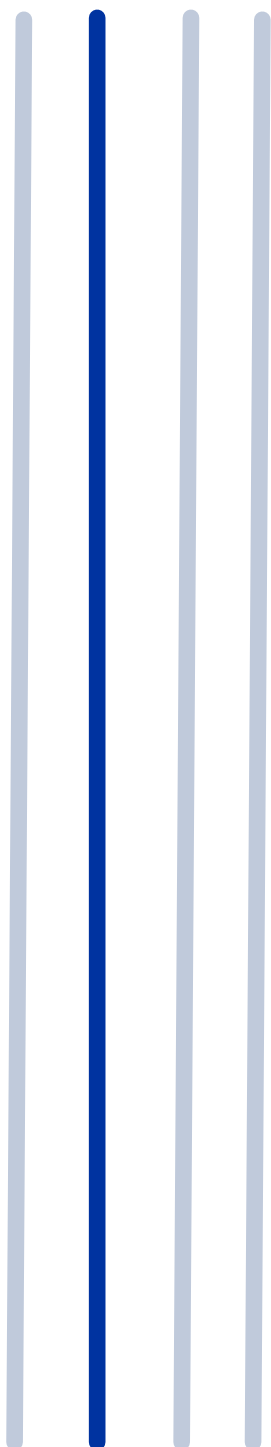




HELLENIC CORPORATION OF ASSETS AND PARTICIPATIONS



FIRST QUARTERLY REPORT
ON ACTIONS AND COMPANY
FINANCIAL STATEMENTS

(01.01.2018 – 31.03.2018)

June 2018

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A. Hellenic Corporation of Assets & Participations

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 article 188 of Law 4389/2016

Direct Subsidiaries of HCAP

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”). 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 (dated 05.06.2018) 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, was decided the extension of the duration until July 1st 2020, as well as the consequent amendment of article 3 of HRADF’s Statute, pursuant to the decision of the Extraordinary General Meeting of the Sole Shareholder of HRADF dated 16.05.2017.

- 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 transfer of ETAD to the Corporation, with the simultaneous transfer to ETAD 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 more than 71,500 property titles throughout the Greek territory and includes properties that have come under the ownership of ETAD 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 to the benefit of the Greek state and economy. Meanwhile, ETAD must develop appropriate exploitation strategies, including individual 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 profitable exploitation methods. Also, ETAD shall have to take into consideration successful 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 other assets owned by the Greek State could be transferred to ETAD, apart from the assets referred in the exclusions provided pursuant to paragraph 4 of Article 196 of Law 4389/2016. The transfer process is conducted on the basis of a decision of the Minister of Finance pursuant to the Article 209 of Law 4389/2016. Based on the above, in June 2017 the working group was set up, as provided in Article 196 paragraph 6 of Law 4389/2016, 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. The aim of the working

group was to track and flag real estate properties currently owned by the Hellenic Republic, which meet certain criteria that make them suitable for exploitation, included in the Register of Real Estate of the General Secretariat for Public Property (art.20 I. 3965/2011 A'113).

Furthermore, on December 15th 2017, the Corporation published on its corporate website an RfP for the selection of an advisor, for the provision of specialized advisory services for the preselection of real estate properties currently owned by the Hellenic Republic in order to be transferred to ETAD. The Advisor, a reputable firm, to whom the tender was awarded, was assigned to screen and make a review of the assets' data provided by the General Secretariat of the Public Property (GSPP), and proposed a preselection of the real estate assets that could be transferred to ETAD. The Advisor, into the framework of the project, examined a) the National Cadastre database, b) the database of all Ministries and the database of the General Secretariat for Public Property on the real estate assets and c) the database created from the work done by TAIPED with external consultants back in 2011 and 2012. Following that, HCAP submitted a recommendation to the Minister of Finance pursuant to Article 209 of Law 4389/2016.

Furthermore, pursuant to of Article 192 paragraph 2 of Law 4389/2016, the Board of Directors of HCAP approves the plan for organisational restructuring of ETAD. The Corporation has already started in cooperation with the Management of ETAD the preparatory work for the organisational restructuring of ETAD, with the support of an external advisor selected following a tendering procedure.

Other Subsidiaries of HCAP

Pursuant to article 188 par. 1(d) of Law 4389/2016, as it was amended by Law 4512/2018, public undertakings and legal entities regulated under Law 3429/2005, whose shareholding or control is transferred to HCAP, according to Article 197, shall be considered for the purpose of the abovementioned Law as other subsidiaries (the "Other Subsidiaries").

Furthermore, pursuant to article 185 par. 2 of Law 4389/2016, and within the Corporation's scope, HCAP shall professionally manage the abovementioned public undertakings, increase their value and exploit them according to international best practice and the OECD guidelines on corporate governance, corporate compliance and supervision and transparency of procedures, and in accordance with best practice with regard to socially and environmentally responsible entrepreneurship and consultation with the parties concerned by the public undertakings.

In addition, public undertakings that are controlled by the Corporation shall (a) be subject to appropriate monitoring in accordance with the rules of Greek and European legislation; (b) implement and support the Government's applicable sectorial policies; (c) when commissioned, undertake the provision of Services of General and General Economic Interest, for example by fulfilling public service obligations, in accordance with EU law and the Union's common values contained therein. The relevant procedures are foreseen in the Coordination Mechanism which is included in the Rules of Procedures of HCAP.

An important factor for the achievement of HCAP's mission has been the preparation of the Strategic Plan which was approved by the General Assembly of HCAP on 19.01.2018 according to art. 190 L. 4389/2016, as referred in more detail below. The Strategic Plan takes into consideration the external environment, the special conditions that prevail in each sector but also the market as a whole, as well as the prospects and the risks. In parallel, it shall assess and exploit the comparative advantages of each enterprise, by promoting changes and reforms to the direction of modern practices and available tools for the optimisation of the operations and enhancement of effectiveness of the public

enterprises across sectors. The ultimate goals include the improvement of their operations as well as of the services offered to consumers, 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 the Corporation’s mission.

