[translation from the Greek original]

HELLENIC CORPORATION OF ASSETS AND PARTICIPATIONS

ANNUAL FINANCIAL REPORT

(01.01.2018 – 31.12.2018)

September 2019

Annual Consolidated and Separate Financial Statements for the third fiscal period 01.01.2018-31.12.2018 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 23.09.2019 and will be available on the internet after the approval of the General Assembly of the Company, at the web site address www.hcap.gr.

The annual consolidated and separate financial statements for the fiscal period 01.01.2018-31.12.2018, which can be found at pages 128-220, 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	The Chief Executive Officer and Member of the Board of Directors	The Executive Director Member of the Board of Directors
George Diamantopoulos ID No. M299970	Ourania Ekaterinari ID No. T222068	Stefanos Giourelis ID No. AK142391

The Chief Financial Officer	The responsibles for the preparation of the Financial Statements in compliance with IFRS	
Charalambos Pilitsidis ECG License Class A' No. 33983	Maria Trakadi ECG License Class A' No. 27913	Konstantinos Motsakos ECG License Class A' No. 105030

Deloitte.

Deloitte Business Process Solutions S.A.

License number O.E.E 1297

Thessaloniki International Fair

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STASY: Piraeus Train Station

HCAP BoD Chairman Message

With the conclusion of the Greek economic adjustment Program, our country has entered a new path, which allows the use of its advantages to the greatest extent, stemming from its human capital, willingness for development and the opportunities to attract investment.

In 2018, the Hellenic Corporation of Assets and Participations improved its organizational structure by attracting capable executives and adopting the most updated policies in the field of corporate governance. This was absolutely vital in order for the Corporation to respond to the transfer of a large number of listed and non listed SOEs in its portfolio. A major race against time started, to perform the following necessary activities:

- Assessment of the Board of Directors of SOEs
- Replacement of members where necessary or filling in vacancies
- Creation of an Internal Audit position where one did not exist
- Establishment of an independent Audit Committee where one did not exist
- Raising subsidiaries' sensitivity on corporate governance issues
- Training and awareness on compliance issues
- Preparation and communication of key performance indicators to assist SOEs in their business planning
- Preparation of the Corporation's Strategic Plan as indicated by law

and a number of other activities, of higher or lower priority, always focused on the effectiveness of our mission, the Public interest and ultimately the better service of the Greek citizen.

Nothing was easy or given. The lack of IT tools, the extended bureaucracy and also, the weakness in centrally planning the Coordination Mechanism, which is vital for our operational effectiveness, have often created unbeaten obstacles in achieving our objectives.

But we did it, and we are proud of it, applying meritocracy principles in SOEs, with capable and competent executives. Their main concern is these companies to invest in quality and innovation for the interest of our country. The interest of every Greek citizen.

The Chairman
of the Board of Directors

George Diamantopoulos

HCAP CEO Message

The Hellenic Corporation of Assets and Participations was established in early 2017 aiming to bring together under one structure, participations of the Greek State to State Owned Enterprises that were transferred to HCAP's portfolio a year earlier, as well as private real estate property of the Greek State, following the example of similar organizations in Europe that aim to the better management of Public Assets.

The timing of the establishment of the Corporation coincided with difficult economic conditions, relevant to the dealing of current issues, mostly of cash flow nature. In addition to this, for many of these companies either there hadn't been a long term plan to connect the sectoral policies with their performance, either an agreement for the framework of the provision of Services of General Economic Interest (SGEIs) didn't exist. Furthermore, most of these companies were, and are still dealing with ageing infrastructure, under- investing, lack of new technology and digital systems, but also lack of skills in vital areas of the current era. Issues of these types, that in many European countries had been dealt quite earlier and in due time, taking also into consideration radical regulatory and technological changes, but also the risks that these changes cause, make the necessity and the work of such an organization like HCAP, of even greater strategic importance.

Today, taking as a fact that economic conditions are improving, the country stands at a point where it needs to find a way to combine its competitive advantages with its national wealth, in order to create the appropriate conditions to achieve and maintain a strong, extrovert and sustainable development.

The country's national wealth includes, among others, assets that through their gathering under a single entity like HCAP, can be registered more easily, can be depicted and in the end exploited on the basis of a long term strategy that will be agreed with the Greek Government and will be supported by all stakeholders. The benefits of such an action are multiple, as first of all transparency is achieved: the State, finally knows what it owns and how this evolves through the years. Having this as a basis, the State can subsequently exercise an appropriate ownership policy, classifying for instance its assets into of national or strategic importance or into assets that could be developed and exploited. This classification will result in the need of specific actions and decisions that will need to be taken, such as: partial or whole privatization, partnerships with the private sector through concessions, PPPs, etc, just to name a few examples.

For us in HCAP, 2018 has been a milestone year, as in the beginning of it, the shares of the State to a group of important State Owned Enterprises were transferred to the Corporation. These companies, are 12 in total, however many of them have got their own subsidiaries or associates. Thus, 2018 is essentially marked as the first year through which HCAP has operated with a fully-fledged portfolio.

The Corporation has started organizing itself from scratch, having achieved to form and quickly develop a neat organizational structure with modern functions, creating a company with high values, professionalism and modern corporate culture but also to gain valuable expertise in two – years' time.

During 2018, the Corporation was asked to set up its business planning for the mid-term, on the basis of its Strategic Plan that had preceded, based on the provisions of the Corporation's institutional framework. HCAP's business plan took into consideration the best practices in relation to the State Owned Enterprises, as well as sectoral trends so as to promote new norms and managerial skills in order for the SOEs to be modernized and become more effective for the mid –term, and to operate with an independent and professional manner (this has already been set forth, through the strengthening of the BoDs and the introduction of modern norms of corporate governance).

Having recognized the important imprint of the SOEs in crucial figures of the economy, but also the challenges stacked either as a result of the economic recession or because of the lack of strategic and business planning and a transparent corporate governance framework, during 2018 HCAP launched actions in classified in 4 pillars:

(a) Boards of Directors and Corporate Governance
(b) Strategic Plan & Business targets
(c) Monitoring Framework and Rules for Information & Reporting
(d) Modernization targeting (Operations, Technology, Human Resources and Social Value) using specific KPIs on a 3-year plan

In more detail, having recognized the great importance of good corporate governance and effective functioning of the Boards of Directors, we moved on to the establishment of the Nominations Committee, with the duty to evaluate the Boards of HCAP's subsidiaries as well as to select the appropriate candidates for the strengthening of their functioning, their transparency and independence. Until today, we have completed a large number of BoD evaluations, the pre-selection and evaluation of more than 200 professionals and we have appointed (September 2019 data) 61 members in 11 Boards, through open, transparent and professional processes. Apart from the reconstitution and staffing of the BoDs of the State Owned Enterprises, emphasis was given to the upgrade of the role of Audit Committees, specializing in Audit and Accounting issues, as required by laws 4449/2017 and 3429/2005. Towards that direction, we are also trying to provide equal opportunities with no discriminations for positions of responsibility. Thus, we have managed to increase woman presence in our BoD to 50%. Furthermore, women in managerial positions in HCAP account for more than 60% of all managers. This was achieved, while at the same time and based on OECD data for listed companies (for which it is easier to find available data) for 2017, the percentage of women in the Boards of listed companies in Greece stood for 11,3%, classifying the country 31st among 36 countries in total, and one position before the last among European countries members of the OECD. In this percentage, both executive and non - executive members are included, showcasing that experience and skills are out there. We only need to track, encourage and promote them.

Moreover, so as to align with common strategic goals, since the beginning of 2018 when the SOEs were transferred into our portfolio, we engaged into discussions and communication with their Boards, in order to understand the challenges they were dealing and to agree on their priorities and targets. This led to the update of their business plans based on a strategic target for the first time, and to the establishment by HCAP of KPIs for each SOE. These KPIs were incorporated into HCAP's business plan for the period of 2019-2021.

Having also recognized that the Greek economy and large State Owned Enterprises are facing multiple technology challenges and that they significantly later, compared to similar European companies in that field, HCAP has set forth a series of targeted actions. In cooperation with its subsidiaries, HCAP promotes the formulation of a digital strategy for each SOE, which didn't exist until now, tailored to the specific characteristics of each company. HCAP's guidance takes into consideration international technological trends but also the improvement and simplification of business processes. The digital transformation of companies in HCAP portfolio is of high importance and it gives priority to issues that concern customer service, the automation of processes and of course the safeguarding of data integrity. We would like to indicatively refer to the creation of a Geographical Information System (GIS) that will converge the digital backgrounds of HCAP's subsidiaries and will imprint their real estate assets and their use, and at the same time will gather useful information such as common points of interest, their relative to the transportation means position, water, sewerage and electricity network, etc. This common GIS system could provide HCAP with the potential to design a holistic strategy with regards the management of public property, the implementation of which could lead to either better exploiting this property, or to achieve broader goals, such as better housing needs servicing for the companies in HCAP portfolio.

Lastly, in order to improve transparency and accountability, HCAP has set a specific reporting framework for monitoring the performance of its non-listed subsidiaries. This framework, obliges the SOEs to implement optimum accounting and audit standards to compile and monitor their annual budgets, in conjunction with the monitoring of actual figures, through regular reports. This may sound simple, but it actually makes up a quite complicated task, as this is the first time that financial information is consolidated for such a large number of companies of the Greek State, or in general. This effort required:

- Coordination between the financial departments of 15 direct & other subsidiaries, some of which are group companies, thus already consolidating their own statements
- Long and continuous effort to track the different accounting policies that had been implemented for similar issues for many years, and to start aligning those
- Solving, within tight timelines, the highest number of problems existing in certified auditors' reports on the financial statements of these companies for the previous years
- Design of new financial (and not only) statements reporting processes, close monitoring and users' training for those
- Significant speed – up in preparing and disseminating regular financial reporting so as for it to be prompt and based on best practices

In 2019 and in addition to the above, we will focus on launching the Coordination Mechanism that will inter alia clarify how most of the SOEs operate, in relation to what the State has assigned to them and how they are eventually compensated for the services they provide. This is crucial for the financial planning of both the SOEs and the State, since the State has to fund these services through its budget.

HCAP's effort is important, complicated and unprecedented for the Greek standards, and it requires among others, the coordination of the corporation itself with the Ministry of Finance which constitutes its sole shareholder, the rest of the Ministries acting as stakeholders, and coordination with the Public Administration in general. Through proper coordination, we will be able to highlight HCAP's work and achieve results faster, while at the same time, transparency regarding the strategic guidelines of the State to HCAP will be achieved, especially upon sectoral, developmental and social policies.

The strategic importance of efforts of such type, was also highlighted during the last Eurogroup that took place in Helsinki, where effective management of Public Assets in order to increase Public Investments was one of the three key discussion topics.

During the Eurogroup meeting, it was also noted that professional management of Public Assets in advanced economies, could deliver equal to what the economy is collecting in corporate tax. By doing so, infrastructure investment reserves could be doubled, without raising taxes.

At the same time, professional management of Public Assets, evidently leads to lower interest rates and expenses, larger fiscal space and eventually to flexibility on economic policy. Furthermore, during the Eurogroup discussion it as noted that economies that have already built a solid framework for managing their assets, are more resilient to external risks (e.g. global crises), and if they are rebounding from a recession, they could grow as much as three times faster.

The Chief Executive Officer and
Member of the Board of Directors

Ourania Ekaterinari

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 01.01.2018 - 31.12.2018.

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 (and subsequently Law 4548/2018). 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 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 approach, 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

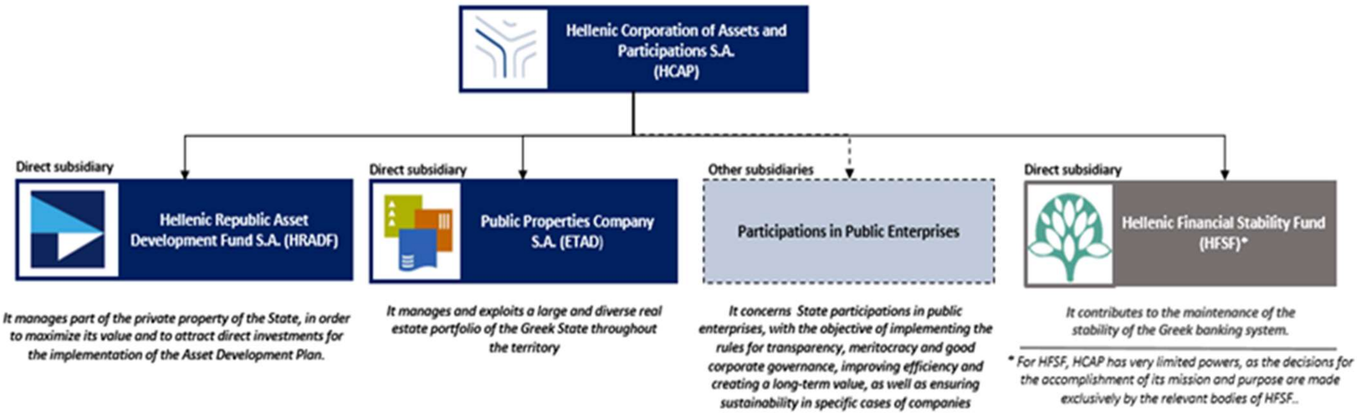
(b) for the reduction of the financial obligations of the Hellenic Republic.

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 31.12.2018, the registered seat of the Corporation is at 4 Karagiorgi Servias 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 of the "Other Subsidiaries", which are the enterprises, in which the Greek State has shareholding participations and were transferred to the Corporation from 01.01.2018, with the exception of GAIAOSE which was transferred in 01.07.2018.



According to the law and based on Corporate Governance standards, 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 direct subsidiaries in order to fulfil its corporate purpose.

HCAP portfolio at a glance

> 35,000 employees

>€1.5 bln. wholesale of fruit,vegetables, meat and fish from markets annually

Electric Power

>7,000,000 connections

>190 years of activity in the postal & parcel business
>250 mln. Postal items

>5,000,000 water supply clients

>4,000,000 sewage clients

>9,000 vessel transits from the Corinth Canal annually

Annual transportation work

>134 mln. Vehicle km

>613 mln. boardings

A.2. Direct Subsidiaries of the Corporation

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 Republic Asset Development Fund ("HRADF")**, 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"). HRADF aims to maximize the value of the Asset Development Plan 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 20.12.2018) is available online on HRADF's website.

The **Public Properties Company ("ETAD")**, is responsible for the management and exploitation, for the public interest, of a large real estate portfolio in relation to which the Greek State has transferred to ETAD their ownership and/ or their management. 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 includes properties that have come mainly from the Ministry of Finance, from the Greek National Tourism Organization, the Olympic Assets and a list of properties from HRADF. In order to achieve its strategy, ETAD has to act towards maintaining a clean and exploitable portfolio and develop appropriate exploitation strategies, taking into consideration the trends and business practices of management and exploitation in real estate, the special characteristics of each asset class to be exploited, the investment appetite along with other at its judgment material factors which all together will lead to the optimal exploitation of its assets.

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 with 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.

OSY: The importance of the bus in the city traffic

A.3. Other Subsidiaries of the Corporation

Pursuant to article 188 par. 1(d) of Law 4389/2016, as it was amended by Laws 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 from 01.01.2018, shall be considered for the purpose of the abovementioned Law as other subsidiaries (the "Other Subsidiaries"). Such enterprises for the purpose of drafting the consolidated financial statements may not be considered subsidiaries but affiliated companies or financial assets.

Furthermore, within its scope, HCAP possesses the above participations of the State, which it professionally manages and increases their value in the long term according to international best practices and the OECD guidelines on corporate governance, corporate compliance and supervision and transparency of procedures regarding social and environmental issues, responsible entrepreneurship and consultation with 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 were transferred as participations from the Greek State to the Corporation on 01.01.2018. Also, in accordance with article 113 of l. 4549/2018, the participation of the Greek State to GAIAOSE S.A. was transferred to the Corporation from 01.07.2018. The participation of HCAP to those enterprises is in certain cases of majority, in others of minority and in some cases concerns the 100% of the share capital (sole shareholder).

Moreover, among the "Other Subsidiaries" are three (3) companies listed at the Athens Stock Exchange (PPC, EYDAP and EYATH). PPC is an affiliate company while EYDAP and EYATH are subsidiaries.

Concerning the shares of EYDAP and the shares of EYATH, the Interministerial Committee for Restructuring and Privatizations, pursuant to the decision no 262/21.2.2018, 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.

Also, to be noted that in relation to the transfer of the shares of the companies EYDAP S.A. and EYATH S.A. have been submitted before the Council of State petitions of annulment with numbers 692/2018, 822/2018, 693/2018 and 823/2018. The hearing of the cases before the Council of State took place on 27.11.2018.

Non Listed Companies

Athens Urban Transportation Organization S.A. (100 %)

and its 100 % subsidiaries
Road Transport S.A.
Urban Rail Transport S.A.

Central Markets and Fishery Organization S.A. (100%)

Thessaloniki Central Market S.A. (100 %)

Corinth Canal Co. S.A. (100 %)

Thessaloniki International Fair – HELEXPO S.A. (100 %)

Hellenic Post S.A. (90 %)

Hellenic Saltworks S.A. (55.19 %)

GAIAOSE S.A. (100%)
since 01.07.2018

Olympic Athletic Centre of Athens "Spyros Louis"**

Listed Companies

Public Power Corporation S.A. (34.123 %)

Athens Water Supply and Sewerage Company S.A. (50 %+1 share)

Thessaloniki Water Supply and Sewerage Company S.A. (50 %+1 share)

Minority Shareholder

ETVA - Industrial Areas S.A. (35 %)

Athens International Airport S.A. (25 %)

Folli – Follie S.A. (0.9 %)

Note for EYDAP & EYATH: *As stated in Annex E of L.4389/2016, "without prejudice to the restrictions arising from the Constitution and the obligation to comply with judicial decisions"*

** HRADF holds 30% of the share capital of Athens International Airport S.A., 17% of the share capital of PPC S.A., 24.02% of the share capital of Thessaloniki Water Supply and Sewerage Company S.A. and 11.33% of the share capital of Athens Water Supply and Sewerage Company S.A.*

*** The Olympic Athletic Centre of Athens (OAKA) will be transferred to the HCAP portfolio following its transformation into a capital company.*

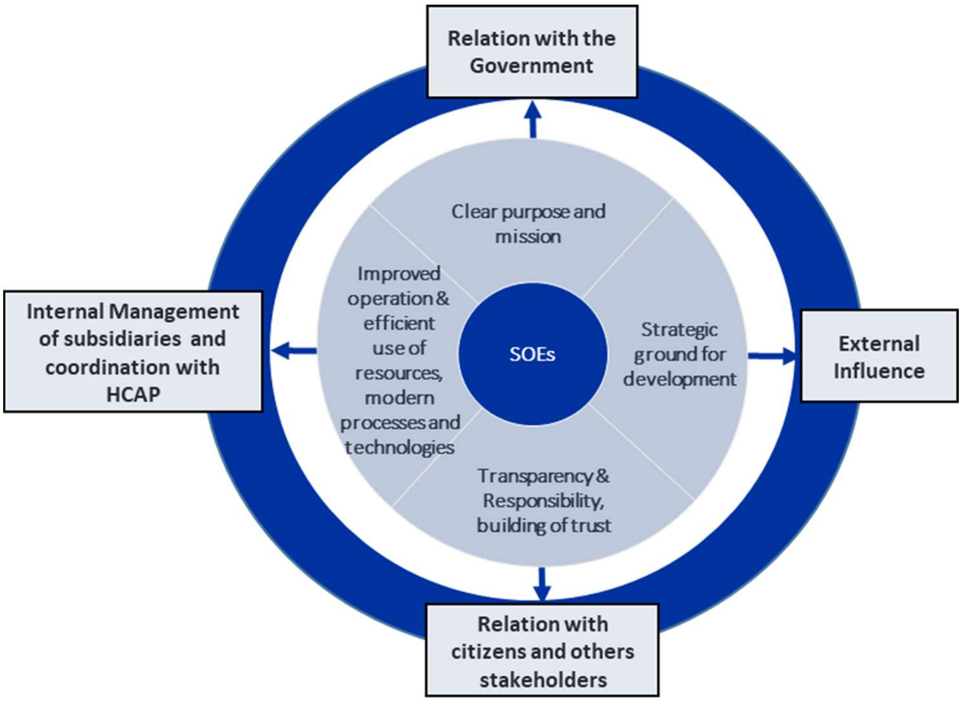
The Public Enterprises included in HCAP's portfolio are required through appropriate strategic, business, and operational planning and monitoring, to ensure they operate smoothly under the current conditions, and to create economic and social value in the long term, taking into account both the position of each company in each market, and the potential utilization of strategic initiatives and collaborations. Equally important parameters are the development of their human resources, the application of innovative ideas and new technology for the improvement of services provided and their more effective operation, the streamlining of their supply chain, the assessment and shaping of the appropriate capital structure and raising new capital from various sources for the funding of necessary investments, etc.

Apart from economic performance, over time public enterprises must act appropriately in order to improve their operational efficiency in order to reach similar levels to relevant companies of the private sector or the public sector of other countries, and to create overall benefits in relation to the social role that is connected to, among other things, the provision of Services of General Economic Interest (SGEI). To that end, these corporations must transform, evaluating modern trends, challenges, and opportunities.

Thus, public enterprises, especially via their Boards of Directors and Senior Management, must:

- Have a clear mandate and mission, connected to desired targets and results;
- Operate responsibly, transparently, and with accountability, through timely and reliable reports of the results and transactions, in order to build trust with the citizens;
- Provide modern, high quality services that respond to the needs of their consumers at a competitive cost;
- Invest in infrastructure, along with human capital, in order to better achieve their mission.

Main stakeholders and relationship framework



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 authorized.

Also, based on the provision of article 198 par. 2 of Law 4389/2016 are automatically transferred by HRADF to the Corporation, and without consideration in return 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 with number 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 organization, 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. These airports ("Regional Airports") are the following:

23 Regional Airports

- Alexandroupoli
- Araxos
- Astypalea
- Ikaria
- Ioannina
- Kalamata
- Kalymnos
- Karpathos
- Kasos
- Kastelorizo
- Kastoria
- Kozani
- Kythira
- Leros
- Λimnos
- Milos
- Naxos
- Nea Achialos
- Paros
- Sitia
- Skyros
- Syros
- Chios

Pursuant to article 350 of Law 4512/2018, the Greek State has also assigned to HCAP the right to receive the dividend corresponding to the State's shareholding in the share capital of Hellenic Telecommunications Organization 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. The contribution of HCAP to development

The Hellenic Corporation of Assets and Participations is developing and implementing a holistic and long-term strategy for managing the assets included in its portfolio in order to achieve value for both the Greek State as a shareholder and for the citizens.

HCAP's contribution to the country's development is made by:

(a) Through the implementation of the HRADF Asset Development Plan, as well as through the utilization of the real estate portfolio of ETAD, by attracting investments.

(b) Through the transformation of public enterprises by enhancing operational efficiency, cost-effectiveness, optimizing resource use, innovation and, in general, improving the services provided to citizens, which enhance competitiveness and extraversion.

(c) Through strategic alliances and synergies within the structure of HCAP.

(d) Lastly, by channeling directly part of HCAP's profits into investments. Specifically, a portion of HCAP's profits is attributed to the Greek State as a dividend and is used through the Public Investments Plan for strategic investments, while the remainder is used by HCAP for investments in accordance with its Investment Policy. This policy determines the distribution of available resources for investment in different categories of investment, and more specifically for the below categories: a) Investments to the share capital of public enterprises whose shares are already in the portfolio of HCAP (which may also include investments in assets which face financial difficulties or need financing to restructure them), b) investments in own funds of ETAD and / or in property management and exploitation companies, c) development investments in assets other than those of HCAP portfolio that can deliver high returns and generate positive financial results; and d) maintain an adequate reserve to ensure liquidity for future investments or cover future losses (including the facing of extraordinary capital needs at subsidiaries).

A.6. 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 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 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 2016/07.10.2016 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 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 (Member who does not receive any remuneration from 01.05.2019)
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 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.

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.

Today the Board of Directors consists of the following members:

Name	Capacity
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
Spyros Lorentziadis	Non-executive Member
Marina Niforos	Non-executive Member

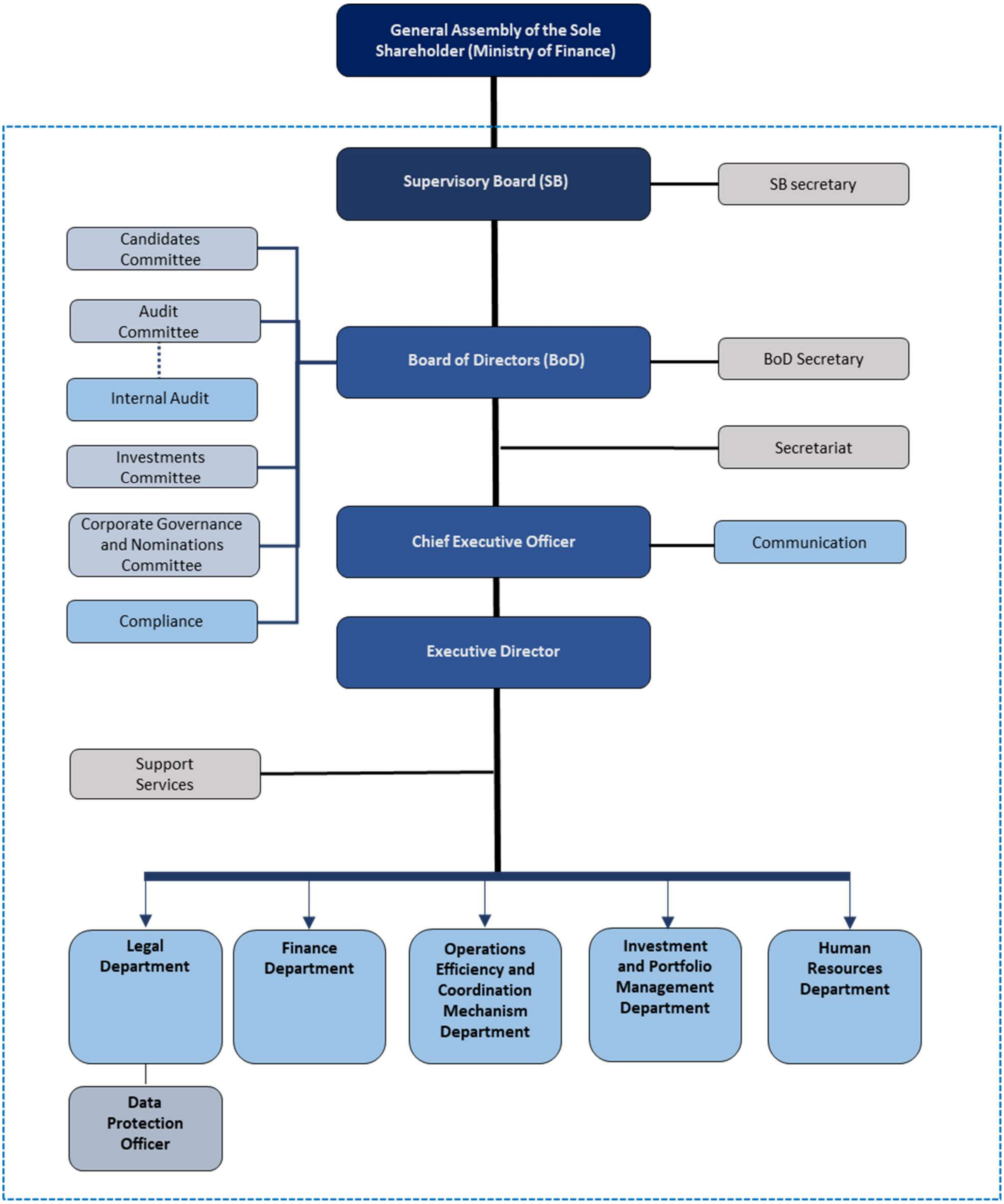
The CVs of the Supervisory Board and Board of Directors members are included in the Corporate Governance Declaration.

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 Audit Committee, the Investment Committee and the Corporate Governance Committee (for the composition please see the Corporate Governance Declaration).

Furthermore, pursuant to the provision of article 197 par. 4 of Law 4389/2016, as amended by Law 4512/2018 and Law 4618/2019, the Board of Directors of the Corporation established the Candidates Committee (initially in relation to the Boards of the Other Subsidiaries and following law 4618/2019, of its Subsidiaries), comprised by executive and non executive members of the Board of Directors of HCAP.

A.7. Organization chart

The organization chart of HCAP is as follows:



The Compliance Officer supports and directly advises the Supervisory Board of the Corporation on issues of compliance that are relevant to it.

A.8. Corporation’s Share Capital

The Corporation’s share capital amounts to €40,000,000 and is divided into 40,000 common registered shares with a nominal value of €1,000 each.

The Corporation’s shares are non-transferable.

The Corporation’s share capital is covered entirely by the Greek State 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 €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.9. Internal Audit

Pursuant to Article 192 of Law 4389/2016, the Board of Directors appoints the Internal Audit Director. Based on the above, the Corporation published an invitation for expression of interest for the position of Internal Audit Director and the Internal Audit Director was selected, pursuant to the Board of Directors’ decision dated 20.07.2018.

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 the proper application of procedures and operations by the Corporation’s organizational units, as well as through auditing the application of effective internal controls and procedures, risk management, information systems and corporate governance. The IAD operates based on the “Performance Auditing Framework”, which is part of HCAP’s Internal Regulation. The IAD is independent and reports to HCAP’s Board of Directors, through the Audit Committee, by which it is supervised.

The IAD confirms the application of governing bodies’ directives and guidelines through planned and unplanned ad hoc audits of procedures, financial data and information systems and submits relevant reports to HCAP’s Management and Board of Directors. IAD staff are ensured complete freedom and unrestricted access to files, services, accounts and records, physical assets and staff of the Corporation.

The IAD prepares an annual plan of internal audit activities, based on a risk assessment, which is approved by the Audit Committee and the Board of Directors. The IAD’s annual plan and budget for 2019 were approved by the Audit Committee on 04.12.2018 and by the Board of Directors on 13.12.2018.

Furthermore, on 13.12.2018 the Board of Directors approved the "Internal Audit Cooperation Framework with Direct Subsidiaries". The Cooperation Framework was communicated to HCAP’s Direct Subsidiaries in January 2019.

A.10. 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 according to the requirements of Regulation No. 537/2014/EE. 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 10.09.2018, 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 01.01.2018-31.12.2018.

A.11. 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. The Corporation has also signed a contract for the provision of investment services in financial instruments (MIFID) and has a bank account with the National Bank of Greece, a need arising from the obligation to maintain a custody account due to the Listed companies included in the company's portfolio by 01.01.2018 as article 380 N. 4512/2018 (Government Gazette a 5/17.01.2018). This account does not have a significant balance.

A.12. 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 are 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.

Pursuant to the resolution of the Extraordinary General Assembly of the Sole Shareholder dated 17.01.2018, the inclusion of 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.» was resolved.

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.

Also, pursuant to the decision of the Ordinary General Meeting of the sole Shareholder dated 10.09.2018, it was decided to amend the Rules of Procedure with respect to the Chapter "Procurement Regulation", in accordance with the procedure provided for in article 189 par. 3, article 190 par. 2f and article 191 par. 4e of L. 4389/2016, the decision of the Board of Directors of HCAP as of 16-04-2018, the decision of the Supervisory Board of 31-08-2018 and no C10 / 2018 Opinion of the Independent Public Procurement Authority ("EAADISY").

The Rules of Procedure as formed up to date with decisions of the General Assembly include the following chapters:

(a) Procurement Regulation

(b) The Framework for the preparation of the Strategic Plan of HCAP

(c) Performance Auditing Framework

(d) Conflict of Interest Policy and Confidentiality Obligations

(e) Internal Rules of the Supervisory Board

(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)"

(g) Coordination Mechanism

(h) Corporate Governance Code

(i) Performance Monitoring and Reporting Framework

(j) Travel and Expenses Policy

(k) Financial Reporting Standards and Framework for Financial Reporting

(l) Board Evaluation and Removal Criteria concerning the Board of Directors of HCAP

(m) Dividend Policy

(n) Investment Policy

It should also be mentioned that 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, to be noted that regarding the reporting framework, the Board of Directors of HCAP is required to submit to the Supervisory Board quarterly reports in compliance with the rules of corporate governance, as provided by the regulatory framework of HCAP. 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.13. Company’s and Group’s actual results and actions for the year 01.01.2018-31.12.2018 along with subsequent events.

A.13.1 Condensed Separate and Consolidated Financial Information

A) Analysis of Company financial data as at 31.12.2018

HCAP is a holding company with a long-term view to enhancing the value and improving the performance of its portfolio assets.

The Company acquired legal personality on 25.10.2016, therefore 2017 was the “actual” year of its establishment since its Board of Directors constituted into a body on 16.02.2017. During 2017 the Company only held participations to ETAD and HRADF, while since 01.01.2018 and pursuant to the law 4512/2018, the Company's assets changed because of the transfer of the Greek State's shareholding participations in 13 state owned enterprises.

As a holding company, HCAP ‘s revenues, in its standalone financial statements, derive mainly from dividends, interest and other capital gains/ income from the assets under management, while its expenses mainly relate to administrative expenses for its operation and fulfilment of its mission. With regards to dividends it is noted that by their nature there is a lag between the fiscal year of the subsidiaries' profitability and the time of dividend collection (i.e. the profits of each subsidiary are distributed as dividends in the following financial year), as well as other restrictions on dividends distribution (i.e. the existence of cumulative losses from previous years may not allow dividends’ distribution despite having a profitable current year).

The Company for the first time in 2018 recognized dividend income from its subsidiaries amounting to € 17.0 mln. coming from the “other subsidiaries” transferred from 01.01.2018 and OTE (while during 2017, which was in its first year of operation, it did not recognize dividend income due to accumulated losses of "direct subsidiaries" in the past fiscal years). More specifically, the biggest part of the dividends in 2018 came mainly from the subsidiaries EYDAP and EYATH, as well as from the transferred right to receive the dividends distributed by OTE to the participation of the Greek State while a smaller part of dividends came from the Central Market Thessaloniki, Hellenic Saltworks, CMFO and AEDIK.

The collection of these dividends led to a gain of € 13.1 mln. in 2018 compared to 2017 in which losses were recorded. It should be noted that subsequent to the 2018 fiscal year, during the first half of 2019, profits have more than doubled reaching up to € 38.9 mln..

Expenses for 2018 are not comparable to those in 2017, as the Corporation during the first months of 2017 was formulating its structure and operations and had not yet been staffed, nor had all of its functions, since the Board of Directors of the Corporation constituted into a body on February and consequently began recruiting. Unlike 2017, in 2018 the Corporation had a full blown activity in relation to its Direct Subsidiaries and was significantly staffed for this role, whilst following the transfer of the shareholding participations of 13 state owned enterprises (some of which are groups and have their own subsidiaries), the process of staffing with the required executives started in order to support the new structure of its portfolio.

B) Analysis of the Group's financial items as at 31.12.2018

(a) Introduction: first time consolidation of participations in 13 companies that were transferred with effective date 01.01.2018:

(amounts in thousands €)	2018	2017	Variance In th. €	%
Revenue	1,045,876	57,888	987,988	1707%
Cost of Sales	(974,238)	(25,047)	(949,191)	3790%
Subsidies attributable to cost of sales	104,372	-	104,372	-
Gross Profit	**176,010**	**32,841**	**143,169**	**436%**
Other operating income	127,205	3,544	123,661	3489%
Administrative expenses	(159,528)	(15,987)	(143,541)	898%
Selling expenses	(73,402)	(12,855)	(60,547)	471%
Other operating expenses	(69,240)	(23,116)	(46,124)	200%
Gain from revaluation of investment property	57	36,551	(36,494)	(100%)
Result before tax, finance and investing activities	**1,102**	**20,978**	**(19,876)**	**(95%)**
Dividend income	1,595	-	1,595	-
Finance income	32,390	3,370	29,020	861%
Finance cost	(14,694)	(2,278)	(12,416)	545%
Change in financial assets at fair value through profit or loss	(280)	-	(280)	-
Share of losses in associates	(116,368)	(2,698)	(113,670)	4213%
Profit/ (Loss) before tax	**(96,255)**	**19,372**	**(115,627)**	**(597%)**
Income tax	(36,288)	(1,135)	(35,153)	3097%
Profit/ (Loss) after tax	**(132,543)**	**18,237**	**(150,780)**	**(827%)**

As mentioned above, during 2017 HCAP held participations (and consolidated) 2 companies, while as of 01.01.2018 (plus GAIAOSE from 01.07.2018) it acquired shareholding participations in 13 more state owned enterprises (as well as their subsidiaries and affiliates).

This was a crucial challenge in 2018, as HCAP would consolidate for the first time the participations of the State (majority or minority through HCAP) in 15 companies and a number of other subsidiaries or affiliates. Those companies:

- operate in very different markets and industries,
- in many cases they followed different accounting policies, as they had made different choices between IFRS options for presenting balance sheet items or transactions / profit or loss,
- had different procedures for preparing financial statements, systems, dates on which they completed their financial statements, and some of them, despite being transferred to HCAP in 2018, had not published financial statements since 2016,
- there was a significant number of qualifications and emphasis of matters on their Certified Auditors' Certificates resulting in an impact on the reliability and transparency of their financial statements;
- there was no homogeneity in the audit of the financial statements of these companies, as the 13 new companies were audited by nine different audit firms, and in many cases the respective departments of the companies were under-staffed and without appropriate infrastructure and systems, a problem that is to be addressed in the future.

In general, consolidating so many and different companies is one of the most complex undertakings, both for the Greek market and the private sector, for the reasons mentioned above. After a reasonable period of their transfer, HCAP has taken steps to improve the quality of financial information and reporting, including:

- implemented a process for setting up (or reinforcing where they exist) audit committees in these companies, staffing them with chairmen with sufficient knowledge of accounting and auditing as per legal requirements, while also ensuring the independence of audit committee members.
- significant effort has been made to resolve and correct, to the extent possible, the problems that external auditors had identified in the financial statements of these companies. This effort had as a result a significant reduction of such items from a total of 35 qualification and emphasis matters on the 2016 financial statements, to 21 in the 2017 financial statements, and further reduced to approximately 15 in year 2018,

- making an attempt to identify the most significant differences in the accounting policies followed by the subsidiaries, as well as their convergence, so that the consolidated financial statements are presented with uniform accounting policies.

As all of the above entities have been transferred less than 12 months before the reporting date, the HCAP continues to evaluate and make improvements to all of the above, a process which is expected to continue in the coming months, as despite significant progress, resolution of some of the issues (such as impairment testing of a huge volume of assets that had not been carried out for many years) require considerable time. This process is expected to be materially completed within 2019 and any corrective entries for the period prior to 01.01.2018 will be retroactively adjusted by correcting the equity recognized at the acquisition date.

(b) Discussion on the financial results amounts:

As mentioned above, as of 01.01.2018 (plus GAIAOSE from 01.07.2018), HCAP's participations in 13 additional companies (and a number of subsidiaries and their associates) are consolidated for the first time. This, combined with the size of several of the new companies in the HCAP portfolio, makes the 2018 and 2017 financial statements non-comparable.

For this reason, the following discussion on consolidated items refers to comparisons of items as at 31.12.2018 and the year then ended, with:

a. the amounts allocated in the published financial statements as at 31.12.2017 (where in all cases there are significant variances mainly due to the increase in the size of the Group) but also
b. with proforma (unaudited) items as of 31.12.2017 that have been calculated on a hypothetical basis as if the participation in the other subsidiaries were 12 months prior to their acquisition (01.01.2017 except GAIAOSE calculated as of 01.07.2017).

<u>Revenue</u>

Published: The consolidated revenue of HCAP in 2018 is significantly higher compared to 2017, as from 01.01.2018 the other subsidiaries are included in the consolidation for the first time.

Pro-forma: Compared to the Group's revenue in fiscal year 2017 (proforma, as if the other subsidiaries had been transferred to HCAP as of 01.01.2017), then HCAP’s portfolio companies show a total increase in 2018 exceeding almost € 63 mln. mainly because:

a. the increase of revenue in companies:
    - ELTA by € 40 mln (due to increased activity of the company in the electricity trade, while mail revenue decreased).
    - OASA (Group) increase of € 24.5 mln. due to a combination of positive and negative effects such as a) a significant decrease in revenue due to the escalation of the ticket evasion in the first months of 2018; b) increase in the second half of 2018 due to the application of the electronic ticket and activation of the bars on the metro network; and c) invoicing to the Greek State part of the remuneration that OASA was entitled to for the movement of the unemployed.
    - TIF- Helexpo for € 2.5 mln, partly because of the Agrotica exhibition that takes place every two years, as well as the significant success of the TIF HELEXPO exhibition for 2018 with USA as an honoured country.
    - OKAA for € 1.7 mln, due to a change in pricing policy.
    - GAIAOSE for € 8.1 mln, and
b. of the revenue reduction (which partially offset the above increases), mainly to EYDAP due to the reduction in water consumption.

Results before tax, financial and investment results

Published: Compared to the published results for 2017, the Group shows a decrease in results before tax on financial and investment income, mainly due to the incorporation of the new subsidiaries from 01.01.2018 (except GAIAOSE added from 01.07.2018), and in particular the incorporation of the loss-making results of ELTA and OASA, but also due to the fact that no significant gains on the valuation of the investment properties recorded in the previous year by ETAD (€ 36 mln.) are shown in the current year.

Pro-forma: Compared to the pre-tax results and the profit / loss ratio of associates that the Group would have had in the corresponding period of 2017 (proforma, as if the other subsidiaries had been transferred to HCAP a year earlier), a decrease is shown, which is primarily due to:

- Significantly lower subsidies paid to OASA (which of course reflects a correspondingly reduced burden on the state budget). In particular, the OASA Group received lower subsidies from the Greek State for its expenses and operation, despite the fact that its costs increased with the costs of Integrated Automatic Fare Collection System (IAFS).
- A decrease of € 36.8 mln. is due to the fact that the subsidiary ETAD in 2017 recorded real estate valuation revenue of 36.6 mln. which was not repeated in the current year. There have also been cases of Group subsidiaries posting higher revenue in 2017 (compared to 2018) from real estate valuations.
- The above reductions in grant revenue and valuation gains are only partially offset by reductions in all categories of expenditure.

Finally, the after tax result is loss, which is mainly due to the incorporation of the losses of the associate PPC, while the consolidated financial statements show tax expense, despite the fact that there is a pre-tax loss, as the profit companies have tax expenses which are not offset by any deferred tax benefit of the loss-making enterprises, either because they are exempt from taxation or because they have not calculated deferred tax benefit on taxation losses or other items, as they did not meet the criteria for recognition of deferred tax assets in IFRS.

Balance Sheet Items

Regarding the significant changes in the Balance Sheet items between 31.12.2017 and 31.12.2018, the most significant of them are, as mentioned above, due to the fact that the other subsidiaries transferred from 01.01.2018 are now included in the consolidation.

On this basis, the most significant changes in the consolidated figures and their explanation are as follows:

Property, plant and equipment: increase of approximately € 2.3 bln., mainly due to the first time consolidation of the respective assets of OASA (€ 1.1 bln.), EYDAP (€ 0.9 bln), TIF- Helexpo (€ 0.2 bln.) and ELTA (€ 0.1 bln.).

Investment Properties: The increase of approximately € 0.25 bln. is mainly attributable to the investment properties of CMFO, CMT, TIF-Helexpo and OASA, while a smaller part of it comes from the recognition and measurement of additional real estate properties by ETAD.

Investments in associates: The € 0.4 bln. increase is mainly due to the transfer of shares of PPC, Athens International Airport and ETVA VIPE to HCAP.

Trade receivables and contract assets: The increase of approximately € 0.42 bln. is mainly due to the incorporation of EYDAP and EYATH (€ 0.24 bln. cumulatively), ELTA (related to universal service receivables and other outstanding receivables from Greek State), while all other companies incorporate significantly smaller balances.

Cash and cash equivalents: The € 0.6 bln. increase is mainly due to the consolidation of EYDAP and EYATH (€ 0.36 bln.), ELTA (€ 0.05 bln.), OASA (€ 0.04 bln.) and other companies.

Staff retirement indemnities: This separate line item concerns staff retirement provision and the € 0.48 bln. increase is mainly due to the consolidation of companies.

Some of the major variances and events in individual companies are as follows:

- ELTA: Greek State's participation in ELTA was transferred from HRADF to HCAP on 01.01.2018, a transfer that took place at the most critical moment in its history. The company, due to negative operating cash flows every year and for more than 10 years, had exhausted its ability to raise working capital, while in relation to the Universal Service, ELTA had not received any funds to cover its expenses in order to provide postal services in the territory[1] from 2013 onwards. Unable to cover current expenses, it had a series of debts (other than loans) before 01.01.2018, such as the large debt to PPC which received significant publicity at the beginning of 2018.

  Soon after the transfer to HCAP, immediate actions followed to ensure in the short term the smooth running of ELTA activities:

  - The decrease rate of revenue in previous years has been halted.
  - Efforts to reduce costs have begun, but are largely linked, on the medium term, to the possibility of implementing a voluntary redundancy program, as the 75% of the expenses under review is related to payroll costs.
  - For the first time in the year 2018, ELTA received compensation amounts for Universal Service. Specifically, in 2018, ELTA received as compensation for Universal Service amounting to € 60 mln (for the years 2013-2016, € 15 mln per year), while in 2019 and up to the date of this report, additional amounts of € 30 mln. have been collected (for 2017 and 2018, € 15 mln. per year).

  It is noted that for the years 2013-2017, the relevant decisions of the Hellenic Telecommunications & Post Commissions (EETT) on the amount of the Universal Service compensation were issued and the ELTA claim the collection of the approved Universal Service compensation of € 129.89 mln., as the difference between the amount approved by EETT and the amount paid by the Greek State for these years. For 2018, ELTA have applied for EETT's approval of approximately € 55 mln. in compensation.

  As a result of the above, and in particular the collection of a portion of previous years due Universal Service, ELTA for the first time in many years switched to positive operating cash flows and at the same time reduced its losses.

  With the above ELTA ensured time for the next steps, so as to:

  (a) finalize a transformation plan and move to a status of sustainable operation and development;

  (b) consult with stakeholders on this plan, considering all possible alternatives;

  (c) discuss and conclude the procedures regarding compensation for Universal Service in past years (2013-2018) and obviously for the future. This requires a process involving other bodies, such as the relevant Ministries and the Hellenic Telecommunications & Post Commissions (EETT).

  (d) obtain the necessary funding from the Greek State; and the necessary approvals from the competent authorities for the implementation of the program.

- OASA: The State's participation in OASA was transferred on 01.01.2018 to the height of the ticket evasion phenomenon and its continued decline in revenue.

[1] According to the European framework, EU countries are required to ensure a permanent, accessible universal postal service in all parts of their territory, ie they must provide (collection from access points and delivery) at least 5 working days per week (with exceptions), the collection, the sorting, the transport and the delivery of postal items weighing up to 10 kg and the provision of registered mail and registered value shipping services. EU countries can reimburse the universal service provider if there is an established net cost, and this is an unfair financial burden under EU conditions.
ELTA are the Universal Postal Service Provider (UPSP) in Greece until 2028. Their obligations as UPSP are summarized in five days of collection and distribution, achieving high quality standards (X + 1, X + 3) and maintaining a high number of access points throughout. the territory (Law 4053/2012 - Government Gazette 44/A/2012).

Within a short period, accelerated the long-delayed implementation of the electronic ticket and the closure of the bars in the subway, resulting in the immediate suspension and reversal of the revenue decrease.

In 2018, OASA's results compared to previous year's showed an increase in revenue that could have been significantly higher if there had been no escalation in the first few months, while the net result was lower mainly because it received significant lower grants than in previous years (but also with the benefit of less burden on the state budget).

In addition, for the first time in 2018, co-ordination procedures were initiated with the Greek State with regard to the OASA compensation framework for the provision of reduced or free fare to specific categories of passengers designated by the Greek State for social policy reasons (e.g. Unemployed, Disabled, Multiparous, etc).

- TIF- Helexpo: In the first half of 2018 (and for the whole year 2018), TIF for the first time after 3 years has shown a profitable and significant revenue growth by organizing some of the most successful exhibitions of the last years.

Hellenic Saltworks: Kalloni Saltwater

A.13.2 Important activities of the Corporation for the year ended on 31.12.2018 and subsequent events

HCAP during 2018, taking into consideration that there was a significant increase in its holdings portfolio by virtue of l. 4512/2018, proceeded initially to 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.

Furthermore, HCAP, in the framework of observing 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) created an Internal Audit Department and also a Compliance Department.

Below are the most important activities of the Corporation for the fiscal year from 01.01.2018 until 31.12.2018 as well as the subsequent activities and in particular:

- **January 2018** – Transfer of the participation of the Greek State in public enterprises (EYDAP, EYATH, OASA, CMFO, CMT, AEDIK, ELTA, TIF- Helexpo, Hellenic Saltworks, PPC, ETVA VIPE, and AIA) referred as “Other Subsidiaries” (apart from GAIAOSE which was transferred on 01.07.2018) for the purposes of l. 4389/2016 and initiation of communications and meetings with the management of the companies.

- **January – April 2018 – Completion of the Strategic Plan of the Corporation and its subsidiaries and updating of the business plans from the subsidiaries of HCAP.** 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 of its Direct and Other 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); this was published on the Corporation’s website at 03.04.2018 (with the exception of parts that contain confidential commercial information), in accordance with the provisions of the “Performance Auditing Framework” in the Rules of Procedure of the Corporation. It should be noted that the Strategic Plan of HCAP does not include analysis and presentation of the strategic objectives for enterprises in which HCAP is a minority shareholder.

  The 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, guides the Business Plans that are prepared and updated with care and responsibility of the subsidiaries of HCAP.

  Following publication of the Strategic plan, the Management of HCAP arranged meetings with each of the subsidiaries’ Management to present the Strategic Plan, while at the same time requested the preparation and submission by the subsidiaries of their updated business plans by the end of April 2018, which were duly submitted. In this way, monitoring of performance is improved in relation to financial results, operational efficiency and quality of services as well as of corporate governance. In relation to the Strategic Plan, there is a more detailed reference below.

- **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 «Dividend Policy», pursuant to the provisions of article 189 par. 1 f of Law 4389/2016. In relation to the Dividend Policy, the main principles and guidelines are described which HCAP should follow (i) with regards to dividend distribution according to the current regulatory framework and the Corporation’s founding Law 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 its profits.

The policy therefore sets out guidelines which HCAP should follow in order to set its dividend policy based on said expectations.

- **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 its Codified Articles of Association, which were 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 for submission to the Supervisory Board and publishing on the website of the Corporation pursuant to Article 195 par. 2 of Law 4389/2016. The Report was submitted to the Supervisory Board and was published on the Corporation's website.

- **9 March 2018 – Approval of the Corporate Governance Report of the Fourth Quarter 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.

- **16 April 2018 – Appointment of additional non executive members at the BoD of HCAP.** The Board of Directors of HCAP was reconstituted into a body on 16.04.2018 following resignation of one member and the election of two new members of the BoD from the Supervisory Board and decided the reelection of its Committees.

- **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.** The Board of Directors of HCAP approved the targets for the year 2018 concerning the BoD and the Committees of the BoD, as well as the direct subsidiaries, namely HRADF and ETAD, associated with HCAP objectives and notified their Management through letters with the respective targets.

- **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., Thessaloniki International Fair S.A. – HELEXPO, Thessaloniki Central Market S.A., Central Markets and Fisheries Organization S.A., 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, HCAP as shareholder proceeded to the harmonization of the statutes of each of the aforementioned subsidiaries, with c.l. 2190/1920 and according to the provisions of article 197 par.3 Law 4389/2016. 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 and transparency standards, as well as high quality accounting and auditing standards and compliance procedures.

- **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 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.

- **21 June 2018 - Approval of the First Quarterly Report of 2018** over the activities and the financial statements of the Corporation for submission to the Supervisory Board and publishing on the website of the Corporation pursuant to Article 195 par. 2 of Law 4389/2016. The Report was submitted to the Supervisory Board and was published on the Corporation's website.

- **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, which constitute priority areas.

- **1 July 2018 – Transfer of the Greek State's shareholding participations in GAIOSE S.A.** to the Corporation pursuant to article 113 of Law 4549/2018 (Government Gazette A'/105/ 14.06.2018).

- **10 September 2018 – Annual Ordinary General Meeting of the sole shareholder of the Corporation.** On 10.09.2018, the sole shareholder of the Corporation decided the approval of the HCAP Annual Consolidated and Separate Financial Statements for the fiscal year 01.01.2017-31.12.2017 as well as the relevant reports of the Board of Directors and the Auditors. Also, 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 approved by the sole shareholder of the Corporation. Moreover, the sole Shareholder decided the discharge of the members of the Supervisory Board and of the Board of Directors, as well as of the Auditors of HCAP from any liability for compensation regarding the management for the fiscal year 2017. On September 28, 2018, the above HCAP Annual Report was published on the website of the Corporation.

- **10 September 2018 – Approval of the Corporate Governance Report for the Second Quarter of 2018.** The Board of Directors of HCAP approved the second quarterly report for the period 01.04.2018-30.06.2018 regarding the implementation of the rules of Corporate Governance legislation and the Rules of Procedures of the Corporation, in order to be submitted to the Supervisory Board pursuant to article 192 par. 2 (j) Law 4389/2016. Following that, the report was submitted to the Supervisory Board.

- **10 September 2018 – Approval of the Second Quarterly Report of 2018** over the activities and financial statements of the Corporation for the period 01.04.2018-30.06.2018 in order to be submitted to the Supervisory Board, and publication on the Corporation's website pursuant to art. 195 par. 2 of Law 4389/2016. The Report was submitted to the Supervisory Board and published on the website of the Corporation.

- **10 September 2018 – Approval of the Organizational Restructuring of ETAD.** The Board of Directors of the Corporation approved the organizational restructuring of ETAD, pursuant the provisions of art. 192 par. 2 g of Law 4389/2016. The work of the organizational restructuring of ETAD which was required under paragraph 2 of Article 192 of Law 4389/2016 has been completed by the date of this report. The project was executed in four stages.

  Initially, in the first stage, the current situation was diagnosed through structured interviews and workshops and a gap analysis was performed taking into account, inter alia, the identified weaknesses, best practices and requirements of the Rules of Procedure. Then, in the second stage, the proposed new organizational structure was designed including the emerging roles and responsibilities, which was based on ETAD's strategy, the promotion of a new corporate culture, the operational and financial efficiency, as well as trends in the real estate market. In the third stage, taking into account the new organizational structure of ETAD, the processes necessary for the operation of the company and its individual organizational units were identified, as well as the areas that could be supported using information systems and applications. Finally, in the fourth stage, staffing followed to ensure that the right people are in the right place, supporting employees in their efforts to deliver effectively and respond to the challenges of the company's Business Plan.

  Stages 1-3, as well as the staffing of positions at higher levels were completed at the end of 2018. Subsequently and during the implementation of the new organizational model, the necessary internal transfers and targeted staffing were made at lower levels in order to optimize the operation of the company.

- **10 September 2018 – First Business meeting between HCAP and its subsidiaries.** During the 83rd Thessaloniki International Fair, HCAP organized a workshop with the participation of its subsidiaries and their top management representatives. The objective of the meeting was to enhance communication and cooperation within the group.

The management of each subsidiary presented their strategic priorities and their short-to-medium term goals. They elaborated on the characteristics of their sectors, and the common challenges they face. Special emphasis was also given to the possibility of synergies among the companies. HCAP referred to the need to establish solid relationships of cooperation and trust towards the realization of a common strategy for the benefit of the public interest. The importance of topics such as corporate governance, compliance, performance monitoring and improvement across subsidiaries was also discussed. On behalf of HCAP, both the importance of the role of the State Owned Enterprises and the potential for synergies amongst them for the benefit of the Greek economy and society were underlined.

- **26 September 2018 – Approval of the extension agreement of the Airport Development Agreement.** The Board of Directors of the Corporation decided to support the positive recommendation of HRADF dated 20.09.2018 and to vote in favour of the Approval of the Extension Agreement of the Airport Development Agreement - Approval of the Financial Offer of an amount of €1,115 mln (one billion one hundred and fifteen mln Euros), exclusive of VAT 24%. The Corporation was represented at the Extraordinary General Assembly of the company "Athens International Airport S.A.", that was held on 27.09.2018 and exercised its voting rights. The Agreement was approved by the Court of Auditors under No 700/2017 Act of the V Unit of the Court of Auditors.
- **5 December 2018 - Approval of the Corporate Governance Report for the Third Quarter of 2018** for the period 01.07.2018 - 30.09.2018 regarding the compliance with the Corporate Governance Rules of the law and the Corporation 's Rules of Procedure according to article 192 par. (j) l.4389 / 2016 to be submitted to the Supervisory Board.
- **5 December 2018 - Approval of the Third Quarterly Report 2018** for the period 01.07.2018 - 30.09.2018 on the Company's actions and financial statements in accordance with article 195 par.2 of l. 4389/2016. The Report was submitted to the Supervisory Board for approval and then was posted on the Corporation's website.
- **5 December 2018** - **Business Plan Approval of HCAP 2019-2021.** By decision of the Board of Directors on 05.12.2018, the Business Plan of HCAP was approved for a three years’ horizon 2019-2021, in accordance with the provisions of article 192, paragraph 2 d l. 4389/2016. The Business Plan includes the Corporation's objectives, as well as analyzes the objectives and performance indicators for HCAP's subsidiaries. On 14 February 2019, the final KPIs and targets were finalized and approved which are included in the approved Business Plan of the Corporation.
- **7 December 2018 - Re-transfer of shares of the HRADF in DESFA to the Greek State.** By a decision of the Board of Directors on 07.12.2018, the HRADF's recommendation to HCAP was approved for the re-transfer of shares of HRADF in DESFA to the Greek State, in accordance with article 192 par. 2 f (bb). Subsequently, a recommendation was submitted to the Supervisory Board, which endorsed the decision of the Board of Directors of HCAP and then submitted a relevant request from the Corporation to the Minister of Finance, in accordance with article 209 l. 4389/2016.
- **13 December 2018** - **Audit Plan and Communication Framework of Internal Audit Units of HCAP and Direct Subsidiaries.** By a decision of the Board of Directors, the HCAP's Audit Plan for 2019 and the Communication Framework of the Internal Audit Units of HCAP and Direct Subsidiaries were approved.
- **31 December 2018** - **Change of the Company's registered seat.** By decision of the Board of Directors on 31.12.2018, the seat was transferred to Karagiorgi Servias 4.
- **Lawsuit of HCAP regarding Folli Follie.** In accordance with the provisions of l. 4512/2018, 0.9% of the share capital of Folli Follie, i.e. 643,887 shares, belongs to the HCAP portfolio as of 01.01.2018. Following events concerning the accuracy of the information available to the investors of Folli Follie regarding its true value/ size and prospects, the Securities and Exchange Commission decided to suspend the trading of the share and following an administrative procedure in accordance with the relevant legislation, the Securities and Exchange Commission imposed on 02.08.2018 pecuniary fines for violations of (a) the prohibition of market manipulation under Article 15 of Regulation (EU) 596/2014 through the Annual Consolidated Financial Statements for the year 2017 and (b) the provisions related to the provision of requested information under laws 1969/1991, 3556/2007 and 4443/2016. HCAP filed a lawsuit dated 15.11.2018 and application for interim measures before the Athens Multimember Court of First Instance with an independent request for the issuance of an interim injunction, which was accepted. An injunction was issued on 22.11.2018 prohibiting any change in the legal and factual situation of the defendants’ assets until

the issuance of a decision on interim measures. The application for interim measures was heard on 18.01.2019 and a hearing was set again for 23.10.2019.

Subsequent events, for the period ended on 31.12.2018:

- **17 January 2019** - **HCAP BoD reconstitution into body and reelection of BoD Committees.** Following the election of a new member of the Board of Directors by the Supervisory Board, namely Mr. Spyros Lorentziadis the Corporation's Board of Directors reconstituted into body on 17.01.2019 and BoD Committees, namely the Audit Committee and the Investments Committee, were reelected.
- **8 February 2019 - Second HCAP Workshop among HCAP and the managements of its subsidiaries.** HCAP organized a business meeting among the companies included in its portfolio and their top management representatives. The agenda included identifying synergies among the companies of the HCAP portfolio, in line with the institutional and regulatory framework, as well as the strategy and actions related to technology promotion and digital convergence. At the workshop the managements of PPC, EYATH, EYDAP, AIA, ETAD, AEDIK, GAIAOSE, TIF-HELEXPO, ELTA, Hellenic Saltworks, CMFO and OASA Group participated.
- **27 February 2019** – **Approval of budget 2019 on a cash basis.** The HCAP Board of Directors approved the 2019 budget on a cash basis.
- **21 March 2019** -**Approval of HCAP's Midterm Budget for the 2020-2023 period** in light of submitting the respective report to the Ministry of Finance and the General Accounting Office (GAO).
- **21 March 2019 - Approval of the Fourth Quarterly Report 2018** concerning the company's actions, financial statements and compliance with corporate governance rules according to articles 195 and 192 law 4389/2016. They were subsequently submitted to the Supervisory Board and the Report was published on the Corporation's website.
- **8 April 2019 - Athens International Airport SA Ordinary General Assembly**. The Corporation was represented in the Ordinary General Assembly as a shareholder of AIA for the fiscal year 01.01.2018-31.12.2018 and exercised the relevant voting rights
- **9 May 2019 - Third HCAP Workshop** among HCAP and the managements of its subsidiaries on investments and available financing tools.
- **Ordinary Regular General Meetings of "Direct" and "Other" Subsidiaries (as defined by Law 4389/2016) -** Within the period and in its shareholding capacity, HCAP participated in the Regular General Meetings of the "Direct" and "Other" subsidiaries (as defined by Law 4389/2016) and provided approvals on the items included in the agenda of the Ordinary General Meeting.

