AEGEAN AIRLINES S.A.

General Commercial Registry 1797901000

Interim Financial Report

1st January to 30th June 2020

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

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1. Statements of the Board of Directors' Members

(in accordance to art. 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 2020 to 30 June 2020, 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, 24 September 2020

The undersigned

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

2.
Interim Report of the Board of Directors

2. Interim Report of the Board of Directors

The Board of Directors' report of the company "AEGEAN AIRLINES S.A." (hereinafter called the "Company") covers the six-month period ending 30.06.2020. The interim report has been prepared in accordance with the relevant provisions of the Law 4548/2018, and Law 3556/2007, and decisions of the Board of Directors of the Hellenic Capital Markets Commission and especially with Decision 7/448/11.10.2007.

This report contains financial and non-financial information of Aegean Airlines and its subsidiaries Olympic Air S.A. and Aegean Cyprus Limited (hereinafter jointly with the Company, called the "Group"). It aims to provide an overview to the shareholders and investors of the Company's general course, financial position and results for the period (01.01.2020 – 30.06.2020) as well as highlight major events that occurred during the period and their impact on the annual financial statements. There is also a description of the main risks and uncertainties which the Group is currently facing or may face in the foreseeable future and finally a disclosure of material transactions between the Group and its related parties.

2.1 First Semester 2020 Financial Review and Business

Macro-economic Conditions Overview

Greek economy was adversely affected by the conditions and the uncertainty that COVID-19 pandemic created during the first half of 2020, despite the growth dynamics observed in the first two months of the year.

COVID-19 pandemic led to unprecedented challenges in the economy and society as the effects of this crisis becoming multifaceted on an economic, social and institutional framework. The uncertainty around the duration, the extent and intensity of the economic and social impact raises serious concerns for a prolonged and deeper crisis.

The health crisis and the restrictive measures implemented around the world resulted in a slump in demand for Greek goods and services from abroad, with the largest decline recorded in tourism and transport services. According to the available seasonally adjusted data, the Gross Domestic Product (GDP) in the 2nd quarter of 2020 in volume terms decreased by 14,0% in comparison with the 1st quarter of 2020, while in comparison with the 2nd quarter of 2019, it decreased by 15,2%.

Consumer Price Index (CPI) in July 2020 compared with July 2019, decreased by 1,8%.

Economic sentiment index in July 2020 stood at 90,8 points, a decrease of 15,8 points compared with the index one year earlier (106,6 points). Greater pressure is visible in the retail sector while the de-escalation of the contraction of international trade favors construction and manufacturing sector.

The evolution of the economic climate and the recession itself in the coming months will depend on several factors, most notably the existence of a second wave of a virus spread in the community, the form of economic policy interventions both at national and European level and especially their implementation form in action. The next period is extremely crucial, as the third quarter is the one that largely determines the developments in the field of the National Gross Domestic Product and on annual basis.

According to the OECD recent economic forecast report, GDP is projected to reduce by 8,0% in 2020 if there are no further virus outbreaks and to recover to 4,5% in 2021. In the case that there will be a second virus outbreak, the fall in the GDP will amount to 9,8%. According to the report, the losses in the output, the employment and the budgetary cost from this crisis are expected to be less severe than those during the Greek financial crisis in the period 2009-2016. The negative impact on tourism sector and investment is a setback to Greece's longer-term recovery.

According to European Commission Gross Domestic Product is expected to decline by 9,0% in 2020 and to increase by 6,0% in 2021.

Airline Sector Overview in Greece and Europe

COVID-19 crisis is the worst ever encountered in the history of the aviation industry. Travel restrictions, a slump in demand among leisure and corporate travelers and closure in borders to limit the spread, forced airlines to ground most of their fleet during the second quarter, thus creating adverse and unprecedented negative conditions in the aviation industry.

According to Eurocontrol data, total sectors flown in Europe decreased by 41%, 88%, 86% and 79% during the period March-June 2020 respectively, compared with the same period last year. The slump in passenger traffic was even greater according to ACI, as total passenger number decreased by 59%, 99% 97% and 93% during the months from March till June, respectively.

Greek airports presented a similar negative picture as passenger traffic decreased by 59%, 99%, 98%, and 95% during the months from March till June 2020, respectively.

According to IATA forecasts, 2020 will be the worst year for the aviation sector which is expected to show losses of USD 84,3 bil.

First Half 2020 Overview and Preventive Measures to Deal with the Crisis

The Group started the year dynamically, planning one more year of growth and execution of its investment program. Group's initial operating schedule focused on the extension of the tourism season by increasing total capacity during winter and summer season. Moreover, 2020 is a milestone year for Group's five-year investment program with regards to its fleet renewal, following the delivery of new Airbus A320 neo family aircraft.

COVID-19 spread in Europe since the end of February drastically changed business environment. Its rapid spread, its recognition as a pandemic and the consequent unprecedented travel restrictions in peacetime history even within European Union, led the sector to a severe crisis with adverse economic consequences.

The Group's response has been and remain twofold and focuses on its commitment on health and safety for passengers and crew members on the one hand and addressing the commercial and economic challenges on the other hand.

The key measures that have been adopted to manage this unprecedented crisis are:

1. Enhanced health and safety measures

Having as absolute priority the health and safety of passengers and employees and in close cooperation with the authorities, the Group made all the necessary adjustments at operational level, to fully comply with all new health protocols. Implementing new enhanced hygiene and safety measures at every stage and in close cooperation with the airports and ground handers modified the procedures in place for boarding, aircraft access and inflight service and cleaning and disinfecting of aircraft. In addition, the mandatory use of a face mask for passengers and crews, the differentiation in the procedures and in the product in flight, crew training, continuous information flow to our passengers and regular covid tests to all crew members are among other, actions that have been adopted.

2. Financial and commercial management

COVID-19 pandemic and the slump in demand for leisure and business travelling have triggered a massive spike in uncertainty and a complete lack of predictability over the duration and the extent of the impact. Key areas of focus to manage this crisis consist:

a. Dynamic management of the network and capacity offered;
b. Efficient fleet and capital expenditure management;
c. Cash shielding, ensuring additional liquidity;
d. Effective cost management in all categories.

During the first phase of the crisis the Group proceeded with the temporary suspension of its international flights from mid-March till mid-May following the extraordinary circumstances of the COVID -19 pandemic and travel restrictions imposed by Greece, EU and other states. A small number of weekly flights from Athens to Brussels, and a limited frequency flight service to all domestic network, was only operated. In cooperation with the General Secretariat for Civil Protection and the Ministry of Foreign Affairs the Group operated repatriation flights as well as cargo flights for the transport of medical and pharmaceutical supplies.

Following the gradual ease of restrictions in May, with regards to transportation within Greece and entry regulations to other European countries, the Group restored only part of its domestic and international network.

During the first semester the Group transferred 2,46 mil. passengers in total, 61,8% less compared to the same period in 2019. In the domestic network the Group transferred 1,22 mil. passengers 55,7% less while in the international network 1,24 mil. passengers 66,4% less, compared to the same period in 2019. ASK's decreased by 60,5% while RPK's decreased by 65,4% in the same period. Load factor for the period stood at 72,5% from 82,2% last year, 9,7 p.p. lower. Total sectors flown decreased by 52,1% to 24.439, compared to the same period last year.

Decisive role in the formation of the first half 2020 figures, had the second quarter of the year as it is depicted in the below table. More specifically in the second quarter of the year total sector flown decreased by 81,7%, load factor decreased by 31,3 p.p. and passenger traffic decreased by 91,6%.

- Selected Operating Data

	1st quarter 2019	**1st quarter 2020**	**%**	**2nd quarter 2019**	**2nd quarter 2020**	**%**	**1st half 2019**	**1st half 2020**	**%**
Passengers ('000)	2.525	2.135	-15,5%	3.927	328	-91,6%	6.452	2.463	-61,8%
International Passengers ('000)	1.405	1.153	-18,0%	2.280	85	-96,3%	3.685	1.238	-66,4%
Domestic Passengers ('000)	1.120	982	-12,3%	1.647	243	-85,3%	2.767	1.225	-55,7%
Available Seats	3.105	2.856	-8,0%	4.817	700	-85,5%	7.922	3.555	-55,1%
Total Sector Flown	19.945	18.758	-6,0%	31.107	5.681	-81,7%	51.052	24.439	-52,1%
Load Factor	82,3%	76,0%	-6,3pp	82,1%	50,8%	-31,3pp	82,2%	72,5%	-9,7pp

On 30.06.20 Group's fleet totaled 64 aircraft (52 Jet aircraft and 12 Turboprops). From December 2019 until the end of the first semester of 2020, the Group took delivery of five (5) A320 neo aircraft. At the same time the Group returned two (2) A320 ceo aircraft in March and April 2020 to lessors.

With regards to Group's investment program, this remains unchanged for the delivery of 46 A320 neo family aircraft, out of which five (5) have already been delivered. Due to COVID-19 crisis however, the management negotiated with aircraft suppliers towards achieving necessary adjustments and flexibility, and managed to defer deliveries. More specifically, during the second semester of 2020, three (3) A320 neo family aircraft are expected to be delivered and another one (1) is scheduled to be delivered in 2021. Remaining 2021 scheduled deliveries according to initial plan were deferred beyond 2022. Pre-delivery payment schedule for the Airbus order is adjusted to the new delivery schedule, leading to a substantial reduction in capital expenditure in the years 2020-2021. Two aircraft from the planned deliveries in the coming months, come from the Airbus order, for which financing has already been secured. Of utmost importance during this crisis management period is the fact that many of the existing operating leases expire in the next couple of years. More specifically, 22 ceo aircraft lease agreements expire over the next two years, thus allowing for multiple options to achieve necessary adjustments in total capacity and Group's commitments.

At the beginning of this crisis, as in all previous years, the Group held strong liquidity position. More specifically, total cash and cash equivalent on 31.12.19 stood at € 505 mil., 40% in terms of Group's consolidated revenues, one of the highest ratios in European aviation sector. The Group, to further shield its liquidity in this uncertain and unfavorable environment for the industry, managed to secure a working capital financing line of € 120 mil. from the four Greek systemic banks. As of 30.06.20 the amount drawn was €40 mil.

The Group utilized the "COVID-19 Enterprise Guarantee Fund" by submitting distinct loan requests to the four Greek systemic banks. According to the horizontal guidelines of this program the state guarantee is set at 80% for loans with maturity up to 5 years and up to 25% of the annual turnover. The Group applied and got the approval for a total amount of € 150, 0 mil., equal to only 11% of consolidated turnover. This financing is currently in the final documentation stage.

Of utmost importance for the Group since the inception of the pandemic has been the effective cost management at all categories. The Group initiated negotiations with all its suppliers which are ongoing aiming to adjust the cost and use of services in these new conditions that emerged after the pandemic.

During the first half of the year, the Group used the horizontal employee support mechanism, that has been announced by the Greek Government. During the period that Group's flight activity was only minimal, 70% of its staff was suspended. Gradually from June until today, the suspension of the employment contracts has been replaced by the "Syn-ergasia" program for the majority of the employees.

- Selected Consolidated Data

In this section, Group presents its Key Financial results, Alternative Performance Measures and Key Performance Indicators that have been calculated on the basis of the consolidated financial statements for the interim period ended 30 June 2020 and 30 June 2019.

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

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

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

- Selected Financial ratios and operational performance indicators for interim period ended 30 June 2020 and 30 June 2019, from the Consolidated Statement of Comprehensive Income.

