HELLENIC CORPORATION OF ASSETS AND PARTICIPATIONS

[translation from the Greek original]

ANNUAL FINANCIAL REPORT

(01.01.2017 – 31.12.2017)

September 2018

Annual Consolidated and Separate Financial Statements for the second fiscal period 01.01.2017-31.12.2017 in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

It is declared that the attached Annual Financial Statements have been approved by the Board of Directors of "Hellenic Corporation of Assets and Participations S.A." on 29.08.2018 and will be available on the internet after the approval of the Genral Assembly of the Company, at the web site address www.hcap.gr.

The annual consolidated and separate financial statements for the fiscal period 01.01.2017-31.12.2017, which can be found at pages 93-153, were prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, truly represent assets, liabilities, equity and the statement of income of the Hellenic Corporation of Assets and Participations S.A., as well as of the companies included in the consolidation considered as a whole.

The Chairman
of the Board of Directors

George Diamantopoulos
ID no M299970

The Chief Executive Officer and
Member of the Board of Directors

Ourania Ekaterinari
ID no T222068.

The Chief Financial Officer

Charalambos Pilitsidis
ECG Licence Class A' no 33983.

The responsible for the preparation of the
Financial Statements in compliance with IFRS

Maria Trakadi
ECG Licence Class A' no 27913

Deloitte.

Deloitte Business Process Solutions S.A.
Licence Number O.E.E 1297

PPC: The Sfikia Pumped Hydro Power Station, Veria, Greece

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Message of the Sole Shareholder

With the conclusion of the third economic adjustment program, a long and difficult period for the Greek economy, as well as for the society, comes to an end. From now on, the common target is to work on the basis of a holistic, fair and feasible growth strategy so as to exceed the production model which collapsed during the 2009 crisis.

The Hellenic Corporation of Assets and Participations has a crucial role to play in this effort. The establishment of a single structure for the management of a significant share of the state's assets, aims towards the strategic and full development of the State-Owned Enterprises and of the assets included in HCAP's portfolio, combined with increasing their value and upgrading the services offered to citizens.

Under an unfavorable fiscal environment, the Hellenic Corporation of Assets and Participations undertook the establishment of the necessary structures and mechanisms that will enable the Corporation's effective functioning and also its actual cooperation with the companies within its portfolio, aiming at the exploitation of synergies with a multiplier effect.

Going forward, HCAP has a twofold role to serve; on the one hand, the improvement of the SOEs' operations and the enhancement of their profitability and, on the other hand, the generation of resources that shall be directed towards investments for the companies within the HCAP portfolio and also for public investments through the Public Investment Program. To this direct role of HCAP, the indirect role on the overall effort for growth needs to be added. As such, the improvement of the SOEs' effectiveness will have a positive impact on the private sector's functioning, since the improvement of services and infrastructure will act as a catalyst both for the operations of the existing businesses but also for the country's attractiveness in terms of fostering new investments and the commencement of new activities.

As such, it is no coincidence that, within this framework, the strategic priorities of HCAP strongly complement the priorities set by the National Growth Strategy, which is the first holistic strategy of its kind that has been prepared in recent years, thus making HCAP a very important part of this overall framework of actions.

The Ministry of Finance cooperates with HCAP directly and continuously with the aim to ensure the implementation of the strategic guidelines set to HCAP and also in order to maximize the effectiveness of HCAP's operations.

HCAP BoD Chairman message

Following the completion of the fourth review of the Greek program, our country is at a turning point, a point of new start where the optimal use of its comparative advantages, such as its national wealth, will be catalysts for the country's progress, under the best possible conditions. It is the time for Greece to move ahead, along the road with countries with strong economies which make optimum use of their wealth.

The Hellenic Corporation of Assets and Participations (HCAP) was established only 16 months ago and started from scratch. Since then, the Corporation has acquired its organizational structure and has strengthened the management structures of its direct subsidiaries, by assessing and appointing the Boards of Directors of HRADF and ETAD through transparent and merit-based procedures. At the same time, it has created a framework for controlling the performance of its subsidiaries in order to enhance transparency and ensure their effective management, while bringing under one unified structure both the direct subsidiaries (HRADF and ETAD) and the other subsidiaries, the SOEs as defined by Law 4389/2016.

This is the first time in Greek history that a holistic strategic plan has been prepared that includes analyses of the subsidiaries (excluding the enterprises where HCAP is a minority shareholder), as well as a complete record of the challenges and opportunities they face, while at the same time defining the strategic priorities for each enterprise.

Following that, each company included in HCAP portfolio, with the responsibilikty of its management, has incorporated and specified most of the strategic directions in its business plan of a 3-5 years horizon, which will determine in the future both the objectives and the performance indicators on which the progress of each enterprise will be assessed. Following the analysis of each sector and the opportunities and challenges faced by these enterprises, best practices in other countries will be also examined, as well as the ability to adopt them in Greece, always taking into account the public interest and the provision of best service for Greek citizens.

Our first priority is companies with the greatest impact on society, which are also the ones facing the most important challenges, such as Athens Urban Transportation Organisation S.A. (OASA) and Hellenic Post S.A (ELTA), with our objectives being to reduce deficits and to improve the services provided. Also crucialy important are the other companies in our portfolio, and in particular, the listed companies and those operating in key sectors of the economy such as Public Power Corporation (PPC), Athens Water Supply and Sewerage Company (EYDAP) and Thessaloniki Water Supply and Sewerage Company (EYATH).

Our goal is also that SOEs are run by talented and capable executives, acting with responsibility towards the society and the environment, investing in quality and innovation and aiming to maximize the value of their assets. Executives will be assessed for their performance, as we are, will share the same pride for our efforts and the same sense of responsibility towards Greece.

HCAP CEO message

The Hellenic Corporation of Assets and Participations S.A. was established in early 2017 with the purpose to manage and exploit important assets onwed by the Greek State, serving the public interest. Within this framework, at HCAP, we aim to promote the transformation of the State-Owned Enterprises (SOEs) based on new professional standards, together with the development of assets, that will support investments, competitiveness of the Greek economy as well as social reward for the citizens of the country. At the same time, we aim at embedding a new corporate culture, with strong values, common objectives and a high sense of responsibility.

We are working systematically and in a consistent manner in order to manage these challenges that come in hand with the changes pursued, especially due to a numbe of critical issues. During our first year of operations, we have already completed a number of important milestones. In particular, for the year 2017, we have set and completed, inter alia, the following objectives:

- Assessment of the Boards of Directors of HCAP's direct subsidiaries, namely HRADF and ETAD, as well as appointment and constitution into body of their new Boards of Directors, strenghtening their management teams with experienced executives, alongside the amendment of their Articles of Association.
- Preparation of the Strategic Plan of HCAP and its subsidiaries, which was completed in January 2018 and approved by the Board of Directors of HCAP and the General Assembly. The Strategic Plan, published on the Corporation's website, includes a holistic strategic approach, with detailed objectives and priorities for the better management and exploitation of the assets of the Geek State which were transferred to HCAP. The plan was prepared on the basis of an in-depth analysis of the subsidiaries and the sectors in which they are operating. We aim for SOEs to improve in order to be able to provide better services, with actual and measurable results in the everyday lives of the greek citizens. Also, SOEs must be able to offer more, need less and operate in a more transparent and professional manner. This is also the major challenge, given the difficulties and problems that clearly require cooperation and joint effort with our subsidiaries. Our target is to have the first tangible results in 2018 via the implementation of the coordination mechanism among others.
- High importance in the Strategic Plan is also given on the principles and codes of Corporate Governance for ensuring maximum possible transparency, accountability, effective management, corporate governance and compliance. In this context, we have already set up a specific reporting framework for monitoring and controlling the performance of our subsidiaries, based on which they must implement best accounting and auditing standards together with the necessary reporting for the best flow of public information.

Within 2018, we proceed also with our action plan, with some of the actions already completed or in progress, such as:

- ✓ The organizational restructuring of ETAD, along with the transfer to it of new real estate assets by the State for exploitation,
- ✓ The amendment of the Articles of Association of the SOEs, transferred to HCAP portfolio in order to comply with c.l. 2190/1920,
- ✓ Communication of the strategic objectives to the senior management of each subsidiary and monitoring of their operations and performance through appropriate reporting, following the submission of business plans prepared by their management,
- ✓ Monitoring the implementation of the privatization program managed by HRADF, aiming at achieving significant investments, new jobs creation and transfer of know-how in key sectors of the economy.

As we consider that the effective operation of the Board of Directors is, at current times, of great importance, together with the reinforcement of the internal control systems which in practice improve the rules and procedures of corporate governance and effective management, we have established the Candidates Committee for the assessment of the Boards of Directors of our subsidiaries. Having already completed the first assessments, we are proceeding with the next ones with a specific timetable, while in parallel we aim to strengthen the main Committees of their Boards, with priority given on the Audit Committees.

At the same time, within our priorities is the adoption of equal opportunities and the use of talented professionals at all levels of our organization, with tangible results. At the HCAP Board of Directors, there are currently four women among its seven members (57% representation), while parity has also been achieved at other positions of responsibility within the organisation, with all employees having equal opportunities to integrate and develop their skills. Such philosophy will be infused into our subsidiaries.

We strongly believe that in an open and extrovert economy, people and teams have a leading role to play and therefore we place emphasis on training and developing human capital and developing the right skills' set needed to manage effectively the challenges, including technological disruption. We also believe that maintaining high values and strong ethics are integrally connected with the real dynamics and effectiveness of each company. Such principles define our corporate culture and contribute to the establishment of a modern working environment while reassure the reputation and the trustworthiness of each company. Thus, we strongly emphasize on the policies and codes of conduct and also on educating the people on compliance related issues.

Within 2018, we will also proceed with the implementation of the required procedures of the Coordination Mechanism which in itself defines the relationship between the State, HCAP and the SOEs, and includes the SOE's Mandate, the Performance Contracts for special services and the Statement of Commitments of each SOE. In essence, the Coordination Mechanism and the related interaction with the subsidiaries, based on European best practices and experience, aims to create a transparent consultation framework and procedures for social and economic value added and to ensure the appropriate supporting tools and resources for any social services offered by these enterprises.

In conclusion, at the Hellenic Corporation of Assets and Participations we aim to develop modern, financially and operationally efficient companies, enhancing meritocracy, transparency and extroversion and increasing their long term economic and social value. Equally important for the SOEs, we consider the adoption of a new corporate mentality which will allow their real potential to be released, with a modern vision, strong common values and responsibility undertaking. The Strategic Plan will become the guide that will help effectively and systematically in this effort. At the same time, gradual revenue enhancement through the implementation of the dividend and investment policies will generate capital to be invested in the Greek economy or in our subsidiaries, in order to help, to the extent that we can, to a new, sustainable and credible growth model, with constantly improving economic and social indicators.

EYDAP: The WaterTreatment Plant at Aspropyrgos

A | ANNUAL REPORT OF THE BOARD OF DIRECTORS

ANNUAL REPORT OF THE BOARD OF DIRECTORS OF THE "HELLENIC CORPORATION OF ASSETS AND PARTICIPATIONS S.A." IN RELATION TO THE FINANCIAL STATEMENTS OF 01.01.2017 - 31.12.2017.

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 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, within 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 Corporation 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 policy and to make investments that contribute to strengthening the development of the Greek economy and

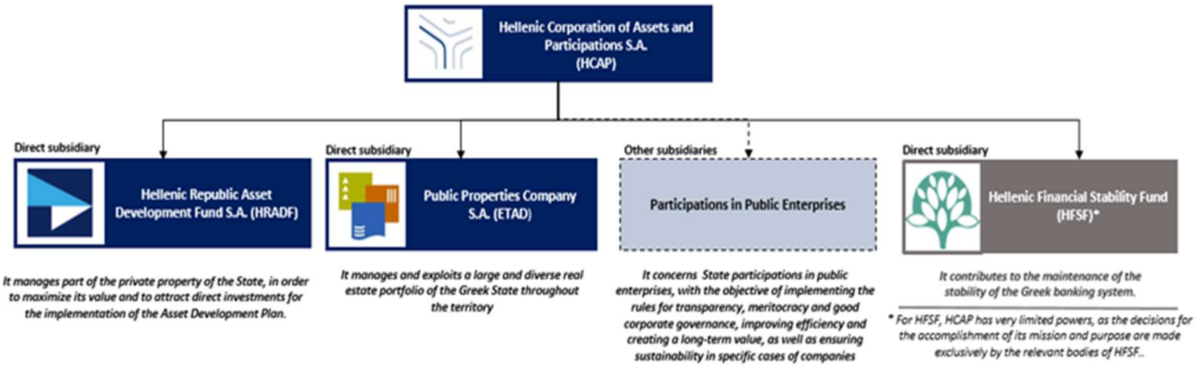
(b) for the reduction of the financial obligations of the Hellenic Republic.

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 7 Voulis Street in Athens.

The following chart reflects HCAP's portfolio, which consists of three companies as "Direct Subsidiaries" (Hellenic Financial Stability Fund "HFSF", Hellenic Republic Asset Development Fund S.A. "HRADF" and Public Properties Company S.A. "ETAD"), as well as "Other Subsidiaries , which are the enterprises, in which the Greek State has shareholding participations and were transferred to the Corporation, pursuant to Law 4389/2016, as amended by Law 4512/2018.



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 which was countersigned by the Supervisory Board, the Corporation may also set up other subsidiaries in order to fulfil its corporate purpose.

**This data refers to the public enteprises as a whole and are not based on a consolidation process*

A more detailed description of the direct and the other subsidiaries of the Corporation is set out below.

A.2. Direct Subsidiaries of HCAP

Upon the establishment of the Corporation as legal person, the following legal entities, the share capital or securities of which are transferred to the Corporation or which are set up in accordance with the 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 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 State to the Corporation with no consideration.

  After taking into consideration that the purpose of HRADF has not yet been fulfilled, the Board of Directors of HCAP, in its capacity as the sole shareholder of HRADF, decided on 11.05.2017 to adopt a General Meeting resolution (under the procedure of the self-convened extraordinary General Meeting of the sole shareholder of HRADF) extending the duration until July 1st 2020, as well as the consequent amendment of article 3 of HRADF's Statute. The General Meeting decided upon the items above on 16.05.2017.

- The **Public Properties Company ("ETAD''),** is responsible for the management and exploitation, for the public interest, of a large real estate portfolio 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 ETAD's shares are being transferred by the Greek State to the Corporation with 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. In parallel, 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 in similar exploitations at international level, 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 factors which all together will lead to the optimal exploitation of its assets.

A.3. 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 share capital 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, within its scope, HCAP shall professionally manage the abovementioned public undertakings, increase their value and make good use of them according to international best practices and the OECD guidelines on corporate governance, corporate compliance and supervision and transparency of procedures as well asin accordance with best practices regarding social and environmenta issues, responsible entrepreneurship and consultation with the public undertakings' various stakeholders.

The 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 assigned, undertake the provision of Services of 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 provided in the Coordination Mechanism which is included in the Rules of Procedure of HCAP.

The following chart reflects HCAP's "Other Subsidiaries", which are the enterprises, in which the Greek State has shareholding participations and were transferred to the Corporation on 01.01.2018. State participation in enterprises that were transferred to the Corporation include majority and minority shareholdings and in some cases concern 100% of the share capital (sole shareholder).

Moreover, among the "Other Subsidiaries" are three (3) companies listed at the Athens Stock Exchange. HCAP, 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 such listed companies' shares. HCAP also has 0.9 % of the share capital of Folli-Follie S.A..

**Pursuant to the Asset Development Plan (ADP) of HRADF, HRADF holds 30% of the share capital of Athens International Airport S.A., 17% of the share capital of PPC, 24.02% of the share capital of Thessaloniki Water Supply and Sexerage Company S.A. and 11.3 % of the share capital of Athens Water Supply and Sewerage Company S.A..*

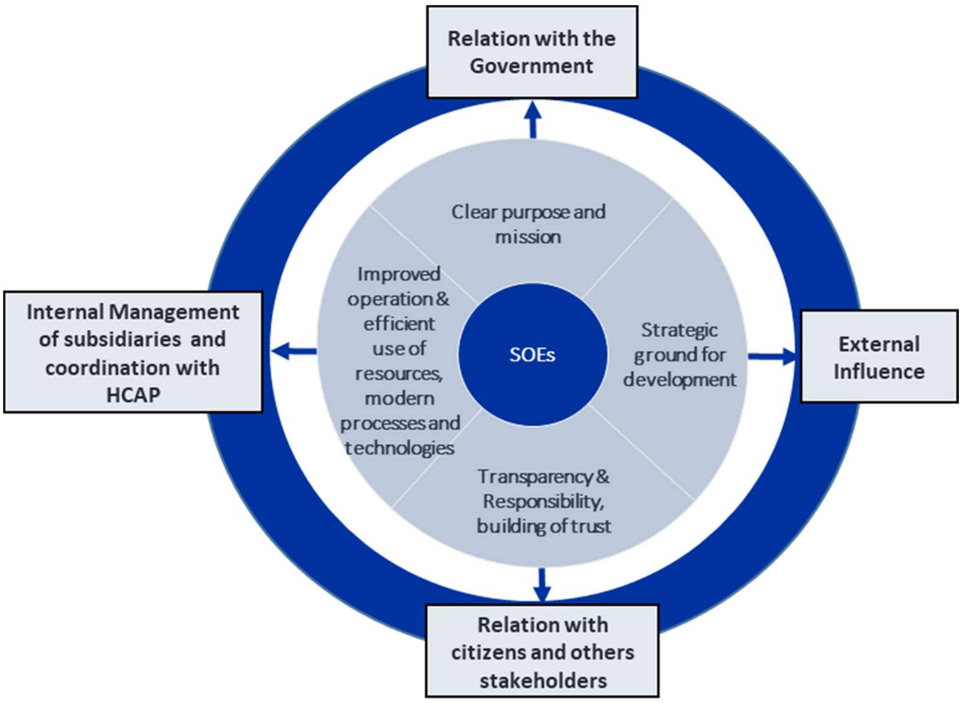
It shall be noted, concerning the shares of Athens Water Supply and Sewerage Company S.A. "EYDAP" and the shares of Thessaloniki Water Supply and Sewerage Company S.A. "EYATH", that, the Interministerial Committee for Restructuring and Privatizations, pursuant to the decision no 262/21.02.2018, decided to recall the transfer of 17,004,761 shares of EYDAP to HRADF, as well as, pursuant the decision no 263/21.2.2018 decided to recall the transfer of 14,520,000 shares of EYATH to HRADF. The above decisions concerned such number of shares, in order for that the Greek State to recover the 50% plus 1 share of the share capital of the above companies, effective from 01.01.2018. Therefore, pursuant to article 197 of Law. 4389/2016, as amended by Law 4512/2018, HCAP became the direct shareholder of 50% plus 1 share of the share capital of EYDAP and respectively of EYATH, owning 53,250,001 shares out of the total 106,500,000 shares of the share capital of EYDAP and 18,150,001 shares out of the total 36,300,000 shares of the share capital of EYATH.

Moreover, the Olympic Athletic Centre of Athens (OAKA) will be transferred to the HCAP portfolio following its transformation into a capital company. In addition, pursuant to article 113 of Law 4549/2018, the Greek State's shareholding participation in GAIAOSE S.A. was transferred to the Corporation on 01.07.2018.

The Public Enterprises that are included in the portfolio of HCAP, shall, via appropriate strategic, business and operational planning and performance monitoring, ensure their smooth operation in the current environment, as well as the long term economic value creation, taking into consideration the market in which they are operating, the competitive environment and the position in the market, as long as the capabilities for exploitation of strategic initiatives and synergies. Moreover, equally important parameters for their progress, sustainability and growth are the development of their human capital, the implementation of innovative ideas and new technologies to improve service delivery and efficiency, the rationalization of the supply chain, the assessment and formulation of the appropriate capital structure, together with alternative sources of funding to finance the necessary investments, as well as other parameters, etc..

Apart from the financial performance, over time, public enterprises ("SOEs") will have to act appropriately in order to be as efficient as private companies, as well as to create overall benefits in terms of their social role, that is also linked to the provision of services of general economic interest. To this direction, these companies need to be transformed, taking into account modern trends, challenges and opportunities.

Main stakeholders and relationship framework

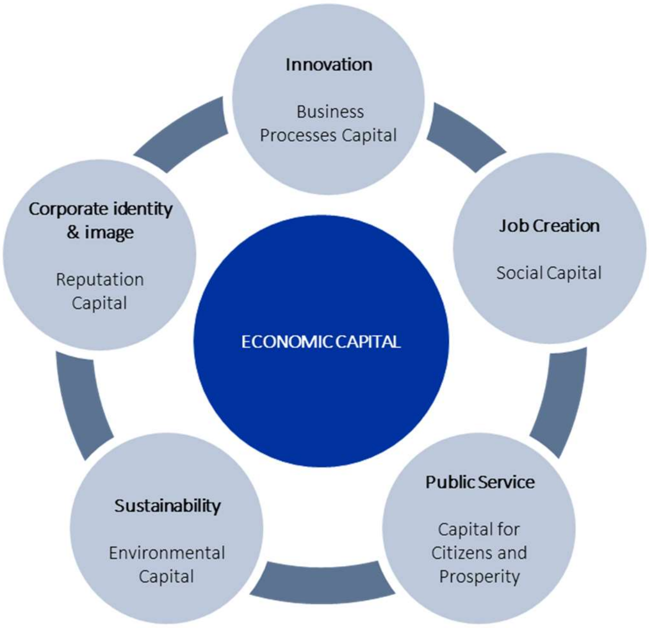


Therefore, SOEs, especially via their BoDs and the Senior Management, that shall have the required experience and knowledge, are called today:

- ✓ To have clear and definite purpose and mission,together with the desired objectives and results
- ✓ To work with responsibility, transparency and accountability through timely and reliable reporting of their performance and activities and build trust with citizens
- ✓ To provide quality and modern services
- ✓ To properly develop their infrastructure and human capital for better fulfillment of their mission
- ✓ To achieve an appropriate internal and external balance, maintaining sound internal management, to maximize their effectiveness ("doing more with less") and at the same time, to create value in society, being a driving force behind growth, competitiveness and employment.

Therefore, the formulation of a new operational concept, with a wider performance measurement system is also required. The objective is not only short-term financial results, but also the creation of strategic value, through appropriate investments and the exploitation of potential synergies and strategic alliances, creating sustainable and competitive benefits for the country over the long run.

New system of performance indicators



A.4. Other Participations and Rights

Pursuant to article 198 of Law 4389/2016, the concession contracts of the other subsidiaries shall be automatically (ipso jure) 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 of 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, automatically transferred by HRADF to the Corporation, and without consideration in return are 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, regarding 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 state-owned airports, of which the organisation, operation and management has been assigned 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 state-owned airports and under the conditions to be defined in the relevant concession agreement, with the exception of the state-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.

Pursuant to article 350 of Law 4512/2018, the 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.5. Main Corporate Bodies of the Corporation

The corporate 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 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 of 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 par. 1 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 Tavlas
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. With regards to the operation of the Board of Directors, Law 4389/2016 provides that the Board of Directors is entitled to act when a quorum of at least three (3) members is present. Every member of the Board of Directors shall have one vote. The Board of Directors shall take decisions by a majority of the members present. In the event of a tie the Chair's vote shall prevail.

The members of the Board of Directors are elected by the Supervisory Board in accordance with the provisions of the Law. In addition, one representative designated by agreement between the European Commission and the European Stability Mechanism shall attend the meetings of the Board of Directors of the Corporation as an observer without the right to vote.

Upon 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 of the following seven (7) members with a four (4) year term of office:

Name	Position
George Diamantopoulos	Chairman of the Board of Directors, Non- executive Member
Ourania Aikaterinari	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

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

Pursuant to article 192 par. 4 of Law 4389/2016 and art. 12 of the Articles of Association of HCAP, as well as art. 18 par. 2190/1920, the remaining members of the Board of Directors continued to exercise all the powers and functions of the Board of Directors, following the reconstitution as a body of the Board of Directors, according to its resolution dated 03.04.2018.

Furthermore, Law 4512/2018 which amended Law 4389/2016, provides, inter alia, for the increase of the 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. The Supervisory Board was supported in the selection process by a consulting firm of international repute.

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 Athanassiou 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 of HCAP reconstituted into a body following the appointment of the aforementioned two new BoD members and 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. The CVs of the members of the Supervisory Board and the Board of Directors are included in the Corporate Governance Declaration.

As at the date of the approval of the financial statements, the Board of Directors consists of the following members:

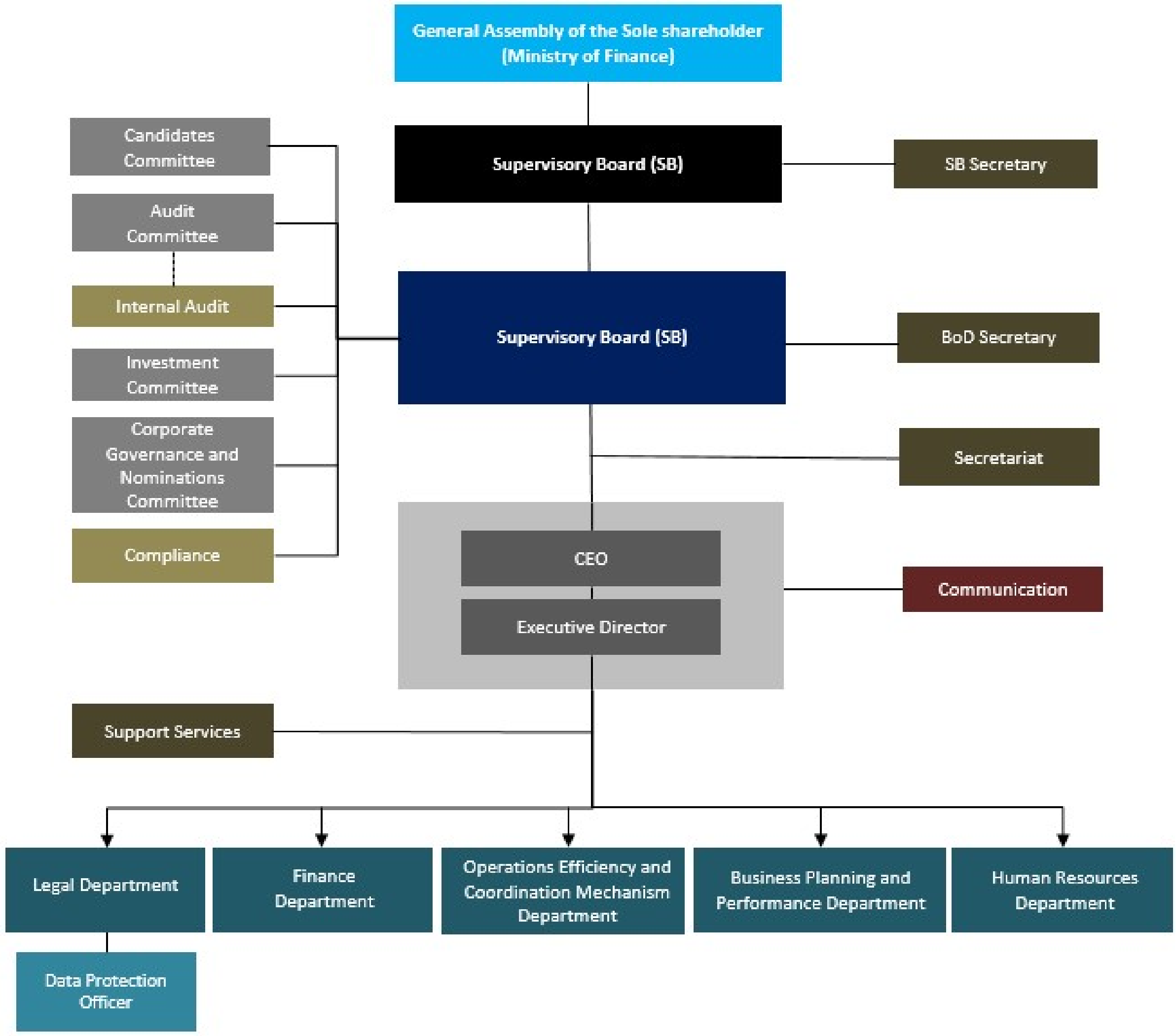
Name	Position
George Diamantopoulos	Chairman of the Board of Directors, Non- executive Member
Ourania Ekaterinari	CEO, Executive Member
Stefanos Giourelis	Executive Director, Executive Member
Hiro Athanassiou	Non-executive Member
Alice Gregoriadi	Non-executive Member
Themistoklis Kouvarakis	Non-executive 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 (for the composition please see Corporate Governance Declaration).

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 (in relation to the Board's of the Other Subsidiaries), comprised by HCAP BoD members. In particular, pursuant to article 197, the Candidates Committee shall comprise of up to five (5) members, including the executive members of the Corporation's Board of Directors as well as 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 expertise in such other issues, as may be necessary, in accordance with the Rules of Procedure. It shall be noted that the 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.

A.6. Organisation structure

The organization chart of HCAP is as follows:



A.7. 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 ¼ of the nominal value of the Corporation's shares, according to the provisions of article 12 of the C.L. 2190/1920.

A.8. Internal Audit & Regulatory Compliance

The 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 the 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.

The Internal Audit Department aims to add value to and generally to improve the operations of HCAP by:

- reviewing the internal control system by examining the effectiveness of the design and operation of control activities as well as the evaluation of existing business processes in achieving all business goals,
- identifying, analyzing and measuring the potential operational or other risks in a systematic and structured manner,
- constantly trying to improve the effectiveness of all risk management operations and systems, as well as of all activities associated with the corporation's businesses,
- assisting the compliance function in facilitating any audits conducted by the competent regulatory authorities.

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.9. 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 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.10. 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.11. Rules of Procedure, Corporate Governance Framework and Reporting Framework

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;

(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 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.

In 2016, pursuant to the resolutions of the Extraordinary General Assembly Meetings of the Sole Shareholder, it was decided the approval of the Procurement Regulation, as well as the determination of the remuneration of the members of the Supervisory Board for the period between their appointment until the drafting of the Rules of Procedure of the Corporation, pursuant to the provisions of art. 189 and 194 par. 7 of law 4389/2016, and the determination of the transportation and travel expenses, until the drafting of the HCAP Rules of Procedure, pursuant to the provisions of article 189 of Law 4389/2016.

In 2017, according to the resolution of the Extraordinary General Assembly of the Sole Shareholder dated 19.05.2017, the following chapters of the Rules of Procedure were approved, pursuant to the provisions of article 190 par. 2(f) of Law 4389/2016, and in particular:

A. Strategic Plan of HCAP, pursuant to the provisions of article 190 par. 2(a) of Law 4389/2016

B. Performance Auditing Framework

C. Conflict of Interest Policy and Confidentiality Obligations

D. Internal Rules of the Supervisory Board pursuant to the provisions of article 191 of Law 4389/2016

E. Remuneration & Compensation Policy for the BoD of HCAP pursuant to the provisions of article 194 par. 7 of Law 4389/2016

F. Coordination Mechanism

G. Corporate Governance Code

H. Performance Monitoring and Reporting Framework.

According to the resolution of the Extraordinary General Assembly of the Sole Shareholder dated 12.06.2017, the Rules of Procedure were amended, pursuant to the provisions of article 190 par. 2(g) of Law 4389/2016, which has been approved by the relevant resolutions of the self-convened General Assembly of the Corporation dated 2.12.2016 and 19.05.2017 and in particular regarding the abovementioned Chapters and the "Travel & Expenses Policy".

Also, according to the resolution of the Extraordinary General Assembly of the Sole Shareholder dated 09.09.2017 the Chapter of the HCAP Rules of Procedure "Remuneration Policy for the members of the BoD" was amended with the addendum of the subchapter "Remuneration Policy for the members of the BoD of the Direct Subsidiaries (apart from the HFSF)".

Morever, according to the resolution of the Extraordinary General Assembly of the Sole Shareholder dated 15.12.2017, it was resolved:

(a) The Addendum of a new chapter in 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 in 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.".

Subsequent to year 2017, pursuant to the resolution of the Extraordinary General Assembly of the Sole Shareholder dated 17.01.2018, it was resolved:

(a) The Amendment of the Remuneration Policy of the Members of the Supervisory Board, as they have been determined by the resolution of the self-convened extraordinary General Assembly dated 28.08.2017.

(b) The Addendum of a new chapter in the Rules of Procedure of the Corporation with subject «Dividend Policy of Hellenic Corporation of the Hellenic Corporation of Assets and Participations S.A.».

Also, in accordance with the Decision of the Extraordinary General Assembly of the sole Shareholder dated 19.06.2018, a new chapter 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.

Consequently, the Rules of Procedure include the following chapters:

A. Procurement Regulation

B. The Framewrok for the preparation of the Strategic Plan of HCAP, pursuant to the provisions of article 190 par. 2(a) of Law 4389/2016

C. Performance Auditing Framework

D. Conflict of Interest Policy and Confidentiality Obligations

E. Internal Rules of the Supervisory Board pursuant to the provisions of article 191 of Law 4389/2016

F. Remuneration & Compensation Policy for the BoD of HCAP, incorporated the addendum of the subchapter "Remuneration Policy for the members of the BoD of the Direct Subsidiaries (apart from the HFSF)" pursuant to the provisions of article 194 par. 7 of Law 4389/2016

G. Coordination Mechanism

H. Corporate Governance Code

I. Performance Monitoring and Reporting Framework

J. Travel & Expenses Policy

K. Financial Reporting Standards and Framework for Financial Reporting, pursuant to the provisions of article 189 par. 1(c) L.4389/2016

L. Board Evaluation and Removal Criteria concerning the Board of Directors of the Hellenic Corporation of Assets and Participations, pursuant to the provisions of article 189 L.4389/2016

M. Dividend Policy

N. Investment Policy

Moreover, regarding 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, the Corporate Governance Code was adopted as provided 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.

Lastly, regarding the reporting framework of HCAP, the Board of Directors is required to submit to the Supervisory Board quarterly reports in compliance with the rules of corporate governance, as provided by Law 4389/2016 and HCAP Rules of Procedure. Furthermore, in the framework of Financial Reporting Standards, HCAP is required to submit:

- quarterly reports on its actions and financial statements,
- reviewed semi-annual consolidated and separate financial statements and
- audited annual consolidated and separate financial statements.

A.12. Company's and Group's actual results and actions for the year 01.01.2017-31.12.2017 along with subsequent events.

A.12.1 Condensed Separate and Consolidated Financial Information

A) Introduction:

HCAP is a holding company with long term vision and purpose to increase the value and improve the returns for the portfolio of assets managed.

In the separate financial statements, as HCAP is a holding entity, income is expected to mainly arise from dividends, interest and other capital income/ gains that will be created in future years from the assets managed by the Company, while the costs relate mainly to administrative expenses occurred for its operations and the serving of its purpose.

In relation to dividends, it is noted that there is a timing difference between the occurrence of profits from the subsidiaries and the cash inflow from dividends (i.e. subsidiaries' annual profits are distributed as dividends the year after their occurrence), along with other restrictions in distribution (i.e, the existence of accumulated losses from previous years does not allow the distribution of dividends, even though current financial year might be profitable). For these reasons, despite the positive results of the Direct Subsidiaries HRADF and ETAD, the Company received no dividends during 2017. The first year during which the Company is recognizing dividend income, after the inclusion of the Other Subsidiaries in the Group Structure is financial year 2018, during which up until July the total dividend income recognized was approximately € 16.3 mln.

As such, a more inclusive view of the financial position and the results of the portfolio of assets managed by HCAP, is presented in the consolidated financial statements of the Company and its subsidiaries (the "Group") for which a more detailed analysis is provided below.

The summary of the financial information of the Group and the Company as of 31.12.2017 and the year ended then is presented below:

B) Condensed Consolidated and Separate Statement of Financial Position and Income statement

Statement of Financial Position:

Condensed information	GROUP		COMPANY	
(amounts in €)	**31.12.2017**	**31.12.2016**	**31.12.2017**	**31.12.2016**
Property, plant and equipment, intangible assets and investment properties	888,521,521	426,372,143	78,597	-
Investment in subsidiaries and associates	36,911,947	44,341,524	3	3
Non-current receivables and prepayments	146,744,086	195,553,780	72	-
Total non-current assets	**1,072,177,554**	**666,267,447**	**78,672**	**3**
Inventories	523,517	543,006	-	-
Trade and other receivables	100,211,928	140,267,255	305,326	16,641
Cash and cash equivalents	125,421,561	142,188,243	7,335,934	10,000,000
Total current assets	**226,157,006**	**282,998,504**	**7,641,260**	**10,016,641**
Total assets	**1,298,334,560**	**949,265,951**	**7,719,932**	**10,016,644**
Share capital	10,000,000	10,000,000	10,000,000	10,000,000
Other reserves	877,322,256	457,638,774	3	3
Retained earnings/ (accumulated losses)	18,410,775	173,503	(3,347,837)	(204,442)
Total equity	**905,733,031**	**467,812,277**	**6,652,166**	**9,795,561**
Provisions	31,174,697	23,507,990	12,256	-
Other non-current payables	229,472,324	262,363,116	-	-
Total non-current liabilities	**260,647,021**	**285,871,106**	**12,256**	**-**
Trade, other payables and dividends payable	131,954,508	195,582,568	1,055,510	221,083
Total current liabilities	**131,954,508**	**195,582,568**	**1,055,510**	**221,083**
Total equity and liabilities	**1,298,334,560**	**949,265,951**	**7,719,932**	**10,016,644**

The most significant variances in the consolidated statement of financial position are related to the following:

1. The increase in property, plant and equipment, intangible assets and investment properties is mainly attributable to:

   - The valuation and recognition of 1,376 additional properties with a total fair value of € 416.9 million in the statement of financial position of ETAD (directly crediting the reserves in equity), as a result of the transfer to ETAD of various properties based on Law 4389/2016 and the gradual identification of the respective titles, the understanding and documentation of their data and characteristics and the subsequent calculation of their fair value and recognition for those assets for which ambiguities and uncertainties have been lifted.
   - The net gain that occurred from the measurement of the investment properties held by the Group in previous years at fair value by € 36.5 mln.
   - The transfer of various assets in investment properties and property, plant and equipment which ETAD presented in previous years as Lease advances and have now either changed use or their full ownership was transferred to ETAD. From these transfers, property, plant and equipment was increased by € 2 mln and investment properties were increased by € 6.8 mln, with equal credit of € 8.8 mln been charged to Non-current receivables and prepayments.

2. The decrease in investments in associates is attributable to a) dividends of € 4.8 mln collected from an associate and which in the consolidated financial statement are presented net of the cost of investment and not as income and b) the share of losses in the 2017 net results of the associates which amounted to € 2.7 mln.

3. The non-current receivables and prepayments are mainly related:
    a. Receivables for which almost equal non-current payables are established and which are gradually decreased due to their settlement and
    b. A less significant part of the decrease is attributable to the reclassification of amounts that were previously presented as Lease advances and which were transferred in 2017 to property, plant and equipment and investment properties.
4. The decrease in trade and other receivables is mainly due to:
    a. their gradual collection,
    b. seasonality of specific receivables (i.e. the value of HRADF's receivables from privatization of assets is changing based on the completion of various projects and the collection of the respective consideration) and
    c. the increase in provision for doubtful accounts.

INCOME STATEMENT*

Condensed information	**GROUP**		**COMPANY**	
(amounts in €)	**1.1.2017 31.12.2017**	**25.10.2016 31.12.2016**	**1.1.2017 31.12.2017**	**25.10.2016 31.12.2016**
Revenue	57,888,395	8,297,115	-	-
Cost of sales	(25,047,041)	(4,633,728)	-	-
Gross profit	**32,841,354**	**3,663,387**	**-**	**-**
Administrative expenses	(15,986,598)	(2,963,311)	(3,422,222)	(208,644)
Distribution expenses	(2,552,637)	(527,752)	-	-
Gain from fair value adjustments on investment property	36,550,870	-	-	-
Other income, expenses and provisions	(29,873,707)	(382,734)	(2,668)	(100)
Profit/(loss) before interest, tax and financial results	**20,979,282**	**(210,410)**	**(3,424,890)**	**(208,744)**
Finance income	3,370,020	525,932	284,249	4,302
Finance costs	(2,277,908)	(323,539)	(2,754)	-
Share of profits/ (losses) of associates	(2,698,728)	181,520	-	-
Profit/(loss) before tax	**19,372,666**	**173,503**	**(3,143,395)**	**(204,442)**
Income tax expense	(1,135,394)	-	-	-
Profit/ (loss) after tax	**18,237,272**	**173,503**	**(3,143,395)**	**(204,442)**

* *The net result for the year 2017 is not comparable with the net result of 2016 for both the Group and the Company as:*
- *the duration of the first financial year 2016 was less than 12 months (almost 2 months) for the Group and the Company, and*
- *as the BoD of the Company was established on 16.02.2017, the Company's operations during 2016 were limited to activities around its foundation and development.*

Group's results during 2017 were net profits of € 18,237 thousands, which related to the consolidation of the results of each consolidated company as follows:

Condensed information	**GROUP**	**Consolidation entries**	**HRADF**	**ETAD**	**HCAP**
(amounts in €)	**Amounts for year 01.01.2017-31.12.2017**				
Revenue	57,888,395	(367,483)	10,603,651	47,652,227	-
Cost of sales	(25,047,041)	374,445	(9,017,111)	(16,404,375)	-
Gross profit	**32,841,354**	**6,962**	**1,586,540**	**31,247,852**	**-**
Administrative expenses	(15,986,598)	91,373	-	(12,655,749)	(3,422,222)
Distribution expenses	(2,552,637)	713	-	(2,553,350)	-
Gain from fair value adjustments on investment property	36,550,870	-	-	36,550,870	-
Other income, expenses and provisions	(29,873,707)	(100,667)	(42,288)	(29,728,084)	(2,668)
Profit/(loss) before interest, tax and financial results	**20,979,282**	**(1,619)**	**1,544,252**	**22,861,539**	**(3,424,890)**
Finance income	3,370,020	-	811,637	2,274,134	284,249
Finance costs	(2,277,908)	-	(11,975)	(2,263,179)	(2,754)
Share of profits/ (losses) of associates	(2,698,728)	(7,511,206)	-	4,812,478	-
Profit/(loss) before tax	**19,372,666**	**(7,512,825)**	**2,343,914**	**27,684,972**	**(3,143,395)**
Income tax expense	(1,135,394)	-	-	(1,135,394)	-
Profit/ (loss) after tax	**18,237,272**	**(7,512,825)**	**2,343,914**	**26,549,578**	**(3,143,395)**

ETAD: Total profits during 2017 amounted to € 26.5 mln and were mainly driven by organic profitability as well as the gains from the fair value adjustment of investment properties, which were diminished by the increase in provisions for doubtful accounts, legal cases and the additional income tax expense as a result of the tax audit of previous tax years in relation to absorbed companies.

