority of the Goals. Specifically, for the material issues, the correlation is presented in the opposite page.

AIA also contributes, to a lesser extent, to the achievement of other SDGs, the relevant table in the Appendix of this Report shows the connection of all AIA's identified sustainability issues with the SDGs.

The Annual & Sustainability Report

For the 2018 Annual & Sustainability Report, AIA retains the combination of financial and socioeconomic data, presenting the full spectrum of its activities in a sole publication. The content is divided in chapters covering the Airport Company's Identity, Business & Operational Performance, Financial Performance, Human and Intellectual Capital, Environmental and Social Performance.

Specific disclosures of this report are reviewed by an independent audit firm, and the outcome of this process, the Assurance Statement, is included in the Appendix: Sustainability Indices.

The 2018 Annual & Sustainability Report is distributed to a large audience consisting of AIA employees, members of the Airport community, business partners and various other stakeholders while it also available to the public via the corporate website. This Report is complemented with the other corporate publications, the Aerostat publication on airport statistics (English), a Sustainability outlook report (Greek), the "Care for the Environment" publication (Greek -English) and the 2Board quarterly, free-press magazine (Greek-English) publication.

In 2018, AIA started informing the travelling public regarding the UN Sustainable Development Goals and how the Company strategy aligns with them. A relevant brochure was prepared and is being distributed in the Terminal buildings.

Managing non-financial performance

The Airport Company develops and implements appropriate responses to sustainability challenges considering stakeholder views. In 2018, our annual corporate scorecard included sustainability related objectives for measuring the company's performance. The attainment of these objectives is linked to the evaluation of AIA Management's and employees' performance. In particular, the areas in which non-financial performance objectives were set on a corporate level, as part of the Operational Scorecard were: Efficiency of critical systems, Airport Service Quality, Climate Change Action Plan, Community Engagement Action plan and Human Resources development. Charts and tables with performance specifics for all above are found in the following chapters of this report, along with specific mentions regarding the attainment of corporate targets.

Industrial Affairs and Sustainability

AIA is a member of business associations which are active in enhancing sustainability in business practice and actively participates in various sustainability networking events, where the Airport Company has the chance to demonstrate its practices and share expertise.

AIA is a member of the Board of CSR Hellas and the local UN Global Compact Network. The Airport Company also chairs the CSR Committee of the Hellenic-American Chamber of Commerce, which in 2018 organised its 16th Annual CSR Conference, sponsored by AIA, under the title "The World of a Better Tomorrow: Sustainability & the New Disruptive Era". Furthermore, AIA is a member of SEV Business Council for Sustainable Development (SEVBCSD) and chairs the ACI EUROPE Environmental Strategy Committee.

Since June 2018, AIA is one of the ambassadors of the ACI EUROPE initiative for the development of a comprehensive Sustainability Strategy for the airport industry, which is expected to be released at the 29th ACI EUROPE Annual Congress at Limassol in June 2019.

Planning Ahead

Connected with the Materiality Map, the Sustainability Action Plan 2018 (included in the Chapter titled "Future Prospects") offers an indication of activities that AIA plans to undertake versus each of the material issues.

2 Operational & Business Performance

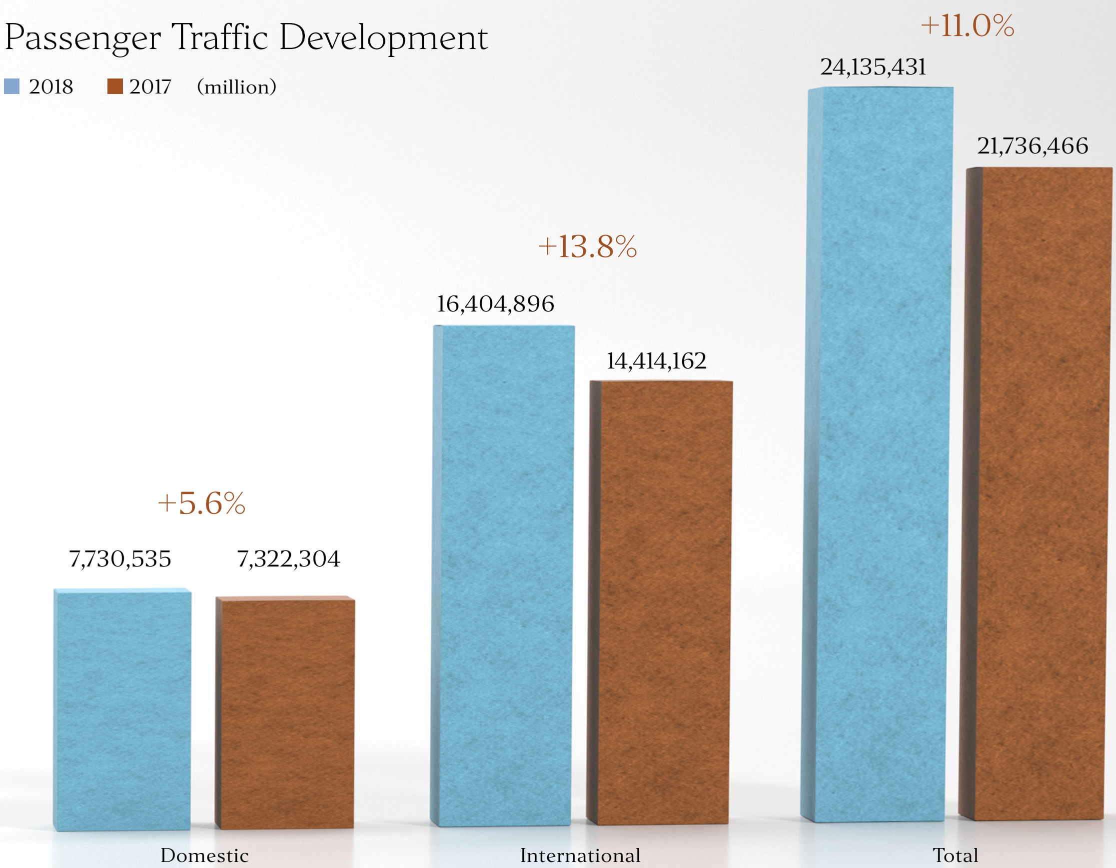
Key Traffic Developments 2018

In a successful year for the global aviation industry, Athens International Airport recorded an all-time high performance, with 24.14 million passengers, surpassing previous year traffic by 2.4 million (+11%). International travellers proved once again to be the main growth driver, explaining 2 out of the 2.4 million additional passengers (+13.8%), while domestic passengers also presented a healthy rise (+5.6%).

The number of flights during the year 2018 reached 217,094 (+10.8%), also a record performance, with the previous record holding since 2009 (210,147). Both domestic and international flights presented robust growth in the year under review, at the level of 10.6% and 10.9% respectively.

In 2018, Athens was directly connected with scheduled services with 154 destinations-cities, 121 of which international (including 21 non-European) in 53 countries, operated by a total of 65 carriers. Eight new airlines launched operations to/from Athens and 24 new international routes were established, further enhancing the airport's route network.

Passenger Traffic Development



Aircraft Movements Development

Passenger Traffic

Total number of passengers (mio) (including transit passengers)

	2018	2017	var%
Domestic	7.7	7.3	5,6
International	16.4	14.4	13.8
Total	24.1	21.7	11.0

Variation calculated on the primary figures prior to conversion to mios.

2018 Total number of arriving and departing passengers (mio) (not including transit passengers)

	Arriving	Departing	Total
Domestic	3,960,901	3,752,698	7,713,599
International	8,121,516	8,215,512	16,337,028
Total	12,082,417	11,968,210	24,050,627

2018 Total number of passengers by airport use (in million)

	Origin & Destination Passengers (O&D)	Transfer Passengers	Terminal Passengers	Transit	Total
2018 Total number of passengers by airport use	18,898,983	5,151,644	24,050,627	84,804	24,135,431

Note: The breakdown in O&D and transfer passenger is an estimation based on the results of 2018 AIA's Passenger Survey.
The breakdown of terminal passenger is an estimation of O&D passenger and transfer passengers.
Variation has been calculated based on the full figured and not the rounded figures shown above.

Looking into the international traffic evolution per region, the enhanced airport's route network coupled with the favourable growth of passenger demand, resulted in all regions enjoying a strong increase, with Eastern Europe and the Far East demonstrating a sharp rise, both in terms of passenger traffic as well as in terms of flights.

Aircraft Movements

Aircraft Movements (thousands, take-offs and landings)

	2018	2017	var%
Domestic	90.5	81.8	10.6
International	126.6	114.1	10.9
Total	217.1	196.0	10.8

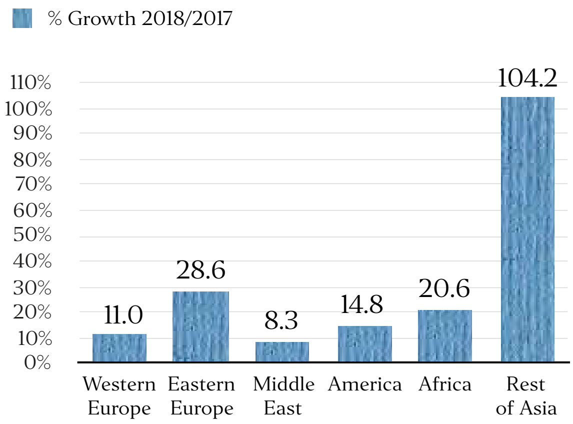
Variation calculated on the primary figures prior to conversion to thousands.

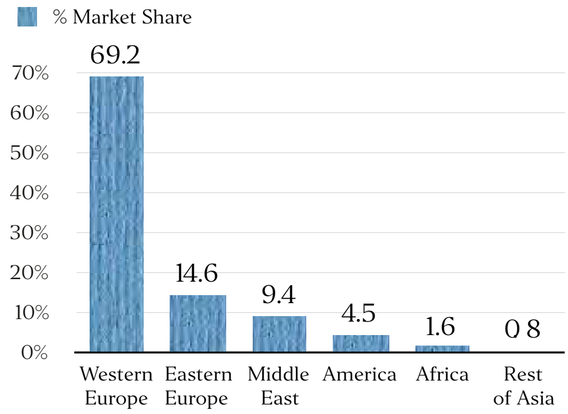
Aircraft Movements 2018 (Flight categories, incl. helicopters)

	Scheduled passenger (incl. combi)	Charter passenger (incl. combi)	Cargo	General Aviation	Military &State Aviation	Other*	Total Movements (incl. Helicopters)
Domestic	83,687	91	1,108	3,031	385	2,228	90,530
International	107,969	1,238	4,175	9,611	1,695	1,876	126,564

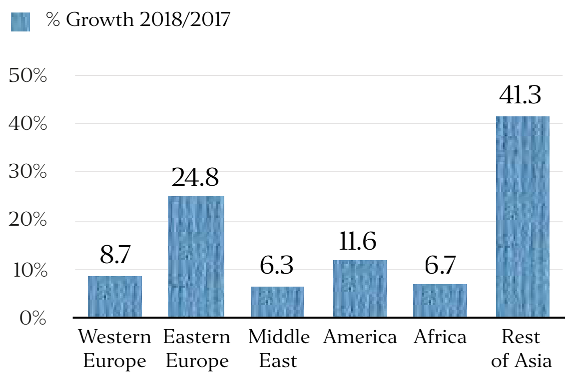
The day/night segregation is not applicable in our airport, because the airport operates 24/7 and there is no night curfew (night flight restrictions). *State Aviation & Other: Special (FAA/Government), State Police/Fire/Diplomatic,Military, Ambulance, Training, Technical Test, Technical Stop, Positioning/Ferry.

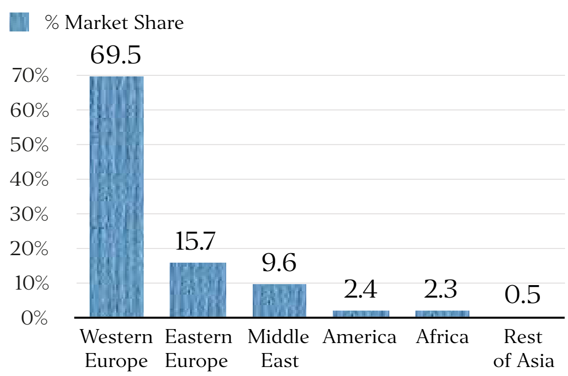
International Passenger Development per Region 2018





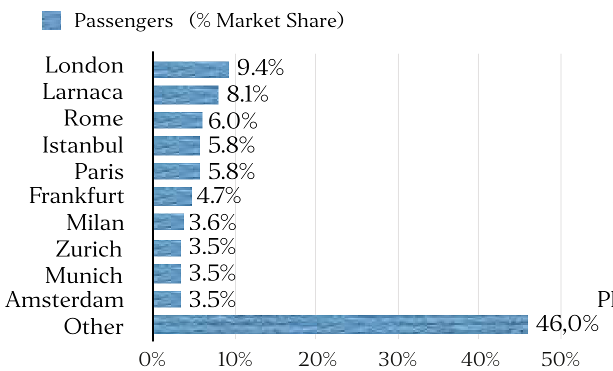
International Flights per Region



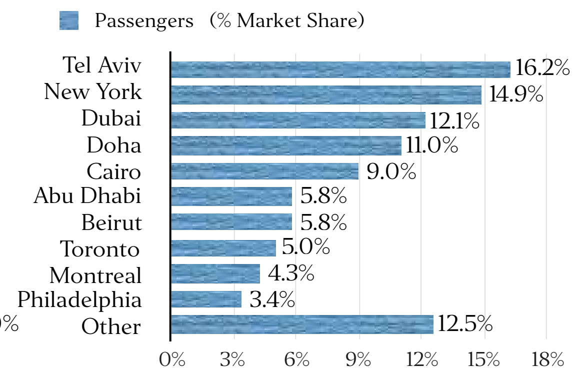


European and intercontinental routes enjoyed similar levels of growth in the course of 2018, at the level of 14%, both in line with the total international growth. Regarding Europe, London, Larnaca and Rome held the top three positions in the European destinations' ranking, followed by the fast-growing Istanbul that enhanced its presence, surpassed Paris and gained fourth place. The other top European destination that achieved an increased market share was Frankfurt. Medallists outside Europe are Tel Aviv, New York and Dubai, with most non-European cities achieving strong growth.

Top 10 European Scheduled Destinations



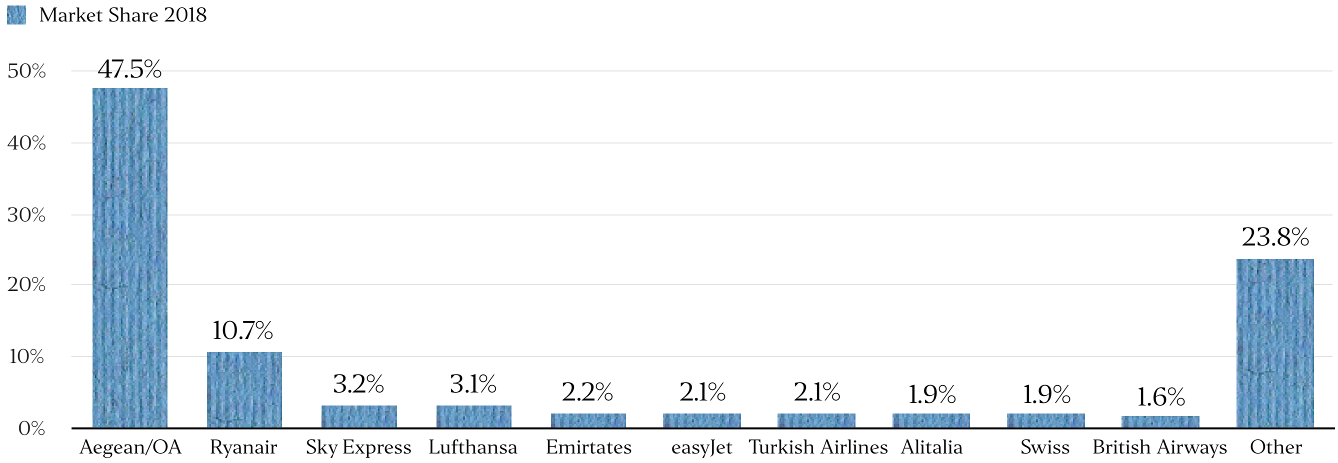
Top 10 Non-European Scheduled Destinations



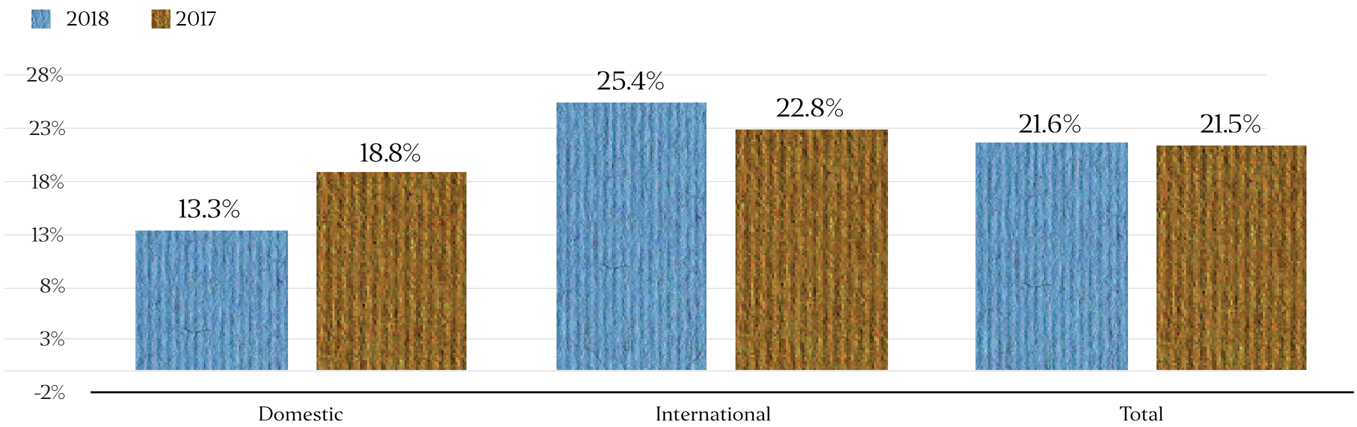
With respect to the airlines' ranking, as expected, the Airport's two home-base carriers, Aegean Airlines/Olympic Air and Ryanair hold the top two places in terms of passenger traffic. Sky Express, more than doubling its passenger base in 2018, climbed up in the third position, with Lufthansa and Emirates holding the fourth and fifth position respectively.

Passenger traffic carried with low-cost carriers constitutes an important part of the Airport's traffic. Low-cost carriers showed an enhanced presence in the international sector and considerably increased their market share which was 25% in 2018. During the same year, 23 LCCs offered services to 75 airports worldwide (compared to 56 airports in 2017). Ryanair's substantial domestic capacity reduction had an impact on the LCCs' share in the domestic market, also affecting the overall result.

Top 10 Airlines According to Total Passenger Traffic



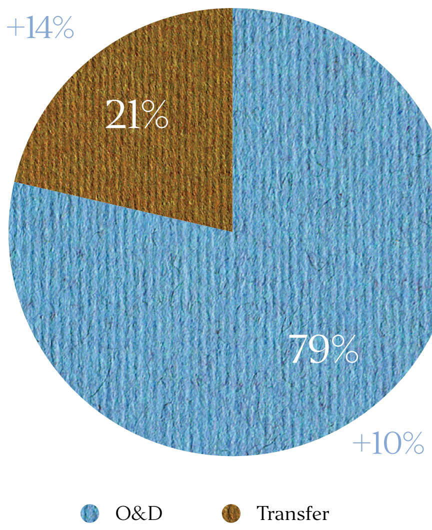
Low-Cost Carriers' Share in Passenger Traffic



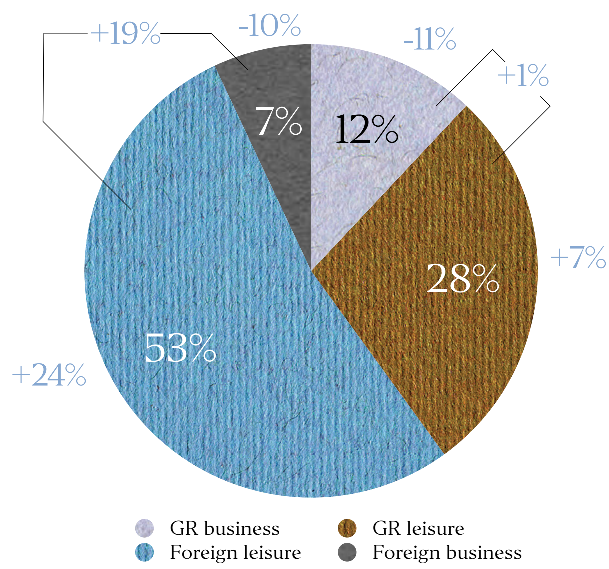
Foreign residents significantly increased their travelling in 2018 (+19%), vis-à-vis a marginal rise of Greek residents (+1%). Leisure travel showed healthy growth for both Greeks and foreigners, whereas business travel was reduced.

The growing attractiveness of Athens as a popular destination, supported by the joint and coordinated pertinent actions of the Airport Company with stakeholders from the tourism industry, is clearly reflected in the dynamic growth of the O&D passengers by 10%, while the robust growth of the transfer passengers (+14%) should also be highlighted.

O&D Transfer
Growth 2018/2017



Greek and Foreign Residents
Growth 2018/2017



Airline Development & Marketing (Market Presence)

Material Issue

As an infrastructure provider, the Airport's main role, to safely and efficiently accommodate aircraft landings and take-offs, is self evident. In addition, growth of air traffic is material for Athens International Airport, as it is the main revenue stream. For this purpose, AIA works closely with home and international carriers, legacy airlines and LCCs, in order to sustain and further develop domestic, regional and international traffic.

During 2018 the Airport Company continued its dynamic marketing strategy and incentives policy. Its aeronautical marketing strategy encompasses comprehensive developmental and targeted programmes for airlines, including incentives and marketing support packages, and constitutes a cornerstone of the Airport Company's aeronautical strategy for healthy financial growth.

At the annual consultation with the Airport users, held in February 2018, as per the Airport Charges Directives (2009/12/EC) as these have been incorporated in the Greek legislation (PD 52/12), the Airport Company announced that all Airport charges remain unchanged without any increase for the tenth consecutive year. The freezing of charges was complemented by the continuous development and fine-tuning of our incentives' scheme comprising growth incentives and a number of targeted incentives for airlines.

In total, 13 different developmental and targeted incentives, both for developing new markets, as well as for reinforcing existing ones, were in effect during 2018. Incentives are applied in a fully transparent and non-discriminatory manner. The majority of the operating carriers made use of one or more targeted or developmental incentives, many of which benefited further by receiving marketing support actions.

The Airport Company's targeted approach was also the main element of AIA's 2018 marketing campaign towards the airlines. Specifically, the 2018 campaign featured the slogan "Do the Math" to reflect AIA's successful growth during the previous year and the opportunity this presents for the airlines since it creates the ideal environment for them to grow, too.

The contribution of the airlines to AIA's performance in 2018 was acknowledged by the Airport Company for the 19th consecutive year by presenting awards to those with the highest passenger traffic growth during that year.

For the last seven years, the Airport Company has channelled innovative marketing efforts to its airline business partners and to consumers but has also extended its endeavours to actively support Athens attractiveness as a year-round destination. Against this background, in order to gradually introduce Athens as a top European destination, the Airport Company, the municipality of Athens, AEGEAN and SETE have joined forces in an unprecedented for the Greek reality partnership, the "This is Athens & Partners" which involves actions towards the development, marketing and management of Athens destination. All creative forces of the city are invited to participate in this.

Through an integrated, three-year development plan of € 15 million, "This is Athens & Partners" is committed to coordinating and implementing actions both for the development and upgrading of Athens, as well as for the effective promotion of the city in the major tourist markets abroad. In this context, significant benefits are expected for Athens and the city's economy

The development plan focuses on three courses of action:

- Destination Development which includes investments for redeveloping public space and the design of products and services for the international and domestic audience.
- Destination Marketing involving the formation and communication of the identity of Athens.
- Destination Management which pertains to the co-ordination of stakeholders in order to offer visitors a cohesive experience.

The Airport Company once more organised the 6th Airport Chief Executives' Symposium (ACES-Athens) in December 2018. This initiative of the Airport Company takes place in Athens on an annual basis and aims to highlight the interdependence between the air transport industry and airports and the development of the destinations they serve, as well as to introduce initiatives for the strengthening of Athens as a tourism destination. This year, "ACES-Athens"'s title was "Growing Sustainably - A new strategy for Airport & Destinations" and focused on seeking the golden balance between Business and Society and the need for a new holistic business-to-society strategy.

Airline Awards 2018

Category		Winner	Highly Commended
Best of the Top 10 Performance		Sky Express	
Best New Entrant Performance		Scoot	
Fastest Growing Airline - European Seasonal Route		Volotea	Air Baltic
Fastest Growing Airline - America Seasonal Route		United Airlines	Air Canada
Fastest Growing Airline - Thin Route		Royal Jordanian	
Fastest Growing Airline	**Domestic**	Sky Express	Ellinair
	Western Europe	Vueling	Iberia
	Eastern Europe	Ryanair	Aeroflot
	Middle East	Gulf Air	Etihad
	Africa	Aegean Airlines	
	Asia	Air China	Scoot
	America	Emirates	
Overall Traffic Development		**Aegean Airlines**	
Favourite Airline / European passengers		Aegean Airlines	
Favourite Airline / non-European passengers		Emirates	

Cargo Community Culture

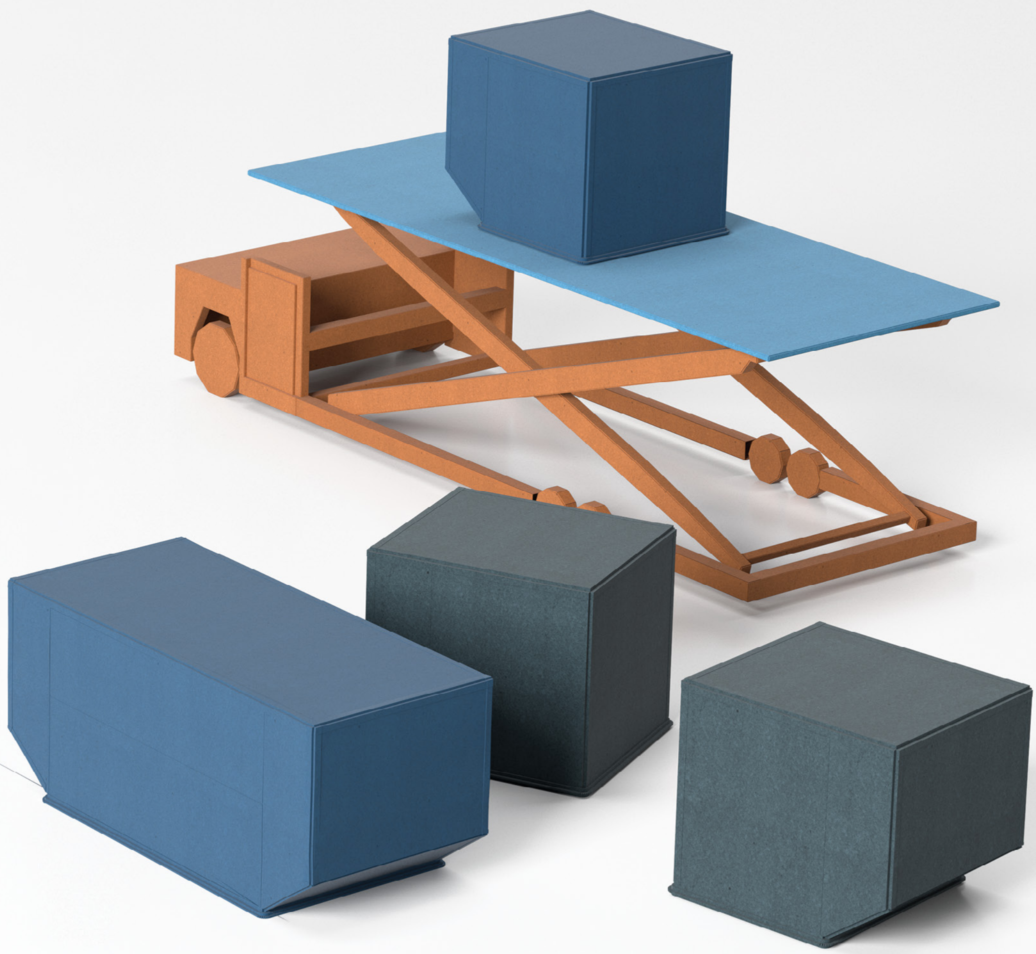
AIA coordinates all cargo business processes and developments at the Airport by providing the necessary infrastructure, enhancing the operational flows, and facilitating new projects that may attract additional cargo business. By integrating the cargo community with external stakeholders, AIA provides a one-stop solution to both existing as well as potential customers worldwide.

This collaborative approach of the Ground Handling & Cargo Development (GCD) was demonstrated in 2018 as follows:

- Through the participation of the Senior Account Supervisor, GCD in two discussion panels during the 10^{z} Logistics Conferences 'Logi.C 2018' in May 2018 to showcase the dynamics of the cargo community. Addressing the pharmaceutical sector this year, AIA introduced IATA's recent certification programme regarding the handling and air transportation of pharmaceuticals, which is currently being applied at AIA, in connection with the wider local logistics market and the hub potential of the Athens Airport.

- Through further promotional activities, aiming at informing and bringing closer to the Airport business the new generation of local logisticians (students and young professionals):
  - A presentation of the Athens Airport Cargo business and Community at the 'Greek Supply Chain' panel during the 8th PANORAMA of Entrepreneurship & Career Development in March 2018.
  - A presentation on 'Aviation Logistics' and an Airport tour in the context of AIA's active engagement in the practical section of the "Professional Diploma in Logistics & Supply Chain Management" organised by BCA College in March 2018.
- Via the coordination of a familiarisation meeting of various EU veterinary officials with AIA's veterinary and cargo facilities and processes, in February, October and December 2018.

Through the frequent interaction of all cargo stakeholders with Greek Customs, in the context of the Airport Cargo Community Committee (ACCC), on the further simplification of Customs procedures, the joint approach always proving to be more successful than individual attempts of the ACCC members.



Cargo Uplift

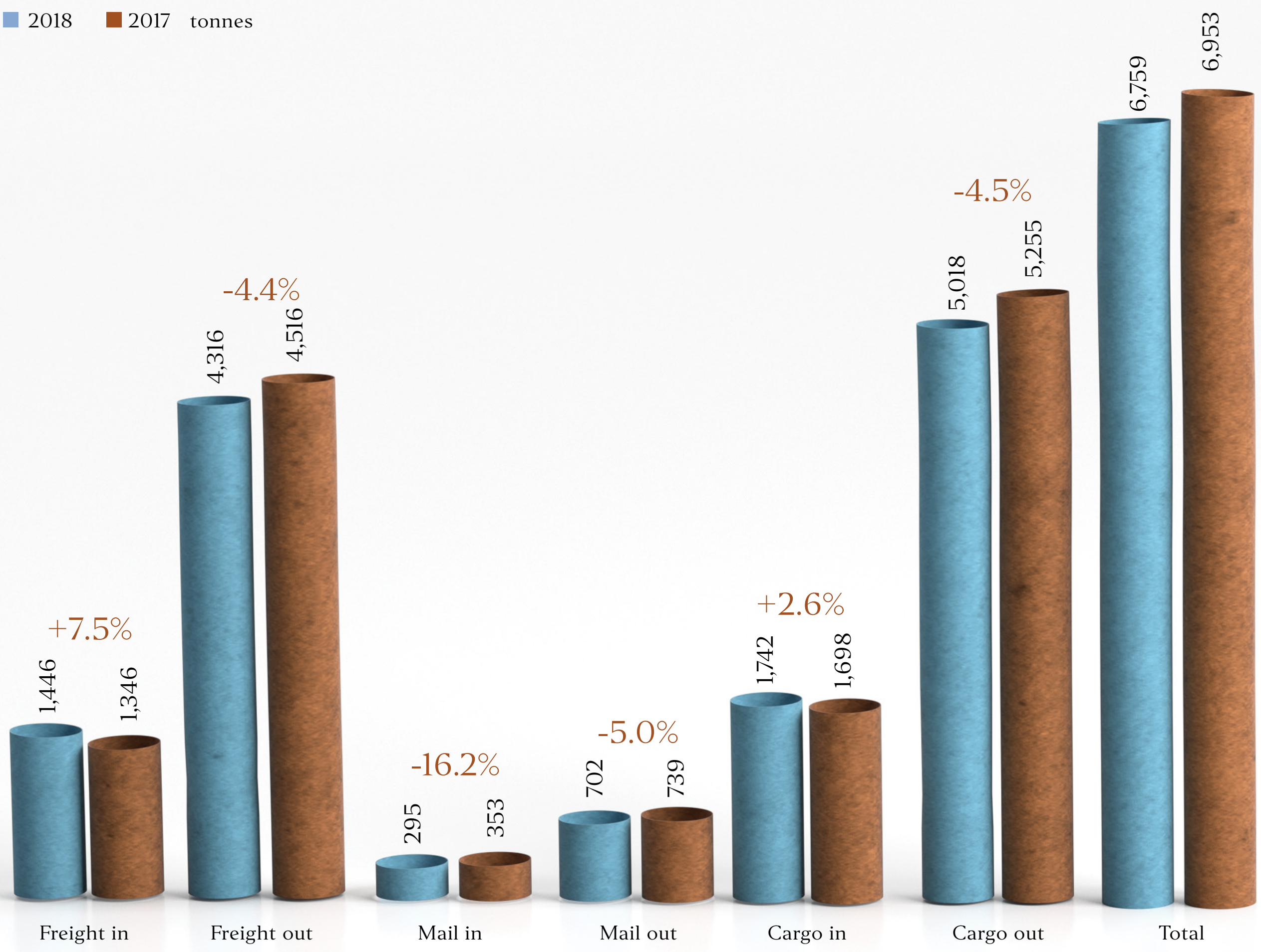
In 2018, AIA's cargo traffic broadly followed the performance of the global market as well as the European region annual average increase of 3.2%, growing by a modest 3.1% compared to 2017 and reaching 92,573 tonnes. In line with the global trend, freight volumes recorded a significant increase of 6.6% in average during the first months of 2018, lost, however, the upward momentum in the latter months of the year, exhibiting hereby an average increase of only 0.4%. The international sector, which accounts for 92.7% of the total annual volume, was yet again the growth driver rising by 3.6% compared to 2017. The domestic traffic, trapped in a continuous downward course, slipped by a further 2.8% corresponding, thus, only to 7.3% of the total annual volumes handled at the airport.

Interesting flight developments in 2018 include:

- The upgraded service to Larnaca with an Airbus 300-600 Freighter operated by DHL Aviation providing the much needed additional capacity
- The launch of a new cargo flight to Tirana by Swiftair Hellas on weekdays operated by an Embraer 120 on Mondays and a Metro III the rest of the week.

Finally, for 2019 a modest growth of 3% is estimated in line with IATA's forecast for a 3.7% average growth supported in part by fast-growing market segments such as e-commerce and time- and temperature-sensitive goods such as pharmaceuticals and perishables.

Domestic Cargo Uplift 2018-2017



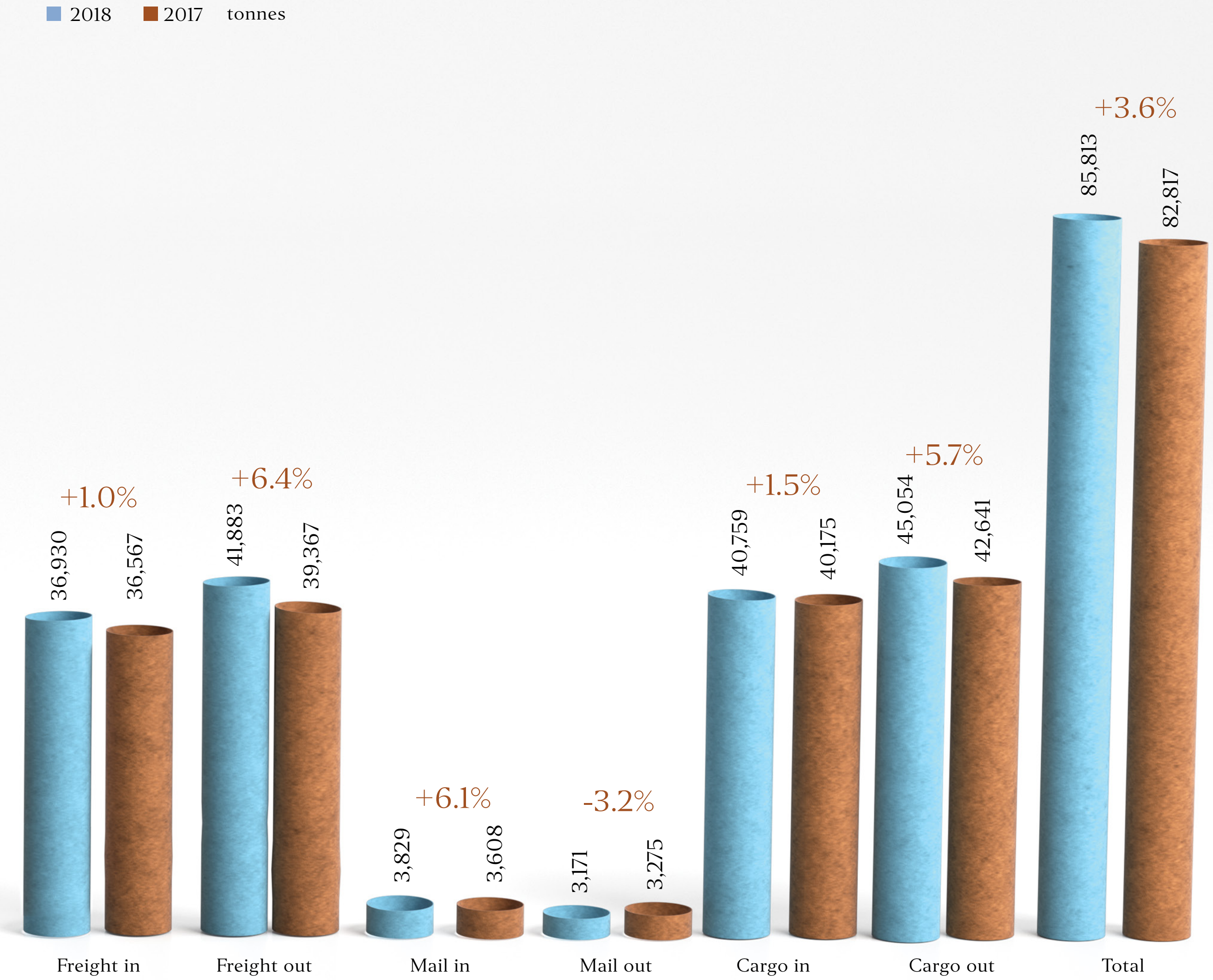
Cargo Traffic (in/out) 2018

thousand tonnes	inbound cargo	outbound cargo	Total
Cargo Aircraft	**20.64**	**13.11**	**33.75**
Passenger Aircraft	**21.86**	**36.96**	**58.82**

Cargo Traffic (domestic/international)

thousand tonnes	2018	2017	Var%
Domestic	**6.76**	**6.95**	**-2.80**
International	**85.81**	**82.82**	**3.60**
Total	**92.57**	**89.77**	**3.10**

International Cargo Uplift 2018-2017



Persons with disability and/or reduced mobility

In the context of promoting AIA's high level PRM services abroad, in November 2018, at the "Airport Accessibility & PRM Services Summit" in Singapore, GCD's Supervisor Passenger & PRM Handling presented AIA's viewpoint on "The Air Industry's Best Practices in Serving Wheelchair-bound Passengers", while also chaired a major session during the same world conference.

Consistent with its collaborative approach, in March 2018 AIA met with the National Confederation of Disabled People and HCAA with the joint objective to further enhance the safe, smooth, efficient and pleasant experience of PRM passengers at the Airport.

PRM Assistance Services

	2018	2017
Total PRM Passengers	**173,978**	**159,840**
Pre-notified PRM Passengers	45%	46%
Non Pre-notified PRM Passengers	55%	54%

Supply Chain

AIA promotes its corporate values to everyone in its supply chain falling in its sphere of influence, namely, providers of materials, of services and works. AIA awards contracts which integrate green procurement guidelines, receives energy-efficient supplies and implements projects combating climate change aiming to improve AIA's CO_2 emissions footprint. Suppliers are required to comply with all applicable laws and regulations, conform to the highest standards of ethical conduct, respect and support human rights, operate in an environmentally responsible and effective manner and abide by all health and safety rules.

Procurement and Efficiency

Procurement is an integral part of AIA's professional efficiency. AIA heavily relies on outsourcing for facility and systems management and maintenance, and lays strong emphasis on the selection of its business partners. Related agreements bear all necessary provisions as to ensure that the required service level is adequately defined, quantified and in line with accepted performance thresholds. AIA applies contract management best practices that include performance monitoring mechanisms aiming to ensure the attainment of high service level. Furthermore, an annual evaluation process of all suppliers ensures the best possible performance. AIA aims to develop long-term relationships with suppliers, providing added benefits associated thereto. In 2018, AIA cooperated with 1,134 different suppliers, of which 87% were domestic and 13% foreign, ensuring beneficial partnerships in all purchasing areas concerning airport technical works, services and supplies. The percentage of products and services purchased locally in 2018 amounts to 94% of the total cost.

Procurement Ethics

We promote fairness, transparency, equal treatment, non-discrimination and proportionality at every phase of the procurement process, in compliance with our corporate Procurement Policy and Framework and with our Code of Relations with Business Partners, and by following international best practices as per the principles of European and national procurement law. AIA ensures adequate publicity and objective selection and award criteria for its tender procedures and applies electronic procurement practices (e-auction) as to ensure the best possible purchasing terms and the highest level of compliance.

Aviation Business Unit (ABU)

The Aviation Business Unit (ABU) covers the operation of AIA aviation related infrastructure, as well as the respective ground operations provided through the rights granted by AIA to stakeholders. AIA's current capacity in Apron, Baggage Handling Systems (BHS) and Terminal infrastructure is sufficient for its certified capacity of 26MAP.

General Operational and Capacity Related Developments

During 2018, the Airport Company officially addressed the issue of reduced runway utilisation to the Governor of the HCAA, underlining the Air Navigation Services' restrictions imposed to the Air Traffic Control which limit AIA's aircraft movements to only 44 per hour (22 arrivals and 22 departures), even though significantly higher numbers were achieved. This limitation is significantly lower than the official design capacity of AIA's dual Runway system (65 movements per hour). Several working groups were set-up, with the participation of all stakeholders, that proposed short and long-term measures for increasing the ATC capacity. ABU is in close cooperation with the ANSP in order to draw support in the implementation of these measures.

ABU ensured smooth and efficient operations throughout 2018. The Airport Company remained a Slot not-coordinated airport, even in periods of excessively high demand for aircraft arrival and parking during the summer period. This demand was adequately addressed through planning and ad hoc operational arrangements; however, significant delays related to ATC capacity issues in the Greek FIR and Athens Terminal Area (TMA) were experienced.

The 2018 summer period was set for new records, reaching its highest peaks on the 30th of July with 99,500 passengers (busiest day ever) and 890 aircraft movements (versus the peak of 923 recorded in 2007). Similarly, the highest average daily traffic ever in a single month was recorded in August with 93,185 passengers and 840 aircraft movements (versus 82,188 and 741, respectively, in August 2017).

Furthermore, an extraordinary demand surge for ground stay/apron parking by General/Business Aviation aircraft was experienced in the summer 2018, highly increased compared to summer 2017.

The second major phase of the operational and commercial upgrade of the Satellite Building (STB) was completed, and operations commenced in May, allowing for year-round utilisation, in line with the continuous traffic growth. By the end of 2018, STB accommodated approximately 16,000 flights and 2.7 million passengers, representing a significant increase compared to summer 2017, during which a total of 9,718 flights and 1,645,232 passengers were serviced.

The maintenance and functional upgrade works of the Express Facility building (EF) were completed, to serve as contingency solution.

Other Highlights and Distinctions

Following Innovation and Networks Executive Agency's (INEA) favourable opinion and European Commission's final decision, AIA's proposed Action titled, "AIA's evolution into a high-performing node within the European ATM network", was assessed as eligible for recommended funding of up to €2,250,000. This Action has been submitted in the context of the "2017 Connecting Europe Facility (CEF)/Transport Single European Sky Air Traffic Management (ATM) Research (SESAR) Call". AIA's proposal concerns a five-year (2019-2023) coherent plan with the goal to develop and implement new concepts in a) airport operations, b) information sharing and c) collaborative performance management, aiming to enhance performance at Airport level and thus to enhance performance at network level.

