

**HELLENIC CORPORATION OF ASSETS AND PARTICIPATIONS**

**FIRST QUARTERLY REPORT FOR 2020 (01.01.2020 - 31.03.2020)  
ON ACTIONS AND COMPANY FINANCIAL STATEMENTS**

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## **A. Hellenic Corporation of Assets and Participations**

## A. Hellenic Corporation of Assets and Participations S.A.

### A.1. Purpose, Institutional Framework and Structure 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”).



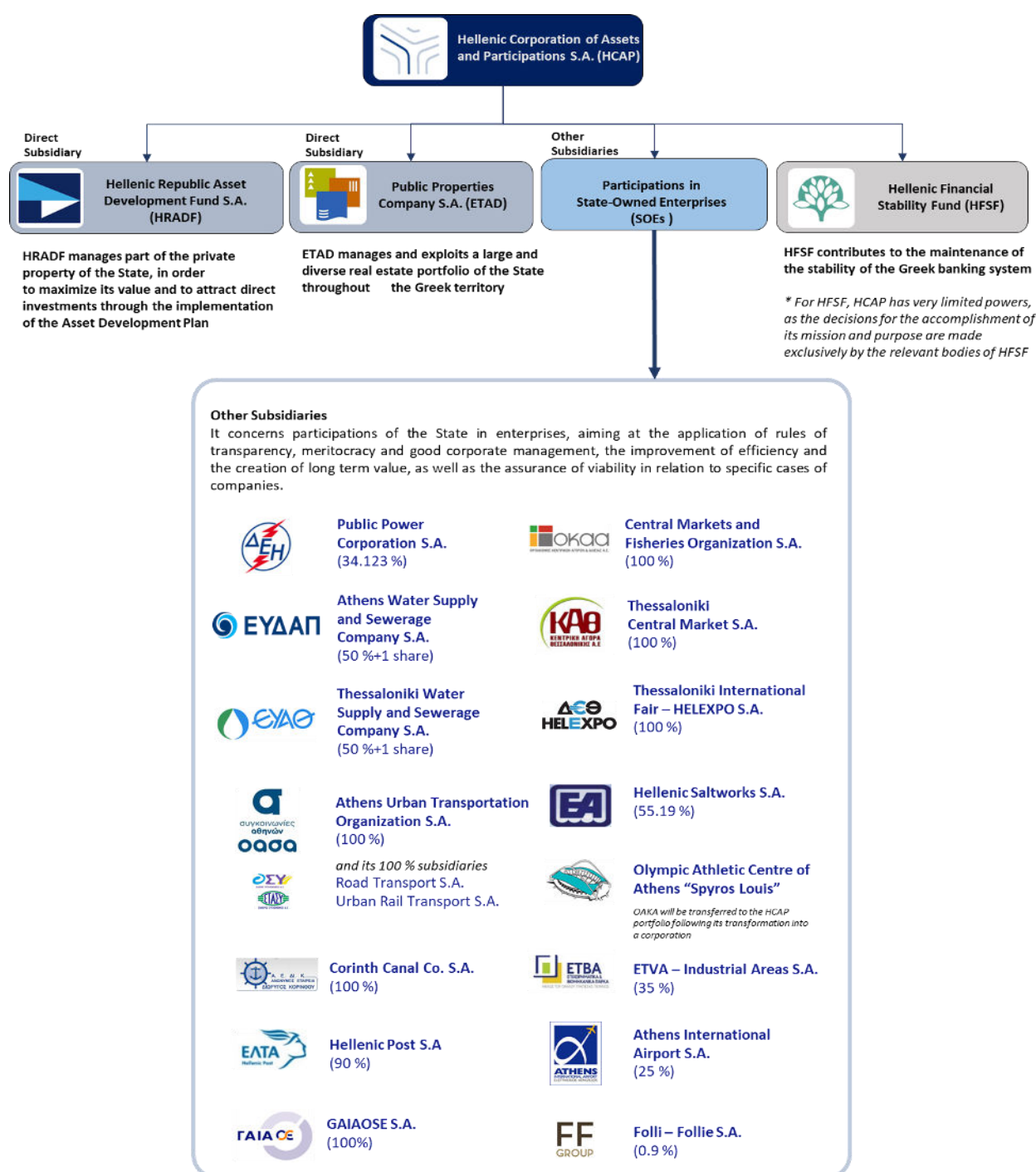
*The Hellenic Corporation of Assets and Participations **operates in the public interest**, in accordance with the rules of the private economy. It is set up to serve a specific public purpose. For the fulfilment of its purpose, **the Corporation acts in an independent and professional manner, with a long-term perspective in relation to the achievement of its outcome**, in accordance with the institutional framework laid down in its founding law, the applicable legislation and its Rules of Procedure, as well as guarantees for **full transparency**.*

*The Hellenic Corporation of Assets and Participations promotes reforms for State-Owned Enterprises (SOEs) through restructuring, promoting responsible management and good corporate governance, as well as corporate social responsibility, innovation and best corporate practices. The Corporation may also set up additional subsidiaries to achieve its purpose.*

The portfolio of the Hellenic Corporation of Assets and Participations currently includes three companies as Direct Subsidiaries, namely the Hellenic Financial Stability Fund “HFSF”, the Hellenic Republic Asset Development Fund “HRADF” and the Public Properties Company “ETAD”, while the participations of the Greek State in SOEs which have been transferred to HCAP are referred to as “Other Subsidiaries”.

The Other Subsidiaries in HCAP’s portfolio are active in sectors of the Greek economy such as energy, water supply and sewerage, infrastructure, transport, services, markets, etc., sectors that impact critical sizes of the Greek economy, such as growth, employment, competitiveness and extroversion.

## Structure of the Hellenic Corporation of Assets and Participations

Important Notes

\* HRADF holds 30% of the share capital of Athens International Airport S.A., 17% of the share capital of Public Power Corporation 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.

\*\* Regarding the transfer of the shares of the water and sewerage companies, Athens Water Supply and Sewerage Company S.A. and Thessaloniki Water Supply and Sewerage Company S.A., four petitions for annulment by the Council of State with the number 692/2018, 822/2018, 693/2018 and 823/2018 have been submitted. The hearing of the above petitions was held on 27.11.2018 before the Council of State and were issued the decision with number 1223 & 1224/2020 4th Department (7member composition) which send the case to be judged by the Plenary Session of the Council of State due to significance.

## Other Participations and Rights

**Concession Agreements**

Pursuant to Article 198 of Law 4389/2016, the concession contracts of the other subsidiaries shall be automatically transferred to the Corporation. The possibility of concluding or renewing concession contracts relating to SOEs 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 reasoned request of the Corporation, may decide to co-sign, on behalf of the Greek state as a third contracting party, 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.

**23 Regional Airports**

Based on the provision of Article 198(2) of Law 4389/2016, as amended and in force, 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 Decision No 195/2011 (GG B 2501) of the Interministerial Committee of Restructuring and Privatizations, 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 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 land 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 set out in the relevant concession agreement, with the exception of the state-owned regional airports of Crete, mainland Greece and airports of islands in the Ionian and Aegean Sea, which have already been granted by virtue of concession agreements ratified by Articles 215 and 216 of Law 4389/2016 — are automatically transferred by HRADF to the Corporation, without consideration.

- ✈ Alexandroupolis
- ✈ Ioannina
- ✈ Araxos
- ✈ Kalamata
- ✈ Astypalaia
- ✈ Kalymnos
- ✈ Ikaria
- ✈ Karpathos
- ✈ Kassos
- ✈ Kastelorizo
- ✈ Kastoria
- ✈ Kythira
- ✈ Leros
- ✈ Milos
- ✈ Pros
- ✈ Skyros
- ✈ Chios
- ✈ Syros
- ✈ Nea Anchialos
- ✈ Sitia
- ✈ Naxos
- ✈ Kozani
- ✈ Limnos

**OTE Dividend**

Furthermore, pursuant to Article 350 of Law 4512/2018, the Greek State has ceded to HCAP the right to receive the dividend corresponding to the State's shareholding in the share of OTE, which amounts to 1%.



## A.2. Main Administrative Bodies of the Corporation

The supreme body of the Corporation is the **General Assembly** of the sole shareholder, which is the Greek State, as legally represented by the Minister of Finance. The General Assembly of the sole shareholder shall be the only body responsible for deciding on matters which, in accordance with the applicable legislation, fall within the exclusive competence of the General Assembly of the shareholder, with the exception of the election and revocation of the appointment of members of the Board of Directors of the Corporation, the rules regarding the remuneration of the members of the Board of Directors and amendments to its Articles of Association.

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 institutional framework that concerns its operation to the interest of the Corporation and to the serving of public interest. It consists of five (5) members with a five-year term of office, who 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 whom 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 Supervisory Board of HCAP consists of the following members with a five-year term of office:

- Jacques, Henri, Pierre, Catherine Le Pape, Chairman
- David Vegara Figueras, Member
- Polyxeni (Xenia) Kazoli, Member
- Charalambos Meidanis, Member
- Avraam- Minos Moysis, Member

The term of office of the Supervisory Board is until 25 October of 2021.

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 shall decide on all issues relating to the management of the Corporation, apart from those issues which fall within the competence of the Supervisory Board or the General Assembly.

The Board of Directors of HCAP may consist from five (5) to nine (9) members, who are elected by the Supervisory Board in accordance with the provisions of its founding law. Also, a representative who is appointed jointly by the European Commission and the European Stability Mechanism is present at the meetings of the Board of Directors of the Corporation as an observer without voting rights.

On 25.02.2020 the Supervisory Board unanimously decided to select and appoint Mr. Konstantinos Derdemezis as non – executive member of HCAP’s Board of Directors, with a four (4) – year term, starting on 01.03.2020.

