AEGEAN AIRLINES S.A.

Registration No. of Hellenic Business Registry: 1797901000
31 Viltanioti Street, Kifissia, Attica

Interim Financial Report
(1st January to 30th June 2019)

In accordance with Article 5 of Law 3556/2007 and the Board of Directors' Resolutions of the Hellenic Capital Market Commission

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AEGEAN AIRLINES S.A amounts in thousand €

A. Statements of the Board of Directors' Members

(in accordance with Article 5 paragraph 2 of Law 3556/2007)

It is hereby stated that, to the best of our knowledge, the Interim Condensed Stand alone and Consolidated Financial statements of "Aegean Airlines S.A." for the period 1 January 2019 to 30 June 2019, which were prepared in accordance with IFRS 34, truly reflect all Assets, Liabilities and Shareholders' Equity along with the Income Statement of the Company, as well as of the companies included in the consolidation in accordance with Article 5 paragraphs 3 till 5 of Law 3556/2007.

It is also declared that, to the best of our knowledge, the Board of Directors' Report truly reflects all information required by Article 5 paragraph 6 of Law 3556/2007.

Kifissia, September 12th 2019

The undersigned

Eftichios Vassilakis	Dimitrios Gerogiannis	Georgios Vassilakis
Chairman of the BoD	Chief Executive Officer	Member of the BoD

B. REPORT OF THE BOARD OF DIRECTORS
of the company "AEGEAN AIRLINES S.A."
for the period 1 January 2019 to 30 June 2019

This report has been prepared in accordance with article 5 of Law 3556/2007 and the Hellenic's Capital Market Board of Directors' resolutions and contains financial and non-financial information of the company "AEGEAN AIRLINES S.A." (hereinafter called the «Company») and its subsidiary companies Olympic Air S.A. and Aegean Cyprus Limited (hereinafter called the «Group», jointly with the Company). It aims to provide an overview to the shareholders and investors of the Company's general course, financial position and results for the period (01/01/2019 – 30/06/2019) as well as highlight major events that occurred during the period and their impact on the interim financial statements. There is also a description of the main risks and uncertainties which the Company is currently facing or may face in the foreseeable future and finally a disclosure of material transactions between the Company and its related parties.

Financial review, business developments and major events for 1st Half of 2019

Greek economy shows signs of growth with key measures of economic performance depicting a positive trend over the first half of 2019 while on the same time investor's confidence is growing. Moody's upgraded Greece's sovereign credit rating by two notches (to B1 from B3) during the first quarter while Fitch confirmed BB's credit rating and kept the outlook stable.

Economic Sentiment Indicator (ESI) recorded a significant gradual improvement, according to European Commission data. In Greece, the index stood at 108,4 points in August and was positively influenced by confidence in retail trade and services.

Gross domestic product expanded by 0,8% in the second quarter compared with a 0,2% growth rate in the first three months of the year, according to seasonally adjusted data released by the statistics service ELSTAT. On an annual basis, economic growth accelerated to 1,9%. European Commission forecasts GDP growth of 2,1% in 2019 and 2,2% in 2020.

The adjusted unemployment rate in April 2019 was 17,6% compared to 19,8% in April 2018. The 2018 surplus stood at 4,4% compared to the surplus target 3,9%.

Greece's borrowing costs have tumbled to a record low as benchmark 10-year bond yield fell below 2%. Greece's improving credibility and market confidence in the prospects of the Greek economy allowed to tap international markets successfully for a third time during 2019, receiving low cost financing.

The economy however continues to face significant challenges that were brought on by the long economic crisis. The country in consultation and agreement with European partners, must meet certain targets under the Stability program, agreed with creditors in previous years. Moreover a faster pace of privatization and a more aggressive policy to attract foreign direct investments must be achieved.

The global economic environment continues to present significant challenges due to the tendency of trade protectionism in the developed countries and the impasse in Brexit negotiations between the European Union and the UK, exerting pressure on the global trade dynamics and global economic growth. European Commission forecasts GDP to grow 1,2% in 2019 from 1,9% in 2018 and 1,4% in 2020.

Domestic and international air traffic grew to 25,4 million passengers in the first half of 2019 in the country, an increase of 5%. International traffic increased by 5,4% to 17,8 million passengers, at a lower pace compared to the previous five years. Domestic market increased by 3,9% to 7,6 million passengers, with the increase coming mainly from the first-quarter performance.

Athens airport reached 11,2 million passengers, an increase of 8% compared to the first half in 2018. International traffic increased by 10% while domestic increased by 4%.

The Group reported a 9% growth in passenger traffic and carried 6,5 million passengers while load factor increased to 82,2% from 81,7% compared to first half of 2018. Domestic traffic reached 2,8 million passengers, an increase of 4% while international traffic reached 3,7 million passengers, 12% higher than the respective period in 2018, recording a significantly higher performance than the market.

In 2019, the Group invested in the extension of the tourism season and increased capacity with additional frequencies and new routes mainly during the second quarter of the year. Aegean launched new routes from Athens to Marrakech, Casablanca, Ibiza, Valencia, Sarajevo, Tunis, Skopje, and from Thessaloniki to Hannover.

The Company also increased frequency and capacity to key Western European markets, from Athens to Munich, Düsseldorf, Berlin, Hamburg, Zurich, Vienna, Madrid, Barcelona, Lisbon and Porto. The increase in the capacity will also come from the initiation of several seasonal routes either earlier in the year or through increased frequencies to Luxembourg, Malta, Venice, Bologna, Naples, Catania and Malaga. In addition, increased capacity was also offered to Balkans and Eastern Europe.

Pursuant to the resolution dated February 22nd 2019, the Board of Directors of the company resolved the issuance of a Common Bond Loan of a total amount of up to €200 mil., with a minimum amount of at least €150 mil., with a duration of seven (7) years, divided into up to 200.000 dematerialized, common, bearer bonds, each of a nominal value of €1.000 (the “Bonds”). The Bonds will be offered for subscription by investors by way of a public offer and will be admitted for trading in the category of Fixed Income Securities of the Regulated Market of the Athens Exchange (the “Athens Exchange”).

Following the completion of the Public Offer on 7 March 2019 the total valid demand from investors that participated in the Public Offer reached €527,7m, while 200,000 common, bearer bonds of the Company with a nominal value of €1,000 each (the Bonds) have been allocated and the amount of €200 mil. has been raised. The final yield has been set at 3,60%, the Bonds interest rate at 3,60% and the offer price of the Bonds at €1.000 each, i.e. 100% of the nominal value.

Group key operating and financial highlights for the 1st half of 2019 were as follows:

- Available Seat Kilometer (ASKs) increased by 9,2% compared to 2018 due to higher utilization of aircraft;
- Group carried 6,5 million passengers an increase of 9% compared to corresponding period 2018;
- Total sector flown for the Group were 51 thousand, increased by 6% compared to 2018;
- Load factor increased by 0,5 percentage points, reaching 82,2% (2018: 81,7%);
- Consolidated Revenues for the 1st half of 2019 reached €519,4 million from €455,7 million in 2018, an increase of 14%;
- Fuel cost reached €119,3 million from €99 million during the 1st half of 2018;
- Earnings before Interest, Tax and Depreciation, Amortization and Rents (EBITDAR) amounted to €63,59m from €50m in 1st half of 2018;
- Earnings before interest, tax, depreciation and amortization (EBITDA) reached the amount of €62,79m compared to €14,7m in 2018 due to the IFRS 16 adoption and the accounting treatment change regarding lease rentals;

- Loss before Tax amounted to €17,2m compared to losses of €18,3m for the same period in 2018;

- Net debt/(net cash) as of 30/06/2019 amounted to (€46,3m) analyzed as follows: loans €198,5m, lease liabilities €357,5m, cash and cash equivalent (€580,4m), restricted cash (€6,4m), debt instruments measured at fair value through other comprehensive income (€15,6m).

Prospects, key risks and uncertainties for the 2nd half of 2019

The tourism sector serves as a central pillar in Greek economy with a great impact in Group's prospects. The tourist industry in Greece depends on European economic growth prospects and the development of tourist products and infrastructure.

Surging trade uncertainties, the trade war between US and China and the impasse in Brexit negotiations between the European Union and the UK exert pressure on the global trade dynamics and global economic growth.

EU economy is projected to grow at a slower pace this year. Also German and EU manufacturing recession deepens, suggesting a deteriorating growth outlook.

As far as demand for the second half of 2019 is concerned, the outlook for the summer period remains positive. However, the market continues to present high seasonality, with the Group remaining dependent on the course of tourist arrivals in the second and third quarters of the year, while the first and fourth quarters remain weak.

Given the above challenges, the Group has set the following priorities for the 2nd half of 2019:

- Add new international destinations, increase frequencies to traditional destinations and improve our network efficiency from Athens hub, where the Group sees most of the growth potentials and competitive advantages;

- Maintain high level of inflight service, Group's main competitive advantage;

- Further increase of the ancillary revenues per passenger from the unbundling of additional services offering more options to the passengers and further initiatives and innovative services;

- Continuous development of Group's loyalty program to maximize the benefits provided to passengers;

- Maintain competitive cost structure by reducing aircraft operating costs.

amounts in thousand €

Key Performance Indicators Measurement

In this section, Group presents certain Alternative Performance Measures on the basis of the ESMA Guidelines on Alternative Performance Measures dated 5/10/2015, in addition to the International Financial Reporting Standards "IFRS", that are based on its financial statements.

Key profitability indicators are presented below, such as "Earnings before interest, taxes, depreciation, and amortization" (EBITDA) and "Earnings before Interest, Taxes, Depreciation, Amortization and Restructuring or Rental Costs" (EBITDAR).

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

The Group defines the EBITDA measure as the Earnings before taxes, interest and depreciation and the EBITDAR measure as Earnings before taxes, interest, depreciation and Aircraft & spare engines leasing payments.

The following table shows Alternative Performance Measures (APMs), that were calculated based on the consolidated financial statements for the 1st half of 2019 and 1st half of 2018.

The above indicators for 1st Half of 2019 compared to previous period were:

(amounts in mil €)	**1st Half 2019**	**1st Half 2018**
Losses Before Taxes (a)	(17,16)	(18,26)
Adjustments:		
Depreciation (b)	72,17	9,21
Finance income (c)	(11,47)	(16,27)
Finance Expense (d)	19,25	10,58
EBITDA (e) = (a) + (b) + (c) + (d)	**62,78**	**(14,74)**
Leases of aircraft and spare engines (f)	0,84	64,75
EBITDAR (g) = (f) + (e)	**63,62**	**50,01**
Revenue from contracts with customers (A)	519,40	455,71
Margin EBITDAR= (g)/(A)	**12,24%**	**10,97%**

Group evaluates its performance by using the key performance indicators RASK (Revenue per Available Seat Kilometer), CASK (Cost per Available Seat Kilometer) and Passenger Yield, which are used internationally in the field of air transport.

