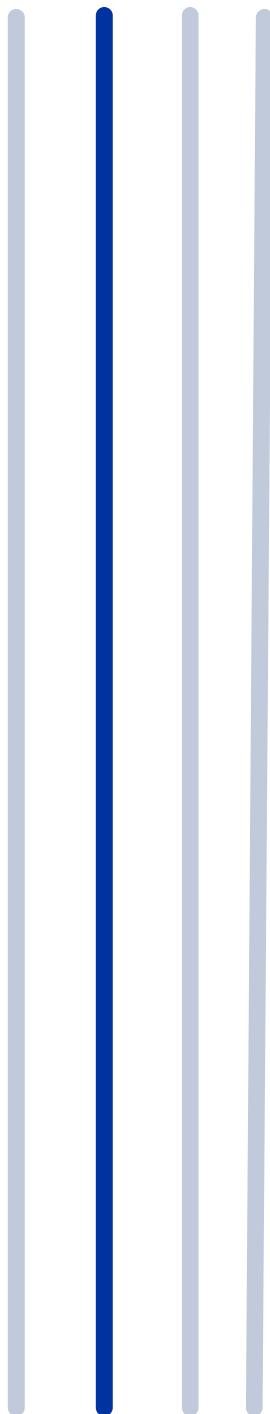




HELLENIC CORPORATION OF ASSETS AND PARTICIPATIONS



**THIRD QUARTERLY REPORT
ON ACTIONS AND COMPANY
FINANCIAL STATEMENTS**

(01.07.2017 - 30.09.2017)

December 2017

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A. Hellenic Corporation of Assets & Participations S.A.

A.1. Purpose and Legal Framework of the Corporation

The "Hellenic Corporation of Assets and Participations S.A. ("HCAP" or the "Corporation") is a holding company governed by the provisions of Law 4389/2016 as amended and in force (hereunder the "Law" or the "founding law") and in addition, the provisions of codified Law 2190/1920. The Corporation is not part of the public or the wider public sector, as currently defined. Provisions concerning public undertakings, with the meaning of Law 3429/2005 shall not apply to the Corporation, unless this is expressly provided in Law 4389/2016.

The Corporation operates in the public interest, in accordance with the rules of the private economy. It is set up to serve a specific public purpose. Its long-term vision is to enhance the value and improve the performance of its portfolio of assets under management, by assessing and promoting the best available strategies and by targeting operational efficiencies. The Corporation shall also promote reforms of public undertakings through restructuring, good corporate governance and transparency and by fostering accountable administration, social responsibility, innovation and best practices.

In order to fulfil its purpose, the Hellenic Corporation of Assets and Participations shall act in an independent and professional manner with a long-term vision in achieving its results, in accordance with its Rules of Procedure. It shall also act to guarantee full transparency, with a view to enhance the value of its portfolio and to generate and contribute resources:

- (a) for the implementation of Greece's investment strategy and economic growth, and
- (b) for the reduction of the financial obligations of the Hellenic Republic.

The Corporation may take any action necessary to achieve its purpose within the framework laid down by the Law.

The duration of HCAP is ninety-nine years beginning from its registration in the General Commercial Registry (GEMI) of the Secretariat-General of Commerce.

According to decision of the Board of Directors of the Corporation dated 03.03.2017, the registered seat of the Corporation is at Voulis 7 in Athens.

A.2. Subsidiaries of the Corporation pursuant to Law 4389/2016 art.188

Upon the Corporation's acquisition of legal personality, on 25 October 2016 the following legal entities, the share capital or securities of which are transferred to the Corporation or which are set up in accordance with its founding law, shall be considered as direct subsidiaries for the purposes of the Law (the 'direct subsidiaries'):

- The **Hellenic Financial Stability Fund ("HFSF")**, for which HCAP has very limited powers, as the decisions for the accomplishment of its mission and purpose are made exclusively by the relevant bodies of HFSF. Pursuant to Law 4389/2016, the full possession and holding of the entire capital of the HFSF (as represented by securities in accordance with Article 3 of Law

3864/2010) are transferred by the Greek State to the Corporation for no consideration. Notwithstanding this transfer, unless expressly stated otherwise in Law 4389/2016, the provisions of Law 3864/2010 (indicating but not limited to the provisions of the corporate governance of the HFSF) shall continue to apply.

- The **Hellenic Republic Asset Development Fund (“HRADF”)**, which exploits the assets of the State that have been assigned to it and manages the implementation of the privatization program in the country, and in specific, the implementation of the Asset Development Plan “ADP” as approved by the Board of Directors of the HRADF. The HRADF aims to maximize the development and exploitation of the assets of the ADP in infrastructure, corporations, real estate and other fields of the economy and to attract direct investments, while also promoting long term benefits for the Greek economy. The most recent Asset Development Plan for HRADF which has been approved by the HRADF BoD and also by the Governmental Economic Policy Council is dated 31.01.2017 and is available online on HRADF’s website.

Pursuant to Law 4389/2016, the full ownership, possession and holding of all shares in the HRADF are transferred by the Greek Government to the Corporation for no consideration.

After taking into consideration that the purpose of HRADF has not yet been fulfilled, HCAP as the sole shareholder of HRADF, through its BoD, decided on 11.05.2017 to proceed with a General Assembly resolution (taken with the procedure of a self-convened extraordinary General Assembly Meeting of the sole shareholder of HRADF) for the extension of HRADF’s duration for three (3) more years, i.e. until July 1st 2020 and also the consequent amendment of article 3 of HRADF’s Statutes. The General Assembly of HRADF that resolved on the above was held on May 16th 2017.