A.13.3 Events and activities of the Corporation

Described below are the main areas on which the Corporation focused and took initiative and action in the framework of achieving its purpose and mission in the year 2018. Specifically, these concern corporate governance, regulatory compliance, assessment of the Board of Directors and appointment of new members, better operation of Board meetings and upgrading the role of Audit Committees, deployment of business targets and key performance indicators (KPIs) for subsidiaries for the period 2019 – 2021, designing the Coordination Mechanism, initiatives and actions regarding digital transformation, training of executives and the utilization of possible synergies, as well as actions to identify and assess alternative funding sources for investment in subsidiaries.

A.13.3.i Corporate Governance

Corporate governance transformations of businesses over the past decades have aimed at the way of staffing of the Boards of Directors as well as at the way they are held accountable to the benefit of the shareholders, in order to maximize the value for the shareholders.

Recently, efforts to foster a longer-term perspective between companies and their investors have laid the basis for the transition from these process-oriented discussions to a broader sense in relation to stakeholders' interest. Consequently, new important issues have emerged with an impact on long-term value creation, including issues of environmental and social dimension as well as of the wider dimension of corporate governance (Environmental Social & Governance - ESG).

Corporate Governance is high on the HCAP agenda with measurable results, and with the aim to create a modern culture by enhancing responsible management, transparency and accountability. Recently, we have proceeded with the following issues:

Statutes of Public Enterprises

In the first half of 2018, HCAP adjusted the statutes of public enterprises based on Codified Law 2190/1920 in order to modernize their operation with the rules applicable to all societe anonymes. Further in 2019, with the entry into force of the new Law 4548/2018, HCAP made further changes and adjusted the statutes of public enterprises to the possibilities and flexibility provided by the new law for the operation of societe anonymes.

Upgrading the role of the Audit Committee

In 2019, HCAP proceeded with the designation of Audit Committees and Heads of Committee with expertise and specialized knowledge based on the criteria of Law 4449/2017, in order to be able to substantially support the Boards and the quality and transparency of financial reporting, internal audit and risk management to the standards of listed companies. As of 31.7.2019, 12 Audit Committee Chairmen have been appointed and induction courses have been held, in which HCAP executives provide training for the best functioning of each Committee.

Systematic Assessment of Corporate Governance Framework

A dialogue is being established between HCAP and Public Enterprises and a framework for monitoring progress on specific Indicators to improve Corporate Governance, Compliance and Internal Audit is set.

Further Support

Development of a single handbook by HCAP with proposals for improving policies and procedures and guidelines for designing and implementing an effective and functional Corporate Governance system in Public Enterprises. Also, support for the ongoing updating of operating regulations of the Boards by the subsidiaries for their more efficient operation.

A.13.3.ii Compliance

In accordance with art. 192 of Law 4389/2016, as amended by Law 4512/2018, in April 2018 HCAP's Board of Directors appointed a Compliance Officer.

The Compliance function is responsible for the design, implementation, supervision and management of HCAP's compliance system. The aim is to develop a compliance culture and to establish the highest standards of integrity, meritocracy and good governance in every aspect of HCAP's (and its subsidiaries) operation, in line with international best practices.

In this regard, the following have been developed and implemented:

Policies and Procedures

HCAP has developed and implemented a number of compliance policies and procedures, which are also being adopted by HCAP's subsidiaries.

- Code of Conduct;
- Anti-bribery and corruption policy;
- Gifts and hospitality policy;
- Guidance on avoiding conflicts of interest;
- Guidance and Undertaking on the protection of confidential and market sensitive information; and
- Data protection policy (GDPR)

As of 30.06.2019, more than 50 conflict of interest checks have been carried out regarding possible conflict situations both at HCAP and at the management level of HCAP's subsidiaries. In particular, a conflict check screening process is in place for all BoD members that are assessed and/or appointed by HCAP, to ensure that their private interests or relationships do not result in a potential conflict of interest situation. In this regard, HCAP has issued a specific Guidance on conflicts of interest for BoD members of HCAP's subsidiaries.

Reporting and communication with subsidiaries

HCAP has requested from each of its subsidiaries to appoint a compliance officer in order to manage and implement the various compliance rules and procedures but also so that HCAP can better support them in this regard.

Use of key performance indicators regarding compliance and corporate governance

HCAP subsidiaries have been given specific targets regarding the implementation of compliance policies and procedures. These targets are to be achieved in 2019 and 2020 and the companies will be evaluated accordingly.

Training and workshops

HCAP has conducted more than 15 compliance workshops to the management and senior executives of all HCAP's subsidiaries, tailored to the requirements of each company, while making use of modern training tools.

HCAP also organized (with the Hellenic Corporate Governance Council) an open workshop at the Athens Stock Exchange scheduled for September 2019 focusing on the practical implementation of compliance principles by Greek companies.

E-learning

At the same time, the Compliance function is completing an innovative, for the Greek standards, e-learning program (based on international best practices) focusing on matters such as code of conduct, ethics and compliance which will gradually be rolled out to all HCAP subsidiaries and could also be used more widely by other public organizations and/or the private sector.

Other initiatives and actions

HCAP also supports actions that aim to highlight the importance of compliance for Greek companies.

- HCAP is represented on the Management Board of Hellenic Corporate Governance Council (HCGC), as well as on the 15-member Council of Experts of HCGC;
- Participates in the Business Integrity Forum of Transparency International - Greece, which promotes corporate responsibility, transparency and accountability

Furthermore, HCAP has allocated some of its top executives as mentors to the Brain Regain initiative which aims to facilitate the repatriation of Greeks working abroad.

Finally, HCAP has set up working groups to consider actions on various strategic issues including Corporate Social Responsibility, access to equal opportunities, diversity and the promotion of gender equality.

A.13.3.iii Assessment of Boards of Directors and upgrading of the role of the Audit Committees of direct and other subsidiaries of HCAP

Boards of Directors of subsidiaries

Following the review of a large number of CVs and after the pre-selection and further assessment of a large number of professionals, the Candidates Committee has appointed until end of July 2019, 53 members in 11 Boards of the portfolio's subsidiaries, through open, professional and transparent procedures.

It is important to highlight that most of the newly appointed board members have long professional experience of more than 20 years in the private and/or wider public sector, having driven successful business initiatives and managed large teams and operations in Greece and/or abroad.

In addition, they are professionals who bring together collectively skills and experience from a variety of sectors (e.g. financial institutions, consulting, engineering, construction, information technology, real estate, tourism, etc.), in order to ensure better governance and extroversion. Some of the new BoD members of the subsidiaries also come from the Greek academic community, where they have been distinguished in the past for their knowledge expertise.

More generally, regarding the academic background of executives, it is noted that 90% of the new members appointed to the Boards hold a Master's degree and/or a PhD in Economics, Finance, Business Administration etc. from Greek Universities and/ or from foreign universities.

Upgrading the role of the Audit Committees of subsidiaries

The Hellenic Corporation of Assets and Participations has launched actions to upgrade the role of Audit Committees by selecting Chairs with appropriate knowledge and experience to ensure independence and better audit procedures of each company, through cooperation with the Internal Auditor as well as by ensuring better external audits by certified auditors who will be selected according to the relevant criteria. For the search, evaluation and selection of the Audit Committees Chairmen of State Owned Enterprises, where it is a majority shareholder, HCAP proceeded to an invitation for interest and organized a number of interviews with potential candidates.

Following the above, up to 31.07.2019 twelve (12) Chairmen of Audit Committees have been appointed on the Boards of Directors of HRADF, ETAD, ELTA, PPC, Corinth Canal, CMT, GAIAOSE, EYATH, OASA, Hellenic Saltworks and EYDAP while soon the posting of the remaining ones will be completed in order to ensure the objective of the proper functioning of the Audit Committees in the State owned Enterprises.

Also, HCAP has recommended to the HRADF the establishment of an Audit Committee.

Evaluations and appointment of the members of the Board of Directors of subsidiaries

Below are described the most important milestones and activities in the evaluation and appointment of subsidiaries' Board Members, procedures during which HCAP applied best international practices and had the support of specialized advisors of recognized reputation and experience. More specifically:

A. **Regarding the direct subsidiary of ETAD S.A.,** and in accordance with article 189 par. 9 of Law 4389/2016, the Board of Directors of HCAP, on May 11, 2017, decided to commence the evaluation process of the Board of Directors of ETAD by selecting following a tender procedure an external consultant with recognized reputation.

   In addition, on November 10, 2017, the Board of Directors decided to initiate the process of seeking new members of the Board of Directors of ETAD, with the support of a qualified external consultant. Specifically, on November 27, 2017, the Corporation published a call for the expression of interest for the submission of candidacies for posts in the Board of Directors of ETAD. Subsequently, the Board of Directors of HCAP, the sole shareholder of ETAD, in the framework of its responsibilities, appointed the new ETAD Board of Directors with effect from 14.2.2018.

B. **Regarding ELTA S.A.**, HCAP initiated the evaluation process of the Board of Directors of ELTA, in accordance with article 197 par. 4 of Law 4389/2016. Specifically, on April 16, 2018, the Board of Directors of HCAP, decided to launch the evaluation process of the Board of Directors of ELTA, after selecting following a tender procedure a qualified external consultant.

Subsequently, the Board of Directors of HCAP, a majority shareholder of ELTA, within the framework of its responsibilities, in accordance with the procedure laid down in Article 197 par. 4 Law 4389/2016, decided unanimously the appointment of the new Board of Directors and Audit Committee of ELTA with effect from August 30, 2018.

C. **Regarding GAIAOSE S.A**., the Board of Directors of HCAP, the sole shareholder of GAIAOSE, in the framework of its responsibilities, in accordance with the procedure set forth in article 197 par.4 Law 4389/2016 due to the expiry of the service of the previous GAIAOSE Board of Directors, with the assistance of a consultant selected executives with professional experience and knowledge to serve on the GAIAOSE Board of Directors, including the Audit Committee. The Board of Directors of HCAP has unanimously decided to appoint a new GAIAOSE Board of Directors and Audit Committee, with effect from 7 February 2019.

D. **Regarding OASA S.A.,** the Board of Directors of HCAP, the sole shareholder of OASA, within its competence, in accordance with the procedure laid down in Article 197 par. 4 of Law 4389/2016, evaluated and selected executives with experience and knowledge, who have collectively sufficient and diversified experience, in order to implement the strategic objectives of OASA. The Board of Directors of HCAP unanimously decided to appoint a new Board of Directors and an Audit Committee for OASA SA, effective from May 6, 2019.

E. **Regarding AEDIK S.A**., the Board of Directors of HCAP, the sole shareholder of AEDIK, within its competencies, in accordance with the procedure laid down in Article 197 par. 4 Law 4389/2016, unanimously decided to appoint a new Board of Directors and Audit Committee for AEDIK SA, effective from May 6, 2019.

F. **Regarding CMT S.A.**, the Board of Directors of HCAP, the sole shareholder of CMT, in the framework of its responsibilities, in accordance with the procedure laid down in article 197 par. 4 Law 4389/2016, evaluated the Board of Directors of CMT SA and subsequently unanimously, decided to appoint a new Board of Directors and Audit Committee for CMT SA with effect from 19 June 2019.

G. **Regarding EYDAP S.A.**, the Board of Directors of HCAP, a majority shareholder of EYDAP, within its competencies and with the assistance of an external expert consultant, in accordance with the procedure laid down in Article 197 par.4 Law 4389/2016, and due to the expiration of the term of the previous Board of Directors as a whole on June 28, 2019, unanimously, decided the composition of the new Board of Directors and the Audit Committee of EYDAP SA which was proposed at the EYDAP Ordinary General Meeting on June 26, 2019.

In addition to these Boards, individual members were also appointed following resignations and/or vacancies in the boards of some subsidiaries or the expired term of office of members was renewed. Specifically:

- **17 December 2018 - Election of two members of the Board of Directors of PPC S.A.** During the Extraordinary General Assembly of PPC SA on 17.12.2018, the Board of Directors of HCAP, following the recommendation of the Candidates Committee in accordance with article 197 par. 4 Law 4389/2016 decided to vote in favour of the election of Mr. Dimitris Tzaninis and George Venieris as non executive members of the BoD of PPC S.A. Also it was decided to submit a proposal by HCAP in relation to the appointment of Mr. Venieris to the Audit Committee of the Board of Directors of PPC.

- **19 December 2018 - Election of three BoD members of AEDIK S.A.** At the Extraordinary General Meeting of AEDIK SA on 19.12.2018, the Board of Directors of HCAP, following the recommendation of the Candidates Committee according to article 197 par. 4 Law 4389/2016 decided to vote in favour of the election of three new independent non executive members in the BoD of AEDIK S.A. including the Chairman of the Audit Committee.

- **7 February 2019 - Election of a new Board of Directors GAIAOSE SA.** At the Extraordinary General Meeting of GAIAOSE SA on 07.02.2019, the Board of Directors of HCAP decided upon the recommendation of the Candidates Committee under Art. 197 Law 4389/2016, the election of a new Board of Directors.

- **21 February 2019 - Election of two new members of the Board of Directors of EYATH SA.** On the 21.02.2019, during the Extraordinary General Meeting of EYATH SA following postponement (continued from 06.02.2019), HCAP proposed the election of two new non-executive members, on the basis of a recommendation from the Candidates Committee under art. 197 of Law 4389/2016, one of whom was appointed as Chairman of the Audit Committee.

- **15 April 2019 - New member of the Board of Directors of TIF-Helexpo SA.** According to the Articles of Association of the company and following a request to appoint a representative from the Municipal Council of Thessaloniki, it was decided to convene an Extraordinary General Assembly of TIF-Helexpo SA on 15.04.2019 for the appointment of a new member of the Board of Directors as a representative of the Municipality of Thessaloniki in replacement of the previous member.

- **3 May 2019 - New Board of Directors of CMFO SA.** According to the Company's Articles of Association and following a request for the appointment of a representative of SEKLA, it was decided to convene an Extraordinary General Meeting of CMFO to appoint a new Board member as a representative of SEKLA in place of the previous member.

- **6 May 2019 - Election of a new Board of Directors of OASA SA.** At the Extraordinary General Assembly of OASA SA on 06.05.2019, the Board of Directors of HCAP decided upon the recommendation of the Candidates Committee pursuant to article 197 of Law 4389/2016 to appoint a new Board of Directors for OASA. In addition, a new member was appointed to the Board of Directors in his capacity as employee representative.

- **6 May 2019- Election of a new Board of Directors of AEDIK SA.** At the Extraordinary General Meeting of AEDIK SA on 06.05.2019, the Board of Directors of HCAP decided upon the recommendation of the Candidates Committee pursuant to art. 197 par.4 Law 4389/2016 the appointment of a new Board of Directors.

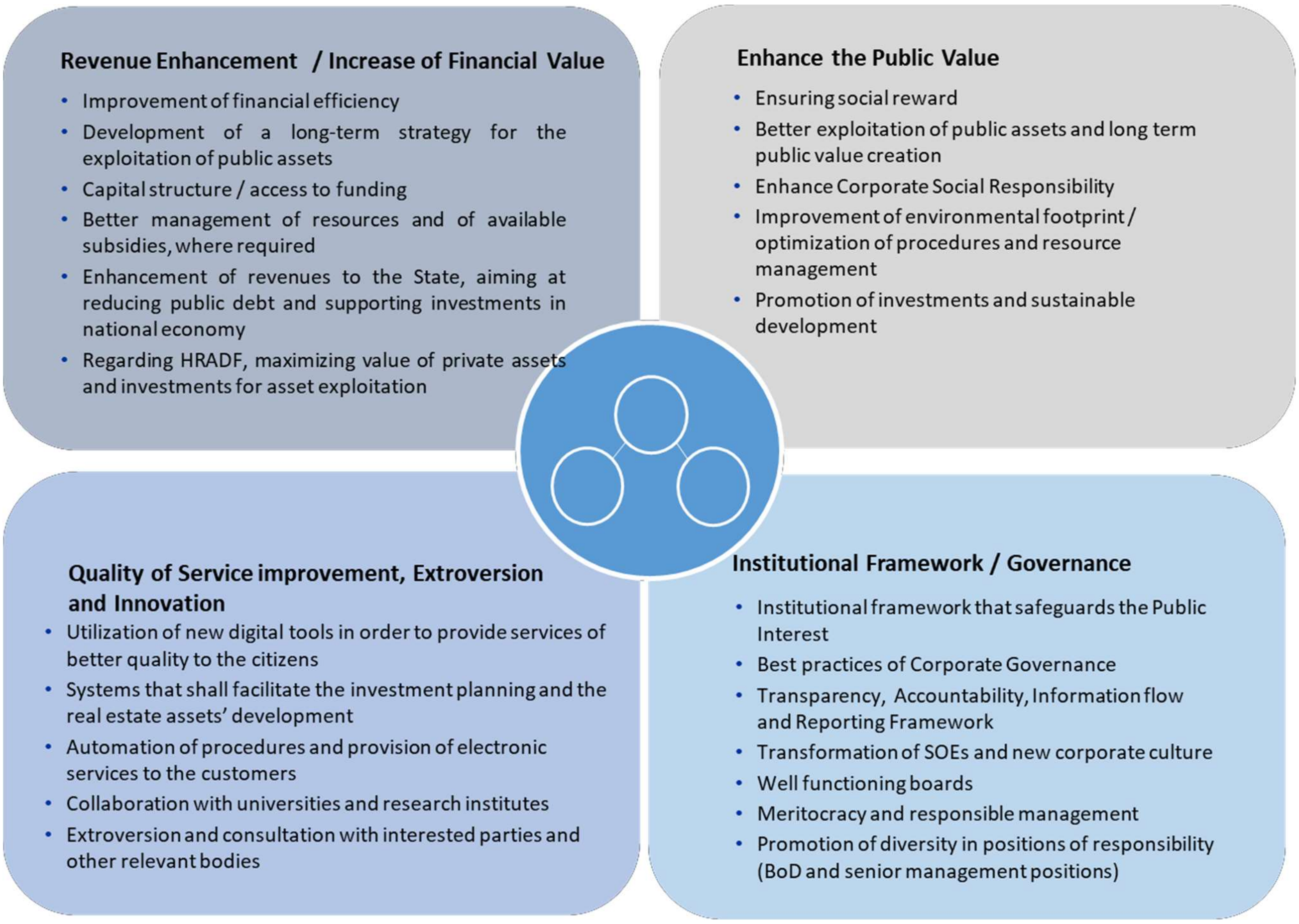
- **17 May 2019 - Election of a new member of the Board of Directors of Hellenic Saltworks SA.** At the Extraordinary General Meeting of Hellenic Saltworks SA on 17.05.2019, the Board of Directors of HCAP decided upon the recommendation of the Candidates Committee according to art. 197 of Law 4389/2016 to elect a new non-executive member in the role of Chairman of the Audit Committee. In addition, a new member was appointed to the Board of Directors in the capacity of employee representative.

A.13.3.iv Strategic and Business Plan and Establishment of Key Performance Indicators (KPIs)

Strategic Plan

HCAP's Strategic Plan[2] was approved by its General Assembly in January 2018 and comprises the main tool towards the fulfillment of HCAP's purpose which is to safeguard and maximize the value of state owned property, also by giving specific priority to the dissemination of appropriate Corporate Governance principles for the reassurance of the maximum possible transparency and accountability and, in parallel, by defining the reporting and performance monitoring framework, as well as the information disclosure requirements for the subsidiaries. It has been prepared taking into account the Strategic Guidelines received from the Sole Shareholder, as represented by the Minister of Finance which were sent to HCAP's BoD on 01.09.2017. Said Strategic Guidelines include, among others, the state priorities for public and growth policy, as well as for the protection of the public interest, which HCAP has to take into consideration while serving its purpose.

HCAP Strategic Plan has also served as the guidance for the drafting and updating of the Business Plans of its direct subsidiaries, a process completed in April 2018, with the diligence and responsibility of their management. The process was carried out for ETAD, as well as for the other non-listed subsidiaries (State Owned Enterprises), where HCAP is the majority shareholder or the sole shareholder, immediately after their incorporation since 01.01.2018 into HCAP's portfolio.



[2] It should be noted that HCAP's Strategic Plan does not include analysis and objectives neither for HFSF nor for HRADF – in relation to the assets included in the Asset Development Plan implemented by HRADF. Finally, it does not include analysis related to the non-listed companies where HCAP is a minority shareholder.

HCAP Business Plan 2019-2021

Based on the Strategic Plan, HCAP has proceeded with the development of its business plan for a three-year period, spanning from 2019 to 2021.

The Business Plan describes the current situation, as well as the targets and milestones achieved to that day. Additionally, it analyzes the actions and HCAP objectives for the next three years, in two main directions: a) Corporate Governance and b) Strategic Directions & Monitoring Framework.

Regarding **Corporate Governance**, the business planning which is being currently implemented, includes, among others, the following:

- creation of a Corporate Governance manual in order to harmonize SOEs' operations with best practices, including a procedural manual for the BoD and committees;
- completion of the assessment of the Boards of Directors of all SOEs and appointment of new Board members and committees where required;
- enhancing diversity in the selection of BoDs;
- strengthening the Internal Control function and the Audit Committee's role and responsibilities in all SOEs boards; appointment of Chairs of Committees with appropriate knowledge and experience;
- conducting workshops to create a new Compliance culture and transferring relevant knowhow to subsidiaries;
- monitoring the roll-out of ETAD's new organization chart with timely resolution of any problems during the transition from the old to the new organizational and operational model;
- stakeholders' involvement through organizing the framework, as well as the processes, tools and resources for the consultation with social and economic parties;
- continuous reinforcement of managerial skills and creation of a succession plan at the highest administration levels;
- embedment of a new corporate culture through administrative transparency and accountability and also through independence, at all levels, and with many other actions aiming at the implementation of better governance practices by HCAP and its subsidiaries (spanning from the establishment of KPIs to developing e-learning tools).

Regarding **Strategic guidelines and the Monitoring framework**, the business planning provides for the following actions:

- monitoring of the Strategic Plan execution with specific actions implemented by the subsidiaries to improve their efficiency, make better use of resources and rationalize their operating costs;
- implementation of the Coordination Mechanism procedures (as provided by the Corporation's Rules of Procedure) aiming towards a more effective cooperation among the State, HCAP and SOEs;
- implementation of a target - setting model using Key Performance Indicators (KPIs) in the subsidiaries where HCAP is the majority shareholder; also, performance monitoring through regular and systematic reporting;
- improving ETAD's efficiency and effectiveness after completing its re-organization; furthermore, providing support to the management of other SOEs to implement reorganization and/or restructuring initiatives;
- implementation of Dividend and Investment Policy;
- exploring alternative sources of funding for SOEs' investments;
- encouraging the use of new technology infrastructure (i.e. the use of i-Cloud and applications for Big Data management) and exploiting capabilities of innovative technologies for the provision of high quality and modern services to the consumers (i.e. development of systems and applications that facilitate public transport and its design, implementation of applications which will capture the public assets and infrastructure and facilitate the maturity of investments, monitoring of strategic assets with advanced automation systems etc.);
- identification of potential synergies among HCAP subsidiaries such as know-how exchange and leveraging of common technologies between companies that belong to the same sector or share similar targets; example is

digital transformation targets including, among others, the modernization of operational processes and implementation of digital services;

- enhancing corporate social responsibility and environmental consciousness, as well as improving environmental footprint, including energy savings (i.e. energy efficiency of buildings) and/or actions to promote awareness (i.e. to safeguard the natural resource of water).

HCAP's Business Plan depicts the current status of the direct subsidiaries (HRADF and ETAD) and the other Subsidiaries (State Owned Enterprises). Their three-year business plan is also presented, including short-term and medium-term actions and priorities. For the first time, targets are defined and quantified in terms of key performance indicators (KPIs), with a perspective on both financial and operational efficiencies.

HCAP has developed its business planning, targeting and KPIs setting process through a series of meetings with the management and the executives of the aforementioned companies.

Key Performance Indicators (KPIs) 2019-2021

The HCAP's subsidiaries operate in significant sectors of the economy and affect investment and consumption decisions, as well as other elements of the Greek economy.

As the economy and the external environment are changing rapidly, the State Owned Enterprises will have to act to improve their efficiency and be sustainable and cost-effective over time, at similar levels with related private companies or public companies of other countries.

The request for better, independent and professional management of public enterprises without distortions and political influence, has been put for most European countries since decades and still lies in the heart of the public debate. The critical issues which need to be addressed are; the effectiveness of state-owned enterprises, the reduction and elimination of potential conflicts of interest stemming from the state acting both as a shareholder and as a supervisor, and the strengthening of professionalism and modern corporate governance in state owned enterprises' operations. The role of the State continues and remains important as a legislator, regulator and supervisor, but also through the formulation of sectoral and social policies for the country (see Coordination Mechanism).

Therefore, State Owned Enterprises could and should be used as tools for creating cumulative value in the economy, and their performance should be monitored and evaluated by adopting the respective measurement and monitoring systems of their performance (operational, financial, technological, customer-centric, social).

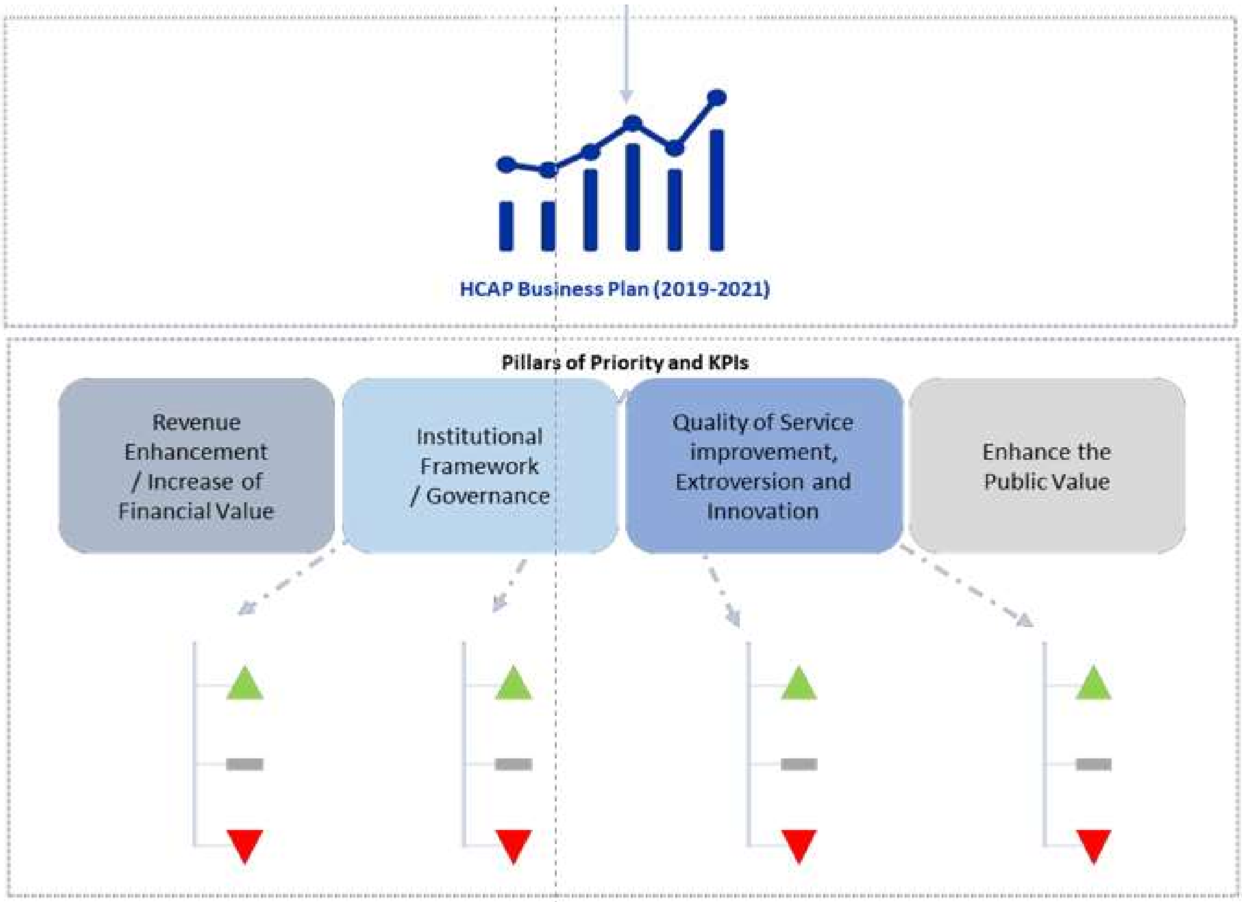
This specific target setting approach is a joint effort between the subsidiaries and HCAP, that took place during the last quarter of 2018 and the first quarter of 2019, so as to align their operational actions for the three-year period 2019-2021 with HCAP's strategic directions and plan.

The short-term financial performance is not the ultimate goal. HCAP also focuses on value creation through the mobilization of appropriate investments and strategic alliances with tangible benefits, while aiming at upgrading services provided to citizens. Following relevant consultation, a target setting process onto specific results is introduced for the first time, with the use of KPIs, adopting quantitative and qualitative performance indicators.

The introduction of KPIs to the subsidiaries is a fundamental and substantial reform, covering four substantial areas of key strategic interest, as they are developed in HCAP Strategic Plan, namely:

1. Revenue Enhancement and Increase of Financial Value
2. Institutional Framework and Corporate Governance
3. Improve Quality of Service, Extroversion and Innovation
4. Public Value Enhancement

This initial target-setting model applied to the non-listed subsidiaries where HCAP is a majority shareholder, aims to set a clear strategic and business framework for operations and growth, including commitment from their Board in order to enable measurement, quantification and performance assessment of the company and its executives.



Connecting the strategic plan to business planning and KPIs

In summary, the targets for the subsidiaries include:

Hellenic Republic Asset Development Fund S.A. (HRADF)

Regarding **HRADF**, targets are set for the progress of its Asset Development Plan implementation and for the organization and the procedures prototyping the Contract Monitoring Department. Objectives have also been set on the Public Value axis, through securing the contractual commitment of investors for the implementation of investments, but also through the assessment of the secondary benefits generated from the implementation of the Asset Development Plan in social and economic terms. Finally, indicators on good corporate governance and compliance policies have been defined.

Public Properties Company S.A.

Regarding the **Public Properties Company** (ETAD), indicators and targets have been set for the assets' exploitation through leases, long-term concessions and sales for a sufficient number of assets. Targets have also been set for preparing business and restructuring plans for the loss-making branches, speeding up the assets' registration and maturing process, hence, increasing the company's revenue and profitability. Furthermore, ETAD is targeted towards limiting the arbitrary possession of its property, and speeding up the collection of open receivables. In addition, indicators have been also set regarding good Corporate Governance and the implementation of Compliance policies.

Other SOEs

For the **State Owned Enterprises** (other non-listed subsidiaries in which HCAP is a majority shareholder), the objectives cover a set of business pillars. Some examples include:

- gradual improvement of revenue and performance through cost rationalisation;
- measurement of citizens' satisfaction from current services with the aim to improve results;
- launching of investments and exploitation plans of public property based on clear cost-benefit analysis;
- implementation of policies and procedures of corporate governance and compliance;
- potential to strengthen local societies and economies through direct and secondary (multiplier) benefits;
- protection of the environment and improvement of the environmental footprint.

<u>Adoption of a Unified Monitoring and Financial Reporting Framework for subsidiaries</u>

In compliance with the best practices and the provisions of its Rules of Procedure, HCAP has set up a framework of monitoring and reporting rules for its subsidiaries, so as to improve their profitability and financial performance.

More specifically, HCAP:

- requested from the non-listed subsidiaries, where HCAP is a majority shareholder, to prepare a budget for the year 2019 including progress reports on budget implementation;
- discussed with the above subsidiaries the framework of the required financial reporting and, more specifically, that the Annual Financial Statements that will accompany the Annual Report, should be prepared on IFRS basis and be completed within a reasonable timeframe to ensure the timely preparation and submission of the consolidated financial statements by HCAP. The semi-annual Financial Statements that will accompany the semi-annual consolidated report, shall be prepared accordingly, under the provisions of IFRS for interim financial reporting and, in particular, shall be prepared in accordance with the International Accounting Standard ("IAS") 34. The annual and the semi-annual Financial Statements & Reports shall be accompanied by the relevant Independents' Auditors' reports

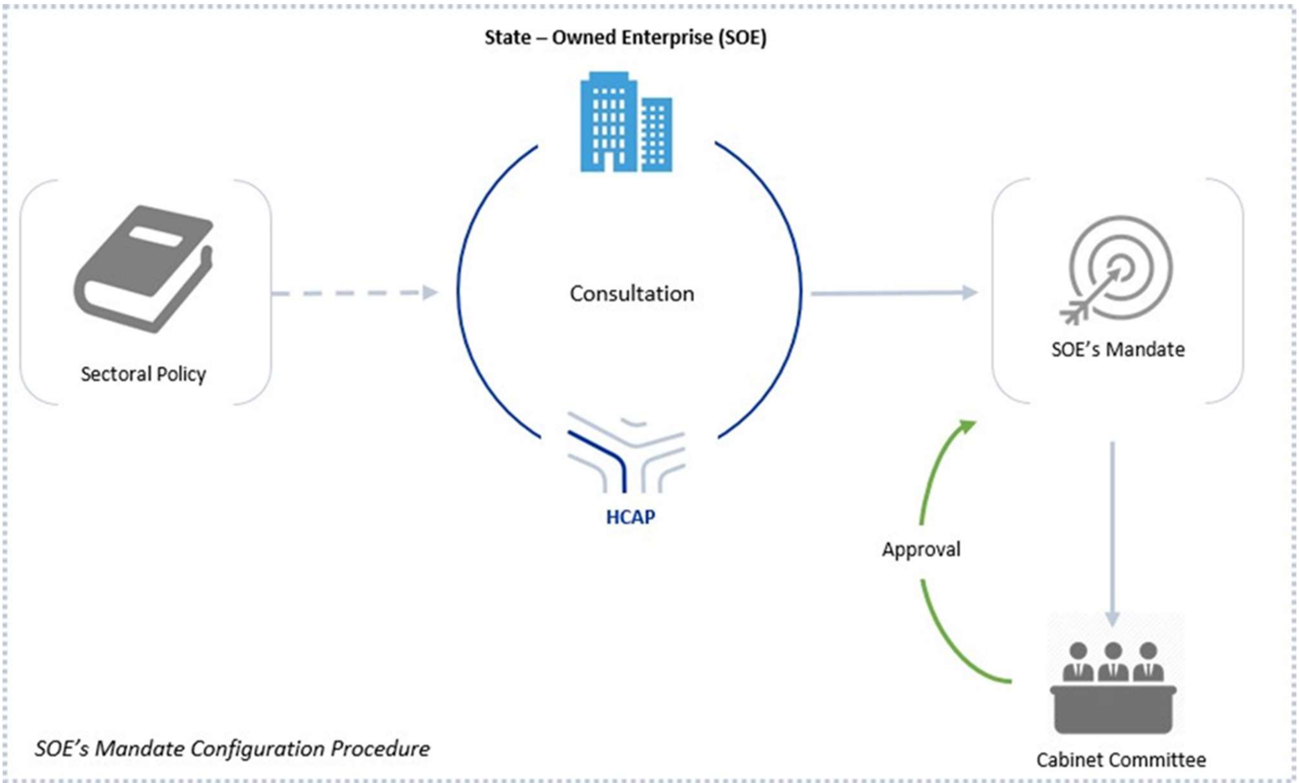
In addition, the abovementioned reports shall include, among others, reports on activities, progress report on implementation of Strategic and Investment Plan, corporate social responsibility issues, etc.

The ultimate goal of HCAP is to standardize the above framework in order to enable the collection of reliable information from its direct and other subsidiaries. To this end, HCAP participates as a beneficiary in a project funded by the European Commission's Structural Reform Support Service (SRSS) under the supervision of the Ministry of Finance. Within the framework of this project, the standardization of reports, procedures and information elements has been advanced and which: a) are required to be published by the direct and other subsidiaries of HCAP based on the institutional framework obligations; b) HCAP needs to receive based on the framework which wants to implement.

A.13.3.v Coordination Mechanism

Alongside business plan, and within the framework set out in the Rules of Procedure, in 2018 the Coordination Mechanism provisions were gradually implemented, setting out the procedures and deliverables regarding the model of cooperation among the State, HCAP and the State Owned Enterprises on:

a) The Mandate, where the main operational guidelines and objectives are defined;



b) The Statement of Commitments of the State Owned Enterprises - in addition to the special obligations described below - with regards to quantitative and qualitative objectives which must be in line with HCAP Strategic Plan. The Statement of Commitments will also include the operational actions that the State owned Enterprise will have to fulfil under the framework of the institutionalized strategy and in harmonization with its purpose to maximize its long-term value, both economic and social;

c) The Performance Contract, which clearly reflects the mission and the Special Obligations, identifies the financial resources to implement them and specify the role and commitments of the signatories.

In this context, HCAP has taken a number of actions in 2018, which are still ongoing in 2019, in order to implement the Coordination Mechanism.

Main actions that are already under way are the following:

- ✓ defining the basic framework of cooperation among the parties involved (Committees, State owned Enterprise, HCAP) and technical groups, based on the guidelines provided by the Ministry of Finance;
- ✓ setting out the timetable for the first phase of the Coordination Mechanism (companies under priority);
- ✓ initial preparation from HCAP of the agreed deliverables (Mandate, Statement of Commitments, Performance Contract);
- ✓ conducting additional meetings of HCAP and the State Owned Enterprises with representatives from the Ministry of Finance and the General Accounting Office (GAO), as well as representatives from the supervising Ministries;

- ✓ conducting a series of meetings with the State Owned Enterprises, including the target setting process for the 2019-2021 horizon, on the gradual formulation of the deliverables, taking into account the sectoral policies, the legislative framework and the statutes of the companies, the special circumstances of the company, the common values for the Services of General Economic Interest (SGEI), but also the Rules of Procedure and the investment policy of HCAP.

At the same time, the role of these enterprises remains significant for social and sectoral policy-making, for example through the provision of SGEIs, in line with the European law and the common values and policies of the European Union.

As a result, the Coordination Mechanism will examine - in addition to the company's strategic and operational objectives (KPIs) - the assignment of Special Obligations that are not otherwise regulated (for example through legislation) in order to agree on the qualitative terms and compensation mechanism of the companies for the services offered.

A.13.3.vi Technology, Digital Transformation and Synergies

The Greek economy and companies face multiple technological challenges and the leveraging of new innovative technologies is more than ever necessary in order to ensure sustainability and competitiveness. In this context, HCAP has set as a high priority the digital transformation of companies, setting the following objectives, in collaboration with their management:

1. Modernizing infrastructure and systems' integration in order to improve the quality of services offered to citizens;
2. Automating business processes, taking into account new technological trends, in order to improve efficiency of operations and of resources;
3. Promoting innovation and continuous efforts to develop value added services and new revenue streams;
4. Developing employees' digital skills and managing change.

In conducting a series of meetings and workshops with the management of these companies, HCAP identified specific actions that are summarized below:

By recognizing the speed of technology evolution, HCAP expects from SOEs management - also through synergies - to create a digital strategy based on current technology trends and future developments aiming to provide better services to citizens. It is expected that by 2019, all companies will have an up-to-date modernization plan of IT and technology projects over the next 3 years.

Technologies and applications with high priority are:

- Modernizing the IT infrastructure, taking advantage of the new capabilities of Cloud Computing.
- Implementation of customer relationship management (CRM) systems and applications, as well as of integrated enterprise resource planning (ERP) systems.
- Business Intelligence and Advanced Reporting Tools (Reporting Tools & Data Management).
- Electronic automations in production and supply chain processes.
- Smart meters, preventive & predictive maintenance applications, inventory management systems and applications for monitoring of spare parts, consumables and fuels consumption.
- Digital Services, mobile applications, installation or upgrading of telematics and fleet management systems.
- Human resource and efficiency management systems.
- Exploitation of Geographic Information Systems (GIS), fixed asset monitoring applications and property registration.

Indicative examples of digital transformation which are in progress:

In the sector of public transportation, and in cooperation with the management of OASA, HCAP promotes further digitization of the electronic ticket, through the usage of mobile applications via NFC (Near Field Communication) technology, as well as the exploitation of contactless credit or debit cards in order to make easier the access of tourists. Other technology areas with high priority are the installation of wireless networking (WiFi & GSM), the homogenization and streamlining of group processes through an integrated enterprise resources planning (ERP) system, the deployment of a management reporting system and financial consolidation system (BI/Reporting), the implementation of an integrated fuel management system, the development of an IoT system on the OSY vehicles utilizing telematics, the installation of Big Data applications in order to exploit the passenger data and to support the planning of transportation routing, etc.

In the Water and Sewerage Companies of Athens and Thessaloniki, and based on the published investment plan for the digital transformation, the companies have initiated the modernization of electronic services provided to the consumer through websites, mobile applications, advanced customer relationship management systems, complaints and fault logging systems. Moreover, key priority is the installation of an advanced telemetry network with smart meters.

The digital transformation of ELTA has been set as high priority for HCAP, recommending immediate actions for the upgrade of the technological equipment and the applications, so as to ensure the business continuity of the organization. In this context, ELTA has prepared a short-term plan to upgrade the infrastructure and the core operational applications. As an ultimate goal, ELTA has to develop a holistic digital transformation plan, across infrastructure and business applications, to support all existing and new operations in an appropriate way.

ETAD has included a number of ongoing actions in its digital transformation portfolio, such as the upgrade of the GIS system and of the real estate registry with new functionalities like contract management, implementation of management information reporting system integrated with the real estate register, deployment of e-public auctions, development of e-ticket platform for the branches, implementation of a procurement application and redeployment of the ERP system.

HCAP puts also emphasis on the importance of its portfolio companies for synergies and transfer of know-how. Synergies build relationships of trust between companies and make it easier for them to respond to new trends and exploit their competitive advantages. Joint actions for example are already being organized to create a common GIS platform. The goal is to integrate the GIS systems of all companies into a common GIS system which will combine the available information, such as the location of the assets, points of interest, public transportation lines, infrastructures of areas such as water supply / sewerage & electricity network, areas of NATURA 2000, e-poleodomia (regional planning & urban development, Source: Ministry of environment & energy), forest maps (Source: Hellenic Cadastre), topographical features such as draw, etc. Another target is to also gradually integrate information from companies that are not included in HCAP portfolio such as natural gas, telecommunications companies, etc.

Other synergies, drawing on their experience and know-how, are the better use of real estate for the purpose of housing or exploitation, including joint actions of operational and energy upgrading. Other common actions relate to the improvement of 'customer experience' and corporate social responsibility, as well as to joint training programs on topics in which HCAP's subsidiaries have significant know-how (e.g. network management, health and safety at work, etc.) with the aim of a wider adoption of best practices from other subsidiaries.

Following the round of meetings with HCAP and the management of the companies belonging in its portfolio, a workshop took place on February the 8th, having as subject the potential for synergies between subsidiaries, in accordance with the current institutional and regulatory framework, as well as the strategy and actions related to technological advancements and digital convergence.

Modern technology trends were also discussed, as well as how digital transformation affects the operating and development model of the respective industries, at a European and international level, as well as the prospects and successful examples in Greece.

Areas of interest and opportunities for synergies

A.13.3.vii Investment Plans– Alternative Financing Sources & Financing Instruments

On May 9th 2019, HCAP organized a business meeting with the companies in its portfolio (HRADF, ETAD, PPC, EYDAP, EYATH, OASA, STASY, ELTA, ETVA - VIPE, OSY, GAIAOSE, TIF- HELEXPO, CMFO, CMT and HELLENIC SALTWORKS), aiming at presenting alternative sources of funding and financing tools for the implementation of investment programs that are evaluated and promoted by HCAP's subsidiaries.

The meeting was attended by executives of the Greek State, international financial institutions (EIB and EBRD) as well as executives of the four major Greek banks.

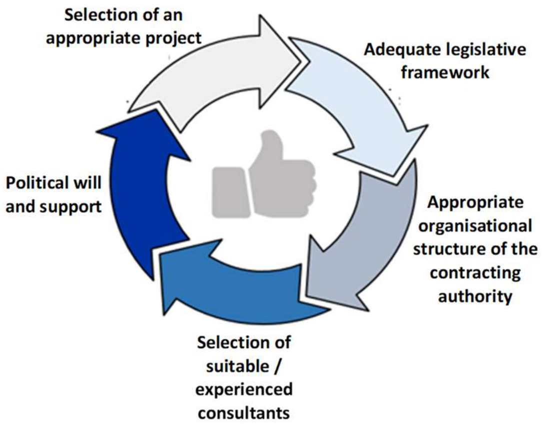
The investment spectrum of HCAP subsidiaries by sector was presented in the business meeting, while four subsidiaries presented selected investment projects of different maturity and size. Subsequently, detailed presentations on available funding sources and alternative (contractual and financing) structures were provided by the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD), as well as presentations on the opportunities offered by the NSRF program (with references to the next programming period), as well as the specific features and alternatives of utilizing Public-Private Partnerships (PPPs) and long-term concessions.

Investments are necessary for the modernization of infrastructure in public enterprises, with a direct impact on key indicators of the national economy

Representatives of the Greek banks analyzed the terms and conditions under which access to different sources of funding (NSRF, EFSI, multilaterals funding, Infrastructure Fund, bank lending, capital markets) and different financial structures are assessed.

Securing financing, understanding the options and eligibility criteria, as well as the proper and most suitable design / structure and maturity process of projects, are key factors in investment implementation. These investments are important both for the efficient operation and modernization of public enterprises and for the development and competitiveness of the Greek economy, being a key pillar of the HCAP mission.

Critical factors



HCAP subsidiaries are implementing an extensive investment program supported and funded by the NSRF 2014-2020. The total amount of projects, supplies and studies approved and integrated into the NSRF amounts to € 260 mln (total cost). Taking into consideration projects that are in the process of maturing for accession to the NSRF 2014-2020, this amount is significantly increased. A considerable part consists of investment proposals of the two water and sewerage companies (EYDAP & EYATH), while a smaller percentage corresponds to projects promoted by the OASA group.

[The biggest problem characterising projects approved and integrated / included into the NSRF is low absorption of funds, thus rendering necessary for [construction / implementation] contracts / agreements to be signed by mid-2020 allowing sufficient time for completion within the existing NSRF period (N + 3, i.e. end of year 2023). Public Companies should also consult with the Ministry of Finance to actively contribute to the planning of the new NSRF 2021-2027. HCAP has drafted a relevant proposal.]

HCAP within the context of enhancing the financial viability of its subsidiaries while concurrently aiming at accelerating investments has commenced the process of recording and mapping the investment plans of its subsidiaries.

HCAP supports the implementation of public enterprise investment programs through dialogue with various bodies and credit institutions to raise capital.

Aiming at assisting and supporting subsidiaries in the process of maturing their investment plans and identifying / securing alternative sources of funding, HCAP plans further meetings with:

- the European Investment Bank (EIB)
- other transnational organizations (IFIs)
- the PPP Special Secretariat
- commercial banks that will assume the role of Administrator in the Infrastructure Fund expected to be activated shortly,

while monitoring the implementation of its subsidiaries' investment plan.

Work Groups

Within the framework of pursuing its strategic goals, HCAP has created work groups that are assigned to explore the below mentioned areas of interest:

Corporate Social Responsibility

The work group is assigned with the analysis of important factors related to propelling a new corporate culture, while at the same time, emphasis is given on issues like the company's environmental footprint, society, placing the citizen to the epicenter of the company's operations, voluntarism, social offering, human resources development through the implementation and promotion of best work practices.

Consultation with Stakeholders

HCAP's goal is to prove the extroversion of its operations in practice, by creating vivid communication channels with the stakeholders, for issues that fall into HCAP's jurisdiction and the General Interest definition, so as to adopt practices and the stakeholders' approach in a series of matters.

Mentorship

HCAP holds a company portfolio of sizeable population coverage and a great diversity of operations. Therefore, HCAP is investigating ways of partnership with training institutions and organizations, contributing in this way into creating a working culture of future managers within our economy.

Equal Opportunities / Diversity

The work group aims at promoting equal opportunities, inclusion, as well as gender parity among the companies in HCAP portfolio, through a number of ways. Within this framework, the company is investigating relevant best practices both from the public & private sectors, both in Greece and internationally. The primary goal is to create an action plan which would promote and accelerate equal professional opportunities.

The formulation of the abovementioned work groups aims to the adoption of relevant practices by both HCAP and the companies in its portfolio. Towards that direction, and given the corporate governance restrictions and capabilities, HCAP aims to the creation of specific "expectation documents" to be handed to the boards of its subsidiaries. These documents will be communicated shortly.

A.13.4 Actual Results and Activities of the Group's subsidiaries for the year ended on 31.12.2018

EYATH: Aliakmonas Dam

THE HELLENIC REPUBLIC ASSET DEVELOPMENT FUND S.A. ("HRADF")

Brief description of the company

The HELLENIC REPUBLIC ASSET DEVELOPMENT FUND S.A. (HRADF or the Fund) was lawfully established in 2011 pursuant to Article 1 of Law 3986/2011 (Government Gazette 152/A/01.07.2011), and its effective term is six years. On 16 May 2017, by decision of the extraordinary General Meeting of the Shareholders, the operation of HRADF was extended for three years, i.e. from 1 July 2017 to 1 July 2020.

According to the founding law, the Company's purpose is to develop the assets and property of the Greek State and the assets of public bodies and institutions or public companies whose share capital belongs entirely (whether directly or indirectly) to the State or to bodies governed by public law, as defined in paragraph 1 article 5 of Law 3986/2011 (Government Gazette 152/A/01.07.2011). The Company operates in the public interest in line with private economy principles.

During the period 01.01.2018 to 31.12.2018, HRADF recorded a total profit of € 377.4 thousand, compared to a € 2.46 mln profit in the corresponding period of 2017. HRADF's total revenues from the development of assets for the same period are € 9.8 mln, and as a result total revenues since the establishment of HRADF stand at € 44.7 mln.

It is noted that based on the decision of the Minister of Finance (Government Gazette B/1603/07.06.2016) HRADF's revenues for covering its operating expenses are calculated as follows:

- ✓ At 0.5% of the confirmed (consideration) price of the exploitation of the assets for covering its general (operating and administrative) expenses.
- ✓ Reinvoicing of the full amount of special expenses pertaining to the development of the assets

Asset Development Plan

The assets included in the Medium-Term Programs have already been transferred to the Fund and they can be summarized in the following three categories:

1. Land Development
2. Infrastructure
3. Sale of Shares

Developing its assets, HRADF ensures that every asset is sufficiently matured by resolving pending administrative and licensing issues, adding goodwill to the final price. In addition, HRADF designs the tenders in such a way that the asset development is accompanied by a mandatory investment program that ensures a positive growth prospect and jobs.

HRADF implements the actions and the plan for privatization of the assets transferred to it as included in its Asset Development Plan (ADP).

For the preparation of the ADP, HRADF took into account:

- The expected revenues
- The long-term benefits
- The complexity and maturity level of each project

The ADP is approved by the HRADF Board of Directors and subsequently is ratified by decision of the competent government body while it is updated every six months. The current ADP was approved by the competent government body (KYSOIP) and it has been in force since 15/2/2019. This program is uploaded on the HRADF website.

2018 Transactions Overview

During the period 01.01.2018 – 31.12.2018, a significant number of tenders were conducted and completed covering a wide range of assets development (infrastructure, energy, telecommunications, real estate) of a total value of € 2.1 billion with the confirmed transactions amounting € 1.04 billion at the end of the year.

Finally, with regard to the revenues from the implementation of the Asset Development Plan, a table with the relevant revenues until 31.12.2018 is presented below.

Period/financial year	Annual revenues (€ mln)	Accumulated revenues since 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
2018	1,046.3	5,879.9

Major events and actions undertaken related to the implementation of the ADP as published by HRADF for the year 2018 and up to the date of the report

During the period under review, the completed tender procedures and transactions and important events were the following:

- Athens International Airport 20-year extension of the duration of the concession agreement
- Sale of 6,753,600 of the shares of Thessaloniki Port Authority SA
- Sale of 66% in the share capital of DESFA
- Sale of 6,753,600 of the shares of OTE (Hellenic Telecommunications Organization)
- Sale of 100% of the share capital of ROSCO
- (Payment of) Annual Concession Fee for the Upgrading, Maintenance & Operation of 14 Regional Airports 2018 (project implemented on a long term concession basis)
- Additional dividend from prior year's profits and distribution of dividend amount for the years 2014, 2015 AND 2016 (DEPA SA.)
- Sale of property 33 Perikleous & 14 Ktena str.
- Sale of 15 properties in Kassiopi, Corfu
- Sale of rights of radio frequencies usage in the 1800 MHz band
- Sale of properties in Koskinou Rhodes
- Sale of property Industrial Area Dimini Volos (ABK 534)
- Sale of property 8 Agiou Nikolaou str, Patras (ABK 949)
- Sale of property Hotel Iniochos, 26 Veranzerou str, Athens (ABK 3034)
- Transfer of 3 SPVs to South Afantou
- Lease of property ABK 180 Area of Commercial Services 8 Chalandri

- Calling of property letter of guarantee (Sampariza Ermionidos)

In addition, during the year 2018, HRADF had a number of projects under development, with the tender process continuing throughout 2018, while in parallel implementing procedures for the maturing and tender preparation for a number of projects:

- Long-term concession of the Egnatia Odos Motorway and 3 vertical road axes (tender under progress)
- Port Authorities (10 regional ports) (maturing and tender preparation procedures)
- South Kavala Underground Gas Storage Facility (maturation procedures)
- Marinas-Chios and Alimos marinas (tender under progress)
- Marinas- Thessaloniki, Mykonos, Argostoli, Zakynthos, Itea marinas (maturing and tender preparation procedures)
- ELPE (a tender for the sale of shares)
- EYDAP & EYATH (completion of a strategic study of the identification of alternative development options)
- ELLINIKON (tender in final stage - implementation of actions leading to financial closing and completion of the transaction)
- North Afantou
- Castelo Bibelli, Corfu (tender under progress)
- Markopoulo Olympic Equestrian Centre (preparation of tender procedures)
- Gournes Heraklion Crete (procedures for planning process maturity)
- Xenia & Thermal Springs of Kythnos (tender under progress)
- Tourism properties, camping, Kammena Vourla thermal springs (preparation of tender procedures)
- Other properties (Construction site of Rio Antirio Bridge, Peraia, Thermopyles property) (preparation of tender procedures)
- Pretoria Property (tender under progress)

The communication policy followed by HRADF during the January - June 2018 period, was focused on promoting the assets for development, communicating with market stakeholders regarding the progress of the tenders and informing the public about the socioeconomic footprint of the development initiatives of the Fund.

Extroversion-Certifications

HRADF has been awarded by three international financial journals a) “The European” at the category “Global FDI Program of the Year” 2018 and b) “The International Investor” as the “Most Transparent FDI Program / Global Markets 2019” c) The “International Finance Magazine” as “Global National FDI Program - Greece 2018».

On the 11th of December 2018, HRADF, after the required inspections carried out by TÜV AUSTRIA HELLAS, a recognized certification organization, was certified with the following internationally recognized management quality standards:

- ✓ ISO 9001:2015 for developing, implementing and improving the company’s operation with regard to its Quality Management System, and
- ✓ ISO 27001:2013, the de facto standard for the overall management of the security of its information.

Contract Monitoring Unit (CMU)

Following the completion of different and significant projects / transactions of the Asset Development Plan, HRIPED should provide the Greek State with information on the monitoring of the implementation of signed contracts so as to ensure the proper and timely execution of the agreed terms (technical / construction, financial or other) for the signed and executed contracts currently under implementation.

For this purpose, the Contract Monitoring Unit (CMU) was established in accordance with the law establishing HRADF as well as its internal Rules of Procedure aiming at monitoring both concession agreements and real estate development project contracts if, obligations and rights of the grantor, concessionaire or purchaser, are included in the relevant agreements applying posterior to the signing of the contracts and throughout the concession period.

Among the priorities and targets set for the Contract Monitoring Unit (PMU) to the management of HRADF by HCAP the following is included:

1. Organisational improvement and systematization of processes

- Mapping of staffing needs.
- Organization and standardization of data / record keeping including overall information and documents both during the tender process and the concession implementation period (construction and operational periods).

2. Budgeting and recording of revenues (contractually provided financial consideration) and monitoring of contract implementation.

3. Continuous monitoring of contractual provisions:

- Codification - per contract - of the rights and obligations of the Concessionaire, Grantor and the Greek State.
- Communication between the personnel of the CMU with the relevant officials of the relevant / involved Greek State Agencies and Concessionaire, as appropriate, to manage issues and address any problems encountered during the implementation of the contracts.
- Support for Parliamentary Audit and / or Negative Publicity Management on contractual matters managed by the CMU.

Projects under the auspice of the Contract Monitoring Unit / Department

- Long term concession of the 14 regional airports: Concession agreement for the assignment of the exclusive right for the upgrade, maintenance, management and operation of 14 regional airports in Greece for a period of 40 years
- Concession of the mutual horserace betting: Concession agreement for granting the exclusive right to conduct horse races and mutual horserace betting in Greece for a period of 20 years.
- Concession for the operation of the State Lotteries: Concession agreement for the exclusive right to produce, operate, distribute, promote and manage the Hellenic Republic's State Lotteries for a period of 12 years.
- Sale of Shares of Hellenic Football Prognostics Organization S.A. ("OPAP"): Agreement for the sale of 33% of OPAP SA
- Sale of Shares of Piraeus Port Authority SA("OLP"): Agreement for the sale of 67% of OLP SA in two phases (51% and 16%)
- Sale of Shares of Thessaloniki Port Authority SA ("Loath"): Agreement for the sale of 67% of OLTh SA
- Sale of Shares of Greek Telecommunications Organization SA ("OTE"): Agreement for the sale of 5% of OTE SA
- Sale of Shares of "TRAINOSE-PASSENGERS AND FREIGHT TRANSPORT SERVICES S.A." ("TRAINOSE"): Agreement for the sale of 100% of TRAINOSE SA
- Sale of Shares of Hellenic Gas Transmission System Operator S.A. (DESFA): Agreement for the sale of 31% of DESFA SA
- 50 year long term lease for the Mana Sanatorium in Arcadia, Peloponnese, Greece
- 30 year long term lease for the Commercial Services Area (XEY) in Chalandri, Athens, Greece
- Modiano Arcade: Sale of 45% of the shares of the SPV operating the arcade
- Skiathos Island Xenia Hotel: sale of surface right and pre-agreed sale of ownership at the time the hotel becomes operational
- Sale and lease back of 28 real estate properties of the Greek State

PUBLIC PROPERTIES COMPANY S.A. ("ETAD")

Brief description of the company

The purpose of the Public Properties Company S.A. (ETAD) is to manage and exploit, for the public interest, a large portfolio of real estate properties that are, for the greater part, owned by the Greek State, while it reserves the right to manage a part of them. ETAD originated from the merger of four State property management and exploitation companies: ETA SA, Olympiaka Akinita SA, KED SA, and Paraktio Attiko Metopo SA. ETAD's property portfolio includes more than 71,500 assets, which, depending on their origins, are divided into tourism real property, Olympic property, Ministry of Finance property, and property that HRADF is to exploit or which have been returned from it.

ETAD's main activities include the utilization and exploitation of its properties and business units, as well as the management of lease contracts and concessions, in accordance with best practices.

The transfer of ETAD to HCAP in accordance with Law 4389/2016, with the simultaneous transfer to ETAD of the ownership of a significant number of State properties, which the company only managed in the past, upgraded and redefined the role of ETAD.

Thus, the new strategic goals of ETAD include completing the updating and maturing of the portfolio and designing the appropriate exploitation strategy per category of (mature) properties, in order for the Company to grow and establish itself as the main State Property Management body.

For the year 2018, ETAD's turnover as in the published financial statements amounted to €47.4 mln, with pre-tax profits coming to €10.8 mln. The overall value of its assets exceeded €1,232.4 mln, in comparison to €1,173.3 mln in 2017 and €727.6 mln in 2016. The number of ETAD employees at the end of 2018 came to 413 permanent employees.

Following the vote of Law 4607/1029 Article 71 (GG Series I, Issue 65/24.04.2019), it was made possible for the first time in over a decade to distribute dividends to the shareholder (HCAP) in the amount of €21,188,468.

The most important events and transactions published by the ETAD for the year 2018 as of the date of the report

During 2018 and up to this day, the reorganizing of the company was completed and ETAD started, under new structure and staffing, to update and create new structures and processes that will support the administration in achieving strategic and business goals. The main events and transactions for the year 2018, are:

The reorganization of ETAD

Within 2018 the Board of Directors of ETAD approved the new organizational structure of the company, the staffing of positions of responsibility, and it was completed with the addition of executives from the private and broader public sector. The reorganization was deemed necessary in order for the company to be able to respond to its new role, beyond that of manager, which it was given with Law 4389/2016. In the framework of this new organizational structure, in 2019 the company moved to the updating of its basic operational procedures, aiming at smooth and efficient operation, upgrading services, strengthening transparency, and decreasing bureaucracy. Furthermore, it began drafting a new Business Plan, which includes an analysis and categorization of the portfolio, prioritization of property categories based on specific criteria, targets and actions per property category, the ultimate goal being to achieve strategic targets that had been set by HCAP. These goals included increasing revenues, improving profitability, maturing the portfolio, and exploiting part of it that had remained unutilized for decades, and to record arbitrary possession in order to control and decrease their number.

Portfolio Utilization and Management

Regarding the utilization and management of the portfolio, ETAD moved to actions and activities mainly related to infrastructure, due to the reorganizing that was under way at the same time, and in view of the operation of the company under the new structure in 2019.