On top of the organic profitability, the net results were improved due to dividend income of € 4.8 mln received from associates, which related to accumulated profits from prior years. At Group level, dividends from associates are eliminated (presented as a decrease in the cost of the investment in associates), as the consolidated results include the share of profits/ (losses) of each financial year that correspond to Group's participating interest (loss of € 2.7 mln mainly due to an impairment of tangible assets recognized by an associate).

The finance income and cost are mainly related to interest on cash equivalents, along with interest (income or expense) for overdue receivables and payables (mainly related to legal cases).

HRADF: HRADF's revenues mainly relate to the percentage of the consideration agreed for the privatization of assets and is recognized upon the completion of each transaction. As such, they are not recognized on a straight line throughout the months along with the expenses of the company.

The consequence of the above is that HRADF profitability has significant fluctuations between financial years, depending on the privatization tenders that have been completed during the year and the corresponding privatization considerations.

As such, HRADF's 2017 profitability is mainly the result of the completion of significant transactions the most important being the concession for the regional airports at the joint venture of Fraport AG-Slentel Ltd from which the fee for HRADF amounted to € 6.2 mln (calculated with the respective percentage based on current laws). The remaining revenue is related mainly to the recharging of costs occurred for specific projects to the Greek State as well as other privatization transactions of lesser value.

As a result of the increased revenues due to high value transactions and the fixed costs of HRADF, 2017 financial year has been profitable for HRADF.

HCAP: The net result of the Company for financial year 2017 was a loss of € 3.1 mln, related to:

(a) administrative expenses, decreased by the interest income from bank deposits. The administrative expenses mainly relate to expenses for the establishment of the company, its organization and staffing, various operating costs and advisory fees (i.e. advisors for the assessment and staffing of subsidiaries, business advisors, auditors, legal advisors etc)

(b) the fact that during 2017 there was no dividend income (dividend income was first recognized in 2018 with total dividends collected up to July 2018 amounting to € 16.3 mln).

A.12.2 Activities of HCAP during 2017 and subsequent activities

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 on **10.10.2016** (FEK YODD 536/10.10.2016). The constitution of HCAP was concluded on February 2017 by the appointment of its Board of Directors. The Statutes of HCAP were ratified by the article 204 of Law 4389/2018 and the Corporation acquired its legal personality by the registration of its Statutes at the General Business Registry (GEMI) on **25.10.2016**.

HCAP, as a thoroughly new established company, since the constitution into body of its Board of Directors in February 2017 and until the end of the year, took all the necessary actions in terms of its structuring and operations, in accordance with the provisions of its founding law and the Rules of Procedure, but also taking into account its strategic orientation and mission. The establishment of the appropriate structure, organization and staffing, with modern standards and meritocracy, was and remains of strategic importance for the Corporation, in order to be able to operate and to set and implement its objectives effectively, independently and professionally.

The Corporation has completed its core organizational structure and staffing in 2017 by attracting and selecting qualified, knowledgeable and skilled personnel while emphasizing on the development of its human capital and the establishing of a work environment based on cooperation and team spirit. Furthermore, HCAP, in line with high standards of corporate governance and transparency, as well as high quality accounting and auditing standards and compliance procedures, apart from the establishment of the four Committees of the Boards of Directors (Audit Committee, Corporate Governance and Nomination Committee, Investment Committee and the Candidates Committee) has created an Internal Audit Department and also a Compliance Department.

In addition, HCAP steadily promotes cooperation by means of regular communication and meetings with its subsidiaries, either at the level of senior management or at the level of competent departments, in order to understand the critical issues and challenges they face, to monitor their financial performance, to initiate actions as a matter of priority, etc. Moreover, by prioritizing the strengthening of governance and reporting framework its subsidiaries, HCAP proceeds to the harmonization of corporate governance rules at a Group level according to best practices and transparency, as well as with quality accounting and auditing standards and compliance procedures.

Following are the most important activities of the Corporation during 2017 (**01.01.2017 until 31.12.2017)** as well as the subsequent activities and in particular:

- **February 9, 2017 - Appointment of the Board of Directors of the Corporation.** In accordance with article 194 par. 7 of Law 4389/2016, the Supervisory Board of the Corporation launched the selection and appointment process for the Board of Directors of the Hellenic Corporation of Assets and Participations S.A., with the support of two internationally reputable firms which were selected to support the Supervisory Board as provided by Law in the search and selection process of the executive and non-executive Board members and in the establishment of the remuneration policy, respectively. The Supervisory Board screened the profiles of candidates submitted to the appointed firm on the basis of the requisite criteria (i.e., merit and proven professional and personal records etc.). In selecting the Board of Directors, the Supervisory Board, in collaboration with the advisor, completed interviews with each of the identified candidates in order to assess their knowledge of business, the wider economic role of HCAP in the recovery of the Greek economy, as well as the role of State Owned Enterprises and public property within the context of the long-term challenges the Greek economy is facing, including structural reforms.
    - On 20.01.2017, the Supervisory Board unanimously decided on the selection of the Chairman and the two Executive Members of the Board of Directors.
    - On 09.02.2017, the Supervisory Board unanimously elected and appointed the Board of Directors of the Corporation with a term of office starting from 15.02.2017 for four years.
- **February 16, 2017 - Constitution of the Board of Directors of the Corporation.** The Board of Directors convened into the first meeting on 16.02.2017 in order to constitute itself into body and defined the

powers and responsibilities of its members according to the Corporation's Statutes and the provisions of Law 4389/2016.

- **February 23, 2017 - Selection and Appointment of certified 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 candidates firms submitted by the Supervisory Board. According to the Decision of the sole shareholder dated 23.02.2017, on the basis of the list proposed by the Supervisory Board based on its decision dated 29.12.2016, Grant Thornton was appointed as external auditor for statutory audit of the Corporation's financial statements and consolidated financial statements for the period 25.10.2016 - 31.12.2016.

- **March 3, 2017 - Establishment of the Corporation's Board Committees.** Pursuant to the Decision of the Board of Directors dated 03.03.2017, three Board Committees were established. The composition and roles of these Committees is described in this decision of the Board of Directors. The term of office of the Committees is equal to the term of office of the members of the Board of Directors. In case the Rules of Procedure of the Corporation shall provide otherwise, such rules will prevail. The Board Committees are the following:

  (a) Internal Audit Committee, comprising from three non-executive BoD members.

  (b) Investment Committee, comprising from three non-executive BoD members.

  (c) Corporate Governance Committee comprising from three non-executive BoD members.

- **March 3, 2017. Adoption of "the Interim Regulation on Employment Terms and Conditions".** Pursuant to the provisions of Article 192 par.2 (c) of the founding law, the Board of Directors shall approve the general terms and conditions of employment of the Corporation's personnel, including remuneration policy according to the provisions of Law 4389/2016. For this purpose, the Board Directors adopted on the basis of its decision dated 03.03.2017 the "Interim Regulation on Employment Terms and Conditions". According to the same paragraph of article 192 of Law 4389/2016, the remuneration policy must be competitive so as to attract persons with experience and equivalent qualifications and to encourage them to stay with the Corporation.

  This Interim Regulation includes the terms and conditions on the employment agreements of personnel of the Hellenic Corporation of Assets and Participations in accordance with the applicable regulatory framework in order to establish uniform and consolidated rules governing the employment status of the Corporation's personnel.

- **March 3, 2017 - Certification of payment of the 1st installment of Share Capital.** The total Share Capital of the Corporation amounts to EUR 40,000,000. The 1st installment amounted to EUR 10,000,000 and was deposited to the Corporation's bank account held in the Bank of Greece, on 27.12.2016. The Board of Directors 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 ¼ of the nominal value of the Corporation's shares, according to the provisions of article 12 of the C.L. 2190/1920.

- **11 May 2017 - Extension of the duration of HRADF.** On 11 May 2017, the Board of Directors of the Corporation, the latter being the sole shareholder of HRADF's General Assembly, decided the extension of the operation duration of the HRADF for three years, namely until 01.07.2020. On May 16, 2017 took place the self-convened General Assembly of HRADF, in which the Corporation was represented resolving on the respective amendment of article 3 of the Statutes of HRADF and its codification.

- **19 May 2017 – Issuance of the Rules of Procedure from the General Assembly of the Corporation.** According to article 189 of Law 4389/2016 the General Assembly of the sole shareholder of the Corporation decided on 19 May 2017 the adoption of the Rules of Procedure, which include the following parts:

(a) Strategic Plan,

(b) Performance Auditing Framework,

(c) Conflict of Interest,

(d) Internal Rules of the Supervisory Board,

(e) Remuneration & Compensation Policy for the BoD of HCAP,

(f) Coordination Mechanism,

(g) Corporate Governance Code,

(h) Performance Monitoring and Reporting Framework.

It was also decided to approve the amendment of the "Travel and Expenses Policy" pursuant the provisions of Article 189 par. 3 of Law 4389/2016. The chapters of the HCAP Rules of Procedure are published on the HCAP website.

- **26 May 2017 - Election of statutory auditors of the ETAD for 2017.** In view of the preparation of the consolidated semi-annual and annual financial statements at HCAP holding level, and pursuant to the Minutes dated 13.04.2017 by ETAD's competent committee in relation to the opening of the Proposals following an RfP of ETAD for statutory auditors HCAP, as the sole shareholder of ETAD, decided to elect as auditor the firm Grant Thornton for the semi-annual and annual financial statements of ETAD for 2017 and the issuance of a tax certificate. The self-convened Extraordinary General Assembly was held on 02.06.2017 and the respective resolution was ratified at the Annual General Assembly of ETAD dated 07.09.2017.

- **8 June 2017 – Drafting and Approval of the Corporate Governance Report of the First Quarter.** The Board of Directors of the Corporation approved the report of the first quarter in relation to the compliance 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 14.06.2017.

- **12 June 2017 – Amendment of the Rules of Procedure.** On 12 June 2017, the General Assembly of the sole shareholder of the Corporation, through a self-convened extraordinary meeting, approved the amendment of the Rules of Procedure of the Corporation, in accordance with articles 189 par. 3 and 190 par. 2 (g) of the Law 4389/2016. The amendment of the Rules of Procedure refers to specific parts of rephrasing of the text of the Rules of Procedure.

- **22 June 2017 - Election of statutory auditors of the HRADF for 2017.** In view of the preparation of the consolidated semi-annual and annual financial statements at HCAP holding level and taking into consideration the list of candidates for auditors that was drafted by the management of HRADF following an RfP with proposal for selection of the audit firm BDO, HCAP, as the sole shareholder of HRADF, decided to elect the audit firm “BDO Auditors S.A.” for the semi-annual and annual financial statements of HRADF for 2017 and the issuance of a tax certificate. The convening of the Annual General Assembly, that ratified the respective resolution was held on 23.08.2017.

- **22 June 2017 – Approval of the First Quarterly Report for 2017** on actions and company financial statements of the Corporation to be submitted to the Supervisory Board and publication 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 29.06.2017 and was published on the website of the Corporation on 30.06.2017.

- **28 June 2017 – Presentation before the Parliament in a public hearing.** By virtue of article 202 par. 3 of Law 4389/2016, the Chairman of the Board of Directors and the Chief Executive Officer were presented on 28 June 2017 in a public hearing before the Greek Parliament, and more particularly before the Standing Finance Committee, with item of agenda: “Presentation of Mr. George Diamantopoulos and of Mrs. Ourania Ekaterinari, Chairman and CEO respectively, of the Hellenic Corporation of Assets and Participations, in accordance with par. 3 of article 202 of Law 4389/2016 (A’ 94)”.

- **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.

- **3 August 2017 – Setting Objectives for the year 2017 concerning the Boards of Directors of HCAP.** Following the preparation that was made on the meeting of the Board of Directors held on 14.06.2017, a proposal was formed in relation to the objectives of the Board of Directors and the Executive Members of the Boards of Directors of HCAP, that was submitted to the Supervisory Board. On 03.08.2017 the Supervisory Board notified to the Board of Directors the respective objectives for the year 2017.

- **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 publication 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 27.09.2017 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 compliance 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 28.09.2017.

- **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 period 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 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.

- **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.

- **15 December 2017 – Approval of the Third Quarterly Report for 2017** on actions and financial statements of the Corporation in order to be submitted to the Supervisory Board and thereafter to be published on the website of the Corporation in accordance with article 195 par. 2 Law 4389/2016. The Final Report was submitted to the Supervisory Board on 22.12.2017 and was published on the website of the Corporation.

- **15 December 2017 - Approval of the Corporate Governance Report of the Third Quarter 2017.** The Board of Directors (BoD) of the Corporation approved the third quarterly Corporate Governance Report in relation to the compliance 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 final report was submitted to the Supervisory Board on 22.12.2017.

- **15 December 2017 - Operating Budget 2018.** The BoD of HCAP approved the Operating Budget of the Corporation for the financial year 2018.

- **15 December 2017 – Annual Audit Plan.** The Audit Committee submitted to the BoD of HCAP the Annual Audit Plan of activities, man-hours and the annual budget for the internal audit division.

- **15 December 2017 - Approval of the management report of the Board of Directors for the period 01.01.2017-30.06.2017, as well as the Semi-Annual Consolidated and Separate Financial Statements for this period.** The BoD of HCAP approved the management report of the Board of Directors for the period 01.01.2017-30.06.2017, as well as the Semi-Annual Consolidated and Separate Financial Statements for this period in accordance with the International Financial Reporting Standards, in order to be published on the corporate website, pursuant to article 195 (1) 4389/2016 and the Rules of Procedure of the Corporation, and in particular pursuant to the "Financial Reporting Standards and Framework for Financial Reporting Preparation". The report was submitted to the Supervisory Board on 22.12.2017 and was published on the website of the Corporation on 30.12.2017.

Subsequent Activities after 31.12.2017

- **January 2018** -Law 4512/2018 (Government Gazette A / 5 '/ 17.01.2018) amended the founding law of HCAP L. 4389/2016, the most important amendment of which concerned a) the non-establishment of the direct subsidiary “EDIS”, where the Greek State's participations in specific Public Enterprises would be transferred and b) the direct transfer to HCAP of the Greek State's participations in Public Enterprises and Legal Entities, which are referred to as the "Other Subsidiaries".

- **19 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 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. The detailed Strategic Plan prepared by HCAP includes a 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.

  Following publication of the Strategic plan, the Management of HCAP arranged meetings with the Managements of the subsidiaries to present the Strategic Plan, while at the same time requested the preparation and submission by the subsidiaries of their business plans by the end of April 2018, which were duly submitted. More meetings and communications for further review and discussion of the business plans have been made thereafter, also within the framework of updating the Strategic Plan of HCAP and for better monitoring of financial performance and reporting of the subsidiaries.

- **17 January 2018 – Adoption of the Dividend Policy by the General Meeting of HCAP**. Pursuant to the relevant decision of the Extraordinary General Meeting of the Sole Shareholder, it was decided the addendum of a new chapter at the Rules of Procedure of the Corporation with subject «Divident Policy», pursuant to the provisions of article 189 par. 1 f of Law 4389/2016.

  The Dividend Policy describes the main principles and guidelines which HCAP should follow (i) with regards to its dividend distribution according to the provisions of law 2190/1920 and the Company’s founding Law (4389/2016) and (ii) in order to set dividend expectations regarding decisions taken by a company within the HCAP group (direct or other subsidiary, according to the definition of law 4389/2016 and excluding the HFSF and HRADF), relevant to the management of their profits, which ultimately determine the amount of dividend to be declared to HCAP. The policy therefore sets out guidelines which HCAP should follow in order to set its dividend policy based on said expectations.

- **14 February 2018 – Constitution of the Audit Committee of ETAD.** The BoD of ETAD upon proposal of the BoD of the Corporation constituted the Audit Committee of ETAD. The Members of the Audit Committee are Mr. Filos, Mr. Papanikolaou and Mr. Griveas.

- **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).

- **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 by the Supervisory Board of HCAP.
- **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. Athanassiou and Mr. Gratsonis, the Board of Directors decided the reconstitution of the Board of Directors of HCAP into a body on 16.04.2018.
- **16 April 2018 – Approval of the Medium-Term Budget of HCAP for 2018-2022.** On 16.04.2018, the Board of Directors approved the medium-term budget of HCAP for the period 2018-2022 and the submission of the relevant report to the Ministry of Finance and the State General Accounting Office.
- **April 2018 – Setting Objectives for the year 2018 concerning the Boards of Directors and the Executive Members of the direct subsidiaries, HRADF and ETAD.** Then on 09.05.2018, the Board of Directors of HCAP approved the objectives for the year 2018 concerning the Boards of Directors of the direct subsidiaries, HRADF and ETAD, associated with the HCAP objectives and notified relevant letters with the objectives to their Managements.
- **May - 08.06.2018 - Approval of the statutes of the other subsidiaries, in compliance with c.l. 2190/1920.** Following the legal review of the statutes of the subsidiaries Hellenic Saltworks S.A., Corinth Canal S.A., Central Markets and Fisheries Organisation S.A., Thessaloniki Central Market S.A., Thessaloniki International Fair S.A. - HELEXPO, OASA S.A., Hellenic Posts S.A., EYDAP SA and EYATH SA, by the Legal Department of the Corporation and following cooperation with the subsidiaries, the Board of Directors approved the statutes of each of the aforementioned subsidiaries, in compliance with c.l. 2190/1920 and according to the provisions of article 197 par.3 Law 4389/2016, in order to convene the General Meetings of these subsidiaries for the approval of the amended and codified statutes. The Corporation was represented at the General Meeting of each subsidiary and exercised its voting rights.

  The amendment of the statutes is in line with the spirit of Law 4389/2016 on the operation of HCAP, and in particular with regards to its subsidiaries which by their nature, have the purpose to serve the public interest and must therefore comply with and maintain high corporate governance standards, as well as high quality accounting, auditing and compliance standards.
- **24 May 2018 – Election of the new CEO of PPC SA**. At the Annual Ordinary General Assembly of PPC SA, the Board of Directors of HCAP following a proposal of the Candidates Committee according to art.197 par.4 L.4389/2016 decided to vote for the reelection of Mr Emmannouil Panagiotakis at the position of CEO of the Public Power Corporation SAE (PPC).
- **15 June 2018 – Approval of the Corporate Governance Report of the First Quarterly 2018.** The Board of Directors of HCAP approved the first 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.

- **21 June 2018 - Approval of the First Quarterly Report of 2018** 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.

- **June - July 2018 - Dividends Receivable from Other Subsidiaries** During the period June-July 2018 HCAP started the dividend collection from its subsidiaries. Until 31.07.2018 this amount amounts to a total of €16.3 million.

- **19 June 2018 – Adoption of the Investment Policy by the General Meeting of HCAP**. Pursuant to the decision dated 19.06.2018 of the Extraordinary General Meeting of the Sole Shareholder, it was decided the addendum of a new chapter at the Rules of Procedure of the Corporation with subject «Investment Policy», pursuant the provisions of article 189 par. 1 of Law 4389/2016.

  The Investment Policy aims at facilitating the steps and actions of the procedures for investment decisions and at creating a comprehensive framework in order to ensure that the selected investments meet the set objectives, vision and mission.

  The Investment Policy does not determine or envisage HCAP's actual investment decisions but rather sets the rules and principles that these decisions should comply with. In particular, the investments must be conducted in accordance with the rules and procedures in the investment framework comprising Law 4389/2016 and HCAP's Rules of Procedure, with the objectives of HCAP's Strategic Plan incorporating the Guidelines of its sole shareholder. At the same time,these investments should promote the development of the Greek economy and support sectors of the economy in line with government policies and set priority areas.

  Furthermore, it governs the allocation of investable amounts in different investment categories, and in particular between three main categories a) for the financing of investments in the national economy financed by the National Investment Program, b) for the repayment of the country's financial obligations, and c) for the realization of investments by HCAP. For the latter category, HCAP 's investments are classified in the following principal portfolios: c1) Investments in the share capital of public enterprises whose shares are already in the portfolio of HCAP (these may also include investments in assets that are in financial difficulty), c2) equity investments in ETAD's and / or real estate companies, c3) growth investments in other non-HCAP portfolio assets that may offer high returns and generate positive financial results and c4) maintaining an adequate reserve to provide liquidity for future investments or to cover future losses (including dealing with extraordinary capital needs of HCAP's subsidiaries).

Assessment of the Boards of Directors of HCAP's direct subsidiaries

Pursuant to art. 188 par. 9 of Law 4389/2016 HCAP should complete the assessment of the Boards of Directors of HCAP's direct subsidiaries, apart from the HFSF.

A. In this context, regarding HRADF, HCAP launched the assessment process of the Board of Directors of HRADF, taking into account the competencies that should have the Board of Directors as a body,collectively, and given the complex requirements in the current environment for attracting investments, as well as the strategic role of HRADF for the optimal implementation of the Asset Development Plan. In particular:

On April 12, 2017, the Board of Directors decided to launch the assessment process of the HRADF 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 assessment process by applying international best practices.

At the same time, on **June 20, 2017,** the Corporation published an invitation for expression of Interest of potential candidates for the fulfillment of the positions of executive and non-executive members in the Board of Directors of HRADF. The nominations were examined with the assistance of an external specialized advisor with international experience in similar projects, the selection of which was made on the basis of the tendering procedures, as provided in the HCAP Procurement Regulation. In particular, the procedure for the submission of candidacies and the selection of new BoD Members, with the support of the above external specialized advisor, 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. Aris Xenofos was selected as the final candidate for the position of the Chairman, Mr. Riccardo Lambiris as CEO and Mr. George Marinos as non-executive Member. Also, 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, Executive Member

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

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

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

5. Evangelia Tsitsogiannopoulou, Non Executive Member of the Board of Directors

The CVs of the BoD members of HRADF follow:

<u>Aris Xenofos, Chairman of the Board of Directors</u>

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 participated in the conclusion of the 3rd 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.

<u>Riccardo Lambiris, Chief Executive Officer and Member of the Board of Directors</u>

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.

<u>Aggelos Vlachos, Non Executive Member of the Board of Directors</u>

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.

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).

Evangelia 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.

B. **With regard to the second direct subsidiary of HCAP, ETAD,** HCAP decided to launch the assessment process of the ETAD Board of Directors, in accordance with article 189 par. 9 law 4389/2016, on May 11, 2017, following the selection through a tender procedure, of an external reputable advisor with international experience in order to support the Corporation in the assessment process by applying international best practices.

Moreover, on November 10, 2017, the Board of Directors decided to launch the selection and placement processes of new Executive and the Non- Executive Members of the Board of Directors of ETAD, with the support of the above external specialized advisor. In particular, 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**:

- Yannis Polyzos, Chairman of the Board of Directors
- George Terzakis, Chief Executive Officer, Executive Member of the Board of Directors
- Galatea Ellie Kakoullou, Executive Director, Executive Member of the Board of Directors
- Polychronis Griveas, Non-Executive Member of the Board of Directors
- Athanasios Papanikolaou, Non-Executive Member of the Board of Directors
- Evangelia Tsitsogiannopoulou, Non-Executive Member of the Board of Directors
- Yannis Filos, Non-Executive Member of the Board of Directors

The CVs of the BoD members of ETAD follow:

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.

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.

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.

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.

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.

Evangelia 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.

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-today) 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.

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

- **Hellenic Post S.A. (ELTA):**

On 16 April 2018, the Board of Directors decided to launch the assessment process of ELTA Board of Directors, which was implemented following the selection, through a tender procedure, of an external consultant with international experience to assist the Corporation in the assessment process, applying international best practices.

- **Athens Urban Transportation Organisation S.A. (OASA):**

On 16 April 2018, the Board of Directors decided to launch the assessment process of OASA Board of Directors, which was implemented following the selection, through a tender procedure, of an external consultant with international experience to assist the Corporation in the assessment process, applying international best practices.

Preparation of the Strategic Plan

An important factor of the mission and success of HCAP is the development of the strategy for better exploitation of the assets of the Greek State that became part of its portfolio. For this purpose and according to its founding law, HCAP is responsible for the preparation and publication of the Strategic Plan, which shall be approved by the Sole Shareholder.

In particular, the Strategic Plan of the Corporation and its direct subsidiaries (excluding the HFSF and the HRADF, in relation to assets which are included in the ADP) shall be prepared by HCAP and shall take into account the Strategic Guidelines of the Sole Shareholder, as represented by the Minister of Finance. The Strategic Guidelines of the Sole Shareholder include inter alia the Government's priorities for public and development policy, for the public interest, which HCAP should take into account in the fulfillment of its objectives.

It is provided that if changes are made to its portfolio, and if it is deemed necessary, new guidelines will be sent by the Sole Shareholder, in order to update the Strategic Plan of HCAP and its subsidiaries accordingly.

Based on the above, the Strategic Plan of the Corporation has been drafted pursuant to Law 4389/2016, as it was in force until the date it was finalized, taking into account the Strategic Guidelines of its Sole Shareholder submitted to HCAP on 01.09.2017. According to article 190 of Law 4389/2016, the General Assembly of the Hellenic Corporation of Assets and Participations approved on 19.01.2018 the Strategic Plan of the Corporation and its direct subsidiaries(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), following a proposal of the Board of Directors,

The Strategic Plan incorporates the overall strategic approach along with the objectives and priorities for better management of the portfolio of the State assets which were transferred to HCAP, as well as the objectives of its exploitation.

The Strategic Plan is a key for HCAP in order to achieve its mission, which is to ensure and maximise the value of the public assets and to contribute to the embedment of macroeconomic and social stability conditions as well as to economic growth. High emphasis is to be given to the principles of good Corporate Governance to ensure the greatest possible transparency and accountability, while defining the reporting framework and procedures for monitoring the performance of subsidiaries and disclosing all relevant information.

The Strategic Plan of HCAP sets also the objectives that the subsidiaries shall incorporate in their business and operational planning and to implement them. Consequently, the Strategic Plan of HCAP shall guide the subsidiaries in order their managements to prepare or update their Business Plans, and in particular of the SOEs. In this respect,

- Regarding **HRADF**, the Strategic Plan provides actions and targets for its reorganization and better communication strategy, leading to better management of the Asset Development Plan implemented by HRADF. It also provides for the update or completion of the Internal Rules of HRADF, targeting enhanced transparency, prevention of conflicts of interest and also optimal collaboration with the public administration, where required.
- Regarding **ETAD,** which, following the issuance of L. 4389/2016, constitutes a direct subsidiary of HCAP, the Strategic Plan provides that ETAD shall be transformed into a new organization, being the largest company managing and exploiting the real estate of the State, while at the same time target the acceleration of its assets registration, their maturation and exploitation and the revenue growth and efficiency of ETAD.

In summary, the strategic pillars for ETAD are the following:

Establishing ETAD as the main institution for Public Properties Management	Acceleration of Consolidation, Maturation and Exploitation of Portfolio	Revenue Growth and Profitability	Contribution to country's Development
▪ Establishing ETAD's institutional role ▪ Forming a "clear" and "exploitable" portfolio that will support a long-term value creation strategy for the State and the Greek economy. Portfolio consolidation ▪ Transferring to ETAD's portfolio new real estate assets that will be transferred from other Ministries. Management and exploitation of them ▪ Concession/ Return of non-Exploitable or Loss-making Real Estate ▪ Actions for the reduction of occupied/ trespassed real estate.	▪ Capturing the true status of the real estate assets of ETAD (legal, technical, commercial, management etc.) based on modern information systems and automated procedures ▪ Updating and enriching of GIS / MIS of Real Estate. Completion of data and further customization/configuration of the real estate database ▪ Faster maturation of all real estate, while simultaneously securing resources that will enable such portfolio's maturation ▪ Evaluating and using the optimal methods and instruments for exploitation, taking into account market conditions as well as existing investment interest ▪ Pilot projects maturation and exploitation of real estate ▪ Accelerating the exploitation procedure for mature real estate	▪ Monitoring and updating of existing lease and concession contracts ▪ New Contracts to ensure steady revenue flows ▪ Exploitation/ utilization of tourism property ▪ Rationalization of operating costs (e.g by lowering the functional and maintenance costs of real estate, supply chain optimization, etc.) ▪ In relation to Business Units - Branches, implementing the restructuring or leasing or long-term concession plans ▪ Business and strategic partnerships ▪ Strengthening e-auctions and appropriate procedures and actions for generating revenue from real estate sales, especially of categories for which there exist market interest (for example small rural areas, small urban property etc)	▪ Exploiting real estate with a growth perspective (especially in sectors such as tourism, logistics, etc.) ▪ Attracting potential buyers and investors to strengthen development at national and regional level ▪ Quantification of multiple benefits ▪ SDIT and ESPA for supporting the development and creation of new jobs at a regional level

The Strategic Plan also analyses the current situation of the SOEs in the portfolio of HCAP, the markets in which they operate, as well as the short-term and medium-term opportunities and challenges they face. It will be periodically updated so that it is always harmonised with the conditions affecting the economy and the sectors in which such public enterprises operate.

At the same time, most of the SOEs included in the portfolio of HCAP operate in key sectors of the national economy (energy, water supply and sewerage, infrastructure, transport, services, etc.) and have a significant impact on private investment and consumer decisions, as well as on critical economic indicators. The Corporation's aim is to become a powerful model of corporate governance for the benefit of the public interest, with the ultimate goal of increasing domestic added value, sustainable employment and corporate culture change.

As such, SOEs shall become the tool for generating exponential value and therefore HCAP should monitor and evaluate the performance of each public undertaking by adopting the appropriate performance monitoring systems with appropriate indicators (KPIs).

In summary, the main strategic pillars for SOEs are:

A. Financial Performance & Value	B. Environment, Society & Governance (ESG)	C. Services / Innovation Quality
Ensuring financial sustainability	Ensuring effective legal and regulatory framework for SOEs	Security of Supply / Accessibility
Long-term value creation	Clear and coherent ownership policy as shareholder	Quality of provided products and services
Optimizing of the capital structure and creating stronger cash flows for dividend distribution to the State	Fair shareholder relationship / Relations with other stakeholders	Improving Consumer's Experience
Contributing to the reduction of state debt and to sustainable economic growth through investments	Transparency and disclosure requirements	Combination of Operational and Information Technology (OT & IT)
Updating of Business Plans	Accountability of the BoDs of the SOEs. Professionalism and Effectiveness	Innovation in the production process for goods and services
Establishing Financial Monitoring / Performance Indicators	Ensure Corporate Responsibility and Social Reward	Synergies for innovation and knowledge sharing
Ensuring access to funding	Environmental Performance/ Energy Efficiency	Environmental innovation
Creation of synergies / strategic alliances		Data gathering and data analytics for better strategic, operational and customer-centric performance
		Cyber-security

The Hellenic Corporation of Assets and Participation drafted the Strategic Plan on the basis of modern management practices, so that with the cooperation, targeting and effort of subsidiaries' management and employees, its portfolio companies will offer benefits in the future in a substantial and effective way.

The Strategic Plan describes the Coordination Mechanism, which sets out the procedures and deliverables (as foreseen) for coordination between the State, HCAP and SOEs, in relation to:

a) the SOE's Mandate, which will define the main activities of each public Enterprise

b) the preparation of the Statement of Commitments for each SOE - in addition to the specific obligations described below – in relation to the operational and financial objectives which must be in line with the Strategic Plan of HCAP. The Statement of Commitments will also include the operational objectives that each Public Enterprise shall adopt to achieve its strategic goals and align with the objective of maximizing long-term value for HCAP.

c) the conclusion of the Performance Contract that will clearly reflect the mission and objectives of any special obligations, identify the financial resources to implement the specific obligations and specify the role and commitments of the contracted parties.

Following the transfer of the other subsidiaries to HCAP on 01.01.2018, the Management of HCAP arranged meetings with the Managements of the subsidiaries, firstly in order to lay the foundations for a constructive and regular communication, and secondly in order to present the Strategic Plan and the main priorities and challenges that shall be addressed by the managements of the subsidiaries. Subsequently, HCAP requested the submission of the business plans from the subsidiaries in which HCAP is the majority or sole shareholder by the end of April 2018, a target which was met. The ultimate goal is to monitor, through regular reporting, improved results, based on qualitative and quantitative criteria and performance indicators. Alongside business planning, the gradual implementation of the Coordination Mechanism's provisions and will also begin in 2018.

Organisational Restructuring of ETAD

As far as the organisational restructuring of ETAD, that is under process, pursuant to art. 192 par.2 of Law 4389/2016, the Board of Directors of HCAP shall approve the organisational restructuring plan of ETAD. Whithin this framework, HCAP has launched in 2018 and monitors in cooperation with the Management of ETAD, the procedures of restructuring ETAD with the support of an external consultant selected through a tender procedure, in line with the following reorganization methodology:

Stage 1: Diagnosis of Current Status –Gap analysis

In the Diagnostic Stage the views of ETAD’s executives are used to form an opinion as to the implications, the factors of success and possible proposals for the implementation of reorganization.
To identify the current situation and the main inefficiencies to be answered, structured interviews with Key People in Key Positions are taking place, as well as Workshops.
Moreover, in order to draft the Gap Analysis, the following are considered:

- Clear description of current weaknesses
- Benchmarking - Best Practices
- Internal Regulation requirements
- HCAP Corporate Governance Framework

Stage 2: Designing a new Organization structure

In this Stage, the proposed organizational structure is designed with the required capacity, the job descriptions for key positions (including required skills and competencies). The Main Principles of the new Organization Model include:

- Clearly define a streamlined approach to the Real Estate market trends and according to ETAD strategy
- Promote a new Culture assigning duties and responsibilities to people avoiding overlapping and gaps
- The model must ensure the operational and financial efficiency, via strict and substantive definition of roles and reporting lines
- Job Descriptions, including academic background, knowledge, capacities, skills and experience per role
- Development of personnel via promotion opportunities within the organizational structure of ETAD

Stage 3: New Processes and Systems

In the Mapping of New Processes & Systems Stage priority is to upgrade and modernise the Information Systems, increase the operational efficiency and start building an internal excellence culture.

Stage 4: Staffing the new Organization

In this Stage, the objective is to ensure that the right people are in the right position, supporting employees in their effort to effectively deliver and meet the Business Plan challenges. This phase is critical as it will set the conditions for the successful implementation of the Reorganization within the whole company.

Adoption of an Unified Monitoring and Reporting Framework for Subsidiaries

Furthermore, HCAP, in compliance with the best practices and the provisions of its Rules of Provisions, presented and set up to its subsidiaries a framework of monitoring and reporting rules to improve their profitability and financial performance.

Monitoring of performance through regular reporting is considered very important, including periodic reports containing financial information as well as non-financial information (for example activity reports, updates and monitoring of the Business Plan, operational information on the evolution of quantitative and quality objectives, reports on Corporate Social Responsibility, etc.).

Regarding Financial Reporting, the subsidiaries should follow the following:

A. Preparation of Financial Reports and Preparation of Financial Statements in accordance with **International Financial Reporting Standards ("IFRS"),** as adopted by the European Union and applicable on the date of financial reporting.

B. **Annual Financial Statements to accompany the annual report which are prepared on the basis of IFRS and are provided for approval by the General Meeting of Shareholders.** The annual financial statements and reports should be completed within a reasonable time after the end of the financial years 2017 and 2018 so as to enable HCAP to publish the consolidated financial statements on time within the deadlines set by the *Societe Anonyme's* legislation and the Rules of Procedure. As from the financial year 2019 onwards, and since the publication of the consolidated financial statements of HCAP will have to be in line with the published dates for listed companies, the financial statements of the subsidiaries, approved by the management and audited by the statutory auditors, will have to be presented at a date which ensures the timely preparation and submission of the consolidated financial statements.

C. **Semi-annual financial statements that will accompany the semi-annual report and which are prepared under the provisions of IFRS for interim financial information and, in particular, prepared in accordance with the International Accounting Standard ("IAS") 34**. Approved by the BoD of each subsidiary and audited by their Auditors, the semi-annual financial statements will be submitted to HCAP on the date that will be communicated to the subsidiaries in order to ensure timely preparation and presentation by HCAP of the consolidated financial statements.

D. **Other periodic financial and non financial reports**, for example:

   - Annual and semi-annual reporting packages for consolidation purposes, which will be prepared on the basis of accounting policies shared with the HCAP and in the form / structure to be communicated to them. In addition, they will contain other information such as activity reports, strategic and investment plan implementation updates, corporate social responsibility issues, etc.
   - Monthly and quarterly progress reports on budget execution.

The Annual and Semi-Annual Financial Statements & Reports will be accompanied by reports of the respective Auditors.

In this context, the Coordination Mechanism is also included, which sets out the procedures and deliverables that the SOEs shall prepare in relation to the objective formulation of relations and services between the State, HCAP and the SOEs.

List of real estate properties in order to be transferred to ETAD under the preconditions of Law 4389/2016

Pursuant to article 196 par.6 of Law 4389/2016, the assets that are owned by the Greek State may be transferred to ETAD by a decision of the Minister of Finance.

On December 15th 2017, the Corporation published on its corporate website an RfP for the selection of advisors, 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), for a list of preselection of the real estate assets that could be transferred to ETAD.

Within the framework of the project, there were 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 as the deliverable of a project of HRADF assigned to 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.

Pursuant to the order No. 0004586 ΕΞ 2018 (Government Gazette B '2320 / 19-06-2018) of the Minister of Finance and according to articles196 (6) and 209 of Law 4389/2016, the real estates included in Decision No. 86 / 18.06.2018 of the Government Council on Economic Affairs are transferred to ETAD SA. Any of the above real estates which may fall under the exceptions of paragraph 4 of article 196 of Law 4389/2016 or, in general, their transfer is contrary to the provisions in force shall be exempt from the transfer. Prior to the completion of the transfer of each real estate falling within the scope of this Decision, by registering it in the competent National Cadastre or land registry, as the case may be, shall be investigated whether there is protected, by virtue of the legislation in force, occupation. In the affirmative case, prior to the transfer to ETAD SA, the examination and final judgment on the pending transfer request to the person occupying the real estate, shall take place, in accordance with the applicable legislation. The above refer to 10,119 properties owned by the Hellenic State, which are identified by the National Land Registry Codes[1].

[1] *Each asset is identified by a unique number known as KAEK (National Land Registry Code), which is the exclusive code of each land plot, the identity of the asset. KAEK is a twelve-digit number that uniquely identifies any land plot in the Greek area.*

The first two digits of the code indicate the prefecture where the land plot is located, the 3rd, 4th and 5th digits identify the municipality or the community, the 6th and 7th digits identify the "cadastral unit", the 8th and the 9th digits the "cadastral zoning" and the last three digits are the serial number of the land plot within the zone.

A.12.3 Actual Results and Activities of the Group's subsidiaries for the year ended 2017

Hellenic Republic Asset Development Fund (HRADF)

HRADF – Most significant events for year 01.01.2017 – 31.12.2017

Regarding HRADF's operation and the composition of its BoD, during its meeting held on 05.05.2017 the board was reconstituted into body, due to the imminent elapsing of the six-month period, during which the CEO of HRADF, Mr. Antonis Leoussis, was also acting temporarily as the Chairman of the Board. Mrs. Evangelia Tsitsogiannopoulou was elected as Chair of the Board.

On 16.05.2017, with decision taken by the extraordinary General Meeting of the sole shareholder of HRADF, the duration of its operation was extended for three years, i.e. to 1 July 2020, and article 3 of its Article of Association was amended accordingly.

On 28.08.2017, with decision taken by HCAP's extraordinary General Assembly, with HCAP being HRADF's sole shareholder, was resolved the amendment and codification of HRADF's Articles of Association according to the provisions of law 4389/2016 (article 210 par.4 law 4389/2016).