- **The Public Properties Company (“ETAD”)**, being responsible for the management and exploitation in favor of the public interest of a large real estate portfolio for which the Greek State has transferred to ETAD the ownership and/or management. The transfer of ETAD to the Corporation, with the simultaneous transfer to ETAD of the ownership and/or management of an important number of properties of the State, which were managed by ETAD in the past, redefines and enhances the role of ETAD. The portfolio of ETAD currently includes approximately 71.500 assets throughout the Greek territory as well as abroad and includes properties mainly from the Ministry of Finance, from the Greek National Tourism Organization, the Olympic Assets and a list of properties from the HRADF. Pursuant to Law 4389/2016, the full ownership, possession and holding of all shares in ETAD are transferred by the Greek State to the Corporation for no consideration.

In order to achieve its strategy, ETAD has to act towards maintaining a clean portfolio that can be exploited for the benefit of the Greek state and economy. Meanwhile, ETAD must develop exploitation strategies, including separately focused strategies per asset class. For this purpose, ETAD shall evaluate all available structures, methods and tools as deemed appropriate, in order to professionally manage, maintain and increase the value of its portfolio, as well as to make decisions towards the most productive/efficient exploitation methods. Also, ETAD shall have to take into consideration the business practices employed in similar transactions internationally, the special characteristics of each asset and/or asset class to be exploited, the investment appetite and the special characteristics of potential investors along with other material information which will all together lead to the optimal exploitation of its assets.

It should also be noted that article 196 par.6 of Law 4389/2016 provides that a working group is set up consisting of representatives from the Ministry of Finance, the competent Ministries and HCAP (through its subsidiaries, ETAD and HRADF), for the tracking and flagging of real estate

assets, which will be further transferred to ETAD. Such working group was set up in June 2017. The aim of the working group is to identify real estate properties currently owned by the Hellenic Republic and included in the Register of Real Estate of the General Secretariat for Public Property (art.20 l. 3965/2011 A'113), which meet certain criteria that make them suitable for exploitation.

- The **Public Holdings Company ("EDIS")**, is being established with the purpose of holding state participations in public enterprises, to professionally manage and increase the value of such shareholdings by implementing modern standards and policies related to corporate governance, corporate compliance, supervision and transparency of procedures. To this end, a single framework for corporate governance and reporting is adopted, with strict application of transparency, meritocracy and accountable governance. In the same context, EDIS will promote social and environmental matters, responsible entrepreneurship, as well as consultation with stakeholders, in favor of the public interest. It will also aim to increase trust among public bodies, public enterprises and citizens.

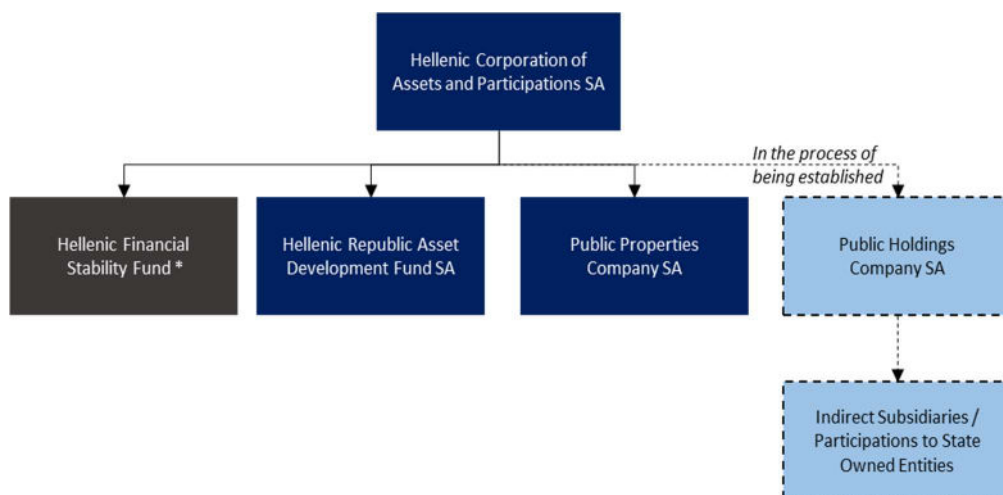
It is noted that all public enterprises under EDIS shall be supervised in accordance with the rules of national and European legislation. They shall also support the applicable sectoral policies of the Government and they shall undertake, following assignment, the provision of Services of General Interest. The relevant procedures are provided in the Coordination Mechanism and are included in the Rules of Procedure of the Corporation.

An important factor in the enablement of HCAP's mission is the formulation of an appropriate strategy that shall take into consideration the external environment, the particular conditions that characterize each sector but also the market as a whole, as well as the prospects and the risks. Concurrently, it shall assess and exploit the comparative advantages, by implementing changes to the direction of modern methodologies and available tools for the rationalisation and optimisation of the public enterprises' operations across sectors. The ultimate goals include the improvement of their operations as well as of the service offered to end users, the improvement of their financial performance and the long term value creation for the Hellenic Republic. Human capital development, along with investments in innovation are also perceived as critical factors that shall contribute to the successful accomplishment of EDIS' mission.