In the framework of the strategic goals set by HCAP, in 2018 new property leasing agreements were implemented (171 property leasing agreements and 70 short-term leasing agreements), the registry's data was updated, while old leasing contracts and concessions were reviewed.

In the first six months of 2019 the company signed new property leasing contracts (95 leasing contracts and 92 short-term leasing contracts), conducted 7 sales tenders, and 5 leasing tenders via e-auction, while it continued to review older contracts.

Consultation Services and Investments

ETAD continued to provide consultation services to HRADF, implementing property sale tender procedures via e-auction and the www.e-publicrealestate.gr website.

Furthermore, ETAD upgraded the tourism infrastructure it manages, it increased traffic, and it improved the visitor experience by materializing a co-funded investment programme worth €17.6 Euros, through the general investment funding goals of HCAP, which includes the following actions:

1. Modernization of the lifts at Parnassos ski center (the project was part of the 2014 – 2020 NSRF budget: €1.7 mln). The last instalment was absorbed in 2019.
2. Modernization of the current facilities and infrastructure networks of the Kaiafas Lake area (the project was part of the 2014 – 2020 NSRF, budget: €5.0 mln).
3. Modernization of the main infrastructure networks and development of new tourism infrastructure at the Ecotourism Park of Fanari in Rodopi (the project was part of the 2014 – 2020 NSRF, budget: €2.4 mln).
4. Restoration and promotion of the caves and building facilities of Diros in Laconia (the project was part of the 2014 – 2020 NSRF, budget: €8.5 mln).

Accession decisions were issued in 2018 for all three (2,3,4) aforementioned projects. Invitation to tenders have been issued and temporary Contractors have been appointed and are expected to be finalized for the contractualisation of the works and the installation of the Contractors. Works are expected to commence in the last quarter of 2019.

Lastly, as regards the restoration and promotion of the Achilleion complex in Corfu (phase B), the relevant invitation was issued with a budget of €12.2 mln, and the submission of the Technical Bulletin in cooperation with the Ministry of Culture and Sports is expected by the end of October 2019.

Extroversion and Promotion of the Company

In the framework of reinforcement of the company's extroversion and promotion, ETAD participated in the MIPIM exhibition (Cannes) in 2018 and 2019, the IHIF 2019 exhibition (Berlin), while it also presented a selected portfolio to Spanish investors (Embassy of Spain). Continuing the promotion of the company and its activities to investors, it explored participating in major exhibitions that are planned for the autumn, such as the 6th Real Estate Investment Projects and Financing Fair in Istanbul organized by Enterprise Greece with a national pavilion, the International Real Estate and Investment Expo 'EXPO REAL' in Munich and the 20th Prodexpo Congress on the Utilization and Development of Real Estate Property to be held in Athens. Furthermore, ETAD implemented company events and advertisements in the printed and electronic press, promoting its actions and the portfolio at its disposal for utilization, while it plans on reinforcing its publicity through promotional actions (e.g. newsletters), as well as offering better information (e.g. photographs) to potential investors. Lastly, the company's new website has been launched.

Public Value

ETAD, in the framework of protecting, promoting, and exploiting Public Property for the benefit of the Greek economy, which HCAP has set as a main priority, is auditing / reviewing its portfolio with regards to environmental and urban planning commitments (e.g. forests, Natura / Ramsar areas, archaeological zones, etc.), concessions, and illegally held properties, in order to truly utilize the portfolio and do away with decades worth of problem sources, such as abandoned properties and illegally held and exploited properties.

Digital Transformation

In the framework of modernizing the companies in its portfolio, HCAP, in cooperation with ETAD, organized a series of work meetings on technology matters, during which the current technological status of the company was analyzed, and modern technological trends and best practices were presented, which resulted in a number of actions being determined, which were incorporated into the digital transformation portfolio of ETAD, and which are summarized below:

- The digital transformation strategy development within 3 years, connected to company strategy, designing the gradual transition to the new environment. The next step is the creation of the Digital Convergence and Modernization mechanism, using modern implementation models, and flexible technology project specification and acquisition methodologies.
- Upgrading / Renewing the property management application
- Development of a procurement application and redesigning of the ERP system
- Upgrading of the GIS system and the property registry with new functionalities, such as the management of contracts, leases, and type of use
- Acquisition of property management software. Data cleansing is a critical matter
- Developing the e-public real estate auction application based on the new requirements
- Development of a MIS system, and its interconnection with the property registry, in order to take place analysis for strategic utilization of property
- Creation of e-tickets at branches. The application for the Parnassos ski center has been completed
- Development of the digital signature and document management application

Institutional Framework/ Governance

In relation to the strategic directions of HCAP, ETAD carried out a series of actions and activities, with the support of HCAP wherever it was deemed necessary, aiming at harmonizing it with the current institutional framework and model practices of corporate governance.

During the first quarter of 2018 the ETAD Audit Committee was established, as was the Internal Audit Unit. The Compliance Sector was also established, in accordance with the new organizational structure, and a Compliance Officer was appointed.

During the last quarter of 2018 the HCAP Compliance Officer carried out the relevant update of the ETAD Board of Directors, and in the second quarter of 2019 a training seminar was carried out for all high-ranking executives on regulatory compliance matters.

Regarding policies and regulations, to this day the ETAD Board of Directors has approved the Code of Ethics and Professional Conduct and the Gift and Hospitality Policy, while other policies / procedures are already in the process of being approved by ETAD's Board.

Prospects for 2019

Regarding 2019 and in continuation of the implementation of the goals set by HCAP, an increase in revenues is expected from the exploitation of properties and the more streamlined operation of business units.

More specifically, in the second half of 2019 ETAD will carry out new property sale tenders, as well as property and land leasing agreements / long-term concessions. Furthermore, the positive results in short-term leasing agreements (leasing agreements of less than a year) are expected to continue, and reviews for the streamlining of current leasing contracts / concessions are expected to be stepped up. As regards business units, the completion of feasibility studies for selected units is expected, aiming at improving revenues, while also reigning in expenditures and providing high-level services.

As to expenses, there may be a further increase from the arbitration / litigation case with a lessee which is under way, and which requires high-cost specialist consultant extraordinary fees.

ATHENS WATER SUPPLY AND SEWERAGE COMPANY S.A. (EYDAP)

Brief description of the company

The Athens Water Supply and Sewerage Company (EYDAP) is the largest Water Supply – Sewerage Company in Greece, and it has been listed on the Athens Stock Exchange since 2000. In the water supply sector, via a 14,000 kilometre network, it serves 4.4 mln consumers (approximately 2,160,000 connections), while in the sewerage sector, with a 9,500 kilometre network, it serves approximately 3.5 mln users.

The main sources of water supply and the reservoirs used for the collection of water are located in isolated areas, without significant and burdening human activities, and as a result Attica is supplied with water of exceptional quality, while its transportation occurs naturally using gravity, with low energy consumption. The four Water Treatment Plants (WTP) in Aspropyrgos, Acharnes, Polydendri, and Galatsi, as well as the extensive water supply network with the city tanks and distribution pumping stations, provide water to Attica consumers.

The three Urban Wastewater Treatment Centres (WWTP) in Psyttalia, Metamorfosis, and Thriasio, with the central collectors, the extensive sewer pipelines, and the pumping stations that serve them, compose the main infrastructure for the collection and treatment of the urban wastewater of Attica residents, and the broader region around the Saronic Gulf, which receives the water from the three WWTPs.

EYDAP water quality, according to the international assessment of water supply companies by the European Benchmarking Co-operation, was given a score of 99.868%, an index that is higher than the average score achieved by 34 of the corresponding companies that participated.

For 2018 EYDAP's profitability improved on a pre-tax profit level from €66.7 mln in 2017 to €80.3 mln, and on an EBITDA level from €84.7 mln in 2017 to 96.7 mln in 2018. Its turnover amounted to €322.4 mln, while the overall value of its assets exceeded €1,533.6 mln. The number of EYDAP employees at the end of 2018 came to 2,234 permanent employees.

HCAP SA directly owns 50%+1 of EYDAP shares.

For more information, visit the company's website: www.eydap.gr

Institutional Framework & Corporate Governance

A brief summary of the main activities of EYDAP in 2018 on corporate governance matters is provided:

- The implementation of the General Data Protection Regulation, in accordance with the provisions of the General Data Protection Regulation EU 2016/679. EYDAP, in compliance with the provisions of the General Data Protection Regulation EU 2016/679 (hereafter GDPR), has, since April 2018, appointed a Data Protection Officer (DPO) who oversees the continuous compliance of the company, advises, proposes, and updates undertaken organisational measures.
- EYDAP, in harmonisation with the European Policy and the Greek National Anti-Corruption Action Plan, drafted a Policy against Corruption and Bribery, the implementation of which is systematically monitored through implemented audits.
- In October 2018 the Board of Directors of EYDAP amended the Internal Regulation of Corporate Governance and Operations , which was renamed 'Code of Corporate Governance – Internal Operation Regulation'.

Furthermore, in 2018 EYDAP received a number of distinctions:

- The Internal Audit Department of EYDAP received the Silver Award at the Responsible Management Excellence Awards of EBENGR, for business ethics, social responsibility, and corporate governance. The assessment includes specific assessment criteria in the sectors of business ethics and social responsibility.
- EYDAP received the Excellence distinction 'Committed to Excellence – 2 Star' by the European Foundation for Quality Management (EFQM).
- The Company's Digital Administration Information Department also received international certification — Commitment to Business Excellence 'EFQM – Committed to Excellence'. This level of Certification required the recording and assessment of Key Management Systems (Strategy, Customer Management, Human Resource Management, Operations Management, Monitoring of Main Results, Sustainability) and it prepared the Company for the higher level of Recognition in Business Excellence – EFQM Recognised for Excellence, which is EYDAP's goal for 2019.

EYDAP, as a company listed on the ASE, is committed to operating according to best corporate governance practices for listed companies. Regarding the internal audit, some of the targets for 2019 are:

- obtaining ISO 9001 certification,
- completing the process in order to obtain the Certified Internal Audit (CIA) international certification,
- creating a 'Whistleblowing' System Management Policy,
- designing a 'Company Code of Ethics and Professional Conduct',
- continuous digital upgrading through the use of data analytics.

Furthermore, a three-year Audit Programme 2019-2021 has been drafted and approved, its objects covering the entire range of company activities and its focus being how to deal with the main business risks and the implementation of company goals.

Digital and operational modernisation

The incorporation of the culture of new technology and systems continued in 2018, with the development of applications that mainly concern:

- **The development of digital tools for customer service:** EYDAP turned to digital customer services during 2018 through the simplification of procedures, and it created an e-shop to better serve its customers.
- **Simplification of registration procedures via taxisnet as an e-EYDAP user:** By registering at e-EYDAP, customers gain access to collective data regarding their services, debts, payments, correspondence with EYDAP, they may correct their data, etc.
- **Upgrading the Eydapp application** for mobile telephones and tablets.
- **E-BILL:** Customers may choose to receive their bill electronically, be updated by SMS/e-mails on matters regarding the property being supplied water, and pay their bills online.
- **Click to call:** Since 29/11/2018, customers have the option of entering their contact information, choosing the matter that concerns them and the desired time of communication, and an employee from the call center will contact them.
- **Management through targets:** In 2018 EYDAP drafted and implemented an Integrated Information System, which monitors the course of implementation of the operational objectives of the Company's organisational units, aiming at a transition to an automated and modern operating environment. This is a web application through which users submit data in accordance with certain specifications.
- **Company data:** Company Data Governance is a main pillar of Digital Transformation and the creation of a reporting system. EYDAP completed the Company Information Systems interconnection on a single platform with the use of Big Data tools.

The target for 2019 is the integrated processing of a large volume of stored (initially unprocessed) data. By early 2019 the Company had designed the data transfer, assessment, and transformation procedure, with the implementation of operational rules, in order to be able to draw high quality and useful information.

Environmental protection, awareness, and public value

Regarding environmental impact improvement matters, the most important actions include:

- Water reuse strategies at existing WWTPs and the gradual development of research programmes aiming at decentralised reuse by utilising wastewater directly from the sewerage network.
- Environmental awareness and education of children regarding the water cycle. The company was distinguished in the Environmental Leadership category with its Environmental Education Programme, which more than 15,000 children have participated every year over the last 30 years.
- The memorandum of cooperation between the Municipality of Athens and EYDAP on recording and understanding the 'Blue Footprint' of the Municipality of Athens. Furthermore, in the framework of the memorandum, public drinking fountains were placed at three central points in the capital and the utilisation of the Hadrian's Aqueduct in Kolonaki will be explored.
- The continued implementation of sewerage works in East Attica. The Company is promoting the implementation of a significant number of works which are part of the 2014 – 2020 NSRF and mainly concern sewerage works in East Attica municipalities, and, secondarily, in West Attica (total budget: €92 mln).

Regarding public value increase, some of the corporate social responsibility actions materialised were the following:

- Continued application of the Emergency Special Tariff (EST) for beneficiaries of the Social Solidarity Income of Law 4389/16. The total number of households that have benefited from the above provisions were 9,172 by 31.12.2018.
- Discounts. EYDAP, according to approved decisions of the Board of Directors, provides a discount to multi-member family accounts. Furthermore, it provides a discount to senior customers (OAP).
- Debt Payment Provisions. EYDAP has in place certain debt payment plan procedures for consumers who belong to socially vulnerable groups (beneficiaries of the Social Residential Tariff, EST).
- Institution within 2018 of a Company Policy on the Management of the Historical Archive, which reflects the Company's commitment to the overall management of this cultural heritage, the ultimate goal being its preservation, promotion, and utilisation. It is a project that is constantly evolving.
- Signing of a Water Supply Contract with the Ministry of Shipping & Island Policy through which treated water is sold and transported to the islands of the Cyclades and the Dodecanese by ship, in order to cover their water supply needs.

Prospects for 2019

In 2019 the continued implementation of EYDAP's investment programme is expected, about half of which concerns sewerage works in East Attica, where there is most pressing need, while the remaining investments concern water supply and sewerage works in West and North Attica, and the Attica Basin.

Furthermore, a critical matter that needs to be completed is the contract dated 9.12.1999 between the Greek State and Company, which assigned to the Company the right to provide water supply and sewerage services to the region of the Capital for a 20-year period, and set the price for treated water. Due to the lack of a written agreement, the Company has continued even after 30.06.2013 to offset the price of raw (untreated) water with the maintenance and operation services it offers for the fixed assets belonging to the company 'L.E.P.L. EYDAP Fixed Assets'.

Furthermore, changes in the pricing of services offered by EYDAP will occur due to the implementation of Joint Ministerial Decision 135275 (No. 3, par. 9), Government Gazette 1751 / 22.05.2017 'Adoption of General Water Pricing and Pricing Rules. Method and procedures for recovering the cost of water services in its various uses'.

EYDAP's mid-term goals related to its investment programme and digital strategy include the continuous improvement of the level of customer service, decreasing the time required to restore water supply interruptions and the number of complaints, dealing with water losses in the supply network, updating network technology (remote control and operation systems for effective network management), and the simplification and modernisation of company internal structures and procedures for greater effectiveness, as well as the implementation of energy production and saving works.

THESSALONIKI WATER SUPPLY AND SEWERAGE COMPANY S.A. (EYATH)

Brief description of the company

The Thessaloniki Water Supply and Sewerage Company S.A. (EYATH) has been listed on the Athens Stock Exchange since 2001, it provides water supply and sewerage services to more than 1.2 mln citizens in Greater Thessaloniki and it is the largest water supply and sewerage company in Northern Greece.

The purpose of the company is to design, construct, install, operate, utilise, manage, preserve, expand, and update the water supply and sewerage systems of Greater Thessaloniki. Its activities include works such as desalination, pumping, treatment, storage, transportation, distribution, and management of all water types, as well as the collection, transportation, treatment, storage and management of wastewater (with the exception of toxic liquid waste).

EYATH SA's competencies include the expansion into new regions, as well as the upgrading of existing water supply and sewerage networks and installations, aiming at improving the quality and ensuring the adequacy of the water supplied to consumers, now and in the future.

In 2018 pre-tax profits exceeded €20 mln, with EBITDA reaching €25.5 mln. EYATH's turnover rose to €73 mln, while its overall assets value amounts to €209.9 mln. As of 31.12.2018 the EYATH group employed 361 people.

HCAP SA directly owns 50%+1 of EYATH SA shares.

For more information, visit the company website www.eyath.gr.

The most important events and transactions published by EYATH for the year 2018 as of the date of the report

In early 2018 there was a damage after the Aravissos pipe burst due to its age and the especially unfavourable soil conditions at the specific point, which resulted in the water supply to Greater Thessaloniki being interrupted, followed by extended water supply problems for the city. Although the technical works were completed in the shortest time possible, the considerable turbidity of the water of Aravissos, available at the Dendropotamos Pumping Station after completion of the works to replace the damaged section of the pipeline, was something unforeseen. Only after the water of the Aravissos river was found to be safe to drink was it channeled to the city once again.

During 2017 two staff recruitment processes were run by ASEP to employ 150 full-time staff members (80 employees with university or technical education and 70 with secondary education). The process commenced after EYATH's request to ASEP in August 2016 and hiring began in July 2017. By late 2017 126 employees had taken up their posts, and the hiring process had been completed by early 2018. The increase of the company's workforce with new employees will allow EYATH SA to fill organisational voids and to expand its activities and contribute to the economic growth of the broader region.

Court judgment dated 01.03.2018 rejected the claims of persons engaged at the subsidiary EYATH Services S.A. against EYATH, and since then those persons have ceased providing their services to the Company. After this judgment and during the period from 01.03.2018 to date, there have been no activities by EYATH Services SA related to water supply and sewerage service provision. The interruption of the Company's activities does not impact the provision of water supply / sewerage services by the Company.

A framework agreement was signed with the Region of Central Macedonia to clean and maintain the rainwater sewerage network in the Thessaloniki urban area. The project has a budget of € 4 mln and will run for 2 years from the date of its signing (March 2019).

Pricing Policy for the 2019-2023 period, which EYATH S.A. recommended to the Special Secretariat for Water for the period 2019 – 2023, was approved by decision No. 26142/180 of the Special Secretary for Water (Government Gazette 1105/B/03.04.2019) and was scheduled to take effect on 01.05.2019. The new pricing policy follows the reasoning of lowering the price of water for lower consumption levels and increasing it for high consumption, in order to avoid natural resource wastage. At the same time, the social tariff has been retained and improved for groups of consumers who are socially and economically vulnerable; it is tied into the social and income criteria used for the Social Residential tariffs. An Environmental Levy is included in the new tariffs, while for 2021-2023 there will be a 2% annual increase in tariffs in order to ensure that the Company's investment plan can be implemented.

During the period in question, actions and procedures took place for the operation by EYATH of the Waste Treatment Plant (WTP) of the Industrial Area or Thessaloniki. It should be noted that the WTP was constructed by ETVA VIPE S.A. to serve the businesses that operate within the Industrial Area, with EYATH in negotiations – unsuccessful – with EVTA VIPE on whom should fund specific works, so that the WTP is compatible with the environmental terms of the issued AEPO (Decision on the Approval of Environmental Conditions). Specifically, there is a dispute as to covering the cost of the WTP upgrade works and the sewerage network works within the Industrial Area. In February 2019, EYATH decided to undertake the implementation of the required construction works, while also requiring the relevant cost be covered by ETVA VIPE.

Customer service modernization

The design and creation of an integrated customer service and management framework began in 2017, and continued during 2018. That framework focuses on the adoption of a multichannel service model through the application of modern electronic applications, while it focuses on the modernising of operational sectors of customer invoicing, management, and services, so that EYATH can respond to the increased demand by consumers for a minimisation of bureaucracy and faster service, and in order to secure its revenues.

For 2019 more actions are scheduled for the improvement of telephone services and electronic customer services, through the design and implementation of an integrated reception, recording, and management service for telephone and electronic customer requests, through the website or via e-mail, as well as for the completion of the pilot digitalisation of customer records and the programming of the digitalisation of overall customer records. Furthermore, the water supply customer database is currently being standardised to allow consumption data to be automatically interconnected to GIS data (hydraulic modelling).

Investment Program

EYATH has announced a 5-year investment program, the budget of which exceeds €170 mln. It includes a series of important works in the sector of water supply and sewerage system infrastructure maintenance, replacement, and expansion for the broader Thessaloniki region.

Among other things, it includes:

- the extension of the Thessaloniki Water Treatment Plant (TWTP A2), with NSRF Funding,
- sewerage works for the completion of the connection between low areas of Thessaloniki (works in the Dendropotamos area and K16interchange),
- extension to the water supply remote-control and automation (SCADA) network,
- the framework agreement to improve and repair the Aravissos water pipeline,
- sewerage works at pumping stations, discharge pipes, and the coastal pipeline,
- the replacement of water meters, the extension of the water supply network into new areas, etc.

During 2018 the design and specification of the project to upgrade the SCADA sewerage pump station system was finalised; most of the systems relate to the Thessaloniki Waste Water Treatment Facility's sewerage system.

During 2018, cases of extending sewerage networks with third parties assuming part of the cost were examined. These related to pipelines around 3.5 km long in various areas. Other cases examined included repairs/replacements of sewerage pipelines of a total length of approximately 10 km.

During 2018 EYATH opened tender procedures or was in the process of opening tender procedures for projects such as:

- Research contracts related to Strategic & Business Planning and supporting the Company in project studies
- Contract for 'First Group of Urgent Water Supply Works 2019', budget: €2.5 mln (plus VAT). Appointment of a contractor is pending.
- Contract 'Agreement – Framework to Improve —Repair the Aravissos Aqueduct', budget €3.37 (plus VAT). Appointment of a contractor is pending.
- Contract 'Works to Complete the Connection of Thessaloniki Low-Lying Areas', which includes 7 sewerage sub-projects, budget: €6 mln (plus VAT). The contract with the appointed contractor was signed in 4/19.
- Furthermore, the Region of Central Macedonia approved the inclusion of the extension to the Aliakmonas water treatment plant in the 'Central Macedonia 2014-2020' operational programme with a budget of € 21.4 mln (plus VAT). The company is currently updating the Tender Documents and drafting the tender notice in order to put the project out to tender in 2019.
- In May 2018 the Region of Central Macedonia approved the tender documents for the project entitled 'Remote control and automation of water supply systems within EYATH's remit', with a total budget of €3.4 mln plus VAT, which is being funded by the NSRF. The tender procedure to appoint a contractor for the project is under way as of the time of drafting of the present document.

Environment and Public Value

Every year EYATH implements a series of Corporate Social Responsibility (CSR) and environmental impact improvement actions, such as:

- It cares for its harmonisation with current environmental legislation, through constant observation, consolidation, and meeting of the environmental guideline terms on a national and European level. In fact, in May 2018 a two-day congress – meeting of EurEau I was held at the seat of the company, Thessaloniki, to discuss water supply sector matters in Europe.
- It has implemented since 2014 a social tariff for the relief of vulnerable groups and especially families with three children, senior citizens (OAP), low-income earners, or the long-term unemployed, as well as a broad arrears repayment arrangement programme for all debtors and financially weaker groups.
- It has invested in the upgrading of its facilities to maximize their capacity and decrease energy consumption, and it has implemented a treated water reuse programme at the Thessaloniki Wastewater Treatment Facility (THWTF) for the irrigation of areas in the Chalastra – Kalochori plains during droughts.

Prospects for 2019

For 2019 a series of actions are under way, specifically:

- Acceleration of the implementation of the current investment programme through faster absorptions of community funds and preparation – maturing of the investment programme of the new NSRF 2021 – 2027 programming period.
- Upgrading, improving, and maintaining infrastructure (Aravissos pipeline, water treatment plant extension, remote-control and automation system, etc.) in order to increase production capacity of existing water supply and sewerage systems, and to secure uninterrupted operation.
- Digital Transformation implementation, mainly through the installation of smart meters and the SCADA water supply and sewerage system.
- Continuous improvement of corporate governance through the updating of the internal operating rules, the updating of the Board of Directors operating rules, the drafting of a policy against Conflict of Interest, and the drafting of Code of Ethics for all staff members of EYATH.

- Implementation of a new citizen awareness campaign regarding the importance of preserving water as a natural resource.

CORINTH CANAL CO S.A.

Brief description of the company

The main activities Corinth Canal Co S.A (AEDIK) are the design, construction, maintenance, administration, operation, utilization and tourist development of:

- the Corinth Canal and the two sinking bridges,
- the real estate assets on either side of the Canal,
- the water breaks located at the entrance points of Isthmia and Posidonia.

On 01.11.1980, the Greek State undertook the responsibility of the operation of the Corinth Canal by establishing the Corinth Canal Co S.A. From 2001 until the early 2010, the utilization of the Canal had been granted as a concession to the private company PERIANDROS S.A., while from February 2010 the responsibility for the operation of the Canal returned to the Greek State. Since 01.01.2018, the Company has been part of HCAP's portfolio, with HCAP being the sole shareholder of AEDIK (100% of shares).

The Corinth Canal is an international sea hub which serves vessels of all nationalities. It ensures the shortest and safest sea passage for vessels coming from sea ports of the Ionian & Adriatic seas, Southern Italy, as well for vessels passing through the Messini Channel heading for the ports of the Eastern Mediterranean and the Black Sea, and vice versa. It is 6343 meters long, 24.60 meters wide at sea level (and 21 meters at the seabed), 8 meters deep, and operates every day, except for a few hours on Tuesdays when maintenance work is carried out.

For 2018 AEDIK's turnover remained at the same levels as in 2017 and came to €4.7 mln (2017: €4.8 mln), with after tax results also remaining steady and coming to damages of €0.1 mln. The total value of its real estate assets exceeded €22.0 mln, with employed staff in late 2018 coming to 76 people.

For more information, visit the company website www.aedik.gr.

The most important events and transactions from 01/01/2018 to the date of the report

Commercial approach, improvement of services, operational and technological modernization & extroversion

One of the most important events in 2018 was the landslides that occurred at the end of February and resulted the canal shut-down and the interruption of the crossings. This incident has defined the main activities of 2018 as the company undertook emergency measures to deal with the landslide and to reinstate the operation of the canal, which was achieved in less than a month.

Apart from the works in response to the landslides, the company took additional precautionary measures in order to minimize the risk of recurrence of a similar event. Thus, the company proceeded to:

- Acquire a drone for the daily aerial surveillance of the canal and recording the condition of the slopes in a digital archive, allowing it to react preventively with scheduled controlled landslides.
- Carry out controlled cleaning of the slopes through air jackets, a technique requiring the placement of collapsible elastic bags inside cracks and then channeling compressed air into the bags, exercising intense pressure on the rocks.
- Construct new, larger drainage channels that extend the existing network.

- The general operational upgrade of the company's facilities, and, specifically: sea vessel maintenance by obtaining the necessary certifications, heavy maintenance of the bridge in Isthmia after a decade, underwater maintenance works and repairs of the bridge's foundations in Isthmia, etc.

In 2019, AEDIK has started collaborating with the Institute of Geology and Mineral Exploration (IGME) in order to update geological research and in order to find solutions for the further stabilization of the slopes. The renewal of the fleet with the purchase of a tugboat and new engines for the pilot boat are also under way.

In the framework of implementing company strategic goals as set by HCAP, AEDIK management adopted an extroverted commercial policy for 2018, in order to attract new customers, by participating in expos such as the TIF, Breakbulk Europe 2018 (Bremen), and the Caspian Breakbulk 2018 Congress (in Baku).

Moreover, aiming at improving the operational profitability and continuous upgrading of the provided services, in 2019 the company has undertaken a series of initiatives, such as the conducting of an annual customer satisfaction survey, the review of the pricing policy from a more customer-oriented perspective, and obtaining an ISO 9001 certification.

Environment & Public Value

Apart from the actions related to the smooth operation of AEDIK as a facility and as a corporation, taking into account the importance and the impact of its activities, in 2018 the company:

- Has operated a tourist info kiosk on AEDIK property providing information to the visitors of Isthmus in cooperation with the Loutraki Tourism Organization (LTO), the Municipality of Loutraki, and the Region of Peloponnese,
- Has organized a special event in Isthmia for the celebrations of the 125th anniversary of the canal's construction. At the ceremony the representative of Hellenic Post presented the Special Collectors' Edition Stamp that was dedicated to the 125th anniversary of the construction of the Corinth Canal, and is the first adhesive stamp to be published, and the Special Collectors' Edition Medal, that depicts the bust of the ancient tyrant Periander on one side and the logo of AEDIK on the other. In closing, reference was made to the history of the canal and the importance of this technological achievement to the history and economy of Greece,
- Has supported local secondary schools in participating in competitions abroad, as well as local sports clubs.

In 2019, AEDIK participated in a colloquium that was organized in Loutraki by the Loutraki Tourism Organization and the Region of Peloponnese, on 'Sport tourism as a driver of growth for Corinth and Peloponnese'.

Furthermore, in cooperation with the Institute of Geology and Mineral Exploration a study was conducted on drilling in order to cover the company's water needs, as a way of improving its environmental footprint.

Lastly, in the framework of its strategic goal of exploiting its real estate property, the reopening of the Museum of the Canal in part of the headquarters at Isthmia in 2019 is under way, and it will be renovated for this purpose.

Institutional Framework & Corporate Governance

In the last quarter of 2018 the AEDIK Audit Committee was formed. Also, in the first quarter of 2018 the company's articles of association were harmonized with Codified Law 2190/1920, in order to modernize their operations according to the rules in place for all sociétés anonymes.

Furthermore, in 2019 an introductory seminar for members of the Board of Directors was held by the corresponding HCAP services, and there was also extensive training of Board Members regarding regulatory compliance matters by the HCAP Compliance Officer. Also, a compliance officer was appointed in order to monitor, be informed about, and communicate regarding relevant matters.

GAIAOSE S.A.

Brief description of the company

GAIAOSE SA is active in the management, utilization and development of the railway real estate (land and buildings), the rail rolling stock, and the production and sale of electricity from renewable sources.

GAIAOSE SA was established by the Ministerial Decision Φ25 / 74398/5420/10 of 03.10.2001 as a subsidiary of OSE SA, for the purpose of utilizing OSE's real estate.

The company is one of the largest real estate managers in Greece, with a portfolio of approximately 3,681 parcels of land occupying an area of 106,413 acres, as well as 4,014 buildings covering an area of 380,260 sq.m. throughout the country. Revenue from real estate leases for 2018 exceeded € 5 mln.

At the same time, the company manages 3,752 rolling stock units, while the revenue from rolling stock leases for 2018 amounted to €14 mln.

Since November 2010, with the law 3891/10, GAIAOSE's purpose has been redefined and the financial status of the company changed as the revenue for real estate leases became GAIAOSE's own income. By Law 3891/10, GAIAOSE gains financial autonomy and the ability to independently evaluate and decide on the required investments for real estate development.

According to Ministerial Decree 2626/1400 / 1400 published in Government Gazette 759 / 03.04.2013, the Company's shares were transferred to the Greek State for the value of Euro 42,149,200 (Share Capital), with an equal depreciation of OSE's debt to the State.

For the year 2018, GAIAOSE's revenue has increased by more than 70% and reached € 19.2 mln, while results after tax also increased from € 8.8 mln in 2017 to € 12.3 mln in 2018. The total value of its assets exceeded € 121.0 mln, with a number of staff of 15 people at the end of 2018.

Since July 1, 2018, the State's participation in GAIAOSE SA was transferred to the Hellenic Corporation of Assets and Participations (HCAP).

Important activities from 01/01/2018 to the date of the report

GAIAOSE presents a steady increase in revenue and profitability within the recent years, mainly related to the exclusive management of the rail rolling stock, as well as the real estate utilization policy. Specifically for 2018, total revenues increased by 38.4% and profits after-tax by 67% compared to last year.

GAIAOSE's new Management, which was appointed in February 2019, is in the process of developing the company's Strategic & Business Plan identifying the future goals and directions for further business development.

Since the beginning of 2018 until today, GAIOSE has implemented actions in the areas of its main activities, as summarized below.

Real estate development

It refers to large projects for real estate development and concessions, involving estate with the appropriate features and geographical location, including the development of logistics centers, in order to utilize these properties, to attract investments and to assist in the strategic planning for transport, logistics chain and the country's transport infrastructure in general.

This category includes:

(i) The Thriasio Logistics Center (588 acres), for which the concession agreement was ratified by law in 2018 and is currently awaiting approval by the European Commission. In particular, GAIAOSE has submitted a notification for the issuing of the State Aid Clearance by the Commission, a process that is still in progress.

(ii) Camp Gonou, is a parcel of 672 acres located in the Delta Municipality which will also be developed as a Logistics Center. The first phase of the international bidding process for the 50-year concession has been completed. Three candidates presented interest (September 2018).

In addition to the aforementioned two projects, GAIAOSE manages similar sized plots in other areas, such as Alexandroupolis and Larissa, which will be developed in the future when the transport and supply chain markets become more attractive for these regions and therefore for these assets.

For the rest of the real estate, GAIAOSE carries out maturing activities, mainly on urban issues and proprietary rights, with a view to developing the distinctive features of its properties (e.g. rail estate with railway proximity), in cooperation with the responsible authorities. Specifically, the company is planning or is in the process of maturing other types of real estate, such as:

- Maturing and developing the Thessaloniki, Piraeus and Athens (Larissis) railway stations,
- Smaller size assets for commercial and residential activities,
- Completion of the procedures for the lease of 10 properties to TRAINOSE that will assist in the latter's transportation works;
- Agreements with large companies for the leasing of a series of real estate across the country.

Finally, as of March 2019, the company has implemented a new credit policy that has led to a significant increase in collectivity (+ 7.2pp in the last 6 months) or a 44% increase over the last 12 months.

Rolling Stock Management

It refers to the management and utilization of the rolling stock managed by GAIAOSE through leases.

TRAINOSE SA, that is currently the main tenant of the rolling stock managed by GAIAOSE, currently leases 1,160 vehicles. Discussions are still in progress between the companies and if successful are expected to lead to an increase in the number of leased vehicles by the end of 2019.

During the last two years (2018 and 2019) the company has concluded rolling stock leases with two new companies utilizing its rolling stock, also contributing to the smooth functioning of the liberalized rail market.

It should be noted that negotiations are under way with the aforementioned two companies for the increase of the number of leased vehicles.

Furthermore, for the improvement of the rolling stock management, the following actions have been undertaken:

- Recording and evaluation of rolling stock managed by GAIAOSE.
- Analysis and assessment of the international rolling stock market.
- Identification of rolling stock storage and parking areas while exploring potential funding opportunities for the implementation of such infrastructure through European funding programs.
- Submission of proposal for funding through an NSRF program, for the development of innovative products regarding the rolling stock.

Technology and Innovation, Environment & Corporate Social Responsibility

The company has also developed a Geographical Information System (GIS) through which the overall information is being managed and for which GAIAOSE aims to keep up-to-date with any changes that occur and relate to the status of the Greek Railways. This system provides information covering all of OSE's real estate such as land value, value of buildings, area of each property, land use and buildings data, spatial planning information, and complete photographic material of the real estate under GAIAOSE's management.

Regarding Renewable Energy Sources that is one of the future growth pillars for the company, additional to its core activities, the company owns two photovoltaic parks in the Thriasio area. Also, GAIAOSE SA is a 100% shareholder of the companies "FOTOVOLTAIKA LARISAS SA", "GAIAOSE FOTOVOLTAIKA ATTIKIS & VIOTIAS SA" and "GAIAOSE FOTOVOLTAIKA KARDITSAS SA.”. The absorption of these companies by the parent company is being planned, in order to minimize their operating costs.

In the context of GAIAOSE's social responsibility and as per the respect towards cultural heritage, the company is developing a series of social and development actions, including:

- The creation of a Holocaust Museum and Memory Park in Thessaloniki,
- The restoration of old stations in Peloponnese region and in Pyrgos and in generally of preserved buildings,
- The collaboration with relevant public organizations (e.g. Local Governments) for the use of real estate for non-profit purposes (cultural, daily life of the citizen, etc.).

Corporate governance

Indicatively, some of the actions that have been completed in terms of strengthening the institutional framework and corporate governance include the setting up of an Audit Committee within the first quarter of 2019 as well as the conduction of its regular meetings, in co-operation with the Company's internal auditor.

Furthermore, a Compliance Officer was appointed in 2019 responsible for the monitoring, update and communication of the compliance issues to the company's responsible bodies.

In addition, an introductory seminar for GAIAOSE's BoD members was held in 2019 by HCAP's respective unit as well as an extensive training of the BoD members on regulatory compliance issues by HCAP's Compliance Officer.

THESSALONIKI INTERNATIONAL FAIR (TIF) - HELEXPO S.A.

Brief description of the company

TIF-HELEXPO is the Single National Exhibition Body. The company's main activity is organizing exhibitions, congresses, and business delegations, as well as events in general in Greece and abroad. Recently, TIF-HELEXPO has organized theme parks, while since 2016 the institution of the honored country at the TIF has been revived.

The Thessaloniki International Fair began operating in 1926, and it has operated on its current premises since 1940. In 1999 TIF-HELEXPO was divided into two companies: Thessaloniki International Fair (TIF SA) and Helexpo – Hellenic Exhibitions SA. In 2013, pursuant to Law 4109/2013, it was remerged into a single company through the absorption of Helexpo Hellenic Exhibitions SA by Thessaloniki International Fair SA, under the trade name TIF - HELEXPO.

The Company manages two exhibition centers: a) the Thessaloniki International Exhibition Centre (TIEC), and b) HELEXPO MAROUSSI in Attica. The Thessaloniki International Exhibition and Congress Centre covers an area of 180,000 square meters and has one of the largest congress centers in Europe, with a capacity of 3,400 people (Ioannis Vellidis Congress Centre). HELEXPO MAROUSSI has operated since 2000 and in 2004 was the Main Press Centre (MPC) of the Athens Olympic Games.

For 2018, TIF-HELEXPO profitability improved significantly. In 2018 pre-tax profit was €1.5 mln compared to the previous year's pre-tax loss of €0.4 mln. Turnover amounted to €14.3 mln, while the total value of its assets exceeded € 245.7 mln. The number of staff employed at the end of 2018 amounted to 64 persons.

HCAP SA directly owns 100% of TIF – HELEXPO shares.

For more information, visit the company website https://tif.helexpo.gr.

The most important events and transactions from 01/01/2018 to the date of the report

Business approach, service improvement & extroversion

The success of the exhibition events and the increased number of visitors serve the two main goals of TIF-HELEXPO, namely the consolidation and further strengthening of its leading position in Greece, as well as the formation of a strong and competitive company on an international level. In this context, in the 2018 financial year the company achieved:

- The significant improvement of turnover by approximately 21%, through the Thessaloniki International Fair organized in September 2018 with the USA as the honored country, and the organizing of Agrotica (which is held every two years, on even years),
- The design and implementation of 'The Labours of Hercules' theme park with educational content, in an effort to introduce new events and activities, achieving increased numbers of visitors and the extension of the annual exhibition premises utilization days,
- Opening the market to large third countries and maintaining strong relationships with Balkan countries, and
- The enhancement of exhibition activities in the region by organizing exhibitions and providing consultation services (fur exhibition in Kastoria, agriculture exhibition in Larissa, Lamia and Eastern Macedonia – Thrace exhibitions, etc.).

Through its activity, the company aims to bring together producers and suppliers in the same geographical area, so that merchants themselves can benefit by promoting their products, and by creating the necessary conditions to inform their customers, aiming at enhancing optimal business conditions and increase consumer choices. For this to be feasible, feedback is required in terms of the quality of the services provided, as reflected in the exhibitors and visitors' questionnaires filled out during the organized exhibitions.

In addition to the continuous contact with the merchants and visitors, in 2019 TIF-HELEXPO has proceeded with:

- Planning actions for the commercial development of the company and the introduction of new events and actions, aiming at increasing the number of visitors and ticket revenue,
- The enrichment and enlargement of the exhibition programme by expanding the company's activities both in Athens and in the region (e.g. 'Aqua Therm' international exhibition is co-organized with the international exhibition house Reed Exhibitions - Mess Wien, as well as 'Greek Travel Show' and 'Agrothessaly' in the region),
- The adoption of electronic systems in communicating with the exhibitors-clients and visitors, as well as the full implementation of CRM-ERP (action under implementation),
- The internationalization of sectoral exhibitions, with an emphasis on foreign exhibitors, and the implementation of hosted buyers programmes to attract potential foreign buyers.

The redevelopment of the Thessaloniki Exhibition Centre, one of Greece's flagship projects

The redevelopment of the Thessaloniki International Exhibition Centre is of significant importance. The reconstruction of the exhibition and accompanying facilities in the existing TIF space and the simultaneous creation of a metropolitan park. The following has been done in this direction:

- **2016:** Legislation of appropriate planning procedures
- **November 2017:** Preliminary approval of the Special Spatial Plan (SSP) by the Ministry of Environment and Energy
- **April 2018:** Selection of consultants by public tender and Board approval of the SSP study
- **September 2018:** Submission of the SSP to the Ministry of Environment and Energy
- **February – May 2019:** Public discussion of the Strategic Environmental Impact Assessment

The final approval of the SSP and the publication of the relevant Presidential Decree (PD) are currently pending. TIF-Helexpo Management expects the above within 2019, while next steps include holding an international architectural competition and exploring the appropriate funding scheme.

With a view to redesign the exhibition and congress venues and to create a free green recreation space and outdoor cultural and exhibition spaces, the Thessaloniki Exhibition Centre's redevelopment plan aims to solve the problems of organizing, constructing, and operating the TIF, and to modernize its facilities, secure the optimal organization of its activities, further enhance its international role, and, at the same time, create a 'Metropolitan Park of Culture and Green Space' for the city.

Believing that the redevelopment project will greatly improve the company's public image both in Greece and abroad, becoming a landmark for the city of Thessaloniki, HCAP has identified a number of actions needed for the rapid implementation of the project, which indicatively are as follows:

- Finalization of the Special Spatial Plan and issuance of a relevant Presidential Decree.
- Selection of technical consultants (architectural & technical consultant) for the implementation of the architectural study and calculation of construction costs.
- Selection of financial and other specialized consultants, to set up a business plan.
- Selection of the most preferable growth scenario.
- Technical and licensing maturity.
- Securing funding sources.

Environment & Public Value

According to TIF Management estimates, and based on the multiplier provided by the World Trade Union, from the company's activity approximately €40 mln is estimated to have been distributed to the city and the broader area in the second half of 2018 due to the Thessaloniki International Fair. According to a recent study by the European Exhibition Industry Alliance, the primary event generates multiplier effects that lead to an increase in production / turnover for all other sectors – suppliers with a constant multiplier of 6. Namely, it is estimated that the 83rd TIF in 2018, with the USA as the honored country, generated a secondary benefit of more than €50 mln. In 2019, India will participate as the honored country in the 84th TIF.

Furthermore, the company adopts actions that fully comply with existing environmental legislation and participates in recycling programmes.

Institutional Framework & Corporate Governance

Within the first half of 2018, the company's articles of association were harmonized with Codified Law 2190/1920, in order to modernize their operations according to the rules in place for all sociétés anonymes.

Regarding the strengthening of the institutional framework and corporate governance, in 2019 an introductory seminar for members of the Board of Directors was held by the corresponding HCAP services, and there was also extensive training of Board Members regarding regulatory compliance matters by HCAP's Regulatory Compliance Officer.

Furthermore, in 2019, a regulatory compliance officer was appointed in order to monitor, be informed about, and communicate relevant matters to the competent corporate bodies. Lastly, a number of regulatory compliance policies and procedures such as the Code of Conduct, the Gift and Hosting Policy, and the Anti-Corruption and Bribery Policy have been launched.

HELLENIC SALTWORKS S.A.

Brief description of the company

Hellenic Saltworks S.A. is a public company, established in 1988, for the development and utilization of Greece's salt flats and mineral salt. At present, it utilizes 9 Greek salt flats, which constitute 92% of the utilized Greek salt flats, covering 2/3 of the domestic demand for raw salt. The salt flats are located in the following areas:

- Messolonghi
- Tourlida
- Kitros – Pieria
- Kalloni – Lesvos
- Polichnitos – Lesvos
- Aggelochori – Thessaloniki
- Mesi – Komotini
- Nea Kessani – Xanthi
- Milos (inactive)

The company's main activity is harvesting salt through the evaporation of salt marshes and the sale of raw salt in Greece. The main product produced is raw salt — washed, unwashed and special specifications NaCl > 99.5%. The Company's main products are:

- Edible salt for wholesale
- Salt for industrial use
- Salt for water softening, and
- Salt for snow removal from road networks

The Messolonghi salt flats produce a special type of high quality salt called Afrina, which is collected by hand, also known as the flower of salt (fleur de Sel).

The maximum annual capacity of raw natural salt production is 240,000 tones and depends on weather conditions. More specifically, annual production ranges from 120,000 to 240,000 tones. The cultivation period begins in April and it is usually completed by the late October, while salt harvest begins early September – October.

For 2018, pre-tax earnings for Hellenic Saltworks amounted to €0.5 mln, approximately at the same level as in the comparative period. Its turnover came to €5.3 mln, while the overall value of its assets came to €16.6 mln. The number of staff employed at the end of 2018 amounted to 31 persons.

HCAP holds 55.19% of the company's share capital.

For more information, visit the company website http://saltworks.gr.

The most important events and transactions from 01/01/2018 to the date of the report:

Business approach, service improvement & extroversion

The company's activity is significantly affected by each year's weather and seasonality, both in terms of production volume and in sales. 2018 was a good year as far as production is concerned, despite the adverse weather conditions. The company sold 136,591 tones, achieving stability in its financial results, with turnover and profitability reaching approximately the same levels as in 2017.

During the 2018 financial year, and based on the business plan goals, the company also took its first steps in expanding its client base, and, mainly in the field of exports, with the first positive results to be seen in the second half of 2018 and the first half of 2019. These efforts, which intensified in 2019, in combination with the prevailing weather conditions in Greece, resulted in a significant increase in sales, almost doubling volume. Specifically, in the first half of 2019, 103,807 tones of salt were sold in comparison to 59,265.3 tones in the corresponding period of 2018.

In this framework and under the guidance of HCAP, Management initiated the following actions within 2018, efforts that have continued in 2019:

- Completion of a preliminary study (techno-economic approach) on the prospect of integrating new areas into the productive saltwork area of Messolonghi, in an effort to increase production capacity.
- Completion and submission of a revised Dossier certifying Afrina and Messolonghi sea salt products as GIP (Geographical Indication Products).
- Invitation to tender for the demolition of the old salt processing plant in Messolonghi as a first step towards the construction of a modern salt packing unit.
- Strengthening the export orientation and the distribution network, and improving the trading portfolio, minimizing commercial risk.
- Preparation of a feasibility study on the vertical integration of production and the final product, identifying the prospects and financing needs of such an orientation.
- Transition to the new ISO 9001: 2015 certification standard for the saltworks in Messolonghi, Kalloni and Kitros and its extension to the other four saltworks.
- Digital upgrading, aiming at completing the integrated Electronic Database for Electronic Equipment within 2019.
- Updating the Company's investment plans in the framework of the submitted Business Plan 2018 – 2022, prioritizing the initiatives and objectives identified in the published HCAP Strategy.

Environment & Public Value

Through the above actions, on the one hand Management aims at improving its financial figures and, on the other, at achieving an active economic and social contribution and environmental awareness. This project is accomplished through:

- Contributing to the national economy through increased export activity.
- Promoting differentiation through the singular character of Afrina of Messolonghi.
- Attempting to expand the saltworks area while contributing to the local community through the utilization of the region's natural resources and creating jobs. A prime example being the inclusion of new land in the productive capacity of Messolonghi’s saltwork area.
- Adopting practices that contribute to the responsible management of saltworks and implementing actions for the protection of the wetland and the environment.

Institutional Framework & Corporate Governance

Within the first half of 2018, the Company's Articles of Association were harmonized in accordance with Codified Law 2190/1920.

In 2019, the Company established an Audit Committee with the appropriate composition. In addition, extensive training of the Board members on regulatory compliance issues was conducted by HCAP’s Regulatory Compliance Officer. Lastly, a regulatory compliance officer was appointed in order to monitor, be informed about, and communicate relevant matters to the competent corporate bodies. Important policies and procedures are to be adopted by the company.

CENTRAL MARKET OF THESSALONIKI S.A. (CMT)

Brief description of the company

Central Market of Thessaloniki SA's (CMT) main objective is the trading and handling of fruit, vegetables, and meat in the most beneficial to production and consumption way, while ensuring the quality and hygiene of the products traded. On its premises it creates favorable terms and conditions for the better exercising of the wholesale trade of fruits, vegetables, and meat, and ensures the best functioning of the free market and healthy competition for the benefit of producers and final consumers.

The Central Market of Thessaloniki has operated since February 1975 at its current facilities, at the 7th kilometer of the Thessaloniki – Athens National Motorway, on the limits of the Municipality of N. Menemeni. On CMT's 247,000 square meter premises, of which 45,400 square meters are indoors, the following operate:

- The fruit and vegetable market, divided into 4 cores with 70 60-square meter shops
- The meat market, with 24 165-square meter meat trading shops, with modern meat transport and storage equipment.

In 2018, pre-tax profits came to €1.3 mln, with EBITDA reaching €1.2 mln. Turnover exceeded €3 mln, while the total value of its assets stood at € 34.9 mln. The number of staff employed at the end of 2018 amounted to 20 persons.

HCAP is the sole shareholder of the Company (100%).

For more information, visit the company website https://kath.gr.

The most important events and transactions from 01/01/2018 to the date of the report:

Business approach, service improvement & extroversion

CMT's main activity is the leasing of shops and open-air spaces, as well as utilizing its facilities, including the income from entrance fees. The market is currently operating at full capacity.

Aiming at the modernizing the existing facilities and infrastructure, increasing capacity, and expanding activities and services provided, CMT Management signed a contract with EGNATIA ODOS SA on March 2, 2018, for the technical support and preparation of the master plan of its modernization project.

Within 2018 – 2019, the consultation of stakeholders and the maturity of the project were completed. The project pertains to:

- the construction of refrigerators and the installation of photovoltaic systems for their autonomous operation,
- the construction of a new core of shops for the trading of processed agri-food products,
- the construction of parking spaces,
- the improvement of the rainwater drainage network,
- the construction of an independent fire protection water supply network,
- the preparation of a Traffic Study within CMT for the best operation (utilization of all gates),
- the upgrading of IT systems,
- the construction of a sorting site for organic waste and packaging (recycling), and
- the construction of a composting unit.

A large part of this project, which is divided into two phases, will be financed with NSRF 2014-2020 and NSRF 2021-2027 funds. Decision No. 596/23 / 18.06.2019 approved the submission of a proposal for project approval of ‘Upgrading CMT infrastructure to support modern entrepreneurship’, in the framework of Priority Axis 01 ‘Entrepreneurial development with Sectoral priorities’ of the NSRF 2014-2020 Programme ‘Competitiveness Entrepreneurship and Innovation’ with a budget of €10 mln for the CMT (total project budget €13.2 mln).

Furthermore, in June 2019, CMT submitted the Technical Bulletin for the upgrading of its infrastructure, which concerns the first phase of the Master Plan and, in particular, the construction of a heavy ramp, the construction of fruit and vegetable storage facilities (refrigerators), transport infrastructure projects, the demolition and construction of a new ground floor administration building with a basement, and the related studies.

In addition, in March 2018, CMT outsourced a study to an external consultant entitled ‘Supporting Services for the Establishment of a Company between CMT and CMFO for the creation of a modern Agrologistic Centre in Thessaloniki.’ The objective is to prepare a feasibility study for the new entity, based on the existing status of the two parties involved (CMFO and CMT), their international experience and their programmed business growth actions. The study has been delivered and is being reviewed by Management.

As part of its effort to continuously improve the quality of services provided and to enhance commercial activity for the company itself as well as its tenants, in 2018 and through ongoing actions in 2019, CMT proceeded to carry out:

- The assignment and implementation by a specialized research company of a survey on the satisfaction level of the merchants operating on CMT premises.
- The assignment and implementation of a feasibility & funding sources study for its investment programme.
- The establishment of a Specialized Regional Medical Centre (Γ1α/Γ.Π.οικ. 27599/10-4-2019 decision of the Minister of Health).
- Participation in domestic and international fairs and trade delegations.

Environment & Public Value

In an effort to increase public value and social responsibility, CMT was selected as the lead partner of the project ‘Supporting Social Enterprises in Combating Poverty and Social Exclusion’ with the acronym ‘SOCIAL PLATE’.

The programme is being implemented in the framework of the European Cooperation Programme ‘INTERREG V-A Greece Bulgaria 2014 – 2020’, aiming to combat the waste of agricultural products and foodstuffs, utilize them for the benefit of the public, and address the social challenges of poverty, unemployment, and exclusion in a wider context.

From the beginning of the programme (23.04.2018) and until late 2018, the ‘Social Plate’ team had collected 157.6 tonnes of fruits and vegetables, of which 100.7 tonnes were recovered and made available. Respectively, in the first five months of 2019, 137.3 tonnes of fruits and vegetables were collected through SOCIAL PLATE, of which 96.6 tonnes were made available. There are 55 participating social entities (Social Groceries, NGOs, Foundations, Church kitchens, etc.), and the aim is to increase that number.

At the same time, the completion of the planned infrastructure, modernization, and infrastructure upgrading works will contribute significantly both to saving resources and reducing energy needs, as well as to implementing best practices for further cyclical economy actions.

Institutional Framework & Corporate Governance

Within the first half of 2018, the Company's Articles of Association were harmonized in accordance with Codified Law 2190/1920. In 2018, the company established an Audit Committee with the appropriate composition.

In 2019, a regulatory compliance officer was appointed in order to monitor, be informed about, and communicate relevant matters to the competent corporate bodies. In addition, in 2019 extensive training of the Board members on regulatory compliance issues was conducted by HCAP’s Regulatory Compliance Officer.

Important policies and procedures are to be adopted by the company.

CENTRAL MARKETS & FISHERY ORGANISATION SA (CMFO)

Brief description of the company

Central Markets and Fishery Organization SA (CMFO) is the largest partner in Greece's food supply chain, facilitating the supply of the Greek market with fruits, vegetables, meat, and fish products.

The company was founded in 1955 and initially included the Athens Central Fruit and Vegetable Market. In 1970 meat wholesalers joined the company, while in 2012 the 11 Greek fish wharves became local branches of CMFO. In 2014 the Vegetable Market of Patras was integrated in CMFO. At present, CMFO comprises of:

- The Central vegetable, fruit, and fresh meat market of Athens (260,000 sq. meters)
- The Central vegetable and fruit market of Patras (50,000 sq. meters)
- 11 fish wharves (concession / leased)

The company has ISO 9001: 2015 and ELOT 1429: 2008 Certifications, while the HACCP standard is implemented extensively at the fish wharves.

For 2018 CMFO's pre-tax profits stood at €3.1 mln, with EBITDA reaching €2.8 mln. Turnover amounted to €15.5 mln, while total value of assets reached €74.9 mln. The number of staff employed at the end of 2018 amounted to 148 persons.

HCAP is the sole shareholder of the Company (100%).

For more information, visit the company website https://kath.gr.

The most important events and transactions from 01/01/2018 to the date of the report:

Business approach, service improvement & extroversion

Its main activity is the leasing of shops and open-air spaces, as well as utilizing its facilities. Specifically, CMFO leases to wholesalers:

- ✓ fruit and vegetable shops (500 in number)
- ✓ meat shops (25 in number)
- ✓ open air spaces for the promotion of companies' products and services, and for the organizing of corporate events, etc.
- ✓ spaces for the use and transportation of fish wharf catches.

CMFO's main purpose, through its operation, is to create added value in commercial activity, both for itself and for its tenants. By serving this purpose, CMFO achieved a turnover increase of approximately 12% in 2018 and, at the same time, proceeded with a number of extroversion actions:

- In May 2018, as a member of the World Union of Wholesale Markets (WUWM), it hosted the global launch of the 'Love Your Local Market' campaign, involving markets from 15 countries and signing a Memorandum of Understanding (MOU) between the participating markets.
- In July 2018, a joint text of the Positions of the European Markets & Intervention in the Common Agricultural Policy (CAP) was signed in Paris, led by CMFO, aiming at strengthening cooperation between European markets, and enhancing awareness at a European and global level. The first Joint Declaration of the European Wholesale

Markets was subsequently presented at the European Parliament in Brussels in November 2018, at a colloquium organized by the World Union of Wholesale Markets (WUWM), titled ‘Fresh Food Wholesale Markets, Instruments of Guarantee and Transparency in the New Common Agricultural Policy.’

- On 15 May 2019, in Belgrade, in the context of the World Union of Wholesale Markets (WUWM) Congress, CMFO’s General Director was re-elected as a member of the WUWM Board of Directors and retained his position as Head of the European Section.
- During the 2018 – 2019 period, CMFO participated in domestic (Freskon, Food Expo) and international fairs (MacFrut, Fruit Logistica, Fruit Attraction), as well as in trade delegations, it organized B2B meetings for merchants with foreign delegations (e.g. a delegation of merchants from Barcelona Central Market, Mercabarna), and welcomed foreign officials to its premises (e.g. Kenya's Deputy Minister of Foreign Affairs).

Furthermore, a number of modernization initiatives were implemented in an effort by Management to better manage the market and provide improved services to merchants and consumers — both in 2018 and with actions ongoing in 2019:

- A Technical Bulletin was prepared and submitted for the implementation of an Integrated Information System (IIS) at the fishery wharves. The project deals with the data modelling, digitization, and upgrading of the fishery wharves’ operating procedures, utilizing the implementation of a modern management and surveillance system, at a central and regional level, for the safe promotion, trading, and distribution of fish on the Greek market. The investment will be mostly funded by NSRF 2014-2020 funds.
- A Technical Bulletin was prepared and submitted for the modernization of the infrastructure of the Central Market of Athens, including the upgrading of refrigeration facilities, the reorganization of the incoming – outgoing network, traffic, and parking, the upgrading of security systems, and digital interconnection within the market. A significant part of this investment will be financed by NSRF 2014-2020 funds.
- A new cleaning model has been adopted broadly by the use of Article 63 of Law 4430 and the hiring of employees with fixed-term contracts to clean the Central Market of Athens, and the Piraeus and Thessaloniki fishery wharves. Cleaning is now carried out by the Organization and produces significant benefits.
- Changes also concern the formation of a new Organizational Model, as well as updated operating procedures.

By the end of 2019, under HCAP guidance, the Organization seeks to:

- ✓ Have contracts signed regarding the planned investments involving large-scale interventions in the method of trading, and the upgrading of infrastructure and market spaces,
- ✓ Complete the works for the operation of the new Fishery Wharf in Volos,
- ✓ Assign to a specialized research company the conducting of a survey on the satisfaction level of the merchants operating on CMFO's premises, aiming at establishing optimal relationships with merchants and customers,
- ✓ Organize a workshop on wholesale and retail markets, involving all relevant institutions and stakeholders.

Environment & Public Value

As a public corporation, CMFO recognizes its important role in enhancing public value. Thus, in the context of corporate social responsibility, the Organization is expanding its activity by:

- **Supporting vulnerable groups.** Throughout 2018 and to this day, CMFO has provided food (fruit, vegetables, & fish) to various vulnerable groups, through social groceries, associations, churches, etc. In the same context, it has participated in fire relief programmes, collecting and providing food and materials to deal with the crisis. Hundreds of tonnes of food are allocated for such purposes each year. The Central Market Merchants Association has provided valuable aid.

- **Promoting healthy eating in schools.** In 2018, CMFO continued the ‘Put the Fruit in Your Child's Life’ action, where fruits are distributed at schools along with the children's nutrition book. In collaboration with the Ministry of Education, the Organization contributed to the ‘School Lunch’ programme by covering their food needs one day a week.

- **Preserving the cultural heritage.** CMFO was actively involved in the rescue programme for wooden fishing boats, which have been declared traditional and are included in Measure 6.1.10 of the Fisheries and Maritime Operational Programme 2014-2020 'Final closure of fishing activities', by rescuing 3 fishing vessels, which are currently on display at the fishery wharves of Keratsini, Michaniona and Kalymnos.

- **Organizing cultural events.** CMFO participated and is seeking to organize cultural events on its premises, including theatrical performances in the fishery Wharf of Keratsini.

- **Participating in research programmes.** CMFO is participating in the VIOAXIOPIO programme, which deals with the production of biomolecules by utilizing fish by-products and discarded fish, in collaboration with the Hellenic Centre of Marine Research (HCMR), the Pharmacy Department of the National & Kapodistrian University of Athens, and NAYS Ltd, in the context of the common state aid action ETAK (Research, Technology, Growth, Innovation) single State aid action 'RESEARCH - INNOVATION - ENTERPRISE' 'COMPETITIVENESS, BUSINESS & INNOVATION' (EPANEK).

- **Environmental protection.** Approximately 6,000 tonnes of waste are produced annually in the Central Market of Athens, a significant proportion of which is organic or biodegradable. Recognizing its obligations to protect the environment and the need to continuously improve its environmental performance, the company has signed a programming agreement with EDSNA for the management of waste produced within the Central Market of Athens, while the waste produced by the fishery wharves is consciously managed. Environmental policy focuses on: (a) the management of solid and liquid waste generated, giving priority to their separate collection and recycling, (b) continuous staff updating and training on environmental issues, and (c) sustained action for continuous compliance with developments.

Institutional Framework & Corporate Governance

Within the first half of 2018, the Company's Articles of Association were harmonized in accordance with Codified Law 2190/1920. In 2019 extensive training of the Board members on regulatory compliance issues was conducted by HCAP's Regulatory Compliance Officer.

ATHENS URBAN TRANSPORT ORGANISATION S.A. (OASA) AND SUBSIDIARIES

Brief description of the company

The Athens Urban Transport Organization (OASA) is a Group of State Owned Enterprises responsible for the strategic and business planning, coordination and control of public transport operations carried out by (ground and underground) modes of transport within the boundaries of the Attica Region, as defined by Law 3852/2010 (Government Gazette 87 A ') excluding the islands.