On 16.10.2017 the Board of Directors of HRADF was reconstituted into a body, upon the resignation of the CEO Mr. Antonis Leousis. Mr. Riccardo Lambiris was appointed as the new CEO. Finally, on 06.11.2017 on the basis of a Decision of the General Assembly of the sole shareholder of HRADF the new five-member Board of Directors of HRADF constituted into body. Mr Aris Xenofos was appointed as Chairman and Mr Giorgos Marinos was also appointed as new member of the board of directors.

HRADF Asset Development Plan and its recent updates

- In relation to the Asset Development Plan, on 31.01.2017, HRADF's Board of Directors approved the updated Asset Development Plan (ADP) which on 17.05.2017 was approved by the Government Council for Economic Policy. The Asset Development Plan (ADP) is uploaded on the HRADF website.
- Furthermore, on 15.01.2018, the Government Council for Economic Policy approved the updated as of 20.12.2017 Asset Development Plan (ADP) of HRADF.
- On 05.06.2018 was approved the current updated Asset Development Plan (ADP) which is in force and which was approved by the Government Council for Economic Policy on 07.06.2018.

Alimos Marina

With regards to the implementation of the Asset Development Plan and the relevant HRADF activities that took place since the beginning of year 2017 the following are, among others, presented:

- **Regional Airports**

FRAPORT AG-SLENTEL Ltd Consortium was declared as the preferred investor on 25.11.2014 for both groups of regional airports (Cluster A and Cluster B) as part of an international open tender process conducted by HRADF, and its bid was a lump-sum consideration of €1,234 billion and €22.9 mln annual guaranteed payable fee, adjusted annually to inflation, along with a fluctuating variable fee, estimated annually at 28.6% of the airports' EBITDA. The aggregate amount of the aforementioned revenues is expected to exceed €10 billion. Further to the above lump-sum and annual (fixed and variable) consideration, the Greek State expects additional cumulative tax, social and other benefits, amounting to approximately €4.6 billion. The private investor has been granted the right to use, operate, develop and run the airports for a period of 40 years. Ownership of any infrastructure and facilities to be constructed will devolve to the Greek State and will be returned to it upon expiry of the concession.

The concession agreements for the right to exploit both groups of regional airports were signed on 14.12.2015, between the Greek State, HRADF and the FRAPORT AG-SLENTEL Ltd Consortium. The concession agreements provide for the use, operation, development, expanding, maintenance and exploitation of the airports and the commercial and other space that exists in the airports. It is noted that the Greek State maintains the ownership of land, the infrastructure and the buildings.

In June 2017, the Greek Parliament approved the as of 24.03.2017 Amendments to the above contracts.

The Concession Commencement Date was on 11.04.2017 after the fulfilment of all of the Condition Precedents, the lump-sum payment of the consideration and the smooth delivery of the use of the airports.

- **DESFA**

On 16.03.2017, upon implementation of decision no. 51/01.03.2017 issued by the Government Economic Policy Council, the HRADF Board of Directors decided to terminate the previous tender for the sale of 66% of its stake in DESFA. In addition, it decided to launch a new international tender for the sale 31% of its stake in DESFA, owned by HRADF (along with a 35% stake owned by Hellenic Petroleum), with the remaining 34% being transferred to the Greek State.

After the completion of the tender, the financial and business advisors were appointed and in June 2017 an Invitation to submit an Expression of Interest for the acquisition of the 66% of its stake in DESFA was published. On 22.09.2017, HRADF's board of directors selected, in agreement with the Hellenic Petroleum, the investment schemes which were prequalified for the next phase of the tender (submission of binding offers) and in October the selected investment schemes were given access to DESFA's Virtual Data Room.

- **Public Power Corporation (PPC)**

On 16.06.2017, ADMIE's full ownership unbundling was completed and included the sale of 25% of ADMIE to a company whose sole shareholder is the Greek State (DES ADMIE SA), the sale of 24% of ADMIE to State Grid, as well as the listing to the Stock Exchange of the Holding Company (ADMIE Holding SA) which owns 51% of ADMIE, through the distribution of ADMIE's shares to PPC's shareholders.

In this context, on 24.07.2017 the transfer of the Greek State's and HRADF's owned shares in ADMIE Holding were transferred to DES ADMIE. Moreover, the process of selecting the business advisor for the analysis and assessment of the available options for PPC was completed on 21.12.2017.

- **Athens International Airport (AIA)**

On 30.05.2017, the financial proposal for extension of the Athens International Airport (AIA) concession agreement was approved by the Board of Directors of HRADF.
The completion of the transaction is subject to approvals by the competent European authorities (DG GROW and DG COMP), the ratification by the Greek Parliament of the extension and the law to be published in the Government Gazette.

- **Egnatia Odos Motorway**

This concerns the long-term (35 years) concession of the right to operate, maintain and exploite the Egnatia Odos motorway and the Three Vertical Axes of the motorway. On 02.02.2017, the BoD of HRADF unanimously approved the launching of a tender procedure for the assignment of a service concession contract for funding, operating, maintenance and exploitation of Egnatia Odos and the Three Vertical Road Axes. On 16.05.2017, the BoD of HRADF was informed by the technical advisors regarding: a) the Integrated Toll System; b) the Traffic Model (Development and Calculations); and c) the Technical Control Report (findings, suggestions and calculations).

On 20.10.2017 HRADF handed over to the Greek State a study with the proposed pricing policy for the Motorway and the three vertical axes.

On 16.11.2017 the invitation to submit an Expression of Interest was published for granting the right to operate, maintain and utilize Egnatia Odos and its three vertical axes, with a closing date on 16.02.2018.

The process was completed with the participation of 9 investment schemes.

- **Trainose**

On 14.09.2017 the sale and transfer of the 100% stake of TRAINOSE SA to Ferrovie Dello Stato Italiane S.p.A. for a total consideration of €45 mln was completed following the issuance of the relevant decision by the European Commission (folder SA32544[2011/C]) on 16.06.2017, that concluded on the compatibility of the write off of TRAINOSE's debt to OSE up to the amount of €748.6 mln. Pursuant to the Joint Ministerial Decision 45496/2336, published in the Government Gazette (B' 3182/12.09.2017), the total debt amount that was written off was € 692.2 mln.

- **ROSCO**

On 22.07.2016 a notice of invitation to tender for the sale of the 100% of ROSCO share capital was published. On 17.10.2016 two investors submitted non-binding offers. The Board of Directors of HRADF decided, following a request submitted by a pre-selected investor, to extend the deadline for the submission of binding offers for the acquisition of 100% of its share capital until 03.11.2017. Pursuant to a more recent decision dated 27.10.2017, as new date for submission of the binding offers was set the 14.02.2018.

- **Port Authorities**

Following the updated Plan, that was approved by the Board of Directors of HRADF on 31.01.2017 and the Governmental Council of Economic Policy on 17.05.2017, the exploitation of ten (10) port authorities by concession of exploitation rights of specific or /and combined port activities/ services of port authorities, was decided.

On 17.11.2017 the strategic study of the external consultant was submitted with proposals of potential development capabilities of the ports and their attractiveness to investors' community.

- **Thessaloniki Port Authority**

In January 2017, the final plans of the Share Purchase Agreement, the Shareholders Agreement and the revised Concession Agreement were at the disposal of the potential investors with a deadline for binding offers submission on 24.03.2017. Three binding offers were submitted by the following investors: (a) International Container Terminal Services Inc. (ICTSI), (b) The Peninsular and Oriental Steam Navigation Company (with the technical support of the third DP World Limited) and (c) the consortium comprising of Deutsche Invest Equity Partners GmbH, Belterra Investments Ltd and Terminal Link SAS (with the technical support of third parties Malta Freeport Terminal Limited, Termina des Flandres SAS and Somaport SA).

The consortium «Deutsche Invest Equity Partners GmbH, Belterra Investments Ltd και Terminal Link SAS was declared the highest bidder with a relatively improved offer of €231.93 mln. The total agreement value includes, apart from the before mentioned amount, obligatory investments of €180 mln in the next seven years and expected revenues for the Greek State, according to concession agreement, estimated at €170 mln. The above amount also includes the expected dividends that HRADF will receive for the remaining 7.22% and the future investments until 2051. The Peninsular and Oriental Steam Navigation Company (with the technical support of the third DP World Limited) was declared the second Preferred bidder.

On 19.06.2017, the Board of Directors of HRADF unanimously declared the consortium comprising of Deutsche Invest Equity Partners GmbH, Belterra Investments Ltd. and Terminal Link SAS (with the technical support of Malta Freeport Terminal Limited and Terminal des Flandres SAS and Somaport S.A.) as the Preferred Investor and the Peninsular and Oriental Steam Navigation Company (with the technical support of the third DP World Limited) as a second Preferred Investor. On 21.12.2017 the relevant contractual documents (Share Purchase Agreement & Shareholder Agreement) were signed with the consortium.

- **Piraeus Port Authority**

According to the terms and conditions of the Share Purchase Agreement that was signed on 10.08.2016 with Cosco Group (Hong Kong) Limited, obligatory investments of €350 mln were agreed for the next decade. Total investment of €76 mln had been materialized by 31.12.2017.

Moreover, 16% of the shares of the Piraeus Port Authority and its respective value (€88 mln) were deposited in an escrow account until the integration of the obligatory investments. Until today, the shares and their value remain in escrow.

- **Touristic Ports**

Alimos Marina: On 31.03.2017, the Board of Directors of HRADF approved the Memorandum of Understanding between the Fund and the Municipality of Alimos. On 17.11.2017 a Request for Proposal was published for the concession of the rights to use, operate, manage and exploit the Alimos Marina, with initial submission date of 16.01.2018 which was extended for 31.01.2018 and was completed with the submission of proposals by ten (10) investors.

Chios Marina: On 17.11.2017, a Request for Proposal was published for the concession of the rights to use, operate, manage and exploit the Chios Marina, with initial submission date of 18.01.2018, which was extended for 02.02.2018 and was completed with the submission of proposals by three (3) investors.

Pylos Marina: On 12.01.2017, HRADF informed the preselected investors about an indicative timeline of the 2nd phase of the tender for the concession of the rights to use, operate, manage and exploit the Pylos Marina.

The Board of Directors of HRADF has decided a 3rd round of negotiations on the concession plan and on July 2017 the Presidential Degree draft was submitted to the Council of State by the Ministry of Culture.

- **Radio Frequency Spectrum**

On 02.11.2017 the decision of the Hellenic Telecommunications & Post Commission (EETT) was issued, which concluded the awarding of successful tenderers, COSMOTE Mobile Telecommunications SA, VODAFONE-PANAFON PANAFON and WIND Hellas Telecommunications, for the Rights of Use of Radio Frequencies in the 1,800 MHz band until 05.12.2035. Total auctioning amounted to € 201.45 mln.

REAL ESTATE PROPERTY

- **HELLINIKON**

On 26.05.2017, the decision made by the Governmental Council for the Economy was issued and published (FEK B΄ 1862/26.05.2017), by which the draft Memorandum of Understanding and Cooperation between the competent Ministry and the company ELLINIKO SA was approved, while on 09.06.2017, following the close cooperation among the Ministry of Culture and the investors, the articles and terms in relation to the treatment of archaeological and other findings in the area of the Metropolitan Pole of Hellinikon - Agios Kosmas were agreed.

Moreover, the photo interpretation report of the Hellinikon - Agios Kosmas Metropolitan Pole was submitted by the company ELLINIKO SA to the competent Technical Committee for the Examination of Objections in the Prefecture of Attica as a response to the forestry characterization issues dated 11.05.2017.

On 15.06.2017, the Submission of the Integrated Development Plan (IDP) of the Metropolitan Pole of Hellinikon - Agios Kosmas by ELLINIKO SA was effected as per the requirements of law 4062/12. In addition, on 19.07.2017, the Strategic Environmental Impact Study (SEIS) of the IDP was brought to public consultation with all interested parties. Said consultation was completed on 09.08.2017.

On 18.10.2017, the decision of the Piraeus Technical Committee for Examining Forestry Disputes was published in favor of the objections filed jointly by HRADF and ELLINIKO SA. against the act of characterization (published on 16 May 2017) as a forest area of 37,000 square meters within the properties that constitute the Metropolitan Pole of Hellinikon- Agios Kosmas.

On 30.10.2017 and 06.11.2017 the decision of the Greek Culture Ministry (a) on the proposal of Central Archaeological Council (KAS) for the characterization of archaeological sites in the areas that constitute the Metropolitan Pole of Hellinikon-Agios Kosmas, and b) approval with a large majority of the Integrated Development Plan (IDP) and the Strategic Environmental Impact Study of the project "Development of the Metropolitan Pole of Hellinikon - Agios Kosmas ".

Following the submission by the Environmental Licensing Directorate of an updated report on the Strategic Environmental Impact Assessment of the Integrated Development Plan on 20.12.2017, the Central Board of Governors issued an opinion on the draft of the Presidential Decree of the SEA on 21.12.2017, while on 29.12.2017 a draft PD was sent to the Council of State for processing.

- **Castello Bibelli - Corfu**

HRADF announced on 07.06.2017 the initiation of the tender procedures for the exploitation of “Castello Bibelli” with total surface of 77,019 square meters at Kato Korakiana, in Corfu, whilst on 20.07.2017 launched a Request for Proposals for the independent valuation of this property.

The offers for the exploitation of this property were submitted on 26.10.2017 and after their assessment, HRADF’s board of directors announced in March 2018 SAMINO S.A. as the highest bidder with total consideration of €3,655,000 for the transfer of the right to use part of the property with a surface of 16,610 square meters for 99 years (this part contains the preserved building of Castello Bibelli and its supporting buildings) and the right of ownership of part of the property of 60,409 square meters.

- **Kassiopi - Corfu**

On 01.06.2017 the tendering process for the transfer of the ownership of 15 parts of a 75,082 square meters property was announced. In the tendering process the highest bidder was Etaireia Akiniton Neas Kerkiras S.A. (the owner of the right for the surface for 99 years since the previous tender) with consideration of €2,050,000 (the respective contract was signed on 18.04.2018).

- **Modiano market - Thessaloniki**

On 18.07.2017, the transfer of the share in the entity STOA MODIANO S.A. was completed. The total consideration was €1.9 mln. The transfer of the shares is undergoing a seclusion and the consideration will be payable in five (5) equal installments of €380,000. The first installment was paid on the date of the agreement and the remainder will be payable with the issuance of the construction license for the property.

- **<u>E-auctions</u>**

Contracts for the sale of 6 properties were executed through e-auctions:

- 09.02.2017 – in Moschato (consideration of €1,800,000),
- 28.04.2017 – in Mykonos (consideration of €16,901,123),
- 04.05.2017 – in St Mama (consideration of €831,000),
- 03.08.2017 – 4 properties in New Marmaras (consideration of €3,100,700),
- 30.06.2017 – property named XEY9 (consideration of €640,000), and
- 14.12.2017- property named ABK 637 in Kalamata (consideration of €1,050,000).

On 19.06.2017, the highest bidder for the property in Rhodes was announced (consideration of €4,242,000) and on 30.06.2017 the long term leasing agreement of property XEY8 was signed from HRADF with monthly rental € 28,530.34 for 30 years. The tender for the sale of 3 properties in Koutsounari of Lasithi, Crete did not conclude successfully.

On 03.07.2017, the Invitation to submit offers for the hiring of independent evaluator for 10 properties in Attiki, Achaia, Ileia, Arкadia and Magnisia was announced.

HRADF- Milestones after 31.12.2017

In relation to the ADP and the activities after the end of 2017, the following are stated:

- **Egnatia Odos Motorway**

On May 16, 2018, the Board of Directors of HRADF proceeded to the pre-selection of seven investment schemes that meet the criteria for participation in the 2nd Phase of the tender for granting the right to use and exploit the Egnatia Odos Motorway.

- **OTE**

The international tender procedure conducted by HRADF was completed on 15.03.2018 without the submission of offers, therefore, on 16.03.2018 HRADF called on DT to exercise the right of first refusal. On 20 March 2018, DT exercised the right of first refusal at a price of € 11.5904 per share (based on the 20-day VWAP under the shareholders' agreement). The transaction file was submitted to the Court of Auditors for pre-contractual audit on 16.04.2018 On 30.05.2018 the transfer of 5% of OTE from HRADF to Deutsche Telekom AG (DT) was completed through the Athens Stock Exchange. The transaction amounted to € 284.1 mln.

- **Hellenic Petroleum SA**

On 03.04.2018 a memorandum of joint share sale of at least 50.1% of Hellenic Petroleum with Paneuropean Oil and Industrial Holdings S.A. was signed, while on 18.04.2018 a Call for Expression of Interest for at least 50.1% of the Hellenic Petroleum was published.

On 30.05.2018, the Call for Expressions of Interest procedure was concluded for the acquisition of a majority participation stake (jointly selling at least 50.1% from HRADF and Paneuropean Oil and Industrial Holdings S.A.) to the Hellenic Petroleum. In particular, a tender dossier for the expression of interest was submitted by five (5) investment schemes in due time, and after a meeting of the Board of Directors of HRADF on 03.07.2018, two companies, namely Glencore Energy UK LTD and Vitol Holding B.V. were considered for Phase B.

- **DESFA**

On 16 February 2018 the binding offers for the acquisition of 66% of the share capital of DESFA from the investment schemes "Joint Venture of Snam S.p.A., Enagás Internacional S.L.U. and Fluxys S.A. "and" Consortium of Regasificadora del Noroeste S.A., Reganosa Asset Investments S.L.U., S.N.T.G.N. Transgaz S.A. and the European Bank for Reconstruction and Development (EBRD)".

On 29.03.2018, the Board of Directors of HRADF, in cooperation with Hellenic Petroleum SA, unsealed and evaluated the financial offers of the prospective investors and decided to invite them to submit an improved financial offer. Following the submission of improved bids, the Consortium of Snam S.p.A., Enagás Internacional S.L.U. and Fluxys S.A., which submitted the highest improved bid, was requested to submit a further improved bid.

On 19.04.2018, the Board of Directors of HRADF, accepted the improved financial offer of the joint venture of Snam S.p.A., Enagás Internacional S.L.U. and Fluxys S.A., amounting to € 535 mln, and declared it as Preferred Investor for 66% of DESFA. On 20.07.2018 the SPA was signed between HRADF, Hellenic Petroleum SA and the consortium of the above companies "SENFLUGA Energy Infrastructure Holdings S.A.".

- **Port Authority of Thessaloniki**

The transfer of 67% of Port Authority of Thessaloniki to South Europe Gateway Thessaloniki Limited, the company established by the association of the preferred investor "Deutsche Invest Equity Partners GmbH", "Belterra Investments Ltd." and "Terminal Link SAS", was completed on March 23, at a consideration of € 231.92 mln.

- **Tourist Ports**

Alimos marina: On 16.05.2018, the Board of Directors of HRADF preselected eight of the ten investment schemes that meet the criteria for participation in Phase B' of the tender for granting the right to use and exploit the Alimos marina.

Chios Marina: On 08.03.2018, the Board of Directors of HRADF preselected all three investment schemes entering Phase B' of the tender for the granting of the right to use and exploit the marina of Chios.

Pylos Marina: On 16.05.2018, the Board of Directors of HRADF declared the tender for the exploitation of the marina of Pylos unsuccessful, as no investment scheme submitted a binding offer**.**

- **ROSCO**

On 15.06.2018 at the meeting of the Board of Directors of HRADF, the improved financial offer for the acquisition of 100% of the share capital of ROSCO S.A, presented by TRAINOSE SA, was opened. The Board of Directors of HRADF accepted the improved offer of TRAINOSE SA and named it as Preferred Bidder.

- **Mutual Horsebetting License**

The hearing of the arbitral proceedings of a dispute concerning interest of € 2 mln with Horse Racing SA was completed on March 24, 2018 and a decision is expected by the arbitral tribunal.

REAL ESTATE PROPERTY

- **Hellinikon**

On March 1, 2018, the Presidential Decree of the Integrated Development Plan was published.

- **Kassiopi - Corfu**

On 18.04.2018 the contract for the sale of certain parts within the property of Kassiopi was signed for consideration of € 2,050,000.

- **Gournes of Heraklion, Crete**

On 20.04.2018, the updated review of Specialized Development Plans for Public Real Estates and the Strategic Environmental Impact Assessment was submitted to HRADF by the Consultants and on 26.04.2018 the review was submitted to the Central Management Board for the Exploitation of Public Property to provide a positive opinion in order to send the Assessment to the Environmental Licensing Directorate for consultation.

- **Antirrio**

On April 1st, 2018, applications for the correction of the institutional lines of the property were submitted to the General Public Service Department of Seashore and Beach, the Municipal Public Property Office of Messolonghi and the Municipal Port Authority of Nafpaktos, in order to complete the process of transfer to HRADF, while on 19.04.2018 a meeting was held with financial advisors to launch a market sounding process.

- **E-auctions**

Six properties were sold through e-auctions, namely:

- 01.03.2018 - A'Industrial Area Volos (consideration €695,650),
- 01.03.2018 - three plots of land in the Sambariza Ermioni (consideration €4,140,000),
- 01.03.2018 – Patra (consideration €780,000),
- 01.03.2018 – Nafplio (consideration €756,000),
- 01.03.2018 - at 26 Veranzerou Street (Hotel INIOCHOS) selling an optimal share of 66.66% (consideration €2,000,700).

At the same time on 01.03.2018 plot neighbouring to Sanatorio Mana was long-term leased with consideration € 9,000 / year. Also, on 27.02.2018 the agreement for the sale of an ideal share of 66.66% was signed on the property with an ABK 3032 (Pericleous 33 and Ktenas 14 str.) with consideration € 257,000.

Other Important Facts

Asset Development Plan of HRADF

On 05.06.2018 the Board of Directors of HRADF approved the updated Asset Development Plan (ADP), which was approved by Governmental Economic Policy Council on 07.06.2018, and is available online on HRADF's website.

Asset Development Plan Proceeds generated

With regards to the proceeds from the implementation of the Asset Development Plan, the table below presents the respective proceeds up until 31.12.2017.

End of the Year	Annual revenue (€ mln.)	Accumulated revenue from 2011 (€ mln.)
2011	1,165.7	
2012	5.2	1,170.9
2013	1,040.4	2,211.3
2014	464.4	2,675.7
2015	284.9	2,960.6
2016	494.1	3,454.7
2017	1,378.9	4,833.6

Public Properties Company S.A. (ETAD)

ETAD today - Brief History

ETAD is today the largest company that manages and exploits the private real estate of the State and following the issuance of L. 4389/2016 constitutes a wholly-owned (100%) subsidiary of the Hellenic Corporation of Assets and Participations.

ETAD's objective is to develop, for the benefit of the public interest, through all appropriate means, the real estate assets whose ownership has been transferred to ETAD, the real estate properties for which their management has been assigned to ETAD by other public entities (and / or by legal entiities under private law belonging to the public sector) as well by public enterprises whose share capital is owned, directly or indirectly, by the Greek State.

ETAD, being formed from the merger of four big management and exploitation real estate companies – Greek National Tourism Organization, the Olympic Assets, Greek Public Real Estate Company and Coastal Front of Attica consolidates the Greek experience in management of the real estate of Greek State properties and aims to exploit this large portfolio in the context of its new, expanded mission with different methods and tools, taking into account the real estate market conditions in Greece.

In addition, by virtue of l. 4389/2016, the role of ETAD has been significantly upgraded, since from now on it does not constitute only the management arm of the State in relation to the private real estate property of the State, but also undertakes the ownership and possession of the real estate portfolio, aiming at utilizing and creating resources as a subsidiary of HCAP, while it is provided the possibility to undertake the management and utilization of real estate of other institutions as well.

Milestones of ETAD, projects and activities during 2017

Pursuant to Law 4389/2016, the ownership of the real estate properties belonging to the Ministry of Finance, the Greek National Tourism Organization (EOT) and HRADF which previously have been solely managed by ETAD, was thereafter transferred to ETAD, excluding communal / utilities, those with special purpose and environmental and town planning commitments and only a few remained at HRADF. By virtue of the same law, the full ownership, possession and holding of all shares in ETAD were transferred by the Greek State to HCAP.

In this context, in 2017, ETAD implemented the following actions:

a) the management of the real estate portfolio,

b) the provision of advisory services to HRADF, and

c) the development of real estate through co-financed projects

More specifically:

(a) Management of the real estate portfolio

With the aim of proceeding with the prompt utilization of the most mature real estate, those being either legally and urbanely mature or those that require some actions to become mature feasible in short term, ETAD's management during the first half of 2017 proceeded to actions to better capture and record property status and/or property management so as to enhance the codification of the monitoring and the promotion of mature and suitable for exploitation real estate properties for which there is increased investment interest.

For this purpose, ETAD's Management set up a committee and working groups on the following:

- Reviewing and organizing the Registry, maturity hierarchy of priority A and B properties and application of commercial criteria in order to create clusters of properties with common features to be exploited.
- Recording and processing of portfolio issues / problems (e.g. pathogens of the assets transferred by the State, such as the "occupied" real estate).
- Examination of the portfolio and selection of 1,402 properties to estimate fair values.
- Designing actions for the reorganization - clearance, with simultaneous financial control, where necessary, for a total of 2,500 granted real estate properties.
- Routing of a systematic procedure of real estate transfers in the name of ETAD pursuant to article 196 of Law 4389/2016.
- Prioritized procurement procedure, following their maturity, for exploitation in areas of tourist interest, to enhance the country's tourism product, with standards and procedures which contribute to improving investment incentives, avoid arbitrary uses and save time and management resources.

(b) Provision of Advisory Services to HRADF

In 2017, ETAD continued to provide the real estate consultancy services to HRADF implementing the procurement procedures for the sale of real estate through e-auction and the portal www.e-publicrealstate.gr of ETAD. In particular, (a) the e-auction III, V and VI real estate sale procedures were completed; (b) the e-auction VII (Group of 14 assets) were completed; and (c) the phase A' of e-auction VIII (Group of 10 assets) started and was completed.

ETAD revenues in 2017 from the provision of consultancy services to HRADF amounted to € 355,018.52 and related to competitions of e-auction III, V and VI.

The services provided by ETAD to HRADF during the period 01.01.2017 - 31.12.2017 for e-auction VII and VIII will be recorded as revenue for the year 2018. Already in May 2018 an income of € 133,810.49 was invoiced and it is expected that the remaining amount will be invoiced in the near future, with the signing of the sale contracts.

ETAD:Cave of Diros

(c) Development of real estate through co-financed projects

Implementation of approved co-financed projects (ESPA and others) and promotion of a new program of proposed projects for inclusion, based on the absorption of funds and the restoration of mainly tourist properties and units of national importance, adding value at a regional level through the strengthening of tourism and other sectors of the economy.

1. Projects completed in 2017

During the first semester of 2017, it was completed upon the publication of the decision for completion by the competent Special Managing Authority for the Operational Programme "Competitiveness, Entrepreneurship and Innovation", the project that was included in the 2007-2013 Programming Period "Electricity of the Spinalonga Fortress" (Code 296049), with a total public expenditure of €1,072,908.33.

2. Projects implemented in 2017

In 2017, the largest part of the 2nd phase of the project "Modernization of the Parnassos ski resort lifts" (Code 5003658) was implemented as Phasing in December 2016 in the Operational Program "Competitiveness, Entrepreneurship and Innovation 2014 -2020", with total public co-funded expenditure of € 1,690,211.00. The project is expected to be completed in its entirety in the first quarter of 2018.

3. Projects submitted for accession in 2017

In 2017, funding proposals were submitted to the NSRF Special Services 2014-2020 for the following projects:

"Modernization of existing facilities and infrastructure networks of Lake Kaiafa area (Code 5007967) to the Special Managing Authority for the Operational Programme "Competitiveness, Entrepreneurship and Innovation", with a total public expenditure of € 4,999,725.00.

"Restoration and highlight of the caves and the buildings of Diros, Laconia - Phase B" (code 5009727) to the Special Managing Authority for the Operational Programme "Competitiveness, Entrepreneurship and Innovation", with a total public expenditure of € 8,499,933.91.

"Ecotourism Park at Fanari Rodopi. Modernization of basic infrastructure networks and development of new tourist infrastructure "(code 5003196) to the Special Managing Authority for the Operational Programme "Competitiveness, Entrepreneurship and Innovation", with a total public expenditure of €2,359,950.25 .

These proposals are under evaluation by the relevant Special Management Services of the Operational Programmes of the NSRF 2014-2020 and the adoption of accession decisions is expected in 2018.

A.13. Perspectives for 2018

The perspectives of HCAP for 2018 include different milestones for its direct subsidiaries and different milestones for the other subsidiaries. Some of them have already been scheduled or/ and completed, such as for example the preparation of business plans by the Management of the other subsidiaries and their submission to HCAP, the establishment of the Candidates' Committee based on the provisions of article 197 of l. 4389/2016, the required by law harmonization of the articles of association of the other subsidiaries with c.l. 2190/1920, the duly preparation of quarterly reports, etc.

Within 2018, at the level of financial information reporting, HCAP must comply with the deadlines for the drafting and approval of the financial reports on company and group level, including the first semester of 2018, when for the first time all its subsidiaries will be consolidated, with parallel monitoring of the application of IFRS to all of its subsidiaries.

For the **direct subsidiaries**, HRADF and ETAD, among the basic priorities and perspectives for 2018 are:

The strengthening of cooperation and monitoring of the performance of these 2 direct subsidiaries, via regular monitoring of their target setting.

More specifically

- For HRADF, the efficiency of its operation will be monitored with regards to the progress made in relation to the Asset Development Plan both in terms of the agreed timelines, as well as in terms of the achievement of revenues that have been set as target for 2018 (€2 bln as revenues). Also, the organizational structure of HRADF must be reinforced, together with the efficient operation of the Contract Monitoring Department.
- For ETAD, the priorities include firstly the completion of the organizational restructuring which includes four phases a) presentation of the current situation, b) design of the new organizational structure, c) creation of new procedures and systems and d) staffing of the new structure, as well as the achievement of specific quantitative targets of financial performance (such as increase of revenue 5%, increased profitability on EBITDA level 8%, etc). Also, specific targets have been set in relation to the valuation of a larger number of properties from those already included in its portfolio, the grouping of mature assets for exploitation, etc.
- For HRADF and ETAD is also a priority the implementation of rules and best practices of corporate governance for the Boards of Directors operation, as well as the operation of an Internal Audit unit and Compliance function.

In relation to the **other subsidiaries**, within 2018, the Board of Directors of HCAP must complete the assessment procedure of the Board of Directors of OASA and ELTA in accordance with the required procedures for assessment and by applying best practices. If from the assessment process, there is a need to reinforce the composition of the Boards of Directors with professionals with complementary experience and knowledge in relation to the operation of each subsidiary and in relation with the critical issues that they are called to face, then the procedure for the search of suitable candidates shall be initiated by the Candidates' Committee, within the framework of its competency, in accordance with article 197 par. 4 of l. 4389/2016. Within 2018, a more board assessments of Other Subsidiaries shall follow, as well as additions of BoD members.

Moreover, for the Other Subsidiaries which have submitted to HCAP their business plans, such plans will constitute the basis for the setting of targets to their Management, including the setting of the appropriate qualitative and quantitative indexes for the mid-term, depending on the sector and the challenges faced each time.

The setting of KPIs mentioned above will proceed during the second half of 2018 with the beginning of the procedures for the implementation of the Coordination Mechanism and the preparation of the main deliverables described in it, regarding each one of the subsidiaries. It will be a complex exercise, which includes the coordination of actions between HCAP, Public Undertakings in HCAP portfolio and the State (via the special Committee that will be established for that purpose) with a view to the mission, the targets and the monitoring of the performance of the Public Undertakings not only for operational, but also for regulatory purposes, and the assignement of special obligations and Services of General Economic Interest to the Public Undertakings from the State, and the related compensation mechanisms to be agreed in relation to the provison of such services.

Based on the above, the Strategic Plan of HCAP will be updated until the end of 2018- beginning of 2019.
Moreover, pusrunat to the provisions of the Rules of Procedure, HCAP shall proceed with the implementation of the processes provided in the Investment Policy, issued with the General Assembly decision dated 19.06.2018.

A.14. Risks and uncertainties

FINANCIAL RISKS

Cash and cash equivalents comprise the main financial instruments utilized by the Company and its subsidiaries to finance their operations. The Group subsidiaries also held other types of financial instruments, such as trade receivables and trade payables, which are a direct result of their business operations. The subsidiaries' policy during the year 2017 was to not engage into trading of financial instruments.

The Group based on its current corporate structure is exposed to a limited spectrum of financial risks. The usual risks to which the Company is exposed include the market risk (foreign currency risk, interest rate risk, market price risk), the credit risk and the liquidity risk.

Risk management was mainly focused in identifying and assessing financial risks as well as into maintaining adequate liquidity.

A) Market Risk

i) Foreign currency risk arises from transactions and balances in a foreign currency. The Group's functional currency is Euro. The Group and the Company due to the nature of their activities have minimal operations outside Greece with the vast majority of their transactions been in Euro, and consequently are not significantly exposed to foreign currency risk.

In particular, foreign currency risk arises occasionally, especially in cases of advisory fees, as well as project costs executed in foreign currencies The Group periodically examines and assesses, separately and collectively, its exposure to foreign currency risk and, if required, utilizes the necessary financial instruments to manage it.

ii) Price risk is the result of the fluctuations of the Consumer Price Index. The Group is not exposed significantly to risk from the fluctuations of the Consumer Price Index, apart from:

- the exposure of its subsidiaries to the risk of fluctuations in the fair value of real estate properties, and
- the limited exposure of its subsidiaries, as part of their revenue is stemming from leasing agreements, that could include terms for annual price adjustments based on Consumer Price Index.

iii) Cash flow and fair value risk due to fluctuations in interest rate is the risk related to the variations of a financial instrument's fair value as a result from interest rate fluctuations, as well as the risk of having the Group's and/or the Company's cash flows/ income and outflows/expenses affected by changes in interest rates.

Based on the Group's current structure, there is limited exposure in such risks as:

- The Company and its subsidiaries maintain interest bearing assets in their statement of financial position such as short term investments in fixed term deposits as well as sight deposits which in their majority have variable interest rates or short term maturity dates, and as a result the risk of fluctuations in their fair value is limited. Moreover, any interest rates fluctuation may affect the value of interest income, however, a potential fluctuation is not expected to affect significantly the Company's and Group's financial results.

- Although the Group has payables related to loans of the absorbed by ETAD company named KED, there are respective receivables from the Greek State which is the guarantor for those loans and proceeds with their repayment since 2011. As such, the Group's exposure to such risk is limited.

(B) Credit Risk

Credit risk stems from a possibly delayed repayment of the existing and contingent liabilities of the Group's counterparties, comprising mostly out of trade and other receivables, but also from cash and cash equivalents.

Trade receivables arise from a large customer base. A large part of the trade receivables is secured against credit risk with letters of guarantee provided by financial institutions.

Potential credit risk exists also in cash and cash equivalents. In such cases, the risk may arise from the inability of the counterparty to meet its obligations to the Group and the Company. In order to manage this credit risk, the Company's cash and a significant part of the Group's cash are deposited in the Bank of Greece, while the Group's subsidiaries cooperate with financial institutions with a high investment credit rating and continually assess and set limits to their exposure in each individual financial institution.

Moreover, large proportion of the receivables relates either to receivables from the Greek State or to receivables that are mirrored with specific liabilities to the Greek State. Management estimates that the appropriate provisions are recognized for losses related to the impairment of receivables as a result of specific credit risk.

(C) Liquidity Risk

Liquidity risk relates to the risk that the Company and the Group may not have sufficient liquidity/ funds available to enable them to execute their financial obligations and to finance their activities. The effective management of liquidity risk includes among others the maintenance of adequate cash, the proper working capital and cash flow management and the ability to receive financing if required. The Company and the Group consider that under the current existing structure and available resources, they have limited exposure to the aforementioned risk, based on the maintenance of sufficient liquidity levels (cash and cash equivalents) and the appropriate working capital and cash flow management.

OPERATIONAL RISKS

(A) Implementation of regulatory requirements

Risk related to the implementation of the Company's regulatory obligations relates to the uncertainty that the Company may not meet the regulatory requirements as they have been described in the relevant legislation or its future amendments. The effective management of this specific risk includes the adequate coordination between the Company and its sole shareholder, as well as, goal setting and efficient monitoring of its strategic guidelines. The Company designs policies and procedures and has oversight mechanisms in order to address this specific risk.

(B) Attraction and maintenance of qualified human resources

The risk of attraction and maintenance of qualified human resources concerns the failure to attract and recruit qualified personnel for the Company and the BoDs of the direct subsidiaries, in order to achieve their objectives in the best possible way. Effective risk management includes a remuneration and indemnity policy that encourages high performance and provides incentives to achieve goals, financial rewards for the employees and continuous search for qualified executives in specific segments of the market.

STRATEGIC RISKS

A) Communication Risk

Communication risk relates to the uncertainty of the Company regarding maintaining constructive communication with its stakeholders and being compliant with the respective regulatory disclosure obligations. The effective management of this specific risk includes the establishment of internal structures for the timely, clear and transparent flow of information towards the interested parties along with the protection of confidential information.

B) Public Image

The risk of public image relates to the uncertainty of its proper and timely follow-up, resulting to public opinion perceiving the Company as responsible for negative events in the industry in which it operates. The effective management of this specific risk includes the allocation of sufficient human and financial resources, methodical monitoring of Company’s image trends, and ongoing collaboration with stakeholders and instruments.

(C) Communication with human resources of the Company and its subsidiaries

The risk of communicating with human resources relates to the inappropriate and non-constructive understanding and response to the communication needs of the human resources of the Company and its subsidiaries, resulting in inefficient communication and the transmission of the wrong messages. The effective management of this specific risk includes the communication of the objectives to the employees and the executives of the Company and its subsidiaries and the creation of effective information mechanism and communication channels at all levels.

(D) Performance of the Board of Directors

The risk of performance of the Board of Directors of the Company relates to the lack of the necessary capabilities among its members, the inability to respond to its duties and the limitation of its responsibilities and independence. Effective management includes specific and objective selection procedures for members, membership of corporate governance issues, regular meetings and timely decision-making. Also, collectively evaluation of members and the Board of Directors as corporate body, through specific procedures and supervision, in accordance with L. 4389/2016.

(E) Management Direction

The risk relates to the management's inability to create an environment that encourages ethical values and the achievement of the strategic goals of the Company. Effective management includes specific actions for the promotion of corporate culture that encourages ethical behavior, the establishment of internal rules and codes of conduct, reward ethical behavior, timely and effective treatment of violations of policies and procedures, and the creation of incentives and goals that are consistent with strategic goals and are feasible in the context of an ethical behavior.

A.15. Transactions with related parties

Transactions with Related Parties

The related parties in accordance with the provisions of IAS 24 are summarized as follows:

Related Party	Party relationship	Consolidation method	Participation percentage
ETAD	Subsidiary	Full consolidation	100%
HRADF	Subsidiary	Full consolidation	100%
HFSF	Subsidiary	Not consolidated	100%
GREEK STATE	Shareholder	-	-
MARINA ZEAS S.A.	Associate	Equity method	25%
LAMDA FLISVOS MARINA S.A.	Associate	Equity method	22.77%
ELLINIKO KAZINO PARNITHAS	Associate	Equity method	49%

i) Related party balances:

		GROUP		COMPANY	
	Note	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Trade and other receivables:					
- CAZINO OF PARNITHA S.A.		56,940	56,940	-	-
- LAMDA FLISVOS MARINA S.A.		88,649	-	-	-
- MARINA ZEAS S.A.		23,397	-	-	-
Total of trade and other receivables	13	**168,986**	**56,940**	**-**	**-**
Suppliers and other liabilities:					
- CAZINO OF PARNITHA S.A.		2,635	2,635	-	-
- LAMDA FLISVOS MARINA S.A.		-	205,655	-	-
- MARINA ZEAS S.A.		-	376,044	-	-
- Public Properties Company S.A. («ETAD»)		-	-	20,831	-
Total of liabilities	22	**2,635**	**584,334**	**20,831**	**-**

ii) Related party transactions:

	GROUP		COMPANY	
	1.1.2017 - 31.12.2017	25.10.2016 - 31.12.2016	1.1.2017 - 31.12.2017	25.10.2016 - 31.12.2016
Rental Income:				
- LAMDA Flisvos Marina A.E.	3,297,526	1,100,000	-	-
- MARINA ZEAS S.A	1,193,833	198,972	-	-
Total of Rental income	**4,491,359**	**1,298,972**	**-**	**-**
Dividends income:				
- CAZINO OF PARNITHA S.A.	4,712,478	170,943	-	-
- MARINA ZEAS S.A	100,000	8,027	-	-
Total of dividends income	**4,812,478**	**178,970**	**-**	**-**

Purchase of tangible and intangible assets:				
- Public Properties Company S.A.	-	-	65,044	-
Total of purchase of assets	**-**	**-**	**65,044**	**-**
Operating expenses:				
- Public Properties Company S.A.	-	-	79,826	-
Total of operating expenses	**-**	**-**	**79,826**	**-**

The compensation to the Directors and Key management personnel for the Group and Company, is analyzed as follows:

Board of Directors and Key Management

The fees (gross amount) and other benefits/ compensations to the Board of Directors and Key Management personnel of the Group and the Company are as follows:

- Group: for the year 2017 was € 2,740,834 whereas for the period 25.10.2016-31.12.2016 was € 83,199
- Company: for the year 2017 was € 1,180,239 whereas for the period 25.10.201-31.12.2016 paid no fees to Board of Directors and key management personnel, since the BOD was constituted as a body in 2017 and the Company had no staff.