The following table includes the indicators RASK, CASK and Passenger Yield calculated on the basis of Group's interim consolidated financial statements for the 1st half 2019 and 1st half of 2018:

(amounts in mil € unless otherwise stated)	1st Half 2019	1st Half 2018
Income		
Revenue from contracts with customers (a)	519,40	455,71
Other operating income (b)	8,81	7,64
Total Income (a+b)	**528,20**	**463,36**
Key Performance Indicators		
ASKs in millions (c)	8.112	7.431
RPKs in millions (d)	6.666	6.060
RASK (in € cents) ((a)+(b))/(c)	6,51	6,24
Passenger Yield (in € cents) ((a)+(b))/(d)	7,92	7,65
Expenses		
Personnel expenses (e)	67,39	62,87
Depreciation (f)	72,17	9,21
Consumption of goods and services (g)	398,03	415,23
Finance income (h)	(11,47)	(16,27)
Finance expense (i)	19,25	10,58
Total Expenses (e)+(f)+(g)+(h)+(i)	**545,36**	**481,61**
CASK (in € cents) Total Expenses /c	**6,72**	**6,48**
Aircraft Fuel (j)	119,30	99,00
CASK (in € cents) excluding aircraft fuel (Total Expenses -j)/c	**5,25**	**5,15**
Load Factor [1]	**82,17%**	**81,55%**

[1] It is calculated as the passenger kilometers (RPK) to the available seat kilometers (ASK) for scheduled flights. RPK's is the number of revenues passengers carried multiplied by the distance flown in kilometers.

The calculation method of the above indicators is set out below:

RASK (Revenue per Available Seat Kilometer ή Average Revenue per Seat Kilometer)	It is calculated as the ratio of the total revenue to the total available seats multiplied by the total kilometers covered
CASK (Cost per Available Seat Kilometer)	It is calculated as the ratio of the total expenses to the total available seats multiplied by the total kilometers covered
CASK (Cost per Available Seat Kilometer) excluding fuel cost	It is calculated as the ratio of the total expenses minus the fuel cost to the total available seats multiplied by the total kilometers covered
Passenger Yield	It is calculated as the ratio total revenue to total passengers multiplied by the total kilometers covered

The Group reports a 14% increase in consolidated revenues at €519,4m for the first half of 2019. RASK increased at 6,51 cents compared to 6,24 cents in the first half of 2018 while Passenger Yield reached the amount of 7,92 cents, compared to 7,65 cents the same period last year. The Group also managed to increase ancillary services and products, further enhancing other operating income.

Earnings before interest, tax, depreciation, amortization and rental costs (EBITDAR) increased by 28,0% at €64,1m compared to €50,01m of the 1st half 2018.

CASK increased to 6,72 cents, compared to 6,48 cents the respective period last year, affected mainly by the fuel cost and maintenance expense increase.

Net loss reached the amount of €16,7m compared to €18,26m during the first half of 2018.

The Group adopted IFRS 16 which provides a different accounting treatment for leases. As a consequence, earnings before interest, tax, depreciation and amortization (EBITDA) is not comparable with the prior year respective amount. The adjusted EBITDA, determined after excluding any lease adjustments, reflects losses of €6,0m, improved compared to the corresponding prior year period when losses amounted to €14,7m.

Risks and Risk Management

Foreign exchange risk

The Group incurs a substantial portion of its expenses, such as aviation fuel, aircraft lease expenses, distribution costs, spare parts, maintenance expenses and aviation insurance premiums in U.S. dollars, whereas it generates most of its revenue in euro.

Appreciation of the euro versus the U.S. dollar positively impacts operating profit as the euro equivalent of the U.S. dollar operating expenses decreases, while depreciation of the euro versus the U.S. dollar negatively impacts the Company's operating profit. Despite the foreign exchange risk hedging policies, substantially adverse movements of the U.S. dollar could potentially have a material negative impact on the business activity, the financial status and the operating results of the Group.

At 30 June 2019 the Company has entered into agreements to hedge the 57% of its estimated annual US dollar needs for the second half of 2019 and 60%, 6% of estimated needs of 2020 and 3% of estimated needs of 2021 and 2022.

At 31 December 2018 the company has entered into agreements to hedge the 59% of its estimated annual US dollar needs for 2019, 6% of estimated needs for 2020, 4% of estimated needs for 2021 and 2% of estimated needs for 2022 (future transactions).

Our hedged and unhedged position is monitored and reviewed on an ongoing basis according to market conditions and the overall business needs.

Interest rate risk

The Company is exposed to interest rate fluctuations risk through the aircraft leases agreements based on a floating interest rate. The Company's policy is to continuously monitor its exposure to cash flow risk from interest rate fluctuations related to its aircraft leases. Additionally, the Group has adopted hedging policies against interest rate risk related to leases. At 30 June 2019 the company had hedging positions covering 31% (31/12/2018: 35%) of its floating interest rate lease liabilities.

Jet fuel risk

The Company is exposed to oil price fluctuations which has a direct impact on the jet fuel price. To manage this risk, the Company enters into derivative contracts on oil products in order to hedge specific percentages of its projected jet fuel needs. At 30 June 2019 the company had futures contracts (commodity jet swaps) for the purchase of aircraft fuel 326 thousand jet fuel tones covering 68% of the projected fuel needs for the second half 2019 and 37% of estimated needs for 2020.

AEGEAN A STAR ALLIANCE MEMBER AEGEAN AIRLINES S.A amounts in thousand €

Credit risk

The company monitors its trading receivables on a regular basis, so as to be protected against credit risk, and whenever needed, it assesses their timely collection. This risk in the current circumstances has increased in relation to the past.

Liquidity /Cash flow risk

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

Related Parties' Transactions

The Company's transactions with related parties during first half of 2019 were under usual market terms, with no significant variations compared to the first half of 2018.

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

1st Half of 2019	Income	Expenses	Receivables	Liabilities
OLYMPIC AIR S.A.	49.632,80	111.995,29	9.460,89	394,98
AUTOHELLAS HERTZ S.A. Group	575,62	884,18	145,99	176,19
Other Related Parties	76,63	366,70	7,61	74,61

1st Half of 2018	Income	Expenses	Receivables	Liabilities
OLYMPIC AIR S.A.	40.484,17	85.292,43	12.488,39	0,31
AUTOHELLAS HERTZ S.A. Group	579,43	832,35	139,04	213,99
Other Related Parties	151,39	464,33	46,23	185,75

The Group directors and Board of Directors' members remuneration for the period 1/1-30/06/2019 was €1.592,21 thousand (01/01-30/06/2018: €1.206,66 thousand), while the relevant amount for the Group was €1.697,10 (2018: €1.291,49 thousand).

Kifissia, September 12th 2019

Aegean Airlines S.A.
Chief Executive Officer
Dimitrios Gerogiannis

Auditor's Report on Review of Interim Financial Statements

THIS IS A FREE TRANSLATION FROM THE ORIGINAL VERSION IN GREEK LANGUAGE

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders of "Aegean Airlines S.A."

Introduction

We have reviewed the accompanying condensed separate and consolidated statement of financial position of "Aegean Airlines S.A." (the "Company") as at 30 June 2019, and the related condensed separate and consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the selected explanatory notes that comprise the interim financial information, which is an integral part of the six-month financial report of Law 3556/2007.

Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Financial Reporting Standards as adopted by the European Union and apply to interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with IAS 34.

Report on other legal requirements

Our review has not identified any inconsistency or error in the statements of Board of Directors' members and in the information of the Board of Directors' six-month Management Report, as set out in Articles 5 and 5a of Law 3556/2007, in relation to the interim condensed financial information.

Maroussi, 12 September 2019

VASSILIOS KAMINARIS
S.O.E.L. R.N. 20411

ERNST & YOUNG (HELLAS)
CERTIFIED AUDITORS ACCOUNTANTS S.A.
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D. INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY TO 30 JUNE 2019
(amounts in thousand euros)

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AEGEAN AIRLINES S.A amounts in thousand €

1.1 Interim Condensed Financial Position of the Company at 30.06.2019

	Note	30/06/2019	31/12/2018
ASSETS			
Non-current assets			
Intangible assets	5.7	25.871,73	26.743,81
Tangible assets	5.8	31.550,46	89.118,27
Right of use assets	5.4	343.545,21	-
Advances for assets acquisition	5.10	60.299,00	48.201,37
Investments in subsidiaries	5.9	72.416,56	72.416,56
Other long term assets		31.018,39	28.055,55
Derivatives	5.19	2.780,89	1.727,63
Financial Assets		525,00	525,00
Total non-current assets		**568.007,23**	**266.788,19**
Current assets			
Inventories		12.297,67	11.610,42
Trade and other receivables	5.12	123.610,32	115.474,79
Advances		32.528,96	22.632,61
Debt Instruments measured at fair value through other comprehensive income	5.11	15.565,31	18.478,49
Derivatives	5.19	9.148,64	10.645,12
Restricted Cash	5.13	6.363,07	10.409,17
Cash and cash equivalents	5.13	480.922,87	164.095,82
Total current assets		**680.436,86**	**353.346,42**
TOTAL ASSETS		**1.248.444,09**	**620.134,60**
EQUITY			
Share capital		46.421,11	46.421,11
Share premium		72.775,98	72.775,98
Other reserves		8.139,05	(6.140,54)
Retained earnings		33.566,95	96.018,73
Total equity		**160.903,09**	**209.075,27**
LIABILITIES			
Long term liabilities			
Borrowings	5.14	196.322,90	-
Derivatives	5.19	9.398,69	6.771,94
Provision for retirement benefits obligations		12.567,16	11.968,43
Provision for aircraft maintenance	5.15b	18.414,73	11.283,45
Contract Liabilities	5.18b	28.699,84	25.978,48
Deferred tax liabilities		4.070,47	5.000,37
Lease Liabilities	5.4	176.370,35	12.273,62
Total long term liabilities		**445.844,13**	**73.276,29**
Short term liabilities			
Trade and other payables	5.16	74.093,66	45.281,01
Borrowings	5.14	2.184,08	-
Other short term liabilities	5.17	123.158,10	91.433,99
Contract Liabilities	5.18a	264.978,79	115.701,55
Accrued expenses		43.922,89	43.403,74
Derivatives	5.19	11.280,06	31.038,30
Provisions	5.15a,c	264,44	264,44
Lease Liabilities	5.4	121.814,86	10.660,01
Total short term liabilities		**641.696,87**	**337.783,05**
Total liabilities		**1.087.541,00**	**411.059,34**
TOTAL EQUITY AND LIABILITIES		**1.248.444,09**	**620.134,60**

The Group has applied IFRS 16 using the cumulative effect method. Under this method, the comparative information is not restated. See Note 5.4. The notes on pages 24 to 55 are an integral part of these stand alone and consolidated financial statements.