Each of the Corporation's direct subsidiaries shall manage its own assets, independently from the others. By a decision of the General Assembly of the sole shareholder, following a proposal by the Board of Directors, and countersigned by the Supervisory Board, the Corporation may also set up other direct subsidiaries in order to fulfil its corporate purpose.

The official registration of the transfer from the Greek State to Hellenic Corporation of Assets and Participations S.A. upon the share titles of its subsidiaries, **HRADF and ETAD**, has been completed, as well as the delivery to the Corporation of the title incorporating the capital of **HFSF** according to the provisions of Law 3864/2010.

The following chart reflects HCAP's current shareholding structure. In addition, it presents HCAP's direct subsidiaries and also the companies in which the Greek State has shareholding participations and are to be transferred to EDIS upon its establishment as per the provisions of HCAP's founding law. State participation in the companies transferred to EDIS varies (i.e. State being minority shareholder, or majority shareholder or sole shareholder with 100% of equity).



* **NOTE:** With regards to the Hellenic Financial Stability Fund (HFSF), HCAP has very limited powers as the decisions for the accomplishment of its mission and purpose are made exclusively by the relevant bodies of HFSF.

A.3. Main corporate bodies of the Corporation

The bodies of the Corporation are the General Assembly of the sole shareholder, the Supervisory Board, the Board of Directors and the Auditors.

The supreme body of the Corporation is the **General Assembly** of the sole shareholder, which is the Greek State, as legally represented by the Minister of Finance. The General Assembly of the sole shareholder shall be the only body responsible for deciding on matters which, in accordance with the applicable legislation, fall within the exclusive competence of the General Assembly of the shareholder, with the exception of the election and revocation of the appointment of members of the Board of Directors of the Corporation, the rules regarding the remuneration of the members of the Board of Directors and the amendment of the Statutes. These are issues which shall be decided on in accordance with the provisions of the founding law 4389/2016.

The **Supervisory Board** is responsible for supervising the Board of Directors of the Corporation in order to ensure that it is operating in accordance with the provisions of the Law 4389/2016, the Statutes and the Rules of Procedure, in the interest of the Corporation and in the public interest. It consists of five (5) members with a five-year term of office which are appointed by the General Assembly of the sole shareholder, in accordance with the following:

- three (3) members selected by the sole shareholder, with the agreement of the European Commission and the European Stability Mechanism which act jointly;
- two (2) members, one of which is the Chairman of the Supervisory Board, selected by the European Commission and the European Stability Mechanism, acting jointly, with the agreement of the Minister for Finance.

The first Supervisory Board was appointed by order No M.A.D.K.A. 0015977 ΕΞ 2016/7.10.2016 of the Minister of Finance, published in the Government Gazette (FEK YODD 536/10.10.2016) as provided in article 210 (paragraph 1) of Law 4389/2016. The Supervisory Board shall decide on the matters provided

in paragraph 4 of Article 191 of Law 4389/2016. The first Supervisory Board consists of the following five members with a five (5) year term of office:

1. Mr. Georgios Stampoulis
2. Mr. Georgios-Spyros Tavlak
3. Mrs. Olga Charitou
4. Mr. Jacques, Henri, Pierre, Catherine Le Pape - *was appointed Chairman of the Supervisory Board*
5. Mr. David Vegara Figueras

The **Board of Directors** of HCAP is the third main body of the Corporation and has the powers and competencies that are provided in article 192 of Law 4389/2016. In particular, the Board of Directors is responsible for the management of the Corporation and the achievement of the objects laid down in its Statutes. The Board of Directors shall decide on all issues relating to the management of the Corporation, apart from those issues which under the provisions of the Law fall within the competence of the Supervisory Board or of the General Assembly.

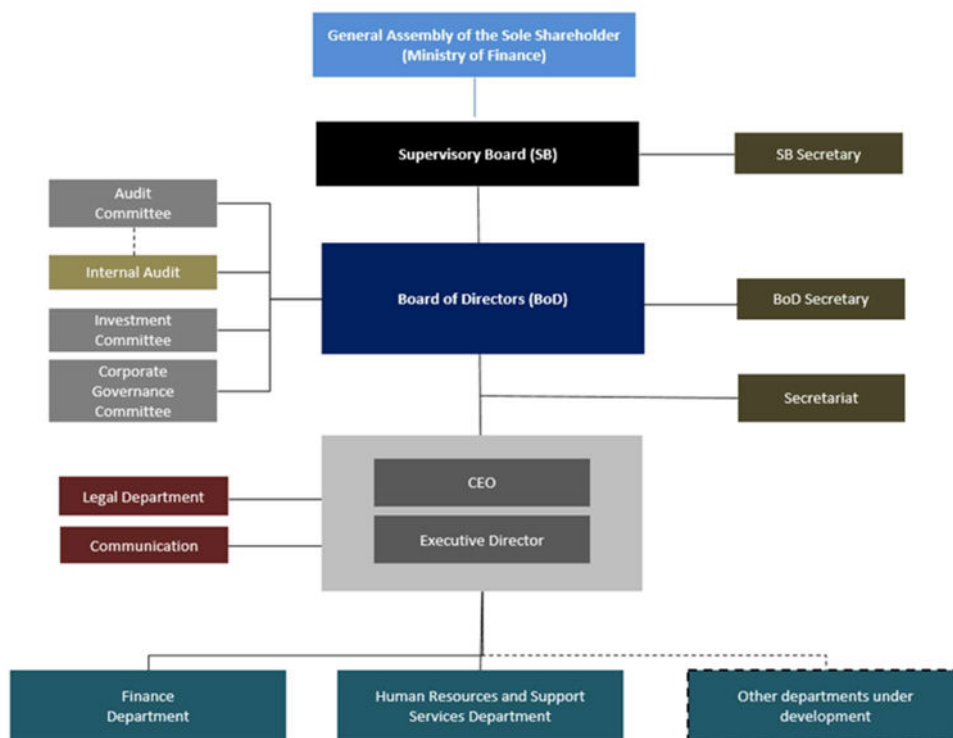
On taking office on 10.10.2016, the Supervisory Board initiated the process of the election and appointment of HCAP's Board of Directors. The first Board of Directors of HCAP, which constituted into a body on 16.02.2017, consists of the following seven members with a four (4) year term of office:

Name	Position
George Diamantopoulos	Chairman of the Board of Directors, Non- executive Member
Ourania Ekaterinari	CEO, Executive Member
Stefanos Giourelis	Executive Director, Executive Member
Alice Gregoriadi	Non-executive Member
Themistoklis Kouvarakis	Non-executive Member
George Mathios	Non-executive Member
Marina Niforos	Non-executive Member

For the support of the Board of Directors operations and pursuant to the provision of art. 192 par. 2 (s) 4389/2016 and to the BoD decision dated 03.03.2017, three Committees were established, namely the Internal Audit Committee, the Investment Committee and the Corporate Governance Committee, which on 24.07.2017 was renamed to Corporate Governance and Nominations Committee.

A.4. Organisation structure

The initial organization chart of HCAP is as follows:



A.5. Corporation's Share Capital

The Corporation's share capital amounts to EUR 40.000.000 and is divided into 40.000 common registered shares with a nominal value of EUR 1.000 each.

The Corporation's shares are non-transferable.

The Corporation's share capital is covered entirely by the Greek Government and shall be paid in cash. The share capital shall be lodged by a Decision of the Minister of Finance, in a special account held at the Bank of Greece in the name of the Corporation.

The Board of Directors of HCAP, with its decision dated 03.03.2017 certified the partial payment of the share capital, and more specifically payment of the amount of EUR 10.000.000, which corresponds to coverage of $\frac{1}{4}$ of the nominal value of the Corporation's shares, according to the provisions of article 12 of the C.L. 2190/1920.

A.6. Internal Audit

Internal Audit Division supports HCAP's governing bodies in the performance of their duties and the achievement of the objectives set, by ensuring proper implementation of the procedures and operations of all organizational units, as well as by reviewing the implementation of effective systems and procedures of internal control, risk management, information systems and corporate governance.

The Internal Audit Division is independent and reports to the Board of Directors, through the Audit Committee, of which it is supervised. IAD provides assurance for the proper and efficient implementation of the directives and guidelines provided by Management through planned and extraordinary audits on procedures, financial data and information systems and by submitting relevant reports to the Management and the Board of Directors. IAD executives have unrestricted access to all corporate files, services, accounting books, assets and personnel of the Corporation.

HCAP is responsible for the proper functioning of the internal control systems and, consequently, the internal audit units of its direct subsidiaries. For this purpose, HCAP Internal Audit Division has the direct access to HCAP's direct subsidiaries in order to carry out audits.

A.7. External Auditor

Pursuant to Article 193 of Law 4389/2016, the General Assembly of the sole shareholder shall appoint a firm of auditors of international reputation from a list of candidate firms submitted by the Supervisory Board. The auditors shall have the functions provided for in the legislation applicable to *Société Anonyme* companies. In addition, the Audit Committee, supported by the Internal Audit, is the main contributor in the selection process. Among other things, the Audit Committee, following the approval of the Board of Directors, supports the Supervisory Board in the preparation of a list of candidate external auditors which is submitted to the General Assembly by the Supervisory Board for the final selection.

The financial year is a twelve-month period starting on January 1st and ending on December 31st of the same year.

According to the Decision of the sole shareholder, dated 09.09.2017, Grant Thornton was elected as external auditors for the statutory audit of the Corporation's financial statements and consolidated financial statements for the period 01.01.2017-31.12.2017.

A.8. Cash Resources – Single Treasury Account

The cash resources of the Corporation are held in a cash management account at the Bank of Greece until the start of operation of the Single Treasury Account through which they will be managed.

A.9. Corporate Governance Framework and adoption of Corporate Governance Code by the sole shareholder on 16.05.2017

The General Assembly of the sole shareholder adopts the Internal Rules of Procedure ("Rules of Procedure") which regulate the operation of the Corporation and its direct subsidiaries, apart from the HFSF, based on best international practices and OECD guidelines.

The Rules of Procedure include in particular the following:

- (a) Corporate governance;
- (b) Code of Conduct, conflict of interests and confidentiality obligations of the members of the Supervisory Board, the members of the Board of Directors of the Corporation and its direct

subsidiaries, excluding the Financial Stability Fund, as well as the experts and other advisors who are recruited or employed;

- (c) Accounting standards;
- (d) Any specific duties assigned to non-executive members of the Board of Directors;
- (e) Rules regarding contract award and procurement;
- (f) Investment and risk management policy;
- (g) Dividend policy.