In November, works for the Functional & Aesthetic Improvement of the MTB Intra-Schengen Departure Lounges B03-B15 were launched. Subject works will last until the end of April 2019, in line with a phasing plan aiming at alleviating any operational impact and passenger inconvenience.

In the same month, Ground Handling and Cargo Development Department (GCD) department organised jointly with HCAA the Annual De/Anti-Icing Exercise with the participation of Goldair Handling, Swissport Greece, and Skyserv Handling.

Furthermore, following a thorough consultation with all members of the Airport's aviation fuel supply chain (refineries, oil companies, AAFPC pipeline company, OFC Airport depot & hydrant refuelling system and Safco), AIA's Fuel Shortage Plan was updated under the supervision of AIA to meet the latest needs of AIA and involved parties.

GCD established two communication platforms: the "Airport Ground Handling Action Group" (AGHAG) and the Open Access Working Group (OAWG), comprising of GCD and its key business partners.

For the sixth time in a row, AIA and all members of the Athens Airport aviation supply chain were awarded the Global Recognition Award by Joint Inspection Group (JIG) for their sustainable performance, while OFC/ Athens airport remains the only Airport Fuel Facility worldwide, awarded eleven consecutive JIG Certificates of Excellence (2008-2018).

Consumers Business Unit (CBU)

Terminal Services (TRS) is responsible for the overall operational supervision of the Main Terminal Building (MTB), Satellite Terminal Building (STB) & General Aviation Facility (GAF), as well as the provision of Airport information around the clock. TRS objective is to provide high quality and efficient terminal supervision and accurate Airport information. The daily focus of Terminal Operations is on the safe, efficient and expeditious operation of all passenger services and facilities with great care for irregular operations. The Airport Information Services comprise the Airport Call Centre, the Public Address System and Information Counters, and the "Airport Info" e-mail service which is available 24/7 to deal with travellers' queries.

Major developments of TRS in 2018 include:

- A record year for traffic was successfully dealt with; more than 3.1 million passengers and visitors were served by Terminal Services (almost 426,000 telephone inquiries + 2.7 million interfaces in person at the Information Counters, mobile service and Fast Lane reception).
- The Departures Central Airport Information Counter was renovated to improve visibility, efficiency and overall service, and to serve as a landmark in the middle of the check-in Hall.
- A new back-up Airport Call Centre facility was created in Building 11 to ensure smooth transition and business continuity in the event of a major disruption to the regular call centre operation of the Main Terminal Building.

The Retail Services (RES) department is responsible for the Commercial Activities, mainly Retail, Food and Beverage, Services outlets and Advertising activities, both of the Main Terminal Building (MTB) and the Satellite Terminal Building (STB). RES main aim is to tailor AIA's commercial offering to meet passengers' needs and expectations, ultimately increasing AIA's revenues by improving passenger experience. At the same time RES is also responsible for the smooth and efficient operations of more than 140 outlets at both terminals, which occupy an area of more than 12,000 m². Lastly, RES designs and implements targeted marketing, promotional and communication activities, to forge the reputation of AIA's Shopping Centre as a major shopping destination, to improve passenger experience, but also to help improve sales performance of all its partners.

In 2018:

- AIA's shopping centre recorded a notable increase of revenues 10.5% versus 2017, capitalising on growth of passenger traffic.
- Commercial success of the recently upgraded Intra Schengen area, the solid performance of the Food & Beverage units and the improved commercial performance of the newly-renovated STB, stand as the key highlights of the year's performance.
- An extensive commercial re-development project was implemented at STB in spring of 2018, which considerably upgraded the commercial value of the new terminal by increasing the Retail and Food & Beverage offering selection.
- To better address the constantly evolving passenger profile, nine new or renovated retail shops, ten new F&B concepts and three Services outlets were introduced to AIA's commercial portfolio.
- RES launched a series of targeted marketing and co-promotional sales activities in close cooperation with the concessionaires, all achieving remarkable results in terms of enhancing customer experience and supporting the sales performance of the Shopping Centre.

Landside Services (LAS) department manages, both commercially and operationally, the public parking facilities and safeguards unhindered access to the Airport. From the commercial aspect, its main goal is to increase revenues through the only B2C channel of the Airport, the car parking, by optimising the commercial offering of the six car parking facilities, i.e. Short term (P1, P2), Long term (P3, Holiday), Executive Valet and Bus lot (P4), which all combine excellent service at competitive prices. The department also oversees the concession agreement between AIA and the Greek Railway for the management of the Airport Railway Station. LAS also manages AIA's online platform "e-parking", which is strategically placed in the centre of the parking strategy and offers benefits and discounts through seasonal offers and promotions.

In 2018:

- 2018 parking revenues increased by 4.3% versus 2017.
- There was a significant increase of the online parking tickets by 22%, as the result of mainly an aggressive marketing plan implemented in 2018.
- Park & Win parking loyalty scheme continued growing and reached 60,000 members.

Property Business Unit (PBU)

One of the four business units of our company, PBU also maximises value for AIA's shareholders through a two-fold task:

- exploiting real estate non-aeronautical related commercial development opportunities within the Airport's boundaries, and
- supporting the Airport Company's operational and maintenance disciplines in ensuring the efficiency of the Airport's Physical Assets.

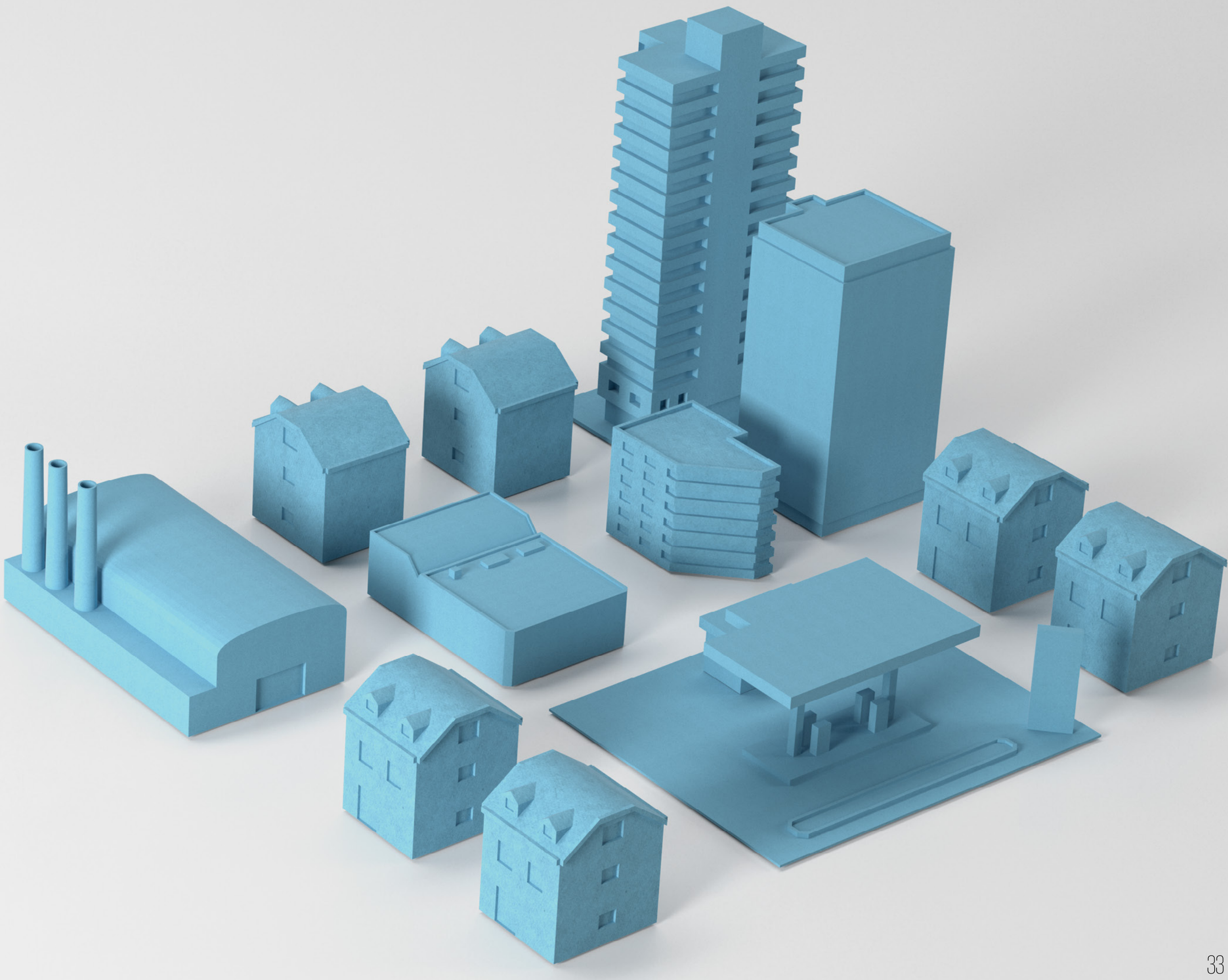
The Unit carries out its mission mainly through the following distinctive activities:

- development and management of ground concessions, such as the Airport's Retail, the Metropolitan Exhibition Centre, the Hotel, and others;
- leasing built spaces, accommodating the needs of the Airport's community of both the state and the private sector;
- exploitation of energy related business cases, as is the Airport's photovoltaic park;
- monitoring and allocation of the cost of operating the assets to all Airport users;
- the utilities and communal related charges within the Airport's community;
- management of Utilities contracts;
- management of facilities related services contract.

The major highlights for 2018 are the following:

- **The Airport Hotel recorded a record turnover for the second consecutive year.**
- **The Metropolitan Expo recorded the strongest year since its opening in 2009, in terms of number of events, space occupancy and turnover.**
- **Built Space Leases occupancy reached the highest level since 2012.**

Following a performance record year in 2017, unfavourable weather conditions in the second half of 2018 resulted to a slight reduction of the annual production of the Photovoltaic Park.



Information Technology & Telecommunications Business Unit (IT&T)

Information Technology & Telecommunication Business Unit (IT&T BU) is a trusted operator for the Airport Community, summing up to 280 companies and 15.000 users, providing reliable & cost-effective services on a 24x7 basis. IT&T BU is certified according to ISO 9001:2015 & ISO 20000-1:2011.

In this context, IT&T BU dedicates time and effort to experimenting with new technologies, running POCs (Proof of Concept) in cooperation with various suppliers, startups/technology providers and provide Business Analysis & Project management Services, Digital and Innovation solutions and Business Support services with the main scope to assist in creating a robust digitalised business model.

In addition, the IT&T BU, has acquired an in-depth understanding of the Aviation and non-Aviation Business needs and exports its know-how. In particular it provides digital solutions, data centre services, consultations on project management and business analysis which ranges from master planning and designing to full commissioning and deployment, either through AIA's cloud infrastructure as part of its GEAR platform (Gain Experience for your Airport Readiness) or hosted on the premises of its customers having taken into account any particular requirements.

- **Next Generation Networks (NGN) Project implementation:** The project's objective was the replacement of the Airport's Campus and Telephony Network with new state-of-the-art technologies, providing unified messaging with voice, video, presence and instant messaging, while improving performance and availability of the infrastructure.

- **External connectivity enhancements:** AIA's Internet line was successfully upgraded from a total of 780 Mbps to 1,8 Gbps. Data connectivity to the outside world was redesigned in terms of redundancy providing three different physical paths and one microwave link.

- **Disaster Recovery testing:** the annual IT&T Disaster Recovery exercise for Year 2018 was performed with all involved parties in November 2018.

- **Emergency Call-out Notification (e-CON):** AIA completed the replacement of the existing emergency call-out notification platform (e-con) with a new platform, which resulted from the Digital Gate competition. Through a user-friendly environment, the platform user (AIA Business Leader) creates the notification scenarios in Greek and/or English, complying with a user major need for availability in the Greek language. The aim of the system is to minimise the time for alerting staff of an organisation, external authorities and other parties to emergencies and other incidents, and to monitor the progress of the sent notifications in real time.

- **Document Management System (DMS):** in cooperation with the Corporate Quality department, IT&T introduced a new DMS based on "Papyros", an advanced Enterprise Content Management platform, optimising the administration of documents, minimising the use of paper and taking advantage of contemporary digital archiving features in a secure environment.

- **Pepper:** IT&T launched a new innovative service based on emotional humanoid robot techniques. AIA's robot, "Pepper", improves passengers' experience by welcoming them and relaying messages related to their flights and the weather at their destination. In addition, it entertains them through two games currently offered in English.

- **Arrival belt allocation:** in cooperation with the Aviation Business Unit and Aegean Airlines, IT&T interfaced AIA's Sort Allocation Computer System to Aegean Airline's host computers, thus providing the airline with information on the Arrival Belt Allocation.

- **Awards:** AIA was granted the Gold Award in the Impact Business IT Excellence Awards 2018 in the category "Specific applications for Companies in the sector of transportation" for the implementation of the "Automated Border Control System & Gates" project. The said implementation renders AIA the first International Airport in Greece that uses e-gates in the Passport Control process, in an effort to expand the overall development of automated services based on high security standards, enhance travelling experience, and assist Hellenic Police, who is responsible for the Border Control, by incorporating innovative services.

Business Continuity and Emergency Preparedness

Material Issue

AIA compliments its Corporate risk management system with the development of a Business Continuity Programme (referred to as BCP), in line with industry best practices. The aim is to identify those systems and services that affect critical operations and invest in the establishment of the necessary mechanisms in order to achieve maximum degree of resilience and ability to cope with adverse and extraordinary circumstances. The BCP encompasses the following principal elements: a) development of contingency plans in order to deal with any type of disruption and minimise or counteract such negative effects, b) preparation of recovery plans to restore/resume essential functions, processes and resources to normal operations, c) engagement of necessary resources to secure continuity of those systems/services within pre-defined agreed timeframes, and d) development of the required procedures and work instructions summarising the aforementioned actions. To this end, AIA BCP comprises 53 different scenarios. Specifically, in order to continuously improve and verify the adequacy of these plans and measures, malfunction scenarios are designed, and exercises are carried out on an annually basis.

In addition to these preventive measures, an assessment of the Maintenance Contractor's financial viability risk for providing support services on the Airport's critical systems/procedures is currently being carried out on an on-going basis, not only prior to contract award but also during contract execution. In particular, the assessment is directed at evaluating the likelihood of its business continuity, and its capacity to provide quality services as per the associated terms secured in the relevant agreement.

AIA's BCP planning is subject to ongoing modifications and upgrading, achieving an incremental improvement and high level of maturity year after year. As part of this commitment, during the last year, the programme has been further enhanced via the implementation of the following major actions:

a. Due to the constantly increasing global information security threats there is an underlying risk potential for IT systems. AIA works actively towards this situation with the implementation of modern IT security tools of a preventive nature and secures that these IT security requirements are followed throughout the company.

b. Significant modifications to existing scenarios, arising either due to the enhancement of the Airport's infrastructure or by deficiencies that have emerged after incidents. Specifically, the existing control system of the standby power generators has been upgraded by a contemporary digital system which now allows the activation of the said backup system in an automated manner during power fluctuations. In addition, IT infrastructure supporting AIA's critical business and operating processes is configured redundantly and, where appropriate, is housed at separate sites within the Airport premises. Most importantly, a Disaster Recovery (DR) path for AIA's metro ethernet infrastructure has been developed to ensure that business stays resilient to ICT-related incidents and secure continuity of operations. In particular, through this configuration, AIA's Internet, Voice and Check-in and Boarding services provided by SITA are re-routed to a DR microwave link in case the primary and secondary infrastructure completely fails.

c. Relevant tests and DR exercises, which are conducted annually, reassessed operation and effectiveness of the established contingency plans. These "what-if" exercises involved failover to secondary and/or DR nodes, activation of DR facilities and preparedness of competent key personnel if the designed risks were to occur. Detailed results, recommendations and lessons learned are documented and taken into due consideration in the next scheduled exercise programme.

Critical Systems Availability

	2018	2017
Baggage Handling System	99.83%	99.80 %
Medium Voltage	100%	100%
Airfiled Lighting	100%	100%
Passenger Boarding Bridges	99.99%	99.97%
Average of UFIS/FIDS, CUTE, Voice & Data Networks	100%	99.99%

Note: Calculated based on the failures down time of these systems

Aviation Safety (Customer Safety)

Material Issue

Seldom is the importance of aviation safety knowingly recognized by the average air traveler with safety aspects being usually considered only when accidents occur. However, pertinent regulations and practices ensure the safety of countless passengers on literally thousands of passenger and cargo flights every day.

To this end, AIA engages all operational stakeholders in the implementation of every preventive measure that minimizes the risk of an aviation accident.

European Aviation Safety Agency (EASA)

An EASA oversight audit on HCAA took place during 15-19 October 2018. A joint EASA/HCAA inspection of AIA airside infrastructure, operational procedures and organisation was held on 17th October 2018, resulting in only three minor findings and one observation - all closed by year-end.

Following the AIA Certification conversion as per EASA in December 2018, all six Deviation Acceptance and Action Documents (DAAD) of the certificate were eliminated by year-end, following an HCAA inspection on 17th December 2018.

The long-awaited new EASA basic regulation [Regulation (EU) 2018/1139 of 4 July 2018] was published on 22 August 2018, extending regulatory control to the following areas: Drones, Ground Handling, Aviation Security & Cybersecurity, and Environmental matters.

Aviation Safety Services Office

Under the spectrum of the EASA and ICAO's Safety Management System requirements, the 7th annual meeting of AIA's Safety Review Committee (SRC) took place on 15th of March 2018, chaired by the CEO as the Accountable Manager. Special reference was made to the re-certification of AIA by the HCAA, as per the stipulations of EASA, as well as to the deliverables of the "EASA Training Plan 2017-2018". Moreover, the SRC members reviewed the Safety Action Plan of 2017 and approved the Safety Action Plan for 2018.

On 7th of December the third AIA "Aviation Safety Day", an annual one-day conference event dedicated to aviation safety, took place on the occasion of the International Civil Aviation Day. The event was dedicated to the contribution of science and academia to the aviation industry, to aviation developments on safety management systems, human factors and crisis management contributing overall to the improvement of airside safety. The event concluded with the annual safety award ceremony for commending staff of the Airport community for their significant aviation safety awareness and proactive actions during 2017 and 2018 at the airside.

Enhancing AIA's aviation safety orientation on a European level, the annual Safety Benchmark Group (SBG) meeting was successfully hosted by Athens International Airport on 3-4 of May 2018, with participants from 19 different European International main airports. Significant safety and operational issues were discussed with SBG members focusing in sharing of safety information and operational improvements amongst SBG participating airports.

Finally, the Operational Compliance & Development department delivered a series of required trainings, to respective training fields both to stakeholders' and AIA's staff under the stipulations of Basic Ground Handling Regulation, Article 22, and Commission Reg. E.U. 139/2014 in line with AIA's "EASA Training Plan 2018-2019".

Aviation Safety (Key Performance Indicator)

	2018	2017
Serious incidents / 100, 000 aircraft/ helicopter movements	**34.08**	**33.68**

Note:
1. 2018 total number of aircraft movements: 217,094
2. This performance fulfils the related corporate target for 2018, at the "above target " level.

Crisis Planning (CRP)

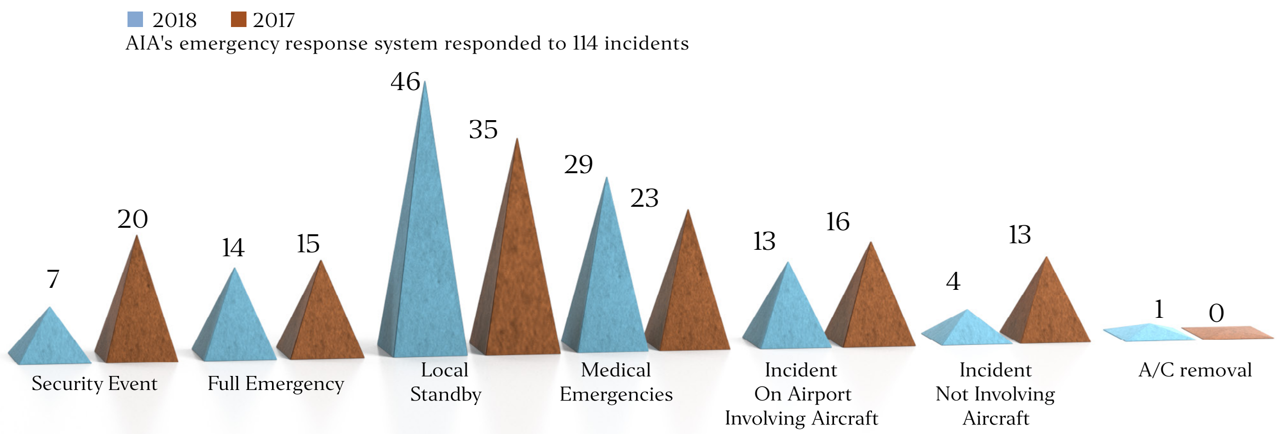
Considering the continuously evolving operating environment of the aviation industry with all its complexities and present and future challenges, ABU takes all the necessary emergency planning steps by encouraging a collaborative approach for planning and engaging as many of the airport users' employees as possible. The involvement of the Airport community in the identification of emergency and crisis issues is a crucial factor in succeeding to improve the level of safety at the Airport. In this regard, in 2018 Operational and Compliance department organised two Airport Emergency Committees, thus creating the opportunity for all Airport users to be informed on the new developments and the updated Airport Emergency Plan (AEP), and to exchange views on Crisis and Emergency Events.

Ten (10) wide range emergency exercises, including the Annual Full-Scale Emergency Exercise (FSEE) "Aircraft Accident on Airport", were conducted. The scenario of the FSEE involved a Boeing 738 aircraft of Ryanair (flight FR 218) which failed to take-off due to failure of its engines and excursed from Runway 03L, northeast of the runway area, close to the Metropolitan Expo Centre.

The Emergency Preparedness scheme which started in the third quarter of 2018 and will also run during 2019, is also well worth mentioning.

Further progress was also made in developing and updating Crisis Planning CRP procedures. Regular trainings have been conducted to ensure familiarisation and adequate implementation of the emergency procedures, but also to increase the emergency preparedness of the Airport community. Training sessions were delivered to AIA personnel and Airport users under Basic Ground Handling Regulation. Additionally, and as part of our continuous support to the the Hellenic Fire Corps, similar trainings were delivered to Fire Brigade personnel operating in various Greek State Airports.

Emergency Response System (Breakdown of Incidents)



Performance Statistics / Emergency Events

2018 Mobilization of Airport Hellenic Fire Corps	
A/c emergencies	**19%**
Fire Alarms	**72%**
Traffic accidents	**0%**
Fuel/Gas Leaks	**4%**
Other (i.e. fire on cars, animal rescue)	**5%**

Performance Statistics / Emergency Events

2018 Mobilisation of Airport Services Emergency Medical Care (ASEMC)*

	2018	2017
Arrived alone	**1,671**	**1,718**
Arrived with ambulance	**788**	**848**
Transportation in hospitals	**123**	**118**
Treated in house	**2,426**	**2,449**
Passengers	**954**	**951**
Personnel / visitors / guests	**1,596**	**1,616**

Customer and Public Health Safety and Hygiene

AIA and its stakeholders identify customer and public health as a top material issue. AIA's target is to ensure health, safety and welfare of the public as far as it is reasonably practicable.

AIA ensures compliance with all applicable health and safety regulations that fall under its responsibility and undertakes all necessary measures to identify, evaluate and minimise every public safety or health-related hazard. Airport public areas are well maintained both proactively and correctively, precautionary signage is installed and related equipment is kept in sound condition, while certifications are obtained for hazardous equipment.

All technical and construction activities are thoroughly monitored and permits are required for several serious works; hazardous activities are only undertaken by licensed and highly trained professionals as to avoid public exposure to any related hazard. Especially for construction works,

AIA ensures that all preventive measures and precautions are in place before the commencement of works in order to avoid public exposure to hazards and to prevent unauthorised entry to construction sites while frequent floor and pavement checks are carried out as to eliminate slip, trip and fall hazards. AIA intensively reviewed all required documentation while also continuously monitored construction activities to ensure compliance with regulatory and corporate health & safety rules. All public and working areas were inspected on a daily basis by our Corporate Health & Safety function as to ensure that not only our personnel but also that of every stakeholder and contractor operated in accordance with AIA's standards. Moreover,

AIA carries the responsibility to coordinate all health & safety issues among stakeholders in the common areas. Committed to ensuring that associated regulations are properly observed, AIA incorporates pertinent clauses in all contract agreements with third parties, who in addition are required to submit their health & safety management plans for review and audit by AIA.

In 2018, 252 health and safety plans and five safety management systems of third parties were reviewed. Furthermore, 21 audits in security, maintenance, ground handling, cargo and retail companies were performed, confirming compliance level.

Potable water is also a major element of public health & safety due to its direct and broad impact on public health. The quality of the Potable Water is continuously monitored in accordance to requirements of the Potable Water Safety Plan, which is based on the World Hygiene Organisation's "Guide to Hygiene and Sanitation in Aviation"; water samples are submitted to accredited laboratories for examination against microbiological, chemical and pesticides contamination.

Airport Fire Life Safety

Fire life safety is a critical part of the Airport operation.

AIA is committed to always protect human life, business continuity, the environment and all Airport assets. To that effect, AIA has classified fire life safety as one of the principal areas of compliance and implements a thorough Fire Life Safety Programme. The programme not only ensures compliance of all Airport infrastructures with up-to-date technical codes and standards, but also entails fire drills and fire safety training sessions within the Airport Community. AIA's Fire Life Safety Programme is audited both internally and externally by the Airport's insurers.

Furthermore, AIA conducts scheduled and surprise audits annually so as to ensure compliance and enhance awareness.

Our Airport infrastructure and operations comply with strict Fire Safety regulations. In this context, we follow our corporate fire safety procedures which are subject to systematic monitoring for adherence. In regards with technical facilities operations, compliance with regulations and the proper employee training level are duly audited in a semi-annual/annual basis.

During year 2018, computer simulations on passenger flows and smoke travel were carried out to assess whether the architectural modifications AIA is implementing to accommodate the increased traffic are feasible ensuring a high level of Fire Safety and recommend relevant controls.

Airport Security

Security operations were smooth and unobstructed during 2018. Passengers' rate of convenience at security screening points was measured at high levels both at the passenger service quality surveys and in the performance monitoring I ndicators.

On the week of May 7th to the 11th, a General Audit on regulatory compliance and operational performance of AIA's Security System was conducted by the pertinent authorities. AIA's readiness for the protection of passengers, flights and facilities against Acts of Unlawful Interference was thoroughly reviewed.

A team of eight Security Inspectors from the Hellenic Civil Aviation Authority (HCAA/D15) audited details of the procedures for Passenger and Hand Baggage Screening, Hold Baggage Screening, Access Control, Issuance of ID cards for Persons and Vehicles, the Quality Control System, as well as the procedures of the Known Airport Suppliers at AIA.

The General Audit outcome confirms for yet another time the maintenance and provision of a high level of Security by Athens International Airport.

Service Quality

Material Issue

With a strong commitment to a positive passenger experience via the provision of high-quality services, the Terminal Services Department ensures that its personnel is available on a 24/7 basis to assist passengers, visitors and Airport users, through Call Centre, e-mail service (airport_info@aia.gr) or in person, either from a mobile agent or at one of the Information Counters located centrally on the Departures and Arrivals Concourses. Furthermore, the Airport Information Services Supervisors steadily support the Press Office in providing timely and accurate information on our Facebook and Twitter accounts, addressing Terminal Operation issues.

In a year marked by an all-time record in passenger traffic, the Airport Company managed to offer personal assistance and information to more than 3.1 million passengers and visitors. The Airport Call Centre handled approximately 426,000 telephone inquiries with almost 95% of callers being served within 20 seconds. Additionally, more than 5,500 inquiries were received and processed electronically via the "airport info" service.

Aiming to further facilitate departing travellers, fixed crowd management barriers were installed in the Schengen Security Screening Area during 2018. The result ensures smooth circulation of passengers and employees within the designated area, maximum utilisation of space and a notable improvement in comfort and aesthetic appeal. In addition, fixed barriers were also introduced in the departure gates to improve efficiency and service during the boarding process.

Passenger Service Parameters

	2018	2017
Call Center Service Level (% calls answered in under 60 sec)	**98.20%**	**98.52%**
Call Center Efficiency (% calls answered / total calls received)	**99.00%**	**99.50%**
Avg Waiting Time for Check-in (min)	**7.1**	**7.0**
Avg Waiting Time for Security Screening (min)	**1.4**	**1.5**
Avg Response Time to Passenger Comments (days)	**8.3**	**3.5**
Customization rate of responses (custom total responses)	**86.74%**	**91.75%**
Baggage Handling - Shortshipped Bags (per mio bags handled)	**16**	**19**
Baggage Handling - Average time for First Bag reclaim (min:sec)	**16:07**	**15:20**

Passenger Complaints Analysis 2018 (Distribution)

	2018	2017
Airlines/ Ground Handlers	**23.70%**	**17.50%**
Other	**10.30%**	**11.10%**
Comfort Ambience Signage	**11.10%**	**10.00%**
Works	**4.80%**	**2.50%**
Landside & Parking	**8.60%**	**9.50%**
Security Process	**5.40%**	**8.00%**
ITT Public Systems	**6.00%**	**7.00%**
Retail / F&B / Services	**8.00%**	**9.60%**
Maintenance General	**6.30%**	**6.40%**
Cleaning WC	**3.30%**	**4.50%**
State Authorities	**2.90%**	**2.10%**
Cleaning General	**3.00%**	**2.50%**
Courtesy 3rd Parties	**2.40%**	**3.90%**
Courtesy Security	**1.90%**	**2.40%**
Courtesy AIA	**0.80%**	**1.20%**
Baggage Trolleys	**0.80%**	**0.60%**
PRM	**0.70%**	**1.30%**

Measuring Passenger Satisfaction

AIA continuously monitors passenger satisfaction through a number of channels ranging from structured surveys to immediate feedback communication. The results are forwarded to the involved departments through the monthly notification process and compiled and annually presented to the Management who leads the continuous improvement process. A daily monitor survey called Passenger Survey is carried out by AIA to appreciate passenger perception. The survey includes evaluation by more than 40,000 passengers annually who express their expectations and needs for Airport performance. **The 2018 Passenger Survey results revealed a significantly high appreciation of the Airport performance as evaluated by our passengers (4.26 on a 5-point scale).**

Furthermore, AIA's dedication and commitment to passenger service excellence has been mirrored through an exceptional accomplishment bringing the airport at the top position of European airports for the second consecutive year. Through the ASQ Survey implemented by ACI, Athens Airport was awarded as the "Best Airport by Size and Region: 15-25 million passengers annually, Europe", with a satisfaction score of 4.13/5 in 2018.

As of 2016, AIA applies a direct rating mechanism ("PrivateReview" metrics) applied through more than 100 units installed in several areas of the Main Terminal and allowing several thousand responses to be analysed versus the time of the day for multiple locations. Indicatively, 243,279 ratings were collected for washrooms in 2018, with an average score of 3.82/5 for arrivals and 3.92/5 for departures. Additionally, Security Services score stands significantly high at 4.4/5 with 223,280 responses over 2018.

For more in-depth analysis AIA also undertakes a Quality Monitor Survey that monitors performance satisfaction trends for specific service categories. Similar analysis is carried out on passenger comments registered on the corporate brochure "Your Opinion Counts", available both on the Terminal premises and through the corporate website, also incorporating the comments received through social media (Facebook and Twitter).

Service quality and passenger experience is also evaluated through regular monitoring of passenger queues in critical operational Airport services, such as check-in, ticketing, passport control and security screening. Data analysis enables AIA departments and business partners to assess and further enhance the level of the offered service.

The i-mind programme

Passenger satisfaction is at the focus of every AIA employee, as witnessed by the innovative "i-mind" programme which engages all employees in the improvement of service provision, regardless of their level or operational expertise. AIA's employees carry out walkthroughs of the Terminal buildings and surrounding areas as "virtual passengers", in order to evaluate passenger experience and provide their feedback.

In 2018, more than 1,135 "virtual passenger" inspections have been carried out, which are equivalent to more than 81,000 distinct checkpoints.

Customer Data Privacy

IT&T Information Security / Cyber Security

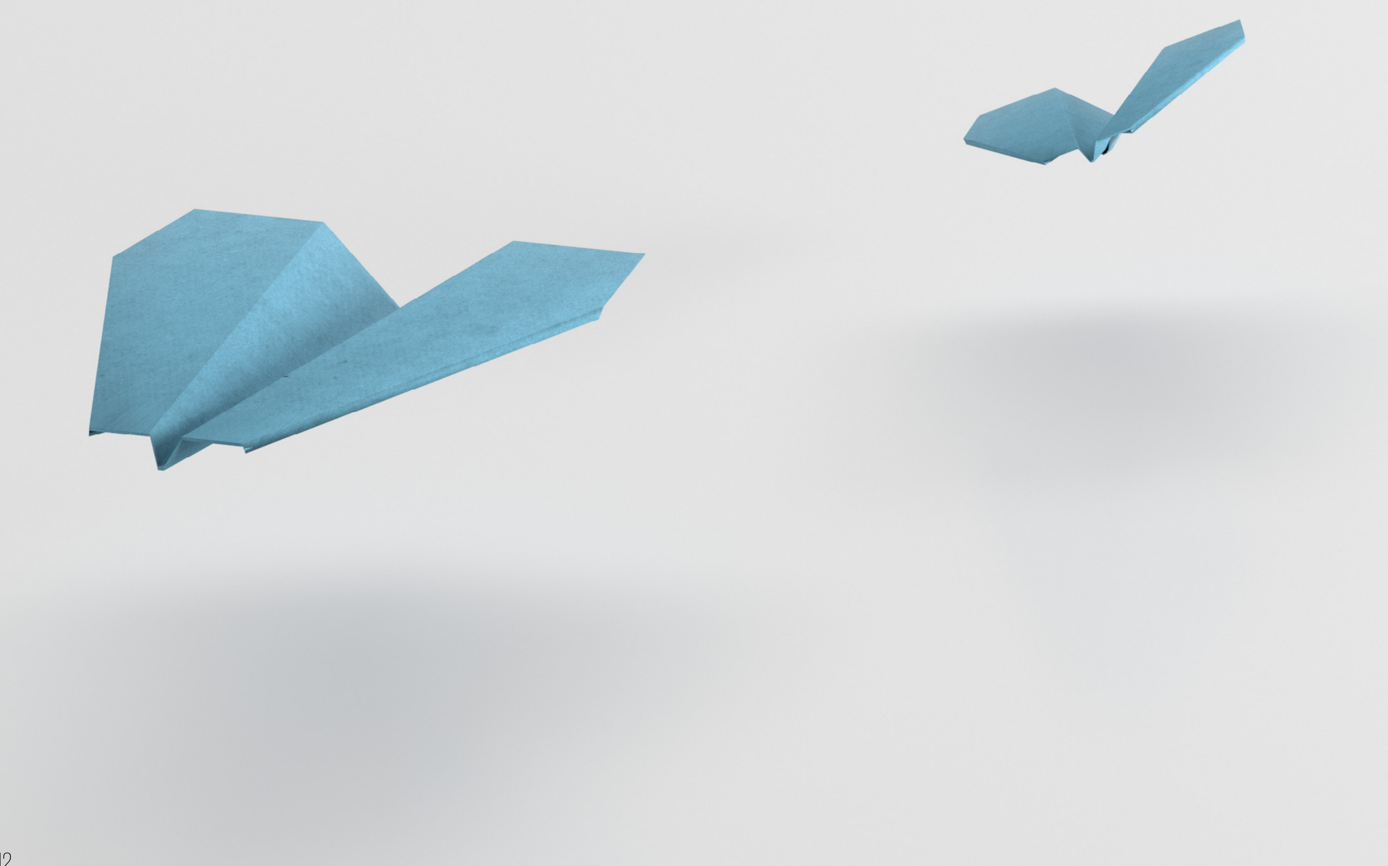
AIA's IT&T Information Security follows international best practices in order to safeguard confidentiality, integrity and availability of its assets, and to tackle any emerging cyberthreats, thus safeguarding Airport's critical systems and their operational effectiveness against internal and external threats.

From a strategic perspective, we are committed to implement information security best practices, while always aiming to develop a holistic information security culture and establish an effective Information Security Management system for the Airport's Critical Systems and critical operations, in order to reinforce our processes, safeguard our systems and comply with recent legislation EU NIS / National directive (N.4577).

To further strengthen our security culture, in 2019 we shall be releasing a newly created Information Security Awareness learning programme to aid all AIA users understand basic principles and create a mentality of security for both our workplace and their daily operations.

AIA complies with the applicable national legislation, European and international regulations, and all ethical standards referring to human rights. As a result, AIA complies with the Hellenic Data Protection Authority (HDPA) and is regulated regarding Airport customer data collection through telephone or the internet by the Hellenic Authority for Communication Security and Privacy (ADAE).

Our outmost attention is given to newly and emerging threats, therefore we are strongly committed to deploy modern and effective information security controls to tackle such risks.



Protection of Personal Data

AIA complies with the provisions of the European General Data Protection Regulation (GDPR) and has established a Personal Data Protection Management System that includes:

- corporate policies and procedures that present AIA's accountability;
- appointment of Data Protection Officer who represents AIA for all related issues raised by natural persons or the supervisory authorities;
- detailed documentation of all processing activities and privacy risk and impact assessments;
- employee training and creation of a privacy culture;
- guidelines to Airport stakeholders and information bulletins to other business partners;
- dissemination of information and mechanism for supporting data subjects in the exercise of their rights;
- incorporation of privacy clauses in tender and contractual documents with Joint Data Controllers and Data Processors;
- security controls, ensuring data availability, integrity and confidentiality;
- internal and third-party compliance monitoring and enforcement scheme.

Following the six-month enforcement period AIA conducted a readiness review to assess compliance. The exercise was carried out in September and October 2018 by a team of external auditors, under the coordination of AIA's Internal Audit Department. The fieldwork covered all GDPR topics, as well as the guidelines of Article 29 Data Protection Working Party (EU), against AIA's implemented measures. The conclusion of this exercise presented AIA's compliance maturity, that is continuously complemented by respective action plans.

While one of the main goals of the GDPR is to harmonise data protection throughout Europe, it does provide for EU Member States to proceed with local legislative enactments that will carve out detailed implementation provisions, or exceptions of the Regulation. In Greece, such law is expected to be published in 2019, following a long period of consultation by the Government and key stakeholders. In addition, the Greek Law 4579/2018 regulates the processing of passenger name records (PNR) by the airlines and the Hellenic Police.

The European regulatory ecosystem will be further enhanced with the upcoming enforcement of the e-Privacy Regulation related to privacy in electronic communications, involving mainly digital marketing activities.

3 Financial Performance

Financial performance is one of the major pillars for the accomplishment of AIA's corporate mission, namely to create sustainable value for its stakeholders.

Economic Performance

Material Issue

Throughout its operation, AIA has allocated people, tools, methodologies, processes and resources for the management of financial performance. In addition to legal requirements for financial recording and monitoring, AIA has put in place various levels of controls through systems (e.g. our Corporate Business Information System with its numerous modules); central and de-central financial monitoring and control in the AIA organisation (Accounting, Procurement, Corporate Finance, Treasury, Business and Corporate Controllers, Internal Audit); effective procedural controls (processes, procedures, etc.); business performance tools (e.g. Value Based Management), etc. Finally, a corporate financial performance cycle, which includes financial planning (business plan, budget) and financial reporting (monthly, quarterly and annual results), ensures proper monitoring and adjustment (e.g. through quarterly latest estimates) of our financial performance. Given the importance of financial performance not only from a legal and compliance perspective, but also from a business point of view, the company's view is to continuously enhance the financial performance mechanisms.

In 2018 Athens International Airport continued to demonstrate a very successful course, with traffic achieving an all-time high performance, i.e. 24.14 million passengers, +2.4 million or +11.0% compared to the previous year. Growth in operating revenues due to traffic development was essentially reflected in the Company's profits, since the cost base was kept at competitive levels. Therefore, AIA presented healthy financial results with increased profitability, i.e. Profit before Tax at € 239.7 million, € 39.9 million higher than 2017. The following section provides an overview of the company's financial performance in 2018.

Operating Revenues & ADF

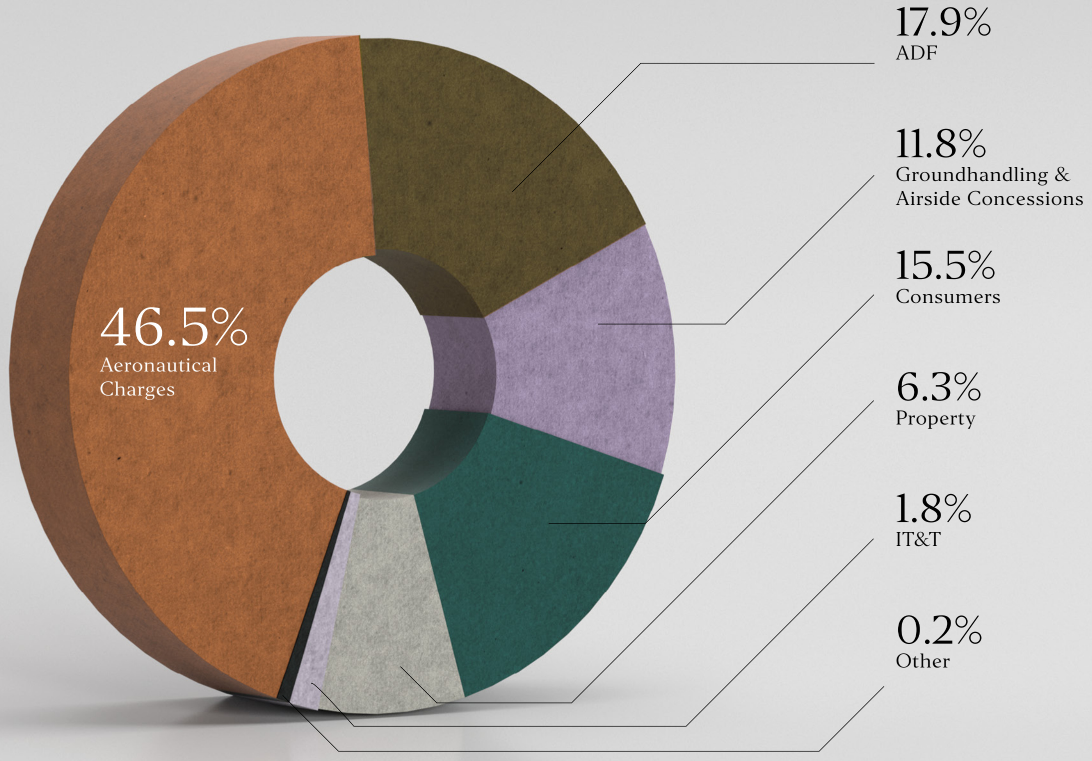
AIA's revenues, inclusive of the company's share from the Airport Development Fund (ADF), saw an increase of 8.9%, from € 454.9 million in 2017 to € 495.5 million in 2018.

Aeronautical Revenues, inclusive of AIA's share from the Airport Development Fund, amounted to € 319.0 million accounting for about 64% of the total income. Revenues from airport charges increased by 9.1% compared to the prior year. AIA maintained all charges unchanged without any increase for the tenth consecutive year. This freezing of charges was complemented by the continuous development and fine-tuning of the incentives' scheme which comprised incentives for growth and a number of targeted incentives. AIA's share from the Airport Development Fund (ADF) reached € 88.7 million, increased by 11.1% compared to the previous year, in line with the traffic increase.

Revenues from non-aeronautical segments reached € 176.6 million, higher than those of the previous year by 7.7%. Specifically, revenues from Ground Handling and Airside Concessions stood at € 58.6 million and increased by 10.0% following traffic development trends. Revenues from Commercial activities increased by 10.4% and stood at € 77.0 million, with terminal retail delivering a successful performance capitalising on traffic growth, and car parking revenues also witnessing an improvement versus previous year. Furthermore, at € 31.2 million, Property overall sustained its business presenting a 0.3% increase compared to 2017, with key highlights being the improved performance of the Airport Hotel and the Exhibition Centre. Finally, IT&T revenues (€ 9.0 million) increased by 6.4%, mainly driven by traffic performance and external business projects. Finally, Other Revenues that mainly represent external business projects amounted to € 0.8 million, compared to € 1.4 million in the previous year. The following chart depicts AIA's 2018 income streams vs. those of 2017.