Supervisory Board

The fees (gross amount) of all members of the Supervisory Board for the year 01.01.2017-31.12.2017 amounted to € 293,200 against € 101,400 for the period 25.10.2016-31.12.2016.

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A.16. Corporate Governance Declaration

The present Corporate Governance Report is a special part of the Annual Report of the Board of Directors in accordance with the Corporation's Rules of Procedure and the provision of article 43bb of Codified Law 2190/1920.

Corporate Governance Code of the Corporation

The Corporation has adopted its own Corporate Governance Code, introduced with the General Assembly Decision of its sole shareholder on May 19th 2017, in accordance with the provisions of article 189 of Law 4389/2016 ("the **Corporate Governance Code**").

By "corporate governance" it is meant the way companies are managed and controlled. OECD Principles of Corporate Governance[2] are the international benchmark on corporate governance and an important source of inspiration for the Hellenic Corporate Governance Code for Listed Companies[3] based on which the HCAP Rules of Procedure were prepared. According to the OECD Principles, corporate governance relates to the set of relationships between a company's management, its board, its shareholders and other stakeholders. Corporate Governance provides the structure by which the objectives of the company can be discussed and set, the key risks are identified, the means of attaining the corporate objectives are determined, their risk management is organized and management's performance in respect thereof can be monitored. The OECD Principles also stress the role of good corporate governance as a key driver of business competitiveness both in terms of internal organisational effectiveness and in terms of lower cost of capital. Finally, it is generally accepted that a more transparent and accountable corporate sector enhances transparency and accountability of private and public organisations and institutions.

Particularly, companies that among other purposes, are serving the public interest, should comply with high standards of corporate governance and transparency rules. HCAP's corporate governance and disclosure requirements have to be at least at equivalent level of that provided by listed companies.

The purpose of the Corporate Governance Code is to promote good governance with the aim that this will support the long-term success and competitiveness of the Corporation. Its implementation should not be viewed only as a mere compliance exercise by the Corporation, but also as a process that adds value to the business overall.

A key objective of the Code is to educate and guide all boards of the Corporation and of its direct subsidiaries on governance best practices. As such, the code aims to improve information flows within the organization and the Group, to improve information of the sole shareholder as well as participation of key stakeholders including the general public and potential investors.

Deviations from the Corporate Governance Code

The Corporate Governance Code provides that the Board of Directors should be governed by a clear and sufficiently detailed operating regulation of the Board of Directors, which has not been adopted until the drafting of this Corporate Governance Report. The operation of the Board of Directors is in any case governed by the provisions of Laws 4389/2016 and c.l. 2190/1920 as well as the Corporation's Articles of Association and the Rules of Procedure.

Corporate Bodies

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

[2] *OECD (2004), Principles of Corporate Governance.*

[3] *HCGC (2013), Hellenic Corporate Governance Code for Listed Companies*

General Assembly

The supreme body of the Corporation is the General Assembly of the sole shareholder, the Greek State, as lawfully represented by the Minister of Finance. Its sole shareholder covers the total of the Corporation's share capital, which amounts to EUR 40,000,000 and is divided into 40,000 common registered shares with a nominal value of EUR 1,000 each, which are non-transferable and *res extra commercium*, within the meaning of Article 966 of the Civil Code, as defined in article 187 law 4389/2016.

The General Assembly of the sole shareholder is entitled to decide on issues falling within its exclusive competence, in accordance with the applicable legislation. Exceptions apply in the case of election and revocation of the members of the Corporation's Board of Directors, determination of the Board of Directors members' remuneration and amendment of the Statutes. These issues which shall be decided according to the provisions of Law 4389/2016 and particularly by the General Assembly:

(a) Shall approve the strategic plan of the Corporation and its direct subsidiaries on a proposal of the Board of Directors, excluding: (aa) the Hellenic Republic Asset Development Fund (TAIPED) in relation to assets which are to be privatised on the date of entry into force of this Law and (bb) the HFSF. The strategic plan shall include any development or privatisation targets of the Corporation on the basis of general strategic guidelines given by the Minister of Finance (the 'Strategic Plan'). The issues included in the Strategic Plan shall be set out in the Rules of Procedure.

(b) Shall approve the amendments of the Statutes of the Corporation on a proposal of the Board of Directors which shall be approved by the Supervisory Board.

(c) Shall approve the establishment of new direct subsidiaries on a proposal of the Board of Directors which shall be approved by the Supervisory Board.

(d) Shall select the auditors of the Corporation on the basis of a list of candidates which shall be submitted by the Supervisory Board to the General Assembly in accordance with Article 191 in conjunction with Article 193.

(e) Shall approve the increase in share capital of the Corporation on a proposal of the Board of Directors which shall be approved by the Supervisory Board.

(f) Shall approve the Rules of Procedure of the Corporation

(g) Shall approve amendments to the Rules of Procedure on a proposal of the Board of Directors which shall be approved by the Supervisory Board.

(h) Shall relieve the Board of Directors of the Corporation of all responsibility in accordance with Article 35 of Codified Law No 2190/1920, taking into account the appraisal of the Board of Directors by the Supervisory Board. Any decision not to relieve the Board of Directors of the Corporation must be justified.

Supervisory Board

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 this Law, the Statutes and the Rules of procedure, in the interest of the Corporation and in the public interest.

Regarding the **powers** of the Supervisory Board, pursuant to article 191 of Law 4389/2016, the Supervisory Board:

(a) Shall select and appoint the members of the Board of Directors of the Corporation in accordance with the conditions referred to in Article 192 Law 4389/2016.

(b) Shall revoke the appointment of the members of the Board of Directors of the Corporation.

(c) Shall determine the remuneration of the members of the Board of Directors of the Corporation and approve work or other contracts according to which they provide services to the company, in accordance with Article 194 Law 4389/2016.

(d) Shall approve the decision of the Board of Directors of the Corporation to revoke, before the end of their term of office, the appointment of members of the Boards of Directors of the direct subsidiaries of the Corporation, with the exception of the members of the Executive Committee and the General Council of the HFSF.

(e) Shall approve the proposal of the Board of Directors to the General Assembly of the sole shareholder for any amendments to the Rules of procedure of the Corporation and its direct subsidiaries, excluding the HFSF.

(f) Shall approve the proposal of the Board of Directors to the General Assembly of the sole shareholder for any amendments to the Statutes of the Corporation.

(g) Shall approve the proposal of the Board of Directors to the General Assembly of the sole shareholder for the establishment of new direct subsidiaries.

(h) Shall approve the proposal of the Board of Directors to the General Assembly of the sole shareholder for any increase in the share capital of the Corporation.

(i) Shall assess the activities of the Board of Directors and draw up and submit to the General Assembly of the sole shareholder an annual report on the activities of the Board of Directors which shall also be published on the website of the Corporation.

(j) Shall supervise compliance with the rules of corporate governance of the Corporation in accordance with Law 4389/2016 and the Rules of procedure.

(k) Shall submit to the General Assembly a list of the candidate auditors in accordance with Article 193 of Law 4389/2016.

(l) Shall approve the retransfer to the Greek State of assets which were transferred to the Corporation or to its direct subsidiaries, without consideration and with a contract drawn up for this purpose, under Law 4389/2016.

(m) Shall approve of any action carried out by any member of the Board of Directors referred to in Article 192(6) of Law 4389/2016.

(n) Shall approve the proposal of the Board of Directors for the removal of the Compliance Officer from office.

it is noted that, pursuant to Corporate Governance Code, the Supervisory Board does not have the role of a two tier structure, but functions as a sui generis body with responsibilities as defined by Law 4389/2016 and the Corporation's Statutes.

Regarding the **operation** of the Supervisory Board, pursuant to Law 4389/2016, the Supervisory Board shall be quorate if at least four (4) members are present. Each member of the Supervisory Board shall have one (1) vote. Decisions shall be taken by the Supervisory Board if at least four (4) members vote in favor.

Furthermore, the Rules of Procedure has a special part regarding the Internal Rules of the Supervisory Board, that regulate in particular the following issues:

- Establishment and incorporation of the Supervisory Board
- Election of President
- Role and responsibilities of the President
- Corporate Secretary, Administrative Support and Expenses
- Meetings (meetings and decision-making)
- Quorum

- Agenda
- Working language
- Confidentiality
- Minutes
- Performing supervisory duties

The Supervisory Board consists of **five (5) members** appointed by the General Assembly of the sole shareholder, in accordance with the following:

(a) three (3) members selected by the sole shareholder, with the agreement of the European Commission and the European Stability Mechanism which act jointly;

(b) two (2) members, one of which is the President of the Supervisory Board, shall be selected by the European Commission and the European Stability Mechanism, acting jointly, with the agreement of the Minister of Finance.

The term of office of the members of the Supervisory Board shall last five (5) years.

The **first Supervisory Board** was appointed by order No M.A.D.K.A. 0015977 EΞ 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 first Supervisory Board consists of the following five members with a five (5) year term of office:

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

The **brief CVs** of HCAP’s Supervisory Board members and the Secretary of the supervisory board are presented below:

JACQUES LE PAPE

Born in 1966, Jacques Le Pape graduated in Physics from the Ecole Normale Supérieure (Paris) in 1990. He is also a member of the French Institute of Actuaries and holds a post-graduate diploma from the Paris school of economics.

Jacques Le Pape is since July 2018 The Global Fund’s CFO. He previously was general inspector in the French Finance Ministry Inspection Office. From 2013 to 2016, Jacques Le Pape was Executive Vice-President Corporate Secretary at Air France-KLM. He was a member of the Group Executive Committee and was in charge of Corporate Strategy, Legal and Fleet investments. He was also the AFKLM board's Secretary.

From 2007 to 2011, he has been the deputy chief of staff for Christine Lagarde at the French Ministry for Finance. He then joined the Finance Ministry Inspection Office. Between 2003 and 2007, he held the successive positions of advisor to the Minister of Justice and the Minister of Transport and subsequently to the Minister of Finance. From 2000 to 2002, he was Director of the Office of Multilateral Development Institutions at the Treasury Department in Paris. He was previously Deputy General Rapporteur at the French Competition Council after he held different positions at the Treasury Department and at the Insurance Supervisory Commission.

Jacques Le Pape was appointed to the Supervisory Board upon the proposal of the European Commission and the European Stability Mechanism. He was appointed as Chairman of the Supervisory Board on October 10th 2016. His current term of office expires on 25th of October 2021.

Board member at the Institute for Advance Studies – Paris

Board member at the French Committee of the international Chamber of Commerce

GEORGIOS - SPYROS TAVLAS

Georgios Tavlas is a member of the Monetary Policy Council of the Bank of Greece and the Alternate to the Bank of Greece’s Governor on the Governing Council of the European Central Bank. He is also a member of the Bank of Greece’s General Council. He holds the position of Visiting Professor at Leicester University in the United Kingdom and is a Visiting Fellow at the Hoover Institution at Stanford University. Before joining the Bank of Greece, he was a Division Chief at the International Monetary Fund. He also worked at the U.S. Department of State, the World Bank, and the Organization of Economic Corporation and Development. He received a B.S. from Babson College, and an M.S. and a PhD in economics from New York University.

Georgios Tavlas has been a visiting scholar at the Brookings Institution, the Reserve Bank of South Africa, the Lebow School of Business at Drexel University, the Becker Friedman Institute at the University of Chicago, and Duke University’s Center for the History of Political Economy. He is the Editor-in-Chief of Open Economies Review.

Georgios Tavlas was appointed to the Supervisory Board upon the proposal of the sole Shareholder. He was appointed as member of the Supervisory Board on October 10th 2016. His current term of office expires on 25th of October 2021.

OLGA CHARITOU

Olga Charitou is a graduate from the University of Patras holding a degree in Mathematics and a MSc in Computing Mathematics and Statistics from the University of Wales in Great Britain.

From 1981 to 2009, she worked for Alpha Bank in the Information Technology Division. Initially as an Analyst to be promoted gradually to Deputy Director. In 2001, she was appointed Director of the Information Technology Division, a position she held for 8 years. During her long tenure at the Bank she was involved and mostly responsible for the Implementation and Management of Euro Transformation as well as for platforms, applications and processes in Treasury, Risk Management, AML, Compliance, Asset Management, Wholesale Banking, MIS, Private and Wealth Accounting and other Divisions. During the latter part, she was also involved in the Strategic and Operational planning of the Alpha Bank Group.

From 2010, she is the owner and manager of OMIKRON Consulting. It offers its services and provides guidance on Strategic Planning as well as for platforms, applications and processes to corporations operating in the Banking and Insurance sectors as well as to several Funds, Hedge Funds, Asset and Wealth Management Funds and Alternative Investment companies operating mainly in the Private sector of the Market. OMIKRON's activities have extended beyond Greece to other EU countries, Africa and the Middle East.

Olga Charitou was appointed to the Supervisory Board upon the proposal of the sole Shareholder. He was appointed as member of the Supervisory Board on October 10th 2016. Her current term of office expires on 25th of October 2021.

DAVID VEGARA FIGUERAS

David Vegara Figueras (Barcelona, Spain, 1966) is Associate Professor (Lecturer) at ESADE Business School (banking, finance, and macroeconomics) and Member of the Board at Banco Sabadell, where he chairs the Board Risk Committee. He is also Vice-president of Equilibria Investments, S.I.L. and member of the Board of the Pasqual Maragall Foundation against Alzheimer.

He previously worked at the European Stability Mechanism (ESM) as Deputy Managing Director with responsibility for banking (2012-2015) and was also Deputy Director of the Western Hemisphere Department at the International Monetary Fund. Prior to joining the IMF, he served as State Secretary for Economic Affairs at the Spanish Ministry of Economy and Finance (2004-2009) and as Chairman of the European Union's Financial Services Committee (2005- 2009). Before that, David Vegara worked in the private sector as Chairman of the Spanish brokerage & consultancy firm InterMoney, S.A.

David Vegara has taught at Pompeu Fabra University (Barcelona) and Universidad Complutense in Madrid, and holds a MSc. in Economics from the London School of Economics and an Economics degree from the Universitat Autònoma de Barcelona.

David Vegara Figueras was appointed to the Supervisory Board upon the proposal of European Commission and the European Stability Mechanism. He was appointed as a member of the Supervisory Board on October 10th 2016. His current term of office expires on 25th of October 2021.

GEORGIOS STAMPOULIS

Georgios Stampoulis (Athens, Greece, 1966) is Assistant Professor at the Department of Economics of the University of Thessaly. Holds B.Eng. in Production and Management Engineering (Technical University of Crete), M.Sc. in Management of Technology (University of Sussex) and D.Phil. in Science and Technology Policy (University of Sussex).

During his career, he has consulted government, local and regional authorities on issues of innovation and entrepreneurship policy. He has participated in studies concerning the design, viability and development impact of infrastructures. He is responsible for the Innovation and Entrepreneurship Education Programmes of the Innovation and Entrepreneurship Unit of the University of Thessaly. In 2016, he served at the Board of Directors of Hellenic Petroleum (ELPE).

Alternate member of the Board of Directors of the University of Thessaly - Property Management and Development Company.

Georgios Stampoulis was appointed to the Supervisory Board upon the proposal of the sole Shareholder. He was appointed as member of the Supervisory Board on October 10th 2016. His current term of office expires on 25th of October 2021.

GEORGE STUBOS

George Stubos holds a Ph. D in Political Economy from the University of Toronto, Canada. He taught at York University (Canada) between 1986 and 1998. From 1998 to 2016 he worked as Economic Advisor at the Bank of Greece. During the same period, he taught a graduate course at the University of Athens, within the Studies in Southeastern Europe programme.

The following table presents the external professional commitments of the members of the Supervisory Board for the period (01.01.2017- 31.12.2017):

Member of the Supervisory Board	Profession	Participation as an executive or non-executive member in other companies or non-profit organizations
Jacques, Henri, Pierre, Catherine Le Pape	CFO of The Global Fund	Board member at the Institute for Advance Studies – Paris Board member at the French Committee of the international Chamber of Commerce
George Stampoulis	Assistant Professor at the Department of Economics, University of Thessaly	Alternate Member of the BoD of the Property Management Corporation of the University of Thessaly. Elective Regional Counselor in the Regional Council of Thessaly
Georgios Spyros Tavlas	Member, Monetary Policy Council, Bank of Greece	Member of the Bank of Greece's General Council Alternate to the Bank of Greece's Governor on the Governing Council of the ECB Visiting Professor, Leicester Unversity Distinguished Visiting Scholar Hoover Institution, Stanford University
Olga Charitou	Information Technology and Solution Consulting Services via Omikron Consulting, Owner & Manager	
David Vegara Figueras	Lecturer at ESADE Business School	BoD member at Banco Sabadell & Pasqual Maragall Foundation

During the period 01.01.2017 - 31.12.2017, the Supervisory Board has held thirty four (34) meetings. Mr Vegara attended 33 of the 34 meetings, Mrs Charitou attended 32 meetings and the other members attended all the meetings.

Performance Review of the Supervisory Board

According to the Corporate Governance Code, the evaluation of the effectiveness of the Supervisory Board should take place at least every two (2) years in line with a clearly established procedure. This procedure should be led by the Chairman and its results are discussed by the Supervisory Board, and in the follow-up to the evaluation, the Chairman should take steps to address the identified weaknesses. The Supervisory Board should also assess the performance of its Chairman, a process led by another member of the Supervisory Board.

Board of Directors

The Board of Directors is responsible for the management of the Corporation and the achievement of the objects laid down in its Articles of Association. The Board of Directors decides on all issues relating to the management of the Corporation, apart from those questions which under the terms of this Law fall within the functions of the Supervisory Board or of the General Meeting.

The Board of Directors shall have the functions referred to in Article 22 of Consolidated Law 2190/1920 with the addition of the following **functions**, which are indicative only:

a. To enter into contractual obligations on behalf of the Corporation, including the award of contracts for the provision of goods and services.

b. To appoint and remove from office the Internal Audit Manager and the Finance Manager in accordance with the procedure laid down in the Internal Rules, to appoint the Compliance Officer and, with prior approval of the Supervisiory Board, to remove from office the Compliance Officer.

c. To approve the general terms and conditions of employment of the staff of the Corporation, including policy on salaries, in accordance with the Internal Rules. Policy on salaries must be competitive so as to attract persons with experience and equivalent qualifications and to encourage them to stay with the Corporation.

d. On an annual basis, upon a proposal from the Managing Director, to approve the Corporation's business plan, which must always be based on the general strategic guidelines set out in the Corporation's strategic plan.

e. To decide on the exercise of the voting rights of the Corporation, according to the provisions of C.L. 2190/1920, including in relation to the appointment, revocation of the managers of the direct and the other subsidiaries, excluding the HFSF, via their general meetings. The Board of Directors of the Corporation shall inform in writing the Supervisory Board: i) on the selection criteria of the prospective members of the Board of Directors of the direct and the other subsidiaries, on the progress of the appointment process, the list of prospective members and the final selection of members for the direct and the other subsidiaries, ii) on the revocation, before the end of their term of office, of the members of the Board of Directors of the direct and other subsidiaries.

f. To approve: (aa) any divestment of assets by a direct subsidiary of the Corporation (with the exception of the HFSF) to any subsidiary; (bb) any transfer of assets from a direct subsidiary (with the exception of the HFSF) to the Greek State, upon a proposal from the board of directors of the direct subsidiary in question and provided it has the assent of the Supervisory Board. Such a transfer shall require the prior approval of the Minister of Finance. In the exercise of this function the Board of Directors shall specify the need for the divestment or transfer, and the terms on which it is to take place, including the rights, obligations and employment relationships that are to be transferred.

g. To approve investments, upon a proposal from the Investments Committee and on the basis of the Internal Rules, in accordance with Article 200 of this Law.

h. To approve the restructuring plan for Public Property Company ETAD and any plans for the reorganisation of the Corporation's direct subsidiaries (with the exception of the HFSF and its holdings in the capital of other companies).

i. To take appropriate measures to ensure compliance with the principles of corporate governance, transparency and oversight in line with best international practice and the guidelines issued by the OECD.

j. To submit to the Supervisory Board quarterly reports on compliance with the rules of corporate governance laid down in this Law and the Internal Rules of the Corporation, as detailed in the Internal Rules.

k. To submit for approval by the General Meeting of the sole shareholder the financial statements of the Corporation.

l. To draw up and submit to the General Meeting of the sole shareholder an annual report on the activities of the Corporation. The report shall be submitted to Parliament at the same time and shall be debated by the responsible parliamentary committee in accordance with Article 202 of this Law.

m. To propose to the General Meeting of the sole shareholder, with the assent of the Supervisory Board, any increase in the share capital of the Corporation.

n. To propose to the General Meeting of the sole shareholder, with the assent of the Supervisory Board, any amendment of the Articles of Association of the Corporation.

o. To propose to the General meeting of the sole shareholder, with the assent of the Supervisory Board, the setting up of new direct subsidiaries of the Corporation.

p. To draw up amendments to the Internal Rules, and with the assent of the Supervisory Board to submit them for approval by the General Meeting of the sole shareholder.

q. To submit the Corporation's strategic plan for approval by the General Meeting of the sole shareholder.

r. To exercise all the functions and perform all the duties provided for in this Law and in the legislation applicable.

s. To decide the setting up of one or more supervisory or advisory bodies for the Corporation (such as an Internal Audit Committee, which must consist of non-executive members of the Board of Directors, and an Investments Committee), to lay down the terms and conditions of the appointment of their members, and to determine their functions.

t. To oversee the implementation of the Corporation's annual business plan.

u. To oversee compliance with the rules of corporate governance laid down in this Law and in the Internal Rules.

v. To evaluate the performance of the Managing Director and to propose to the Supervisory Board that he or she be removed from office.

Regarding **the operation** of the Board of Directors, pursuant to Law 4389/2016, the Board of Directors shall be entitled to act when a quorum of at least three members is present. Every member of the Board of Directors shall have one vote. The Board of Directors shall take decisions by a majority of the members present. In the event of a tie the Chair’s vote shall prevail. If members of the Board of Directors are absent by reason of death or resignation or loss of capacity for any other reason, the remaining members may provisionally exercise the functions of the Board of Directors, provided the quorum laid down in this paragraph is met. The vacancy must be filled within 60 days by appointing a new member in accordance with the procedure laid down in this Law for the remainder of the term of office of the member being replaced.

One (1) representative appointed jointly by the European Commission and the European Stability Mechanism attend the meetings of the Board of Directors as an observer without voting rights. The above representative is fully informed on the agenda and may request from the Board any information on the matters related to the operation of the Corporation. Such information shall be provided to him without undue delay. The term of office of the representative in question is four (4) consecutive years, without the right of renewal of the same person. Mr. Andreas Trokkos has been appointed as the abovementioned observer.

Provided the representative of the European Commission and of the European Stability Mechanism has been asked to attend in accordance the preceding paragraph, his or her absence shall not affect the lawful constitution of the Board of Directors.

The Board of Directors shall convene for a meeting as often as required by the activities of the Corporation and in any event once each calendar month. Meetings of the Board of Directors shall be convened by the Chair or any alternate by giving notice of the time, place and agenda of the meeting, which shall be communicated to all members of the Board of Directors by email, courier or fax, at least three (3) working days before the appointed date of the meeting. The Chair or, in his or her absence, any alternate shall preside over meetings of the Board of Directors. The Board of Directors may also be convened by two (2) of its members in accordance with Article 20(5) of Codified Law 2190/1920. The invitation must clearly state the items on the agenda, failing which decisions may be taken only if all the members of the Board of Directors are present or represented and no one objects to decisions being taken.

Upon the invitation of the Chair or the members of the Board of Directors having requested it be convened, any executive of the Corporation as well as experts and external consultants may participate in the meeting of the Board of Directors. The Board of Directors may be convened, deliberate and take decisions by written procedure or electronic means of communication, as set out in the Rules of Procedure of the Corporation.

In the meetings that take place with the physical presence of the attendees, the minutes of the meetings shall be signed by all the members of the Board of Directors that were present. Copies or extracts of the minutes of meetings of the Board of Directors shall be issued by the Chair, any alternate of the Chair or by any other member of the Board of Directors or any other person who may have been authorized to do so by the Board of Directors. Pursuant to the decision of the Board of Directors dated 12.04.2017, the Corporate Secretary of the Board of Directors shall also issue copies and extracts of the minutes.

The Board of Directors of the Corporation shall be made up of five to seven members appointed for four years, in accordance with the Corporation's Articles of Association, by decision of the Supervisory Board and under the conditions laid down in the Rules of Procedure. The members of the Board of Directors shall be appointed by the Supervisory Board. The members of the Board of Directors are elected by the Supervisory Board in accordance with the provisions of the same law. Upon his appointment on October 10, 2016, the Supervisory Board began the process of electing and appointing the Board of Directors of HCAP.

The **first Board of Directors** of the Corporation, which was incorporated on 16.02.2017, consisted of the following seven (7) members, with a four-year term.

Name	Position
George Diamantopoulos	Chairman of the Board of Directors, Non- executive Member
Ourania Aikaterinari	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

In March 2018, Mr. George Mathios, Non-Executive Member of the Board, 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 4512/2018 which amended by Law 4389/2016, 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 on 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 Athanassiou 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 and re-elected 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
Hiro Athanassiou	Non-executive Member
Alice Gregoriadi	Non-executive Member
Themistoklis Kouvarakis	Non-executive Member
Marina Niforos	Non-executive Member

Brief CVs of HCAP's Board of Directors' members

George Diamantopoulos, Non-executive Chairman of the Board of Directors

He was born in 1951. He studied at Deree College in Athens and holds a MBA degree from the University of Massachusetts at Amherst. He has extensive experience in multinational corporations of which a 4-year tenure as CEO in Jacobs Suchard (Greece) and 17 years as CEO in Kraft Foods (Greece). He has been a member of SEVT, CAOBISCO, EASE, EEDE & SDE.

Ourania Aikaterinari, CEO & Executive Member of the Boards of Directors

She was born in 1971. She studied at Aristotle University of Thessaloniki, from which she obtained a degree in Electrical Engineering. She also holds a MBA from City University in the UK. She has worked in corporate & investment banking in Greece and abroad for large financial institutions such as BNP Paribas, Eurobank and Deutsche Bank as well as in the energy sector. During 2010-2015, she was Deputy CEO of Public Power Corporation S.A. (PPC), the largest Greek electric utility, as well as member of its Board of Directors. For the last 2 years prior to her appointment at HCAP, she was Partner at Ernst & Young (EY). She has been member of the Energy Committee of the American-Hellenic Chamber of Commerce, member of the Supervisory Board of the Greek Independent Power Transmission Operator (ADMIE) as well as Deputy Chairman of the Energy Committee of the Technical Chamber of Greece.

Stefanos Giourelis, Executive Director & Executive Member of the Board of Directors

He was born in 1964. He studied at the National Technical University of Athens from where he obtained a degree in Mining Engineering & Metallurgy. He has worked for the past 25 years in Information Technology sector mainly in international sales and management positions. He worked for 19 years at Hewlett Packard for Greece, Middle East, Mediterranean and Africa based initially in Athens and afterwards in Dubai, 4 of which as a General Manager (Greece) and 8 of which as Managing Director in Greece, Africa region and GRAF (Greece & Africa) region.

Hiro Athanassiou, Non-Executive Member of the Board of Directors

Born in 1960, she holds a BA degree from Deree College and a MSc from London School of Economics. She has a long and successful professional career in Unilever, holding successively the position of VP in Marketing for Greece and Cyprus (2006 – 2010); SVP Operations for L. America, South and Eastern Europe, Russia, Turkey and Israel (2010 – 2014); the position of EVP and Managing Director for Greece and Cyprus (2014 – 2018). She currently holds the position of independent non-executive member of the Board of TITAN and she is a Board Member of SEV, IOVE and SEET. She is mentoring start-ups for Orange Grove –Dutch Embassy. Her areas of expertise include strategic development, marketing and organizational restructuring.

Alice Gregoriadi, Non-Executive Member of the Board of Directors

She was born in 1968. She studied Marketing at Deree College in Athens. She holds an MBA degree from Manchester Business School in UK. She has worked as Project Manager, Senior Auditor, Market Manager and Head of Product Development for CitiBank in London (1994-2001); as Global Head of Service Management for ABN Amro Bank in London and in Netherlands (2001-2009); as Managing Director of European Transaction Services for JP Morgan (2010-2015); and as advisor and mentor of FinTech and InsureTech startup companies in London (2015-2017)

Themistoklis Kouvarakis, Non-Executive Member of the Board of Directors

He was born in 1956. He studied Economics at the University of Essex in the UK. He holds a MSc degree in Economics from the London School of Economics & an MBA degree from Harvard Business School. He has worked from 1988 to 2016 at the European Investment Bank in Luxembourg, specializing in infrastructure projects in several EU countries, including Greece.

Marina Niforos, Non-Executive Member of the Board of Directors

She was born in 1969. She studied at the University of Cornell in USA. She holds an MBA degree from INSEAD and Post graduate degrees from the University of Pennsylvania and SAIS-Johns Hopkins University in Public Administration and International Relations respectively. She has worked in World Bank (1993-1998); as Director Corporate Strategy, for Groupe Pechiney in France (2001-2004); as Executive Director for INSEAD (2007-2010); and as CEO for the American Chamber of Commerce in France (2010-2014).

The following table presents the external professional commitments of the Members of the Board of Directors

Board Member	Profession	Significant executive and non-executive engagements in companies and non-profit institutions	Dates
George Diamantopoulos	Consultant	1) European Reliance Insurance Company: non– executive Member of the Board of Directors Chairman of the Internal Audit Committee Member of the Risk Committee Chairman of Corporate Governance & Nominations Committee 2) "SPONSORVALUE SA": Chairman and Managing Director 3) GIORGOS DIAMANTOPOULOS & Co PARTNERSHIP - CONSULTING SERVICES": Administrator 4) RESOUL HELLAS SA: Deputy CEO	September 2006 - today October 2013-today February 2014-today December 2017-today April 2010- today September 2012-today April 2017- today
Ourania Aikaterinari	Executive Member of HCAP Board	-	
Stefanos Giourelis	Executive Member of HCAP Board	-	
Hiro Athanassiou		1) Non executive Member of the BoD of TITAN SA Head of the Remuneration Committee Member of the Nominations Committee	2015-today

		2) Member of SEV Board of Directors and Head of Multinationals Committee 3) Member of IOBE Board of Directors 4) Member of Alumni Relations Board-American College of Greece 5) Member of the Eurobank Growth Awards Committee 7) Mentor of Startups at Oragne Grove – The Dutch Embassy of Athens (2018)	2014-June 2018 2014- June 2018 2016- today 2016-today 2018
Alice Gregoriadi	Consultant	1) Member of the advisory board of NuvaLaw 2) Founding Member and Board Member of the "Hellenic Blochchain Hub"	April 2017 – today March 2018- today
Themistoklis Kouvarakis	Former executive from European Investment Bank	-	
Marina Niforos	Strategy Consultant	1) Seche Environnement (publicly listed company) Non- Executive Member 2) European Network of Women in Leadership(non-profit) Non executve Member 3) Member of the "EU Blockchain Policy and Framework Consitions Working Group"	27.04.2017 -today July 2011 –today May 2018- today

Duties of the Members of the Board of Directors

Pursuant to Law 4389/2016, the Chairman and Chief Executive Officer are different persons and are appointed by decision of the Supervisory Board. In addition to the Managing Director, the Board of Directors may appoint another executive member. All other members are non-executive.

The **Chairman** is responsible for leading the board. He has the responsibilities of setting its agenda, ensuring that the work of the board is well organized and meetings conducted efficiently. The Chairman is also responsible for ensuring that board members receive accurate and timely information. The Chairman ensures effective communication with the shareholder and the Supervisory Board. The Chairman should also ensure the fair treatment of shareholder’s interests.

Pursuant to the Statutes of the Corporation, the **Managing Director** has the following responsibilities, as well as any other duties assigned by the Corporation's Board of Directors. In particular, the Managing Director:

(a) Represents the Corporation judicially and extrajudicially, including representation in General Meetings of its subsidiaries, voting in the way authorised to do so by the Board of Directors.

(b) Heads all the departments of the Corporation, directs its activities and takes all necessary decisions within the limits of the Articles of Association and the rules governing the functioning of the Corporation in order to manage day-to-day affairs.

(c) Submits to the Board of Directors proposals and recommendations that are necessary for the attainment of the purposes of the Corporation and for the creation of an action plan.

(d) Prepares and signs contracts up to the amount determined by decision of the Board of Directors.

(e) Implements decisions of the Board of Directors.

(f) Takes all necessary measures to encourage and valorise the potential of the staff, submits to the Board of Directors for approval establishment plans and programmes of training and further training that he or she considers necessary.

(g) Carries out all activities related to the ordinary management of the Corporation.

(h) Recruits the staff of the Corporation except for the appointment of the abovementioned senior executives of the Corporation who are appointed by decision of the Board of Directors in accordance with Article 192 of Law 4389/2016.

(i) Assesses and proposes to the Board of Directors the dismissal of the members of the governing boards of direct subsidiaries of the Corporation, except the Financial Stability Fund referred to in Law 3864/2010, as well as of the other subsidiaries in which the Corporation exercises its voting rights.

(j) Prepares the business plan of the Corporation and submits it for approval to the Board of Directors on an annual basis and ensures and coordinates its implementation.

(k) Prepares and submits for approval to the Board of Directors and submits to the the Supervisory Board quarterly reports on the activities of the Corporation and its financial statements in accordance with Article 195 of Law 4389/2016.

(l) Submits to the Board of Directors for approval the plan for the restructuring of ‘Public Real Estate SA’ under Law 2636/1998 and any plan for the reorganisation of the other direct subsidiaries, except for the Financial Stability Fund under Law 3864/2010.

(m) Recommends an increase in the share capital of the Corporation to the Board of Directors so that the Board of Directors can in turn propose it to the General Meeting of the Corporation following endorsement by the Supervisory Board.

(n) Recommends an amendment to the Articles of Association of the Corporation to the Board of Directors so that the Board of Directors can in turn propose it to the General Meeting of the Corporation following endorsement by the Supervisory Board.

(o) Recommends the setting up of new direct subsidiaries to the Board of Directors so that the Board of Directors can in turn propose it to the General Meeting of the Corporation following endorsement by the Supervisory Board.

The management and representation powers of the Corporation were granted to the executive members of the Board of Directors, by virtue of the decision of the Board of Directors dated 16.02.2017, as amended by virtue of BoD decisions dated 30/03/2017, 08/06/2017, 09/11/2017, 15/02/2018 and 16/04/2018.

Meetings of the Board of Directors

During the period 01.01.2017 - 31.12.2017, the Board of Directors held thirty four (34) Meetings, eleven (11) of them were executed by circulation and without to convene a meeting pursuant to article 21 par. 5 c.l. 2190/1920, with the participation of all Members of the Board Directors, with the exception of the meeting dated 27.04.2017, where Mrs. Niforos was absent.

During the period from the constitution into body of the Board of Directors on 16.02.2017 until 31.12.2017, the issues that have been discussed during the Meetings of the Board of Directors mainly concerns the organization of the newly established Corporation and the implementation of the obligations and actions provided by Law 4389/2016, more particularly:

- Formulation and approval of the general terms and conditions of employment of the staff of the Corporation, (article 192 par. 2c.Law 4389/2016)
- Selection of the CFO and the Internal Audit Manager (article 192 par.2b of Law 4389/2016)
- Organization structure of the Corporation
- Assessment of the Board of Directors of the subsidiaries HRADF and ETAD (Article 188, par.9 of Law 4389/2016)
- Draw up of quarterly reports on compliance with the rules of corporate governance and quarterly reports on the activities and the financial statements of the Corporation (Articles 192 (2) (j) and 195 of Law 4389/2016)
- Search and selection of the members of the Board of Directors of HRADF
- Appointment of the new Board of Directors of HRADF
- Preparation of the recommendation and Organization structure of the Board of Directors of EDIS (Articles 197 and 205 of Law 4389/2016)
- Search for the selection and placement of the members of the Board of Directors of EDIS
- Determination of the objectives for the year 2017 concerning the Board of Directors of HCAP and the Executive Members, in order to be submitted to the Supervisory Board
- Determination of the remuneration policy of the subsidiaries with the assistance of an external counsel (Article 194, paragraph 7 of Law 4389/2016)
- Election of Statutory Auditors for the audit of the semi-annual and the annual financial statements of the subsidiaries ETAD and HRADF
- Amendment of the Articles of Association of HRADF and adoption of the Rules of Procedure of HRADF
- Approval of the annual consolidated and company financial statements of the Corporation for the year 25.10.2016-31.12.2016 as well as the relevant reports of the BoD and of the Auditors.
- Drafting of the Operating Budget for the year 2018.
- Approval of the Management Report of the BoD for the period 01.01.2017-30.06.2017, as well as of the semi-annual consolidated and company financial statements for the same period.
- Drafting of the Strategic Plan of the Corporation and its subsidiaries.
- Amendment of the Articles of Association of ETAD and adoption of the Rules of Procedure of ETAD.

- Search and selection of the members of the Board of Directors of ETAD.

Pursuant to the decision of the Supervisory Board dated 12.01.2018, the cap of fourteen (14) remunerated meetings per year have been set for the Board of Directors.

Board of Directors Committees

Pursuant to the provision of article 192 par. 2 (s) of Law 4389/2016 and the decision of the Board of Directors dated 03.03.2017, the following Committees have been established:

1. Internal Audit Committee
2. Investment Committee
3. Corporate Governance Committee
4. Candidates Committee art. 197 par. 4 law 4389/2016

Pursuant to the decision of the Supervisory Board dated 12.01.2018, the cap of five (5) meetings per year with fee have been set for each of the above Committees of the Board of Directors.

Internal Audit Committee

It is composed by at least three non-executive members of the Board of Directors which collectively demonstrate adequate knowledge of the Corporation's activity sector. At least one of them shall have proven, adequate auditing and accounting experience.

The Internal Audit Committee shall have a term of office equal to this of the existing Board of Directors', whilst in the case that the Rules of Procedure require otherwise, the latter's provisions shall prevail.

The Members of the Audit Committee during the period 01.01.2017-31.12.2017 were:

1. Mrs. Alice Gregoriadi, Chairperson
2. Mr. George Mathios, Member
3. Mr. Themistoklis Kouvarakis, Member

The Charter of the Internal Audit Committee that regulates the function and the responsibilities of the Committee was approved by the resolution of the Board of Directors dated 22.06.2017.

Pursuant to the Rules of Procedure of the Corporation and the Charter of the Committee, the main competencies of the Internal Audit committee include the following:

1. Supervision of the internal audit function

    - Reviews and approves the policies and procedures of the internal audit department in order to ensure their compliance with the selected standards of internal auditing.
    - Ensures the independence and impartiality of the internal audit department, suggesting to the Board of Directors the appointment or the removal of the Corporation's Director of internal audit department as well as its staff.
    - Assesses the internal auditors and suggests their remuneration or any adjustments that should be made to it.
    - Examines and reviews, where necessary, the operation, structure, objectives and procedures of the internal audit function.
    - Reviews the audit plan in order to ensure its effectiveness.

- Examines and assesses the audit reports, as well as the comments by the management.
- At least once a year, assesses the adequacy, quality and effectiveness of the internal audit department, in order to promote more effective approaches, where necessary, without breaching its independence.

2. Supervision of external auditors

- Is responsible for the preparation and procedure for the selection of external auditors in accordance with art.193 of Law 4389/2016; it submits to the Board of Directors proposals on the appointment, re-appointment and removal of external auditors, as well as on the approval of their remuneration and terms of hiring.
- Assures the Board of Directors that the work carried out by external auditors is proper and sufficient in terms of scope and quality.
- Informs the Board of Directors of the outcome of the external audit and explains how the external audit contributed to the integrity of financial reporting and what the role of the Audit Committee was in that process.
- Reviews and monitors the independence of external auditors, as well as the objectivity and effectiveness of the audit procedure, taking into account professional and regulatory requirements.
- Approves the provision of any non-audit services from the external auditors after it has properly assessed threats to independence and the safeguards applied in accordance to the relevant legislation (Regulation (EU) 537/2014, Directive 2014/56/EU and its implementing Law 4449/2017).
- Discusses any material audit differences that may arise during the audit with the external auditors, whether such differences have been settled or not.
- Discusses any deficiencies in the internal controls system that may have been found by the external auditors, in particular those regarding the provision of financial information and preparation of financial statements.

3. Monitoring of financial statements

- Monitors the external audit of the annual and consolidated financial statements, as well as the performance of the external audit.
- Assists the Board of Directors so as to ensure that the Corporation's financial statements are reliable and in line with accounting standards, tax authorities and applicable legislation.
- Supports the Board of Directors in preparing the financial statements submitted to the Supervisory Board.
- Monitors the implementation of effective procedures for the provision of financial information and submits proposals and recommendations to ensure its integrity.
- Ensures, on behalf of the Board of Directors, that there are no significant differences between the management and the external auditors.
- Submits to the Board of Directors the external auditors' reports.
- Informs the Board of Directors of any issues about which the external auditors express serious concerns.

