

**Annual Financial Report  
(01.01.2020 – 31.12.2020)**

*[translation from the Greek original]*



HELLENIC CORPORATION OF ASSETS AND PARTICIPATIONS

July 2021

**Annual Consolidated and Separate Financial Statements for the fifth fiscal year 01.01.2020-31.12.2020 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 July 16<sup>th</sup>, 2021 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](http://www.hcap.gr).

The annual consolidated and separate financial statements for the fiscal period 01.01.2020 -31.12.2020, which can be found at pages 145- 244, 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**

Konstantinos Derdemezis  
ID No. AM 508145

**The Chief Executive Officer  
and member of the Board of Directors**

Gregory D. Dimitriadis  
ID No. AB 733147

**The Deputy Chief Executive Officer &  
Executive Director  
and member of the Board of Directors**

Stefanos Giourelis  
ID No. AK142391

**The Chief Financial Officer**

Charalambos Pilitsidis  
ECG License Class A' No. 33983

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

Polyzois I. Sotiropoulos  
ECG License Class A' No. 0018370



**PwC ACCOUNTING A.E.**

License Number 1494

EYATH: Thessaloniki Water Treatment Plant



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Urban Railway Transport S.A. (STASY): Piraeus Urban Railway Station





## 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.' ON THE FINANCIAL STATEMENTS OF 01.01.2020 – 31.12.2020.

#### 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 (hereinafter the "Law" or the "founding law") and the provisions of 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, as well as by targeting at operational efficiency. Furthermore, the Corporation shall promote reforms of public undertakings through restructuring, good corporate governance and transparency, as well as by fostering an accountable management approach, social responsibility, innovation, and best corporate 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:

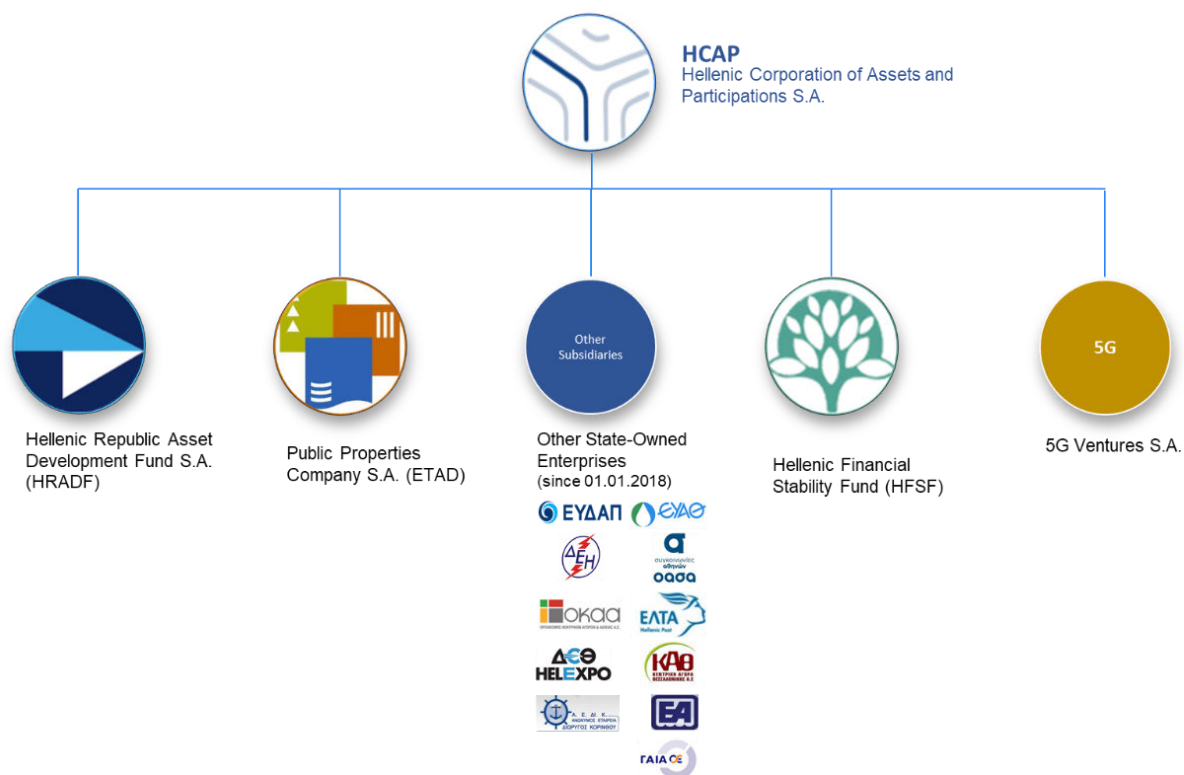
- a. for the implementation of Greece's investment policy and for investments that contribute to strengthening the development of the Greek economy, and
- b. for the reduction of the financial obligations of the Hellenic Republic.