AEGEAN AIRLINES S.A amounts in thousand €

1.2 Interim Condensed Consolidated Financial Position at 30.06.2019

	Note	30/06/2019	31/12/2018
ASSETS			
Non-current assets			
Intangible assets	5.7	42.387,73	43.505,63
Goodwill		39.756,30	39.756,30
Tangible assets	5.8	31.185,05	88.840,59
Right of use assets	5.4	402.226,04	-
Advances for assets acquisition	5.10	60.299,00	48.201,37
Financial assets		525,00	525,00
Other long term assets		35.603,12	32.534,29
Derivatives	5.19	2.780,89	1.727,63
Total non-current assets		**614.763,13**	**255.090,81**
Current assets			
Inventories		17.997,36	17.577,37
Trade and other receivables	5.12	170.926,60	128.376,52
Advances		35.658,98	24.063,97
Debt Instruments measured at fair value through other comprehensive income	5.11	15.565,31	18.478,49
Derivatives	5.19	9.148,64	10.645,12
Restricted Cash	5.13	6.363,07	10.409,17
Cash and cash equivalents	5.13	580.398,56	261.265,93
Total current assets		**836.058,54**	**470.816,57**
TOTAL ASSETS		**1.450.821,66**	**725.907,38**
EQUITY			
Share capital		46.421,11	46.421,11
Share premium		72.775,98	72.775,98
Other reserves		8.139,05	(6.140,54)
Retained earnings		104.806,74	164.821,71
Total equity		**232.142,89**	**277.878,26**
LIABILITIES			
Long term liabilities			
Borrowings	5.14	196.322,90	-
Derivatives	5.19	9.398,69	6.771,94
Provision for retirement benefits obligations		13.078,53	12.479,80
Provision for aircraft maintenance	5.15b	23.166,74	16.247,45
Contract Liabilities	5.18b	28.699,84	25.978,48
Deferred tax liabilities		6.745,11	6.585,78
Lease Liabilities	5.4	217.309,53	12.273,62
Total long term liabilities		**494.721,32**	**80.337,07**
Short term liabilities			
Trade and other payables	5.16	103.829,04	65.830,13
Borrowings	5.14	2.184,08	-
Other short term liabilities	5.17	130.832,60	94.431,76
Contract Liabilities	5.18a	287.401,78	122.311,81
Accrued expenses		43.058,64	38.271,51
Derivatives	5.19	11.280,06	31.038,30
Current tax liabilities		4.766,57	4.762,97
Provisions	5.15a,c	384,58	385,56
Lease Liabilities	5.4	140.220,11	10.660,01
Total short term liabilities		**723.957,45**	**367.692,05**
Total liabilities		**1.218.678,77**	**448.029,12**
TOTAL EQUITY AND LIABILITIES		**1.450.821,66**	**725.907,38**

The Group has applied IFRS 16 using the cumulative effect method. Under this method, the comparative information is not restated. See Note 5.4. The notes on pages 24 to 55 are an integral part of these stand alone and consolidated financial statements.

AEGEAN AIRLINES S.A amounts in thousand €

2.1 Interim Condensed Statement of Comprehensive Income of the Company for the period ended at 30.06.2019

Condensed Statement of Comprehensive Income	Note	1st Half 2019	1st Half 2018
Revenue from contracts with customers	5.20	**416.102,11**	**368.460,71**
Other operating income		16.063,68	14.623,52
Personnel expenses		(61.344,17)	(56.875,14)
Depreciation		(63.897,24)	(8.831,99)
Consumption of goods and services		(321.812,63)	(338.978,06)
Finance income	5.21	10.377,04	15.049,89
Finance expense	5.21	(16.179,73)	(9.274,05)
Loss before tax		**(20.690,95)**	**(15.825,13)**
Income tax	5.22	5.233,47	4.009,29
Loss after tax		**(15.457,48)**	**(11.815,84)**

Other comprehensive income			
(a) Other comprehensive income that may be reclassified to profit or loss in subsequent periods			
Cash flow hedging			
Reclassification of Profit / (Loss)		(3.330,49)	(7.736,88)
Net change in fair value of cash flow hedges		18.170,35	37.405,39
Income tax		(4.006,76)	(8.603,87)
Debt Instruments at FV through OCI			
Reclassification of Profit / (Loss)		56,96	-
Net change in fair value of cash flow hedges		1.182,39	-
Income tax		(334,62)	-
Total (a)		**11.737,83**	**21.064,64**
(b) *Other comprehensive income that will not be reclassified to profit or loss in subsequent periods*			
Net actuarial profit/ (loss) on defined benefit plans		(140,09)	(260,19)
Deferred tax		37,82	75,45
Total (b)		**(102,27)**	**(184,73)**
Other comprehensive income/ (losses) for the period net of tax		**11.635,56**	**20.879,91**
Total comprehensive income/(losses) for the period net of tax		**(3.821,92)**	**9.064,07**

The Group has applied IFRS 16 using the cumulative effect method. Under this method, the comparative information is not restated. See Note 5.4. The notes on pages 24 to 55 are an integral part of these stand alone and consolidated financial statements.

amounts in thousand €

2.2 Interim Condensed Statement of Comprehensive Income of the Group for the period ended at 30.06.2019

Condensed Statement of Comprehensive Income	Note	1st Half 2019	1st Half 2018
Revenue from contracts with customers	5.20	**519.398,26**	**455.713,71**
Other operating income		8.805,14	7.643,89
Personnel expenses		(67.393,28)	(62.865,98)
Depreciation		(72.171,10)	(9.206,49)
Consumption of goods and services		(398.027,75)	(415.233,75)
Finance income	5.21	11.472,58	16.272,41
Finance expense	5.21	(19.245,15)	(10.581,01)
Loss before tax		**(17.161,30)**	**(18.257,23)**
Income tax	5.22	4.140,64	4.503,11
Loss after tax		**(13.020,66)**	**(13.754,12)**

Other comprehensive income			
(a) Other comprehensive income that may be reclassified to profit or loss in subsequent periods			
Cash flow hedging			
Reclassification of Profit / (Loss)		(3.330,49)	(7.736,88)
Net change in fair value of cash flow hedges		18.170,35	37.405,39
Income tax		(4.006,76)	(8.603,87)
Debt Instruments at FV through OCI			
Reclassification of Profit / (Loss)		56,96	-
Net change in fair value of cash flow hedges		1.182,39	-
Income tax		(334,62)	-
Total (a)		**11.737,83**	**21.064,64**
(b) *Other comprehensive income that will not be reclassified to profit or loss in subsequent periods*			
Net actuarial profit/ (loss) on defined benefit plans		(140,09)	(260,19)
Deferred tax		37,82	75,45
Total (b)		**(102,27)**	**(184,73)**
Other comprehensive income/ (losses) for the period net of tax		**11.635,56**	**20.879,91**
Total comprehensive income/(losses) for the period net of tax		**(1.385,10)**	**7.125,79**
Basic and diluted earnings per share in €		(0,1823)	(0,1926)
Weighted Average number of shares		71.417.100,00	71.417.100,00

The Group has applied IFRS 16 using the cumulative effect method. Under this method, the comparative information is not restated. See Note 5.4. The notes on pages 24 to 55 are an integral part of these stand alone and consolidated financial statements.

AEGEAN AIRLINES S.A amounts in thousand €

3.1 Interim Statement of Changes in Equity of the Company for the period ended at 30.06.2019

	Issued capital	Share premium	Cash flow hedging reserves	Reserves (other)	Debt Instruments at FV through OCI	Accumulated Profit / (Loss)	Total equity
Balance at 1 January 2018	**46.421,11**	**72.775,98**	**(6.246,06)**	**10.222,79**	**65,68**	**73.283,16**	**196.522,65**
IFRS 15 & 9 Impact	-	-	-	-	(65,68)	14.674,42	14.608,74
Profit/ (loss) for the period	-	-	-	-	-	(11.815,84)	(11.815,84)
Other comprehensive income/ (losses)	-	-	21.064,64	-	-	(184,73)	20.879,91
Total comprehensive income/ (losses)	**-**	**-**	**21.064,64**	**-**	**(65,68)**	**2.673,85**	**23.672,81**
Dividends	-	-	-	-	-	(39.279,40)	(39.279,40)
Reserves	-	-	-	1.928,19	-	(1.928,19)	-
Balance on 30 June 2018	**46.421,11**	**72.775,98**	**14.818,58**	**12.150,98**	**-**	**34.749,42**	**180.916,06**
Balance on 1 January 2019	**46.421,11**	**72.775,98**	**(18.375,26)**	**12.150,98**	**83,73**	**96.018,73**	**209.075,27**
Profit/ (loss) for the period	-	-	-	-	-	(15.457,48)	(15.457,48)
Other comprehensive income/ (losses)	-	-	11.225,59	(392,48)	904,73	(102,27)	11.635,56
Total comprehensive income/ (losses)	**-**	**-**	**11.225,59**	**(392,48)**	**904,73**	**(15.559,75)**	**(3.821,92)**
Dividends (Note 5.28)	-	-	-	-	-	(42.850,26)	(42.850,26)
Other	-	-	-	-	-	(1.500,00)	(1.500,00)
Reserves	-	-	-	2.541,76	-	(2.541,76)	-
Balance on 30 June 2019	**46.421,11**	**72.775,98**	**(7.149,68)**	**14.300,26**	**988,46**	**33.566,96**	**160.903,09**

The Group has applied IFRS 16 using the cumulative effect method. Under this method, the comparative information is not restated. See Note 5.4. The notes on pages 24 to 55 are an integral part of these stand alone and consolidated financial statements.

AEGEAN AIRLINES S.A amounts in thousand €

3.2 Interim Statement of Changes in Equity of the Group for the period ended at 30.06.2019

	Issued capital	Share premium	Cash flow hedging reserves	Reserves (other)	Debt Instruments at FV through OCI	Accumulated Profit / (Loss)	Total equity
Balance at 1 January 2018	**46.421,11**	**72.775,98**	**(6.246,06)**	**10.222,78**	**65,68**	**124.700,81**	**247.940,31**
IFRS 15 & 9 Impact	-	-	-	-	(65,68)	14.671,57	14.605,88
Profit/ (loss) for the period	-	-	-	-	-	(13.754,12)	(13.754,12)
Other comprehensive income/ (losses)	-	-	21.064,64	-	-	(184,73)	20.879,91
Total comprehensive income/ (losses)	**-**	**-**	**21.064,64**	**-**	**(65,68)**	**732,72**	**21.731,68**
Dividends	-	-	-	-	-	(39.279,40)	(39.279,40)
Reserves	-	-	-	1.928,19	-	(1.928,19)	-
Balance on 30 June 2018	**46.421,11**	**72.775,98**	**14.818,58**	**12.150,97**	**-**	**84.225,95**	**230.392,59**
Balance on 1 January 2019	**46.421,11**	**72.775,98**	**(18.375,26)**	**12.150,97**	**83,74**	**164.821,70**	**277.878,25**
Profit/ (loss) for the period	-	-	-	-	-	(13.020,66)	(13.020,66)
Other comprehensive income/ (losses)	-	-	11.225,59	(392,48)	904,73	(102,27)	11.635,56
Total comprehensive income/ (losses)	**-**	**-**	**11.225,59**	**(392,48)**	**904,73**	**(13.122,93)**	**(1.385,10)**
Dividends (Note 5.28)	-	-	-	-	-	(42.850,26)	(42.850,26)
Other	-	-	-	-	-	(1.500,00)	(1.500,00)
Reserves	-	-	-	2.541,76	-	(2.541,76)	-
Balance on 30 June 2019	**46.421,11**	**72.775,98**	**(7.149,67)**	**14.300,25**	**988,46**	**104.806,75**	**232.142,89**

The Group has applied IFRS 16 using the cumulative effect method. Under this method, the comparative information is not restated. See Note 5.4. The notes on pages 24 to 55 are an integral part of these stand alone and consolidated financial statements.