Pursuant to article 189, paragraph 2 of Law 4389/2016, until the Rules of Procedure are adopted, the General Assembly of the sole shareholder, on a proposal of the Supervisory Board, may take specific decisions regulating one or more of the above matters. The Rules of Procedure of the Corporation shall be amended by decision of the General Assembly of the sole shareholder, on a proposal of the Board of Directors which shall be approved by the Supervisory Board.

HCAP's operation and organization, following the relevant decision of the General Assembly of its sole shareholder on **May 19, 2017**, as amended and currently in force, is ruled by the Corporate Governance Code as provided for in art. 189 par. 1 (a) of Law 4389/2016. The Corporate Governance Code is based on the Greek Corporate Governance Code for Listed Companies, which is in line with the OECD Corporate Governance Guidelines, an international benchmark for corporate governance.

Also, the Board of Directors is required to submit quarterly reports on compliance with the rules of corporate governance, as provided by Law 4389/2016 and the HCAP Rules of Procedure, which were adopted as per the provisions of Law 4389/2016.

A.10. Activities 01.07.2017-30.09.2017

The incorporation of HCAP was completed in February 2017 with the appointment of the Board of Directors. Below are referred the most important actions and activities of the Corporation for the period **01.07.2017 – 30.09.2017**. More particularly:

- **8 September 2017 – Approval of the Second Quarterly Report for 2017** on actions and company financial statements of the Corporation to be submitted to the Supervisory Board and published on the website of the Corporation in accordance with article 195 par. 2 Law 4389/2016. The Report was submitted to the Supervisory Board on 26.09.2017 and was published on the website of the Corporation.
- **8 September 2017 – Drafting and Approval of the Corporate Governance Report of the Second Quarter.** The Board of Directors of the Corporation approved the final text of the report of the second quarter in relation to the abidance with the rules of corporate governance included in the law and the Rules of Procedure of the Corporation, in order to be submitted to the Supervisory Board in accordance with article 192 par. 2(j) Law 4389/2016. The report was submitted to the Supervisory Board on 27.09.2017.
- **9 September 2017 – Annual Ordinary General Meeting of the sole shareholder of the Corporation.** On 09.09.2017, the sole shareholder of the Corporation decided the approval of the HCAP Annual Consolidated and Separate Financial Statements for the fiscal year 25.10.2016 -31.12.2016 as well as the relevant reports of the Board of Directors and the Auditors. The above HCAP Annual Consolidated and Separate Financial Statements for the fiscal year 25.10.2016 -31.12.2016 have been published on the website of the Corporation. Also, on 09.09.2017 the annual report of the Supervisory Board which is drafted in accordance with par. 2 (h) of article 190 and par. 4 (i) of article 191 of Law 4389/2016 was submitted to the sole shareholder of the Corporation, and was published on the website of the Corporation.

Moreover, the activities 01.07.2017-30.09.2017 regarding the direct subsidiaries ETAD and HRADF and more specifically on corporate governance issues, are the following:

- **3 August 2017 - Articles of Association of HRADF.** Pursuant to articles 188 par. 6 and 210 par. 4 of Law 4389/2016, HCAP, as the Sole Shareholder of HRADF, decided the amendment and codification of the Articles of Association of HRADF. The Extraordinary General Meeting of HRADF which decided upon relevant amendment was held on 28.08.2017.
- **5 October 2017 - Articles of Association of ETAD.** Also, HCAP, as the sole shareholder of ETAD, decided the amendment and codification of the Articles of Association of ETAD. The Extraordinary General Meeting of ETAD which decided upon the relevant amendment was held on 07.11.2017.

In general, the abovementioned amendments, are in compliance with Law 4389/2016, and in particular, regarding the enterprises that from their nature have as a purpose the serving of the public interest and must conform and abide with high standards of corporate governance and transparency and apply qualitative accounting and auditing standards and compliance procedures. Therefore, in relation to the applicable Corporate Governance Code, which is included in the Rules of Procedure of the Corporation, the aim is such Code to be effective in the direct subsidiaries ETAD and HRADF.

Moreover, the Corporation already reviews the best way for the transmission and monitoring of information among the shareholder and the Management/ executives of the Corporation and its subsidiaries ETAD and HRADF, as well as the way for the flow of information that has to be provided in relation to the public and the other key stakeholders.

At the same time, the Corporation is also in contact and cooperation with the legal departments of the subsidiaries ETAD and HRADF, aiming at the streamlining of the internal rules of the subsidiaries ETAD and HRADF with the Corporate Governance Code of the Corporation and the rest relevant parts of the Rules of Procedure, in order for these two subsidiaries to adopt during their operation the values and main principles of the Rules of Procedure of the holding company, and more specifically in relation to conflict of interest policy, transparency, disclosure requirements and reporting, internal audit, etc.

Evaluation of the Boards of Directors of HCAP's direct subsidiaries, ETAD and HRADF.

Pursuant to art. 188 par. 9 of Law 4389/2016, HCAP's Board of Directors is required to proceed to the assessment of the Management Boards of its direct subsidiaries, excluding the HFSF.