Currently, the Board of Directors of HCAP consists of the following members:

Full Name	Position
Diamantopoulos George	Chairman of the Board of Directors, Non-executive Member
Ekaterinari Ourania	CEO, Executive Member
Giourelis Stefanos	Executive Director, Executive Member
Athanassiou Hiro	Non-executive Member
Derdemezis Konstantinos	Non-executive Member
Gregoriadi Alice	Non-executive Member
Kouvarakis Themistoklis	Non-executive Member
Lorentziadis Spyros	Non-executive Member
Niforos Marina	Non-executive Member

For the support of the operations of the Board of Directors, three Committees were initially established, namely:

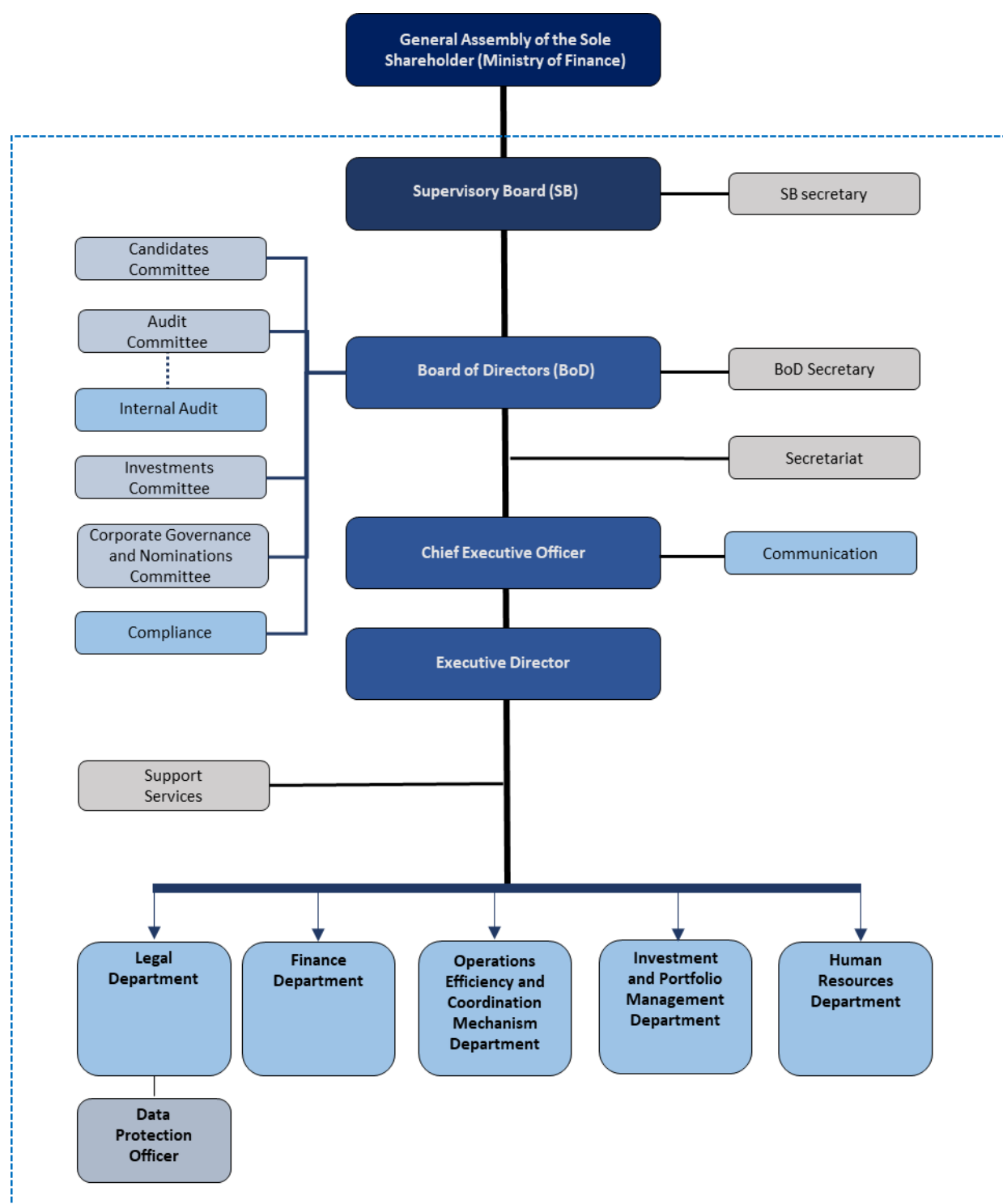
- Audit Committee;
- Investment Committee; and
- Corporate Governance Committee

Furthermore, pursuant to the provisions of the law (Article 197(4) of Law 4389/2016, as amended by Law 4512/2018, combined with Article 19(1) of Law 4618/2019), the Board of Directors of the Corporation established the Candidates Committee, consisting of executive and non-executive members of the Board of Directors of HCAP.



### A.3. Organizational 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.4. Internal Audit and Compliance

The **Internal Audit Division (IAD)** supports HCAP's BoD on its supervisory role regarding the internal audit system of the company, as well as 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. During the first quarter of 2020, the IAD carried out the actions set out in the 2020 Audit Plan, which was approved on 18.12.2019. A relevant activity report was submitted and presented to the Audit Committee on 23.04.2020.

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 the operation of HCAP (and its subsidiaries), in line with international best practices.

In this regard, HCAP has already adopted a number of policies that are also being adopted by HCAP's portfolio companies.

In particular, the following compliance policies and procedures have been introduced:

- ✓ Code of Conduct
- ✓ Compliance System Framework
- ✓ Gifts and Hospitality Policy
- ✓ Anti-bribery and Corruption Policy
- ✓ Guidance for the Protection of Inside /Market Sensitive Information

The introduction and implementation of compliance policies and procedures is also part of HCAP subsidiaries' KPIs. In addition, compliance officers have already been appointed within most subsidiaries in order to better manage and implement the relevant compliance rules and procedures.

HCAP's Compliance function has also developed policies and procedures to enhance the prevention of conflict of interest issues. In particular, a screening process is in place for all HCAP's BoD and Supervisory Board members as well as subsidiaries' BoD members who are assessed and/or appointed by HCAP to ensure that their personal interests and relationships do not raise potential conflicts of interest. In this regard, a specific guidance on the prevention, identification and management of cases of conflict of interest for BoD members of HCAP's portfolio companies has been issued.

In addition, HCAP's Compliance function has designed compliance training workshops/programs for its subsidiaries, adapted to the needs of each company. It has delivered tailored workshops and seminars to HCAP's subsidiaries (using state-of-the-art training tools) to promote and raise awareness on relevant issues. Furthermore, a compliance workshop on corporate culture and business ethics was held at the Athens Stock Exchange, attended by many listed companies, and a similar event was held in Thessaloniki, co-organised with the Confederation of Industries of Greece.

In February 2020, HCAP's Compliance Function presented to the BoD and the Supervisory Board the Annual Compliance Report for 2019 as well as its Compliance Plan for 2020.

HCAP also supports actions that aim to highlight the importance of compliance for Greek companies. More specifically, HCAP is represented on the Management Council of the Hellenic Corporate Governance Council (HCGC) and on the 15-member Experts' Council of HCGC, and it also participates in the Business Integrity Forum of Transparency International - Greece, which promotes corporate responsibility, transparency and accountability.

Amidst the ongoing COVID-19 crisis and taking into account its impact on business, HCAP and its portfolio companies will continue to be pro-active in preparing for future challenges and the demanding circumstances that all companies will undoubtedly face. HCAP's Compliance function has designed and developed an e-learning program with several online course including on "Business Continuity Management", "Business ethics and compliance" and "Working from home" which will be available to all HCAP's subsidiaries. For that purpose, an HCAP's e-learning platform has created and will be used by HCAP's portfolio companies.

In addition, in order to highlight HCAP's contribution in tackling the current crisis, to raise awareness on key issues such as business continuity and working from home, as well as to raise awareness on business ethics in general, HCAP's Compliance function has broadcast various communications to the wider public (in the form of videos, posters etc.).

#### A.5. External Certified Auditor

According to the Decision of the General Assembly of the sole shareholder made on 15.11.2019, Grant Thornton was elected as external auditor for the statutory audit of the Corporation's separate statements and consolidated financial statements for the 01.01.2019 – 31.12.2019 period.

#### A.6. Cash Resources – Single Treasury Account

HCAP's cash is held in a cash management account at the Bank of Greece through which it is managed. HCAP's cash and cash equivalents as at 31.03.2020 amounted to €71,716,876.

#### A.7. Rules of Procedure and BoD Reporting

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 HFSF, and are based on best international practices and OECD guidelines.

The Rules of Procedure of the Corporation may be amended by decision of the General Assembly of the sole shareholder, on a proposal of the Board of Directors, which shall be approved by the Supervisory Board. The Rules of Procedure, as it has been formed until now with decisions of the General Assembly, include the following chapters:

<b>a)</b> Procurement Regulation	<b>f)</b> Remuneration & Compensation Policy for the BoD of HCAP, which incorporated the addendum of the subchapter "Remuneration Policy for the members of the BoD of the Direct Subsidiaries (apart from the HFSF)"	<b>h)</b> Corporate Governance Code
<b>b)</b> The Framework for the preparation of the Strategic Plan of HCAP		<b>i)</b> Performance Monitoring and Reporting Framework
<b>c)</b> Performance Auditing Framework	<b>g)</b> Coordination Mechanism	<b>j)</b> Travel & expenses Policy
<b>d)</b> Conflict of Interest Policy and Confidentiality Obligations		<b>k)</b> Financial Reporting Standards and Framework for Financial Reporting
<b>e)</b> Internal Rules of the Supervisory Board		<b>l)</b> Board Evaluation and Removal Criteria concerning the Board of Directors of HCAP
		<b>m)</b> Dividend Policy
		<b>n)</b> Investment Policy