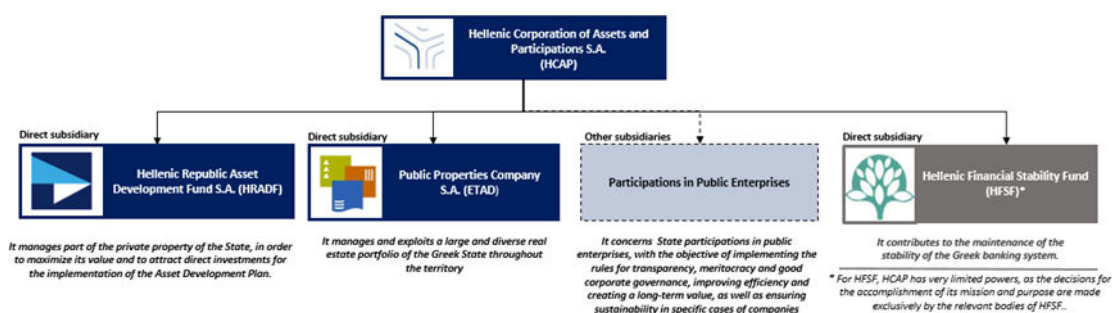
Each of the Corporation’s subsidiaries shall manage its own assets, independently from the others. By a decision of the General Assembly of the sole shareholder, following a proposal by the Board of Directors, and countersigned by the Supervisory Board, the Corporation may also set up other subsidiaries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

The following chart reflects HCAP’s direct subsidiaries and also the other subsidiaries, which are the enterprises, in which the Greek State has shareholding participations and were transferred to the Corporation on 01.01.2018.
















In relation to EYDAP and EYATH, in accordance with the resolutions 262 & 263 of the Interministerial Committee for Restructuring and Privatizations (GG t B/614/22-02-2018) was revoked the transfer of 17.004.761 shares in EYDAP to HRADF and the transfer of 14.520.000 in EYATH to HRADF. This revocation referred to such a number of shares so as the Greek State re-acquires 50% plus 1 share and it was given a retrospective effect since 1.1.2018. Consequently, and on the basis of Article 197 of Law 4389/2016, as amended by law 4512/2018, HCAP became the direct shareholder of 50% plus 1 share in EYDAP and EYATH possessing 53.250.001 out of 106.500.000 shares of EYDAP and 18.150.001 out of 36.300.000 shares of EYATH.

The Corporation according to the decision made by the Board of Directors on 28.02.2018 created an Investor Share and Securities account of the Corporation to the Dematerialised Securities System of HELEX, for the transfer of listed companies’ shares, which were transferred to the Corporation in force from 01.01.2018, based on the provisions of the article 197 of the Law 4389/2016, as amended by Law 4512/2018.

The State participation in enterprises that were transferred to the Corporation is either a majority shareholding, in other cases a minority share-holding and in some cases concerns the 100% of the equity (sole shareholder). More specifically, as of 31.03.2018 HCAP has the following participations in the direct and other subsidiaries.



Other Subsidiaries as at 31.03.2018

Listed Companies	Non Listed Companies		
	Minority Shareholder	Sole Shareholder or Majority Shareholder	
 Public Power Corporation S.A. (34.123 %)	 ETVA - Industrial Areas S.A. (35 %)	 Athens Urban Transportation Organisation S.A. (100 %)	 Central Markets and Fisheries Organisation S.A. (100 %)
 Athens Water Supply and Sewerage Company S.A. (50 %+1 share)	 Athens International Airport S.A. (25 %)	and its 100 % subsidiaries  Road Transport S.A.  Urban Rail Transport S.A.	 Thessaloniki Central Market S.A. (100 %)
 Thessaloniki Water Supply and Sewerage Company S.A. (50 %+1 share)		 Corinth Canal Co. S.A. (100 %)	 Thessaloniki International Fair – HELEXPO S.A. (100 %)
 Follis – Follis S.A. (0.9 %)		 Hellenic Post S.A. (90 %)	 Hellenic Saltworks S.A. (55.19 %)

Other Participations and Rights

Pursuant to article 198 of Law 4389/2016, the concession contracts of the other subsidiaries shall be automatically transferred to the Corporation. The possibility of concluding or renewing concession contracts relating to public undertakings whose shares are transferred to the Corporation may be transferred to the Corporation by decision of the Minister for Finance. The Greek State, by virtue of act of the Ministerial Council, following a reasonable request of the Corporation, may sign, concession contracts of property rights, intangible rights, rights of operation, maintenance and exploitation of infrastructure, only in relation to the rights and obligations undertaken by the Greek State. By virtue of the aforementioned act the competent bodies for the countersigning of the abovementioned contracts regarding the particular terms, after the completion of the pre-contractual audit by the Court of Auditors described in Article 201 of Law 4389/2016, shall be appointed and authorised.

Also, any property rights, management and exploitation rights, established financial interests, intangible rights, rights of operation, maintenance and exploitation of infrastructures, which had been transferred previously to HRADF, by virtue of the Decision N. 195/2011 of the Interministerial Committee of Restructurings and Privatisations, in respect of the right to grant to third parties, by virtue of concession agreements, the rights of administration, management, operation, upgrade, enlargement, maintenance and exploitation of all the publicly-owned airports, of which the organisation, operation and management has been delegated to the Civil Aviation Authority (CAA), including any rights of administration, management and exploitation over movable and immovable assets, that are connected to the abovementioned airports, as well as of any spaces of commercial or any other use located within or close to the premises of the abovementioned publicly-owned airports and under the conditions to be defined in the relevant concession agreement, with the exception of the publicly-owned regional airports of Crete, mainland Greece and airports of Ionian and Aegean Sea, which have already been granted by virtue of concession agreements ratified by articles 215 and 216 of Law 4389/2016, are automatically transferred by HRADF to the Corporation, without any consideration in return.