(amounts in € thousands)	1st Half 2020	1st Half 2019
Profit / (Losses) before taxes (**a**)	(200.832,43)	(17.161,30)
Depreciation (**b**)	73.082,55	72.171,10
Financial income (**c**)	16.079,97	11.472,58
Financial expenses (**d**)	94.267,90	19.245,15
Earnings / (Losses) before taxes, interest and depreciation (EBITDA) (**e**) = (a) + (b) - (c) + (d)	(49.561,94)	62.782,36
Aircraft & spare engines leasing (**f**)	1.842,70	833,15
Earnings / (Losses) before taxes, interest amortization and Aircraft & spare engines leasing (EBITDAR) (**g**) = (f) + (e)	(47.719,24)	63.615,51
Revenue from contracts with customers (**A**)	187.398,44	519.398,26
EBITDA margin = (e)/(A)	-26,4%	12,1%
EBITDAR margin = (g)/(A)	-25,5%	12,2%

(amounts in € thousands)	1st Half 2020	1st Half 2019
Revenue from contracts with customers (a)	187.398,44	519.398,26
Other operating income (b)	7.530,94	8.805,14
Total income (a+b)	194.929,37	528.203,39
ASK (Total Available Seat Kilometers in millions) (c)	3.208,01	8.114,07
RPK (Total Revenue Passenger Kilometers in millions) (d)	2.310,20	6.668,98
RASK (in € cents) ((a)+(b))/(c)	6,08	6,51
Passenger Yield (in € cents) ((a)+(b))/(d)	8,44	7,92
Personnel expenses (e)	42.446,60	67.393,28
Depreciation (f)	73.082,55	72.171,10
Consumption of goods and services (g)	202.044,72	398.027,75
Financial income (h)	16.079,97	11.472,58
Financial expenses (i)	94.267,90	19.245,15
Total expenses (e)+(f)+(g)-(h)+(i)	395.761,80	545.364,70
CASK (in € cents) ((e)+(f)+(g)-(h)+(i))/c	12,34	6,72
Aircraft fuel (j)	53.183,63	119.272,89
CASK excluding the fuel cost (in € cents) ((e)+(f)+(g)-(h)+(i)-(j))/c	10,68	5,25
Load Factor	72,5%	82,2%

Consolidated revenue for the first half of 2020 stood at €187.398,44 thousand 63,9% less compared to consolidated revenues of €519.398,26 thousand in the first semester in 2019 with total passenger traffic down 61,8%. EBITDA losses stood at €49.561,94 thousand in the first semester 2020 compared to earnings of €62.782,36 thousand in the first semester 2019. CASK ex- fuel increased to €10,68 cent. CASK increased to €12,34 cent. The increase is mainly due to the reduction in ASK's by 60,5%.

Losses before taxes for the Group stood at €200.832,43 thousand compared to losses of €17.161,30 thousand in the same period last year. The result was burdened with €68.543,99 thousand due to hedging ineffectiveness following the suspension of the largest part of network operations in the second quarter and deferrals in the delivery schedule of the neo fleet.

- Selected Financial Data

in € mil.	1st quarter 2019	1st quarter 2020	%	2nd quarter 2019	2nd quarter 2020	%	1st half 2019	1st half 2020	%
Revenue	172,0	147,0	-15%	347,4	40,4	-88%	519,4	187,4	-64%
EBITDA	(8,5)	(34,1)	-	71,3	(15,5)	-	62,8	(49,6)	-
Pre-tax profit (losses) excl. extraordinary	(48,7)	(73,6)	-	31,5	(58,7)	-	(17,2)	(132,3)	-
Extraordinary result*	-	(38,7)	-	-	(29,8)	-	-	(68,5)	-
Pre-tax profit (losses) for the period	(48,7)	(112,3)	-	31,5	(88,5)	-	(17,2)	(200,8)	-
Net profit (losses) for the period	(35,2)	(85,4)	-	22,2	(73,4)	-	(13,0)	(158,8)	-

*Extraordinary result relates to hedging ineffectiveness losses.

Consolidated sales during the second quarter of 2020 stood at €40.383,70 thousand, 88,4% less compared with the second quarter of 2019.

EBITDA losses stood at €15.491,41 thousand in the second quarter of 2020 compared to earnings of €71.294,28 thousand in the second quarter of 2019. Pre-tax losses totaled €88.502,55 thousand compared to pre-tax profit of €31.537,95 thousand in the same period in 2019.

Prospects, Key Risks and Uncertainties

- Prospects and Groups Strategy for the second half of the year

During the third quarter, after the gradual ease of travel restrictions, the Group gradually restored a part of its operation. More specifically, in the third quarter the Group operated 45-50% of its flight activity compared to last year, having restored 40% of its international activity and 60% of its domestic activity. Load factors for the period stood at significantly lower levels, close to 68%, 19p.p. lower compared to the same quarter last year.

Total traffic at Greek airports during the third quarter is also significant lower compared to previous year (estimates for a 65% drop), with the rate of reduction in total traffic however appearing lower compared to that observed in Europe overall.

It is a fact that since the beginning of August following the increase in the number of active COVID-19 cases both globally and in Europe, there has been a clear weakness in the demand for air-transportation, while restrictive measures have been reinstated by several countries.

Operating environment remain highly uncertain and is closely linked with epidemiological developments, while any progress heavily depends on finding a vaccine.

Despite efforts by the European Commission to establish common air transportations protocols, different tactics and procedures are currently in place before and after travelling in Europe and internationally. The intensity and severity of the crisis requires a more coordinated stance going forward in order to get some commonality, which unfortunately still doesn't exist as different policies continue to be implemented be each country.

2020 will certainly be the most difficult year in the aviation industry. The pandemic has adversely affected the results and Group's financial position. The overall economic impact cannot be estimated with reasonable certainty currently as the intensity and duration of the pandemic are impossible to be predicted.

In any case the management remains committed to the strategic priorities of dealing with this crisis, having ensured sufficient liquidity and intensifying efforts to manage costs.

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

COVID-19 pandemic created challenges in Group's business and financial situation with the major ones being the grounding of the fleet during the second quarter of the year and the slump in passenger demand, resulting in the reduction of the Group's revenues and therefore a burden in its financial results.

The Group identified the following risks as a result of the pandemic, that affect its business operation and financial position:

1. A prolonged and deep recession in Greece and in the countries that the Group operates, will have a negative impact on the demand for leisure travel.
2. A second COVID-19 wave and new government-imposed travel restrictions within European Union may lead to grounding the majority of the company's fleet.
3. Demand for business travel has dropped significantly and no immediate recovery is foreseen.
4. Outstanding derivative products to offset the price of oil may not be able to be offset with the actual fuel needs arising from the Group's business operation activity resulting in an additional burden on the Group's financial result

5. Risk from not using airport slots. Regulators may not renew the exemption period for the use of slots in the airports, leaving airlines with risk either to operate the route with reduced demand or to lose the slot.
6. Potential increase in waiting time and flight delays as a consequence of the implementation of new measures to limit the spread of the virus.

Subsequent events

The Group in August 2020 agreed with Airbus to defer seven (7) A320 neo aircraft from 2022-2023 to 2025-2026. Pre-delivery payment schedule for the Airbus order is adjusted to the new delivery schedule, leading to a substantial reduction in capital expenditure.

The Group in August 2020 signed an indicative term sheet with the four Greek systemic banks for a bond loan based on the "COVID-19 Enterprise Guarantee Fund" of € 150, 0 mil., with 5 years maturity.

The Group in August 2020 signed an indicative term sheet with the four Greek systemic banks to convert the existing working capital line to a Syndicated Revolving Credit Facility for an amount up to € 120, 0 mil., with maturity in September 2022. As of today, the amount drawn is €92 mil.

2.2 Key Risks and Risk Management

Foreign Exchange Risk

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

As of June 30, 2020 the company has entered into agreements (forwards and options) to hedge the 88% of second half 2020 estimated needs in US dollars, 19% for 2021, 9% for 2022 and 13% of its estimated annual US dollar needs for 2023. At 31 December 2019 the company has entered into agreements to hedge the 59%, 17%, 8% and 11% of its estimated annual US dollar needs at that time for 2020, 2021, 2022 and 2023.

Interest Rate Risk

The Group is exposed to interest rate fluctuations risk through its bank deposits as well as through the aircraft leases agreed on a floating interest rate. The Group's policy is to continuously monitor its exposure to cash flow risk from interest rate fluctuations. Additionally, the Group has adopted hedging policies against interest rate risk related to aircraft leases.

Jet Fuel Risk

The Group is exposed to the fluctuations of oil price which has a direct impact on the jet fuel price. To manage this risk, the Group enters into derivative contracts on oil products to hedge specific percentages of its projected jet fuel needs.

Credit Risk

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

Liquidity/Cash flow risk

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

Related Parties' Transactions

The Company's transactions with related parties during first half of 2020 were under usual commercial terms and they remained at the same levels with the previous period.

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

1st Half 2020 - amounts in thousand €	Revenue	Expenses	Receivables	Liabilities
Olympic Air A.E.	52.975,05	49.083,98	6.243,22	0,00
Aegean Cyprus	0,00	2.828,18	0,00	0,00
Autohellas Hertz Group	325,86	766,84	52,25	128,40
Other related parties	39,66	152,55	442,10	10,48

1st Half 2019 - amounts in thousand €	Revenue	Expenses	Receivables	Liabilities
Olympic Air A.E.	49.632,80	111.995,29	9.460,89	394,98
Autohellas Hertz Group	575,62	884,18	145,99	176,19
Other related parties	76,63	366,70	7,61	74,61

The remuneration of the Company's directors and Board of Directors' members for the period 1.1-30.06.2020 was € 989,91 thousand, while the relevant amount for the Group was €1.084,80. As of 30.06.2020 the obligations towards the Group Directors were € 72,74 thousand while there were no receivables from the Directors or the Board of Directors members neither for the Company nor for the Group.

Respectively, the Company's directors and Board of Directors' members remuneration for the period 1.1-30.06.2019 was € 1.592,21 thousand, while the relevant amount for the Group was €1.697,10 thousand. As of 30.06.2019 the obligations towards the Group Directors were €45,63 thousand while there were no receivables from the Directors or the Board of Directors members neither for the Company nor for the Group.

Kifissia, 24 September 2020

Aegean Airlines S.A.

Chief Executive Officer

Dimitrios Gerogiannis

3.
Auditor’s Report on Review of Interim Financial Statements Auditors

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 2020, 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, 28 September 2020

IOANNIS PIERROS

S.O.E.L. R.N. 3505

ERNST & YOUNG (HELLAS)

CERTIFIED AUDITORS ACCOUNTANTS S.A.

CHIMARRAS 8B, MAROUSSI

151 25, ATHENS

S.O.E.L. R.N. 107

4.
Interim Condensed Financial Statements for the period 1 January to 30 June 2020

The interim condensed Group and Stand-alone financial statements for the period from pages 17 to 93 have been approved by the Board of Directors of Aegean Airlines on September 24, 2020.

The undersigned

Eftichios Vassilakis I.D. no AN049866	Dimitrios Gerogiannis I.D. no AB642495	Michael Kouveliotis I.D. no AO148706	Maria Zannaki I.D. no AO135556
Chairman of the BoD	Chief Executive Officer	Chief Financial Officer	Chief Accountant

The interim condensed financial statements constitute an integral part of the Interim Financial Report which can be found at www.aegeanair.com and which incorporates the Independent Auditor's Review Report.

Aegean Airlines S.A. 4- Interim Condensed Financial Statements, amounts in thousand €

4.1 Statement of Financial Position of the Company 30.06.2020

	Note	30.06.2020	31.12.2019
ASSETS			
Non-current assets			
Intangible assets	3.1	26.728,23	26.120,81
Tangible assets	3.2	126.917,46	69.369,36
Right of use assets	3.3	361.659,97	339.958,00
Advances for future aircraft leases	3.5	15.289,84	10.343,41
Investments in subsidiaries	3.4	80.426,56	72.416,56
Deferred tax assets	3.18	41.255,49	0,00
Other long term assets		27.334,84	30.811,77
Derivatives	3.14	8.700,89	5.927,74
Financial Assets	3.6	17.879,63	24.080,80
Total non-current assets		**706.192,90**	**579.028,45**
Current assets			
Inventories		17.772,64	12.352,37
Trade and other receivables	3.7	69.014,68	108.236,85
Advances		18.041,13	26.334,59
Financial Assets	3.6	11.940,09	11.791,45
Derivatives	3.14	5.266,14	5.934,03
Advances for future aircraft leases	3.5	28.708,33	28.595,76
Restricted Cash		68.989,21	8.712,64
Cash and cash equivalents	3.8	295.514,94	360.781,00
Total current assets		**515.247,18**	**562.738,69**
TOTAL ASSETS		**1.221.440,08**	**1.141.767,14**
EQUITY			
Share capital		46.421,11	46.421,11
Share premium		72.775,98	72.775,98
Other reserves		(25.988,39)	16.065,04
Retained earnings		(23.193,87)	94.944,12
Total equity		**70.014,82**	**230.206,24**
LIABILITIES			
Long term liabilities			
Borrowings	3.9	196.810,63	196.566,77
Lease Liabilities	3.3	246.401,19	171.047,39
Derivatives	3.14	40.391,42	9.043,16
Provision for retirement benefits obligations		13.062,01	12.657,77
Provision for aircraft maintenance	3.10	8.115,50	26.765,32
Contract Liabilities	3.12	34.136,88	32.951,44
Deferred tax liabilities	3.18	0,00	7.770,77
Total long term liabilities		**538.917,63**	**456.802,62**
Short term liabilities			
Lease Liabilities	3.3	121.080,09	120.243,24
Trade and other payables	3.11	47.554,73	60.299,60
Borrowings	3.9	42.169,30	2.181,15
Other short term liabilities	3.13	165.961,63	94.824,78
Contract Liabilities	3.12	157.339,37	118.312,80
Accrued expenses		25.892,59	40.584,06
Derivatives	3.14	52.021,59	6.073,38
Provisions	3.10	488,34	12.239,27
Total short term liabilities		**612.507,63**	**454.758,29**
Total liabilities		**1.151.425,26**	**911.560,90**
TOTAL EQUITY AND LIABILITIES		**1.221.440,08**	**1.141.767,14**

The notes on pages 71 to 93 are an integral part of these stand alone and consolidated financial statements.