amounts in thousand €

4.1 Cash Flow Statement of the Company for the period ended at 30.06.2019

	30/06/2019	30/06/2018
Cash flows from operating activities		
Loss before tax	**(20.690,95)**	**(15.825,13)**
Adjustments for:		
Depreciation of tangible assets (Note. 5.7, 5.8)	63.897,24	8.831,99
Provisions for aircraft maintenance , bad debts and other provision (Note 5.11, 5.12, 5.37, 5,15b)	10.586,66	(793,13)
Foreign exchange differences (Note 5.21)	(755,32)	(6.111,98)
(Income)/expense, (profit)/loss from investing activities	(3.504,13)	(747,28)
Finance Cost (Note 5.21)	10.056,37	1.083,42
Cash flows from operating activities before changes in working capital	**59.589,87**	**(13.562,10)**
Changes in working capital		
(Increase)/Decrease in inventories	(687,25)	(1.139,64)
(Increase)/ Decrease in receivables	(26.459,95)	(58.283,20)
Increase/ (Decrease) in liabilities	209.478,21	243.560,49
Total changes in working capital	**182.331,01**	**184.137,65**
Interest expenses paid	(7.621,57)	(928,59)
Net cash flows from operating activities	**234.299,31**	**169.646,97**
Cash flows from investing activities		
Purchases of tangible and ROU assets (Note 5.4, 5.7,5.8)	(8.935,23)	(3.799,65)
Sales of tangible assets	56,03	7,87
Advances for the acquisition of tangible assets (Note 5.10)	(12.097,63)	(33.583,61)
Purchases of financial instruments (Note 5.11)	(7.967,72)	(5.654,50)
Sales of financial instruments	12.189,65	-
Interest and other financial income received	1.135,98	398,01
Net cash flows from investing activities	**(15.618,92)**	**(42.631,88)**
Cash flows from financing activities		
Bond loan	196.179,75	-
Dividends paid	(41.785,33)	(35.474,21)
Leases payments	(60.311,35)	(4.844,62)
Net cash flows from financing activities	**94.083,07**	**(40.318,83)**
Net (decrease)/increase in cash and cash equivalents	**312.763,45**	**86.696,25**
Cash, cash equivalents & restricted cash at the beginning of the period (Note 5.13)	174.504,99	222.403,88
Net foreign exchange differences	17,50	1.960,42
Cash, cash equivalents & restricted cash at the end of the period	**487.285,95**	**311.060,56**

The Group has applied IFRS 16 using the cumulative effect method. Under this method, the comparative information is not restated. See Note 5.4. The notes on pages 24 to 55 are an integral part of these stand alone and consolidated financial statements.

amounts in thousand €

4.2 Cash Flow Statement of the Group for the period ended at 30.06.2019

	30/06/2019	30/06/2018
Cash flows from operating activities		
Loss before tax	**(17.161,30)**	**(18.257,23)**
Adjustments for:		
Depreciation of tangible assets (Note. 5.7, 5.8)	72.171,10	9.206,49
Provisions for aircraft maintenance , bad debts and other provision (Note 5.11, 5.12, 5.37, 5,15b)	10.125,67	(1.372,85)
Foreign exchange differences (Note 5.21)	(290,04)	(6.097,97)
Impairment loss on fixed assets	9,00	-
(Income)/expense, (profit)/loss from investing activities	(3.504,26)	(775,65)
Finance Cost (Note 5.21)	11.564,79	1.114,60
Cash flows from operating activities before changes in working capital	**72.914,96**	**(16.182,61)**
Changes in working capital		
(Increase)/Decrease in inventories	(419,99)	(1.357,09)
(Increase)/ Decrease in receivables	(63.206,07)	(59.797,86)
Increase/ (Decrease) in liabilities	244.179,04	241.453,28
Total changes in working capital	**180.552,98**	**180.298,32**
Interest expenses paid	(9.318,50)	(959,77)
Net cash flows from operating activities	**244.149,43**	**163.155,94**
Cash flows from investing activities		
Purchases of tangible and ROU assets (Note 5.4 ,5.7, 5.8)	(8.935,23)	(3.820,64)
Sales of tangible assets	56,15	7,87
Advances for the acquisition of tangible assets	(12.097,63)	(33.583,61)
Purchases of financial instruments	(7.967,72)	(5.654,50)
Sales of financial instruments	12.189,65	-
Interest and other financial income received	1.200,02	426,38
Net cash flows from investing activities	**(15.554,76)**	**(42.624,50)**
Cash flows from financing activities		
Bond Loan	196.179,75	-
Dividends paid	(41.785,33)	(35.474,21)
Lease payments	(67.605,66)	(4.844,62)
Net cash flows from financing activities	**86.788,76**	**(40.318,83)**
Net (decrease)/increase in cash and cash equivalents	**315.383,43**	**80.212,62**
Cash, cash equivalents & restricted cash at the beginning of the period (Note 5.13)	271.675,10	300.931,52
Net foreign exchange differences	(296,89)	1.980,29
Cash, cash equivalents & restricted cash at the end of the period	**586.761,64**	**383.124,42**

The Group has applied IFRS 16 using the cumulative effect method. Under this method, the comparative information is not restated. See Note 5.4. The notes on pages 24 to 55 are an integral part of these stand alone and consolidated financial statements.

5. Notes to the Interim Financial Statements

5.1 General Information

Aegean Airlines S.A. is a Societe Anonyme airline Company (the Company) under the discreet title AEGEAN AIRLINES used in its international transactions. The Company's legal duration has been defined up to 31/12/2044 and can be extended following the decision of the General Shareholders Meeting. The Company's registered address is 31 Viltanioti St. in the Municipality of Kifissia, Attiki (PC 14564). The parent company Aegean Airlines S.A. along with its subsidiaries constitute the AEGEAN Group (the Group).

The accompanying interim condensed consolidated and stand-alone financial statements for the period ended at 30th June 2019 have been approved by the Board of Directors of the Company on September 12th 2019.

5.2 Nature of operations

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

a. Participation in any local or foreign company of similar nature of operations;

b. Establishment of branches and agencies;

c. Import, trade, leasing of aircraft and spare parts.

5.3 Basis of preparation of the financial statements

The interim condensed consolidated financial statements for the six month period ended 30 June 2018 have been prepared in accordance with IAS 34 Interim Financial Reporting. The financial statements have been prepared based on the business continuity principle, under the historical cost principle except for certain categories of assets and liabilities that have been revalued in fair values as stated below:

1) Derivatives
2) Financial instruments measured at fair value through profit and loss

The interim financial statements for the 1st half of 2019 have been prepared based on the same accounting policies and calculation methods used for the preparation of the annual financial statements of the year ended 31 December 2018 except for the changes in accounting policies which are analyzed in Note 5.4. The accompanying interim condensed financial statements should be read along with the annual financial statements for the period ended at 31 December 2018, which include a thorough analysis of the accounting principles and methods used.

The preparation of the financial statements according to the International Financial Reporting Standards (IFRS) requires the usage of estimates and judgments. Important assumptions, made by the management in applying the accounting policies of the company and the group, are stated where it is considered necessary. The estimates and judgments made by the management, same with those used for the preparation of annual financial statements for the period ended 31 December 2018, are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are considered reasonable under the circumstances.

The management considers the basic financial figures as well as the medium term budgets, along with the existing loan covenants and other loan terms if any, to conclude if the going concern basis is still appropriate to be adopted in the preparation of the interim condensed stand-alone and consolidated financial statements.

The financial statements are presented in thousand euros ('000), except if otherwise stated. Small variances in decimals are mainly due to rounding.

5.4 Standards, Interpretations and amendments to existing standards

A) Changes in Accounting Policy and disclosures

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

- **IFRS 16: Leases**

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

Classification and measurement

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

Up to 31/12/2018, finance leases were capitalized at inception at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Every lease was apportioned between liability and finance cost, so that a fixed interest rate could be applied on the residual financial liability. On the contrary, all operating leases, according to IAS 17, were not capitalized, but every lease payment was recognized to the income statement over the period of the lease.

As at 1/1/2019 the Group and the Company measured all liabilities of leases that, according to IAS 17, were previously classified as operating leases, at an amount equal to the present value of all outstanding lease payments, using the incremental borrowing rate at that date. At the same time, an equal amount was recognized as a right of use asset. This asset includes not only the present value of all future lease payments, but also any prepayments made prior to the initial recognition date.

Concerning the leases previously classified as finance leases, the book value of the right of use asset and lease liability at the adoption date equals the book value of the financed leased asset and the lease liability measured prior that date, in accordance with IAS 17. The Company and the Group account for the relevant right of use asset and the liability of these leases, according the IFRS 16 requirements from the date of initial application.

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

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

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

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

Discount rate

Future lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Company and the Group use the incremental borrowing rate. A single discount rate is applied to a portfolio of leases with similar characteristics, such as the lease duration and the transaction currency, evaluating specific market financial ratios and other transactions with similar terms and economic environment.

More specifically, the rate is calculated using risk free rate increased by the weighted average cost of debt of similar duration exposure of other companies operating in the same industry further adjusted with the liquidity spread.

As at 1/12019 the weighted average incremental borrowing rate used for leases denominated in Euro was 3,01% for the Company and 3,23% for the Group.

The weighted average incremental borrowing rate used for leases denominated in US dollar was 4,59% for the Company and 4,61% for the Group.

Impact on the Statement of financial position

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

Amounts in thousand €	**Company**	**Group**
	1/1/2019	**1/1/2019**
Non-current assets		
Right of uses assets	370.766,63	437.354,79
Tangible assets	(56.871,76)	(56.871,76)
Current assets		
Prepayments	(5.535,79)	(5.535,79)
TOTAL ASSETS	**308.359,08**	**374.947,24**
Long-term liabilities		
Finance lease contracts liabilities	(12.273,62)	(12.273,62)
Lease liabilities	177.950,76	224.670,62
Short-term liabilities		
Lease liabilities	153.341,95	173.210,24
Finance lease contracts liabilities	(10.660,01)	(10.660,01)
TOTAL LIABILITIES	**308.359,08**	**374.947,24**

The analysis below presents all amounts recognized on the separate and consolidated interim condensed statement of financial position as well as the statement of comprehensive income for the six month period ended 30/06/2019.

AEGEAN AIRLINES S.A amounts in thousand €

Company	Right of use assets					Lease liabilities
	Aircrafts	Aircraft engines	Buildings	Vehicles	Total Assets	
Opening balance 1/1/2019	**346.160,18**	**12.499,47**	**11.364,63**	**742,35**	**370.766,63**	**331.292,71**
Additions	31.755,01	-	-	697,70	**32.452,71**	26.181,92
Depreciation	(56.774,47)	(1.511,32)	(1.218,29)	(170,06)	**(59.674,14)**	-
Interest expense	-	-	-	-	**-**	7.041,76
Payments	-	-	-	-	**-**	(67.249,41)
FX Valuation	-	-	-	-	**-**	918,22
Ending balance 30/6/2019	**321.140,72**	**10.988,15**	**10.146,35**	**1.269,98**	**343.545,20**	**298.185,20**

Group	Right of use assets					Lease liabilities
	Aircrafts	Aircraft engines	Buildings	Vehicles	Total Assets	
Opening balance 1/1/2019	**412.118,22**	**12.499,47**	**11.954,37**	**782,73**	**437.354,79**	**397.880,87**
Additions	31.755,01	-	-	739,68	**32.494,69**	26.223,90
Depreciation	(64.666,43)	(1.511,32)	(1.265,50)	(180,19)	**(67.623,45)**	-
Interest expense	-	-	-	-	**-**	8.461,88
Payments	-	-	-	-	**-**	(76.088,32)
FX Valuation	-	-	-	-	**-**	1.051,30
Ending balance 30/6/2019	**379.206,80**	**10.988,15**	**10.688,86**	**1.342,22**	**402.226,03**	**357.529,63**

Lease expense recognized within the 1st half 2019 in the separate and consolidated statement of comprehensive income, with respect to the short term leases is €822,65 and €1.098, respectively.