4. Supervision of internal control mechanisms

- Assures the Board of Directors that the Corporation's internal quality control, internal audit, compliance and risk management systems, regarding mainly the financial reporting, are properly and systematically reviewed and that the Corporation complies with the relevant laws and regulations.
- Participates in the monitoring and implementation of recommendations from the audit department for improvements to the internal control mechanisms and the production process, in order to review the course of the implementation of recommendations and any problems arising from the relevant action plans.
- Supports the Board of Directors in obtaining sufficient information in order to make decisions regarding transactions between associated parties and informs the Board of Directors for any conflicts of interest arisen.
- Ensures the implementation of procedures by which the Corporation's staff may express their concerns, in confidence, regarding any unlawful acts or irregularities concerning financial information or any other issues pertaining to the running of the Corporation.

During the period from its constitution on 03.03.2017 until 31.12.2017, the main items of the agenda of the Meetings mainly relate the drafting and approval of the Committee Charter, the procedure of election of the statutory auditors for the Corporation for the year of 2017, the approval of the quarterly report on the financial statements, the cooperation with the finance department and the internal audit unit, the design of procedures in relation to the Internal Audit Unit and its structure, the risk assessment in relation to the Company, the recruitment of the Internal Auditor in ETAD, the annual financial statements of the HRADF and the ETAD for the period 01.01.2016-31.12.2016 , the approval of the Company's annual consolidated and company financial statements for the period 25.10.2016-31.12.2016, the approval of the semi-annual consolidated and Company's financial statements for the period 01.01.2017-30.06.2017, the implementation of specific in the election of auditors for the Company and its subsidiaries, the examination of a) financial services issues, such as in relation to the financial statements, the budget of the Company and the subsidiaries, etc., and b) the internal audit unit, such as in relation to the audit plan and its budget, the scheduling of committee's meetings for 2018.

Until 31.12.2017, the Internal Audit Committee has held 16 Meetings with the participation of all Members of the Committee.

Investment Committee

It is composed by three non-executive members of the Board of Directors with experience on investment issues. The Investment Committee operates within the framework provided in Article 200 of Law 4389/2016 and in accordance with the Investment Policy which shall be a part of the internal Rules of Procedure of the Corporation. The Investment Committee shall have a term of office equal to this of the existing Board of Directors', whilst in the case that the Rules of Procedure require otherwise, the latter's provisions shall prevail.

The Members of the Investment Committee during the period 03.03.2017 until 31.12.2017 were:

1. Mr. Themistoklis Kouvarakis, Chairperson
2. Mrs. Marina Niforos, Member
3. Mr. George Mathios, Member

During the period from its constitution on 03.03.2017 until 31.12.2017, the main items of the agenda were related to the drafting and approval of the Committee Charter, the co-operation with an external advisor for the exploitation and optimization of the asset portfolio of ETAD and the objectives of Law 4389/2016, the future actions in relation to Dividend and Investment Policy, as parts of the HCAP Rules of Procedure.

Until 31.12.2017, the Investment Committee has held five (5) meetings with the participation of all Members of the Committee.

Corporate Governance and Nominations Committee

It is composed by three non-executive members of the Board of Directors. Its objective is to monitor the implementation and compliance of the corporate bodies, executives and employees of the Corporation with the corporate governance rules, transparency and oversight in accordance with the Corporation's Rules of Procedure, its corporate bodies' decisions, the applicable legislative framework and with the best practices and guidelines provided by OECD. Moreover, it submits the relevant reports to the Board of Directors in the context of the Board's obligation for quarterly reporting on compliance with the rules of corporate governance, as provided for in article 192 par.2 (j) of Law 4389/2016 and for taking appropriate measures to ensure compliance with the principles of corporate governance, transparency and supervision in accordance with the provisions of article 192 par.2 (i) of Law 4389/2016. According to the resolution of the Board of Directors dates 03.03.2017, the Committee was firstly constituted under the title Corporate Governance Committee, and on 24.07.2017, the Board of Directors approved the amendment of the name of the Corporate Governance Committee to Corporate Governance and Nominations Committee, in order to assist the Board of Directors and the executives of the Corporation on the implementation of the procedures decided by the Board of Directors for the selection and appointment of the new Board of Directors of the direct subsidiaries of the Corporation.

The Members of the Corporate Governance Committee are:

1. Mrs. Marina Niforos, Chairperson
2. Mr. George Diamantopoulos, Member
3. Mrs. Alice Gregoriadi, Member

During the period from its constitution on 03.03.2017 until 31.12.2017, the main items of the agenda were related to the creation, adoption of the Committee Charter, the potential cooperation with OECD for the organizational structure of EDIS, based on the international best practices and corporate governance rules, the additional role of the Committee as a Nomination Committee, the cooperation with the BoDs of the subsidiaries in relation to corporate governance issues and target monitoring, the Corporation's quarterly corporate governance reports, the interviews of candidates for the filling of positions of members of the Board of Directors of HRADF, EDIS and ETAD, the actions for harmonization in matters of corporate governance between the Corporation and its subsidiaries, the adoption of the "Corporate Governance Program".

Until 31.12.2017, the Corporate Governance Committee has held twelve (12) meetings with the participation of all Members of the Committee.

Candidates Committee (for the Other Subsidiaries)

According 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 members of the Boards of the other subsidiaries, the shares of which are transferred, in whole or in part to the Corporation, as well as Members of the Boards of the subsidiaries of these companies, shall be elected by the shareholders General Assembly, in accordance with Codified Law 2190/1920. One member of the Board of the other subsidiaries shall be put forward for election by the Minister of Finance to the Corporation, who shall exercise its rights to vote at the General Meeting of the Shareholders, for the purpose of electing the BoD members, and/or to appoint BoD members, in accordance with C.L. 2190/1920. One member of the BoD of OSY A.E. and STASY A.E. is put forward for election by the Minister of Finance to OASA, which shall exercise its rights to vote at the General Meeting of these companies, for the purpose of electing the BoD members, in accordance with C.L. 2190/1920.

The Candidates Committee shall: (i) recommend to the Board of HCAP nominees for appointment to the Boards of other subsidiaries, when required; (ii) comprise up to five 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 Internal Regulation. (iii) The process to be followed by the Nominations Committee for selecting nominees for proposal to the Corporation's Board is set out in the Rules of Procedure. In determining how to exercise its shareholder rights to appoint members of the Management Boards of any of the other subsidiaries, the Corporation's Board of Directors shall have regard to principles set out in the Corporation's Rules of Procedure in relation to the appointment of directors to boards and the appropriateness of the candidates with regards to the requirements regarding the other subsidiaries management (SOE's mandate, Statement of Commitments, etc.), the avoidance of discrimination, independence, and the professional criteria appropriate for fulfilling the purposes of each other subsidiary.

The Candidates Committee was constituted by virtue of BoD decision dated 24.04.2018.

The Members of the Candidates Committee are:

1. Mrs. Ourania Ekaterinari, CEO
2. Mr. Stefanos Giourelis, Executive Director
3. Mrs. Marina Niforos, Non – Executive Member of the Board
4. Mrs. Hiro Athanassiou, Non – Executive Member of the Board.

Corporate Secretary

Pursuant to the Corporate Governance Code, the Board of Directors should be assisted by a competent, suitably qualified and experienced Corporate Secretary, who attends Board meetings. All Board members should have access to the services of the Corporate Secretary, a senior employee or attorney, whose role is to provide practical support to board members both as a group and individually, and ensure that the Board comply with internal rules and relevant laws and regulations. The Corporate Secretary's responsibilities should include ensuring good information flows between the Board of Directors and its Committees and between the Board of Directors and the Supervisory Board. On 11.05.2017, the Board of Directors of the Corporation decided Mrs. Christina Koliatsi, Chief Legal Counsel of the Corporation (Attorney with Piraeus Bar Registry No 2989), to be appointed as Corporate Secretary. Mrs. Koliatsi, studied Law at the University of Athens and holds a Postgraduate Degree(LLM) in Banking and International Finance Law from King's College, University of London. She has twenty years of professional experience and extensive expertise on corporate law.

Board evaluation

The evaluation of the performance of the Board of Directors and its Committees should take place at least every 2 years in line with a clearly established procedure according to the provision of the Corporate Governance Code.

During the first quarter of 2018 the Supervisory Board proceeded to the evaluation of the BoD Members of the Corporation.

Conflict of Interest

The Rules of Procedure of the Corporation include a special chapter related to the Conflict of Interest Policy of the Members of the Supervisory Board and the Members of the Board of Directors.

Apart from the incompatibilities and impediments provided for in article 194 of Law 4389/2016, during the selection process of the members of the Supervisory Board and the Board of Directors, certain circumstances, which could potentially lead to a conflict of interest, should be taken into account. The notion of conflict of interest shall at least include any situation in the frame of which it can be reasonably assumed that any other kind of obligations, interests or duties of the prospective member shall:

(a) Result in harm caused to the impartial and objective performance of the duties of the prospective member,

(b) Allow the exploitation by the prospective member of its position as well as of the information and confidential data, to which he/she has access due to its position, for his/her personal benefit or for the benefit of a third party.

The due diligence for potential conflicts of interest is applicable at least to the following categories of persons:

- to potential members, as well as
- to Relatives, according to Rules of Procedure.

During the term of their service, the members of the Supervisory Board and of the Board of Directors are obliged to:

(a) identify relevant Private interests that potentially conflict with their duties; Private interests shall include gaining of undue advantages either in favor of the member directly, or his/her spouse (or partner to be considered legally as spouse) or any relatives (by blood or in-law) up to fourth degree, or any legal entities closely related to them. In case, that the member is aware of such a situation then he/she should declare the arisen impediment and refrain from handling the specific cases.

(b) promptly, disclose all relevant information about a conflict when circumstances change after their initial disclosure, or when new situations arise, which may result to a conflict of interest.

The disclosure should include sufficient information on the conflicting interest to enable an adequately-informed decision to be made about the appropriate resolution by the corporate body responsible to do so.

Supervisory Board's and Board of Director's Remuneration

Supervisory Board's Remuneration

Pursuant to the provisions of article 194 par. 7 of Law 4389/2016, the remuneration of a member of the Supervisory Board shall be set in accordance with the procedure laid down in the Rules of Procedure in such a way as to ensure that they are in a competitive range capable of attracting first-rate professionals. To that end the Minister of Finance, acting as the sole shareholder in the Corporation, in respect of the salaries of members of the Supervisory Board, shall commission an international consultant to assist with the preparation of its Remuneration Policy.

Pursuant to the resolution of the General Assembly dated 2 December 2016 of the sole shareholder of the Corporation, in view of the appointment of the members of the Supervisory Board by order No M.A.D.K.A. 0015977 ΕΞ 2016/07.10.2016 of the Minister of Finance, published in the Government Gazette on 10.10.2016 (FEK YODD 536/10.10.2016) and until the adoption of the Remuneration Policy of these persons in accordance with the abovementioned, the members of the Supervisory Board were remunerated on the basis of the fees received by the members of the Selection Committee of the Hellenic Financial Stability Fund as determined by order No GDOP 0000059 / ΕΞ 2016 / 15.1.2016 of the Minister of Finance (FEK YODD 10). In particular, the Chairman of the Supervisory Board received compensation of € 2,000 per meeting and the other members of the Supervisory Board received compensation of € 1,000 per meeting. The above remuneration of the members of the Supervisory Board was subject to statutory deductions and might not exceed annually the amount of EUR 30,000 per member. Exceptionally and specifically for the period since the appointment of the Supervisory Board and until the constitution of the first Board of Directors, the annual limit of EUR 30,000 would not be taken into account if the Supervisory Board was required to be convened in more meetings.

In accordance with the provisions of article 194 par. 7 (a) of Law 4389/2016, the General Meeting of the sole shareholder of the Corporation decided on 28 August 2017 in relation to the determination of the annual remuneration of the members of the Supervisory Board as follows:

1. Jacque, Henri, Pierre, Catherine Le Pape, Chairman……………………€ 70,000
2. George Stampoulis………………………………………………………………€ 55,000
3. Olga Charitou ……………………………………………………………………..€ 55,000
4. Georgios – Spyros Tavlas ………………………………………………………€ 55,000
5. David Vegara Figueras …………………………………………………………€ 55,000

The decision is applicable with retroactive effect from 1 July 2017.

On 17 January 2018, the General Assembly of the shareholder of the Company decided the amendmend of the Policy for the Supervisory Board Members'fees as follows:

- Chairman: € 50,000 (annual fixed fee) and € 2,000 (additional fee per meeting and up to 10 meetings per annum)
- Other Members: € 45,000 (annual fixed fee) and € 1,000 (additional fee per meeting and up to 10 meetings per annum)

The decision is applicable with retroactive effect from 1 July 2017.

Table with the remuneration of the Members of the Supervisory Board

Chairman and Non - Executive Members of the Supervisory Board	Remuneration for the attendance at meetings			Remuneration for the attendance at committees			Other remuneration or fringe (per diem gross amount)**		
	Period								
	Gross Amount		Net amount*	Gross Amount		Net amount*	Gross Amount		Net amount*
Name	10.2016-12.2016	01.2017-12.2017	01.2017-12.2017	10.2016-12.2016	01.2017-12.2017	01.2017-12.2017	10.2016-12.2016 (per diem)	01.2017-12.2017 (per diem)	01.2017-12.2017 (per diem)
Jacques, Henri, Pierre, Catherine Le Pape, Chairman	34,000	81,000	59,366	-	-	-	-	4,700	3,371
Georgios Stampoulis, Member	17,000	50,500	30,297	-	-	-	1,400	5,100	2,542
Georgios - Spyros Tavlas, Member	17,000	50,500	33,245	-	-	-	-	-	-
Olga Charitou, Member	16,000	49,500	32,574	-	-	-	-	-	-
David Vegara Fiqueras, Member	16,000	49,500	37,000	-	-	-	-	2,400	1,742

*The net amounts may be subject to extract tax and social contribution obligations according to applicable legislation.

Board of Director's Remuneration

Pursuant to the provisions of article 194 par. 7 of Law 4389/2016, the remuneration of a member of the Board of Directors shall be set in accordance with the procedure laid down in the Rules of Procedure in such a way as to ensure that they are in a competitive range capable of attracting first-rate professionals. To that end the Supervisory Board of the Corporation, in respect of the salaries of the members of the Board of Directors of the Corporation, commissioned an international consultant to assist with the preparation of its Remuneration Policy.

Pursuant to a decision of the Supervisory Board was set the remuneration of the Chairman of the Board of Directors at the amount of 75,000 euro annually plus 2,000 per Meeting. The other non-executive members of the Board of Directors shall receive the amount of 30,000 euro annually plus 1,000 euro per BoD Meeting and in case of establishment of Committees of the Board of Directors, then they shall receive 1,000 euro per Committee Meeting and respectively 1,500 euro for the Chair of the Committee.

Table with the remuneration of the Members (Non-executive and executive) of the Board of Director:

Executive members of BoD	Salary			Additional amount based on performance (bonus)			Other remuneration or fringe benefits**	
	Period							
	Gross amount		Net amount*	Gross amount		Net amount*	Gross amount	
Name	10.2016-12.2016	01.2017-12.2017	01.2017-12.2017	10.2016-12.2016	01.2017-12.2017	01.2017-12.2017	10.2016-12.2016	01.2017-12.2017*
Ourania Aikaterinari, CEO	-	238,508	113,141	-	-	-	-	18,700
Stefanos Giourelis, Executive Director	-	203,174	96,968	-	-	-	-	29,481

*The net amounts may be subject to extract tax and social contribution obligations according to applicable legislation.

** The column Other remuneration or fringe benefits comprises mainly fees related to the corporate pension plan.

Chairman and non-executive members	Remuneration for attendance at meetings			Remuneration for the attendance at committees (attendance at meetings)			Other remuneration or fringe benefits		
	Period								
	Gross amount		Net amount*	Gross amount		Net amount*	Gross amount		Net amount*
Name	10.2016-12.2016	01.2017-12.2017	01.2017-12.2017	10.2016-12.2016	01.2017-12.2017	01.2017-12.2017	10.2016-12.2016 (per diem)	01.2017-12.2017 (per diem)	01.2017-12.2017 (per diem)
George Diamantopoulos, Chairman of the Bo	-	65,500	30,762	-	46,000	25,777	-	300	133
Alice Gregoriadi, Member	-	26,200	16,814	-	58,500	26,661	-	3,400	1,443
Themistoklis Kouvarakis, Member	-	26,200	16,814	-	45,500	20,765	-	500	234
George Mathios, Member	-	26,200	18,547	-	43,000	19,199	-	-	-
Marina Niforos, Member	-	26,200	16,814	-	47,000	21,294	-	2,700	1,130

*The net amounts may be subject to extract tax and social contribution obligations according to applicable legislation.

Diversity Policy

The Corporation recognizes the importance of promoting diversity in both the Supervisory Board and the Board of Directors, but also in the composition of its top executives and its human resources, especially with regard to the gender but also other aspects, such as age, educational and professional background, residence, nationality, etc.

In terms of European legislation, two basic Directives have been adopted for combating discrimination and ensuring equal treatment in employment and workplace. In addition, many actions and initiatives have been taken in relation to encouraging diversity in the workplace that have affected enterprises in Europe, with such impact to becoming gradually even more obvious, not only in relation to the composition of labour force but also in relation to higher corporate levels, such as the Board of Directors. In accordance with many relevant studies at an EU level, while the scope and benefits of diversity policies /[and approaches to this] can vary significantly, the enterprises tend to identify improvement in many sectors that concern the enterprise as a whole and not only a department of it, as well as on many levels, reinforcing values, changing culture, providing more motives and security, attracting and developing talent, etc. In general, the systematic respect of the principle of diversity contributes to the creation of an open and productive working environment, where employees are more responsible, efficient, active, innovative, etc.

Priority of HCAP is the adoption of equal opportunities on all levels with tangible outcome. In the BoD of HCAP there are today four women among its eight members (representation of 50%) while the percentages are relevant in relation to responsibility posts of the Corporation, with all employees having equal opportunities for inclusion, development and presentation of their skills.

The Corporation shall try to cultivate a high level profile in relation to the promotion of diversity in the workplace and in positions of responsibility and in relation to its subsidiaries, ensuring in parallel equal treatment and opportunities as well as the education and professional training for all its employees.

Contracts with Board of Director's members

There is no plan for distribution of shares, share options and similar securities to Board members.

The Executive Members have concluded a four-year services agreement that provides the formation of remuneration with a fixed data remuneration (base salary) and performance-related deferred compensation (variable component). Remuneration is subject to all statutory deductions (indicatively payroll tax, stamp duty, principal and supplementary insurance contributions). In particular, it is provided that during the term of the agreement, additional fee may be granted to the Executive Members as bonus, which shall be linked to the achievement of objectives, as those shall be defined in the current Business Plan of the Corporation. The method of calculation of the bonus will be determined more specifically by a relevant resolution of the Supervisory Board of the Corporation, which will also determine the starting point for the calculation of the objectives.

A.17 Other Issues

Purchase/ holding of treasury shares

The Company and its subsidiaries do not hold any treasury shares.

Restrictions on the transfer of Corporation' shares

The Corporation's shares are non-transferable. Given that the operation of the Corporation and its direct subsidiaries, as defined in Article 188 of this Law, serve a specific public purpose, the shares of the Corporation and the direct subsidiaries, as well as the capital representing securities of the Hellenic Financial Stability Fund under Law 3864/2010 (Government Gazette, Series I, No 119) (HFSF) are res extra commercium, within the meaning of Article 966 of the Civil Code.

Existence of branches

The Company has no branches**.**

Research and development activities

There were no projects for research and development during year 2017, due to the nature of the Company's and its subsidiaries' operations.

Policies for the appointment and the replacement of board of directors, along with amendments in the Articles of Association if different from the requirements of Law 2190/1920

According to article 191 of Law 4389/2016, the Supervisory Board:

(a) shall select and appoint the members of the Board of Directors of the Company in accordance with the conditions referred to in Article 192.

(b) shall revoke the appointment of the members of the Board of Directors of the Company.

Moreover, the Supervisory Board countersigns the Board of Director's suggestion to the General Assembly for any amendment in the Company's Articles of Association.

Responsibilities of the Board of Directors and of specific members of the Board of Directors, for the issuance of new shares and the purchase of treasury shares according to Article 16 of Commercial Law. 2190/1920

According to Articles 191 and 192 of Law 4389/2016, the Supervisory Board countersigns the Board of Director's suggestion to the General Assembly for any increase in the Company's share capital.

Athens, 29 August 2018

The Chairman of the Board of Directors	The Chief Executive Officer and member of the Board of Directors
George Diamantopoulos	**Ourania Ekaterinari**
ID No M299970	ID No T222068

The members of the Board of Directors

Stefanos Giourelis	**Hiro Athanassiou**	**Alice Gregoriadi**
ID No AK142391	ID No Φ031009	ID No AM543704

Themistoklis Kouvarakis	**Marina Niforos**
Passport No AN0837368	ID No Σ273214

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B | INDEPENDENT AUDITOR'S REPORT

To the Shareholders of

HELLENIC CORPORATION OF ASSETS AND PARTICIPATIONS S.A.

Report on Separate and Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying separate and consolidated financial statements of HELLENIC CORPORATION OF ASSETS AND PARTICIPATIONS S.A. ("the Company"), which comprise the separate and consolidated statement of financial position as at December 31, 2017, separate and consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and methods and other explanatory information.

In our opinion, apart from the effects of the matters described in the paragraph "Basis for Qualified Opinion" the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company and its subsidiaries (the Group) as at December 31, 2017, and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Basis for Qualified Opinion

The following issues have arisen from our audit:

1. In the course of our audit, we were not in position to verify - either through confirmation letters or by means of other audit evidence – liabilities towards the Greek State of the direct subsidiary company "PUBLIC PROPERTIES COMPANY S.A." (PPCo S.A.) recorded in the State Funds Management Account amounting to approximately € 20.7 million, referring to the balances of the company "Hellenic Public Real Estate Corporation S.A.", acquired within financial year 2011. Consequently, we express reservations regarding the total amount of the aforementioned liabilities. The alternative procedures that have been applied provide reasonable assurance only about the transactions performed within financial year 2017.

2. Within 2018, the Supreme Civil and Criminal Court of Greece (Areios Pagos) issued the decision declining the appeals regarding the direct subsidiary company "PUBLIC PROPERTIES COMPANY S.A." (PPCo S.A.) and the Greek State against the Court of Appeal decisions issued in favor of its lessee, with whom the company had legal disputes. Following the issuance of the aforementioned decisions, the subsidiary is at the stage of negotiations with its lessee aimed at resolving the disputes, the outcome of which, according to the subsidiary, cannot be predicted at the current stage. In the course of our audit, we were not in position to obtain reasonable assurance about the estimate of the potentially required provision.

We conducted our audit in accordance with International Standards on Auditing (ISAs) incorporated into the Greek Legislation. Our responsibilities under those standards are described in the Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) incorporated into the Greek Legislation and ethical requirements relevant to the audit of separate and consolidated financial statements in Greece and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

We draw your attention to Note 6.d. to the financial statements describing the recognition procedure applied by the direct subsidiary PPCo S.A. regarding the real estate property items falling within the provisions of Article

196, Law 4389/2016, which do not meet the recognition criteria according to the provisions of the International Financial Reporting Standards as at 31/12/2017, as well as the actions scheduled by the Management of the subsidiarity as far as the aforementioned matter is concerned.

Our opinion is not qualified regarding the above matter.

Management's Responsibility for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with International Financial Reporting Standards that have been adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management's intention is to procced with liquidating the Company and the Group or discontinuing its operations or unless the management has no other realistic option but to proceed with those actions.

Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as an aggregate, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, incorporated into the Greek Legislation, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to affect the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, incorporated into the Greek Legislation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding financial information of entities or business activities within the Group for the purpose of expressing an opinion on the separate and consociated financial statements to be able to draw reasonable conclusions on which to base the auditor's opinion. Our

responsibility is to design, supervise and perform the audit of the Company and the Group. We remain solely responsible for our audit opinion.

We disclose to those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Taking into consideration the fact that under the provisions of Par. 5, Article 2 (part B), Law 4336/2015, management has the responsibility for the preparation of the Board of Directors' Report, the following is to be noted:

a) In our opinion, the Board of Directors' Report has been prepared in compliance with the effective legal requirements of Article 43a and 107A, CL 2190/1920, and its content corresponds to the accompanying financial statements for the year ended as at 31/12/2017.

2) Based on the knowledge we acquired during our audit, we have not identified any material misstatements in the Board of Directors' Report in relation to the Company HELLENIC CORPORATION OF ASSETS AND PARTICIPATIONS S.A. and its environment.

Athens, 29 August, 2018

The Certified Public Accountant

Panagiotis Christopoulos

SOEL Reg. Num. 28481

Grant Thornton
An instinct for growth™

Chartered Accountants Management Consultants
56, Zefirou str., 175 64 Palaio Faliro, Greece
Registry Number SOEL 127

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C | CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Consolidated and Separate Statement of Financial Position as at 31.12.2017

(amounts in €)		GROUP		COMPANY	
	Note	**31.12.2017**	**31.12.2016**	**31.12.2017**	**31.12.2016**
Assets					
Non-Current assets					
Property,plant and equipment	5	59,752,018	55,525,640	65,406	-
Investment properties	6	828,523,736	370,653,544	-	-
Intangible assets	7	245,767	192,959	13,191	-
Investments in subsidiaries	8	1	1	3	3
Investments in associates	9	36,911,946	44,341,523	-	-
Other non-current receivables	10	145,887,730	185,787,823	72	-
Lease advances	11	856,356	9,765,957	-	-
Total		**1,072,177,554**	**666,267,447**	**78,672**	**3**
Current assets					
Inventories	12	523,517	543,006	-	-
Trade receivables	13	62,396,184	98,232,489	-	-
Other receivables	14	37,815,744	42,034,766	305,326	16,641
Cash and cash equivalents	15	125,421,561	142,188,243	7,335,934	10,000,000
Total		**226,157,006**	**282,998,504**	**7,641,260**	**10,016,641**
Total Assets		**1,298,334,560**	**949,265,951**	**7,719,932**	**10,016,644**
Equity					
Share capital	16	10,000,000	10,000,000	10,000,000	10,000,000
Other reserves	17	877,322,256	457,638,774	3	3
Retained earnings/(accumulated losses)		18,410,775	173,503	(3,347,837)	(204,442)
Total Equity		**905,733,031**	**467,812,277**	**6,652,166**	**9,795,561**
Non-current liabilities					
Provision for staff leaving indemnities	18	1,837,639	1,742,243	12,256	-
Other provisions	19	29,337,058	21,765,747	-	-
Deferred rental income	20	12,448,291	13,162,480	-	-
Other Non-current liabilities	21	217,024,033	249,200,636	-	-
Total		**260,647,021**	**285,871,106**	**12,256**	**-**
Current Liabilities					
Trade and other payables	22	131,954,508	193,528,729	1,055,510	221,083
Dividends payable	23	-	2,053,839	-	-
Total		**131,954,508**	**195,582,568**	**1,055,510**	**221,083**
Total Equity and Liabilities		**1,298,334,560**	**949,265,951**	**7,719,932**	**10,016,644**

Notes on pages 97-153 should be considered an integral part of the financial statements of the Company and the Group.

Consolidated and Separate Income Statement for the year 2017

(amounts in €)		GROUP*		COMPANY*	
	Note	1.1.2017 - 31.12.2017	25.10.2016 - 31.12.2016	1.1.2017 - 31.12.2017	25.10.2016 - 31.12.2016
Revenues	24	57,888,395	8,297,115	-	-
Cost of Sales	25	(25,047,041)	(4,633,728)	-	-
Gross Profit		**32,841,354**	**3,663,387**	**-**	**-**
Other operating income	26	3,544,276	170,436	-	-
Distribution expenses	25	(2,552,637)	(527,752)	-	-
Administrative expenses	25	(15,986,598)	(2,963,311)	(3,422,222)	(208,644)
Gain from fair value adjustments on investment property	6	36,550,870	-	-	-
Other operating expenses	27	(33,417,983)	(553,170)	(2,668)	(100)
Profit/(loss) before interest, tax and financial results		**20,979,282**	**(210,410)**	**(3,424,890)**	**(208,744)**
Share of profits/ (losses) of associates	9	(2,698,728)	181,520	-	-
Finance income	28	3,370,020	525,932	284,249	4,302
Finance cost	29	(2,277,908)	(323,539)	(2,754)	-
Profit/(loss) before tax		**19,372,666**	**173,503**	**(3,143,395)**	**(204,442)**
Income tax expense	30	(1,135,394)	-	-	-
Profit/(loss) after tax (A)		**18,237,272**	**173,503**	**(3,143,395)**	**(204,442)**
Attributable to:					
Owners of the parent company		**18,237,272**	**173,503**	**(3,143,395)**	**(204,442)**

Consolidated and Separate Statement of Comprehensive Income for the year 2017

(amounts in €)		GROUP*		COMPANY*	
	Note	1.1.2017 - 31.12.2017	25.10.2016 - 31.12.2016	1.1.2017 - 31.12.2017	25.10.2016 - 31.12.2016
Profit /(loss) after tax		**18,237,272**	**173,503**	**(3,143,395)**	**(204,442)**
Gain on revaluation of assets	6	2,694,085	-	-	-
Share of other comprehensive income of associates	9	81,630	(4,605)	-	-
Remeasurement gain/(losses) of provision for staff leaving indemnities	18	53,245	(54,243)	-	-
Total other comprehensive income(B)		**2,828,960**	**(58,848)**	**-**	**-**
Total comprehensive income of the year (A)+(B)		**21,066,232**	**114,655**	**(3,143,395)**	**(204,442)**
Attributable to:					
Owners of the parent company		**21,066,232**	**114,655**	**(3,143,395)**	**(204,442)**

** The net result for the year 2017 is not comparable with the net result of 2016 for both the Group and the Company as: a) the duration of the previous financial year was less than 12 months (25.10.2016- 31.12.2016), and b) the Company in 2016 was in its pre-operational phase.*

Notes on pages 97-153 should be considered an integral part of the financial statements of the Company and the Group.

Consolidated Statement of Changes in Equity

(amounts in €)	Note	Share capital	Reserves	Retained Earnings	Total Equity
As at 25.10.2016		-	-	-	-
Authorized share capital	16	40,000,000	-	-	40,000,000
Unpaid share capital	16	(30,000,000)	-	-	(30,000,000)
Equity of subsidiaries on 25.10.2016	17	-	457,697,622		457,697,622
Transactions with Shareholders		**10,000,000**	**457,697,622**	**-**	**467,697,622**
Profit after tax for the year 2016		-	-	173,503	173,503
Other comprehensive income		-	(58,848)	-	(58,848)
Total comprehensive income for the year 31.12.2016		**-**	**(58,848)**	**173,503**	**114,655**
As at 31.12.2016		**10,000,000**	**457,638,774**	**173,503**	**467,812,277**
Profit after tax for the year 2017		-	-	18,237,272	18,237,272
Other comprehensive income		-	2,828,960	-	2,828,960
Total comprehensive income for the year 31.12.2017		**-**	**2,828,960**	**18,237,272**	**21,066,232**
Reserve from the transfer of assets with no consideration	17	-	416,854,522	-	416,854,522
As at 31.12.2017		**10,000,000**	**877,322,256**	**18,410,775**	**905,733,031**

Separate Statement of Changes in Equity

(amounts in €)	Note	Share capital	Reserves	Retained Earnings	Total Equity
As at 25.10.2016		-	-	-	-
Authorized share capital	16	40,000,000	-	-	40,000,000
Unpaid share capital	16	(30,000,000)	-	-	(30,000,000)
Equity of direct subsidiaries	17	-	3	-	3
Transactions with Shareholders		**10,000,000**	**3**	**-**	**10,000,003**
Profit/ (loss) after tax for the year 2016		-	-	(204,442)	(204,442)
Total comprehensive income for the year 31.12.2016		**-**	**-**	**(204,442)**	**(204,442)**
As at 31.12.2016		**10,000,000**	**3**	**(204,442)**	**9,795,561**
Profit/ (loss) after tax for the year 2017		-	-	(3,143,395)	(3,143,395)
Total comprehensive income for the year 31.12.2017		**-**	**-**	**(3,143,395)**	**(3,143,395)**
As at 31.12.2017		**10,000,000**	**3**	**(3,347,837)**	**6,652,166**

Notes on pages 97-153 should be considered an integral part of the financial statements of the Company and the Group.

Consolidated and Separate Statement of Cash Flows

		GROUP		COMPANY	
(amounts in €)	Note	1.1.2017 - 31.12.2017	25.10.2016 - 31.12.2016	1.1.2017 - 31.12.2017	25.10.2016 - 31.12.2016
Cash flows from operating activities					
Profit/(loss) before tax		**19,372,666**	**173,503**	**(3,143,395)**	**(204,442)**
Plus/Less Adjustments for:					
Depreciation and Amortization	25	2,985,534	511,830	10,168	-
Amortization of lease advances expense	11	10,840	20,346	-	-
Amortization of deferred rental income	20	(548,598)	(99,811)	-	-
Write-off of deferred rental income	20	(165,591)	-	-	-
Unrealized exchange differences		17,366	13,485	-	-
Provision for staff leaving indemnities	18	188,873	84,075	12,256	-
Other provisions		29,125,338	430,025	227,808	-
Impairment loss of property,plant and equipment		764,779	-	-	-
Fair value adjustment in investment property	6	(36,550,870)	-	-	-
Share of profit/ (losses) of associates	9	2,698,728	(181,520)	-	-
Finance income	28	(3,370,020)	(525,932)	(284,249)	(4,302)
Finance cost	29	2,277,908	323,539	2,754	-
Cash flows from operating activities before working capital changes		**16,806,953**	**749,540**	**(3,174,658)**	**(208,744)**
(Increase)/ Decrease in inventories		19,489	214,095	-	-
(Increase)/ Decrease in trade and other receivables		70,609,697	(9,658,049)	(386,641)	(12,339)
Increase/ (Decrease) in trade and other payables		(109,231,588)	23,899,566	834,427	221,083
Net Cash flows from operating activities (a)		**(21,795,449)**	**15,205,152**	**(2,726,872)**	**-**
Cash flows from investing activities					
Purchase of PP&E and intangibles assets	5,7	(905,322)	(1,542,164)	(88,766)	-
Disposal of PP&E and intangible assets		2,245	-	-	-
Divides received from associates	9	4,812,478	-	-	-
Interest received		3,238,405	554,666	151,572	-
Net Cash flow from investing activities (b)		**7,147,806**	**(987,498)**	**62,806**	**-**
Cash flows from financing activities					
Proceeds from issuance of ordinary shares	16	-	10,000,000	-	10,000,000
Interest and similar expenses paid		(65,200)	(11,217)	-	-
Dividends paid	23	(2,053,839)	-	-	-
Net Cash flow from financing activities (c)		**(2,119,039)**	**9,988,783**	**-**	**10,000,000**
Net (decrease) / increase in cash and cash equivalents (a) + (b) + (c)		**(16,766,682)**	**24,206,437**	**(2,664,066)**	**10,000,000**
Net cash and cash equivalents at the beginning of the period		142,188,243	117,981,806	10,000,000	-
Net cash and cash equivalents at the end of the year		**125,421,561**	**142,188,243**	**7,335,934**	**10,000,000**

Notes on pages 97-153 should be considered an integral part of the financial statements of the Company and the Group.

Notes to the financial statements

1. General information

The financial statements comprise the annual separate financial statements of "Hellenic Corporation of Assets and Participations S.A." (hereinafter "HCAP" or "Company") and the consolidated financial statements of the Company and its subsidiaries (hereinafter the "Group") for the year ended 31 December 2017.

The purpose of the Company, in accordance with its establishing Law 4389/2016, is to manage and exploit the private assets of the Greek State transferred to the Company in favor of the public interest as further specified in the provisions of its founding Law 4389/2016 (the "Law"). The Company is established to serve a specific public purpose and in particular to enhance the value of its portfolio and to contribute financial resources: (a) for the implementation of the Greek investment strategy and proceeding to investments that will contribute to the development of the Greek economy; (b) for the reduction of the financial obligations of the Greek State, in accordance with Law 4336/2015 (A' 94).

In order to achieve its purpose, the Company: (a) manages its assets pursuing an increase in their long-term value, in accordance with its Corporate Code, guaranteeing full transparency according to the rules of the private economy, (b) promotes reforms of public undertakings, through, among others, restructuring, optimal corporate governance and transparency, as well as through the promotion of management accountability, social responsibility, sustainability, innovation and best corporate practices and is able to perform any action, that is referred to the Law and the Articles of Association.

The duration of HCAP is set to 99 years from the date of its registration in the General Commercial Registry (G.E.MI.) of the General Secretariat of Commerce, i.e. 25.10.2016. The Company is a Hellenic Societe Anonyme with G.E.MI. number: 140358160000, with its registered offices been located at 7 Voulis Street, in Athens. The functional currency of the Company and the Group is Euro (currency in which the Group operates).

The Company's shares are non-transferable. Due to the fact that the operations of the Company and of its direct subsidiaries, as defined in article 188 of Law 4389/2016, serve a special public purpose, the shares of the Company, the shares of its direct subsidiaries, as well as the titles that incorporate the share capital of Hellenic Financial Stability Fund of Law 3864/2010 (A'119) ("HFSF") are non-tradable transactions according to the regulations of article 966 of the Civil Code.

Upon the granting of the Company's legal personality, the following legal entities, the share capital (or securities incorporating their capital) of which is transferred to the Company or which are set up in accordance with its founding law, are considered as Direct subsidiaries for the purposes of the Law (the "Direct Subsidiaries"):

1. The **Hellenic Financial Stability Fund (''HFSF''),** for which HCAP has very limited rights, as the decisions for the accomplishment of its mission and objective are taken exclusively by the relevant corporate bodies of HFSF. According to Law 4389/2016, the full possession and holding of the entire capital of the HFSF (as embedded in securities in accordance with article 3 of Law 3864/2010) is transferred by the Greek State to the Company with no consideration. Notwithstanding this transfer, unless explicitly stated otherwise in Law 4389/2016, the provisions of Law 3864/2010 (indicated, but not limited to, the provisions of the corporate governance of the HFSF) shall continue to apply.
2. The **Hellenic Republic Asset Development Fund (''HRADF'')**, which utilizes the private assets of the State that have been assigned to it and promotes the implementation of privatisations in the country. 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 Company with no consideration.
3. The **Public Properties Company's (''ETAD'')** purpose is to manage and exploit a large real estate portfolio that has been transferred to it from the Greek State. Pursuant to Law 4389/2016, the full ownership, possession and holding of ETAD's shares is transferred by the Greek State to the Company with no consideration.

Pursuant to Law 4389/2016, as in force on 31.12.2017, **Public Holdings Company ("PHC")**, upon its establishment, would have been the fourth "Direct Subsidiary". Subsequent to 31.12.2017, based on article 380 of law 4512/2018, article 188 of law 4389/2016 was amended, which resulted to non-establishment of "EDIS" and the transfer of undertakings by Greek State to HCAP, with effective date 01.01.2018, of the following companies: PPC, EYDAP, EYATH, OASA, OKAA, CMT, AEDIK, ELTA, TIF - HELEXPO, Hellenic Saltworks, ETVA-Industrial Areas, Athens International Airport and Folli Follie (refer to note 34).

Each of the Company's Direct Subsidiaries shall manage its own assets, independently from the other subsidiaries. Upon approval from the General Assembly of the sole shareholder, following a proposal by the Board of Directors, and countersigned by the Supervisory Board, the Company may also set up other direct subsidiaries in order to achieve its corporate purpose.

Also, the Group, through its direct subsidiary named ETAD, has the following investments in associates:

1. Marina Zeas Real Estate S.A.
2. Lamda Flisvos Marina S.A.
3. Casino of Parnitha S.A.

The annual consolidated and separate financial statements for the year ended 31 December 2017, were approved by the Board of Directors on 29.08.2018 and are subject to the approval of the General Assembly of Shareholders. They are available at www.hcap.gr, in the "Reports" section, in the "Financial Reports" subsection.

2. Summary of significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the Interpretations (as issued by the IFRS Interpretations Committee) as adopted by the European Union.

The financial statements have been prepared using the going concern assumption and based on a historic cost basis (except for the investment properties that have been measured at fair value).

The financial statements have been prepared in accordance with the same accounting policies adopted in the previous year, except for the adoption of new standards and interpretations, the application of which became mandatory for periods after 1 January 2017 and described in paragraph 2.2.1. The basic accounting principles applied in the preparation of the financial statements are described below.

The preparation of the financial statements requires management to make certain accounting estimates and judgements on the application of the Group Accounting policies. The policies that require a higher degree of judgement or present complexity and the policies that estimates and assumptions are significant for the preparation of the financial statements, are presented in note 4 below.

2.2 New standards, amendments to standards and interpretations

Certain new standards, amendments to standards and interpretations have been issued that have been made effective in the year 2017 or are effective for subsequent accounting periods and are presented below.