Aegean Airlines S.A. 4- Interim Condensed Financial Statements, amounts in thousand €

4.2 Statement of Financial Position of the Group 30.06.2020

	Note	30.06.2020	31.12.2019
ASSETS			
Non-current assets			
Intangible assets	3.1	42.777,54	42.400,94
Goodwill		39.756,30	39.756,30
Tangible assets	3.2	168.710,69	70.062,17
Right of use assets	3.3	395.752,53	390.041,00
Advances for future aircraft leases	3.5	15.289,84	10.343,41
Financial assets	3.6	17.879,63	24.080,80
Deferred tax assets	3.18	43.474,75	0,00
Other long term assets		31.006,42	35.415,59
Derivatives	3.14	8.700,89	5.927,74
Total non-current assets		**763.348,59**	**618.027,96**
Current assets			
Inventories		23.115,27	18.027,76
Trade and other receivables	3.7	82.765,33	117.542,98
Advances		20.315,28	28.451,14
Financial assets	3.6	11.940,09	11.791,45
Derivatives	3.14	5.266,14	5.934,03
Advances for future aircraft leases	3.5	28.708,33	28.595,76
Restricted Cash		68.989,21	8.712,64
Cash and cash equivalents	3.8	367.588,09	496.364,83
Total current assets		**608.687,75**	**715.420,59**
TOTAL ASSETS		**1.372.036,33**	**1.333.448,54**
EQUITY			
Share capital		46.421,11	46.421,11
Share premium		72.775,98	72.775,98
Foreign currency translation		(707,19)	0,00
Other reserves		(24.514,43)	16.065,05
Retained earnings		36.045,26	193.162,98
Total equity		**130.020,72**	**328.425,11**
LIABILITIES			
Long term liabilities			
Borrowings	3.9	196.810,63	196.566,77
Lease Liabilities	3.3	265.471,37	205.478,25
Derivatives	3.14	40.391,42	9.043,16
Provision for retirement benefits obligations		13.932,86	13.478,62
Provision for aircraft maintenance	3.10	9.844,37	30.632,53
Contract Liabilities	3.12	34.136,88	32.951,44
Deferred tax liabilities	3.18	0,00	9.783,11
Total long term liabilities		**560.587,53**	**497.933,89**
Short term liabilities			
Lease Liabilities	3.3	141.319,20	137.755,19
Trade and other payables	3.11	70.790,63	85.318,67
Borrowings	3.9	42.169,30	2.181,15
Other short term liabilities	3.13	182.307,04	99.665,56
Contract Liabilities	3.12	165.293,76	126.241,72
Accrued expenses		25.830,25	36.406,65
Derivatives	3.14	52.021,59	6.073,37
Current tax liabilities	3.18	1.087,82	1.087,82
Provisions	3.10	608,47	12.359,41
Total short term liabilities		**681.428,08**	**507.089,55**
Total liabilities		**1.242.015,61**	**1.005.023,43**
TOTAL EQUITY AND LIABILITIES		**1.372.036,33**	**1.333.448,55**

The notes on pages 71 to 93 are an integral part of these stand alone and consolidated financial statements.

Aegean Airlines S.A. 4- Interim Condensed Financial Statements, amounts in thousand €

4.3 Statement of Comprehensive Income of the Company 30.06.2020

Condensed Statement of Comprehensive Income	Note	1st Half 2020	1st Half 2019
Revenue from contracts with customers	3.15	**141.104,10**	**416.102,11**
Other operating income		14.592,46	16.063,68
Personnel expenses		(38.038,38)	(61.344,17)
Depreciation		(64.618,38)	(63.897,24)
Consumption of goods and services	3.16	(159.074,28)	(321.812,63)
Finance income	3.17	39.400,75	10.377,04
Finance expense	3.17	(92.461,33)	(16.179,73)
Earnings / (Losses) before tax		**(159.095,07)**	**(20.690,95)**
Income tax	3.18	37.822,82	5.233,47
Earnings / (losses) after tax		**(121.272,25)**	**(15.457,48)**

	1st Half 2020	1st Half 2019
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)	46.125,57	(3.330,49)
Net change in fair value	(100.282,93)	18.170,35
Income tax	12.813,41	(4.006,76)
Debt Instruments at FV through OCI		
Reclassification of Profit / (Loss)	162,71	56,96
Net change in fair value	452,63	1.182,39
Income tax	(147,68)	(334,62)
Total (a)	**(40.876,29)**	**11.737,83**
(b) Other comprehensive income that will not be reclassified to profit or loss in subsequent periods		
Net actuarial profit/ (loss) on defined benefit plans	43,23	(140,09)
Deferred tax	(10,38)	37,82
Net change in fair value - equity instruments	2.531,92	0,00
Deferred tax	(607,66)	0,00
Total (b)	**1.957,11**	**(102,27)**
Other comprehensive income/ (losses) for the period net of tax	**(38.919,18)**	**11.635,56**
Total comprehensive income/(losses) for the period net of tax	**(160.191,43)**	**(3.821,92)**

The notes on pages 71 to 93 are an integral part of these stand alone and consolidated financial statements.

Aegean Airlines S.A. 4- Interim Condensed Financial Statements, amounts in thousand €

4.4 Statement of Comprehensive Income of the Group 30.06.2020

Condensed Consolidated Statement	Note	1st Half 2020	1st Half 2019
Revenue from contracts with customers	3.15	**187.398,44**	**519.398,26**
Other operating income		7.530,94	8.805,14
Personnel expenses		(42.446,60)	(67.393,28)
Depreciation		(73.082,55)	(72.171,10)
Consumption of goods and services	3.16	(202.044,72)	(398.027,75)
Finance income	3.17	16.079,97	11.472,58
Finance expense	3.17	(94.267,90)	(19.245,15)
Earnings / (Losses) before tax		**(200.832,43)**	**(17.161,30)**
Income tax	3.18	42.054,41	4.140,64
Earnings / (losses) after tax		**(158.778,01)**	**(13.020,66)**

	1st Half 2020	1st Half 2019
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)	46.125,57	(3.330,49)
Net change in fair value of cash flow hedges	(100.282,93)	18.170,35
Income tax	12.813,41	(4.006,76)
Debt Instruments at FV through OCI		
Reclassification of Profit / (Loss)	162,71	56,96
Net change in fair value of cash flow hedges	452,63	1.182,39
Income tax	(147,68)	(334,62)
Total (a)	**(40.876,29)**	**11.737,83**
(b) Other comprehensive income that will not be reclassified to profit or loss in subsequent periods		
Net actuarial profit/ (loss) on defined benefit plans	43,23	(140,09)
Deferred tax	(10,38)	37,82
Net change in fair value - equity instruments	2.531,92	0,00
Deferred tax	(607,66)	0,00
Total (b)	**1.957,11**	**(102,27)**
Other comprehensive income/ (losses) for the period net of tax	**(38.919,18)**	**11.635,56**
Total comprehensive income/(losses) for the period net of tax	**(197.697,19)**	**(1.385,10)**
Basic and diluted losses per share	**(2,2232)**	**(0,1823)**
Weighted Average number of shares	**71.417.100,00**	**71.417.100,00**

The notes on pages 71 to 93 are an integral part of these stand alone and consolidated financial statements.

Aegean Airlines S.A. 4- Interim Condensed Financial Statements, amounts in thousand €

4.5 Statement of changes in the Equity of the Company 30.06.2020

Company	Issued capital	Share premium	Cash flow hedge reserves	Other Reserves	Debt Instruments at FV through OCI	Accumulated Profit / (Loss)	Total equity
Balance at 01.01.2019	**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	0,00	0,00	0,00	0,00	0,00	(15.457,48)	(15.457,48)
Other comprehensive income/ (losses)	0,00	0,00	11.225,59	(392,48)	904,73	(102,27)	11.635,56
Total comprehensive income/ (losses)	**0,00**	**0,00**	**11.225,59**	**(392,48)**	**904,73**	**(15.559,75)**	**(3.821,92)**
Dividends Paid	0,00	0,00	0,00	0,00	0,00	(42.850,26)	(42.850,26)
Board of Directors fees	0,00	0,00	0,00	0,00	0,00	(1.500,00)	(1.500,00)
Statutory Reserve	0,00	0,00	0,00	2.541,76	0,00	(2.541,76)	0,00
Balance on 30.06.2019	**46.421,11**	**72.775,98**	**(7.149,68)**	**14.300,26**	**988,46**	**33.566,96**	**160.903,09**
Balance on 01.01.2020	**46.421,11**	**72.775,98**	**1.985,91**	**14.587,04**	**(507,92)**	**94.944,13**	**230.206,25**
Profit/ (loss) for the period	0,00	0,00	0,00	0,00	0,00	(121.272,25)	(121.272,25)
Other comprehensive income/ (losses)	0,00	0,00	(41.420,79)	(1.100,30)	467,66	3.134,26	(38.919,18)
Total comprehensive income/ (losses)	**0,00**	**0,00**	**(41.420,79)**	**(1.100,30)**	**467,66**	**(118.138,00)**	**(160.191,43)**
Balance on 30.06.2020	**46.421,11**	**72.775,98**	**(39.434,88)**	**13.486,74**	**(40,25)**	**(23.193,87)**	**70.014,83**

4.6 Statement of changes in the Equity of the Group 30.06.2020

Group	Issued capital	Share premium	Cash flow hedge reserves	Reserves (other)	Debt Instruments at FV through OCI	Accumulated Profit / (Loss)	Total equity
Balance at 01.01.2019	**46.421,11**	**72.775,98**	**(18.375,26)**	**12.150,97**	**83,74**	**164.821,70**	**277.878,25**
Profit/ (loss) for the period	0,00	0,00	0,00	0,00	0,00	(13.020,66)	(13.020,66)
Other comprehensive income/ (losses)	0,00	0,00	11.225,59	(392,48)	904,73	(102,27)	11.635,56
Total comprehensive income/ (losses)	**0,00**	**0,00**	**11.225,59**	**(392,48)**	**904,73**	**(13.122,93)**	**(1.385,10)**
Dividends Paid	0,00	0,00	0,00	0,00	0,00	(42.850,26)	(42.850,26)
Board of Directors fees	0,00	0,00	0,00	0,00	0,00	(1.500,00)	(1.500,00)
Statutory Reserve	0,00	0,00	0,00	2.541,76	0,00	(2.541,76)	0,00
Balance on 30.06.2019	**46.421,11**	**72.775,98**	**(7.149,67)**	**14.300,25**	**988,46**	**104.806,75**	**232.142,89**
Balance on 01.01.2020	**46.421,11**	**72.775,98**	**1.985,92**	**14.587,04**	**(507,91)**	**193.162,98**	**328.425,12**
Profit/ (loss) for the period	0,00	0,00	0,00	0,00	0,00	(158.778,02)	(158.778,02)
Other comprehensive income/ (losses)	0,00	0,00	(41.420,79)	(1.100,30)	467,66	3.134,26	(38.919,18)
Total comprehensive income/ (losses)	**0,00**	**0,00**	**(41.420,79)**	**(1.100,30)**	**467,66**	**(155.643,77)**	**(197.697,20)**
Foreign currency translation	0,00	0,00	0,00	(707,19)	0,00	0,00	(707,19)
Statutory Reserve	0,00	0,00	0,00	1.473,96	0,00	(1.473,96)	0,00
Balance on 30.06.2020	**46.421,11**	**72.775,98**	**(39.434,87)**	**14.253,50**	**(40,25)**	**36.045,25**	**130.020,73**

The notes on pages 71 to 93 are an integral part of these stand alone and consolidated financial statements.