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

Amounts in thousand €	Company	Group
Operating lease commitments at 31/12/2018	322.581,36	404.414,72
Foreign exchange difference at 1/1/2019	1.468,17	1.804,25
Discount using incremental borrowing rate at IFRS 16 initial application	(23.185,78)	(30.831,17)
Plus: Lease liabilities recognized as finance lease liabilities at 31/12/2018	22.933,63	22.933,63
Minus: Short-term lease commitments	(383,44)	(632,01)
Other adjustments	7.878,78	191,46
TOTAL	**331.292,71**	**397.880,87**

- **IFRS 9: Prepayment features with negative compensation (Amendment)**

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

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

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

- **IFRIC INTERPETATION 23: Uncertainty over Income Tax Treatments**

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

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

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

- The **IASB has issued the Annual Improvements to IFRSs 2015 – 2017 Cycle**, which is a collection of amendments to IFRSs. The above amendment did not have a significant impact on the interim consolidated financial statements

➢ ***IFRS 3 Business Combinations and IFRS 11 Joint Arrangements*:** The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

- ***IAS 12 Income Taxes*:** The amendments clarify that the income tax consequences of payments on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits has been recognized.
- ***IAS 23 Borrowing Costs*:** The amendments clarify paragraph 14 of the standard that, when a qualifying asset is ready for its intended use or sale, and some of the specific borrowing related to that qualifying asset remains outstanding at that point, that borrowing is to be included in the funds that an entity borrows generally.

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

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

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

- **Conceptual Framework in IFRS standards**

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

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

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

- **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

5.5 Seasonality

The Company's and the Group's operating results fluctuate significantly each quarter during the financial year, a trend that is expected to continue in the future, as a result of the demand's seasonality in combination with the relatively high fixed costs of the Company. Historically, the Company's and Group's significant part of revenue from passengers flights is realized between April and September and in a limited degree, during the holiday periods of Easter and Christmas/New Year's. Demand and average fares are generally higher during these periods. Consequently, the Company and the Group present higher revenue during the second and third quarters of the financial year. On the contrary, revenue are lower during the first and fourth quarters, due to lower demand during the winter season. Most of Company's and Group's costs are evenly allocated during the year and therefore it is generally expected that the operating results are lower during the first and fourth quarters.

5.6 Operating Segments

The Group is managed as one business unit providing high-quality air transport services inside and outside Greece. It was considered appropriate to present information on a single route network sector.

Operations are monitored and managed by the Board of Directors, which acts as the Chief Operating Decision Maker - CODM. For more efficient decision-making, CODM evaluates all necessary information (route revenue, available resources, competition analysis) targeting to maximize the overall Group financial results and not to improve the profitability of a specific route.

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

AEGEAN AIRLINES S.A amounts in thousand €

5.7 Intangible Assets

As at 30/06/2019 the Company held intangible assets amounting to €€25.871,73 thousand and the Group €42.387,73 thousand. The changes in the aforementioned amounts are analyzed as follows:

Company	Airport Slots	Software Licenses	Other	Total
Cost of acquisition				
Balance January 1st 2018	**22.030,00**	**16.051,30**	**2.696,68**	**40.777.98**
Additions	-	597,32	-	597,32
Balance June 30th 2018	**22.030,00**	**16.648,62**	**2.696,68**	**41.375,30**
Accumulated Depreciations				
Balance January 1st 2018	**-**	**10.862,17**	**2.052,49**	**12.914,66**
Depreciations	-	1.098,99	127,27	1.226,26
Balance June 30th 2018	**-**	**11.961,16**	**2.179,76**	**14.140,92**
Net Book value at June 30th 2018	**22.030,00**	**4.687,46**	**516,92**	**27.234,38**
Cost of acquisition				
Balance January 1st 2019	**22.030,00**	**17.630,82**	**2.545,37**	**42.206,19**
Additions	-	628,63	-	628,63
Balance June 30th 2019	**22.030,00**	**18.259,45**	**2.545,37**	**42.834,82**
Accumulated Depreciations				
Balance January 1st 2019	**-**	**13.306,66**	**2.155,66**	**15.462,33**
Depreciations	-	1.373,50	127,27	1.500,77
Balance June 30th 2019	**-**	**14.680,16**	**2.282,93**	**16.963,09**
Net Book value at June 30th 2019	**22.030,00**	**3.579,29**	**262,44**	**25.871,73**

amounts in thousand €

Group	Brand Name	Airport Slots	Software Licenses	Other	Total
Cost of acquisition					
Balance January 1st 2018	**21.750,05**	**22.039,00**	**21.917,06**	**2.696,68**	**68.402,79**
Additions	-	-	597,32	-	597,32
Balance June 30rd 2018	**21.750,05**	**22.039,00**	**22.514,38**	**2.696,68**	**69.000,11**
Depreciations					
Balance January 1st 2018	**4.721,40**	**-**	**16.515,08**	**2.054,49**	**23.290,97**
Depreciations	206,41	-	1.163,00	127,27	1.496,68
Balance June 30rd 2018	**4.927,81**	**-**	**17.678,08**	**2.181,76**	**24.787,65**
Net Book value at June 30th 2018	**16.822,24**	**22.039,00**	**4.836,30**	**514,92**	**44.212,46**
Cost of acquisition					
Balance January 1st 2019	**21.750,05**	**22.039,00**	**23.518,18**	**2.545,37**	**69.852,60**
Additions	-	-	628,63	-	628,63
Disposals	-	(9,00)	-	-	(9,00)
Balance June 30rd 2019	**21.750,05**	**22.030,00**	**24.146,81**	**2.545,37**	**70.472,24**
Depreciations					
Balance January 1st 2019	**5.134,24**	**-**	**19.057,02**	**2.155,66**	**26.346,92**
Depreciations	206,42	-	1.403,89	127,27	1.737,58
Balance June 30rd 2019	**5.340,66**	**-**	**20.460,91**	**2.282,93**	**28.084,51**
Net Book value at June 30th 2019	**16.409,39**	**22.030,00**	**3.685,90**	**262,44**	**42.387,73**

The Group performs at the end of its respective year its annual goodwill impairment test, amounted to €40m. The goodwill, occurred from Olympic Air acquisition, is included in the Group financial statements and was examined for impairment by applying the value-in-use method. More specifically, discounted cash flows were used based on the Group's five-year business plan, which is considered as a single cash generating unit (CGU). Future cash flows, beyond five-year Group business plan, were determined on the basis of an estimated long-term growth rate of 0,5%, which was considered rational by the Management. The discount rate used was 9,7%. A sensitivity analysis was performed stressing the above assumptions, to determine a potential impact on the recoverable amount due to a possible change in these assumptions by +/- 0,5%.

No need for impairment was occurred, since the CGU recoverable amount exceeded its current book value by €990m at 31/12/2018.

The Group examines, among other factors, the relationship between its capitalization and its carrying amount in order to identify any indications of impairment. In 30/06/2019 the Group's capitalization exceeded its book value by €350 million. Based on the above, no indication of impairment was observed and therefore the Management did not take any further action.

amounts in thousand €

5.8 Tangible Assets

The Group's fleet as at 30/06/2019 and 31/12/2018 consisted of 61 aircraft. The table below presents the Group fleet of aircraft dated 30/06/2019 and 31/12/2018.

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

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

Table of tangible assets

AEGEAN AIRLINES S.A amounts in thousand €

Company	Buildings	Aircraft Owned	*Finance Leased Aircraft	*Aircraft Finance Leased – Maintenance reserves	Aircraft equipment	Airports equipment	Other vehicles	Furniture and other equipment	Total
Cost of acquisition									
Balance January 1st 2018	**12.203,30**	**6.475,32**	**69.956,21**	**74.733,32**	**35.270,39**	**2.066,59**	**1.057,61**	**11.844,12**	**213.606,87**
Additions	324,05	-	-	4.802,88	1.991,90	-	-	886,41	8.005,23
Disposals	-	-	-	-	-	-	(2,69)	(5,19)	(7,87)
Balance June 30th 2018	**12.527,35**	**6.475,32**	**69.956,21**	**79.536,20**	**37.262,29**	**2.066,59**	**1.054,92**	**12.725,34**	**221.604,23**
Depreciations									
Balance January 1st 2018	**6.270,53**	**3.642,35**	**27.990,79**	**55.402,82**	**14.370,36**	**1.627,31**	**513,74**	**9.462,59**	**119.280,50**
Depreciations	573,38	161,88	1.575,27	3.632,37	1.285,37	38,95	60,99	277,53	7.605,73
Disposals	-	-	-	-	-	-	(2,69)	(5,19)	(7,87)
Balance June 30th 2018	**6.843,91**	**3.804,23**	**29.566,06**	**59.035,20**	**15.655,73**	**1.666,26**	**572,05**	**9.734,93**	**126.878,35**
Net Book value June 30th 2018	**5.683,44**	**2.671,09**	**40.390,16**	**20.501,01**	**21.606,57**	**400,33**	**482,87**	**2.990,41**	**94.725,87**
Cost of acquisition									
Balance January 1st 2019	**12.741,93**	**6.475,31**	**69.956,21**	**80.738,86**	**37.287,92**	**2.061,40**	**1.042,42**	**13.517,25**	**223.821,30**
*IFRS 16 effect (Note 5.4)	-	-	(69.956,21)	(80.738,86)	-	-	-	-	(150.695,07)
Additions	182,23	-	-	-	1.172,46	-	-	681,35	2.036,03
Disposals	-	-	-	-	-	-	(5,45)	(20,14)	(25,59)
Balance June 30th 2019	**12.924,16**	**6.475,31**	**-**	**-**	**38.460,38**	**2.061,40**	**1.036,97**	**14.178,46**	**75.136,67**
Depreciations									
Balance January 1st 2019	**7.434,15**	**3.966,12**	**31.141,32**	**62.681,99**	**17.077,23**	**1.699,60**	**624,06**	**10.078,58**	**134.703,05**
*IFRS 16 effect (Note 5.4)	-	-	(31.141,32)	(62.681,99)	-	-	-	-	(93.823,31)
Depreciations	565,70	161,88	-	-	1.496,12	33,80	60,37	404,46	2.722,32
Disposals	-	-	-	-	-	-	-	(15,85)	(15,85)
Balance June 30th 2019	**7.999,85**	**4.128,00**	**-**	**-**	**18.573,36**	**1.733,40**	**684,42**	**10.467,19**	**43.586,21**
Depreciable value June 30th 2019	**4.924,30**	**2.347,31**	**-**	**-**	**19.887,02**	**328,00**	**352,55**	**3.711,27**	**31.550,46**

** The Company and the Group have applied IFRS 16 as of 01/01/2019. From the date of the new standard adoption, the items " Finance Leased Aircraft " and "* Aircraft Finance Leased – Maintenance reserves *" are included in "Right of Use Asset" (Note 5.4)*