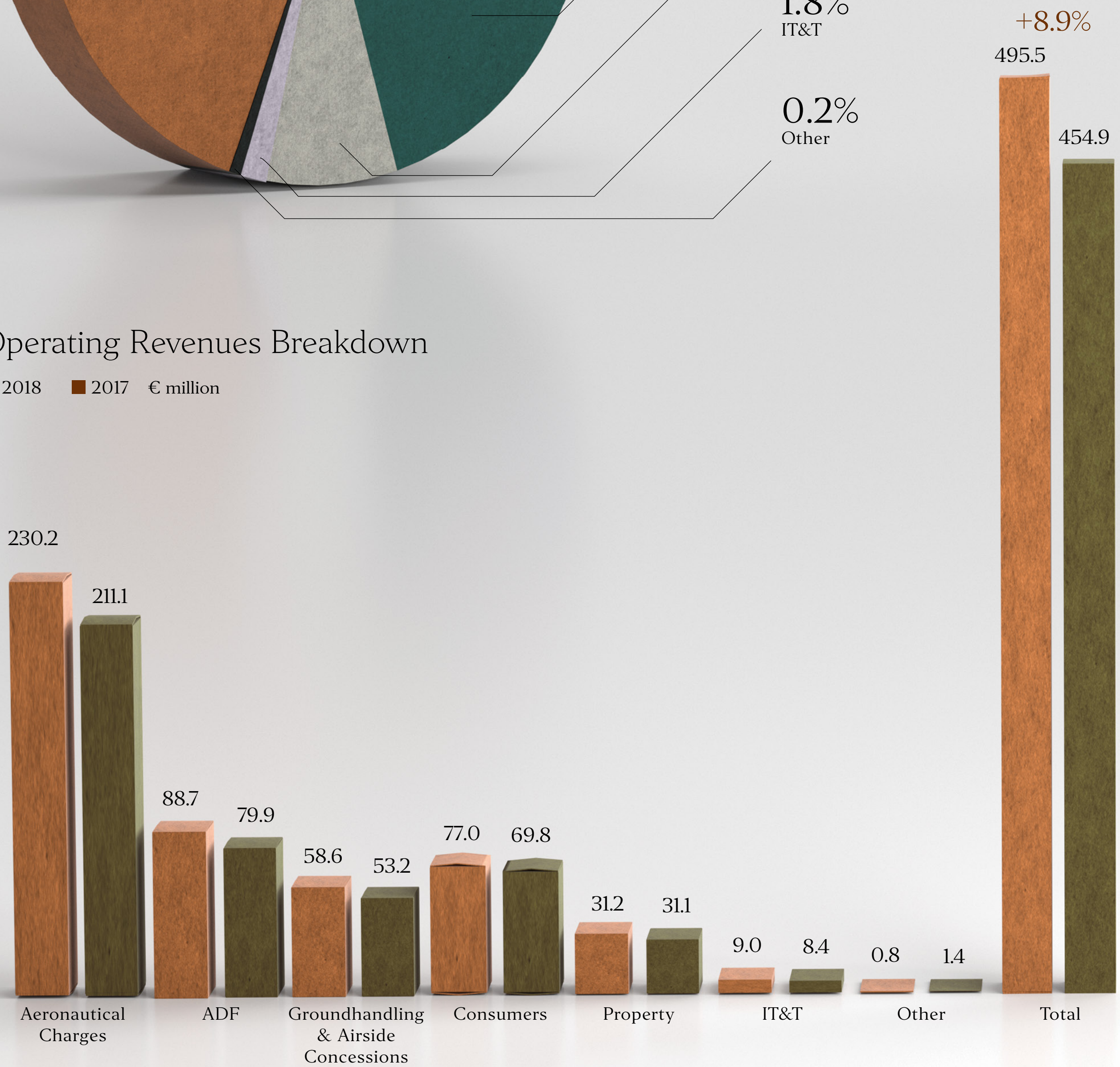
The following charts show the revenue breakdown.

2018 Revenues Structure

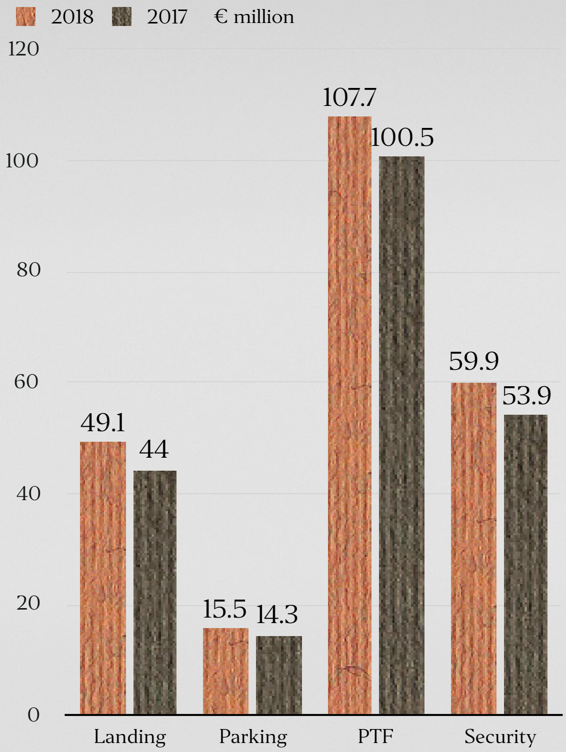


Operating Revenues Breakdown

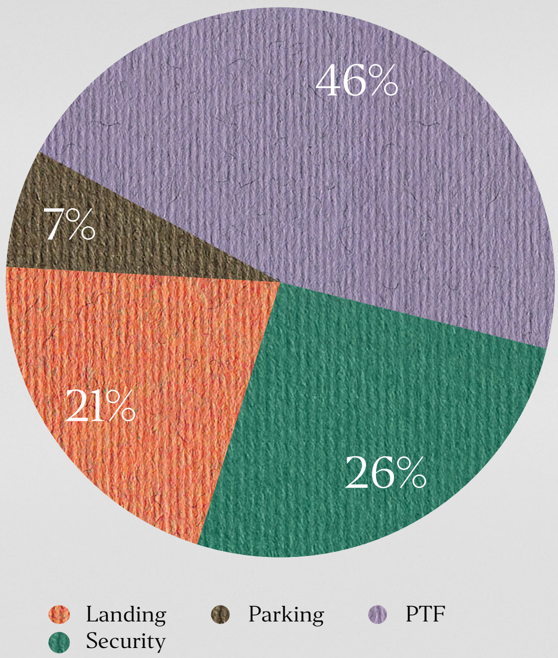
2018 2017 € million



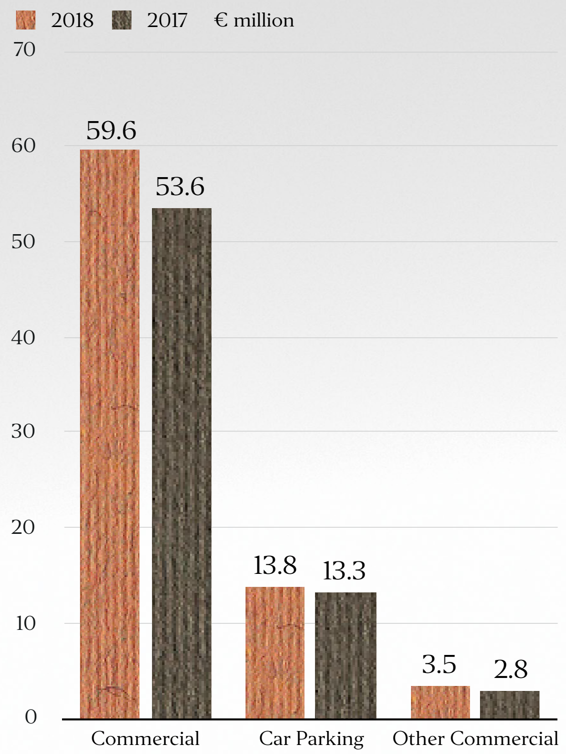
Aeronautical Charges 2018 vs. 2017



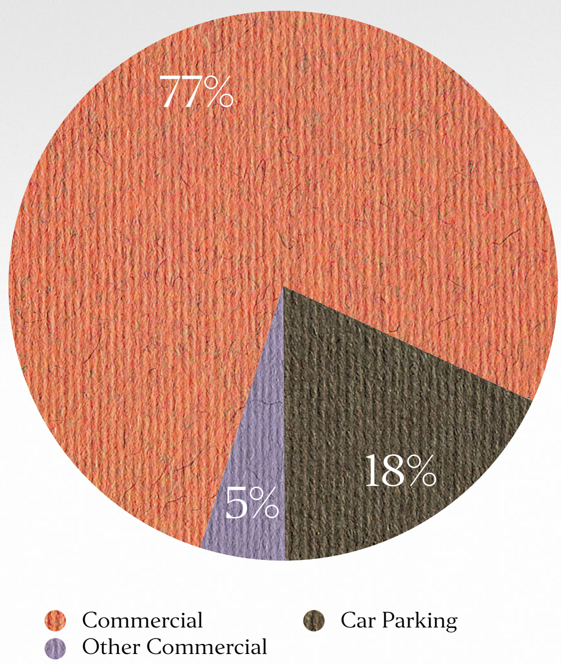
Revenues from Aeronautical Charges 2018



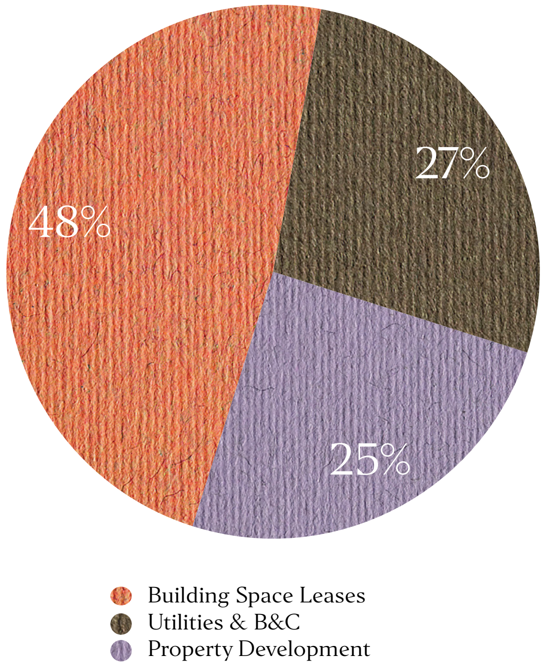
Consumers Revenues 2018 vs. 2017



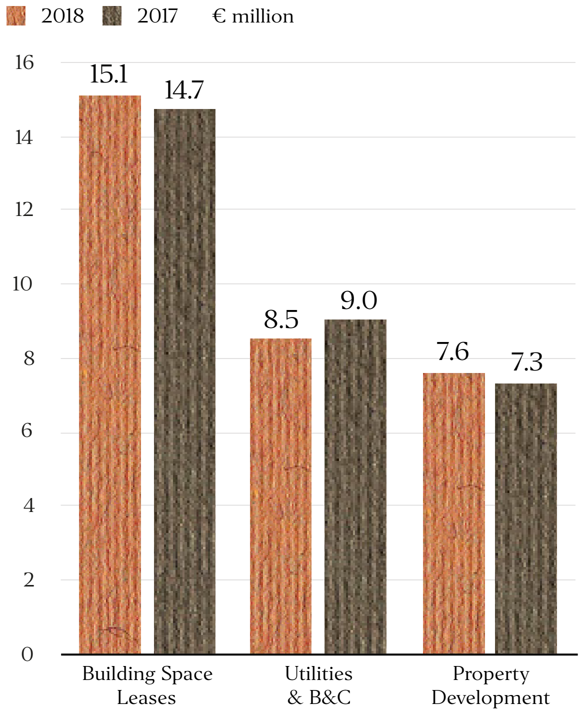
Consumers Revenues 2018



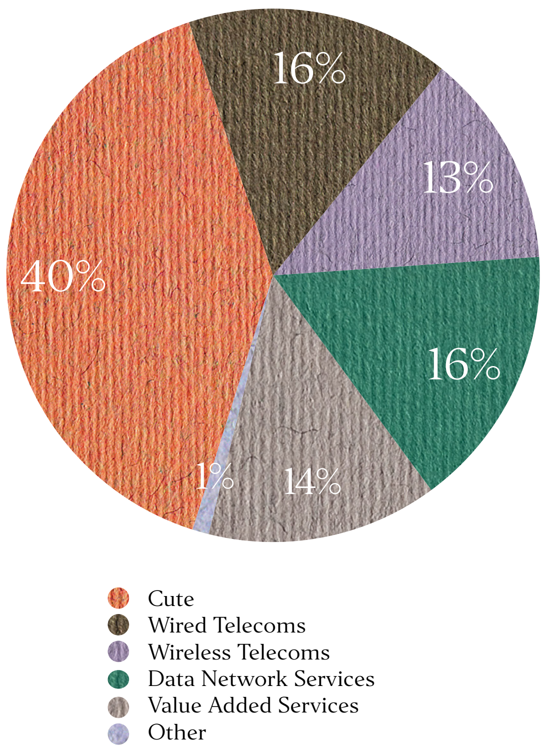
Property Revenues 2018



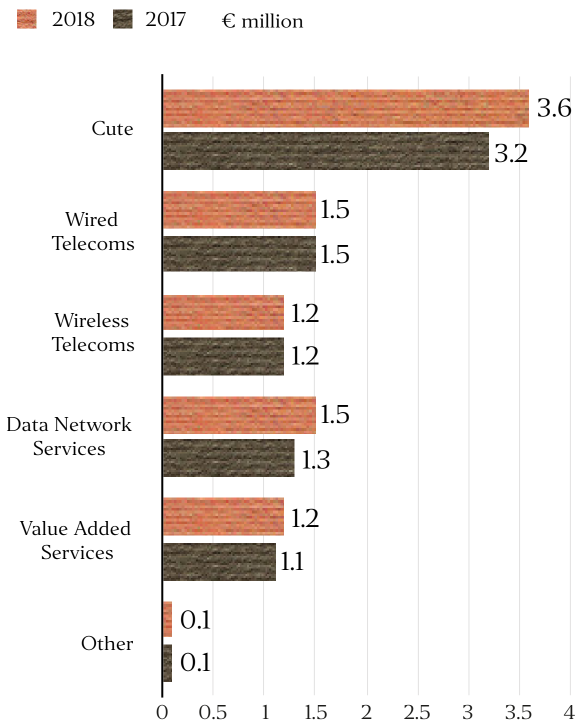
Property Revenues 2018 vs. 2017



IT&T Revenues 2018



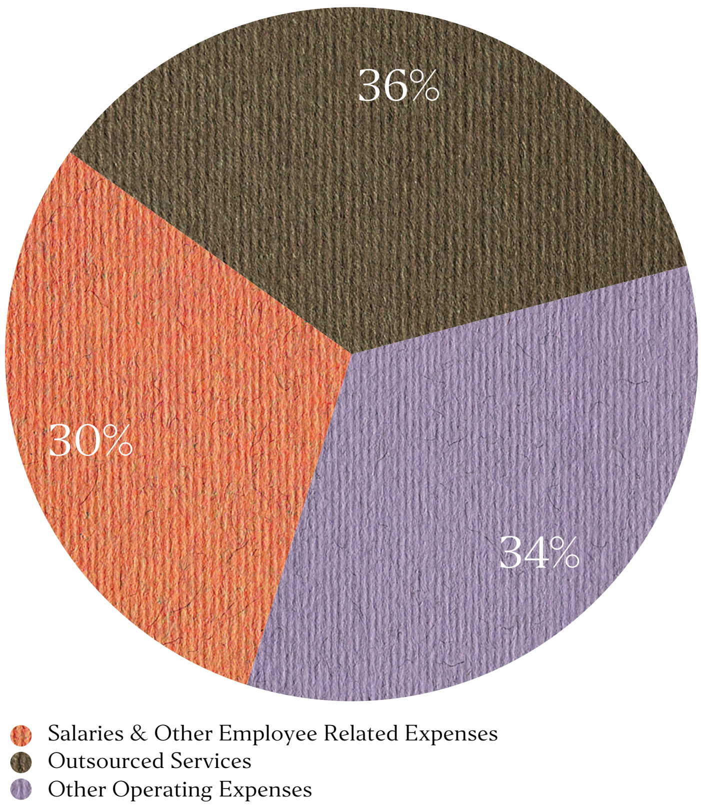
IT&T Revenues 2018 vs. 2017



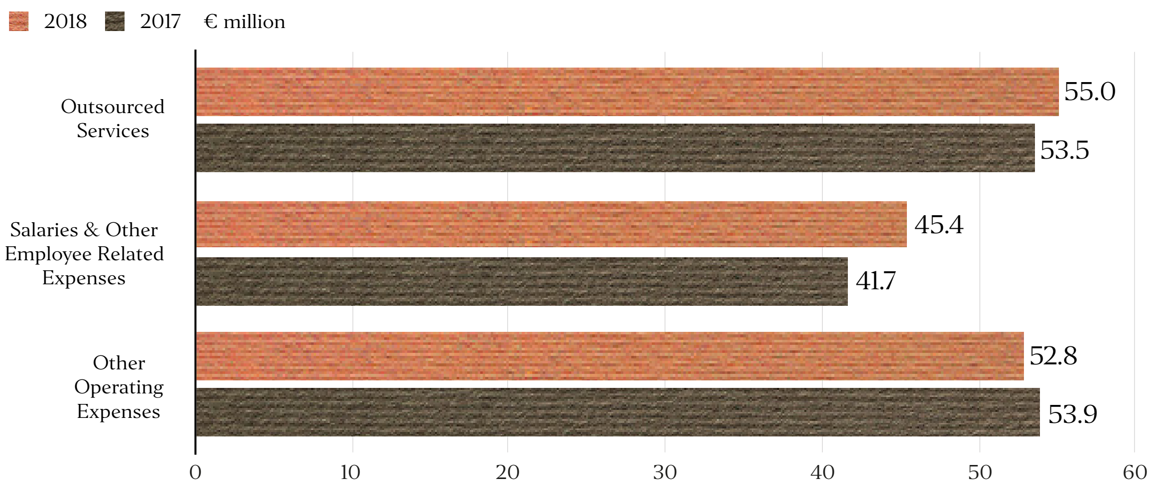
Operating Expenses

Operating expenses for 2018 amounted to € 153.2 million, € 4.2 million higher than 2017. This variance is attributed mainly to additional cost requirements following continuing traffic growth, and the once-off advisory, legal and other expenses related to the concession extension. The 2018 operating expenses breakdown and comparison against 2017 is illustrated below.

2018 Operating Expenses Structure



2018 vs. 2017 Operating Expenses



Profitability

EBITDA, inclusive of AIA's share from ADF, reached € 342.3 million, compared to € 305.9 million in 2017, that is, higher by € 36.5 million. Depreciation charges were higher by € 0.9 million due to additional investments in capital expenditure within the year. Financial expenses were lower by € 4.3 million, mainly because of the gradual reduction of the outstanding balance of AIA's debt. Profit before Tax was recorded at € 239.7 million, reflecting an increase of 19.9% or € 39.9 million compared to previous year. Corporate taxation for 2018 Profits reached € 68.6 million and therefore Profit after Tax for 2018 reached the level of € 171.0 million. Overall, the Airport Company continued to present a healthy financial performance with consistently strong key performance indicators, demonstrating improved cost leverage, productivity and value creation.

Highlights of the 2018-2017 Profit & Loss Statement

Financial Results	2018	2017
	(€million)	(€million)
Operating Revenues & ADF	495.5	454.9
Operating Expenses	(153.2)	(149.0)
EBITDA including ADF	**342.3**	**305.9**
Amortization & Depreciation	(77.5)	(76.6)
Financial Expenses	(25.2)	(29.5)
Profit (Loss) before Tax	**239.7**	**199.8**
Total Corporate Taxation	(68.6)	(59.8)
Profit after Tax	**171.0**	**140.0**

2018 vs. 2017 Key Performance Indicators

Performance Indicators	2018	2017	Change	In
Revenues & ADF / Pax (€)[1]	20.5	20.9	-1.9	%
Revenues & ADF / FTE ('000€)[2]	669.3	636.9	5.1	%
Revenues & ADF / Net Asset Value (%)[3]	85.5%	71.5%	14.0	pp
Operating Cost / Pax (€)	6.3	6.9	-7.4	%
PBT Margin (%)[4]	48.4%	43.9%	4.4	pp
ROCE (%)[5]	57.1%	40.2%	16.9	pp
AVA (million €)[6]	150.7	119.6	26.0	%

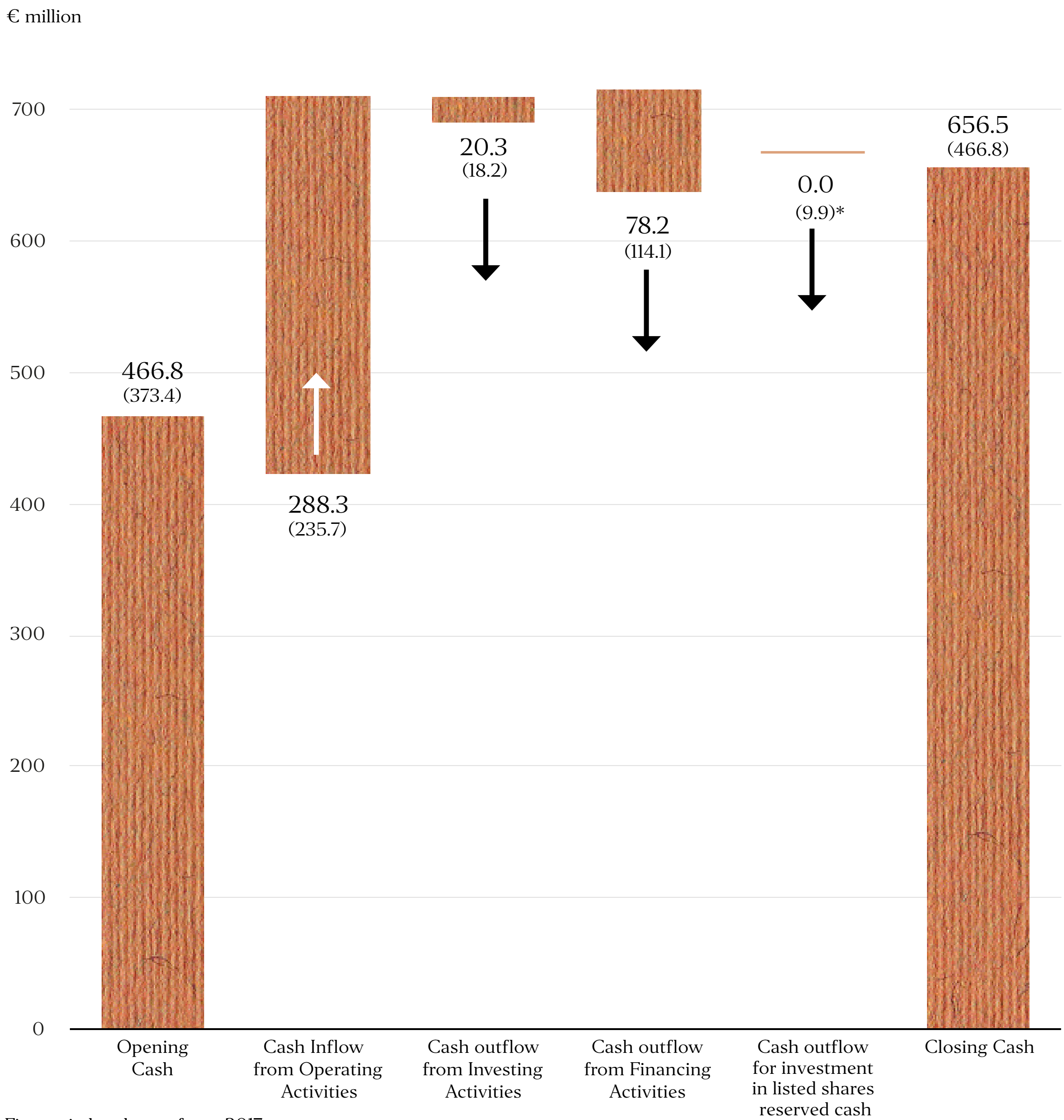
1 Net Turnover plus ADF / Passengers
2 Net Turnover plus ADF / Full Time Equivalents
3 Net Turnover plus ADF / Net Asset Value (including Works In Progress)
4 Profit Before Tax / Net Turnover plus ADF
5 Operating Profit Before Interest & Tax / Capital Employed
6 AVA: Added Value on Assets = Net Operating Profit after Tax – (Cost of Capital x Net Asset Value)

Taking into consideration the 2018 financial results after tax, the statutory and other reserves of € 8.6 million and the previous year's retained earnings of € 218.4 million, there remains a distributable profit of € 380.9 million. In view of the company's financial obligations for the payment of the consideration for the extension of its concession period, no dividend distribution to the shareholders is proposed by the Board of Directors.

Cash Flow

Within 2018, AIA sustains a healthy cash position. Cash inflow from operating activities reached € 288.3 million compared to € 235.7 million in 2017, mainly due to improved operating performance after working capital. Net cash outflow from investing activities stood at € 20.3 million, versus € 18.2 million the previous year. Net cash outflow from financing activities was recorded at € 78.2 million, € 35.9 million lower than 2017, mainly due to no dividend distribution. Closing cash position for 2018 reached € 656.5 million, € 189.8 million above previous year's levels.

Cash Position Development 2018-2017



Figures in brackets refer to 2017.

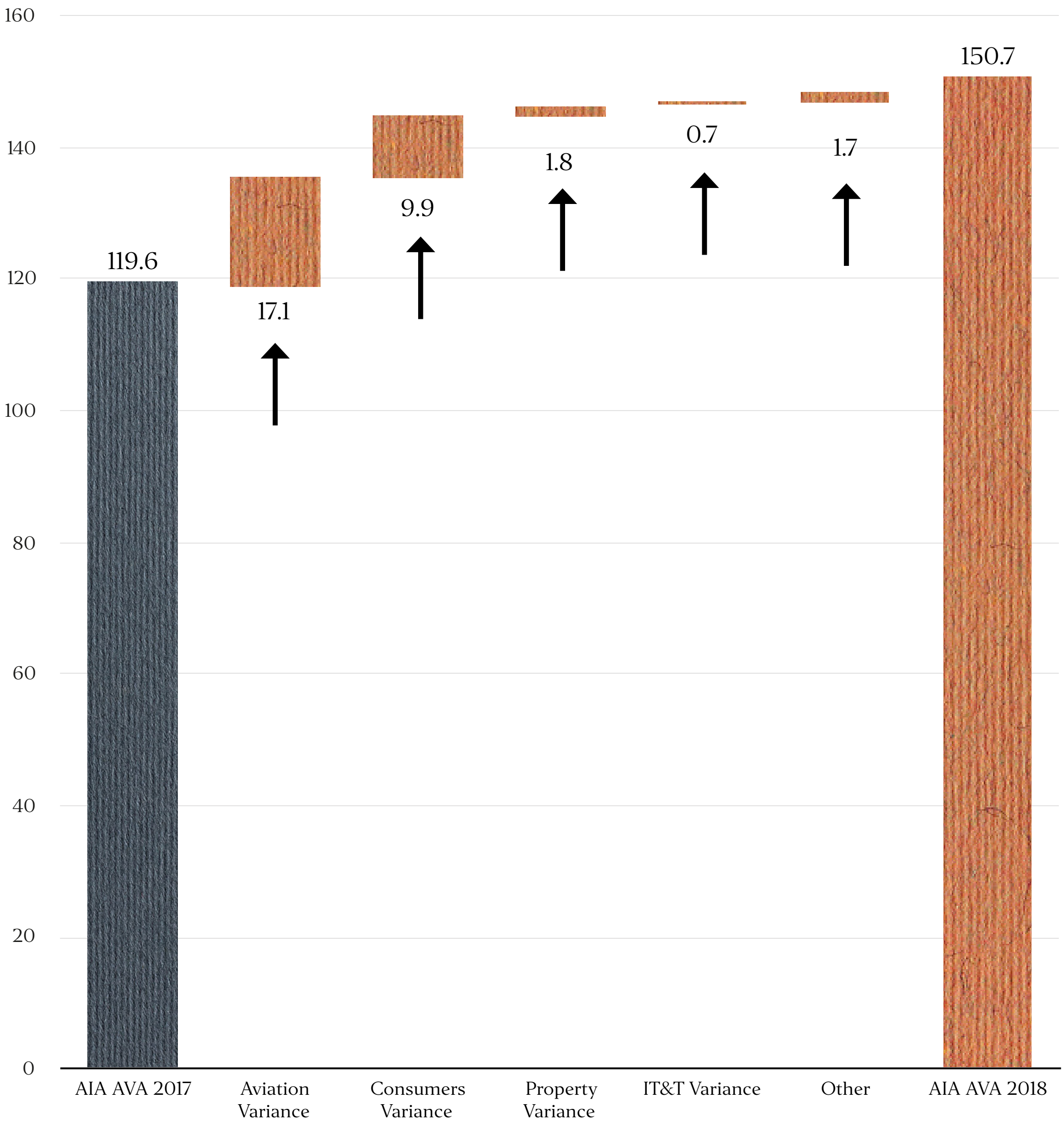
AVA per Business Unit

The main metric that has been selected for measuring financial value creation by the four Business Units is AVA (Added Value on Assets). AVA measures the value created from operating revenues and expenses, also taking assets and cost of capital into account, since airports are largely capital-intensive business entities. All revenues, costs and assets are allocated to the four Business Units and therefore it is possible to measure how much financial values their individual business activities create, while taking indirect expenses and asset-related costs into consideration.

The financial performance of each Business Unite in terms of AVA is presented below. In 2018, AVA was increased compared to 2017 (€150,7 million vs €119,6 million). The primary drivers such improvement are the increase of operating profits due to traffic growth, as well as the increased asset efficiency.

AVA per Business Unit 2018 vs. 2017

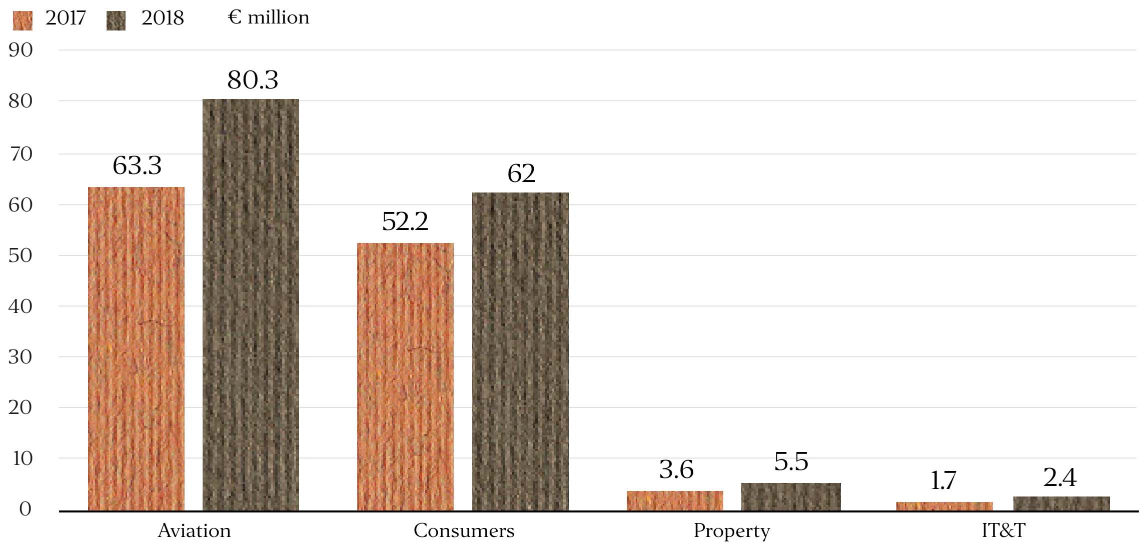
€ million



AVA = Net Operating Profit After Tax - Cost of Capital x Net Assets

Other represents the impairment loss (net of tax) in relation to the fair value of Company's available for sale financial assets

AVA per Business Unit



Note: The segmentation of the Business Units is for Value Based Management (VBM) purposes only and not related to regulatory Air-Non Air Acitivites segmentation

Indirect Economic Impacts

Material Issue

Following five years of traffic and business growth of our Airport, during a period of macroeconomic stagnation, it was deemed necessary to reassess the overall economic and social value of AIA. Therefore, in 2018 the Airport Company assigned an Economic Impact Study of its performance to the Foundation for Economic and Industrial Research (IOBE). The study aimed to identify and measure the impact of AIA's operation to the Greek economy and to the Mesogheia region, as well as its contribution to the economic activity and employment and, to appreciate the importance of AIA for the Greek tourism industry. The methodology used measured the total economic impact of AIA as the sum of three separate but interrelated categories: direct, indirect and induced impacts, as well as the broader effects from travel expenditure, etc.

The results of the study clearly demonstrate that AIA is a major contributor to the socioeconomic output of the country in terms of economic value creation (annual added value at national level: €7.9 billion or 4.4% of the Greek GDP) and in terms of job creation (operation of the airport yields 181,000 jobs at a national level). Also, the study showed that 3,700 people residing in the area of Mesogheia are employed at the Airport, whereas (considering also the indirect and induced effects) the impact on employment in the Mesogheia area is estimated at about 11,600 jobs. This socio-economic impact, after taking into account the indirect and induced effects, significantly exceeds the results of the previous study performed in 2013, and rates high against the relevant benchmarks of other major European airports.

Measuring our Sustainability value

Consistent to our commitment of balancing sound financial performance with a sustainable approach to business, the Airport Company recorded a valuation of our Corporate Responsibility activities that was at 2.56% of the total operating expense, while the total valuation of AIA's Sustainability Value yield reached €187.0 million.

	2018	2017
Sustainability Value	**187.0**	**179.2**
Stated in €million. Social Product is the total valuation of amounts paid for AIA payroll, contracted services payroll, social security contribution, income/municipality/other tax, corporate responsibility opex, environmental and safety-related capex.		
Corporate Responsibility % OpEx	**2.56%**	**2.17%**

4 Human and Intellectual Capital

Our people play a significant role in AIA's achievements, as over the years they help devise and implement the Company's strategy and aim to deliver excellent services to both airlines and passengers. AIA provides to its employees a supportive work environment for both their professional and personal life.

As a responsible employer, AIA tries to maintain employee satisfaction and provides incentives to raise productivity and offers tangible and intangible benefits to them and their dependents. A holistic approach has been further developed during 2018, empowering employees on professional, personal and family levels, within a sustainable context.

AIA regards the employee experience as a basic pillar for its success, which is reflected on the quality of services offered to its clients and stakeholders.

Human Resources

Our corporate culture is driven by our Vision, Mission and Values, described in our Company policies and processes, and expressed daily by our employees.

All our employees are aware of and work in accordance with our Code of Business Conduct, ensuring compliance and the highest ethical standards. They annually receive training on both the Codes of Business Conduct and relations with Business Partners.

At AIA, Human Resources department is constantly seeking to improve the value proposition and enable the organisation to achieve business and employee development. The annual work progress is measured and reported via HR Metrics, helping to evaluate AIA's performance and determine future actions in supporting the business in terms of recruitment, development, productivity, compensation, benefits, training, and others.

Vision

To be the symbol for value creation and excellent customer service created by a vigorious and devoted airport team.

Mission

We are a dynamic and best practise enterprise. We manage and develop diverse airport activities creating sustainable value for our stakeholders and society in the Greek and International arena.

Values

Accountability, Effectiveness, Customer focus, Respect, Team spirit

At the end of 2018 our headcount was 589 people under open-ended contracts and 153 under contract. All AIA employees are employed on a full-time basis. The average age of our employees is 45.1 years old. A high percentage amounting to 31% of our personnel reside in the local communities reflecting our close relationship with the Mesogeia community. The entire management team resides in the Attica region.

AIA favours equal treatment and equal opportunities, therefore supports and offers job prospects without age, gender or race discrimination. In 2018, 35% of all employees were female, a ratio that might appear low, is however fully justified by the nature of the more technical and/or manual job positions offered by AIA. Women made up 16.7% of management.

Considerable importance is given to the educational level of our workforce and our aim is to attract and retain highly qualified employees. Our personnel is well educated and a significant proportion of them hold postgraduate degrees.

Employment by Type of Contract

	Men	Women	Total
Open-end contacts	**392**	**197**	**589**
Contract based	**87**	**66**	**153**

Age Average

	2018
Age Average	**45.1**

Employment by Gender

	2018	2017
Number of employees	**742**	**711**
Men	**65%**	**65%**
Women	**35%**	**35%**

Female Managers

	2018	2017
Diversity in Management as % of total Management	**16.7%**	**16.3%**

Educational Status

	PhD	Master's	University	TEI	College	Lyceum	Basic	Total
Men	**5**	**82**	**94**	**66**	**132**	**91**	**9**	**479**
Women	**1**	**53**	**80**	**27**	**52**	**50**	**0**	**263**
Total	**6**	**135**	**174**	**93**	**184**	**141**	**9**	**742**

AIA Training Center

Aviation is an industry where training is critical for addressing compliance requirements in a highly regulated environment and employee development is key for deploying competitive business strategies and achieving ambitious goals.

Training and development activities are aligned to support business strategy and they aim to maintain employee agility in relation to changing market conditions, to meet regulatory requirements, enhance safety, and increase productivity and quality outcomes.

Based on our Training Plan in 2018 we have realised a wide variety of training and development initiatives, with our training hours (absolute and per FTE) significantly increasing compared to the previous year.

Year	Training Hours	Learning Coverage	Hours/FTE
2018	**28,665**	**99.19%**	**38.7**
2017	**25,070**	**100%**	**35.1**

Training Hours per Category

	Compliance	Conferences	Corporate	Developmental	Job Related
Training Hours	**35%**	**6%**	**3%**	**26%**	**30%**

EASA Compliance Training

In the 2018 training plan we have maintained our focus on EASA related compliance with the development of our Initial Training programme of approximately 35 Courses in total and the delivery of our annual Recurrent Training programme, including a check of proficiency, to 130 trainees.

Digital Skills

Since digitalisation appears to be a major trend, we focus on the development of essential skills that will help our employees adapt to change and succeed in their work. A training programme on MS Office 365 consisting of 14 e-learning courses is provided to all AIA employees as of 2018.

Airport Community Training

As the Airport operator, AIA provides training either directly or indirectly to employees of companies operating within the Airport community. Hence, in 2018 our increased airport community training reached a total of 15,683 hours and was provided to more than 4,600 trainees.

In 2018 we continued with the 'i-learn' learning platform deployment for Airport companies, as a means of reinforcing our common culture across the airport community. Airside training courses that are required for 3rd party employees are being managed via our learning platform offering efficient scheduling, monitoring and recording of training activity. The plan is to deploy all Airport Community training via i-learn in the coming 2 years.

Course	Training hours 2018
Security Awareness Training	**9,432**
Airside Training	**4,956**
Ground Handling Training	**344**
Baggage Reconciliation Training	**567**
Environmental Awareness Training	**88**
Airport Collaborative Decision Making	**296**

ACI Global Training

AIA is an Accredited Training Centre of the Airport Council International (ACI) and therefore annually hosts global ACI programmes for airport professionals worldwide. In 2018, we organised four global training programmes in Athens with the participation of more than 50 international aviation professionals.

Airport OJT

On-the-job training at AIA to airport professionals is included in our Consulting Services portfolio. In 2018 we once more had the chance to train participants from Muscat International Airport of Oman in various airport operational roles.

Staff Exchange

AIA actively participate in the ACI Europe partner network supporting the development of airport professionals. In 2018 we welcomed ten young professionals of Munich International Airport, who interned in various AIA positions, namely Security Services, Terminal Services, Aviation Safety, and IT & T. Respectively, a group of five AIA Airfield employees interned at Munich International Airport on Winter Operations and De-icing.

Employee Development

Performance Management

Employee performance is managed through a dedicated process which measures, monitors, evaluates and drives improvement for skills and competencies and by setting quantitative and qualitative targets. The process translates AIA's vision into individual targets or performance standards and competencies that are closely related to our corporate values.

Using a common set of competencies, sends a consistent message about what is expected of everyone within the Airport Company. This set, deriving from AIA's vision, mission and values, includes: Optimising operational performance, Leadership & Teamwork, Leading for results, Learning & Development.

Our performance management aims to ensure that all activities within the Airport Company are strategy-driven, introduces objective criteria of evaluating performance and supports activities the Airport Company undertakes for the continuous development of its employees.

Innovation Culture

AIA's Innovation programme aims to continue cultivating a culture of forward thinking, promote collaboration and encourage the production of new ideas across our organisation. It is therefore open to all AIA employees who are eager to contribute with new and creative ideas. In 2018 we focused on the development of our Innovation Ambassadors team, a voluntary and cross-functional group of highly motivated employees, who were given the opportunity to work on their own proposals with the purpose of spreading the innovation seed across the Company. Through-out their journey they are offered with executive exposure, learning opportunities and organizational support to deploy new initiatives across the Company.

Leadership Academy

The development of leadership skills for our people managers at all levels is an important priority for our Leadership Academy. In 2018, two programmes on Emerging and Evolving Leadership Skills were successfully delivered to 70 Heads and Supervisors.

Benefits

AIA applies a competitive compensation policy which consistently positions it in the market's Q3 (third quartile), taking into consideration:

- the Company's Business Strategy for operational and service excellence, and
- the need to engage and retain talents for the attainment of long-term objectives for performance and profitability.

Healthcare benefits

AIA realises that health is of highest concern to everyone, and therefore, provides a portfolio of health support offerings, aiming, on one hand, to help relieve the financial burden from medical expenses of its employees and on the other, to promote preventive medicine.

Group Insurance Programme: provides in-and out-of-hospital medical coverage for employees and their dependent members (1,951 persons in total), as well as life and disability insurance for all employees.

Checkups: free medical checkups at reputed diagnostic centres for all employees aged 40 and above, that cover both standard medical tests and specialised ones, for both men (e.g. PSAs) and women (e.g. mammograms). Approximately 6% of the eligible employees had a checkup in 2018.

Health offers: medical services are offered at special prices to AIA employees as a result of the extended network that AIA has formed with hospitals and diagnostic centres.

Occupational Doctor: besides protecting its people from occupational hazards, AIA promotes health-defending conduct by disseminating information through the Intranet and direct information sessions with employee groups. In accordance to law, AIA employs an occupational doctor who maintains employees' medical records and checks that they are fit for the job. This periodical process is of course bound by confidentiality. The infirmary staffed with an occupational doctor, a health visitor and a medical doctor from the Social Security Institution (IKA) (the presence of whom facilitates fast and easy access of employees), operates daily. In 2018, AIA employees visited the occupational doctor to have their medical files updated and receive an anti-flu vaccination if needed.

Pension Plan programme
The pension programme that AIA has established in 2003 to reduce the gap between the state pension and the salary before retirement, guarantees a minimum company contribution of 2.5% of employee's base salary, without requiring any employee contribution, while in case of the latter, AIA matches up to a certain percentage of salary for various staff groups. Out of all open-ended employees offered the pension programme, 96% have selected to participate with a voluntary contribution.

Flexible working hours
AIA offers the possibility to non-shift employees who work Monday through Friday to set flexible schedules after consulting with their managers, starting anytime between 08:00 and 09:30 and finishing 8:15 hours later.

Transportation to work: to facilitate its employees but also to help protect the environment by reducing carbon emissions, AIA offers its employees four options of commuting to the Airport, namely; the company bus, subsidy of the toll charges, a free pass at the Athens means of public transport and a fuel subsidy for those carpooling. 44% of the eligible employees have opted for the free toll pass, 33% preferred the Athens Public Transport card, 17% a fuel allowance and the remaining 6% take the company bus.

Loans: employees facing financial challenges may apply for a company loan which AIA provides free of interest. In 2018, 124 loans were granted.

Meals Allowance: since October 2016, AIA has launched a food allowance in the form of a ticket restaurant card which may be used in all food points. The card is valid for 11 months every year.

Festivities: AIA caters for employees working on shift during the festive periods of Christmas, New Year and Easter and offers lunch and/or dinner buffets.

Sport Activities: employees are encouraged to exercise and participate in various sporting activities. In 2018 AIA initiated a running coaching programme, which resulted in quite a few employees successfully participating in different routes of the Athens Authentic Marathon. Group fitness programmes at the Airport premises also started in 2018, while AIA's football and basketball teams participated in various corporate tournaments with the Company's support.