Aegean Airlines S.A. 4- Interim Condensed Financial Statements, amounts in thousand €

4.7 Cash Flow Statement of the Company 30.06.2020

	30.06.2020	31.12.2019
Cash flows from operating activities		
Losses before tax	**(159.095,07)**	**(20.690,95)**
Adjustments for:		
Depreciation (Notes 3.1, 3.2, 3.3)	64.618,86	63.897,24
Provisions for aircraft maintenance , bad debts and other provision (Notes 3.10, 3.12)	(27.059,57)	10.586,66
Losses/(gains) from foreign exchange differences (Note 3.17)	1.246,34	(755,32)
(Income)/ expense, (Gain) / loss from investing activities	35.976,90	(3.504,13)
Income from Dividends (Note 3.17)	(24.187,50)	0,00
Finance Cost (Note 3.17)	13.049,62	10.056,37
Cash flows from operating activities before changes in working capital	**(95.450,42)**	**59.589,87**
Changes in working capital		
(Increase)/Decrease in inventories	(5.420,27)	(687,25)
(Increase)/ Decrease in receivables	49.972,75	(26.459,95)
Increase/ (Decrease) in liabilities	83.100,03	209.478,21
Total changes in working capital	**127.652,51**	**182.331,01**
Interest expenses paid	(10.604,54)	(7.621,57)
Net cash flows from operating activities	**21.597,56**	**234.299,31**
Cash flows from investing activities		
Purchases of tangible assets (Notes 3.1, 3.2)	(11.113,05)	(8.935,23)
Sales of tangible assets	810,37	56,03
Tangible assets prepayments	(4.735,05)	(6.163,68)
Investing in subsidiaries	(8.010,00)	0,00
Dividends received	24.187,50	0,00
Purchases of financial assets	(997,75)	(7.967,72)
Shares purchase of other companies	(411,54)	0,00
Sales of financial assets	447,75	12.189,65
Interest and other financial income received	839,20	1.135,98
Net cash flows from investing activities	**1.017,43**	**(9.684,97)**
Cash flows from financing activities		
Bank loan	40.000,00	0,00
Bond loan	0,00	200.000,00
Bond issuance costs	0,00	(3.820,25)
Dividends paid	0,00	(41.785,33)
Aircraft leases paid	(61.804,14)	(60.311,35)
Future aircraft lease prepayments	(5.059,00)	(5.933,95)
Net cash flows from financing activities	**(26.863,14)**	**88.149,11**
Net (decrease)/increase in cash and cash equivalents	**(4.248,15)**	**312.763,45**
Cash, cash equivalents & restricted cash at the beginning of the period (Note 3.12)	**369.493,64**	**174.504,99**
Net foreign exchange differences	(741,34)	17,50
Cash, cash equivalents & restricted cash at the end of the period	**364.504,15**	**487.285,95**

The notes on pages 71 to 93 are an integral part of these stand alone and consolidated financial statements.

Aegean Airlines S.A. 4- Interim Condensed Financial Statements, amounts in thousand €

4.8 Cash Flow Statement of the Group 30.06.2020

	30.06.2020	31.12.2019
Cash flows from operating activities		
Profit before tax	**(200.832,39)**	**(17.161,31)**
Adjustments for:		
Depreciation (Notes 3.1, 3.2, 3.3)	74.527,76	72.171,10
Provisions for aircraft maintenance , bad debts and other provision (Notes 3.10, 3.12)	(28.037,86)	10.125,67
Losses/(gains) from foreign exchange differences (Note 3.17)	957,73	(290,04)
Impairments loss of tangible assets	0,00	9,00
(Income)/ expense, (Gain) / loss from investing activities	35.976,94	(3.504,26)
Finance Cost (Note 3.17)	13.683,94	11.564,79
Cash flows from operating activities before changes in working capital	**(103.723,89)**	**72.914,95**
Changes in working capital		
(Increase)/Decrease in inventories	(5.087,51)	(419,99)
(Increase)/ Decrease in receivables	43.714,60	(63.206,07)
Increase/ (Decrease) in liabilities	91.387,22	244.179,04
Total changes in working capital	**130.014,31**	**180.552,98**
Interest expenses paid	(11.566,10)	(9.318,50)
Net cash flows from operating activities	**14.724,31**	**244.149,42**
Cash flows from investing activities		
Purchases of tangible assets (Notes 3.1, 3.2)	(54.719,17)	(8.935,23)
Sales of tangible assets	810,37	56,15
Tangible assets prepayments	(4.735,05)	(6.163,68)
Purchases of financial assets	(997,75)	(7.967,72)
Shares purchase of other companies	(411,54)	0,00
Sales of financial assets	447,75	12.189,65
Interest and other financial income received	639,72	1.200,02
Net cash flows from investing activities	**(58.965,68)**	**(9.620,81)**
Cash flows from financing activities		
Bank loan	0,00	200.000,00
Bond loan	0,00	(3.820,25)
Bond issuance costs	40.000,00	0,00
Dividends paid	0,00	(41.785,33)
Aircraft leases paid	(58.887,89)	(67.605,66)
Future aircraft lease prepayments	(5.059,00)	(5.933,95)
Net cash flows from financing activities	**(23.946,89)**	**80.854,80**
Net (decrease)/increase in cash and cash equivalents	**(68.188,25)**	**315.383,42**
Cash, cash equivalents & restricted cash at the beginning of the period (Note 3.12)	**505.077,46**	**271.675,10**
Net foreign exchange differences	(311,92)	(296,88)
Cash, cash equivalents & restricted cash at the end of the period	**436.577,29**	**586.761,64**

The notes on pages 71 to 93 are an integral part of these stand alone and consolidated financial statements.

4.9 Notes to the Interim Condensed Financial Statements

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1 Information for the Group

1.1 General Information

The Company AEGEAN AIRLINES S.A. is a Societe Anonyme airline company (hereafter referred as "The Company") under the discreet title AEGEAN AIRLINES, which bears the title of AEGEAN AIRLINES S.A. in its international transactions. The Company's duration has been defined until 31.12.2044 and can be extended after that, following the decision of the General Shareholders Meeting. The Company's registered address is in the Municipality of Kifissia, Attiki (31 Viltanioti St. PC 145 64). The parent company AEGEAN AIRLINES S.A. and its subsidiaries form AEGEAN Group (hereafter referred as "The Group").

The accompanying interim condensed consolidated and stand-alone financial statements for the period ended at 30th June 2020 have been approved by the Board of Directors of the Company on 24th September 2020.

1.2 Nature of Operations

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

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

2 Basis of Preparation of the Interim Condensed Financial Statements

The accompanying interim condensed financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. The financial statements have been prepared under the historical cost principle except for certain categories of assets and liabilities measured at fair values. These categories are the ones stated below:

- Financial derivatives;
- Debt and equity instruments

The interim condensed financial statements for the 1st half of 2020 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 2019, except for the changes in accounting policies which are analyzed in Note 2.1. The accompanying interim condensed financial statements should be read along with the annual financial statements for the period ended at 31 December 2019, which include a thorough analysis of the accounting principles and methods used.

The preparation of the interim financial statements according to the International Financial Reporting Standards (IFRS) requires management's 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.

COVID 19 pandemic effect

COVID-19 crisis is the worst ever encountered in the history of the aviation industry. Travel restrictions, a slump in demand among leisure and corporate travelers and closure in borders to limit the spread, forced airlines to ground most of their fleet during the second quarter, thus creating adverse and unprecedented negative conditions in the aviation industry.

During the first semester the Group transferred 2,46 mil. passengers in total, 61,8% less compared to the same period in 2019. In the domestic network the Group transferred 1,22 mil. passengers 55,7% less while in the international network 1,24 mil. passengers 66,4% less, compared to the same period in 2019. ASK's decreased by

60,5% while RPK's decreased by 65,4% in the same period. Load factor for the period stood at 72,5% from 82,2% last year, 9,7 p.p. lower. Total sectors flown decreased by 52,1% to 24.439, compared to the same period last year.

During the first semester total revenue reached the amount of €187m, 63,9% less compared to the same period in 2019. Group loss before tax was €201m and net cash inflows from operating activities amounted to €15m. As at 30.06.2020 group total equity was €130m, cash and cash equivalent amounted to €368m, while the working capital deficit (total current assets less current liabilities) reached the amount of €72m

Key measures adopted

The key measures that have been adopted to manage this unprecedented crisis are:

Enhanced health and safety measures

Having as absolute priority the health and safety of passengers and employees and in close cooperation with the authorities, the Group made all the necessary adjustments at operational level, to fully comply with all new health protocols.

Financial and commercial management

COVID-19 pandemic and the slump in demand for leisure and business travelling have triggered a massive spike in uncertainty and a complete lack of predictability over the duration and the extent of the impact. Key areas of focus to manage this crisis consist:

a. Dynamic management of the network and capacity offered;
b. Efficient fleet and capital expenditure management;
c. Cash shielding, ensuring additional liquidity;
d. Effective cost management in all categories.

During the first phase of the crisis the Group proceeded with the temporary suspension of its international flights from mid-March till mid-May following the extraordinary circumstances of the COVID -19 pandemic and travel restrictions imposed by Greece, EU and other states. A small number of weekly flights from Athens to Brussels, and a limited frequency flight service to all domestic network, was only operated. In cooperation with the General Secretariat for Civil Protection and the Ministry of Foreign Affairs the Group operated repatriation flights as well as cargo flights for the transport of medical and pharmaceutical supplies.

Following the gradual ease of restrictions in May, with regards to transportation within Greece and entry regulations to other European countries, the Group restored only part of its domestic and international network.

With regards to Group's investment program, this remains unchanged for the delivery of 46 A320 neo family aircraft, out of which five (5) have already been delivered. Due to COVID-19 crisis however, the management negotiated with aircraft suppliers towards achieving necessary adjustments and flexibility and managed to defer deliveries.

Of utmost importance during this crisis management period is the fact that many of the existing operating leases expire in the next couple of years. More specifically, 22 ceo aircraft lease agreements expire over the next two years, thus allowing for multiple options to achieve necessary adjustments in total capacity and Group's commitments.

At the beginning of this crisis, as in all previous years, the Group held strong liquidity position. More specifically, total cash and cash equivalent on 31.12.19 stood at € 505 mil., 40% in terms of Group's consolidated revenues, one of the highest ratios in European aviation sector. The Group, to further shield its liquidity in this uncertain and unfavorable environment for the industry, managed to secure a working capital financing line of € 120 mil. from the four Greek systemic banks. As of 30.06.20 the amount drawn was €40 mil. The Group has initiated the process to convert the existing working capital line to a Syndicated Revolving Credit Facility with maturity up to September 2022, also mentioned in subsequent events note.

The Group utilized the "COVID-19 Enterprise Guarantee Fund" by submitting distinct loan requests to the four Greek systemic banks. According to the horizontal guidelines of this program the state guarantee is set at 80% for loans with maturity up to 5 years and up to 25% of the annual turnover. The Group applied and got the approval for a total amount of € 150, 0 mil., equal to only 11% of consolidated turnover. This financing is currently in the final documentation stage.

Of utmost importance for the Group since the inception of the pandemic has been the effective cost management at all categories. The Group initiated negotiations with all its suppliers which are ongoing aiming to adjust the cost and use of services in these new conditions that emerged after the pandemic.

During the first half of the year, the Group used the horizontal employee support mechanism, that has been announced by the Greek Government. During the period that Group's flight activity was only minimal, 70% of its staff was suspended. Gradually from June until today, the suspension of the employment contracts has been replaced by the "Syn-ergasia" program for most of the staff.

The Management reassessed the business plan for the upcoming 18 months from the balance sheet date, considering the coronavirus impact not only on the wider economic environment of the country, but also on the operational activity of the Group, the IATA predictions for activity levels in 2020 and 2021 and the gradual return to sustainable levels, as well as the actions and measures adopted in order to reduce the impact on the group financial figures.

Following the above exercise, the Management has concluded that the going concern assumption is appropriate to be used for the preparation of the interim condensed group and stand-alone financial statements and there is no question regarding the Group's ability to continue as a going concern.

Despite the high cash and cash equivalent retained by the Group before and after the pandemic impact and the measures already taken and will continue to plan and take, a new wave of pandemic crisis and an imposition of part or all of the restrictive measures in travel within the European Union , may put part of the Group aircraft fleet on the ground and lead the Group Management to redefine its estimates and take additional measures to support liquidity.