Pursuant to article 350 of Law 4512/2018, Greek State has assigned to HCAP the right to receive the dividend corresponding to the State's shareholding in the share capital of Hellenic Telecommunications Organisation S.A. ("OTE") which is currently 1% of the share capital. The Greek State reserves the right to vote in the General Assembly of OTE for its shares.

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, consisted during the period 01.01.2018-31.03.2018 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.

Furthermore, pursuant to the provision of article 197 par. 4 of Law 4389/2016, as amended by Law 4512/2018, the Board of Directors of the Corporation established the Candidates Committee (for the other subsidiaries), comprised by its members. In particular, pursuant to article 197, the Candidates Committee shall comprise of up to five (5) members, including the Corporation's executive members of the Board of Directors, and shall include members of the Board of Directors with expertise in SOEs management or expertise in sectors in which the Corporation is present through its other subsidiaries, or such other matters as may be necessary in accordance with the Rules of Procedure. The process to be followed by the Candidates Committee shall be further set out in the Rules of Procedure. The present provisions regarding the selection of the Members of the Boards of Directors of the other subsidiaries shall prevail over any provisions upon the transfer of the shares of the other subsidiaries to the Corporation.

In March 2018, Mr. George Mathios, Non-Executive Member of the Board, has submitted his resignation for personal reasons with effect from 31.03.2018. He also resigned as member of the Audit Committee and the Investment Committee.

Pursuant to art. 192 par. 4 of Law 4389/2016 and art. 12 of the Articles of Association of the Corporation, as well as art. 18 par. 8 of codified Law 2190/1920, the Board of Directors continued its operation with the remaining members following the reconstitution of the Board of Directors as a body, pursuant to its decision dated 03.04.2018.

Furthermore, Law 4389/2016, as amended by Law 4512/2018, provides, inter alia, the increase of the maximum number of members of the Board of Directors of HCAP from seven (7) to nine (9) members. Following the above amendments, and due to the enhanced competencies of the Corporation, the Supervisory Board of the Corporation initiated the process for search of additional non-executive members. In accordance with the relevant provisions of Law 4389/2016, the Supervisory Board was supported in the selection process by an internationally renowned consulting firm.

The Supervisory Board examined the candidates' profiles based of the required criteria (professional experience in the fields of competence of the Company, ability to understand the dynamics and prospects of public enterprises, etc.), as defined by the relevant Invitation for Expression of Interest, published on the Corporation's website on February 28, 2018.

The Supervisory Board unanimously decided on 31.03.2018 to select and appoint Mrs. Hiro Athanasiou and Mr. Fragkiskos Gratsonis as additional non-executive independent members of the BoD of HCAP, with four (4) years term of office starting on 08.04.2018.

On 16.04.2018, the Board of Directors reconstituted as a body following the selection of the aforementioned two new BoD members by the Supervisory Board.

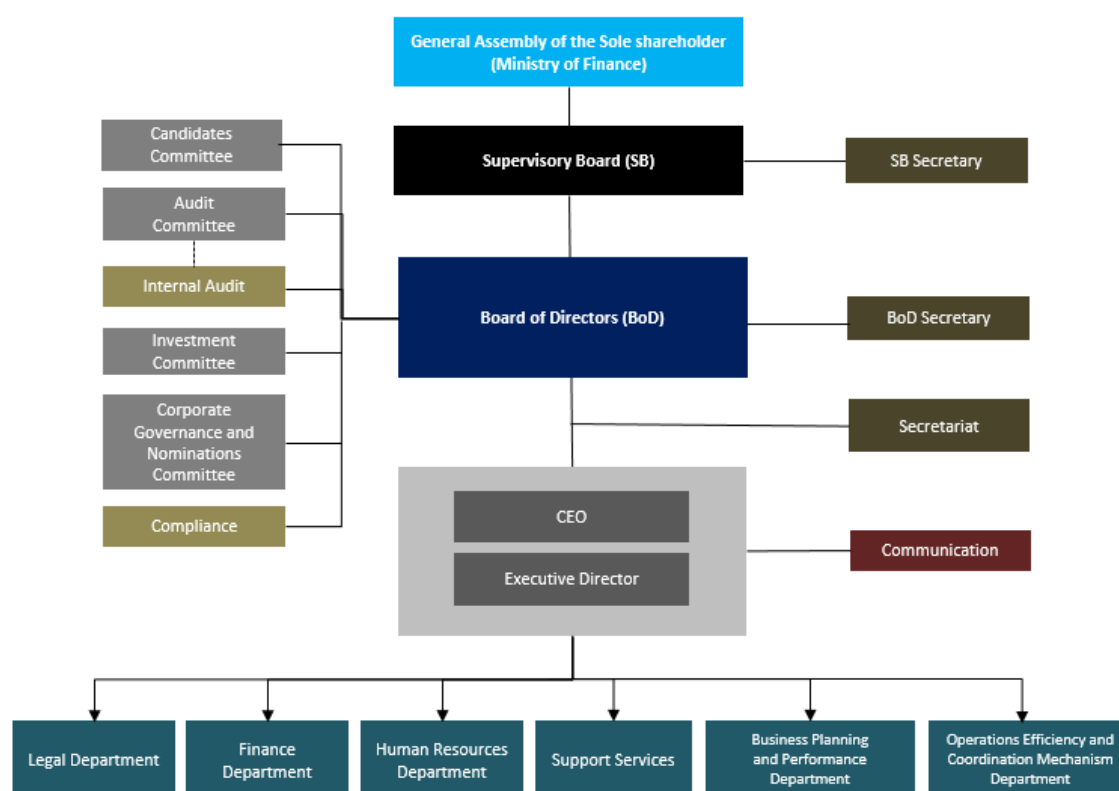
Furthermore, on 16.04.2018 due to the appointment of the two new BoD members of the Corporation, the Board of Directors decided the reelection of the Committees of the Board of Directors.

On 11.06.2018, the non-executive member of the Board of Directors, Mr. Fragkiskos Gratsonis submitted his resignation, with effect upon the submission of the resignation letter. Currently the Board of Directors consists of the following members:

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
Hiro Athanassiou	Non-executive Member
Marina Niforos	Non-executive Member

A.4. Organisation structure

The 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 & Regulatory Compliance

Internal Audit Division (IAD) 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.