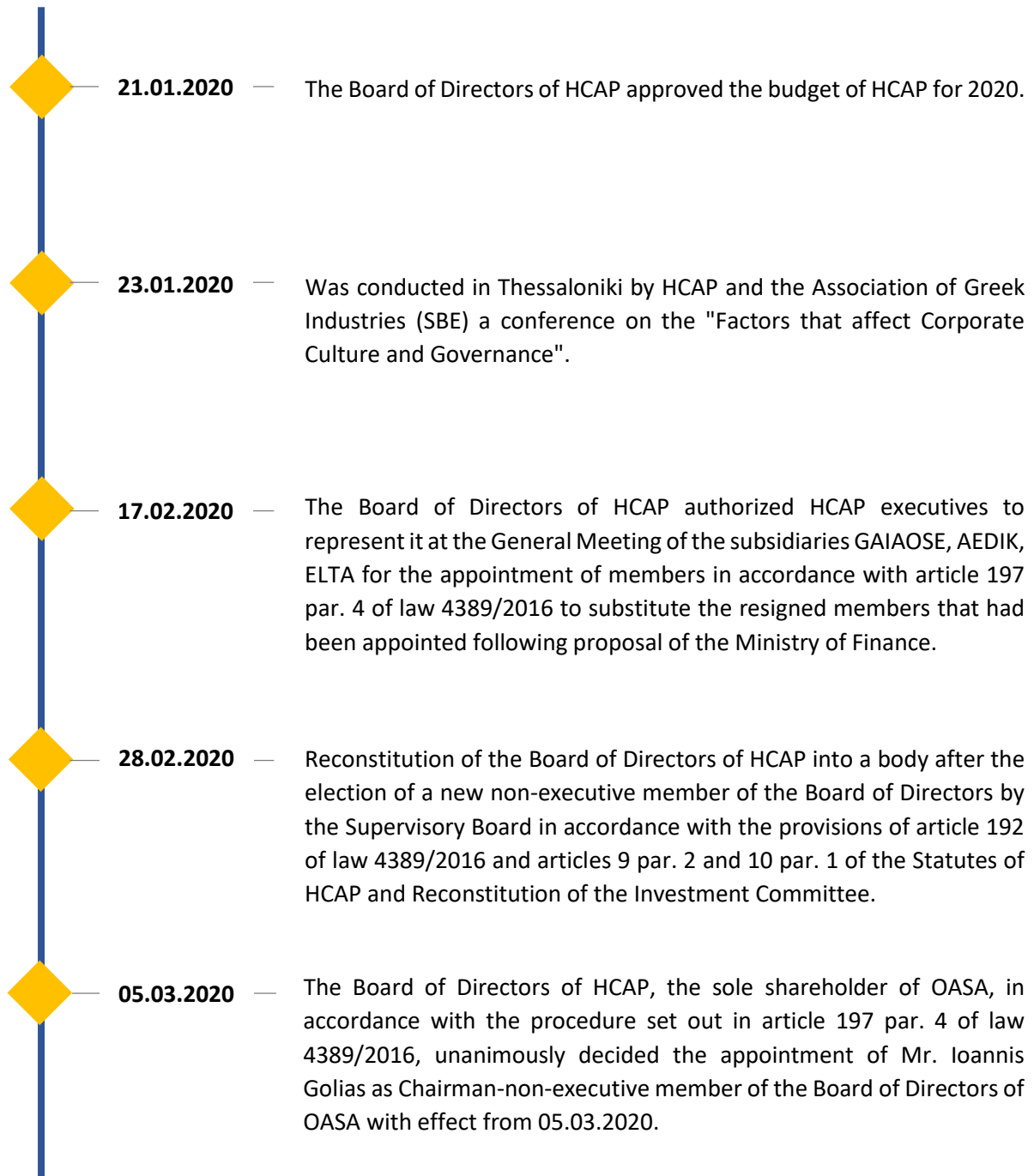
It should also be mentioned that the Corporate Governance Code is based on the Hellenic Corporate Governance Code for Listed Companies, which in its turn adopts the OECD Corporate Governance Guidelines, an international benchmark for corporate governance.

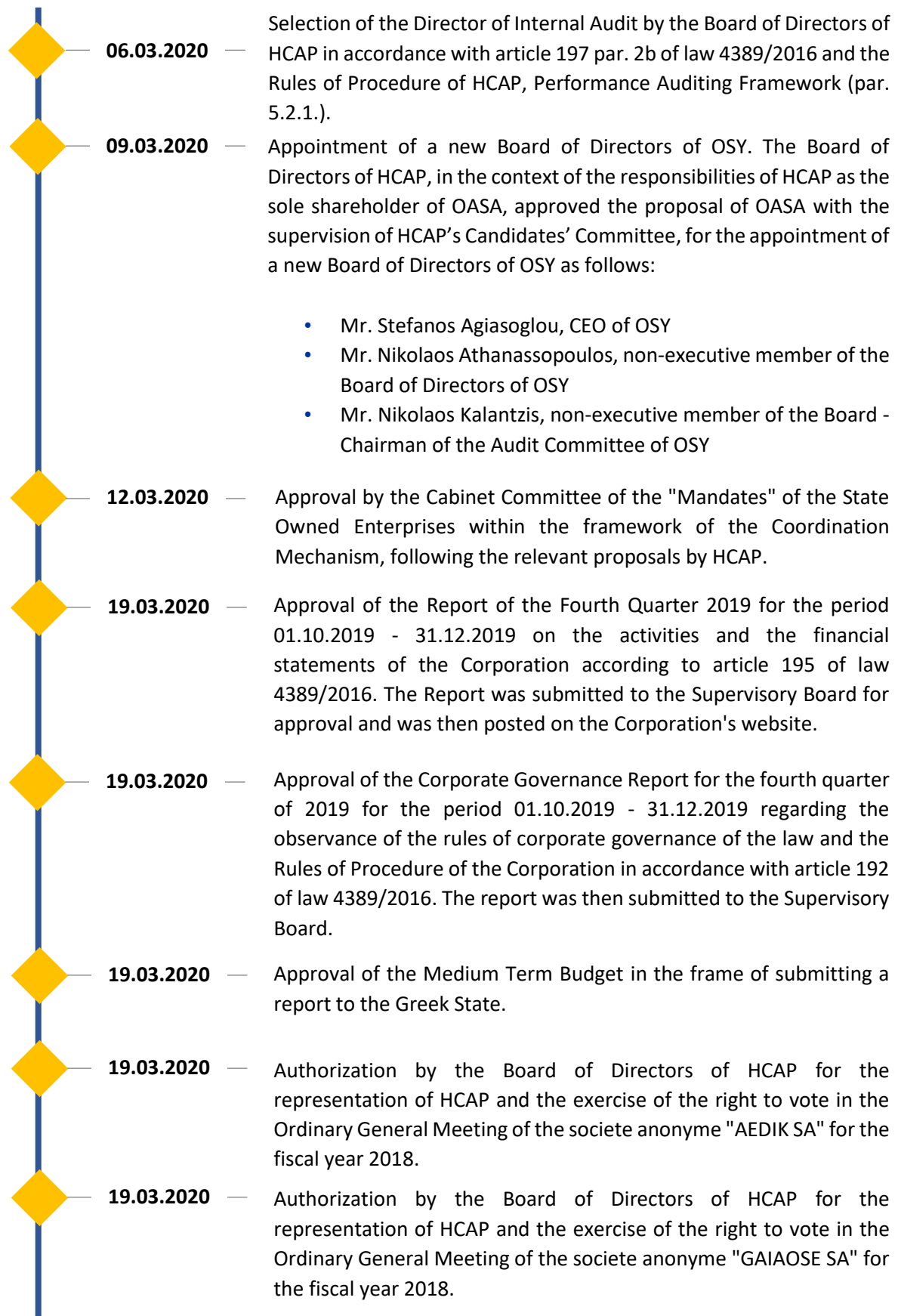
Finally, regarding the reporting obligations, the Board of Directors submits to the Supervisory Board quarterly reports regarding compliance with the rules of corporate governance, as provided for by the regulatory framework of the Corporation. In the framework of the financial reports, HCAP submits:

- ✓ Quarterly reports on its actions and financial statements,
- ✓ Reviewed semi-annual separate and consolidated financial statements and
- ✓ Audited annual separate and consolidated financial statements.

#### A.8. Activities from 01.01.2020 to 31.03.2020 and main subsequent events

The Corporation's most important activities during Q1 2020, i.e. from 01.01.2020 to 31.03.2020, are presented below:







20.03.2020

Appointment of a new Board of Directors of STASY. The Board of Directors of HCAP, in the context of the responsibilities of HCAP as OASA's sole shareholder, has approved OASA's proposal, supervised by HCAP's Candidates' Committee for the appointment of a new Board of Directors of STASY as follows:

- Mr. Charalambos Damaskos, Chairman of the Board of Directors of STASY
- Mr. Nikolaos Chairetas, CEO of STASY
- Mr. Nikolaos Athanassopoulos, non-executive member of the Board of STASY
- Ms. Maria Kolyva, non-executive member of the Board - Chairman of the Audit Committee of STASY
- Mrs. Eleni Vlachogianni, non-executive member of the Board of STASY



#### Boards of Directors of subsidiaries

#### Appointment of members to the BoDs and Audit Committees

Following the review of a large number of CVs and after the shortlisting and further assessment of a large number of professionals, HCAP's Board of Directors, following relevant proposals of the Candidates Committee, has appointed, as of the end of March 2020, **85 members in 15 Boards** in HCAP portfolio companies, through open, professional and transparent procedures.

During Q1 2020, executives were appointed in three **(3) Boards of Directors** following market research, evaluation, and numerous meetings with potential candidates with qualifications for executive and nonexecutive positions and with the support, on a case-by-case basis, of qualified consultants of recognised standing and experience.

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

Also, recognizing the importance of the role of the Audit Committee in a BoD, HCAP has appointed, as of the end of March 2020, **fourteen (14) Audit Committees Chairs** at the Boards of Directors of HRADF, ETAD, ELTA, PPC, Corinth Canal, CMT, GAIAOSE, EYATH, OASA, EYDAP, CMFO, TIF - HELEXPO and Hellenic Saltworks, while the appointment of the remaining ones will be completed soon in order to ensure the objective of the proper functioning of the Audit Committees in SOEs. Also, the Audit Committees of the companies OSY and STASY, subsidiaries of OASA were formed.



## Training and education of the subsidiaries on regulatory compliance and corporate governance issues

A conference was successfully held in Thessaloniki on 23.01.2020 by HCAP and the Association of Industries of Greece (SBE) on "Factors Affecting Corporate Culture and Governance" and with individual topics "Best Practices of Corporate Governance and the Role of the Audit Committee", "Corporate culture and regulatory compliance: from theory to practice" and "The role of modern CFO".

HCAP has placed corporate governance high on strategic priorities, as it acknowledges that long-term value creation in the modern business environment requires the use of all available tools for increased transparency and responsible management. It also seeks to establish a new mentality reinforced by the implementation of good corporate governance practices and high standards of regulatory compliance, which must be in line with the business operations of each company.

During the meeting, it was stated that corporate governance does not concern theories and bureaucratic procedures that do not produce added value but, on the contrary, aims at establishing and understanding policies and processes that promote the consolidation of modern corporate culture on transparency issues.

Clear policies and guidelines by the Management around basic topics such as the Avoidance of Conflict of Interest, the Code of Conduct and Professional Behavior, the Framework of the Regulatory Compliance System, the Gifts and Hospitality Policy, etc are required.

The companies of HCAP portfolio are evaluated for their progress in matters of Corporate Governance. For this reason, for the first time, a system for targeting and monitoring progress with specific indicators (KPIs) is being implemented, which concerns the improvement of Corporate Governance, Regulatory Compliance and Internal Audit, in combination with objectives for business and operational efficiency to emerge measurable results.

## Appointment of the Chairman of the Board of Directors of OASA SA

A new Chairman of the Board of Directors of OASA, as of March 5th 2020 was elected. In particular, the Board of Directors of HCAP, sole shareholder of OASA, as per its authority and according to the procedure of article 197 of law 4389/2016, unanimously decided the appointment of Mr. Ioannis Golias as Chairman, Non-Executive Member of the Board of Directors of OASA, who will contribute, in cooperation with the other BoD Members, in the implementation of the strategic goals of the organization, focusing on the modernization of public transport, taking into consideration the changes of the passengers' mobility in the Attica region, as well as the latest EU transport policies.