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

2.1 Standards, Interpretations and amendments to existing standards

A) Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs which have been adopted by the Company as of 1 January 2020:

- **Conceptual Framework in IFRS standards**

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

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

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

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

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

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

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

- **IFRS 16 Leases-Covid 19 Related Rent Concessions (Amendment)**

The amendment applies, retrospectively, to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted, including in financial statements not yet authorized for issue at 28 May 2020. IASB amended the standard to provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic. The amendment provides a practical expedient for the lessee to account for any change in lease payments resulting from the covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change was not a lease modification, only if all of the following conditions are met:

  - The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
  - Any reduction in lease payments affects only payments originally due on or before 30 June 2021.
  - There is no substantive change to other terms and conditions of the lease.

The amendment has not yet been endorsed by the EU. Group management has early adopted the amendment in the preparation of the interim condensed consolidated financial statements.

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.

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

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. The IASB has issued an exposure draft to defer the effective date to 1 January 2023. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current or non-current. The amendments affect the presentation of liabilities in the statement of financial position and do not change existing requirements around measurement or timing of recognition of any asset, liability, income or expenses, nor the information that entities disclose about those items. Also, the amendments clarify the classification requirements for debt which may be settled by the company issuing own equity instruments.

- **IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements (Amendments)**

The amendments are effective for annual periods beginning on or after 1 January 2022 with earlier application permitted. The IASB has issued narrow-scope amendments to the IFRS Standards as follows:

- **IFRS 3 Business Combinations (Amendments)** update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
- **IAS 16 Property, Plant and Equipment (Amendments)** prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
- **IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments)** specify which costs a company includes in determining the cost of fulfilling a contract for the purpose of assessing whether a contract is onerous.
- **Annual Improvements** make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases

The amendments have not yet been endorsed by the EU.

2.2 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 is 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.

2.3 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.

3 Notes to the Financial Statements

3.1 Intangible Assets

As at 30.06.2020 intangible assets amounted to € 26.728,23 and € 42.777,54 for the Company and the Group, respectively.

The Group performs its annual goodwill impairment test, amounted to €40 mil, every year-end. Considering the effect of coronavirus pandemic crisis in Group operational activity during 1st half of 2020, the management assessed that there were indications of impairment and therefore performed goodwill impairment test as at 30.06.2020. The goodwill, from acquisition of Olympic Air, was examined for impairment with the value-in-use method. More specifically, discounted cash flows were used based on the 5-year business plan of the Group, which is considered as one cash generating unit (CGU).

Future cash flows over the Group 5-year business plan were determined on the basis of an estimated long-term growth rate of 0,25%, which was considered reasonable by the Management. The discount rate used was 10,2%. In the above assumptions, a sensitivity analysis was performed to determine the impact on the recoverable amount due to a possible change in these assumptions by +/- 0,5%.

There was no need of impairment, since the CGU recoverable amount highly exceeded its current book value at 30.06.2020.

Intangible assets' movement is analyzed as follows:

Aegean Airlines S.A. 4- Interim Condensed Financial Statements, amounts in thousand €

Company	Slots	Software	Other	Total
Cost of acquisition				
Balance 01.01.2019	**22.030,00**	**17.630,82**	**2.545,37**	**42.206,19**
Additions	0,00	628,63	0,00	628,63
Balance 30.06.2019	**22.030,00**	**18.259,45**	**2.545,37**	**42.834,82**
Depreciations				
Balance 01.01.2019	**0,00**	**13.306,66**	**2.155,66**	**15.462,33**
Depreciations	0,00	1.373,50	127,27	1.500,77
Balance 30.06.2019	**0,00**	**14.680,16**	**2.282,93**	**16.963,09**
Net Book value at 30.06.2019	**22.030,00**	**3.579,29**	**262,44**	**25.871,73**
Cost of acquisition				
Balance 01.01.2020	**22.030,00**	**19.392,81**	**3.434,22**	**44.857,03**
Additions	0,00	1.126,37	929,02	2.055,38
Disposals/Write offs	0,00	0,00	(302,47)	(302,47)
Balance 30.06.2020	**22.030,00**	**20.519,17**	**4.060,77**	**46.609,95**
Depreciations				
Balance 01.01.2020	**0,00**	**16.152,46**	**2.583,71**	**18.736,17**
Depreciations	0,00	878,88	331,45	1.210,32
Disposals/Write offs	0,00	0,00	(64,77)	(64,77)
Balance 30.06.2020	**0,00**	**17.031,34**	**2.850,38**	**19.881,72**
Net Book value at 30.06.2020	**22.030,00**	**3.487,84**	**1.210,39**	**26.728,23**

Group	Brand name	Slots	Software	Other	Total
Cost of acquisition					
Balance 01.01.2019	**21.750,05**	**22.039,00**	**23.518,18**	**2.545,37**	**69.852,60**
Additions	0,00	0,00	628,63	0,00	628,63
Disposals/Write offs	0,00	(9,00)	0,00	0,00	(9,00)
Balance 30.06.2019	**21.750,05**	**22.030,00**	**24.146,81**	**2.545,37**	**70.472,24**
Depreciations					
Balance 01.01.2019	**5.134,24**	**0,00**	**19.057,02**	**2.155,66**	**26.346,92**
Depreciations	206,42	0,00	1.403,89	127,27	1.737,58
Balance 30.06.2019	**5.340,66**	**0,00**	**20.460,91**	**2.282,93**	**28.084,51**
Net Book value at 30.06.2019	**16.409,39**	**22.030,00**	**3.685,90**	**262,44**	**42.387,73**
Cost of acquisition					
Balance 01.01.2020	**21.750,05**	**22.030,00**	**25.280,17**	**3.434,22**	**72.494,44**
Additions	0,00	0,00	1.131,60	929,02	2.060,61
Disposals/Write offs	0,00	0,00	0,00	(302,47)	(302,47)
Balance 30.06.2020	**21.750,05**	**22.030,00**	**26.411,77**	**4.060,77**	**74.252,59**
Depreciations					
Balance 01.01.2020	**5.547,08**	**0,00**	**21.960,67**	**2.585,71**	**30.093,46**
Depreciations	206,42	0,00	908,50	331,45	1.446,37
Disposals/Write offs	0,00	0,00	0,00	(64,77)	(64,77)
Balance 30.06.2020	**5.753,50**	**0,00**	**22.869,17**	**2.852,38**	**31.475,05**
Net Book value at 30.06.2020	**15.996,55**	**22.030,00**	**3.542,60**	**1.208,39**	**42.777,54**

Aegean Airlines S.A. 4- Interim Condensed Financial Statements, amounts in thousand €

3.2 Tangible Assets

Company	Buildings	Aircraft Owned	Aircraft-Maintenance componet	Aircraft equipment	Airports equipment	Other vehicles	Furniture and other equipment	Advances for tangible assets	Total
Cost of acquisition									
Balance 01.01.2019	**12.741,93**	**6.475,31**	**0,00**	**37.287,92**	**2.061,40**	**1.042,42**	**13.517,25**	**51.782,82**	**124.909,05**
**Reclassification to "Advances for future aircraft leases"	0,00	0,00	0,00	0,00	0,00	0,00	0,00	(38.593,55)	(38.593,55)
Additions	182,23	0,00	0,00	1.172,46	0,00	0,00	680,91	11.884,97	13.920,56
Disposals/write offs	0,00	0,00	0,00	0,00	0,00	(5,45)	(20,14)	0,00	(25,59)
Balance 30.06.2019	**12.924,16**	**6.475,31**	**0,00**	**38.460,38**	**2.061,40**	**1.036,97**	**14.178,02**	**25.074,24**	**100.210,47**
Depreciations									
Balance 01.01.2019	**7.434,41**	**3.966,13**	**0,00**	**17.076,73**	**1.699,40**	**624,06**	**10.078,58**	**0,00**	**40.879,30**
Depreciations	565,70	161,88	0,00	1.496,12	33,80	60,37	404,46	0,00	2.722,33
Disposals/write offs	0,00	0,00	0,00	0,00	0,00	(0,00)	(15,85)	0,00	(15,85)
Balance 30.06.2019	**8.000,11**	**4.128,01**	**0,00**	**18.572,85**	**1.733,20**	**684,42**	**10.467,19**	**0,00**	**43.585,78**
Net Book value 30.06.2019	**4.924,05**	**2.347,30**	**0,00**	**19.887,53**	**328,20**	**352,55**	**3.710,83**	**25.074,24**	**56.624,69**
Cost of acquisition									
Balance 01.01.2020	**13.032,90**	**6.475,31**	**0,00**	**39.264,59**	**2.112,00**	**981,50**	**14.338,39**	**40.511,77**	**116.716,45**
*Additions	11,25	24.614,06	27.146,98	22.683,04	0,00	0,00	745,21	5.051,51	80.252,05
Disposals/write offs	0,00	0,03	(353,03)	(6.758,47)	(102,26)	0,00	(35,38)	(11.797,13)	(19.046,25)
Balance 30.06.2020	**13.044,15**	**31.089,40**	**26.793,94**	**55.189,15**	**2.009,74**	**981,50**	**15.048,22**	**33.766,14**	**177.922,24**
Depreciations									
Balance 01.01.2020	**8.457,90**	**4.289,89**	**0,00**	**21.286,76**	**1.766,66**	**682,86**	**10.862,91**	**0,00**	**47.346,99**
Depreciations	476,86	479,63	133,99	2.708,15	31,47	54,28	493,32	0,00	4.377,69
Disposals/write offs	0,00	0,00	0,00	(600,14)	(84,47)	0,00	(35,28)	0,00	(719,89)
Balance 30.06.2020	**8.934,76**	**4.769,52**	**133,99**	**23.394,77**	**1.713,66**	**737,14**	**11.320,94**	**0,00**	**51.004,78**
Depreciable value 30.06.2020	**4.109,39**	**26.319,88**	**26.659,96**	**31.794,38**	**296,07**	**244,36**	**3.727,27**	**33.766,14**	**126.917,46**

** "Aircraft owned" and "Aircraft – maintenance component" additions refer to the exercise of a purchase right for three aircrafts, that was classified in Right of Used Asset as at 31/12/2019*
*** The amount refers to advances for future aircraft leases which for presentation purposes were reclassified to Non-current assets and Current assets ("Advances for future aircraft leases")*

Aegean Airlines S.A. 4- Interim Condensed Financial Statements, amounts in thousand €

Group	Buildings	Aircraft Owned	Aircraft-Maintenance componet	Aircraft equipment	Airports equipment	Other vehicles	Furniture and other equipment	Advances for tangible assets	Total
Cost of acquisition									
Balance 01.01.2019	**12.741,93**	**6.475,31**	**0,00**	**36.338,00**	**2.061,40**	**1.219,34**	**18.288,91**	**51.782,82**	**128.907,72**
**Reclassification to "Advances for future aircraft leases"	0,00	0,00	0,00	0,00	0,00	0,00	0,00	(38.593,55)	(38.593,55)
Additions	182,23	0,00	0,00	1.172,46	0,00	0,00	681,31	11.884,97	13.920,96
Disposals/write offs	0,00	0,00	0,00	0,00	0,00	(20,52)	(20,14)	0,00	(40,66)
Balance 30.06.2019	**12.924,16**	**6.475,31**	**0,00**	**37.510,47**	**2.061,40**	**1.198,82**	**18.950,08**	**25.074,24**	**104.194,47**
Depreciations									
Balance 01.01.2019	**7.434,15**	**3.966,12**	**0,00**	**16.853,92**	**1.699,60**	**786,78**	**14.415,52**	**0,00**	**45.156,08**
Depreciations	565,70	161,88	0,00	1.448,63	33,80	61,67	538,38	0,00	2.810,06
Disposals/write offs	0,00	0,00	0,00	(0,02)	0,00	(15,08)	(15,86)	0,00	(30,96)
Balance 30.06.2019	**7.999,85**	**4.128,00**	**0,00**	**18.302,53**	**1.733,40**	**833,37**	**14.938,03**	**0,00**	**47.935,19**
Net Book value 30.06.2019	**4.924,30**	**2.347,31**	**0,00**	**19.207,94**	**328,00**	**365,45**	**4.012,05**	**25.074,24**	**56.259,28**
Cost of acquisition									
Balance 01.01.2020	**13.032,90**	**6.475,31**	**0,00**	**38.314,67**	**2.112,00**	**1.143,35**	**19.111,10**	**41.655,63**	**121.844,97**
*Additions	11,25	65.615,96	27.146,98	22.683,04	0,00	0,00	1.247,35	5.060,60	121.765,17
Disposals/write offs	0,00	0,00	(353,03)	(6.758,47)	(102,26)	0,00	(35,38)	(12.232,09)	(19.481,24)
Balance 30.06.2020	**13.044,15**	**72.091,26**	**26.793,94**	**54.239,24**	**2.009,74**	**1.143,35**	**20.323,07**	**34.484,14**	**224.128,90**
Depreciations									
Balance 01.01.2020	**8.457,90**	**4.289,89**	**0,00**	**20.968,42**	**1.766,66**	**833,11**	**15.466,66**	**0,00**	**51.782,65**
Depreciations	476,86	421,59	133,99	2.660,65	31,47	55,58	575,28	0,00	4.355,41
Disposals/write offs	0,00	0,00	0,00	(600,14)	(84,47)	0,04	(35,28)	0,00	(719,85)
Balance 30.06.2020	**8.934,76**	**4.711,48**	**133,99**	**23.028,94**	**1.713,66**	**888,73**	**16.006,65**	**0,00**	**55.418,21**
Depreciable value 30.06.2020	**4.109,39**	**67.379,79**	**26.659,96**	**31.210,30**	**296,07**	**254,62**	**4.316,42**	**34.484,14**	**168.710,69**

** "Aircraft owned" and "Aircraft – maintenance component" additions refer to the exercise of a purchase right for three aircrafts, that was classified in Right of Used Asset as at 31/12/2019*
*** The amount refers to advances for future aircraft leases which for presentation purposes were reclassified to Non-current assets and Current assets ("Advances for future aircraft leases")*

Aegean Airlines S.A. 4- Interim Condensed Financial Statements, amounts in thousand €

3.3 Right of use assets/ Lease liabilities

At 30.06.20 the Group fleet consisted of 64 aircraft (5 owned aircraft).