Furthermore, pursuant to Article 192 of Law 4389/2016, as amended by Law 4512/2018, the Board of Directors shall also appoint a Compliance Officer. Based on the above, the Corporation published an invitation for expression of interest for the position of Compliance Officer and the Compliance Officer was selected, pursuant to the Board of Directors' decision dated 09.03.2018.

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 fiscal year 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 regulates 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;
- (h) Compliance Policy of the Corporation;
- (i) Coordination mechanism, which, inter alia, describes issues of cooperation between the other subsidiaries and the Greek state, pursuant to article 197 (6) of Law 4389/2016.

Pursuant to the Decision of the Extraordinary General Assembly of the Sole Shareholder dated 15.12.2017, it was resolved:

- a) The Addendum of a new chapter issued with number 10 at the Rules of Procedure of the Corporation with subject "Financial Reporting Standards and Framework for Financial Reporting Preparation", pursuant to the provisions of Article 189 par. 1(c) of Law 4389/2016.
- b) The Addendum of a new chapter issued with number 11 at the Rules of Procedure of the Corporation with subject "Board Evaluation and Removal Criteria concerning the Board of Directors of Hellenic Corporation's for Assets and Property S.A."

Finally, in accordance with the Decision of the Extraordinary General Assembly of the sole Shareholder dated 19.06.2018, a new chapter with number 12 was included in the Corporation's Rules of Procedure with subject "Investment Policy", pursuant to the provisions of Article 189 par.1 (f) of Law 4389/2016.

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 in compliance with the rules of corporate governance, as provided by Law 4389/2016 and the HCAP Rules of Procedure.

In addition, it is required to submit in the framework of Financial Reporting Standards, quarterly reports on the actions and the financial statements, semi-annual consolidated and separate financial statements and annual consolidated and separate financial statements.

A.10. Activities 01.01.2018-31.03.2018 and subsequent activities

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 **01.01.2018-31.03.2018**. More particularly:

- **17 January 2018 – Approval of the Strategic Plan of the Corporation and its subsidiaries.** The Strategic Plan of the Corporation was prepared in accordance with the framework of Law 4389/2016, as in force until the completion date of the drafting of the Strategic Plan, taking into account the Strategic Guidelines that the Corporation has received by its sole Shareholder on 01.09.2017. Moreover, pursuant to article 190 of Law 4389/2016, on 19.01.2018, the General Assembly of HCAP approved the Strategic Plan of the Corporation and its subsidiaries on a proposal of the Board of Directors (excluding the Hellenic Republic Asset Development Fund - HRADF - in relation to assets which are to be privatized on the date of entry into force of the above law and the Hellenic Financial Stability Fund - HFSF) and was published on the Corporation's website at 03.04.2018.

It should also be noted that the Strategic Plan does not include analysis and presentation of the strategic objectives for enterprises in which HCAP is a minority shareholder. Moreover, it does not include analysis and setting of strategic objectives for the Athens Olympic Sports Center (OAKA), which will be included in the portfolio of the Company after its transformation into a corporation.

The detailed Strategic Plan prepared by HCAP includes the holistic strategic approach for the better management of its portfolio, as well as the objectives of its exploitation, in accordance with the general strategic guidelines of the Sole Shareholder. The Strategic Plan of HCAP, in its turn,

shall guide the Business Plans that should be prepared, approved and duly submitted by the subsidiaries of HCAP.

The issues included in the Strategic Plan are also set out in the Rules of Procedures of the Corporation.

- **15 February 2018 – Approval of the new Codified Articles of Association of HCAP.** Following the publication of Law 4512/2018, the Corporation’s Articles of Association should be amended. On 15.02.2018, the Board of Directors of the Corporation approved the Corporation’s Codified Articles of Association, which was submitted to the General Registry (G.E.MI).
- **January-February 2018 – Presentation of the Strategic Plan to the management of the subsidiaries.** During that period, the management of HCAP arranged meetings with the management of the non-listed subsidiaries, where the Strategic Plan was presented and was requested the submission of the business plans of the subsidiaries mentioned above until the end of April 2018.
- **9 March 2018 – Approval of the Fourth Quarterly Report of 2017** over the activities and the financial statements of the Corporation issued to be submitted to the Supervisory Board and be published on the website of the Corporation pursuant to Article 195 par. 2 (i) of Law 4389/2016. Then, the report was submitted to the Supervisory Board.
- **9 March 2018 – Approval of the Corporate Governance Report of the Fourth Quarterly 2017.** The Board of Directors of HCAP approved the fourth quarterly report to ensure the compliance with the rules of corporate governance according to the Law and the Rules of Procedure of the Corporation, in order to be submitted to the Supervisory Board of the Corporation pursuant to Article 192 par. 2 (j) of Law 4389/2016. Then the Report was submitted to the Supervisory Board.
- **9 March 2018 – Proposing objectives for the year 2018 concerning the Board of Directors of HCAP, the Committees of HCAP, as well as the executive members of the Board of Directors of HCAP.** On 09.03.2018, the Board of Directors of the Corporation formed and submitted a proposal to the Supervisory Board in relation with the objectives for the year 2018 concerning the Board of Directors of HCAP, the Committees of the Board of Directors of HCAP, as well as the executive members of HCAP’s Board of Directors. These objectives were finally configured as a result of the cooperation procedures between the Board of Directors and the Supervisory Board.

Subsequent Activities after 31.03.2018:

- **16 April 2018 – Reconstitution of the Board of Directors as a body.** Following the resignation of Mr. Mathios and the election of two new members of the Board of Directors, i.e. Mrs. Athanasiou and Mr. Gratsonis, the Board of Directors decided the reconstitution of the Board of Directors of HCAP as a body at 16.04.2018.
- **16 April 2018 – Reconstitution of the Committees of the Board of Directors.** On 16.04.2018, and following the election of two new members of the Board of Directors, the Board of Directors decided the reelection of the Committees of the Board of Directors of HCAP.
- **16 April 2018 – Approval of the Medium-Term Budget of HCAP for 2018-2022.** On 16.04.2018, the Board of Directors of the Corporation approved the medium-term budget of HCAP for 2018-

2022 and the submission of relevant report to the Ministry of Finance and the State General Accounting Office.