Work & Family

Employee experience at AIA is not restricted to employees but also extends to their families through a series of benefits.

Nursery Allowance: in 2018 the Company arranged for a lump sum to 99 employees that met specific income criteria to partially subsidise pre-school child care.

Marriage & Birth Allowance: AIA grants an allowance to its employees of 500 euros for each marriage and each birth. In 2018 22 allowances were given.

Christmas Children party: a Christmas party for all employees' children under 14 years of age is held every year. In 2018 it was hosted at the Hellenic Cosmos Cultural Center and included animation, crafts, and theatre play, a festive lunch buffet and gifts for all children.

Christmas vouchers: another token of its responsibility as an employer is AIA's contribution to the festive dinner with supermarket vouchers of 200 euro to each employee. The value of this year's vouchers was 130,375 euro.

Family days: actively supporting work-life balance, AIA organised outdoor activities and guided tours to cultural sites for employees and their family members during weekends.

Employee Assistance Programme (EAP): in 2018 AIA launched an EAP for employees and their families, providing consulting on any professional, personal or family issue via telephone support 24/7.

Reward of Distinguished Students: each year AIA rewards employee's children who excel at school with a 300 euro prize for high school (gymnasion) students and 400 euro for lyceum students. In 2018 80 students received awards at a ceremony organised by HRE.

Aviation and Flight Academy: AIA is determined to offer opportunities to young people, especially those who are willing to acquire theoretical or practical knowledge of the aviation industry. For the third consecutive year, in cooperation with the Hellenic American University (HAU), our Company organised the 3rd Aviation and Flight Academy. With the intention to give young people the chance to attend a short summer course which includes theoretical knowledge and practical implementation as well as experiencing a virtual flight through a sophisticated simulator, the programme was open to employees' children aged 14 to 17. From 25th June to 13th July 2018, the 14 participants were taught the principles of aviation by experienced executives and scholars of the aviation industry and were awarded certifications of attendance. This pioneering initiative aspires to become an annual educational activity in the industry.

Postgraduate studies: as a result of AIA's long-established collaboration with prestigious academic institutions in Greece, its employees and their family members are presented with the opportunity to attend a series of academic programmes with considerably discounted fees.

Open sessions: experts are invited to present various interesting topics in their area of expertise, i.e. physical, mental or emotional health.

Employee Volunteering Initiatives

AIA takes a number of initiatives to which its people are invited to volunteer.

Fundraising activities: For the third consecutive year with the support of DHL Express, AIA hosted the Plane Pull, a truly remarkable event of the Airport community, in favour of "The Smile of the Child" association. Also, for the first time AIA was represented to the Runway Run charity event at Budapest Airport by fifteen employees who won the prize "The fastest Airport of the world".

Bazaars: A Christmas and an Easter bazaar, both organised by "The Smile of the Child" association, were hosted at AIA, and employees purchased their seasonal presents, thus contributing to the NGO's cause. It is worth mentioning that many of the items for sale were created by the employees themselves, who had previously attended an Arts & Crafts workshop.

Chatzikiriakeio Childcare Institution: 20 children from the institution were invited to AIA's Christmas children party and shared happy moments with our children.

Donations: HRE donated approximately 300 toys to children up to 14 years of age through the associations "The Ark of the World" and "Together for Children".

Blood Donation: AIA considers blood donation as an act of humanity, an action of social solidarity, compassion and kindness. In 2018, our employees donated 85 units of blood, well exceeding expectations. The Blood Transfusion Centre of Aglaia Kyriakou Children Hospital houses AIA's blood bank for any child in need of blood, but also for the sake of our employees, their families or close relatives.

Volunteers – Contingency Plan Agents: the culture of voluntarism cultivated in our Company has been often demonstrated in the case of major events, such as the Olympics or the Champions League, and in emergency situations, such as adverse weather conditions, an airplane crash, and others. In 2018 a team of 61 volunteers has been put together with the purpose of contributing in similar situations in the future.

Internships: AIA cooperates with various educational institutes and provides selected students the opportunity to practice within the Company.

Occupational Health & Safety

Material Issue

AIA recognises the importance of employees' overall wellness, thus particular care is taken to provide a contemporary, healthy and safe working environment by keeping risks to a minimum. For AIA maintaining a healthy and safe environment is a top priority issue, not only for economic, legal, social, humanitarian reasons or corporate image, but primarily for the sake of principles and morality. The Airport Company believes that the provision of high-quality services and the high productivity, the preservation of satisfied employees and customers, the maintenance of a strong commercial name, the protection against economic and legal claims are depended directly on the company's performance in health and safety matters. AIA aims to comply with all applicable national and international regulations and adopt related standards. Within the framework of our accident prevention programme, employees are encouraged to report all incidents regardless of their severity (including first-aid incidents, near misses and property damages), while we have developed procedures and e-tools to facilitate and improve process efficiency and effectiveness. Especially, first-aid and near-misses records are considered important for assessing the effectiveness of existing controls to identify whether new trends are developing and to implement new procedures in order to avoid serious future incidents.

The Airport Company has established appropriate occupational safety standards, not only as a legal requirement but also as a result of the company's responsibility towards employees. The Airport Company takes the appropriate preventive measures and precautions to ensure a safe place of work (including access and egress), safe plant and equipment and safe systems related to work. Similarly, it places great importance in helping all employees acquire a certain level of competence for supervision, information, instruction and training.
AIA's corporate safety policy which reflects all national and international regulatory provisions is key in this system. Additionally, monitoring best practices and the Corporate Health & Safety Manual both determine the relevant strategy and framework.

The Airport Company takes the necessary actions in order to:

- provide and maintain workplaces, machinery and equipment and use work methods that are as safe and without risk to health, as is reasonably practicable,
- give necessary instruction and training taking into account the diversity of employees' functions and capabilities,
- provide adequate supervision of work practices ensuring that proper use of relevant occupational health and safety measures is made,
- institute suitable occupational health and safety management arrangements appropriate for the working environment, the size of the undertaking and the nature of its activities and
- provide adequate protective clothing and equipment that are reasonably necessary when workplace hazards cannot otherwise be prevented or controlled, without any cost to the employee.

Finally, AIA's management holds regular meetings with the joint management-employees' Health and Safety Committee (elected by and representing all employees). During those meetings, working conditions are evaluated and suggestions for improvement are raised.

Occupational Accidents

	2018	2017	var %
Total Accidents (excluding to/from work accidents)	**16**	**9**	**77**
Accident Frequency Rate	**0.54**	**0.28**	**93**

Frequency Rate: Number of lost work day cases x 200,000 / total workhours

Breakdown of Accidents

	2018	2017	var %
Lost workday cases	**4**	**2**	**100**
First Aid Cases	**12**	**7**	**71**
Accidents to / from work	**3**	**5**	**-40**
Fatal accidents	**0**	**0**	**-**

Environmental Performance

Environmental Management & Compliance

Environmental protection is a top priority for the Airport Company. We aim to responsibly and effectively monitor all environmental aspects and to minimise or prevent, where possible, the Airport's environmental impact through initiatives that exceed regulatory requirements. Our corporate Environmental Policy focuses on our commitment to continuously improve our environmental performance and undertake initiatives to reduce emissions from Airport operations, while maximising energy efficiency in our infrastructure and fleet. Principles of sustainable development are incorporated in our corporate procedures. In accordance with our corporate Compliance Policy we are committed to ensuring that all aspects of our activities are in full compliance with the current legal and regulatory framework [International Civil Aviation Organisation (ICAO) Annex 16, relevant European and national legislation, our Airport Development Agreement (ADA) and Article 8 of the Ratifying Law 2338/1995].

The Environmental Services Department reports to AIA's Chief Operations Officer who has the responsibility to ensure that the Company adapts to all current legal and regulatory requirements, proactively responds to possible corporate environmental risks and implements remedial actions whenever required. Fostering environmental awareness amongst employees, members of the Airport community and local municipalities is a key driver for the successful implementation of all our action plans. Furthermore, sharing information with employees, business partners, state authorities and the public in general is essential. We systematically review and update our environmental objectives and targets, while our performance and achievements are regularly disclosed to the public. During 2018 no legal action against AIA was taken nor was any fine or monetary sanction related to environmental aspects imposed.

Our efforts to effectively address all significant environmental challenges take place within the context of our Environmental Management System (EMS), which is being certified according to the international standard ISO 14001 since 2000 and was successfully re-certified in accordance with the latest version (2015) of the standard by an independent certification body in 2018. Our certification is valid through January 2022. In addition, AIA remains the only Greek airport with an Energy Management System (EnMS) certified in accordance with the ISO 50001 standard, valid through April 2020. All contractual agreements with third parties operating at the Airport contain strict environmental requirements. For example, all major third parties must establish an EMS and certify it in accordance with ISO 14001 and/or the Eco-Management and Audit Scheme (EMAS) regulation. By the end of 2018, 52 companies within the Airport community have been certified. Furthermore, environmental audits of third parties operating at the Airport are conducted on a regular basis in order to assess compliance with the applicable national and European environmental legislation, Airport guidelines and regulations as well as their approved Environmental Management Plans. The 9th Environmental Workshop for third parties was held in November 2018 with the participation of 53 representatives from 33 companies operating at the Airport and focused on the issues of waste and water management as well as the pollution of our planet from the use of plastic, based on the important message "Beat Plastic Pollution".

Energy

Material Issue

Efficient energy (electricity & natural gas) management for both aeronautical and non-aeronautical activities performed at the Airport is critical since energy consumption leads to emissions of greenhouse gases that contribute to global climate change. In recent years, AIA has implemented a series of intensive energy-saving actions and projects without compromising Airport operations, promoting such efforts within the Airport community and mitigating impacts for all stakeholders. The total energy figure (Electricity & Natural Gas) for 2018 was increased mainly due to the significant growth in the Passenger and Aircraft Traffic, paired with the year's weather conditions. On the contrary, the "Consumption per Pax" KPI has improved; this demonstrates the Airport's continued strong performance in energy efficiency.

During 2018, AIA's Photovoltaic Park produced 12,948.4 MWh of renewable energy, lower by 5.4% than the previous year, mainly due to the unfavorable weather conditions in the second half of 2018. The energy produced was equivalent to 13% of the Airport's total electricity consumption or 25% of AIA's own electricity needs.

Emissions and Climate Change

Material Issue

Protecting the environment is a central element of our sustainability strategy and central to obtaining our license to grow. While improving the quality of life and driving national and global economies, air travel can also significantly impact the environment both locally and globally. As part of a new sustainable development agenda, the United Nations has established Climate Change as one of its 17 Sustainable Development Goals (SDGs). Although the majority of greenhouse gas emissions occur during the flight, airports still have a role to play in reducing aviation's carbon footprint. In addition to measuring and managing greenhouse gas emissions under our direct control, a commitment clearly stated in our Environmental Policy, we also aim to influence our partners within the Airport community to do the same.

Electricity Consumption

	2018	2017	var%
Total Airport (MWh) (Refers to the entire airport community)	109,796.5	104,715.8	4.9
AIA only (MWh) (Refers to the Company only)	58,276.6	54,407.2	7.1
Total Airport consumption per passenger (kWh/pax)	4.55	4.82	-5.6

Natural Gas Consumption

	2018	2017	var%
Total Airport (Nm^3 / 1000) (Refers to the entire airport community)	1,972.9	2,285.5	-15.8
AIA only (Nm^3 / 1000) (Refers to the Company only)	925.8	1,068.3	-15.4
Total Airport consumption per passenger (Nm^3/pax)	0.082	0.105	-28.5

PV Plant Operation

	2018	2017	var%
Total Energy Production (MWh)	12,948.4	13,641.8	-5.4
Total PVP CO_2 emissions savings equivalent (tonnes)	7,885.6	7,939.5	-0.7

Climate Change Corporate Action Plan

Every year, a Climate Change Corporate Action Plan (CCCAP) is developed following an internal consultation that involves several AIA departments, with the aim to identify measures needed to reduce carbon emissions and maximise energy efficiency. The CCCAP is approved by the senior management and included in our Operational Scorecard under the Stakeholder Perspective. In 2018, its 11th year of implementation, our CCCAP produced the following results:

- Replacement of old apron lighting fixtures at the Satellite Terminal Building and Stop-Bar lighting with LED products.
- Centralised control of heating and cooling demand across the Airport premises.
- Partial replacement of several small chillers at the Main Terminal Building with a single larger, more efficient unit.
- Additional replacement of physical servers with virtual ones.
- Upgrade of telephone and data networks as part of the Airport-wide Next Generation Network (NGN) project.
- Reduction of corporate document printing through a new e-stamping application.
- Engagement of a wide range of stakeholders inside and outside the airport fence in the development of a Climate Change Adaptation study.
- Investigation of financial and technical requirements for increased adoption of alternative fuels across the airport site.

Furthermore, for the 10th consecutive year we continued to actively participate in the global initiative "Earth Hour" by closing one of the Airport's two runways and switching off its lighting, reducing lighting in all buildings, staff parking areas and other Airport sites as well as making public announcements in our terminal buildings on March 24th. Lastly, in 2018 we commissioned a Climate Change Adaptation study to investigate how the local climate is expected to change in the coming decades, assess the associated risks, and identify where AIA may need to adapt its infrastructure and strategy accordingly.

Airport Carbon Accreditation

AIA participates in *Airport Carbon Accreditation* (ACA), a voluntary initiative launched by the European region of Airports Council International (ACI Europe), aimed at helping airports map and manage greenhouse gas emissions under their control which eventually evolved into a global programme following the induction of all other ACI regions. To date, we have reduced our carbon footprint by almost 50% compared to our 2005 baseline. In 2018, AIA maintained its carbon neutral accreditation (ACA Level 3+) by zeroing out its residual carbon emissions. This was accomplished by purchasing Guarantees of Origin from its local electricity supplier through the Greenpass programme that ensures that all electricity consumed by AIA was produced by renewable energy sources; it was also accomplished by purchasing verified carbon offsets for AIA's other remaining emissions (e.g. its vehicle fleet), which ensure that these emissions were neutralised by clean energy produced in other parts of the world.

AIA's 2018 Carbon Footprint

		2018	CO_2 Emissions (tonnes)
Scope 1	**Natural Gas**	**925,762 Nm³**	**1,945**
	Vehicle Fleet	**91,806 lt of petrol**	**209**
		487 lt of LPG	**1**
		451,947 lt of diesel	**1,210**
	Stationary Sources	**28.514 lt of diesel**	**76**
		7,632 lt of heating oil	**21**
	Scope 1 TOTAL		**3,462**
Scope 2	**Grid Electricity**	**58,276,594 kWh**	**35,490**
	Scope 2 TOTAL (Location Based)		**35,490**
	Scope 2 TOTAL (Market Based)		**0.0**
Total (Scope 1 and 2)			**38.952**

Emission Factors used:

1. For all fuels except for heating oil: EFs from GHG protocol i.e.
   - Motor Gasoline: 2.2717926 kg CO_2/lt
   - Gas/Diesel oil: 2.676492 kg CO_2/lt
2. For heating oil: emission factor of 2.72417 kg CO_2/lt issued by the United Kingdom's Department for Environment, Food and Rural Affairs (DEFRA) found in documentation of the ClimateNeutral Company (http://www.ukconversionfactorscarbonsmart.co.uk/) since there is no EF for heating oil in the GHG.
3. For natural gas: emission factor (55.81 tonnes CO_2/tJoule) for natural gas provided in the National Inventory for Greece (2018), p.118 (http://unfccc.int/documents/65722) - Methodology suggested by external verifier.
4. For electricity: emission factor (0.6090 kg CO_2/kWh) for grid electricity provided in the National Inventory for Greece (2018), p.517 (http://unfccc.int/documents/65722) for the location-based method.


CERTIFICATE
of ACCREDITATION

Valid until the 3rd July 2019

This is to certify that **Airport Carbon Accreditation**, under the administration of WSP, confirms that the carbon management processes at

ATHENS INTERNATIONAL AIRPORT

implemented by Athens International Airport

have earned the accreditation level of **NEUTRALITY**, in recognition of the airport's exceptional work in managing, reducing and compensating all of the CO_2 emissions under its control, as part of the Global airport industry's response to the challenge of Climate Change.

airport carbon accreditation

MAPPING | REDUCTION | OPTIMISATION | NEUTRALITY

www.airportCO2.org

Olivier Jankovec
Director General
ACI EUROPE

Simon Clouston
Director
WSP

Air Quality

In addition to CO_2, aircraft engines, ground handling equipment and other sources emit pollutants that can negatively impact local air quality at and around the Airport. National and international legal and regulatory provisions apply to a wide range of industries, including aviation. For example, the International Civil Aviation Organisation has set international standards for aircraft engine emissions that must be met by manufacturers. AIA continuously monitors air quality and meteorological conditions both within the Airport fence and in the adjacent communities. In addition, emissions of air pollutants from all relevant Airport sources are assessed while measures are taken to reduce these emissions where possible. AIA's monitoring equipment includes an Air Quality Monitoring Network (AQMN), a Differential Optical Absorption Spectroscopy system (DOAS), a SOnic Detection and Ranging system (SODAR), a Radio Acoustic Sounding System (RASS) and a Meteorological Station. The AQMN, which consists of five permanent monitoring stations installed in the neighbouring areas of Glyka Nera, Koropi, Markopoulo, Pallini and Spata and one mobile station, has been in operation since 1998, well before the airport commenced operations in 2001. Ground-level concentrations of the major pollutants (NO_x, O_3, PM_{10}, $PM_{2.5}$, SO_2, CO and HCs), as well as basic meteorological parameters (wind speed and direction, temperature, relative humidity, precipitation, total solar radiation and atmospheric pressure), are measured.

Mean Concentrations of Monitored Pollutants at the AQMN Stations

	NO_2 (μg/m³)		O_3 (μg/m³)		PM_{10}* (μg/m³)		$PM_{2.5}$ (μg/m³)		SO_2 (μg/m³)		CO (mg/m³)		HCs (ppm)	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Glyka Nera	**12.2**	**13.1**	**84.4**	**84.8**	**26.8**	**23.1**	**n/m**	**n/m**	**6.1**	**5.1**	**0.3**	**0.3**	**n/m**	**n/m**
Koropi	**9.6**	**10.5**	**78.3**	**81.9**	**n/m**	**n/m**	**23.3**	**21.8**	**n/m**	**n/m**	**n/m**	**n/m**	**2.4**	**2.1**
Markopoulo	**10.6**	**14.5**	**n/a**	**81.7**	**32.4**	**27.4**	**n/m**	**n/m**	**n/m**	**n/m**	**0.4**	**0.4**	**n/m**	**n/m**
Pallini	**5.8**	**7.7**	**83.7**	**87.8**	**n/m**	**n/m**	**16.0**	**14.0**	**5.1**	**5.8**	**0.3**	**0.2**	**n/m**	**n/m**
Spata	**13.0**	**14.2**	**73.4**	**78.0**	**n/a**	**31.2**	**n/m**	**n/m**	**3.7**	**4.0**	**0.3**	**0.3**	**2.5**	**2.4**

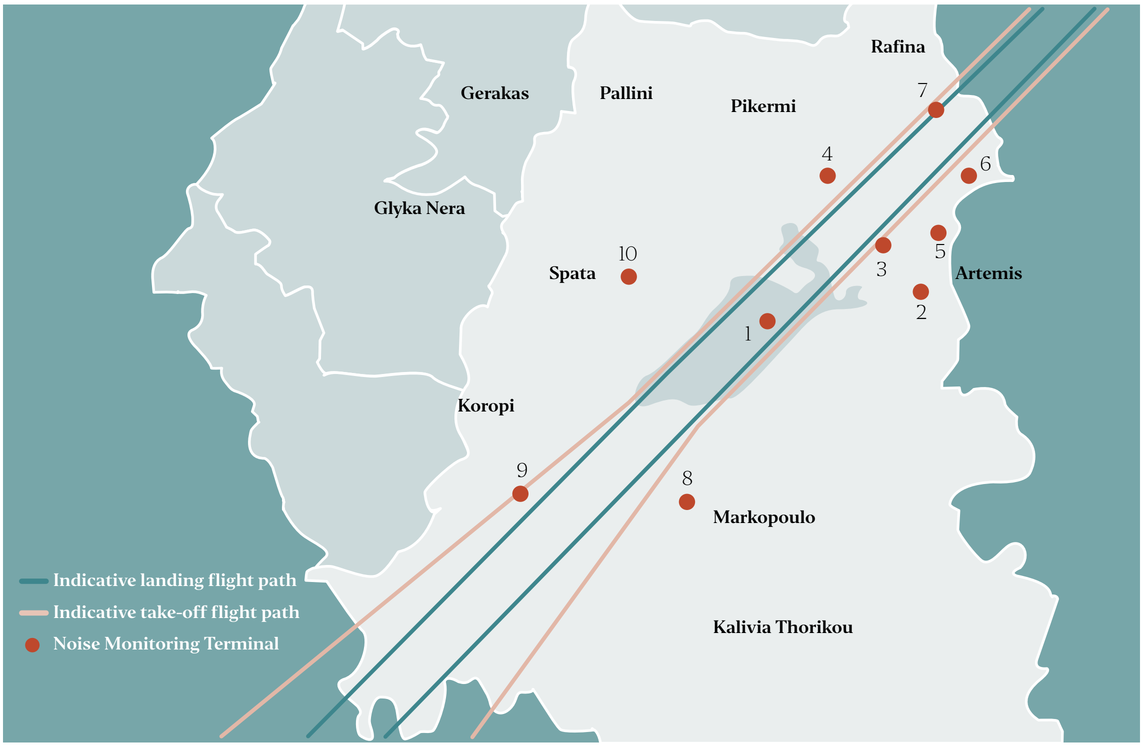
AQMN: Air Quality Monitoring Network Mean concentrations are calculated through MIS
n/m: Pollutant is not measured in the specific station
n/a: Not Available due to low data capture
PM_{10}*: The analyzer of Spata was transferred to the Mobile station in Rafina in March

Noise

Material Issue

Aircraft noise is one of the main environmental challenges associated with the operation of an airport. Noise arises from different sources, primarily the aircraft's engines but also from airflow around aircraft. The Airport Company addresses noise issues responsibly by taking measures that aim to reduce annoyance to our neighbours. As such, Noise Abatement Procedures have been in place since the Airport started operating and are implemented in collaboration with the Hellenic Civil Aviation Authority (HCAA) and airlines in order to reduce noise levels in the residential areas in the vicinity of the Airport and underneath flight paths.

Map of Flight Paths and NMTs



Average Noise Level per Noise Monitoring Terminal (NMT)

	2018		2017	
NMT	L_{den} dB(A)	L_{night} dB(A)	L_{den} dB(A)	L_{night} dB(A)
2	**43.6**	**22.6**	**39.5**	**25.8**
3	**60.1**	**45.5**	**61.2**	**45.0**
4	**54.4**	**46.7**	**57.6**	**49.9**
5	**53.7**	**38.5**	**54.9**	**40.5**
6	**49.4**	**35.9**	**50.3**	**38.4**
7	**53.3**	**45.8**	**53.2**	**45.7**
8	**46.6**	**36.1**	**46.8**	**35.7**
9	**54.7**	**41.2**	**55.6**	**42.1**
10	**32.7**	**24.2**	**31.7**	**21.2**

Legend: Lden and Lnight are calculated as defined in Ministerial Decision 13586/724 (GGG 384B, 28/3/2006).

Noise levels are measured in dB(A), a unit that represents the human ear's response to sound. Since 2015, the data presented refers to noise levels generated from flights only, as per the requirements of Joint Ministerial Decision 210474/2012, while prior to 2015 the total noise level was presented.

Preferential Runway Use System Results

	Runway	2018	2017
Take-offs			
Percentage of take-offs to the north from 23:00 to 07:00 hrs.	03R	7%	6%
Percentage of take-offs to the north from 15:00 to 18:00 hrs.	03R	7%	9%
Landings			
Percentage of landings to the south from 23:00 to 07:00 hrs.	21L	10%	4%
Percentage of landings to the south from 15:00 to 18:00 hrs.	21L	2%	3%

We have installed a NOise MOnitoring System (NOMOS) consisting of one mobile and ten permanent Noise Monitoring Terminals (NMTs), which provide a detailed profile of aircraft noise in the residential areas near flight paths. This system is connected with HCAA's radar so that correlations can be made based on actual flight track information. The Airport Company regularly engages with representatives of local authorities and citizen groups on the topic of aircraft noise. In addition, we have established a dedicated telephone line called "We Listen" that concerned citizens may call to register their complaints or request clarifications on noise related issues. A relevant form is also available on our corporate website. In 2018 a total of twenty-five complaints were handled.

Noise Complaints

Number of citizen complaints received broken down by origin (Neighboring communities)		
Number of citizen complaints received	2018	2017
Artemis	**21**	**20**
Koropi	**0**	**1**
Ag. Kiriaki	**0**	**1**
Other areas	**4**	**7**
Total	**25**	**29**

Comparative Noise Levels

	dB(A)
Pain Limit	**130**
Night Club	**115**
Car horn	**110**
Bus	**82.5**
Boeing 737-400 in NMT 3	**80**
Normal conversation	**75**
Car in residential area	**75**
Boeing 737-400 in NMT 5	**74**
Boeing 737-400 in NMT 2	**73**
Propeller Aircraft in NMT 2 & 3	**72.5**
Propeller Aircraft in NMT 5	**70**
Quiet residential area	**50**
Whisper	**30**

Water

We systematically monitor water consumption (potable and irrigation), as well as the quality of surface and ground water. The water supply network is closely monitored so that possible leaks may be detected and promptly addressed. In addition, we apply a number of water-saving measures, such as the use of treated wastewater from our own Sewage Treatment Plant (STP) for irrigation of non-public green areas at the Airport. An Industrial Wastewater Treatment Facility (IWTF) operating on site receives wastewater primarily from aircraft maintenance activities but also from other sources (wastewater from runway derubberisation, oil-water separators, etc.). The quality of surface water is monitored regularly through ad hoc sampling and analyses following rain events, as well as on a continuous basis by an Online Water Monitoring System (OWMS) before being discharged offsite. An approved Spillage Response Plan is implemented each time a spillage occurs, which calls for the use of bioremediating substances and appropriate sweeper vehicles. Due to the local climate, aircraft/helicopter and runway anti/de-icing operations are limited. Nevertheless, relevant procedures have been established for the ground handling companies which have the responsibility for the provision of de-icing services in accordance with ICAO and IATA standards, the Local Ground Handling Regulation as well as the respective concession agreements with airlines and ground handling companies. The total amount of aircraft and pavement de/anti-icing material used in 2018 was 12.22 m^3. During 2018, no water treatment actions were required as per the criteria defined in our Corporate Procedures.

Water Consumption

	2018	2017	var%
Total Airport (m^3 x 1000) (Refers to the entire airport community)	**642**	**615**	**4.4**
AIA only (m^3 x 1000) (Refers to the Company only)	**438**	**408**	**7.4**
Total Airport consumption per passenger (m^3/pax)	**0.0266**	**0.0283**	**-5.9**

* based on pax numbers 24,135,431

Effluents, Waste & Reuse of Materials

Material Issue

Like many modern day activities, the operation of an airport leads to the consumption of natural resources, which are limited and must therefore be managed sustainably. For this reason, the Airport company has been taking steps to transition the airport community from a linear to a circular economy. A prime example is the treatment of all municipal wastewater produced onsite and use of the treated effluent to irrigate the airport's large green areas, thus limiting the amount of water drawn from local reservoirs. Reducing the amount of waste send to landfill is another important part of this effort, and to this end the Airport company has developed a comprehensive waste management system based on "The Polluter Pays" principle that promotes separation at source and recycling. Recent initiatives have specifically targeted reducing the consumption of single-use plastics. In addition, improper management of hazardous waste and wastewater can have detrimental impacts on the environment. Consequently, the Airport works closely with its partners to ensure that all such waste is properly managed and transported to licensed facilities. Since 2005 we are cooperating with Alternative Management Systems on the final disposal of hazardous waste. In 2018 they received 43% of the hazardous waste produced onsite while the remaining 57% was transferred to other licensed management facilities. Moreover, all industrial wastewater produced at the Airport is treated onsite at its Industrial Wastewater Treatment Facility (IWTF). Our commitment to recycling is complemented by our use of recycled materials for daily administrative tasks (e.g. recycled paper for stationery use and corporate correspondence). In parallel, an increasing number of corporate tasks (e.g. contract review, expense claims, annual leave forms, etc.) are administered electronically. Our efforts to encourage Airport employees to recycle resulted in the collection of six tons of recyclable materials at our Recycling Centre in 2018. Furthermore, we encourage our partners to develop similar environmentally-friendly business practices.

Wastewater Treatment (Refers to the entire airport community)

	2018	2017	var%
Processed through Sewage Treatment Plant (m^3 x 1000)	**378**	**377**	**1**
Processed through Industrial Water Treatment Facility (m^3 x 1000)	**3.0**	**2.1**	**30**

Refers to AIA & Airport community. The treated effluent from the Airport's STP, which treats all sewage generated onsite, is used exclusively to irrigate non-public green areas at the Airport.

Hazardous Waste Processing 2018

	2018	2017
Managed by Alternative Management Facilities	43%	22%
Transferred to licensed Management Facilities	57%	78%

Breakdown of Solid Non-Hazardous Waste 2018 (tonnes)

	2018	2017
Municipal Type Waste (incl. Cat 1 of 1069/2009)	**6,607**	**6,054**
Recyclables	**32,174**	**9,638**
Special Waste	**6**	**0**
Total	**38,787**	**15,692**

Recycling, Recovery & Composting Breakdown of Non-Hazardous Waste in 2018

■ 2018 ■ 2017

	2018	2017	
Paper	2,283	2,313	-1,3%
Metal	326	425	-23,3%
Glass	329	298	10.4%
Plastic	1,596	1,337	19.4%
Wood	322	278	15.7%
Tetra Pak	141	101	39.2%
Aluminium	17	20	-14.6%
Tyres	9	2	344%
Edible Oils	45	46	-5.0%
Bio-waste	410	424	-3.3%
Sludge STP	681	938	-27.4%
Construction & Demolition Waste	26,016	3,455	665,6%
Total	32,174	9,638	233.8%

The above figures incorporate the amounts of waste recycled, composted and recovered and do not include any residues, which are included in the table on page 71.

Waste by Disposal Method

Hazardous Waste

Description	Amount (in tn)
	2018
Total waste (*)	**403.58**
i. Re-use	-
ii. Recycling	52.34
iii. Composting	-
iv. Recovery, Including energy recovery	341.37
v. Incineration (mass burn)	0.26
vi. Deep well injection	-
vii. Landfill	-
viii. On-Site Storage	9.60
ix. Other (to be specified by the organization)	-

Non-Hazardous Waste

Description	Amount (in tn)
	2018
Total waste	**38,787.10**
i. Re-use	-
ii. Recycling	23,455.14
iii. Composting	1,090.92
iv. Recovery, Including energy recovery	11,510.37
v. Incineration (mass burn)	5.62
vi. Deep well injection	-
vii. Landfill	2,725.05
viii. On-Site Storage	-
ix. Other (to be specified by the organization)	-

Biodiversity

We implement a comprehensive biomonitoring programme in the vicinity of the Airport aimed at protecting the region's biodiversity based on international best practices. The number of bird species spotted at the Airport has risen in recent years and serves as an indicator of the overall health of the local ecosystem. In addition, a team of specialists monitors and records wildlife activity at the Airport and takes measures to control and reduce wildlife hazards for aircraft where necessary.

The programme of trapping and relocating raptors launched in 2009, continues to bear positive results. More than 130 individuals were trapped and relocated during 2018. We continue our successful partnership with the Hellenic Ornithological Society to protect and promote the Vravrona Wetland, a local site of unique ecological and archaeological value included in the Natura 2000 European network of protected areas as a Site of Community Importance (SCI). According to data collected so far, the biodiversity of the Vravrona Wetland includes 100 plant taxa, 224 bird taxa, 27 taxa of other terrestrial vertebrates, 1 very rare species of fresh water fish, as well as 15 habitat types as defined within the relevant EU legislation. Since 2015, the project has been extended to include initiatives at the Aliki Wetland in Artemis (one of the Priority A' wetlands in Attiki), where more than 140 bird species have been recorded.

Vravrona Wetland

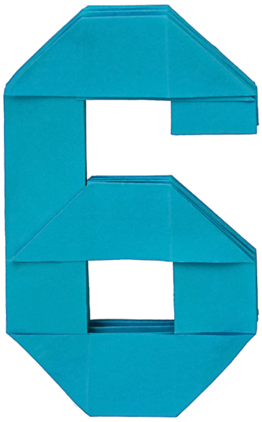
Very rare species of fresh water fish **1**

Taxa of other terrestrial vertebrates **27**

Bird taxa **224**

Habitat types **15**

100 Plant taxa



Social Performance

As a business community, the Airport has a significant socio-economic impact, extending to local communities, the Greek society at large and the world destinations we connect.

Engagement with local communities is progressing respectfully through continuous communication and cooperation, by receiving and assessing feedback, accounting for the needs and concerns of the neighbouring municipalities and making a lasting contribution to the prosperity of the region.

Being responsible for the operation of an international airport and the country's primary gate, the Airport Company understands that its role extends beyond responsible operation. AIA strives in promoting Athens and Greece as a travel destination, promoting the country's cultural heritage and creating partnerships that generate value for the city and its society.

Community Engagement

Material Issue

The Airport Company recognises that it is part of a community that extends beyond the airport fence. Like every Airport or Industrial organisation, we recognise that our operations may be an issue of concern to our neighbours when considering potential annoyance due to aircraft noise; thus our goal is to limit any such impact to the extent possible, if not eliminate it altogether.

At the same time, the Airport is a significant driver of economic development in the region. This is complemented by targeted investments in social, educational, cultural, athletic, environmental and other initiatives that go well beyond the scope of any legal obligations and help establish the Airport as a good neighbour. These actions comprise AIA's corporate Community Engagement Plan (CEP), which is incorporated in our annual Operational Scorecard. Key to its successful implementation are: a) continuous cooperation and constructive dialogue with all local stakeholders, which help understand their needs and expectations, b) prioritisation of the large number of requests for support received from local entities, with a focus on emerging social needs, and c) incorporation of AIA's own initiatives which aim to improve the quality of life in the local communities. In 2018, a total of 205 meetings were held with representatives from local authorities, associations, schools and individuals.

Engaging Local Entities (breakdown of meetings)	2018	2017
Municipalities	**79**	**96**
Associations	**65**	**43**
Schools	**51**	**35**
Individuals	**10**	**15**

Local Community Investment (breakdown of projects/activities in thousands) €	2018	2017
Education	**188.63***	**59.6**
Culture & Athletics	**36.80**	**29.0**
Society	**84.83**	**38.8**
Environment	**32.99**	**7.9**
Transportation	-	-
Other Community Activities	**16.15**	-
Total	**359.4**	**135.3**

(*) Community Projects valued at €115,000 in progress for implementation

Community Investment

The major actions and projects implemented in 2018 are described below:

Education

- All 28 public schools in the municipality of Spata-Artemis were rewarded for participating in our recycling programme, which has been running since 2005.
- For the eighth consecutive year, financial rewards were offered to 44 high school students in Spata-Artemis, Koropi, Markopoulo, Rafina-Pikermi and Pallini, who excelled academically and were admitted to higher educational institutions.
- Two scholarships were awarded to postgraduate students studying environmental science at the University of the Aegean, an initiative that AIA has supported since 2003.
- Within the framework of our continuous efforts to raise environmental awareness in the Mesogia area, we performed 18 environmental awareness presentations to a total of 689 high school students from surrounding municipalities, which included Airport site tours.
- Finally, electronic equipment and household appliances were provided to schools in the neighbouring communities as well as Christmas presents to all Spata-Artemis kindergartners.

Culture and Athletics

- Financial support was offered to major local cultural associations for their annual cultural events and to major athletic associations for their athletic events.
- For the eleventh consecutive year, support was provided to the Vravrona Museum for the maintenance and repair of several critical systems as well as for the purchase of materials and equipment necessary for the smooth operation and security of the Museum.

Society

- Supermarket vouchers were distributed to more than 1,200 individuals and families in need during Easter and Christmas in collaboration with the social services of Spata-Artemis Municipality. Similar vouchers were also offered to a local philanthropic association for the preparation of meals for those in need as well as to the local social supermarket.

- Financial support was provided to the Palliative Care Unit "Galilaia" which belongs to the Holy Metropolis Mesogaias and Lavreotiki to cover operational expenses for the care of cancer patients.

- Extraordinary support was provided to the Municipality of Rafina-Pikermi to help restore normal operations following the devastating fire of July 23rd.

- Upon initiation of the new school year 2018-2019, we purchased school supplies for the Spata-Artemis social supermarket as the last several years.

- Several local animal welfare associations were supported for the protection and care of stray animals.

- Firefighting equipment was also purchased to support the activities of local civil protection associations.

Environment

- The Vravrona Wetland Protection and Promotion Programme continues in collaboration with the Hellenic Ornithological Society (HOS) and municipality of Markopoulo, and also covers the Aliki Wetland in Artemis since 2015.
- The area of 'Prasinos Lofos' in Artemis was cleaned up for the eleventh consecutive year as a fire prevention measure.
- Financial support was provided to the Association for the Protection and Welfare of Wildlife (ANIMA) within the framework of our cooperation for the treatment of injured wildlife and its subsequent release back to the wild.

Additional Actions

- Support was also provided to members of the Airport community to maintain a smooth operational environment and to deliver enhanced levels of service. In addition, fire stations in the local communities were provided with financial assistance in order to ensure their operational readiness.

Art & Culture

Athens International Airport has become a cultural hub for travelers and visitors and an active member of Athens' cultural life. More than 250,000 visitors per year visit the permanent exhibitions at the Airport, namely the exhibition of Archaeological Findings, the "Acropolis Museum – A Classic Destination" exhibition and the interactive exhibition dedicated to the eminent politician Eleftherios Venizelos after whom the Airport was named. In 2018, in addition to the above exhibitions, AIA launched numerous art collaborations in its two temporary art exhibition areas. Specifically: for the third consecutive year in 2018 the Airport Company, the Benaki Museum and Costa Navarino joined forces for culture and co-organised the Exhibition titled "When Pictures Paint a Thousand Words-Book Illustrations by Nikos Hadjikyriakos-Ghika from the Benaki Museum Collections".

The theme of the exhibition derived from the activities of the Benaki Museum regarding "Athens World Book Capital 2018". The exhibition at the Airport focused on six illustrated editions by the artist: the albums Lyrica and India, the Poems by C.P. Cavafy, Daphnis and Chloe by Longus, Lysistrata by Aristophanes and the Odyssey by Nikos Kazantzakis.

In collaboration with the Marathon Run Museum of the Municipality of Marathon, AIA also held the exhibition "Marathon Universe-Through the Art of Sculptor Nikos Yorgos Papoutsidis".

The exhibition, based on the panhuman idea of the Marathon run that surpasses limitations of time and space, was dedicated to the international travelers, who is in constant motion at the Athens Airport. Through the works of the artist, visitors of the exhibition became part of the installation by mentally following the Marathon run.

In 2018 the Airport Company collaborated again with the Benaki Museum for the presentation of two unique thematic exhibitions, both representative of the Greek culture, based on the Museum's collections and archives: the video exhibition titled "Greek Seas - A Photographic Journey In Time", which included the projection of carefully selected photographs that had been previously exhibited at the Benaki Museum and present both documentary interest and aesthetic value; and the photo exhibition titled "Images of Athens from the Benaki Museum's Photographic Archives" which included a fine selection of images of significant Greek photographers depicting views of the city of Athens from the mid-19th century up to the late 1960s, offering passengers and visitors of the Airport a time travel to an Athens that no longer exists. The more than 80 exhibitions and cultural activities that have so far been held at the Airport denote its additional role as a venue of constant cultural interaction and a promoter of Greek culture to millions of passengers and visitors passing by every year.

The multi-awarded "Fly me to the Moon" initiative which started in 2013 as a joint collaboration


FLY ME TO THE MOON
• SOUNDS GREEK TO ME •
ATHENS
Fthiotida
Viotia
Evia


Travel through Art & Culture
ATHENS


ΑΘΗΝΑ
ATHENS

with the «ελculture» platform of contemporary art, this year included concerts and dance shows, as well as a renewed programme under the name "Sounds Greek to me!", which "travelled" visitors all over Greece.

The new circle of "Fly me to the Moon 6" introduced AIA's travelers and visitors to the beauties of Central Greece, followed by the city of Chania, the region of Epirus and lastly, the city of Kozani which presented its "Momogeri" rite, recognised by UNESCO as an element of the intangible cultural Heritage of Humanity. Through this initiative travelers and Airport visitors explored some of the most beautiful Greek destinations through tasting their local cuisine, learning about the history and folklore of each place, and even performing traditional dances before their flight. "Fly me to the Moon" also hosted live performances of a popular young singer, Katerina Duska, and a spectacular dance event performed by the 1st Bollywood Dance Academy Greece.

AIA's cooperation with the Greek National Opera continued for the fourth consecutive year. The Intercultural Choir of the Greek National Opera (GNO) comprising members from different countries of origin (Ukraine, Cameroon, Slovakia, Tanzania, new Guinea, Syria, UK, USA, Greece, Iran, Kenya, Iraq and more) presented traditional songs from the homelands of some of its members.

AIA also provided support to major Greek cultural entities such as the Greek National Theatre, the Megaron Athens Concert Hall, the platform "A jewel made in Greece", the Greek National Opera, the Museum of Cycladic Art, the Greek Festival, Multitrab Productions, the Benaki Museum, the Theatre Group 08, the Polyplanity Productions and the Athens Biennale. In addition, AIA continued its cooperation with the "Diazoma" Association for the protection, restoration and promotion of Greek monuments and ancient theatres as well as with the City of Athens for the promotion of the "Athens World Book Capital 2018" and their actions during the year.

Art & Culture Investment	2018	2017
Cultural Sponsorships	**21,125**	**25,785**
Art Exhibitions / Events	**127,643**	**88,672**
Total	**148,768**	**114,457**

Sponsorships	2018	2017
Sports	**6,000**	**5,500**
Business - General	**89,077**	**59,700**
Business - Aviation Sector	**14,016**	**25,066**
Social - Various Humanitarian	**4,070**	**4,850**
Social - Children/ Youth	**38,800**	**49,562**
Science	**10,905**	**29,294**
Total	**162,868**	**173,972**
Grand Total	**311,636**	**288,429**

A welcoming Airport for Children

Airport Visitors Service: We host field trips at the Airport premises to help pupils and students broaden their horizons through visiting Airport facilities and learning about operational procedures. These visits last 2½ hours and include a presentation of the Main Terminal Building, the Airport's Museum, the Airport's cultural exhibitions, the baggage reclaim area and a visit to the airport fire station where the impressive PANTHER fire trucks are kept. In 2018 we welcomed in total 1,400 visitors from kindergartens, elementary schools, high schools, state and private vocational schools, the University of Athens, the University of Piraeus, the State University of NY, the Airlines Services Training (AST), the Wirral Metropolitan College and specialised educational institutions.

Airport Children's Play Area: In collaboration with the NGO "The Smile of the Child", Athens International Airport operates the Children's Play Area for families travelling with children. It is located in the public area of the Main Terminal Building in order to accommodate both Schengen and Non-Schengen passengers. The facility is carefully designed to adhere to all pertinent safety guidelines and the staff provides activities for different age groups in a safe and secure environment.

In 2018, the Airport's Children's Play Area witnessed a 10.07% increase of its young visitors who amounted to 6,479, a record number in its history, which is however in accordance with the growth of the Airport's passenger traffic. Since its first day of operation in February 2002, the Airport's Children's Play area has welcomed 83,669 children.