The table below presents the Group fleet at 30.06.20.

FLEET 30.06.2020				
Manufacturer/ Model	Company			Total
	Aegean	Olympic Air	Aegean Cyprus	
Airbus A320ceo	34	-	2	36
Airbus A320neo	5	-	-	5
Airbus A321ceo	10	-	-	10
Airbus A319ceo	1	-	-	1
Bombardier Dash 8-Q400	-	8	-	8
Bombardier Dash 8-100	-	2	-	2
ATR 42-600	-	2	-	2
Total	**50**	**12**	**2**	**64**

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

Group fleet at 31.12.2019 was as follows:

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

Following the adoption of IFRS 16, the right of use assets, as well as the respective lease liabilities for the Company and the Group at 30.06.20 were:

Aegean Airlines S.A. 4- Interim Condensed Financial Statements, amounts in thousand €

Company	Right of use assets					
	Aircraft	Aircraft Engines	Buildings	Vehicles	Total Assets	Lease liabilities
Opening balance 1.1.2019	**344.310,58**	**12.499,47**	**11.221,29**	**742,35**	**368.773,69**	**329.299,90**
Additions	59.336,31	2.278,44	1.586,00	1.085,32	64.286,07	51.526,47
Modifications	26.443,91	0,00	0,00	0,00	26.443,91	26.443,91
Disposals	0,00	0,00	(101,47)	(22,07)	(123,54)	(124,15)
Depreciation	(113.638,58)	(2.936,89)	(2.408,17)	(438,51)	(119.422,14)	0,00
Interest expense						13.395,83
Payments						(133.623,60)
FX Valuation						4.372,27
Ending balance 31.12.2019	**316.452,23**	**11.841,03**	**10.297,65**	**1.367,10**	**339.958,00**	**291.290,62**

Company	Right of use assets					
	Aircraft	Aircraft Engines	Buildings	Vehicles	Total Assets	Lease liabilities
Opening balance 31.12.2019	**316.452,23**	**11.841,03**	**10.297,65**	**1.367,10**	**339.958,00**	291.290,62
Additions	141.932,62	0,00	528,45	339,93	142.801,00	141.481,53
Disposals	(61.741,82)	0,00	0,00	(1,98)	(61.743,80)	(12.172,28)
Depreciation	(56.434,54)	(1.410,07)	(1.206,06)	(304,56)	(59.355,23)	
Interest expense						7.813,52
Payments						(62.280,06)
FX Valuation						1.347,95
Ending balance 30.06.2020	**340.208,48**	**10.430,96**	**9.620,04**	**1.400,49**	**361.659,96**	**367.481,28**

Group	Right of use assets					
	Aircraft	Aircraft Engines	Buildings	Vehicles	Total Assets	Lease liabilities
Opening balance 1.1.2019	**409.755,89**	**12.499,47**	**11.793,32**	**782,73**	**434.831,41**	**395.357,61**
Additions	59.336,31	2.278,44	1.586,00	1.149,32	64.350,07	51.590,46
Modifications	26.443,91	0,00	0,00	0,00	26.443,91	26.443,91
Disposals	0,00	0,00	(101,81)	(22,07)	(123,88)	(124,15)
Depreciation	(129.565,24)	(2.936,89)	(2.495,84)	(462,88)	(135.460,85)	
Interest expense						16.092,62
Payments						(151.480,33)
FX Valuation						5.353,32
Ending balance 31.12.2019	**365.970,87**	**11.841,03**	**10.781,66**	**1.447,10**	**390.040,66**	**343.233,45**

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Group	Right of use assets					Lease liabilities
	Aircraft	Aircraft Engines	Buildings	Vehicles	Total Assets	
Opening balance 31.12.2019	**365.970,87**	**11.841,03**	**10.781,66**	**1.447,10**	**390.040,66**	**343.233,45**
Additions	123.935,67	0,00	952,77	349,02	125.237,46	123.917,83
Disposals	(53.602,17)	0,00	0,00	(20,83)	(53.623,01)	(4.108,80)
Depreciation	(62.910,10)	(1.410,07)	(1.267,22)	(315,19)	(65.902,58)	
Interest expense						8.696,76
Payments						(66.736,56)
FX Valuation						1.787,90
Ending balance 30.06.2020	**373.394,27**	**10.430,96**	**10.467,21**	**1.460,10**	**395.752,53**	**406.790,58**

Aircraft disposals in Group and Company amounts reflect the exercise of the purchase right for three aircraft, that was classified in Right of Use Assets as at 31.12.2019.

The Group Management performed Right of Use asset impairment test, considering that the effect of the coronavirus pandemic crisis in group financial figures is an impairment indication. In the context of this exercise, the management assess that the ROU assets do not generate independent cash flows. No need for impairment was occurred as t 30.06.2020.

3.4 Investment in subsidiaries

Investments in subsidiaries are analyzed as follows:

Company	Country of activity	Participation	30.06.2020	31.12.2019
Olympic Air A.E.	Greece	100%	62.416,56	62.416,56
Aegean Cyprus LTD	Cyprus	55%	18.010,00	10.000,00
Investment in subsidiaries			**80.426,56**	**72.416,56**

Company's participation percentage in Aegean Cyprus Ltd as at 31.12.2019 was 100%.

Within 1st half 2020, the subsidiary company Olympic Air S.A. invested in Aegean Cyprus Ltd participating on its Share Capital by 45,45%. Therefore, the Company's percentage was diluted to 54,55%, maintaining though full control of Aegean Cyprus Ltd.

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

3.5 Advances for future aircraft leases

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

As at 30.06.20 the outstanding balance is € 43.998,17 part of which (€ 28.708,33) is anticipated to be settled within next year.

The year-end translation of advances resulted in a gain of €65,16. Furthermore, an amount of €237,39 was recorded as expense in the income statement from the discounting calculation. Both amounts have been recognized in finance income/expense accounts.

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3.6 Financial assets

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

Within 1st half of 2020, the Company purchased debt securities amounted to €1.000 (30.06.2019 €7.967,72) and received debt securities' nominal amount repaid by their issuer amounted to €450 (30.06.2019 €12.189,65 from debt securities' sales and repayments)

At 30.06.2020 an additional provision for impairment of expected credit losses of € 162,71 was established. The amount is included in the financial expenses. (Note 3.17)

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

3.7 Customers and other trade receivables

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

	Company		Group	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Domestic customers	7.261,91	17.752,98	5.712,31	10.352,48
International customers	2.905,23	3.399,57	3.414,18	4.065,13
Greek State	327,94	491,50	2.311,51	1.325,56
Other debtors	13.987,69	33.675,83	23.777,82	59.553,17
Accrued income	33.403,02	32.363,55	28.716,53	33.275,57
Contract Assets	3.604,14	12.474,40	9.431,51	1.608,50
Suppliers advances	9.801,86	6.667,97	11.714,68	7.309,19
Total	**71.291,81**	**106.825,78**	**85.078,53**	**117.489,59**
Allowance for doubtful debts	(4.085,08)	(3.440,15)	(7.078,12)	(6.292,69)
Total Customers	**67.206,73**	**103.385,63**	**78.000,41**	**111.196,90**
Other receivable	1.807,95	4.851,22	4.764,93	6.346,09
Total Trade and Other Receivables	**69.014,68**	**108.236,85**	**82.765,33**	**117.542,98**

Other debtors balance refers to receivable amounts from ticket sales through IATA travel agents in Greece or abroad and tickets sold from/to other airline companies. The decreased balance compared to 31.12.2019 is due to the coronavirus pandemic crisis that was consequently reflected in a reduced flight activity of the Company and the Group.

Contract assets outstanding balance refers to 1st half 2020 revenue invoiced within July and mainly include interline revenue, as well as revenue from redemption/conversion of award points in loyalty programs that Company participates.

Accrued income includes mainly Group claims to lessors for reimbursement from maintenance reserves, when a maintenance has been carried out within the 1st half of 2020, but the invoice was issued within July.

Allowance for doubtful debts is included in the Consumption of materials and Services balance (Note 3.16).

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

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3.8 Cash and cash equivalents- Restricted Cash

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

	Company		Group	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Cash	207,15	123,88	245,21	162,47
Current accounts	144.986,62	186.486,59	209.547,94	261.956,37
Short term time deposits	133.372,38	140.478,01	140.846,16	200.553,47
Cash equivalents	16.948,79	33.692,51	16.948,79	33.692,51
Total	**295.514,94**	**360.781,00**	**367.588,09**	**496.364,83**

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

Part of Company and Group cash accounts, amounting to €86,48m (31.12.2019: €129,93m) and €97,87m (31.12.2019: €146,23m) respectively, include cash denominated in foreign currency (mainly USD).

The Group restricted cash as at 30.06.20 amounted to €68.99m (31.12.2018: €8,71m), concerning cash collateral provided to third parties, in the context of contracts for derivative financial instruments used to hedge the risk of fuel price and interest rate increase. (Note3.14)

The decrease of Cash and cash equivalent balance compared to 31.12.2019, is a consequence of the coronavirus pandemic that affect the Company and the Group flight activity.

3.9 Borrowings

Bond Loan

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 30.06.2020 the fair value of the borrowing liabilities for the Company and the Group, considering the market price in the fixed income securities' regulated market of Athens Stock Exchange, amounted to €181.233,40.

The Group and the Company bond loan liabilities are analyzed as follows:

	Company		Group	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Borrowings				
Long-term portion	196.810,63	196.566,77	196.810,63	196.566,77
Short-term portion	2.146,69	2.181,15	2.146,69	2.181,15
Carrying value of bond loan	**198.957,32**	**198.747,92**	**198.957,32**	**198.747,92**

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The bond loan movement is analyzed as follows:

	Company		Group	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Bond loan issuance	202.181,15	200.000,00	202.181,15	200.000,00
Less: bond loan issuance cost	(3.433,23)	(3.820,25)	(3.433,23)	(3.820,25)
Initial recognition	**198.747,92**	**196.179,75**	**198.747,92**	**196.179,75**
Interest of the year	3.605,54	5.861,15	3.605,54	5.861,15
Amortization of issuance cost	243,86	387,02	243,86	387,02
Bond coupon payment	(3.640,00)	(3.680,00)	(3.640,00)	(3.680,00)
Ending balance	**198.957,33**	**198.747,92**	**198.957,33**	**198.747,92**

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

<u>Bank Loans – Working Capital facilities</u>

Approved working capital credit line	Received amount as at 30.06.2020	Average borrowing costs	Period
120.000,00	40.000,00	2,47%	6 to 12 months

In April 2020, in order to further strengthen its position for dealing with consequences of the COVID 19 crisis, the Company agreed to a new working capital financing line of €120m from the four Greek Systemic banks.

The amount drawn up to 30.06.2020 is €40m. These loans' duration is either twelve or six months, with an option for a further six-month extension.

The average borrowing cost is around 2,47%.