Also, regarding the actions and activities of the direct subsidiaries, ETAD and HRADF, and the other subsidiaries and more particularly referring to corporate governance issues, presented as follows:

- **April 2018 – Setting Objectives for the year 2018 concerning the Board of Directors and the executive members of the Boards of Directors of the direct subsidiaries.** On 09.05.2018 the Board of Directors of the Corporation approved letters in draft form including the objectives for 2018 in order to be addressed to the direct subsidiaries, HRADF and ETAD.
- **09.05.2018 – 26.05.2018 Approval of the statutes of the other subsidiaries, in compliance with c.l. 2190/1920.** The Board of Directors of the Corporation approved the draft statutes of the other subsidiaries, in compliance with c.l. 2190/1920, pursuant to the provision of Article 197 par. 3 of Law 4389/2016, in order to convene the General Meetings of the other subsidiaries of the Corporation for the relevant approval of the amended and codified statutes.

Evaluation of the Boards of Directors of HCAP’s direct subsidiary ETAD S.A.

HCAP completed the assessment of ETAD’s Board of Directors, pursuant to art. 188 par. 9 of Law 4389/2016 and the appointment of new Board of Directors. More particularly:

- On **May 11, 2017**, the Board of Directors decided to launch the evaluation process of the ETAD Board of Directors, following the selection through a tender procedure, of an external reputable advisor with international experience in order to support the Corporation in the evaluation process by applying international best practices.
- On **November 10, 2017**, the Board of Directors decided to launch the selection process of new members for the Board of Directors of ETAD, with the support of the above external specialized advisor.
- On **November 27, 2017**, the Corporation published an invitation for expression of Interest of potential candidates 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 of ETAD (including the position of the Non-Executive Chairman). The nominations were examined with the assistance of the above external specialized consultant. In particular, the procedure for the submission of candidacies and the selection of new BoD Members, included interviews and assessment of the candidates, based on the required criteria, as those were defined in the Invitation for the Expression of Interest.

Mr. Polyzos was selected as Chairman, Ms. Kakoullou as Executive Director and Mr. Griveas and Mr. Filos as non-executive Members.

- Moreover, the Board of Directors of HCAP, being the sole shareholder of ETAD, decided the following seven-member composition of the Board of Directors of ETAD with force from **14th of February 2018**:
 1. Yannis Polyzos, Chairman of the Board of Directors
 2. George Terzakis, Chief Executive Officer, Executive Member of the Board of Directors

3. Galatea Ellie Kakoullou, Executive Director, Executive Member of the Board of Directors
4. Athanasios Papanikolaou, Non-Executive Member of the Board of Directors
5. Lila Tsitsogiannopoulou, Non-Executive Member of the Board of Directors
6. Polychronis Griveas, Non-Executive Member of the Board of Directors
7. Yannis Filos, Non-Executive Member of the Board of Directors

The CVs of the BoD members of ETAD follow:

1. Yannis Polyzos, Chairman of the Board of the Directors

Born in 1946. He holds a Diploma in Architecture from École Speciale d'Architecture de Paris and in Urban and Regional Planning from the Institut d'Urbanisme de Paris - Dauphine. He attended his postgraduate studies in Paris-Vincennes and he completed his PhD at the Toulouse - Le Mirail University. In 1993 he was elected Associate Professor, and in 1998 Professor, in the Department of Urban and Regional Planning in the School of Architecture of the National Technical University of Athens. He was the President in the Institute of Agricultural Science "Ktima Siggrou" (2002-2003), President in the School of Architecture of the National Technical University of Athens (1999-2003) and President in the School of Architecture of the National Technical University of Crete (2004-2005). Furthermore, he was the Vice Rector in the National Technical University of Athens (2006-2010) and President in the Organization for Planning and Environment Protection of Greater Athens (2009-2012). He has led many research programs concerning urban protection and rehabilitation as well as projects concerning principles, goals and policies for the protection and improvement of the urban environment.

2. George Terzakis, Chief Executive Officer, Executive Member of the Board of Directors

Born in 1963. He holds a Master's Degree in Civil Engineering from the National Technical University of Athens. He has been graduated from the Hellenic Army Academy and holds an Engineering Diploma from the School of Mechanical Corps Technical Education. Certified in Health & Safety from the Hellenic Institute for Occupational Health and Safety. He is a member of TCG and Association of Civil Engineers of Greece. He has worked as NATO Technical Projects Director in the Hellenic Army General Staff and has extensive working experience in the maturity processes and the management of real estate properties, as well as in the development of large technical projects (Industrial-Energy, Ports, Roads and Special Infrastructure projects). From 2008 to 2015 he worked as Technical Consultant focused in costing and valuation, as well as in technoeconomic and legal matters in public projects. He holds the position of the CEO of ETAD since June 2015 and he also served as a Chairman until January 2018.

3. Galatea Ellie Kakoullou, Executive Director, Executive Member of the Board of Directors

Born in 1965. She possesses extensive experience in the banking sector and particularly in Project Finance in the areas of real estate, infrastructure and energy. She worked with Alpha Bank from 1999 to 2018, where she was head of Structured Finance (Project Finance and Real Estate Finance) for 13 years, and prior to that worked in the Corporate Banking area, successfully concluding throughout this period many transactions not only in Greece but in Southeastern Europe as well. From 1994 to 1999 she held the position of Senior Executive in Institutional Banking at National Westminster Bank in Athens, extending debt financings to the sovereign and public sector entities. She began her career at the Federal Reserve Bank of New York in the Bank Supervision Group. Ms. Kakoullou holds a BA in Mathematics from Columbia College in New York

and a Master's Degree in International Banking and Finance from the School of International and Public Affairs of Columbia University.