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

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

According to a 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.

As seen in the following chart, the portfolio of the Hellenic Corporation of Assets and Participations currently includes four companies as "Direct Subsidiaries", namely the Hellenic Financial Stability Fund "HFSF", the Hellenic Republic Asset Development Fund "HRADF", the Public Properties Company "ETAD" and the "5G Ventures", while the participations of the Greek State in SOEs which have been transferred to HCAP are referred to as "Other Subsidiaries". The latter have been transferred to HCAP since 01.01.2018, with the exception of GAIAOSE, which was transferred on 01.07.2018.



HCAP has no authority over the Hellenic Financial Stability Fund (HFSF) as decisions on the implementation of its mission and purpose are taken exclusively by the management bodies of the HFSF. In addition, the management bodies of the FSF are not selected by HCAP.

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 Meeting of the sole shareholder, following a proposal by the Board of Directors, countersigned by the Supervisory Board, the Corporation may also set up other direct subsidiaries in order to fulfil its corporate purpose.

## 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 direct subsidiaries for the purposes of its founding law (the “Direct subsidiaries”):

### 1. Hellenic Republic Asset Development Fund (HRADF),

which exploits the assets of the State that have been assigned to it and manages the implementation of the privatization programme in Greece, and, specifically, 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 sectors of the economy, and to attract direct investments, while also achieving long-term benefits for the Greek economy. This programme has been posted on HRADF's website. On 10.04.2020, by decision of the General Meeting of HRADF, the term of HRADF was extended until 01.07.2022. Following the enactment of L. 4804/2021, the Board of Directors of HCAP decided on 04.06.2021 to amend the Articles of Association of HRADF. In particular, among other things, it was decided to extend the purpose of the HRADF as well as to extend its duration until 01.07.2026. According to its Articles of Association, the HRADF aims at a) The utilization of assets of the private property of the State, as well as assets of legal entities under public law (N.P.D.D.) or public enterprises whose share capital belongs to, directly or indirectly, to the State or to N.P.D.D., in accordance with the prevailing market conditions and with guarantees of full transparency, in order to achieve the revenue objectives and b) The maturation of Strategic Significance Contracts that have been included in the “Development Program of Strategic Significance Contracts” of L. 4799/2021.

### 2. Public Properties Company (ETAD),

which 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 the ownership and/or management. The transfer of ETAD to HCAP, 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, and the Olympic Assets, as well as a list of properties from HRADF. In order to achieve its strategy, ETAD has to act towards maintaining a clean and exploitable portfolio and developing appropriate exploitation strategies, taking into consideration the trends and business practices of management and exploitation in the real estate market, the special characteristics of each asset class to be exploited, the existence of investment appetite, along with other — at its judgment — material factors, which all together will lead to the optimal exploitation of its assets.

### 3. Hellenic Financial Stability Fund (HFSF),

over which HCAP doesn't have powers, as the decisions for the accomplishment of its mission and purpose are made exclusively by the administrative bodies of HFSF and the latter are not selected by HCAP. Pursuant to Law 4389/2016, the full possession and holding of the entire capital of the HFSF (as represented by securities in accordance with Article 3 of Law 3864/2010) are transferred by the Greek State to the Corporation for no consideration. Notwithstanding this transfer, unless expressly stated otherwise in Law 4389/2016, the provisions of Law 3864/2010 (indicating, but not limited to, the provisions on the corporate governance of the HFSF) shall continue to apply.