3.10 Provision

1) **Tax unaudited years**

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

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

The subsidiary AEGEAN CYPRUS LTD has not been audited by the tax authorities of Cyprus.

The Company and the Group have not formed a provision for tax audit differences since Group management estimates that the results of a future audit by the tax authorities, if ultimately realized, will not have a material effect on the consolidated financial statements.

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

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2) Maintenance Reserves

The accumulated provision for future aircraft maintenance is as follows:

	Company		Group	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Balance as at January 1st	**38.740,16**	**11.283,44**	**42.607,36**	**16.247,44**
Annual provision	27.279,23	157.709,64	29.314,53	161.633,15
Less: Provision used	(57.903,89)	(130.252,92)	(62.077,54)	(135.273,24)
Balance as at December 31st	**8.115,50**	**38.740,16**	**9.844,36**	**42.607,35**

The spread of the coronavirus and the corresponding measures imposed, significantly affected the flight program of the Company and the Group, resulting in the cancellation of many flights mainly during the second quarter of the year. The fact that the aircraft maintenance provisions are calculated based on the realized flight hours justifies the balance decrease appeared compared to 31.12.2019.

3) Other Provisions

The Company has established a provision for litigation cases amounting to € 488,34. The respective amount for the Group amounts to € 608,47. (30.12.2019 € 264,44 for the Company and € 384,58 for the Group).

3.11 Suppliers and Other Liabilities

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

	Company		Group	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
State-owned entities	0,04	24,54	0,04	24,54
Foreign suppliers	36.573,30	32.828,76	39.789,47	36.265,11
Domestic suppliers	10.981,39	27.446,31	31.001,12	49.029,02
Total	**47.554,73**	**60.299,60**	**70.790,63**	**85.318,67**

Foreign suppliers outstanding balance mainly relates to aircraft maintenance, airport taxes and fuel cost liabilities. The amount decreased compared to 31.12.2019 due to the coronavirus pandemic crisis that consequently affected the Company and Group flight activity.

Suppliers and other liabilities book values approximate their fair values.

3.12 Contract Balances

	Company		Group	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Trade Receivables (Note 3.10)	63.602,59	90.911,23	68.568,90	109.588,40
Contract assets (Note 3.10)	3.604,14	12.474,40	9.431,51	1.608,50
Contract Liabilities	(191.476,24)	(151.264,24)	(199.430,64)	(159.193,16)

Contract assets outstanding balance refers to 1st half 2020 revenue invoiced within July and mainly include interline revenue, as well as revenue from redemption/conversion of award points in loyalty programs that Company participates.

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Trade receivable and Company's contract assets decrease is due to the decreased flight activity from the COVID 19 pandemic spread and the measures imposed.

Contract liabilities increase compared to 31.12.2019 is due to seasonality reasons, since the amount reflects prepaid tickets liability for flights planned for the third quarter of the year.

1) Contract Liabilities – short term

	Company		Group	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Liabilities from tickets sold but non-flown				
Fare	131.440,21	90.087,52	138.187,46	94.800,46
Ancillary services	12.391,81	11.488,85	13.372,13	12.469,17
Total	**143.832,02**	**101.576,37**	**151.559,59**	**107.269,64**
Customer advances	2.412,04	6.523,81	2.638,86	8.759,47
Liabilities from customer loyalty program – short term	11.095,31	10.212,62	11.095,31	10.212,62
Total contract liabilities – short term	**157.339,37**	**118.312,80**	**165.293,76**	**126.241,72**

2) Contract Liabilities – Long term

Long-term portion of contract liabilities for the Company and the Group amounts to € 34.136,87 (31.12.2019: € 32.951,44) and includes long-term portion of the Miles & Bonus customer loyalty program liability.

Loyalty program liability movement (Miles&Bonus)

Total loyalty program liability as at 30.06.2020 (short-term and long-term) amounts to €45.232 (short-term portion €11.095,31 and long-term portion €34.136,87).

Total Liabilities from customer loyalty program (short and long term)	30.06.2020	31.12.2019
Beginning balance	**43.164,06**	**35.053,95**
Additions of miles	4.207,89	14.079,36
Redemption of miles	(2.139,76)	(5.969,25)
Ending balance	**45.232,19**	**43.164,06**

3.13 Other Short-Term Liabilities

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

	Company		Group	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Airport Taxes	71.268,00	66.473,03	76.700,20	69.898,39
Social Security Contributions	7.458,34	5.212,74	8.357,55	5.770,68
Other Short term liabilities	80.813,87	18.116,41	90.172,22	18.435,74
Payroll and other taxes	6.266,06	4.998,64	6.921,71	5.536,79
Vallue Added Tax	155,35	23,96	155,35	23,96
Total	**165.961,63**	**94.824,78**	**182.307,04**	**99.665,56**

Other short-term liabilities increase mainly relates to the credit voucher service rendered by the Group to passengers for their non-used tickets, when a flight was cancelled due to COVID 19 imposed measures.

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3.14 Derivatives

	Company		Group	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Non-current assets				
Derivatives for cash flow hedge				
Forward contracts in US $	4.516,57	1.804,52	4.516,57	1.804,52
Commodities' swaps (jet fuel)	0,00	415,06	0,00	415,06
Interest rate swaps	0,00	1.281,73	0,00	1.281,73
Total	**4.516,57**	**3.501,31**	**4.516,57**	**3.501,31**
Derivatives				
Forward contracts in US $	4.184,32	2.426,43	4.184,32	2.426,43
Total	**4.184,32**	**2.426,43**	**4.184,32**	**2.426,43**
Derivatives assets (long-term portion)	**8.700,89**	**5.927,74**	**8.700,89**	**5.927,74**
Current assets				
Derivatives for cash flow hedge				
Forward contracts in US $	2.561,99	1.904,24	2.561,99	1.904,24
Commodities' swaps (jet fuel)	24,77	3.079,85	24,77	3.079,85
Total	**2.586,76**	**4.984,09**	**2.586,76**	**4.984,09**
Derivatives				
Forward contracts in US $	2.679,38	949,95	2.679,38	949,95
Total	**2.679,38**	**949,95**	**2.679,38**	**949,95**
Derivatives assets (short-term portion)	**5.266,14**	**5.934,03**	**5.266,14**	**5.934,03**
Total derivative assets	**13.967,04**	**11.861,77**	**13.967,04**	**11.861,77**
Non-current liabilities				
Derivatives for cash flow hedge				
Forward contracts in US $	0,00	(1.084,15)	0,00	(1.084,15)
Commodities' swaps (jet fuel)	(3.483,65)	0,00	(3.483,65)	0,00
Interest rate swaps	(36.907,77)	(7.377,83)	(36.907,77)	(7.377,83)
Total	**(40.391,42)**	**(8.461,98)**	**(40.391,42)**	**(8.461,98)**
Derivatives				
Forward contracts in US $	0,00	(581,17)	0,00	(581,17)
Total	**0,00**	**(581,17)**	**0,00**	**(581,17)**
Derivatives liabilities (long-term portion)	**(40.391,42)**	**(9.043,16)**	**(40.391,42)**	**(9.043,16)**
Current liabilities				
Derivatives for cash flow hedge				
Forward contracts in US $	(169,49)	(1.864,91)	(169,49)	(1.864,91)
Commodities' swaps (jet fuel)	(51.852,10)	(4.197,23)	(51.852,10)	(4.197,23)
Interest rate swaps	0,00	(11,23)	0,00	(11,23)
Total	**(52.021,59)**	**(6.073,37)**	**(52.021,59)**	**(6.073,37)**
Derivatives liabilities (short-term portion)	**(52.021,59)**	**(6.073,37)**	**(52.021,59)**	**(6.073,37)**
Total derivative liabilities	**(92.413,01)**	**(15.116,53)**	**(92.413,01)**	**(15.116,53)**

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

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

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

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 fluctuation.

As at 30.06.2020, the Group had entered into currency forwards and options contracts to hedge 88% of its estimated needs in US dollar for the 2nd half of 2020, as well as 19%, 9% and 13% of its estimated needs in US dollar for 2021, 2022 and 2023, respectively (future transactions). As at 31.12.2019, the Company had entered into forward contracts to hedge 59%, 17%, 8% and 11% of its estimated needs in US dollar for 2020, 2021, 2022 and 2023, respectively, based on the then Group management estimates for future transactions.

Maturity	Maturity amount in thousand $ 30.06.2020	Maturity amount in thousand $ 31.12.2019
2020	135.000,00	246.000,00
2021	72.000,00	72.000,00
2022	36.000,00	36.000,00
2023	48.000,00	48.000,00
Σύνολο	**291.000,00**	**402.000,00**

The nominal amount of open forward contracts as at 30.06.2020 was € 359.867,83 (31.12.2019: € 357.842,27). (Level 2)

In addition to the aforementioned positions held for cash flow hedging purposes, the Company as of 30.06.2020 held open positions of 6 million US dollar forward contracts with maturity within the 2nd half of 2020 and 156 million US dollar with maturity within the years 2021-2023, for which the Company has not applied hedge accounting. These positions are held in accordance with the Company's foreign exchange risk management policy adopted on 01.01.2019. The nominal amount of these open forward contracts as at 30.06.2020 amounts to €144.668,69 (31.12.2019 €149.546,02.) (Level 2)

b) Commodity swaps (jet fuel swaps)

The Group holds jet fuel swaps derivatives as cash flow hedging instruments to hedge the risk of fuel price fluctuations.

At the beginning of COVID 19 pandemic crisis (March 2020) the Group had entered into jet fuel swaps to cover 72% and 20% of the projected (pre crisis) jet fuel needs in 2020 and 2021, respectively.

The coronavirus pandemic severely affected the airline industry, while the measures imposed had a significant impact in Group flight activity. As a consequence, part of the mentioned jet fuel contracts, that the Group had entered into to hedge fuel price fluctuation for 2020, was considered non effective, since the decreased flight activity resulted in a decreased fuel consumption.

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In particular, jet fuel swaps for a total quantity of 83.184 metric tons for the period March-June 2020 were considered non effective, the result of which (€27.451,08) is included in financial expenses.

In addition, jet fuel swaps with a maturity within 2nd half of 2020 for a total quantity of 103.817 metric tons, were considered non effective, the valuation of which (€19.736,56) is included in financial expenses

Based on Group management assessments, the remaining jet fuel swaps with a maturity within the 2nd half of 2020, which were considered effective, fully cover the estimated fuel consumption of this period, while the jet fuel swaps with a maturity in 2021 cover 28% of estimated fuel needs for 2021.

Maturity	Metric Tons 30.06.2020 (innefective part)	Metric Tons 31.12.2019
2020	192.000 (103.817)	249.000,00
2021	93.000,00	24.000,00
Σύνολο	**285.000 (103.817)**	**273.000,00**

Moreover, as at 30.06.2020 the Company has entered into a sell position in jet fuel swap contracts of a total quantity of 8.000 metric tons, to exchange fixed price with market price for the specific quantity, for which cash flow hedge accounting was not applied.

c) Interest Rate Swaps

Interest rate swaps (IRS) are used as hedging instruments to hedge finance liabilities cash flow and more specifically to cover the interest rate risk derived from future aircraft leases.

As at 30.06.2020 the Company decided to discontinue the hedge accounting of forward interest rate swaps open positions, of US$ 152.000 nominal amount, into which the Company had entered to cover the estimated risk in three new aircrafts delivery, due to negotiations with the aircraft lessors in order to reassess the delivery dates. Therefore, derivatives valuation amounted to €21.237,12 is included in financial expenses.

In addition, at 30.06.2020, the Company maintained open positions on future interest rate swaps to cover the interest rate risk of five (5) aircraft leases, expected to be delivered within the period 2022-2023. The nominal amount of interest rate swaps at 30.06.2020 amounted to US$245.000.