***Ioannis Golias,***  
*Chairman of the Board of*  
*Directors of OASA, Non-*  
*Executive Member*

Ioannis Golias obtained his Diploma in Civil Engineering from the National Technical University of Athens (NTUA) and his M.Sc and Ph.D in Transport from the University of London. Since 1991 he is Professor in the Civil Engineering School of NTUA and since 2002 he is Head of the Traffic Engineering Laboratory. He has served as President and Dean of the NTUA School of Civil Engineering and Member of the Committee for the re-accreditation of Civil Engineering Schools in Croatia. During 2014-2019 he served as Rector of NTUA. In addition,

he has served as Head of the Hellenic Society of Transportation Engineers and Member of the Greek National Transport Council, as well as Member of the Board of the Organization for the Urban Development of Athens, Member of the Board of the Public Company for the Unification of Athens Archaeological Sites and Vice President of the Athens Municipality Development Company. In 2015, he served as Caretaker Minister of Production Reconstruction, Environment and Energy.

Mr. Golias has participated in numerous transport and feasibility studies in Greece and other countries and has coordinated a large number of Greek and European Commission research projects for transport. He has more than 250 publications in Greek and international scientific journals and conferences and has accepted more than 4900 citations. He is and has been member of various Greek and European Commission scientific committees.

### Appointment of the Board of Directors of OSY SA

The Board of Directors of OASA, the sole shareholder of OSY, in collaboration with HCAP, unanimously decided to appoint a new Board of Directors of OSY, including the CEO, the Non-Executive Chairman of the Board, as well as three non-executive members, one of whom is the CEO of OASA in the context of improving coordination with OSY.

The new composition of the Board of Directors of OSY is as follows:

1. Vassilios Xipolitas, Chairman, Non-Executive Member
2. Stefanos Agiasoglou, CEO, Executive Member of the Board of Directors
3. Nikolaos Athanassopoulos, Non-Executive Member of the Board of Directors
4. Nikolaos Kalantzis, Non-Executive Member of the Board of Directors and Chairman of the Audit Committee
5. Dimitrios Daltagiannis, Non-Executive Member of the Board of Directors

Short cvs of the members of the Board of Directors of OSY S.A. are presented below:

***Vassilios Xipolitas, BoD  
Chairman, Non –  
Executive member***

Born in Athens 1981. Holder of three (3) post-graduate titles (i.e. MA in Environmental Management from Harvard University, MA in European Studies from Kings College - University of London, and M.B.A. from Coventry Business School), and a BA in Management and Marketing from the University of Coventry. Ten (10) - year working experience in managerial positions of local and regional authorities and public enterprises and organizations, with knowledge of management of special vehicle fleets (Ambulances, Fire trucks, Garbage trucks). Over the years, he has been an Executive Vice-President of EKAB, Deputy Mayor for Civil Protection and Deputy Mayor for Cleanliness of Kifissia. Founder and owner of a food company.

***Stefanos Agiasoglou,  
CEO, Executive Member  
of the Board of  
Directors***

He holds a postgraduate title (MBA) from Aston University Business School with specialization in strategic planning, and he is graduate of Wolverhampton University, whereby he received his degree in Economics. He has over thirty-five (35) years of working experience in managerial positions both in the private and in the public sector. He has been a Chairman and CEO of the Hellenic Railway Rolling Stock Maintenance Company (E.E.S.S.T.Y. S.A.) during the

period 2013-2016. During his four (4)-year term of office, the perimeter was designed, and the privatization of the railway system, including the one of E.E.S.T.Y. S.A., was implemented. In the past, he was a CEO/General Manager of the School Building Organization (O.S.K. S.A.) for six (6) year, whereby the design of the first Public-Private Partnership for the construction of twenty-four (24) school units within the region of Attica and the implementation of three (3) co-financed programs for the construction of school units with the European Investment Bank were, among others, successfully concluded. He has over fifteen (15) years of working experience in significant managerial positions, and he has been a Special Scientific Advisor with an important background in both management and consulting services to companies and Universities abroad.

**Nikolaos Athanassopoulos,**  
Non – executive  
member of the Board

Graduated from the Department of Electrical and Computer Engineering of the National Technical University of Athens in 2001, where he also obtained his PhD in 2006. From 2003 to 2012 he worked with academic foundations, research foundations and companies, managing R&D projects in the fields of I.T. and telecommunications. From 2010 to 2016 he managed the Strategic Planning Portfolio of TRAINOSE SA focusing on the development of new products and strategies by applying new technologies. In 2016 he held the position of Director of Railway Transport in Rail Cargo Logistics Goldair with the aim of designing, organizing and certifying the procedures of the company's rail transport department. Since February 2018 he has been employed by the European Commission in the Shift2Rail Joint Undertaking, as Programme Manager managing a wide portfolio. He also served as Vice Chairman of the Board of Directors of TRAINOSE SA (2010- 2013) and Member of the Board of Directors of Road Safety Institute (2014-2016). Since 2019 he has been the CEO of OASA.

**Nikolaos Kalatzis,**  
Non – executive  
member of the Board,  
Audit committee  
chairman

He holds a BSc in Economics from the National and Kapodistrian University of Athens and also a professional accreditation of Certified Public Accountant (CPA) from the Institute of Certified Public Accountants of Greece (SOEL). In addition, he has completed the executive training program in tax law at Athens University of Economics & Business (AUEB). He is a member of IEEE. He has more than 15 years of working experience in multinational corporations in consulting (Big4) in C level managerial positions, providing auditing and assurance services in statutory audit, regulatory audit, financial due diligence procedures and vendor due diligence projects. He served as Chief Financial Officer in a multinational aircraft servicing company and since 2015, he is the Chief Audit Executive of a big listed Group. From 2019 he is the Chair of the AC of the BoD of OASA.

**Dimitrios Daltagiannis,**  
Non – executive  
member of the Board

Dimitrios Daltagiannis was born in Athens in 1979. He is a graduate of the University and holds a Master's Degree (M.Sc.) from the University of East London as an Electrical Engineer & Computer Systems Engineer. From 2002 until today he is an executive in private sector companies. He has been actively involved in the construction and renovation of facilities, as well as in the development of methods for energy management in large buildings. From 2008 to 2010 he was a member of the Executive Secretariat and a member of the Board of Directors of the Civitanideio Public School of Arts & Professions.

## Appointment of the Board of Directors of STASY SA

The Board of Directors of OASA, the sole shareholder of STASY, in collaboration with HCAP, unanimously decided to appoint a new Board of Directors of STASY, including the CEO, the Non-Executive Chairman of the Board, as well as three non-executive members, one of whom is the CEO of OASA in the context of improving coordination with STASY.

The new composition of the Board of Directors of STASY is as follows:

1. Charalambos Damaskos, Chairman, Non-Executive Member
2. Nikolaos Chairetas, CEO, Executive Member of the Board of Directors
3. Nikolaos Athanassopoulos, Non-Executive Member of the Board of Directors
4. Maria Kolyva, Non-Executive Member of the Board of Directors and Chairman of the Audit Committee
5. Eleni Vlachogianni, Non-Executive Member of the Board of Directors

Short cvs of the members of the Board of Directors of STASY S.A. are presented below:

**Charalampos  
Damaskos,**  
*BoD Chairman, Non-  
Executive Member of  
the Board of Directors*

He was born in 1970. Graduate of Leontio School. He holds a B.Sc. in Civil Engineering of the University of Patras, specializing in the field of Transportation Works. Member of the Technical Chamber of Greece since 1995. He maintains a technical office and a construction company for studies and construction of private projects. He holds the position of Business Development Manager at "GENESIS ATHENS SA" and is a Management Consultant at BIOGENESIS in Bucharest. He has been a special advisor to the Minister of Health on real estate management issues in the period 2014-2015. Vice President of the Municipal Enterprise of Works of the Municipality of Acharnes and President of the Development Company. In the period from 2004-2011 he served as Deputy Mayor of Urban Planning and Environment of Eastern Attica. From 2012-2017 he was Vice President of the Attica Regional Council and Member of the Central Council of Metropolitan Planning and the Athens Organization at the Ministry of Environment.

**Nikolaos Chairetas,**  
*CEO, Executive Member  
of the Board of  
Directors*

He is a graduate of the School of Surveying Engineering of the Faculty of Engineering of the Aristotle University of Thessaloniki, and he holds a postgraduate title in Construction Management from the Illinois Institute of Technology in Chicago. He began his professional career as a Surveyor Engineer with private projects and as a collaborator of the Doxiadis Office with the project "Maintenance of the road network of Saudi Arabia ". From 1989 to 1993 he took up the position of the Spare Parts' Director and then of the Commercial Director in Yamaha. In 1994 he took up the position of the Director of Logistics in Marinopoulos - Continent group, and he was a founding member of the ECR Hellas initiative and held such position until 1996, when he took up the position of the Director of Logistics in the dairy company DELTA S.A. From 2000 to 2005 he holds the position of the Supply Chain Director in Sarantis group, and for two (2) years he was the CEO of the subsidiary K. Theodoridis S.A. During the period 2012-2016, he was the CEO of Pronomiouhos Anonimos Etaireia Genikon Apothikon Ellados (PAEGAE S.A.). In 2005, he founded the company NOVITRON S.A., for the distribution of ExxonMobil lubricants in Greece.

**Nikolaos  
Athanassopoulos,  
Non-Executive  
Member of the Board  
of Directors**

Graduated from the Department of Electrical and Computer Engineering of the National Technical University of Athens in 2001, where he also obtained his PhD in 2006. From 2003 to 2012 he worked with academic foundations, research foundations and companies, managing R&D projects in the fields of I.T. and telecommunications. From 2010 to 2016 he managed the Strategic Planning Portfolio of TRAINOSE SA focusing on the development of new products and strategies by applying new technologies. In 2016 he held the position of Director of Railway Transport in Rail Cargo Logistics Goldair with the aim of designing, organizing and certifying the procedures of the company's rail transport department. Since February 2018 he has been employed by the European Commission in the Shift2Rail Joint Undertaking, as Programme Manager managing a wide portfolio. He also served as Vice Chairman of the Board of Directors of TRAINOSE SA (2010- 2013) and Member of the Board of Directors of Road Safety Institute (2014-2016). Since 2019 he has been the CEO of OASA.