## 5G Ventures SA

HCAP, by virtue of law 4727/2020 decided the establishment of the company “5G Ventures SA”, which is a direct subsidiary of HCAP. The new subsidiary of HCAP operates in the public interest, according to the rules of the private economy for the service of a special public purpose. Its sole purpose is the establishment and management of the “Phaistos Fund”. The “Phaistos Fund” is established by the company “5G Ventures SA”, in the form of a Mutual Fund of Business Holdings (AKES) and has the sole purpose of investing in companies located in Greece or another European Union country or in a third country, provided that they are active in the research and / or development of products and / or services operating on 5G infrastructure (or related to these) in Greece, indicatively in the following sectors: transport / logistics, manufacturing, industry, including, inter alia, defense, goods and utility networks, health, tourism, information and media.

\*OSY: the importance of the bus in urban mobility



### A.3. Other Subsidiaries of the Corporation

Pursuant to Article 188(1)(d) of Law 4389/2016, as amended by Law 4512/2018, State-Owned Enterprises and legal entities regulated under Law 3429/2005, whose share capital or control is transferred to HCAP, in accordance with Article 197 from 01.01.2018, shall be considered for the purpose of the abovementioned Law as other subsidiaries (the “Other Subsidiaries”). For the purpose of drafting the consolidated financial statements, such enterprises may not be considered subsidiaries, but affiliated companies or financial assets.

Within the scope of its purpose, HCAP possesses these participations of the State, which it professionally manages and whose value it increases 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 supervision in accordance with the rules of Greek and European legislation; (b) implement and support the Government’s applicable sectoral policies; and (c) when assigned, they undertake the provision of Services of General Economic Interest (SGEI), 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 Law 4549/2018, the participation of the Greek State in GAIAOSE S.A. was transferred to the Corporation on 01.07.2018.

The participation of HCAP in these enterprises is in certain cases of majority, in others of minority, and in some cases concerns 100% of the share capital (sole shareholder). Furthermore, among the other subsidiaries are three (3) companies listed on the Athens Stock Exchange (PPC, EYDAP, and EYATH). PPC is an affiliate company, while EYDAP and EYATH are subsidiaries.




Regarding the participation of EYDAP and EYATH, pursuant to decision No 262/21.2.2018 of the Interministerial Committee, the transfer of 17,004,761 shares from EYATH to HRADF was recalled, while by virtue of decision No 263/21.2.2018 the transfer of 14,520,000 shares of EYATH to HRADF was recalled. This recall concerned such a number of shares, in order for the Greek State to recover the 50% plus 1 share of the share capital of the above companies, retroactively 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 EYATH respectively, owning 53,250,001 EYDAP shares out of the total 106,500,000, and 18,150,001 EYATH shares out of the total 36,300,000 shares of the share capital correspondingly.

Also, it should be noted that regarding the transfer of the shares of the water supply companies EYDAP S.A. and EYATH S.A., petitions of annulment No. 692/2018, 822/2018, 693/2018, and 823/2018 have been submitted before the Council of State. The hearing of the cases before the Council of State took place on 27.11.2018. Pursuant to Decisions 1223/1224 of Chamber D of the Council of State issued in June 2020, the above cases were forwarded to the Plenary Court due to their increased importance and the relevant hearing has been scheduled for the 6<sup>th</sup> of November 2020. The issuance of the relevant decision is anticipated.

**Non-listed State-Owned Enterprises**

 <b>Athens Urban Transportation Organization S.A.</b> (100 %)	 <b>Central Markets &amp; Fishery Organization S.A.</b> (100%)
 <b>Road Transport S.A.</b>  <b>Urban Rail Transport S.A.</b>	 <b>Central Market of Thessaloniki S.A.</b> (100 %)
 <b>Corinth Canal Co S.A.</b> (100 %)	 <b>Thessaloniki International Fair - HELEXPO S.A.</b> (100 %)
 <b>Hellenic Post S.A..</b> (90 %)**	 <b>Hellenic Saltworks S.A.</b> (55.19 %)
 <b>GAIAOSE S.A.</b> (100%) Since 01.07.2018	 <b>"Spiros Louis" Olympic Athletic Centre of Athens ***</b>

**Listed Utility companies**

 <b>Public Power Corporation S.A (34.123 %)</b>
 <b>Athens Water Supply and Sewerage Company S.A. (50 %+1 share)</b>
 <b>Thessaloniki Water Supply and Sewerage Company S.A. (50 %+1 share)</b>

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

\* In addition to the above, HCAP holds a minority stake to the companies: ETVA - VIPE (35%), Athens International Airport S.A. (25%) and Folli – Follie S.A.(<1%)

\*\* HRADF holds 30% of the share capital of Athens International Airport S.A., 17% of the shares of PPC S.A., 24.02% of EYATH S.A. and 11.33% of EYDAP S.A.