AEGEAN AIRLINES S.A amounts in thousand €

Group	Buildings	Aircraft Owned	Finance Leased Aircraft	Aircraft Finance Leased – Maintenance reserves	Aircraft equipment	Airports equipment	Other vehicles	Furniture and other equipment	Total
Cost of acquisition									
Balance January 1st 2018	**12.203,30**	**6.475,32**	**69.956,21**	**74.733,32**	**34.320,48**	**2.066,59**	**1.234,53**	**16.606,05**	**217.595,80**
Additions	324,05	-	-	4.802,88	1.991,90	-	-	907,35	8.026,18
Disposals	-	-	-	-	-	-	(2,69)	(5,19)	(7,87)
Balance June 30th 2018	**12.527,35**	**6.475,32**	**69.956,21**	**79.536,20**	**36.312,38**	**2.066,59**	**1.231,84**	**17.508,22**	**225.614,11**
Depreciations									
Balance January 1st 2018	**6.270,53**	**3.642,35**	**27.990,79**	**55.402,82**	**14.242,06**	**1.627,31**	**673,84**	**13.554,22**	**123.403,93**
Depreciations	573,38	161,88	1.575,27	3.632,37	1.237,87	38,95	62,30	425,80	7.707,82
Disposals	-	-	-	-	-	-	(2,69)	(5,19)	(7,87)
Balance June 30th 2018	**6.843,91**	**3.804,23**	**29.566,06**	**59.035,20**	**15.479,93**	**1.666,26**	**733,46**	**13.974,84**	**131.103,88**
Net Book value June 30th 2018	**5.683,44**	**2.671,09**	**40.390,16**	**20.501,01**	**20.832,45**	**400,33**	**498,39**	**3.533,42**	**94.510,24**
Cost of acquisition									
Balance January 1st 2019	**12.741,93**	**6.475,31**	**69.956,21**	**80.738,86**	**36.338,00**	**2.061,40**	**1.219,34**	**18.288,91**	**227.819,97**
IFRS 16 effect (Note 5.4)	-	-	(69.956,21)	(80.738,86)	-	-	-	-	(150.695,07)
Additions	182,23	-	-	-	1.172,46	-	-	681,31	2.035,99
Disposals	-	-	-	-	-	-	(20,52)	(20,14)	(40,66)
Balance June 30th 2019	**12.924,16**	**6.475,31**	**-**	**-**	**37.510,47**	**2.061,40**	**1.198,82**	**18.950,08**	**79.120,23**
Depreciations									
Balance January 1st 2019	**7.434,15**	**3.966,12**	**31.141,32**	**62.681,99**	**16.853,92**	**1.699,60**	**786,78**	**14.415,52**	**138.979,39**
IFRS 16 effect (Note 5.4)	-	-	(31.141,32)	(62.681,99)	-	-	-	-	(93.823,31)
Depreciations	565,70	161,88	-	-	1.448,63	33,80	61,67	538,38	2.810,05
Disposals	-	-	-	-	(0,02)	-	(15,08)	(15,86)	(30,96)
Balance June 30th 2019	**7.999,85**	**4.128,00**	**-**	**-**	**18.302,53**	**1.733,40**	**833,37**	**14.938,03**	**47.935,18**
Depreciable value June 30th 2019	**4.924,30**	**2.347,31**	**-**	**-**	**19.207,94**	**328,00**	**365,45**	**4.012,05**	**31.185,05**

** The Company and the Group have applied IFRS 16 as of 01/01/2019. From the date of the new standard adoption, the items " Finance Leased Aircraft " and "* Aircraft Finance Leased – Maintenance reserves *" are included in "Right of Use Asset" (Note 5.4)*

AEGEAN AIRLINES SA amounts in thousand €

5.9 Investments in subsidiaries

Investments in subsidiaries are analyzed as follows:

Company	Country of activity	Participation	30/06/2019	31/12/2018
Olympic Air A.E.	Greece	100%	62.416,56	62.416,56
Aegean Cyprus LTD	Cyprus	100%	10.000,00	10.000,00
Investment in subsidiaries			**72.416,56**	**72.416,56**

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

5.10 Advances for assets acquisition

On 22.06.2018 the Company signed a binding purchase agreement with Airbus S.A.S (Aircraft Purchase Agreement) for the acquisition of 30x aircraft of A320neo family (A320neo and A321 neo), with an option for 12 additional aircraft.

The account increase is mainly attributable to advances paid under the above agreement.

5.11 Debt instruments that are measured at fair value through other comprehensive income

The amount relates to investments of Company's cash and cash equivalents amounted to €15.565,31 thousand which are traded in primary and secondary markets. (Fair value hierarchy Stage 1).

During 1st half 2019, the Company and the Group proceeded in financial assets purchases amounted to €7.967,72 thousand (30/6/2018 €5.654,50 thousand) as well as sales of financial assets amounted to €12.189,65 thousand.

On 30/6/2019, an additional provision was established for expected credit losses impairment of €69,85 thousand included in financial expenses. (Note 5.21)

During the period ended in 30/06/2019, no transfers of financial assets between Level 1 and Level 2 hierarchies were made.

AEGEAN AIRLINES SA amounts in thousand €

5.12 Customers and other trade receivables

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

	Company		Group	
	30/06/2019	**31/12/2018**	**30/06/2019**	**31/12/2018**
Domestic customers	4.480,26	6.967,31	7.126,11	8.591,86
International customers	3.015,42	3.585,60	3.504,06	3.954,90
Greek State	625,92	505,73	657,65	505,73
Other miscellaneous debtors	56.671,14	29.645,42	117.271,68	56.754,76
Accrued income receivable	17.831,19	37.084,77	20.164,55	43.417,80
Contract Assets (Note 5.18)	27.873,28	11.170,65	10.738,07	1.564,18
Prepayments to suppliers	13.832,72	14.972,43	14.471,46	3.006,89
Total Receivables	**124.329,93**	**103.931,90**	**173.933,59**	**117.796,12**
Less: Provision for Expected Credit Losses	(2.478,07)	(1.932,19)	(5.128,59)	(4.881,71)
Total Impaired Receivables	**121.851,85**	**101.999,71**	**168.805,00**	**112.914,41**
Other Receivables	1.758,47	13.475,07	2.121,60	15.462,10
Total Customers and Other Receivables	**123.610,32**	**115.474,78**	**170.926,60**	**128.376,52**

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

"Other Receivables" is mainly consisted of credit VAT and Loans to personnel.

"Accrued income receivables" includes mainly claims for the reimbursement of maintenance reserves by the lessors for maintenances carried out within the period but were invoiced subsequently.

The amount of the "provision for expected credit losses" is included in the item " Consumption of goods and services".

The above receivables are considered to be short-term and therefore their fair value is not considered to be materially different from their book value.

The increase compared to 31/12/2018 is due to seasonality reasons.

5.13 Cash and cash equivalents – Restricted Cash

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

	Company		Group	
	30/06/2019	**31/12/2018**	**30/06/2019**	**31/12/2018**
Cash	211,77	303,60	250,80	343,14
Current accounts	308.264,84	84.506,07	354.187,38	139.455,63
Short term time deposits	168.460,25	59.733,62	221.974,37	101.914,64
Cash equivalents	3.986,02	19.552,52	3.986,02	19.552,52
Total	**480.922,87**	**164.095,82**	**580.398,56**	**261.265,93**

AEGEAN AIRLINES SA amounts in thousand €

Cash equivalent refer to low risk investments which can immediately be liquidated (less than 3 months) (Treasury Bills, Money Market Funds).

The increase in cash as at 30/06/2019 is mainly due to the issuance of the Common Bond Loan in the 1st half of 2019 (Note 5.14), as well as due to seasonality.

From the total cash of the Company and the Group, the amount of €133,9m. (31/12/2018: €94,80m) and €150,22m (31/12/2018: €99,27m), respectively, relates to cash denominated in foreign currency. Part of the aforementioned amount, €125,39m for the Company (31/12/2018: €60,79m) and €141,40m for the Group (31/12/2018: €61,51m) is denominated in USD.

The Group as of 30/06/2019 had restricted cash totaling €6.363,07 thousand (31/12/2018: €10.409,17 thousand) relating to amounts given as guarantees to third parties under derivative contracts used as cash flow hedges. Part of restricted cash as of 30/06/2019 includes also the cash account pledged in favor of bondholders.

5.14 Borrowings

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

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

At 30/06/2019 the fair value of the borrowing liabilities for the Company and the Group amounted to €209.227,20.

First interest payment period of the common bond loan

According to the Common Bond Loan issued on 12/03/2019 by the Company the record date for the beneficiaries of interest for the 1st interest period was Wednesday September 11th, 2019.

The gross interest amount for the 1st interest period is €3.680 thousand, i.e. €18,40 per bond, and has been calculated at an annual interest rate of 3,60% (before tax), corresponding to 200.000 bonds currently traded on the Organized Market of the Athens Stock Exchange.

The payment of the interest amount due to the bondholders will take place through "HELLENIC CENTRAL SECURITIES DEPOSITARY SA (ATHEXCSD)" on Thursday 12/09/2019.

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

	Company		Group	
	30/6/2019	**31/12/2018**	**30/6/2019**	**31/12/2018**
Borrowings				
Long term portion	196.322,90	-	196.322,90	-
Short term portion	2.184,08	-	2.184,08	-
Carrying Value of Bond Loan	**198.506,97**	**-**	**198.506,97**	**-**

The movement of bond loan account is analyzed as follow :

AEGEAN AIRLINES SA amounts in thousand €

	Company		Group	
	30/6/2019	**31/12/2018**	**30/6/2019**	**31/12/2018**
Bond Loan Issuance	200.000,00	-	200.000,00	-
Less: Bond loan issue cost	(3.820,25)	-	(3.820,25)	-
Initial Recognition	**196.179,75**	**-**	**196.179,75**	**-**
Interest of the period	2.184,08	-	2.184,08	-
Depreciation of issue costs	143,15	-	143,15	-
Ending Balance	**198.506,98**	**-**	**198.506,98**	**-**

5.15 Provisions

(a) Tax unaudited periods

The Company has been tax audited for the fiscal years 2007 - 2010 according to the par. 5 of Article 82 of L.2238/1994 and according to the Article 65A of L.4174/2013 for the fiscal years 2011-2017 by its certified auditor accountants.

The subsidiary Olympic Air S.A. has been tax audited for the fiscal years 2011 - 2017 according to the par. 5 of Article 82 of L.2238/1994 and according to the Article 65A of L.4174/2013 by its certified auditor accountants. The subsidiary has not established any tax provisions.

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

For 2018 the Company and its subsidiary Olympic Air S.A., are being tax audited by the certified auditor accountants according to the Article 65A of the L.4174/2013. The audit is still ongoing and the relevant tax certificates are still expected to be provided. Any potential additional tax liabilities that may arise from the tax audit are not expected to have significant impact in the Group's financial statements.

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

In the year 2018, the tax authorities conducted a partial on-site income tax audit for the fiscal year 2013 in respect of the conclusion of the statutory auditor's compliance report for that particular financial year. The audit was completed on 4/12/2018 without any additional audit differences.

(b) Maintenance Reserves

The accumulated amount provisioned for future aircraft maintenance (maintenance reserves) is as follows:

	Company		Group	
	30/06/2019	**31/12/2018**	**30/06/2019**	**31/12/2018**
Balance at 1st January	**11.283,44**	**4.757,46**	**16.247,44**	**9.633,83**
Current period's provisions	67.633,71	140.591,34	69.100,19	144.200,29
Less: Provisions used	(60.502,42)	(134.065,36)	(62.180,90)	(137.586,67)
Ending Balance	**18.414,73**	**11.283,44**	**23.166,73**	**16.247,45**

AEGEAN AIRLINES SA amounts in thousand €

(c) Other Provisions

On 30/06/2019 the Company has established a provision for litigation cases amounting to €264,44 thousand (31/12/2018 €264,44 thousand). The corresponding amount for the Group amounted to €384,58 thousand. (31/12/2018 €385,56 thousand).