Enhancing Social Commitment

An important pillar of our corporate responsibility's strategy is to support children and social groups in need. In 2018 we continued our multidimensional social programme which entails contributions to national and international non-governmental humanitarian endeavours.
Such are: the promotion of the "Travelling Greece in Comfort and Safety" campaign of I.O.AS. (Panos Mylonas Institute for Road and Safety); the Environmental Association of Attica "Time for Action" for the promotion of the campaign for volunteers "Let's do it Greece"; the Special Olympics-Hellas; the Hellenic Athletic Federation of the Deaf for organising several national championships; the Athletic Association "ATLAS"; the Association of Greek Gymnastic Athletic Societies (SEGAS) for the 36th Authentic Athens Marathon; "The Smile of the Child" NGO; the "Agoni-Grammi-Gonimi" association by supporting their actions for pupils of elementary schools of the PSO (Public Service Obligation) routes of the Greek Islands; the "FRONTIDA" Association for the support of people with cerebral palsy, mental retardation and the Down syndrome; the "Medecins sans Frontieres" organisation; the ELEPAP "Little Robinson" travelling educational project; the Association for the protection of Children and individuals with Disability (CoverAmeA); SOS Villages; and the NGO "Synergasia-Dimiourgia" for providing financial support for children in need. Furthermore, for the third consecutive year, we continued our cooperation with the Institute of Preventive Medicine Environmental & Occupation Health "Prolepsis" in order to cover part of the cost of the Public Health Programme for pupils of the Mesogaia area schools and the broader Attica vicinity. Furthermore, and in order to provide information and raise awareness to the general public on safety matters related to recreational water activities and sport, AIA supported the NGO "Safe Water Sports". An initiative launched for the first time in 2018 which we consider as very important is the "Boarding Pass in Autism– Air Travel Flow simulation for children with Autism Spectrum Disorder (ASD)". The initiative was taken by Onassis Foundation in collaboration with Athens International Airport, under the auspices of the National and Kapodistrian University of Athens and the support of Aegean Airlines.

Within the scope of the said programme, a number of approximately 200 AIA front-line employees received awareness training on ASD.

Also, during the Christmas period AIA launched a CR Christmas initiative named "Fly for a child" in favour of the "Together for Children" Association. For every child who travelled with Austrian, Lufthansa and Swiss Airlines during a certain period of time, AIA donated the amount of 1 euro to the "Together for Children Association". AIA also actively participates in the "Amber Alert", "Silver Alert" and "Omnibus" programmes, a volunteer partnership of several entities through which the public is notified on child abduction or missing persons' cases. On the educational front, we supported the University of Piraeus by participating at the "European Cyber Security Challenge 2018", the Kessaris educational school for participating to the S.T.E.A.M competition, as well as the St. Antony's College / Oxford, for participating in a pioneering programme dedicated to the study of Modern Greece, Cyprus, Turkey and the Balkans called "The Diaspora Project".

Furthermore, for the tenth year in a row, AIA participated in the International Fellowship Programme of the MBA International of the Athens University of Economics and Business. Of course, AIA continued to support initiatives related to the education of unemployed young people, therefore supported the organisers (Hazlis and Rivas Communications) of the Economist Congress which in 2018 was titled "The World in Transition: The New Jobs. The New Skills".

7 Future Prospects

Following the effectiveness of the concession extension in February 2019, it can certainly be stated that the Airport Company has entered a new era. Firstly, instead of preparing for the closing of the concession period, the Airport Company has now the opportunity to plan anew for a long-term horizon. Indeed, the extended concession period will serve as the fertile ground for developmental strategies in most aspects of the airport business.

Furthermore, the prolonged period is better aligned with the useful life of critical infrastructure components, enabling a more rational utilization. Finally, the acknowledged expertise of the Airport Company can also be capitalised by a more dynamic development of external business activities.

At the same time, the years ahead are obviously not without challenges. In the short-term, the Airport Company, after having paid €1.13 billion (net of VAT) for the Concession Extension Consideration and having incurred for this purpose a new loan of €642 million, will enter a period with a need for an extra diligent cash flow monitoring and cost control. This situation will be intensified upon the expected incurrence of additional debt for the funding of the construction of airport expansion works. Indeed, after the achievement of the terminal capacity thresholds, the Airport Company is proceeding with the necessary planning activities for the required expansion, and -following the approvals foreseen in the ADA- will embark on major construction works for the expansion of the terminal and other necessary capacity enhancement investments.

In 2019, the Airport Company will make in its accounting and reporting the adjustments that are necessary following the prolonged concession period and the financial impact of the concession extension transaction.

Furthermore, the Airport Company plans to adjust its pricing policy in alignment with the extended concession period and will closely monitor in the mid-term the impact of the new and future investments vis-à-vis its regulatory allowance. The Airport Company aims to improve its competitive position, following any price adjustment in combination with airlines' incentives, to remain a cost-efficient operator, to serve its debt obligations and to ensure long-term shareholder value and returns.

Thus, after a very lengthy and extremely laborious process for the conclusion of the concession extension, we are looking forward to the years ahead of us. Years with opportunities for more developments and healthy growth, but also years with need for close cost monitoring, with challenging expansion works, within a more complex and demanding European regulatory environment especially in the aviation sector, and within an increasingly competitive environment. We have achieved to be a successful airport company in the past, and we are confident that in the years of excitement to come we will rise to the new challenges and continue to deliver quality and value for our shareholders, our employees, the Greek economy and the society at large.

Planning Ahead for Sustainability

Connected with the Materiality Analysis, the Sustainability Action Plan below gives an indication of activities carried out by AIA in 2018 and planned to be undertaken in 2019, in relation to each of the non-financial Material Issues.

Material Issue	Actual Activities 2018	Planned Activities 2019
Aviation Safety (Customer Safety)	• A joint EASA/HCAA inspection of AIA airside infrastructure, operational procedures and organization took place. • Aviation Safety Training development and implementation for recurrent courses • Regular inspections for all public and technical areas. In 2018, 252 health and safety plans and 5 safety management systems of third parties were reviewed. Furthermore, 21 audits were carried out to various airport community stakeholders. • Maintenance and functional upgrade works of the Express Facility building (EF) were completed.	• Aviation Safety Training Courses • Safety promotion initiatives, Hazard Identification and Risk Assessments, Health & Safety inspections in public areas
Airline Development & Marketing (Market Presence)	• Strong growth of the international market (+13,8%), whereas the domestic market presented also increase (+ 5,6%). Overall connections in 2018: 154 destinations (121 of which international) in 53 countries, operated by a total of 65 carriers. • 13 different incentives (both for developing new markets as well as for reinforcing existing ones), were in effect during 2018.	• Incentives Plan (Developmental & Targeted Incentives) • Route Development / Marketing Support Policies • Apply airport charges reduction following the prolonged concession period
Business Continuity & Emergency Preparedness	• Critical Systems Efficiency targets of the Corporate Scorecard 2018 were attained. • Ten emergency exercises were organised at the airport, including the Annual Full-Scale Emergency Exercise (FSEE) "Aircraft Accident on Airport".	• Incentives Plan (Developmental & Targeted Incentives) • Route Development / Marketing Support Policies • Apply airport charges reduction following the prolonged concession period
Corporate Governance	• A readiness review to assess the corporate GDPR -related compliance status was conducted.	• Risk Management & Business Continuity activities • Code of Conduct e-training
Service Quality	• ACI World – ASQ Award: 2018 AIA best airport in Europe for customer experience • Airport Service Quality target of the Corporate Scorecard 2018 was attained. Satisfaction rating of our passengers at 4.13 / 5 • More than 1,135 "virtual passenger" inspections have been carried out, which are equivalent to more than 81,000 distinct checkpoints • 9001:2015 & ISO 20000-1:2011 re-certifications (IT&T Business Unit) • STB Refurbishment & WC Refurbishment projects were completed	• Continuation of the MTB South Wing Expansion (SWE) project • Airport Service Quality / Passenger Satisfaction Surveys/ Quality Monitor Surveys • Passenger Comments Management/ i-mind programme/ service measurements • MTB Extra Schengen Departure Lounges Aesthetic Improvement
Indirect Economic Impacts	• Athens Tourism Partnership Project "This is Athens & Partners" in cooperation with Aegean Airlines, the Municipality of Athens and SETE	• Destination Marketing activities • Art & Culture programme
Energy	• ISO50001 certification for Energy Management retained • LED lighting project for Apron completed.	Energy conservation projects: • Continuation LED lighting for Apron • Continuation upgrade of Preconditioned Air plants • Installation of new GSE charging positions North apron • Airport wide Heating Ventilation & Air Conditioning (HVAC) targeted upgrades
Emissions & Climate Change	• Climate Change Corporate Action Plan target of the Corporate Scorecard 2018 was attained. Carbon footprint reduction by nearly 50% compared to our 2005 baseline. • In 2018, AIA maintained its carbon neutral status by zeroing out its residual CO2 emissions	• Climate Change Corporate Action Plan 2019 • Maintain Neutrality level for Airport Carbon Accreditation • New Shuttle Bus for Parking • Vehicles Replacement Plan – 2019 • Replacement of Internal Transportation Buses - Phase 1
Noise	• Noise Abatement Procedures in collaboration with HCAA, the Ministry of Environment and the airlines • Complaint management: 25 noise complaints received and handled in 2018	• Noise Abatement Procedures in collaboration with involved parties • Noise Complaint management
Effluents, Waste & Reuse of Materials	• The rate of Solid Non-Hazardous Waste recycled, composted and recovered exceeded 80% (32,174 tonnes of the total 38,787.10 tonnes) • A remarkable increase in non-hazardous waste recycled, composted and recovered (+233.8%). • Maintenance of ISO 14001 certification of Environmental Management System	• Environmental training to airport community • Environmental audits of 3rd Parties
Occupational Health & safety	• In 2018, 16 total accidents (excluding to/from work) with a frequency rate of 0.54.	• Health & Safety training / awareness sessions and Risk Assessments • Continuation of fire Life Safety e-training • Continuation of e-training for office safety and chemical safety
Community Engagement	• Community Engagement Plan target of the Corporate Scorecard 2018 was attained	• Multidimensional Community Engagement Plan 2019

ANNEX I

Reporting By The Board Of Directors To The Annual General Meeting Of The Shareholders For The Financial Year Ended 31 December 2018

Dear Sirs and Mesdames,

According to article 43a of Law 2190/1920 and the article 108 of Law 4548/2018, we submit herewith to your General Assembly the Athens International Airport S.A. (the Airport Company or AIA) Financial Statements for its 23rd financial period. The present report refers to these statements as well as to any supplementary information necessary or useful for the statements' appreciation and approval by the General Assembly, according to the proposal of the Board of Directors.

Year 2018 has been marked by the developments on the 20-year extension of the airport's concession term. The Airport Company submitted its final financial offer in August 2018, and on this basis, the concession extension received the approval from the competent national and European authorities before the year-end. Furthermore, the Airport Company signed the required financing agreements with a consortium of banks for the payment of part of the consideration for the concession extension. The concession extension finally became effective in February 2019, following its ratification by the Hellenic Parliament and the concession consideration was paid to the Hellenic Republic Asset Development Fund (HRADF) three business days after the effectiveness of the concession extension in line with the contractual time limits. This historic achievement concludes a very lengthy process, opening at the same time a new horizon and development potential for the Airport Company.

Focusing now on the developments in the aviation business, in 2018, the global aviation industry continued to demonstrate a successful course, with consumers benefiting from lower travel costs and additional routes, despite uncertainty around global geopolitical developments and issues such as Brexit and rising trade wars' related tensions. On a global level, airlines achieved healthy profitability with net profit margins in 2018 estimated at the level of 3.9%, according to International Air Transport Association (IATA), while Revenue Passenger Kilometres (RPKs) increased overall by 6.5%[1]. Airport Council International (ACI) also reports strong traffic rise on the global scale at 5.8%[2], whereas in Europe, passenger traffic posted an average growth of 6.1%[3]. Non-EU airports led the way of growth in passenger traffic (+8.3%), while EU airports also achieved a robust increase (+5.4 %), with gains in the first months of the year being somewhat limited due to air traffic control disruptions, airline strikes and consolidation.

Focusing on AIA, in 2018, traffic achieved a high performance in terms of passenger traffic (24.14 million passengers) and of flights (217,094 flights) reaching its historical top. International travellers proved once again to be the main growth driver with an increase of 13.8%, while domestic passengers also presented a healthy rise by 5.6%. In terms of nationality, foreign residents significantly increased their travelling in 2018, vis-à-vis a slower rise of Greek residents' travelling.

In 2018, the Airport Company presented healthy results and recorded Profit Before Tax of €239.7 million, increased by € 39.9 million compared to 2017. Growth in operating revenues due to traffic development was essentially reflected in the Company's profits, since the cost base was kept at low per passenger levels.

In view of the Airport Company's payment of the Consideration for the extension of its concession period (effected in February 2019), no dividend to the shareholders is proposed.

The sections that follow, depict in more detail the developments in 2018.

1. Traffic Highlights

With 24.14 million passengers in 2018, the Airport Company delivered a historical top performance which exceeded prior-year levels by 2.4 million (+11%), of which 2 million are attributed to growth of the international market by 13.8%. The domestic market also presented a healthy rise of 5.6%.

Foreign residents achieved a strong growth of nearly 20%, while Greek residents showed small growth vs. 2017 of only 1%. The growing appeal of Athens as a popular destination, supported by the joint and coordinated relevant actions of the Airport Company with stakeholders from the airline and tourism industries, is clearly reflected in the dynamic growth of the O&D passengers by 14%. Still, transfer passengers' traffic demonstrated a robust

1 (source: IATA Economic Performance of the Industry end year 2018 report)
2 (source: ACI Worldwide Airport Traffic Report March 2019)
3 (source: ACI Europe Press Release Feb 2019)

growth of (+10%).

Regarding developments in international passenger traffic per region, it is important to note that all regions enjoyed a healthy growth which was supported by the significantly enhanced airport's route network coupled with a robust passenger demand. The top 5 international destinations are all within Europe, being with ranking order: London, Larnaca, Rome, Istanbul and Paris, while in the domestic front Thessaloniki, Santorini, Heraklion, Rhodes and Chania. During 2018, eight new airlines launched operations to/from Athens and 24 new international routes were introduced, further expanding the airport's route network. In 2018 Athens was directly connected with scheduled services with 154 destinations-cities, 121 of which international (including 21 non-European) in 53 countries, operated by a total of 65 carriers. In the same year, 23 LCCs offered services to 75 airports worldwide (compared to 56 airports in 2017). Overall, the number of flights to/from Athens International Airport during 2018 amounted to 217,094 (+10.8%), the highest ever performance, with the previous best performance recorded in 2009 (210,147). Both domestic and international flights grew substantially in the year under review, at the level of 10.6% and 10.9%, respectively.

The 2018 summer period reached its highest peak ever on the 30th of July, with 99,500 passengers (busiest day ever) and 890 aircraft movements (exceeded only by the busiest departure day following the 2007 Champions League final, which had recorded 923 aircraft movements).

Finally, with regards to cargo, similarly to the country's overall economic growth reflected by GDP growth close to 2% in 2018, cargo volumes rose slightly albeit steadily for the fifth consecutive year and reached 92.57 thousand tonnes representing an overall annual increase of 3.1%, propped up by further gains in exports, which have been surpassing imports for seven years in a row.

2. Business Highlights

AIA's business highlights for the year 2018 are presented hereunder:

2.1 Airport Operations

Airside Capacity

The Airport Company provides all aviation related infrastructure at the airport and supervises ground operations provided through the rights granted to contractors. The Airport Company ensured smooth and efficient operations throughout 2018 and maintained its non-coordinated status with regards to slots. Even in periods of high traffic and aircraft parking stands' high demand during the summer period, requirements were adequately addressed through thorough planning and per case operational arrangements. However, delays related to Air Traffic Control (ATC) capacity in the Greek FIR and Athens Terminal Area were registered at times. The airport's runway systems can accommodate a traffic of up to 50 million annual passengers thus, during 2018, the Airport Company has repeatedly raised the issue of the runway systems' underutilization at peak traffic hours by ATC. Relevant notifications were given to the Governor of the Hellenic Civil Aviation Authority (HCAA) and Eurocontrol, with the aim to waive capacity restrictions imposed at local level by the Air Navigation Services Provider. As a result, several working groups were formed with the participation of all stakeholders, which resulted in the proposition of short and long-term measures for the increase of the ATC operational capacity. The resolution of the issue remains in progress.

With regards to the airside parking capacity, in order to cope with the demand surge which was experienced in the summer of 2018 for ground stay and apron parking by General and Business Aviation aircraft, and the higher number of home-based aircrafts and night-stops, a "Prior Permission Required" operational process was initiated for the General and Business aviation flights, which proved an effective traffic management tool.

Operational Compliance & Development

This year was a significant one as it included the implementation of the annual Safety Action Plan for addressing effectively the continuous growth of operations on the airside, without compromising the safe and resilient operating environment.

On Crisis Planning & Emergency Management, ten emergency exercises in total were carried out at AIA, including the annual full-scale emergency exercise "Aircraft Accident on Airport".

Following the late 2017 aerodrome certification conversion as per EASA, in accordance with the stipulations of the Commission Regulations[4], EASA underwent an oversight audit on HCAA in mid-October 2018, with only a very few minor observations and recommendations (which were addressed by year-end). On the same note, all six remarks which were attached to the December 2017 EASA Aerodrome Certificate in the form of Deviation Acceptance & Action Documents (DAADs), were successfully closed in December 2018 following a relevant inspection by HCAA.

On the week of May 7th-11th, a General Audit on regulatory compliance and operational performance was conducted by HCAA on AIA's Security System. AIA's readiness for the protection of passengers, flights and facilities against acts of unlawful interference, was thoroughly reviewed. The General Audit outcome reconfirmed that AIA maintains a high security level. Conclusively, it should be highlighted that AIA is fully compliant to the operational regulations and best practices in all aspects of airport operations.

Other Operational Highlights and Developments

Following a new IATA resolution 753 that compels baggage reconciliation both on departure and on arrival, a major upgrade in AIA's Baggage Reconciliation System (BRS) was successfully carried out. AIA is amongst the first airports worldwide to have implemented provisions of the IATA resolution 753. The project was a joint effort of the Airport Company and Aegean Airlines.

An additional communication platform next to the long existing Airport Cargo Community Committee has been introduced, i.e. the "Airport Ground Handling Action Group", comprising the Airport Company and key business partners, aiming at quicker and more collaborative decision-making in the area of Ground handling. The three main Ground Handlers were introduced to the system in January 2019, while airlines and additional Ground Handlers are expected to join by early 2020.

The Airport Company's proposed action titled "AIA's evolution into a high-performing node within the European ATM network", was assessed as eligible for funding of up to €2,250,000. The action has been submitted in the context of the "2017 Connecting Europe Facility (CEF)/Transport Single European Sky Air Traffic Management Research (SESAR) Call" and relates to a five-year (2019-2023) coherent plan aiming at the development and implementation of new concepts in a) airport operations, b) information sharing, and c) collaborative performance management.

In 2018, the programme for "On-The-Job Training" awarded to the Airport Company by the Oman Airports was completed. During this large-scale training programme, 109 professionals from Oman have worked for approximately 4,000 hours next to their AIA peers, witnessing first-hand best practice operations in a variety of functions (e.g. airside and terminal operations, maintenance, etc.). It is worth to be noted that the Airport Company is one of the selected partners amongst the best in class airports, in terms of operational performance.

For the sixth time in a row, the Airport Company and the members of the Athens Airport aviation fuel supply chain, were awarded a Gold distinction (Sustain Performance Award) by the Joint Inspection Group (JIG).

2.2 Pricing and Airport Marketing

During 2018 the Airport Company continued its dynamic marketing strategy and incentives policy. The Airport Company's aeronautical marketing strategy encompasses comprehensive developmental and targeted programmes for airlines, including incentives and marketing support packages, and constitutes a cornerstone of the Airport Company's aeronautical strategy for healthy financial growth.

At the annual consultation with the airport users, held in February 2018, as per the Airport Charges Directives (2009/12/EC) as these have been incorporated in the Greek legislation (PD 52/12), the Airport Company announced that all airport charges remain unchanged without any increase for the tenth consecutive year. Furthermore, the Airport Company continued to provide incentives to airlines, comprising growth incentives and a number of targeted ones.

In total, 13 different developmental and targeted incentives, both for developing new markets as well as for

4 (EC) 216/2008, (EC) 1108/2009 and (EU) 139/2014

reinforcing existing ones, were in effect during 2018. Incentives are applied in a fully transparent and non-discriminatory manner and they constitute a profitable business case. The majority of the operating carriers made use of one or more targeted or developmental incentives, many of which benefited further by receiving marketing support actions.

The Airport Company's targeted approach was also the main element of its 2018 marketing campaign towards the airlines. Specifically, the 2018 campaign featured the slogan "Do the Math" to reflect AIA's successful growth during the previous year, and the opportunity this presents for the airlines since it creates the ideal environment for them to grow.

The contribution of the airlines to AIA's performance in 2018 was acknowledged by the Airport Company for the 19th consecutive year by presenting awards to those that recorded the highest passenger traffic growth during the specific year.

For the last seven years, the Airport Company has channelled innovative marketing efforts to its airline business partners and to consumers, but it has also extended its endeavours to actively support the attractiveness of Athens as a year-round destination. Against this background, in order to gradually introduce Athens as a top European destination, the Airport Company, the Municipality of Athens, Aegean Airlines and SETE (Greek Tourism Confederation) have joined forces in an unprecedented for the Greek reality partnership, the "This is Athens & Partners" which involves actions towards the development, marketing, and management of Athens as a destination. All creative forces of the city are invited to participate in this partnership.

Through an integrated, three-year development plan, "This is Athens & Partners" is committed to coordinating and implementing actions both for the development and upgrading of Athens, as well as for the effective promotion of the city in the major tourist markets abroad. In this context, significant benefits are expected for Athens and the city's economy.

The development plan focuses on three strategic areas: Destination Development, Destination Management and Destination Marketing. All three aim at developing and communicating products and services that will form the identity of Athens and will offer to the visitors a cohesive experience.

The Airport Company once more organised the 6th Airport Chief Executives' Symposium (ACES-Athens) in December 2018. This Airport Company initiative takes place in Athens on an annual basis, aiming to highlight the interdependence between the air transport industry and airports and the development of the destinations they serve, as well as to introduce actions for the strengthening of Athens as a tourism destination. The 2018 "ACES-Athens" theme was "Growing Sustainably - A new strategy for Airports & Destinations" and focused on seeking the golden balance between Business and Society and the need for a new holistic business-to-society strategy.

In addition, the company contributed in many specialised conferences, workshops and events, promoting the high performance of the airport the high quality of its services. In this context, the Airport Company co-organized with IATA, the Global Airport & Passenger Symposium (GAPS) in October 2018. The GAPS is focusing on bringing together industry experts, senior airline and airport executives, government authorities and solution providers to explore current opportunities, challenges and recommended solutions to shape the future travel experience.

2.3 Consumers

Retail services

Capitalising on the growth of passenger traffic, AIA's shopping centre recorded a very positive performance in 2018 with revenues increasing by 10.5% compared to the previous year. The main growth drivers were the commercial success of the recently upgraded Intra Schengen area, the solid performance of the Food & Beverage concepts introduced during the last years and the improved commercial performance of the newly-renovated Satellite Terminal Building. Indeed, an extensive commercial redevelopment project was carried out at Satellite Terminal Building (STB) in spring 2018, delivering a new terminal area of high aesthetical standards and considerably upgraded commercial value, paired with an increased STB's Retail and Food & Beverage offering selection.

At the same time, the Airport Company continued the effort of redesigning its commercial offering at both terminals, to better address the constantly evolving passenger demands. In this framework, a large Duty-Free shop and seven new specialty retail units commenced operations, while another specialty retail unit was substantially renovated. Additionally, ten new Food & Beverage concepts were successfully introduced, and three new services units were added to AIA's portfolio. As a result, AIA's total commercial space now spans to more than 12,000 sq.m.

Further to the above, the Airport Company launched a series of targeted marketing and co-promotional sales activities in close cooperation with the concessionaires, aiming to promote AIA's shopping centre as part of a unique travel experience. These activities included several happenings to celebrate the launch of the new STB commercial area, the promotional campaign "Lucky Bag" in the Schengen area and the launch of the Shopping Centre experiential campaign "Live-it", all achieving remarkable results in terms of enhancing customer experience and supporting the sales performance of the Shopping Centre.

Landside services

In 2018, the Airport Company's car parking revenues increased by 3.8 % compared to the previous year.

The recorded growth is largely a result of the aggressive marketing plan that was put into effect for a third consecutive year, to promote AIA's parking services through radio spots, frequent newsletters, and intensive digital campaigns, all of which also communicated the new competitive pricing policy. The positive impact was also recorded in the performed Quality Monitor Survey, where the KPI "Acceptability of parking price/price level" improved by over 10% among parking users.

Further to the marketing activities, the 2018 parking strategy also involved building and strengthening partnerships with concessionaires of AIA's Shopping Centre and Retail Park, as well as with Attiki Odos and key airlines (e.g. Aegean Airlines), to boost transactions.

Online booking was placed once more at the centre of the communications plan for the parking, in order to address ongoing business challenges, by generating sales and promoting the offered service against alternative airport access options and car parking competition. In 2018 e-parking tickets increased by a remarkable 22%, highly supported by the parking loyalty scheme "PARK€WIN" that doubled its members since last year, and already counts more than 60,000 members.

Terminal Services

In a year marked by an all-time record in passenger traffic, the Airport Company managed to offer personal assistance and information to more than 3.1 million passengers and visitors. The Airport Call Centre handled approximately 426,000 telephone inquiries with almost 95% of callers being served within 20 seconds. Additionally, more than 5,500 inquiries were received and processed electronically via the "airport info" service.

To improve visibility, efficiency and overall service, the Central Airport Information Counter on the Departures level, available 24/7, was renovated during 2018 to form a "landmark" in the middle of the Check-In Hall. Also, as part of our business continuity plan, a new dedicated Call Centre facility was created at an alternative building, to ensure the smooth transition to an alternate site in case of major disruption of the regular Airport Call Centre operation at the Main Terminal.

2.4 Property Business Unit

In 2018, property business of the Airport Company achieved positive results, key highlights being the improved performance of the Airport Hotel and the Exhibition Centre.

Indeed, the Airport Hotel 'Sofitel' saw a new record in annual sales turnover in 2018, achieving an increase of 7.0% compared to last year. The ongoing renovation programme of the Hotel's facilities involved the improvement of the 6th floor during the year, while works towards the refurbishment of the 5th and 7th floors commenced in late 2018, scheduled for completion within the first quarter of 2019.

The Metropolitan Exhibition & Conference Centre recorded a considerable turnover growth of 33.8% vs. 2017, mostly due to hosting the biennial international shipping exhibition "POSIDONIA" and the improved performance of other major events such as "XENIA" and "FOOD EXPO".

Building on 2017's firm performance, the Airport Retail Park presented a sales growth of 4.1% over the previous year. The performance was considerably aided by the Park's operation on Sundays for a second consecutive year, in specific from May to October, in line with the pertinent law addressing retail stores in tourist areas.

Buildings and Space Leases mainly serving the airport community (i.e. airlines, ground handlers and state entities) also reflected an upward trend, with the occupancy rate reaching 88% over the available portfolio.

Finally, the annual production of the Photovoltaic Park witnessed a 5% reduction compared to 2017, largely due to the unfavourable weather conditions in the second half of 2018. Still, the efficiency of the Park remains at a higher level than the national average.

2.5 Information Technology & Telecommunications

The Airport Company through its Information Technology & Telecommunications (IT&T) services continued its effective performance, contributing to the unobstructed operations of AIA and its stakeholders along the year. Furthermore, its project portfolio was enriched with new B2B and B2C services using innovative technology, with the aim to enhance operational excellence and customer experience.

Major Projects and Developments

As part of the implementation of the Next Generation Networks (NGN) project related to the replacement of the Airport's Data and Telephony Network, new capabilities and services to both AIA and the Airport community have been implemented. Specifically, AIA's network is now equipped with 40Gbps capacity in the backbone and 1 Gbps to the user, traditional telephony has been migrated to Internet Protocol (IP), providing unified messaging with voice, video, presence and instant messaging, with increased services security, efficiency and availability.

Also, against the continuously increasing demands of Internet capacity for both AIA and its customers, the Airport Company has successfully upgraded Internet bandwidth to 1 Gbps and 800 Mbps backup.

The Airport Company completed the replacement of the existing emergency call-out notification platform (e-con) with a new platform. The aim of the system is to minimise the time for alerting staff of an organisation, external authorities and other parties to emergencies and other incidents and to monitor the progress of the sent notifications in real time.

The annual IT&T Disaster Recovery exercise was performed with the participation of all involved parties and all systems were tested successfully.

ISO 20000 and ISO 9001 certifications were renewed by TÜV AUSTRIA for the IT&T Business Unit.

The interconnection between AIA's Airport Operational Database platform (AODB) and Aegean Airlines' Aircraft Communications Addressing and Reporting System (ACARS) was successfully completed. Also, the Airport Company successfully interfaced its Sort Allocation Computer System with Aegean Airline's host computers, thus allowing the provision of information on the Arrival Belt Allocation to the airline's passengers.

The second "Digital Gate" innovation challenge, an initiative of the Airport Company in cooperation with the Athens University of Economics and Business and the scientific support of the Laboratory of Electronic Commerce and Business, has been successfully completed and the four awarded teams were publicly announced in the awards ceremony in February 2018.

The Airport Company successfully launched a new innovative service based on emotional humanoid robot techniques. AIA's robot, named "Pepper", improves passenger experience by welcoming visitors and passengers at AIA and providing information on flights and weather at destination.

The Airport Company also launched a "WeChat" application, (developed by a third-party provider) addressed to Chinese visitors, bolstering its decision to become one of the first "China-ready" airports in Europe. "WeChat" is the most widespread Chinese application with over 1 billion active users per month, offering messaging, social media and mobile payment functions.

Finally, a new mobile application for AIA's corporate website, www.aia.gr was built, improving end-user experience.

2.6 Major Corporate Projects and developments

Extension of ADA Concession Period

Further to the communication and exchange of information among the competent parties foreseen by the Concession Extension Agreement that had been signed on 30 September, 2017 (extending the Airport Company's concession period by 20 years, i.e. until 11 June 2046), the Airport Company submitted its final offer to HRADF, which was accepted by HRADF's Board of Directors on 14 September, 2018, while the offer and the correspondingly revised Concession Extension Agreement (the "Agreement") were approved by the General Meeting of Shareholders of the Airport Company on 27 September, 2018. The final offer entailed payment of a Consideration amount of €1,115,000,000 to HRADF, adjusted by adding an amount equal to 10.30% per annum, calculated pro rata on a daily basis, in case payment occurs after 31 December, 2018.

Furthermore, on 28 September, 2018, pursuant to the provisions of the Agreement, the Airport Company provided to HRADF the confirmation with regards to the commitment of the financial institutions for the financing of the Consideration of the Extension.

On 2 October, 2018, the Agreement was pertinently submitted to the Court of Auditors, which approved that the execution of the Agreement between the Contracting Parties, namely the Greek State, HRADF and the Airport Company, is not impeded.

Following the decision of the Court of Auditors and upon relevant actions of the pertinent services of the Ministry of Finance, the Agreement was submitted to DG Comp, which on 12 December, 2018 granted the respective approval resolving that this Agreement does not entail State Aid. At the same time, with its letter dated 11 December 2018, DG Grow confirmed that the conclusion of the Agreement is in compliance with the EU Law about Public Procurement.

The Airport Company, based on the content of the Agreement, signed on 18 December, 2018 with a consortium comprising the National Bank of Greece and Piraeus Bank, the required loan agreements for the issuance of a Second Lien Bond Loan amounting up to €665,600,000. Concurrently, in accordance with the Agreement, the European Investment Bank, upon the signing of the relevant amendments to the Master Facility Agreement, granted all necessary approvals in relation to the Agreement on 18 December, 2018.

The ADA Concession Extension Agreement was ratified by the Hellenic Parliament on 14 February, 2019 and the effectiveness of the Concession Extension took place upon the relevant publication in the Government Gazette, i.e. law 4594/2019 on 19 February, 2019. The amount paid to HRADF as Consideration on 22 February, 2019 reached €1,131,676,123 (plus the applicable VAT) was comprised of the initial Consideration of €1,115,000,000 and the amount of €16,676,123 representing the adjustment for the period from 1 January, 2019 to 22 February, 2019.

Second Lien Bond Loan

In order to pay the Consideration for the concession extension to HRADF, the Airport Company has entered into a Second Lien Bond Loan Agreement for an amount up to € 665,600,000 with the National Bank of Greece and Piraeus Bank as subscribers (namely the 2L Bond Loan). The 2L Bond Loan documentation was signed on 18 December, 2018, and the disbursement of the loan took place on 22 February, 2019, three business days after the effectiveness of the ADA Extension Agreement, i.e. within the time limit prescribed therein.

The 2L Bond Loan was achieved in a very short period with the efforts of the Airport Company supported by expert financial and legal advisors. The selection of the Greek banks' consortium was the result of a competitive process, which tapped the interest of the Greek and international markets to finance the Airport Company for this transaction and ensured best possible commercial terms and flexibility for the Airport Company.

The 2L Bond Loan finally amounted to € 642,476,578 disbursed once off, with a 15-year tenor and semi-annual payments. The 2L Bond Loan is subordinated to the existing EIB loan, the latter to be fully repaid until June 2021.

Terminal Facilities Capacity

At the end of September 2018, passenger terminal facilities reached their capacity"trigger point" (i.e. 23.4 million passengers on a rolling twelve-month period which corresponds to 90% of the relevant capacity of 26 million annual passengers). Therefore, in accordance with the provisions of the ADA, the Airport Company, within 14 days after reaching the trigger point, requested IATA to perform a passenger demand forecast of the next two years and to determine whether, after allowing for any increase in the design capacity of any buildings or equipment due to technological, organisational or other improvements, the relevant 90% threshold would still have been reached, and whether passenger traffic will reach or exceed the relevant 95% threshold within the next two years.

Indeed, IATA's independent review confirmed that the capacity of the airport's passenger terminal facilities remains at 26 million annual passengers and therefore, the 90% threshold of the new capacity has been reached and furthermore, that the passenger traffic within the next two years will exceed the 95% threshold. Accordingly, the results of the IATA review were subsequently communicated to the Greek State.

Main infrastructure projects

The main infrastructure projects undertaken in 2018 are summarized below:

- BHS-22: The project refers to a complete reconfiguration of the Baggage Handling System (BHS) in order to comply with the EU Standard 3 requirements (EU Regulation 1087/2011 refers) as well as to increase BHS capacity. This multiyear project is scheduled to be completed in 2022.

- The scope involves:

  - Replacement of the existing Hold Baggage Screening Standard 2 equipment (x-rays) with Standard 3 equipment (tomographs) and necessary works in the two baggage halls including replacement of both sortation systems, as well as connection with the new check-in counters related to the Main Terminal South Wing Expansion;

  - Additional make-up carousels and one reclaim belt;

  - Development of a Transfer Baggage Facility replacing early baggage storage systems.

Full implementation of the project will be carried out in phases and the works at the two baggage halls will not coincide. The design and all major procurement processes have been completed and works have commenced.

- The Main Terminal South Wing Expansion project. Design studies and the tender procedure were successfully carried out in the third quarter of 2018 allowing the initiation of the construction works in the quarter that followed. The project is expected to be operationally completed towards the end of the first half of 2019, while the new commercial areas are anticipated to be fully completed in the first quarter of 2020.

- The operational and commercial enhancement of the Satellite Terminal was completed in the second quarter of the year, thus increasing the capacity of the facility and expanding its commercial areas.

- The upgrade of the Main Terminal's public WC facilities was completed in the third quarter, and has significantly upgraded the level of service offered.

- The Main Terminal's new Non-Schengen bus-gates were constructed and delivered in operation in the third quarter, and greatly assisted in dealing with the increased passenger numbers.

Protection of Personal Data

The Airport Company has established a Personal Data Protection Management System, prior to the enforcement date of the General Data Protection Regulation (GDPR) on May 25th 2018. The system comprises corporate policies, manual and procedures, with assigned accountabilities for management and employees. Appropriate technical and organizational controls have been implemented or enhanced, ensuring personal data availability, integrity and confidentiality. Risk assessments and impact analyses for major processing activities have been carried out, privacy notices to the public have been issued and data processing requirements have also been introduced in the Airport Company's tendering processes and contracts. The Airport Company's compliance status was ascertained through the performance of a Readiness Review Exercise in September-October 2018, by a team of external auditors. The conclusion of this exercise presented the compliance maturity, that is continuously supplemented by respective action plans.

3. Corporate Responsibility and Sustainability

In 2018, the Airport Company took a major step forward with regards to Sustainability governance by merging its Annual and Corporate Responsibility Reports into a single document (the Annual & Sustainability Report), denoting in this way the embedding of sustainability into the core business. The Annual & Sustainability Report 2017 was the outcome of a fully revised corporate reporting process.

Sustainability, as a balanced multi-faceted approach that takes account of the social, environmental and economic aspects of business with a long-term perspective, is embedded in the Airport Company's strategy in an integrated manner across key characteristics of our business: Operational, Environmental, Corporate Citizenship, Employer's Responsibility and Governance. The Airport Company applies a corporate Sustainability Policy which is regularly revised in order to reflect the emerging sustainability trends and global standards.

The Airport Company engages in independent Sustainability Assurance for the verification of disclosures' accuracy, completeness and abidance to applicable standards. The Sustainability Reporting abides by the Global Reporting Initiative (GRI) Standards and is in line with the company's sustained commitment to the United Nations Global Compact, the acknowledgement of the United Nations' Sustainability Development Goals (SDGs) and the Agenda 2030, contributing to the global sustainability effort.

In 2018, AIA joined the ACI-Europe Task Force for the development of a Sustainability Strategy for European airports. The outcome of the task force is expected to be presented at the 29th Annual ACI Europe Congress at Limassol in June 2019.

3.1 Operational Responsibility

Operational responsibility is the cornerstone of the Airport Company's commitments. The Company ensures safe, secure, efficient and value-adding services for the benefit of a well-coordinated airport community and for delivering an exceptional experience to the travelling public.

Aviation Safety is the top material issue for the Airport Company, as it is validated in the company's annual Materiality Analysis. During 2018, nine aviation safety audits were conducted to third parties operating at the airport, in line with the provisions of EASA Aerodrome Rules for aviation safety practices.

In relation to the health & safety of the travelling public, all public and technical areas are regularly inspected, in order to ensure that airport facilities personnel comply with legal provisions and the Airport Company's corporate rules and procedures. In 2018, 21 health & safety audits were conducted towards third party members of the airport community.

Operational readiness and availability performance of critical systems was maintained at exceptional levels. At the same time, the 2018 Passenger Survey results revealed a significantly high appreciation of AIA's performance as evaluated by our passengers (4.26 on a 5-point scale). Furthermore, AIA's dedication to passenger service excellence led to an exceptional accomplishment bringing AIA at the top position of European airports for the second consecutive year[5].

Passenger satisfaction is also at the focus of every employee of the Airport Company, as more than 1,100 "virtual passenger" walkthroughs were conducted in 2018 as part of the innovative "i-mind" programme, a number that corresponds to over 81,000 inspections. Committed to providing quality services, the company handled more than 3,500 comments received from nearly 2,000 passengers and responded in an average time of 8 days.

Airport Company's care for respect of human rights in operations was acknowledged in 2018. The joint initiative by the Hellenic Police and the Airport Company to create awareness on Human Trafficking, received the Corporate Affairs Excellence Award in the respective category for Stakeholder Collaboration.

Finally, it is also worth noting that in 2018, 8.85% more passengers with disability and/or reduced mobility (PRM) made use of assistance services compared to 2017.

5 ACI ASQ Survey 2018: "Best Airport by Size and Region: 15-25 million passengers annually, Europe" with a satisfaction score of 4.13 on a 5-point scale

3.2 Environmental Responsibility

In 2018, the Airport Company held strong to its commitment to sustainably operate and develop the Airport with a focus on environmental protection.

In accordance with industry best practices, a Climate Change Adaptation study for the airport was initiated and expected to be completed by the end of 2019. By heavily investing in energy-efficient technology over the past decade, AIA has managed to reduce its carbon footprint by almost 50%. The Airport Company's environmental profile is further bolstered by the production of clean electricity by its 8.05 MWp Photovoltaic (PV) Park, avoiding the emissions of more than 12,000 tonnes of CO_2 per year.

Application of the "Polluter Pays" principle to waste management at AIA continues to produce remarkable results. The Recycling Rate exceeded 80% for Solid Non-Hazardous Waste (32,608 tonnes of the total 39,221 tonnes). In addition, 368 tonnes of Hazardous Waste and 261 kg of Medical/Clinical Waste were collected and transferred to licensed facilities. Finally, airport employees recycled 6.1 tonnes of hazardous and non-hazardous waste at AIA's dedicated Recycling Centre.

The Airport Company replaced the analysers in its Air Quality Monitoring Network with newer equipment capable of measuring additional parameters. Furthermore, the recertification audit of AIA's Environmental Management System (EMS) was successfully completed in accordance with the latest version (2015) of the ISO 14001 standard. The current certification is valid until 09/01/2022.

3.3 Employer's Responsibility

The people of the Airport Company are the most valuable resource and the key to the Company's business success. At the end of 2018, the number of full-time equivalent staff employed at year-end was 740 employees, compared to 714 employees at the end of 2017. A significant number of employees are highly educated, while 31% of the Airport Company's personnel reside in the local communities, reflecting our close relationship with the Mesogheia community.

In October 2018, a Collective Labour Agreement (CLA) was signed, as each year since 2000, between the Airport Company's Management and the Employees' Union under mutual consensus of the two parties, thus preserving constructive and peaceful labor relations.

During 2018, the Airport Company put forward an integrated programme for the wellbeing of its employees. As part of the programme, a variety of initiatives were carried out throughout the year for the employees and their families, with the aim to support work and life balance and to further inspire corporate loyalty. Activities organised by the Airport Company's Human Resources Department included family days with outdoor activities, guided tours to cultural venues, employee fitness programmes, etc. Employees' participation to at least one activity of the above programme reached 43%.

In order to facilitate internal communication, a new corporate Intranet site was launched in 2018, with a fresh look & feel, new applications and enhanced presentation of content.

The Training & Development Plan for 2018 resulted in the delivery of a total of 28,665 training hours, equivalent to 38.71 training hours per full time employee (FTE) and with a learning coverage of 99.19% for employees attending at least one training session during the year. Training programmes aimed at the development of competence and skills, in line with compliance requirements, business challenges and industry trends while promoting employee professional advancement. Indicatively, 2,500 training hours were completed during the annual EASA Compliance Recurrent Training, while 6,633 training hours were completed on-line via e-learning courses. Also, in 2018 AIA further developed its systems to support training activities for our employees as well as for the Airport Community employees, through a unified Learning Management System (LMS).

3.4 Corporate Citizenship

The Airport Company, in cooperation with Benaki Museum organised a number of thematic exhibitions & events, such as the exhibitions titled "When Pictures Paint a Thousand Words", "Images of Athens" and "Greek Seas-A photographic journey in time". For the fifth year in a row, the "Fly me to the Moon" cultural programme offered passengers and visitors a special cultural & entertainment experience at the airport by hosting, among others, the National Theatre of Greece and the National Opera. An important social initiative was the "Boarding Pass in Autism – Air Travel Flow simulation for children with Autism Spectrum Disorder (ASD)", run by the Onassis Foundation in collaboration with AIA, under the auspices of the National and Kapodistrian University of Athens and the support of Aegean Airlines. In the period 2001-2018, more than 80 exhibitions and cultural activities hosted at the airport's premises highlight its unique identity as a venue of constant cultural interaction and promotion of Greek Civilization to millions of passengers and visitors every year.

Undoubtedly, AIA is a significant driver of economic development in the local region, a role which is complemented by targeted investments in social, educational, cultural, athletic, environmental and other causes, over and above any legal obligations, all confirming the Airport Company's identity as a good corporate neighbour. The Company's relations with local communities remained strong in 2018 following the implementation of its annual Community Engagement Plan.

Some of the more important initiatives undertaken in this respect in 2018, include financial rewards to local schools for their participation in AIA's Recycling Programme as well as to top students from local high schools that were admitted to Greek Universities, the continuation of the awareness programme on AIA's environmental protection measures in the Mesogaia area, and financial assistance provided to local cultural and athletic associations, communal supermarkets and families in need.

Furthermore, the Airport Company continued to fund the programme for the conservation and promotion of the Vravrona Wetland in collaboration with the Hellenic Ornithological Society and provided financial support to the Archaeological Museum of Vravrona. Also, the Airport Company provided support to the Municipality of Rafina-Pikermi to help restore normal operations following the devastating fire of July 23rd.

Finally, nine of the original ten airside Follow-Me vehicles were donated to the Hellenic Air Force in March, to cover needs at air force bases.

3.5 Socio-Economic Impact

Following 5 years of traffic and business growth of our airport, during a period of macroeconomic stagnation, it was deemed necessary to reassess the overall economic and social value of AIA. Therefore, in 2018, the Airport Company assigned to the Foundation for Economic and Industrial Research (IOBE) to undertake an Economic Impact Study for its performance. The objectives of this study were to identify and measure the impact from the operation of AIA to the Greek economy and to the Mesogheia region and its contribution to economic activity and employment, and to highlight the importance of AIA for the development of the Greek tourism industry. The methodology used, measured the total economic impact of AIA as the sum of three separate but interrelated categories: direct, indirect and induced impacts, as well as the broader effects from travel expenditure, etc.