4. Athanasios Papanikolaou, Non-Executive Member of the Board of Directors

Born in 1963. He is a graduate from Varvakios Model High school, a graduate of the Athens University of Economics and Business (ASOEE) with a specialisation in Marketing and holds a Master in International Management from the University of INSEAD in Paris. He has been appointed as the new CEO of MIG Group since the first of July 2016 and holds his capacity as the Executive Chairman of the Food and Beverage Branch, VIVARTIA Group of Companies. He is specialized in retail and the Management and Organization of large enterprises, having served as the General Manager of Continent Hellas (Carrefour), where he worked in France and in Greece for eight years, as the Managing Director in VENETIS S.A. for 3,5 years, as the General Manager (2001-2007) and as the Managing Director (2007-2011) in EVEREST Group of Companies, as the CEO (2011-2017) of the Food and Beverage Branch VIVARTIA Group of Companies (Goody's, Everest, Olympic Catering), while at the same time he serves as the Vice President of Vivartia Group of Companies (DELTA, Barba Stathis, Goody's, Everest) . He is the President of SEPOA (Association of Organised Branded Food Service Chains) and a member of SETE (Greek Tourism Confederation). Furthermore, he is appointed as the Chairman of Hygeia, member of Hygeia Group since the November of 2016.

5. Lila Tsitsogiannopoulou, Non-Executive Member of the Board of Directors

Born in 1976. She has more than 20 years of experience in the Real Estate investment sector and she is specialized in real estate management and assessment. 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 is a Chartered Surveyor (MRICS) and an Examiner for professional competence. She has served as a Senior Executive in multinational companies, responsible for property valuation and property development, in both Greece and abroad, with emphasis on complex development projects. Since 2011, as a Cushman & Wakefield Partner, she has worked with several Institutions and Group of Companies. Since April 2015 she is member of the Board of Directors of HRADF.

6. Polychronis Griveas, Non-Executive Member of the Board of Directors

Born in 1974. He has been graduated and holds an MBA from Johnson & Wales University in the USA and also a Hotel Management Diploma from IHTTI in Switzerland. He has attended Global Strategic Management and Negotiation & Decision Making program in Harvard Business School and General Managers Program in Cornell University. From 2006 to 2017 he held the position of the Vice Chairman and CEO of Astir Palace Vouliagmenis SA and also Chairman and CEO of Astir Marina SA, where he managed the privatization of the company, securing at the same time significant operational profitability. He has also undertaken managerial positions in Fairmont Hotels & Resorts, XV Beacon Hotel and in the largest casino in the world, Foxwoods Resorts & Casinos in the USA. Between 2003 and 2006 he held the position of the General Manager in Sofitel Rhodes and then the position of the Chief Operating Officer in Sofitel Capsis Hotel chain. From April 2011 he was Senior Advisor in Hotel Properties & Tourism sector in the National Bank of Greece.

7. Yannis Filos, Non-Executive Member of the Board of Directors

Born in 1962. Graduated from Athens University of Economics & Business (ASOEE), obtained his MBA in USA (University of Connecticut) and his PhD from Panteion University, Athens, Greece.

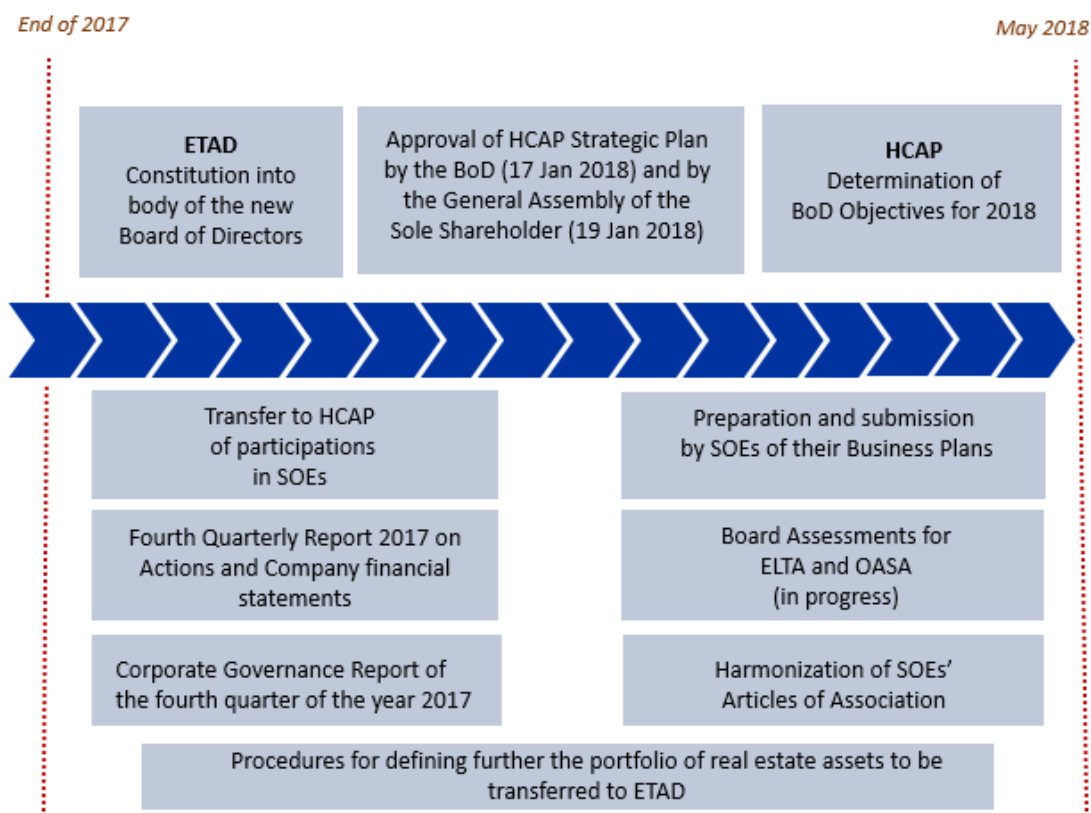
He has acquired the professional titles of certified auditor CIA/2000 and CFE/2004. He worked at Arthur Andersen for 7 years and then as a consultant in private and public enterprises as well as Board and Audit Committee Member. From 2000 to 2007 he taught in ASOEE and since 2008 he is a member of the Faculty of Public Administration (currently Associate Professor) at the Panteion University, where he was in 2016 Deputy Rector of Economics and Development. He also served as Member of the Quality Control Council of ELTE (2014-2017) and as Member of the BoD of the Greek Institute of Business Ethics (EBEN Gr). He is author of several books and articles in Greek and foreign journals and speaker at many professional and scientific conferences in Greece and abroad.