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

\*\*\*\* The participation percentage of HCAP of Hellenic Post SA changed after the reduction and subsequent increase of share capital of ELTA that took place in December 2020 from 90% to 100%.



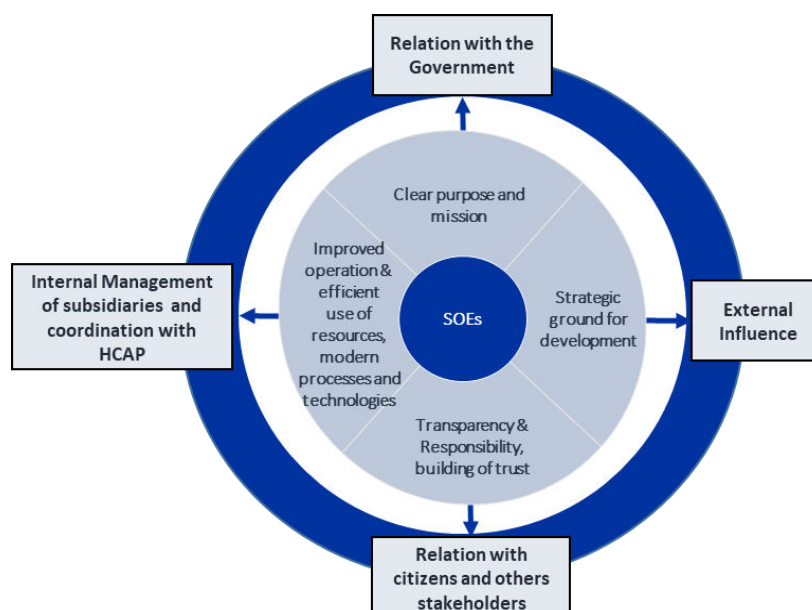
The State Owned Enterprises included in HCAP's portfolio are required through appropriate strategic, business, and operational planning and monitoring, to ensure they operate smoothly under the current conditions, and to create economic and social value in the long term, taking into account both the 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 technologies for the improvement of services provided and their more effective operation, the streamlining of their supply chain, as well as the assessment and shaping of the appropriate capital structure by raising new capital from various sources for the funding of necessary investments.

Apart from economic performance, over time State-Owned 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, State-Owned Enterprises, especially via their Boards of Directors and Senior Management, must:

- Have a clear purpose 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” are automatically transferred to HCAP in accordance with Law 4389 on Other Subsidiaries. The possibility of concluding or renewing concession contracts relating to SOEs whose shares are transferred to the Corporation, may be transferred to HCAP by decision of the Minister of Finance. The Greek State, by virtue of act of the Ministerial Council, following a Justified request / proposal of HCAP, 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.

Also, based on the provision of Article 198(2) of Law 4389/2016, any property rights, management, and exploitation rights, established financial interests, intangible rights, rights of operation, maintenance, and exploitation of infrastructure — which had been transferred previously to Hellenic Republic Asset Development Fund (HRADF), by virtue of the Decision No 195/2011 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, expansion, 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), have been automatically transferred by HRADF to HCAP, without consideration. These rights include 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/sites 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	✈ Kythira
✈ Araxos	✈ Leros
✈ Astypalaia	✈ Limnos
✈ Icaria	✈ Milos
✈ Ioannina	✈ Naxos
✈ Kalamata	✈ Nea Anchialos
✈ Kalymnos	✈ Paros
✈ Karpathos	✈ Sitia
✈ Kassos	✈ Skyros
✈ Kastelorizo	✈ Syros
✈ Kastoria	✈ Chios
✈ Kozani	



HCAP aims to prepare a development / exploitation plan for these airports, assessing potential alternative options: (i) (long-term) concession agreement, (ii) Public-Private Partnership (PPP), (iii) management contract and (iv) continued operation by the Civil Aviation Authority (CAA).

Furthermore, 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 OTE (1%). The Greek State reserves the right to vote in the General Meeting of OTE for its corresponding shares.