2.2.1 Standards and Interpretations effective for the current financial year

The below amendments issued, are effective for the current financial year. Their application did not have a significant impact on the consolidated and separate financial statements.

IAS 7 (Amendments) "Disclosure initiative"

These amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. These amendments have been endorsed by the EU in November 2017 as in force from 01.01.2017.

IAS 12 (Amendments) "Recognition of Deferred Tax Assets for Unrealized Losses"

These amendments clarify the accounting treatment for the recognition of deferred tax assets on unrealized losses on debt instruments measured at fair value. These amendments have been endorsed by the EU in November 2017 with effective date 01.01.2017.

Annual Improvements to IFRSs (2014 – 2016 Cycle)

Amendment of IFRS 12 "Disclosures of Interests in Other Entities"

The amendments clarify the disclosure requirements of IFRS 12 that are applicable to interest in entities classified as held for sale, except for summarized financial information. The amendment has been endorsed by the EU in February 2018 with effective date 01.01.2017.

2.2.2 Standards and Interpretations issued, but not yet effective

The new Standards and Interpretations clarifications and amendments issued but not yet effective and not early adopted by the Group are presented below. The Group is currently assessing their impact on the financial statements, as its structure changed significantly from 01.01.2018 with the transferring of the additional companies (note 1).

IFRS 9 "Financial Instruments" and subsequent amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2018)

IFRS 9 replaces IAS 39 and introduces new requirements for the classification and measurement of financial assets and financial liabilities, impairment and hedge accounting. It includes an expected credit losses model that replaces the incurred loss impairment model currently adopted. IFRS 9 establishes a more principle-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39.

IFRS 9 (Amendments) "Prepayment Features with Negative Compensation" (effective for annual periods beginning on or after 1 January 2019)

The amendments allow companies to measure particular pre-payable financial assets with so-called negative compensation at amortized cost or at fair value through other comprehensive income if a specified condition is met—instead of at fair value through profit or loss.

IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 1 January 2018)

IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses from disposal of some non-financial assets that are not an output of the entity's ordinary activities (e.g., disposals of property, plant and equipment or intangible assets). Extensive disclosures will be required, including disaggregation of total revenue, information about performance obligations, changes in contractual assets and liability account balances between periods and key judgments and estimates.

IFRS 15 "Revenue from Contracts with Customers" (Clarifications) (effective for annual periods beginning on or after 1 January 2018)

The objective is to clarify IASB's intentions when developing the requirements of IFRS 15 Revenue from Contracts with Customers, particularly a) the accounting treatment of performance obligations amending the wording of the "separately identifiable" principle, b) of principal versus agent considerations including the assessment of whether an entity is a principal or an agent as well as applications of control principle and c) of licensing providing additional guidance for accounting treatment of intellectual property and royalties. The Clarifications also provide additional practical expedients for entities that either apply IFRS 15 fully retrospectively or elect to apply the modified retrospective approach. These clarifications have not yet been endorsed by the EU.

IFRS 16 "Leases" (effective for annual periods beginning on or after 1 January 2019)

IFRS 16 has been issued in January 2016 and replaces IAS 17. The objective of the standard is to ensure the lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of insignificant value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

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

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

IFRS 17 "Insurance contracts" (effective for annual periods beginning on or after 1 January 2021)

IFRS 17 has been issued in May 2017 and replaces IFRS 4. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the Standard and its objective is to ensure that an entity provides relevant information that faithfully represents those contracts. The new standard provides solution to the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. Insurance obligations will be accounted for using current values instead of historical cost. The standard has not yet been endorsed by the EU.

IFRS 4 (Amendments) "Applying IFRS 9 Financial instruments with IFRS 4 Insurance contracts" (effective for annual periods beginning on or after 1 January 2018)

The amendments introduce two approaches. The amended standard will: a) give all companies that issue insurance contracts the option to recognize in other comprehensive income, rather than income statement, the volatility that could arise when IFRS 9 is applied before the new insurance contracts standard is issued; and b) give companies whose activities are predominantly connected with insurance an optional temporary exemption from applying IFRS 9 until 2021. The entities that defer the application of IFRS 9 will continue to apply the existing financial instruments standard—IAS 39.

IFRS 2 (Amendments) "Classification and measurement of Shared-based Payment transactions" (effective for annual periods beginning on or after 1 January 2018)

The amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority.

IAS 40 (Amendments) "Transfers of Investment Property" (effective for annual periods beginning on or after 1 January 2018)

The Amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The Amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. These Amendments have not yet been endorsed by the EU.

IAS 28 (Amendments) "Long term interests in associates and joint ventures" (effective for annual periods beginning on or after 1 January 2019)

In October 2017, the Board issued amendments to IAS 28 "Investments in Associates and Joint Ventures". With these amendments, the Board clarified that the exemption to IFRS 9 applies only to investments that are accounted for using the equity method. Entities should apply IFRS 9 to other interests in associates and joint ventures, including long-term interests to which the equity method does not apply and which are, in substance, part of the net investment in these associates and joint ventures. The amendments have not yet been endorsed by the European Union.

IFRIC 22 "Foreign currency transactions and advance consideration" (effective for annual periods beginning on or after 1 January 2018)

The Interpretation clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The Interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or a non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. The Interpretation states that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. The interpretation has not yet been endorsed by the EU.

IFRIC 23 "Uncertainty over income tax treatments" (effective for annual periods beginning on or after 1 January 2019)

The interpretation explains how to recognize and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. IFRIC 23 applies to all aspects of income tax accounting where there is such uncertainty, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The interpretation has not yet been endorsed by the EU.

IAS 19 (Amendments) "Plan amendment, curtailment or settlement" (effective for annual periods beginning on or after 1 January 2019)

The amendments specify how companies determine pension expenses when changes to a defined benefit pension plan occur. The amendments have not yet been endorsed by the EU.

Annual Improvements to IFRSs (2014 – 2016 Cycle)

- **IFRS 1 "First-time Adoption of International Financial Reporting Standards"** (effective for annual periods beginning on or after 1 January 2018)

  This improvement deletes the short-term exemptions regarding disclosures about financial instruments, employee benefits and investment entities, applicable for first time adopters.

- **IAS 28 "Investments in Associates and Joint Ventures"** (effective for annual periods beginning on or after 1 January 2018)

  The amendments clarify that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is venture capital organization, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

Annual Improvements to IFRSs (2015 - 2017 Cycle) (effective for annual periods beginning on or after 1 January 2019)

The amendments set out below include changes to four IFRSs. The amendments have not yet been endorsed by the EU.

- **IFRS 3 "Business combinations"**
  The amendments clarify that a company remeasures its previously held interest in a joint operation when it obtains control of the business.

- **IFRS 11 "Joint arrangements"**
  The amendments clarify that a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

- **IAS 12 "Income taxes"**
  The amendments clarify that a company accounts for all income tax implications from dividend distributions in the income statement, other comprehensive income or directly to equity, depending on how the entity accounted for the initial transaction.

- **IAS 23 "Borrowing costs"**
  The amendments clarify that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

2.3 Consolidation

(a) Subsidiaries

Subsidiaries are companies controlled by the Group. The Group controls a company when it is exposed to or has rights to variable returns from its involvement with the company and has the ability to affect those returns through its power over the company. Subsidiaries are consolidated using the full consolidation method as of the day the Group obtains control and their consolidation ends on the day the Group loses that control.

a.1) Business combinations when the transaction is not between schemes under common control:

When the acquisition of subsidiaries does not qualify as capital contribution by the shareholder or does not involve business combinations under common control, it is accounted for using the acquisition method. The cost of acquisition is measured as the aggregate of the fair values of the assets being transferred, the liabilities undertaken towards former shareholders and the equity participation instruments issued by the Group. The cost of acquisition also includes the fair value of assets or liabilities arising from an agreement of contingent consideration. The distinct recognizable assets being acquired and the liabilities and contingent liabilities transfered in a business combination are initially measured at the fair value at the acquisition date. The Group recognizes any existing non-controlling interest in the subsidiary either at fair value or at the value of the share of the non-controlling interest in the acquired company's net assets. The difference between the acquisition price and the corresponding fair value of the net assets in the acquired subsidiary is recognized as goodwill. In case the acquisition price is lower than the Group's interest in the net assets of the acquired company, the difference is directly recognized in income statement.

When a business combination is achieved in stages until control is obtained, the current value of the Group's participation in the acquired company is remeasured at its fair value as of the acquisition date. The profit or loss resulting from such remeasurement is recognized in the income statement.

Following the acquisition of control, when the participating interest in a subsidiary changes as a result of transactions with non-controlling interest without any change in the control retained by the Group, the difference between consideration paid and the portion of the carrying amount of net assets held by the subsidiary acquired or transferred to a non-controlling participation is directly recognized in equity.

a.2) Business combinations when the transaction is between entities under common control:

IFRS 3 specifically scopes out business combinations and transactions between entities under common control. When the acquisition of subsidiaries is a result of a transfer from the ultimate shareholder, the Group applies the common control transactions method. A business combination involving financial entities or companies under common control is a business combination in which all combined entities or companies are ultimately controlled by the same party(ies) before and after their combination and such control is not temporary.

In such cases, the Group, in accordance with paragraphs 10 to 12 of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" which indicate that in the absence of a standard or an interpretation specifically applicable to a transaction or other event or circumstance, management will develop and implement, at its discretion, an accounting policy that generates information that is relevant to the users' decision-making needs and reliable, implements the accounting method of consolidating financial entities under common control on the basis of which the book values of assets and liabilities are added without further measurement of fair values.

In detail:

- Companies' assets and liabilities are recognized in the book values with appropriate adjustments to achieve uniform accounting policies. The accounting values used, are derived from the separate financial statements of the companies.
- No goodwill is recognized. The difference between the acquisition cost of the investment and the net assets of the transferred company is recognized in a separate reserve in Equity "Reserve from the acquisition of subsidiaries", as it is created by a transaction with the shareholder.
- The transaction costs (if any) are recognized directly in the Income Statement.

The Group recognizes in the consolidated financial statements each new entity from the date the transfer of the entity is enforced and does not restate comparative figures for any prior periods.

a.3) Accounting treatment for the acquired equity interests in Public Property Company S.A., Hellenic Republic Asset Development Fund S.A. and Hellenic Financial Stability Fund S.A.

According to article 188 of Law 4389/2016 (as codified up until 31 December 2017), it is specified that as of the granting of the Company's legal personality, the following legal entities (the share capital or the corresponding share titles of which are transferred to the Company or created according to the provisions of Law 4389/2016) are considered direct subsidiaries of the Company ("direct subsidiaries"):

a) The Hellenic Financial Stability Fund ("HFSF").

b) The Hellenic Republic Asset Development Fund, established by virtue of Law 3986/2011 (A' 152) ("HRADF").

c) Public Property Company SA, established by virtue of Law 2636/1988 (A' 198) ("ETAD").

d) Public Holding Company S.A. ("PHC"), which, as stated in note 1 above, was not established.

As HCAP, ETAD and HRADF are under the common control of the same ultimate shareholder, the transfer of ETAD and HRADF shares to HCAP is considered as a business combination of entities under common control which is excluded from the scope of IFRS 3. As a result, the Group has followed the accounting policy described above in paragraph 2.3 (a.2).

In the case of **Hellenic Financial Stability Fund SA**, the Group considered the facts and circumstances relating to the ownership of shares comprising the Fund's capital and the requirements of Law 4390/2016 for the rights and the relationship of HCAP and HFSF and concluded that, on the basis of such facts and circumstances and the relevant IFRS provisions, it does not have control or significant influence on HFSF.

Furthermore, the Group filed an enquiry with the actual facts to the Accounting Standards Board (ASB) of the Hellenic Accounting and Auditing Standards Oversight Board (HAASOB); in its reply, the latter stated that, no control or significant influence by HCAP to HFSF is evidenced.

According to the above, the Group did not recognize the HFSF net assets in its consolidated Financial Statements neither with the full consolidation nor with the equity method of accounting. The Company's participating interest in HFSF is included in Investments in Subsidiaries in the separate financial statements and has been recognized at acquisition cost (symbolic amount of € 1).

Intercompany transactions, intercompany balances and unrealized profit and loss resulting from transactions between Group companies are eliminated on consolidation. The accounting policies of the subsidiaries have been adjusted as necessary, in order to ensure consistency with the policies adopted by the Group.

The financial statements of the subsidiaries used for consolidation purposes are prepared for the same date and reference period and the same accounting principles as those adopted by the Parent Company are used.

a.4) Investments in subsidiaries in the separate Financial Statements

Investments in subsidiaries in the separate financial statements are recognized at acquisition cost. Considering the fact that the undertakings were transferred to HCAP with no consideration, these investments are recognized at cost and in the statement of financial position are presented at a symbolic amount of € 1 per direct subsidiary.

(b) Associates

Associates are the entities over which the Group has significant influence but does not control their operations; the Group may participate in the company's financial and operating policy decisions without, however, exercising any control or common control over those policies. Significant influence is initially presumed in the case of a direct or indirect interest corresponding to more than 20% and up to 50% of the voting rights, unless it is undisputedly agrued that this is not the case. Any potential exercisable or convertible voting rights are taken into consideration in order to document any significant influence by the Group. Significant influence may also exist when the participation percentage exceeds 50% or is lower than 20% of the voting rights, in cases where it can be clearly proved that the Group exercises significant influence (and ownership of voting rights does not constitute control when it exceeds 50%).

The Group's investment in associates are accounted for using the equity method in the consolidated financial statements.

The carrying value of investments in associates in the separate financial statements also includes any intrinsic goodwill created on acquisition.

The Group's share in post-acquisition profit or loss of associates is recognized in income statement, while its share in other comprehensive income is recognized in the statement of other comprehensive income with the respective change been recognized in the carrying amount of the investment. If the Group's share of the losses of an associate is equal to or exceeds the value of its investment, the Group does not recognize any further losses unless it has entered into legal or contractual obligations or made payments on behalf of that company. If the Group's interest in an associate is reduced but continues to maintain significant influence, then from the amounts previously recognized in other comprehensive income only the proportion that corresponds to the percentage of the reduction of the participation is recognized in the income statement.

At each reporting date, the Group examines whether there is objective evidence of impairment on its investment in each associate. In this case, the Group calculates the amount of the impairment of the investment as the difference between its recoverable amount and its carrying value. The impairment loss is recognized in the income statement as "Share of Profits/ (losses) of Associates".

Any unrealized profit from transactions between the Group and its associates is eliminated to the extent of the percentage of the Group's interest in the associate. Any unrealized loss is eliminated, unless the transaction provides impairment indications for the transferred asset.

The accounting policies of the associates are in line with those adopted by the Group.

2.4 Property, plant & equipment

All tangible assets excluding those considered as “investment property” accounts are presented in the Statement of Financial Position at cost net off accumulated depreciation and impairment losses. Cost comprises of all expenses directly attributed to the purchase of the assets.

Subsequent expenses are accounted for as an increase in the asset’s carrying amount or as a separate asset only to the extent that future economic benefits are expected to flow to the Group and their cost can be reliably measured. Repair and maintenance costs are accounted for in income statement of the period in which they occur. Depreciation, excluding land plots which are not depreciated, is calculated on a straight line basis throughout the expected useful life of the assets as follows:

- Buildings and technical facilities from 4 to 100 years
- Transportation equipment from 7 to 33 years
- Other furniture and equipment: from 3 to 33 years

Residual values and useful lives of tangible assets are reviewed and adjusted accordingly at each financial year.

The carrying amount of an asset is decreased to its recoverable value when its carrying amount exceeds its estimated recoverable value.

The profit or loss resulting from an asset disposal is determined as the difference between the net disposal proceeds and its carrying amount and is accounted for in income statement.

Assets under construction are recognized at their cost and are not depreciated until the construction is completed and they are put into productive operation.

2.5 Investment properties

Any real estate held for long-term lease or for capital appreciation is presented as investment property in the Statement of Financial Position. Investment properties include:

(a) owned land and buildings;

(b) Particular administration, management, operation and utilization rights on land and buildings;

In summary, the investment properties portfolio managed or owned by the Group (through its subsidiary ETAD), includes the following:

i. Leased and Assigned Real Estate or Tourist Units;
ii. Unoccupied land, tourist estates, marinas, buildings, baths, hotels and other facilities;
iii. Sea shores;
iv. Real estate burdened by planning, legal and/or other liens.

Investment properties are initially measured at cost, including the relevant transaction costs. Subsequent to initial recognition, investment properties are measured at fair value.

Regarding investment properties transferred according to Law 4389/2016, recognition and accounting will follow the policy for all transfers of assets that occur with no consideration from the ultimate shareholder (Greek State) and which will be recorded in fair value with the difference (gain) between the fair value and the actual consideration been recognized directly in equity. In this context and for the transfer of investment properties from Greek State to ETAD based on the above Law (either on the effective date of the Law or with the gradual identification of those assets, along with the understanding and documentation of their data and qualitative characteristics, their measurement and recognition) was at fair value and the difference between cost and fair value (gain) was directly recognized in equity (Reserve from transfer of assets from / to the Greek State with no consideration), as a transaction with the ultimate shareholder.

For the transfers of assets from ETAD to the Greek State with no consideration (such as investment properties or property, plant and equipment), the difference (loss) between the actual consideration and the fair value of the asset will be recognized initially directly in equity in a separate reserve account called “Reserve from transfers of assets from and to Greek State with no consideration” and upon derecognition of the asset the total reserve for the specific asset is transferred to “Retained Earnings/ Losses”.

The recognition of the assets is performed taking into consideration the requirements of IFRS for the recognition of an asset:

- Based on the IFRS Conceptual Framework, an asset shall be recognized in the financial statements, if it meets all the following criteria:

  I. It is a resource controlled by the entity as a result of past events (Conceptual Framework, para. 4.4.a);
  II. From this resource, future economic benefits are expected to flow to the entity (Conceptual Framework, para. 4.4.a and 4.38.a),
  III. The value of the resource can be measured reliably (Conceptual Framework, para. 4.38.b).

- Moreover, in IAS 40, para. 16, the specific criteria required for the recognition of investment property, are the same with the criteria cited above.

- According to the IFRS Conceptual Framework, para. 4.42, an asset that, at a particular point in time, fails to meet the IFRS recognition criteria, may qualify for recognition at a later date as a result of subsequent circumstances or events.

In the case that the above requirements are met, the assets transferred according to L. 4389/2016, are recognized based on the procedure described above.

The above assets will be recognized at their fair value as determined by a certified valuer, based on available data. Given that all these assets are transferred to the Group from the Greek State without any consideration in return, any gain resulting between acquisition cost and fair value on the date of recognition, is directly recognized in the Group's equity. Subsequent to the initial recognition, these assets will be valued according to IAS 40, as investment properties, at fair value. Any profit or loss resulting from a fair value change in a subsequent measurement in each reference period, is recognized in the income statement of the period.

Fair value is based on prices that apply to an active market, adjusted where necessary, due to differences in the physical condition, location or condition of the asset in question. If this information is not available, the Group applies alternative valuation methods such as recent prices on less active markets or discounted cash flows. These valuations are carried out periodically by independent valuers and are in line with directives issued by the International Valuation Standards Committee.

The fair value of investment properties reflects, inter alia, rental income from existing leases, income from use concessions and assumptions about future rental income, based on prevailing market conditions.

Subsequent costs increase the carrying amount of the property only when it is probable that future economic benefits associated with that property will flow to the Group and that the related costs can be measured reliably. Repairs and maintenance costs are charged in the income statement in the year during which they are incurred.

Changes in fair values are recognized in the income statement. Investment property ceases to be recognized when it is sold or when the use of an investment property ceases and no financial benefit is expected from its sale.

Reclassifications from and to investment properties are treated as follows:

(a) If the use of an asset classified as investment property is changed to an own used asset, then the asset is classified to PP&E and its fair value at the date of reclassification is considered the deemed cost of the asset for accounting purposes.

(b) If the use of a fixed asset is changed from own used asset or lease advances to investment property, any difference arising between its book value and its fair value at the date of its transfer is recognized in equity as a revaluation of the fixed assets, under IAS 16. However, if the fair value gain reverses previous impairment losses, then that gain is recognized in the income statement to the extent that it reverses the previous impairment loss. Any remaining profit is recognized in Other comprehensive income by increasing the "Revaluation reserve for Investment properties" in equity (Note 17). In case of disposal of an asset included in the Group's investment property, its current value is revalued at the net proceeds from the disposal and the difference is recognized in the income statement. Investment property ceases to be recognized when sold.

2.6 Intangible assets

(a) Operation licences

The operation licenses refer to the licenses for the operation by ETAD of the canteens in Vouliagmeni's Coast. They are measured at cost less accumulated depreciation and impairment losses (note 2.8). Amortization is calculated from the date of initiation of operations of canteens using the straight-line method over their useful life.

(b) Software

Software is measured at cost less accumulated amortization. Amortization is charged using the straight-line method over their useful life, which varies from 4 to 10 years.

2.7 Leases

(a) Group as a lessee

(i) Operating lease - Leases where substantially all risks and rewards are retained by the lessor are classified as operating leases. Operating lease payments, including any advance payments (net of any incentives offered by the lessor) are proportionately recognized in income statement using the straight line method over the lease term.

(ii) Finance lease - Leases that transfer substantially all risks and rewards are classified as finance leases. Finance leases are capitalized at the commencement of the lease at the fair value of leased assets or if lower, the present value of minimum lease payments.

(b) Group as a lessor

Leases where the Group does not transfer substantially all the risks and rewards of ownership are classified as operating leases. When the assets are leased under operating leases, they are presented in the statement of financial position as investment property according to the nature of each asset (note 2.5). Revenues from operating leases, including advances received, are recognized in the income statement using the straight line method over the lease term.

2.8 Impairment of non financial assets

Assets that have an indefinite useful life are not depreciated or amortized and are subject to impairment testing annually. Assets that are depreciated or amortized are subject to impairment testing when events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount is the greater of the fair value less costs to sell and value in use (present value of cash flows expected to be generated based on management's estimate for future economic and operating conditions). An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount. For the purpose of estimating impairment losses, assets are classified as the smallest possible cash-generating unit. Non-financial assets other than goodwill that have been impaired are revalued for possible reversal of the impairment at each reporting date

2.9 Inventories

Inventories are valued at the lower of cost and net realizable value. Inventory cost is determined with the weighted average cost method for a period of one year. Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost necessary to make the sale.

Adequate provisions are made for obsolete inventories. Inventories devaluations at net realizable value are accounted for in income statement when they occur.

2.10 Trade and other receivables

Trade receivables are initially recognized at transaction value and are subsequently measured at amortized cost using the effective interest rate method, unless the effect of discounting is immaterial, as well as with any impairment allowance. If receivables are expected to be settled within one year or less, then they are classified as current assets. If not, they are classified as non-current assets.

Trade and other receivables are reviewed in terms of collectability on a regular basis. When there is a clear indication that the Group is not able to collect all amounts owed, according to contractual terms, an impairment allowance is recognized. The allowance amount is the difference between the receivables' carrying amount and the present value of estimated future cash flows discounted at the effective interest rate. Any resulting impairment losses are recognized as expenses directly in income statement, under "Other operating expenses".

2.11 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or an equity instrument of another entity.

2.11.1 Financial Assets

Classification

Management determines the category to which the financial assets will be classified upon initial recognition based on the purpose of their acquisition. The financial assets held by the Company and the Group under IAS 39 are classified as loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not traded in active markets. They are recognized as current assets, except those with maturities greater than 12 months from the balance sheet date, which are recognized as non-current assets. Loans and receivables are included in trade and other receivables in the Statement of Financial Position.

Initial recognition and measurement

Loans and receivables are initially recognized at their fair value and subsequently measured at amortized cost using the effective interest method.

Amortized cost takes into account any discount or premium on acquisition and fees or costs that are considered an integral part of the effective interest rate. The amortization from the application of the effective interest rate method is included in the finance income in the income statement. Gains and losses are recognized in income statement when investments are derecognized or impaired, and when amortized.

Derecognition

A financial asset is derecognized when:

- The contractual rights to receive cash flows from the asset expire.
- The Group has transferred the contractual rights to receive cash flows from the asset or has assumed a contractual obligation committed to pay the cash flows to one or several recipients without material delay; and either (a) all risks and benefits of the asset have been substantially transferred, or (b) not all risks and benefits of the asset have been substantially transferred or retained but control on such asset has been transferred.

Impairment

At each reporting date, the Group assesses whether there are objective indications that the financial assets are impaired. The impairment test for trade and other receivables is described in note 2.10.

If, in a subsequent period, the amount of the impairment is reduced and the decrease can be objectively correlated with an event after the initial recognition of the impairment (such as the improvement of the borrower's creditworthiness), the reversal of the previously recognized impairment loss is recognized in the income statement.

2.11.2 Financial Liabilities

Classification

The financial liabilities of the Company and the Group are classified as loans and borrowings. Management determines the category in which financial liabilities will be classified upon initial recognition based on the purpose of their acquisition.

Loans and borrowings

Loans and borrowings include non-derivative financial liabilities with fixed or determinable payments that are not traded on active markets and are included in current liabilities other than those with maturities greater than 12 months from the balance sheet date. The latter are included in non-current liabilities. Loans and borrowings are included in trade and other liabilities in the Statement of Financial Position.

Initial recognition and measurement

Loans and borrowings are initially recognized at their fair value, net of direct costs (bank charges and commissions), and are subsequently measured at amortized cost using the effective interest method.

Amortized cost is calculated by taking into account any discount or premium on acquisition, as well as any costs or costs that are an integral part of the effective interest rate. This amortization is recognized as finance cost in income statement.

Derecognition

A financial liability is derecognized when the liability is settled, i.e. when the obligation specified in the contract is met, cancelled or expired. When an existing financial liability is exchanged with another liability from the same lender with substantially different terms or the terms of an existing liability are substantially modified, such exchange or modification is treated as derecognition of the initial liability and recognition of a new liability. The difference in the respective carrying amounts is recognized in income statement.

2.11.3 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reflected in the statement of financial position only when the Group or the Company legally holds that right and intends to settle them on a net basis with one another or to claim the asset and settle the obligation at the same time.

2.12 Cash and Cash Equivalents

Cash and cash equivalents include cash, current deposits and short-term deposits with duration up to three months.

2.13 Share Capital

The value of the issued registered shares is accounted for as Share Capital in Equity. Costs related to capital increase are recognized net of tax as a deduction from the issue proceeds included in Equity. The unpaid capital is deducted directly from Equity.

2.14 Government Grants

Government grants are recognized at their fair value when it is certain that the grant will be received and the Group will comply with all the attached conditions.

Government grants related to expenses are deferred and recognized in the income statement to match the expenses they are intended to compensate.

Government grants related to the purchase of property, plant and equipment are included in the non-current liabilities and are realized as income in the income statement in "Other operating income" using the straight line method over the estimated useful life of the related assets.

2.15 Current and deferred income tax

Pursuant to article 206 of Law 4389/2016, the Company and its direct subsidiaries (excluding HFSF and HRADF, for which the special provisions of their incorporation laws remain in force) enjoy all the administrative, financial, tax, court, substantive and procedural legal benefits and exemptions of the Greek State, except VAT.

In addition, pursuant to article 10 of Law 4474/2017, the tax exemptions specified in article 206 of Law 4389/2016 (A’ 94) as regards exclusively the exemption from income tax resulting from HCAP’s activities apply to the tax years commencing on 1 January 2016 onwards. As of the enactment of Law 4474/2017, tax exemptions specified in article 206 of Law 4398/2016 also apply to any transaction made pursuant to article 201 of Law 4389/2016 and the introductory item of article 13(5) of Law 2636/1998 (A’ 198) as replaced by article 212 of Law 4389/2016 by the Hellenic Corporation of Assets and Participations S.A. and its direct subsidiaries, when the latter are subject to tax, excluding HFSF and HRADF. Furthermore, pursuant to paragraphs 11 and 13 of article 2 of law 3986/2016 (HRADF’s founding law), HRADF is exempted from income tax.

Based on the above and its existing structure, the Group and the Company do not recognize any current and deferred tax. Any provision for income tax refers to a provision for unaudited tax years of companies which had been absorbed by the Group's direct subsidiaries in the past.

2.16 Employee benefits

Post-employment benefits

Post-employment benefits include defined contribution plans and defined benefit plans.

- **Defined benefit plan**

Defined benefit plan is a retirement plan that determines a certain amount of compensation that the employee will receive when retiring, which usually depends on one or more factors such as age, years of service and salary level.

The liability recognized in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of the plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is calculated by discounting future cash outflows with a discount rate, the long-term high-yield corporate bond rate, which is approximately equal to the retirement plan.

The current service cost of the defined benefit plan recognized in the income statement as staff costs, reflects the increase in the defined benefit obligation arising from employee service in the current period, changes in benefits, cuts and settlements. The past service cost is recognized immediately in the income statement.

The net interest cost is calculated as the net amount between the defined benefit obligation and the fair value of the plan assets at the discount rate.

Actuarial gains or losses arising from empirical adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they occur.

- **Defined contribution plan**

Defined contribution plan is a retirement plan in which the Group makes defined payments to a separate legal entity. The Group has no legal obligation to pay additional contributions if the fund does not have sufficient assets to pay all employees the benefits related to their service in the current and prior periods.

For defined contribution plans, the Group pays contributions to public insurance funds on a mandatory basis. The Group has no other obligation as long as the contributions are paid. Contributions are recognized as payroll costs upon the creation of the requirement to pay. Prepayments are recognized as an asset in the event of a refund or offsetting of future liabilities is possible.

2.17 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired by the Group or the Company in their ordinary course of business. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer), or otherwise as non-current liabilities Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.18 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event (the obligating event), when an outflow of resources is probable to be required in order to settle the obligation and when the obligation value can be estimated reliably.

Where the effect of the time value of money is material, provisions is measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due the passage of time is recognized as a finance cost. Provisions are assessed at each reporting date and if it is no longer probable that there will be an outflow to settle the obligation, they are reversed in the income statement.

2.19 Revenue Recognition

The Group recognizes revenue if it can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Group. Revenue is calculated as the fair value of sales of goods and rendering of services, net of Value Added Tax, discounts and rebates.

(a) Revenue from leases

Operating lease rentals, including any advances (net of any incentives offered by the lessor) are proportionately recognized in income statement using the straight line method during the lease term. When the Group offers incentives to its clients, the relevant cost is recognized using the straight line method as a reduction of revenue over the lease term.

(b) Rendering of services

Revenue from rendering of services is recognized in the period during which services are rendered, according to the completion stage of the service rendered.

HRADF acts as an agent carrying out collections from the utilisation of assets on behalf of the State and privatization revenue is thus not considered revenue of HRADF or the Group. In this case, the Group's operating income is accounted for as the commission rather than the gross revenue. This commission of the direct subsidiary of the Group, according to PEMU's decision no. 0009449/2016 of the Minister of Finance - Government Gazette Issue no. 1603/07.06.2016, is defined as a percentage of the price from utilization of assets and amounts to 0,5% (note 2.22).

(c) Sale of goods

Revenue from the sale of goods is recognized when the Group has transferred to the customer the material risks and rewards of ownership of the goods.

(d) Interest income

Interest income is recognized on an accrual basis using the effective interest rate method.

(e) Dividend income

Dividend income is accounted in income statement in the periods when the shareholder's right to receive payment is finalized.

2.20 Dividends payable

Dividend payable to the Group's shareholder is recognized as a liability in the Financial Statements, in the period when payment is approved by the shareholders.

2.21 Foreign currency translation

In the preparation of the financial statements of the individual entities, transactions in currencies other than the functional currencies of the entities (foreign currencies) are recorded at the exchange rates prevailing at the dates of the transactions. At each date of the Statement of Financial Position, monetary items expressed in foreign currency are measured at the exchange rate at the date of the Statement of Financial Position.

Foreign exchange differences arising on the settlement of monetary items and on the translation of monetary items are included in the income statement.

2.22 Securities, Real Estate and Rights transferred to HRADF

The securities of companies, as well as the real estate, rights, etc. that have been transferred to HRADF, are not recognized (accounted for) in HRADF's and consequently in the Group's financial statements, considering that risks and rewards are retained by the Greek State and are not transferred to HRADF.

HRADF acts as an agent and therefore, acquiring the assets or utilisation or transfer of such assets does not increase its profit and loss or net assets, with the sole exception of the revenue collected as a percentage of the price of utilisation of the assets, intended to cover its operating expenses. Any cash inflow from transfer and utilisation of the assets, will be diminished by an equal value cash outflow to the Greek State.

Given that HRADF mediates in the sale of assets on behalf of the Greek State, the assets transferred to it are separately tracked in distinct informative accounts. These assets are transferred to the Fund without any consideration in return, according to law 3986/2011.

The assets of the Greek State that have been transferred to HRADF and are held for the purpose of privatization as well as those already privatized are presented in detail in the financial statements of HRADF.

2.23 Reclassifications and rounding of figures

The amounts included in these financial statements have been rounded to euro. Existing differences may be due to roundings. During the year, a reclassification was carried out for the purpose of a better presentation of the amount of € 56,940 in the consolidated statement of financial position from "Other receivables" to "Trade receivables". In addition to the above case, no reclassifications to the comparative figures of the Statement of Financial Position, Income statement or Statement of Cash Flows have been made except in tables of individual notes so that the information provided in these notes is comparable to that of the current year.

More specifically, during 2017, a reclassification of € 36,477 from Operating Licenses to the Software Programs was made within "Intangible Assets".

The above reclassifications have no impact on the net assets and the results of the Company and the Group.

3. Financial Risk Management

3.1 Financial Risk Factors

The Company and the Group, under its current structure, are exposed to a limited range of financial risks, such as market risks (currency risk, price risk and interest rate risk), credit risk and liquidity risk. Financial risks are related to the following financial instruments: trade and other receivables, cash and cash equivalents, trade and other liabilities.

Financial risk management focused mainly on the recognition and assessment of financial risks as well as the policy of maintaining sufficient liquidity.

Market Risk

i. Foreign exchange risk

Foreign exchange risk arises as a result of transactions undertaken in foreign currency. The Group and the Company do not have operations abroad. The Group's functional currency is Euro. Due to the nature of its operations, the Group is essentially not exposed to foreign exchange risk, as the majority of transactions is carried out in Euro (€).

Foreign exchange risk is limited and occurs only occasionally, mainly when there are consultancy fees or expenses for projects that are denominated in foreign currency. The Group and the Company periodically check and evaluate their exposure to foreign exchange risk, separately and cumulatively.

ii. Price risk

The Group is exposed to a risk of fluctuation in the fair value of the Investment Property and Consumer Price Index (CPI) that may affect the separate and consolidated financial statements.

More specifically, the Group's results will be affected by relevant changes in the fair value of the Investment Properties.

Correspondingly, the Group's income statement would be affected by relevant CPI changes either through the subsidiaries' exposure to the risk of fluctuation in the value of investment properties or through the limited exposure of subsidiaries where part of their income derives from lease agreements that are affected from the CPI changes.

The Company is not exposed to price risk.

iii. Cash flow risk and risk of fair value changes due to fluctuations in interest rates

The cash flow risk and the risk of fair value changes due to fluctuations in interest rates concerns the risk of change in the fair value of a financial instrument as a result of fluctuating interest rates, as well as the risk of the impact that interest rate fluctuations will have on cash inflow/revenue and outflow/expenses of both the Company and the Group.

As currently structured, the Group has limited exposure to the above risks, as:

- The assets of the Company and its subsidiaries include interest-bearing assets, such as short-term investments in time deposits and current bank accounts, with variable rates or short-term maturities, and as a result, there is reduced risk of a change in the fair value of these instruments. Meanwhile, any interest rate fluctuation can affect the amount of interest income, but it is not expected to cause any material change to the Company's or the Group's financial result.
- Although the Group bears liabilities from loans of the former KED that was merged with the Group's subsidiary, ETAD, there are respective receivables against the Greek State for these, as the Greek State has guaranteed the loans and is paying them off; consequently, the Group's exposure to the risk is reduced.

Credit risk

Credit risk is the possibility of non-timely payment received from counterparties and mainly comprise of trade and other receivables, as well as cash and cash equivalents.

Trade receivables are spread to a broad customer base. A large part of receivables from customers is secured against credit risk, through good performance letters of guarantee issued by banks (Note 31).

There is also a potential credit risk related to cash and cash equivalents. In such cases, the risk may arise from the inability of the counterparty to meet its obligations to the Group and the Company. To manage this credit risk, the Group, within the framework of approved policies by the Boards of Directors, cooperates with highly rated investment grade financial institutions and continually evaluates and limits its exposure to each individual financial institution.

Furthermore, many of the receivables are either receivables from the Greek State, or receivables matched against liabilities towards the Greek State. According to Management estimates, appropriate provisions are recognized for losses resulting from the impairment of receivables due to specific credit risks.

The Group's and Company's assets exposed to credit risk at the end of the reporting period, are analyzed as follows:

Financial assets	**GROUP**		**COMPANY**	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Within the following year	62,396,184	98,232,489	-	-
Within 1-5 years	145,887,730	185,787,823	72	-
Other receivables	37,815,744	42,034,766	305,326	16,641
Cash and cash equivalents	125,421,561	142,188,243	7,335,934	10,000,000
Net carrying amount	**371,521,219**	**468,243,321**	**7,641,332**	**10,016,641**

Liquidity risk

The liquidity risk is the risk of the Company or the Group not having adequate liquidity to meet their financial obligations and to finance their operation. Effective management of the liquidity risk includes, among others, maintaining adequate cash levels, proper management of working capital and cash flows, and being able to secure financing in case needed. Both Company and Group assess that, under the current structure and the resources available, they have reduced exposure to that risk, as they rely on maintaining adequate liquidity (cash and cash equivalents) and properly managing working capital and cash flows.

The liquidity of the Group and the Company is regularly monitored by the Management. The following table presents the breakdown of the financial liabilities of the Group and the Company as at 31 December 2017 and 2016 respectively:

Financial liabilities	**GROUP**		**COMPANY**	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Within the following year (Trade and Other Payables)				
- Trade and other payables	70,831,586	74,749,926	1,055,510	221,083
- Trade and other payables matched against Receivables	61,122,922	118,778,803	-	-
	131,954,508	**193,528,729**	**1,055,510**	**221,083**
Other non-current liabilities				
- Other non-current payables	88,417,609	82,941,598	-	-
- Other non-current payables matched against Receivables	128,606,424	166,259,038	-	-
	217,024,033	249,200,636	-	-
Dividends payable	-	2,053,839	-	-
Total	**348,978,541**	**444,783,204**	**1,055,510**	**221,083**
Minus:				
- Trade and other payables matched against receivables	(61,122,922)	(118,778,803)	-	-
- Other non-current payables matched against receivables	(128,606,424)	(166,259,038)	-	-
- Other payables*	(13,023,777)	(14,546,481)	(536,349)	(22,210)
	(202,753,123)	**(299,584,322)**	**(536,349)**	**(22,210)**
Total	**146,225,418**	**145,198,882**	**519,161**	**198,873**

** The breakdown of other payables includes amounts from customer advances, various taxes, payables to social security institutions, deferred revenue and accrued expenses (Note 22).*

3.2 Capital management

The purpose of the Group's Capital management is to ensure the going concern of the Group's companies, the achievement of its development plans in combination with its creditworthiness. In assessing the Group's creditworthiness due to the fact that all the Group's borrowings are derived from KED which was absorbed by

Group’s subsidiary ETAD, the Group's exposure to risk is considered low as for loans borrowed, there are corresponding receivables from the Greek State which has guaranteed them and proceeds with their payment.

3.3 Determination of fair values

Financial instruments measured at fair value at the balance sheet date are classified as follows, depending on how their fair value is determined:

- Level 1: based on quoted (unadjusted market) prices in active markets for identical assets or liabilities.
- Level 2: for items whose fair value is determined by factors associated with market data, either directly (prices) or indirectly (price derivatives)
- Level 3: for items whose fair value is not determined by market observations, but which is based on - internal estimates.

The fair value of current trade and other receivables as well as of trade and others payables approximates their carrying amounts.

The Group's assets measured at fair value at 31.12.2017 and 31.12.2016 are "Investment property" of € 828.5 mln and € 370.7 mln respectively and at Level 3.

4. Significant accounting estimates and judgements

The preparation of the Group’s financial statements requires management to make judgments and estimates that affect the reported amounts of revenues, expenses, assets and liabilities. Such estimates, assumptions and judgements are reassessed periodically based on historic data and expectation of future events so that they reflect the current conditions.

Despite the fact that such estimates are based on the management of the Company and the Group Subsidiaries’ best perception of current events and their knowledge of any future Group activities, actual results may materially differ from those calculations and assumptions taken into account for the preparation of the financial statements.

Estimates and assumptions that could have a significant risk of future material adjustments to the carrying amounts of assets and liabilities are as follows:

(a) Estimates on Investment properties

The most appropriate indication of "fair value" is the current value that apply to an active market of related leases as well as other contracts. If it is not possible to obtain such information, the Group determines the value within a range of reasonable estimates of "fair values". In order to take such a decision, the Group takes into consideration the data from a variety of sources, including:

I. Current prices in an active market for properties of a different nature, condition or location (or subject to different leasing terms or other contracts), which have been adjusted to reflect these differences.
II. Recent prices of similar properties in less active markets, adjusted to reflect any changes in the economic conditions that have occurred since the date of the respective transactions at those prices; and
III. Discounted future cash flows based on reliable estimates of future cash flows arising from the terms of existing leasing and other contracts and (where feasible) from external data such as current rental rates of similar properties in the same location and condition using discount rates that reflect the current market assessment of the uncertainty about the amount and timing of such cash flows.