OASA took its present form following the reorganization that took place under the provisions of Law 3920/2011.

Its 100% subsidiaries "Road Transport Services S.A" (OSY) and " Urban Rail Transport S.A." (STASY), are responsible for the planning, organization and execution of the public transport via road vehicles, as well as via underground & ground - fixed track- modes of transport respectively. OASA, as a parent company, exercises the responsibility of promoting the Group's sales, planning, fare collection and fare control as well as distributing sales revenue to its subsidiaries.

For 2018, OASA's before-tax losses as in the published financial statements amounted to € 50.4 mln, compared to € 6.6 mln in the previous year mainly due to the reduced grants received by the Greek State. The revenue amounted to € 197.6 mln, while total assets value amounted to € 1.372,9 mln. The number of employees at the end of 2018 amounted to 7,551.

OASA's sole shareholder is HCAP.

For more information, you may visit the company's website www.oasa.gr

Important activities from 01/01/2018 to the date of the report

Public Transport operational redesign and e-ticket implementation

During 2018, OASA focused on the public transport operational redesign, which involves the reorganization of the network of road vehicles (buses, trolleys) and their cooperation with fixed track modes, to the direction of improved transport coverage for the area of its responsibility.

In this context, in 2018 took place:

- ✓ 133 mln. vehicle kilometers and 606 mln. boardings on OASA's modes of transport, and
- ✓ transport planning interventions in more than 25 Attica municipalities.

Furthermore, in 2018, the Telematics system was established, which inter alia, provides new opportunities for passenger service, fleet management and coordination and supervision of the public transport operations.

The year 2018 has also been the first year of full operation under the "electronic ticket" scheme, one of the largest projects of integrated Intelligent Transport Systems (ITS) using "smart" cards. The project involved the supply and installation of management centers, equipment for the issuance and sale of fare products, control equipment, as well as validation equipment (vehicle validators and entry-exit gates at stations).

In the second half of 2018, the closure of the gates at the Metro stations was completed and the full operation of the Automated Fare Collection System (ASKK) was achieved. The transition from paper to the smart system was the largest change in the Attica urban transport system, and it was completed within nine (9) months, a period significantly smaller than the international practice (24 months).

The speed of this transition has created significant challenges at multiple levels, but was deemed necessary due to the importance of the system implementation for the upgrade of the services offered, contributing inter alia to tackling the major issue of fare evasion.

Until today:

- ✓ More than 1.4 mln of "Personalized" cards and 700 thousands of "unpersonalized" cards have already been available.
- ✓ 500 POS gadgets are available at points of sale - kiosks that execute recharge transactions. Pre-loaded tickets for sale have been delivered to an additional 500 points of sale.
- ✓ Purchasing and recharging an e-ticket and card at all e-ticket sales equipment, using a debit / credit card has become available. Actually, 20% of sales transactions are being executed via credit and debit cards.
- ✓ 7 out of 10 transactions are now made through Automated Card Issuers, while within the initial period of operation the rate was less than 1% respectively.
- ✓ New discount products have been developed which are very popular to the passengers, absorbing 7 out of 10 single tickets, while 1 out of 3 tickets are sold via the Ath.ena Card.

OASA’s and HCAP’s common goal is the transition to a more passenger-centric model. To this end, OASA plans, within 2019, to measure passenger satisfaction and to adopt the European standard ELOT EN 13816 "Quality in Public Transports".

In addition, through the cooperation of HCAP and the OASA Group, the importance of initiatives forrasing awareness and for the provision of information to the passengers was highlighted. Preparations are under way for an information and e-ticket promotion campaign to be launched, in order to enhance its value and importance in the daily life of the -passengers.

Concerning the public transport operations, and given the constraints on available human resources and rolling stock, the OASA Group undertakes a series of actions in order to improve operations during the winter season of 2019-2020. Furthermore, given that the strategic urban transport planning is a long-term process, the OASA Group has initiated the conduction od a study for the assessment of the existing urban transport network and for the identification of intervention areas for the further development of the public transport modes.

At the same time, actions have been undertaken in order to address chronic problems and resource shortages affecting operations. Among these, OASA is going to run procurement process for 92 buses in order to renew the road vehicle fleet, a project with secure funding of € 30 mln. by the RDP "ATTICA". Among others, the technical specifications of this procurement provide for the full access of persons with disabilities.

Specific obligations (services provision based on social policies)

Through the capabilities provided to OASA by the e-ticket, the key principle of applying social policies and providing transportation rights to specific groups of the population (eg unemployed, disabled, parents with many children, etc.) was implemented in accordance with the international practice through the use odpersonalized electronic cards that bear the holders’ information and be used exclusively by them.

In particular, for the provision of transportation services to the categories of the unemployed and the disabled, an "electronic voucher" issuance system has been designed and implemented, which is controlled by IDIKA for the certification of the relevant right.

Since October 2018, it has become mandatory for beneficiaries to use personalized e-cards in order to have access to subsidized fee products (50% and 100% subsidy). Indicatively, it is reported that more than 250,000 approved cards in the category of unemployed and more than 40,000 approved cards in the category of persons with disabilities have been issued.

OASA can now match the fare products by category of beneficiaries and thus, accurately, calculate the amount of compensation requested by the relevant Ministries. This documentation is necessary, as more than 40% of boardings concern categories of passengers with a free or reduced fare of transportation, highlighting the importance of clarifying the revenue framework in relation to these obligations for OASA.

OASA acts on the necessary actions to implement the Coordination Mechanism, so that, in cooperation with the HCAP and the competent Ministries, to ensure compensation for the provision of the aforementioned social services.

Ticket evasion and revenue assurance

Emphasis is given by HCAP and OASA on anti-ticket evasion actions aiming at assuring OASA's revenue. In particular, in 2018:

- OASA conducted a ticket evasion survey with a time reference in April 2018.
- The closure of the gates at Metro stations has been completed within 2018.
- Front door entry measure on buses was initiated in July 2018.

In the second half of 2018, there was a significant increase in the number of validations in all modes of transport compared to the first half of the same year. Within 2019, additional measures were designed and their implementation is currently in progress in order to enhance controls by exploiting transport data, pilot actions to optimize gate closing time, pilot organisation of the fare collectors functional a Group level, etc., resulting in increased revenues from fare, in comparison to the corresponding period of 2018.

A conduction of measurement of the Ticket Evasion Index within 2019 and its comparison with the relevant 2018 metrics is underway This Index will also serve as a benchmark basis for the level of achievement of the objective set by HCAP to OASA for the upcoming years.

Digital and functional modernization

The design of the Grouping program is in progress in order to improve efficiency and effectiveness of the three companies (OASA-OSY-STASY) as well as their internal functions through a unified approach.

The functional areas on focus are Technology, Financial Management, Marketing, Human Resources, Procurement and Fare Control. As a first priority the functional area of fare control has been identified and relevant actions are being planned.

Within HCAP's and OASA's priorities, the prospects of exploiting a multitude of available technologies in the field of transport is included and the development of a unified digital strategy at a Group level is already being prepared.

In the context of the full implementation of the "Telematics" project on buses and trolleys and in order to ensure timely and reliable passenger information on the execution of routes, a smart information service for urban transport users has been put in place (mobile phones, tablets, computers), providing the ability to keep up to date with each route, while providing new capabilities for better fleet management and coordination and for the supervision of operations.

The planning of the actions of the restructuring plan, has also been initiated, including the following critical projects:

- Integrated system for vehicle technical capability preventive diagnosis (OSTI).
- Integrated Passenger Information System (OSPE)
- OASA Group E.R.P.
- E-ticket upgrade exploiting other technologies and achieving new functions, such as mobile services and charging of 'personalized' cards via smartphone, ability of debit / credit card usage to purchase fare products, etc.
- Wireless Network Development (WiFi & GSM)

Environment & Public Value

The Group's environmental footprint has been set as a key priority by HCAP, both for the parent company and its subsidiaries.

STASY has been participating in an integrated compensatory Recycling Program for the metro stations since July 2018 in collaboration with the nonprofit Compensatory Recycling Company. In 2018, it also launched a tender for the replacement of conventional light bulbs with “LED” type bulbs at the "Sepolia" Metro Station in order to assess the potential of energy saving, implementing a study carried out by the National Technical University of Athens. In addition, in the context of environmental management of the waste being generated by STASY's facilities, the company cooperates with licensed waste management agencies and concludes contracts for the management of lubricate oil waste, lead acid batteries, hazardous and non-hazardous waste.

Furthermore, within 2019, OASA is planning to conduct a relevant study for Attica urban transport system, as a basis for further improvement.

Institutional Framework & Corporate Governance

Within the first half of 2018, the Company's Articles of Association were harmonized according to Codified Law 2190/1920. In 2019 a new Board of Directors was appointed to OASA and then the Audit Committee was set up with the appropriate composition.

Furthermore, a training seminar on compliance issues was held for the OASA executive officers, by the competent HCAP’s Senior Compliance Officer.

HELLENIC POST S.A. (ELTA) AND SUBSIDIARIES

Brief description of the company

Hellenic Post Ltd (ELTA) is a group of companies providing postal services across the country. It was founded in 1828, almost at the same time as the establishment of the Greek State, and has been operating for more than 190 years. Since 1996 it has been operating as a société anonyme (ELTA SA). The ELTA group consists of the ELTA SA company and its subsidiaries: ELTA Courier SA and KEK-ELTA SA.

ELTA offers postal, financial, and bancassurance services, services of general economic interest, electricity supply, retail network products, and courier services. According to Law 4053/2012 for the 'Regulation of Postal Market Operation, Telecommunication Issues, and Other Provisions' ELTA is a Universal Service Provider and has undertaken the obligation of universal postal services until 31 December 2028.

ELTA Courier is a Société Anonyme, a subsidiary of ELTA. It was founded in 2000 and has been active for more than 20 years in the highly competitive courier services market, providing domestic (door-to-door) and international (Special Priority Mail/SPM, Express Mail Service/EMS & Fast Parcel Cyprus/FPC) services, in combination with more than 10 additional services covering its customers' needs.

The participation of the Greek State to ELTA was transferred to HCAP on 01.01.2018, and currently HCAP owns 90% of ELTA shares and EFG Eurobank Ergasias S.A. owns the remaining 10%.

For more information, you may visit the company's website: www.elta.gr.

The most important events from 01/01/2018 to the date of the report:

In order for ELTA to secure the regularity and sustainability of the company, a short-term action plan has been designed and its implementation has been initiated, for the ensurance of business continuity for the organization, as a priority.

The greatest immediate issue is the company's cash-flow management and financial status. Priority was given to a programme for the overdue debt collection by ELTA. Furthermore, the cash gap has been decreased by the partial payment of claims from the Greek State as relates to the provision of the Universal Postal Services for previous years. Since 2013 and until April 2018 no amount had been paid to ELTA for the Universal Postal Services.

Also, an arrangement was reached for the settlement of the issue that arose with PPC.

Universal Postal Service Net Cost Compensation

Given the importance and gravity of the Universal Service compensation for the company's smooth operation, ELTA, with the support of HCAP, initiated all the necessary actions for the payment, for the first time, of part of the compensation for the net cost of the universal service that the Greek State owes for the period from 2013 to 2018, amounts that came to a total of €90 mln (€15 mln per year), with partial payments within 2018 and 2019.

More specifically, the relevant decisions of the Hellenic Telecommunications and Post Commission (EETT) have been issued on the amount of the compensation for the Universal Postal Service for the years 2013 – 2017. However, ELTA still claims for the payment €129.89 mln as the remaining part of the approved compensation for the Universal Service approved by EETT minus the amount paid by the Greek State for those years so far., For 2018 ELTA has requested by EETT to approve USO compensation of approximately €55 mln.

In order to claim the unpaid (remaining) amount of the Universal Postal Service net cost compensation for the year 2013, a suit has been filed against the Greek State at the Administrative Court of First Instance of Athens, dated 21.12.2018, for compensation of the net cost for the universal service for 2013, amounting to €23,783,429.

New commercial policy and revenue increase

ELTA is promoting a new commercial policy with the enrichment of its product portfolio, aiming at new revenue growth and to new service development, as well as with the de-design of the company's invoicing policy. In that framework, a series of actions have been initiated within 2018, which continue through 2019:

- Agreements aiming at retaining or recovering major customers.
- Readjustment of the basic invoice and letter mail and parcel services policy, which was approved by the Board of Directors at its meeting on 07.02.2019. Submission of the new invoice policy for assessment by the Hellenic Telecommunications and Post Commission (EETT).
- New invoicing policy for financial services which was approved by the Board of Directors on 21.02.2019
- Redefinition of invoice policy management and customs clearance for postal objects via cross-border post, mainly from China, which was approved by the ELTA Board of Directors at the meeting held on 11.07.2019.

Furthermore, ELTA is in the process of re-assessing its corporate strategy regarding its activity in electricity supply.

Cost rationalization and ensuring sustainability

Reorganising production operations and rationalising operating costs was, from the very beginning, a strategic priority both for HCAP and for the ELTA Board of Directors. In that framework an action plan has been developed during the second half of 2018 and within 2019, that puts emphasis on the following initiatives:

- The company's new business model and its organization is under way. In that framework actions are being launched that mainly concern:
    - The rationalization of the post office network, through the relocation and re-assessment of the retail network throughout the country.
    - The reorganization of the postal work production operations and, more specifically, the production phases that concern collection, transit, sorting, and distribution of postal objects.
    - Furthermore, actions are being initiated for the merger of the Sorting Centre of Attica and the Central Airport Post Office, which will decrease operating costs, for the distribution model redesign in order to conserve resources, and for the development of synergies with its subsidiary ELTA Courier SA.
- Also, ELTA is implementing a mix of actions in order to expedite personnel retirements, which has resulted to the retirement of 510 employees, lowering payroll costs by more than €10 mln on a year basis.

In addition, ELTA is participating and being represented at International Postal Organizations, such as:

- Universal Postal Union – UPU. Hellenic Post is a founding member of the Universal Postal Union – UPU, which was founded in 1874 and is a specialized UN agency on postal matters, it institutes common rules on international post exchange, and it coordinates joint actions and programmes for its member – states (192 Member – States).
- PostEurop. It includes 52 members, it represents European Public Post Organizations, and is a recognized Restricted Union of the Universal Postal Union.
- International Post Corporation – IPC. It was founded in 1989 and is a cooperative association of 24 Postal Organisations, which mainly aims at developing programmes for the benefit of its members.
- EuroMed Postal Community – EuroMed / PUMed. It is the Postal Union for the Mediterranean, which aims at promoting the interests of its member – states through the implementation of corresponding projects.

ELTA's transformation plan

Besides the immediate priority interventions mentioned above, HCAP recognized the need and requested ELTA's management to draft a strategic transformation plan, with a central focus on the long-term viability of the company, which will ensure consensus and support from the Greek state, along with the provision of the necessary additional capital.

With the help of a specialist consultant, ELTA developed a draft plan for the transformation and reorganization of the company. As the plan is still in a draft form and under consultation, it has not yet been finalized and approved by the ELTA Board of Directors.

The main points of the transformation plan are the following:

- Phase A (2019 – 2020) – Operational Cost Rationalization: The Plan emphasizes on Phase A, examining the reduction of operating costs, mainly through a voluntary exit scheme (VES). It also provides for the revision of Universal Service Obligations, following EETT's approval and taking into account the many examples and practices followed by other European countries.
- Phase B (2020+) – ELTA business model transformation strategy: It concerns the design of the strategy for the further development of ELTA's core activities, as well as proposals for the development of other activities, which, according to ELTA's management, could provide for medium-long-term growth prospects for the company.

It is estimated by ELTA that the financing of the Transformation Plan may allow for the time necessary for the mid-term improvement of EBITDA and, at the same time, allow the company to proceed with the drastic transformation of its business and operating model, taking into account market trends, as well as the examples of other corresponding European agencies.

The total implementation of the plan will require additional funding resources, following consultation and an agreement with the Greek State, as well as approval by the competent authorities.

In this context, HCAP appointed an internationally recognized specialist consultant, in order to review the key assumptions of the transformation plan. The conclusions of the study were presented by HCAP to the members of ELTA's Board of Directors, in order to take them into account for the formulation of the final proposal for ELTA's Transformation Plan. More specifically, the main subjects discussed, in short, concerned the following:

- Voluntary exit scheme: A comparative review was carried out relating to voluntary exit schemes implemented in Greece, and the key issues were raised, mainly regarding the scheme's outline and the stages of its implementation.
- Universal service obligations: Alternative business models followed by other Universal Service Providers in Europe were examined.
- Development strategy and the new operational model to ensure sustainability: Practices were examined as per the alternative business models that other Universal Service Providers in Europe follow.
- The main requirements for the programme and change management were highlighted (e.g. setting up teams and PMO, management's commitment, etc.), as well as matters relating to the IT systems and equipment renewal, in order to ensure the necessary conditions for the transition to a new operating model for ELTA.

Lastly, HCAP raised some issues to be examined by the ELTA's Board of Directors, which do not require funding and/or regulatory intervention, and, in particular, among others:

- The re-assessment of the corporate strategy regarding their activity in the energy sector.
- Assessment of the ELTA Courier's operating model.
- Operational cost rationalization.
- Assessment of immediate needs in technology and applications to ensure business continuity.

Technology, Digital Transformation and Innovation

ELTA is in the process of developing a mid-term modernization plan that will affect all of its infrastructure and systems. Furthermore, the Transformation plan foresees the update of the overall planning for its digital transformation, based on the new business model.

At the same time a study was carried out to assess the key business risk for the company, and the tender process is under way for the development of a Business Continuity Plan and a Disaster Recovery Plan, in accordance with the company's business and operational needs.

Also, company's compliance with the new Regulation regarding Personal Data (EU 2016/679 - GDPR) has been ensured.

Finally, ELTA participates and implements co-financed European programs, such as:

- COG-LO: COGnitive Logistics Operations through secure, dynamic and ad-hoc collaborative networks: The 'Horizon 2020' Programme. The project has been under way since June 2018.
- EuroDRONE: A European UTM Testbed for U-Space / 'SESAR' Programme: This concerns the funding of research projects for the design, manufacture, and implementation of autonomous air traffic and air navigation management systems (U-Space) for Unmanned Aircraft Systems (U.A. – drones). ELTA will be the pilot application agency of the Project.
- NSRF – 'RESEARCH – CREATE – INNOVATE' Programme A proposal was submitted to the 'DAIDALOS' programme concerning the development of a prototype unmanned postal aircraft system (Unmanned Aircraft System – UAS).
- 'BLEND – Big Postal Enhanced Data': A proposal was submitted for the creation of Big Data infrastructure for effective data storage and analysis.
- SMART PARCEL LOCKERS (2019): A proposal was submitted for the design and development of a smart parcel self-management (delivery – reception) system, with the use of the previous Smart Parcel Locker system.

Institutional Framework / Governance

Within the first half of 2018, the Company's Articles of Association were harmonized in accordance with the Codified Law 2190/1920. Furthermore, in 2018 an Audit Committee was established, with the appropriate composition, and also extensive training of the Board Members took place by HCAP's Regulatory Compliance Officer, regarding regulatory compliance matters.

A.14. Prospects for year 2019

The prospects of HCAP for 2019 include different milestones for its direct subsidiaries, and different for its other subsidiaries that were transferred to the Corporation in the beginning of 2018. Some of these milestones are already set forth and / or completed, such as the mid–term Business Plan that includes KPIs, actions on improving the Corporate Governance framework through the strengthening of the BoDs and the Audit Committee and through the adoption of relevant policies and procedures, the alignment of the Articles of Association of the other subsidiaries with Corporate Law, progress in the preparation of the Coordination Mechanism deliverables so as for it to be launched in 2019 in cooperation with General Government entities, etc.

On a financial reporting basis and within 2019, HCAP has set as a target to adhere to the deadlines for the compilation and submission of financial statements, both on a corporation and on a group level, including the consolidated statements for 2018 (half – year and full – year), where for the first time all HCAP's subsidiaries are consolidated, running in parallel the IFRS standards in all of HCAP's subsidiaries.

As for the HRADF, its effectiveness regarding the implementation of its Asset Development Plan (ADP) will be monitored on a continuous basis. Furthermore, the organizational structure of the Contracts Monitoring Department will be enhanced so as to ensure the fund's overall effective operation.

Regarding ETAD, the documentation of its total portfolio within a 5-year period through the regular update of its register, the compilation and implementation of a sales, leasing and long term concessions plan for its mature assets, the development plan for the Xenia Hotels, the rationalization of current leases, the audit of concession contracts, and the speed – up of receivables collection, are all included in the priorities for the company. Furthermore, it is anticipated that ETAD conducts business, restructuring and development plans for its business units and that it starts concession processes, per case. The digital transformation of the company will play a significant role, since it will support, enhance and promote the abovementioned actions.

Another priority for both the direct subsidiaries of HCAP is for them to implement and adhere to Corporate Governance best practices regarding the functioning of their Boards, their Internal Audit and Compliance functions.

As for HCAP's other subsidiaries, within 2019, HCAP's Board needs to complete the evaluation process of their Boards of Directors, applying best practices and appointing new Boards or members where needed, through processes that are set and followed by the Nominations Committee, as its responsibilities are laid in article 197, par. 4 of law 4389/2016 and include searching, finding and evaluating distinguished professionals with the adequate experience and knowledge to fill such positions.

In addition, and regarding the other subsidiaries that have submitted their business plans to HCAP, those plans have served as the basis to set targets to these subsidiaries' Boards for the mid-term, depending on the sector and the specificities identified each time.

An important part of the prospects for the SOEs is also included in the relevant sections of HCAP business plan where there is reference to each company and the respective management priorities for 2019.
Specifically, and for the short term, HCAP has set targets and actions related to the State Owned Enterprises that, inter alia, include:

- Preparation of a Corporate Governance manual that will be disseminated to its subsidiaries. The manual will include instructions for the operation of the Boards of Directors and their Committees so as to strengthen the values of transparency, meritocracy, independence, accountability and responsible management.
- Continuous training and conducting of workshops, on issues of Compliance and relevant policies, so as to establish a new corporate culture and business ethics. Furthermore, enhancement of the functioning of Internal Audit. In relation

to the training, HCAP has selected modern tools and is, for instance, in the process of finalizing a personalized and innovative for the Greek standards e-learning seminar about code of ethics and compliance. The seminar is designed based on international best practices and tools and it will gradually be implemented to all HCAP subsidiaries.

- Launching of the Coordination Mechanism in order to introduce a roadmap and the processes for the optimum cooperation between the State, HCAP and the SOEs regarding public policy and the services that these companies provide.
- Development of a target – based model in terms of KPIs for the subsidiaries in which HCAP is the major shareholder.
- Encouragement of the use of new technology and leveraging the potential that innovative technology provides in order to rationalize the SOEs' operations so as for them to offer modern services to the public.
- Encouragement of dialogue, organizing meetings and partnership between the subsidiaries that could lead to future synergies.
- Enhancement of corporate social responsibility and environmental consciousness.

Lastly, based on the provisions of its Internal Regulation, HCAP will proceed with the implementation of the processes documented in its Investment Policy, as the Policy was adopted with the 19.06.2018 relevant General Assembly decision.

A.15. Risks and uncertainties

The operations of HCAP and the companies in its portfolio are subject to various types of risk. Any of the risks described below could have a negative impact on the activities of HCAP or the enterprises in its portfolio, their financial results and liquidity, and their operation in general. The risks described below are not the only ones, as additional risks and uncertainties may arise, which, at present, are not known to HCAP, especially as regards Other Subsidiaries, or which may seem of minor importance now, but which may in the future have negative impact on the operations and financial results of HCAP and the companies in its portfolio.

GENERAL RISKS

Macroeconomic conditions in Greece that are also impacted by international economic conditions and developments

HCAP's activities and, to an even greater extent, the activities of its direct and other subsidiaries that have been incorporated into its portfolio, their operating results, their financial status, and their prospects, to a great extent depend on and are impacted by the economic environment in Greece, as almost all their assets and activities are located in Greece. Any negative change and development in Greece's macroeconomic environment and the broader European and international economic environment, may impact to a great degree demand (income of subsidiaries), attracting investments for the implementation of the asset utilisation programme (mainly of the Hellenic Republic Asset Development Fund – HRADF and the Public Properties Company – ETAD), and the capability of clients of the enterprises in the portfolio to pay on time, with a direct impact on liquidity, as well as access of public enterprises to funding, and especially to working capital lines for drawing liquidity and/or drawing the necessary capital from the State for the provision of Services of General Economic Interest (SGEI).

Regulatory risks

The activities of a significant number of enterprises in HCAP's portfolio are impacted by a number of regulatory provisions that apply to their operation. Furthermore, many decisions require approvals from the competent supervisory agencies, which may be very specialised and time consuming. Also, in some cases new legislation or adaptations of the institutional and regulatory framework may be required.

Below are some indicative examples of areas that are impacted by regulatory provisions regarding their activity:

- Setting prices for the provision of goods and services: In certain companies the prices at which services and goods are provided are set by regulatory provisions with which the company must comply. Examples of such cases are:
  - The pricing policy of Hellenic Post (ELTA) for certain services, especially those that fall under the Universal Service, which is approved by the Hellenic Telecommunications and Post Commission (EETT), as well as the necessary approvals for the setting of the amount and disbursement of payment to ELTA in order to cover the net cost of the Universal Service.
  - The tickets pricing policy of the Athens Public Transport Organization (OASA), and the definition of the amount and disbursement of payment to OASA for the provision of transportation rights with full or partial ticket exemption for special categories of passengers (e.g. Unemployed, Disabled, Large Families, etc.).
  - The pricing of water for consumers (Athens Water Supply and Sewerage Company – EYDAP, Thessaloniki Water Supply and Sewerage Company – EYATH). A Joint Ministerial Decision foresees the general pricing and invoicing rules of water services, and determines the methods and procedures for recovering the cost of water services in its various uses.
- Determining the terms based on which the Universal Service will be provided. In the case of some subsidiaries the provision of certain services is determined by regulatory requirements. For example, in the case of ELTA, their obligations as Universal Service Providers are related to terms regarding collection and distribution frequency, achieving high quality standards (X+1, X+3), and preserving a high number of access points throughout the country.
- Setting purchase prices: In some companies the raw material purchase price is set by regulations the company is obligated to comply with. EYDAP is an example, as it procures untreated water from the State. In accordance with

Law 2744/99 and the contract with the Greek State dated December 1999, the price of untreated water is offset by the cost of services provided by EYDAP for the maintenance and operation of the fixed assets that belong to the 'L.E.P.L. EYDAP Fixed Assets' company. In view of the upcoming expiry of the 1999 contract with the Greek State, a new agreement which will determine the price of untreated water is pending.

- Although for some companies a framework has been set, based on which these companies are compensated by the Greek State for loss of revenues or the cost of service provision (such as ELTA's Universal Service or OASA's provision of transportation rights with full or partial ticket exemption for special categories of passengers), significant inadequacies have been noted in practice, which have led these companies to either not collecting (e.g. OASA) or only partially collecting (ELTA) the amounts that were calculated and documented.

The companies in HCAP's portfolio try to manage the aforementioned risks via coordination between the competent authorities and the companies, but any gaps in coordination and communication, as well as the lack of alignment of all involved parties, may pose a risk, with consequences on the financial and operational position of these companies. With that in mind, the Coordination Mechanism has been legislated, aiming for a more institutional management of these matters. It is expected to be implemented with the participation of all involved parties, both on the side of HCAP and the public enterprises, and on the side of the Ministries and public agencies.

HCAP and the companies in its portfolio are governed by specific laws and regulations that are applied to public enterprises

HCAP and the Companies in its portfolio are governed by specific laws and regulations that are applied to public enterprises.

As long as the Greek State, via the Corporation, has a share majority in its subsidiaries, most of them, depending on the existence of any special law provisions, will continue to be considered, in certain aspects, companies of the Greek Public sector as per L.3429/2005. Therefore, their operations will continue to be governed by laws and provisions applicable to the Public Entities, affecting specific procedures, such as, for example those concerning hiring, procurement, etc.

These laws and provisions, especially regarding major public enterprises that are exposed to increasing competition, which their current and future competitors are not subject to, may have negative impacts on their operational flexibility, and, as a result, on their financial results, and in the management of their business and operational risks.

Risk from pending legal proceedings

HCAP and the companies in its portfolio are involved in a number of legal proceedings concerning their activities, and any negative ruling against the Corporation or companies in its portfolio, may have significant negative impacts on their activities, their financial status, and their reputation.

At the same time, certain subsidiaries, being some of the largest in Greece, with broad and complicated activities and operations, during the normal course of their business, are affected from time to time by competitors, suppliers, clients, land claimants or tenants, the media, etc., who carry out various actions, which may financially impact the Company and its subsidiaries, as well as their reputation.

Emergencies and natural disasters

Emergencies, including natural disasters, fires, major unforeseen malfunctions in key infrastructure and systems facilities, terrorist actions, large scale strikes, etc. may lead to a disruption of service provision or production of goods. HCAP and the companies in its portfolio are make efforts to strengthen their operational readiness in dealing with such crises and emergencies, to the degree that it is possible.

In the above context, there is also a risk that companies in HCAP's portfolio may face compensation claims for civil liability as a result of damages to third parties caused by natural or man-made disasters. These obligations may lead to the payment of compensations in accordance with current laws.

Health, safety, and environmental laws and regulations

The activities of the Corporation and the companies in its portfolio are subject to Greek and European legislation and relevant regulations concerning the health and safety of employees, contractor personnel, and the environment. Laws related to the environment, health, and safety at work are complicated, they are subject to frequent changes, and they tend to become stricter over time. HCAP and the companies in its portfolio monitor developments and new data, in order to take the necessary measures for their compliance with the relevant regulations.

As regards the major companies in HCAP's portfolio, there is a risk in compliance time (e.g. more time-consuming procedures are required due to limitations in the public sector, etc.), as well as in relation to the cost of compliance with the relevant laws and rules, as it may require the implementation of significant investments or even high-cost expenditures for the relevant compliance actions / projects, upgrading, or restoration. Changes and new requirements for compliance with environmental legislation, especially, may significantly increase compliance cost and, in the end, may impact the profitability, the needs for investment capital and cash position of the companies in HCAP's portfolio.

FINANCIAL RISKS

Cash and cash equivalents are the main financial instruments of the Corporation and its subsidiaries, with the main purpose to provide funding for their activities. The subsidiaries also held various other financial instruments, such as trade receivables and trade payables, which arise directly from their operations, while some subsidiaries also hold financial assets (with significantly lower values) related to shares of a listed company and bonds. The policy of the Corporation and its subsidiaries, during the year ended 31.12.2018 was not to enter into speculative transactions on financial instruments.

The Corporation and its subsidiaries under the present structure are exposed to a range of financial risks. The usual risks to which they are theoretically subject to market risks (currency exchange risk, interest rate, market prices), credit risk, and liquidity risk.

Risk management focused mainly on the recognition and assessment of financial risks, while at the same time these risks were managed by the management and units of each subsidiary concerned.

Market risk

(i) Currency risk arising from transactions and balances in foreign currency. The operating currency of the Group is the Euro (€). The Corporation and the consolidated subsidiaries do not have activity outside Greece due to the nature of their activities, and therefore are not substantially exposed to an exchange rate risk, as most of their transactions are in Euros (€).

In particular, some minor currency risk exists in some companies and arises due to international transactions that they may have (e.g. ELTA with the international mail that is part of their activity or occasionally other subsidiaries when consultancy fees arise, as well as costs of projects carried out in foreign currencies). The Corporation and its subsidiaries examine and assess on a periodic basis, separately and in combination, their exposure to foreign exchange risk and use appropriate financial instruments for its management if required.

ii) Price risk. The financial assets and liabilities of the Corporation and its subsidiaries are not significantly exposed to a risk of price change, except for a specific part of the assets relating to shares listed in the ASE and bonds.

The most significant part of Company's and its subsidiaries' exposure to price risk relates mainly to non-financial instruments, such as investment properties, inventory, etc. For such assets and liabilities there are risks from price changes, fluctuations of international commodity prices, such as, for example:

- the exposure of its subsidiaries to the risk of relevant fluctuations in the fair value of real estate properties, which may affect the amounts presented in the financial statements at fair values (such as investment properties) and,
- the limited exposure of its subsidiaries to risk of price changes (e.g. due to inflation), in cases where part of their revenue stems from leasing agreements, that could include terms for annual price adjustments based on Consumer Price Index,

- the exposure of subsidiaries to fluctuating international goods prices, such as fuels (e.g. transport), as well as regulated prices (such as the cost of raw water in water and sewerage companies), etc.. Such changes in prices can impact the economic performance of these companies, if they cannot be passed on to consumers (such as in cases where sales or service prices are regulated, and it is either not feasible to pass on the costs or they are passed on with large delay).

iii) Cash flow risk and risk of fair value changes due to changes in interest rates. The risk of cash flows and fair value changes due to changes in interest rates concerns the risk of a change in the fair value of a financial instrument as a result of changes in interest rates, as well as the risk of changes in the interest rates on the cash inflows/income and outflows/expenses of the Corporation and its subsidiaries.

The Company and it's subsidiaries based on the Group's current structure, there is limited exposure to such risks, as:

- The Corporation and its subsidiaries maintain interest bearing assets, such as short-term investments in fixed term deposits, deposits in Bank of Greece, 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 significantly affect the financial results of the Corporation and its subsidiaries.
- Although some subsidiaries of the Corporation have payables related to loans, the risk of fluctuation in their fair value from fluctuations in interest rates is relatively limited, as, a significant proportion have variable interest rates.

Credit risk

Credit risk is the possible non-timely repayment to the Group of the existing and possible liabilities of the countersigned parties, and it mainly consists of commercial and other receivables, as well as cash and cash equivalents.

Trade receivables in most of HCAP's subsidiaries come from a large customer base, while a significant part of their sales is settled in cash or cash equivalents, such as is the case in urban transport.

For the part which is not settled in cash and the outstanding part of which is reflected in trade and other receivables, measures necessary to reduce this risk, when feasible, are taken as below:

- For the real estate sector, a part of the trade receivables is secured against credit risk with letters of guarantee provided by financial institutions
- A significant proportion of the trade receivables of the companies comprises from a large number of customers with relatively small balances, resulting in significant risk dispersion [further management of which is carried out by the competent functional units of subsidiaries, by applying either preventive credit control procedures or, in cases of recovery difficulties, recovery procedures through debt adjustment or through compulsory recoveries (legal/ judicial methods)].
- Also, a large part of the receivables relates either to receivables from the Greek state, or to receivables for which there are corresponding payables to the Greek state (such as the receivables of HRADF resulting from the exploitation of assets and which are payable the Greek State, or the receivables of ETAD from the Greek State for guaranteed loans). A significant part of those receivables concern the ELTA cost reimbursement from the Greek State for the provision of the Universal Service (a receivable which, if not settled, could lead to a significant risk of a cash deficit increase and may pose a risk for the continuation of the smooth operation of the company), reimbursement claims by city transport companies for the provision of transportation rights with full or partial ticket exemption for special categories of passengers (e.g. Unemployed, Disabled, Large Families, etc.), and receivables of the water supply companies from Local Government Organisations. For all such receivables, the Coordination Mechanism will decrease uncertainty and the lack of appropriate procedures and communication between the state and public corporations for the settlement of amounts due from the Greek State.

There is also a potential credit risk for cash and cash equivalents. In such cases the risk may arise from the inability of the counterparty to meet its obligations to the Corporation and its subsidiaries. In order to manage this credit risk, the

Corporation's cash and a significant part of the subsidiaries' cash is deposited at the Bank of Greece, while the Corporation and its subsidiaries collaborate with financial institutions with a high investment credit rating and continually assess/ set limits to their exposure at each individual financial institution.

According to the estimates of each subsidiary's management, appropriate provisions are recognized for losses related to the impairment of receivables as a result of specific credit risk.

Liquidity risk

Liquidity risk relates to the risk that the Corporation and its subsidiaries may not have sufficient liquidity to enable them to meet their financial obligations and to finance their activities. The effective management of liquidity risk includes, among other things, the maintenance of adequate cash, the proper management of working capital and cash flow, and the ability to receive financing if required.

The Corporation and most of the consolidated subsidiaries, under the current existing structure and available resources, estimate that 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.

Exposure to this risk is higher in two HCAP subsidiaries whose cash flow, due to the nature of their activity, depends to a significant extent on the timely collection of the receivables from the Greek State of the equitable remuneration for the provision Services of General Economic Interest, or specific economic relief provided to social groups according with the Greek State's regulations, as well as any subsidies for expenditures incurred by certain organisations.

The increased exposure to this risk stems from the fact that the amounts are significant for the size of the organisations and there is sometimes a significant delay in the payment of these amounts by the Greek state. Furthermore, the exposure is also increased by the fact that one of these two sub-groups in HCAP's portfolio cannot apply for borrowing in order to cover the time gap between the incurring of the costs and the collection of the respective amount by the Greek State, while the other sub-group has exhausted the available lines of financing. These companies manage this risk by closely monitoring their cash flow and managing their working capital.

Risk from tax and other regulations

The tax regime in Greece, as regards taxation of company profits, is subject to frequent reviews, and HCAP's subsidiaries may in the future face increased tax percentages. The enforcement of new taxes or changes in the interpretation and application of tax regulations by the Tax Authorities, and the harmonisation of Greek tax law with that of the European Union, may result in additional payable amounts by the Company and its subsidiaries, which may cause significant negative impacts on the financial results and liquidity of the companies.

STRATEGIC AND OPERATIONAL RISKS

Risk of Coordination Mechanism Application

This risk concerns the possible failure of the Corporation to effectively implement the Coordination Mechanism for its subsidiaries. The Corporation's exposure to this risk depends to a great extent on external factors, due to the involvement of many stakeholders (the Government, public agencies, supervising authorities, HCAP, individual public corporations), whose goals are often not aligned, while achieving effective communication between them poses a significant challenge.

The specification of the mechanism's preparation framework (with three deliverables) and the commencement of its implementation is currently under way, based on the approved Coordination Mechanism, which is part of HCAP's Internal Regulation. Through constant communication with subsidiaries' management, as well as with the single shareholder and public agencies, priorities and crucial matters are identified, in order for the mechanism to operate effectively.

Risk of strategic plan implementation by HCAP portfolio companies

This risk concerns the potential inability to align the strategies and operational goals of the subsidiaries with those of HCAP, and, in general, difficulties in implementing them. This may be due to an inability to support and implement these goals internally – internal factors (e.g. non-specialised staff, antiquated infrastructure and information systems, lack of resources, delays in investments due to claims, appeals, etc.), as well as due to external factors related to the macroeconomic environment, international product prices, competition, etc. This risk carries a significant potential impact, as the subsidiaries play a crucial role in the implementation of the Corporation's strategic plan.

The Corporation implements measures for the alignment of its strategic plan with the strategic and business plans of its subsidiaries, which are updated where required, through the assessment and monitoring of critical issues, as well as of opportunities and modern trends. Part of the success of implementation also lies with the application of the Coordination Mechanism, as well as the identification of resources, especially in cases of restructuring.

Staffing risk regarding Boards of Directors and senior management of HCAP portfolio companies

This risk concerns the Corporation's potential inability to attract the right candidates and to adequately and effectively staff the Boards of Directors and senior management of its subsidiaries. The risk's probability of occurrence increases due to the current institutional framework that governs the compensation and benefits that may be offered for the higher and senior management positions to be staffed, especially in major public companies in HCAP's portfolio.

The Corporation has, on the one hand, formed a Candidates Committee, which consists of Board Members, for the selection of accomplished executives for the filling / renewal of Board Member positions in public companies, and, on the other hand, it is in communication with the State, regarding policies that will strengthen the attractiveness to and retention of good executives of public companies (from within the organisations or from the private job market). At the same time, in order to supplement boards of directors, there is support, where required, from reputable external expert consultants for the better exploration of the market and the attraction of the right candidates, and, over time, a database is being created with high-value candidates for the staffing senior management position at public companies.

Risk of securing adequate capital for restructuring and risk of investment policy application

This risk concerns, first of all, the failure of securing the necessary capital from the Greek State for the restructuring of problematic companies in HCAP's portfolio.

Also, the risk is related to a possible future failure of the Corporation to apply its investment strategy, as the available capital for investment increases, if there is a failure to agree on clear goals as regards investment priorities (the law allows investments in many different categories, which, however, are affected by an investment's timing and degree of maturity), in the framework of what is foreseen by the law and the Internal Regulation.

To that end, the Corporation has formed an Investment Committee, which consists of Board Members, while a relevant Investment Department will also be staffed. It should also be noted that within 2018 the Corporation's Dividend and Investment Policies were drafted and approved. The Investment Policy defines the main steps and actions of the investments decision making process. The drafting of a technical supplement is pending, which will include specialised technical information and parameters for the better and more practical application of the Investment Policy.

Public image risk

This risk concerns the potential failure of the Corporation to develop an effective communication strategy, to transmit its messages to the broader public regarding its mission, its goals, and the limits of its responsibilities, as well as to timely and effectively monitor way in which public opinion perceives these factors. There is also a risk that HCAP's image will be negatively impacted by public events related to companies in its portfolio or the sectors in which they are active.

The Corporation has undertaken measures to mitigate this risk, such as monitoring trends relating to its public image, actively promoting its mission and actions with participations in and speeches at congresses and interviews, adopting a communications and public affairs policy, related among others to posting Press Releases and presentations on its website for the better informing of the public, as well as developing a crisis management policy.

Risk of IT infrastructure and information systems security

This risk concerns the Corporation's potential inability to develop an IT strategy that meets its business needs and to set out an adequate information systems security framework. Due to the nature of the Corporation's activities, this risk has more to do with confidentiality matters in an environment with many stakeholders, than with data integrity and/or availability of information systems.

The Corporation has designed and implements a series of measures to mitigate this risk, such as access rights and authentication for users of its information systems, secure remote network access via VPN, etc.

As regards companies in its portfolio, a large portion of the operations of the Corporation's subsidiaries is based on their information systems. Therefore, they are exposed to the risk of unavailability, alteration of data reliability, and unauthorised access to those systems. In order to mitigate these risks, the Corporation's subsidiaries take measures to strengthen the security of their information systems and to reduce risks related to their operation.

Nevertheless, it cannot be guaranteed that they are in a position to prevent technical mishaps or security violations in time, or that they will continue to have adequate insurance coverage so as to be compensated for related losses which could impede their operation, damage their reputation, or have significant negative impacts on their business.

Furthermore, in relation to the danger of cyber-attacks, the Corporation's subsidiaries take the recommended measures that are constantly updated, in order to avoid this risk to the extent that it is possible, however the possibility of a cyber-attack cannot be excluded, with negative impacts on systems and their operation.

Risk of non-compliance with the General Data Protection Regulation of the European Union (GDPR)

The new GDPR was put into effect in the European Union on 24 May 2018. The GDPR sets out stricter operational requirements for the processing and management of personal data, including, for example, enhanced disclosures regarding the use of personal data, limitations in data retention, obligatory notifications in case of data breaches, and higher standards for the heads of data processing, so that they are in a position to prove that they have received valid consent for certain data processing activities.

Although the Corporation and its subsidiaries have taken all necessary actions for their compliance with the above guidelines, some of the companies are active in sectors in which processing a very large volume of personal data is required, and thus they are unavoidably more exposed to this risk.

RISK MANAGEMENT

The Corporation and its subsidiaries have defined risk as a set of uncertain and unpredictable circumstances, which may have overall negative impact on their operations, their business activities, their economic and financial performance, as well as the implementation of their strategy and achievement of their objectives.

So far, higher and senior executives of its subsidiaries are involved on a case-by-case basis in the procedure to recognise and provide an initial assessment of risks, in order for them to be presented to the Board of Directors for planning and approval of specific procedures and policies that will manage the identified subsidiary risks. However, taking into account the broad spectrum and nature of the activities of the companies in HCAP's portfolio, HCAP is in no position to guarantee that these procedures and policies provide full protection against the risks they face.

A.16. Transactions with related parties

The Group's transactions during the period 01.01.2018 – 31.12.2018 have been made in arms-length and under normal business activity.

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

i) Group's and Company's related party balances:

	GROUP		COMPANY	
Receivables	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
Subsidiaries	-	-	555,321	-
Associates	8,822,337	168,986	-	-
Total	**8,822,337**	**168,986**	**555,321**	**-**

	GROUP		COMPANY	
Payables	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
Subsidiaries	-	-	4,495	20,831
Associates	43,134,196	2,635	2,498	-
Total	**43,134,196**	**2,635**	**6,993**	**20,831**

Receivables

The Group's receivables on associates relate mainly to receivables for postal services (€ 7.6 mln approximately) as well as receivables on water and sewerage (€ 1 mln approximately). Regarding the Company, the receivables mainly relate to dividends from subsidiaries pending to be collected.

Liabilities

The Group's liabilities to associates mainly relate to payables for electricity bills.

ii) Group's and Company's related party transactions:

	GROUP		COMPANY	
Revenue	**01.01.2018 - 31.12.2018**	**01.01.2017 - 31.12.2017**	**01.01.2018 - 31.12.2018**	**01.01.2017 - 31.12.2017**
Subsidiaries	-	-	15,403,092	-
Associates	31,591,209	9,303,837	-	-
Total	**31,591,209**	**9,303,837**	**15,403,092**	**-**

	GROUP		COMPANY	
Expenses	**01.01.2018 - 31.12.2018**	**01.01.2017 - 31.12.2017**	**01.01.2018 - 31.12.2018**	**01.01.2017 - 31.12.2017**
Subsidiaries	-	-	19,973	79,826
Associates	68,557,333	-	-	-
Total	**68,557,333**	**-**	**19,973**	**79,826**

Fixed Assets Purchases	GROUP 01.01.2018 - 31.12.2018	GROUP 01.01.2017 - 31.12.2017	COMPANY 01.01.2018 - 31.12.2018	COMPANY 01.01.2017 - 31.12.2017
Subsidiaries	-	-	-	65,044
Associates	-	-	-	-
Total	**-**	**-**	**-**	**65,044**

Revenues

The Group's income from associates mainly relates to revenues for postal services (€ 24.2 mln) as well as rental income (€ 6.7 mln). The remaining amount relates to water and sewerage revenue. Regarding the Company, the revenues relate to dividends income.

Expenses

The Group's expenses from associates relate mainly to electricity costs (€ 66.7 mln) as well as rental expenses (€ 1.9 mln).

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

Boards of Directors and Key Management

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

- Group: for the period ended at 31.12.2018 amounted to € 7,279,130 (31.12.2017: €2,740,834).
- Company: for the period 01.01.2018-31.12.2018, amounted to € 1,412,464 (31.12.2017: €1,180,239).

Supervisory Board

The fees (gross amount) of all members of the Supervisory Board for the period 01.01.2018-31.12.2018 amounted to € 304,700 against € 293,200 for the period 01.01.2017-31.12.2017.

A.17. Corporate Governance Declaration

The present Corporate Governance Declaration 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 152 of Law 4548/2018.

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 19 2017, in accordance with the provisions of article 189 of Law 4389/2016 ("the **Corporate Governance Code**").

OECD Principles of Corporate Governance[3] are the international benchmark on corporate governance and for the Hellenic Corporate Governance Code for Listed Companies[4] 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

[3] *OECD (2004), Principles of Corporate Governance*
[4] *HCGC (2013), Hellenic Corporate Governance Code for Listed Companies*

competitiveness both in terms of internal organizational 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 organizations and institutions.

Particularly, companies that among other purposes, are serving the public interest, should comply with high standards of corporate governance and transparency rules. According to the Corporate Governance Code of the Corporation, 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.

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.

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. The Greek State covers the total of the Corporation's share capital, which amounts to €40,000,000 and is divided into 40,000 common registered shares with a nominal value of €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 (HRADF) 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 ΕΞ 2016/7.10.2016 of the Minister of Finance, published in the Government Gazette (FEK YODD 536/10.10.2016) as provided in article 210, paragraph 1 of Law 4389/2016. The first Supervisory Board consists of the following five members with a five (5) year term of office:

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

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

[5] *Without receiving any remuneration from 01.05.2019*

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 20th July 2018 The Global Fund's CFO. Previously, he 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 for 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 is a Board member at the Institute for Advance Studies – Paris and Vice - Chair and Treasurer at the French Committee of the International Chamber of Commerce.

Jacques Le Pape was appointed to the Supervisory Board by decision of the Minister of Finance 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.

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 is a Distinguished Visiting Fellow at the Hoover Institution at Stanford University and holds the position of Visiting Professor at Leicester University in the United Kingdom. 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 by decision of the Minister of Finance. 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.

Since 19th of April 2019, Olga Charitou is a member of the Monetary Policy Council of the Bank of Greece.

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 to May 1st 2019 Mrs. Olga Charitou was the main shareholder of OMIKRON Consulting. The aforementioned company 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. Since May 1st, 2019 Mrs. Olga Charitou has withdrawn from any executive role at OMIKRON Consulting.

Olga Charitou was appointed to the Supervisory Board by decision of the Minister of Finance. She 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 Chief Risk Officer and Executive Board Member at Banco Sabadell. He is also a member of the Board of the Pasqual Maragall Foundation against Alzheimer.

He was previously Lecturer at ESADE Business School (banking, finance and macroeconomics, 2015-2019) and Deputy Managing Director at the European Stability Mechanism (ESM), with responsibility for banking (2012-2015). Before joining the ESM, he was 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 also 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 by decision of the Minister of Finance on October 10th, 2016. His current term of office expires on October 25th, 2021.

GEORGIOS STAMPOULIS

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

During his career, he has provided consultancy services to 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 Programs of the Innovation and Entrepreneurship Unit of the University of Thessaly.

In 2016, he served at the Board of Directors of Hellenic Petroleum SA. (ELPE).

He is an alternate member of the Board of Directors of the University of Thessaly - Property Management and Development Company.

Georgios Stampoulis was also an elected Regional Counsellor, at the Regional Council of Thessaly, until 31 August 2019.

Georgios Stampoulis was appointed to the Supervisory Board by decision of the Minister of Finance. 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 (01.01.2018- 31.12.2018):

Member of the Supervisory Board	Profession	Participation as an executive or nonexecutive 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 University Distinguished Visiting Scholar Hoover Institution, Stanford University
Olga Charitou	Member, Monetary Policy Council, Bank of Greece	
David Vegara Figueras	Risk Manager Officer- Executive Member of the BoD of Banko Sabadell	BoD member of Pasqual Maragall Foundation

During fiscal year 2018, the Supervisory Board held twenty-three (23) physical or teleconference meetings while additional decisions were also reached through the written procedure, resulting to a total of fifty-six (56) minutes of the supervisory meetings per year.

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 Law 4548/2018 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 Supervisory 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 Law 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. The fourth subparagraph of art. 197 of Law 4389/2016 and particularly the phrase 'To assist in selecting candidates to nominate for appointment… shall be set out in the Rules of Procedures' is accordingly implemented for the selection of candidates for the Boards of Directors of the direct subsidiaries, except for HFSF.

(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 Law 4389/2016.

(h) To approve the restructuring plan for Public Property Company ETAD and any plans for the reorganization 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 91 par. 3 of Law 4548/2018. 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 (5) to nine (9) members appointed for (4) 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 Board of Directors of HCAP today consists of the following members:

Name	Position	Term of office
Diamantopoulos George	Chairman of the Board of Directors, Non-executive Member	15.02.2017 – 15.02.2021
Ekaterinari Ourania	CEO, Executive Member	15.02.2017 – 15.02.2021
Giourelis Stefanos	Executive Director, Executive Member	15.02.2017 – 15.02.2021
Athanassiou Hiro	Non-executive Member	08.04.2018 – 08.04.2022
Gregoriadi Alice	Non-executive Member	15.02.2017 – 15.02.2021
Kouvarakis Themistoklis	Non-executive Member	15.02.2017 – 15.02.2021
Lorentziadis Spyros	Non-executive Member	14.01.2019 – 14.01.2023
Niforos Marina	Non-executive Member	15.02.2017 – 15.02.2021

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 an 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 set up SponsorValue Hellas, a company of sponsorship valuations from 2010, which is managed by Mr. Diamantopoulos. He is a non executive member of the listed company European Reliance Insurance Company, in which he holds also the position of the Chair of the Audit Committee, while he has been a member of the General Council of SEV, of the Greek-American Chamber, of SEVT, CAOBISCO, EASE, EEDE, SDE, etc.

Ourania Ekaterinari, 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 an 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).

Spyros Lorentziadis Non-executive Member of the Board of Directors

He was born in 1946. He holds a B.A degree from the Political and Economics Department of the Athens Law School. He is a certified public accountant and auditor and has a long and diverse career and experience in advisory companies. He has held senior positions at EY and Arthur Andersen, and he has served as a non-executive board member at the National Bank of Greece, Eurobank, Emporiki Bank as well as the Athens International Airport. At present, he serves as a senior advisor to the CEO of Piraeus Bank on issues relating to the enhancement of the system of internal control and operational risk. Mr. Lorentziadis also sits as a non-executive member at the BoD of TEMES S.A.

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 Ekaterinari	CEO - Executive Member of HCAP Board	Member of the Greek Council of Corporate Governance	December 2018-today
Stefanos Giourelis	Executive Member of HCAP Board	-	
Hiro Athanassiou		1) Non executive Member of the BoD of TITAN SA Chair of the Remuneration Committee Member of the Nominations Committee 2) Chair of the GAAB (Global Alumni Advisory Board) at the American College of Greece- Pierce, Deree, ALBA 3) Mentor of WOMEN ON TOP	2015-today 2016- today 2018-today
Alice Gregoriadi	Consultant	1) Member of the advisory board of NuvaLaw 2) Founding Member and Board Member of the "Hellenic Blockchain Hub"	April 2017 – today March 2018- today
Themistoklis Kouvarakis	Former staff member of the European Investment Bank	-	

Marina Niforos	Strategy Consultant	1) Seche Environnement (public listed company) Non- Executive Member 2) European Network of Women in Leadership(non-profit) Non-Executive Member 3) Member of the "EU Blockchain Observatory Policy and Framework Conditions Working Group"	27.04.2017 -today July 2011 –today May 2018- today
Spyridon Lorentziadis	Consultant	1)TEMES S.A. – Construction Company Costa Navarino Non-Executive member of the Board of Directors 2) Piraeus Bank Senior Advisor to the CEO on matters relating to the enhancement of the System of Internal Audit and Operational Risk 3)Non-Executive Member of the Audit Committee of Tirana Bank, Group subsidiary in Albania 4)FILOTIS (Non-Profit organization which promotes the concept of Voluntary Work and of Donations and Contributions) Member of the Board of Directors	October 2018- today July 2017-today May 2018 – today 2007- today

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. She has published articles and studies in Greek and foreign legal publications.

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 independent non-executive members.

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.

In accordance with the Statutes of the Corporation, **the Managing Director** has the responsibilities provided in article 11 of the Corporation's Statutes, 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 authorized 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 valorize 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 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 reorganization 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 01.01.2018 - 31.12.2018, the Board of Directors held thirty seven (37) Meetings, twenty-four (24) of them were executed by circulation and without to convene a meeting pursuant to article 94 of Law 4548/2018. Meetings were held with the participation of all Members of the Board Directors, with the exception of the meeting dated 29.08.2018, where one member was absent.

During the period from the constitution into body of the Board of Directors during the period 01.01.2018-31.12.2018, the issues that have been discussed during the Meetings of the Board of Directors mainly concern the implementation of the obligations and actions provided by Law 4389/2016 regarding the Corporation and the actions that the Corporation has proceeded to in relation to the direct and other subsidiaries, more particularly:

- Drafting of the Strategic Plan of the Corporation and its subsidiaries which directs the Business Plans of the subsidiaries of HCAP (which are drafted and updated under the responsibility of the subsidiaries) and submission for approval by the General Assembly of the Corporation in accordance to article 190 of Law 4389/2016.
- Drafting and approval of the quarterly reports in relation to the compliance with the rules of corporate governance and the quarterly reports on actions and financial statements for 2018 (article 192 par. 2(j) and art. 195 of Law 4389/2016).
- Approval of the Management Report of the BoD for the period 01.01.2017-31.12.2017, as well as of the annual consolidated and company financial statements for the fiscal year 2017 in order to be published in accordance to article 195 par. 1 of Law 4389/2016 and the Corporation’s Rules of Procedure.
- HCAP Business planning regarding 2019-2021 and approval of the Business plan of HCAP 2019-2021 (article 192 par. 2 (d) of Law 4389/2016).
- Selection of Internal Audit Director and Regulatory Compliance Director (article 192 par. 2b of Law 4389/2016).
- Formulation of objectives for the year 2018 regarding the Board of Directors of HCAP, the Corporation’s Committees and the executive members of the Board of Directors and submission of proposal to the Supervisory Board.
- Approval of the Mid-Term Budget of the Corporation for the year 2018-2022
- Drafting of Operating Budget for the year 2019
- Adoption of the Corporation’s Code of Conduct and the Regulatory Compliance Policies.
- Approval of the subsidiaries’ financial statements and participation in the Ordinary General Assembly of each subsidiary.
- Election of Chartered Accountants for the fiscal year 2018 regarding HCAP and its subsidiaries.
- Organisational restructuring of ETAD in accordance to article 192 par. 2 (h) of Law 4389/2019.
- Procedure of property assets’ transfer to ETAD in accordance to article 196 par. 6 and 209 of Law 4389/2016.
- Compensation Lawsuit and interim measures for seizure against Folli-Follie’s Management and the Audit Committee.
- Meetings – Workshops between HCAP and the State – Owned Enterprises of its portfolio
- Preliminary procedures and progressive implementation of the ‘Coordination Mechanism’ in accordance to the Rules of Procedure of the Corporation

In addition, regarding the issues that the Corporation has dealt with in relation to its direct subsidiaries (ETAD, HRADF) and its other subsidiaries and particularly with regards to corporate governance issues, the Corporation has proceeded to the following actions:

- Formulation of objectives for the year 2018 regarding the Boards of Directors and the executive members of the Board of Directors (HRADF, ETAD).
- Amendment of the Articles of Association of the subsidiaries for their harmonization with Law 2190/1920 in accordance to the provisions of article 210 of Law 4389/2016.

- Assessment of the Boards of Directors of ELTA S.A., OASA S.A., AEDIK S.A. in accordance to the article 197 par. 4 of Law 4389/2016 of the other subsidiaries.
- Election of new members of the Boards of Directors of the companies ELTA S.A., OASA S.A., GAIAOSE S.A., EYATH S.A., CMT S.A., PPC S.A., AEDIK S.A. in accordance to article 197 par. 4 of Law 4389/2016.
- Establishment of Audit Committees of the subsidiaries in accordance to the existing regulatory framework.
- Establishment of a single Performance Monitoring Framework for the subsidiaries aiming to the enhancement of their performance and financial results.
- Approval of the Audit Plan and the Internal Audit Unit Framework for HCAP and its direct subsidiaries.
- Approval of the extension of the Athens International Airport (AIA) concession agreement.
- Training & Education of the subsidiaries into issues of compliance and corporate governance.

Board of Directors Committees

Pursuant to the provision of article 192 par. 2 (s) and 197 par. 4 of Law 4389/2016 and the decision of the Board of Directors dated 03.03.2017 and 24.04.2017, the following Committees have been established:

1. Audit Committee
2. Investment Committee
3. Corporate Governance and Nominations 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.

The Supervisory Board, in accordance to the provisions of articles 191 par. 4 (c) and 194 par. 7 of Law 4389/2016 and under Section “Remuneration & Compensation Policy for the BoD of HCAP” of the HCAP’s Internal Regulation, and after taking into consideration the expected workload of the Candidates Committee, unanimously decided on 5.10.2018 to set a cap for the Candidates Committee of eleven (11) remunerated meetings for year 2018 and of twelve (12) remunerated meetings for year 2019, while the cap of six (6) remunerated meetings for the following years shall then continue to apply. This decision should not affect the operation of the Candidates Committee, which will be able to hold as many meetings as necessary without its members receiving any fee when the number of meetings exceeds the maximum remunerated amount.

Audit Committee

It is composed by at least three independent 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 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 01.01.2018-31.03.2018 were:

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

On 16.04.2018 and following the election of two new members to the Board of Directors of the Corporation, the Committee reconstituted into a body as follows:

1. Frangiskos Gratsonis, Chairperson
2. Alice Gregoriadi, Member
3. Themistoklis Kouvarakis, Member

On 15.06.2018 the Board of Directors of the Corporation decided the re-election of the Audit Committee as follows:

1. Alice Gregoriadi, Chairperson
2. Themistoklis Kouvarakis, Member
3. Hiro Athanassiou, Member

On 17.01.2019 the Corporation's Board of Directors decided the reconstitution of the Audit Committee following the election of Mr. Spyros Lorentziadis as new non-executive member of the Board of Directors of HCAP.

The current composition of the Audit Committee is the following:

1. Spyros Lorentziadis, Chairperson
2. Alice Gregoriadi, Member
3. Themistoklis Kouvarakis, Member

Pursuant to the Rules of Procedure of the Corporation, the main competencies of the Audit committee include the following:

1. <u>Supervision of the internal audit function</u>

- 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. <u>Supervision of external auditors</u>

- 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, reappointment 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 01.01.2018-31.12.2018, the main items of the agenda of the Meetings mainly relate to: the role of the Internal Audit Units of the direct and other subsidiaries, the staffing of the Internal Audit Unit of the Corporation, the Audit Plan for 2018, risk assessment, election of external auditors of HCAP, approval of the quarterly reports on actions and financial statements of the Corporation, approval of the annual consolidated and company financial statements of the Corporation for the period 01.01.2017-31.12.2017, annual financial statements of HRADF and ETAD for the period 01.01.2017-31.12.2017, possible issues of independence in relation to the chartered auditors that may arise in the future, issues related to the drafting of the consolidated financial statements for the financial year 2018 and next financial years, audit plan and risk assessment for 2019 and budget of the Internal Audit Unit, communication and cooperation framework with the direct subsidiaries of HCAP, issues related to the operation and organization of HRADF's internal audit unit, update of the Rules of Procedure with regard to the chapter 'Reporting Auditing Framework'. During 2018 the Committee had several meetings with the external auditors and assessed the effectiveness of the external audit process and reviewed its performance.

