

CANADA  
Province of Ontario

ESTATE NO: 31-2032828  
COURT FILE NO.: 31-2032828

**IN THE MATTER OF THE PROPOSAL OF  
SKYGREECE AIRLINES, S.A., AN INSOLVENT PERSON,  
PURSUANT TO SECTION 50.4(1) OF THE BANKRUPTCY  
AND INSOLVENCY ACT**

**SUPPLEMENT TO THE FIRST REPORT OF  
THE TRUSTEE ON PROPOSAL**

**OCTOBER 1, 2015**

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**INTRODUCTION**

1. This report ("**Supplemental Report**") is a supplement to and should be read together with the First Report of the Proposal Trustee dated September 28, 2015 (the "**First Report**") of Ernst & Young Inc. in its capacity as the proposal trustee (the "**Proposal Trustee**") of SkyGreece Airlines, S.A. ("**SkyGreece**" or the "**Company**") which filed a Notice of Intention to Make a Proposal ("**NOI**") on September 3, 2015 under Part III, Division I of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended (the "**BIA**").
2. This Supplemental Report is filed to provide this Court with an updated Cash Flow Projection.
3. Capitalized terms used in this Supplemental Report and not defined herein shall have the meaning ascribed to them in the First Report.

**CASH FLOW PROJECTION**

4. Attached at **Appendix "A"** is the Company's revised Cash flow Projection for the period from October 5, 2015 to December 6, 2015. The Cash Flow Projection is based on the Company's assumptions attached to the Cash Flow Projection, including, among other things, receipt of the emergency DIP Loan in the amount of U.S. \$250,000 as discussed in the First Report and the

receipt of additional DIP funds in the amount of U.S. \$500,000 projected to be received subject to the Company and the proposed lender agreeing on terms and Court approval.

**ERNST & YOUNG INC.,**  
**The Trustee acting in re: the Proposal of**  
**SkyGreece Airlines, S.A. and**  
**not in its personal capacity**  
Per:

A handwritten signature in black ink, appearing to read "Jeffrey Kerbel". The signature is written in a cursive, flowing style.

Jeffrey D. Kerbel, CPA, CA, CIRP  
Senior Vice-President

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# Appendix “A”

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IN THE MATTER OF THE PROPOSAL OF SKYGREECE AIRLINES, S.A.  
STATEMENT OF PROJECTED CASH FLOW  
FOR THE PERIOD FROM OCTOBER 5, 2015 TO DECEMBER 6, 2015

	Notes #	October 11	October 18	October 25	November 1	November 8	November 15	November 22	November 29	December 6	Total
For the week ending											
Cdn\$											
OPENING CASH BALANCE	4	-	16,950	158,150	126,625	157,825	175,817	119,517	84,892	276,867	-
<b>CASH RECEIPTS</b>											
A/R Collection	5	14,000	-	-	-	-	-	-	322,500	-	336,500
<b>Total Cash Receipts</b>		<b>14,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>322,500</b>	<b>-</b>	<b>336,500</b>
<b>CASH DISBURSEMENTS</b>											
Payroll & Employee Benefits	6	(27,600)	-	-	-	(90,183)	-	-	-	(118,301)	(236,084)
Utilities	7	(6,200)	-	-	-	(6,200)	-	-	-	(6,200)	(18,600)
Professional Fees	8	(255,000)	(75,000)	(17,500)	(160,000)	(15,000)	(47,500)	(15,000)	(117,500)	(15,000)	(717,500)
Office, General & Administration	9	(33,250)	(8,800)	(14,025)	(8,800)	(30,625)	(8,800)	(19,625)	(13,025)	(28,125)	(165,075)
Other	10	-	-	-	-	(40,000)	-	-	-	(40,000)	(80,000)
<b>Total Cash Disbursements</b>		<b>(322,050)</b>	<b>(83,800)</b>	<b>(31,525)</b>	<b>(168,800)</b>	<b>(182,008)</b>	<b>(56,300)</b>	<b>(34,625)</b>	<b>(130,525)</b>	<b>(207,626)</b>	<b>(1,217,259)</b>
Operating Cash Inflow (Outflow)		(308,050)	(83,800)	(31,525)	(168,800)	(182,008)	(56,300)	(34,625)	191,975	(207,626)	(880,759)
<b>ENDING CASH BALANCE BEFORE DIP</b>		<b>(308,050)</b>	<b>(66,850)</b>	<b>126,625</b>	<b>(42,175)</b>	<b>(24,183)</b>	<b>119,517</b>	<b>84,892</b>	<b>276,867</b>	<b>69,242</b>	<b>(880,759)</b>
DIP Interest and Fees	11	-	-	-	-	-	-	-	-	-	-
DIP Drawings	11	325,000	225,000	-	200,000	200,000	-	-	-	-	950,000
<b>ENDING CASH BALANCE</b>		<b>16,950</b>	<b>158,150</b>	<b>126,625</b>	<b>157,825</b>	<b>175,817</b>	<b>119,517</b>	<b>84,892</b>	<b>276,867</b>	<b>69,242</b>	<b>69,242</b>

**IN THE MATTER OF THE PROPOSAL OF  
SKYGREECE AIRLINES, S.A., AN INSOLVENT PERSON  
(THE "COMPANY")**

**NOTES TO PROJECTED CASH FLOW STATEMENT**

1. The projection has been prepared solely for the purpose of determining the ability of the Company to fund the business activities of the Company as set out herein.

Readers are cautioned that it may not be appropriate for their purposes.

2. The cash-flow statement is presented on a weekly basis from October 5, 2015 to December 6, 2015 (the "**Projection Period**") and represents management's best estimates of the results of operations during the Period.
3. The projection is presented in Canadian Dollars. Projected receipts and disbursements denominated in foreign currency transactions are converted to Canadian dollars using the exchange rate as at September 11, 2015.
4. There is no opening cash balance.
5. Trade A/R Collections represent primarily anticipated receipts for charter services the Company is presently discussing with two potential customers. The charter service rates projected are in line with the Company's 2014 business and industry standards.

Trade A/R Collections do not reflect any prior passenger ticket sales, which are expected to be offset against charge-backs for consumer refunds by various financial institutions.

6. Payroll and Employee Benefits relate to the Company's estimated salaries and benefits for its staff going forward.

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7. Utilities are projected based on the run rate of utility costs in recent months.
8. Professional Fees includes the estimated fees and disbursements of the Company's legal advisors, the Proposal Trustee and its legal counsel and other consultant fees specifically related to the restructuring effort and are management's best estimate of fees which will be incurred during the Projection Period.
9. Office, general & administration include primarily rent, travel and accommodation costs, employee training, regular corporate legal and professional fees and other general supplies.
10. Other payments represent primarily the Company's aviation insurance expenses.
11. DIP drawings represent the Company's drawing on its Debtor in Possession ("**DIP**") loan in the amount of U.S. \$250,000 as described in the affidavit of Brooks Pickering sworn September 28, 2015. The Company is also projecting to secure an additional DIP loan in the amount of U.S. \$500,000 in order for it to fund its on-going operations. Negotiations are ongoing and any additional DIP loan will be subject to Court approval. Interest payments on the DIP loan are based on a rate of 12% per annum and will be payable in the future, not covered in this Projection Period.