The disclosures relating to the fair value measurement of investment property are presented in Note 6.

(b) Property and rights not recognized in the financial statements

Pursuant to the provisions of Law 4389/2016, a portfolio of numerous real estate properties will be transferred to ETAD with no consideration, for a part of which, there are significant ambiguities and uncertainties. Regarding the accounting treatment of this part of the portfolio, the management of the subsidiary has made estimates regarding ETAD's control over the property as well as its various qualitative, legal and technical characteristics that determine the likely future economic benefits to the company.

(c) Provisions

- Provisions and contingent liabilities regarding pending legal cases

The Group's subsidiaries are involved in various disputes and legal cases for any significant of which their management reviews the status on a periodic basis to assess the probability of outflow, based partially on the views of their legal counsels. If the cash outflow of any disputes and legal cases is considered probable and the amount can be estimated reliably, the Group companies recognize a provision in their separate financial statements. Both the determination of the probability and the determination of whether the amount can be estimated reliably requires significant judgement from their managements'. When additional information becomes available, the managements re-examine the likelihood of an adverse effect and may review the related estimate of the likely outflow. The completeness of the provisions for the existing outstanding legal cases is reassessed, after consideration by the group's subsidiaries' legal counsels of the data related to historical data and recent developments (note 31).

- Impairment of doubtful receivables

Doubtful receivables are presented at the values that are likely to be recovered. The expected values to be recovered are based on an analysis and from the Group's subsidiaries experience of the probability of customers recoverability. As soon as it becomes known that a receivable is subject to a higher than normal credit risk (eg low customer creditworthiness, disagreement about the existence or amount of the receivable, etc.), the receivable is analyzed and then recorded as doubtful if conditions imply that it is non recoverable.

- Provision for staff leaving indemnities

The amount of the provision for staff leaving indemnities is based on an actuarial study. The actuarial study includes the setting of assumptions about the discount rate, the increase rate in employee wages, the increase in the consumer price index and the expected remaining working life. The assumptions used involve significant uncertainty and the Group continuously reassesses them.

(d) Impairment of investments in subsidiaries and associates

The Group tests for impairment the value of its investments in associates by comparing the recoverable amount of each investment (the highest value between the value in use and the fair value less costs to sell) at its carrying amount. The Group makes estimates to determine the recoverable amount, including key assumptions for the period of estimated cash flows, the future cash flows, growth rate and discount rates, in order to determine the present value of the expected future cash flows of the associate.

(e) Useful life of PP&E

PP&E is depreciated according to the estimated useful life. The estimated useful lives are reviewed regularly and may be changed due to various factors such as technological innovation and the maintenance programs.

(f) Impairment of PP&E

PP&E is initially recognized at cost and then depreciated over its useful lives. The Group and the Company examine in each reporting period whether there are indications of impairment of the tangible assets. The impairment test is carried out on the basis of market data and management's estimates of future operating and economic conditions. For the impairment test, the subsidiaries' management coordinates with independent valuers.

5. Property, plant & equipment

The movement of Property, plant and equipment for the Group and the Company is presented below:

Tangible assets movement schedule for the Company and the Group:

		GROUP					COMPANY
(amounts in €)	Note	Buildings-Technical Installations	Machinery Equipment	Vehicles, furniture & other equipment	Fixed assets under construction	Total	Vehicles, furniture & other equipment
Cost							
As at 25.10.2016		**-**	**-**	**-**	**-**	**-**	**-**
Cost of PP&E held by subsidiaries that were transferred on 25.10.2016	17	69,939,514	3,223,800	11,055,702	373,767	84,592,783	-
Additions		73,211	1,584	54,403	1,389,306	1,518,504	-
As at 31.12.2016		**70,012,725**	**3,225,384**	**11,110,105**	**1,763,073**	**86,111,287**	**-**
Additions		138,727	21,232	304,473	284,957	749,389	74,758
Disposals/ write-offs		-	-	(10,893)	-	(10,893)	-
Transfers from investment properties	6	5,103,100	-	-	-	5,103,100	-
Transfers from lease advances	11	2,024,944	-	-	-	2,024,944	-
As at 31.12.2017		**77,279,496**	**3,246,616**	**11,403,685**	**2,048,030**	**93,977,827**	**74,758**

Accumulated Depreciation

	Note	Buildings-Technical Installations	Machinery Equipment	Vehicles, furniture & other equipment	Fixed assets under construction	Total	Vehicles, furniture & other equipment
As at 25.10.2016		**-**	**-**	**-**	**-**	**-**	**-**
Accumulated depreciation of PP&E held by subsidiaries that were transferred on 25.10.2016	17	(22,821,530)	(1,257,593)	(6,022,202)	-	(30,101,325)	-
Depreciation charge	25	(391,176)	(33,967)	(59,179)	-	(484,322)	-
As at 31.12.2016 and 01.01.2017		**(23,212,706)**	**(1,291,560)**	**(6,081,381)**	**-**	**(30,585,647)**	
Depreciation charge	25	(2,334,369)	(201,829)	(346,211)	-	(2,882,409)	(9,352)
Impairment	27	(765,102)	-	-	-	(765,102)	-
Disposals/ Write offs		-	-	7,349	-	7,349	-
As at 31.12.2017		**(26,312,177)**	**(1,493,389)**	**(6,420,243)**	**-**	**(34,225,809)**	**(9,352)**
Net book value at							
31.12.2016		**46,800,019**	**1,933,824**	**5,028,724**	**1,763,073**	**55,525,640**	**-**
31.12.2017		**50,967,319**	**1,753,227**	**4,983,442**	**2,048,030**	**59,752,018**	**65,406**

Reclassifications:

The reclassification from investment property to PP&E recognized in 2017 amounting to € 5.1 mln relates to Vouliagmeni's Coast.

Furthermore, reclassification from Lease advances to PP&E of € 2 mln relates to the net book value of the right to manage Achillion Museum in Corfu as at 1.1.2017.

Encumbrances:

There are no encumbrances on the Company's and the Group's PP&E.

	GROUP	
Tangible assets under construction:	**31.12.2017**	**31.12.2016**
Construction of floating piers at Alimos marina	361,767	361,767
Services for wind electricity production park licensing	12,000	12,000
Upgrade of ski lifts of Parnassos ski center	1,674,263	1,389,306
Total	**2,048,030**	**1,763,073**

The additions to fixed assets under construction amounting to € 284,957 are related to the upgrade of the ski lifts of the Parnassos Ski Center, which was carried out using equal value funds from government grants (note 21).

6. Investment Properties

	Note	GROUP	COMPANY
Period 25.10.2016 – 31.12.2016			
As at 25.10.2016		-	-
Investment properties held by subsidiaries that were transferred on 25.10.2016	17	370,653,544	-
As at 31.12.2016		**370,653,544**	**-**
Period 1.1.2017 – 31.12.2017			
As at 01.01.2017		**370,653,544**	**-**
Revaluation reserve from assets transferred from lease advances (a)	17	2,694,085	-
Reserve from the transfer of assets from/ to the Greek State with no consideration (b)	17	416,854,522	-
Gain from fair value adjustment		36,550,870	-
Transfer to property, plant and equipment (c)	5	(5,103,100)	-
Transfer from Lease advances (a)	11	6,873,815	-
As at 31.12.2017		**828,523,736**	**-**

Rental income that is recognized during current year in Income Statement amounts to € 33.7 mln (25.10.2016-31.12.2016: € 5.6 mln) (note 24).

The fair value of investment properties has been categorised as Level 3 of fair value hierarchy. There are no encumbrances on the Group's investment property.

(a) Reclassification of assets to Investment property

In the current year, additional investment properties were recognized by ETAD, with a value of € 9.6 mln (€ 6.9 mln initial carrying amount, plus € 2.7 mln as fair value adjustment at the date of the reclassification) that were reclassified from Lease advances. This transfer was due to the fact that these properties are no longer owned for the purpose of being utilized by the Group but for earning rental income or for capital appreciation. Upon their reclassification from own use special rights included in lease advances to investment properties, these assets were measured at fair value and the gain that arose on the reclassification date (1.1.2017) from the difference between the fair value and the carrying amount of the property, was recognized through Other Comprehensive Income in the Group's equity as a revaluation reserve. Subsequent to initial recognition as investment properties, these assets will be measured in accordance with IAS 40.

(b) Recognition of new properties which during the current year met the IFRS recognition criteria

During current year, additional investment properties amounting to € 416.9 mln, which met the requirements of article 196 of Law 4389/2016 and the IFRS criteria, were recognized. Their valuation was performed by an independent valuer and the basic valuation methods used are as follows:

1. The market value approach in cases that there is an observable active market. In cases that there was no comparable data for similar property in the near and wider area of the specific properties, a base price for the whole Country was established. This price was based on data and prices resulting from a market survey carried out, adjusted using appropriate rates.
2. The cost approach was applied for the valuation of the specialized building facilities, infrastructure and land improvements of the individual properties of the Group, if they were not leased or there was no organized and active market for the sale of corresponding properties.
3. The income approach, which was used to determine the fair value of the property of the Group that was leased. When applying this approach, the discounted cash flow method was used, projecting the future rentals and by calculating the Residual Value of the property at the end of the lease period, either using the cost approach or where applicable, the Potential Commercial Rental Approach.

Regarding new properties transferred according to L. 4389/2016, initial recognition (either on the effective date of the Law or with the gradual identification of those assets, along with the understanding and documentation of their data and qualitative characteristics, their measurement and recognition) was performed at fair value and the difference (gain) between cost and fair value was directly recognized in equity (Reserve from transfer of assets from / to the Greek State with no consideration), as it related to the result of a transaction with the ultimate shareholder.

In the event that the company recognizes new properties for which it does not have full ownership but a right for use and exploitation, the Commercial Value of the respective properties under a full ownership was initially calculated and then the value of the respective right that corresponds to the specific properties, was determined by applying the Usufruct Concept, based on which the long-term use and management of an asset which is owned by another legal entity, should not exceed the 8/10 of the full ownership fair value.

The use and exploitation of the properties belonging to the Greek National Tourism Organization (GNTO) was granted to ETAD for the period until the end of its term (2097), and therefore, in accordance with the applicable practice and the Usufruct Concept, as the Company has not yet reached the first 20 years of its life, the value of its rights may not exceed 80% of the commercial value of the assets under full ownership. This methodology applies to the assets relating to the rights of management and exploitation of the properties of the GNTO (eg for the coasts), while for the properties of the GNTO, which are now fully owned by ETAD, their value is calculated at 100% of their fair value during the reporting period.

The most significant assumptions used for the valuation of investment properties are presented below:

1. Any legal or judicial / administrative commitments have been taken into account when assessing the ETAD's property, either on a stand-alone basis (exclusion of future development/exploitation) or as a risk factor for future development/exploitation.
2. Leased assets were valued using the Income Approach and specifically the method of Discounted Cash-flows, based on the future rentals. A bad debt factor ranging from 0% to 25% was applied on this future

rental income with the main assumption the realized rental payment patterns up to the assessment date and other factors, that according to the valuer's judgement are correlated to the possibility of their normal payment in the future. The Residual Value of the property was also calculated at the end of the period, using the method of capitalization of the rental revenues at the first year after the contractual lease period's end. The values that occurred by the above were calculated at their present value with discount factors that depending on the nature of the property were mainly within the range of 3% – 14%. If at December 31, 2017 the discount rate that was used in the analysis of discounted cash-flows was different from the management's assumptions by +/- 10% then the book value of the investment properties account would be higher by 15.3 mln Euro or lower by 15.3 mln Euro.

3. The calculation of the rentals increase rate was based on the existing lease agreements. The following assumption was made for the Consumers Price Index (CPI), according to the forecasts of Bank of Greece.

Year	CPI
2018	0.65%
2019	0.80%
2020	1.30%
2021+	1.50%

4. For the ETAD portfolio of properties or for parts of its properties, which have been granted for free to third parties with a specific contractual duration and ETAD intends to take back after the end of the contract, the valuer assigned them a Fair Value, which was calculated by applying the Approximation of Cost and Market of the land and buildings, at their condition as it was at the valuation date, adjusted for the time until the end of the respective agreements.

5. For the calculation of the Fair Value for land with gross surface over 50,000 square meters for which there was lack of comparative sales data near the respective territories, the management of ETAD SA by applying the Market Approach, used the Base Price for the total Country that had formed in the prior years and decreased it by 1.27%. The Base Price was based on the market research performed by the valuer for property of other form and nature, on data collected from professionals that are active in sales of respective surface land over the country, as well as data that was obtained by the valuer's database. These prices were then adjusted by applying factors based on specified criteria that included:

   - Location / Commercial value of the area.
   - Ease of access.
   - Neighbour property.
   - View.
   - Uniqueness.
   - Land formation.
   - Surface.
   - Frontage and Feature
   - Terms of building and allowed usage terms.
   - Special commitments.

6. To the properties that are inside A' archaeological zone, ETAD did not assign any value while the properties of B' archaeological zone were valued based on the Market Approach discounted by rates in a range from 0% to 10%.

7. The properties that include parts of forest territory were valued at the possible sale price, at 10% of the fair value of the remainder of the land. To the exclusively forest lands the value given was nil, as they cannot be the subject of a transaction.

8. To the properties included in ETAD's portfolio, which according to the data that the company provided to the Valuer concern areas regulated as "Natura" areas (as the properties are in non-construction zones) or

"Ramsar" areas, the Valuer did not assign any value, as due to the respective regulations, they are in essence properties of totally protected nature, where no kind of construction is allowed. It is noted, however, that in a case of ETAD property where a part of it is protected, per above rules, and another next to it is free from restrictions and there is the right of transferring construction rights from the restricted area to the free one, then value was assigned by the Valuer to these non-constructions allowed properties. If in any property of ETAD with restrictions to construction such as forests, archaeological areas, "Natura" and "Ramsar" areas and other similar, was ascertained that there were building installations, those installations were valued by the Method of Cost and their fair value was calculated with the method of Replacement Cost.

9. No value was calculated for coasts transferred to the General Secretariat for Public Property, as according to the opinion of the Legal Services Division regarding Article 68 (1) of Law 4484/2017, they are not part of ETAD's portfolio. For coasts with active leases or concessions, fair value was calculated up to the expiry date of the lease / concession.

(c) Transfer from Investment property to property, plant and equipment

The Group transfered from investment properties to property, plant and equipment the asset related to Vouliagmeni Coast amounting to € 5.1 mln.

(d) Properties and rights not meeting the IFRS criteria and not recognized in the financial statements

Law 4389/2016 provides that a portfolio of a significant number of properties is transferred with no consideration to ETAD. However, for part of the portfolio there are significant ambiguities and uncertainties as:

- The aforementioned law did not include a detailed breakdown analysis of the transferred properties, apart from a general reference to properties managed by ETAD.
- For part of this portfolio, there is uncertainty regarding whether these properties can be transferred to ETAD, either because they partially or fully fall under the exceptions stipulated by the law, or because there are other technical or legal impediments, and also for which of these properties the impediments can be remedied.
- The fact that a considerable part of information has not been delivered to ETAD, regarding those properties for which the ownership and possession have been transferred to ETAD pursuant to the above law, that would enable ETAD to be knowledgeable of all the individual aspects, attributes, quality, legal and technical characteristics of such properties.
- Trial pilot transcriptions of several properties revealed cases where certain conflicts would cause issues in the transcription process, or cases where transcription will be made possible through appropriate legislative interventions.

With respect to the accounting treatment of this part of the portfolio, management took into consideration the requirements of the International Financial Reporting Standards for the recognition of an asset on asset which include the following:

- Based on the IFRS Conceptual Framework, an asset shall be recognized in the financial statements, if it meets all the following criteria:
    i. It is a resource controlled by the entity as a result of past events (Conceptual Framework, para. 4.4.a),
    ii. From this resource, future economic benefits are expected to flow to the entity (Conceptual Framework, para. 4.4.a and 4.38.a),
    iii. The value of the resource can be measured reliably (Conceptual Framework, para. 4.38.b).

- Moreover, in IAS 40, para. 16, the specific criteria set for the recognition of investment property, are the same with the criteria cited above.

- In accordance with the IFRS Conceptual Framework, para. 4.42, an asset that, at a particular point in time, fails to meet the IFRS recognition criteria, may qualify for recognition at a later date as a result of subsequent circumstances or events.

Meeting the above criteria, ETAD's management estimated that:

- For an undetermined number of properties, it is not certain whether ETAD will exercise control, since they fall, either partially or fully, under the exceptions of the law, or there are technical or legal impediments that need to be resolved with an as yet unknown outcome, while for certain properties, their existence is uncertain due to lack of data. Furthermore, the transfer of ownership procedures has not been completed at the mortgage or land registries.
- Due to the above and the lack of data regarding their qualitative, legal and technical characteristics, it is uncertain whether there will be any future inflow of economic benefits to ETAD.
- As a result of the above, the value of the above potential cash inflow cannot be measured reliably.

Consequently, ETAD management deemed that, based on the facts and circumstances and pursuant to the IFRS requirements as analyzed, the above part of the portfolio does not meet the asset recognition criteria set by IFRS, and has not yet proceeded in their recognition in the statement of financial position.

Specific actions have been planned for the assessment of whether these properties can be recognized.

Following actions undertaken by ETAD's management, the Ministry of Finance issued on 17.03.2017 the decision no. 2/9655/0004 to establish, set up and appoint the members of a work group tasked with providing ETAD with all the data on properties transferred to ETAD, while, in turn, ETAD has also set up a similar work group to process all the data received and take any further action needed to confirm their existence, record quality characteristics of property data, and finalise whether such property is transferred to ETAD partially or fully, so as to eliminate any ambiguity and uncertainty regarding ETAD's ownership of those properties.

Based on the above preparatory work, ETAD will gradually identify the property titles, comprehend and record property data and attributes, file their transfer to ETAD in the respective mortgage or land registries and also proceed with the valuation and accounting for all the properties for which uncertainties have been lifted. In this context, in 2017, there was an increase in investment properties value by € 419.1 mln, which corresponds to 1,402 properties fully identified, recorded and valued. Additionally, in 2017, 26 properties (Coasts) with a value of € 2.2 mln were transferred to the General Secretariat of Public Property under Law 4484 / 1.8.2017.

Due to the significant number of properties, the issues mentioned above and the number of legal and technical impediments in a large number of titles, it is expected that it will take a considerable amount of time to complete this process. However, ETAD's management deems that by the end of 2018 this work will have been completed for a considerable number of properties. Future non-cancellable lease receivables are analyzed in note 33.

7. Intangible Assets

(amounts in €)	Note	GROUP Software	GROUP Licenses	GROUP Total	COMPANY Software
Cost					
As at 25.10.2016		-	-	-	-
Cost of intangibles owned by subsidiaries that were transferred on 25.10.2016	17	2,280,410	182,846	2,463,256	-
Additions		23,658	-	23,658	-
As at 31.12.2016		**2,304,068**	**182,846**	**2,486,914**	**-**
Additions		155,933	-	155,933	14,007
As at 31.12.2017		**2,460,001**	**182,846**	**2,642,847**	**14,007**
Accumulated Amortization					
As at 25.10.2016		-	-	-	-
Accumulated amortization of intangibles owned by subsidiaries that were transferred on 25.10.2016	17	(2,083,770)	(182,677)	(2,266,447)	-
Amortization expense	25	(27,508)	-	(27,508)	-
As 31.12.2016 and 1.1.2017		**(2,111,278)**	**(182,677)**	**(2,293,955)**	**-**
Amortization expense	25	(102,956)	(169)	(103,125)	(816)
As at 31.12.2017		**(2,214,234)**	**(182,846)**	**(2,397,080)**	**(816)**
Net book value at					
31.12.2016		**192,790**	**169**	**192,959**	**-**
31.12.2017		**245,767**	**-**	**245,767**	**13,191**

There are no intangible assets forfeited as guarantee for covering obligations.
Licenses mainly relate to the operational licenses of the canteens that operate at Coast of Vouliagmeni.

8. Investments in Subsidiaries

According to article 188 par. 1 of law 4389/2016, on the date that the Company grants legal personality, the following legal entities should be considered as direct subsidiaries of the Company ("direct subsidiaries"):

Subsidiaries	Business Activity	Country	31.12.2017 % Direct Participation	31.12.2016 % Direct Participation	Consolidation Method
Hellenic Financial Stability Fund (HFSF)	Note 1	Greece	100.00%	100.00%	None (Note 2.3)
Hellenic Republic Asset Development Fund SA (HRADF)	Note 1	Greece	100.00%	100.00%	Full
Public Properties Company (PP Co)	Note 1	Greece	100.00%	100.00%	Full

Shares and securities incorporating the subsidiaries' share capital were transferred to the Company with no consideration. The Company recognized its investment in the direct subsidiaries "HFSF", "HRADF" and "ETAD" in the statement of financial position at cost (nill) with symbolic value of € 1 per subsidiary.

9. Investments in Associates

The Company has through its direct subsidiary "ETAD" significant influence on the following associates:

			31.12.2017	31.12.2016
Associates	**Business Activity**	**Country**	**% Indirect Participation**	**% Indirect Participation**
Marina Zeas S.A	Leasing, construction and exploitation of the port of Zea	Greece	25.00%	25.00%
Lamda Flisvos Marina S.A	Utilization and exploitation of Flisvos tourist port	Greece	22.77%	22.77%
Casino of Parnitha SA	Operating casino and hotels	Greece	49.00%	49.00%

The movement of Investments in associates is presented below:

GROUP	**Marina Zeas S.A.**	**Lamda Flisvos Marina S.A.**	**Casino of Parnitha S.A**	**Total**
As at 25.10.2016	**3,268,420**	**994,072**	**39,902,116**	**44,164,608**
Share of Profit/ (Loss) after tax for the period 25.10.2016-31.12.2016	73,801	37,881	69,838	**181,520**
Share of other comprehensive income for the period 25.10-31.12.2016	-	-	(4,605)	**(4,605)**
As at 31.12.2016	**3,342,221**	**1,031,953**	**39,967,349**	**44,341,523**
Share of Profit / (Loss) after tax for the year 2017	(16,977)	180,471	(2,974,205)	**(2,810,711)**
Reversal of impairment	(51)	112,193	(159)	**111,983**
Share of other comprehensive income for the year 2017	-	(348)	81,977	**81,629**
Dividends Received	(100,000)	-	(4,712,478)	**(4,812,478)**
As at 31.12.2017	**3,225,193**	**1,324,269**	**32,362,484**	**36,911,946**

Condensed Statement of Financial Position:

	Marina Zeas S.A.		**Lamda Flisvos Marina A.E.**		**Casino of Parnitha S.A.**	
	25.00%	**25.00%**	**22.77%**	**22.77%**	**49.00%**	**49.00%**
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**	**31.12.2017**	**31.12.2016**
Non- current assets	11,519,957	11,715,248	27,892,389	28,312,573	70,870,496	79,369,380
Current Assets	7,593,459	9,001,364	4,490,802	5,345,695	10,075,850	16,672,119
Total Assets	**19,113,416**	**20,716,612**	**32,383,191**	**33,658,268**	**80,946,346**	**96,041,499**
Non- current liabilities	1,564,630	4,183,043	20,421,747	10,660,321	5,772,807	5,714,213
Current Liabilities	4,648,015	3,164,686	6,145,596	17,973,153	9,127,654	8,761,268
Total Liabilities	**6,212,645**	**7,347,729**	**26,567,343**	**28,633,474**	**14,900,461**	**14,475,481**
Equity	12,900,771	13,368,883	5,815,849	5,024,794	66,045,885	81,566,018
Group's Proportion in associates net assets	**3,225,193**	**3,342,221**	**1,324,269**	**1,144,146**	**32,362,484**	**39,967,349**

Condensed Statement of Comprehensive Income:

	Marina Zeas S.A.		Lamda Flisvos Marina S.A..		Casino of Parnitha SA	
	1.1.2017 - 31.12.2017	**1.1.2016 - 31.12.2016**	**1.1.2017 - 31.12.2017**	**1.1.2016 - 31.12.2016**	**1.1.2017 - 31.12.2017**	**1.1.2016 - 31.12.2016**
Revenue	4,294,317	4,193,819	12,213,028	11,803,579	84,174,382	87,659,629
Net (loss)/ profit	**(67,908)**	**1,771,222**	**792,582**	**998,175**	**(6,069,807)**	**832,049**
Total other comprehensive income (after tax)	-	-	(1,527)	(2,058)	167,301	(56,385)
Total comprehensive income	**(67,908)**	**1,771,222**	**791,055**	**996,117**	**(5,902,506)**	**775,664**

10. Other non-current receivables

		GROUP		COMPANY	
	Note	**31.12.2017**	**31.12.2016**	**31.12.2017**	**31.12.2016**
Guarantees		2,071,016	2,064,590	72	-
Non-current receivables from disposal of assets	21	39,284,634	57,341,360	-	-
Other non-current recevables (Karpenisi Ski Center)		200,000	200,000	-	-
Non-current receivables from Greek State (KED)		106,391,169	126,906,471	-	-
Non-current receivables from lessees		-	1,334,491	-	-
Provisions for doubtful receivables		(2,059,089)	(2,059,089)	-	-
Total		**145,887,730**	**185,787,823**	**72**	**-**

There is an equal value payable included in Other non-current liabilities from disposal of assets that matches the non-current receivables from disposal of assets amounting to € 39.3 mln (note 21). The affiliated company HRADF recognizes a receivable based on the agreed price of the buyer and an equivalent payable to the Greek State. The amount of non-current receivables and corresponding payables from the disposal of assets (owned by Greek State) is analyzed as follows:

	GROUP	
Receivable per disposed asset	**31.12.2017**	**31.12.2016**
Rights to use radio frequencies through EETT	-	25,661,300
Real estate sold through an online electronic platform	14,764,634	3,680,060
Interest of 33% in the share capital of OPAP SA	15,000,000	18,000,000
Interest in the share capital of New Corfu Real Estate Investments SA	8,000,000	10,000,000
Interest in the share capital of “Arcade Modiano SA”	1,520,000	-
Total non-current receivables from the disposal of assets	**39,284,634**	**57,341,360**

Non-current receivables from Greek State are coming from the former company KED SA and relate to receivables for the repayment of loans for which the Greek State is assigned as a guarantor. These amounts are presented also as bond loans in other non-current liabilities (note 21).

Other non-current receivables (Karpenissi Ski Center) mainly relate to receivables for the disposals of assets that have not yet been completed amounting to € 0.2 mln (31.12.2016: € 0.2 mln).

As at 31 December 2016, the amount of € 1.3 mln relates to non-current receivables from lessees and refers to settlements made for overdue lease payments of previous years, which in the current year were transferred to Trade receivables (note 13). In the current and comparative year, no additional provision for doubtful non-current receivables was required.

11. Lease advances

The movement of the special rights that appear in the consolidated statement of financial position as lease advances is as follows.

	Note	GROUP	COMPANY
As at 25.10.2016		**-**	**-**
Lease advances from subsidiaries that were transferred on 25.10.2016	17	9,786,303	-
Next year's amortization		(20,346)	-
As at 31.12.2016		**9,765,957**	**-**
As at 01.01.2017		**9,765,957**	-
Transfer from lease advances to investment properties	6	(6,873,815)	-
Transfer from lease advances to PP&E	5	(2,024,944)	-
Next year's amortization		(10,840)	-
As at 31.12.2017		**856,356**	**-**

During the current year, there was a transfer from lease advances to property, plant and equipment of € 2 mln, in respect of the net book value of the right of the Achillion Museum in Corfu (note 5).

Similarly, during the current year, there was a transfer from lease advances to investment property of € 6.9 mln, relating to the net book value of the right to Marina Vouliagmenis and Camping Paliouri in Halkidiki (note 6).

12. Inventories

Below an analysis of inventories held by the Group is presented.

	GROUP		COMPANY	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Finished Goods	112,580	115,145	-	-
Raw materials and other consumables	438,116	455,040	-	-
Less: Provisions for impairment of inventories	(27,179)	(27,179)	-	-
Total	**523,517**	**543,006**	**-**	**-**

The value of consumptions of inventories recognized in Cost of Sales (Note 25) during the current period amounts to € 430,157 (25.10.2016-31.12.2016: € 249,249).

During the current and comparative period, the Group did not recognize any additional provision for inventories.

13. Trade receivables

The analysis of trade receivables is presented below.

		GROUP		COMPANY	
	Note	**31.12.2017**	**31.12.2016**	**31.12.2017**	**31.12.2016**
Trade receivables from third parties (a)		112,424,766	85,743,114	-	-
Receivables from public sector entities		533,791	349,349	-	-
Receivables from expenses occurred on behalf of Greek State (b)		2,936,166	6,292,529	-	-
Receivables from disposal of assets (c)	22	36,841,232	87,836,718	-	-
Receivables from closed units		802,565	802,565	-	-
Disputed Customers (d)	22	2,025,050	-	-	-
Doubtful receivables		22,160,346	20,888,789	-	-
Management fees receivables from Greek State (e)		38,657,327	41,119,940	-	-
Cheques receivable		629,086	2,830,964	-	-
Overdue cheques receivable		1,713,940	1,634,502	-	-
Notes receivable		1,252,569	1,252,569	-	-
Less: Provisions for doubtful receivables (f)		(157,749,640)	(150,575,490)	-	-
Receivables from related parties	32	168,986	56,940	-	-
Total		**62,396,184**	**98,232,489**	**-**	**-**

There are no material differences between fair values and book values.

(a) Trade receivables from third parties amounting to € 112.4 mln (31.12.2016: € 85.7 mln) mainly comprise of receivables from leasing agreements of the subsidiary ETAD.

(b) Receivables from expenses occurred on behalf of Greek State amounting to € 2.9 mln (31.12.2016: € 6.3 mln) relate to receivables of HRADF for third party fees and expenses, as their invoices have been issued in the name of the Greek State. These receivables will be offset with part of the proceeds from the exploitation of Greek State's assets.

(c) Receivables from disposal of assets of € 36.8 mln (31.12.2016: € 87.8 mln) is the current portion of the receivables of the subsidiary HRADF by third parties due to the sale of Greek State's assets and is matched to the "current portion of liabilities from disposal of Greek State's assets" included in Trade and other payables (note 22). Specifically, the above receivables are analyzed as follows:

- € 25.6 mln (31.12.2016: € 46.9 mln) relate to receivable for the rights of radiofrequencies usage through the Hellenic Telecommunications and Post Commission,
- € 3 mln (31.12.2016: € 3 mln) is part of the disposal of the 33% of the share capital of "OPAP SA",
- € 2 mln (31.12.2016: € 3 mln) is part of the consideration from the disposal of shares of the company "Investment Property of New Corfu SA", and
- € 6.2 mln (31.12.2016: € 1.6 mln) relates to consideration for the disposal of properties that were sold through internet platform.

The decrease in receivables in comparison with prior year, related to:

- € 2 mln which was part of the consideration for the Xenia Hotel and the Camping of Paliouri,
- € 11 mln which related to the distribution of tax-free reserves of prior years 2012 - 2013, and
- € 20.3 mln which was part of the consideration from the disposal of the right of ODIE (horse racing organization).

(d) Disputed customers of € 2 mln (31.12.2016: -) refer to an additional amount (10% of the last installment) of the consideration of the Mutual Match Betting Concession. Due to a dispute with the Concessionaire and in order to collect this receivable, HRADF has filed a claim to the London International Court of Arbitration from which the final decision is expected. An equal payable was recognized in trade and other payables as payables to Greek State (note 22).

(e) Management fees receivables from Greek State amounting to € 38.7 mln (31.12.2016: € 41.1 mln) relates to receivables of former "KED SA" from Tax Authorities for income related to management of Greek State's property (leases, long-term leases, disposals).

(f) The movement of the provision for doubtful receivables of the Group was as follows:

Provision for doubtful receivables	**GROUP**
As at 01.01.2017	**150,575,490**
Additional provisions for the period	8,107,155
Income from unused provisions	(933,005)
As at 31.12.2017	**157,749,640**

14. Other Receivables

Other receivables are analyzed as follows:

	GROUP		COMPANY	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Advances and loans to personnel	305,259	548,916	-	-
Consignment Deposits and Loans Fund	263,070	262,835	-	-
Various debtors (a)	10,262,740	8,768,312	-	2
Greek State - Advanced and withheld tax (b)	8,186,326	8,269,389	227,808	12,337
Other receivables from Greek State(c)	37,607,242	40,238,778	-	-
Dividends receivable	358,349	878,349	-	-
Disputed receivables from Greek State	2,988,835	2,988,835	-	-
Accrued income	498,927	710,951	134,226	4,302
Prepaid expenses (d)	5,415,195	3,880,576	171,100	-
Minus: Provisions (e)	(28,070,199)	(24,512,175)	(227,808)	-
Total	**37,815,744**	**42,034,766**	**305,326**	**16,641**

(a) Various debtors of € 10.3 mln (31.12.2016: € 8.8 mln) comprise of receivables of approximately € 2.86 mln from "OSK SA" (2016: € 2.88 mln), which concern advances given contractually, for the completion of projects by the latter, on behalf of the Greek State that ETAD SA has undertaken.

(b) Greek State – Advanced and withheld taxes of € 8.2 mln (31.12.2016: 8.3 mln) include mainly:

- Receivable of subsidiary ETAD for the return of a previous year's income tax advance payment amounting to € 2.2 mln. (31.12.2016: € 2.2 mln), and
- VAT receivable of the subsidiaries and the Company amounting to € 5.8 mln (31.12.2016: € 5.8 mln).

(c) Other receivables from Greek State of € 37.6 mln (31.12.2016: 40.2 mln) derives from the subsidiary ETAD and includes mainly the following:

- A receivable of € 4.6 mln (31.12.2016: € 4.6 mln) that relates to an advance for special duty of L.3220/2004, for the acquisition of property of ownership or management of GNOT. The whole amount of the receivable is provided as doubtful receivable.
- A receivable of € 19.6 mln (31.12.2016: € 25.3 mln) arising from the absorbed by ETAD entity KED SA, which relates to the current portion of KED receivable from the Greek State for the repayment of state-guaranteed loans. There is a respective payable of equal value included in "Trade and other payables" (note 22).
- A receivable of € 2.5 mln (2016: € - mln) relating to the return of taxes and fines imposed to ETAD and regarded the absorbed entity "Olympic Properties SA" for the fiscal year 2008. The whole amount of the receivable is provided as doubtful receivable.

(d) Prepaid expenses of € 5.4 mln (31.12.2016: 3.9 mln) mainly relate to consultancy fees paid by the subsidiary HRADF for projects that are expected to be finalized in the forthcoming years and the relevant fees will be deducted from the value of the exploitation.

(e) The movement of provision for impairment of other receivables is as follows:

Provisions for Other receivables	GROUP	COMPANY
As at 01.01.2017	**24,512,175**	**-**
Additional Provisions	3,558,024	227,808
As at 31.12.2017	**28,070,199**	**227,808**

During the current period, the amount of the additional provision to the Group is mainly related to the provision for impairment of the receivable resulting from tax audit amounting to € 2.5 mln. For the Company, the additional provision recognized in 2017 relates to the impairment of VAT debit balance at 31.12.2017.

15. Cash and cash equivalents

An analysis of cash and cash equivalents of the Group and the Company is presented below.

	GROUP		COMPANY	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Cash in hand	264,630	264,124	-	-
Short term deposits	3,467,511	94,467,551	-	-
Current accounts	121,689,420	47,456,568	7,335,934	10,000,000
Total	**125,421,561**	**142,188,243**	**7,335,934**	**10,000,000**

Cash and cash equivalents represent cash in hand, short term deposits collectable within three months of the Company and Group’s subsidiaries and current accounts in the Bank of Greece.

The variance in the Group’s cash and cash equivalents during the period is mainly attributable to the receipts and refunds to the Greek State from HRADF due to assets exploitation, within the deadlines prescribed by its founding law and the related interpretative circulars, as well as the collection of dividends from associates.

16. Share capital

The Share Capital of the Company and the Group as at 31.12.2017 amounts to €40,000,000, divided in forty thousand (40,000) nominal shares of nominal value of one thousand Euro (€1,000) each. Share capital is fully covered by the Greek State and there is no change from 31.12.2016:

Share Capital	
Opening balance at 25.10.2016	**-**
- Authorized capital	40,000,000
- Unpaid capital	(30,000,000)
Paid in capital as at 31.12.2016 and 31.12.2017	**10,000,000**

Company’s shares cannot be transferred. Considering that the operations of the Company and its direct subsidiaries as referred to article 188 are serving a special public purpose, the Company’s shares, the shares of its direct subsidiaries as well as the titles that consist the capital of Hellenic Financial Stability Fund of L.

3864/2010 (A' 119) ("HFSF"), are considered as items that are not subject to transactions by the meaning of the regulation of article 966 of the Civil Code.

The Company's share capital can be increased by decision of the General Assembly of the sole shareholder, after suggestion of the Board of Directors that will be supported by the Supervisory Board. The Company's share capital is deposited by decision of the Minister of Finance in the Company's bank account in Bank of Greece.

As at 31.12.2016 and 31.12.2017, out of the total authorized share capital, the amount of 30,000,000 Euro was unpaid capital, as there were no additional share capital payments in 2017.

17. Other reserves

Group's and Company's other reserves are analyzed as follows:

		GROUP		COMPANY	
	Note	**31.12.2017**	**31.12.2016**	**31.12.2017**	**31.12.2016**
Reserves created from the acquisition of HRADF with no consideration		19,451,328	19,451,328	1	1
Reserves created from the acquisition of ETAD with no consideration		420,911,224	420,911,224	1	1
Reserves from acquisition of associates		17,335,069	17,335,069	-	-
Subtotal (a)		**457,697,621**	**457,697,621**	**2**	**2**
Reserves of HFSF acquisition with no consideration		1	1	1	1
Reserve from transfer of assets from/ to Greek State with no consideration (b)	6	416,854,522	-	-	-
Revaluation reserve for investment properties (c)	6	2,694,085	-	-	-
Reserve for actuarial gains/ (losses) and share of other comprehensive income of associates (d)		76,027	(58,848)	-	-
Total		**877,322,256**	**457,638,774**	**3**	**3**

(a) The amount of € 457.7 mln (31.12.2016: € 457.7 mln) that relates to reserves from the acquisition of subsidiaries and associates was formed on 25.10.2016, the date of the transfer of the direct subsidiaries and associates under N .4389/ 2016 (note 1). The reserve reflects the difference between the net assets of those companies on the day of the first consolidation and the cost of acquisition / recognition of investments in subsidiaries (symbolic consideration - € 1 each) and associates as transferred by ETAD.

(b) Reserve from transfer of assets from/ to Greek State with no consideration of € 416.9 mln. (31.12.2016: -) relates to the fair value of investment properties that were transferred to the Group with no consideration according to the provisions of Law 4389/2016.

(c) Revaluation reserve for Investment properties of € 2.7 mln (31.12.2016: -) relates to to the fluctuation of the fair values of investment properties that were transferred to the Group in previous periods with no consideration according to the provisions of Law 4389/2016.

(d) Reserve for actuarial gains/ (losses) and share of other comprehensive income of associates of € 76 k. (31.12.2016: €-59 k.) relates to accumulated actuarial losses of the Group by €-6 k. (31.12.2016: €-59 k.) and accumulated actuarial gains of associates by €82 k. (31.12.2016: -).

Below the condensed statements of financial position of subsidiaries ETAD S.A. and HRADF S.A. at 25.10.2016 are presented.

(amounts in €)	Note	ETAD S.A. (a)	HRADF S.A. (b)	ETAD And HRADF (a) + (b)
		25.10.2016	**25.10.2016**	**25.10.2016**
Assets				
Non-current assets				
Property, plant and equipment	5	54,324,211	167,247	54,491,458
Investment properties	6	370,653,544	-	370,653,544
Intangible assets	7	154,618	42,191	196,809
Investment in associates		26,829,540	-	26,829,540
Other non-current receivables		140,424,022	71,396,610	211,820,632
Lease advances	11	9,786,303	-	9,786,303
Total		**602,172,238**	**71,606,048**	**673,778,286**
Current Assets				
Inventories		757,101	-	757,101
Trade receivables		5,339,951	74,865,302	80,205,253
Other receivables and prepaid expenses		34,435,311	4,140,203	38,575,514
Cash and cash equivalents		90,183,445	27,798,361	117,981,806
Total		**130,715,808**	**106,803,866**	**237,519,674**
Total Assets		**732,888,046**	**178,409,914**	**911,297,960**
Equity				
Share Capital		309,050,000	30,000,000	339,050,000
Other Reserves		284,550,208	-	284,550,208
Retained earnings/(accumulated losses)		(172,688,984)	(10,548,672)	(183,237,656)
Total Equity		**420,911,224**	**19,451,328**	**440,362,552**
Non-current liabilities				
Provision for staff leaving indemnities		1,547,143	129,782	1,676,925
Other provisions	19	19,557,800	-	19,557,800
Deferred rental income	20	13,262,290	-	13,262,290
Other non-current liabilities		191,751,210	71,364,960	263,116,170
Total		**226,118,443**	**71,494,742**	**297,613,185**
Current Liabilities				
Trade and other liabilities		83,804,540	87,463,844	171,268,384
Dividends payable		2,053,839	-	2,053,839
Total		**85,858,379**	**87,463,844**	**173,322,223**
Total Equity and Liabilities		**732,888,046**	**178,409,914**	**911,297,960**

18. Provision for staff leaving indemnities

The Group and the Company recognize as personnel retirement benefit obligation, the present value of the legal commitments that have been undertaken for the payment of the retirement allowance to the employees that get retired. The respective provision is calculated based on actuarial studies. Specifically, the relative studies concerned the assessment and calculation of the actuarial factors that are required by the International Reporting Standards (IAS 19) and are mandatory to be presented to the Statement of Financial Position and the Statement of Comprehensive Income of each company.