The nominal amount of open interest rate swaps at 30.06.2020 amounted to €354.527,59 (31.12.2019: €362.204,02)

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

3.15 Revenue from contracts with customers

Revenue from contracts with customers refers to ticket sales, sales of goods and other services.
Revenue decrease compared to 30.06.2019 is due to the COVID 19 pandemic crisis that affected the Company and the Group flight activity.
Revenue from contracts with customers per service category is analyzed as follows:

Aegean Airlines S.A. 4- Interim Condensed Financial Statements, amounts in thousand €

	Company		Group	
	1st Half 2020	1st Half 2019	1st Half 2020	1st Half 2019
Revenue from scheduled flights	87.118,02	290.559,84	155.571,13	433.291,44
Revenue from chartered flights	24.832,60	66.453,30	3.235,52	29.348,00
Other operating income related to flights	29.153,48	59.088,97	28.591,79	56.758,82
Total	**141.104,10**	**416.102,11**	**187.398,44**	**519.398,27**

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

Company	1st Half 2020		
	Domestic	International	Total
Revenue from scheduled flights	2.258,23	86.842,52	89.100,75
Revenue from chartered flights	14.627,02	7.452,05	22.079,07
Other operating income related to flights	6.979,92	22.944,36	29.924,28
Total	**23.865,17**	**117.238,93**	**141.104,10**

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**

Group	1st Half 2020		
	Domestic	International	Total
Revenue from scheduled flights	51.336,26	104.234,87	155.571,13
Revenue from chartered flights	115,32	3.120,20	3.235,52
Other operating income related to flights	5.813,71	22.778,08	28.591,79
Total	**57.265,29**	**130.133,15**	**187.398,44**

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	56.758,82
Total	**123.517,37**	**395.880,89**	**519.398,26**

3.16 Consumptions of materials and services

These amounts include the Group and Company operating expenses.

The decreased flight activity, due to COVID 19 pandemic crisis, consequently reflected in decreased operating expenses, such as aircraft fuel, ground handling, airport charges and aircraft maintenance expense.

Aegean Airlines S.A. 4- Interim Condensed Financial Statements, amounts in thousand €

3.17 Financial Income/ Expense

Financial income / expense analysis is as follows:

	Company		Group	
	1st Half 2020	1st Half 2019	1st Half 2020	1st Half 2019
Interest and expenses from long term liabilities	4.399,89	9,46	4.402,28	9,46
Interest and expenses from short term liabilities	0,85	0,39	0,85	0,69
Letters of Guarantee commissions	218,44	258,95	324,54	386,98
Finance leases interest	8.009,79	7.234,96	8.892,87	8.653,82
Foreign exchange losses	10.942,41	6.053,50	11.731,19	7.546,46
Ineffective portion of hedging	68.543,99	0,00	68.543,99	0,00
Other financial expenses	183,26	2.552,61	209,48	2.577,88
Impairment of financial assets	162,71	69,86	162,71	69,86
Total financial expenses	**92.461,33**	**16.179,73**	**94.267,90**	**19.245,14**
Other interest income	1.059,80	1.092,58	1.019,64	1.156,62
Dividends from subsidiaries	24.187,50	0,00	0,00	0,00
Foreign exchange gains	14.153,45	9.284,46	15.060,32	10.315,96
Total financial income	**39.400,75**	**10.377,04**	**16.079,97**	**11.472,58**

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

Within 1st half 2020, the Company received dividend amounted to €24.187,50 from its subsidiary Olympic Air S.A.

The amount of €68.543,99 refers to the ineffective portion of derivatives used for hedging accounting purposes, that mainly occurred from the decreased flight activity as well as the change in the new aircraft delivery schedule. The amount includes the results of March-June derivatives that were considered non-effective, along with the valuation of derivatives with a maturity within 2nd half of 2020, which were also considered non-effective.

3.18 Income Tax

Income tax is analyzed below:

	Company		Group	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Current tax	-	-	-	(1.638,99)
Deferred tax	37.822,82	5.233,47	42.054,41	5.779,64
Total Tax	**37.822,82**	**5.233,47**	**42.054,41**	**4.140,64**

Income tax rate for legal entities for the period ended 30.06.2020 is 24% (30.06.2019: 28%).

The deferred tax increase mainly reflects the deferred tax asset recognition, due to tax losses that the Management estimates to occur as a result of COVID 19 effect. The said amount is anticipated to be fully recovered within the next years.

Aegean Airlines S.A. 4- Interim Condensed Financial Statements, amounts in thousand €

3.19 Existing Encumbrances

There are no mortgages and promissory notes or any other encumbrances on property, plant and equipment (buildings, owned aircraft).

3.20 Contingent Liabilities/ Contingent assets

Legal or in arbitration disputes

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

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

An analysis of the pending legal cases follows:

	Company		Group	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Labor disputes	112,66	148,44	112,66	252,33
Accidents	0,00	0,00	0,00	0,00
Other	431,95	2.484,50	512,17	2.564,72
Σύνολο	**544,61**	**2.632,93**	**624,83**	**2.817,05**

Contingent Liabilities

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

	Company		Group	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Letters of guarantee	22.672,62	23.448,00	38.724,90	38.315,94

3.21 Related parties' transactions and balances

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

Aegean Airlines S.A. 4- Interim Condensed Financial Statements, amounts in thousand €

	Company	
Balances with other companies owned by the major shareholder	**30.06.2020**	**31.12.2019**
Receivables (End of period balance from sale of goods- services)	52,25	135,05
Liabilities (End of period balance from purchase of goods- services)	128,40	212,81
Balances with subsidiaries		
Receivables (End of period balance from sale of goods- services)	6.243,22	14.784,12
Liabilities (End of period balance from purchase of goods- services)	0,00	0,00
Balances with other related parties		
Receivables (End of period balance from sale of goods- services)	442,10	436,40
Liabilities (End of period balance from purchase of goods- services)	10,48	128,11

	Company	
Transactions with other companies owned by the major shareholder	**1st Half 2020**	**1st Half 2019**
Income – Services provided from the Company	325,86	575,62
Expenses – Services the Company received	766,84	884,18
Transactions with subsidiaries		
Income – Services provided from the Company	52.975,05	49.632,80
Expenses – Services the Company received	51.912,16	111.995,29
Transactions with other related parties		
Income – Services provided from the Company	39,66	76,63
Expenses – Services the Company received	152,55	366,70

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

3.22 Transactions with Directors and Board of Directors members

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

	Company		Group	
	30.06.2020	**30.06.2019**	**30.06.2020**	**30.06.2019**
BoD members fees	0,00	480,00	0,00	480,00
Directors' salaries	745,27	884,02	825,32	972,00
Directors' social insurance expenses	85,71	105,18	98,66	117,03
Other payments to directors	158,93	123,01	160,82	128,07
Total	**989,91**	**1.592,21**	**1.084,80**	**1.697,10**
Obligations to directors'	72,74	45,63	76,72	49,61

The Annual General Meeting approved by majority vote the pre-approval of the remuneration of the members of the Audit Committee for the fiscal year 2020, up to the amount of €100 thousand.

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

Aegean Airlines S.A. 4- Interim Condensed Financial Statements, amounts in thousand €

3.23 Risk Management

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

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

The risk management policy is executed by the Financial Department of the Group.

The procedure is the following:

- Evaluation of risks associated with the activities and operations of the Group
- Design of a methodology and selection of appropriate financial products to reduce risks
- Execution / implementation of the risk management policy, in accordance with the procedure approved by the management

Foreign currency risk

The Group due to the nature of the industry is exposed to variations in foreign currency exchange rate which arise mainly from US Dollar. This kind of risk arises mainly from transactions in foreign currency. The Group's exposure to foreign currency exchange risk varies during the period, according to the seasonal volume of transactions in foreign currency.

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

Interest rate risk

The Group's policy is to minimize interest rate cash flow risk exposure on long – term financing. With relation to the above risk the Group follows a hedge accounting policy to cover its exposure to interest rate cash flow risk from future aircraft lease obligations.

Jet fuel risk

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

Company 30.06.2020	Derivative type	Level 1	Level 2	Level 3
Assets				
Forwards contracts in USD	(FWD)	0,00	13.942,27	0,00
Jet fuel commodity swaps	(FWD)	0,00	24,77	0,00
Interest rate swaps	(IRS)	0,00	0,00	0,00
Bonds & Shares		29.819,72	0,00	0,00
Total Assets		**29.819,72**	**13.967,04**	**0,00**
Liabilities				
Forwards contracts in USD	(FWD)	0,00	(169,49)	0,00
Jet fuel commodity swaps	(FWD)	0,00	(55.335,75)	0,00
Interest rate swaps	(IRS)	0,00	(36.907,77)	0,00
Total Liabilities		**0,00**	**(92.413,01)**	**0,00**

Aegean Airlines S.A. 4- Interim Condensed Financial Statements, amounts in thousand €

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

Group 30.06.2020	Derivative type	Level 1	Level 2	Level 3
Assets				
Forwards contracts in USD	(FWD)	0,00	13.942,27	0,00
Jet fuel commodity swaps	(FWD)	0,00	24,77	0,00
Interest rate swaps	(IRS)	0,00	0,00	0,00
Bonds & Shares		29.819,72	0,00	0,00
Total Assets		**29.819,72**	**13.967,04**	**0,00**
Liabilities				
Forwards contracts in USD	(FWD)	0,00	(169,49)	0,00
Jet fuel commodity swaps	(FWD)	0,00	(55.335,75)	0,00
Interest rate swaps	(IRS)	0,00	(36.907,77)	0,00
Total Liabilities		**0,00**	**(92.413,01)**	**0,00**

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

Level 1 values refer to published prices and Level 2 values are based on measurement techniques. Bonds and shares are traded in active markets and they are measured at their market price at the balance sheet date. Hedging derivatives are measured using international pricing platforms.

Credit risk

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

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

Liquidity risk

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

It is noted that as at 30.06.2020 the Group had a cash position of € 436,48m (31.12.2019 €505,08m) securing its ability to settle the short-term and medium-term liabilities.

3.24 Subsequent Events

The Group in August 2020 agreed with Airbus to defer seven (7) A320 neo aircraft deliveries from 2022-2023 to 2025-2026. Pre-delivery payment schedule for the Airbus order is adjusted according to the new delivery schedule, leading to a substantial reduction in capital expenditure.

The Group in August 2020 signed an indicative term sheet with the four Greek systemic banks for a bond loan based on the “COVID-19 Enterprise Guarantee Fund” of € 150, 0 mil., with 5 years maturity.

The Group in August 2020 signed an indicative term sheet with the four Greek systemic banks to convert the existing working capital line to a Syndicated Revolving Credit Facility for an amount up to € 120, 0 mil., with maturity in September 2022. As of today, the amount drawn is €92 mil.

The accompanied Financial Statements are the ones approved by the Board of Directors of "Aegean Airlines S.A." on September 24th 2020 and are uploaded on the Company's website (www.aegeanair.com) for investors' reference, where they will remain for at least 5 years after their preparation and public announcement date.

Kifissia, September 24th, 2020

Chairman of the BoD	Chief Executive Officer	Chief Financial Officer	Chief Accountant
Eftichios Vassilakis	Dimitrios Gerogiannis	Michael Kouveliotis	Maria Zannaki
I.D. no. AN049866	I.D. no. AB642495	I.D. no. AO148706	I.D. no. AO135556

5.
Report on the use of funds from Bond Loan for the period 12.03.2019 up to 30.06.2020

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 to €3.820,25thousand and it was covered in total from the amount raised. The Bond Loan issue was fully covered and the payment of the raised funds was certified by the Company's Board of Directors on 12.03.2019.

On 13.03.2019 the 200.000 dematerialized, common, bearer bonds admitted for trading in the category of Fixed Income Securities of the Regulated Market of the Athens Exchange (the "Athens Exchange").

According to the commitments set out in the relevant Prospectus approved by the Hellenic Capital Market Commission and the decision of the Board of Directors dated 22.02.2019, it is disclosed that the use of the raised funds (€200.000.000), minus €3.820,25 thousand relating to issue costs, is as follows:

Report on the use of funds from Bond Loan

Use of funds	Funds				Funds used		Unallocated funds
	Rate of use	Total funds	Issuing costs	Net Amount for allocation	2019	1st Half 2020	
Scheduled aircraft pre-delivery	75%	150.000,00	2.865,19	147.134,81	5.977,36	10.174,04	130.983,41
New training facilities and offices at Athens International Airport	14%	28.000,00	534,84	27.465,16	44,58	0,00	27.420,59
Finance working capital needs of the Company	11%	22.000,00	420,23	21.579,77	21.579,26	0,00	0,51
Total	**100%**	**200.000,00**	**3.820,26**	**196.179,74**	**27.601,20**	**10.174,04**	**158.404,51**

The remaining available funds from the Common Bond Loan Issuance amounting to €158.404,51 as at 30.06.2020 were placed in time deposits and current accounts.

Kifissia, September 24th 2020

Chairman of the BoD	Chief Executive Officer	Chief Financial Officer	Chief Accountant
Eftichios Vassilakis	Dimitrios Gerogiannis	Michael Kouveliotis	Maria Zannaki
I.D. no. AN049866	I.D. no. AB642495	I.D. no. AO148706	I.D. no. AO135556