The results of the study clearly demonstrate that AIA is a major contributor to the socioeconomic output of the country in terms of economic value creation (annual added value at national level: €7.9 billion or 4.4% of the Greek GDP) and in terms of job creation (operation of the airport yields 181,000 jobs at national level). Also, the study showed that 3,700 people residing in the area of Mesogheia are employed at the airport, whereas (considering also the indirect and induced effects) the impact on employment in the Mesogheia area is estimated at about 11,600 jobs.

4. Financial Statements' Highlights

The Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the Accounting Policies approved by the Board of Directors of the Airport Company. Operating revenues of the Airport Company reached the amount of €478.7 million, higher by 10.4% (or €45.2 million) compared to the previous financial year, mainly attributed to the improved performance of traffic dependent revenue segments.

In total, Airport Company's participation in the Airport Development Fund (ADF) reached the amount of €88.7 million, higher by €8.9 million or 11.1% in comparison to the prior financial year, in line with traffic growth. Part of the ADF receipts covered interest expenses of €16.8 million (2017: €21.4 million), while the remaining €71.9 million (2017: €58.5 million) covered part of the instalments of the loan received for the construction of the Airport.

In 2018, operating expenses increased by €4.2 million or 2.81% mainly due to additional cost requirements following continuing traffic growth, and the once-off advisory, legal and other expenses related to the concession extension.

Overall earnings before interest, tax, depreciation & amortisation (EBITDA) in 2018 were increased by €41.0 million or 14.41% compared to the previous year and reached €325.5 million.

Depreciation charge was €77.5 million in 2018, slightly higher by €0.9 million to the corresponding charge in 2017 of €76.6 million, due to additional investments in capital expenditure within the year.

Net financial expenses stood at €25.2 million presenting a decrease of €4.3 million or 14.6% versus 2017, mainly due to the gradual reduction of the outstanding balance of the Airport Company's debt.

Profit before Tax reached €239.7 million. After accounting for the aggregate charge for income tax of €68.6 million, the statutory and other reserves of €8.6 million and the prior year's retained earnings of €218.4 million, there remains a distributable profit of €380.9 million. Given the short-term financial obligations for the Airport Company arising from the ADA Extension Agreement, no dividend distribution to the shareholders is proposed by the Board.

The Statement of Financial Position of 31 December 2018 reflects total Assets of €1.36 billion. The value of the Airport Company's Non-Current Assets (€0.59 billion) represents 43.6% of the Total Assets, indicating that the Airport Company still remains a capital-intensive company.

The Airport Company continued to present a healthy financial performance, with consistently strong key performance indicators. More specifically, Net Turnover & ADF per passenger stands at €20.5 (2017: €20.9), while Operating Costs per Passengers remain at low levels, namely €6.3 per passenger (2017: €6.9 per passenger). Moreover, the Airport Company uses a method of measuring, AVA (Added Value on Assets), to calculate the value created from operating revenues and expenses, also taking into account assets and cost of capital, since airports are largely capital-intensive business entities. In 2018 increased value was generated, since AVA

(Net Operating Profit After Tax minus Cost of Capital x Net Assets) was €150.7 million (2017: €119.6 million).

All Fixed Assets are recorded in the Fixed Assets Register and are free of any encumbrances apart from the conditional assignment of the Usufruct extended since 1996 in favour of the Airport Company's lender, European Investment Bank (EIB). Fixed Assets were depreciated at rates reflecting their estimated useful lives and the legal limits on their use as provided by the ADA. The value of the Usufruct of the Land that was assigned by the Greek State for the development and operation of the Airport, the present value of the fixed component Grant of Rights Fee and the value of the Intangible Assets are equally depreciated over the operation of the 25-year concession period. Investment in Associates consists of €3.25 million and represents the carrying amount of Airport Company's participation in the equity of Athens airport Fuel Pipeline Company S.A.

The Airport Company's Closing Cash position for 2018 is €656.5 million. The Company is exposed to financial risks such as cash flow and fair value interest rate risk, price, credit and liquidity and to concentration risks. The Company invests its cash and cash equivalents in short-term deposits and highly liquid financial assets minimising its exposure to interest rates volatility. As regards the borrowings, these are either with fixed interest rates or, in the case of floating interest rates are hedged, eliminating any potential adverse impact on company's financial performance from the fluctuation of interest rates.

In particular, the weighted average fixed interest rate of EIB Loan is 6.12%, whereas the current outstanding balance amounts to € 217.4 million out of the initial withdrawn amount of € 997.0 million. The repayment of the EIB Loan is effected through semi-annually installments which started in June 2004 and will be completed in June 2021. In addition, the Company has entered into a Second Lien Bond Loan Agreement for an amount up to € 665.6 million with National Bank of Greece and Piraeus Bank for the partial financing of the Concession Extension Consideration. The Second Lien Bond Loan was disbursed once off, with 15-years tenor, semi-annual payment and will bear floating interest rate comprised of the six-month Euribor plus an applicable margin, currently at 3.10%. The Airport Company will enter into an interest rate hedging agreement for the full amount of the Bond Loan and for a period of two years to eliminate its exposure to interest rates volatility.

In order to cover the credit risk, the Airport Company obtains adequate securities from customers, as per the applied Credit Policy. The liquidity risk is managed through efficient cash management involving cash forecasting and investments strategy that ensures the sufficient level of available cash to meet operational needs, to cover the debt service obligations and to finance investments, complying with the debt covenants in terms of creditability and maturity of investments. The nature of the risks, as well as the scope and the company policies for managing financial risks, are presented in Section 3 of the Notes to the Financial Statements. Other risks and uncertainties related to tax disputes with the Greek State and disputes on municipal charges with two of the surrounding municipalities are analytically referred to in note 5.28 of the Notes to the Financial Statements.

Regarding events that occurred after the financial position date a reference is made in note 5.30 of the Financial Statements.

5. 2019 Outlook

Following the effectiveness of the concession extension in February 2019, it can certainly be stated that the Airport Company has entered a new era. Firstly, instead of preparing for the closing of the concession period, the Airport Company has now the opportunity to plan anew for a long-term horizon. Indeed, the extended concession period will serve as the fertile ground for developmental strategies in most aspects of the airport business. Furthermore, the prolonged period is better aligned with the useful life of critical infrastructure components, enabling a more rational utilization. Finally, the acknowledged expertise of the Airport Company can also be capitalised by a more dynamic development of external business activities.

At the same time, the years ahead are obviously not without challenges. In the short-term, the Airport Company, after having paid €1.13 billion (net of VAT) for the Concession Extension Consideration and having incurred for this purpose a new loan of €642 million, will enter a period with a need for an extra diligent cash flow monitoring and cost control. This situation will be intensified upon the expected incurrence of additional financing for the funding of the construction of airport expansion works. Indeed, after the achievement of the terminal capacity thresholds, the Airport Company is proceeding with the necessary planning activities for the required expansion, and -following the approvals foreseen in the ADA- will embark on major construction works for the expansion of the terminal and other necessary capacity enhancement investments.

In 2019, the Airport Company will make in its accounting and reporting the adjustments that are necessary following the prolonged concession period and the financial impact of the concession extension transaction. Furthermore, the Airport Company plans to adjust its pricing policy in alignment with the extended concession period and will closely monitor in the mid-term the impact of the new and future investments vis-à-vis its regulatory allowance. The Airport Company aims to improve its competitive position, following any price adjustment in combination with airlines' incentives, to remain a cost-efficient operator, to serve its debt obligations and to ensure long-term shareholder value and returns.

Thus, after a very lengthy and extremely laborious process for the conclusion of the concession extension, we are looking forward to the years ahead of us. Years with opportunities for more developments and healthy growth, but also years with need for close cost monitoring, with challenging expansion works, within a more complex and demanding European regulatory environment especially in the aviation sector, and within an increasingly competitive environment. We have achieved to be a successful airport company in the past, and we are confident that in the years of excitement to come we will rise to the new challenges and continue to deliver quality and value for our shareholders, our employees, the Greek economy and the society at large.

Spata, 26 March 2019

On behalf of the Board of Directors of Athens International Airport S.A.

Dr. Dimitrios Dimitriou

Chairman of the Board of Directors

ANNEX II

Financial Statements

As at 31 December 2018
In accordance with the International Financial Reporting Standards as endorsed by European Union

Société Anonymes Registration Number: 35925/04/B/96/60
General Commercial (G.E.MI) Registration Number: 2229601000

The attached Financial Statements are those that were approved by the Board of Directors of ATHENS INTERNATIONAL AIRPORT S.A. on 26 March 2019.

The Financial Statements and the Notes to the Financial Statements, as presented on pages 1 to 53, have been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, and have been signed, on behalf of the Board of Directors by:

Dr. Dimitrios Dimitriou
Chairman of the Board of Directors

Holger Linkweiler
Vice Chairman of the Board of Directors

Dr. Ioannis Paraschis
Chief Executive Officer

Panagiotis Michalarogiannis
Chief Financial Officer

Alexandros Gatsonis
Accounting and Tax Manager

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Income Statement For The Year Ended 31 December 2018

	Note	2018	2017
Revenues from contracts with customers	5.1	387,082,810	352,814,218
Rentals & other revenues	5.1	91,632,167	80,711,560
Total operating revenues		**478,714,977**	**433,525,778**
Operating expenses			
Personnel expenses		45,417,002	41,706,298
Outsourcing expenses		55,009,843	53,459,052
Public relations & marketing expenses		5,271,097	4,244,760
Utility expenses		9,219,180	8,785,755
Insurance premiums		1,680,056	1,677,099
Net provisions and impairment losses		(2,630)	6,636,894
Grant of rights fee - variable fee component		18,932,976	15,987,884
Other operating expenses		17,677,557	16,519,790
Total operating expenses		**153,205,081**	**149,017,533**
EBITDA		**325,509,896**	**284,508,245**
Depreciation & amortisation charges	5.2	77,472,948	76,559,706
Operating profit		**248,036,948**	**207,948,540**
Financial income	5.3	(14,987)	(116,439)
Financial costs	5.3	25,194,823	29,595,004
Net financial expenses	5.3	25,179,836	29,478,565
Subsidies received for borrowing costs	5.4	(16,825,778)	(21,359,734)
Profit before tax		**239,682,891**	**199,829,709**
Income tax expense	5.5	(68,641,628)	(59,780,635)
Profit after tax		**171,041,262**	**140,049,074**
Basic earnings per share	**5.6**	**5.70**	**4.67**

The notes on pages 9 to 53 are an integral part of these financial statements.

Statement Of Comprehensive Income For The Year Ended 31 December 2018

	Note	2018	2017
Profit after tax		**171,041,262**	**140,049,074**
Other comprehensive income:			
Items that will not be classified to profit or loss			
Actuarial gains/(losses)	5.20	1,143,246	(262,672)
Deferred tax on actuarial gains/(losses)		(331,541)	76,175
Deferred tax due to change in tax rates		0	0
Items that may be subsequently reclassified to profit or loss			
Change in the fair value of equity investments		(231,000)	231,000
Deferred tax on the change in the fair value of equity investments		66,990	(66,990)
Total comprehensive income for the year after tax		**171,688,957**	**140,026,586**

The notes on pages 9 to 53 are an integral part of these financial statements.

Statement Of Financial Position For The Year Ended 31 December 2018

ASSETS	Note	2018	2017
Non-current assets			
Property plant & equipment-owned assets	5.7	23,036,242	24,308,333
Intangible assets	5.8	545,703,951	609,737,703
Non-current financial assets	5.9	10,159,718	11,088,000
Construction works in progress	5.12	10,832,889	2,470,539
Other non-current assets	5.10	3,495,246	3,481,460
Total non-current assets		**593,228,046**	**651,086,035**
Current assets			
Inventories	5.11	5,830,408	5,623,024
Trade receivables	5.13	29,712,427	35,396,805
Other receivables	5.14	74,194,994	87,825,141
Cash & cash equivalents	5.15	656,533,344	466,780,996
Total current assets		**766,271,173**	**595,625,966**
TOTAL ASSETS		**1,359,499,219**	**1,246,712,001**

EQUITY & LIABILITIES			
Equity			
Share capital	5.16	300,000,000	300,000,000
Statutory & other reserves	5.17	78,231,185	69,031,428
Retained earnings	5.18	380,932,442	218,443,242
Total equity		**759,163,627**	**587,474,670**
Non-current liabilities			
Bank loans	5.19	134,348,764	217,431,038
Employee retirement benefits	5.20	10,015,756	10,761,931
Provisions	5.21	20,926,128	19,764,431
Deferred tax liabilities	5.22	89,596,945	114,164,377
Other non-current liabilities	5.23	81,252,050	91,221,691
Total non-current liabilities		**336,139,643**	**453,343,468**
Current liabilities			
Bank loans	5.19	83,650,848	78,974,546
Trade & other payables			
Income tax payable	5.22	86,646,569	46,896,777
Other current liabilities	5.25	25,610,865	19,852,438
Total current liabilities		**264,195,949**	**205,893,863**
Total liabilities		**600,335,592**	**659,237,331**
TOTAL EQUITY & LIABILITIES		**1,359,499,219**	**1,246,712,001**

The notes on pages 9 to 53 are an integral part of these financial statements.

Statement Of Changes In Equity For The Year Ended 31 December 2018

	Share Capital	Statutory & Other Reserves	Retained Earnings	Total Equity
Balance as at 31 December 2016	**300,000,000**	**62,058,994**	**125,889,090**	**487,948,084**
Comprehensive income				
Net profit for the year 2017	0	0	140,049,074	140,049,073
Other comprehensive income	0	(22,487)	0	(22,487)
Total comprehensive income	**0**	**(22,487)**	**140,049,074**	**140,026,586**
Transactions with owners				
Dividends distributed to the shareholders	0	0	(40,500,000)	(40,500,000)
Total transactions with owners	0	0	(40,500,000)	(40,500,000)
Transfer to statutory reserves	0	6,994,921	(6,994,922)	0
Balance as at 31 December 2017	**300,000,000**	**69,031,428**	**218,443,242**	**587,474,670**
Comprehensive income				
Net profit for the year 2018	0	0	171,041,262	171,041,262
Other comprehensive income	0	647,694	0	647,694
Total comprehensive income	**0**	**647,694**	**171,041,262**	**171,688,956**
Transactions with owners				
Dividends distributed to shareholders	0	0	0	0
Total transactions with owners	0	0	0	0
Transfer to statutory and other reserves	0	8,552,063	(8,552,062)	1
Balance as at 31 December 2018	**300,000,000**	**78,231,185**	**380,932,442**	**759,163,627**

The notes on pages 9 to 53 are an integral part of these financial statements.

Statement Of Cash Flows For The Year Ended 31 December 2018

	Note	2018	2017
Operating activities			
Profit for the year before tax		**239,682,891**	**199,829,709**
Adjustments for:			
Depreciation & amortisation expenses	5.2	77,472,948	76,559,706
Provision for impairment of trade receivables	5.13	(2,630)	(96,804)
Net financial expenses	5.3	25,179,836	29,478,565
(Gain)/loss on PPE disposals		(6,400)	(1,899)
Increase/(decrease) in retirement benefits		397,070	350,632
Increase/(decrease) in provisions		1,077,597	1,544,755
Increase/(decrease) in other assets/liabilities		(14,248,260)	(14,905,679)
Increase/(decrease) in working capital		68,438,181	(15,877,753)
Cash generated from operations		**397,991,232**	**276,881,232**
Income tax paid		(89,432,127)	(16,969,009)
Interest paid	5.3	(20,301,702)	(24,261,939)
Net cash flow from operating activities		**288,257,404**	**235,650,284**
Investment activities			
Acquisition of intangible assets - PPE		(20,523,054)	(18,545,431)
Interest received	5.3	2,905	122,480
Investments to financial assets		0	77,649,512
Dividends received from associate		216,260	216,260
Net cash flow from investment activities		**(20,303,889)**	**59,442,821**
Financial activities			
Dividends paid	5.18	0	(40,500,000)
Repayment of bank loans	5.19	(78,201,166)	(73,639,592)
Net cash flow from financial activities		**(78,201,166)**	**(114,139,592)**
Net increase/(decrease) in cash & cash equivalents		**189,752,348**	**180,953,513**
Cash & cash equivalents at the beginning of the year		**466,780,996**	**285,827,483**
Cash & cash equivalents at the end of the year		**656,533,344**	**466,780,996**

The notes on pages 9 to 53 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 Incorporation & activities of the Company

Athens International Airport S.A. (“the Company” or “AIA”) is active in the financing, construction and operation of civil airports and related activities. As a civil airport operator, the Company manages the AIA at Spata, Greece. The Company is a Société Anonyme incorporated and domiciled in Greece. The address of its registered office is Spata, Attica 19019, with General Commercial Registry Number 2229601000.

The Company was established on 31 July 1995 by the Greek State & Private Investors for the purpose of the finance, construction, operation and development of the new international airport at Spata Attica. In exchange for the finance, construction, operation and development of the airport the Greek State granted the Company a 30-year’s concession commencing on 11 June 1996. The Company commenced its commercial operations in March 2001 following a construction period of approximately 5 years initiated in September 1996. At the end of the concession arrangement (11 June 2026), subject to the stipulations of Article 33 of the Airport Development Agreement (“ADA”) and without prejudice to all rights and obligations then having accrued to the Greek State and/or the Company, the airport together with all usufruct additions will revert to the Greek State, which will enjoy all rights of ownership over these without payment of any kind and clear of any security, unless the concession arrangement is renewed as provided by the Article 4.2 of the ADA. Pursuant to the Article 4.2 of the ADA the Hellenic Republic Assets Development Fund (the HRADF) sent a letter to AIA on 7 December 2015 requesting the initiation of the negotiations in view of the possible extension of the concession period for another 20 years.

Further to the communication and exchange of information among the competent parties foreseen by the Concession Extension Agreement that had been signed on 30 September, 2017 (extending the Airport Company’s concession period by 20 years, i.e. until 11 June 2046), the ADA Concession Extension Agreement was ratified by the Hellenic Parliament on 14 February 2019 and the effectiveness of the Concession Extension took place upon the relevant publication in the Government Gazette on 19 February 2019, i.e. law 4594/2019.

The Concession Extension Agreement entailed payment of a Consideration amounting to €1,115,000,000 to HRADF, adjusted by adding an amount equal to 10.30% per annum, calculated pro rata on a daily basis, in case payment occurs after 31 December 2018.

The Airport Company, based on the content of the Agreement and in order to pay the Consideration for the concession extension to HRADF, has entered into a Second Lien Bond Loan Agreement for an amount up to €665,600,000 with the National Bank of Greece and Piraeus Bank as subscribers (for more details refer to notes 5.19 & 5.30).

The Company’s return from air activities is capped at 15.0% on the capital allocated to air activities. In the event that the Company’s actual compounded cumulative return exceeds 15.0%, in 3 out of any 4 consecutive financial periods, the Company is obliged to pay any excess return to the Greek State, condition which never till 31 December 2018 took place.

The terms and conditions of the concession for AIA are stipulated in the ADA. The ADA and the Company’s Articles of Association were ratified and enacted under Law 2338 dated 14 September 1995.

The number of full-time equivalent staff employed at year-end was 740 employees, compared to 714 employees at the end of year 2017.

The financial statements have been approved by the Board of Directors on 26 March 2019 and are subject to the approval of the Annual General Meeting of the shareholders.

2 Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have consistently been applied to all the years presented.

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union, IFRIC Interpretations and the Law 4308/2013 as applicable to companies reporting under IFRS and present the financial position, results of operations and cash flows of the Company on a going concern basis. Management has concluded that the going concern basis of preparation of the accounts is appropriate.

The Company's financial statements have been prepared under the historical cost convention, with the exception of financial assets that are measured at fair value.

2.1.1 Going concern

As a result of the funding activities undertaken and the increased focus on working capital, the Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current financing. Currently net interest expenses are covered by operating profits more than 9 times.

After making enquiries, management has reasonable expectations that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

2.1.2 Changes in accounting policies and disclosures

The accounting principles and calculations used in the preparation of the financial statements are consistent with those applied in the preparation of the financial statements for the year ended 31 December 2017 and have been consistently applied in all periods presented in this report except for the following IFRS's which have been adopted by the Company as of 1 January 2018.

The Company applied for the first time IFRS 15 "Revenue from contracts with customers" and IFRS 9 "Financial instruments", starting on 1 January 2018.

IFRS 9 Financial Instruments

IFRS 9 "Financial instruments" replaces IAS 39 "Financial instruments: Recognition and Measurement" for annual periods beginning on or after 1 January 2018. IFRS 9 introduces new requirements for the classification and measurement, impairment and hedge accounting of financial assets. The Company adopted the new standard on 1 January 2018 without restating comparative information. There was no effect from the implementation of the new standard.

Classification and measurement of financial assets and liabilities

IFRS 9 eliminates the previous categories of financial assets, as provided in IAS 39: held to maturity, loans and receivables and available for sale.

The classification is based on the following two criteria: (a) whether the objective of the business model for the management of a financial asset is to hold it only to collect contractual cash flows or to collect contractual cash flows and to sell and b) whether the contractual cash flows of the financial asset consist exclusively of payments of principal and interest on the principal amount outstanding ("SPPI" criterion).

As far as the trade and other receivables are concerned, the Company implements a business model with the objective to hold financial assets and receive contractual cash flows. As a result, the Company measures these receivables at amortized cost at the initial application of IFRS 9.

The new standard did not have an impact on the classification and measurement of the Company's financial liabilities.

Impairment

The adoption of IFRS 9 led to changes in the accounting treatment of impairment losses on financial assets, as it replaced the recognition of realized losses, as per IAS 39, with the recognition of expected credit losses. Trade and other receivables are classified under the new model of expected credit losses.

As far as trade receivables are concerned, the Company implemented the general approach of the standard and calculated the expected credit losses initially over 12 months and on significant deterioration of credit risk over lifetime of the receivables. The Company assessed the need for impairment allowance on these receivables, however, due to the fact that all users have covered them through letters of guarantee or cash deposits, the Company concluded that there are no expected credit losses and does not provide for these specific receivables separately in its financial statements.

There is no impact from the adoption of IFRS 9.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 replaces IAS 11 “Construction Contracts”, IAS 18 “Revenue” and all the interpretations that are relevant to revenue from contracts with customers, unless such contracts fall within the scope of other standards. The core principle of the new standard is that an entity will recognize revenue at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer.

IFRS 15 provides a single, five-step model to be applied to all contracts with customers on the revenue determination and recognition. The standard is also applied for the recognition and measurement of gains and losses on sales of non-financial assets, which are not included in the normal course of business of the Company (e.g. sales of fixed or intangible assets).

It requires entities to allocate transaction price from contracts to individual discrete promises, i.e. performance obligations, based on standalone selling prices, according to the five-step model. Revenue is then recognized when the entity satisfies the performance obligations, i.e. when it transfers the promised goods or services, as defined in the contract with the customer.

With respect to the initial application of the standard, the Company opted for applying it retrospectively only on contracts that are not completed as at the date of first application (1 January 2018), with the cumulative effect of the initial application being recognized on the date of the initial application. Therefore, any cumulative effect of the initial application of the new standard would be recognized as an adjustment to the opening balance of the retained earnings (or any other equity component, if applicable) on 1 January 2018 (hence no restatement of comparative information is needed).

Management assessed the impact of the application of the standard on the Company’s financial statements, operating results and financial position. On the basis of this assessment, the Company concluded that the new revenue standard had no effect since there were no significant differences compared to its current accounting policy on revenue recognition, thus no adjustment was made to its retained earnings.

Although the new standard does not introduce material differences in the Company’s current accounting policies, the respective accounting policy has been formed as set out in note 2.17 of the financial statements.

IFRS 15: Revenue from Contracts with Customers (Clarifications)

The objective of the Clarifications is to clarify the IASB’s intentions when developing the requirements in IFRS 15 Revenue from Contracts with Customers, particularly the accounting of identifying performance obligations amending the wording of the “separately identifiable” principle, of principal versus agent considerations including the assessment of whether an entity is a principal or an agent as well as applications of control principle and of licensing providing additional guidance for accounting of intellectual property and royalties. The Clarifications also provide additional practical expedients for entities that either apply IFRS 15 fully retrospectively or that elect to apply the modified retrospective approach.

Management has made an assessment of the effect of the standard and considers that there is no significant impact on the Company's financial statements.

IFRIC Interpretation 22: Foreign Currency Transactions and Advance Consideration

The Interpretation clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The Interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or a non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. The Interpretation states that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. Management has made an assessment of the effect of the interpretation and considers that there is no significant impact on the Company's financial statements.

2.1.3 **Standards issued but not yet effective and not early adopted**

IFRS 16: Leases

The standard is effective for annual periods beginning on or after 1 January 2019. 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 will have a single accounting model for all leases, with certain exemptions. Lessor accounting is substantially unchanged. The standard will affect primarily the accounting for the Company's operating leases as a lessee. As at the reporting date, the Company has non-cancellable operating lease commitments of €567,346 (refer to note 5.27). Management has made an assessment and considers that there will be no significant impact on the Company's financial statements.

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.

IFRS 9: Prepayment features with negative compensation (Amendment)

The Amendment is effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted. 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. Management has made an assessment of the effect of the amendment and considers that there is no significant impact on the Company's financial statements.

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

The Amendments are effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted. 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 have not yet been endorsed by the EU. Management has made an assessment of the effect of the standard and considers that there will not be significant impact on the Company's financial statements.

IFRIC Interpretation 23: Uncertainty over Income Tax Treatments

The Interpretation is effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. 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. Management has made an assessment of the effect of the standard and considers that there is no significant impact on the Company's financial statements.

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

The Amendments are effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. 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 have not yet been endorsed by the EU. Management has made an assessment of the effect of the standard and considers that there is no significant impact on the Company's financial statements.

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. Management has made an assessment of the effect of the standard and considers that there is no significant impact on the Company's 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. These Amendments have not yet been endorsed by the EU. Management has made an assessment of the effect of the standard and considers that there is no significant impact on the Company's financial statements.

The IASB has issued the Annual Improvements to IFRSs 2015 – 2017 Cycle, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. These annual improvements have not yet been endorsed by the EU. Management has made an assessment of the effect of these amendments and considers that there is no significant impact on the Company's 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.

2.2 Foreign currency translation

2.2.1 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The Company's financial statements are presented in Euro (€), which is the Company's functional and presentation currency. Any slight discrepancies are due to rounding's of the relevant amounts.

2.2.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

2.3 Property, plant and equipment

Property, plant and equipment mainly comprise movable assets, such as vehicles and furniture & fixtures which do not form part of the service concession intangible asset.

The items included under the heading "Property, plant & equipment" in the accompanying statement of financial position are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost of the various categories of property, plant and equipment to their residual values over their estimated useful lives, as follows:

Mechanical Equipment	shorter of 10 years and remaining concession period
Vehicles	shorter of 6-10 years and remaining concession period
Fixtures & Equipment	shorter of 10 years and remaining concession period
Hardware	shorter of 5 years and remaining concession period

Land, buildings, installations, fencing, aircraft ground power system, runways, taxiways, aircraft bridges and aprons held under the Service Concession Arrangement constitutes the total infrastructure that has been recognised as an intangible asset (refer to accounting policy 2.4).

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial position date.
An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.
Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other (losses)/gains – net, in the income statement.

2.4 Intangible assets

2.4.1 Service concession arrangement

The Service Concession Arrangement refers to the ADA which governs the right that has been granted by the Greek State to the Company for the purpose of the finance, construction, operation and development of the AIA. The above right has a finite useful life of approximately 25 years which is equal to the duration of the concession arrangement following the completion of the construction phase.

The Service Concession Arrangement has been accounted under the intangible asset model since the Company, as operator, is paid by the users and the concession grantor has not provided any contractual guarantees with respect to the recoverability of the investment. The intangible asset corresponds to the right granted by the concession grantor to the Company to charge users of the airport services.

The Service Concession Arrangement consists of the fair value of acquiring the service concession which principally includes the cost of the usufruct and the costs incurred to construct the infrastructure (net of government grants received), as well as the present value of the fixed determined future obligations for the grant of rights fee payable to the Greek State as set out in the ADA.

Amortisation is calculated using the straight-line method to allocate the cost of the right over the duration of the Service Concession Arrangement which is approximately 25 years.

Any subsequent costs incurred in maintaining the serviceability of the infrastructure is expensed as incurred unless such cost relate to major upgrades or to the extension of the concession period which increase the income generating ability of the infrastructure. These costs are capitalised as part of the service concession intangible asset and are amortised on a straight-line basis over the remaining period of the Service Concession Arrangement.

2.4.2 Grant of rights fee, variable fee component

As set out in the ADA and in respect to the period after the twentieth anniversary of the Agreement Commencement Date and until the end of the Concession Period, the Company shall pay to the Greek

State per quarter the higher of: (a) a fixed amount of €3,750,000 and (b) 25.0% of 15.0% of the Consolidated Operating Profits for the Financial Year of the Company ending immediately prior to such Quarter.

Consolidated Operating Profit is specifically defined in the ADA as:

(a) the operating profit of the Company and its Subsidiaries (before interest, extraordinary and exceptional items, taxation calculated on profits or distributions and similar charges), all as determined on a consolidated basis and excluding amounts attributable to minority interests in Subsidiaries, in respect of a Financial Year as shown by the Audited Accounts in respect of that Financial Year,

(b) less interest paid during that Financial Year (other than any interest paid on or as a result of a prepayment or acceleration of all or part of the relevant indebtedness) in respect of indebtedness for borrowed money incurred in respect of the provision, acquisition, construction, maintenance, repair, renewal and operation of the assets allocated to Air Activities.

The accounting for the Service Concession Arrangement continues as determined in 2.4.1, with the exception that the variable element of the Grant of Rights Fee which is expensed to the income statement in the period in which it relates.

2.4.3 Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are depreciated over their estimated useful lives (5 years).

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Company, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Costs include the employee costs incurred as a result of developing software and an appropriate portion of relevant overheads.

Computer software development costs that recognised as assets are depreciated over their estimated useful lives (5 years).

2.5 Impairment of non-financial assets

Assets, such as the service concession intangible asset, that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value - the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants - less costs to sell and value in use - the present value of the future cash flows expected to be derived from an asset or cash-generating unit. If the recoverable amount is lower than the carrying amount, the difference is recognised as an impairment loss in the income statement and the carrying amount of the asset is reduced by the same amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.6 Financial assets

2.6.1. Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in note 2.17 “Revenue from contracts with customers”.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are ‘solely payments of principal and interest (SPPI)’ on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

2.6.2. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Derivatives are also categorised as ‘held for trading’ unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the end of the reporting period, otherwise they are classified as non-current. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. The Company elected to classify its listed equity investments under this category.

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met: a) the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and b) 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.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

2.6.3. Derecognition and impairment

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's consolidated statement of financial position) when:

The rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment

As far as trade receivables are concerned, the Company implemented the general approach of the standard. The Company assessed the need for impairment allowance on these receivables, however, due to the fact that all users have covered them through letters of guarantee or cash deposits, the Company concluded that there are no expected credit losses and does not provide for these specific receivables separately in its financial statements.

2.6.4. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Spare parts consumed within a year are carried as inventory and recognized in profit or loss when consumed.

2.8 Trade receivables

Trade receivables are unconditional amounts due – only the passage of time is required before payment - from customers for aeronautical and other services performed in the ordinary course of business (refer to note 2.6). If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

The Company has established a provision policy based on which all trade receivables are assessed on a case by case basis. The amount of the provision is recognised in the income statement and is included in "Net provisions and impairment losses".

2.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

2.10 Share capital

Ordinary shares are classified as equity. Incremental costs associated directly with the issue of new ordinary shares are shown in equity as a reduction, net of tax, from the proceeds.

2.11 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.12 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowing costs are capitalised if they are directly attributable to the acquisition or construction of a qualifying asset.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the financial position date.

2.13 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Company will comply with all attached conditions.

Government grants relating to borrowing and other related costs are recognised in the income statement to match them with the costs that they are intended to compensate (refer to note 5.4).

Government grants relating to non-current assets are off-set against the cost of the relevant non-current asset. The grant is recognised as income over the life of the respective depreciable non-current asset by way of a reduction in the depreciation/amortisation charge (refer to notes 5.7, 5.8).

2.14 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of Greek tax laws enacted or substantively enacted at the financial position date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the Company's financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit and loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.15 Employee benefits

2.15.1 Pension obligations

The Company has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that typically defines an amount of pension benefits that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

Defined benefit pension plan

The Company's obligations to pay employee retirement benefits under Law 2112/1920 are considered and accounted for as defined benefit plans.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the financial position date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in the income statement.

Defined contribution plan

For defined contribution plans, the Company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2.15.2 Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the financial position date are discounted to present value.

2.15.3 Bonus plans

The Company recognises a liability and an expense for bonuses based on achievement of predefined financial and operational targets. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.16 Provisions

Provisions are recognised when: The Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions include the obligations under the Service Concession Arrangement to maintain, keep in good operative condition, renew and replace to the extent reasonably necessary the serviceability of major infrastructure components, such as roads, runways, taxiways, aprons, air field lighting and baggage handling equipment etc. which require major overhauls at regular intervals during the concession period. These contractual obligations for maintaining or restoring the infrastructure are recognized and measured based on experts' studies on large scale asset management projects using the best possible estimate of the costs that would be required to meet the present obligation at the financial position date (in accordance with IAS 37), since the maintenance and restoration obligation arises as a result of the usage during the operating period. Provisions are not recognised for future operating losses.

For the restoration provision of the Company see note 5.21. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.17 Revenue from contracts with customers

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue from contracts with customers is recognised when control of the services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. Control over services rendered is transferred to the customer upon delivery of the respective service respectively. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Payment terms vary in line with the type of sales transactions and depend mainly on the products sold or services rendered, the distribution channels as well as each customer's specifics.

The Company assesses whether it acts as a principal or agent in each of its revenue arrangements. The Company has concluded that in all sales transactions it acts as a principal. Revenue is shown net of value-added tax, returns, rebates and discounts.

For sales of services, revenue is recognised in the accounting period in which the services are rendered, as the customer obtains control over the promised services, by reference to stage of completion of each specific performance obligation and assessed on the basis of the actual service provided as a proportion of the total services to be provided.

If the consideration in a contract includes a variable amount, the Company recognizes this amount as revenue only to the extent that it is highly probable that a significant reversal will not occur in the future.

The Company provides different developmental and targeted incentives offered to airlines, both for developing new markets, as well as for reinforcing existing ones. These incentives are assessed by the Company to determine whether they constitute a material right that the customer would not receive without entering into that contract.

Under the new requirements, the Company concluded that incentives constitute a variable cost, which is accrued within the financial year.

2.17.1. Sales of services

Revenue from the sale of services is derived from "air activities" and "non-air activities".

"Air Activities" mean the provision of facilities, services and equipment for the purpose of landing, parking and servicing of aircrafts; the handling of passengers, baggage, cargo or mail on airport premises; and the transfer of passengers, baggage, cargo or mail to and from aircrafts and trains.

"Non-Air Activities" mean the provision, operation, maintenance, repair, renewal staffing and supervision of the following services, facilities and equipment: car parking, general retail shops, restaurants, bars and other refreshment facilities, vehicle rental, porter service, hotels etc.

Aeronautical & Centralized Infrastructure charges

The use of facilities and installations at the Airport by Airlines/Aircrafts against payment, is stipulated in the guidelines for our customers manual "Terms and Condition of use and schedule of traffic charges" as published in the Company's official site. Revenues from the use of such facilities and installations related to aeronautical & centralized infrastructure charges are recognised in the income statement when the services are rendered. The criteria for the recognition of income related to aeronautical & centralized infrastructure charges is the aircraft's take off due to the very sort cycle of aircraft turnarounds. Each arrival of an aircraft and its subsequent departure is considered as a cycle of movement/flight where all necessary services have been rendered.

Article 14 of ADA sets the rules for defining the charges levied to the users of the airport with respect of the facilities and services provided at the airport. According to the aforementioned article, the Company is entitled to determine at its discretion the level of airport charges in order to achieve a maximum return of 15.0% per annum on the capital allocated to air activities.

Retail concession agreements

The Company's business area has at the financial position date, a total of 68 retail concession contracts, concerning the performance of various commercial activities at the airport.

A retail concession involves granting of rights to a concession holder to operate and manage a commercial activity in a specific location designated by the Company. The concession rights are calculated according to an agreed scale as a percentage of the sales generated by the concession holder subject to an annual minimum guaranteed fee. A separate part of the concession contract is entered into for the space required for warehouses, for which a fixed rent is payable.

Revenue from Concession agreements is accounted for as income for the financial year in which it was generated, while the settlement of the annual concession fees is finally recognised by the Company in the income statement, at year-end.

2.17.2 Parking fees

Revenues related to parking services to vehicles used by passengers and visitors to reach the airport are recognized in the income statement when the service is concluded. The criterion for the recognition of revenue related to parking charges is the vehicle's departure. Each arrival of a vehicle and its subsequent departure is considered as a cycle of movement where all services have been rendered.

2.17.3 Interest income

Interest income is recognised on a time-proportion basis using the effective interest rate method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognised using the original effective interest rate.

2.17.4 Dividend income

Dividend income is recognised when the right to receive payment is established.

2.18 Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.19 Leases

The Company as a lesee

The determination of whether an agreement contains a lease is based on the substance of the agreement at the inception of the lease. An agreement contains a lease if it conveys the right to control the use of an identified asset, even if that asset is not explicitly specified, for a period of time in exchange for a consideration. Leases under which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made by the Company under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

The Company does not lease any material property, plant or equipment under finance leases under which it substantially retains all the risks and rewards of ownership.

The Company as a lessor

The Company's property area has at the financial position date, a total of 108 lease contracts, concerning the lease of buildings, offices, storages, lounges and lockers at the airport.

The Company rents properties held under the concession and located within the airport premises under operating leases. Revenue from such leases is recognised in the income statement on a straight-line basis over the lease term in accordance with IAS 17 (Leases).

2.20 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.21 Fair value estimation and hierarchy

Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The carrying value of receivables and payables are assumed to approximate their fair values at the financial position date. The fair value of financial assets that are debt instruments measured at fair value through other comprehensive income or equity investments measured at fair value through profit and loss account is assessed using quoted prices in active market (Level 1). The fair value of loans is estimated by the method of discounting the future contractual cash flows at the current market interest rate swaps for the average duration of the loan which corresponds to the average duration of the relevant debt obligation (Level 2). During the year there were no transfers between Level 1 and Level 2 and no transfers into and out of Level 3 for the measurement of fair value.

2.22 Associates

Associates are all entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20.0% and 50.0% of the voting rights. Investments in associates are initially recognised at cost and subsequently at cost less any impairment losses. Dividend income is recognised when the right to such income is established.

The Company's investment in its associate amounts to €3.25 million as of 31 December 2018 represents less than 1.0% of total assets at that date. This investment has not been accounted for under the equity method of accounting on the basis that it is not considered to be material to the Company's operations and any share of the profit or loss or share of other comprehensive income of this associate is unlikely to influence the economic decision of the users of these financial statements.

3 Financial risk management

3.1 Financial risk factors

The Company is exposed to financial risk, such as market risk (fluctuations in exchange rates, interest rates and price risk), credit risk and liquidity risk. The general risk management program of the Company focuses on the unpredictability of the financial markets and attempts to minimize their potential negative influence on the financial performance of the Company.

The financial risk management of the Company is performed internally by a qualified unit, which operates under specific rules that have been approved by the Board of Directors.

The ongoing developments relating to the macroeconomic and financial environment in Greece have not significantly affected the operations and financial performance of the Company.

Historically, the Company has demonstrated increased resilience in the years of macroeconomic instability, combining financial performance with operational excellence and quality of services and therefore, Management does not expect that the operations and financial position of the Company will be significantly affected in the foreseeable future. Despite all adversities, past and future, Management has and will continue to assess the situation and its possible impact, adjusting its operating strategy whenever necessary, in order to deliver financial and non-financial value to shareholders and other stakeholder parties.

3.1.1 Exchange rate risk

Exchange rate risk occurs if future business transactions, recognized assets and liabilities and net investments in activities outside the euro zone are expressed in a currency other than the functional currency of the Company (Euro).

The Company's exposure to foreign exchange risk is very limited since its business is substantially transacted in its functional currency.

3.1.2 Cash flow and fair value interest rate risk

The cash flow interest rate risk is the risk of fluctuations in the future cash flows of a financial instrument as a result of fluctuations in the market interest rate.

The Company has interest-bearing assets in the form of cash and cash equivalent (short term time deposits and other highly liquid investments), thus profits and cash flows from investment activities are dependent on market interest rates. During 2018 the Company's cash and cash equivalent were not invested in any short term time deposits or any other liquid investments. The impact from possible future interest rates on the Company's financial performance, regarding cash and cash equivalents and the reserve account (Attica Sub-Account), which is considered as restricted cash is presented below:

	2018		2017	
Interest rates fluctuation	+1.0%	0.0%	+1.0%	0.0%
Impact on interest receipts	**6,739,542**	**0**	**4,812,690**	**0**

The Company is also exposed to interest rate risk arising from its long-term borrowings. Borrowings issued at variable interest rates expose the Company to cash flow interest rate risk while borrowings issued at fixed interest rates expose the Company to fair value interest rate risk.

The Company's borrowings (European Investment Bank loan) are borrowings with fixed interest rates. Hence the financial performance cannot be affected by fluctuations in interest rates with respect to such loans. The fair value interest rate risk of such loans is presented in note 5.19.

The fair value interest rate risk is the risk of fluctuations in the value of a financial instrument as a result of fluctuations in the market interest rate. The Company is exposed to fair value interest rate risk as a result of discounting liabilities and receivables of long-term settlement. Such liabilities and receivables are discounted using the prevailing pre-tax risk-free rate which is affected by interest rates fluctuations. The impact from possible future interest rates on the Company's financial performance from liabilities of long term settlement is presented below:

	2018		2017	
Interest rates fluctuation	**+1.0%**	**-1.0%**	**+1.0%**	**-1.0%**
Grant of rights fee payable	349,410	(322,147)	400,814	(386,575)
Interest rates fluctuation	+1.0%	-0.24%	+1.0%	-0.43%
Provision for major restoration expenses	(73,560)	18,004	(11,338)	7,066
Total impact on interest expenses	**275,850**	**(304,143)**	**389,476**	**(379,509)**

3.1.3 Price risk

Price risk is the risk of fluctuations in the value of assets and liabilities as a result of changes in market prices. The Company's exposure to equity securities price risk is limited to the investment in an unlisted entity which represents less than 1.0% of total asset. The Company is not exposed to commodity price risk.

3.1.4 Credit risk

Credit risk arises from cash and cash equivalents held with banks and credit exposures from customers.

Cash and cash equivalents – Financial assets

For banks and financial institutions, only independently rated parties with minimum ratings described below, as set out under the Master Facility Agreement between the Company and the EIB, are acceptable. The Company could cooperate with banks or financial institutions or proceed with the purchase of financial assets that satisfy the following criteria:

- Long term unsecured and unguaranteed debt should be rated at:
    - A3 or higher by Moody's; or
    - A- or higher by S&P; or
    - A- or higher by Fitch
- The maturity date of an investment should not exceed the period of 2 years from the investment date
- Operates a branch in Greece or such other places as may be agreed between the Company and EIB; and
- Is acceptable by EIB

All cooperation banks are acceptable by EIB.

The analysis of financial assets and bank deposits' balances based on credit ratings is presented in the following table:

	2018		2017	
	AAA to A-	CCC to RD	AAA to A-	CCC to RD
Equity investments financial assets	0	259,718	0	1,188,000
Restricted cash financial assets	9,900,000	0	9,900,000	0
Bank deposits' balances	654,524,812	297,185	464,375,931	400,361
Total	**664,424,812**	**556,903**	**474,275,931**	**1,588,361**

The above criteria are satisfied with respect to the financial assets classified at amortized cost including the bank deposits' balances. As regards to the investment in the financial asset classified at fair value through profit and loss, for which the above criteria are not satisfied, the Company obtained the consent and waiver of EIB on 1 December 2016. Further information is presented in notes 5.9 and 5.19.

Trade receivables

Regarding credit exposure from customers, the Company has an established credit policy and procedures in place aiming to minimise collection losses. Credit control assesses the credit quality of the customers, taking into account independent credit ratings where available, their financial position, past experience in payments and other relevant factors. Cash and other collateral are obtained from customers when considered necessary under the circumstances.