## A.5. Main Bodies of the Corporation

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

The supreme body of the Corporation is the **General Assembly** of the sole shareholder, which is the Greek State, as 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 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 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, following the agreement of the Minister of Finance.

Pursuant to the decision of the General Assembly of the Sole Shareholder dated 12.12.2019, three new Supervisory Board members were appointed and the new composition of the Supervisory Board is as follows:

1. Mr Jacques, Henri, Pierre, Catherine Le Pape, Chairperson
2. David Vegara Figueras, Member
3. Polyxeni (Xenia) Kazoli, Member
4. Charalambos Meidanis, Member
5. Avraam - Minos Moissis, Member

The term of the Supervisory Board expires on 25 October 2021.

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 objectives 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 above 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 above Law. In addition, one representative jointly appointed by 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.

The Board of Directors of HCAP for the period covering the report and up to 15.02.2021 consisted of the following members:

Full Name	Position	Term of Service
George Diamantopoulos	Chairman of the Board of Directors, Non-executive Member	15.02.2017-15.02.2021
Ourania Ekaterinari	CEO, Executive Member	15.02.2017-15.02.2021
Stefanos Giourelis	Executive Director, Executive Member	15.02.2017-15.02.2021
Hiro Athanassiou	Non-executive Member	08.04.2018-08.04.2022
Alice Gregoriadi	Non-executive Member	15.02.2017-15.02.2021
Konstantinos Derdemezis	Non-executive Member	01.03.2020-01.03.2024
Themistoklis Kouvarakis	Non-executive Member	15.02.2017-15.02.2021
Spyros Lorentziadis	Non-executive Member	14.01.2019-14.01.2023
Marina Niforos	Non-executive Member	15.02.2017-15.02.2021

As of 16.02.2021 and by virtue of the relevant decision of the Supervisory Board dated 16.02.2021, the Board of Directors of HCAP consists of the following members:

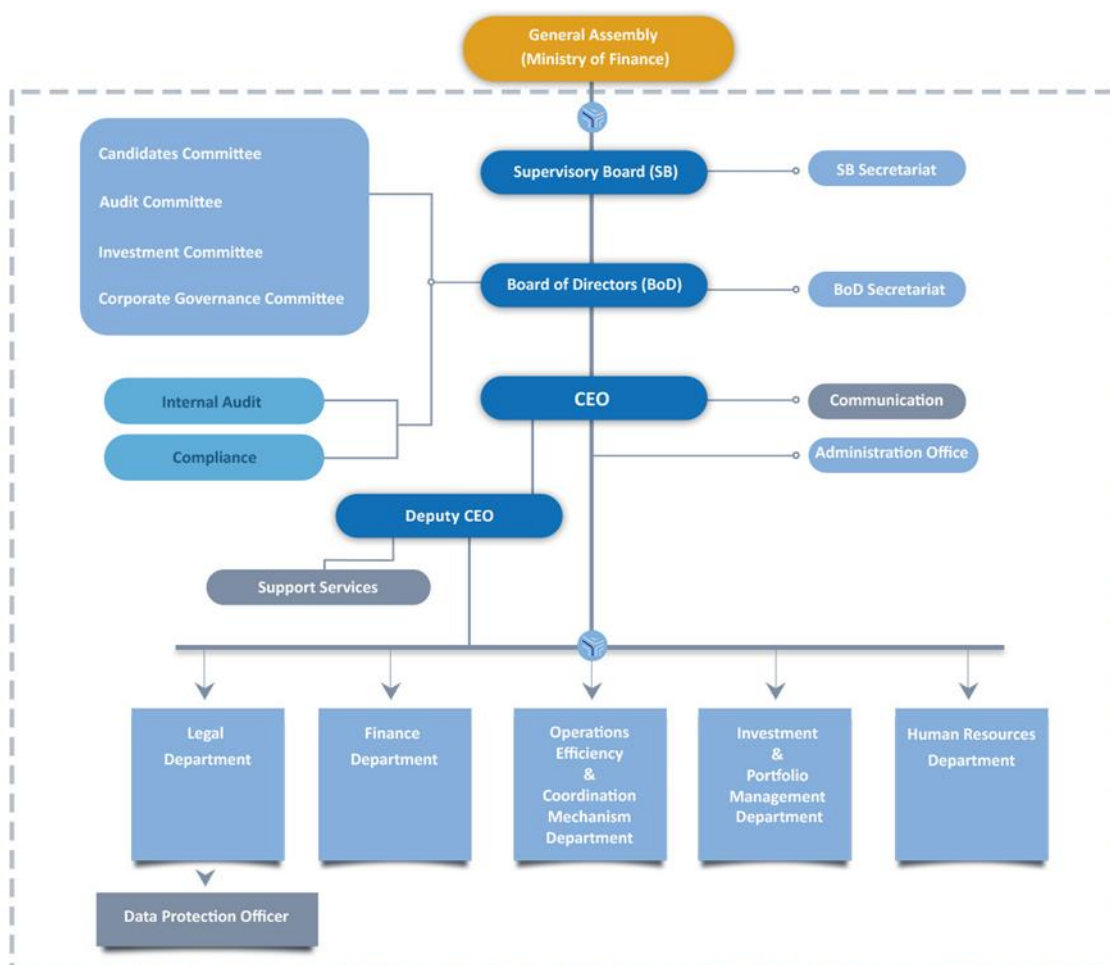
Full Name	Position	Term of Service
Konstantinos Derdemezis	Chairman of the Board of Directors, Non-executive Member	01.03.2020-01.03.2024
Gregory D. Dimitriadis	CEO, Executive Member	16.02.2021-15.02.2025
Stefanos Giourelis	Deputy CEO & Executive Director, Executive Member	16.02.2021-15.02.2025
Hiro Athanassiou	Non-executive Member	08.04.2018-08.04.2022
Marco Veremis	Non-executive Member	16.02.2021-15.02.2025
Giovanna Kampouri Monnas	Non-executive Member	16.02.2021-15.02.2025
Thymios Kyriakopoulos	Non-executive Member	16.02.2021-15.02.2025
Spyros Lorentziadis	Non-executive Member	14.01.2019-14.01.2023
Marina Niforos	Non-executive Member	16.02.2021-15.02.2025