HRADF: In this context, HCAP has proceeded with the assessment of HRADF's Board of Directors, by taking into account the competencies that must characterize its members collectively but also given the complicated demands that emerge from the current environment in the context of attracting investments, and also considering the strategic role of HRADF in relation to the optimal implementation of the Asset Development Plan. More specifically:

- **On April 12, 2017**, the Board of Directors decided to launch the HRADF Board of Directors evaluation procedure by selecting through a tender procedure an external consultant with international experience to assist the Corporation in the evaluation process, applying international best practices.
- In parallel, **on June 20, 2017**, HCAP published a call for the expression of interest for the filling of executive and non-executive members' positions in HRADF's Board of Directors. The candidacies submitted were examined with the support of an external consultant qualified with international experience in similar projects, and whose selection was made on the basis of the tendering procedures provided for in HCAP's Procurement Regulation.
- In particular, the procedure for the submission of candidacies and the selection of new BoD Members, which took place in collaboration with the above external consultant with international experience included interviews and assessed the candidates based on the

required criteria, as those were defined in the Invitation for the Expression of Interest. Mr. Xenofos was selected as the final candidate for the position of the Chairman, Mr. Lambiris as CEO and Mr. Marinos as non-executive Member. HCAP, as the sole shareholder of HRADF, accepted the resignation of the CEO of HRADF, Mr. Leousis, with effect from **October 15, 2017** and appointed Mr. Riccardo Lambiris as the new CEO. He undertook his new duties on 16.10.2017.

- Moreover, the Board of Directors of HCAP, being the sole shareholder of HRADF, decided the following five-member composition of the Board of Directors of HRADF with force from **6th of November 2017**:
 1. Aris Xenofos, Chairman of the Board of Directors
 2. Riccardo Lambiris, Chief Executive Officer and Member of the Board of Directors
 3. Lila Tsitsogiannopoulou, Non Executive Member of the Board of Directors
 4. Aggelos Vlachos, Non Executive Member of the Board of Directors
 5. George Marinos, Non Executive Member of the Board of Directors

Below the CVs of the BoD members of HRADF follow:

1. Aris Xenofos, Chairman of the Board of Directors

He was born in 1963. He has professional experience of many years in the financial sector and fund management. He served as Deputy General Manager at Alpha Asset MFMC (Greece) and CEO at Eurobank Asset MFMC (Greece). Internationally, he served as Chairman at Eurobank FMC SA in Luxembourg and Chairman at EFG Eurobank MFMC SAI SA in Romania. In 2015 he took over the position of the CEO of HFSF and was involved into the recapitalization of the banking sector. He has also served as member in a number of executive committees of Eurobank, Chairman of the Hellenic Fund and Asset Management Association (HFAMA,) and member of the BoD of Athens Stock Exchange. Mr. Xenofos holds a Bachelor of Science (B.Sc.) in Economics, with Honors, from Athens University of Economics and a Master of Science (M.Sc.) in Economics from London School of Economics and Political Science.

2. Riccardo Lambiris, Chief Executive Officer and Member of the Board of Directors

He was born in 1975. He studied Electronic Engineering at the University of Sussex and has obtained an MSc. postgraduate degree in Project Management from the University of Birmingham. He has also obtained an MSc. in International Trade, Transport and Finance from City University in the United Kingdom. He has worked as engineer at Rockwell Golde and has a long experience in business and investment banking covering both the markets of Greece and of South-Eastern Europe, in organizations such as EFG Telesis Finance and HSBC Bank plc. From 2006, among others, he served as the head of the department of Mergers & Acquisitions of HSBC Bank plc for Greece and Cyprus, with emphasis in privatizations.

3. Lila Tsitsogiannopoulou, Non Executive Member of the Board of Directors

She was born in 1976. She has more than 20 years of experience in the investment sector and she is specialized in real estate as well as in real estate management and assessment. She is a Chartered Surveyor (MRICS), certified by the Ministry of Finance, and an Examiner for professional competence. She holds an MSc in Property Investment and a BSc in Property Valuation & Finance of the City University Business School, while holding a Diploma in Micro-Economics (London School of Economics). She has served as a Senior Executive, responsible for property valuation and property development in multinational companies, in both Greece and abroad (England, Malta, Cyprus), with her main emphasis put on complex development projects. Since 2011, as a Cushman & Wakefield Partner, she has worked with several Institutions and

Groups. In April 2015 she was appointed Executive Director and executive member of the Board of Directors of HRADF whilst in May 2017 she was appointed as Chair of the BoD of HRADF.

4. Aggelos Vlachos, Non Executive Member of the Board of Directors

He was born in 1970. He is a graduate of the Faculty of History and Archaeology (School of Philosophy, University of Athens), holds a Master's Degree in Contemporary European History from the University of Sussex and a Ph.D. from the University of Athens. After completing his academic research, he gained experience in the international tourism market as an executive. He also worked in the Ministry of Tourism as a consultant in matters of public tourism policy and as a manager in the NTO (China office). His professional and research activities are focused on tourism strategy and development issues and has lectured in Panteion University.

5. George Marinos, Non Executive Member of the Board of Directors

He was born in 1956. He has extensive experience of over 33 years in Banking and specifically in corporate financing. He held the position of General Manager of Eurobank's Corporate Banking from 2005 to 2014. He also chaired the BoDs of the Leasing & Factors subsidiaries and was member of the BoDs of Eurobank Equities, Bancpost Romania, Eurobank TEKFEN SA and of other subsidiaries. Also he was a voting member in the Bank's Executive, Central Credit & Regional Credit Committees. Currently, he is a member of the BoDs of companies in the private sector. He holds a BA from the University of Nottingham (1980) and an MBA from the University of Warwick (1982).