**Maria Kolyva,  
Non-executive Member  
of the Board of  
Directors, Chairwoman  
of the Audit Committee**

She is a graduate of the Greek French School of Ursulines (Ecole des Ursulines) and a graduate of the Athens University of Economics and Business (formerly A.S.O.E.E.). She is a member of the Institute of Certified Public Accountants of Greece (SOEL), and she holds the professional practice license of Certified Public Accountant (CPA GR) following the completion of the Postgraduate Professional Title of Certified Public Accountants of the Institute of Certified Public Accountants of Greece (SOEL). She has many years' working experience in positions of responsibility of multinational and Greek consulting firms (Deloitte, BDO, Audit Services). She is responsible, among others, for regular audits of standalone and consolidated financial statements in accordance with the International Standards on Auditing (ISA), special management audits as well as the evaluation of the internal control systems (operational safeguards) and corporate governance. She has participated in many seminars on International Standards on Auditing (ISA), the Greek tax legislation, the possibility of fraud in financial statements, and she is certified in International Financial Reporting Standards (IFRS) by the Association of International Accountants (AIA).

**Eleni Vlachogianni,  
Non-Executive Member  
of the Board of  
Directors**

She graduated from the School of Civil Engineering of the National Technical University of Athens and holds a PhD in Traffic Flow from the same School. She is a Dep. Professor in the Department of Transportation and Transport Infrastructure of the NTUA School of Civil Engineering. She has been a Postdoctoral Researcher at the Institute of Transportation Studies at the University of California, Berkeley, where she has been involved in research activities in traffic data analysis with advanced artificial intelligence methods to develop a traffic assessment system in urban road networks. The main thematic areas in which she engages are traffic flow analysis, intelligent transport systems, traffic management and control, urban mobility standardization and traffic behavior analysis. Her main work concerns the development and application of methods and methodologies of computational intelligence and mechanical learning in traffic technic and transport. She is a reviewer of a number of journals and conferences, including Chaos, Solitons & Fractals, Physica D, European Physical Journal, Transportation Research Part A, B and C, IEEE Transactions in Intelligent Transport Systems, Physica A: Statistical Mechanics and its Applications, ASCE Journal of Transportation Systems etc. She

is a member of the editorial team of Transportation Research Part C and Dep.  
Editor of the International Journal of Transportation Science and Technology.



## **Business Continuity in HCAP Group and Covid -19 crisis management**

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The first quarter of 2020 started with good prospects for the Greek economy, however in March, the Greek and the global economy, as well as the citizens came across an unprecedented public health crisis, due to the outbreak of Covid-19.

During March, the virus that had already showed up in China by December, was also tracked in the Greek territory. In order to protect public health, the Greek Government promptly proceeded in the implementation of protective measures that gradually led to a lock down.

As a result of these measures, relocations and thus economic activity decreased to its minimum, however and in order for a set of indispensable services to continue to be provided, many businesses were forced to alter the way with which they operated, promoting home- office or other technological applications and tools.

HCAP portfolio companies couldn't have been unscathed by this extreme change in their external environment.

However, as State Owned Enterprises, they were called to preserve their purely operational substance and to continue providing services to the society and the Greek citizens, safeguarding at the same time, their employees' health and safety.

This said, urban transportation had to be fully operational, to transfer citizens that continued working, at their jobs. Post offices had to showcase consistency and high responsibility standards, as they were called to deliver medicine, pensions and products to those that remained secluded at their homes. Central Markets had to continue supporting the catering of the food market with fruit, meat and vegetables respectively.

This crucial business continuity target for HCAP and its subsidiaries is also depicted in the latest Enhanced Surveillance Report of May 2020, where it is stated that the corporation's main priority is the uninterrupted operation of the SOEs in crucial sectors of the economy, abiding to all health and safety rules, which was eventually succeeded.

HCAP portfolio companies responded extremely well to the above mentioned challenges, supporting substantially the Greek society as they came off with the unceasing offering of their services that is proven by the below mentioned factual data.

Thus, for the period from mid – March to the end of April:



- **369.000 retired** citizens received their pensions at home, for two consecutive months
- More than **11 million vehicle kilometers** were realized by the public transportation means , while there we more than **8,5 million boardings**
- For the provision of the above transportation services, more than **2.500 drivers and technicians** worked out on the streets.
- **Transactions** in the post office branches network were more than **2 millions**, while **77% of the staff** worked in customers servicing positions, in situ
- **Digital and phone Services** by the water companies **were increased by more than 20%**, while special shifts were implemented to deal with any physical damages during the lock down.
- More than **6.500 trucks** entered the Central Markets for catering, while more than **8.500 retail customers** were directly serviced. In total, more than **3.000 tones of fishery** were traded
- More than **2,2 million objects** were delivered by the courier network, supporting this way e-commerce.



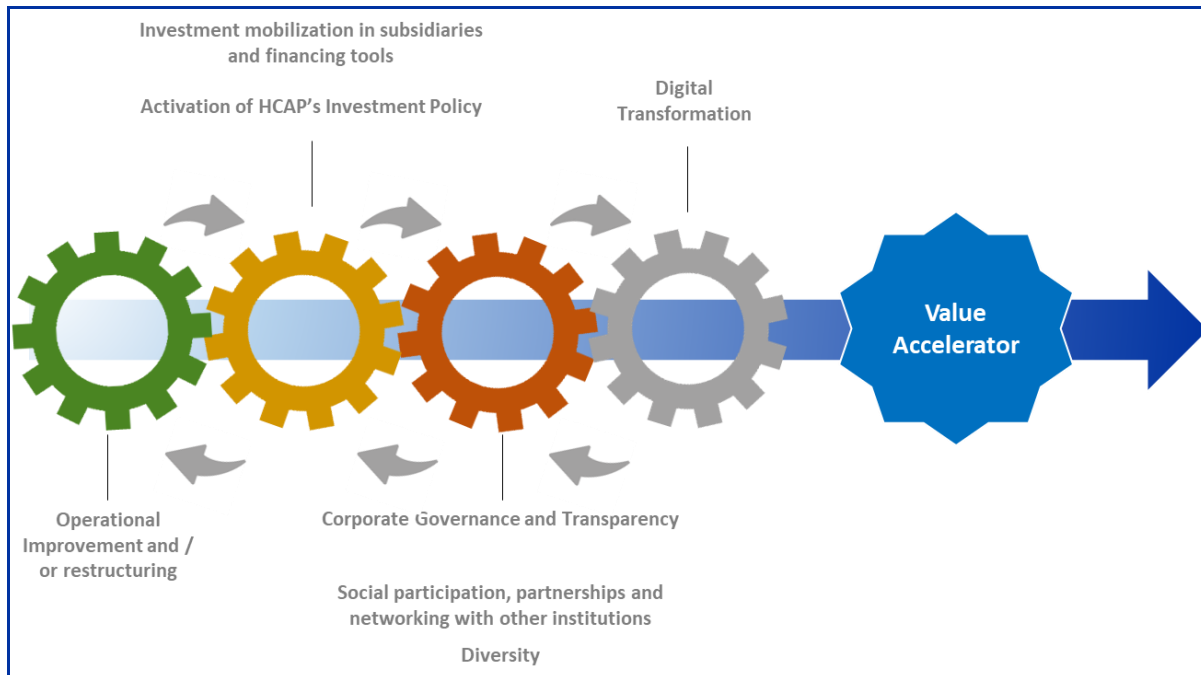
#### Key Performance Indicators (KPIs) and initial discussions for target setting of the next three – year horizon (2020 – 2022)

HCAP role, as an accelerator of value creation in SOEs, is developed through specific objectives such as operational improvement, digital transformation of the enterprises, investment mobilization, as well as good corporate governance practices, while promoting transparency, diversity and social inclusion.

Following the process already established and implemented, during the first quarter of 2020, HCAP completed the consultation with the subsidiaries, which had started in the last quarter of 2019, on the objectives for the next three years and also proceeded with the respective quantification. This quantification of targets is important, as HCAP's business plan is essentially the specialization of the corporation's Strategic Plan and It is updated on a yearly basis. The progress in SOEs' target – setting is also acknowledged in the latest Enhanced Surveillance Report of May 2020, as HCAP's Strategic



Plan implementation is a continuous commitment by the Greek Government to the European Institutions.



The finalization of the KPIs was followed by the extraordinary outbreak of the pandemic, affecting the operation of the companies and some critical figures; as a result, the validation of the objectives has been temporarily suspended. Therefore, some of the financial and operational indicators need to be reviewed for the current year. The evaluation of the consequences of the pandemic for each company will form the basis for the equivalent revision of the relevant KPIs. Furthermore, the extreme situation of Covid -19 outbreak, made the SOEs to re-evaluate their key targets, that during the lock down were relevant to business continuity, abiding at the same time to the imposed health and safety rules.

Under the broader principle framework of the target-setting model, the objectives should be challenging for the subsidiaries but, at the same time, realistic and feasible.

The target-setting model, to date, relates to direct subsidiaries (HRADF, ETAD) and State-Owned Enterprises ('Other subsidiaries') which are not listed and for which HCAP is the sole or majority shareholder, with the exception of ELTA where the transformation plan is underway.

It is also worth mentioning, regarding the HRADF's internal target – setting process, that the fund, having recognized as a priority the ability to design, mature and secure successful transactions that attract long – term investors and have multiple effects in local societies, has developed, in cooperation with the European Bank for Reconstruction and Development and Global Sustain, an ESG rating tool, that is used to assess the sustainability of its assets, with the use of Key Performance Indicators -KPIs. The adoption of ESG criteria (Environmental, Social, Governance) during the development of public assets that are included in the fund's Asset Development Plan (ADP) can enhance transparency and attract responsible investors to the benefit of the Greek Economy. Sustainability lies at the epicenter of the Global Investment Community for next generation

investments and this is clearly something that will define the types of investments that will be realized in Greece over the next decade.

Gradually and in parallel, discussions are also held with the listed companies in which HCAP is a majority shareholder, EYDAP and EYATH. The aim is to extend this model, aiming at the continuous improvement of the water and sewerage services and the effective management of resources, taking into account their sustainable development.



### Coordination Mechanism

During Q1 2020, the main actions continued, targeting at the initial implementation of the Coordination Mechanism provisions, through which the procedures and the relevant deliverables are set regarding the cooperation model among the State, HCAP and the State Owned Enterprises (SOEs).

HCAP has prepared, in collaboration with the SOEs, one of the main deliverables of the Coordination Mechanism, that of "Mandate" in accordance with the provisions of HCAP Internal Regulation.

The text of the "Mandate" includes high – level directions for each SOE in the long – term, but also high level targets regarding the position of each company within the sector it operates, the pursuing of services of high quality, etc. Companies' mandates were shaped, taking into consideration the Strategic Guidelines of the sole shareholder and the results of consultation of HCAP with the supporting team of the Cabinet Committee.

The Mandates were submitted to the Cabinet Committee for the Coordination of the State-Owned Enterprises Governance (or "Cabinet Committee") for validation.