Evaluation of the Boards of Directors of the other subsidiaries of HCAP.

- **Hellenic Post S.A. (ELTA):**
 HCAP launched the evaluation process of the Board of Directors of ELTA, pursuant to Article 197 par. 4 of Law 4389/2016. In particular, on 16 April 2018, the Board of Directors decided to launch the evaluation process of ELTA Board of Directors, and to select, through a tender procedure, an external consultant with international experience to assist the Corporation in the evaluation process, applying international best practices.

- **Athens Urban Transportation Organisation S.A. (OASA):**
 HCAP launched the evaluation process of the Board of Directors of OASA, pursuant to Article 197 par. 4 of Law 4389/2016. In particular, on 16 April 2018, the Board of Directors decided to launch the evaluation process of OASA Board of Directors, and to select, through a tender procedure, an external consultant with international experience to assist the Corporation in the evaluation process, applying international best practices.

Milestones of the period January 2018 to May 2018



B. Financial Information

The Hellenic Corporation of Assets and Participations S.A. (“HCAP” or the “Corporation”) acquired legal personality upon its registration to General Commercial Registry (GEMI) on 25.10.2016. The Board of Directors of the Corporation constituted into a body on 16.02.2017 and therefore 2017 was the starting year of operations, organization of its structure and its gradual staffing.

As a holding company, its revenues are expected to derive mainly from dividends, interest and other capital gains / income that will flow from the assets under management, while its expenses mainly relate to administrative expenses for its operation and fulfillment of its mission. As far as dividends are concerned, it should be noted that there is a time lag between the profitability period of the subsidiaries and the collection of dividends (eg. profits of each fiscal year of the subsidiaries are distributed as dividends in the next financial year), as well as other restrictions on the distribution (eg. the existence of cumulative losses from previous years may not allow the distribution of dividends, despite the existence of profits in the current period in subsidiaries).

As a result of the above:

- and the fact that the dividend income is recognized at the date of their approval by the General Assembly Meeting, which usually takes place during the 2nd or 3rd quarter of the year, the Corporation did not recognize dividend income during the first quarter 2018 and the results of the 1st quarter of the Corporation relate to its operating and development expenses and the interest income from cash deposits maintained at the Bank of Greece,
- the variation of the result of the 1st quarter of 2018 and the respective one of 2017, is mainly due to the fact that for most of the first quarter of 2017 the Corporation did not have any staff and had reduced activities as it was under establishment, formatting and recruitment implementation, thus the two quarters are not comparable (the Board of Directors of the Corporation constituted into a body on 16.02.2017).

B.1 Basis of Quarterly Financial Report

The interim condensed financial information and data of this section are presented according to the Corporation books and records which are maintained 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 Report 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.

As far as the other elements of the financial report 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 collected every six months and the Company's interest income for the respective quarter is the estimate of the amount of accrued interest relating to that period.
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. Regarding the Direct subsidiaries that have been transferred from the Greek State directly to the Corporation for no consideration (as per Law 4389/2016) and in which the Corporation exercises

control, 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.

Participations in “Other Subsidiaries”, as well as rights that were transferred to HCAP by the Greek State for no consideration as of 01.01.2018, are not presented with a value, as HCAP is in the process of examining which of the permissible IFRS options will follow in its financial statements (cost or fair value) in respect of their initial recognition.

The participations that have been transferred from the Greek State directly to the Corporation for no consideration (per Law 4389/2016), refer to the “Direct Subsidiaries” (which have been transferred in 2016) and the “Other Subsidiaries” (which were transferred as of January 1st,2018) are the following:

A) «Direct Subsidiaries»:	% Participation
(a) Hellenic Financial Stability Fund (HFSF) *	100%
(b) Hellenic Republic Asset Development Fund S.A. (HRADF)	100%
(c) Public Properties Company (ETAD)	100%

B) «Other Subsidiaries» (according to L. 4389/2016):	% Participation
(a) Public Power Corporation S.A. (PPC)	34,12%
(b) Athens Water Supply and Sewerage Company S.A. (EYDAP)	50%+1 share
(c) Thessaloniki Water Supply and Sewerage Company S.A. (EYATH)	50%+1 share
(d) Athens Urban Transportation Organisation S.A. (OASA)	100%
(e) Central Markets and Fisheries Organisation S.A. (OKAA)	100%
(f) Thessaloniki Central Market S.A. (CMT)	100%
(g) Corinth Canal Co S.A. (AEDIK)	100%
(h) Hellenic Post S.A. (ELTA)	90%
(i) Thessaloniki International Fair - HELEXPO S.A. (TIF – HELEXPO)	100%
(j) Hellenic Saltworks S.A.	55,19%
(k) ETVA-Industrial Areas S.A.	35%
(l) Athens International Airport S.A.	25%
(m) Folli Follie S.A.	0,96%

* **NOTE:** HCAP has very limited powers on HFSF, as the decisions for the accomplishment of its mission and purpose are made exclusively by the relevant bodies of HFSF.

The Quarterly Financial Statements (Statement of Comprehensive Income, Statement of Financial Position and Statement of Cash-Flows) of HCAP as at March 31, 2018 are presented in the following paragraphs B.1.1, B.1.2 and B.1.3.