Trade and other receivables are analysed as follows in terms of credit risk:

Trade and other receivables subject to impairment testing	2018	2017
Fully performed	14,754,833	14,601,047
Past due but not impaired	23,952,565	30,517,654
Impaired	2,938,517	2,460,490
Total trade and other receivables subject to impairment testing	**41,645,915**	**47,579,191**

Any past due account that is fully covered by guarantees or collaterals given is not tested for impairment.

The aging analysis of the past due, but not impaired amount is presented in the following table:

Aging analysis of past due but not impaired receivables	2018	2017
1-30 days	15,454,365	17,912,448
31-60 days	2,161,141	4,916,781
Over 60 days	6,337,059	7,688,425
Total of past due but not impaired receivables	**23,952,565**	**30,517,654**

Credit quality of financial assets

The credit quality of the financial assets is quite satisfactory, taking into account the allowance for doubtful debt. The Company has established a credit policy which requires the customers to extend securities for the use of airport's services and facilities. The securities held by the Company are in the form of cash deposits and bank letters of guarantee. The fair value of the collaterals held by the Company as at 31 December 2018 is analysed as follows:

Fair value of collaterals held	2018	2017
Letter of guarantees	64,431,549	63,555,986
Cash deposits	29,098,570	27,559,497
Total fair value of collaterals held	**93,530,119**	**91,115,483**

The collaterals above have been received against the outstanding balance of all trade receivable accounts.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to information about counterparty secured amounts:

	2018	2017
Group 1 – Fully secured	8,383,695	8,942,809
Group 2 – Partially secured	5,605,714	5,330,592
Group 3 – Not secured	765,424	327,647
Total	**14,754,834**	**14,601,047**

Provision for impairment

As of 31 December 2018, trade receivables of €26,891,082 (2017: €32,978,144) were partially or fully tested for impairment and adequately provided for their unsecured amount. The amount of provision stood at €2,414,045 as of 31 December 2018. The individually impaired receivables mainly relate to customers, who are in unexpectedly difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered.

Movements on the provision for impairment of trade receivables are as follows:

	2018	2017
At 1 January	2,416,675	2,513,479
Addition (release) of provision for receivables impairment	-2,630	(96,804)
At 31 December	**2,414,045**	**2,416,675**

The creation and release of provision for impaired receivables have been included in "Net provisions and impairment loses" in the income statement. The other classes within trade receivables do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the value of total provision for impairment of trade receivables.

3.1.5 Concentration of credit risk

The Company is exposed to concentration risk attributed to the concentration of the trade receivables and cash balances and financial assets.

The Company has a high concentration of credit risk with respect to 2 carriers (2017: 2 carriers) which represents higher than 10.0% of its aeronautical revenues.

For bank balances and deposits, there is a significant concentration of credit risk with respect to 2 banks (2017: 2 banks), which hold more than 10.0% of the Company's cash balances and deposits. However, no financial loss is expected based on what has been referred above in note 3.1.4 for cash balances and financial assets.

3.1.6 Liquidity risk

Liquidity risk is the risk that the entity will have difficulty in raising the financial resources required to fulfil its commitments. Liquidity risk is held at low levels through effective cash flow management and availability of adequate cash. Cash flow forecasting is performed internally by rolling forecasts of the Company's liquidity requirements to ensure that is has sufficient cash to meet operational needs, to fund scheduled investments and debt and to comply with loan covenants. As at 31 December 2018 no cash and cash equivalents were subject to capital controls through effective cash management. The table below analyses the financial liabilities into relevant maturity groupings based on the remaining period at the financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Undiscounted cash flows in respect of balances due within 12 months generally equal their carrying amounts in the financial position, as the impact of discounting is not significant.

At 31 December 2018	Less than 1 year	Between 1 & 2 yezars	Between 2 & 5 years	Over 5 years
Borrowings	95,148,992	95,119,007	47,544,603	0
Grant of rights fee payable	15,000,000	15,000,000	45,000,000	36,833,333
Trade and other payables	64,347,323	0	0	0
Total	**174,496,315**	**110,119,007**	**92,544,603**	**36,833,333**

At 31 December 2017	Less than 1 year	Between 1 & 2 years	Between 2 & 5 years	Over 5 years
Borrowings	95,128,776	95,148,992	142,663,610	0
Grant of rights fee payable	15,000,000	15,000,000	45,000,000	51,833,333
Trade and other payables	55,631,818	0	0	0
Total	**165,760,594**	**110,148,992**	**187,663,610**	**51,833,333**

Grant of Rights Fee payable relates to the fixed determined future obligations (refer to note 2.4.1).

3.2 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, use excess cash to repay its borrowings (subject to the termination provisions of the respective loan agreements) or sell assets not pledged as security, to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including "Current and non-current borrowings" as shown in the statement of financial position) less cash and cash equivalents and current financial assets. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

Gearing ratio	2018	2017
Total borrowings	217,431,038	295,632,204
Less: Cash & cash equivalent and current financial assets	(217,431,038)	(295,632,204)
Net debt	**0**	**0**
Total capital – (equity plus net debt)	759,163,627	587,474,670
Gearing ratio	**n/a**	**n/a**

Part of cash & cash equivalent covers the outstanding balance of borrowings.

4 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition, seldom equal the related actual results. The accounting estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are disclosed below.

4.1.1 Taxes

The internal control procedures for the related tax risks are part of Company's control system. The general tax risk for the Company concerns the timely submission of complete tax returns, the payment of the tax amounts concerned as well as compliance with all tax laws and regulations and reporting rules specifically relating to corporate income tax.

The Company is subject to income tax, VAT and other taxes in Greece. Significant judgment is sometimes required in determining the Company's tax position for such taxes in certain instances due to the particular tax regime, under the ADA, applicable to the Company's operations, which is subject to challenge by the tax authorities on the grounds of ambiguity or different interpretation with tax laws. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will arise or tax losses reduced. Where that final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax, deferred tax and other tax assets and liabilities in the period during which such determination is made.

4.1.2 Provision for restoration cost

Provision for restoration cost includes future expenses for the major overhauls of roads, runways, taxiways and replacement of airfield lighting and baggage handling equipment. Significant estimates are required to determine the level of provision such as the timing of the expenditure, the extension of the works and the amount that it will be expensed in the future. The nominal value of the provision for restoration cost is annually determined by a qualified department within the Company based on international experience and the specific conditions relating to the operations of the airport. The amount of the provision is discounted at the financial position date by using the risk-free rate for similar time duration.

4.1.3 Provisions for legal claims

The Company has a number of legal claims pending against it (refer to note 5.28). Management uses its judgement as well as the available information from the Company's legal department and legal experts, in order to assess the likely outcome of these claims and if it is more likely than not that the Company will lose a claim, then a provision is recognized. Provisions for legal claims, if required, are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

4.1.4 Retirement Benefit Obligations

The present value of the pension obligations for the Company's defined benefit plans depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost / (income) for pensions include the discount rate and salary rate increases. Any changes in these assumptions will impact the carrying amount of pension obligations. The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Company considers the interest rates of high-quality corporate bonds that are denominated in the currency and jurisdiction in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

4.1.5 Impairment of non-financial assets and investments in associates and joint ventures

The Company assesses at each reporting date, whether indicators for impairment exist for its non-financial assets (refer to note 5.10) and its investment in associate. If any indication exists, the Company estimates the asset's or cash generating unit's recoverable amount. Judgment is involved to some extent in determining whether indicators exist and also the determination of the cash generating units at which the respective assets are tested.

5 Notes to the financial statements

5.1 Revenues

Analysis of revenues from contracts with customers	2018	2017
Air activities		
Aeronautical charges	230,229,963	211,073,759
Centralized infrastructure & handling related revenues	52,955,664	47,803,331
IT&T and other Services	12,774,219	11,056,114
Total air activity revenues from contracts	**295,959,846**	**269,933,204**
Non-air activities		
Retail concession activities	59,767,485	53,723,404
Parking services	13,836,052	13,324,944
IT&T and other Services	17,519,427	15,832,666
Total non-air activity revenues from contracts	**91,122,964**	**82,881,014**
Total revenues from contracts with customers	**387,082,810**	**352,814,218**
Other revenues		
Rentals & other revenues from air activities	90,539,170	77,594,965
Rentals & other revenues from non-air activities	1,092,997	3,116,595
Total other revenues	**91,632,167**	**80,711,560**
Total revenues	**478,714,977**	**433,525,778**

Operating revenues were measured at the fair value of the consideration received or receivable, taking into account the amount of any trade discounts or tax-volume rebates (refer to note 2.17).

The fair value of the consideration received, or receivable is equal to the invoiced amount, since the Company doesn't provide any deferred credit terms to its customers, in the form of interest-free instalments or at below market interest rates. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

As at the financial position date, the Company has contracted with tenants for the following minimum non-cancellable operating lease payments from customers:

Analysis of minimum lease payments from customers	2018	2017
Within one year	17,071,501	16,131,252
Between one and five years	54,025,822	57,575,177
More than five years	19,828,325	29,598,107
Total minimum lease payments from customers	**90,925,648**	**103,304,535**

Concession fees earned for the year ended 31 December 2018 include turnover linked fees in excess of base concession fees amounting to €12,164,281 (2017: €6,643,758).

5.2 Depreciation & amortisation charges

Analysis of depreciation & amortisation charges	2018	2017
Depreciation of owned assets	4,367,224	4,284,413
Amortisation of intangible assets	88,182,501	87,352,070
Amortisation of cohesion fund related to intangible assets	(15,076,777)	(15,076,777)
Total depreciation & amortisation expenses	**77,472,948**	**76,559,706**

5.3 Net financial expenses

Analysis of net financial expenses	2018	2017
Financial expenses		
Interest expenses and related costs on bank loans	16,672,174	21,256,921
Unwinding of discount for long term liabilities	5,017,162	5,488,831
Other financial expenses	3,505,487	2,849,253
Financial expenses	**25,194,823**	**29,595,004**
Financial revenues		
Interest income	(14,987)	(116,439)
Financial revenues	**(14,987)**	**(116,439)**
Net financial expenses	**25,179,836**	**29,478,565**

Interest and related expenses amounting to €20,301,702 (2017: €24,261,939) were paid during the year ended 31 December 2018.
The Company did not proceed to any investments on its cash surplus (investments in cash deposits and financial assets) within 2018, therefore there is no weighted average interest rate earned in 2018 (2017: 0.0%).
Interest income amounting to €2,905 (2017: €122,480) was received during the year ended 31 December 2018.

5.4 Subsidies received

Airport Development Fund (ADF)

In accordance with Law 2065/1992, as amended with Law 2892/2001, the Greek State imposed a levy on passengers older than 5 years old departing from Greek Airports, amounting to €12 for EU passengers and €22 for non-EU passengers, for the purpose of ensuring that passengers share the responsibility for funding the commercial aviation infrastructure within the Hellenic Republic. As of 11 April 2017, onwards, in accordance with Law 4465/2017, and until 1 November 2024 the levy for both EU and non-EU passengers has been set at €12 per departing passenger over 2 years old, while as of 1 November 2024 the levy will be further decreased to €3.

A passenger fee is collected by the airlines and consequently refunded to the Hellenic Civil Aviation Authority on a monthly or cash basis, through bank accounts opened at the Bank of Greece for each airport, in favour of the Hellenic Civil Aviation Authority.

For the year ended 31 December 2018 the Company was entitled to subsidies under the ADF amounting to €88,749,927 (2017: €79,860,546) as analysed below:

Analysis of subsidies receivable	2018	2017
Receivables meeting interest and related expenses	16,825,778	21,359,734
Excess over borrowing cost	71,924,149	58,500,812
Total subsidies receivable	**88,749,927**	**79,860,546**

Any subsidies receivable in excess of qualifying interest and related expenses for the year are shown as other revenues in line with the accounting policy 2.13.

5.5 Income tax expense

The corporate income tax rate of legal entities in Greece is 29% for 2018 (2017: 29%). According to article 23 of the Law 4579, released in December 2018, the corporate income tax rate in Greece, currently 29%, is expected to be reduced by 1% each subsequent year as follows: 28% for 2019, 27% for 2020, 26% for 2021 and 25% for 2022 onwards. As at 31 December 2018, the effect of the changes in future income tax rates in other comprehensive income of the Company, is a tax relief of €357,679. Income tax is calculated on taxable income or, in circumstance where the Company has tax losses carried forward, on gross dividends declared for distribution. For further information refer to note 5.22.

The Company has paid a special once off tax surcharge in accordance with Law 3808/2009, which, in the opinion of the Company, was higher by €9,099,138 than the amount that it should have paid in accordance with the provisions of the law and the tax privileges, which have been granted by the ADA.

Management proceeded with the legal actions to remedy the higher income tax bill referring the issue to the Administrative Court of Appeals on 18 February 2010. The hearing took place on 17 December 2013 and by virtue of decision no. 2896/2015 notified to the Company on 7 September 2015, the appeal of the Company was rejected. The Company filed on 5 November 2015 respective annulment petition before the Conseil d'Etat for the cassation of the decision of the Administrative Court of Appeals. The hearing initially set for 31 May 2017 has been postponed for 10 April 2019. However, based on the updated risk assessment of the case, which was re-estimated by the management in cooperation with its legal consultants, the Company decided to recognise the disputed part of the special once off tax contribution in 2018 financial results.

The total income taxes charged to the income statement are analysed as follows:

Analysis of income tax expense	2018	2017
Current income tax	(84,374,473)	(46,896,777)
Special once off tax contribution	(9,099,138)	0
Deferred income tax	13,114,402	(12,883,858)
Deferred income tax effect of change in tax rates	11,717,581	0
Total income tax expense for the year	**(68,641,628)**	**(59,780,635)**

The following is the reconciliation between income taxes as presented in the income statement, with those resulting from the application of the enacted tax rates:

Reconciliation of effective income tax rate	Rate	2018	Rate	2017
Profit before tax for the year		239,682,891		199,829,709
Income tax	29.0%	(69,508,038)	29.0%	(57,950,615)
Expenses not deductible for tax purposes	0.76%	(1,814,748)	0.95%	(1,892,735)
Revenues relieved from income tax	-0.03%	62,715	(0.03)%	62,715
Effect of change in tax rates	(4.89)%	11,717,581	0.0%	0
Special once off tax contribution	3.8%	(9,099,138)	0.0%	0
Total income tax expense for the year	**28.64%**	**(68,641,628)**	**29.92%**	**(59,780,635)**

Refer to notes 5.22 and 5.28 for further analysis of income and deferred taxes.

5.6 Basic earnings per share

Basic earnings per share are calculated by dividing the Company's net profits after taxes by the weighted average number of shares during the year as follows:

Analysis of earnings per share	2018	2017
Profit of the year attributable to shareholders	171,041,262	140,049,074
Average no of shares during the year	30,000,000	30,000,000
Earnings per share for the year	**5.70**	**4.67**

There were no new shares issued or existing shares repurchased during the year. The average number of shares remained unchanged. The Company does not have any potential dilutive instruments.

5.7 Property plant & equipment-owned assets

Property plant & equipment-owned assets						
Acquisition cost	Land & buildings	Plant & equipment	Vehicles	Furniture & fittings	Cohesion fund	Total
Balance as at 1 January 2017	**40,000**	**20,774,641**	**36,437,893**	**82,441,270**	**(17,437,643)**	**122,256,160**
Acquisitions	0	3,025	88,161	569,062	0	660,248
Disposals	0	0	(316,727)	(51,243)	0	(367,970)
Transfers	0	25,746	464,278	5,785,567	0	6,275,591
Reclassifications	0	0	0	0	0	0
Balance as at 31 December 2017	**40,000**	**20,803,412**	**36,673,605**	**88,744,656**	**(17,437,643)**	**128,824,029**
Balance as at 1 January 2018	**40,000**	**20,803,412**	**36,673,605**	**88,744,656**	**(17,437,643)**	**128,824,029**
Acquisitions	0	20,654	24,123	455,712	0	500,489
Disposals	0	0	(326,342)	(23,547)	0	(349,889)
Transfers	0	0	274,399	2,320,245	0	2,594,644
Reclassifications	0	0	(11,574)	11,574	0	0
Balance as at 31 December 2018	**40,000**	**20,824,066**	**36,634,211**	**91,508,640**	**(17,437,643)**	**131,569,273**

Depreciation of owned property plant & equipment						
Depreciation	**Land & buildings**	**Plant & equipment**	**Vehicles**	**Furniture & fittings**	**Cohesion fund**	**Total**
Balance as at 1 January 2017	**0**	**8,672,181**	**34,430,638**	**74,934,077**	**(17,437,644)**	**100,599,252**
Depreciation charge for the year	0	1,279,766	484,018	2,520,629	0	4,284,413
Disposals	0	0	(316,727)	(51,242)	0	(367,969)
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Balance as at 31 December 2017	**0**	**9,951,947**	**34,597,929**	**77,403,464**	**(17,437,644)**	**104,515,696**
Balance as at 1 January 2018	**0**	**9,951,947**	**34,597,929**	**77,403,464**	**(17,437,644)**	**104,515,696**
Depreciation charge for the year	0	1,299,110	548,709	2,519,405	0	4,367,224
Disposals	0	0	(326,342)	(23,547)	0	(349,889)
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Balance as at 31 December 2018	**0**	**11,251,057**	**34,820,296**	**79,899,322**	**(17,437,644)**	**108,533,031**

Carrying amount of owned property plant & equipment						
Carrying Amount	**Land & buildings**	**Plant & equipment**	**Vehicles**	**Furniture & fittings**	**Cohesion fund**	**Total**
As at 1 January 2017	40,000	12,102,460	2,007,255	7,507,193	1	21,656,908
As at 31 December 2017	40,000	10,851,465	2,075,676	11,341,192	1	24,308,333
As at 1 January 2018	**40,000**	**10,851,465**	**2,075,676**	**11,341,192**	**1**	**24,308,333**
As at 31 December 2018	**40,000**	**9,573,009**	**1,813,915**	**11,609,318**	**1**	**23,036,242**

5.8 Intangible assets

Intangible assets				
Acquisition cost	Concession assets	Cohesion fund	Software & other	Total
Balance as at 1 January 2017	**2,094,748,811**	**(380,686,471)**	**18,531,450**	**1,732,593,790**
Acquisitions	113,256	0	156,961	270,217
Disposals	0	0	0	0
Transfers	13,085,852	0	959,927	14,045,779
Reclassifications	0	0	0	0
Balance as at 31 December 2017	**2,107,947,919**	**(380,686,471)**	**19,648,338**	**1,746,909,786**
Balance as at 1 January 2018	**2,107,947,919**	**(380,686,471)**	**19,648,338**	**1,746,909,786**
Acquisitions	117,909	(97,359)	196,644	217,194
Disposals	0	97,359	0	97,359
Transfers	7,901,630	0	855,789	8,757,419
Reclassifications	0	0	0	0
Balance as at 31 December 2018	**2,115,967,458**	**(380,686,471)**	**20,700,771**	**1,755,981,758**

Depreciation of intangible assets

Depreciation	Concession assets	Cohesion fund	Software & other	Total
Balance as at 1 January 2017	**1,286,005,329**	**(237,457,036)**	**16,348,497**	**1,064,896,790**
Depreciation charge for the year	86,107,983	(15,076,777)	1,244,087	72,275,293
Impairment losses	0	0	0	0
Disposals	0	0	0	0
Transfers	0	0	0	0
Reclassifications	0	0	0	0
Balance as at 31 December 2017	**1,372,113,312**	**(252,533,813)**	**17,592,584**	**1,137,172,083**
Balance as at 1 January 2018	**1,372,113,312**	**(252,533,813)**	**17,592,584**	**1,137,172,083**
Depreciation charge for the year	87,139,344	(15,076,777)	1,043,157	73,105,724
Impairment losses	0	0	0	0
Disposals	0	0	0	0
Transfers	0	0	0	0
Reclassifications	0	0	0	0
Balance as at 31 December 2018	**1,459,252,656**	**(267,610,590)**	**18,635,741**	**1,210,277,807**

Carrying amounts of intangible assets

Carrying amount	Concession assets	Cohesion fund	Software & other	Total
As at 1 January 2017	808,743,482	(143,229,435)	2,182,953	667,697,000
As at 31 December 2017	735,834,607	(128,152,658)	2,055,754	609,737,703
As at 1 January 2018	**735,834,607**	**(128,152,658)**	**2,055,754**	**609,737,703**
As at 31 December 2018	**656,714,802**	**(113,075,881)**	**2,065,030**	**545,703,951**

The concession assets represent the right granted to the Company by the Greek State for the use and operation of the Athens International Airport under the ADA. The Company's liabilities towards European Investment Bank are secured through the assignment of the Usufruct (refer to note 5.19).

5.9 Financial assets

Equity Investments

Equity investments are financial assets classified at fair value through profit and loss and are analysed as follows:

Equity investments financial assets	2018	2017
Attica Bank shares	259,718	1,188,000
Total equity investments financial assets	**259,718**	**1,188,000**

Equity investments are measured at fair value. The acquisition cost of the equity investment amounted to €9,900,000, whereas the fair value as of 31 December 2017 was €1,188,000.

On 26 April 2018, Attica Bank announced the reverse split of its common shares (1 new share for 14.18 old shares with the share price amounting to €4.25 from the initial price of €0.30) and the Share Capital Increase (SCI) as per its BoD decision of 22 December 2017. AIA did not participate in the SCI that took place in May 2018 after the decision of the Board on 21 December 2017, resulting to the decrease of its number of Attica Bank's shares from 33,000,000 to 2,327,221. However, AIA proceeded to the sale of its pre-emptive rights totalling 2,327,221 during the period 04 May 2018 – 11 May 2018 and did not participate in the aforementioned SCI. As of the financial position date the fair value of the equity investment amounted to €259,718. A fair value loss of €928,282 was recognized in profit and loss account and the fair value gain of €231,000 of year 2017 was recycled from other comprehensive income to profit and loss account. As of post financial position date 18 February 2019 the fair value of the equity investment amounted to €276,939.

As explained in notes 3.1.4 and 5.19, the equity investment financial assets acquired are not "Authorised Investments" as defined in the loan agreements entered into between the Company and EIB with respect to the Company's borrowings. In accordance with the provisions of the aforementioned agreements, the Company obtained the consent and waiver of EIB for this investment on 1 December 2016. The waiver imposed the undertaking to the Company to open a new pledged Reserve Account (Attica Sub-Account) with the amount of the acquisition cost of the equity investment (€9,900,000) that is classified as restricted cash.

Based on their maturity date, financial assets are classified as follows:

Analysis of financial assets	2018	2017
Current financial assets		
Current financial assets	0	0
Total current financial assets	**0**	**0**
Non-current financial assets		
Non-current financial assets-equity investments	259,718	1,188,000
Non-current financial assets-restricted cash	9,900,000	9,900,000
Total non-current financial assets	**10,159,718**	**11,088,000**
Total financial assets	**10,159,718**	**11,088,000**

5.10 Other non-current assets

Other non-current assets are analysed as follows:

Analysis of other non-current assets	2018	2017
Investment in associates	3,245,439	3,245,439
Long term guarantees	249,806	236,021
Total other non current assets	**3,495,246**	**3,481,460**

Long term guarantees relate to guarantees given to lessors for operating lease contracts, and were measured at their present value, by discounting future cash flow transactions with the weighted average borrowing rate of the Company.

5.11 Inventories

Inventory items are analysed as follows:

Analysis of inventories per category	2018	2017
Merchandise	608,665	582,415
Consumables	910,982	891,258
Spare parts	4,883,244	4,769,127
Inventory impairment	(572,483)	(619,776)
Total inventories	**5,830,408**	**5,623,024**

During 2018, a release of impairment provision of €47,293 was recognized in the income statement in order to reflect the accumulated provision for certain obsolete and slow-moving items to €572,483.

5.12 Construction works in progress

Analysis of construction works in progress	2018	2017
Beginning balance	2,470,539	5,175,039
Acquisitions	19,714,413	17,616,869
Transfer to property plant & equipment-owned assets	(2,594,644)	(6,275,591)
Transfer to intangible assets	(8,757,419)	(14,045,778)
Total construction works in progress	**10,832,889**	**2,470,539**

Construction works in progress mainly refer to additions and improvements on the existing infrastructure assets such as technical works, building and facilities, roads etc. These assets will be returned to the Grantor at the end of the Concession Period, together with all other infrastructure assets as described in note 1. Upon the completion of the construction, such assets related to the infrastructure, will increase either the cost of the concession intangible asset or the owned assets.

5.13 Trade receivables

Trade receivable accounts are analysed as follows:

Analysis of trade receivable accounts	2018	2017
Domestic customers	24,165,123	26,954,565
Foreign customers	3,170,257	1,869,942
Greek state & public sector	4,600,176	6,763,459
Accrued revenues	190,915	2,225,515
Provision for impairment of trade receivables	(2,414,045)	(2,416,675)
Total trade receivable accounts	**29,712,427**	**35,396,805**

All receivables are initially measured at their fair value, which is equivalent to their nominal value, since the Company extends to its customers short-term credit. Should any of the trade receivable accounts exceed the approved credit terms, the Company charges such customers default interest, (that is, interest on overdue accounts) at 6 months Euribor interest rate plus a pre-determined margin, as stipulated in the respective customer agreements. Such interest is only recognised when it is probable that the income will be collected.

During 2018 a provision release of €2,630 (2017: release of €96,804) was recognized in the income statement, resulting in an impairment provision as at 31 December 2018 of €2,414,045 (2017: €2,416,675).

5.14 Other receivables

Other receivable accounts are analysed as follows:

Analysis of other receivable accounts	2018	2017
Accrued ADF	18,284,939	67,888,957
Corporate income tax advance payment	44,398,010	0
Other	11,512,045	19,936,184
Total other receivable accounts	**74,194,994**	**87,825,141**

Accrued ADF represents the amount of the passengers' airport fee attributable to the Company, which had not been collected by the Company at year-end. Corporate income tax advance payment relates to income tax liabilities of 2019. Other accounts receivable mainly consists of advance payments to suppliers and payments for taxes and duties carried out by the Company, that relate to various tax disputes, as required by relevant laws in order for the tax disputes to be referred to the competent Courts for resolution. The major tax disputes as referred also in note 5.28 "Contingent Liabilities" and involve taxes imposed for VAT, Property Taxes and Municipal Charges.

5.15 Cash and cash equivalents

Cash and cash equivalents are analysed as follows:

Analysis of cash & cash equivalents	2018	2017
Cash on hand	1,711,347	2,004,704
Current & time deposits	654,821,997	464,776,293
Total cash & cash equivalents	**656,533,344**	**466,780,996**

5.16 Share capital

The issued share capital of the Company has been fully paid by the shareholders and comprises 30,000,000 ordinary shares of €10 each amounting to €300,000,000.

The Company has the following shareholders with their participation in the share capital rounded where appropriate, to the closer two-digit decimal points:

a) the Société Anonyme “ Hellenic Republic Asset Development Fund S.A.” (HRADF) (30.00% of the shares), which is a company owned indirectly (through the Société Anonyme under the name “Hellenic Corporation of Assets & Participations S.A.” (HCAP) from the Greek State,
b) the Société Anonyme “ Hellenic Corporation of Assets & Participations S.A.” (HCAP) (25.00% of the shares), pursuant to Law 4389/2016, as amended by article 380, paragraphs 2 and 9, of Law 4512/2018. More specifically, pursuant to Law 4389/2016, as amended by Article 380 (2) and (9) of Law 4512/2018, 25.00% of the Greek State’s shares were transferred to HCAP. HCAP is a holding company governed by the provisions of Law 4389/2016, as amended and in force and in addition by the provisions of Codified Law 2190/1920, as in force,
c) the AviAlliance GmbH (26.66668% of the shares),
d) the AviAlliance Capital GmbH & Co. KGaA (13.33334% of shares)
e) Copelouzos Dimitrios (1.999990% of the shares),
f) Copelouzou Kyriaki (0.999997% of the shares),
g) Copelouzos Christos (0.999997% of the shares) and
h) Copelouzou Eleni-Asimina (0.999997% of the shares)

5.17 Statutory & other reserves

Under Greek Corporate Law it is mandatory to transfer 5.0% of the net after tax annual profits to form the legal reserve, which is used to offset any accumulated losses. The creation of the legal reserve ceases to be compulsory when the balance of the legal reserve reaches 1/3 of the registered share capital.

At 31 December 2018 the Company’s legal reserve increased by an amount of €8,552,063 (2017: €7,002,454) and amounted to €77,158,666 (2017: €68,606,603).

In addition, there are a reserve for tax purposes amounting to €352,604 (2017: €352,604) and a reserve for actuarial gains/losses recognized due to the adoption of the amended IAS 19, amounting to €719,915 (2017: (€91,789)).

Analysis of other reserves	2018	Movement	2017
Statutory reserves	77,158,665	8,552,063	68,606,602
Reserves for tax purposes	352,604	0	352,604
Actuarial gains/(losses) reserve net of tax	719,916	811,705	(91,789)
Equity investments financial assets reserve net of tax	0	(164,010)	164,010
Totals	**78,231,185**	**9,199,758**	**69,031,428**

5.18 Retained earnings

In accordance with Greek Corporate Law, companies are required each year, to declare dividends of at least 35.0% of profits after tax having allowed for the legal reserve.

In addition, the prevailing bank loan agreements impose specific conditions for the permitted dividend distribution, which have been fulfilled since 2003 when the Company was in the financial position to distribute dividends. Given the additional short term financial obligations for the Company arising from the “Airport Development Agreement” Extension Agreement, no dividend distribution to the Shareholders is to be proposed at the Annual General Meeting of shareholders.

5.19 Bank loans

Borrowings are analysed as follows:

Analysis of loans	2018	2017
Long term loans		
EIB loan	134,348,764	217,431,038
Total long term loans	**134,348,764**	**217,431,038**
Short term loans		
EIB loan	83,082,274	78,201,166
Accrued interest & related expenses	568,574	773,380
Total short term loans	**83,650,848**	**78,974,546**
Total bank loans	**217,999,612**	**296,405,584**

European Investment Bank loan

The Company and EIB, under a supplemental agreement signed on 19 December 2008 between them, agreed to partial release the Greek State's Guarantee on the outstanding balance of EIB Loan and to modify certain terms of the EIB Master Facility Agreement related to the applicable interest rates. The modified terms are effective from 31 July 2009 and include the consolidation and division of the outstanding balance of the initial loan into two loans, Loan A and Loan B. As of 31 December 2018, Loan A was fully repaid while the outstanding balance of Loan B was €217,431,038.

The weighted average interest rate for all tranches under Loan B is 6.12%.

The Company's liabilities towards EIB are secured through the assignment of the Usufruct, the ADA Claims, the Insurance claims and the contracts that generate revenues for AIA and the pledge of Bank Accounts and Securities.

All the covenants set under the EIB Master Facility Agreement have been fulfilled as of 31 December 2018. As explained in notes 3.1.4 and 5.9, as of 1 December 2016, and following the negotiations with EIB and the Greek State in its capacity as EIB Loan Guarantor, the Company obtained the waiver of EIB for the investment of €9,900,000 in the financial asset measured at fair value through profit and loss account that did not meet the criteria of "Authorised Investments". The waiver imposed the undertaking to the Company to open a new pledged Reserve Account (Attica Sub-Account) with the amount of the acquisition cost of the financial asset (€9,900,000) and the decrease of the amount available for Dividend distribution to the Company's Shareholders by the balance of the Attica Sub-Account. The relevant Attica Sub-Account was opened on 1 December 2016 and the amount of €9,900,000 was deposited on 2 January 2017.

The Company may only transfer amounts out of this bank account in situations where the Company has disposed of some or all of its shares in Attica Bank on market terms. Furthermore, in terms of this remediation agreement, any funds left over once the entire Attica Bank shareholding is disposed of, will be transferred into the Proceeds account. However, in the context of the extension of the Concession period, it has been agreed with EIB that the funds of the Attica Sub-Account will be used for the payment of the Consideration of this transaction and the relevant amount was released on 21 February 2019 (refer to note 5.30).

The amortised cost of the long-term financial liabilities at fixed interest rates from the EIB Loan is determined using the effective interest rate method, by discounting the future contractual cash flows with the effective interest rate applied to those liabilities. The fair value of the financial liabilities at fixed interest rates is determined by discounting the future contractual cash flows with the current mid-swap interest rate for the average loan life period of such liabilities. The fair value measurement of the financial liabilities is categorised as Level 2.

Fair value of the borrowings	2018	2017
Carrying amount	217,431,038	295,632,204
Fair value	236,746,284	330,952,805
Excess of fair value over carrying amount	**(19,315,246)**	**(35,320,601)**

Second Lien Bond Loan (the 2L Bond Loan)

The Company paid to the Hellenic Republic Asset Development Fund (HRADF) on 22 February 2019 an amount of €1,131,676,123 (including the adjustment of €16,676,123 calculated on 10.30% per annum on the agreed consideration of €1,115,000,000 pro rata on a daily basis) plus applicable VAT, in cash as consideration for the extension of the Concession Period.

Within this context, the Company has entered into a 2L Bond Loan Agreement for an amount up to €665,600,000 with the National Bank of Greece and Piraeus Bank as subscribers (namely the 2L Bond Loan). Even though the 2L Bond Loan documentation was signed on 18 December 2018, the disbursement of the loan took place on 22 February 2019, 3 business days after the effectiveness of the ADA Extension Agreement.

The 2L Bond Loan finally amounted to €642,476,578 disbursed once off, has a 15-year tenor, semi-annual payments and the interest rate will be comprised of the 6-month Euribor plus an applicable margin currently at 3.10% p.a.

The 2L Bond Loan is subordinated to the EIB loan.

The Company has undertaken to hedge from floating to fixed rate the 2L Bond Loan, by not less than 70% (but not more than 100%) for a tenor of at least two (2) years by way of entry into any combination of interest rate swaps, interest rate options, interest rate caps or swaptions.

All borrowings are denominated in Euro, the functional currency of the Company.

5.20 Employee retirement benefits

In accordance with Greek labour law, employees are entitled to compensation payments in the event of dismissal or retirement with the amount of payment varying depending on the employee's compensation, length of service and manner of termination (dismissal or retirement). Employees who resign or are dismissed with cause are not entitled to termination payments. The amount payable in the event of retirement is equal to 40.0% of the amount which would be payable upon dismissal without cause.

The provision for employees' retirement benefits is reflected in the attached statement of financial position in accordance with IAS 19R and is calculated, as at the financial position date (31 December 2018), based on an independent actuarial study.

The results of any valuation depend upon the assumptions employed. Thus, as at 31 December 2018:

- If the discount rate used were 1.0% higher, then the Defined Benefit Obligation (DBO) would be lower by about 13.5%.

- If the discount rate used were 1.0% lower, then the DBO would be higher by about 16.1%.

The results of the actuarial study for the provision for employee retirement benefits as computed by the actuary are shown below:

Actuarial study analysis	2018	2017
Principal actuarial assumptions at 31 December 2018		
Discount rate	1.82%	1.63%
Range of compensation increase	0%-3.0%	0%-3.0%
Plan duration	15.05	16.26
Present value of obligations	10,015,756	10,761,931
Net liability/(asset) in the balance sheet	**10,015,756**	**10,761,931**
Components of income statement charge		
Service cost	245,228	272,613
Interest cost	174,875	181,101
Settlement/curtailment/termination loss	29,315	118,386
Total income statement charge	**449,418**	**572,100**
Movements in net liability/(asset) in the balance sheet		
Net liability/(asset) at the beginning of the period	10,761,931	10,148,627
Benefits paid directly	(52,347)	(221,468)
Total expense recognized in the income statement	449,418	572,100
Total amount recognized in the OCI	(1,143,246)	262,672
Net liability/(asset) in the balance sheet	**10,015,756**	**10,761,931**
Reconciliation of benefit obligations		
DBO at start of the period	10,761,931	10,148,627
Service cost	245,228	272,613
Interest cost	174,874	181,101
Benefits paid directly by the Company	(52,347)	(221,468)
Extra payments or expenses/(income)	29,316	118,386
Actuarial loss/(gain)	(1,143,246)	262,672
DBO at the end of the period	**10,015,756**	**10,761,931**
Remeasurements		
Liability gain/(loss) due to changes in assumptions	982,770	(234,712)
Liability experience gain/(loss) arising during the year	160,476	(27,960)
Total actuarial gain/(loss) recognized in OCI	**1,143,246**	**(262,672)**

An actuarial gain (the difference between expected and actual DBO as at the end of 2018) of €1,143,246 arose during the year due to the following factors:

- Change in financial assumptions: the equivalent discount rate has increased from 1.63% to 1.82%, producing a gain of €280,626. The salary increase assumption has decreased for all future years, producing a gain of €702,144. Thus, the change in financial assumptions gives rise to an overall actuarial gain of €982,770.

- Experience: the gain of €160,476 is mainly from lower salary increases than anticipated for 2018 (experienced salary increases were on average 0.7% whereas the corresponding assumption was equal to 2.3%).

- According to IAS19 Revised, the entire actuarial gains or losses that arise in each accounting period are recognized immediately in the Statement of Other Comprehensive Income (OCI), in net equity. In this case, the gain arising over 2018 is recognized as an income in the OCI statement.

5.21 Provisions

Analysis of provisions	As at 1 Jan 2018	Additions	Utilisations	Releases	As at 31 Dec 2018
Restoration expenses	15,110,128	370,078	780,506	0	14,699,699
Net other provisions	4,654,303	2,269,407	0	697,282	6,226,428
To be settled over 1 year	19,764,431	2,639,485	780,506	697,282	20,926,128
Total provisions	**19,764,431**	**2,639,485**	**780,506**	**697,282**	**20,926,128**

The provision for restoration expenses relates to the future expenses that result from the Company's contractual obligations to maintain or to restore the infrastructure to a specified condition before it is handed over to the Greek State at the end of the service concession arrangement. It is expected that an aggregate amount of €15.89 million will be spent on major restoration activities commencing in year 2019 through year 2025 based on management's current best estimates.

5.22 Income & deferred tax liabilities

Income tax liabilities

At the financial position date, the recognition of the income tax liability amounting to €86,646,569 reflects the income tax payable on taxable income at the rate of 29.0%.

Deferred tax assets & liabilities

The analysis of deferred tax assets and deferred tax liabilities is as follows:

Deferred tax assets & liabilities	2018	2017
Deferred tax assets:		
Deferred tax assets to be recovered after more than 12 months	(24,114,049)	(37,326,464)
Deferred tax assets to be recovered within 12 months	(11,219,638)	(5,855,987)
Total deferred tax assets	**(35,333,687)**	**(43,182,451)**
Deferred tax liabilities:		
Deferred tax liabilities to be settled after more than 12 months	107,615,952	136,519,915
Deferred tax liabilities to be settled within 12 months	17,314,680	20,826,913
Total deferred tax liabilities	**124,930,632**	**157,346,828**
Deferred tax liabilities (net)	**89,596,945**	**114,164,377**

The gross movement on the deferred income tax account is as follows:

	2018	2017
As at 1 January	114,164,377	101,289,705
Income statement charge	(13,114,402)	12,883,858
Effect of changes in tax rates	(11,717,581)	0
Other comprehensive income	264,551	(9,187)
As at 31 December	**89,596,945**	**114,164,377**

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax liabilities	Accelerated tax depreciation	Grant of rights fee	Usufruct of the site	Total
As at 1 January 2017	167,551,701	6,708,712	219,175	174,479,590
Charged/(credited) to the income statement and other comprehensive income	(16,440,497)	(706,180)	13,917	(17,132,760)
As at 31 December 2017	**151,111,204**	**6,002,532**	**233,092**	**157,346,830**
Charged/(credited) to the income statement and other comprehensive income	(31,105,436)	(1,290,605)	(20,154)	(32,416,195)
As at 31 December 2018	**120,005,768**	**4,711,926**	**212,938**	**124,930,635**

Deferred tax assets	Tax losses	Provisions	Retirement benefit obligations	Other	Total
As at 1 January 2017	(25,661,853)	(5,709,530)	(2,631,706)	(39,186,796)	(73,189,885)
Charged/(credited) to the income statement and other comprehensive income	25,661,853	(548,834)	(177,858)	5,072,272	30,007,433
As at 31 December 2017	**0**	**(6,258,364)**	**(2,809,564)**	**(34,114,524)**	**(43,182,453)**
Charged/(credited) to the income statement and other comprehensive income	0	549,693	574,070	6,725,001	7,848,763
As at 31 December 2018	**0**	**(5,708,672)**	**(2,235,494)**	**(27,389,522)**	**(35,333,690)**

At the financial position date, the Company has no unused tax losses available for offset against future taxable profits, thus no deferred tax asset has been recognised. According to the provisions of article 25.1.2.(k) of the ADA, (Law 2338/1995) tax losses can be carried forward to relieve future taxable profits without time limit.

Tax losses have primarily arisen from the application of the accelerated depreciation method as provided by paragraph 8 of article 26 of Law 2093/1992. In addition, according to article 25.1.2.(j) of the ADA the accelerated depreciation method provided by Law 2093/1992 refers to tax depreciation and constitutes an allowable deduction for tax purposes even though the depreciation in the annual statutory accounts of the Company may differ from year to year. At the financial position date, the Company recognised a deferred tax liability on the outstanding accelerated depreciation, amounting to €120,005,768 (2017: €151,111,204).

5.23 Other non-current liabilities

Other long-term liabilities are analysed as follows:

Analysis of other non-current liabilities	2018	2017
Grant of rights fee payable	78,877,775	89,010,679
Long term securities provided by customers	2,374,275	2,211,012
Total other non-current liabilities	**81,252,050**	**91,221,691**

The Company pays a quarterly fee to the Greek State during the concession period for the rights and privileges granted in ADA. The carrying amount of the liability represents the present value of the future payment that concerns the fixed part of the fee at the financial position date. In 2018 a finance charge amounting to €4,867,096 has been recorded as unwinding interest of the liability due to the passage of time (2017: €5,362,215). The amount payable within the next 12 months is included in trade & other payables. The present value of total future payments at the time of airport opening has been included in the cost of the intangible concession asset which is amortised over the concession period. An amount of €2,435,104 is included in the 2018 amortisation of the intangible concession asset with respect to the grant of rights fee (2017: €2,435,104).

Long term securities relate to performance guarantees provided for by the lessees for long- term lease agreements. Long-term securities are measured at their net present value, by discounting the future cash flow payments with the weighted average borrowing rate, at the financial position date. The weighted average borrowing rate for the Company for 2018 was at the rate of 6.12%.

5.24 Trade & other payables

Trade & other payable accounts are analysed as follows:

Analysis of trade & other payable accounts	2018	2017
Suppliers	20,893,461	14,770,622
Advance payments from customers	12,991,510	12,219,988
Beneficiaries of money – guarantees	15,442,202	13,637,982
Value added tax	(86,872)	747,491
Other taxes payable and payroll withholdings	4,027,217	3,790,793
Grant of rights fee payable	15,000,000	15,000,000
Other payables	20,149	3,225
Total trade & other payable accounts	**68,287,667**	**60,170,102**

The amount shown above for suppliers represents the short-term liabilities of the Company towards its trade creditors as at the corresponding year end for the goods bought and the services they had rendered in the respective year.

Advance payments from customers represent mainly the prepayments effected by the airlines which have selected the “Rolling prepayment” method in settling their financial obligations to the Company for the use of the airport facilities.

Beneficiaries of money – guarantees represent the cash guarantees provided by the concessionaires for the prompt fulfilment of their financial liabilities arising from the signed concessions agreements. The cash guarantees are adjusted each year in accordance with the latest estimate of the expected sales forecast of the concessionaires for the subsequent year.

The carrying amount of trade payables closely approximates their fair value at financial position date.

5.25 Other current liabilities

Other current liabilities are analysed as follows:

Analysis of other current liabilities	2018	2017
Accrued expenses for services and fees	25,610,865	19,852,438
Total other current liabilities	**25,610,865**	**19,852,438**

Current liabilities mainly concern to accrued cost for services rendered by third parties, private or public, which had not been invoiced at year end.

5.26 Operating lease arrangements

The Company as a lessee

Operating lease payments represent rentals payable by the Company for certain of its vehicles. Leases are negotiated for an average term of 5 years and rentals are fixed for the same period.

In the current year, minimum lease payments under operating lease, amounting to €237,478, were recognised in the income statement, while the corresponding amount for the year 2017 was at €240,807. At the financial position date, the Company has outstanding commitments under non-cancellable operating leases, which are presented in note 5.27.

The Company as a lessor

Refer to note 5.1.