From 01.01.2018-31.12.2018, the Internal Audit Committee has held six (6) 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 Corporation's Investment Policy which constitutes a part of the internal Rules of Procedure. 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 01.01.2018 until 31.03.2018 were:

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

On 17.01.2019, the Board of Director of the Corporation decided the reconstitution of the Committee with the following composition:

1. Mr. Themistoklis Kouvarakis, Chairperson
2. Mrs. Marina Niforos, Member
3. Mr.Spyros Lorentziadis, Member

The Committee did not hold any meeting during 2018.

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 dated 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 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 Committee's Charter was approved on 24.07.2017. Following the implementation of the Law 4389/2016 (Government Gazette A 89/10.06.2019) and pursuant to the decision of the Board of Directors dated 20.06.2019, the competence in relation to the Boards of Directors of the direct subsidiaries was transferred to the Committee of article 197 par. 4 of Law 4389/2016 and the Committee was renamed to Corporate Governance Committee.

The Members of Committee during the period 01.01.2018-25.01.2018 were:

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

On 25.01.2018, Mr. Diamantopoulos resigned from his position as member of the Corporate Governance Committee. Pursuant to the Board of Directors decision dated 16.04.2018, the Committee was reconstituted with the following composition:

1. Marina Niforos, Chairperson
2. Alice Gregoriadi, Member
3. Hiro Athanassiou, Member

During the period 01.01.2018 until 31.12.2018 the main items of the agenda were related to the assessment procedures of the Boards of Directors of SOEs, the split of roles between the Corporate Governance and Nominations Committee and the Candidates' Committee, the required skills regarding the Boards of Directors of the other subsidiaries (except for technical and special knowledge) in relation to the main needs for compliance with the best practices of Corporate Governance, the role of the independent non-executive members, the harmonization of the Articles of Association of the companies with the current regulatory framework regarding sociétés anonymes, the drafting of plan regarding the enhancement of the corporate governance framework of the direct and other subsidiaries and recommendation regarding the formulation of an action plan with the support of an independent external advisor, issues arising through the assessment procedure regarding the members of the Boards of Directors of the other subsidiaries and detection of needs in relation to Corporate Governance issues, diversity issues and initiatives regarding a program introducing issues of equality and diversity in HCAP group of companies, review of the subsidiaries' statutes and their harmonization with the Corporate Governance's principles of HCAP, harmonization of the rules of procedures of subsidiaries, corporate governance issues related to HRADF.

Until 31.12.2018, the Corporate Governance Committee has held three (3) 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.

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. Following the implementation of Law 4618/2019 (Government Gazette A 89/10.06.2019) and pursuant to the Board of Directors decision dated 20.06.2019, the Candidates' Committee is the competent Committee for the Boards of Directors of the direct subsidiaries as well.

The Members of the Candidates Committee for the period 24.04.2018-11.06.2018 were:

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
5. Mr. Frangiskos Gratsonis, Non – Executive Member of the Board

Following the resignation of Mr. Gratsonis from the Board of Directors of the Corporation, the Committee continued its operation comprised of four members.

On 04.04.2019, the Corporation's Board of Directors decided the appointment of Mr. Spyros Lorentziadis as member of the Candidates' Committee and on 21.03.2019 the Board of Directors approved the Charter of the Candidates Committee.

The Members of the Candidates' Committee are currently:

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
5. Mr. Spyros Lorentziadis, Non – Executive Member of the Board

As of 12 September 2019, Mr Lorentziadis resigned from his position as member of the Candidates Committee.

During the period 24.04.2018 until 31.12.2018 the main items of the agenda were related to procedural matters regarding the assessment of the Boards of Directors of the subsidiaries and the search and selection of candidates with the support of external independent advisors, preparation and approval of profile-skills matrix regarding the assessment or search of candidates for executive and non-executive positions, RfIs for the filling of non-executive positions and senior executive positions, interviews of candidates for the filling of executive and non-executive positions in listed and non-listed SOEs, strengthening of the role of Audit Committees of SOEs, interviews with potential candidates for the search and filling of the position of Chair of Audit Committee of subsidiaries, preparation of recommendations to the Board of Directors for the assessment of the Board of Directors and the appointment of new Boards of Directors of the other subsidiaries, formulation of an induction program in relation to the main business issues and issues related to corporate governance for each company, creation of a data base including CVs that have already been assessed for positions of Boards of Directors of SOEs in cooperation with the Human Resources Department and continuous update of the list.

Until 31.12.2018, the Committee held nine (9) meetings, each of them completed in more than one meetings, with the participation of all Members of the Committee with the exception of two meetings where Mrs. Niforou was absent, the meeting dated 17.11.2018 where Mrs. Athanassiou was absent and one meeting where Mr. Giourelis was absent.

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 2019, the Supervisory Board proceeded to the evaluation of the BoD executive and non-executive Members of the Corporation for 2018 and the evaluation of the executive members based on the annual setting of targets determined by decision of the Supervisory Board.

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 in accordance with the Rules of Procedure. 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

In accordance to article 194 par. 7 of Law 4389/2016, the remuneration of a member of the Supervisory Board shall be decided by resolution of the General Assembly.

In accordance with the provisions of article 194 par. 7 (a) of Law 4389/2016 and by virtue of the decision of the General Meeting of the sole shareholder of the Corporation dated 17.01.2018, it was decided to amend the Remuneration Policy for the Members of the Supervisory Board as it had been determined by the resolution of the self convened extraordinary General Meeting of the sole shareholder on 28 August 2017, as follows:

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

Ms. Charitou does not receive any remuneration as Member of the Supervisory Board from 01.05.2019.

Table with the remuneration of the Members of the Supervisory Board:

Chairman and Non – Executive Members of the SB	Fixed Remuneration			Remuneration for the attendance at Meetings**			Other remuneration or fringe benefits		
Name	Period 1.1.17-31.12.17 Gross amount	Period 1.1.18-31.12.18 Gross amount	Period 1.1.18-31.12.18 Net amount *	Period 1.1.17-31.12.17 Gross amount	Period 1.1.18-31.12.18 Gross amount	Period 1.1.18-31.12.18 Net amount *	Period 1.1.17-31.12.17 Per diem gross amount	Period 1.1.18-31.12.18 Per diem gross amount	Period 1.1.18-31.12.18 Per diem net amount *
Jacques, Henri, Pierre, Catherine Le Pape, Chairman of the SB	81,000	50,000	37,324	-	22,000	15,686	4,700	3,500	2,493
Georgios Stampoulis, Member	50,500	45,000	28,432	-	11,000	4,833	5,100	3,000	1,401
Georgios-Spyros Tavlas, Member	50,500	45,000	29,602	-	11,000	7,138	-	-	-
Olga Charitou, Member	49,500	45,000	29,602	-	11,000	7,138	-	-	-
David Vegara Fiqueras, Member	49,500	45,000	33,759	-	11,000	7,843	2,400	2,200	1,569

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

**On 17 January 2018, the General Assembly of the shareholder of the Company decided the amendment of the Renumeration Policy for the Supervisory Board Members'. The decision is applicable with retroactive effect from 1 July 2017.

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 regarding the Corporation and its direct subsidiaries.

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. With the decision of the Supervisory Board, the maximum cap of BoD meetings per year was set to 14. In relation to the Committees of the Boards of Directors and particularly for the non-executive members, it was provided to receive 1,000 euro per Committee Meeting and respectively 1,500 euro for the Head of the Committee.

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

Executive Members of the BoD	Salary			Additional performance remuneration (bonus)			Other remuneration or fringe benefits**	
Name	Period 1.1.17-31.12.17 Gross amount	Period 1.1.18-31.12.18 Gross amount	Period 1.1.18-31.12.18 Net Amount *	Period 1.1.17-31.12.17 Gross amount	Period 1.1.18-31.12.18 Gross amount	Period 1.1.18-31.12.18 Net amount *	Period 1.1.17-31.12.17 Gross amount	Period 1.1.18-31.12.18 Gross amount
Ourania Ekaterinari, CEO	238,508	270,000	125,437	-	24,185	10,883	18,700	20,600
Stefanos Giourelis, Executive Director	203,174	230,000	107,391	-	20,602	9,271	29,481	15,100

*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 of the BoD	Fixed Remuneration			Remuneration for the attendance at Meetings (attendance at BoD Meetings and Committees)			Other remuneration or fringe benefits		
Name	Period 1.1.17-31.12.17 Gross amount	Period 1.1.18-31.12.18 Gross amount	Period 1.1.18-31.12.18 Net amount *	Period 1.1.17-31.12.17 Gross amount	Period 1.1.18-31.12.18 Gross amount	Period 1.1.18-31.12.18 Net amount *	Period 1.1.17-31.12.17 Per diem gross amount	Period 1.1.18-31.12.18 Per diem gross amount	Period 1.1.18-31.12.18 Per diem net amount
George Diamantopoulos, Chairman of the BoD	65,500	75,000	40,573	46,000	28,000	12,262	300	200	88
Alice Gregoriadi, Member	26,200	30,000	19,146	58,500	22,500	10,651	3,400	3,300	1,379
Themistoklis Kouvarakis, Member	26,200	30,000	19,146	45,500	19,000	9,104	500	700	297
George Mathios, Member	26,200	7,500	5,246	43,000	2,000	1,005	-	-	-
Marina Niforos, Member	26,200	30,000	19,146	47,000	25,500	12,235	2,700	2,800	1,235
Hiro Athanassiou, Member	-	21,900	15,318	-	26,000	13,934	-	200	111
Spyridon Lorentziadis Member	-	5,200	3,637	-	6,000	3,332	-	-	-

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

**The amounts for the year 2017 do not relate to a twelve-month period, as the first Board of Directors of HCAP constituted into a body on 16.02.2017.

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 is determined more specifically by a relevant resolution of the Supervisory Board of the Corporation, which also determines the starting point for the calculation of the objectives.

Main features of the Internal Control and Risk Management Systems in relation to the financial reporting process

The Corporation's Internal Control and Risk Management Systems pertaining to the financial reporting process include the organisational structures, policies, procedures, and internal controls that are summarised below:

- Law 4389/2016 outlines specific structures and responsibilities with regard to the Corporation's governing bodies (Shareholder's General Meeting, Supervisory Board, Board of Directors). Additionally, the Sole Shareholder's General Meeting has approved the Corporation's Internal Regulation, which covers areas such as: "Financial reporting standards and framework for financial reporting preparation", "Performance monitoring framework: Monitoring objectives & reporting framework", "Performance auditing framework", etc. The Internal Regulation sets out key policies, procedures, and responsibilities of the Corporation's bodies, which are related both directly and indirectly with the financial reporting process.
- The Corporation has established an Audit Committee, comprising of non-executive members of the Board of Directors. The Audit Committee's composition and functioning are determined in accordance to the applicable legal and regulatory framework (Law 4389/2016, Law 4449/2017, Law 4548/2018, the Corporation's Articles of Association, etc.), as well as the principles listed in the Corporation's Corporate Governance Code. The Audit Committee's duties pertain mainly to: (a) monitoring the adequacy of the Systems of Internal Control and Risk Management; (b) reviewing the process of financial reporting and ensuring the integrity of financial statements; (c) the selection procedure, as well as the monitoring of the performance and ensuring independence of the External Auditors; (d) monitoring the effectiveness and performance of the Internal Audit Division.
- Enterprise risks of the Company (strategic, operational, reporting, compliance) are identified and assessed periodically by the Corporation's Management, based on a structured process, with the support of an external consultant.
- The Corporation has established and independent Internal Audit Division, which reports to the Board of Directors through the Audit Committee. The Internal Audit Division reviews the adequacy and effective operation of the risk identification and management processes and of the Internal Controls System, which are designed and implemented by the Corporation's Management.
- The establishment and strengthening of Audit Committees at subsidiaries has been set by the Corporation as one of its most important priorities. Finding and selecting suitable candidates for these committees is the responsibility of the Candidates Committee, which consists of members of the Corporation's Board of Directors. Particular attention is paid to the selection of Audit Committee Chairpersons to ensure that they have sufficient experience in the areas of accounting and/or auditing. Also, the Corporation's Audit Committee has established a cooperation framework with respective committees at subsidiaries, in order to support them in adopting good practices regarding their operation and to monitor the implementation of improvements by subsidiaries in relation to the Audit Committees' role, especially with regard to the review of financial information and the assurance of integrity of their financial statements.
- The Corporation and specifically the Internal Audit department of HCAP implement actions aimed at strengthening the Internal Audit functions of its subsidiaries, so that they can perform their role regarding the review of their internal control and risk management systems.
- The delegation of responsibilities and authority to the Corporation's senior Management and executives ensures the effectiveness of the Internal Control System, while maintaining the required segregation of duties. The segregation of duties principle is also applied to responsibilities assigned to third parties, such as the external consultants who provide accounting support services to the Corporation.
- The budget is compiled on an annual basis and includes a monthly breakdown. It is approved by the Board of Directors. The budget's implementation is constantly monitored, with relevant reports submitted by the Finance Department to the Audit Committee and the Board of Directors, where any significant deviations are discussed and relevant decisions are taken when necessary.
- A process of continuous communication of the Corporation's Finance Department with the finance departments and management of the subsidiaries has been established, which includes receiving monthly updates on financial and

non-financial data, as well as explanatory information where required. Monthly monitoring, checking and analysis of the subsidiaries' financial results are key safeguards regarding the quality and consistency of the consolidated financial statements.

- There is cooperation with a well-recognized consulting firm, who possesses the knowledge and experience to support the Corporation in the preparation of the annual and semi-annual standalone and consolidated financial statements, in accordance with the International Financial Reporting Standards.
- The Corporation's Finance Department monitors on a continuous basis the entries and records prepared by the external partners who support both the accounting and consolidation operations.
- Finance Department personnel have significant experience, possess a number of professional qualifications, and are constantly updated on developments and changes in International Financial Reporting Standards, as well as in taxation matters.
- External Auditors review the semi-annual and audit the annual standalone and consolidated financial statements and report to the Audit Committee accordingly.
- The Audit Committee is informed, at least on a quarterly basis, by the Finance Department regarding the Corporation's and the Group's financial performance, monitors the Corporation's accounts and the Group's consolidated accounts, as well as the financial reporting process, and reports to the Board of Directors accordingly. The Audit Committee also receives information on the management of financial risks and examines the effectiveness of the Corporation's risk management system.
- Standalone and consolidated financial statements are approved by the Board of Directors and submitted to the Supervisory Board, following a relevant recommendation by the Audit Committee.

Diversity

Consistently respecting diversity fosters the creation of an open and productive work environment where employees operate responsibly, are active and feel that they can take initiatives.

HCAP, along with many other modern corporations in Europe, recognizes the importance of promoting diversity and this is evident in relation to its Board of Directors and to its Supervisory Board, but also for all professional levels of its employees, especially with respect to gender, but also for other aspects such as age, education and professional background, place of residence and nationality.

HCAP's priority is the establishment of equal opportunities at all levels with quantifiable results. For example, in HCAP's Board of Directors today serve four women among a total of eight members (representation 50%), while the ratios are proportional to the managerial positions in the rest of the company.

HCAP pursues to create a high profile on diversity issues to its subsidiaries as well for diversity related matters in the workplace but also to positions of managerial responsibility, by promoting equal treatment and equal access to opportunities, as well as education and training for all employees. More specifically, with regards to the appointment of new members on the boards of directors of the SOEs included in its portfolio, HCAP's strategy involves selecting highly qualified professionals through meritocratic processes with a focus on the essential and formal qualifications required for BoDs to collectively respond to their mandate.

The qualitative composition of these Boards is representative of optimal selection criteria application, including members' complementarity in skills and experience, academic background, extroversion, age, literate of new technologies and innovation, but also enhancement of the female presence, since 15% of the newly appointed members in the subsidiaries boards are women, thus emphasizing on HCAP's commitment to support inclusion.

Brain Regain

HCAP has recognized the impact on the outlook and competitiveness of Greek companies from the fact that many highly-qualified Greeks left the country over the past years due to the economic crisis and the lack of opportunities to advance their careers at home, and has been taking specific action including launching initiatives in order to reverse the brain drain and attract successful Greek professionals back home.

There has been progress to date, including the significant number of professionals returning to Greece to take up executive /managerial positions in HCAP, and also, through the appointment of board members to HCAP subsidiaries. Such professionals were actively approached and assured that progress, high level professionalism and fairness exist in Greece and that their return can contribute to economic growth and prosperity.

To this end, HCAP has also now joined an alliance of companies supporting the “Brain Regain” initiative. This initiative is backed by some of the largest Greek corporations active in critical sectors of the economy i.e. financial services, industry, tourism, construction, technology etc. and aims to establish conditions that will facilitate the repatriation of Greeks working abroad. HCAP actively supports this initiative, by allocating some of its top executives to act as mentors. “Brain Regain” mentors offer their services on a voluntary basis and will provide guidance to the Greeks working abroad who have expressed interest in being part of the initiative.

A.18. Other Issues

Purchase/ holding of treasury shares

The Company and its subsidiaries do not hold any treasury shares (of HCAP).

Restrictions on the transfer of Corporation' shares

The Corporation's shares are non-transferable. Given Article 187 par. 2 of Law 4389/2016, 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 significant activities for research and development during the period 01.01.2018-31.12.2018.

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 C.L. 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 Corporation in accordance with the conditions referred to in Article 192 of Law 4389/2016

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

Moreover, the Supervisory Board countersigns the Board of Director's suggestion to the General Assembly for any amendment in the Corporation'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 or the purchase of treasury shares according to Article 16 of C.L. 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 Corporation's share capital.

Athens, 23 September 2019

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**	**Spyridon Lorentziadis**
Passport No. AN0837368	ID No. Σ273214	ID No.Π329468

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B | INDEPENDENT AUDITOR'S REPORT

To the Shareholders of the Company

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, 2018, separate and consolidated income statements and 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, 2018, 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 € 22.1 mln, 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 2018.

2. Lawsuits have been filed against the subsidiary company "PUBLIC PROPERTIES COMPANY S.A." (PPCo S.A.) by lessee of its real estate items and its affiliated companies, as analytically presented - including the respective amounts demanded by the claimants – in 31 A2c to financial statements. In the course of our audit, we were not in position to obtain reasonable assurance about the estimate of the potentially required provision, since the relative legal procedures are in progress.

3. The Statement of financial position item "Self used Property, Plant and Equipment" includes assets, pertaining to real estate items, mechanical and transportation equipment of subsidiaries, of total net book value as at 31/12/2018 standing at approximately € 1,191 mln. As far as those assets are concerned, indications of impairment were effective under the contribution of these subsidiaries to HCAP S.A., while, respectively, the item "Investment Property" includes investment property items of subsidiaries of approximately € 51mln which, notwithstanding the applied accounting principles, have not been measured at fair value. As reported in Notes 5 and 6 to the financial statements, the procedure of calculating the amount of impairment of the relevant self-used fixed assets and the fair value of the investment property items in question is in progress. Therefore, we have reservations regarding the extent of the impact on the income statement as of 31/12/2018 and equity as of 1/1/2018, 1/7/2018 and 31/12/2018 of the Group arising from the calculation of the impairment amount and investment property measurement at fair value.

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 Matters

1. We draw your attention to Notes 2.5 and 6b to the financial statements describing the recognition procedure applied by the direct subsidiary “PUBLIC PROPERTIES COMPANY S.A.” (PPCo S.A.) regarding the real estate property items falling within the provisions of Article 196, Law 4389/2016, as well as by the subsidiary GAIAOSE S.A. regarding the real estate property items, falling within the provisions of Law 3891/2010 as in force, which do not meet the recognition criteria according to the provisions of the International Financial Reporting Standards as at 31/12/2018, as well as the actions scheduled by the Management of the subsidiaries as far as the aforementioned matter is concerned. Our opinion is not qualified regarding the above matter.
2. We draw your attention to Note 33 to the financial statements regarding determination of the consideration of untreated water resources, supplied by the Greek State to the subsidiary "ATHENS WATER SUPPLY AND SEWERAGE COMPANY S.A." (EYDAP S.A.). Given the absence of a written agreement determining the above price, after 30.06.2013, the date when all outstanding financial matters were settled with the Greek State pursuant to Article 15 of as of 9.12.1999 Agreement with the Greek State, EYDAP is still offsetting the consideration of untreated water resources with the cost of rendered services regarding maintenance and operation of fixed assets pertaining to storage and transportation of water resources that belong to the company “EYDAP Fixed Assets (Legal Entity under Public Law)”. The implementation of the JMD 135275 (Government Gazette 1751/22.05.2017) “Approval of general rules for the costing and pricing of water services. Method and procedures for recovering the cost of water services in its various uses“ can cause changes to pricing water supply and sewage services. At the current stage, it is not possible to project potential effect of the implementation of the aforementioned JMD on the practices, adopted by EYDAP S.A. till presently. 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 proceed 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 separate and consolidated 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 entire 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 separate and consolidated 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 separate and consolidated 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 separate and consolidated financial statements for the year ended as at 31/12/2018.

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, 23 September 2019

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 31.12.2018

		GROUP*		COMPANY	
(amounts in €)	**Note**	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
Assets					
Non-Current assets					
Property, plant and equipment	5	2,355,746,267	59,752,018	149,300	65,406
Investment properties	6	1,077,249,671	828,523,736	-	-
Intangible assets	7	10,887,686	245,767	14,479	13,191
Investments in subsidiaries	8	1	1	13	3
Investments in associates	8	436,671,558	36,911,946	3	-
Deferred tax assets	9	91,239,980	-	-	-
Other non current assets	10	176,501,338	146,744,086	33,045	72
Financial assets at amortised cost	11	3,929,710	-	-	-
Financial assets at fair value through profit or loss	11	3,106,313	-	-	-
Financial assets at fair value through other comprehensive income	11	679,507	-	-	-
Total non-current assets		**4,156,012,031**	**1,072,177,554**	**196,840**	**78,672**
Current assets					
Inventories	12	87,392,912	523,517	-	-
Trade receivables and contract assets	13	484,366,614	62,895,111	880,445	134,226
Other receivables	14	110,978,650	37,316,817	191,747	171,100
Restricted cash	15	7,621,591	-	-	-
Cash and cash equivalents	15	736,714,759	125,421,561	19,640,841	7,335,934
Total current assets		**1,427,074,526**	**226,157,006**	**20,713,033**	**7,641,260**
Total assets		**5,583,086,557**	**1,298,334,560**	**20,909,873**	**7,719,932**
Equity					
Share capital	16	10,000,000	10,000,000	10,000,000	10,000,000
Other reserves	17	3,129,912,119	877,322,256	(2,854)	3
Retained earnings		(143,415,334)	18,410,775	9,712,519	(3,347,837)
Total equity attributable to shareholders		**2,996,496,785**	**905,733,031**	**19,709,665**	**6,652,166**
Non controlling interest		544,231,767	-	-	-
Total equity		**3,540,728,552**	**905,733,031**	**19,709,665**	**6,652,166**
Non current liabilities					
Deferred tax liability	9	38,322,507	-	-	-
Staff retirement indemnities	18	473,014,255	1,837,639	40,448	12,256
Other provisions	19	182,485,308	29,337,058	-	-
Long term loans	20	84,434,150	89,321,790	-	-
Other non current liabilities	21	492,550,108	140,150,534	-	-
Total non current liabilities		**1,270,806,328**	**260,647,021**	**40,448**	**12,256**
Current liabilities					
Current tax liability		13,882,418	-	-	-
Short term loans	20	120,101,304	-	-	-
Short term portion of long term loans	20	15,897,722	19,496,083	-	-
Trade and other payables and contract liabilities	22	259,668,751	98,465,877	444,547	451,727
Other current liabilities	23	362,001,482	13,992,548	715,213	603,783
Total current liabilities		**771,551,677**	**131,954,508**	**1,159,760**	**1,055,510**
Total liabilities and equity		**5,583,086,557**	**1,298,334,560**	**20,909,873**	**7,719,932**

**Important Note:* The Group in 2017 consisted of three companies whereas in 2018 consolidates participations in a large number of new subsidiaries and associates as described in note 8. Therefore, the two years are not comparable.*

The accompanying notes presented on pages 135-220 are considered an integral part of the Financial Statements.

Consolidated and Separate Income Statement for the year 2018

		GROUP*		COMPANY	
(amounts in €)	**Note**	**01.01.2018 - 31.12.2018**	**01.01.2017 - 31.12.2017**	**01.01.2018 - 31.12.2018**	**01.01.2017 - 31.12.2017**
Revenue	24	1,045,876,091	57,888,395	16,997,936	-
Cost of Sales	25	(974,237,544)	(25,047,041)	-	-
Subsidies attributable to cost of sales	26	104,371,765	-	-	-
Gross Profit		**176,010,312**	**32,841,354**	**16,997,936**	**-**
Other operating income	26	127,204,745	3,544,276	-	-
Administrative expenses	25	(159,527,876)	(15,986,598)	(4,357,770)	(3,422,222)
Selling expenses	25	(73,402,475)	(12,854,615)	-	-
Gain from revaluation of investment property	6	57,376	36,550,870	-	-
Other operating expenses	27	(69,239,591)	(23,116,005)	(1,104)	(2,668)
Result before tax, finance and investing activities		**1,102,491**	**20,979,282**	**12,639,062**	**(3,424,890)**
Dividend income		1,594,844	-	-	-
Share of losses in associates	8	(116,368,110)	(2,698,728)	-	-
Change in financial assets at fair value through profit or loss	11	(280,244)	-	-	-
Finance income	28	32,390,392	3,370,020	427,147	284,249
Finance cost	29	(14,694,158)	(2,277,908)	(5,853)	(2,754)
Profit/ (Loss) before tax		**(96,254,785)**	**19,372,666**	**13,060,356**	**(3,143,395)**
Income tax	30	(36,287,713)	(1,135,394)	-	-
Profit/ (Loss) after tax (A)		**(132,542,498)**	**18,237,272**	**13,060,356**	**(3,143,395)**
Attributable to:					
Equity holders of the parent		**(159,394,600)**	**18,237,272**	**13,060,356**	**(3,143,395)**
Non-controlling interests		**26,852,102**	**-**	**-**	**-**

**Important Note:* *The Group in 2017 consisted of three companies whereas in 2018 consolidates participations in a large number of new subsidiaries and associates as described in note 8. Therefore, the two years are not comparable.*

The accompanying notes presented on pages 135-220 are considered an integral part of the Financial Statements.

Consolidated and Separate Statement of Comprehensive Income for the year 2018

		GROUP*		COMPANY	
(amounts in €)	**Note**	**01.01.2018 - 31.12.2018**	**01.01.2017 - 31.12.2017**	**01.01.2018 - 31.12.2018**	**01.01.2017 - 31.12.2017**
Profit/ (Losses) after tax		**(132,542,498)**	**18,237,272**	**13,060,356**	**(3,143,395)**
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):					
Share of other comprehensive income in associates (recycled in retained earnings)		(41,002)	-	-	-
Net other comprehensive loss that may not be reclassified to profit or loss in subsequent periods					
Gain on revaluation of assets	6	-	2,694,085	-	-
Share of other comprehensive income in associates (not recycled in retained earnings)	8	239,374	81,630	-	-
Change in financial assets at fair value through other comprehensive income	11	(1,764,135)	-	-	-
Actuarial gains/ losses	18	1,264,779	53,245	(2,870)	-
Total other comprehensive income (B)		**(300,984)**	**2,828,960**	**(2,870)**	**-**
Total comprehensive income (A)+(B)		**(132,843,482)**	**21,066,232**	**13,057,486**	**(3,143,395)**
Attributable to:					
Equity holders of the parent		**(159,677,369)**	**21,066,232**	**13,057,486**	**(3,143,395)**
Non-controlling interests		**26,833,887**	**-**	**-**	**-**

**Important Note:* *The Group in 2017 consisted of three companies whereas in 2018 consolidates participations in a large number of new subsidiaries and associates as described in note 8. Therefore, the two years are not comparable.*

The accompanying notes presented on pages 135-220 are considered an integral part of the Financial Statements.

Consolidated Statement of Changes in Equity for the year ended 31.12.2018

		GROUP*					
(amounts in €)	**Note**	**Share Capital**	**Reserves**	**Retained Earnings**	**Total**	**Non controlling interests**	**Total Equity**
As at 01.01.2017		**10,000,000**	**457,638,774**	**173,503**	**467,812,277**	**-**	**467,812,277**
Profit after tax for the year 2017		-	-	18,237,272	18,237,272	-	18,237,272
Other comprehensive income after tax		-	2,828,960	-	2,828,960	-	2,828,960
Total comprehensive income for the year 31.12.2017		**-**	**2,828,960**	**18,237,272**	**21,066,232**	**-**	**21,066,232**
Reserve from the transfer of assets from/to the Greek State with no consideration	17	-	416,854,522	-	416,854,522	-	416,854,522
As at 31.12.2017		**10,000,000**	**877,322,256**	**18,410,775**	**905,733,031**	**-**	**905,733,031**
As at 01.01.2018 published figures		**10,000,000**	**877,322,256**	**18,410,775**	**905,733,031**	**-**	**905,733,031**
Adjustments due to adoption of IFRS 9	13	**-**	-	(1,839,464)	(1,839,464)	-	(1,839,464)
As at 01.01.2018 (restated)		**10,000,000**	**877,322,256**	**16,571,311**	**903,893,567**	**-**	**903,893,567**
Profit after tax for the year		-	-	(159,394,600)	(159,394,600)	26,852,102	(132,542,498)
Other comprehensive income after tax		-	(282,769)	-	(282,769)	(18,215)	(300,984)
Total comprehensive income for the year 31.12.2018		**-**	**(282,769)**	**(159,394,600)**	**(159,677,369)**	**26,833,887**	**(132,843,482)**
Subsidiaries' equity at the date of transfer	17	**-**	2,185,046,972	**-**	2,185,046,972	532,023,793	2,717,070,765
Reserve from the transfer of assets from/to the Greek State with no consideration	17	**-**	67,260,015	**-**	67,260,015	-	67,260,015
Subsidiaries’ expenses for issuing share capital		**-**	-	(26,400)	(26,400)	-	(26,400)
Distributed dividends		**-**	-	-	-	(14,625,913)	(14,625,913)
Subsidiaries’ statutory reserves	17	**-**	565,645	(565,645)	-	-	-
As at 31.12.2018		**10,000,000**	**3,129,912,119**	**(143,415,334)**	**2,996,496,785**	**544,231,767**	**3,540,728,552**

Important Note: *The Group in 2017 consisted of three companies whereas in 2018 consolidates participations in a large number of new subsidiaries and associates as described in note 8. Therefore, the two years are not comparable.*

The accompanying notes presented on pages 135-220 are considered an integral part of the Financial Statements.

Separate Statement of Changes in Equity for the year ended 31.12.2018

		COMPANY			
(amounts in €)	**Note**	**Share Capital**	**Reserves**	**Retained Earnings**	**Total Equity**
As at 01.01.2017	16	**10,000,000**	**3**	**(204,442)**	**9,795,561**
Profit after tax for the year 2017		-	-	(3,143,395)	(3,143,395)
Other comprehensive income after tax		-	-	-	-
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**
As at 01.01.2018		**10,000,000**	**3**	**(3,347,837)**	**6,652,166**
Profit after tax for the year 2018				13,060,356	13,060,356
Other comprehensive income after tax		-	(2,870)	-	(2,870)
Total comprehensive income for the year 31.12.2018		**-**	**(2,870)**	**13,060,356**	**13,057,486**
Reserves created from the acquisition of Other Subsidiaries	17	-	13	-	13
As at 31.12.2018		**10,000,000**	**(2,854)**	**9,712,519**	**19,709,665**

The Group has applied IFRS 9 by the cumulative effect method. According to this method, comparative information is not restated. There was no impact on the consolidated financial statements by the adoption of IFRS 15.

There was no impact on the separate financial statements by the adoption of IFRS 9 and IFRS 15.

The accompanying notes presented on pages 135-220 are considered an integral part of the Financial Statements.

Consolidated and Separate Statement of Cash Flows

		GROUP*		COMPANY	
(amounts in €)	**Note**	**01.01.2018 - 31.12.2018**	**01.01.2017 - 31.12.2017**	**01.01.2018 - 31.12.2018**	**01.01.2017 - 31.12.2017**
Cash flow from operating activities					
Profit/ (loss) before tax		**(96,254,785)**	**19,372,666**	**13,060,356**	**(3,143,395)**
Plus/minus adjustments for:					
Depreciation and amortization	25	115,272,066	2,985,533	14,064	10,168
Net amortization of lease advances expenses and deferred rental income		(537,757)	(537,757)	-	-
Amortization of subsidies and customer contributions	21	(17,287,577)	-	-	-
Write-off of deferred rental income		-	(165,591)	-	-
Unrealized exchange differences		(707,620)	17,366	-	-
Provision of staff leaving indemnities	18	17,689,985	188,873	25,322	12,256
Other provisions		44,838,511	29,125,338	248,997	227,808
Losses from tangible and intagible assets destructions/write-offs		(41,842)	-	-	-
Gain from disposal of tangible and intagible assets		37,934	-	-	-
Impairment loss of property, plant and equipment		-	764,779	-	-
Reversal of impairment of property, plant and equipment	5,26	(3,933,733)	-	-	-
Revaluation of financial assets at fair value through profit or	11	280,244	-	-	-
Gain from revaluation of investment property	6	(57,376)	(36,550,870)	-	-
Share of profit/ (losses) of associates	8	116,368,110	2,698,728	-	-
Income from dividends		(1,594,844)	-	-	-
Finance income	28	(32,390,392)	(3,370,020)	(427,147)	(284,249)
Finance cost	29	14,694,158	2,277,908	5,853	2,754
Cash flows from operating activities before working capital charges		**156,375,082**	**16,806,953**	**12,927,445**	**(3,174,658)**
(Increase)/ decrease in inventories		(2,589,555)	19,489	-	-
(Increase)/ decrease in trade and other receivables		42,957,097	70,609,697	(857,938)	(386,641)
Increase/ (decrease) in trade and other payables		(17,211,590)	(109,231,588)	104,250	834,427
Income tax paid		(29,262,252)	-	-	-
Staff allowances paid	18	(21,292,008)	-	-	-
Net cash flows from operating activities (a)		**128,976,774**	**(21,795,449)**	**12,173,757**	**(2,726,872)**
Cash flows from investing activities					
Purchase of PP&E and intagible assets	5,6,7	(24,432,164)	(905,322)	(99,246)	(88,766)
Disposal of PP&E and intagible assets		356,438	2,245	-	-
Proceeds from subsidies and customers contribution	21	3,908,054	-	-	-
Proceeds from disposal of financial assets		1,935	-	-	-
Dividends received		2,189,977	4,812,478	-	-
Subsidiaries' cash and cash equivalents at the date of the transfer	15	510,645,385	-	-	-
Interest received		15,146,314	3,238,405	236,249	151,572
Net cash flows from investing activities (b)		**507,815,939**	**7,147,806**	**137,003**	**62,806**
Cash flows from financing activities					
Interest and similar expenses paid		(10,365,362)	(65,200)	(5,853)	-
Dividends paid		(13,926,209)	(2,053,839)	-	-
Increase of restricted cash		(1,207,944)	-	-	-

Net cash flows from financing activities (c)		**(25,499,515)**	**(2,119,039)**	**(5,853)**	**-**
Net (decrease)/ increase in cash and cash equivalents (a)+(b)+(c)		**611,293,198**	**(16,766,682)**	**12,304,907**	**(2,664,066)**
Net cash and cash equivalents at the beginning of the period	15	125,421,561	142,188,243	7,335,934	10,000,000
Net cash and cash equivalents at the end of the year	15	**736,714,759**	**125,421,561**	**19,640,841**	**7,335,934**

*****Important Note:* *The Group in 2017 consisted of three companies whereas in 2018 consolidates participations in a large number of new subsidiaries and associates as described in note 8. Therefore, the two years are not comparable.*

The accompanying notes presented on pages 135-220 are considered an integral part of the Financial Statements.

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 2018.

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") and its subsequent amendments. The Company is established to serve a specific public purpose 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 4 Karagiorgi Servias Postcode 105 62, in Athens. The functional currency of the Company and its subsidiaries is Euro.

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.

The investments that have been transferred from the Green State directly to HCAP with no consideration according with L. 4389/2016 and its subsequent amendments, relate to "Direct Subsidiaries" (which were transferred in 2016) and "Other Subsidiaries" (which were transferred on January 1, 2018, except for GAIAOSE which was transferred on July 1, 2018) and are the following:

A) "Direct Subsidiaries":	**% Participation**
(a) Hellenic Financial Stability Fund (HFSF)[1]	100%
(b) Hellenic Republic Asset Development Fund S.A. (HRADF)	100%
(c) Public Properties Company (ETAD)	100%

B) "Other Subsidiaries" (according to L. 4389/2016):	**% Participation**
(a) Public Power Corporation S.A. (PPC)	34.12%
(b) Athens Water Supply and Sewerage Company S.A. (EYDAP)	50%+1 share
(c) Thessaloniki Water Supply and Sewerage Company S.A. (EYATH)	50%+1 share
(d) Athens Urban Transportation Organization S.A. (OASA)	100%
(e) Central Markets and Fisheries Organization S.A. (CMFO)	100%
(f) Thessaloniki Central Market S.A. (CMT)	100%
(g) Corinth Canal Co. S.A. (AEDIK)	100%
(h) Hellenic Post S.A. (ELTA)	90%
(i) Thessaloniki International Fair – HELEXPO S.A. (TIF-HELEXPO)	100%
(j) Hellenic Saltworks S.A.	55.19%
(k) ETVA – Industrial Areas S.A.	35%

(l) Athens International Airport S.A.	25%
(m) Folli Follie S.A.	0.96%
(n) GAIAOSE S.A.[2]	100%

NOTES:

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

2) Pursuant to article 113 of Law 4549/2018, from 01.07.2018 the participation of the Greek State in GAIAOSE S.A. was transferred to the Company.

Moreover, 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.

Furthermore, 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 with commitments as defined in the said agreement.

The annual consolidated and separate financial statements for the year ended 31 December 2018, were approved by the Board of Directors on 23.09.2019 and are subject to the approval of the General Assembly of Shareholders. They are available at www.hcap.gr, in the "Company" section, in the "Financial Results" 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 on a historic cost basis, except for the investment properties and the debt and equity instruments which are at fair value through P&L or through other comprehensive income that have been measured at fair value.

The financial statements have been prepared in accordance with the same accounting policies adopted in the year ended December 31, 2017, except for the adoption of new standards and interpretations, the application of which became mandatory for periods after 1 January 2018 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 2018 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 standards, amendments and interpretations issued, are effective for the current financial year. The impact from their application on the consolidated and separate financial statements is described below.

IFRS 15: Revenue from contracts with customers

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 are 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. There was no significant impact on the consolidated and separate financial statements.

IFRS 15: Revenue from contracts with customers (Clarifications)

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. There was no significant impact on the consolidated and separate financial statements.

IFRS 2: Classification and measurement of share based payment transactions (Amendments)

The Amendments provide requirements on the accounting for a) the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, b) for share-based payment transactions with a net settlement feature for withholding tax obligations and c) for modifications to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. There was no significant impact on the consolidated and separate financial statements.

IAS 40: Transfers of Investment Property (Amendments)

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. There was no significant impact on the consolidated and separate financial statements.

IFRIC 22: Foreign currency transactions and advance consideration

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. There was no significant impact on the consolidated and separate financial statements.

The **IASB issued the Annual Improvements to IFRSs 2014 – 2016 Cycle**, which is a collection of amendments to IFRS's. There was no impact on the consolidated and separate financial statements.

- **IFRS 1 First-time adoption of international financial reporting standards:** 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:** 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.

IFRS 9: Financial instruments

The final version of IFRS 9 gathers all the phases of the project for the financial instruments and supersedes IAS 39 and all the previous versions of IFRS 9. This standard introduces new requirements for the classification, measurement and impairment of financial instruments and hedge accounting.

IFRS 9 includes classification and measurement of financial assets and liabilities and also introduces an expected credit loss model which replaces the actual credit loss model. IFRS 9 introduces a new principle based approach for hedge accounting and deals with inconcistencies and weaknesses of IAS 39 model.

The new provisions regarding the impairment losses, in some cases have as a result these losses to be recognized in an earlier stage, compared to the practice followed with previous standards.

The types of financial assets of the Group and the Company that are subject to the IFRS 9's new expected credit loss model are the following:

- Trade receivables and contract assets
- Other financial assets measured at amortised cost.

Under IFRS 9, the Group and the Company adopted the model of expected credit loss for each of the above classes of assets.

Trade receivables and contractual assets

The Group and the Parent Company applied the simplified approach of IFRS 9 for the calculation of the expected credit losses over the life of the receivables, according to which the impairment provision is always measured at the amount of expected credit loss throughout the life of the customer's receivables.

To determine expected credit losses, in respect of receivables from customers, the subsidiaries and the Company use a credit loss provision table based on the maturity of balances, on historical data for credit losses adjusted for future factors regarding debtors and the financial environment.

The effect of the adoption of IFRS 9 at Group level amounts to €1,839,464, which burdened the equity as of 01.01.2018.

	GROUP	COMPANY
	Total Equity	**Total Equity**
As at 01.01.2018 published balance	**905,733,031**	**6,652,166**
Effect from adoption of IFRS 9	(1,839,464)	-
As at 01.01.2018 (restated)	**903,893,567**	**6,652,166**

The above effect relates only to the entities that comprised the Group as of 31.12.2017, ie HCAP, ETAD and HRADF. The effect from the adoption of IFRS 9 and IFRS 15 for the companies which were consolidated on 01.01.2018 is included in the amount shown in the Statement of Changes in Equity as "Equity of subsidiaries at the date of transfer", as all companies recorded the effect of the new standards on the same date that the transfer was effected on 01.01.2018

2.2.2 Standards and Interpretations issued, but not yet effective and were not earlier adopted by the Group and the Company

The new Standards, amendments 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.

IFRS 9: Prepayment with negative compensation (Amendment)

The amendment is effective for annual reporting periods beginning on or after January 1, 2019, while earlier application is permitted. The amendment specifies that pre-paid financial assets that allow or require a party to either pay or receive reasonable compensation for the early termination of the contract (in the sense that the asset owner may be charged due to early repayment) may be measured at amortized cost or at fair value through the statement of other comprehensive income. The Amendment is not expected to have a substantial effect on the Group's and the Company's financial statements.

IFRS 16: Leases

The standard is effective for annual periods beginning on or after January 1, 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, which are the customer ('lessee') and the supplier ('lessor'). The new standard requires lessees to recognize most leases on their financial statements. Lessees will have a single accounting framework for all leases, with some exceptions. Lessor accounting is substantially unchanged. The Standard will mainly affect the accounting treatment of the Group's and Company's operating leases. The Group and the Company are currently assessing their impact on the financial statements.

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

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

IAS 28: Long-Term Investments in Associates and Joint Ventures (Amendments)

The amendments are effective for annual reporting periods beginning on or after January 1, 2019, while earlier application is permitted. The amendments relate to whether the measurement (and, in particular, impairment) of long-term investments in associates and joint ventures, which are in fact part of the net investment in the associate or joint venture, is governed by IFRS 9, IAS 28 or a combination of the two standards. The amendments clarify that an entity applies IFRS 9 before applying IAS 28 to those long-term participations for which the equity method does not apply. When applying IFRS 9, an entity does not take into account any adjustments in the carrying amount of long-term investments arising from the application of IAS 28. The Group is in the process of assessing the effect of applying the amendments to its financial statements.

IFRIC INTERPETATION 23: Uncertainty over Income Tax Treatments

The interpretation is effective for annual reporting periods beginning on or after January 1st 2019, while earlier application is permitted. The Interpretation clarifies the accounting for income taxes when tax treatments involve uncertainty. The interpretation provides additional guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances. This Interpretation has not yet been endorsed by the EU. The Group is in the process of assessing the impact of applying the amendments to its financial statements.

IAS 19: Plan amendment, curtailment or settlement (Amendments)
The amendments are effective for annual reporting periods beginning on or after January 1st 2019, while earlier application is permitted. The amendments require entities to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement has occurred. The amendments also clarify how the accounting for a plan amendment, curtailment or settlement affects applying the asset ceiling requirements. This Interpretation has not yet been endorsed by the EU. The Group is in the process of assessing the impact of applying the amendments to its financial statements.

IFRS 3 (Amendments): Business combinations (the amendment is effective for annual reporting periods beginning on or after January 1, 2020)

IASB issued amendments regarding the definition of a business (amendments to IFRS 3) in order to resolve difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments apply to business combinations for which the acquisition date is determined in the first annual reporting period commencing on or after January 1st 2020 and for the acquisition of assets that occur at or after the beginning of that period, while earlier application is permitted. The amendments have not yet been adopted by the European Union. The Group is in the process of assessing the effect of applying the amendments to its financial statements.

IAS 1 and IAS 8 (Amendments): "Definition of significance" (the amendments are effective for annual reporting periods beginning on or after January 1, 2020).
The amendments clarify the definition of materiality and the way it should be applied. The new definition states that "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." In addition, the explanations accompanying the definition of significance have improved. The amendments ensure that the definition of materiality is consistent across all IFRS standards. The amendments have not yet been adopted by the European Union. The Group is in the process of assessing the effect of applying the amendments to its financial statements.

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

The **IASB has issued the annual improvements to IFRSs 2015 – 2017 Cycle**, which is a collection of amendments to IFRSs. The amendments are effective for annual reporting periods beginning on or after January 1, 2019 while earlier application is permitted. The following amendments are not yet endorsed by the EU and are not expected to have a material impact on the Group's financial statements unless otherwise stated.

- **IFRS 3 "Business Combinations":**
  The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business.
- **IFRS 11 "Joint Arrangements":**
  The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business.
- **IAS 12 "Income Taxes":**
  The amendments clarify that the tax consequences of payments on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits have been recognized.
- **IAS 23 "Borrowing Costs":**
  The amendments clarify paragraph 14 of the standard so that when a qualifying asset is ready for its intended use or sale, and a portion of the borrowing made specifically to obtain that qualifying asset remains outstanding at that point, that outstanding borrowing should be treated as part of the funds that were borrowed generally.

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. At each reporting date, the Group reviews whether it exercises control over its investments, in cases where events and situations indicate that there has been a significant change. 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.

Gains or losses and any other items of the statement of other comprehensive income are allocated between the parent and non-controlling interests, even if this results in a reduction in non-controlling interests below zero (debit balance). When appropriate, adjustments are made to the financial statements of subsidiaries to ensure that their accounting policies are consistent with those adopted by the Group.

All intra-company transactions, intra-company balances, unrealized gains and losses and intra-company cash flows arising from transactions between Group companies are eliminated on consolidation.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of financial position, the consolidated statement of comprehensive income and the consolidated statement of changes in equity.

The financial statements of the subsidiaries, which are used for consolidation purposes, are prepared as of the same date and reporting period and use the same accounting policies as the Parent Company. In cases where subsidiaries in their separate financial statements use policies other than those of the Group or when accounting errors are identified in the Auditors' report of the subsidiaries for which sufficient information is available to determine the amount of the required adjustment, appropriate adjustments are recorded.

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 transferred 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.

In case the Group loses control of a subsidiary, it derecognises all relevant assets (including goodwill), liabilities, non-controlling interests and other equity items, while any remaining profit or loss is recognized in income statement. If there is any remaining participating interest, it is recognized at fair value.

(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 transferred 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.

(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, as derived from the financial statements of the companies, with appropriate adjustments a) to achieve uniform accounting policies and b) to correct any errors that have been depicted by the auditors of the subsidiaries or that have become known within 12 months from the acquisition date, related to issues before the acquisition and for which there is enough information in order to evaluate the amount of the adjusting entry required.
- 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 transferred equity interests in "Direct" and "Other" Subsidiaries (for the cases that a majority holding has been transferred)

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 according to the provisions of Law 4389/2016) are considered direct subsidiaries of the Company ("Direct Subsidiaries"):

"Direct Subsidiaries":	**% Participation**
▪ The Hellenic Financial Stability Fund ("HFSF")	100%
▪ The Hellenic Republic Asset Development Fund ("HRADF")	100%
▪ Public Property Company SA (ETAD)	100%

Furthermore, following the amendment of Law 4389/2016 as stipulated by the provisions of Law 4512/2018, the Greek State's holdings in a number of companies called "Other Subsidiaries" (within the meaning of the Law) were transferred to the Company, for some of which a majority shareholding was transferred and for some a minority. The analysis of "Other subsidiaries" is as follows:

"Other subsidiaries" within the meaning of Law 4389/2016 for which the participating interest transferred was a majority shareholding:	**% Participation**
▪ Athens Water Supply and Sewerage Company S.A. (EYDAP)	50%+1 share
▪ Thessaloniki Water Supply and Sewerage Company S.A. (EYATH)	50%+1 share
▪ Athens Urban Transportation Organization S.A. (OASA)	100%
▪ Central Markets and Fisheries Organization S.A. (CMFO)	100%
▪ Thessaloniki Central Market S.A. (CMT)	100%
▪ Corinth Canal Co. S.A. (AEDIK)	100%
▪ Hellenic Post S.A. (ELTA)	90%
▪ Thessaloniki International Fair – HELEXPO S.A. (TIF-HELEXPO)	100%
▪ Hellenic Saltworks S.A.	55.19%
▪ GAIAOSE S.A.*	100%
"Other subsidiaries" within the meaning of Law 4389/2016 for which the participating interest transferred was a minority shareholding:	
▪ Public Power Corporation S.A. (PPC)	34.12%
▪ ETVA – Industrial Areas S.A.	35%
▪ Athens International Airport S.A. (AIA)	25%
▪ Folli Follie S.A	0.96%

**The above participating rights were transferred as at 01.01.2018, except for GAIAOSE which was transferred at 01.07.2018.*

As HCAP, ETAD, HRADF and "Other Subsidiaries" for which the participating interest transferred was a majority shareholding are under the common control of the same ultimate shareholder, the transfer of these 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 4389/2016 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) within "Investment in subsidiaries".

The year 2018 was a crucial challenge for HCAP, as by 2017 the consolidated accounts related only to its participation in two direct subsidiaries and in 2018, following the transfer of the "Other Subsidiaries", the state's participation in 13 additional companies (majority or minority) plus numerous other subsidiaries and associates would be consolidated for the first time. Those companies:

- operate in very different markets and industries,
- in many cases they followed different accounting policies, as they had made different choices between IFRS options for presenting balance sheet items or transactions / profit or loss,
- they had different procedures for preparing financial statements, systems, dates on which they completed their financial statements, and some of them, despite being transferred to HCAP in 2018, had not published financial statements since 2016,
- there was a significant number of qualifications and emphasis of matters on their Certified Auditors' Certificates resulting in an impact on the reliability and transparency of their financial statements;
- there was no homogeneity in the audit of the financial statements of these companies, as the 13 new companies were audited by nine different audit firms, and in many cases the respective departments of the companies were under-staffed and without appropriate infrastructure and systems, a problem that is to be addressed in the future.

In general, the consolidation of so many different companies was one of the most complex undertakings, for the Greek market and the private sector, for the reasons mentioned above. After a reasonable period from their transfer, HCAP has taken steps to improve the quality of financial process and reporting, including:

- implementation of a process for setting up (or reinforcing where they exist) audit committees in these companies, staffing them with chairmen with sufficient knowledge of accounting and auditing as per legal requirements, while also ensuring the independence of audit committee members,
- significant effort has been made to resolve and correct, to the extent possible, the problems that external auditors had identified in the financial statements of these companies. This effort had as a result a significant reduction of such items from a total of 35 qualification and emphasis matters on the 2016 financial statements, to 21 in the 2017 financial statements, and further reduced to approximately 15 in year 2018,
- making an attempt to identify the most significant differences in the accounting policies followed by the subsidiaries, as well as their convergence, so that the consolidated financial statements are presented with uniform accounting policies.

As all of the above entities have been transferred less than 12 months before the reporting date, HCAP continues to evaluate and make improvements to all of the above, a process which is expected to continue in the coming months, as despite significant progress, resolution of some of the issues require considerable time.

A typical example of a process in which significant progress has been made, but has not been finalized, is the testing of impairment of a large volume of fixed assets, a process that many of the subsidiaries as challenged by the Certified Auditors' Certificate had not performed for many years. In those subsidiaries that the impairment testing was required, after applying due diligence, some of these processes were completed prior to the publication of the financial statements and any necessary adjustments were recorded, however, for others which have a very large number of fixed assets with high complexity, the procedures have proceeded to a significant degree, but have not been completed by the date of approval of the financial statements.

This effort is expected to be materially completed within the year 2019 and any corrective entries for the period prior to 01.01.2018 will be retroactively adjusted by correcting the equity recognized at the acquisition date.

(a.4) Accounting treatment for the transferred minority participating interests in "Other Subsidiaries"

Regarding the percentage transferred to the HCAP in PPC (34.12%) and AIA (25%), the Company, based on IFRS 10, examined the facts and circumstances to assess whether it exercises in control on those companies (if they are subsidiaries) or significant influence (if they are associates).

As a first step, it was considered whether the participating interest that HRADF maintains in those companies should be taken into consideration (PPC 17% and AIA 30%).

As stated in HRADF's financial statements, the shareholding in various entities (such as the percentage in PPC and AIA) as well as the real estate properties, rights, etc., which have been transferred to HRADF, are not recognized (recorded) in the financial statements taking into account that:

- HRADF acts as an agent and as a result the acquisition of assets does not increase its results and equity, as well as the utilization or transfer of those assets does not change its results and equity, with the exception of the commission that HRADF charges to the Greek State as a percentage of the proceeds from the utilization of the assets,
- HRADF is the intermediate for the sale of assets on behalf of the Greek State, and therefore the assets transferred to it are monitored separately in information accounts,
- the risks and rewards of these assets remain with the Greek State until the completion of the transaction that relates to their utilization and are not transferred to HRADF.

Based on the above, HRADF does not present these holdings in its financial statements, as it essentially acts for them as a representative of the Greek State (as with other assets that have been transferred to it) and any dividend income or income from sales or other asset utilization are payable to the Greek State, while HRADF only receives a percentage of this income as management fee.

Based on the way HRADF operates, HRADF, and therefore the Group:

- has no exposure or rights for variable returns from the 17% of PPC's equity and 30% of AIA's equity,
- does not exercise control over these percentages, as under paragraph 18 of IFRS 10, an agent does not control an issuer (for its holding) when exercising its decision-making rights.

For the above reasons, it was assessed that the percentages held by HRADF are not included in the participating interest of the Group.

As a next step in the assessment, it was examined whether, in accordance with the provisions of IFRS 10, a non-majority holding gives control or significant influence over these two companies.

After examining the various events and circumstances, such as the fact that the share of HCAP is not more than 50% of the shares usually participating in the General Meetings, does not have the exclusive right of unilaterally appointing a majority of the Board of Directors of these companies or defining their actions, has no specific agreements with other shareholders for joint decisions at General Meetings etc., as well as taking into account the provisions of IFRS 10, such as paragraphs B42 (c. a), B45 (example 8), B46 etc., the Company has assessed that it does not exercise control over these two companies and therefore accounted them as associates using the equity method.

(a.5) 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 “Direct” and “Other Subsidiaries” were transferred to HCAP with no consideration as per par.1 art. 188 Law 4389/2016, these investments are recognized at cost, which is zero, and in the statement of financial position are presented at a symbolic amount of € 1 per direct subsidiary.

(b) Associates and joint ventures

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 argued 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%).

A joint venture is a joint arrangement where the parties having joint control over the agreement have rights to the net assets of the agreement. Joint control is the contractually agreed sharing of control over an agreement, which exists only when activity-related decisions require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are accounted for using the equity method in the consolidated financial statements. The carrying value of investments in associates or joint ventures in the separate financial statements also includes any intrinsic goodwill (net of any impairment) created on acquisition.

Based on the equity method, associates or joint ventures are initially recognized at cost and further for the implementation of the initial recognition (based on IAS 28, par.32) the Company determines its share of the fair value acquired assets and liabilities. 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 or joint venture. 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 "Results from Associates".

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

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

(b.1) Accounting treatment of an acquisition of an associate when the transaction is between entities under common control

According to Law 4389/2016, the Greek State's participations in PPC, AIA and ETVA-VIPE, have been transferred to HCAP, and are considered as associates for consolidation purposes, as the Group exercises significant influence, and not control, over them. According to IAS 28/ par.32, at the date of acquisition of an investment in an associate or a joint venture, the Company shall determine its share of the fair value of the acquiree's net identifiable assets and liabilities.

The difference between the cost of the investment and the entity's share of the net fair value of the identifiable assets and liabilities of the associate or the joint venture, as the associates were transferred without consideration, is accounted for as an increase in equity though the "Reserve from the transfer of assets to/ from the Greek State with no consideration" due to the fact that the transaction was with the sole shareholder (under common control) during the period during which the investment was acquired.

The Group recognizes in the consolidated financial statements each new associate at the date of its transfer, without restating the comparative figures of the previous period.

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 means from 5 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.

An item of property, plant & equipment is derecognised on disposal or when it is not expected that financial benefits will be derived from its use or sale. 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 net of accumulated impairment 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 are initially measured at cost, including the relevant transaction costs. Subsequent to initial recognition, investment properties are measured 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.

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 directly in equity through Other comprehensive income. 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.

<u>Investment properties transferred with no consideration to the Group (Law 4389/2016)</u>

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".

Furthermore, the subsidiary GAIAOSE (transferred to HCAP on 01.07.2018) holds, in accordance with existing legal framework (i.e. L. 3891/2010, L. 4111/2013), the sole management, utilization and commercial exploitation of all real estate properties of OSE, as well as those transferred by this law to the Greek State, excluding property related to the railway infrastructure and its operational needs. GAIAOSE has initiated a similar process with ETAD for the understanding and recording of the elements and components of its investment properties in order to evaluate and identify them.

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, par. 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, par. 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.

2.6 Intangible assets

(a) Operation licenses

The operation licenses are measured at cost less accumulated depreciation and impairment losses. Amortization is calculated from the date of initiation of operations 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 3 to 10 years. Expenses required to develop and maintain software programs are recognized as an expense when incurred.

(c) Goodwill

Goodwill arising on the acquisition of a subsidiary is defined as the excess of the total of the acquisition price and the amount recognized as a non-controlling interest in the acquired company and the fair value of any previously held interest in the acquired company at the acquisition date, in comparison with value of the identifiable net assets of the subsidiary acquired. If the aggregate of the total acquisition price, the non-controlling interest recognized and the fair value of the previously held interest in the acquired company is less than the fair value of the subsidiary's equity acquired in the event of an advantageous acquisition, the difference is recognized immediately in income statement.

Goodwill presents the future economic benefits of assets that cannot be individually identified and recognized in business combinations.

Goodwill is not subject to amortization. After initial recognition, it is measured at cost less any accumulated impairment.

For impairment test purposes, goodwill is allocated, at the acquisition date, to any cash generating units (or groups of cash generating units) expected to benefit from the synergies of the merger. Each unit (or group of those) into which goodwill is allocated is the lowest level of monitoring goodwill within the entity for internal management purposes.

Impairment is reviewed annually (even if there is no evidence of impairment), or more frequently, if events or changes in existing situations indicate a possible impairment. The carrying amount of goodwill is compared to the recoverable amount, which is the greater of the value in use and the fair value less costs to sell. Any impairment is directly recognized in the income statement and is not reversed subsequently.

If goodwill is allocated to a cash-generating unit and part of the business of that unit is divested, the goodwill related to the part of the business divested is included in its carrying amount when determining profit or loss on sale. In this case, the goodwill disposed of is calculated on the basis of the relative values of the business sold and the portion of the cash flows retained.

(d) Other intangible assets

Other intangible assets are recognized at historical cost. After initial recognition, other intangible assets are measured at historical cost less accumulated depreciation and accumulated impairment losses. Internally generated intangible assets, other than capitalized development costs, are not capitalized and expenses are recognized in the income statement when they are incurred. Other intangible assets of the Group have a finite useful life, except for the right of Corinth Canal held by the subsidiary AEDIK which has an indefinite life.

Intangibles with finite useful lives are depreciated over their useful lives and are tested for impairment when there is evidence that they may have been impaired. The useful life and the amortization method for intangible assets with finite useful lives are reviewed at least every financial reporting period. Changes in the expected useful life or expected use of future intangible assets by any intangible asset are treated as a change in accounting estimates. The amortization expense of intangible assets with finite useful lives is recognized in the income statement in the expense category, which is consistent with the operation of that intangible asset.

Gains or losses arising from the disposal of an intangible asset are calculated as the difference between the net proceeds from the disposal and the current value of the asset and are recognized in the income statement.

2.7 Leases

Determining whether an agreement is or includes a lease is based on the substance of the agreement at the beginning of the lease. The agreement is or includes a lease if the fulfilment of the agreement depends on the use of a particular asset and the agreement transfers the right to use the asset, even if the asset is not explicitly mentioned in the agreement. A lease is classified at its inception as an operating or financial lease.

(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.

Lease payments are allocated to the financial cost and to the reduction of the outstanding liability. The financial expense should be distributed over the lease term so as to obtain a fixed periodic rate of interest on the outstanding balance of the liability.

Assets held under finance lease are depreciated over the useful life of the asset. If there is no reasonable assurance that by the end of the lease term, the lessee will acquire the asset, then the full depreciation of that asset will take place through the smallest period between the lease term and the useful life of the asset.

(b) Group as a lessor

(i) Operating lease – 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. Revenues from operating leases, including advances received, are recognized in the income statement using the straight line method over the lease term. Initial direct costs incurred by lessors in the negotiation of an operating lease are added to the carrying amount of the leased asset and are recognized during the lease period on the same basis as the lease proceeds.