ETAD: HCAP has proceeded with the assessment of ETAD's Board of Directors, in accordance with article 189 par. 9 law 4389/2016

- On **May 11, 2017**, the Board of Directors decided to launch the evaluation process of the ETAD Board of Directors following the election through a tender procedure of an external consultant with international experience in order to support the Corporation in the evaluation process by applying international best practices. The evaluation process has been completed.
- On **November 10, 2017**, the Board of Directors decided to launch the procedure of selection and placement of the new members of the Board of Directors of ETAD, by selecting through a tender procedure an external consultant with specialized experience to assist the Corporation in this process.
- In addition, on **November 27, 2017**, the Corporation published an invitation for expression of interest for the fulfillment of the positions in the Board of Directors of ETAD, namely the position of the Executive Director, and the Non-Executive Directors (including the position of the Non-Executive Chairman).

HCAP, as the sole shareholder of ETAD, accepted the resignation of the members Messrs. Sakellariou and Panagos on 6 and 7 of September 2017 respectively. Hence, the current Board of Directors of ETAD consists of the following:

1. Georgios Terzakis, Chairman and Chief Executive Officer of the Board of Directors
2. Anastasios Antoniou, Executive Member of the Board of Directors
3. Lila Tsitsogiannopoulou, Non Executive Member of the Board of Directors
4. Dimitrios Tsilimigkas, Non Executive Member of the Board of Directors
5. Athanasios Papanikolaou, Non Executive Member of the Board of Directors

B. Financial Information

The Hellenic Corporation of Assets and Participations S.A. acquired legal personality upon its registration to General Commercial Registry (GEMI) on 25.10.2016. During the 3rd Quarter of 2017, the development of its corporate structure and operations was in progress. Period's results mainly concern expenses for operation and formation and interest income coming from Corporation's cash deposits held in Bank of Greece.

B.1 Basis of Quarterly Financial Reporting

The interim condensed financial information and reporting of this section are presented according to the Corporation accounts which are under the accrual basis of accounting. The amounts presented under accrual basis have been presented in all material respects, in compliance with IFRS, which are applicable to interim financial reporting, however the Quarterly reporting does not contain all information and disclosures required by IFRS for interim financial information.

Pursuant to article 195 Law 4389/2016 the Board of Directors prepares quarterly reports on the activities and the financial statement of the Corporation.

A far as the other elements of the financial reporting are concerned, the basic policies are indicated below:

1. Fixed assets depreciation rates are according to the useful life of the respective fixed asset.
2. Dividend revenue is recognized when the right to receive payment is established.
3. Expenses are recognized within the period that the respective liability is created.
4. Interest income is realized every six months and includes the accurate amount of the period 01.01.2017 – 30.06.2017, which was already collected within the first ten days of July 2017.
5. The Share Capital of the Corporation by Law is EUR 40.000.000 of which EUR 10.000.000 is already paid in. The remaining EUR 30.000.000 are presented as "Unpaid Share Capital" in Equity at the Statement of Financial Position and according to art. 12 par. 2a of C. L.2190/1920, the period of being unpaid should not exceed five years.
6. No provision for employee retirement indemnities has been established. As the Corporation has been very recently established, any amount is considered to be immaterial.
7. The subsidiaries that have been transferred from the Greek State directly to the Corporation at no consideration (as per Law 4389/2016) have been recognized in the financial statements at their cost which is nil and they are presented at the symbolic value of one (1) euro per subsidiary.

The entities that have been transferred from the Greek State directly to the Corporation at no consideration (per Law 4389/2016) are the following ("the direct subsidiaries"):

- (a) Hellenic Financial Stability Fund (HFSF)
- (b) Hellenic Republic Asset Development Fund (HRADF)
- (c) Public Properties Company (ETAD)

The Quarterly Financial Statements (Statement of Comprehensive Income, Statement of Financial Position and Statement of Cash-Flows) of HCAP as at September 30, 2017 and for the three months' period then ended (01.07.2017 – 30.09.2017) are presented in the following paragraphs B.1.1, B.1.2 and B.1.3 and the cumulative Nine-Month Financial Statements of HCAP for the period 01.01.2017 – 30.09.2017 (Statement of Comprehensive Income and Statement of Cash-Flows) are presented in the paragraphs B.2.1 and B.2.2.

B.1.1 Statement of Comprehensive Income for the Period 01.07.2017 – 30.09.2017

Statement of Comprehensive Income ¹	01.07.2017 - 30.09.2017
Total Revenue	-
Payroll & Management Cost ²	(566.361)
Third Party Fees	(204.543)
Other Operating Expenses	(138.851)
Non Recurring Expenses	(6.598)
Total Operating Cost	(916.353)
Earnings (Loss) Before Interest, Tax, Depreciation and Amortization	(916.353)
Depreciation and Amortization	(2.792)
Earnings (Loss) Before Interest and Tax	(919.145)
Financial Income	69.486
Financial Expenses	(640)
Financial Income-net	68.846
Earnings (Loss) Before Tax	(850.299)
Income Tax	-
NET RESULT/(LOSS) FOR THE PERIOD	(850.299)

Notes:

1. As HCAP was established on October 25, 2016, comparative figures are not available.
2. Includes Supervisory Board fees, Board of Directors and its three Committees fees, Personnel Payroll and similar expenses.