5.27 Commitments

As at 31 December 2018 the Company has the following significant commitments:

a) Capital expenditure commitments amounting to approximately €48.8 million (2017: €7.8 million)

b) Operating service commitments, which are estimated to be approximately to €106.4 million (2017: €71.8 million) mainly related to security, maintenance, fire protection, transportation, parking and cleaning services, to be settled as follows:

Analysis of operating service commitments	2018	2017
Within 1 year	38,958,767	30,166,462
Between 1 and 5 years	55,910,205	24,841,560
More than 5 years	11,541,713	16,757,114
Total operating service commitments	**106,410,685**	**71,765,136**

c) Operating lease commitments are analysed as follows:

	2018	2017
Within 1 year	235,802	223,226
Between 1 and 5 years	331,544	395,961
Total operating lease commitments	**567,346**	**619,187**

d) Variable fee Component of the Grant of Rights Fee for fiscal year 2019, which is based on the calculation of the 2018 Consolidated Operating Profit as set out in ADA and as described in notes 2.4.1 and 2.4.2, is estimated to €25.4 million. This amount will be recognised in the income statement within 2019.

5.28 Contingent liabilities

The Company has contingent liabilities comprising the following:

Tax Audits

a) The Company has not been audited yet by the Tax Authority for the fiscal year 2010. Recent decisions of the Conseil d'Etat set a 5-year limitation period of the State's right to impose taxes and fines, although the limitation period can be extended up to 20 years, based on applicable provisions. At financial position date, the Company has not received any tax audit notification for the subject year.

b) Effective from fiscal years ending 31 December 2011 onwards, Greek companies meeting certain criteria were obliged to obtain an “Annual Tax Certificate” from their statutory auditor in respect of compliance with tax law, as provided for by par. 5, article 82 of L.2238/1994 and article 65A of L. 4174/2013. As of 2016 the “Annual Tax Certificate” became optional. Irrespective of the tax audit performed by the tax auditors, the tax authorities reserve the right of future tax audit.

The Company has received unqualified Tax Compliance Reports by respective statutory auditor for fiscal years up to 2017 (inclusive). The tax audit for the financial year 2018 is in progress, the issuance of Tax Compliance Report is expected to be issued within the fourth quarter of 2019 and management expects it to be unqualified.

Value added tax

With respect to VAT, the Tax Authority questioned the right of the Company to set off the total VAT of all fixed assets acquired and services rendered until 31 December 2015, as stipulated by article 26 paragraph 7 of Law 2093/1992, in conjunction with Articles 25.1.1 & 25.1.2 (g) of the ADA as ratified by Law 2338/1995. The Tax Authority disputed the above right of the Company to set off VAT, which corresponds to activities not subjected to VAT, i.e. property leases, and proceeded to impose VAT –including penalties – for the fiscal years 1998-2012 amounting totally to €168.4 million, comprising of €46.0 million capital and €122.4 million surcharges.

The Company referred the issue, related to years 1998-2009, to the London Court of International Arbitration, in accordance with Article 44 of the ADA. Pursuant to the final award of the London Court of International Arbitration No 101735, which was issued on 27 February 2013, the relating acts of determination had been issued in breach of law.

Alongside, the Company appealed before the competent Administrative Courts of Appeals against all the acts of determination of the Tax Authority to impose VAT on such capital and operating expenses, requesting the annulment of the tax assessments for all years from 1998 to 2012.

The Administrative Court of Appeals by its decisions, regarding the acts of determination for the years 2004-2009 amounting to €12.2 million, rejected the appeals of the Company. The Company filed respective annulment petitions before the Conseil d’Etat for the cassation of the decisions of the Administrative Court of Appeals and the Conseil d’Etat by its Decisions, which were notified to the Company on 11 March 2015, accepted the annulment petitions of the Company on the VAT disputes for the fiscal years 2004-2009 and referred-back the cases to the Administrative Court of Appeals. The hearing before the Administrative Court of Appeals took place on 7 October 2015, which by its decisions finally accepted the Company’s petitions and the VAT assessments for the fiscal years 2004-2009 were annulled. However, the Greek State on 20 May 2016 filed annulment petitions against the latter aforementioned decisions in favour of the Company before the Conseil d’Etat. The hearing took place on 11 October 2017 and the decisions notified to the Company on 30 August 2018 were in favour of the Company.

Furthermore, regarding the assessments for the years 1998-2003 and 2010-2012, the juridical process before the Administrative Courts of Appeal is as follows:

- For the fiscal years 1998-2003, which corresponds to VAT imposed on non-exempt expenses, such as, entertainment and hospitality expenses amounting to €1.3 million, the hearing took place at 7 April 2017 and the Company’s appeals were fully upheld, apart for year 2002 where the hearing took place at 16 October 2018 and the decision is pending. The same Court referred the VAT assessment for the fiscal year 2001 to the Administrative Court of Appeals due to lack of competence, the hearing of which took place at 7 November 2018 and the decision is pending. The Greek State has filed respective annulment petitions for the years 1998, 1999, 2000, and 2003 before the Conseil d’Etat the hearing of which took place at 1 October 2018 and the decisions are pending.

- For the fiscal years 2001-2003, which corresponds to VAT imposed on the acquisition of fixed assets and operating expenses amounting to €150.3 million, the hearing took place at 16 October 2018 and the decisions are pending.
- For the fiscal years 2010-2011, which corresponds to VAT imposed on the acquisition of fixed assets and operating expenses amounting to €3.5 million, the hearing took place at 10 October 2016 and by virtue of decisions nos. 1665/2017 & 1666/2017 the Company's appeals were fully upheld. The Greek State has filed respective annulment petitions before the Conseil d'Etat the hearing of which is set for 18 September 2019.
- For the fiscal year 2012, which corresponds to VAT imposed on the acquisition of fixed assets and operating expenses amounting to €1.1 million, the hearing is set for 8 April 2019.

Based on the Company's experts' opinion by reference to the aforementioned final award of the London Court of International Arbitration No 101735, no provision has been recognised for all above acts of determination.

Property tax

With respect to property tax, the Tax Authority questioned the right of the Company to be exempted from any property tax until 31 December 2015 as provided by paragraph 5 of article 26 of Law 2093/1992, in conjunction with Articles 25.1.1 & 25.1.2 of the ADA. Further to the completion of tax audits on real property, the Tax Authority issued real property tax assessments for the fiscal years 2008-2013, amounting totally to €44.6 million, comprising of €28.2 million capital and €16.4 million surcharges.

The Company referred the issue, to the London Court of International Arbitration, in accordance with Article 44 of the ADA. Based on the final award of the London Court of International Arbitration No 142821, which was issued on 21 January 2016, the Greek State was instructed to indemnify the Company as per Articles 5.2(i) and 32.3 of the ADA against the consequences of the real property tax levied on the Company by the Greek State for the period 2008-2013.
Alongside, the Company appealed before the competent Administrative Courts of Appeals against all the acts of determination of the Tax Authority to impose real property tax, requesting the annulment of the tax assessments for all years from 2008-2013.

Regarding the real property tax assessments, the juridical process before the Administrative Courts of Appeal is as follows:

- For the fiscal years 2008-2009, which corresponds to the charge of real property tax amounting to €12.7 million, the hearing took place at 19 September 2016 and by virtue of decisions nos. 1048/2017 and 1047/2017 the Company's appeals were fully upheld. The Greek State has filed respective annulment petitions before the Conseil d'Etat the hearing of which is set for 18 September 2019.
- For the fiscal years 2010-2012, which corresponds to the charge of real property tax amounting to €15.2 million, the hearing took place at 16 January 2017 and by virtue of decisions nos. 5522/2017, 5524/2017 and 5527/2017 the Company's appeals were fully upheld. In January 2018 the Greek State filed respective annulment petitions before the Conseil d'Etat the hearing of which is not set yet.
- For the fiscal year 2013, which corresponds to the charge of real property tax amounting to €16.7 million, the hearing took place at 10 October 2016 and by virtue of decisions nos. 804/2017 and 807/2017 the Company's appeals were fully upheld. The Greek State has filed respective annulment petitions before the Conseil d'Etat the hearing of which is set for 18 September 2019.

Based on the Company's experts' opinion by reference to the aforementioned final award of the London Court of International Arbitration, as well as the decisions of the Administrative Court of Appeals, which recognised that the arbitral award is binding for the Greek Administrative courts, no provision has been recognised for all above acts of determination.

Municipal charges

The Municipalities of Paiania and Spata-Artemida charged the Company with municipal charges for the provision of cleaning and lighting maintenance for the years 2004-2016 and 2007-2010 respectively, amounting totally to €68 million including surcharges.

All respective petitions that Management filed before the competent Administrative Courts of Athens against said Municipalities, claiming that in accordance with the provisions of the ADA the Company has been granted with the exclusive right to provide such services to the airport users, were fully and irrevocably upheld by the Conseil d'Etat, thus rendering the imposition of such municipal charges unlawful.

Nevertheless, the Company is still expecting the decisions of the Administrative Court of Appeals related to the hearings of the petitions against the Municipality of Paiania for the annulment of the 2013 and 2017 municipal charges, which have taken place on 1 February 2017 and 5 November 2018 respectively.

Based on the Company's experts' opinion by reference to the aforementioned rulings of the Conseil d'Etat, no provision has been recognised.

Other

There are a number of pending legal lawsuits against the Company amounting to approximately €2.5 million (2017: €2.5 million) for which Management, following consultation with its Legal Counsel, believes that there is sufficient ground to successfully defend these claims. No provision for these claims has been recognised in these financial statements on the basis that no material liability is expected to arise.

5.29 Related parties transactions

AIA is a privately managed Company, having as major shareholders the Hellenic Republic Asset Development Fund S.A (which is a company owned indirectly from the Greek State), the Hellenic Corporation of Assets & Participations S.A, (which is a company owned directly from the Greek State) and AviAlliance Group, each one of them holding more than 20.0% of the shares as at 31 December 2018 (for more details refer to note 5.16).

The Company during 2018 had undertaken related party transactions with companies controlled by its current Shareholders, by receiving specific services. Furthermore, the Company provides either aeronautical or non-aeronautical services to entities that are controlled by its Shareholders. The above goods/services/works are based on corresponding market's terms and conditions. The transactions with the current Shareholders have as follows:

a) Sales of services and rental fees

Sales of services	2018	2017
Greek State	0	11,742,162
Related companies of Hellenic Corporation of Assets & Participations*	1,642,880	0
AviAlliance Group	1,500	0
Total	**1,644,380**	**11,742,162**

**The services provided consist mainly of space rentals for postal services*

b) Purchases of services

Purchases of services	2018	2017
Greek State	0	5,712,288
Related companies of Hellenic Corporation of Assets & Participations*	5,045,903	0
AviAlliance Group	58,261	30,340
Total	**5,104,164**	**5,742,628**

**The services received consist mainly of energy & water supplies and charges for medium voltage network*

c) Year end balances arising from sales/purchases of services and rental fees

Year end balances arising from sales/purchases of services	2018	2017
Trade and other receivables:		
Greek State	0	8,045,622
Related companies of Hellenic Corporation of Assets & Participations	72,103	0
AviAlliance Group	1,500	0
Trade and other payables:		
Related companies of Hellenic Corporation of Assets & Participations	1,083,911	0
AviAlliance Group	7,811	0
Total	**1,165,325**	**8,045,622**

d) Key management compensation

Key management includes personnel authorised by the Board of Directors for planning, directing and controlling the activities of the Company. Compensation paid or payable to key management for employee services rendered is shown below:

Analysis of BoD and key management compensation	2018	2017
Board of directors' fees	510,260	499,280
Short-term employment benefits of key management	1,611,877	1,589,686
Total BoD and key management compensation	**2,122,137**	**2,088,966**

5.30 Events after the financial position date

a) As referred in note 1, regarding the transaction of the ADA Concession Extension Agreement, AIA submitted to HRADF its revised final offer, which was accepted by HRADF's Board of Directors on 14 September 2018, while the offer and the correspondingly revised Agreement were approved by the General Meeting of Shareholders of the Airport Company on 27 September 2018. The final offer entails payment to HRADF of a Consideration amount of €1,115,000,000, such amount to be adjusted by adding an amount equal to 10.30% per annum, calculated pro rata on a daily basis, in case payment occurs after 31 December 2018.

Then on 28 September 2018, pursuant to the provisions of the Agreement, the Airport Company provided to HRADF the confirmation with regard to the commitment of the financial institutions for the financing of the Consideration of the Extension.

On 2 October 2018 the Agreement was pertinently submitted to the Court of Auditors, which, by virtue of the Act under protocol no. 700/2018 dated 15 November 2018 of Echelon E, approved that the execution of the Agreement between the Contracting Parties, namely the Greek State, HRADF and the Airport Company, is not impeded.

Following the decision of the Court of Auditors and upon relevant actions of the pertinent services of the Ministry of Finance, the Agreement was submitted to DG Comp, which on 12 December 2018 granted the respective approval resolving that this Agreement does not entail State Aid pursuant to its decision under protocol no. C (2018) 8677.

At the same time, DG Grow confirmed that the conclusion of the Agreement is in compliance with the EU Law about Public Procurement, according to its letter dated 11 December 2018 with protocol no. GROW/ddg2.g.2.(2018)7080163. Furthermore, on 8 December 2018 a notice was published in the Official Journal of the European Union for voluntary ex ante transparency (VEAT) containing all relevant information in relation to the Agreement.

The Airport Company, based on the content of the Agreement, signed on 18 December 2018 with the consortium consisting of the National Bank of Greece and Piraeus Bank, the required loan agreements for the issuance of a Second Lien Bond Loan amounting up to €665,600,000.

Concurrently, in accordance with the Agreement, the European Investment Bank granted on 18 December 2018 upon the signing of the relevant loan agreement amendments all necessary approvals in relation to the Agreement. Furthermore, the Greek State confirmed the Guarantee of the Greek State to the European Investment Bank related to the loan to the Airport Company, based on the Agreement. The ADA Concession Extension Agreement was ratified by the Hellenic Parliament on 14 February 2019 and the effectiveness of the Concession Extension took place upon the relevant publication in the Government Gazette, i.e. law 4594/19 February 2019. The amount was paid to HRADF as Consideration on 22 February 2019 at €1,131,676,123 (plus the applicable VAT) comprising the initial Consideration of €1,115,000,000 and the amount of €16,676,123 representing the adjustment for the period from 1 January 2019 to 22 February 2019 (refer to notes 1 & 5.19).

b) The 2L Bond Loan amounted to €642,476,578 was disbursed on 22 February 2019 and subsequently the payment of the ADA Extension Consideration - including the part of the Company’s own cash - was paid to HRADF on the same day (refer to note 5.19).

ERNST & YOUNG (HELLAS)
Certified Auditors – Accountants S.A.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Athens International Airport S.A.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Athens International Airport S.A. (the Company), which comprise the statement of financial position as of December 31, 2018, the income statement and the statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly in all material respects the financial position of the Athens International Airport S.A. as at December 31, 2018 and its 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 the Greek law. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We remained independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as incorporated in the Greek law, together with the ethical requirements that are relevant to the audit of the 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.

Other Matter

The financial statements of the Company for the year ended December 31, 2017, were audited by another auditor who expressed an unmodified opinion on those statements on April 26, 2018.

Other information

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

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. 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 Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, as incorporated in the 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 financial statements.

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

- a)In our opinion the Board of Directors' Report has been prepared in accordance with the legal requirements of article 43a, of the Codified Law 2190/1920 and the content of the Board of Directors' Report is consistent with the accompanying financial statements for the year ended December 31, 2018.

- b)Based on the knowledge and understanding concerning the Athens International Airport 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.

Athens, April 5, 2019

The Certified Auditor Accountant
Chris Pelendridis
SOEL R.N. 17831

Ernst & Young (Hellas) Certified Auditors Accountants S.A.
8B Chimarras St., Maroussi
151 25, Greece
Company SOEL R.N. 107

Appendix: Sustainability Indices

AIA follows a structured reporting framework to foster credibility of the disclosed sustainability information.

About this Report

AIA's 2018 Annual & Sustainability Report combines the Airport Company's financial and non-financial performance in a unified report. It is AIA's 16th consecutive annual edition of non-financial performance, with the previous report printed in June 2018. In order to enable comparability of the information disclosed, previous Corporate Responsibility Reports are available on the company's website (www.aia.gr), the GRI portal (www. globalreporting. org) as well as in the UNGC CoP Directory (www. unglobalcompact. org/participants).

Purpose & Scope

This Report focuses on the management's constant commitment on the sustainable and socially responsible operation and development of Athens International Airport. With this edition and the accurate and validated information it contains, AIA aims to increase its stakeholders' interest. The Report refers to the period of January through December 2018. It covers the full spectrum of the company's programmes and activities carried out at the Athens International Airport "Eleftherios Venizelos" in the Spata region of Athens, Greece. In addition, it contains information pertaining to the wider role AIA holds in the Airport business community.

Methodology

Report content has been set as defined by AA1000 Accountability Principles Standards and the Global Reporting Initiative (GRI) Sustainability Reporting Standards GRI Standards). This report has been prepared in accordance with the GRI Standards: Core option, including the GRI Airport Operators Sector Disclosures, as appropriate, depending on AIA's reported material aspects. Additionally, the Report content is based on the ten principles of the United Nations Global Compact (UNGC) and is aligned with the United Nations Sustainable Development Goals.

The responsibility for preparing, submitting and distributing the Report lies with AIA's Corporate Quality & Communications & Marketing departments, which coordinate the input from other AIA departments. The report preparation process is supervised by the cross-company Sustainability Committee, which in turn reports to the CEO and the Chief Officers.

UN Global Compact / Communication on Progress (COP)

Since June 2008, AIA committed through its CEO, Dr. Ioannis N. Paraschis, to embed the UN Global Compact ten ethical principles and accountability within its sphere of influence. AIA is a company-member of the Global Compact Network Hellas and participates in multi-stakeholder engagement activities that promote the initiative's character and the company's support to deepen its commitment and actions. To enhance credibility towards its commitment to the UNGC principles, AIA reports its continuous improvement per principle area on an annual basis.

UNGC COP is a communication tool towards the UNGC Headquarters and AIA's stakeholder groups.

Reference of AIA's Practices related to UNGC principles

Area	UNGC principles	Reference
Human Rights	**1: Business should support and respect the protection of international proclaimed human rights** **2: Business should make sure that they are not complicit in human right abuses**	**19, 30, 42-43, 55-61**
Labour Standards	**3: Business should uphold the freedom of association and the effective recognition of the right to collective bargaining** **4: Business should uphold the elimination of all forms of forced and compulsory labour** **5: Business should uphold effective abolition of child labour** **6: Business should uphold the elimination of discrimination in respect of employment and occupation**	**19, 30, 56**
Environment	**7: Business should support a precautionary approach to environmental challenges** **8: Business should undertake initiatives to promote greater environmental responsibility** **9: Business should encourage the development and diffusion of environmentally friendly technologies**	**17-19, 62-71**
Anti-corruption	**10: Business should work against corruption in all its forms, including extortion and bribery**	**15-16, 19**

Integrating the UN Sustainable Development Goals in AIA's Sustainability Policy

AIA has advanced its materiality analysis by correlating with Sustainable Development Goals (SDGs), building on its steady commitment on the UN Global Compact. SDGs are integrated in AIA's Sustainability Policy in line with the UN-recommended five-step approach (understanding the SDGs, defining priorities, setting goals, integrating, reporting & communicating) and as foreseen in AIA Sustainability Policy. AIA uses both the GRI Aspects and the SDG structure for describing the sustainability context and for referencing the company's material issues to broader sustainable development conditions and goals.

The 2018 Materiality Exercise was performed in line with the GRI recommended practice for evaluating the impact versus the influence of material issues, considering the scale of impact (boundaries). In 2018, the evaluation of material issues by AIA's Sustainability Committee was based on the following model, leading to the identification of Material Issues and the formation of the Materiality Map, as it appears in Chapter 1.

Materiality Evaluation Model

IMPACT		INFLUENCE	
Evaluation of the issue's significance of Impact, considering economic, environmental & social aspects of each issue, both internally and externally		Evaluation of the issue's Influence on Stakeholders' assessment of AIA in regards to aiport operation	
Internal Impact (relates to AIA's Financial and Non-Financial Performance with significant impact on its business model, its ability to achieve objectives and/or its reputation)	External Impact (AIA's level of contribution to Sustainable Development and the UN SDGs) considering the related scale of impact (a/p community, national, global)	Influence evaluation (by the Sustainability Committee) in regards to the influence to AIA internal stakeholders and general society)	Influence evaluation (by members of airport community) in regards to the influence to Airport Community stakeholders
4. High impact (current) / Critical issue		4. High influence	
3. Medium impact (current) or potentially high		3. Medium influence	
2. Low impact (current) or potentially medium		2. Low influence	
1. Marginal impact		1. Marginal influence	

The correlation among AIA's list of sustainability 24 issues, linking with the Sustainable Development Goals and GRI Aspects, from which the 13 Material Issues are derived (shaded), are tabulated below:

no.	Issue	Contribution to Sustainable Development	
		Link to UN Sustainable Development Goals (SDGs)	Scale of Impact
1	Economic Performance	SDG-2 Zero Hunger SDG-5 Gender Equality SDG-8 Decent Work & Economic Growth SDG-9 Industry, innovation and infrastructure SDG-13 Climate Action	National
2	Airline Development & Marketing (Market Presence)	SDG-8 Decent Work & Economic Growth	Global
3	Indirect Economic Impacts	SDG-2 Zero Hunger SDG-5 Gender Equality SDG-7 Affordable & Clean Energy SDG-8 Decent Work & Economic Growth SDG-9 Industry, innovation and infrastructure SDG-11 Sustainable Cities & Communities	National
4	Corporate Governance	SDG-16 Justice and strong institutions	National
5	Responsible Procurement	SDG-12 Responsible Consumption	National
6	Business Continuity & Emergency Preparedness	SDG-9 Industry, innovation and infrastructure	a/p community
7	Service Quality	SDG-9 Industry, innovation and infrastructure	a/p community
8	Services and Facilities for Persons with Special Needs	SDG-9 Industry, innovation and infrastructure	a/p community
9	Airport Access (Intermodality)	SDG-9 Industry, innovation and infrastructure SDG-11 Sustainable Cities & Communities	National
10	Energy	SDG-7 Affordable & Clean Energy SDG-8 Decent Work & Economic Growth SDG-12 Responsible Consumption SDG-13 Climate Action	a/p community
11	Water	SDG-6 Clean Water & Sanitation	a/p community
12	Biodiveristy	SDG-15 Life on land	a/p community
13	Emissions & Climate Change	SDG-3 Good Health and Well Being SDG-12 Responsible Consumption SDG-13 Climate Action SDG-14 Life below water SDG-15 Life on land	a/p community
14	Effluents, Waste & Reuse of Materials	SDG-12 Responsible Consumption	a/p community
15	Noise	SDG-11 Sustainable Cities & Communities	National
16	Labour Practices (employment & labour relations)	SDG-8 Decent Work & Economic Growth	National
17	Occupational Health & Safety	SDG-3 Good Health and Well Being SDG-8 Decent Work & Economic Growth	a/p community
18	Training, Education & Development	SDG-4 Quality Education SDG-8 Decent Work & Economic Growth	a/p community
19	Diversity, Equal Opportunity & Non-Discrimination	SDG-5 Gender Equality SDG-8 Decent Work & Economic Growth SDG-10 Reduced Inequalities	a/p community
20	Human Trafficking	SDG-5 Gender Equality SDG-8 Decent Work & Economic Growth SDG-10 Reduced Inequalities SDG-16 Justice and strong institutions	a/p community
21	Security Practices (Human Rights in Operations)	SDG-10 Reduced Inequalities	a/p community
22	Community Engagement	SDG-4 Quality Education SDG-11 Sustainable Cities & Communities	National
23	Aviation Safety (Customer Safety)	SDG-3 Good Health and Well Being SDG-16 Justice and strong institutions	a/p community
24	Data Protection	SDG-9 Industry, innovation and infrastructure	a/p community

GRI Standards Content Index

General Disclosures

GRI STANDARD	DISCLOSURE	Page number(s) and/or URL(s)	Omission	External Assurance
Organizational Profile				
GRI 102: General Disclosures 2017	102-1 Name of the Organization	10		√
	102-2 Activities brands, products and services	10, 20-25		√
	102-3 Location of Headquarters	10		√
	102-4 Location of operations	10		√
	102-5 Ownership and legal form	10		√
	102-6 Markets served	10, 20-25		√
	102-7 Scale of the organization	11, 55, Annex II: Financial Statements		√
	102-8 Information on employees and other workers	55		√
	102-9 Supply Chain	30		√
	102-10 Significant changes to the organization and its supply chain	9		√
	102-11 Precautionary Principle or approach	15-16, 62-63		√
	102-12 External Initiatives	19 ,64		√
	102-13 Membership of associations	19		√
Strategy				
GRI 102: General Disclosures	102-14 Statement from senior decision-maker	9		√
Ethics and Integrity				
GRI 102: General Disclosures	102-16 Values, principles, standards, and norms of behavior	17		√
Governance				
GRI 102: General Disclosures	102-18 Governance Structure	12-15		√
Stakeholders Engagement				
GRI 102: General Disclosures	102-40 List of Stakeholder Groups	12		√
	102-41 Collective Bargaining Agreements	All AIA employees are covered by the minimum requirements of the National Labor Agreement		√
	102-42 Identifying and selecting stakeholders	11-12		√
	102-43 Approach to stakeholder engagement	11-12, Appendix: p.8		√
	102-44 Key Topics and concerns raised	15-16, 17-18, 25, 35, 38, 40, 45, 61, 63, 69, 72		√
Reporting Practice				
GRI 102: General Disclosures	102-45 Entities included in the consolidated financial statements	10		√
	102-46 Defining report content and topic Boundaries	17-19, Appendix: p.8		√
	102-47 List of Material topics	17, 18		√
	102-48 Restatements of information	There is no restatement of information		√
	102-49 Changes in reporting	19, Appendix: p.1-2		√
	102-50 Reporting Period	Appendix: p.2		√
	102-51 Date of most recent report	Appendix: p.1		v
	102-52 Reporting cycle	Appendix: p.1		√
	102-53 Contact Point for questions regarding the report	Appendix: p.10		√
	102-54 Claims of reporting in accordance with the GRI Standards	Appendix: p.2		√
	102-55 GRI content index	Appendix: p.5-7		√
	102-56 External Assurance	Appendix: p.11-14		√

Material Issues				
GRI STANDARD	DISCLOSURE	Page number(s) and/or URL(s)	Omission	External Assurance
Economic Performance				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	45, Appendix: p.8		
	103-2 The management approach and its components	45		
	103-3 Evaluation of the management Approach	45		
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	45		
Airline Development & Marketing (Market Presence)				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	25, Appendix: p.8		√
	103-2 The management approach and its components	25		√
	103-3 Evaluation of the management Approach	25		√
GRI 202: Market Presence	202-2 Proportion of senior management hired from the local community	55		
	A01-Total number of passengers annually, broken down by passengers on international and domestic flights and broken down by origin and destination and transfer passengers, including transit passengers	22, 23		√
	A02- Total annual number of aircraft movements by day and by night, broken down by commercial passenger, commercial cargo, general aviation and state aviation flights	22		√
	A03- Total amount of cargo tonnage	28-29		√
Indirect Economic Impacts				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	53, Appendix: p.8		
	103-2 The management approach and its components	53		
	103-3 Evaluation of the management Approach	53		
GRI 203: Indirect Economic Impacts	203-1 Infrastructure investments and services supported	72-73		
Energy				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	63, Appendix: p.8		√
	103-2 The management approach and its components	63		√
	103-3 Evaluation of the management Approach	63-65		√
GRI 302: Energy	302-1 Energy Consumption within the organization	64-65		√
	302-2 Energy Consumption outside of the organization	64-65		
	302-3 Energy Intensity	63		√
Emissions & Climate change				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	63-65, Appendix: p.8		√
	103-2 The management approach and its components	63-65		√
	103-3 Evaluation of the management Approach	63-66		√
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	65		√
	305-2 Energy indirect (Scope 2) GHG emissions	65		√
	A05 – Ambient air quality levels according to pollutant concentration in microgram per m3 or parts per million (ppm) by regulatory regime	66		√
Effluents, Waste & Reuse of Materials				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	69		√
	103-2 The management approach and its components	69-71		√
	103-3 Evaluation of the management Approach	69-71		√
GRI 306: Effluents and Waste	306-2 Waste by type and disposal method	71		√
	AO6 - Aircraft and pavement de-icing/anti-icing fluid used and treated by m3 and/or metric tonnes	68		

Material Issues				
GRI STANDARD	DISCLOSURE	Page number(s) and/or URL(s)	Omission	External Assurance
Noise				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	66-68, Appendix: p.8		√
	103-2 The management approach and its components	66-68		√
	103-3 Evaluation of the management Approach	66-68		√
	A07 – Number and percentage change of people residing in areas affected by noise	According to the results of the Airport Strategic Noise Map. inhabited areas are included are not exposed to noise levels above the limits set by Authorities		√
Occupational Health and Safety				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	61, Appendix: p.8		√
	103-2 The management approach and its components	61		√
	103-3 Evaluation of the management Approach	61		√
GRI 403: Occupational Health and Safety	403-1 Workers representation in formal joint management – worker health and safety committees	61		√
Community Engagement				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	72, Appendix: p.8		
	103-2 The management approach and its components	72-74		
	103-3 Evaluation of the management Approach	72-74		
GRI 413: Local communities	413-1 Operations with local community engagement, impact assessments, and development programs	72-74		
	A08 – Number of persons physically or economically displaced, either voluntarily or involuntarily, by the airport operator or on its behalf by a governmental or other entity, and compensation provided	No persons from local area or any other origin were physically or economically displaces due to airport development		
Aviation Safety (Customer Safety)				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	36-37, Appendix: p.8		√
	103-2 The management approach and its components	36-37		√
	103-3 Evaluation of the management Approach	36-37		√
GRI 416: Customer Health and Safety	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	36		√
Business Continuity & Emergency Preparedness				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	35, Appendix: p.8		√
	103-2 The management approach and its components	35		√
	103-3 Evaluation of the management Approach	35		√
	Critical Systems availability	35		√
Service Quality				
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	40, Appendix: p.8		√
	103-2 The management approach and its components	40-41		√
	103-3 Evaluation of the management Approach	40-41		√
	Airport Service Quality Satisfaction Score	41		√

Boundaries of Material Issues & Engagement

In the context of the GRI Standards (101/2.4), the following is a tabulation of the boundaries for each non-financial material issue along with corresponding engagement means, identifying where the primary impact occurs. This is a general overview while the detailed involvement of AIA and its stakeholders is described in the related chapters of this Report.

Material Issue	Primary means of engagement	Description of AIA's involvement	Where the impact occurs: AIA	Airlines	Users & Handlers	Concessionaires	State Authorities	Suppliers	Stakeholders Outside the Airport Community
Aviation Safety (Customer Safety)	**Airport Guidelines Aviation Safety Committee**	**Ch.2**	●	●	●		●	●	
Airline Development & Marketing (Market Presence)	**Routes Conferences Airline Marketing Workshop**	**Ch.2**	●	●					
Business Continuity & Emergency Preparedness	**Emergency Exercises Business Continuity Plans**	**Ch.2**	●	●	●	●	●	●	
Corporate Governance	**Code of Conduct Policies**	**Ch.1**	●						
Service Quality	**Surveys Passenger Comments**	**Ch.2**	●	●	●	●	●	●	
Indirect Economic Impacts	**Studies Destination Marketing**	**Ch.3**	●	●	●	●	●	●	●
Effluents, Waste & Reuse of Materials	**Environmental Guidelines Training Audits to Third Parties**	**Ch.5**	●	●	●	●	●	●	●
Energy	**Energy Policy ISO-Certified Energy Management System**	**Ch.5**	●						
Emissions & Climate Change	**Airport Carbon Accreditation Climate Change Action Plan**	**Ch.5**	●	●	●	●		●	
Noise	**Noise Line Noise Studies / Monitoring / Abatement**	**Ch.5**		●			●		●
Occupational Health & Safety	**Health & Safety Policy Health & Safety Clauses in Contracts**	**Ch.4**	●						
Community Engagement	**Community Engagement Action Plan Meetings with Local Representatives**	**Ch.6**	●						●

Committees

AIA's Sustainability Committee

I. Papadopoulou
Director, Communications & Marketing (chair)

G. Kallimasias
Director, Corporate Planning

G. Tzavaras
Director, Aviation Business Unit

G. Stergiopoulou
Director, Human Resources

M. O'Connor
Manager, Environmental Services

P. Papademetriou
Manager, Corporate Quality

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K. Raftopoulou
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L. Perra
Coordinator, Marketing

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Administrator, Quality Systems & Sustainability

2018 Content Owners

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Director, Corporate Planning

G. Tzavaras
Director, Aviation Business Unit

T. Makryniotis
Director, Consumers Business Unit

T. Gyftakis
Director, Property Business Unit

G. Demetriades
Director, IT&T Business Unit

G. Stergiopoulou
Director, Human Resources

A. Gatsonis
Manager, Accounting & Tax

N. Xirogianni
Manager, Corporate Finance

M. O' Connor
Manager, Environmental Services

Text and indicators contained herein was compiled with the contribution of numerous colleagues, representing all AIA Units.

Contact Details

Readers' comments regarding our corporate responsibility performance enable us to improve the structure and quality of information disclosed. We would highly appreciate any suggestions or requests for clarification on any related issue.

For AIA Sustainability Reporting matters, kindly contact:

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For noise-related issues, kindly contact:

"We Listen" hotline
tel: (+30) 210-3530003

For any other issues within Athens International Airport, kindly contact:

AIA / Administration Building Call Centre
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INDEPENDENT ASSURANCE STATEMENT

To the management of Athens International Airport S.A.

The Athens International Airport 2018 Annual & Sustainability Report ("the Report") has been prepared by the management of Athens International Airport S.A. ("AIA"), which is responsible for the collection and presentation of the information contained therein. Our responsibility, in accordance with AIA management's instructions, is to carry out a "limited level" assurance engagement on the English version of the Report, except for Annex I - Reporting by the BoD to the AGM and Annex II - Financial Statements of the Report which have been audited by the AIA statutory auditors (for the independent auditor's report see page 54 of Annex II - Financial Statements).

Our responsibility in performing our assurance engagement is solely to the management of AIA and in accordance with the terms of reference agreed between us. We neither accept nor we assume any responsibility and for any other purpose, to any other person or organization. Any reliance any third party may place on the Report is entirely at its own risk and responsibility.

Work scope and criteria

Our assurance engagement has been planned and performed in accordance with ISAE3000 (revised) and the requirements of a Type 2 assurance engagement, as defined by AA1000AS, in order to provide a limited level assurance opinion on:

1. Adherence to the AccountAbility Principles of Inclusivity, Materiality and Responsiveness, against the relevant criteria found in the AA1000APS.

2. Accuracy and completeness of quantitative data and plausibility of qualitative information related to the GRI General and Specific Disclosures (indicated in the assurance column of the GRI Content Index with a checkmark, pp. 5-7 of Appendix), against the GRI Standards "In accordance – Core" requirements.

3. Adherence to the United Nations Global Compact (UNGC) Communication on Progress (CoP) requirements, against the guidelines found in the Basic Guide to the UNGC CoP.

4. Alignment with United Nations' Sustainability Development Goals according to the guidance found in the "SDG Compass, Linking the SDGs and GRI" document, developed by the GRI, the UNGC and the World Business Council on Sustainable Development (WBCSD).

What we did to form our conclusions

In order to form our conclusions in relation to the scope and criteria mentioned above, we undertook (but were not limited to) the steps outlined below:

- **Interviewed certain AIA Executives and Managers** to understand the current status of corporate responsibility activities and progress made during the reporting period.

- **Reviewed AIA's approach to stakeholder engagement** through interviews with managers responsible for engagement activities at corporate level and reviews of associated documentation.

- **Reviewed AIA's processes for determining material issues** to be included in the Report, as well as the coverage of material issues within the Report, against aspects found in the "GRI G4 Airport Operators Sector Disclosures", material issues and areas of performance covered in external media reports, and sustainability reports of selected European peers.

- **Interviewed specialists responsible for managing, collating and reviewing sustainability data** reported for internal and public reporting purposes, linked to the GRI General and Specific Disclosures under the scope of our assurance engagement (indicated in the assurance column of the GRI Content Index with a checkmark, pp. 5-7 of Appendix).

- **Reviewed the Report for the appropriate transposition and presentation** of the sustainability data linked to the GRI General and Specific Disclosures under the scope of our assurance engagement (indicated in the assurance column of the GRI Content Index with a checkmark, pp. 5-7 of Appendix), including limitations and assumptions relating to how these data are presented within the Report.

- **Read information or explanations to substantiate** key data, statements and assertions regarding the sustainability disclosures under the scope of our assurance engagement.

- **Checked the AIA UNGC CoP** against the guidelines found in the Basic Guide to the UNGC CoP.

Level of assurance

The evidence gathering procedures were designed to obtain a limited level of assurance, as set out in ISAE 3000 (revised) on which we formed our conclusions. The extent of these evidence gathering procedures is less than those designed to obtain a reasonable level of assurance and therefore a lower level of assurance is provided. This is also expressed by the 'moderate' level of assurance, under AA1000AS, according to which "the assurance provider achieves moderate assurance where sufficient evidence has been obtained to support their statement, such as the risk of their conclusion being in error is reduced but not reduced to very low or zero".

Limitations of our review

- Our review was limited to the English version of the Report. In the event of any inconsistency in translation between the English and Greek versions, as far as our conclusions are concerned, the English version of the Report prevails.

- The scope of our work did not include any review of third party activities or performance, nor attending any stakeholder engagement activities. In addition, it did not include any review of the accuracy of research results assigned to third parties, nor Information Technology systems used by third parties.

- Our review did not include financial data and the corresponding narrative text and testing of the Information Technology systems used or those upon which the collection and aggregation of data was based by AIA.

- We do not provide any assurance relating to future information such as estimates, expectations or targets, or their achievability.

- We did not review Annex I - Reporting by the BoD to the AGM and Annex II – Financial Statements which have been audited by the AIA statutory auditors (for the independent auditor's report see page 54 of Annex II - Financial Statements)..

Our conclusions

Based on the scope of our review our conclusions are outlined below:

1. **Adherence to the AccountAbility Principles of Inclusivity, Materiality and Responsiveness, against the relevant criteria found in the AA1000APS.**

Inclusivity: Has AIA been engaging with stakeholders across the business to develop its approach to sustainability?

- Nothing has come to our attention that causes us to believe that any key stakeholder groups have been excluded from stakeholder engagement activities, or to conclude that AIA has not applied the Inclusivity principle in developing its approach to sustainability.

Materiality: Has AIA provided a balanced representation of material issues concerning its sustainability performance?

- Nothing has come to our attention that causes us to believe that AIA's materiality determination approach does not provide a balanced representation of material issues concerning its sustainability performance.

Responsiveness: Has AIA responded to stakeholder concerns?

- We are not aware of any matters that would lead us to conclude that AIA has not applied the responsiveness principle in considering the matters to be reported.

2. **Accuracy and completeness of quantitative data and plausibility of qualitative information related to the GRI General and Specific Disclosures (indicated in the assurance column of the GRI Content Index with a checkmark, pp. 5-7 of Appendix), against the "In accordance – Core" requirements of the GRI Standards.**

How plausible are the statements and claims within the Report linked to qualitative information on GRI General and Specific Disclosures under scope?

- We have reviewed information or explanations on selected statements on AIA's sustainability activities presented in the Report and we are not aware of any misstatements in the assertions made.

How complete and accurate are the quantitative data linked to the GRI General and Specific Disclosures under scope?

- Nothing has come to our attention that causes us to believe that quantitative data linked to the GRI General and Specific Disclosures under scope has not been collated properly at corporate level.

- We are not aware of any errors that would materially affect the data as presented in the Report.

Does the Report meet the GRI Standards requirements of the "In accordance – Core" option?

- ; Based on our review, nothing has come to our attention that causes us to believe that the Report does not meet the requirements of the "In accordance – Core" option, as presented in the GRI Content Index, found on pages 5-7 of Appendix.

3. **Adherence to the United Nations Global Compact (UNGC) Communication on Progress (CoP) requirements, against the guidelines found in the Basic Guide to the UNGC CoP.**

Does AIA's UNGC CoP adhere to the guidelines found in the Practical Guide to the UNGC CoP?

- Nothing has come to our attention that causes us to believe that AIA's UNGC CoP is not fairly stated, according to the guidelines found in the Practical Guide to the UNGC CoP.

4. Alignment with United Nations' Sustainability Development Goals according to the guidance found in the "SDG Compass, Linking the SDGs and GRI" document.

Is the link of AIA's material issues to the UN Sustainable Development Goals, as presented in the report, in alignment with the guidance found in the "SDG Compass, Linking the SDGs and GRI" document?

- Nothing has come to our attention that causes us to believe that the link of AIA's material issues to the UN Sustainable Development Goals, as presented in the report, is not in alignment with the guidance found in the "SDG Compass, Linking the SDGs and GRI" document.

Independence

We conducted our assurance engagement in accordance with International Assurance Standards, particularly ISAE 3000 (revised), which requires that we comply with ethical standards and plan and perform our assurance engagement to obtain limited assurance about the scope described above.

We maintain a robust system of quality control, including policies and procedures documenting compliance with relevant ethical and professional standards and requirements in law or regulation.

We comply with the independence and other ethical requirements of the IESBA Code of Ethics for Professional Accountants, which establishes the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our assurance team

The professionals which participated in the engagement are members of and are supported by the EY Climate Change and Sustainability Services global network, which undertakes similar engagements in Greece and at a Global level.

Athens, 13 June 2019

For and on behalf of

ERNST & YOUNG (HELLAS)
Certified Auditors Accountants S.A.

Vassilios Kaminaris
Partner

AA1000
Licensed Assurance Provider
000-18

Airport Moments

Celebrating a successful first year of Emirates' year-round Athens to New York service

Emirates' daily Athens to New York flight marked a successful first year of operations

ACI World – ASQ Awards

Athens International Airport is the best airport in Europe for customer experience! (15-25 million passengers' category)

EGYPTAIR

Celebrated its 86 years in a special event at the airport!

AIA's 19th Airline Marketing Workshop

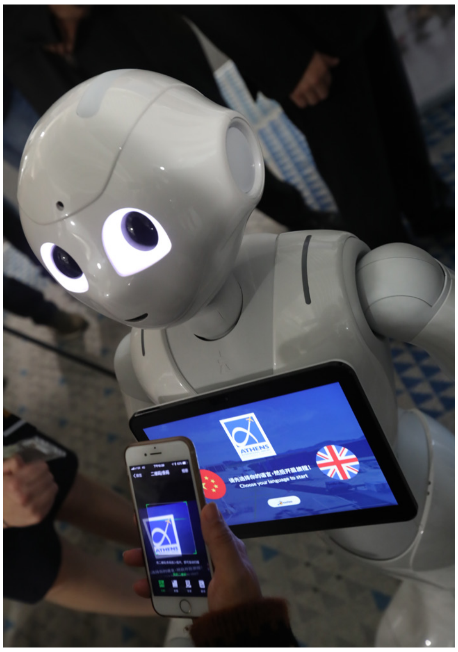
AIA awarded airlines for their development in 2018

ACES – Athens

6rd Airport Chief Executives' Symposium

3rd Plane Pull

The 3rd Plane Pulll in Greece for the association "The Smile of the Child", with the support of DHL Express.



Athens airport among the first "China-ready" in Europe

The first app in Greece exclusively for Chinese travellers, created by Athens International Airport in collaboration with Toorbee

Skytrax World Airport Awards

Athens International Airport is Best Airport in Southern Europe – airport customer satisfaction.

Amnesty International's strong message of solidarity at Athens International Airport in support of the global "I Welcome"

The Tapestry named "I Love Greece" unveiled by Sting at the airport's arrivals, was "designed" and offered as a gift to Amnesty International by the acclaimed Greek artist, Sophia Vari.

Scoot – 1 year, Athens – Singapore route

One year of operations in Athens and the Greek market!

#Airportraits and #HubofStories
Athens airport initiatives, also in the framework of "Athens World Book Capital 2018" by UNESCO

Boarding Pass to Autism
An educational programme in association with the Onassis Foundation and the generous support of AEGEAN.

Greek Seas: A photographic journey in time
The partnership between the Benaki Museum and the Athens International Airport continued with a special new airport exhibition.

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It is eco label - compliant, adhering to all environmental management ISO standards as well as the relevant ISO standard for reduced carbon dioxide (CO_2) generation and emissions during manufacturing. It features neutral ph; it is free of heavy metals and is non-chlorinated to avoid contamination of water, the ground water table and the sea. It is durable but also fully self degradable and recyclable.

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