2.8 Impairment of non-financial assets

Assets that have an indefinite useful life are not depreciated or amortized (e.g. land) 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 measured at the lower of cost and net realizable value. Inventory cost is determined with the weighted average cost method. 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 Financial instruments

IFRS 9 supersedes the provisions of IAS 39 relating to the Classification and Measurement of Financial Assets and Financial Liabilities and also includes a model of expected credit losses which replaces the model of actual credit losses. IFRS 9 also introduces a new approach to hedge accounting and addresses inconsistencies and weaknesses in the IAS 39 model.

The new requirements for impairment losses mean that in some cases expected losses are recognized earlier.

2.10.1 Financial assets

a) Classification and measurement of financial assets

IFRS 9 largely retains the existing requirements of IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous categories of IAS 39 for financial assets: held-to-maturity, loans and receivables and available-for-sale.

In addition to trade receivables that are initially measured at transaction price unless the discount is significant, the Group initially measures a financial asset at fair value plus transaction costs in the case of a financial asset that is not measured at fair value through profit or loss.

In accordance with IFRS 9, financial assets are initially classified and subsequently measured at fair value through profit or loss, amortized cost, or fair value through other comprehensive income. The classification is based on two criteria:

- the business model within which the financial asset is held, that is, if the objective is to hold for the purpose of collecting contractual cash flows or collecting contractual cash flows and selling financial assets; and
- if the contractual cash flows of the financial asset consist solely of repayment of capital and interest on the outstanding balance ("SPPI").

The new classification and measurement of the Group's financial assets is as follows:

- Financial assets measured at amortised cost: The financial assets that are held within the business model are classified as held for the purpose of retaining and collecting the contractual cash flows that meet the SPPI criterion. Financial assets carried at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains or losses arising on derecognition, modification or impairment of these assets are recognized in the income statement.

- Financial assets measured at fair value through other comprehensive income (debt instruments): Financial assets in this category are debt instruments that meet the SPPI criterion and are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Changes in their carrying amount are recorded in the statement of other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains or losses, which are recognized in the income statement. When they are derecognised, the cumulative amount of the fair value changes recognized in other comprehensive income is recycled in the income statement. Interest income from these assets is included in finance income and is recognized using the effective interest method.

- Financial assets measured at fair value through other comprehensive income (equity investments): Upon initial recognition, an entity may irrevocably choose to present in other comprehensive income subsequent changes in the fair value of an equity investment that is neither held for trading, nor is a contingent consideration recognized by an acquirer in a business combination to which IFRS 3 is applied. Other comprehensive income is never transferred to profit or loss. Dividends on such investments are recognized in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, when it is recognized in other comprehensive income. Equity investments classified at fair value through other comprehensive income are not subject to impairment testing.

- Financial assets at fair value through profit and loss: For these assets, the Group's objective is to collect cash flows through their sale. Derivatives are also classified in this category unless they are used for effective hedging. If the terms of the financial asset cause any other cash flows or restrict the cash flow in a manner that is inconsistent with payments representing capital and interest, then the financial instrument is also classified at fair value through profit or loss, regardless of the business model. Financial assets measured at fair value are recognized in the statement of financial position at fair value and the relevant changes in fair value recognized in profit or loss.

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

IFRS 9 requires the Group to adopt the expected credit loss model for all debt securities that are not measured at fair value.

Expected credit losses are based on the difference between all contractual cash flows receivable based on the contract and all cash flows that the Group expects to receive, which are discounted using the initial effective interest rate of the financial asset.

Impairment of contractual assets, trade and rental receivables

The Group applies the simplified IFRS 9 approach for the calculation of expected credit losses, according to which the provision for impairment is always measured at an amount equal to the expected life-long credit losses on trade receivables, contractual assets and rental receivables.

To determine expected credit losses in respect of these receivables, the Group uses a credit loss forecast table based on the ageing of balances, based on the Group's historical credit loss data, adjusted for future factors in relation to debtors and financial environment.

Impairment of other financial assets measured at amortized cost

For the other financial assets measured at amortized cost, the Group uses a general approach, which is performed in two stages. If, at the reporting date, the credit risk of a financial instrument has not increased significantly since initial recognition, the Group measures the provision of loss for that financial instrument at an amount equal to the expected twelve-month credit loss. If the credit risk of the financial instrument has increased significantly since initial recognition, the Group measures the loss on a financial instrument at an amount equal to the expected credit loss throughout its life.

2.10.2 Financial liabilities

IFRS 9 largely retains the existing requirements of IAS 39 for the classification and measurement of financial liabilities.

Classification

The Group's financial liabilities are classified as financial liabilities at fair value through profit or loss and 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.

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.

2.10.3 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.

2.11 Cash and cash equivalents

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

2.12 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.

2.13 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. More specifically, for the OASA subgroup that receives a subsidy to cover up to 40% of its operating cost before depreciation, the amount related to cost of sales is recognized in a separate line in income statement named "Subsidies attributable to cost of sales", while the portion relating to other categories of expenses as well as subsidies of expenses of other companies of the Group are recognized in "Other operating income".

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.

2.14 Current and deferred income tax

Income tax expense comprises current tax and deferred tax. Tax is recognized in the income statement, except for items recognized in other comprehensive income or directly in equity. In this case, the tax is recognized in other comprehensive income or directly in equity, respectively.

Current income tax

Current income tax is calculated on the basis of tax laws that have been enacted or substantively enacted at the date of preparation of the financial statements. The management of each subsidiary periodically evaluates the positions taken in tax returns where applicable tax law is subject to interpretation and makes provisions, where appropriate, on the basis of the amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is provided using the liability method that results from the temporary differences between the tax base of the assets and liabilities and the accounting basis as presented in the financial statements.

Deferred tax liabilities are recognized for all taxable temporary differences except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability from a transaction that is not a business combination and at the time of the transaction the accounting or tax result is not affected.
- In respect of taxable temporary differences related to investments in subsidiaries, associates and joint ventures, they are recognized only if the parent, investor or joint venturer is able to control the timing of the reversal of the temporary difference, and it is expected that the temporary difference will not be reversed in the future.

Deferred tax assets are recognized for all deductible temporary differences, carried forward unused tax losses and carried forward unused credit taxes. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available to use the temporary difference that creates the deferred tax asset, except:

- When the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction the accounting or tax result is not affected.
- With respect to deductible temporary differences related to investments in subsidiaries, associates and joint ventures, deferred tax assets are recognized only to the extent that the temporary differences are expected to be reversed in the future and there will be taxable profit against which the temporary difference can be used.

The balance of deferred tax assets is assessed at each reporting period and is reduced to the extent that it is no longer probable that there will be sufficient taxable profits in the future to allow all or part of the asset to be utilised.

Deferred tax assets and liabilities are offset when there is a legally valid right to offset current tax assets with current tax liabilities and when deferred tax assets and liabilities relate to income taxes levied by the same tax authority, or to the same legal entity or different legal entities that intend to settle the balances on a net basis.

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 4389/2016 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, the Company does not recognise income tax.

2.15 Employee benefits

Post-employment benefits

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

A) 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 determined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the determined 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 recognised in the income statement as employee costs, reflects the increase in the determined benefit obligation arising from employee service in the current period, changes in benefits, curtailments, and settlements. The past service cost is recognised 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.

Any asset that arises from this calculation is limited to unrecognised actuarial losses and the past service cost, in addition to the current value of available returns and decreases of future contributions to the programme.

B) Defined contribution plan

The 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 recognised as payroll costs upon the creation of the requirement to pay. Prepayments are recognised as an asset in the event of a refund or offsetting of future liabilities is possible.

2.16 Trade and other payables and contract liabilities

Trade and other payables are liabilities 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. Otherwise they are presented as non-current liabilities. Trade payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

2.17 Provisions

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

Where the effect of time on the value of money is material, provisions are measured at the present value of the expenditure expected to be required to settle the liability using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due the passage of time is recognised 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 liability, they are reversed in the income statement.

2.18 Revenue recognition

IFRS 15 replaces IAS 11 'Construction Contracts', IAS 18 'Revenue', as well as Interpretations IFRIC 13 'Customer Loyalty Programmes', IFRIC 15 'Agreements for the Construction of Real Estate', IFRIC 18 'Transfers of Assets from Customers', and SIC 31 'Barter Transactions Involving Advertising Services', and it is applied on all revenues arising from contracts with customers, unless those contracts are governed by other standards. The new standard establishes a 5-stage model in order to calculate revenues from contracts with customers.

1. Identify the contract with customer.
2. Identify the performance obligations that arise from the contract with the customer.
3. Determine the transaction price.
4. Allocate the transaction price to each performance obligations that arise from the contract with the customer.
5. Recognise revenue when a performance obligation that arises from a contract with a customer is satisfied.

The main principle is that a financial entity will recognise revenues in such a way that reflects the transfer of the goods or services to the customers in the amount that it expects it shall be entitled to in exchange for those goods and services. Furthermore, it includes the principles that a financial entity must apply in order to measure revenue and the point of their recognition. In accordance with IFRS 15, revenues are recognised when the customer gains control of the goods or services, determining the time of transition of control — whether it is at a point in time or over time.

The Group applies the standard for the 2018 financial year, and as regards the previous periods, it has recognised the cumulative effect of the application of IFRS 15 on all contracts that had not yet been completed by 1 January 2018, as a restatement of the opening balance of equity on 1 January 2018 (modified retroactive method). The contracts that were completed before the date of first application (namely, 1 January 2019) have not been reviewed.

(a) **Revenue from leases**

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

(b) **Revenues from the rendering of services**

Revenue from rendering of services is recognised 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 privatisation revenue is thus not considered revenue of HRADF and of 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 - GG/1603/07.06.2016, is defined as a percentage of the price from utilisation of assets and amounts to 0.5%.

(c) **Revenue from the sale of goods**

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

(d) **Revenue from interest**

Interest revenue is recognised on an accrual basis using the effective interest rate method.

(e) **Dividend income**

Dividend income is accounted in income statement in the period when the shareholder's right to receive payment is finalised. It should be noted that as dividend income is the main source of income for the Company (but not the Group), the HCAP's separate income statement presents it as "Revenue", while on a Group level intra-group dividends are eliminated and the remaining Group dividends are presented as a separate line item as "Dividend income".

2.19 Dividends payable

Dividends 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.

2.20 Foreign currency translation

Transactions in currencies other than the functional currency 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, except for those that arise from the consolidation of net investment in a foreign operation initially recognized in a separate component of equity and in the income statement when net investment is disposed of. Non-monetary items that are measured at historical cost in a foreign currency will be translated at the exchange rate at the date of the original transaction. Non-monetary items that are measured at fair value in a foreign currency will be translated at the exchange rates that existed when the fair values were determined.

2.21 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.

2.22 Reclassifications and rounding of figures

The amounts included in the financial statements have been rounded to Euros, while any differences may be due to roundings. As a result of the transfer of "Other subsidiaries" (within the meaning of Law 4389/2016, as not all companies are subsidiaries according to the provisions of the IFRS) and due to the differentiation of the financial positions of the Group that the consolidation of the additional companies resulted to comparing the periods 31.12.2017 and 31.12.2018, within the financial year reclassifications took place, in order to have more accurate and prudent presentation.

The reclassifications that were performed in the statement of financial position of the Group of 31.12.2017, are analysed below:

- The caption "Lease Advances" on 31.12.2017 amounting to €856,356 was incorporated to the caption "Other non-current assets".
- The amount of €498,927 that concerned accrued income was transferred from the caption "Other receivables" to the caption "Trade receivables and contract assets".

- The amount of €12,448,291 that concerned deferred rental income of ETAD was transferred from the “Deferred rental income” discretionary caption to the “Other non current liabilities” caption.
- The amount of €89,321,790 that concerned long-term loans of ETAD was transferred from the “Other non-current liabilities” to a separate line item called “Long term loans”. The current part of the non-current loan amounting to €19,496,083 was transferred from the “Other current liabilities” to a separate caption called “Short term portion of long term loans”.
- The amount of €13,992,548 that concerned creditors, various taxes – duties, payables from the Promachonas and Ieropigi tolls, payables to insurance agencies, accrued expenses, and payables from dividends was transferred from the “Trade and other payables” financial caption to a discretionary financial caption called “Other current financial liabilities”.

The reclassification that was implemented on the income statement of the Group as of 31.12.2017 is analysed below:

- The amount of €10,301,978 included in the caption “Other Provisions” on 31.12.2017 in that concerns provisions for doubtful receivables was incorporated into the caption “Selling Expenses”.

The reclassifications that were implemented in the statement of financial position of the Company of 31.12.2017, are analysed below:

- The amount of €134,226 that concerned accrued income payments was transferred from the caption “Other receivables” to the caption “Trade and other payables and contract liabilities”.
- The amount of €603,783 that concerned creditors, various taxes – duties, payables to insurance agencies, and accrued expenses was transferred from “Trade and other payables and contract liabilities” to “Other current financial liabilities”.

Besides the above cases, there have been reclassifications within the individual notes, so that the information provided in these notes can be compared with those of the current financial year. 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

Cash and cash equivalents are the main financial instruments of the Company and its subsidiaries, with the main purpose to provide funding for their activities. The subsidiaries also held various other financial instruments, such as trade receivables and trade payables, which arise directly from their operations, while some subsidiaries also hold financial assets (with significantly lower values) related to shares of a listed company and bonds. The policy of the Corporation and its subsidiaries, during the year ended 31.12.2018 was not to enter into speculative transactions on financial instruments.

The Corporation and its subsidiaries under the present structure are exposed to a range of financial risks. The usual risks to which there are theoretically subject to market risks (currency exchange risk, interest rate, market prices), credit risk, and liquidity risk.

Risk management focused mainly on the recognition and assessment of financial risks, while at the same time these risks were managed by the management and units of each subsidiary concerned.

Market risk

i. Currency risk

Currency risk arises from transactions and balances in foreign currency. The operating currency of the Group is the Euro (€). The Corporation and the consolidated subsidiaries do not have activity outside Greece due to the nature of their activities, and therefore are not substantially exposed to an exchange rate risk, as most of their transactions are in Euro.

In particular, some minor currency risk exists in some companies and arises due to international transactions that they may have (e.g. ELTA with the international mail that is part of their activity or occasionally other subsidiaries when consultancy fees arise, as well as costs of projects carried out in foreign currencies). The Corporation and its subsidiaries examine and assess on a periodic basis, separately and in combination, their exposure to foreign exchange risk and use appropriate financial instruments for its management if required.

ii. Price risk

The financial assets and liabilities of the Company and its subsidiaries are not significantly exposed to a risk of price change, except for a specific part of the assets relating to shares listed in the ASE and bonds.

The most significant part of Company 's and its subsidiaries' exposure to price risk relates mainly to non-financial instruments, such as investment properties, inventory, etc. For such assets and liabilities there are risks from price changes, variances of commodities price indexes such as, e.g.:

- the exposure of its subsidiaries to the risk of relevant fluctuations in the fair value of real estate properties, which may affect the amounts presented in the financial statements at fair values (such as investment properties) and,
- the limited exposure of its subsidiaries to risk of price changes (e.g. due to inflation), in cases where part of their revenue stems from leasing agreements, that could include terms for annual price adjustments based on Consumer Price Index,
- the exposure of subsidiaries to fluctuating international goods prices, such as fuels (e.g. transport), as well as regulated prices (such as the cost of raw water in water and sewerage companies), etc.. Such changes in prices can impact the economic performance of these companies, if they cannot be passed on to consumers (such as in cases where sales or service prices are regulated, and it is either not feasible to pass on the costs or they are passed on with large delay).

iii. Cash flow risk and risk of fair value changes due to changes in interest rates

The risk of cash flows and fair value changes due to changes in interest rates concerns the risk of a change in the fair value of a financial instrument as a result of changes in interest rates, as well as the risk of changes in the interest rates on the cash inflows/income and outflows/expenses of the Company and its subsidiaries.

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

- The Company and its subsidiaries maintain interest bearing assets, such as short-term investments in fixed term deposits, deposits in Bank of Greece, 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 significantly affect the financial results of the Company and its subsidiaries.
- Although some subsidiaries of the Company have payables related to loans, the risk of fluctuation in their fair value from fluctuations in interest rates is relatively limited, as a significant proportion have variable interest rates.

Credit risk

Credit risk is the possible non-timely repayment to the Company and its subsidiaries of the existing and possible liabilities of the countersigned parties, and it mainly consists of commercial and other receivables, as well as cash and cash equivalents.

Trade receivables in most of HCAP's subsidiaries come from a large customer base, while a significant part of their sales is settled in cash or cash equivalents, such as is the case in urban transport companies.

For the part which is not settled in cash and the outstanding part of which is reflected in trade and other receivables, measures necessary to reduce this risk, when feasible, are taken as below:

- For the real estate sector, a part of the trade receivables is secured against credit risk with letters of guarantee provided by financial institutions
- A significant proportion of the trade receivables of the companies comprises from a large number of customers with relatively small balances, resulting in significant risk dispersion [further management of which is carried out by the competent functional units of subsidiaries, by applying either preventive credit control procedures or, in cases of recovery difficulties, recovery procedures through debt adjustment or through compulsory recoveries (legal/ judicial methods)].
- Also, a large part of the receivables relates either to receivables from the Greek state, or to receivables for which there are corresponding payables to the Greek state (such as the receivables of HRADF resulting from the exploitation of assets and which are payable the Greek State, or the receivables of ETAD from the Greek State for guaranteed loans). A significant part of those receivables concern the ELTA cost reimbursement from the Greek State for the provision of the Universal Postal Service (a receivable which, if not settled, could lead to a significant risk a cash deficit increase and may pose a risk for the continuation of the smooth operation of the company), reimbursement claims by city transport companies for the provision of transportation services with full or partial ticket exemption for special categories of passengers (e.g. Unemployed, Disabled, Large Families, etc.), and receivables of the water supply companies from Local Government Organisations. For all such receivables, the Coordination Mechanism will decrease uncertainty and the lack of appropriate procedures and communication between the state and public corporations for the settlement of amounts due from the Greek State.

There is also a potential credit risk for cash and cash equivalents. In such cases the risk may arise from the inability of the counterparty to meet its obligations to the Corporation and its subsidiaries. In order to manage this credit risk, the Corporation's cash and a significant part of the subsidiaries' cash is deposited at the Bank of Greece, while the Corporation and its subsidiaries collaborate with financial institutions with a high investment credit rating and continually assess/ set limits to their exposure at each individual financial institution.

According to the estimates of each subsidiary's management, appropriate provisions are recognized for losses related to the impairment of receivables as a result of specific credit risk.

The Group's assets that are exposed to credit risk at the end of the reporting period are analyzed as follows:

Financial assets	**GROUP**		**COMPANY**	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Cash and cash equivalents	736,714,759	125,421,561	19,640,841	7,335,934
Within the following year	484,366,614	62,895,111	880,445	134,226
Within 1-5 years*	175,166,083	145,887,730	33,045	72
Other receivables**	100,321,774	31,901,622	553	-
Restricted cash	7,621,591	-	-	-
Net carrying amount	**1,504,190,821**	**366,106,024**	**20,554,884**	**7,470,232**

**Excluding lease advances.*
***Excluding prepaid expenses.*

Liquidity risk and capital management

Liquidity risk relates to the risk that the Corporation and its subsidiaries may not have sufficient liquidity to enable them to meet their financial obligations and to finance their activities. The effective management of liquidity risk includes, among other things, the maintenance of adequate cash, the proper management of working capital and cash flow, and the ability to receive financing if required.

The Corporation and most of the consolidated subsidiaries, under the current existing structure and available resources, estimate that 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.

Exposure to this risk is higher in two HCAP subsidiaries whose cash flow, due to the nature of their activity, depends to a significant extent on the timely collection of the receivables from the Greek State of the equitable remuneration for the provision services of general economic interest, or specific economic relief provided to social groups according with the Greek State's regulations, as well as any subsidies for expenditures incurred by certain organisations.

The increased exposure to this risk stems from the fact that the amounts are significant for the size of the organisations and there is sometimes a significant delay in the payment of these amounts by the Greek state. Furthermore, the exposure is also increased by the fact that one of these two sub-groups in HCAP's portfolio cannot apply for borrowing in order to cover the time gap between the incurring of the costs and the collection of the respective amount by the Greek State, while the other sub-group has exhausted the available lines of financing. These companies manage this risk by closely monitoring their cash flow and managing their working capital.

The following table presents the breakdown of the financial liabilities of the Group and the Company:

Financial liabilities	**GROUP**		**COMPANY**	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Within the following year(Trade and other payables)				
-Trade and other payables and contract liabilities	227,048,566	90,395,207	444,547	451,727
-Short term loans	120,101,304	-	-	-
-Short term portion of long term loans	15,897,722	19,496,083	-	-
-Other current financial liabilities	283,144,918	9,899,523	431,625	410,780
	646,192,510	119,790,813	876,172	862,507
Other long term liabilities				
-Other non current liabilities	196,024,852	99,481,516	-	-
-Long term loans	84,434,150	89,321,790	-	-
	280,459,002	188,803,306	-	-
Total	**926,651,512**	**308,594,119**	**876,172**	**862,507**

The analysis of "Trade and other payables and contract liabilities" arising from contracts with customers does not include amounts from "Customer advances" and "Contract liabilities and deferred income".

The analysis of "Other non current liabilities" above does not include "Payables to social security funds" and "Tax liabilities and duties (excluding income tax)".

The analysis of "Other non-current liabilities" does not include "Government grants", "Customer contributions" and "Deferred rental income".

3.2 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.

In the following table are presented the Group's financial assets at fair value as of 31 December 2018:

	GROUP			
	CLASSIFICATION			
Financial assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss	3,070,498	11,601	24,214	**3,106,313**
Financial assets at fair value through other comprehensive income	629,512	-	49,995	**679,507**
Total	**3,700,010**	**11,601**	**74,209**	**3,785,820**

Level 1 includes the investment in Greek Government bonds and in shares of Attica Bank, which are traded in the Athens Stock Exchange.

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 historical 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 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 is 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 regarding contingent liabilities and pending legal cases

The Group's subsidiaries are involved in various disputes and legal cases for any significant cases 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 recognise 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 the management of the subsidiaries. When additional information becomes available, the management of the subsidiaries should 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).

- Provisions for 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 (e.g. low customer creditworthiness, disagreement about the existence or amount of the receivable, etc.), the receivable is analysed 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 management of HCAP subsidiaries should continuously reassesses them.

(d) **Impairment of investments in associates**

The Group tests for impairment, when there is evidence of 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 Property, plant and equipment**

Property, plant and equipment is depreciated according to the estimated useful life. The estimated useful lives are reviewed regularly and may be changed on the basis of various factors such as technological innovation, mainly related to software programmes.

(f) **Impairment of PP&E**

PP&E is initially recognised at cost and then depreciated over its useful lives. The Company and its subsidiaries examine in each reporting period whether there are indications of impairment of the tangible assets. If there are indications, the impairment test is carried out on the basis of market data and of the entity's management's estimates of future operating and economic conditions. For the impairment testing, the subsidiaries' management coordinates with independent valuers.

(g) **Existence of control or significant influence over the investments that were transferred with no consideration from the Greek State**

The participation of the Greek state in various public corporations was transferred to HCAP in accordance with Law 4389/2016. This participation in some cases concerned a majority participating interest and in others a minority shareholding. For the assessment as to whether with each participating interest HCAP has control or significant influence on the public entities whose shares have been transferred for consolidation purposes, the Group's Management carries out estimates and judgments, which are analysed in Notes 2.3(a3) and 2.3(a4).

(h) **Valuation of the investment held in Folli Follie SA and assessment of the events that led to the suspension of trading of its shares at ASE**

Pursuant to Law 4389/2016, the 0.96% participation of the Greek State in Folli Follie, which is a listed company on ASE, was transferred to HCAP. As Folli Follie shares were suspended from trading at ASE, their value must be calculated based on estimates and judgments, which include judgments and estimates regarding whether the decrease in value of these stocks is due to factors that existed on 01.01.2018 and were revealed later (namely, whether it was an adjusting post-balance sheet event of 01.01.2018 or not) (Note 11.2).

(i) **Purpose of portfolio in assets held by HCAP's subsidiaries, in accordance with IFRS 9**

Several HCAP subsidiaries hold in their portfolio shares and financial assets either for sale or to be held. The classification of these financial assets in accordance with IFRS 9 depends on the business model holding the financial asset, namely, whether its purpose is to hold the financial asset to collect contractual cash flows or to collect contractual cash flows and sell it. The business model is a significant judgment made by HCAP subsidiary management.

(j) **Valuation of associates as of their initial recognition**

Initial recognition of associates at a consolidation level was, in accordance with IAS 28/par.32, at the portion that HCAP has (based on participating interest) on the fair value of each company, as it was based on the events and circumstances prevailing at the date of transfer (01.01.2018). For PPC, whose shares are listed on the ASE, the value used was the share value of 01.01.2018 in the Athens stock exchange (fair value hierarchy level 1). For associates AIA and ETVA-VIPE, whose shares are not listed on an active market, other valuation methods were used. For the data and parameters used in the valuation models, observable data is used wherever possible, but where this is not possible significant judgments and estimates were required for the calculation of fair value. Changes in these assumptions could affect the fair value recognised on the date that the associates were transferred. The methods and assumptions used for the valuation of the AIA and ETVA-VIPE companies are analysed in Note 8.

(k) **Recognition of deferred tax assets**

Deferred tax assets are recognized to the extent that it is probable that taxable profits will be exist in the future or that similar deferred tax liabilities will be reversed over the same period. Significant estimates of subsidiaries' management are required to determine the amount of deferred tax assets that may be recognized, based on the probable time and amount of future taxable profits in combination with the subsidiary's tax planning.

5. Property, plant & equipment

The movement of Property, plant and equipment for the Group and the Company is presented below:

		GROUP					
	Note	**Buildings-Land-Technical Installations**	**Machinery Equipment**	**Vehicles**	**Furniture and other equipment**	**Fixed assets under construction**	**Total**
Cost as at 01.01.2017		70,012,725	3,225,384	833,868	10,276,237	1,763,073	86,111,287
Additions		138,727	21,232	4,539	299,934	284,957	749,389
Transfers from investment properties	6	5,103,100	-	-	-	-	5,103,100
Transfers from lease advances		2,024,944	-	-	-	-	2,024,944
Disposals/ write-offs		-	-	-	(10,893)	-	(10,893)
Cost as at 31.12.2017		**77,279,496**	**3,246,616**	**838,407**	**10,565,278**	**2,048,030**	**93,977,827**
Cost as at 01.01.2018		77,279,496	3,246,616	838,407	10,565,278	2,048,030	93,977,827
Cost of PP&E held by subsidiaries that were transferred		2,628,645,659	646,663,796	1,009,011,372	197,458,447	14,479,833	4,496,259,107
Additions		2,867,400	9,745,061	357,774	2,883,696	6,712,655	22,566,586
Disposals/ write-offs		(3,982,744)	(107,239)	(35,575,394)	(390,362)	-	(40,055,739)
Transfers to investment properties	6	(2,742,630)	-	-	-	-	(2,742,630)
Other transfers		2,351,802	1,623,237	1,045,983	296,198	(5,317,220)	-
Cost as at 31.12.2018		**2,704,418,983**	**661,171,471**	**975,678,142**	**210,813,257**	**17,923,298**	**4,570,005,151**
Accumulated depreciation/impairment as at 01.01.2017		(23,212,706)	(1,291,560)	(441,568)	(5,639,813)	-	(30,585,647)
Depreciation charge		(2,334,369)	(201,829)	(39,545)	(306,666)	-	(2,882,409)
Impairments		(765,102)	-	-	-	-	(765,102)
Disposals/ write-offs		-	-	-	7,349	-	7,349
As at 31.12.2017		**(26,312,177)**	**(1,493,389)**	**(481,113)**	**(5,939,130)**	**-**	**(34,225,809)**
Accumulated depreciation/impairment as at 01.01.2018		(26,312,177)	(1,493,389)	(481,113)	(5,939,130)	-	(34,225,809)
Accumulated depreciation/impairment of PP&E held by subsidiaries that were transferred		(761,297,720)	(354,621,856)	(803,423,317)	(189,384,075)	-	(2,108,726,968)
Depreciation charge		(50,264,470)	(26,277,757)	(32,981,528)	(3,711,183)	-	(113,234,938)
Disposals/ write-offs		1,505,353	107,244	35,422,167	180,565	-	37,215,329
Transfers to investment properties	6	215,028	-	-	-	-	215,028
Reverse of impairment	26	3,933,733	-	-	-	-	3,933,733
Other transfers		-	-	430,373	134,368	-	564,741
As at 31.12.2018		**(832,220,253)**	**(382,285,758)**	**(801,033,418)**	**(198,719,455)**	**-**	**(2,214,258,884)**
Net book value at 31.12.2017		**50,967,319**	**1,753,227**	**357,294**	**4,626,148**	**2,048,030**	**59,752,018**
Net book value at 31.12.2018		**1,872,198,730**	**278,885,713**	**174,644,724**	**12,093,802**	**17,923,298**	**2,355,746,267**

	COMPANY		
	Buildings-Land-Technical Installations	**Furniture and other equipment**	**Total**
Cost as at 01.01.2017	-	-	-
Additions	-	74,758	74,758
Cost as at 31.12.2017	**-**	**74,758**	**74,758**
Cost as at 01.01.2018	-	74,758	74,758
Additions	12,552	83,098	95,650
Cost as at 31.12.2018	**12,552**	**157,856**	**170,408**
Accumulated depreciation/impairment as at 01.01.2017	-	-	-
Depreciation charge	-	(9,352)	(9,352)
Accumulated depreciation/impairment as at 31.12.2017	-	(9,352)	(9,352)
Accumulated depreciation/impairment as at 01.01.2018	-	(9,352)	(9,352)
Depreciation charge	(241)	(11,515)	(11,756)
Accumulated depreciation/impairment as at 31.12.2018	(241)	(20,867)	(21,108)
Net book value at 31.12.2017	**-**	**65,406**	**65,406**
Net book value at 31.12.2018	**12,311**	**136,989**	**149,300**

Liens:

There are no liens on the Company's property, plant and equipment.

On the Group's property, plant and equipment as at December 31, 2018, 5 properties of ELTA have been pledged to the Deposits & Loans Fund with the amount of the foreclosure for each property amounting to € 115 mln. Moreover, a number of ELTA's properties have been foreclosed for the loan from Attica Bank.

Fixed assets under construction

At Group level, the fixed assets under construction as at 31.12.2018 mainly concern projects for the expansion of the water and sewerage networks of the subsidiaries EYDAP and EYATH. As at 31.12.2017, the fixed assets under construction consisted mainly of the works for the modernization of the Parnassos Lifts of ETAD, as the two water and sewerage companies had not been transferred to the Group until then.

Useful life of property, plant and equipment

Depreciation of fixed assets, other than non-depreciable land, is calculated using the straight-line method over their estimated useful lives as follows:

- Buildings and technical installations from 4 to 100 years.
- Mechanical equipment from 3 to 33 years.
- Transportation means from 5 to 33 years.
- Furniture and other equipment from 3 to 33 years.

Impairment test

On the date of the transfer of the shareholdings in public entities, ie 01.01.2018 except from GAIAOSE which was on 01.07.2018, in various of the transferred entities there were qualifications in the auditors' reports regarding possible impairments of their assets. In order to resolve this long-standing issue, subsidiaries which had high total value of fixed assets initiated impairment testing procedures. In some of the subsidiaries this testing was completed prior to the publication of the consolidated financial statements and the amount of the impairment was recognized by the Group as a correction of the equity of the transferred subsidiaries on the date of the transfer amounting to € 184.8 mln.

In other subsidiaries, due to the large volume and complexity of the assets, the relevant procedure is still in progress.

This procedure is expected to a large extent to be completed within the year 2019 and any corrective entries for matters related to the period prior to the transfer date 01.01.2018 or 01.07.2018 (for GAIAOSE case) will be retroactively adjusted by correcting the value of property, plant and equipment and the value of equity of these companies as at the acquisition date.

6. Investment properties

	Note	GROUP	COMPANY
As at 01.01.2017		**370,653,544**	**-**
Fair value of investment properties that were transferred from/to the Greek State with no consideration (a)	17	416,854,522	-
Gain from revaluation of investment property		36,550,870	-
Transfer from lease advances (c)		6,873,815	-
Revaluation reserve from assets transferred from lease advances	17	2,694,085	-
Transfer to property, plant and equipment	5	(5,103,100)	-
As at 31.12.2017		**828,523,736**	**-**
As at 01.01.2018		**828,523,736**	**-**
Investment properties held by subsidiaries that were transferred		178,808,570	-
Fair value of investment properties that were transferred from/to the Greek State with no consideration (a)	17	67,260,015	-
Transfers from property, plant and equipment	5	2,527,602	-
Other additions		72,372	-
Gain from revaluation of investment property		57,376	-
As at 31.12.2018		**1,077,249,671**	**-**

Rental income that was recognized during current year in Income Statement amounts to € 48.3 mln (31.12.2017: € 33.7 mln) (note 24).

The fair value of investment properties has been categorised as Level 3 of fair value hierarchy. The valuation of investment properties at its fair value on 31.12.2018 was implemented based on an independent valuer's report. The valuer implemented International Valuation Standards – IVS, and took into account the guidelines and standards of the Royal Institute of Chartered Surveyors – RICS of Great Britain, and the standards of the European Group of Valuers Associations – TEGOVA).

The basic valuation methods used were the following:

1. The Sales Comparison Approach – Market Approach, which is considered to reflect the most credible indication of value for PP&E for which there is an organised active market and which shapes value based on analysis and comparison of older or recent purchases and sales of comparable assets. It is based on the hypothesis that an informed buyer would not pay more to purchase a property or PP&E than the market cost of a similar property or PP&E, for the exact same use and purpose.
2. The Cost Approach, which was applied during the estimation of specialised building installations, facilities, and land improvements of the individual properties of the Group, if they were not leased or there was no organised and active market for the sale of corresponding properties.
3. The Income Capitalisation Approach, which was applied mainly in the valuation of companies or intangible assets and rights, and which determines value based on capitalising revenue sources which the property provides or may provide, in accordance with its current use. The Income Capitalisation Approach is further applied to ascertain the

value of property, mainly investment, commercial or leasable property, where the potential leasing of the property and revenues that may be achieved from capitalisation of the rent is considered exploitation. Two techniques may be taken into account during the application of the Income Capitalisation Approach for the evaluation of mainly investment properties. The Direct Capitalisation technique and the Discounted Cash Flows Analysis technique.

On 31 December 2018, 4 investment properties belonging to ELTA were given to Attica Bank to be mortgaged.

(a) Recognition of new properties which during the current year met the IFRS recognition criteria

Within the current financial year ETAD recognised additional investment properties amounting to €67.3 mln (Note 17), which meet the requirements of Article 196 of Law 4389/2016 and the IFRS criteria. In the case of new properties recognised by ETAD, pursuant to the provisions of Law 4389/2016, if they are wholly owned by the company, the initial recognition (whether by voting of a law, or at a later date with the progress of the procedure of gradual identification of these properties' titles, the understanding and recording of the assets and their specifications, and their valuation and accounting) was performed using the fair value, and the difference between cost and fair value was recognised directly through other comprehensive income, as it concerns a transaction with the ultimate shareholder.

If ETAD recognises new assets which it does not wholly own, but on which it has the right to manage and utilise, initially their fair value is calculated as if it was wholly owned, and then the value of ETAD's right on the assets is determined, with the application of the Concept of Usufructury, according to which the use and utilisation a long-term tangible asset owned by someone else cannot exceed 8/10 of the asset's value under whole ownership.

ETAD has been granted until 2097 the use and utilisation of the properties belonging to Greek National Tourism Organization (GNTO), and, therefore, in accordance with applied practices and the concept of Usufructury, the Value of these assets, namely, the value of the Rights to Manage, Administrate, Exploit, and Utilise GNTO's properties, cannot exceed 80% of the Commercial Value of the properties in question under a regime of whole ownership. For the remaining properties originating with GNTO, their value is calculated at 100% under a regime of whole ownership. This methodology is applied to assets that concern the Rights to Manage, Administrate, Exploit, and Utilise GNTO properties (e.g. Seashore), while the value of GNTO properties that now belong wholly to ETAD is calculated at 100% of their fair value during the reference period.

Regarding the main assumptions used to value the investment properties of ETAD, they are presented below:

1. The properties in ETAD's portfolio or parts of them, which in accordance to the data available are part of established 'Natura' or 'Ramsar' areas, were considered exploitable under conditions, and as such were valued using the application of a discounted rate of 85%, in order to reflect the risk of utilising them, due to the special planning commitments enforced by the special permit procedure.
2. For properties with special commitments (planning and legal) on the date of valuation, as, for example, non-developable properties due to incomplete application acts, archaeological digs under way, areas characterised as green areas, illegally occupied areas or areas under dispute, discounted value rates were adopted in order to reflect the difficulty in utilising the properties in question. The discount value rates applied for planning commitments ranged from 20% to 90% depending on the commitment.

Planning Limitation Categories	Discount Rate (%)
Property with undetermined uses, listed buildings, application act in progress, co-owned property	up to 20%
Firing Range, Long and Narrow – Non-developable Property, Old Seashore, Marsh, River Bank – Lake Shore Area, Property to be demolished	up to 50%
Grazing Land, Former Quarry	up to 60%
Rocky Land - Difficult to Utilise	up to 80%

Properties within network, forest land, NATURA 2000, Urban Control Zones, or properties with special planning limitations	up to 85%
Properties characterised as green areas, archaeological areas	up to 90%

The discount value rates applied for legal commitments ranged from 30% to 80% depending on the commitment.

Legal Limitation Categories	Discount Rate (%)
Disputed Properties	up to 30%
Illegally Occupied, Annexed, Doubtful	up to 50%
Conceded, Special Regime Properties	up to 80%

3. In cases that properties of ETAD that have prohibiting commitments regarding their land, such as forest, archaeological areas, 'Natura' or 'Ramsar' areas, etc., it was ascertained from the data that there are building facilities on them, they are valued based on the Cost Approach, and therefore the Fair Value of the property will arise from the total of the Depreciated Replacement Cost (DRC) of the building facilities and the value of the land as it arose from the Market Approach and based on the allowed building coefficient.
4. Regarding properties or part considered as outside the city plan, which, however, from the data provided or collected by the Valuer it is concluded that they are now part of the city plan, the Valuer gave an enhancing rate of value for extravillan properties.
5. Regarding the value of the land within and outside the city plan, and the value of the properties for which credible comparative data could be identified, the Market Approach was applied, determining the recommended price (€/sq.m.) following the relevant market research (in the Prefecture or area of each property), while implementing the necessary adjustments to the comparative data, depending on the unique characteristics of each valued property. The adjustments regarding comparative data concern:
   - The impairment of the asking sale price, as it arose from the research, ranging from 0% to 20% depending on the data of the comparative element, in order to quantify the difference between the asking price and the sale price at which a potential sale would lead, following negotiations between the buyer and seller.
   - The impairment of the asking price ranging from 0% to 10% depending on how long the comparative element identified has remained on the market.
   - The adaptation of the asking sale or leasing price, depending on the physical characteristics of the comparative element (location, area, frontage, storey, construction year, etc.).
6. The leased properties were valued either with the use of the Income Capitalisation Approach, and specifically the Discounted Cash Flows method, or based on future rent payments. The recoverability ratio from 0% to 25% regarding this future rent income was calculated mainly based on payment history of the relevant leases as at the valuation date and other factors that, according to the judgment of the valuer, connected to the possibility of regular rent payments in the future. Furthermore, at the end of the period, the Residual Value of the property in question was calculated using the capitalisation of rental income technique during the first year after the end of the period. The values that arose from the above were then transferred to current values with a discounted rate, which, depending on the type of property, ranged in most cases from 4% to 12%.
7. 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 the International Monetary Fund (IMF).

Year	CPI
2018	1.40%
2019	1.60%
2020	1.70%
2021+	1.70%

8. Zero Fair Value was determined by the valuer regarding specific properties, only when, after evaluating the data provided by ETAD or which the valuer themselves ascertained from the database data or from third party information, the assets in question cannot, in their independent opinion, become the object of transaction or any other form of commercial utilisation, due to city planning, spatial, or other administrative constraints. The reasons for which a value was not determined for specific ETAD properties are listed below:
   - Properties with incomplete or unclear data
   - Clearly forest land or lakes or rivers
   - Completely protected properties – National Parks
   - Properties with special city planning commitments
   - Property buildings that have been build by illegal owners.

   In cases of properties with commitments such as the above, for which it was ascertained, following assessment, that they could become the object of transfer or commercial utilisation, a fair value was calculated.
9. Concerning parts of seashore and beach zones characterised as Public Tourism Land (TDK) the administration / management of which is transferred to the General Secretariat of Public Property (GSPP) in accordance with the opinion of ETAD's director of legal services, as regards Article 68(1) of Law 4484/2017, no value will be calculated as not belonging to ETAD. For TDKs with active leases or concessions, fair value was calculated up to the expiry date of the lease/ concession.

(b) Properties and rights not meeting the IFRS criteria and not recognized in the financial statements

Property and rights that do not meet the IFRS criteria relate to Greek State assets that were transferred to ETAD pursuant to the provisions of Law 4389/2016 and for which legal or technical difficulties exist, or at this time is not at ETAD's disposal all the elements of the title deeds that would be needed to recognise them. 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.
- 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.

Furthermore, the subsidiary GAIAOSE (transferred to HCAP on 01.07.2018) holds, in accordance with existing legal framework (such as L.3891/2010, L. 4111/2013), the sole management, utilization and commercial exploitation of all real estate properties of OSE, as well as those transferred by this law to the Greek State, excluding property related to the railway infrastructure and its operational needs. For these properties there are ambiguities and uncertainties.

With respect to the accounting treatment of this part of the portfolio, management of ETAD took into consideration the requirements of the International Financial Reporting Standards for the recognition of an 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.

As for the meeting of 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’s 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.

ETAD continues its planned actions to examine the possibility and create the conditions for recognition of these properties. Within this context, 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. As part of these actions, in 2018 ETAD finalized the complete identification, registration, valuation and registration of an additional 630 properties from the above described, which were registered at a total fair value of € 67.3 mln increasing Investment Properties and Equity.

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 2019 this work will have been completed for a considerable number of properties.

In addition, the subsidiary GAIAOSE (transferred to HCAP on 01.07.2018), under Law 3891/2010 took over the responsibility of the exclusive management, utilization and commercial exploitation of all the assets of OSE, as well as those transferred by the aforementioned law to the State. GAIAOSE is entitled to operate any management and disposal operation on its own behalf and in its own name. OSE’s real estate includes real estate necessary for railway operation (building infrastructure, railway allowance, etc.), as well as standalone or partial real estate (land or building stock) that can be exploited or utilized.

According to no. 6 par. 5 b of Law 3891/2010, within the above jurisdiction of GAIAOSE, does not include the management activities related to the operation of the railway network, which under the current legislation belong to the Infrastructure Manager (OSE SA) and remain in its sole responsibility. As for real estate that is utilised for railway operation, as of today, the only distinction that has been made is that of the active rail network, the suspended network and the abolished network. From this categorization the only real estate that GAIAOSE can freely exploit is part that belongs to the abolished network. The utilization and commercial exploitation of the properties that serve the National Rail Infrastructure as identified in paragraph 3 of Art. 6 of Law 3891/2010, wherever possible, belongs exclusively to GAIAOSE. However, in this case GAIAOSE shall first obtain the agreement of the Infrastructure Manager with regard to the technical specifications and operation of the planned constructions in order not to expose at risk or prevent the activity of the Infrastructure Manager.

Therefore, it is clear that OSE's obligation to give its assent may impose restrictions on the free commercial exploitation of railway infrastructure property by GAIAOSE. The above restrictions may be extended to the abolished network property, taking into account the possibility of OSE, through the annual Network Statement, to operate the abolished network. Although so there is no such case, the possibility for OSE to make use of this right, as long as the real estate serving the National Rail Infrastructure has not been identified in accordance with the procedure set out in par. 6 of Law 3891/2010, there is increased uncertainty as to the ability of GAIAOSE to control their free use and the ability to reliably assess the management and utilization rights of these properties.

In this context, there is uncertainty about the real estate properties managed and operated by GAIAOSE, such as potential barriers (legal, planning, etc.), but also regarding the possibility of individual exploitation of those rights by GAIAOSE (eg if some issue of future transport activation arises) that affect the ability to reliably measure these resources. In this context, it was considered that these rights do not yet meet the IFRS recognition criteria and consequently the company has not yet recognized them as assets. GAIAOSE has initiated a process that will gradually remove any uncertainties and / or obstacles, and will progressively identify and measure these assets as the process progresses.

Furthermore, GAIAOSE owns the property in Thriassio which is depicted as an investment property and appears in its financial statements from previous years (and in these consolidated financial statements as at 31.12.2018) at the value of € 51 mln, for which fair value measurement has not yet been completed. Any difference that will arise in the valuation of this property will be recognised upon completion of the procedure, and in the consolidated financial statements will affect the equity of that company at the date of transfer of its shares to HCAP.

(c) Transfer of property from the ‘Property, Plant and Equipment’ category to the ‘Investment Property’ category

On a Group level, within the current financial year the amount of €2.5 mln was transferred from PP&E to investment property. This concerned the transfer of the subsidiary OSY’s property due to change of use. Specifically, the depot was transformed into a leased events hall.

During the previous financial year, investment properties of ETAD amounting to €9.6 mln were transferred from “Lease Advances” to Investment Property, due to a change in purpose from providing ETAD services to collecting leases.

7. Intangible assets

	GROUP				
	Goodwill	Software	Licenses	Other Intagible Assets	Total
Cost as at 01.01.2017	-	2,304,068	182,846	-	2,486,914
Additions	-	155,933	-	-	155,933
Cost as at 31.12.2017	**-**	**2,460,001**	**182,846**	**-**	**2,642,847**
Cost as at 01.01.2018	-	2,460,001	182,846	-	2,642,847
Additions	-	1,783,606	-	9,600	1,793,206
Cost of intagibles owned by subsidiaries that were transferred	3,356,880	61,440,156	806,723	5,705,861	71,309,620
Disposals/ Write-offs	-	(1,115,592)	-	-	(1,115,592)
Cost as at 31.12.2018	**3,356,880**	**64,568,171**	**989,569**	**5,715,461**	**74,630,081**
Accumulated amortization as at 01.01.2017	**-**	**(2,111,278)**	**(182,677)**	**-**	**(2,293,955)**
Amortization expense	-	(102,956)	(169)	-	(103,125)
Accumulated amortization as at 31.12.2017	**-**	**(2,214,234)**	**(182,846)**	**-**	**(2,397,080)**
Accumulated amortization as at 01.01.2018	-	(2,214,234)	(182,846)	-	(2,397,080)
Accumulated amortization/impairment of intagibles owned by subsidiaries that were transferred	-	(58,166,410)	(797,322)	(1,553,956)	(60,517,688)
Disposals/ Write-offs	-	1,111,293	-	-	1,111,293
Transfers	-	98,206	-	-	98,206
Amortization expense	-	(2,029,502)	(5,505)	(2,119)	(2,037,126)
Accumulated amortization as at 31.12.2018	**-**	**(61,200,647)**	**(985,673)**	**(1,556,075)**	**(63,742,395)**
Net book value at 31.12.2017	**-**	**245,767**	**-**	**-**	**245,767**
Net book value at 31.12.2018	**3,356,880**	**3,367,524**	**3,896**	**4,159,386**	**10,887,686**

At Group level, the amount of goodwill amounting to € 3,357 thousand relates to the excess consideration paid by EYDAP during the acquisition of the Elefsina, Aspropyrgos and Lykovrisi networks.

The net book value of the Group's other intangible assets as at 31.12.2018 amounting to € 4,159 thousand relates mainly to the right to use the Corinth Canal by AEDIK.

	COMPANY		
	Software	Other Intagible Assets	Total
Cost as at 01.01.2017	-	-	-
Additions	14,007	-	14,007
Cost as at 31.12.2017	**14,007**	**-**	**14,007**
Cost as at 01.01.2018	**14,007**	**-**	**14,007**
Additions	996	2,600	3,596
Cost as at 31.12.2018	**15,003**	**2,600**	**17,603**

Accumulated amortization as at 01.01.2017	-	-	-
Additions	(816)	-	(816)
Accumulated amortization as at 31.12.2017	**(816)**	**-**	**(816)**
Accumulated amortization as at 01.01.2018	**(816)**	**-**	**(816)**
Additions	(2,308)	-	(2,308)
Accumulated amortization as at 31.12.2018	**(3,124)**	**-**	**(3,124)**
Net book value at 31.12.2017	**13,191**	**-**	**13,191**
Net book value at 31.12.2018	**11,879**	**2,600**	**14,479**

There are no intangible assets of the Group and the Company that are pledged as collateral.

Amortization of intangible assets, other than non-depreciable goodwill, is calculated using the straight-line method over their estimated useful lives as follows:

- Software from 3 to 10 years.
- Operating licenses from 3 to 10 years.
- Other intangibles from 3 to 20 years, except for the right to use Corinth canal by AEDIK which is not amortized due to the indefinite useful life of the right.

8. Investments in subsidiaries and associates

8.1 Investments in subsidiaries

In accordance with Article 188 of Law 4389/2016, the participation of the State in a portfolio of public corporations was transferred to HCAP with no consideration. Of these, some are still directly controlled by HCAP, and therefore they have been recognised in the separate financial statements as "Investments in subsidiaries". These public entities are analysed below:

			31.12.2018	**31.12.2017**	
Subsidiary name	**Object of activity**	**Country of activity**	**% of Direct participation**	**% of Direct participation**	**Method of consolidation**
Public Properties Company S.A. (PPCo or ETAD)	Management and utilisation for the public interest of the real estate portfolio that the Greek Stated transferred to it	Greece	100%	100%	Full
Hellenic Republic Asset Development Fund (HRADF)	Utilisation of the private property of the State and promotion of privatisation implementation	Greece	100%	100%	Full
Hellenic Financial Stability Fund (HFSF)	Contribution to maintaining the stability of the Greek banking system by supporting capital adequacy of Greek credit institutions	Greece	100%	100%	Not consolidated (note 2.3)
Athens Water Supply and Sewerage Company S.A. (EYDAP)	Distribution and management of water and provision of sewerage and waste treatment services	Greece	50% + 1 share	-	Full

Thessaloniki Water Supply and Sewerage Company S.A. (EYATH)	Provision of water supply and sewerage services, telecommunications services, and production and sale of electricity	Greece	50% + 1 share	-	Full
Athens Public Transport Organization S.A. (OASA)	Planning, programming, organising, coordinating, controlling, and providing overground and underground mass transport works	Greece	100%	-	Full
Central Markets & Fishery Organization S.A. (CMFO)	Management and administration of Central Markets, Fish Markets, and Fishery Wharves	Greece	100%	-	Full
Central Market of Thessaloniki SA (CMT)	Management, administration, and operation of the Central Market of Thessaloniki	Greece	100%	-	Full
Corinth Canal Co S.A. (AEDIK)	Implementation and utilisation of the rights of the Corinth Canal	Greece	100%	-	Full
Hellenic Post S.A. (ELTA)	Provision and development of postal services and trade and supply of electricity	Greece	90%	-	Full
Thessaloniki International Fair S.A. (TIF)	Organising trade fairs	Greece	100%	-	Full
HELLENIC SALTWORKS S.A.	Improvement, development, and utilisation of Greek saltworks, and processing and trade of saltwork products	Greece	55.19%	-	Full
GAIAOSE S.A.	Management of rail assets, as well as establishment and operation of freight centres	Greece	100%	-	Full

**Furthermore, an additional 264,880 shares are held through EYDAP.*

The shares or securities incorporating the subsidiaries' capital were transferred to the Company with no consideration. The parent Company recognised in its Financial Statements its participation in the above subsidiaries at the acquisition cost and presents them at symbolic value (€1 per company).

The Group through its subsidiaries has control on the following companies:

			31.12.2018	**31.12.2017**
Subsidiary Trade Name with indirect participation of HCAP	**Group Subsidiary**	**Country of activity**	**% of HCAP indirect participation**	**% of HCAP indirect participation**
EYDAP Nison S.A.	EYDAP	Greece	50% + 1 share	-
EYATH Services S.A.	EYATH	Greece	50% + 1 share	-
Road Transport S.A.	OASA	Greece	100%	-
Urban Rail Transport S.A	OASA	Greece	100%	-
OKAA Energeiaki S.A.	CMFO	Greece	100%	-
OKAA Business Park	CMFO	Greece	100%	-

Kinoniki Episitistiki Voithia CNPC	CMT	Greece	95%	-
ELTA Courier S.A.	ELTA	Greece	90%	-
KEK ELTA S.A.	ELTA	Greece	63%	-
Exhibition Applications	TIF-HELEXPO	Greece	70%	-
Ellinikes Ekthesiakes Paragoges S.A.	TIF-HELEXPO	Greece	70%	-
GAIAOSE Fotovoltaika Attikis & Viotias S.A.	GAIAOSE	Greece	100%	-
GAIA OSE Fotovoltaika Larisas S.A.	GAIAOSE	Greece	100%	-
GAIA OSE Fotovoltaika Karditsas S.A.	GAIAOSE	Greece	100%	-

8.2 Investment in associates

Some of the public companies whose participation was transferred to HCAP from the Greek State, are significantly influenced by HCAP, and therefore they have been recognised on financial statements as 'Investment in associates'. These public companies are analysed below:

			31.12.2018	31.12.2017
Associates	**Object of activity**	**Country of activity**	**% of Direct participation**	**% of Direct participation**
Public Power Corporation S.A. (PPC)	Production, transport, and distribution of electricity	Greece	34.12%	-
Athens International Airport S.A. (AIA)	Funding, constructing, and operating pilot airports and managing AIA in Spata, Attica	Greece	25%	-
ETVA Industrial Areas S.A. (ETVA VIPE)	Establishing, organising, utilising, and managing – administrating organised business areas (industrial areas)	Greece	35%	-

The shares or securities incorporating the associates' capital were transferred to the Company with no consideration. The parent Company recognised in its individual corporate financial statements its participation in the above associates transferred at the acquisition cost which is reflected at symbolic value (€1 per company).

The Group through its subsidiaries and associates has significant influence on the following companies:

			31.12.2018	31.12.2017
Trade name of associates	**Subsidiary/Associate of the Group**	**Country of activity**	**% of participation**	**% of participation**
Marina Zeas S.A.	ETAD	Greece	25.00%	25.00%
LAMDA Flisvos Marina S.A.	ETAD	Greece	22.77%	22.77%
Hellenic Casino of Parnitha S.A.	ETAD	Greece	49.00%	49.00%
CMFO Joint Venture – Traders' Association of the Central Market of Athens PCC*	CMFO	Greece	50%	-
International Exhibition Centre of Crete*	TIF	Greece	33.33%	-
KEK SEVE – FING – TIF *	TIF	Greece	33.33%	-
Thessaloniki Tourism Organization *	TIF	Greece	32.39%	-
Exhibition Research Institute *	TIF	Greece	50%	-
International Exhibition Centre of Eastern Macedonia – Thrace *	TIF	Greece	30%	-

International Trade Centre of Thessaloniki *	TIF	Greece	19.05%	-
Fair & Sectoral Fair Joint Venture*	TIF	Greece	51%	-
TIF-HELEXPO S.A. – DIPEK S.A. Joint Venture *	TIF	Greece	80%	-
Medpoint – TIF Joint Venture *	TIF	Greece	50%	-
PPC Renewables S.A.	PPC	Greece	34.12%	-
HEDNO S.A.	PPC	Greece	34.12%	-
Arkadikos Ilios 1 S.A.	PPC	Greece	34.12%	-
Arkadikos Ilios 2 S.A.	PPC	Greece	34.12%	-
Iliako Velos 1 S.A.	PPC	Greece	34.12%	-
Amalthia Energiaki S.A.	PPC	Greece	34.12%	-
SOLARLAB S.A.	PPC	Greece	34.12%	-
Iliaka Parka Ditikis Makedonias 1 S.A.	PPC	Greece	34.12%	-
Iliaka Parka Ditikis Makedonias 2 S.A.	PPC	Greece	34.12%	-
PPC FINANCE PLC	PPC	United Kingdom	34.12%	-
PPC Bulgaria JSCo	PPC	Bulgaria	29%	-
PPC Elektrik Tedarik Ve Ticaret A.S	PPC	Turkey	34.12%	-
Phoibe Energiaki S.A.	PPC	Greece	34.12%	-
PPC ALBANIA	PPC	Albania	34.12%	-
GEOTHERMIKOS STOCHOS S.A.	PPC	Greece	34.12%	-
WINDARROW MOYZAKI ENERGY S.A.	PPC	Greece	34.12%	-
EDS DOO Skopje	PPC	Republic of N. Macedonia	34.12%	-
EDS DOO Belgrade	PPC	Serbia	34.12%	-
EDS International SK SRO	PPC	Slovakia	34.12%	-
EDS International KS LLC	PPC	Kossovo	34.12%	-
LIGNITIS MELITIS S.A.	PPC	Greece	34.12%	-
LIGNITIKI MEGALOPOLIS S.A.	PPC	Greece	34.12%	-
PPC Renewables ROKAS S.A.	PPC	Greece	16.72%	-
PPC Renewables TERNA ENERGIAKI S.A.	PPC	Greece	16.72%	-
PPC Renewables NANKO ENERGY – MYHE GITANI S.A.	PPC	Greece	16.72%	-
PPC Renewables MEK ENERGIAKI S.A.	PPC	Greece	16.72%	-
PPC Renewables ELTEV AIFOROS S.A.	PPC	Greece	16.72%	-
PPC Renewables EDF EN GREECE S.A.	PPC	Greece	16.72%	-
EEN VOIOTIA S.A.	PPC	Greece	15.90%	-
Aioliko Parko LOUKO S.A.	PPC	Greece	16.72%	-
Aioliko Parko MBAMBO VIGLIES S.A.	PPC	Greece	16.72%	-
Aioliko Parko KILIZA S.A.	PPC	Greece	16.72%	-
Aioliko Parko LEFKIVARI S.A.	PPC	Greece	16.72%	-
Aioliko Parko AGIOS ONOUFRIOS S.A.	PPC	Greece	16.72%	-
Renewable Energy Applications Ltd**	PPC	Greece	-	-
Waste Syclo S.A.	PPC	Greece	16.72%	-
PPC Solar Solutions S.A.	PPC	Greece	16.72%	-
OROS Energiaki Ltd.	PPC	Greece	16.72%	-
ATTICA GREENESCO ENERGIAKI S.A.	PPC	Greece	16.72%	-
Diachiristiki VI.PA Kastorias S.A.	ETVA VIPE	Greece	30.98%	-
ETVA Anaptixiaki S.A.	ETVA VIPE	Greece	35%	-
ETVA A.K.E.S. Management S.A.	ETVA VIPE	Greece	35%	-

Hellenic Fund for Sustainable Development	ETVA VIPE	Greece	35%	-
Thriasio Freight Centre S.A.	ETVA VIPE	Greece	28%	-

**The equity method is not applied in these associates, as they do not have significant activity.*

***Renewable Energy Applications LTD has been deleted from the Cyprus Companies Registry since 16.05.2018.*

The carrying amount of associates after applying the equity method in the consolidated financial statements is as follows:

	GROUP
As at 01.01.2017	**44,341,523**
Share of profit/(loss) after tax	(2,810,711)
Reversal of impairment	111,983
Share of other comprehensive income	81,629
Dividends received	(4,812,478)
As at 31.12.2017	**36,911,946**
Fair value of associates transferred from the Greek State on 01.01.2018	516,972,984
Share of profit/(loss) after tax	(116,368,110)
Share of other comprehensive income	198,372
Dividends received	(1,043,634)
As at 31.12.2018	**436,671,558**

Valuation methods of transferred investments in associates

On 01.01.2018, the investments in associates Public Power Corporation S.A. ("PPC"), Athens International Airport SA. ("AIA") and ETVA Industrial Areas S.A. (ETVA VIPE) were transferred to the company with no consideration. The Parent Company recognized these investments at acquisition cost (which was zero) and presented them in the statement of financial position at the symbolic value of €1. In the consolidated financial statements, and in accordance with the provisions of IAS 28 (par. 32), the aforementioned investments in associates were recognized at the Company's share on the fair value of associates' net assets and liabilities acquired. The difference between the cost of the investment and the Company's share on the fair value of the net assets acquired was accounted for, in accordance with IAS 1 (par.106 (d) (iii)), as an increase in equity through the "Reserve from transfer of assets from/to Greek State with no consideration", due to the fact that it has resulted from a transaction with the shareholder (under common control).

In determining the fair value of the aforementioned investments, the requirements of IFRS 13 were examined, which seeks to increase consistency and comparability in fair value measurements and related disclosures through a "fair value hierarchy". The hierarchy categorises the inputs used in valuation techniques into three levels, as shown below. The hierarchy gives the highest priority to (unadjusted) quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

- Level 1: for inputs which are quoted in active markets and the fair value of which is estimated based on (unadjusted) quoted market prices that the entity can access at the measurement date.

- Level 2: for inputs the fair value of which is determined by factors related to market data, either directly (prices) or indirectly (derived from prices).

- Level 3: for inputs the fair value of which is not based on observable market data, but is mainly based on internal estimates.

Based on the above, the valuation of the fair value of the investment in PPC SA, the shares of which are listed on the Athens Stock Exchange, was determined based on the published price of its share at the acquisition date, 01.01.2018 (hierarchy level 1).