The provision for staff leaving indemnities that is recognized in Group's the financial statements relates mainly to the direct subsidiary "ETAD SA" (about 91% of the total).

The main assumptions of the actuarial studies are the following:

	GROUP		COMPANY	
Actuarial assumptions	**31.12.2017**	**31.12.2016**	**31.12.2017**	**31.12.2016**
Discount Rate	1.80%	2.00%	1.80%	-
Future salary increases	2.00%	2.00%	2.00%	-
Expected average remaining working life (years)	15.78	16.33	17.78	-
Average Years of Service	20.33	20.19	0.54	-
Average yearly rate of inflation increase	2.00%	2.00%	2.00%	-

The effect in period's results is analyzed as follows:

	GROUP		COMPANY	
Amounts recognized in the income statement	**31.12.2017**	**31.12.2016**	**31.12.2017**	**31.12.2016**
Current service costs	175,168	16,590	12,256	-
Finance Cost	31,456	30,984	-	-
Cost of settlements	13,705	-	-	-
Expense recognized in the income statement	**220,329**	**47,574**	**12,256**	**-**
Other Comprehensive Income				
Net actuarial gain/ (loss) recognized in the period	(53,245)	54,243	-	-
Total amount recognized in other comprehensive income	**(53,245)**	**54,243**	**-**	**-**

The liability of the Group is analyzed as follows:

	GROUP		COMPANY	
Movement of net liability in Statement of Financial Position	**31.12.2017**	**31.12.2016**	**31.12.2017**	**31.12.2016**
Net liability at the beginning of the year	**1,742,243**	**1,676,926**	**-**	-
Total amount recognized in other comprehensive income	(53,245)	54,243	-	-
Benefits paid	(71,688)	(36,500)	-	-
Total expense recognized in the income statement	220,329	47,574	12,256	-
Net liability at the end of the year	**1,837,639**	**1,742,243**	**12,256**	**-**

The expected future payments resulting from the defined benefit plans are as follows:

	GROUP	COMPANY
	31.12.2017	**31.12.2017**
Up to 1 year	168,192	-
Within 1-5 years	653,664	1,092
Within 5-10 years	843,331	3,504
From 10 years and above	2,465,200	28,343
Total expected payments	**4,130,387**	**32,939**

The sensitivity analysis of the provision for staff leaving indemnities for changes in the main assumptions is:

		GROUP	COMPANY
	Changes in the assumptions	**31.12.2017**	**31.12.2017**
Discount Rate	+/- 0.50%	+/- 5%	11,119
Rate of payroll change	+/- 0.50%	+ 5% / - 4%	12,989

The number of employees for the Group and the Company at the end of the year is 392 (31.12.2016: 382) and 18 (31.12.2016: -) respectively.

19. Other Provisions

	GROUP		COMPANY	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Other provisions	29,337,058	21,765,747	-	-
Total	**29,337,058**	**21,765,747**	**-**	**-**

Other provisions relate mainly to third party claims against Group companies for pending legal cases. In the table below the movement of other provisions is presented:

	Note	GROUP Other provisions
As at 25.10.2016		**-**
Other provisions held by subsidiaries transferred at 25.10.2016	17	19,557,800
Additional provisions		2,207,947
As at 31.12.2016		**21,765,747**
Additional provisions	27	20,850,000
Provisions utilised in the year		(11,021,123)
Unused provisions reversed in the year	26	(2,257,566)
As at 31.12.2017		**29,337,058**

20. Deferred Rental Income

The deferred rental income refers to advance payments of lessees paid in a one-off amount in previous years to the direct subsidiary ETAD and are recognized using the straight-line method in the income statement in subsequent years.

Below the movement of deferred rental income is presented.

	Note	GROUP	COMPANY
As at 25.10.2016		**-**	**-**
Deferred rental income held from subsidiaries transferred at 25.10.2016	17	13,262,290	-
Income of the period from the Amortization of deferred rental income	24	(99,810)	-
As at 31.12.2016		**13,162,480**	**-**
As at 01.01.2017		**13,162,480**	**-**
Transfer to Income Statement		(165,591)	-
Income of the period from the amortization of deferred rental income	24	(548,598)	-
As at 31.12.2017		**12,448,291**	**-**

The non-current portion of the prepaid rental income is included in trade and other payables as “Current portion of deferred rental income” (note 22) and income from the amortization of deferred rentals that refers to the current period is recognized as revenue in income statement (note 24).

The net book value as at 31.12.2017 and 31.12.2016 relates to the following deferred/ prepaid rental income, which is recognized in income statement over the years of the lease agreements:

Lease:	Total Prepaid Rentals	Accumulated Income Released (31.12.2016)	Balance of Deferred rentals (31.12.2016)	Income recognized in the period (1.1.2017 - 31.12.2017)	Balance of Deferred rentals (31.12.2017)
Seaside Land	1,224,329	1,139,199	85,130	(32,223)	52,907
Marinas	18,864,135	6,243,066	12,621,069	(496,400)	12,124,669
Hotels	276,564	108,122	168,442	(6,723)	161,719
Other	592,490	304,651	287,839	(178,843)	108,996
Total	**20,957,518**	**7,795,038**	**13,162,480**	**(714,189)**	**12,448,291**

Lease:	Total Prepaid Rentals	Accumulated Income Released (25.10.2016)	Balance of Deferred rentals (25.10.2016)	Income recognized in the period (25.10.2016 - 31.12.2016)	Balance of Deferred rentals (31.12.2016)
Seaside Land	1,224,329	1,126,552	97,777	(12,647)	85,130
Marinas	18,864,135	6,160,333	12,703,802	(82,733)	12,621,069
Hotels	276,564	107,002	169,562	(1,120)	168,442
Other	592,490	301,341	291,149	(3,310)	287,839
Total	**20,957,518**	**7,695,228**	**13,262,290**	**(99,810)**	**13,162,480**

21. Other Non-current Liabilities

Other non-current liabilities are analysed as follows:

		GROUP		COMPANY	
	Note	**31.12.2017**	**31.12.2016**	**31.12.2017**	**31.12.2016**
Payables to lessees (a)		45,312,564	49,279,586	-	-
Bond loans (b)	10	89,321,790	108,917,678	-	-
Other non-current payables from disposal of assets (c)	10	39,284,634	57,341,360	-	-
Grants for investments in fixed assets (d)		28,220,727	28,762,250	-	-
Other non-current liabilities (e)		14,884,318	4,899,762	-	-
Total		**217,024,033**	**249,200,636**	**-**	**-**

(a) Payables to lessees of approximately € 45.3 mln (31.12.2016: € 49.3 mln) relate to the cost of installations that the lessees performed to the leased properties. Those payables have been agreed to get offset with the respective future rental payments of the lessees.

(b) Bond loans of € 89.3 mln (31.12.2016: 108.9 mln) have been received by former KED with a guarantee of the Greek State to execute specific projects on behalf of the State. The repayments of capital and interest are basically executed directly by the Greek State. The respective receivables from the Greek State are presented in the account "Other non-current receivables" (Note 10). The loans interest rate is mainly variable and is readjusted every six months based on six-month Euribor plus the agreed margin.

(c) As stated above, non-current payables from disposal of assets owed to the Greek State are equal to the respective non-current receivables from the counterparty that purchased the assets. (Note 10).

(d) The amount of grants is related to the government grants received by a subsidiary of the Group for the construction of tangible assets and will be gradually transferred to the income statement based on the depreciation rate of the respective assets.

The movement of grants for the period is as follows:

	GROUP
	Grants for investments in fixed assets (d)
As at 25.10.2016	-
Grants transferred from subsidiaries at 25.10.2016	27,436,540
Grants received	1,389,306
Amortization of grants	(63,596)
As at 31.12.2016	**28,762,250**
Grants received	284,957
Amortization of grants	(826,480)
As at 31.12.2017	**28,220,727**

(e) Other non-current liabilities mainly include payables to "Astir Marina Vouliagmeni" amounting to € 11.4 mln and to National Bank of Greece amounting to approximately € 3.5 mln which relate to the acquisition of a building at V. Sophias and Panepistimiou Street that was executed by the former company "KED SA" on behalf of the Ministry of Foreign Affairs.

22. Trade and other payables

Trade and other trade payables are analyzed as follows:

		GROUP		COMPANY	
	Note	**31.12.2017**	**31.12.2016**	**31.12.2017**	**31.12.2016**
Domestic and Foreign Suppliers		25,655,644	29,028,874	430,896	64,022
Current portion of liabilities from the disposal of Greek State's assets (a)	13	36,838,185	87,809,930	-	-
Payables to public sector entities (b)		2,271,680	2,291,926	-	-
Withheld Guarantees from customers		964,267	687,595	-	-
Customers at Consignment Deposits and Loans Fund		43,597	43,597	-	-
Advances from lessees (c)		6,694,234	10,011,498	-	-
Non-current liabilities payable within next-year (KED) (d)		20,376,494	25,318,140	-	-
Various creditors (e)		7,210,242	5,759,156	40	81,467
Other taxes and duties		3,325,406	2,605,223	125,609	22,210
Payable for the refund of tolls of Promahonas and Ieropigi toll stations		546,754	525,263	-	-
Greek State's funds management account (KED) (f)		20,710,956	20,162,333	-	-
Payables to social security funds		767,619	606,197	67,394	-
Payables to Greek State (g)	13	2,025,050	-	-	-
Suppliers – Expenses on behalf of Greek State (h)		1,883,193	5,650,733	-	-
Current portion of deferred rental income (i)		1,376,436	624,231	-	-
Accrued expenses		860,082	699,332	410,740	53,384
Dividends payable (j)		402,034	1,120,367	-	-
Payables to Related parties	32	2,635	584,334	20,831	-
Total		**131,954,508**	**193,528,729**	**1,055,510**	**221,083**

(a) As stated above, the current portion of liabilities from the disposal of Greek State's assets amount to € 36.8 mln (31.12.2016: € 87.8 mln) and is equal to other trade receivables from the buyers of the sold assets (Note 13).

(b) The amount of € 2.3 mln (31.12.2016: € 2.3 mln) relates to payables for utilities such as electricity, telephone lines and water supply mainly of the Olympic Infrastructure of the former "Olympic Properties SA", which was absorbed from ETAD.

(c) The amount of € 6.7 mln (31.12.2016: € 10 mln) mainly relates to advanced payments from lessees of amount € 4.2 mln (31.12.2016: € 4.0 mln) and advanced payments from HRADF customers withheld from the price consideration of the asset in order to cover expenses amounting to € 2.5 mln (31.12.2016: € 6 mln).

(d) The amount of € 20.4 mln (31.12.2016: € 25.3 mln), relates to the current portion of the non-current bank loans of former "KED SA".

(e) Various Creditors amounting to approximately € 7.2 mln (31.12.2016: € 5.8 mln) mainly comprise of the following:

- Payables of former “KED SA” to 25th Division of Ministry of Finance for loan payments that have been received from former “KED SA” in the past in order to execute public sectors projects of amount of € 2 mln (31.12.2016: € 2 mln)
- Payables to Vouliagmeni’s Coast and Municipality of Glyfada Authority respectively as well as payables to various beneficiaries of “Athens 2004” organization of amount of € 2.1 mln (31.12.2016: € 1.2 mln).

(f) The Greek State’s Funds Management Account amounting to € 20.7 mln (31.12.2016: € 20.2 mln), is related to the remaining payables for the project financing by former company KED on behalf of the Greek State. At the reporting date, the settlement of the balances after the completion of the open projects that had been executed by former company KED in prior years or projects that were still in progress is still pending. The open projects that are delivered to “OSK SA” in order to be completed by them, are the Embassy and the Berlin’s ambassador’s residence and the Police Divisional Office of Magnisia County.

The movement of the payable during the current year is as follows:

Greek State’s Funds Management Account as at 01.01.2017		**20,162,229**
Plus: Greek State’s inflows for the period:		
Income from property management	119,365	
Income from adjustment based on GSIS’s analysis	(219,641)	
Government grants	2,834,557	
Income from unused provisions	1,487,291	4,221,572
Total funds inflow		**24,383,801**
Minus: Outflows for executed projects	(1,265,062)	
Management fees of Greek State’s resources	(30,792)	
Interest expenses from Greek State’s Loans	(2,376,991)	(3,672,845)
Greek State’s Funds Management Account as at 31.12.2017		**20,710,956**

(g) The amount of € 2 mln (31.12.2016: € 2 mln) relates to the amount payable to the Greek State for the additional amount (10% of the last installment) of the financial consideration of the Horse Racing Betting Concession. An equal receivable is recognized within Trade receivables (Note 13).

(h) The amount of € 1.9 mln (31.12.2016: € 5.7 mln) relates to payables for consulting fees for privatizations, for which the issued invoices are addressed to the Greek State.

(i) The amount of € 1.4 mln (31.12.2016: € 0.6 mln) relates mainly to pre-paid rentals from lessees of € 0.6 mln (31.12.2016: € 0.6 mln) and disposal proceeds of € 0.8 mln (31.12.2016: -).

(j) The dividends payable relate of € 402,034 (31.12.2016: € 1,120,367) relate to dividends from companies that were received by HRADF and will be paid to the Greek State.

23. Dividends payable

The analysis of dividends payable is presented below:

	GROUP		COMPANY	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Dividends payable of KED	-	2,053,839	-	-
Total	**-**	**2,053,839**	**-**	**-**

The amount of € 2,053,839 relates to the payable of the subsidiary ETAD to the Greek State, which was paid on 29.06.2017.

24. Revenues

The Company had no revenue during current and previous year. The revenue presented below relates to the direct subsidiaries "ETAD SA" and "HRADF SA".

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		GROUP		COMPANY	
	Note	**1.1.2017 - 31.12.2017**	**25.10.2016 - 31.12.2016**	**1.1.2017 - 31.12.2017**	**25.10.2016 - 31.12.2016**
Rental income (a)		33,723,036	5,615,052	-	-
ETAD's branches revenue (b)		12,827,246	1,179,143	-	-
Revenue from re-charging third party fees to Greek State (c)		4,065,366	530,802	-	-
Revenue from HRADF's fees (d)		6,538,285	696,365	-	-
Income from amortization of deferred rental income	20	548,598	99,810	-	-
Other income		185,864	175,943	-	-
Total		**57,888,395**	**8,297,115**	**-**	**-**

(a) Rental Income of € 33.7 mln (25.10.2016-31.12.2016: € 5.6 mln) mainly comprises of rental income from ETAD's investment properties.

(b) ETAD's branches revenue of € 12.8 mln (25.10.2016-31.12.2016: € 1.2 mln) relates mainly to revenue from the operation of ETAD's branches.

(c) Revenue from re-charging third party fees to Greek State of € 4.1 mln (25.10.2016-31.12.2016: € 0.5 mln) relates to the recharge of special expenses regarding the utilization of assets from subsidiary HRADF.

(d) Revenue from HRADF's fees of € 6.5 mln (25.10.2016-31.12.2016: € 0.7 mln) relates to the HRADF's accrued income calculated at a rate of 0.5% of the price from disposed assets, according to the decision of the Minister of Finance, dated 07/06/2016 (PEMU's decision no. 0009449 - Government Gazette Issue B no. 1603) covering the administrative and operating expenses of the HRADF.

25. Expenses by category

Group's and Company's expenses by category are analyzed below:

		GROUP			
Period 1.1.2017 - 31.12.2017:	**Note**	**Cost of Sales**	**Administrative expenses**	**Distribution expenses**	**Total**
Payroll cost		10,405,795	6,082,462	1,543,369	**18,031,626**
Third party fees and expenses		7,806,026	5,491,700	8,254	**13,305,980**
Utilities Costs		2,310,946	2,896,514	471,706	**5,679,166**
Other taxes and duties		324,857	852,261	272,897	**1,450,015**
Various expenses		1,031,443	520,538	181,145	**1,733,126**
Depreciation and amortization	5,7	2,767,145	143,123	75,266	**2,985,534**
Provisions		3,328	-	-	**3,328**
Consumption of inventories		430,157	-	-	**430,157**
Self-consumption cost		(32,656)	-	-	**(32,656)**
Total		**25,047,041**	**15,986,598**	**2,552,637**	**43,586,276**

		GROUP			
Period 25.10.2016 – 31.12.2016:	**Not e**	**Cost of Sales**	**Administrative Expenses**	**Distributio n Expenses**	**Total**
Payroll cost		1,788,459	797,778	262,025	**2,848,262**
Third party fees and expenses		1,237,912	1,033,894	1,898	**2,273,704**
Utilities Costs		536,474	649,575	101,242	**1,287,291**
Other taxes and duties		133,212	403,462	129,768	**666,442**
Various expenses		202,847	57,839	23,237	**283,923**
Depreciation and amortization	5,7	481,485	20,763	9,582	**511,830**
Provisions		4,894	-	-	**4,894**
Consumption of inventories		249,249	-	-	**249,249**
Self-consumption cost		(804)	-	-	**(804)**
Total		**4,633,728**	**2,963,311**	**527,752**	**8,124,791**

		COMPANY	
Administrative expenses	**Note**	**1.1.2017 - 31.12.2017**	**25.10.2016 - 31.12.2016**
Payroll cost		1,980,680	**101,400**
Third party fees and expenses		1,086,353	**104,540**
Utilities Costs		70,309	**241**
Other taxes and duties		3,765	**-**
Various expenses		270,947	**2,463**
Depreciation and amortization of assets	5,7	10,168	**-**
Total		**3,422,222**	**208,644**

26. Other operating income

		GROUP		COMPANY	
	Note	1.1.2017 - 31.12.2017	25.10.2016 - 31.12.2016	1.1.2017 - 31.12.2017	25.10.2016 - 31.12.2016
Special Grants – Subsidies		927	34,210	-	-
Income from other activities		4,839	34,521	-	-
Income from other services		19,519	28,352	-	-
Amortization of grants	21	826,480	63,596	-	-
Other non-recurrent income		434,945	9,757	-	-
Income from unused provisions	19	2,257,566	-	-	-
Total		**3,544,276**	**170,436**	**-**	**-**

27. Other operating expenses

Group's and Company's Other operating expenses are analyzed below:

		GROUP		COMPANY	
	Note	1.1.2017 - 31.12.2017	25.10.2016 - 31.12.2016	1.1.2017 - 31.12.2017	25.10.2016 - 31.12.2016
Impairment loss on property, plant and equipment	5	765,102	-	-	-
Provisions for doubtful other debtors		10,305,096	336,667	-	-
Other provisions	19	20,850,000	93,358	-	-
Other expenses		52,026	39,280	-	-
Non-recurrent and extraordinary expenses		1,445,759	83,865	2,668	100
Total		**33,417,983**	**553,170**	**2,668**	**100**

The amount of € 1.5 mln "Non-recurrent and extraordinary expenses" relates mainly to the correction of rentals regarding previous periods, other taxes/duties and other expenses regarding previous periods.

28. Finance Income

Group's and Company's Finance Income are analyzed below:

	GROUP		COMPANY	
	1.1.2017 - 31.12.2017	25.10.2016 - 31.12.2016	1.1.2017 - 31.12.2017	25.10.2016 - 31.12.2016
Interest Income	3,370,020	525,932	284,249	4,302
Total	**3,370,020**	**525,932**	**284,249**	**4,302**

Interest Income of € 3.4 mln (25.10.2016-31.12.2016: € 0.5 mln) relates to interest income from overdue receivables and interest income from time deposits and current bank accounts.

29. Finance Cost

Group's and Company's Finance cost are analyzed below:

	GROUP		COMPANY	
	1.1.2017 - 31.12.2017	25.10.2016 - 31.12.2016	1.1.2017 - 31.12.2017	25.10.2016 - 31.12.2016
Bank commissions for letters of guarantees	-	1,581	-	-
Other finance costs	2,277,908	321,958	2,754	-
Total	**2,277,908**	**323,539**	**2,754**	**-**

Other finance costs of € 2.3 mln relates mainly to interest expense on overdue payables.

30. Income tax

The Group is exempted from income tax as already analyzed above (Note 2.15).

Tax on profits and other comprehensive income for the period is analyzed as follows:

	GROUP		COMPANY	
	1.1.2017 - 31.12.2017	25.10.2016 - 31.12.2016	1.1.2017 - 31.12.2017	25.10.2016 - 31.12.2016
Income tax expense for the period	(1,135,394)	-	-	-
Total	**(1,135,394)**	**-**	**-**	**-**

Olympic Properties SA which was absorbed by ETAD , was audited from tax authorities for the fiscal year 2008. The tax audit report was delivered to the company in 2017. Specifically, it was released on 25.05.2017 to the company with the No. 1077/18.05.2017 Final Action of Adjusting Calculation of Income Tax for the year 2009 (fiscal year 2008), by the supervisor of the Center of Audit of Large Corporations (K.E.ME.EP.). The tax difference was calculated at € 2,270,787.99 for the main tax, and additional tax for inconsistency was assessed at € 2,732,429.52 thus the total assessment amounted to € 5,009,454.13. ETAD took legal action against the above tax charges. For the above amount, a provision has been established equal to 50% in financial year ended 31st December 31st, 2016 and 50% of the amount has been provided for during current financial year.

31. Contingent assets/ liabilities

Letters of guarantee

The Group has received bank letters of guarantee from third parties in the normal course of its operations that are analyzed per entity as follows:

:	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Letters of Guarantee HCAP SA	25,698	15,140	25,698	15,140
Letters of Guarantee ETAD	54,355,627	55,064,372	-	-
Letters of Guarantee HRADF SA	185,906,031	139,507,912	-	-
Total	**240,287,356**	**194,587,424**	**25,698**	**15,140**

Legal cases regarding third party claims against Group companies

HCAP

There are no disputes under litigation or arbitration proceedings or before judicial or administrative bodies that may have an impact on the Company's financial position.

ETAD

a) From the total of assets owned by EOT which are currently under ETAD's management, a significant part of them was acquired following the imposition of mandatory expropriation upon many smaller private properties. According to the data kept in the respective files, in some of these cases that were effected in favour of EOT, the revocation of the mandatory expropriations, which took place for touristic purposes and the retrieval of the respective properties, had been requested through legal actions by their former owners. By now, the Hellenic Council of State has accepted some of the said petitions in relation to small parts of said properties while additional petitions filed by former owners are still pending, which however even if accepted they will not prevent the overall exploitation of the respective properties since the claims relate to individual smaller parts of the properties and in any case the re-imposition upon them of mandatory expropriation is possible. With the exception of the properties in Paliouri (Chalkidiki) and in Fanari (Komotini), the process of ownership retrievals has not yet been completed due to the fact that the petitioners have not paid the provided compensation to EOT (the properties' owner) and the corresponding transfers to the respective Land Registries have not taken place.

b) ETAD is involved in litigation and other disputes that concern third party claims against the subsidiary for which provision was recognized in the financial statements of total amount of approximately € 30 mln It is noted that in many cases there are conflictual claims between the subsidiary and third parties through the filing of lawsuits and counter-lawsuits.

c) 1. Following a tender, EOT (and already ETAD SA) with no. 10.469 / 1999 contract, as amended and supplemented by with no. 555/2003, 633/2003 and 1175/2009 contracts, an area of 241,12 decares was leased in Lagonissi, Attica, together with the existing hotel complex ("Main area") and an adjacent area of 85.195 sq.m. (hereinafter referred to as the "Adjacent area"). Apart from the payment of the rent, the lessee undertook the obligation to create a new tourist-hotel facility and to exploit the area of the islet of Lagonissi.

2. In particular, under no. 10.469 / 1999 contract, EOT leased the Main area for 40 years. Subsequently, due to problems with the issuance of licenses for the implementation of the investment project, the principal contract was amended with no. 555/2003 and 633/2003 contracts, which inter alia extended the duration of the lease for 15 years, while the increase of the investment plan was agreed and the Adjacent area was also leased to the lessee.

3. During the execution of the above contracts a number of issues related to the implementation of the investment project and the use of the Adjacent area were raised. More particular:

a. There was a controversy over the urban development status of the Adjacent area and whether it fell under L.2160 / 1993 or from 27.02.1998 PD. for zone of Laureotiki.
b. A Local Municipality claimed the use of the Adjacent Area..

4. Following the above, and the publication of the below mentioned arbitration decision with no. 4/2006, through the no. 1175/2009 contract, the parties re-amended the above (with No. 10.469/1999 and 555/2003) contracts, which among others recognized significant claims for compensation to the lessee.

5. ETAD brought a number of legal actions challenging the authority of contracts no. 633/2003 and 1175/2009. In this context, were issued, in favor of the lessee, the arbitration rulings with no. 4/2006, 52/2010, 32/2011 and 43/2011, against which ETAD successfully appealed before the Court of Appeal of Athens, and the decisions with no. 461, 462, 4208 and 4218/2013 were issued in this respect.

6. Against these decisions of the Court of Appeal, the lessee successfully filed an appeal before the Supreme Court, which referred the cases for a new ruling to the Court of Appeal. Against the recent decisions of the Court of Appeal, by virtue of which the annulment lawsuits against the arbitration decisions were rejected, ETAD filed appeals against these decisions to the Supreme Court, which were rejected by virtue of no. 354/2018, 355/2018, 356/2018, 357/2018, 358/2018, 359/2018, 360/2018 and 361/2018 decisions of the Supreme Court.

7. Additionally, recently the decisions with no. 839/2018 and 841/2018 were issued by the State Council regarding among others the urban development status of the Adjacent area.

8. In accordance with the aforementioned decisions, ETAD paid the lessee in 2018 the amount of 7.99 mln. ETAD has filed a lawsuit against the Municipality due to the occupation of a certain area and claims as compensation the amount of € 10.5 mln.

9. Following the above ETAD and the lessee are in discussion on the dispute, while on 23.08.2018 an appeal to arbitration by the lessee has been filed with the main claim of lost profits for the non-delivery of the use of the Adjacent area.

HRADF

There are no litigation or under arbitration disputes before judicial or administrative bodies that may have an impact on the subsidiary's financial position.

Fiscal years unaudited by the Tax Authorities

ETAD

ETAD has already been audited by the tax authorities until year 2011. The last tax audit concerned the years 2005 until 2011 and was completed within year 2015. For the fiscal years 2016 and 2017 "ETAD SA" is audited for tax compliance by Certified Auditors Accountants, as regulated by the article 65A of L.4174/2013 and has received a tax compliance report for 2016. For the fiscal year 2017, the audit is in progress and its completion and the respective tax compliance report are expected to be finalized after the publication of the 2017 annual financial statements. If by the completion of the tax audit there will be any additional tax liabilities it is estimated by the management that they will not have material effect to the financial statements.

Olympic Properties SA which was absorbed by ETAD , was tax audited for the fiscal year 2008. The tax audit report was delivered to the company in 2017. Specifically it was released on 25.05.2017 to the company with the No. 1077/18.05.2017 Final Action of Adjusting Calculation of Income Tax for the year 2009 (fiscal year 2008), by the supervisor of the Center of Audit of Large Corporations (K.E.ME.EP.), with which the tax difference was calculated at € 2,270,787.99 for the main tax, and additional tax was assessed for inconsistency at € 2,732,429.52 thus a total assessment of € 5,009,454.13. The company took legal action against the above tax charges. For the above case there is a provision equal to the 100% of the total amount. Regarding fiscal years 2009-2010, they have not been subject to tax audit.

KED SA which was absorbed by ETAD, is not tax audited for the fiscal years 2008 – 2011 (Transitional Balance Sheet due to absorption by "ETAD SA" 31.10.2011 FEK B' 2779/02.12.2011).

PARAKTION ATTIKO METOPO SA which was absorbed by ETAD, was audited for tax compliance by Certified Auditors Accountants as regulated by the article 65A of L.4174/2013 for its first fiscal year (21.08.2013 to 31.12.2014) and is still unaudited for its second fiscal year (01.01.2015 – 21.03.2015 – Transitional Balance Sheet due to absorption by "ETAD SA" article 24 of L.4321/2015 FEK A' 32).

In any case and according to POL. 1006 / 05.01.2016 the companies for which a tax compliance report is issued are not exempted from the regular tax audit by the competent tax authorities. It is noted that the subsidiary has been audited by Certified Auditors and has received a Tax Compliance Report for the fiscal years 2012-2016.

For the fiscal year 2017, as mentioned above, the tax compliance audit of ETAD by Legal Auditors is in progress.

HRADF

The subsidiary for the fiscal years ended 30/06/2012, 30/06/2013, 30/06/2014, 31/12/2014, 31/12/2015 and 31/12/2016 have been subject to the tax audit by Certified auditors, as provided by the provisions of article 82, par. 5, of Law 2238/1994, POL. 1159/2011, article 65A par. 1 of the Law 4174/13 and the decision of the Ministry of Finance with POL. 1124/2015 and audited by the subsidiary's statutory auditors without any differences. The corresponding tax compliance certificates were submitted to the GSIS on 10/01/2013, 08/01/2014, 08/01/2015, 23/09/2015, 30/09/2016 and 28/09/2017 respectively.

For the fiscal year 2017 subsidiary has been subject to tax audit by its statutory auditors. The audit is in progress and the relevant tax certificate is to be issued after the publication of the financial statements.

Pursuant to paragraph 1 of Article 188 of Law 4389/2016 (Government Gazette A '94), the total number of shares of the company "HELLENIC REPUBLIC ASSET DEVELOPMENT FUND SA" is transferred immediately and with no consideration to the company "Hellenic Corporation of Assets and Participations SA "and becomes its direct subsidiary.

With article 10 of law 4474/2017 (Government Gazette A '80 / 7-6-2017) it is stipulated that direct subsidiaries (ETAD SA and HRADF SA) of the societe anonyme under the name "HELLENIC CORPORATION OF ASSETS AND PARTICIAPATIONS SA", which were subject to the provisions of paragraph 5 of article 82 of Law 2238/1994 (Government Gazette A 151) and Article 65a of Law 4174/2013 (Government Gazette A170), are deemed to have definitively discharged its tax liability for the respective management periods or tax years in which it received Tax Compliance Report from Certified Auditors, since in the annual Tax Compliance Report issued or to be issued there are no violations of the tax legislation. In case there are references for tax violations in the above Tax Compliance Report, the tax audit is limited to these violations only.

32. Related party transactions and balances

i) Related party balances:

		GROUP		COMPANY	
	Note	**31.12.2017**	**31.12.2016**	**31.12.2017**	**31.12.2016**
Trade and other receivables:					
- CAZINO OF PARNITHA S.A.		56,940	56,940	-	-
- LAMDA FLISVOS MARINA S.A.		88,649	-	-	-
- MARINA ZEAS S.A.		23,397	-	-	-
Total of trade and other receivables	13	**168,986**	**56,940**	**-**	**-**

Suppliers and other liabilities:					
- CAZINO OF PARNITHA S.A.		2,635	2,635	-	-
- LAMDA FLISVOS MARINA S.A.		-	205,655	-	-
- MARINA ZEAS S.A.		-	376,044	-	-
- Public Properties Company S.A. («ETAD»)		-	-	20,831	-
Total of liabilities	22	**2,635**	**584,334**	**20,831**	**-**

ii) Related party transactions:

	GROUP		COMPANY	
	1.1.2017 - 31.12.2017	**25.10.2016 - 31.12.2016**	**1.1.2017 - 31.12.2017**	**25.10.2016 - 31.12.2016**
Rental Income:				
- LAMDA Flisvos Marina A.E.	3,297,526	1,100,000	-	-
- MARINA ZEAS S.A	1,193,833	198,972	-	-
Total of Rental income	**4,491,359**	**1,298,972**	**-**	**-**
Dividends income:				
- CAZINO OF PARNITHA S.A.	4,712,478	170,943	-	-
- MARINA ZEAS S.A	100,000	8,027	-	-
Total of dividends income	**4,812,478**	**178,970**	**-**	**-**
Purchase of tangible and intangible assets:				
- Public Properties Company S.A.	-	-	65,044	-
Total of purchase of assets	**-**	**-**	**65,044**	**-**
Operating expenses:				
- Public Properties Company S.A.	-	-	79,826	-
Total of operating expenses	**-**	**-**	**79,826**	**-**

The compensation to the Directors and Key management personnel for the Group and Company, is analyzed as follows:

Board of Directors and Key Management

The gross fees and other benefits/ compensations to the Board of Directors and Key Management personnel of the Group and the Company are as follows:

- Group: for the year 2017 was € 2,740,834 whereas for the period 25.10.2016-31.12.2016 was € 83,199.
- Company: for the year 2017 was € 1,180,239 whereas for the period 25.10.201-31.12.2016 paid no fees to Board of Directors and Key Management Personnel, since the BoD was constituted as a body in 2017 ad the Company had no staff.

Supervisory Board

The gross fees of all members of the Supervisory Board for the period 01.01.2017-31.12.2017 amounted to € 293,200 against € 101,400 for the period 25.10.2016-31.12.2016.

33. Commitments

(a) Commitments

Commitments for investment capital

There are no commitments for investment capital that have been undertaken and not been executed at 31.12.2017.

Commitments of property leases where the Group is the lessee.

The Group is leasing buildings and offices for the needs of their administrative departments which can be terminated according to the respective terms of the agreements. No significant effect is expected to the Group in case of early termination of the operating lease agreements.

(b) Future non-cancellable rentals receivable

The commercial agreements signed by Group's subsidiary ETAD with lessees range from 1-5, 5-12, 12 and over, years. Commercial contracts include a basic guaranteed consideration and a variable consideration determined by parameters such as lessees turnover, previous lessees earnings, number of visits and lessees payments.

The future total minimum (non-cancellable) rentals receivable from operating leases annually (the Group is a lessor) are as follows:

(amounts in € mln)	**31.12.2017**
Within the next year (2018)	28
From 2 to 5 years (2019-2022)	97
From 6 years and more (from 2023 onwards)	483
Total	**608**

34. Events after the reporting period

The most significant events that took place after the reporting date and until the approval of the financial statements relating to the Company and its Direct Subsidiaries are as follows:

A) HCAP

(i) Change in the structure of the Group and the assets under management of the Company and the Group arising from the provisions of Law 4512/2018:

In January 2018, Law 4512/2018 amended the founding law of HCAP (4389/2016). Amongst the changes effected by these amendments were:

- The decision not to establish the Direct Subsidiary EDIS (which would have been established with the purpose to receive from the Greek State the shares of certain public companies and legal entities).
- The transfer from Greek State to HCAP of the shares in certain public companies and legal entities (other than the shares of the HFSF, ETAD, HRADF and EDIS companies, which were transferred to HCAP as of 25.10.2016), as well as other rights.

More specifically:

- Pursuant to article 188 par. 1d of Law 4389/2016, as amended by Law 4512/2018, shareholding or control of certain public companies and legal entities described in Law 3429/2005 was transferred to

HCAP. For the purpose of the abovementioned Law these entities will be referred to as other subsidiaries (the “Other Subsidiaries”).

- Pursuant to paragraph 1 of article 197 of Law 4386/2016 as amended, the total shares held by Greek State in the aforementioned public companies, were transferred automatically and with no consideration to the Company.
- In addition, with the provisions of Law 4512/2018, other holdings and rights were transferred to the Company, e.g. the right to receive the dividend from OTE.

The following table presents: (a) the companies listed in Annexes D ', E' and F 'of Law 4389/2016 as amended; and (b) in the next column the percentage of participation that the Greek State transferred to HCAP with effect from 1.1.2018. The participation of the Greek State in entities that were transferred to the Company is either a majority shareholding, in other cases a minority shareholding and in some cases relates to the 100% of the share capital (sole shareholder). In addition to the companies listed below, Annex D also refers to the Athens Olympic Sports Center (OAKA) which will be included in the portfolio of the Company after its transformation into a legal entity.

A) «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. (AEDK)	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%

In relation to EYDAP and EYATH, in accordance with the resolutions 262 and 263 of the Interministerial Committee the transfer of 17,004,761 shares in EYDAP to HRADF and the transfer of 14,520,000 in EYATH to HRADF were revoked. This revocation referred to such a number of shares so as the Greek State would re-acquire 50% plus 1 share and it was given a retrospective effect from 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 owning 53,250,001 out of 106,500,000 shares of EYDAP and 18,150,001 out of 36,300,000 shares of EYATH.

In addition to the above, according to article 350 of Law 4512/2018 the Greek State’s right to receive dividend due to its participation in the share capital of the Societe Anonyme under the name "Hellenic Telecommunications Organization SA "(OTE SA) is transferred to HCAP. The Greek State reserves the right to vote in the General Assembly of OTE for its shares.

(ii) Significant events regarding the provisions of Law 4549/2018 (Government Gazette A 105 / 14.06.2018)

Law 4549/2018 introduced new changes that will affect the Group and the Company, the most important of which are as follows:

- **Transfer of GAIAOSE SA to HCAP:** According to article 113 of law 4549/2018, from 01.07.2018, the shares held by the Greek State in GAIAOSE SA were transferred to the Company.
- **Commitments deriving from the Financial Facility Agreement:** Pursuant to the provisions of Law 4549/2018, until full repayment of the loan granted under the Financial Facility Agreement and its subsequent amendments, the Company became a guarantor and has entered into commitments related to the collateral as defined in the said agreement.

(iii) Dividends received

Financial year 2018 is the first year in which HCAP will recognize dividend income, with collecting until the date of approval of the present financial statements, total dividends amounting to € 16.3 mln from EYDAP, EYATH, and OTE.

B) ETAD

The most significant subsequent event concerning the Direct Subsidiary ETAD is the fact that according to article 196 par. 6 and 209 of Law 4389/2016. properties, which are referred to in the decision of the Government Economic Policy Council No. 86 / 18.06.2018 are transferred to ETAD. The total properties are 10,119 as described in Government Gazette 2317 as of 19.06.2018. This transfer excludes any of the above properties that fall under the exceptions of paragraph 4 of Article 196 of Law 4389/2016 or, in general, for which the transfer is against the requirements of this Law. The assets are expected to enhance ETAD's portfolio and are expected to give future economic value to its assets and operating income that will result from their potential exploitation.

C) HRADF

Subsequent events related to the Direct Subsidiarity HRADF mainly concern to a number of actions and events related to the progress of the Privatization Program on Mutual Match Betting, Thessaloniki Port Authority as well as the investment in Hellenic Petroleum, OTE, DESFA, DEPA, Ports Organizations, Tourist Ports / Marinas and Real Estate properties.

Amongst others, the following are considered the most important events / transactions:

Thessaloniki Port Authority: On 23 March 2018 the transfer of 67% of ThPA to South Europe Gateway Thessaloniki Limited was completed, and the consideration of 231.92 mln was received.

OTE: The transfer of OTE's 5% from HRADF to Deutsche Telekom AG was completed through the Athens Stock Exchange on 30.5.2018. The price of the transaction amounted to € 284.05 mln.

DESFA: On 19.04.2018, HRADF’s BoD in cooperation with Hellenic Petroleum, accepted the improved financial offer from the joint venture between Snam S.p.A., Enagás Internacional S.L.U. and Fluxys S.A. amounting to 535 mln and declared it a preferred investor for the 66% of DESFA.

PROPERTIES:

- **Kassiopi:** On 18.4.2018, the contract for the sale of certain parts of the property in Kassiopi was signed for a consideration of €2.1 mln..
- **E-auction:** On 01.03.2018, through the e-auction VIII procedure, bidders for six properties were proclaimed, as well as for an ideal share of 66.66% on a property with a total price of € 8,372,350 and a bidder for the long-term lease of a parcel. Furthermore, on 27.02.2018, the sale agreement for an ideal share of 66.66% was signed on an immovable property for a consideration of € 257,000 (related to e - auction VII).

35. Approval of the Financial Statements

The company and consilodated Financial Statemnets for the period ending on 31.12.2017 were approved by the Board of Directors of the Hellenci Corporation of Assets and Particpations SA on 29.08.2018.

Athens, 29 August 2018

The Chairman of the Board of Directors	The Chief Executive Officer and Member of the Board of Directors
George Diamantopoulos ID no M299970	Ourania Ekaterinari ID no T222068.
The Chief Financial Officer	**The responsible for the preparation of the Financial Statements in compliance with IFRS**
Charalambos Pilitsidis ECG Licence Class A' no 33983.	Maria Trakadi ECG Licence Class A' no 27913
	Deloitte. Deloitte Business Process Solutions S.A. Licence Number O.E.E 1297