5.16 Suppliers and other liabilities

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

	Company		Group	
	30/06/2019	**31/12/2018**	**30/06/2019**	**31/12/2018**
State-owned entities	25,21	25,07	25,21	25,07
Abroad suppliers	41.942,59	24.695,74	45.327,89	29.774,54
Domestic suppliers	32.125,86	20.560,20	58.475,94	36.030,52
Total	**74.093,66**	**45.281,01**	**103.829,04**	**65.830,13**

The balance "Abroad suppliers" mainly relates to liabilities resulting from aircraft maintenance, fuel and airport charges.

The book values of the suppliers and other liabilities approximate the fair values

The increase of the above as at 30/06/2019 is mainly due to the seasonality reasons.

5.17 Other Short-Term Liabilities

Other short-term liabilities refer to the Company's and Group's liabilities to social security organizations and other creditors that are directly related to their trading operation. The analysis is as follows:

	Company		Group	
	30/06/2019	**31/12/2018**	**30/06/2019**	**31/12/2018**
Airport Taxes	85.310,11	60.225,74	90.375,08	61.915,64
Social Security Contributions	2.669,93	4.923,91	2.952,54	5.476,83
Other Short term liabilities	21.128,88	18.548,95	21.389,70	18.789,88
Taxes-Tax remuneration	14.049,18	5.231,69	14.325,02	5.745,71
VAT	-	2.503,69	1.790,24	2.503,69
Total	**123.158,10**	**91.433,99**	**130.832,60**	**94.431,76**

The increase of the above amounts on 30/06/2019 compared to 31/12/2018 is due to seasonality of activity.

AEGEAN AIRLINES SA amounts in thousand €

5.18 Contract Balances

	Company		Group	
	30/06/2019	**31/12/2018**	**30/06/2019**	**31/12/2018**
Trade Receivables (Note 5.12)	121.851,85	101.999,71	168.805,00	112.914,41
Contract assets	27.873,28	11.170,65	10.738,07	1.564,18
Contract Liabilities	293.678,63	141.680,04	316.101,62	148.290,29

"Contract assets" balance refers to revenue billings of current period which were invoiced later and mainly include interline revenues, capital gains and income from redemption/conversion of award points from the Company loyalty program.

The increase of the above as at 30/06/2019 is mainly due to the seasonality reasons.

(a) Contracts Liabilities – short term

	Company		Group	
	30/06/2019	**31/12/2018**	**30/06/2019**	**31/12/2018**
Liabilities from tickets sold but non-flown				
Fare	215.772,39	86.271,74	228.815,20	91.527,60
Services provided	18.100,15	9.863,40	18.491,37	10.111,78
Total tickets sold but non-flown	**233.872,54**	**96.135,14**	**247.306,57**	**101.639,39**
Advances	22.441,37	10.490,95	31.430,33	11.596,96
Liabilities from customer loyalty program – short term	8.664,88	9.075,47	8.664,88	9.075,47
Total contract liabilities – short term	**264.978,79**	**115.701,55**	**287.401,78**	**122.311,81**

The increase of the above as at 30/06/2019 is mainly due to the seasonality reasons.

(b) Contracts Liabilities- long term

The long-term part of the contractual obligations of the Company and the Group (€28.699,84 thousand) includes the long-term part of the Miles & Bonus customer loyalty program obligation. (Miles&Bonus).

AEGEAN AIRLINES SA amounts in thousand €

5.19 Financial Derivates

Financial derivatives are analyzed as follows:

	Company		Group	
	30/06/2019	31/12/2018	30/06/2019	31/12/2018
Non-current assets				
Total assets for hedging				
Forward contracts in US $	1.725,65	1.727,63	1.725,65	1.727,63
Commodities' swaps (jet fuel)	201,45	-	201,45	-
Financial Assets				
Forward contracts in US $	853,80	-	853,80	-
Total	**2.780,89**	**1.727,63**	**2.780,89**	**1.727,63**
Current Assets				
Total assets for hedging				
Forward contracts in US $	5.884,42	10.645,12	5.884,42	10.645,12
Commodities' swaps (jet fuel)	1.316,85	-	1.316,85	-
Financial Assets				
Forward contracts in US $	1.947,37	-	1.947,37	-
Total	**9.148,64**	**10.645,12**	**9.148,64**	**10.645,12**
Total Receivables from derivative contracts	**11.929,53**	**12.372,75**	**11.929,53**	**12.372,75**
Long term liabilities				
Total assets for hedging				
Forward contracts in US $	-	(10,62)	-	(10,62)
Commodities' swaps (jet fuel)	(1.093,37)	(6.739,24)	(1.093,37)	(6.739,24)
Interest Rate Swap contracts	(8.061,46)	(22,08)	(8.061,46)	(22,08)
Financial Assets				
Forward contracts in US $	(243,85)	-	(243,85)	-
Total	**(9.398,69)**	**(6.771,94)**	**(9.398,69)**	**(6.771,94)**
Short term liabilities				
Total assets for hedging				
Forward contracts in US $	(858,64)	(2.806,16)	(858,64)	(2.806,16)
Commodities' swaps (jet fuel)	(10.421,42)	(28.232,14)	(10.421,42)	(28.232,14)
Total	**(11.280,06)**	**(31.038,30)**	**(11.280,06)**	**(31.038,30)**
Total Liabilities from derivative contracts	**(20.678,75)**	**(37.810,23)**	**(20.678,75)**	**(37.810,23)**

The Company holds derivatives that are used as cash flow hedging instruments to hedge the risk of changes in the exchange rate of the dollar against the euro, as well as open dollar futures, for which it has not opted to apply hedge accounting.

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

Respectively, all the fair value of dollar forward contracts, for which the Company has not opted to apply hedge accounting, are classified as non-current asset or long-term liability if the remaining maturity of the contract is longer than 12 months and as a current asset item or short-term liability if the remaining maturity of the contract is less than 12 months.

The Company during the first half of 2019 de-designated part of USD hedging derivatives amounting to €180m, which were classified as cash flow hedge as at 31/12/2018.

The cumulative gain / loss of the de-designated hedging derivatives that have been previously recognized in equity, from the time of designation of the cash flow hedge will remain in equity until the underlying hedge item will impact the P&L.

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

Forward contracts are used for cash flow hedging of risk relating to USD/EURO exchange rate movement. As at 31/06/2019, the Company had entered into forward contracts to hedge 57% of its estimated needs in US dollar for the 2nd half of 2019, and 6% for 2020 and 3% for 2021 and 2022 (future transactions). As at 31/12/2018, the Company had entered into forward contracts to hedge 59% of its estimated needs in US dollar for 2019 and 6% for 2020 and 4% for 2021 and 2% for 2022 (future transactions).

Maturity	Nominal Amount in thousand $ 30/06/2019	Nominal Amount in thousand $ 31/12/2018
2019	129.000	342.000
2020	24.000	36.000
2021	12.000	24.000
2022	12.000	12.000
Total	**177.000**	**414.000**

The nominal amount as at 30.06.2019 of the open forward contracts was €155.536,03 thousand (31/12/2018: €361.572,05 thousand.) (Level 2 Fair Values).

In addition to the aforementioned positions held for cash flow hedging purposes, the Company as of 30/6/2019 held forward positions of 42 million US dollar forward contracts with maturities in the 2nd half of 2019 and 96 million with maturities within of the years 2020-2022 for which the Company has not opted to apply hedge accounting. These positions are held in accordance with the Company's foreign exchange risk management policy. The nominal amount of these forward contracts on 30/06/2019 amounts to €121.265,38 thousand (Hierarchy Level 2).

(b) Commodity swaps (jet fuel swaps)

The 30th June 2019 the Company has signed jet fuel swaps amounted to contracts for a total quantity of 326 thousand metric tons which account for approximately 68% of the projected jet fuel needs for the first half of 2019 and 37% of the projected jet fuel needs in 2020 (future transactions)

On 31 December 2018 the Company has signed jet fuel swaps amounted to contracts for a total quantity of 377 thousand metric tons which account for approximately 71% of the projected jet fuel needs in 2019 (future transactions) and 20% in 2020.

The specific derivative contracts are used for cash flow hedging of the risks arising from the increase in the fuel prices.

The nominal value of the open contracts as at 30/06/2019 was €188.329,50 thousand (31/12/2018: €217.822,07 thousand) (Level 2 Fair Values).

AEGEAN AIRLINES SA amounts in thousand €

Maturity	Metric Tons 30/06/2019	Metric Tons 31/12/2018
2019	167.000	293.000
2020	159.000	84.000
Σύνολο	**326.000**	**377.000**

(c) Interest Rate Swaps

Interest rate swaps (IRS) are used as hedging instruments for the cash flow hedging of financial liabilities covers the 31% (31/12/2018: 35%) of some leases obligations of floating rate.
The nominal value of the open IRS contracts as at 30/06/2019 was €5.679,15 thousand. (31/12/2018: €8.406,73 thousand. (Level 2 Fair Values).

In addition, as at 30/6/2019 , the Company had open positions on future interest rate swaps to cover the interest rate risk from operating leases of five (5) aircraft expected to be received within the two years 2020-2021. The nominal amount of forward interest rates on 30/06/2019 amounts to €230.228,47 thousand.

The derivatives are valued at their fair value. The fair value are provided by the financial institutions and they represent, in good faith, assumption and estimations of the abovementioned institutions based on the available information for the market trends. The parameters used to calculate the fair value differ depending on the type of derivative.

5.20 Revenue from contracts with customers

Revenue from contracts with customers refers to proceeds from tickets sales, sales of goods and other services.

Revenue from contracts with customers per service category is analyzed as follows:

	Company		Group	
	1st Half 2019	1st Half 2018	1st Half 2019	1st Half 2018
Revenue from scheduled flights	290.559,84	270.434,23	433.291,44	388.103,79
Revenue from chartered flights	66.453,30	50.140,03	29.348,00	20.610,09
Other operating income related to flights	59.088,97	47.886,45	56.758,83	46.999,83
Total	**416.102,11**	**368.460,71**	**519.398,27**	**455.713,71**

AEGEAN AIRLINES SA amounts in thousand €

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

Company	**1st Half 2019**		
	Domestic	**International**	**Total**
Revenue from scheduled flights	7.150,32	283.409,53	290.559,84
Revenue from chartered flights	27.834,71	38.618,59	66.453,30
Other operating income related to flights	13.275,13	45.813,84	59.088,97
Total	**48.260,15**	**367.841,96**	**416.102,11**

Company	**1st Half 2018**		
	Domestic	**International**	**Total**
Revenue from scheduled flights	5.878,09	264.555,83	270.433,92
Revenue from chartered flights	25.150,28	24.989,75	50.140,03
Other operating income related to flights	12.400,72	35.486,04	47.886,76
Total	**43.429,09**	**325.031,62**	**368.460,71**

Group	**1st Half 2019**		
	Domestic	**International**	**Total**
Revenue from scheduled flights	112.172,40	321.119,04	433.291,44
Revenue from chartered flights	250,96	29.097,04	29.348,00
Other operating income related to flights	11.094,01	45.664,81	56.758,83
Total	**123.517,37**	**395.880,89**	**519.398,27**

Group	**1st Half 2018**		
	Domestic	**International**	**Total**
Revenue from scheduled flights	108.239,58	279.863,90	388.103,48
Revenue from chartered flights	438,88	20.171,20	20.610,08
Other operating income related to flights	14.143,43	32.856,72	47.000,15
Total	**122.821,89**	**332.891,82**	**455.713,71**

AEGEAN AIRLINES SA amounts in thousand €

5.21 Financial Income/Expense

Financial income / expense analysis is as follows:

	Company		Group	
	1st Half 2019	1st Half 2018	1st Half 2019	1st Half 2018
Long-term liabilities interest and expenses	9,46	59,15	9,46	59,15
Short-term liabilities interest and expenses	0,39	1,14	0,69	1,14
Bank Guarantee commissions	258,95	287,30	386,98	354,92
Finance leases interest	7.234,96	492,83	8.653,82	492,83
Foreign exchange losses	6.053,50	8.190,63	7.546,46	9.398,79
Other financial expenses	2.552,61	242,99	2.577,88	274,18
Impairment of financial assets	69,86	-	69,86	-
Total financial expenses	**16.179,73**	**9.274,05**	**19.245,14**	**10.581,01**
Interest income	1.092,58	679,97	1.156,62	708,34
Foreign exchange gains	9.284,46	14.369,92	10.315,96	15.564,07
Total financial income	**10.377,04**	**15.049,89**	**11.472,58**	**16.272,41**

The variation in the "Finance lease interest " line arise from the adoption of IFRSS 16 and the recognition of interest on leases that were classified as operating leases until prior period.