For the associates AIA and ETVA VIPE, whose shares are not traded in an active market, the most appropriate methods were considered. In this context, HCAP hired an internationally reputable independent valuer, in order to proceed with the selection of the most appropriate valuation methods of the aforementioned companies and to determine the values that should be accounted for at 01.01.2018, which was the date of transfer of the shareholding in them. The valuation techniques used for each associate are described below:

The valuation of Athens International Airport ("AIA") as at 01.01.2018 was carried out using the Income Approach and in particular the Dividend Discount Model (DDM). The appropriateness of other valuation methodologies such as the methodology of the Capital Markets Multiples and the methodology of Comparable Transaction Multiples was also examined. However, these Market Approaches were not considered appropriate due to the limited comparability of the underlying company with the companies and transactions/active markets examined involving companies with similar activities. The Adjusted Net Asset Value was also not considered appropriate as it does not consider the future earning potential of the business. When applying the Dividend Discount Model, the Business Plan received from AIA was taken into account, which was based on the existing facts and circumstances as at the date of the valuation of the investment from HCAP (01.01.2018), ie results from 01.01.2018 until the end of the period of the Concession (expiring in June 2026). Future dividends, based on AIA's business plan, were discounted at the appropriate discount rate (Cost of Equity), while a terminal value at the end of the projected period (2026 as at 01.01.2018) was calculated, assuming that the company terminates its operations, the airport infrastructure is transferred to the Greek State and the Greek States assumes debt as at the end of the concession period.
The fair value estimation of ETVA VI.PE. SA ("ETVA") was carried out as at 01.01.2018 by applying the Cost Approach and in particular the Adjusted Net Asset Value, taking into account that the value of the company depends to a large extent on the value of its assets after considering its liabilities. The appropriateness of other valuation methodologies such as the Discounted Cash Flow (DCF) Methodology, the Capital Markets Multiples methodology, as well as the methodology of Comparable Transaction Multiples was also examined, which however they were considered inappropriate for the valuation.

For the purposes of applying the Adjusted Net Asset Value methodology, adjustments were made to the Company's Equity, as presented at the audited and published financial statements of 31.12.2017, prepared in accordance with IFRS. The adjustments to specific accounts of the Company's assets and liabilities were based on information about events that occurred prior to 01.01.2018 or that could be reasonably assumed at that date, as well as other assumptions that were considered probable for valuation purposes.
The fair value estimation for the associates AIA and ETVA is classified at level 3 of fair value hierarchy.

The table below presents a reconciliation of the share of equity and results of the year of the associates with the amounts presented as "Investments in associates" in the statement of financial position and "Results from associates" and "Share of other comprehensive income from associates" in the statement of total comprehensive income.

Year 2018

Condensed Statement of Comprehensive Income	PPC	AIA	ETVA	Marina Zeas	Lamda Flisvos Marina	Casino of Parnitha	Total
Revenue	4,741,878,000	387,082,810	3,459,335	4,920,283	10,794,834	84,417,765	
Net profit/ (loss)	(903,835,000)	171,041,262	(11,133,436)	996,432	1,496,651	(2,985,180)	
Total other comprehensive income after tax	(855,570,000)	647,695	(1,323)	-	(2,825)	76,642	
Share of profit/(loss) after tax	(154,358,880)	42,760,316	(3,896,703)	249,108	340,787	(1,462,738)	**(116,368,110)**
Share of other comprehensive income after tax	-	161,923	(463)	-	(643)	37,555	**198,372**
Dividends received	-	-	-	(650,000)	(5)	(393,629)	**(1,043,634)**
% Participation	**34.12%**	**25.00%**	**35.00%**	**25.00%**	**22.77%**	**49.00%**	

Condensed Statement of Financial Position	PPC	AIA	ETVA	Marina Zeas	Lamda Flisvos Marina	Casino of Parnitha	Total
Non current assets	11,210,482,000	593,228,046	19,636,056	11,825,344	37,839,326	67,277,072	
Current assets	2,902,239,000	766,271,173	190,739,980	4,716,015	5,902,766	9,927,053	
Non current liabilities	6,559,252,000	336,139,643	15,124,398	2,271,867	21,589,480	6,114,235	
Current liabilities	3,610,389,000	264,195,949	8,476,452	2,955,984	14,842,939	8,755,870	
Equity	3,943,080,000	759,163,627	186,775,186	11,313,508	7,309,673	62,334,020	
Group's Proportion in associates net assets	1,345,378,896	189,790,907	65,371,315	2,828,377	1,664,413	30,543,670	1,635,577,578
Adjustments in accordance with Group's accounting policies	(978,807,264)	-	-	-	-	-	(978,807,264)
Result from fair value adjustments and losses of the year 2018	(366,571,632)	144,834,540	1,566,619	-	-	-	(220,170,473)
Total of investment in associates*	**-**	**334,625,447**	**66,937,934**	**2,828,377**	**1,664,413**	**30,543,670**	**436,599,841**

** The difference of the total of investments in associates in the consolidated statement of financial position relates to investments in associates held by the subsidiary TIF.*

Prior year 2017

Condensed Statement of Comprehensive Income	Marina Zeas	Lamda Flisvos Marina	Casino of Parnitha	Total
Revenue	4,294,317	12,213,028	84,174,382	
Net profit/ (loss)	(67,908)	792,582	(6,069,807)	
Total other comprehensive income after tax	-	(1,527)	167,301	
Share of profit/(loss) after tax	(16,977)	180,471	(2,974,205)	**(2,810,711)**
Reverse of impairment	(51)	112,193	(159)	**111,983**
Share of other comprehensive income after tax	-	(348)	81,977	**81,629**
Dividends received	(100,000)	-	(4,712,478)	**(4,812,478)**
% Participation	**25.00%**	**22.77%**	**49.00%**	

Condensed Statement of Financial Position	Marina Zeas	Lamda Flisvos Marina	Casino of Parnitha	Total
Non current assets	11,519,957	27,892,389	70,870,496	
Current Assets	7,593,459	4,490,802	10,075,850	
Non current liabilities	1,564,630	20,421,747	5,772,807	
Current liabilities	4,648,015	6,145,596	9,127,654	
Equity	12,900,771	5,815,848	66,045,885	
Group's Proportion in associates net assets	3,225,193	1,324,269	32,362,484	36,911,946
Total of investment in associates	**3,225,193**	**1,324,269**	**32,362,484**	**36,911,946**

9. Deferred tax assets and deferred tax liabilities

Deferred tax assets are offset against deferred tax liabilities when there is a legal right to set off and are both subject to the same tax authority. At 31.12.2017, the Company and the Group had not recognized deferred taxation as the Group (HCAP and Direct Subsidiaries) are exempted from income tax. With the transfer of the "Other Subsidiaries" on 01.01.2018, the Group included for first time subsidiaries that are not exempt from income tax and therefore deferred tax was recognized.

Deferred tax assets/ liabilities	**Opening Balance 01.01.2018**	**Arising from the transfer of Subsidiaries**	**Income/ (Expense) in income statement**	**Other Comprehensive Income**	**Closing Balance 31.12.2018**
Provisions for staff retirement indemnities	-	95,632,122	(7,417,477)	(3,292,449)	84,922,196
Trade and other receivables	-	(7,826,244)	14,528,985	-	6,702,741
Other provisions	-	8,945,363	3,980,035	-	12,925,398
Other non-deductable expenses	-	11,817,572	(1,641,370)	-	10,176,202
Deferred tax in Tax Reserve due to revaluation of real estate assets	-	9,001,000	(1,242,000)	-	7,759,000
Impairment of equity investments	-	6,184,139	(747,558)	483,919	5,920,500
Government grants	-	3,435,548	(479,443)	-	2,956,105
PP&E and intangible assets	-	(18,564,665)	(954,520)	-	(19,519,185)
Impairment of inventories	-	1,383,290	(24,000)	(3,973)	1,355,317
Trade and other payables	-	6,972,654	(876,235)	-	6,096,419
Remeasurement of investment properties' fair value	-	(49,856,646)	6,679,108	-	(43,177,538)
Adjustment of deferred tax assets (ELTA)	-	(12,961,879)	(10,237,803)	-	(23,199,682)
Total	**-**	**54,162,254**	**1,567,722**	**(2,812,503)**	**52,917,473**

10. Other non-current assets

		GROUP		**COMPANY**	
	Note	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
Non-current receivables from disposal of assets (a)	21	64,210,639	39,284,634	-	-
Non-current receivables from Greek State and Local authorities (b)	20	93,692,713	106,391,169	-	-
Guarantees		7,293,992	2,071,016	33,045	72
Personnel Loans (c)		5,989,799	-	-	-
Other		6,254,031	200,000	-	-
Lease advances		1,335,253	856,356	-	-
Provisions for doubtful non-current assets (d)		(2,275,089)	(2,059,089)	-	-
Total		**176,501,338**	**146,744,086**	**33,045**	**72**

(a) There is an equal value payable included in Other non-current liabilities that matches the non-current receivables from disposal of assets (note 21). 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	
Asset	**31.12.2018**	**31.12.2017**
Sale of rights of use of radio frequencies through EETT (1800 MHz band)	35,460,000	-
Sale of properties through the online platform	9,230,639	14,764,634
Sale of 33% of the share capital of OPAP SA	12,000,000	15,000,000
Sale of shares New Corfu Real Estate Investments S.A.	6,000,000	8,000,000
Sale of shares of company "Archade Modiano S.A."	1,520,000	1,520,000
Total non-current receivables from the disposal of asset	**64,210,639**	**39,284,634**

(b) The non-current receivables from the Greek State and Local Authorities are analyzed as follows:

- Amount of €89.5 mln (31.12.2017: €106.3 mln) relates to a receivable coming from the former company KED SA and concerns receivables for the repayment of loans for which the Greek State is assigned as a guarantor. These amounts are presented also as Long term loans in the consolidated statement of financial position.
- Amount of €2.9 mln (31.12.2017: €-) relates to arrangements of outstanding balances with Local Authorities, Public Entities and General Government bodies of EYDAP. The discount rate applicable to overdue receivables by Municipalities is 8.76% and the amount recognized in the finance income for the aforementioned receivables amounts to approximately € 1.6 mln.
- Amount of €1.1 mln (31.12.2017: €-) relates to arrangement of receivables from Greek State and Local Authorities of EYATH.

(c) Personnel loans amounting to €6.0 mln (31.12.2017: €-) relate to long-term interest bearing loans provided by the subsidiary EYDAP to its personnel.

(d) The movement of provisions for doubtful non- current assets is as follows:

	GROUP		COMPANY	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Opening balance	2,059,089	2,059,089	-	-
Provisions from the transfer of subsidiaries	216,000	-	-	-
Closing balance	**2,275,089**	**2,059,089**	**-**	**-**

11. Financial assets

11.1 Financial assets measured at amortised cost

Financial assets measured at amortized cost of € 3.9 mln relate to bonds issued by a bank held by the subsidiary CMFO, following a decision taken by the Board of Directors on the basis of which it was decided to allocate € 4.0 mln from its cash to the purchase of subordinated bonds issued by the Bank of Chania, with a maturity of five years, with an annual interest rate of 6.5%. The above bond was issued on 31.12.2015 and expires on 31.12.2020. As at 01.01.2018 the value of the bond had been impaired by € 0.1 mln. Part of this impairment amounting to € 0.04 mln was reversed in 2018.

11.2 Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss consist mainly of Greek government bonds held by OASA, cooperative units (Bank of Chania) held by CMFO, as well as shares, mutual funds and government bonds held by ELTA.

The classification and presentation of financial assets at fair value through profit and loss, was based on the classification followed by each Group subsidiary following the evaluation of the objective of holding the assets by the management of each subsidiary.

	GROUP		COMPANY	
Financial assets at fair value through profit or loss	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
Opening Balance	-	-	-	-
Financial assets from the transferred subsidiaries	3,386,557	-	-	-
Revaluation recognized in the income statement	(280,244)	-	-	-
Closing Balance	**3,106,313**	**-**	**-**	**-**

In addition, on 01.01.2018 the Greek State transferred to HCAP with no consideration the participation of 0.96% held in Folli Follie SA, which was classified as a financial asset at fair value. The shares, on the date of the transfer, had a market value of € 12,233,853. Subsequently, it was revealed that the financial statements of Folli Follie did not accurately reflect its true financial position and performance, as a result of which the share price collapsed and its trading was suspended on 25.05.2018. On 15.07.2019, the restated balance sheet as of 31.12.2017 was published, which presented the following figures:

	GROUP		
	Restated 2017	**Initially published 2017**	**Difference**
Profit/ (Loss) before tax	(127,802,218)	242,038,190	(369,840,408)
Total equity	69,553,317	1,919,231,546	(1,849,678,229)

	COMPANY		
	Restated 2017	**Initially published 2017**	**Difference**
Profit/ (Loss) before tax	(197,765,090)	(53,492,052)	(144,273,038)
Total equity	(25,328,641)	154,530,848	(179,859,489)

Therefore, the balance sheet presents negative equity at Company level and € 69.6 mln positive equity at consolidated level, before the effect of the auditors' qualifications and given their negative opinion on the financial statements. As mentioned in Note 31, HCAP proceeded in legal actions for the compensation of damages arising from this issue.

The Group estimates that the facts that led to the decrease of share price and the suspension of its trading on the Stock Exchange preceded the transfer (therefore HCAP has filled claim for damages). In addition, for the estimation of the value at initial recognition, the financial position and performance of the company as presented after their restatement should be taken into account, while also taking into consideration the audit report issued, since they reflected the situation as of 01.01.2018.
On the basis of the above, and in the absence of additional information that would be necessary for the reliable valuation of the investment, the value in which the investment was recognized as of 01.01.2018 was adjusted as follows to reflect the uncertainty around the verdict of this case and will be re-assessed in the future when more information/ data that would allow a reliable estimate will be available.

Valuation of shares (643,887 shares*€19), based on market value 01.01.2018	12,233,853.00
Valuation adjustment as at 01.01.2018	(12,233,853.00)
Presentation of the financial asset in the Statement of Financial Position	**0.00**

11.3 Financial assets measured at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income consist mainly of shares from Attica Bank held by subsidiaries EYDAP and CMT. These assets were recognized at Group level at fair value on the date of the transfer of the subsidiaries to HCAP, ie 01.01.2018, and are subsequently measured at fair value through other comprehensive income, as subsidiaries' management considered the investment on Attica Bank's shares to be of strategic importance and therefore to choose to classify them as financial assets measured at fair value through other comprehensive income.

Financial assets at fair value through Other Comprehensive Income	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Opening Balance	-	-	-	-
Financial assets held by the transferred subsidiaries	2,855,999	-	-	-
Additions	68,995	-	-	-
Revaluation recognized in the statement of comprehensive income	(2,245,487)	-	-	-
Closing Balance	**679,507**	**-**	**-**	**-**

12. Inventories

The analysis of inventories is presented below.

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Raw materials	490,790	-	-	-
Goods	8,604,253	112,580	-	-
Finished and unfinished products	5,438,325	-	-	-
Consumables and spare parts	79,307,810	438,116	-	-
Purchases on transit	243,847	-	-	-
Provisions for impairment of inventories	(6,692,113)	(27,179)	-	-
Total	**87,392,912**	**523,517**	**-**	**-**

The value of inventory consumptions recognized in the income statement (note 25) in the current period amounts to €107 mln (31.12.2017: €0.4 mln).

	GROUP	
Provisions for impairment of inventories	31.12.2018	31.12.2017
Opening Balance of provision for impairment	27,179	27,179
Provisions for impairment from the transfer of subsidiaries	5,605,463	-
Additional provisions	1,059,471	-
Closing Balance of provision for impairment of inventories	**6,692,113**	**27,179**

13. Trade receivables and contract assets

Below is an analysis of trade receivables and contract assets:

		GROUP		COMPANY	
	Note	31.12.2018	31.12.2017*	31.12.2018	31.12.2017
Trade receivables from third parties (a)		524,159,283	135,556,663	-	-
Contract assets and accrued income (b)		112,061,372	498,927	325,124	134,226
Trade receivables from public entities (c)		63,172,858	533,791	-	-
Management fees receivable from Greek State (d)		68,376,330	38,657,327	-	-
Receivables from disposal of assets (e)	22	33,416,487	36,841,232	-	-
Receivables from expenses occurred on behalf of Greek State		2,088,590	2,936,166	-	-
Cheques receivables		6,530,382	629,086	-	-
Overdue cheques receivables		3,146,248	1,713,940	-	-
Notes receivable		1,895,329	1,252,569	-	-
Other dividends received		-	-	555,321	-
Disputed customers	22	-	2,025,050	-	-
Provisions for doubtful receivables (f)		(330,480,265)	(157,749,640)	-	-
Total		**484,366,614**	**62,895,111**	**880,445**	**134,226**

**The Group has adopted IFRS 9 using the cumulative effect method (Note 2.2.1).*

There are no significant differences between fair values and book values.

(a) "Trade receivables from third parties" mainly relate to receivables from private customers of water supply of the subsidiary EYDAP amounting to € 163.3 mln, receivables from internal and external customers of the subsidiary ETAD amounting to € 138.5 mln, receivables from customers of subsidiary EYATH amounting to € 70.9 mln as well as receivables from domestic and foreign customers of the subsidiary ELTA amounting to € 60.5 mln.

(b) "Contract assets and accrued income" relates mainly to accrued, unbilled revenue to the water and sewerage customers of the subsidiary EYDAP amounting to € 51.3 mln. Moreover, an amount of € 32 mln relates to the accrued income arising from the contract of 21.12.2018 (with retroactive effect) between OASA and OAED, the objective of which is to cover the free use of the public means of transport by the unemployed, who are holders of a specified card.

(c) “Trade receivables from public entities” mainly relate to receivables from Local Authorities, Greek State and Public entities of the subsidiary EYDAP amounting to € 57.1 mln.

(d) The amount of € 37.8 mln (31.12.2017: € 38.7 mln) of “Management fees receivable from Greek State” relates to the claims of the former KED from Tax Authorities for income related to management of Greek State’s properties (leases, concessions, disposals). In addition, an amount of € 30 mln relates to the receivable of ELTA for the compensation of the Universal Service for 2017 and 2018.

(e) “Receivables from disposal of assets” of € 33.4 mln (31.12.2017: € 36.8 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:

- € 2 mln (31.12.2017: € 2mln) part of the consideration from the sale of the shares of the company “New Corfu Real Estate Investments S.A.”
- € 3 mln (31.12.2017: € 3 mln) which is part of the consideration from the sale of 33% of the share capital of OPAP SA.
- € 5.23 mln (31.12.2017: € 6.2 mln) relates to consideration for the disposal of properties that were sold through internet platform
- € 23.18 mln relates to the annual concession fee of Regional Airports (01.01.2018-31.12.2018)
- As at 31.12.2017, the receivables also included an amount of € 25.6 mln for the rights of radiofrequencies usage through the Hellenic Telecommunications and Post Commission.

(f) The “Provision for doubtful receivables” of the Group are as follows:

Provisions 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**
As at 01.01.2018	**157,749,640**
Effect from adoption of IFRS 9	1,839,464
Opening balance as at 01.01.2018 after IFRS 9 adoption	**159,589,104**
Provisions from the transfer of subsidiaries	175,391,988
Additional provisions for the period	13,187,508
Income from unused provisions	(10,868,155)
Utilised provisions	(6,820,180)
As at 31.12.2018	**330,480,265**

14. Other receivables

Other receivables are analyzed as follows:

	GROUP		COMPANY	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Various Debtors (a)	60,117,997	6,600,828	512	-
Other receivables from Greek (b)	59,409,008	46,423,967	476,807	227,808
Disputed other receivables	13,346,547	-	-	-
Receivables from personnel	12,774,548	305,259	-	-
Creditors debit balances	12,246,560	3,031,513	-	-
Prepaid expenses	10,656,875	5,415,195	191,194	171,100
Other receivables	10,641,440	263,070	39	-
Dividends receivable for subsequent payoff to Greek State	3,627,105	358,349	-	-
Disputed receivables from Greek State	2,988,835	2,988,835	-	-
Minus: Provision for impairment (c)	(74,830,265)	(28,070,199)	(476,805)	(227,808)
Total	**110,978,650**	**37,316,817**	**191,747**	**171,100**

(a) "Various debtors" relates mainly to the receivables of the subsidiary ELTA of €36,6 mln (mainly receivables from electricity debtors, receivables from OAED, receivables from Eurobank regarding POS and prepaid courier services), receivables of the subsidiary EYDAP of €7.2 mln and receivables from OASA sub-group of €7,1 mln.

(b) "Other receivables from Greek State" derive mainly from the subsidiary ETAD and include:

- A receivable of € 4.6 mln (31.12.2017: € 4.6 mln) that relates to an advance for special duty of L.3220/2004, for the acquisition of property owned or managed by GNTO. The whole amount of the receivable is provided as doubtful receivable.
- A receivable of € 15.90 mln (2017: € 19.60 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 "Short-term portion of long-term loan" (note 20).
- Amount of €5.9 mln (2017: €5,6 mln) regards to VAT receivable.
- Amount of € 2.5 mln (2017: € 2,5 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.
- Amount of € 2.2 mln approximately (2017: € 2.2 mln) consists mainly from receivable of ETAD for the return of advance payment of income tax from previous year.

(c) The movement of "provision for impairment" for other receivables is as follows:

Provisions for other receivables	**GROUP**	**COMPANY**
Opening Balance 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**
Opening Balance as at 01.01.2018	**28,070,199**	**227,808**
Effect from adoption of IFRS 9	-	-
Opening balance as at 01.01.2018 after IFRS 9 adoption	**28,070,199**	**227,808**
Provisions from the transfer of subsidiaries	49,396,918	-
Income from unused provisions	(4,045,525)	-
Additional provisions	1,408,673	248,997
As at 31.12.2018	**74,830,265**	**476,805**

15. Cash and cash equivalents and Restricted cash

An analysis of cash and cash equivalents of the Group and the Company is presented below.

	GROUP		COMPANY	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Current accounts	609,092,965	121,689,420	19,640,598	7,335,934
Short term deposits	109,126,741	3,467,511	-	-
Cash in hand	18,495,053	264,630	243	-
Total	**736,714,759**	**125,421,561**	**19,640,841**	**7,335,934**

Cash and cash equivalents represent cash in hand, current accounts in the Bank of Greece, current accounts in other banks and short term deposits collectable within three months of the Company and Group's subsidiaries.

The variance cash and cash equivalents at Group level derives from the cash held by the subsidiaries transferred to HCAP in 2018 amounting to €510,6 mln.

The net variance of cash and cash equivalents at Company level is mainly due to the fact that during 2018 the Company collected dividends amounting to €16,4 mln.

The caption of "Restricted cash" in the Statement of Financial Position includes deposits of the subsidiary ELTA of € 7.6 mln, which have been pledged as security for the issuance of letters of guarantee in favor of third parties for the good execution of projects and participation in tenders.

16. Share Capital

Share Capital at Group and Company level as at 31.12.2017 amounts to €40,000,000, divided in forty thousand (40,000) nominal shares of nominal value of 1,000 each. Share capital is fully covered by the Greek State and there is no change since 31.12.2017:

Share Capital

-Authorized capital	40,000,000
-Unpaid capital	(30,000.000)
Paid in capital as at 31.12.2017 and 31.12.2018	**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 31.12.2018 and 31.12.2017, out of the total authorized share capital, the amount of €30,000,000 was unpaid capital, as there were no additional share capital payments.

17. Other reserves

Group's and Company's other reserves are analyzed as follows:

		GROUP		COMPANY	
	Note	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
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 and its associates with no consideration		438,246,293	438,246,293	1	1
Reserves created from the acquisition of Other Subsidiaries (as referred in the law)		2,185,046,972	-	13	-
Subtotal (a)		**2,642,744,593**	**457,697,621**	**15**	**2**
Reserves of HFSF acquisition with no consideration		1	1	1	1
Reserve from the transfer of assets from/to the Greek State with no consideration (b)	6	484,114,537	416,854,522	-	-
Revaluation reserve for investment properties (c)	6	2,694,085	2,694,085	-	-
Reserve from actuarial gains/ (losses) of subsidiaries		1,281,996	(998)	(2,870)	-
Statutory reserves of the transferred subsidiaries		565,645	-	-	-
Reserve from share of other comprehensive income in associates (not recycled in retained earnings)		316,399	77,025	-	-
Reserve from share of other comprehensive income in associates (recycled in retained earnings)		(41,002)	-	-	-
Reserve from financial assets at fair value through Other Comprehensive income		(1,764,135)	-	-	-
Total		**3,129,912,119**	**877,322,256**	**(2,854)**	**3**

(a) The amount of € 2,642.7 mln (31.12.2017: € 457.7 mln) relates to reserves from acquisition of subsidiaries and associates, which was partially formed on 25.10.2016, the date of the transfer of the direct subsidiaries and their associates under L.4389/2016 and partially on 01.01.2018, the date of the transfer of other subsidiaries (and subsequently on 01.07.2018 with the transfer of GAIAOSE). This reserve reflects the difference between the net assets of those subsidiaries and their associates on the day of the first consolidation and the cost of acquisition/recognition of those investments in subsidiaries (symbolic value € 1 each) and associates.

(b) "Reserve from transfer of assets from/ to Greek State with no consideration" of € 484.1 mln (31.12.2017: €416.9 mln) relates to the fair value of investment properties that were transferred with no consideration to ETAD after the date of its transfer to HCAP according to the provisions of Law 4389/2016.

(c) "Revaluation reserve for Investment properties" of € 2.7 mln (31.12.2017: € 2.7 mln) relates to the fluctuation of the fair values of investment properties that were transferred to ETAD in previous periods with no consideration according to the provisions of Law 4389/2016.

The balances of the companies have been adjusted to ensure that their accounting policies are consistent with those adopted by the Group and to remove any measurable qualifications included in the Certified Auditors Reports.

The table below presents a summary of the statements of financial position as at the transfer date of the subsidiaries transferred to HCAP on 01.01.2018, and also of GAIAOSE which was transferred on 01.07.2018. Moreover, it presents the fair value of the associates as measured at the initial recognition on 01.01.2018.

A. Subsidiaries

Amounts as at 01.01.2018 (in thousands €) after the adoption of IFRS 9 and 15	Total Assets	Total Liabilities	Total Equity	% Proportion	Proportion in Equity
EYDAP	1,480,113	557,264	922,849	50% +1 share	461,424
EYATH	205,027	37,925	167,102	50% +1 share*	83,784
OASA	1,279,319	388,504	890,815	100%	890,815
CMFO	72,525	12,715	59,810	100%	59,810
CMT	34,364	5,311	29,053	100%	29,053
CORINTH CANAL	21,871	2,543	19,328	100%	19,328
ELTA	327,689	504,024	(176,335)	90%	(158,702)
TIF- HELEXPO	246,856	48,430	198,426	100%	198,426
HELLENIC SALTOWORKS	16,911	3,103	13,808	55.19%	7,621
GAIAOSE	112,890	36,299	76,591	100%	76,591
Total (A)	**3,797,565**	**1,596,118**	**2,201,447**		**1,668,150**

B. Associates	**Fair Value**	**% Proportion**	**Proportion in Fair value**
PPC	452,400	34.12%	154,359
AIA	1,166,813	25%	291,703
ETVA VIPE	202,386	35%	70,835
Total (B)	**1,821,599**		**516,897**
General Total (A)+(B)			**2,185,047**

** plus indirect participation through EYDAP*

18. Staff retirement indemnities

The Group and the Company recognize as staff retirement indemnities, 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 concern 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.

A) For the calculation of the relevant provisions of staff leaving indemnity.
The main assumptions of the actuarial studies are the following:

	GROUP		COMPANY	
Main actuarial assumptions	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
Discount rate	0.04%-2.14%	1.80%	2.14%	1.80%
Future salary increases	0.00%-3.00%	2.00%	2.00%	2.00%
Expected average remaining working life (years)	2-24.42	15.78	24.42	17.78
Inflation	1.5%-2.00%	2.00%	2.00%	2.00%

B) For the calculation of the relevant provisions for Medical and Healthcare plan of EYDAP.

EYDAP covers the medical and healthcare expenses of its employees, pensioners and their protected members based on the provisions of its internal regulation which is in effect. The plan is partially financed from the employees' and pensioners' contributions.

The main assumptions of the actuarial study are the following:

	GROUP		COMPANY	
Main actuarial assumptions	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
Discount rate	1.92%	-	-	-
Future salary increases	2019-25: ~ 1.40%, 2026+: 1.80%	-	-	-
Duration of obligations	16.40	-	-	-
Medical care inflation	2019-22: ~ 1.52%, 2023+: 1.80%	-	-	-

C) For two special lump sum accounts for EYDAP's employees hired before and after 26.10.1999

C1) For the calculation of Special lump sum account for EYDAP's employees hired after 26.10.1999.

The main assumptions of the actuarial study are the following:

	GROUP		COMPANY	
Main actuarial assumptions	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
Discount rate	1.68%	-	-	-
Future salary increases	2019-25: ~ 1.40%, 2026+: 1.80%	-	-	-
Duration of obligations	13.25	-	-	-
Inflation	2019-22: ~ 1.52%, 2023+: 1.80%	-	-	-

C2) For the calculation of Special lump sum account for EYDAP's employees hired until 25.10.1999.

The main assumptions of the actuarial study are the following:

	GROUP		COMPANY	
Main actuarial assumptions	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
Discount rate	1.31%	-	-	-
Future salary increases	2019-25: ~ 1.40%, 2026+: 1.80%	-	-	-
Duration of obligations	7.36	-	-	-
Inflation	2019-22: ~ 1.52%, 2023+: 1.80%	-	-	-

The amounts recognized in the statement of total comprehensive income are analyzed as follows:

	GROUP		COMPANY	
Amounts recognized in the income statement	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
Current service costs	10,217,889	175,168	25,322	12,256
Finance Cost	6,642,838	31,456	-	-
Past service cost	75,246	-	-	-
Curtailment cost	754,012	13,705	-	-
Total expense in income statement	**17,689,985**	**220,329**	**25,322**	**12,256**
Other comprehensive income (OCI)				
Net actuarial loss/ (gain) recognized in the year	(4,311,057)	(53,245)	2,870	-
Total amount recognized in other comprehensive income	**(4,311,057)**	**(53,245)**	**2,870**	**-**

The movement of net liability as presented in the Statement of Financial Position is as follows:

	GROUP		COMPANY	
Movement of net liability	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
Opening balance	**1,837,639**	**1,742,243**	**12,256**	**-**
Provisions for indemnities from the transferred subsidiaries	477,447,139	-	-	-
Employers' contribution	(77,312)	-	-	-
Employee contribution	1,642,557	-	-	-
Amount recognized in the statement of other comprehensive income	(4,311,057)	(53,245)	2,870	-
Benefits paid by the plan	(2,280,126)	-	-	-
Benefits paid during the year	(18,934,570)	(71,688)	-	-
Expense recognized in the income statement	17,689,985	220,329	25,322	12,256
Net liability at the year end	**473,014,255**	**1,837,639**	**40,448**	**12,256**

The sensitivity analysis of the provision for staff leaving indemnities for changes in the main assumptions is:

Actuarial liability (change)

Scenario	**COMPANY**
Discount rate +0.5%	-10.70%
Discount rate -0.5%	12.30%
Inflation +0.5%	12.30%
Inflation -0.5%	-10.80%
Rate of payroll change +0.5%	10.60%
Rate of payroll change -0.5%	-9.20%

The number of employees as salaried regular staff for the Group and the Company at the end of the year is 16,918 (31.12.2017: 392) και 30 (31.12.2017: 18).

19. Other provisions

The table below shows the movement of Group's other provisions for the current year. The Company has no other provisions.

	GROUP			
	Various other provisions	**Provisions for litigation cases**	**Provisions for taxes**	**Total**
As at 31.12.2017	-	29,337,058	-	29,337,058
Other provisions from the transfer of subsidiaries	10,041,345	96,494,335	2,992,166	109,527,846
Additional provisions	350,000	54,655,402	-	55,005,402
Transfers to other liabilities	-	(152,974)	-	(152,974)
Income from unused provisions	-	(6,908,861)	-	(6,908,861)
Provisions utilized during the period	(568,442)	(3,754,721)	-	(4,323,163)
Closing Balance as at 31.12.2018	**9,822,903**	**169,670,239**	**2,992,166**	**182,485,308**

	GROUP			
	Various other provisions	Provisions for litigation cases	Provisions for taxes	Total
As at 01.01.2017	-	19,264,138	2,501,609	21,765,747
Additional provisions	-	20,850,000	-	20,850,000
Income from unused provisions	-	(2,257,566)	-	(2,257,566)
Provisions utilized during the period	-	(8,519,514)	(2,501,609)	(11,021,123)
Closing Balance as at 31.12.2017	**-**	**29,337,058**	**-**	**29,337,058**

"Provisions for litigation cases" refer mainly to provisions for claims from third parties and employees against subsidiaries of the Group from pending legal and other matters (note 31). "Other Provisions from the transfer of subsidiaries" mainly concern provisions for legal cases of OASA sub-group of € 51.9 mln, as well as provisions for legal cases of EYDAP of €35.2 mln.

20. Loans

Long-term loans and Short-term portion of long-term loans

Bond loans and other loans have been received from former KED with the guarantee of the Greek State to execute specific projects on behalf of the Greek 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 note 10 "Other non-current assets". The loans' interest rate is mainly variable and is readjusted every six months based on the six-month Euribor plus any agreed margin.

In addition, an amount of € 11 mln included in "Long-term Loans" relates to the subsidiary ELTA and specifically to the overdraft account from the Bank of Attica, which was converted into a long-term loan with 10 years' duration (with the possibility of a 7-year extension) and expires on 07.12.2028.

Short-term loans

This category includes the balance of the overdraft account from the Consignment Deposits & Loans Fund, which also includes the balance of the overdue interest payable. As at December 31, 2018, the balance of the Consignment Deposits & Loans Fund amounted to € 116.1 mln, while the net liability to Consignment Deposits & Loans Fund on 31.12.2018 amounted to € 114.8 mln (the remaining amount relates to interest of € 1.3 mln). An additional amount of €3.3 mln relates to short-term loans of the indirect subsidiary ELTA Courier.

21. Other non-current liabilities

Other non-current liabilities are analyzed as follows:

		GROUP		COMPANY	
	Note	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Government grants (a)		261,769,506	28,220,727	-	-
Other non-current payables from disposal of assets (b)	10	64,210,639	39,284,634	-	-
Payables to lessees (c)		45,876,786	45,312,564	-	-
Long term customer guarantees		37,740,496	-	-	-
Customer contributions (d)		22,839,111	-	-	-
Payable to the Greek State, pursuant to Par. 8, Art. 8, L.3891/2010 (e)		31,560,708	-	-	-
Other liabilities (f)		16,636,222	14,884,318	-	-
Deferred rental income		11,916,640	12,448,291	-	-
Total		**492,550,108**	**140,150,534**	**-**	**-**

(a) “Government grants” relate to the grants received by subsidiaries of the Group from the Greek State for investment in fixed 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 year is as follows:

	GROUP		COMPANY	
Government grants	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
Opening Balance	**28,220,727**	**28,762,250**	-	-
Government grants from the transfer of subsidiaries	249,004,033	-	-	-
Received during the year	922,232	284,957	-	-
Charged in the income statement of the year	(16,377,486)	(826,480)	-	-
Closing Balance	**261,769,506**	**28,220,727**	-	-

(b) 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).

(c) Payables to lessees of approximately € 45.9 mln (31.12.2016: € 45.3 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.

(d) The amount of customers’ contributions concerns the contribution of EYDAP’s customers (including Greek State and Local Authorities) for the initial cost for the development of the network (counters, network compounds etc.) or its upgrade.

	GROUP		COMPANY	
Customers contributions	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
Initial value of customers contributions	**20,763,380**	-	-	-
Collections during the year	2,985,822	-	-	-
Depreciation during the year	(910,091)	-	-	-
Closing balance of income from sewage network	**22,839,111**	-	-	-

(e) “Payable to the Greek State under Par.8, Art.8, Law 3891/2010” of GAIAOSE amounts to € 31.6 mln and represents the received rentals for the rolling stock up to the date of the privatization of TRAINOSE SA, which were formed pursuant to article 8, paragraph 8 of Law 3891/2010. This obligation, according to the law, has been collected on behalf of the Greek State and its objective is the extensive maintenance of rolling stock to restore it to its proper operating condition.

(f) “Other non-current liabilities” of 16.6 mln (3.12.2017: €14.9 mln) mainly include payables to “Astir Marina Vouliagmeni” amounting to € 11.0 mln (31.12.2017: €11.4 mln) and to National Bank of Greece amounting to approximately € 2.6 mln (31.12.2017: € 3.5 mln) which relate to the acquisition of a building that was executed by the former company KED on behalf of the Ministry of Foreign Affairs.

22. Trade and other payables and contract liabilities

The balances of trade and other payables and liabilities arising from contracts with customers are analyzed as follows:

		GROUP		COMPANY	
	Note	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
Domestic and foreign suppliers (a)		153,868,506	27,541,472	444,547	451,727
Current portion of liabilities from the disposal of Greek State's assets (b)	13	35,416,487	36,838,185	-	-
Greek State's funds management account (KED) (c)		22,077,650	20,710,956	-	-
Contract liabilities and deferred income		18,509,659	1,376,436	-	-
Customer advances		14,110,525	6,694,234	-	-
Customer Guarantees - current		6,985,501	964,267	-	-
Payables to public sector entities		6,786,664	2,271,680	-	-
Other trade payables		1,913,759	43,597	-	-
Payables to Greek State	13	-	2,025,050	-	-
Total		**259,668,751**	**98,465,877**	**444,547**	**451,727**

(a) "Domestic and foreign Suppliers" mainly include payables to suppliers of OASA sub-group of € 73.4 mln, as well as payables to suppliers of the ELTA sub-group of € 23.3 mln.

(b) The amount of the "Current portion of liabilities from the disposal of Greek State's assets" includes € 2 mln which relates to the obligation of the subsidiary HRADF to the Greek State from the collection of part of the consideration from the sale of the shares of the company "New Corfu Real Estate Investments SA", which was paid into the Special Account of the Greek State after the reporting date and in accordance with Law 3986/2011. In addition, the amount of € 33.4 mln relates to the payables of the subsidiary HRADF to the acquisition of assets to the Greek State which are expected to be paid to the HRADF by the counterparties within the next fiscal year and will subsequently be paid into the Special Account of the Greek State in accordance with the terms with Law 3986/2011. These liabilities to the Greek State are matched by equal receivables by the counterparties from the asset exploitation (Note 13).

(c) The Greek State's Funds Management Account amounting to € 22.1 mln (31.12.2017: € 20.7 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.

23. Other current liabilities

Other current liabilities are analyzed as follows:

	GROUP		COMPANY	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Cash attributable to third parties (a)	122,303,297	-	-	-
Other non-group transport operators (b)	46,123,904	-	-	-
Payables to social security funds	45,746,320	767,619	106,755	67,394
Tax liabilities and duties (excluding income tax)	33,110,245	3,325,406	176,833	125,609
Various creditors	23,268,951	8,146,408	-	40
Institutions of public utilities	21,409,692	-	-	-
Other payables	20,616,097	389,742	-	-
Accrued expenses	13,061,297	860,082	431,329	410,740
Payables to personnel	10,740,692	64,717	296	-
Payables to Eurobank	10,618,174	-	-	-
Guarantees	6,576,722	-	-	-
Dividends payable	4,462,411	402,034	-	-
Liabilities to the Greek State	3,103,333	-	-	-
Cheques payable	860,347	36,540	-	-
Total	**362,001,482**	**13,992,548**	**715,213**	**603,783**

(a) "Cash attributable to third parties" comes from the subsidiary ELTA. ELTA has undertaken the payment of OGA, IKA and welfare pensions, as well as the collection of bills payments and then pay them back to organizations and companies such as PPC, EYDAP, OTE, COSMOTE etc.

(b) Liabilities to "Other non-group transport operators" relate mainly to the liability of € 43.1 mln of the indirect subsidiary STASY to ATTIKO METRO S.A..

24. Revenue

	GROUP		COMPANY	
	01.01.2018-31.12.2018	**01.01.2017-31.12.2017**	**01.01.2018-31.12.2018**	**01.01.2017-31.12.2017**
Revenues from water supply and sewerage services (a)	391,861,784	-	-	-
Revenues from postal services (b)	242,064,406	-	-	-
Revenues from public transport services (c)	194,199,774	-	-	-
Revenues from other services	80,774,927	12,827,246	-	-
Revenues from electricity sales	51,319,791	-	-	-
Rental income (d)	48,258,933	33,723,036	-	-
Revenues from the sale of goods	12,875,594	-	-	-
Other revenues	12,321,106	734,462	-	-
Revenues from HRADF's fees (e)	5,231,710	6,538,285	-	-
Revenues from re-charging third party fees to Greek State (f)	4,556,900	4,065,366	-	-
Revenues from parking services	2,411,166	-	-	-
Dividend income (g)	-	-	16,997,936	-
Total	**1,045,876,091**	**57,888,395**	**16,997,936**	**-**

(a) " Revenues from water supply and sewerage services " refers to the revenue of EYDAP and EYATH from the water and sewerage services provided.

(b) "Revenues from postal services" refers to the revenue of the ELTA sub-group for mail services, parcel distribution, courier services and compensation of universal service.

(c) "Revenues from public transport services" refers to revenue from the OASA sub-group from ticket and card sales, as well as revenue from contracts with the Greek State for the provision of lower-cost services to specific groups of passengers, such as the free transport of unemployed persons etc.

(d) "Rental income" mainly relates to the income of ETAD amounting to € 32.8 mln, as well as rental income of OASA sub-group amounting to € 9.9 mln.

(e) "Revenue from HRADF's fees" amounting to € 5.2 mln (31.12.2017: € 6.5 mln) relates to the HRADF's revenue calculated at a rate of 0.5% of the consideration from utilized assets, according to the decision of the Minister of Finance, dated 07.06.2016 (PEMU's decision No. 009449 - Government Gazette Issue B' 1603) covering the administrative and operating expenses of the HRADF.

(f) "Revenue from re-charging third party fees to Greek State " amounting to € 4.6 mln (31.12.2017: € 4.1 mln) relates to the recharge of special expenses regarding the utilization of assets from subsidiary HRADF.

(g) The Company's dividend income relates to dividends from EYDAP (€10.6 mln), EYATH (€4.0 mln), OTE (€1.6 mln) and other subsidiaries (€0.7 mln).

25. Expenses by category

Group's and Company's expenses by category are analyzed below:

	GROUP			
Period 01.01.2018 - 31.12.2018	**Cost of sales**	**Administrative expenses**	**Selling expenses**	**Total**
Payroll cost	474,296,810	88,255,153	32,143,777	594,695,740
Third party fees and expenses	101,191,812	26,924,919	7,262,026	135,378,757
Utilities costs	98,396,865	9,884,356	6,149,647	114,430,868
Other taxes and duties	11,716,865	3,579,183	805,780	16,101,828
Various expenses	64,156,266	9,430,287	7,648,603	81,235,156
Depreciation and amortization	102,580,946	9,478,829	3,212,291	115,272,066
Provisions	-	-	14,347,182	14,347,182
Consumption of inventories	105,732,029	997,644	289,108	107,018,781
Repair and maintenance costs	22,693,279	2,873,512	775,383	26,342,174
Operating lease expenses	3,669,124	8,338,911	807,250	12,815,285
Third parties fees and expenses for utilization of the private property of the Greek State (recharged)	4,556,900	-	-	4,556,900
Self- consumption cost	(14,753,352)	(234,918)	(38,572)	(15,026,842)
Total	**974,237,544**	**159,527,876**	**73,402,475**	**1,207,167,895**

	GROUP			
Period 01.01.2017 - 31.12.2017	**Cost of sales**	**Administrative expenses**	**Selling expenses**	**Total**
Payroll cost	10,409,124	6,082,462	1,543,369	18,034,955
Third party fees and expenses	3,740,660	5,491,700	8,254	9,240,614
Utilities costs	1,720,376	1,410,467	339,912	3,470,755
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	2,767,144	143,123	75,266	2,985,533
Provisions	-	-	10,301,978	10,301,978
Consumption of inventories	430,157	-	-	430,157
Repair and maintenance costs	144,460	538,084	131,794	814,338
Operating lease expenses	446,110	947,963	-	1,394,073
Third parties fees and expenses for utilization of the private property of the Greek State (recharged)	4,065,366	-	-	4,065,366
Self- consumption cost	(32,656)	-	-	(32,656)
Total	**25,047,041**	**15,986,598**	**12,854,615**	**53,888,254**

The significant variation to the Group's expenses between the comparative fiscal years is due to the significant change in the structure of the Group, as on 01.01.2018 "Other Subsidiaries" have been transferred to it.

		COMPANY	
Administrative expenses	**Note**	**01.01.2018-31.12.2018**	**01.01.2017-31.12.2017**
Payroll cost		2,785,252	1,980,680
Third party fees and expenses		1,069,233	1,086,353
Utilities costs		327,711	70,309
Other taxes and duties		29,964	3,765
Various expenses		131,545	270,947
Depreciation and amortization	5,7	14,065	10,168
Total		**4,357,770**	**3,422,222**

The variation to the Company's expenses is due to the fact that the Company obtained its legal personality upon its registration to General Commercial Registry (GEMI) on 25.10.2016, and during 2017, the development of its corporate structure and operations was in progress. The Board of Directors was constituted into a body on 16.02.2017 and the Company had no staff nor operations in the beginning of 2017, while in 2018 the Company was fully operational and gradually staffed to a significant extent. As a result, payroll and management costs (Supervisory board and Board of Directors compensation) in 2017, as well as other operating expenses (rental fees, third party fees etc) were lower (or zero) in comparison with the current year 2018.

26. Other Operating Income

		GROUP		COMPANY	
	Note	**01.01.2018-31.12.2018**	**01.01.2017-31.12.2017**	**01.01.2018-31.12.2018**	**01.01.2017-31.12.2017**
Special Grants- Subsidies (a)		54,151,063	927	-	-
Income from unused provisions		21,822,540	2,257,566	-	-
Amortization of government grants and customers' contributions	21	17,287,578	826,480	-	-
Income from prior years		10,463,839	434,333	-	-
Other income		6,122,770	612	-	-
Income from other related activities		5,663,724	24,358	-	-
Revenue from contract settlement (IVECO)		5,322,042	-	-	-
Other supplies		2,437,456	-	-	-
Gain from reversal of impairment	5	3,933,733	-	-	-
Total		**127,204,745**	**3,544,276**	**-**	**-**

(a) Revenues from "Special Grants- Subsidies" comes mainly from the OASA sub-group and relates to a subsidy from the State Budget of the operating deficit of OASA up to 40% of the annual operating cost before depreciation, plus a subsidy of € 31.7 mln. to STASY SA for the settlement of overdue balances to PPC from the General Accounting Office of the Greek State. From the total value of the collected subsidies an amount of €104.4 mln relates to subsidies for cost of sales and has been presented as a separate caption in income statement named "Subsidies attributable to cost of sales".

27. Other operating expenses

Group's and Company's Other operating expenses are analyzed below:

	GROUP		COMPANY	
	01.01.2018-31.12.2018	**01.01.2017-31.12.2017**	**01.01.2018-31.12.2018**	**01.01.2017-31.12.2017**
Other provisions	52,064,873	20,853,118	-	-
Expenses from prior years	7,734,643	-	-	-
Non recurrent and extraordinary expenses	5,713,870	1,445,759	1,104	2,668
Other expenses	3,338,703	52,026	-	-
Tax penalties	211,045	-	-	-
Other exceptional losses	176,457	-	-	-
Impairment loss on PP&E	-	765,102	-	-
Total	**69,239,591**	**23,116,005**	**1,104**	**2,668**

28. Finance Income

Group's and Company's Finance Income is analyzed below:

	GROUP		COMPANY	
	01.01.2018-31.12.2018	**01.01.2017-31.12.2017**	**01.01.2018-31.12.2018**	**01.01.2017-31.12.2017**
Interest income	26,046,372	3,370,020	427,147	284,249
Other finance income	6,344,020	-	-	-
Total	**32,390,392**	**3,370,020**	**427,147**	**284,249**

Interest income of € 26.0 mln (2017: € 3.3 mln) relates to interest income from time deposits and current bank accounts, as well as interest income from overdue receivables.

29. Finance cost

The Group and Company's Finance Cost is analyzed below:

	GROUP		COMPANY	
	01.01.2018-31.12.2018	**01.01.2017-31.12.2017**	**01.01.2018-31.12.2018**	**01.01.2017-31.12.2017**
Interest expenses	5,451,856	-	-	-
Other finance cost	9,242,302	2,277,908	5,853	2,754
Total	**14,694,158**	**2,277,908**	**5,853**	**2,754**

Other finance cost relates mainly to interest expense on overdue payables of "Other subsidiaries" and "Direct subsidiary" ETAD, while in 2017 the amount relates mainly to ETAD.

30. Income tax

The Company is exempt from income tax as analyzed above (Note 2.15).

Income tax recognized in income statement is analyzed as follows:

	Note	GROUP		COMPANY	
		01.01.2018-31.12.2018	01.01.2017-31.12.2017	01.01.2018-31.12.2018	01.01.2017-31.12.2017
Current tax		(37,788,632)	-	-	-
Deferred tax	9	1,567,722	-	-	-
Tax from tax audits		(66,803)	(1,135,394)	-	-
Total		**(36,287,713)**	**(1,135,394)**	**-**	**-**

	GROUP		COMPANY	
	01.01.2018-31.12.2018	01.01.2017-31.12.2017	01.01.2018-31.12.2018	01.01.2017-31.12.2017
Results before tax	(96,254,785)	19,372,666	13,060,356	(3,143,395)
Tax rate (%)	29%	29%	29%	29%
Income tax calculated with the current tax rate	27,913,888	(5,618,073)	(3,787,503)	911,585
Adjustments for:				
-Non-recognition of deferred tax asset for losses of companies exempt from income tax	(15,378,044)	5,618,073	3,787,503	(911,585)
- Non-recognition of deferred tax asset for losses	(13,149,639)	-	-	-
- Non recognition of deferred tax assets on the share of losses from associates or joint ventures	(33,493,627)	-	-	-
- Change in tax rate	(4,670,529)	-	-	-
-Non tax-deductable expenses	(1,244,291)	-	-	-
- Taxes from prior years	-	(1,135,394)	-	-
- Tax -free revenue	3,232,908	-	-	-
- Utilization of tax losses from previous years	755,867	-	-	-
- Other	(254,246)	-	-	-
Total	**(36,287,713)**	**(1,135,394)**	**-**	**-**

The income tax rate for the current and previous financial year was 29%. Article 23 of Law 4579/ 30.11.2018 provides for a tax rate of 29% for 2018, which is gradually reduced to twenty-eight percent (28%) for the tax year 2019, to twenty-seven percent (27 %) for tax year 2020, at twenty-six percent (26%) for tax year 2021, and at twenty-five percent (25%) for tax year 2022 onwards.

In accordance with the requirements of IAS 12, deferred tax assets and liabilities should be measured at the tax rates that are expected to be applied in the period in which the asset or liability is settled, taking into account tax rates (and tax laws), that have been or have been substantially enacted, up until the reporting date.

Based on the above, the Company's subsidiaries recalculated their deferred tax assets and liabilities at the balance sheet date based on how they expect at the reporting date to recover or settle the carrying amount of their assets and liabilities. The effect on the results of the current year due to the change in the tax rate based on the above is presented in the table above in the line "Change in tax rate".

The fact that, despite the losses before tax, the tax (current and deferred) is shown to be an expense, mainly due to the following:

a) from the profitable companies the tax resulting is mainly tax expense, while for the companies that incur losses or are continuously loss-making either the recognition of deferred tax asset / income has ceased, or the companies are not subject to income tax from their normal operations, with the consequence that deferred tax asset / income has not been applied for their losses,

b) a significant impact is due to the fact that the income statement reflects loss from associates on which no deferred tax asset/ income is calculated, as HCAP is exempt from income tax, while there is no tax base on this loss,

c) as net deferred tax in the statement of financial position (deferred tax assets minus deferred tax liabilities) is a deferred tax asset, the change in the tax rate (decrease) led to a decrease in the asset and an incurred expense for the year.

Olympic Properties SA which was absorbed by ETAD, has been audited for the fiscal year 2008. The audit report issued by tax authorities was delivered to the company in 2017. Specifically, it was released on 25.05.2017 to ETAD with the No. 1077/18.05.2017 Final Action of Adjusting Calculation of Income Tax for the fiscal year 2009 (financial year 01.01.2008-31.12.2018), by the supervisor of the Center of Audit of Large Corporations (K.E.ME.EP.). The tax difference was calculated at € 2.3 mln as main tax, and additional tax for inconsistency was assessed at € 2.7 mln, thus the total assessment amounted to € 5.0 mln. 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 December 31, 2016 and 50% of the amount has been provided for during financial year ended December 31, 2017.

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	
	31.12.2018	**31.12.2017**
Letters of guarantee HRADF	267,911,331	185,906,031
Letters of guarantee OASA	54,691,628	-
Letters of guarantee ETAD	49,563,074	54,355,627
Letters of guarantee ELTA	9,213,940	-
Letters of guarantee GAIAOSE	1,096,515	-
Letters of guarantee CMFO	338,222	-
Letters of guarantee TIF- Helexpo	335,415	-
Letters of guarantee HCAP	17,370	25,698
Total	**383,167,495**	**240,287,356**

The Group has issued letters of guarantee to assure liabilities, analysis by company as follows:

	GROUP	
	31.12.2018	**31.12.2017**
Issued letters of guarantee EYATH	526,286	-
Issued Letters of guarantee EYDAP	1,514,474	-
Issued Letters of guarantee OASA	415,581	-
Issued Letters of guarantee TIF- HELEXPO	25,092	-
Issued Letters of guarantee HELLENIC SALTWORKS	5,362	-
Total	**2,486,795**	**-**

Legal cases regarding third party claims against Group companies

A1. Regarding HCAP

1. Four applications for annulment have been filed and are pending before the Council of State (StE) relating to the issue of the constitutionality of the transfer of the shares of the Greek State in EYDAP and EYATH to HCAP. The ones under filing numbers 692/2018 and 822/2018 refer to the transfer of the shares of EYDAP to HCAP retroactively as of 01.01.2018, and the ones under filing numbers 693/2018 and 823/2018 refer to the transfer of the shares in EYATH to HCAP retroactively as of 01.01.2018. Such applications challenge on the one hand the individual arrangement of Law 4512/2018, pursuant to which the shares of the Greek State in said water companies were automatically transferred to HCAP, and on the other hand the over-the-counter transaction acts as at 20.03.2018 by which the transfer of the shares of the Greek State in said listed companies to HCAP was completed via the Central Securities Depository. The Company filed an intervention as to such applications, requesting the dismissal of the applications for annulment upon invocation of substantial grounds relating to the constitutionality of such transfer. Such applications were heard on 27.11.2018 before the Council of State, and the issuance of a decision is expected.

2. The Company filed before the Multi-Member First Instance Court of Athens a lawsuit dated 15.11.2018 under general filing number 107643/2018 against the executive members of the Board of Directors and the members of the Audit Committee of the company under the name Folli-Folie Commercial, Manufacturing and Technical Société Anonyme. The Company possesses 0.96% of the shares in Folli-Follie. By such lawsuit, it is asked that the defendants, jointly and severally liable, shall be obliged to pay the Company the amount of € 12,349,752.66, otherwise the amount of € 9,259,095.06, as well as € 500,000 as monetary relief for moral damage, on the grounds that, due to their unlawful acts or omissions during the management of Folli-Follie, they are liable for the depreciation/ annihilation of the share value. HCAP has filed pleadings for such lawsuit in accordance with the applicable procedural rules and the issuance of a decision is expected.

Furthermore, a petition of the Company for temporary order as to the prohibition of any change of the property status of all defendants has been accepted.

A2. Regarding Direct Subsidiaries

ETAD

(a) An important number of the overall properties owned by GNTO, that ETAD already manages, were obtained through the forced expropriation of many smaller properties. According to the data of the properties' files, in the case of some of the properties expropriated in favour of GNTO, former owners have requested the expropriations executed for tourism purposes be revoked. They are judicially seeking the revocation of the expropriations and the return to them of their former properties. Some of the requests regarding small portions of Company properties have already been accepted by the Plenary Session of the Council of State, while many more requests by former owners are still pending. Even if these requests are accepted, they do not impede the broader utilisation of the properties, as they concern individual small sections. With the exception of properties in Paliouri, Halkidiki and Fanari, Komotini, the process of reacquisition of ownership by the applicants has not been completed, due to the non-payment of the foreseen compensation by them to the property owner GNTO and the corresponding transfer of the relevant Land Registry.

(b) ETAD is involved in court and other cases concerning third party claims against the Company, for which a provision has been created against its results in the total amount of approximately €30 mln. It is underlined that in many cases there are conflicting claims between the Company and third parties, with suits and counter-suits.

(c) The Lagonisi Hotel Complex was leased to ATTIKOS ILIOS SA with contract No 10469/1999, which was then amended by contracts Nos 552 and 633/2003 (with which the adjacent area was leased), as well as with contract No 1175/2009 (with which pending contract matters were settled, based on Arbitration Award 4/2006).

Following the signing of contract 1175/2009, the lessee sought arbitration due to an alleged failure to deliver unhindered the use of the adjacent area, which is illegally encroached upon by the Municipality of Kalyvia (formerly Municipality of Saronikos), following which arbitration award No 52/2010 was issued, which obliged ETAD to pay to ATTIKOS ILIOS SA the amount of €10,034,879 for loss of earnings from the non-utilisation of the area adjacent to the Lagonisi Hotel Complex, amount that has been paid in full.

After actions from both parties the Arbitration awards were issued, which judged the lawfulness of the leasing contracts and contract No 1175/2009, whose validity was contested by ETAD, and subsequently the Athens Court of Appeals judgments Nos 461 and 462/2013 were issued, which found all Arbitration Awards in favour of ATTIKOS unlawful, namely awards Nos 4/2006, 52/2010, 32 and 43/2011.

The above judgments of the Court of Appeals were reversed with Supreme Court judgments Nos 1568, 1569, 1578 and 1579 of the year 2014, and the case was tried again at the Court of Appeals by reference and judgments Nos 495, 496, 497 and 498/2016 were issued, pursuant to which the annulment actions of the arbitration awards of ETAD were rejected. ETAD filed its requests dated 21.04.2016 with the Supreme Court for the invalidation of appeals court decisions Nos 495, 496, 497 and 498/2016, which were heard on 09.01.2017. Furthermore, the invalidation appeal filed by the Greek State regarding the above judgments was also heard before the Supreme Court on 09.01.2017. Judgments Nos 354, 355, 356, 357, 358, 359, 360 and 361/2018 were issued, pursuant to which the invalidation appeals of ETAD and the Greek State were rejected.

Subsequently, with their application-lawsuit against ETAD dated 09.08.2018, ATTIKOS ILIOS S.A., TOURISTIKI XENODOCHIAKI EMPORIKI S.A., and ANONYMOS TOURISTIKI ETERIA ILIOS S.A. request, among other things, that the company pay to Attikos Ilios SA the amount of 52,161,634 Euros for loss of earnings for the years 2010 to 2020, due to the alleged failure to deliver the adjacent area for unhindered use, with interest from the moment the application was served, with default interest until paid in full, to cancel the two agreements that were set out in private agreement dated 28.08.2009 regarding the limitation of the amount to 24,952,181.31 Euros, with respect to the necessary expenses for the restoration of faults with the small buildings, in the amount of 21,209,354.11 Euros, and the extension of the deadline for payment of this receivable and its offsetting by future leases from 01.01.2021; that ETAD pay to Attikos Ilios SA the amount of 24,952,181.31 Euros plus a 2.4% stamp duty, with 5.9% annual interest from 01.01.2003 until the serving of the application-lawsuit, and from the serving of the application-lawsuit that the two agreements which are set out in the private agreement dated 28.08.2009 be cancelled, namely the agreements concerning limitation of the amount of 1,229,420.44 Euros regarding expenses for the restoration of faults in the main building, in the amount of 1,045,420.44 and with the extension of the deadline for payment of this receivable and its offsetting by future leases from 01.01.2021, that ETAD pay to Attikos Ilios SA the amount of 1,229,420.44 Euros plus a 2.4% stamp duty with default interest, or else interest from the moment the application was served, that ETAD pay to Attikos Ilios SA the amount of 5,000,000 Euros as compensation for non-material harm suffered with interest from the moment the application was served, that ETAD pay to Attikos Ilios SA the amount of 9,522,527 Euros for alleged material damage, as well as the amount of 5,000,000 as compensation for non-material damage suffered, namely a total of 14,522,527 Euros with interest from the moment the application was served, and that ETAD pay to Touristiki Xenodochiaki Emporiki SA the amount of 1,000,000 Euros as compensation for non-material harm suffered with interest from the moment the lawsuit was served. The company in supporting its positions, it hired established financial, technical, and legal advisers and consultants who were supported by the services and staff of ETAD. This application-lawsuit was heard and on 19.09.2019, the arbitral award on said lawsuit filed on 09.08.2018 was issued.

By virtue of the arbitral award under number 20/2019 of the arbitral tribunal, the lawsuit of plaintiff a' "Attikos Ilios" was accepted, and the lawsuit of plaintiff b' and plaintiff c' was dismissed in its entirety, with respect to both the contractual liability basis and the tort liability basis.