B.1.2 Statement of Financial Position as at 30.09.2017

Statement of Financial Position	<u>30.09.2017</u>	<u>31.12.2016</u>
ASSETS		
Participations in Subsidiaries ¹	3	3
Fixed Assets ²	70.007	-
Total Non-Current Assets	<u>70.010</u>	<u>3</u>
Other Receivables and accrued income	182.542	12.339
Cash in Banks	8.444.781	10.000.000
Other Current Assets	69.485	4.302
Total Current Assets	<u>8.696.808</u>	<u>10.016.641</u>
TOTAL ASSETS	<u>8.766.818</u>	<u>10.016.644</u>
LIABILITIES		
Payables and accrued expenses ³	748.185	221.083
Total Current Liabilities	<u>748.185</u>	<u>221.083</u>
Total Liabilities	<u>748.185</u>	<u>221.083</u>
EQUITY		
Authorized Share Capital	40.000.000	40.000.000
Less: Unpaid Share Capital	(30.000.000)	(30.000.000)
Paid in Share Capital	<u>10.000.000</u>	<u>10.000.000</u>
Other Reserves	3	3
Accumulated Losses of Prior Years	(204.442)	-
Loss for the period	(1.776.928)	(204.442)
Total Equity	<u>8.018.633</u>	<u>9.795.561</u>
EQUITY & LIABILITIES	<u>8.766.818</u>	<u>10.016.644</u>

Notes:

1. Participations in subsidiaries have been granted to HCAP for no consideration in return as per Law 4389/2016. The participations in subsidiaries have been recognized in the financial statements at cost value which is nil and they are presented at the symbolic value of one (1) euro per subsidiary.
2. As the current Headquarters of HCAP are temporary, the Fixed Assets Account includes only mobile fixed assets. Installations to third party assets are recognized as expenses.
3. Payables include liabilities of withheld personnel tax, social security & third party payables and accruals.

B.1.3 Statement of Cash-Flows for the Period 01.07.2017 – 30.09.2017

Statement of Cash-Flows ¹	01.07.2017 - 30.09.2017
Loss Before Income Tax	(850.299)
<u>Adjustments for:</u>	
Depreciation and amortisation	2.792
Finance income	(69.486)
Finance expenses	640
<u>Changes in Working Capital:</u>	
(Increase)/Decrease in Other Receivables	(70.996)
Increase / (Decrease) in Current Liabilities	397.990
Net Cash from Operating Activities	(589.359)
Purchase of property, plant and equipment	(43.085)
Interest received	150.024
Net Cash from Investing Activities	106.939
Proceeds from issuance of ordinary shares	-
Net Cash from Financing Activities	-
Net Cash Movement of the Period	(482.420)
Opening Cash Balance	8.927.201
Closing Cash Balance	8.444.781

Notes:

1. As HCAP was established on October 25, 2016, comparative figures are not available.

B.2 Financial Information of HCAP for the period 01.01.2017 – 30.09.2017

The cumulative Nine-Month Financial Statements of HCAP for the period 01.01.2017 – 30.09.2017 (Statement of Comprehensive Income and Statement of Cash-Flows) are presented in the following paragraphs (B.2.1 and B.2.2)

B.2.1 Statement of Comprehensive Income for the Period 01.01.2017 – 30.09.2017

Statement of Comprehensive Income ¹	01.01.2017 - 30.09.2017
Total Revenue	-
Payroll & Management Cost ²	(1.249.340)
Third Party Fees	(320.450)
Other Operating Expenses	(178.978)
Non- Recurring Expenses ³	(240.070)
Total Operating Cost	(1.988.838)
Earnings (Loss) Before Interest, Tax, Depreciation and Amortization	(1.988.838)
Depreciation and Amortization	(6.155)
Earnings (Loss) Before Interest and Tax	(1.994.993)
Financial Income	219.509
Financial Expenses	(1.444)
Financial Income-net	218.065
Earnings (Loss) Before Tax	(1.776.928)
Income Tax	-
NET RESULT (LOSS) FOR THE PERIOD	(1.776.928)

Notes:

1. As HCAP was established on October 25, 2016, comparative figures are not available.
2. Includes Supervisory Board fees, Board of Directors and its three Committees fees, Personnel Payroll and similar expenses.
3. Mainly concern expenditure for the establishment and formation of the initial structure and organization of the Company (including advisory fees for the search and selection of the Corporation's Board of Directors, as well as establishment expenses).

B.2.2 Statement of Cash-Flows for the Period 01.01.2017 – 30.09.2017

Statement of Cash-Flows ¹	01.01.2017 - 30.09.2017
Loss Before Income Tax	(1.776.928)
<u>Adjustments for:</u>	
Depreciation and amortisation	6.155
Finance income	(219.509)
Finance expenses	1.444
<u>Changes in Working Capital:</u>	
(Increase)/Decrease in Other Receivables	(170.203)
Increase / (Decrease) in Current Liabilities	525.658
Net Cash from Operating Activities	<u>(1.633.383)</u>
Purchase of property, plant and equipment	(76.162)
Interest received	154.326
Net Cash from Investing Activities	<u>78.164</u>
Proceeds from issuance of ordinary shares	-
Net Cash from Financing Activities	<u>-</u>
Net Cash Movement of the Period	(1.555.219)
Opening Cash Balance	<u>10.000.000</u>
Closing Cash Balance	<u>8.444.781</u>

Notes:

1. As HCAP was established on October 25, 2016, comparative figures are not available.