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 provisions of Article 192(2)[s] and Article 197(4) of Law 4389/2016, four Committees have been established: a) The Audit Committee, b) the Investment and Risk Management Committee, c) the Corporate Governance Committee, d) the Candidates Committee (for their composition, please see the Corporate Governance Declaration).

## A.6. Organizational Chart

The organizational 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.7. Corporation's Share Capital

The Corporation's share capital is covered entirely by the Greek State and shall be paid in cash. The Corporation's share capital is deposited by decision of the Minister of Finance in the Corporation's bank account in Bank of Greece.

The Corporation's shares are non-transferable.

The Corporation's initial share capital amounted to forty million (40,000,000) Euro and was divided into forty thousand (40,000) common registered shares with a nominal value of one thousand (1,000) Euro each.

The Board of Directors of HCAP, with its decision dated 03.03.2017, certified the partial payment of the share capital and specifically the 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 Law 4548/2018 on the partial payment of capital.

On December 18, 2020, an Extraordinary General Meeting of the sole shareholder of the Company took place, based on which it was decided to increase the share capital of the Company by € 100,000,000 by issuing 100,000 shares with a nominal value of 1,000 euros / share and to amend the Company's Articles of Association in relation to share capital.

Following the share capital increase of HCAP amounting to € 100,000,000, which was decided by the Extraordinary General Meeting of the sole shareholder of the Company of December 18, 2020, as at 31.12.2020 the share capital of the Company amounted to 140 million euros. The paid-up share capital of the Company amounts to 110 million euros. According to article 21 par. 4 of L. 4548/2018, "Payments for repayment of capital are charged proportionally to all shares taken by the same person." Therefore, the amount paid of 100 million euros for the recent share capital increase is charged proportionally to the 140,000 shares issued.

On January 20, 2021, the Board of Directors approved the certification of the payment of one hundred million euros (€ 100,000,000).

### A.8. Internal Audit

The mission of the Internal Audit Unit (IAU) is the provision of independent, objective auditing and consulting services designed to add value to the Corporation and contribute to the upgrading and improvement of its business operations.

Its role is to assist the Board of Directors and the Management of the Corporation in achieving its objectives and the specific targets that have been defined. This is achieved through the implementation of a systematic and scientific method for assessing and improving the effectiveness of risk management procedures, internal control systems, IT systems and corporate governance in general.