On March 12, 2020, the Cabinet Committee which was constituted with the Ministerial Council Act 38 of 31.10.2019 (GG A' 172 / 04.11.2019), had a meeting following the invitation of the Chairman of the Committee and the Minister of Finance Mr. Christos Staikouras. The Mandates of the SOEs OKAA, KATH, AEDIK, Hellenic Saltworks, TIF, OASA, ELTA, and GAIAOSE were unanimously approved. It should be noted that there is no similar provision for the listed companies.

The Mandates are uploaded and available in HCAP website (<http://www.hcap.gr/wp-content/uploads/2020/04/All-mandates.pdf>) as well as in the respective websites of the SOEs.

Following the validation of the Mandates, the next deliverables of the Coordination Mechanism for the abovementioned companies are:

- (i) the "Statements of Commitments" which will reflect the strategic and operational objectives (KPIs) of each SOE, as part of HCAP business plan for a three-year horizon, and
- (ii) the "Performance Contracts", for the cases where the assignment of special obligations has not been regulated otherwise (for example through legislation), in order to agree on the qualitative conditions and the compensation mechanism for the offered services

It is worth mentioning that due to the pandemic, the submission of the above deliverables may be extended. In addition, the Statement of Commitments for ELTA will be shaped after the finalization

of the strategy and the transformation plan that is currently being designed by the company. Finally, the business planning of OASA and the Statement of Commitments respectively are highly dependent on the agreement for the provision of Special Obligations by the company (such as for vulnerable social groups). This discussion will take place on a later stage and will lead to the drafting of the Statement of Commitments and the Performance Contract(s) as deliverables of the Coordination Mechanism.



### Transition to a lignite – free era

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The challenge of climate change affects the economic, social and political aspects of all countries, despite the level of their dependence to minerals, dictating the re-design of the production, consumption and living models. Within this framework, the Greek State is targeting the radical transformation of the country's lignite – rich areas through the shaping of strategic capabilities in order to maintain and enhance these areas' social fabric.

European Commission has articulated a long – term strategy to transit to a climate - neutral Union ("Green Deal") that uses as a main means a Fair Transition Mechanism (FTM) for the 2021 -2027 period for the counties and areas that are dependent to minerals. This mechanism will operate complimentary with other funding options by the Union's budget, for the new period of the Multiannual Fiscal Framework (2021-2027). As a consequence, the Greek State has constituted a Cabinet Committee that aims to the fair transition of the areas of Western Macedonia and Megalopolis municipality in the Peloponnese.

HCAP supports the effort for the Fair Transition to a lignite –free era, as this is a key priority to the European Commission.

HCAP also recognizes the challenges that stem from the transition to a lignite free energy schema in the country's economy and social life. It thus supports the Greek State during the study phase for the transition of the affected areas.

Specifically, HCAP has undertaken the initiative to fund and offer resources with expertise that will be used by the Greek State for the design of a solid framework that will lead to the structural reorientation of production, so that the affected areas are developed in a different way. This schedule will concentrate in a solid mechanism resources coming from different contributors so as to maximize effects in the areas of interventions.

It will include measures, initiatives and policies in the short term, medium, and long –term that will inter alia include the compensation of job losses, the creation of new businesses and employment opportunities, contributing in such a way in the sustainable development and overall cohesion in the affected areas.



## Greek Postal Company (ELTA) – Transformation Plan & Covid – 19 crisis management

The overall financial status of the company is known, as it faces liquidity issues and it operates through the model of the Universal Postal Service Provider, in a market that shrinks globally, due to the substitution of the traditional postal services with digital services. For this reason, the design of the implementation of a large transformation project is underway, taking into consideration international experience from relevant transformations in Europe, with the appropriate adaptations to fit Greek market specificities. Actions by the management of ELTA are underway to implement the Transformation Plan, in cooperation with stakeholders and HCAP, so as to finalize the financing scheme and prepare to receive necessary approvals.

It is also worth mentioning that ELTA have dealt with the Covid-19 outbreak remaining almost fully operational and concluding the delivery of pensions throughout the whole Greek territory for March and April, even in quarantined areas, taking all safety measures for their staff and for the citizens they served. By doing so, 360 thousands of retired citizens remained safely at home, as they were either serviced at home, or at open public spaces, in cooperation with local authorities. The free delivery of protective material for use at the country's courthouses was also secured. Furthermore, ELTA have already started cooperating with the citizens' bureaux services (KEPs) so as to deliver medicine and any required official papers.



## SOEs' Investment Plans

The subsidiaries of HCAP implement a wide spectrum of investment programs supported and funded by the NSRF 2014-2020. This program includes projects of varying maturity and size. In addition, at present as the current programming period of the NSRF nearing its completion, SOEs should reach an agreement with the Ministry of Development and Investments in order to actively contribute towards preparing the program for the next period 2021-2027.

Thus, the investment programs of HCAP's subsidiaries are set at two levels:

- a. Projects of the current programming period
- b. Planning and maturity of projects of the next programming period.

Regarding the current programming period, the majority corresponds to investment proposals by the two Water and Sewerage companies (EYDAP and EYATH), while there are also smaller projects of the HCAP subsidiaries. During the 1<sup>st</sup> quarter of 2020, the companies in the HCAP's portfolio carried out the tendering and implementation procedures, amongst others, as follows:

### EYDAP

- ◆ Sewerage Network System Construction of the municipality unit of Glyka Nera (municipality of Paiania). The implementation of the project proceeded during the quarter under review, having an estimated completion date of year 2021.

- ◆ Sewerage Network System Construction of the municipality of Pallini. The tender process is in progress, specifically at the stage of selecting a preferred bidder. The contract is expected to be signed in November 2020, as preliminary appeals are pending.
- ◆ The company during the previous quarter (Q4 2019) commenced the tender procedures for two major sewerage projects in Eastern Attica: Collection, urban wastewater treatment of Rafina - Pikermi Municipalities and construction of wastewater pipeline System in Spata & Artemida (Loutsa) Municipalities and Reuse - Disposal of treated outflows. These two projects form part of a wider overall planning including four (4) sub-projects, one for Wastewater Treatment Plant (Tender A458) in the Area of Plati Chorafi and three (projects) for the sewerage networks (Tenders A455, A456 and A457) (including the pipeline linking the sewerage network to dwellings) with a total budget of €271 mln. According to the decision 20442/ 16.12.2019 of the Board of Directors/EYDAP, the tender documents and the tender of the sub-project "Construction of wastewater pipeline System in areas of the Municipalities of Rafina-Pikermi and Spata-Artemida" -Tender A456- , were approved with a total budget of 63,7 mln plus VAT. The invitation of the tender was published on 10.1.2020. The bids were submitted on 16.3.2020. The tender process for the selection of a preferred bidder is in progress. According to the decision 20443 / 16.12.2019 of the Board of Directors / EYDAP, the tender documents and the tender of the sub-project "Construction of wastewater pipeline System in areas of the Municipalities of Rafina-Pikermi and Spata-Artemida"" - Tender A457-, were approved with a total budget of 70 mln plus VAT. The invitation of the tender was published on 10.1.2020. The bids were submitted on 10.3.2020. The tender process for the selection of a preferred bidder is in progress
- ◆ Most recently, the company's Board of Directors approved the tender documents for the construction of wastewater treatment pipelines in areas of the municipality of Rafina-Pikermi, in order to enable the commencement of the tender process for the selection of a preferred bidder.

#### EYATH

- ◆ The Company on 20/11/2019 launched the tender for the expansion of the Thessaloniki Water Treatment Plant (THWTP) - Phase A2, in order to increase the current capacity of the facility from 150,000 m3 daily to 300,000 m3 /day (A2 Phase completion). The deadline for submission of bids was set on January 20, 2020. During the quarter under review, the meeting minutes of the tender committee was approved by the company's BoD and a temporary concessionaire was declared. The confirmation of the bid has not taken place yet, until the time this report has been drafted.
- ◆ Projects for the completion of the Thessaloniki Low Level Areas Sewerage Network connection. According to the schedule, the construction of the project will last 24 months. During the quarter under review, an extension

	<p>of five (5) months has been given to a Sectional Term, without affecting the overall implementation schedule of the project.</p> <ul style="list-style-type: none"> <li>◆ Remote control and automation of the EYATH's Service Area Water Supply System. The construction assignment of the project was completed in a previous quarter (Q3 2019) through contract signing with the preferred bidder. The contractor has completed its preliminary contractual obligations during the quarter under review.</li> </ul>
<b>ETAD</b>	<ul style="list-style-type: none"> <li>◆ "Modernization of existing facilities and network infrastructure in the region of Lake Caiaphas", consisting of a total of 4 subprojects. The most important of the subprojects concerns modernization interventions in the existing facilities and infrastructure networks and it is in progress / implementation.</li> <li>◆ Fanari, Rodopi Ecotourism Park, modernization of basic infrastructure networks and development of new tourism infrastructure. The tender process - during the period under review - is in progress.</li> <li>◆ Restoration and promotion of the caves and building facilities of Diros in the prefecture of Laconia - Phase B. The project and its sub-projects - during the period under review - are under implementation.</li> <li>◆ Restoration and promotion of the Achilleion complex in Corfu (Phase B). The integration of the project in the NSRF was issued on 10.04.2020.</li> </ul>
<b>TIF</b>	<ul style="list-style-type: none"> <li>◆ The company continues the procedures and actions for the maturation of the major redevelopment project of the TIF exhibition center. Specifically, in April 2020, the Metropolitan Planning Council unanimously approved (i) the Special Spatial Plan of the Exhibition Center (TIF), as well as (ii) its Strategic Environmental Impact Study.</li> </ul> <p>The unanimous decision determined land uses, building conditions and restrictions, as well as guidelines and measures for environmental protection and environmental monitoring system. Subsequently, the approval of the Special Spatial Plan and of the Urban Implementation Plan are expected by Presidential Decree.</p>
<b>Other</b>	<ul style="list-style-type: none"> <li>◆ Following the re-invitation of the Operational Program: Competitiveness, Entrepreneurship and Innovation on January 16, 2020, (Invitation Title: OKAA and KATH infrastructure upgrade to support modern entrepreneurship edition B) the two HCAP subsidiaries KATH, OKAA are moving forward as follows:             <ol style="list-style-type: none"> <li>KATH in the process of preparing and submitting a relevant proposal for its integration in the program.</li> <li>OKAA has already submitted a relevant proposal and its approval is expected.</li> </ol> </li> </ul>

In conjunction with the SOEs' investment plans that were designed at a previous period and are now underway, special reference should be made to the new available financing tools that the European

Commission is processing and will become particular at a later stage. These tools are designed to mitigate the consequences of the Covid -19 outbreak and to help the Union to achieve its strategic goals.