B.1.1 Statement of Comprehensive Income for the Period 01.01.2018 – 31.03.2018

Statement of Comprehensive Income

	01.01.2018 - 31.03.2018
Total Revenue	-
Payroll & Management Cost	(589.254)
Third Party Fees	(206.022)
Other Operating Expenses	(96.980)
Total Operating Cost	(892.256)
Earnings (Loss) Before Interest, Tax, Depreciation and Amortization	(892.256)
Depreciation and Amortization	(3.104)
Earnings (Loss) Before Interest and Tax	(895.360)
Financial Income	54.017
Financial Expenses	(1.243)
Financial Income-net	52.774
Earnings (Loss) Before Tax	(842.586)
Income Tax	-
NET RESULT/(LOSS) FOR THE PERIOD	(842.586)

The net result of the 1st quarter 2018 was a loss of €842.586, mainly due to the fact that while in the year 2018 certain subsidiaries are expected to distribute dividend, this income is recognized at the date of the General Assembly Meeting of the subsidiaries, where it is decided to distribute dividend, and which usually takes place after the first quarter.

The next (2nd) quarter will be the first one to recognize dividend income.

It is noted that the net result of the first quarter of 2018 (loss of € 843 thousand) is not comparable to that of the first quarter of 2017 (loss of € 446 thousand), as:

- The Corporation acquired legal personality upon its registration to General Commercial Registry (GEMI) on 25.10.2016, and until the beginning of 2017, the development of its corporate structure and operations was in progress. The Board of Directors constituted into a body on 16.02.2017 and the Corporation had no staff nor had operations since the beginning of the quarter 2017, in the contrary to the first quarter of 2018 where the Corporation was fully operating and staffed to a significant extent.
- As a result, payroll and management costs of the 1st quarter 2017, as well as other operating expenses (rentals, third party fees etc) were lower (or zero) than the current period and are not comparable.

B.1.2 Statement of Financial Position as at 31.03.2018

Statement of Financial Position	<u>31.03.2018</u>	<u>31.12.2017</u>
ASSETS		
Participations in Direct Subsidiaries (note 1)	3	3
Participations in Other Subsidiaries (note 2)	-	-
Fixed Assets	79.977	78.597
Total Non-Current Assets	<u>79.980</u>	<u>78.600</u>
Other Receivables (note 3)	-	-
Cash in Banks	6.203.055	7.335.934
Other Current Assets and accrued income	177.433	305.397
Total Current Assets	<u>6.380.489</u>	<u>7.641.331</u>
TOTAL ASSETS	<u>6.460.469</u>	<u>7.719.931</u>
LIABILITIES		
Payables and accrued expenses (note 4)	650.890	1.067.767
Total Current Liabilities	<u>650.890</u>	<u>1.067.767</u>
Total Liabilities	<u>650.890</u>	<u>1.067.767</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	(3.347.838)	(204.442)
Loss for the period	(842.586)	(3.143.397)
Total Equity	<u>5.809.579</u>	<u>6.652.164</u>
EQUITY & LIABILITIES	<u>6.460.469</u>	<u>7.719.931</u>

Notes:

1. Participations in Direct Subsidiaries ETAD (100%) and HRADF (100%) have been granted to HCAP for no consideration as per Law 4389/2016. The Corporation has chosen to recognize participations in Direct Subsidiaries in the financial statements at cost value (which is nil) and are presented at the symbolic value of one (1) euro per subsidiary.
2. Participations in "Other Subsidiaries", as well as rights that were transferred to HCAP by the Greek State for no consideration as of 01.01.2018, are not presented with a value, as HCAP is in the process of examining which of the permissible IFRS options will follow in its financial statements (cost or fair value) in respect of their initial recognition.
3. The account relates to the VAT debit balance due to costs and expenses, for which an equivalent provision for the risk of non-recoverability has been made.
4. Mainly include third party payables and accruals, withheld personnel tax and liabilities for social security contributions.

B.1.3 Statement of Cash-Flows for the Period 01.01.2018 – 31.03.2018

Statement of Cash-Flows

	01.01.2018 - 31.03.2018
Loss Before Income Tax	(842.586)
<u>Adjustments for:</u>	
Depreciation and amortisation	3.104
Provisions (note 1)	81.983
Finance income	(54.017)
Finance expenses	1.243
<u>Changes in Working Capital:</u>	
(Increase)/Decrease in Other Receivables	(81.983)
(Increase)/Decrease in Other Current Assets	47.756
Increase /(Decrease) in Current Liabilities (note 2)	(416.877)
Net Cash from Operating Activities	(1.261.378)
Purchase of property, plant and equipment	(4.484)
Interest received	134.226
Net Cash from Investing Activities	129.742
Interest and similar expenses	(1.243)
Net Cash from Financing Activities	(1.243)
Net Cash Movement of the Period	(1.132.879)
Opening Cash Balance	7.335.934
Closing Cash Balance	6.203.055

The net fluctuation of the cash for the 1st quarter 2018 amounted €1.133 thousand, mainly due to the following:

- There were no cash inflows from dividend receipts, which most of them are expected to take place in the second and third quarter of 2018
- The loss for the period
- The fact that during the 4th quarter of 2017 there were increased seasonal obligations (e.g. payments of insurance contributions, payroll tax etc for Christmas Bonus), as well as significant projects in progress in the period, which were paid in the 1st quarter 2018.

As mentioned earlier, the 1st quarter of 2017 is not comparable to the 1st quarter of 2018 as it was under establishment in terms of its structure and operations during the 1st quarter of 2017. The Board of Directors constituted into a body on February 16, 2017, and the Corporation was not yet staffed and had no operations since the beginning of the 2017, in the contrary to the first quarter of 2018 where the Corporation was fully operating and staffed to a significant extent.

Note 1:

The amount is mainly related to the provision for impairment /non-recoverability of the debit balance of VAT at March 31, 2018.

Note 2:

The cash flows are also affected by seasonality (e.g. payments of insurance contributions, payroll tax etc in December and Christmas Bonus of the previous year), as well as due to significant accrued expenses as of 31.12.2017, which were paid in the 1st quarter 2018.