The IAU operates based on HCAP's Internal Regulation and specifically the provisions of the Chapter "Performance Auditing Framework". The IAU is independent and reports to HCAP's Board of Directors, through the Audit Committee, by which it is supervised. Pursuant to Article 192 of Law 4389/2016, the Board of Directors appoints the Internal Audit Director.

The IAU confirms the correct application of the Board of Directors' directives and guidelines through regular and extraordinary audits of procedures, financial data, and information systems, and submits relevant reports to the Corporation's Management and Audit Committee. IAU staff are ensured complete freedom and unrestricted access to files, services, accounts, and records, physical assets and staff of the Corporation.

The IAU 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 IAU annual plan and budget for 2021 were approved by the Audit Committee on 16.12.2020 and the Board of Directors on 21.12.2020.

In the context of its consulting role, the IAU also supports HCAP's subsidiaries when adopting sound/best practices for the internal audit, in accordance with the provisions of the law and the current regulatory framework. In 2020 it focused on enhancing the internal audit units of the subsidiaries, through the development and circulation of audit procedures – in accordance with the International Standards for the Professional Practice of Internal Auditing – as well as the organization of a training program.

#### A.9. External Certified Auditor Accountant

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 provisions of Regulation No 537/2014/EU. Corporation auditors shall have the competencies provided for in the legislation applicable to Société Anonyme companies. In addition, the Audit Committee, supported by the internal auditors, is the main contributor in the selection process. Among other things, the Audit Committee, following the approval of the Board of Directors, assists the Supervisory Board in the preparation of a list of candidate external auditors, which is submitted to the General Meeting by the Supervisory Board for the final selection.

The duration of the financial year is twelve (12) months, starting on January 1st and ending on December 31st of the same year.

According to the decision of the sole shareholder following the Regular General Assembly, Grant Thornton was elected as the external auditor for the statutory audit of the Corporation's financial statements and consolidated financial statements for the fiscal year 01.01.2020 – 31.12.2020.

#### A.10. Cash Resources – Single Treasury Account

The cash resources of the Corporation are held in a treasury management account at the Bank of Greece, until the Single Treasury Account starts operating, which will then manage them. The Corporation has also signed a contract for the provision of investment services to 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 of Law 4512/2018 (GG A 5/17.01.2018). The balance of this account is insignificant, since the cash resources of the Corporation are held in a treasury management account at the Bank of Greece, that on 31.12.2020 summed up to € 56,094,551.

#### A.11. Rules of Procedure, Corporate Governance Framework, and Reporting Framework

The General Meeting 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 Meeting 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 they have been formed by decisions of the General Meeting, include the following chapters:

- a. Procurement Regulation
- b. HCAP Strategic Plan General Preparation Framework
- 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 Members of HCAP, with the incorporated section 'Remuneration & Compensation Policy of the BoDs of Direct Subsidiaries (with the exception of HFSF)'
- g. Coordination Mechanism
- h. Corporate Governance Code
- i. Monitoring and Reporting Framework
- j. Travel, Expenses, and Business Expenses Policy

- k. Financial Reporting Standards and framework for financial report preparation
- l. Evaluation and Removal Criteria concerning the members of the Board of Directors of HCAP
- m. Dividend Policy
- n. Investment Policy

The Corporation's Corporate Governance Code is based on the Hellenic Corporate Governance Code for Listed Companies, which is mainly based on the OECD Corporate Governance Guidelines, an international benchmark for corporate governance.

It should also be noted that regarding the reporting obligations, the Board of Directors of HCAP 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 context of financial reporting, the Corporation's Board of Directors also submits:

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

## A.12. Transactions and Activities of the Company and the Group for the accounting period 01.01.2020 – 31.12.2020, as well as subsequent events.

### A.12.1 Condensed Financial Information of the Company and the Group

#### A) General Summary of HCAP performance of the year 2020 (Group and Company)

The consolidated performance of HCAP during the year 2020 was affected by a number of factors, of which the four most important were as follows:

- **The acceleration of the improvement of the performance of most of the companies in HCAP's portfolio during the first quarter of the year 2020** (and especially until 22.3.2020 when the pandemic broke out). As mentioned in previous reports, the majority of the companies in HCAP's portfolio in the previous semesters have been steadily improving, semester by semester, their performance, based on an increase in revenue and / or the rationalization of their expenses.