HCAP is closely monitoring all developments on the European level, so as to prepare its subsidiaries for the best use of available tools and resources. A relevant example would be that of the Fair Transition Fund whose resources amount to approximately 4bn euros and will be used to fund the national plan for the transition to a lignite – free era, as this is highlighted at a previous chapter.



### HCAP Strategic Framework for the development of the real estate property of the companies in its portfolio

The activation of the mechanisms provided by HCAP's Investment Policy is identified as an important target for the immediate future. Part of these provisions regards investment in Real Estate property. Thus, aiming at the better response to the challenges relevant with the exploitation of the corporations' subsidiaries' real estate property, HCAP during the fourth quarter of 2019 has started to process adequate alternatives. To secure that this process will be successful, the formation of a working group on the holding company level is assessed. Such a group, will be responsible for the formation of a holistic investment strategy and a strategy for the exploitation of the groups' real estate assets, and will result in multiple benefits both for the group and its subsidiaries.

Part of such a strategy is the detailed documentation of the real estate property of HCAP's subsidiaries. Thus, the initiative that has already launched and is relevant to the creation of a common GIS system, is considered part of this strategy. It is noted, that the ultimate goal of this undertaking is the identification and documentation of the real estate property of HCAP's subsidiaries. The completion of such an undertaking, regardless of its size and the requirement of accessing accurate data, will lead to the optimum use of public resources, as the information system will be used as a tool for applying a single real estate development and exploitation strategy, for the real estate property that the State Owned Enterprises own. This could result to synergies achievement, both within the HCAP group, and between HCAP's direct and other subsidiaries and the Greek State, leading to multiple benefits.



### Technology, Digital Transformation and Synergies

HCAP has made the technological upgrading of the companies in its portfolio a top priority, ultimately aiming at contributing to the country's digital convergence at European levels.

The most important actions that are underway include:

- **Innovation Network** – HCAP proceeded in 2019 with the constitution of an Innovation Network. The Innovation Network is practically supported by members of the Boards and managers of the subsidiaries of HCAP with relevant academic background and experience in technology and information technology. Its main target is to explore synergies among the SOEs in HCAP



portfolio, promote the use of new technologies that could promote innovation, but also to explore international best practices, and standards, including in the EU.

- **Digital Potential Webcasts.** In cooperation with MIT Enterprise Forum Greece, HCAP is scheduling to conduct webcasts on the exploitation of digital capabilities and how tech solutions could resolve tangible problems of the public and non-public enterprises. The webcasts will also include some critical and emerging due to the pandemic of coronavirus topics, which concern the unexpected events that could disrupt the business continuity of an organization as well as new types of work. In addition to the above, renowned members of the international academic community will participate in the webcasts by presenting the potential on topics such as Internet Of Things, Big Data, smart mobility, etc. The relevant discussions will be organized in small panel groups, so that some of the HCAP subsidiaries to be able to present projects that they are either designing or are already being implemented. Lastly, and for the first time a competition will be announced: HCAP's subsidiaries will provide data for analysis, to the Greek startup ecosystem. The target of this competition is to establish a connection between the Greek State Owned Enterprises and innovation, as this occurs through small and agile business ventures, staffed with young people. These ventures, could eventually provide smart solutions in long – lasting issues or even propose the provision of new and / or complimentary services.
- **Digital strategy of companies** - At the initiative of HCAP, and through a methodology framework prepared and presented to the subsidiaries in the form of workshops and private meetings / workshops, the companies are in the process of designing a medium - to long-term digital transformation plan to be implemented through specific actions and roadmap.
- **Synergies through the creation of a single geographic information system (GIS)** - HCAP is in the process of pilot testings for the creation of a single geographic information system (GIS) relying on the geospatial data of the companies in its portfolio. Upon the completion of this endeavor, the result can be used as a tool for implementing a single system for the strategic management and utilization of the real estate properties of SOEs. HCAP is working closely with GAIAOSE and ETAD, which already hold relevant expertise, in order to implement this project.
- **Digital Transformation at ELTA** - In view of the transformation plan that is underway in ELTA, the technology is the decisive factor associated with the sustainability and further strengthening of the company. In this direction, during the first quarter of 2020, HCAP proceeded with the financing and the assignment of consulting services regarding the digital transformation of the company. After assessing the current IT applications of the company and highlighting the areas for improvement, ELTA should proceed with the design and implementation of an optimal model of digital upgrade and modernization while determining the implementation roadmap.

## **B. Company Financial Information (for Q1 2020)**

## B. Separate Financial Statements

The Hellenic Corporation of Assets and Participations S.A. (hereunder “HCAP”) acquired legal personality upon its registration in the General Commercial Registry (GEMI) on 25.10.2016. The Board of Directors of the Corporation convened as a body on 16.02.2017 and therefore 2017 was the starting year of operations, organisation of its structure and its gradual staffing. During that year, the Corporation held shares only in ETAD and HRADF.

From the year 2018 onwards and in accordance with the provisions of Law 4512/2018 and Law 4549/2018, the assets of the Corporation changed through the transfer to HCAP of the Greek State participation in 13 SOEs. As a result, during this year, HCAP recorded for the first time dividend income and profits, while the transfer of these companies necessitated a change in its structure and staffing, a procedure that was underway during 2018 and is almost completed during 2019.

The Company, after the first year 2017 which was essentially the year of the beginning of its operations, in 2018 realized for the first time revenues from dividends (€ 17 mln) and profit (€ 13.1 mln), while in 2019 the revenues from dividends more than tripled (€ 61.9 mln) and profit more than quadrupled (€ 57.2 mln).

Regarding Q1 2020 results: In 2020 it is the first time that the results of the first quarter of HCAP show revenues from dividends and profits (as historically the 1st, 3rd and 4th quarters usually represent ordinary expenses and zero or minimal revenue). This is due to the fact that during the first quarter the Company recognized dividend income of € 2 mln by GAIAOSE, while the significant increase in interest income also contributed to the improvement of Company’s profitability, as its cash and cash equivalents on 31.03.2020 were significantly higher than on 31.03.2019.

As a holding company, HCAP’s revenues in the separate financial statements mainly derive from dividends, interest and other capital gains/income from assets under management, while its expenses mainly relate to administrative expenses for its operation and the fulfilment of its mission. As regards dividend income, it must be noted that, due to the nature of the relevant revenue stream for HCAP:

- There is significant variance in the operating results and the revenue between the quarters within the same financial year. Dividend income along with the operating results of the Corporation present significant variations within the quarters of each financial year as they depend on the timing of the subsidiaries' General Assembly Meetings during which the dividends are approved and which are usually held during Q2 and Q3 of each year.
- Time lag between the profitability of associated companies and dividend collection by the Parent Company. There is a time lag between the period that the subsidiaries create the profitability and the period that the dividends are collected (e.g. the subsidiaries’ profits of each financial year are distributed during the next financial year).
- Existing restrictions on the distribution of subsidiaries’ and associated companies’ annual profits. Certain subsidiaries or associates may achieve profits which, however, may not be distributable for various, such as the existence of cumulative losses from previous years, restrictions due to other obligations (due to investment plans etc.).

## B.1 Basis of preparation of the Quarterly Financial Report

The interim condensed financial information and financial data presented in the Quarterly Report tally with the Corporation's books and records using the accrual basis of accounting. The amounts presented under the accrual basis have been determined in compliance with International Accounting Standard 34 'Interim Financial Reporting', without the presentation of all the information and disclosures required by IAS 34 for interim financial information.

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

As regards the other data of this financial report, the main policies applied are presented below:

1. The depreciation rates of fixed assets are in accordance with the useful life of each respective asset.
2. Dividend income is recognised in the period during which the shareholder's right to receive payment is established, i.e. the period when the General Assembly Meeting of each subsidiary that decided on the dividend distribution takes place.

Dividend income is presented in the statement of total comprehensive income as operating income, as they constitute the Company's main source of income. Similarly, in the cash flow statement the cash inflows from dividends are presented as operating activities.

3. Expenses are recognised within the period that the respective liability occurred.
4. Interest income is collected every six (6) months and, as such, the Company's interest income for the respective quarter includes the estimate of the amount of accrued interest relating to this period.
5. By law, the Corporation's share capital amounts to €40 million, of which €10 million has been paid up and the balance is owed; as a result, the €30 million is presented as "Unpaid Share Capital" within Equity in the Statement of Financial Position. Under Article 12(2a) of Law 2190/1920, the period of partial payment cannot exceed five (5) years.
6. As regards the Direct subsidiaries transferred by the Greek State directly to the Corporation for no consideration (as per Law 4389/2016), they have been recognized in the financial statements at cost which is nil and are presented at the symbolic value of one (1) euro per subsidiary.
7. Participations in "Other Subsidiaries", as well as other assets or liabilities transferred to HCAP by the Greek State for no consideration as of 01.01.2018 and 01.07.2018, have been recognized in the financial statements at cost which is nil and are presented at the symbolic value of one (1) euro per Other Subsidiary, except for "Folli Follie".















The participations transferred by the Greek State directly to the Corporation for no consideration as per Law 4389/2016, relate to the "Direct Subsidiaries" (which were transferred in 2016) and the "Other Subsidiaries" (which were transferred as of 1 January 2018, except for GAIAOSE which was transferred as of 1 July 2018) and are broken down as follows:

## A. “Direct Subsidiaries” –participation %



## B. «Other Subsidiaries» (according law 4389/2016 ) which were transferred to HCAP from 01.01.2018 or 01.07.2018

### Ownership Percentage

Athens Urban Transportation Organization S.A. (OASA)	100%	
GAIAOSE S.A.	100%	
Thessaloniki International Fair – HELEXPO S.A. (TIF-HELEXPO)	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%	
Hellenic Saltworks S.A.	55.19 %	
Athens Water Supply and Sewerage Company S.A. (EYDAP)	50%+1 share	
Thessaloniki Water Supply and Sewerage Company S.A. (EYATH)	50%+1 share	
ETVA – Industrial Areas S.A.	35%	
Public Power Corporation S.A. (PPC)	34.12 %	
Athens International Airport S.A.	25%	
Folli Follie S.A.	0.96%	

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

Additionally:

- a) Under Article 350 of Law 4512/2018, “the Greek State's right to collect a dividend due to its participation in the share capital of the Société Anonyme under the name "Hellenic Telecommunications Organization S.A." (OTE S.A.) is transferred to HCAP”. The Greek State reserves the right to vote in the General Meeting of OTE for its corresponding shares;
- b) in accordance with Article 113 of Law 4549/2018, as of 01.07.2018, the participation of the Greek State in GAIAOSE S.A. was transferred to the Corporation; and
- c) 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 Corporation became a guarantor with the commitments as defined in the said agreement.

The Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Cash Flow Statement as at 31 March 2020 and for the period 01.01.2020 - 31.03.2020 are presented in paragraphs B.1.1, B.1.2, B.1.3 and B.1.4 below.

## B.1.1 Statement of Comprehensive Income for the period 01.01.2020 - 31.03.2020

Statement of Comprehensive Income (in Euro)	01.01.2020 - 31.03.2020	01.01.2019 - 31.03.2019
Dividend income (note 1)	2,000,000	-
Payroll and management cost (note 2)	(898,979)	(799,247)
Third party fees (note 3)	(396,311)	(212,847)
Other operating expense	(132,780)	(138,543)
<b>Results before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>571,930</b>	<b>(1,150,637)</b>
Depreciation and amortisation	(54,119)	(43,185)
<b>Results before interest and tax</b>	<b>517,811</b>	<b>(1,193,822)</b>
Finance income (note 4)	425,357	152,411
Finance cost (note 4)	(12,614)	(14,393)
<b>Profit / (loss) before tax</b>	<b>930,554</b>	<b>(1,055,804)</b>
Income tax	-	-
<b>Net profits/ (losses)</b>	<b>930,554</b>	<b>(1,055,804)</b>
Actuarial losses	-	-
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>930,554</b>	<b>(1,055,804)</b>

**Notes on the results of Q1 2020:****Note 1- dividend income:**

As a result of actively managing dividend expectations and performance monitoring, dividend income distributed by GAIAOSE of € 2mln was recognized during Q1 2020. The main revenue stream of the Company relates to dividends, which in their majority are distributed by the companies in HCAP's portfolio during the 2nd quarter. As a consequence, the 2nd quarter is showing high and strong profitability, while the 1st, 3rd and 4th quarters usually show mainly operating expenses and low income.

**Note 2- payroll and management cost:** Payroll and management cost includes costs for the employees, the Supervisory Board, the Board of Directors and the Board of Directors' Committees, as well as other related expenses. Following the formation of the Board of Directors of the Company on 16.02.2017, the organization and staffing of HCAP began, which was initially based on the planned structure of the group as of that date (ie two direct subsidiaries). Following the transfer of the "Other Subsidiaries", which has more than tripled the size of the group, the transformation of HCAP's organization was deemed necessary to meet the additional needs, and thus the organization and staffing were adjusted accordingly and was almost completed by the end of 2019. As a consequence of this process, payroll and management costs in Q1 2020 increased compared to Q1 2019.

**Note 3- third party fees:** Third party fees of Q1 2020 are higher compared to Q1 2019 mainly due to the costs of legal and consulting services for projects such as reviewing and strengthening the framework of Corporate Governance for public enterprises, evaluating the Boards of Directors for companies in HCAP's portfolio in which HCAP is the majority shareholder and correspondingly recruiting executives for these companies etc.



**Note 4- financial results:**

- Finance income: the increase is due to the increase in the Company's cash.
- Finance cost: the most significant part of the finance cost that has been recognised in the current and comparative period is due to the application of IFRS 16 according to which for rental contracts that meet specific criteria, in essence instead of recognizing rental costs in the results, depreciation costs and financial expenses are recognized.

## B.1.2 Statement of Financial Position as at 31.03.2020

Statement of Financial Position (in Euro)	31.03.2020	31.12.2019
<b>ASSETS</b>		
Investment in "Direct Subsidiaries" (note 1)	3	3
Investment in "Other Subsidiaries" (note 1)	13	13
Tangible, intangible and right-of-use assets (note 2)	1,107,509	1,154,466
Other non-current assets	33,045	33,045
<b>Total non-current assets</b>	<b>1,140,570</b>	<b>1,187,527</b>
Receivables (note 3)	2,000,646	1,409
Cash and cash equivalents	71,716,876	72,627,752
Other current assets (note 4)	576,990	897,988
<b>Total current assets</b>	<b>74,294,512</b>	<b>73,527,149</b>
<b>TOTAL ASSETS</b>	<b>75,435,082</b>	<b>74,714,676</b>
<b>LIABILITIES</b>		
Provision for staff leaving indemnities	73,800	67,885
Long-term lease liabilities (IFRS 16)* (note 2)	727,877	766,534
<b>Total non-current liabilities and provisions</b>	<b>801,677</b>	<b>834,419</b>
Trade and other payables (note 5)	1,281,063	1,460,414
Dividends payable (note 6)	2,537,395	2,537,395
Short-term portion of long-term lease liabilities (IFRS 16)* (note 2)	151,543	149,598
<b>Total current liabilities</b>	<b>3,970,001</b>	<b>4,147,407</b>
<b>TOTAL LIABILITIES</b>	<b>4,771,678</b>	<b>4,981,826</b>
<b>EQUITY</b>		
Authorised Share Capital	40,000,000	40,000,000
Less: Unpaid Share Capital	(30,000,000)	(30,000,000)
<b>Paid-up Share Capital</b>	<b>10,000,000</b>	<b>10,000,000</b>
Other reserves	2,553,913	2,553,913
Retained earnings	58,109,491	57,178,937
<b>Total equity</b>	<b>70,663,404</b>	<b>69,732,850</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>75,435,082</b>	<b>74,714,676</b>

**Notes:**

- Investment in the "Direct Subsidiaries" ETAD (100%), HRADF (100%) and HFSF (100%) and "Other Subsidiaries" were transferred to HCAP for no consideration as per Law 4389/2016 and its subsequent amendments. The Company has selected to recognise in the financial statements the participations in Direct Subsidiaries and Other Subsidiaries at cost (which is nil) and to present them at the symbolic value of one (1) euro per participation.
- Following the first adoption of IFRS 16 on 01.01.2019, the Corporation recognized the rights-of-use assets and lease liabilities, with the exception of the standard for lease contracts with a residual duration of less than twelve months at the date of initial application of the standard, for contracts for which the leased asset is of small value, as well as for short-term contracts. The recognized leases relate mainly to a professional lease agreement in the context of the Corporation's relocation to new offices. The impact of the adoption of IFRS 16 on 1 January 2019 was an increase in tangible fixed assets and lease liabilities by €1,058,587.
- The receivables mainly relate to dividends receivable by the subsidiary GAIAOSE amounting to €2,000,000. The dividend income was recognized in Q1 2020 following the General Assembly

Meeting of GAIAOSE that was held in the first quarter and decided the dividend distribution. The collection of the dividend was not completed until 31.03.2020 and consequently it is reported as a receivable at the reporting date.

- 4 This amount mainly relates to accrued interest income as at period end as well as prepaid expenses. The reduction of the account is due to the fact that on 31.12.2019 the amount of accrued income concerned a six-month period, while on 31.03.2020 it concerns a three-month period.
- 5 This mainly includes trade payables, accrued expenses, withheld personnel tax payables, deductions and social security contributions.
- 6 The General Assembly Meeting of the sole shareholder of the Corporation was held on 15 November 2019 and decided the distribution of a dividend, in accordance with the law, to the Greek State amounting to €7,150,842, of which an amount of €4,613,447 was paid within 2019, while the remaining amount of €2,537,395 not paid as of 31.03.2020 is presented in the caption "Dividends payable".

### B.1.3 Statement of Changes in Equity for the period 01.01.2020 - 31.03.2020

Statement of Changes in Equity (in Euro)	Share Capital	Reserves	Retained earnings	Total
<b>Balance as at 01.01.2019</b>	<b>10,000,000</b>	<b>(2,854)</b>	<b>9,712,519</b>	<b>19,709,665</b>
Net results of the first quarter of 2019	-	-	(1,055,804)	(1,055,804)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(1,055,804)</b>	<b>(1,055,804)</b>
<b>Balance as at 31.03.2019</b>	<b>10,000,000</b>	<b>(2,854)</b>	<b>8,656,715</b>	<b>18,653,861</b>
<b>Balance as at 01.01.2020</b>	<b>10,000,000</b>	<b>2,553,913</b>	<b>57,178,937</b>	<b>69,732,850</b>
Net results of the first quarter of 2020	-	-	930,554	930,554
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>930,554</b>	<b>930,554</b>
<b>Balance as at 31.03.2020</b>	<b>10,000,000</b>	<b>2,553,913</b>	<b>58,109,491</b>	<b>70,663,404</b>

Reserves relate to "Regular Reserve" amounting to €485,626, "Reserve from HCAP's retained earnings to be utilised for investments in accordance with paragraph 2 of article 200 of Law 4389/2016 (which may be retained to cover possible future losses)" of €2,076,051, "Actuarial Profit / (Loss) Reserve" of €(7,780) and "Reserve from the transfer of participations" of €16.

## B.1.4 Cash Flow Statement for the period 01.01.2020 - 31.03.2020

Cash flow statement (in Euro)	01.01.2020- 31.03.2020	01.01.2019- 31.03.2019
Profit/(loss) before tax	930,554	(1,055,804)
<u>Adjustments for:</u>		
Depreciation and amortization	54,119	43,185
Provisions	5,915	78,490
Losses from destruction/ write-off assets	-	438
Finance income	(425,357)	(152,411)
Finance cost	12,614	14,393
<u>Changes in Working Capital:</u>		
(Increase)/ Decrease in Receivables ( <b>note 1</b> )	(1,999,237)	(100,177)
(Increase)/ Decrease in Other Current Assets	58,102	48,998
Increase/ (Decrease) in payables	(179,351)	(253,130)
<b>Net cash inflows/ (outflows) from operating activities</b>	<b>(1,542,641)</b>	<b>(1,376,018)</b>
Purchase of Property, plant and equipment	(7,161)	(127,827)
Collections from disposal of assets	-	17,383
Interest received	688,252	325,124
<b>Net cash inflows/ (outflows) from investing activities</b>	<b>681,091</b>	<b>214,680</b>
Interest and related expenses paid	(12,614)	(14,393)
Payments of lease liabilities	(36,712)	(36,280)
<b>Net cash inflows/ (outflows) from financing activities</b>	<b>(49,326)</b>	<b>(50,673)</b>
Total net cash inflow/ (outflow) for the period ( <b>note 2</b> )	(910,876)	(1,212,011)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>72,627,752</b>	<b>19,640,841</b>
<b>Cash and cash equivalents at period end</b>	<b>71,716,876</b>	<b>18,428,830</b>

**Note 1:** The most significant part of the receivables/ income calculated within the current quarter, which concerns the dividend from GAIAOSE amounting to € 2 mln, was not collected until 31.03.2020, resulting in the corresponding increase in receivables.

**Note 2:** The net variation in cash and cash equivalents during the 1st quarter of 2020 is mainly due to the payments that occurred for the operations of the Company to cover its expenses and payables outstanding from prior period.