More specifically, the arbitral tribunal awarded the a' plaintiff an amount of € 34,678,834 for loss of profit with legal interest as of the service of the lawsuit. Furthermore, as regards the request for abolition of the agreement dated 28.09.2009 on the set-off of the claims referring to necessary expenses for the restitution/repair of hidden defect of the little houses against the rentals for the period 2021-2030, it accepted the request for immediate payment to the lessee of the amount which had been agreed through the contract of 2009, i.e. € 21,209,354.11, and it also rejected the request for increase thereof to € 24,952,183.31. The amount of € 21,209,354.11 is determined as payable plus a stamp duty of 2.4% with the already agreed as of 28.08.2009 annual interest of 5.9% for the time period from 01-01-2003 until the service of the lawsuit and thereafter with legal interest. With respect to the request for abolition of limitation of the amount of € 1,229,420.44 referring to the necessary expenses for the repair/restitution of defects

of the central building to the amount of € 1,045,420.44, such request was rejected, whereas the request for abolition of the extension of the maturity of such claim thereof and set-off against future rentals as of 01.01.2021 was accepted and was determined as payable plus stamp duty of 2,4% with legal interest as of the service of the lawsuit. Furthermore, the Arbitral Tribunal dismissed the lawsuit, to the extent established on the tort liability basis, judging that there is no tort behavior of ETAD, and thus all the requests for adjudication of the moral damage were rejected, whereas any loss of the plaintiff was disconnected from the termination of the bank loans thereof, since it was accepted that there is no causal link between the non-delivery by ETAD of the free use of the adjacent area and the non-adherence by the plaintiff of the loan obligations thereof. The Board of Directors of ETAD decided to proceed to legal remedies against said award.
It is pointed out that in the arbitration proceedings the Banks that had issued bond loans to Attikos Ilios SA intervened, however following the objection of ETAD their intervention was rejected.

Furthermore, the three aforementioned companies filed compensation claims against ETAD on 28.11.2018, with which they ask that ETAD be ordered to pay to Attikos Ilios SA the amount of 258,753,105 Euros with interest, for loss of earnings that the applicants claim they would have acquired from 2005 to 2012, due to the desired revival of the claim with the above applications, which it waived pursuant to contract No 1175/2009, plus default interest from the date the lawsuit was served, and that the defendant be ordered to pay for non-material damage suffered to Attikos Ilios the amount of 5,000,000 Euros, to Ilios SA the amount of 5,000,000 Euros, and to Touristiki Xenodochiaki Emporiki SA the amount of 3,000,000 Euros. The hearing of this claim is in progress.
Furthermore, in order for ETAD to support its positions, it hired established financial, technical, and legal advisers and consultants who were supported by its services and staff. According to the relevant study of the financial adviser of ETAD, regardless of the legal grounds of the arbitration proceedings, the amounts claimed by the applicants have no grounding, in fact, quite the opposite, according to this study in many cases they are negative.
Later, on 12 April 2019 an arbitration lawsuit was served, with which the three aforementioned companies request that ETAD be ordered to pay to the first of these three the amount of 66,987,803.20 Euros as compensation, claiming that the applicant lost grants that it believes it would have received from the Greek State, had the relevant request for the implementation of investments that were not made been submitted, as well as the amount of 10,000,000 Euros as compensation for non-material harm suffered, that ETAD be ordered to pay to the second of these three companies the amount of 5,000,000 Euros as compensation for non-material harm suffered, and that ETAD be ordered to pay to the third of these three companies the amount of 10,000,000 Euros as compensation for non-material harm suffered, as well as to pay the total amount for the fees of arbitrators, arbitration expenses, and attorney fees.
Furthermore, on 10 April 2019 an arbitration lawsuit was served, with which the three aforementioned companies request that ETAD be ordered to pay to the first of these three the amount of 26,552,304 Euros as compensation, claiming that the applicant lost grants that it believes it would have received from the Greek State, had the relevant request for the implementation of investments that were not made been submitted, as well as the amount of 5,000,000 Euros as compensation for non-material harm suffered, that ETAD be ordered to pay to the second of these three companies the amount of 2,000,000 Euros as compensation for non-material harm suffered, and that ETAD be ordered to pay to the third of these three companies the amount of 5,000,000 Euros as compensation for non-material harm suffered. Lastly, the three aforementioned companies ask that ETAD pay fines in the amount of 150,000 Euros for each day of violation of some of the claims of these companies and that ETAD's CEO be detained for one month if one of the aforementioned claims is violated, and that ETAD be ordered to pay the total amount for the fees of arbitrators, arbitration expenses, and attorney fees.
In fact, the above companies served an arbitration lawsuit dated 7 May 2019, with which they request that ETAD be ordered to pay the first of these three companies the amount of 352,670,184.83 Euros for loss of earnings for the period from 2015 until 2025, and compensation for non-material harm suffered in the amount of 20,000,000 Euros, that ETAD be ordered to pay the second of these companies compensation for non-material harm suffered in the amount of 30,000,000 Euros, that ETAD be ordered to pay the third of these companies compensation for non-material harm suffered in the amount of 10,000,000 Euros, and that ETAD be ordered to pay the total amount for the fees of arbitrators, arbitration expenses, and attorney fees.
Furthermore, the above companies served an arbitration lawsuit dated 12.5.2019, with which they request that it be recognised that ETAD is obliged to pay the amount of 21,980,000 Euros for the forfeiture of penalties imposed pursuant to indent B of the operative part of arbitration decision No 4/2006, the amount of 21,980,000 Euros as

penalties payable for the forfeiture of penalties imposed pursuant to indent D of the operative part of arbitration decision No 4/2006, and the amount of 10,000,000 Euros as compensation for non-material damage suffered to the first of the applicants and the amount of 5,000,000 Euros as compensation for non-material damage suffered by second and third applicants, and the total amount for the fees of arbitrators, arbitration expenses, and attorney fees in general.

In addition, the applicant companies, with their arbitration lawsuit dated 15.5.2019, asked that ETAD be obliged to pay directly to the banks in the name and to the account of the third applicant, which is the borrower, and of the first of the applicants, which is acting as guarantor, the loan of the third of the applicants as jointly and in whole liable, or else to pay to them so that they can pay to the Banks the amount of 365,360,555 Euros plus interest from the serving of the arbitration lawsuit , or else from the serving of the petition to be filed for arbitration, which they will then pay to ETAD, in accordance with the repayment programme included in their claim or by offsetting it in accordance with their claims. Also, with the same arbitration lawsuit the applicants ask that the company pay to them compensation for non-material harm suffered, to the first the amount of 10,000,000 Euros, to the second the amount of 5,000,000 Euros, and to the third 15,000,000 Euros with interest from the serving of the arbitration lawsuit in question, or else from the serving of their application to be filed, and that ETAD be ordered to pay the total amount for the fees of arbitrators, arbitration expenses, and attorney fees.

In addition, with arbitration lawsuit dated 4.6.2019 the above companies asked that ETAD be ordered to pay the amount of 640,000 Euros for the alleged non compliance of ETAD with the operative part of arbitration decision No 32/2011, dated 1.4.2019, and subsequently the amount of 5,000 Euros daily from the moment the arbitration claim was filed and until the last hearing of this claim, as well as the amount of 1,000,000 Euros for each of the applicants for alleged non-material harm suffered, and the total amount for legal costs and arbitrator fees.

The above applications are characterised by duplications, namely the repetition of claims from the same real and legal cause.

It should be noted that it is not usual practice for Greek Courts to award amounts for non-material harm as high as those claimed by Attikos Ilios as compensation for that reason.

In fact, with the enforcement action imposed dated 10 June 2019, Attikos Ilios imposed an enforced seizure at the expense of ETAD to the possession of, among others, National Bank of Greece, Piraeus Bank SA, Eurobank Ergasias SA, Alfa Bank SA, Attica Bank SA, and Bank of Greece, in the amount of 43,965,050 Euros for alleged monetary penalties due, which, according to our opponents, were imposed on ETAD with arbitrary award No 4/2006. In refutation of this seizure, ETAD filed for a suspension and temporary arrangement of the situation petition dated 14/06/2019. With this petition it requested and achieved the issuance of a temporary order that temporarily suspended the implementation of the contested order, title, and seizure to the possession of third parties -banks that Attikos Ilios had expedited for amounts beyond 10,000 Euros, and it ordered the banks to continue to temporarily execute all banking works on behalf of ETAD, beyond the amount of 10,000 Euros until the hearing of the claim for the temporary arrangement of the situation and on the condition of its hearing on the court date set, namely 20.9.2019.

Furthermore, ATTIKOS ILIOS S.A. and TOURISTIKI XENODOCHIAKI EMPORIKI S.A. and ANONIMOS TOURISTIKI ETERIA ILIOS S.A. have filed the application dated 10-9-2015 with General State Archive No 83910/2015 and OGA No 3072/2015 against ETAD and former members of ETAD's Board of Directors, with which they request that ETAD and its former Board Members be obliged to pay compensation due to non-material harm suffered in the amount of €10,000,000 to each, which will be heard before the Athens Multi-Member Court of First Instance on 5-10-2017, postponed for 18-4-2019, the date on which the hearing was held.

Lastly, ATTIKOS ILIOS has filed against the company absorbed by ETAD 'PARAKTIO ATTIKO METOPO S.A.' and a member of that company's Board of Directors lawsuit dated 20-02-2015, with General State Archive No 21136/2015 and OGA 673/2015, with which it demands €20,000,000 for non-material harm, which was to be heard before the Athens Multi-Member Court of First Instance on 11-5-2017, and which was postponed for 21-2-2019, and once again for 9.5.2019.

HRADF

There are no disputed or under arbitration disputes of judicial or administrative bodies that may impact upon the financial status of HRADF, with the exception of:

1) Arbitration of Emma Delta against HRADF and the Greek State, based on the Share Transfer Contract dated 12/8/2013 for the sale of 33% of OPAP S.A.

The company Emma Delta submitted an application for the commencement of arbitration against HRADF and the Greek state in relation to its claims arising from the Contract dated 12/08/2013 regarding the sale of shares and the transfer of 33% of OPAP S.A.

The claims of Emma Delta concern:

- Additional taxation of OPAP S.A. and its subsidiary 'OPAP Service Provider S.A.' pursuant to the tax audit of the financial year 2010 and the financial year 2012 correspondingly.
- Additional burdening of OPAP S.A. as a result of the decision of the BoD of the Unified Insurance Fund of Mass Media Employees (ETAP-MME) regarding OPAP S.A. advertisement debts.
- Additional burdening of OPAP S.A. as a result of the increased participation of the Greek State in the gross income of the company from 30% to 35% pursuant to Article 56 Law 4389/2016.

2) Claims based on the Contract for the Concession of State Lotteries dated 30.07.2013

The company with the trade name 'Ellinika Lacheia S.A.', which is the concessionaire of the right to utilise state lotteries, claimed that the Contract for the Concession of State Lotteries dated 30/07/2013 was violated, claiming that the change of the social security scheme for lottery salespersons constituted a unilateral amendment of the law on the side of the State at the expense of the Concessionaire.

On a monthly basis the Concessionaire sends letters with which it states that it has paid the amount of the social security contributions and requests compensation corresponding to the amounts of said lottery salesperson social security contributions, which the Concessionaire paid to EFKA. These claims are addressed directly to the State, however a suit against HRADF cannot be ruled out as it is the counterparty to the Concessionaire in the Concession Contract. HRADF has announced that the provision foreseen in Law 3986/2011 regarding joint and in whole liability is in force.

3) Claims against HRADF based on the Share Transfer Contract dated 08/04/2016 for the sale of 67% of PPA S.A.

HRADF received the letter dated 12/07/2018 with which Cosco (Hong Kong) Group Limited raised claims against HRADF, based on the Share Transfer Contract dated 08/04/2016 for the sale of 67% of PPA S.A. With this letter various occasions of breach of contract are pointed out, which concern the following: (1) breach of the contract's prohibition regarding signing substantial contracts during the stage between the signing of the contract and the transfer of the shares, (2) inaccurate guarantee statements, especially as regards the reflection on the financial statements of PPA of specific events, and (3) general presentation of false or inaccurate events and inadequate information provided to Cosco regarding specific matters. HRADF has assigned the legal assessment to an external legal adviser.

In the same letter, Cosco reintroduces the claims it had raised in its letter dated 28/10/2016, which concerned the breach of PPA's no leakage undertaking obligation. Regarding these claims, HRADF has responded in its letter dated 29/11/2016.

4) Claims against HRADF based on the Share Transfer Contract dated 17/09/2014 for the sale of 67% of ASTIR S.A.

On 12/11/2018 the claim of Apollo Investment HoldCo was made known to HRADF and the National Bank, co-sellers of Astir S.A., due to a tax audit of previous years. The amount is divided between the co-sellers, 85.35% for the National Bank and 14.65% for HRADF. HRADF has announced that the provision foreseen in Law 3986/2011 regarding joint and in whole liability is in force.

A3. Regarding Public Undertakings that are part of HCAP's portfolio

It is noted that the most important court proceedings are mentioned in summary. More details are mentioned in the financial statements of each public undertaking.

EYDAP (Group)

Legal proceedings

Lawsuits have been filed for civil cases against EYDAP in the total amount of €84.9 mln as of 31.12.2018. These lawsuits mainly concern compensation due to damage from floods (pipes breaking or rainfall), or lawsuits by various counterparty suppliers and contractors, for breach of contract terms. There are also court proceedings pending regarding labour disputes in the amount of €169.2 mln.

The overall amount of EYDAP's provisions comes to €55.1 mln as of 31.12.2018 (the amount was approximately €35.2 mln as of 31.12.2017). In addition, the amount of approximately €1.4 mln, that concerns the settlement agreement regarding labour disputes in relation to decisions Nos 19105/21.12.2016 and 19224/24.05.2017 of the Board of Directors, are presented in the current liabilities (last year's corresponding amount came to €1.7 mln).

EYATH (Group)

Judicial and under arbitration disputes

As of 31/12/2018 there are lawsuits, extrajudicial notices, and future claims in general against EYATH and the EYATH Group, in the total amount of approximately €36 mln, for which a total provision of €3,49 mln has been made.

Regarding these lawsuits, €8 mln mainly concern compensation due to flood damage or lawsuits of various counterparty suppliers and contractors for breach of contract terms, and €28 mln concern labour disputes, compensation due to retirement, and social insurance fund fines.

EYATH's legal services estimate that besides the provision made, no other cases will arise whose outcome in court will significantly affect the assets and operation of the EYATH Group.

OASA (Group)

Court proceedings

According to the estimates of OASA'S Group management, and taking into account the view of its legal service, there are lawsuits and claims of third parties against the sub-group in the total amount of 1,026.9 mln, €971.9 mln of which concern labour and social security, €6.3 mln concern claims for accident compensation, and €48.7 mln concerns other cases. OASA foresees that regarding € 63.87 mln of these lawsuits, there will be damages in the future and an equal amount has been provided for in its financial statements.

Disputed receivables

OASA SA, in accordance with Article 2(1) and Articles 6 and 7 of Law 3086/2002 'Regarding the Organization of the State's Legal Council', submitted on 22.11.2013 an application for the recognition of its claims against the Greek State (Ministry of Finance) and the Ministry of Labour, Social Security and Welfare, in the amount of €72.8 mln. It filed an application dated 22.9.2015 before the Administrative Court of First Instance of Athens against the parties mentioned above, for the amount of €185.9 mln, which includes the above amount of €72.8 mln additionally to the amount of €59.4 mln for default interest. For the claims from 01.01.2016 until 31.12.2016, OASA S.A. filed an application with the Administrative Court of First Instance of Athens against the above parties, for the amount of €86.4 mln, and for the claims from 01.01.2017 to 31.12.2017 OASA S.A filed a new application before the Administrative Court of First Instance of Athens against above parties for the amount of €104.6 mln.

The overall amount of this claim by OASA S.A is set to €436.3 mln. The adjudication of the cases is pending.

CMFO (Group)

As of 31.12.2018 there are judicial claims by third parties against the CMFO group, in the total amount of €253,957.61, for which an equal provision has been made. The analysis of the provision is based on CMFO attorney letters.

CMT

Third party and employee lawsuits against the Company

As of the date of the end of the financial year the following lawsuits have been filed against CMT:

- an employee of CMT S.A. submitted an application against CMT S.A. following an accident caused while working, in the amount of €222,231.78, which was tried on 29/03/2019 and the issuance of the decision is pending. At this moment and given that the lawsuit is addressed against the company and the leasing company in the space of which the accident occurred, CMT S.A. cannot make any reliable estimation regarding the conclusion of this lawsuit, and any financial impact it may have.
- EFKA filed a lawsuit against CMT S.A. for the aforementioned lawsuit of the employee against the Company, in the amount of €2,454.76, for which a judgment decision is pending.
- 15 employees of CMT S.A. have filed a lawsuit, the main claim being (€134,917.50) the non- implementation of the law on unified wage and a secondary claim (€73,750) regarding the unconstitutional nature of the law cancelling benefits.
- Furthermore, 5 employees of CMT S.A. have filed a lawsuit, the main claim being (€27,500 the unconstitutional nature of the law cancelling benefits.

Company applications against third parties

As of the date of the report, CMT had disputed receivables against customers in the amount of €375,746.28, while as of the drafting of the financial statements the corresponding amount is set to €246,064.62, as part of the disputed receivables against customers were cancelled following the settlement of their debts.

Corinth Canal

Judicial and under arbitration disputes

AEDIK has filed an application-lawsuit against the 'PERIANDROS S.A.' company for a total amount of €17,683,071.12, which concerns receivables created during the process of delivery and reception of the exploitation of the operation of the Canal to 'Corinth Canal Co SA', and compensation for incidental and consequential loss to the company and public property caused by the management of the canal. Following postponements, final judgment of the Multi-Member Court of First Instance of Athens No 4296/2017 was issued, which rejected the above application as inadmissible due to the defendant company's inclusion in bankruptcy proceedings since 10/9/2010, and the suspension of individual pursuing measures against the bankrupt company.

Lawsuit against the company 'PERIANDROS S.A.' from which requests to pay the amount of €851,623.37 plus the corresponding VAT and default interest for rent due from 10.09.2008 to 09.09.2009 and from 10.09.2009 to 23.12.2009. The court date was set for 22.03.2018. The satisfaction of the above cases is uncertain, as bankruptcy proceedings which last many years must be completed, in order for it to be ascertained if the bankruptcy assets of the company are adequate so that after liquidation AEDIK can be satisfied at least in part.

AEDIK is involved (as defendant and plaintiff) in various court proceedings in the framework of its regulatory function. AEDIK Management and legal advisers estimate that the pending cases will be concluded without significant negative impact on AEDIK's financial position or its financial results.

ELTA

Receivables from the Universal Service

Until 2012 part of the compensation of Hellenic Post for the cost of the Universal Service was offset by the exclusive rights over letters up to 50 grams in weight. Further to the application of the third Postal Directive and in accordance with the implementation/transposition act thereof (Law 4053/2012 'On Postal Services, Electronic Communications, and Other Provisions' of the Ministry of Infrastructure, Transport, and Networks), the Greek post market was fully liberalised on 01.01.2013. ELTA was appointed as Universal Postal Service Provider in Greece for a period of 15 years as of the initiation of the full liberalisation, namely until 31 December 2028.

The same law (Article 8) determines the way the Universal Service is funded. Specifically, the implementation of the compensation mechanism for the cost of the Universal Service is determined, which must be in accordance with the

European Postal Directive and competition law. The net cost of the Universal Service provision burdens the Universal Service provider as to the part of the postal service provision within the Universal Service, the postal service providers within the Universal Service, and the State Budget.

Article 8 of Law 4053/2012 states that by a joint decision of the Ministers of Finance and Infrastructure, Transport, and Networks, the part of the net cost of the provision of the Universal Service that burdens the State Budget is determined and paid directly to the beneficiary agency. By the same decision and upon proposal of the Hellenic Telecommunications and Post Commission (EETT), the way in which the part of the net cost burdening the postal service providers is divided is determined. EETT is also named as the competent party for the collection and payment to the beneficiary Universal Service provider of the corresponding amounts.

The Ministry of Infrastructure, Transport, and Networks prepared a draft of a joint ministerial decision regarding the compensation of the Universal Service Provider - USP (ELTA), and acting jointly with HRADF, it pre-announced it in October 2012 to the DG Comp of the European Commission. As a result of the comments - questions by the European Commission, relevant answers, and consultations, it was decided to focus on the calculation of the cost of the Universal Service.

The company, tried to highlight the reasonableness of its claim for the provision of the Universal Service, on the basis of the examples of other member-states of the European Union, as to which the European Commission has ruled that the compensation for the provision of the Universal Service granted by the Member-States to the corresponding Universal Service providers complies with EU state aid rules.

To that end, the Greek State, assisted by with the contribution of an independent adviser, prepared the relevant reference model and the documentation as to the calculation methodology of the Universal Service net cost. Following successive discussions/ debates and improvements, for addressing the requests of the European Commission, the European Commission approved on 03.06.2013 the methodology by which the net cost of the Universal Service is calculated.

The European Union, based on its decision C (2014) 5436, 1/8/2014, as published in the official Journal of the European Union, decided not to object to the offset/compensation provided to ELTA in the form of direct grants from the State Budget for the provision of the Universal Service, during the transitional regime for the period 2013-2014 or 2013-2015 up to the amount of € 15 mln.

Following a tendering procedure, the calculation of the net cost of the Universal Service in accordance with the calculation model of Law 4053/2012 was assigned to independent surveyors. Potential intangible and commercial gains of the Universal Service provider will be considered in the calculation context.

On 19/4/2017 the ‘Contract on assignment of the universal postal service provision’ was signed between the Ministry of Digital Policy, Telecommunications, and Information and Hellenic Post. The contract came into effect on 19.04.2015, it refers to a period of six years, and it regulates all the details based on which the universal service is provided by ELTA. It should be noted that until the signing of this contract, the ‘Administration contract between the Greek State and Hellenic Post’ had corresponding effect, which had been signed on 08.11.2010 between the Ministry of Infrastructure, Transport, and Networks and ELTA, with effect for a period of 6 years as of 18.04.2009.

By virtue of a voted relevant modification/ addition in the recent Law 4463/2017 of the Ministry of Digital Policy, Telecommunications, and Information on ‘Measures to decrease the cost of installation of high speed electronic communications - Harmonisation of the law with Directive 2014/61/EU and other provisions’ (law 4463/2017), it was determined that the amount of compensation for the universal service for the first three years (2013, 2014, and 2015) will be determined following a proposal of the competent regulator, the Hellenic Telecommunications and Post Commission (EETT).

Pursuant to Article 14 of Law 4463/30.03.2017, Paragraph 6 was added to Article 8 of Law 4463/2012, which “determines a transitional stage for the compensation of the universal service for the years 2013, 2014, and 2015”. For the transitional stage the UPSP shall submit to EETT its calculation of the universal service provision net cost for the years 2013, 2014, and 2015 by 30 June 2017. EETT would then review the submitted data and verify, in accordance with applicable provisions, the net cost for the provision of the universal postal service for the above years to the extent it exists. The net cost for the provision of the universal postal service for the years 2013, 2014, and 2015 to be verified by EETT may not exceed the amount of fifteen (15) mln Euros per year, and it is covered in its entirety, by the State Budget as a Service of General Economic Interest (SGEI). The amount is paid directly to the UPSP. By virtue of a joint decision of the Ministers of Finance and Digital Policy, Telecommunications, and Information, the time and method of payment, the necessary documents, and all necessary details shall be determined. The new Contract on the assignment of the provision of the universal postal service between the Greek State and the UPSP will come into effect retroactively as of the date of expiry of the previous contract, namely on 19.04.2015".

In early August 2017, a Law was passed, which, by Chapter E of Article 39(1), amends Article 8(6)[4] of Law 4053/2012, as amended by Article 14(1) of Law 4463/2017, as follows: "From the net cost of the provision of the universal postal service for the years 2013, 2014, and 2015 to be verified by EETT, the State Budget will cover up to the amount of fifteen mln Euros per year, as a Service of General Economic Interest (SGEI)".

On 16.04.2018 EETT informed Hellenic Post of its decision 845/006/26.03.2018 entitled 'Verification report on the Net Cost for the Provision of the Universal Postal Service for the years 2013, 2014, and 2015', according to which the final verified cost of the provision of universal services for the period 2013 - 2015 was set at € 127,904,956.

The Company, based on the above considering that the claims /receivables for the Universal Service directly relate to its smooth operation, implemented all necessary actions for the purpose of the approval by the competent authorities of the compensation for the Universal Service also for the year 2016. The study on the methodology and the net cost of the Universal Service for the financial year of 2016 was submitted to EETT within 2017, determining the relevant receivable/claim at € 46,823 thousand. On 15.10.2018 EETT informed Hellenic Post of its decision 868/007 'Verification report of the Net Cost for the Provision of the Universal Postal Service for the year 2016', according to which the final verified cost for the provision of universal services for 2016 was set at €39,551 thousand. The difference of € 7,272 thousand between the amount claimed by Hellenic Post and the amount verified by EETT, reduces correspondingly both the accumulated receivable regarding the Universal Service and the results and the Equity of the company.

On 16.05.2018 the Ministry of Digital Policy, Telecommunications, and Information by its decision 7118/2018 approved and proceeded to the payment to ELTA of €22,500 thousand, as payment against debts relating to the universal postal service for the period 2013 - 2015. On 12.06.2018 the Ministry of Digital Policy, Telecommunications, and Information by its decision 8678/2018 approved and proceeded to the payment to ELTA of an additional amount of €22,500 thousand, as payment against debts relating to the universal postal service for the period 2013 - 2015.

On 29.06.2018 the study on the methodology and net cost of the Universal Service for the financial year of 2017 was submitted to EETT. It included a Universal Service net cost (USNC) of €54,936 thousand and an additional amount of €23,175 thousand as a funding cost that burdened ELTA due to the lack of compensation for the provision of universal postal services for the past years 2013 – 2015. On 18.02.2019 EETT informed Hellenic Post of its decision 884/011 'Verification report of the Net Cost for the Provision of the Universal Postal Service for the year 2017', according to which the final verified cost for the provision of universal services for 2017 was set at € 37,430 thousand, without calculation of the Universal Service funding cost.

On 11.10.2018, by GG/A/179_Law 4569 2018 and in particular Article 49, the first four indents of Article 8(6) of Law 4053/2012, as in force, are replaced as follows: "6. A transitional stage is determined for the compensation of the universal service for the years from 2013 through 2017. For the transitional stage, the UPSP shall submit to EETT its calculation of the universal service provision net cost for the years 2013, 2014, and 2015 by 30 June 2017 and for the years 2016 and 2017 in accordance with Article 9 of decision under number 697/129/18.7.2013 of EETT (B΄ 2016). EETT shall subsequently review the submitted data and verify, in accordance with the applicable provisions, the net cost of the provision of the universal postal service for said years to the extent that it exists. Of the net cost for the provision of the universal postal service for the years from 2013 to 2017 to be verified by EETT, the State Budget will cover up to the amount of fifteen mln Euros (15,000,000) per year, as a Service of General Economic Interest (SGEI)".

In addition, the phrase "for the period 2013 to 2015" is replaced through the phrase "for the period 2013 to 2017", in the third indent of the paragraph added with Article 14(2) of Law 4463/2017 (A' 42) at the end of Part B' of Annex I of Law 4053/2012.

On 24.10.2018 the Ministry of Digital Policy, Telecommunications, and Information forwarded by virtue of its decision 2013/H entitled: "Provision of a universal postal service for the financial years 2016 and 2017", a request to the Ministry of Finance on the provision of a relevant credit amounting to € 30,000 thousand.

On 31.10.2018 the Ministry of Digital Policy, Telecommunications, and Information, by virtue of its decision 2027, approved and proceeded to the payment to ELTA of an amount equal to €15,000 thousand as payment for debts relating to the universal postal service for the period of 2016.

On 24.12.2018 in GG/A/218_N4587 2018 and in particular in Article 71, it is mentioned that in Article 8(6) of Law 4053/2012 (A' 44) "Regulation of operation of the postal markets, electronic communication matters, and other provisions", as in force, a new indent is added after indent d', as follows: "The amount of the previous indent may be paid to the UPSP prior to the final verification of the net cost of the universal postal service provision by EETT for the year 2017, provided that the Authority estimates that the relevant cost clearly exceeds the amount of fifteen mln (15,000,000) Euros".

On 14.02.2019 the Ministry of Digital Policy, Communications, and Information paid the amount of €10 mln as part of the compensation for the Universal Service for 2017, whereas the remaining balance of €5 mln was collected by ELTA on 26/3/2019.

On 24.04.2019, the GG/A/65 by virtue of Law 4607 2019 and in particular Article 59 of Chapter E' amends Article 8 of Law 4053/2012, as follows: "The following amendments shall be made to Article 8(6) of Law 4053/2012 (A' 44), which was added through Article 14(1) of Law 4463/2017 (A' 42):

a) In the first indent, as this was replaced through Article 49(1) of Law 4569/2018 (A' 179), the words "until 2017" shall be replaced through the words "until 2019".

b) In the second indent, as this was replaced through Article 49(1) of Law 4569/2018, the words "and the years 2016 and 2017" shall be replaced through the words "2016, 2017, 2018, and 2019".

c) In the fourth indent, as this was replaced through Article 49(1) of Law 4569/2018, the words "until 2017" shall be replaced through the words "until 2019".

d) In the fifth indent, which was added through Article 71 of Law 4587/2018 (A' 218) the words "for the year 2017" shall be replaced through the words "for the years 2017 and 2018".

The following indent is added after the fifth indent: "For the year 2019 the said amount may be paid to the universal service provider prior to the verification of the net cost of the provision of the universal postal service by EETT for this year, provided that the Authority foresees, based on the cost - financial data regarding the provision of the universal postal service during the first quarter of the year 2019, in conjunction with the verified annual net cost for the provision of the universal postal service for the years from 2013 until 2017, that the relevant cost will exceed the amount of fifteen mln (15,000,000) Euros for 2019".

On 21.06.2019 the Ministry of Digital Policy, Telecommunications, and Information, by virtue of its decision 9889/2019 entitled: "Provision of net cost of universal postal service for the financial years 2018-2019", forwarded a request to the Ministry of Finance on the provision of a relevant credit amounting to €30,000 thousand. Furthermore, on 04.07.2019 the Ministry of Digital Policy, Telecommunications and Information, by virtue of its decision 395/H, approved the commitment of a credit amounting to €15,000 thousand Euros for expenses regarding the provision of the universal postal service for the financial year 2018. The collection of the Universal Service compensation for 2018 amounting to €15,000 thousand took place on 19.07.2019.

Based on the study model of Law 4053/2012 the net cost of the Universal Service for the period from 01.01.2013 through 31.12.2018 was calculated at €242,386 thousand (2018: €37,500 thousand on the basis of an estimation for 2018, 2017: €37,430 thousand on the basis of EETT decision 884/011/18.02.2019 for 2017, 2016: €39,551 thousand on the basis of EETT decision 868/007/15.10.2018, 2013-2015: €127,905 thousand on the basis of EETT decision No 845/006/26.03.2018).

Third party claims against ELTA

The amounts mentioned below are in absolute figures.

1. A group of ELTA pensioners claims in court by lawsuits the difference between the compensation they received when they left ELTA and the compensation provided under Codified Law 2112/1920, amounting to €9,435 thousand. Upon consideration of existing case law so far, these lawsuits are not expected to be successful. At first instance, those that have been heard have all been rejected. Furthermore, two Court of Appeals judgments have been issued; thus, for two of these cases, the legal matter has been finally concluded/judged.

2. A Joint Venture of Companies that undertook the execution of the project "building facilities of the new automated Sorting Centre of Attica (SCA)" are claiming in court an additional contracting consideration in the amount of €17,800,000 plus VAT and interest, by having filed 15 lawsuits which are pending at first instance before the Multi-Member Court of First Instance of Athens, following referral thereof by the Court of Appeals of Athens. These lawsuits were tried on 13.12.2018, 28.09.2017, and 27.09.2018. Those scheduled for 28.09.2017 were postponed for 27.09.2018, when they

were heard. For 12 of these cases (which were jointly heard) a judgment was issued, which did not decide on the substance of the case, but it referred the trial thereof by the Administrative Court of First Instance of Athens, before which the hearing thereof has not been scheduled, and the management of Elta estimates that it will delay for at least a year.

3. A joint venture has filed a lawsuit against ELTA before the Single-Member Court of First Instance of Athens, which was tried by application of the process of labour dispute, following a postponement, on 30.10.2012, and it claims the amount of €171,851.06, which concerns, as it maintains/alleges, a fee for additional services it provided in relation to the extension of the contract of another joint venture with ELTA S.A. This lawsuit was rejected at first instance on procedural grounds, and it was rescheduled by request for 12.11.2015 and, after a postponement due to the attorney's strike, for 03.11.2016, and a judgment was issued on it rejecting the lawsuit, and no appeal has been filed against it so far.

4. A former General Director of ELTA claims in court by a lawsuit thereof the amount of €3,400,000 as intellectual rights for the use by ELTA of the Postal Code, of which he considers himself to be the intellectual creator. This lawsuit was heard before the Multi-Member Court of First Instance of Athens, and it was rejected. An appeal has been filed against it by the plaintiff, which has been heard and a preliminary judgment has been issued on it. The hearing of the case was rescheduled by request of the plaintiff, it was postponed and heard at the Court of Appeals of Athens on 07.12.2017, and it was rejected.

5. A company that had undertaken the supply of the equipment for the Airport and Attica ELTA Sorting Centres, as well as the technical support and maintenance thereof for six (6) years after the guarantee period, claims from ELTA, by a lawsuit thereof before the Multi-Member Court of First Instance of Athens, the amount of €1,179,885 as to issued and unpaid invoices for the replacement of worn and consumable parts it supplied to ELTA during the guarantee period. This lawsuit was tried and a judgment was issued accepting it. An appeal has been filed against this judgment, which was scheduled to be heard on 17.11.2016 and was postponed until 08.03.2018 at the Athens Court of Appeals, whereby it was heard and the appeal was accepted and the lawsuit was rejected.

6. A company that had undertaken the purchase and construction of the Thessaloniki Sorting Centre on behalf of KED, to which ELTA had assigned the project on their behalf, claims, by a lawsuit thereof against the Company that is pending before the Multi-Member Court of First Instance of Thessaloniki, the amount of €400,000. The hearing date for the lawsuit was scheduled on 16.05.2016 and was postponed due to the attorneys' strike until 30.10.2017, when it was heard and referred for trial by the Multi-Member Court of First Instance of Athens, and the hearing date thereof has not been scheduled yet.

7. Groups of employees have filed lawsuits against ELTA claiming compensation for the days of the regular leave that they did not take for the years 2010-2016 (on a case-by-case basis), with a 100% increase. The claimed amount amounts to €1,064,447. These lawsuits had been scheduled for hearing before the District Court of Athens on the following hearing dates: 24.05.2016, 08.06.2016, and 02.05.2017. The first two were postponed for the hearing dates of: 25.10.2017 and 27.11.2017. The third was heard on 02.05.2017 and it concerned the amount of €17,194.35, it was admitted in its entirety and an appeal has been filed against it, the hearing of which at the Athens Single-Member Court of First Instance has not been scheduled yet. The lawsuits which had been scheduled for the hearing date of 25.10.2017 were postponed for the hearing date of 29.01.2019, when they were heard and rejected in their entirety by a judgment of the court of first instance. These lawsuits cover the largest part of the amount claimed by the employees, almost €800,000. An appeal may be filed against this judgment too, which has not been filed so far.

The lawsuit whose hearing date had been scheduled for 27.11.2019 was heard, it was accepted at first instance, and an appeal has been filed against it. The amount that ELTA have been obliged to pay at first instance amounts to €326,000 plus default interest. As soon as its enforcement is expedited because it has been declared as temporarily enforceable — ELTA will file a petition for suspension, but it is uncertain whether the suspension thereof will be achieved.

Given that the matter of holiday compensation for these years has been regulated by a Joint Agreement between Employees and Enterprise, for the implementation of which part of the claimed amounts have been paid, it is expected that these lawsuits will be rejected, and indeed, a final judgment has been already issued in Thessaloniki, accepting the lack of fault of the company, and therefore as to the holiday compensation with 100% increase.

8. Groups of employees have filed lawsuits against ELTA before the District Court of Athens requesting the payment of the compensation difference from the one already paid for travel outside the company seat that took place during the period from January 2012 to November 2015. The total claimed amount amounts to €224,245.11. The lawsuits were

heard on 02.03.2018, 19.03.2018, and 05.03.2019, and they were rejected, and thus Hellenic Post have already required the unduly paid amounts.

9. A company has filed a lawsuit against ELTA and its subsidiary ELTA COURIERS as to the amount of €1,687,713.18, which is allegedly owed to it, jointly and severally, as cash on delivery payments for parcels that have been delivered/ distributed through ELTA Group companies. This lawsuit is found to be completely vague, unsupported, and from checks on random samples carried out by both companies, the claims thereof have not been proven. For that reason, the plaintiff company proposed the postponement of the hearing of the lawsuit for the hearing date of on 09.03.2017, when it was postponed until 14.03.2019. It is expected that this lawsuit, which does not, in fact, burden Hellenic Post, in its entirety, will not be accepted.

10. Groups of employees have filed lawsuits against ELTA (four in total), requesting the payment of the total amount of €1,209,472, which constitutes the reduction in the wages incurred by them on the basis of § a΄ of the first term of the Joint Agreement Framework between ELTA and POST dated 20.07.2017, as well as the reduction in the wages incurred by them due to memorandum laws. Two of these lawsuits were postponed until 26.09.2019, one until 11.10.2019, and the last, which could have been on 06.06.2019, was also postponed. ELTA management estimates that they will be rejected in their entirety.

11. An ELTA attorney has filed a lawsuit against ELTA, which was scheduled for trial by the Single-Member Court of First Instance of Athens on 19.02.2019, and was postponed until 11.02.2020, requesting the amount of €217,227.40 relating to wages from the year 2010, when they were placed at ELTA through a JMD, and until the year 2014, when they were once again placed at ELTA through a new JMD. ELTA had contested the first placement JMD, because it considered that it could not employ them and burden the budget thereof. Its request was initially accepted and the attorney in question was placed at a Public Body; however, the placement action and the employment with the Public Body was never completed. For that reason, they appealed to the Council of State, which, by a judgment thereof, found that they should be hired at ELTA. As ELTA bears no responsibility to pay overdue wages for the period from 2010 to 2014 when it hired them, it has contested the hiring, by filing an application for annulment which is still pending before the Council of State. The same attorney has also claimed the amount of €175,775, referring to overdue wages from the State through a separate lawsuit. ELTA management considers that ELTA's allegation regarding lack of responsibility for the period of time during which the attorney had not been placed will be accepted and that the lawsuit will be rejected.

ELTA claims against third parties

1. A Regulatory Authority has imposed fines against ELTA for special permit duties which cumulatively amount to €1,450,889.39, for the years 2003, 2004, and 2005. The decisions of the Regulatory Authority were contested by ELTA at the Administrative Courts and at the Council of State. As regards the duty for 2003, in the amount of €428,250.04, ELTA's action was accepted and such amount has been collected. As regards the duty for the year 2004, in the amount of €526,341.19 (initial amount €397,538.66 plus surcharges in the amount of €128,802.53), ELTA's action was rejected by the Administrative Court of Appeals, an appeal was subsequently filed against the rejection decision, which was also rejected, and a cassation appeal has been filed against it, which was heard by the Council of State on 12.06.2019. As regards the duty for 2005 (initial amount €401,163.64 plus surcharges in the amount of €4,011.64) the judgments on the opposition of ELTA of the Administrative Court of First Instance and the Court of Appeals are in favour of ELTA. By a judgment of the Council of State, following a cassation appeal of the Regulatory Authority, this case was heard at the Athens Court of Appeals on 07.11.2018, and postponement decision under No 676/2019 was issued, and a new hearing has been set for 18.09.2019. If ELTA's actions are accepted, the amounts that ELTA has already paid to the Regulatory Authority may be claimed/ recovered from the Authority.

2. ELTA has filed a lawsuit against a former employee thereof and his wife for the restitution of the damage thereof from the deposits of its cash at the Bank of Crete and the payment of the benefit derived from performance of those deposits which amount to €733,675.72. By virtue of the final judgment of the Court of Appeals of Athens under No 5465/2007 the amount €699,652.01 has been adjudicated in favour of ELTA. This judgment has been contested by the defendants by filing a cassation appeal to the Supreme Court, which was accepted and the case was referred to the Court of Appeals of Athens for retrial. This appeal was rejected and the defendants filed a cassation appeal against it, which was heard on 12.10.2015, and a judgment has been issued thereupon rejecting the cassation appeal. Thus, ELTA's claim has been judged finally and irrevocably and the collection thereof will be sought by all legal means.

3. ELTA has filed a lawsuit before the Administrative Court of Appeals of Athens against a state organisation as to the amount of €6,509,508.16, which it owes it for handling its correspondence. This lawsuit was heard on 28.04.2015 and a judgment was issued referring the case to the Administrative Court of First Instance of Athens for trial, before which it was heard on 11/04/2019, and the issuance of a judgment is pending. This lawsuit is expected to be accepted, given that the project has been implemented and it has been accepted by the assigning authority, therefore the collection of the amount is certain.

4. ELTA has filed a lawsuit against a Joint Venture of Companies as to the amount of €949,233.31 plus interest as of 31.05.2005, requesting the payment of this amount for defects in the work it had undertaken, as mentioned above under case B.2. This lawsuit was heard by the Multi-Member Court of First Instance of Athens on 27.09.2018, and a judgment was issued referring it to the Administrative Court of First Instance of Athens for trial. The hearing thereof by the Administrative Court of First Instance of Athens has not been scheduled yet. This lawsuit is expected to be accepted, at least as regards the largest part of the claimed amount, however the exact amount cannot be estimated.

5. ELTA has a claim against the Greek State for postal work that it had provided to a Ministry for the amount of €5,033,671.06, for the pursuit of which it has been filed a lawsuit before h the Administrative Court of Appeals of Athens. The hearing date for the case has been set for 14/05/2019. The date was postponed for 21/01/2020.

6. ELTA has a claim against the Greek State for postal work that it had provided to a Ministry amounting to €677,825.56, for the pursuit of which it has filed a lawsuit before the Administrative Court of Appeals of Athens. The case was heard on 14.05.2019 and the issuance of a judgment is expected.

7. ELTA has a claim against the Greek State for postal work that it had provided to a Ministry amounting to €760,546.91, for the pursuit of which it has filed a lawsuit before the Administrative Court of Appeals of Athens. A settlement in court was attempted, but it was not successful. The scheduling of a hearing date is pending.

8. From ELTA's activity as an Electricity Provider, damages from consumers have arisen amounting to €128,326.12. Any debts out of this amount above €1,000.00 will be collected via judicial proceedings, namely, by filing lawsuits. For smaller debts, the collection of these amounts will be sought via extra-judicial means. Part of these debts is expected to be collected.

Third party claims against ELTA COURIER SA

The lawsuit dated 27/7/2007 against ELTA Courier for an amount of € 301,599 was heard on 25/1/2012, while an opposing claim was also made/asserted by ELTA Courier for an amount of € 79,937. By virtue of a preliminary ruling, an expert has been appointed. The outcome of the trial is uncertain, and thus the entry/recognition of a relevant provision in the financial statements of ELTA Courier SA is not considered to be necessary.

Claims of ELTA COURIER SA against third parties

With respect to the claim of ELTA Courier against a public organisation amounting to € 601 thousand, the lawsuit of ELTA Courier was rejected by the Court of Appeals of Athens, which had been accepted in its entirety at first instance and was based on the invoices and the contracts between the two parties, on the grounds that these contracts were irregular as well as that the appropriate procedure for the public organisation had not been followed. A lawsuit based on the unjustified enrichment is already drawn up, which is expected to be successful as to the total claim.

TIF- HELEXPO

Judicial and under arbitration disputes

- There are lawsuits by employees and third parties pending against TIF for the amount of approximately €1,624,000, of which the amount of €354,068.31 is included in the books of the company, and for the remaining balance a provision of €600,000 has been made. TIF has filed lawsuits against third parties for the amount of approximately €488,000.
- The client of absorbed company HELEXPO SA, P. SIDERIS AVEE, which as of 31/12/2018 owed the amount of €835,989.91 has filed lawsuits against the absorbed company HELEXPO SA, for compensation of damages that it claims it suffered, in the total amount of €5,324,744.53. The lawsuits were rejected and an appeal was lodged, which the company's legal adviser believes will also be rejected, as the claims are groundless.

- Besides the above cases, as of 31.12.2018 there are pending lawsuits, extra-judicial procedures, and claims in general against the absorbed company HELEXPO SA, which the Company's legal service estimates the judicial outcome of the above cases overall will not significantly impact the assets and operation of the Group.
- During a previous financial year an application had been filed by a Bank against the company 'ELLINIKES EKTHESIAKES PARAGOGES SA' with title 'HELEXPO SA-UNDER LIQUIDATION' for the amount of €186,664.59 plus interest, which concerned the equal concession application of the subcontracting company 'DEKA EKTHESIAKES KATASKEVES SA' (a HELEXPRO shareholder) against the bank, from a project that it had implemented on behalf of the company. During that use the subcontractor collected most of the fee from the project due to the forced seizure by the Greek State.

Hellenic Saltworks

Legal proceedings

The company "Hellenic Saltworks" is involved (as defendant and plaintiff) in various court proceedings and arbitration procedures in the framework of its regulatory function. 'Hellenic Saltworks' Management and legal advisers estimate that the pending cases will be concluded without significant negative impact upon subsidiary's financial position or its financial results.

Unaudited tax years

Parent Company and Subsidiaries[1]	**Fiscal years Unaudited by tax authorities**	**Fiscal years with tax compliance certificate from audit firms**	**Notes**
Hellenic Corporation of Assets and Participations (HCAP)	25.10.2016-2017	-	
Public Properties Company (ETAD)[2]	2012-2018	2016-2017	
Olympic Assets S.A.	2009-2011	-	Absorbed by ETAD from 2011
Public Real Estate Company S.A.	2008-2011	-	Absorbed by ETAD from 2011
Paraktion Attiko Metopo SA	21.08.2013-21.03.2015	21.08.13-31.12.2014	Absorbed by ETAD from 2015
Hellenic Republic Asset Development Fund (HRADF)[2]	2012-2018	30.06.2012-31.12.2017	
Athens Water Supply and Sewerage Company (EYDAP)	2012-2018	2012-2017	
EYDAP Nison Development S.A.	2011-2018	-	100% subsidiary of EYDAP
Thessaloniki Water Supply & Sewerage Co (EYATH)	2014-2018	2011-2017	
EYATH Services S.A.	2014-2018	2011-2017	100% subsidiary of EYATH
Athens Urban Transportation Organization S.A. (OASA)	2013-2018	2013-2017	
Road Transport S.A.	2013-2018	2013-2017	100% subsidiary of OASA
Urban Rail Transport S.A.	2013-2018	2013-2015, 2017	100% subsidiary of OASA
Central Markets and Fisheries Organization S.A. (CMFO)	2012-2018	2011-2017	
CMFO Energeiaki S.A.	05.07.2012-2018	2013-2017	100% subsidiary of CMFO
Business Park CMFO S.A.	26.11.2015-2018	2016-2017	100% subsidiary of CMFO
Thessaloniki Central Market(CMT)	2012-2018	2011-2015, 2017	
Corinth Canal Co (AEDIK)	2012-2018	2011-2016	
Hellenic Post S.A. (ELTA)	2012-2018	2011-2017	
Courier ELTA S.A.	2012-2018	2011-2017	99,98% subsidiary of Elta

Vocational Training Center Elta S.A.	2012-2018	2011-2017	70% subsidiary of Elta
Thessaloniki International Fair- Helexpo S.A.	2011-2018	2012-2015	
Helexpo Hellenic Exhibitions S.A.	2010-30.04.2013	2011-2012	Absorbed by TiF- Helexpo from 2013
Exhibition Applications S.A.	2011-2018	2011-2013,2015	Under liquidation
Hellenic Exhibition Productions SA	2011-2018	2011-2015	Under liquidation
Hellenic Saltworks	2012-2018	2011-2017	
GAIAOSE	2012-2018	2012-2017	
GAIAOSE Fotovoltaika Attikis & Viotias S.A.	2012-2018	2012-2017	100% subsidiary of GAIAOSE
GAIA OSE Fotovoltaika Larisas S.A.	2012-2018	2012-2017	100% subsidiary of GAIAOSE
GAIA OSE Fotovoltaika Karditsas S.A.	2012-2018	2012-2017	100% subsidiary of GAIAOSE

[1] The above table does not include Hellenic FinanciaL Stability Fund ("HFSF") and the associates companies as analyzed in Note 8.2

[2] With the article 10 of law 4474/2017 (Government Gazette A' 80/07.06.2017) it is stipulated that direct subsidiaries of HCAP are deemed to have definitively discharged their tax liability for the respective management periods or tax years in which they received tax compliance certificate 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 certificate, the tax audit is limited to these violations only.

Olympic Properties SA which was absorbed by ETAD, has been audited for the fiscal year 2008. The audit report issued by tax authorities was delivered to the company in 2017. Specifically, it was released on 25.05.2017 to ETAD with the No. 1077/18.05.2017 Final Action of Adjusting Calculation of Income Tax for the fiscal year 2009 (financial year 01.01.2008-31.12.2018), 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 filed an appeal against the above acts, which was tacitly dismissed and subsequently brought before the Three-Member Administrative Court of Appeal, which was discussed on 06.03.2019 and is awaiting a decision. For the above amount, a provision for the 100% of the amount has been established.

32. Related party transactions and balances

i) Related party balances:

	GROUP		COMPANY	
Trade and other receivables	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
Subsidiaries	-	-	555,321	-
Associates	8,822,337	168,986	-	-
Total	**8,822,337**	**168,986**	**555,321**	**-**

	GROUP		COMPANY	
Suppliers	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
Subsidiaries	-	-	4,495	20,831
Associates	43,134,196	2,635	2,498	-
Total	**43,134,196**	**2,635**	**6,993**	**20,831**

Receivables

The Group's receivables on associates relate mainly to receivables for postal services (€ 7.6 mln approximately) as well as receivables on water and sanitation (€ 1 mln approximately). Regarding the Company, the receivables mainly relate to dividends pending to be collected.

Liabilities

The Group's liabilities to associates mainly relate to payables for electricity bills.

ii) Related party transactions:

	GROUP		COMPANY	
Revenues	**01.01.2018 - 31.12.2018**	**01.01.2017 - 31.12.2017**	**01.01.2018 - 31.12.2018**	**01.01.2017 - 31.12.2017**
Subsidiaries	-	-	15,403,092	-
Associates	31,591,209	9,303,837	-	-
Total	**31,591,209**	**9,303,837**	**15,403,092**	**-**

	GROUP		COMPANY	
Expenses	**01.01.2018 - 31.12.2018**	**01.01.2017 - 31.12.2017**	**01.01.2018 - 31.12.2018**	**01.01.2017 - 31.12.2017**
Subsidiaries	-	-	19,973	79,826
Associates	68,557,333	-	-	-
Total	**68,557,333**	**-**	**19,973**	**79,826**

	GROUP		COMPANY	
Purchase of tangible and tangible assets	**01.01.2018 - 31.12.2018**	**01.01.2017 - 31.12.2017**	**01.01.2018 - 31.12.2018**	**01.01.2017 - 31.12.2017**
Subsidiaries	-	-	-	65,044
Associates	-	-	-	-
Total	**-**	**-**	**-**	**65,044**

Revenues

The Group's income from associates mainly relates to revenues for postal services (€ 24.2 mln) as well as rental income (€ 6.7 mln). The remaining amount relates to water and sewerage revenue. Regarding the Company, the revenues relate to dividends income.

Expenses

The Group's expenses from associates relate mainly to electricity costs (€ 66.7 mln) as well as rental expenses (€ 1.9 mln).

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 ended 31.12.2018 was € 7,279,130 (31.12.2017: €2,740,834).
- Company: for the period 01.01.2018-31.12.2018, was € 1,412,464 compared to € 1,180,239 for the period 01.01.2017-31.12.2017.

Supervisory Board

The gross fees of all members of the Supervisory Board for the period 01.01.2017-31.12.2017 amounted to € 304,700 compared to € 293,200 for the period 01.01.2017-31.12.2017.

33. Commitments and contingencies

Commitments

a) Commitments for investment capital

There are no commitments for investment capital that have been undertaken and not been executed at 31.12.2018, except for the commitments described in note d "Other commitments" below.

b) 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 contracts. No significant effect is expected to the Group in case of early termination of the operating lease contracts.

c) Commitments of operating leases

Future minimum operating lease payments under a non-cancellable operating lease agreement for the Group and the Company are as follows:

Operating lease commitments	**GROUP**		**COMPANY**	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Within the next year	12,698,086	225,623	-	-
From to two (2) to five (5) years	40,922,537	387,000	-	-
More than five (5) years	24,187,168	14,607	-	-
Total	**77,807,791**	**627,230**	**-**	**-**

The future total minimum (non-cancellable) rentals receivable from operating leases annually (the Group is a lessor) are as follows:

Non cancellable future receivables	**GROUP**		**COMPANY**	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
Within the next year	27,520,604	28,000,000	-	-
From to two (2) to five (5) years	120,413,964	97,000,000	-	-
More than five (5) years	425,087,570	483,000,000	-	-
Total	**573,022,138**	**608,000,000**	**-**	**-**

d) Other Commitments

HCAP

According to the provisions of Law 4549/2018, until the full repayment of the loan granted under the Financial Facility Agreement and its subsequent amendments, the Company has been designated as a guarantor with obligations as defined in that contract.

EYDAP

EYDAP's relations with the Greek State

With a joint ministerial decision of 03.12.2013 which was issued according to the above law provisions, it was defined that the overdue amounts payable to the EYDAP from the Greek State concerning investment plan's subsidized expenditures of € 294 mln for the decade 2000 – 2010 as stipulated from the agreement of 09.12.1999 between the

Greek State and the company, were offset with equivalent in value non tax related amounts payable to the Greek State from EYDAP, until 30.6.2013, concerning the cost of the collected crude water for the period 25.10.2004 – 30.6.2013. With the same joint ministerial decision, the other claims until 30.06.2013 between the Greek State and EYDAP were also settled and amortized. With the decision of the Extraordinary General Shareholders' Meeting on 27th December 2013, the above ministerial decision was accepted.

On the other hand, the signing of a written agreement - as it is defined in the article 15 of the agreement on 09.12.1999 between the Greek State and the Company - which will determine the price paid to "L.E.P.L. EYDAP Fixed Assets" for the crude water collected is pending from the year 2004. In absence of a written agreement, the Company continues, after 30/06/2013, to offset the cost of the collected crude water with the maintenance and operation services it provides for the fixed assets owned by "L.E.P.L. EYDAP Fixed Assets", affecting accordingly its financial results.

Changes in the pricing of water and sewerage services will stem from the application of JMD 135275 (No. 3, par. 9), GG 1751 / 22.05.2017 "Approval of general Costing and Pricing Rules of water services. Method and procedures for recovering the cost of water services in its various uses". At the current phase, it is not possible to estimate any potential impact stemming from this process on the up to now applied policy by EYDAP.

Commitments from backlog contracts

EYDAP's commitments regarding extensions, improvements and maintenance of the network and facilities, electricity and thermal power generation facilities, etc. amounted to approximately € 32 mln at 31.12.2018 and approximately € 50 mln at 31.12.2017.

OASA

Commitments of investment programs

During 2014, two Public-Private Partnership (PPP) Contracts were signed by OASA for the projects "Study, Financing, Installation, Operational Support, Maintenance and Technical Management of a Single Automated Collection System for the companies of OASA Group" as well as "Design, Financing, Installation, Operation Support, Maintenance and Technical Management of an Integrated Passenger Information and Fleet Management System for Road Transport S.A."

The first project covers and will serve all public transport and will have a duration of twelve (12) years.

The construction cost of the project amounts to € 58,800,000 of which the participation of OASA through the NSRF is € 28,812,000. With the 2nd Amendment of Partnership Contract No. 43/2014, the cost of construction increased by € 4,973,239 due to the change in the total quantity and characteristics of the gates. The total net present value of the annual single charges to be paid in instalments during the service period amounts to € 93.6 mln at a discount rate of 7.53%.

State participation in the construction cost of the project is ensured by European Union funds, and availability payments will be raised from the public investment program. The contractor will be repaid during the project's period based on availability through a detailed payment mechanism that will continuously monitor the project's smooth operation.

Phase 2 of the project was completed and disbursed funding on 23.12.2016 on the basis of the Certificate of Acceptance of the Project by the Independent Auditor, the Recommendation of the Completion Certification Committee of Integrated Automatic Fare Collection System (IAFS) and the relevant OASA BoD Decisions. The Contracting Authority's financing was awarded to the contractor company "HELLAS SMARTICKET SA", in the amount of € 4,644,783.00. The construction of the project was completed on 31.07.2017 with the installation of gates and functionality interfaces.

The second project covers and serves the thermal buses and the electrical buses - trolley operating in the Athens Area of competence and has a duration of twelve years (12), with the effective date of 21 March 2016. After the expiry of 12 years the system will be fully transferred to OASA. The implementation of the project is co-financed by the NSRF's 'Digital Convergence' Operational Program and the Jessica Program, in addition to private resources.

The construction cost of the project is € 13,284,575 excluding VAT. of which 40%, i.e. the amount of € 5,313,830 is the participation of OASA. The participation of OASA to date amounts to € 4,974,714.49 which was subsidized by the NSRF (Digital Convergence) and the Attica Regional Operational Program 2014-2020. The total net present value of the annual single charges that will be paid in instalments for the remaining 9 years during the service period amounts to € 28.9 mln at a discount rate of 7.53%. The work period of the project was completed on 21.03.2016 and the service period started on 22.03.2016, which will end on 30.06.2026.

34. Events after the reporting period

The sections A13.3 and A13.4 of the BoD report describes various important subsequent events of the Company and the Group that took place after the balance sheet date and before the date of issuance of the financial statements. From these events, the cases that according to IAS 10 require disclosure in the financial statements, are disclosed either is separate notes (ie legal cases) or analysed below:

GROUP

HRADF

Progress of the Privatisation Programme

Subsequent events that concern privatisation contracts in infrastructure and the company portfolio are mentioned in detail on HRADF's website, www.hradf.com. No relevant adjustment of the financial statements or notification in accordance with International Financial Reporting Standards (IFRS) is required, therefore they are not included in this note.

EYATH (Group)

The invoice policy for the period 2019-2023 proposed by EYATH to the Special Water Secretariat was approved with decision No 26142/180 of the Special Water Secretariat (GG/1105/B΄/03-04-2019) and its commencement date is 01.05.2019.

Following the expiry of the provisions of Article 31(5)(6) of Law 4024/2011 on 01.01.2019, as is foreseen in the provisions of Article 33(a) of Law 4354/2015, the Company is in deliberations with the EYATH Employees Union, in order to draft the new Collective Labour Agreement.

ETAD

On 24.06.2019 the extraordinary general meeting decided to pay to the sole shareholder, as a dividend in accordance with provisions of Article 71 of Law 4607/2019, the amount of €21,188,468, from the reserves formed by the application of the provisions of Article 49(2)(a) of Law 3220/2014. Furthermore, subsequent events regarding legal cases are analysed in note 31.

ELTA

On 14.02.2019 the Ministry of Digital Policy, Communications, and Information paid the amount of €10 mln as part of the compensation for the Universal Service of 2017, while the remaining balance of €5 mln was collected by ELTA on 26.03.2019.

On 18.02.2019 EETT informed ELTA of its decision No 884/011 'Verification report of the Net Cost for the Provision of the Universal Postal Service for the year 2017', according to which the final verified cost for the provision of universal services for 2017 was set at €37.43 mln.

On 24.04.2019 GG/A'/65 Law 4607/2019, specifically Article 59, Chapter E', amends Article 8 of Law 4053/2012, stating: "In Article 8(6) of Law 4053/2012 (A' 44), which was added with Article14(1) (A' 42), the following amendments take effect:

a) In the first indent, as it was replaced with Article 49(1) of Law 4569/2018 (A' 179), the words "until 2017" are replaced with the words "until 2019".

b) In the second indent, as it was replaced by Article 49(1) of Law 4569/2018, the words “and the years 2016 and 2017” are replaced with the words “2016, 2017, 2018, and 2019”.

c) In the fourth indent, as it was replaced by Article 49(1) of Law 4569/2018, the words “until 2017” are replaced by the words “until 2019”.

d) In the fifth indent, which was added with Article 71 of Law 4587/2018 (A’ 218) the words “for the year 2017” are replaced by the words “for the years 2017 and 2018”.

After the fifth indent the following indent is added: “For the year 2019 the above amount may be paid to the universal service provider prior to the verification of the net cost for the provision of the universal postal service by the EETT for this year, if the Authority foresees, based on the cost - financial data of the provision of the universal postal service during the first quarter of the year 2019, in combination with the verified annual net cost for the provision of the universal postal service for the years from 2013 until 2017, that the relevant cost will exceed the amount of fifteen mln (15,000,000) Euros for 2019”.

On 21.06.2019 the Ministry of Digital Policy, Telecommunications, and Information with its decision No 9889/2019 on: “Provision of a universal postal service for the financial years 2018-2019”, forwarded a claim to the Ministry of Finance on the provision of credit in the amount of €30 mln. Furthermore, on 04.07.2019 the Ministry of Digital Policy, Telecommunications and Information with decision No 395/H, approved the commitment of €15 mln for expenses regarding the provision of the universal postal service for the financial year 2018. The collection of the €15 mln Universal Service compensation for 2018 took place on 19.07.2019.

35. Approval of the Financial Statements

The company and consolidated Financial Statements for the period ended 31.12.2018 were approved by the Board of Directors of the Hellenic Corporation of Assets and Participations S.A. on 23.09.2019.

Athens, 23 September 2019

The Chairman of the Board of Directors	The Chief Executive Officer and Member of the Board of Directors	The Executive Director Member of the Board of Directors
George Diamantopoulos ID No. M299970	Ourania Ekaterinari ID No. T222068	Stefanos Giourelis ID No. AK142391

The Chief Financial Officer

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

Charalambos Pilitsidis ECG License Class A' No. 33983	Maria Trakadi ECG License Class A' No. 27913	Konstantinos Motsakos ECG License Class A' No. 105030

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