5.22 Income Tax

According to Article 23 of Law 4579/2018, the tax rates of legal entities' income per use in Greece are as follows:

Year	Tax Rate
2019	28%
2020	27%
2021	26%
2022	25%

Income tax is analyzed below:

	Company		Group	
	1st Half 2018	1st Half 2019	1st Half 2018	1st Half 2019
Current Tax	-	-	(1.638,99)	-
Deferred Tax	5.233,47	4.009,29	5.779,64	4.503,11
Total	**5.233,47**	**4.009,29**	**4.140,64**	**4.503,11**

AEGEAN AIRLINES SA amounts in thousand €

5.23 Existing encumbrances

There are no encumbrances on the Company's tangible assets (buildings, owned aircraft).

5.24 Contingent assets and liabilities

Legal or in arbitration disputes

The pending legal or in arbitration disputes are not expected to have a material effect in Group or Company's financial position or operation.

Contingent liabilities

Total third party legal claims (pending in court) against Company amount to €1.309,35 thousand and Group to €1.493,46 thousand

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

5.25 Related parties transactions and balances

Company's most significant transactions and balances with related parties according to IAS 24, appear on the following table:

	Company	
Balances with companies owned by the major shareholder	**30/06/2019**	**31/12/2018**
Receivables (period end balance from sale of goods- rendering of services)	145,99	211,16
Payables (period end balance from purchase of goods- rendering of services)	176,19	306,38
Balances with subsidiaries		
Receivables (period end balance from sale of goods- rendering of services)	9.460,89	14.587,60
Payables (period end balance from purchase of goods- rendering of services)	394,98	-
Balances with other companies owned by the major shareholder		
Receivables (period end balance from sale of goods- rendering of services)	7,61	25,31
Payables (period end balance from purchase of goods- rendering of services)	74,61	(153,26)

AEGEAN AIRLINES SA amounts in thousand €

	Company	
Transactions with companies owned by the major shareholder	**1st Half 2019**	**1st Half 2018**
Income – Services rendered by the Company	575,62	579,43
Expenses – Services rendered to the Company	884,18	832,35
Transactions with subsidiaries		
Income – Services rendered by the Company	49.632,80	40.484,17
Expenses – Services rendered to the Company	111.995,29	85.292,43
Transactions with other companies owned by the major shareholder		
Income – Services rendered by the Company	76,63	151,39
Expenses – Services rendered to the Company	366,70	464,33

The transactions above with companies owned by the major shareholder of the Company relate mainly to leases and services provided or received. The transactions with the subsidiary are mainly related with aircraft leases and other services. All transactions are on arm's length basis.

5.26 Transactions with directors and Board of Directors members

Compensation to directors and BoD members is analyzed below :

	Company		Group	
	1st Half 2019	**1st Half 2018**	**1st Half 2019**	**1st Half 2018**
BoD members remunerations	480,00	-	480,00	-
Directors' remunerations	884,02	927,63	972,00	996,46
Directors' social insurance expenses	105,18	121,77	117,03	132,99
Directors benefits in kind and other payments	123,01	157,25	128,07	162,04
Total	**1.592,21**	**1.206,66**	**1.697,10**	**1.291,49**
Payables to Directors and BoD members	45,63	50,14	49,61	54,22

By decision of the Annual General Meeting the pre-approval for the year 2019 and the maximum remuneration from the net profits of the fiscal year, of the executive members of the Board of Directors, amounting to € 2.000 thousand.

There are no other transactions, remunerations, receivables or liabilities between the Board of Directors , executives of the Company and the Group.

5.27 Risk Management

Due to its business operation, Group is exposed to foreign exchange rates variations, mainly related to US Dollar. This kind of risk basically arises from transactions in foreign currency. Group's exposure to foreign exchange risk varies within the period, depending on the volume of transactions in foreign currency.

The Group enters into forward contracts to hedge foreign currency risk.

AEGEAN AIRLINES SA amounts in thousand €

Foreign currency risk

Due to its business operation, Group is exposed to foreign exchange rates variations, mainly related to US Dollar. This kind of risk basically arises from transactions in foreign currency. Group's exposure to foreign exchange risk varies within the period, depending on the volume of transactions in foreign currency.

The Group enters into forward contracts to hedge foreign currency risk.

Interest rate risk

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

The Group has hedged a portion of its leases obligations, to cover its exposure in interest rate risk.

Jet fuel risk

The Group is exposed to oil price fluctuations which directly influence aircrafts' jet fuel price. The Group enters into jet fuel derivative contracts in order to hedge part of its estimated fuel needs.

Liquidity risk

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

Credit risk

The risk may arise from the possibility of the counterparty becoming unable to meet its obligations towards the Group. To minimize this risk, the Group examines regularly its exposure to individual financial institutions. With respect to its deposits, the Group is dealing only with reputable financial institutions which have high credit ratings.

Fair Value Hierarchy Levels				
Company 30/06/2019	**Type of Derivative**	**Level 1**	**Level 2**	**Level 3**
Assets				
USD Derivatives	(FWD)	-	10.411,23	-
Jet fuel Derivatives	(FWD)	-	1.518,30	-
IRS Derivatives	(IRS)	-	-	-
Bonds & Stocks		16.090,31	-	-
Total		**16.090,31**	**11.929,53**	-
Liabilities				
USD Derivatives	(FWD)	-	(1.102,50)	-
Jet fuel Derivatives	(FWD)	-	(11.514,79)	-
IRS Derivatives	(IRS)	-	(8.061,46)	-
Total		-	**(20.678,75)**	-

AEGEAN AIRLINES SA amounts in thousand €

Fair Value Hierarchy Levels				
Company 31/12/2018	**Type of Derivative**	**Level 1**	**Level 2**	**Level 3**
Assets				
USD Derivatives	(FWD)	-	12.372,75	-
Jet fuel Derivatives	(FWD)	-	-	-
IRS Derivatives	(IRS)	-	-	-
Bonds & Stocks		19.003,49	-	-
Total		**19.003,49**	**12.372,75**	**-**
Liabilities				
USD Derivatives	(FWD)	-	(2.816,78)	-
Jet fuel Derivatives	(FWD)	-	(34.971,38)	-
IRS Derivatives	(IRS)	-	(22,08)	-
Total		**-**	**(37.810,23)**	**-**

Fair Value Hierarchy Levels				
Group 30/06/2019	**Type of Derivative**	**Level 1**	**Level 2**	**Level 3**
Assets				
USD Derivatives	(FWD)	-	10.411,23	-
Jet fuel Derivatives	(FWD)	-	1.518,30	-
IRS Derivatives	(IRS)	-	-	-
Bonds & Stocks		16.090,31	-	-
Total		**16.090,31**	**11.929,53**	-
Liabilities				
USD Derivatives	(FWD)	-	(1.102,50)	-
Jet fuel Derivatives	(FWD)	-	(11.514,79)	-
IRS Derivatives	(IRS)	-	(8.061,46)	-
Total		-	**(20.678,75)**	-

AEGEAN AIRLINES SA amounts in thousand €

Fair Value Hierarchy Levels				
Group 31/12/2018	**Type of Derivative**	**Level 1**	**Level 2**	**Level 3**
Assets				
USD Derivatives	(FWD)	-	12.372,75	-
Jet fuel Derivatives	(FWD)	-	-	-
IRS Derivatives	(IRS)	-	-	-
Bonds & Stocks		19.003,49	-	-
Total		**19.003,49**	**12.372,75**	**-**
Liabilities				
USD Derivatives	(FWD)	-	(2.816,78)	-
Jet fuel Derivatives	(FWD)	-	(34.971,38)	-
IRS Derivatives	(IRS)	-	(22,08)	-
Total		**-**	**(37.810,23)**	**-**

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

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

The amounts presented in the financial statements for cash, trade and other receivables, financial assets, trade and other short-term liabilities and short-term borrowings are close to their fair values due to their short-term maturity.

5.28 Dividends

The Annual Shareholders Meeting which took place on Wednesday May 29th 2019, approved the distribution of a dividend equal to €0,60 per share, for a gross amount of €42.850.260,00, while the net amount (after withholding tax deduction according to Law 4172) was €40.366.162,84.

By 30/06/2019 the amount of €40.283.055,22 had been distributed and the relevant tax of €2.484.097,16 had been paid.

5.29 Commitments

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

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

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

In addition, the Company entered into operating lease agreements for 16x aircraft of the A320neo family as per the following schedule: 1x in 2019, 8x in 2020 and 7x in 2021, of 12 year lease period.

The Company has also agreed sale and lease back agreements for 5x aircraft of the A320neo family, scheduled to be delivered in 2022 with a 12 year lease period. Moreover, an agreement to finance another 2x aircraft of A320neo family to be delivered in 2020, with a 12 year repayment period, has been also agreed.

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

Finally, the Company has signed a purchase agreement for two existing A320ceo aircraft, currently in Company's fleet, which will be executed in 2020.

5.30 Subsequent Events

There are no other subsequent events.

5.31 Report on the use of funds from bond Loan issue through the cash payment for the period 12/03/2019 up to 30/06/2019

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

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

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

AEGEAN AIRLINES SA amounts in thousand €

Use of funds	Rate of use	Total funds	Issuing costs	Net Amount for allocation	Funds allocated to 30/06/2019	Unallocated funds
Scheduled aircraft pre-delivery payments	75%	150.000,00	2.865,19	147.134,81	5.977,36	141.157,45
New training facilities and offices at Athens International Airport	14%	28.000,00	534,84	27.465,16	44,58	27.420,59
Finance working capital needs of the Company	11%	22.000,00	420,23	21.579,77	21.579,26	0,51
Total	**100%**	**200.000,00**	**3.820,25**	**196.179,75**	**27.601,20**	**168.578,55**

It is noted that the remaining €168.578,54 thousand of available funds are placed in either on time deposits or cash equivalents.

Kifissia, September 12th 2019

Chairman of the BoD	Chief Executive Officer	Chief Financial Officer	Chief Accountant
Eftichios Vasilakis	Dimitrios Gerogiannis	Michael Kouveliotis	Maria Zannaki
I.D. no. AN049866	I.D. no. AB642495	I.D. no. P490629	I.D. no. Σ723984