The improvement trend of the previous semesters accelerated in the 4th quarter of 2019 and in the first quarter of 2020, and consequently the majority of the companies in HCAP's portfolio by mid-March 2020 showed a significant improvement in terms of revenue and profitability.

- **The outbreak of the pandemic**, which unpredictably and significantly affected all sectors of economic activity worldwide and in Greece. Consequently, it could not leave intact the activities of HCAP's subsidiaries and associates, affecting a significant part of their activities.

The impact of this phenomenon, although it more or less affected all the companies in HCAP's portfolio, was particularly significant in sectors related to:

- transportation (OASA revenues) or air travel (Athens International Airport revenues significantly reduced),
- income from real estate, especially in sectors affected by tourism (tourist real estate, Corinth canal crossings, etc.), but also from other leases (to a lesser extent in the first half and a greater impact in the second half of the year),
- in the field of exhibition organization (TIF activities have been suspended for almost nine months of 2020), but also in other sectors of the economy.

On the other hand, there were sectors and companies that were more resistant to the crisis, such as the companies EYDAP, EYATH, CMFO and CMT.

Although the impact of the pandemic halted the rapid upward trend of the first quarter,

- the previous performance improvement (up to March 2020) and
- the fact that HCAP did not receive dividends from profitable companies which were expected to be significantly affected in terms of revenue (eg AIA),

allowed most of the companies in HCAP's portfolio to have sufficient cash and / or retained earnings from previous periods to be able to meet this significant challenge, while at the same time being able to continue to provide their services and products to citizens at the highest possible level and without interruption.

During the outbreak of the pandemic, all the companies of the Group focused their attention on mitigating as much as possible its effects on their financial performance (in an effort to contain the decline in revenues and to rationalize expenses), but also to continue smoothly the provision of services and goods that was vital for many sectors (water supply, urban transport, postal and related services, central food markets).

By the end of the year, the big picture was that:

- (a) the decrease in the usual organic income of € 113.6 mln, to some extent was offset by the reduction of the usual organic expenses by € 58.6 mln (before EYDAP's provision for the cost of raw water for 2020 that was charged to the cost of sales, amounting to € 22.2 mln),
- (b) the companies withstood the pandemic shocks on an operational level and the provision of services / goods continued smoothly,

- (c) at Group level there were various additional effects on the results of the pandemic, such as:
- i. the increase in provisions for bad debts (in some subsidiaries there were delays in the payments by their customers),
  - ii. the absorption of losses of € 14.4 mln from associates against profits of € 41.3 mln in 2019 (negative variance compared to 2019 by € 55.7 million mainly due to the impact of the pandemic on the results of Athens International Airport),
  - iii. the recognition of losses of € 30.8 mln from the revaluation of investment properties against profits of € 73.8 mln from the revaluation of investment properties in the previous year (negative change compared to 2019 € 104.6 mln)

- **ELTA - Settlement of outstanding universal postal service obligation for the years 2013-2020.** Significant improvement in the profitability of the year 2020 resulted by the positive settlement within 2020 of the outstanding amount paid by the Greek State (€ 15 mln per year) for the Universal Postal Service offered by ELTA in the years 2013-2019 and the amount EETT defined from its cost controls as the value of the universal postal service provided by ELTA which was significantly higher.

From 2013, ELTA provides the universal postal service for which, based on agreements and legislative provisions, its requested cost will be reviewed and finalized following reviews by EETT. However, until year 2019 the Greek State paid only part of this cost, up to the amount of € 15 mln per year, while the mechanism of payment of the remaining costs was unclear / was not final. During 2020, the Greek State resolved this outstanding issue and up to 31.12.2020 proceeded to the payment of a significant part of the universal postal service obligation of the previous years. As a result of this event, along with the provisions of IFRS 15, the cumulative amount of the difference between the amount of the cost of universal postal service that ELTA was burdened with and the amount paid by the Greek State until 31.12.2019 was recognized as revenue in the consolidated financial statements for the year 2020.

In addition, ELTA, as a result of the recognition of the income in 2020 as a difference of universal postal service of previous years, utilised a significant amount of tax losses of previous years (for which a deferred tax asset had not been recognized in the past on the basis that their probability of utilization was low), consequently recognized in the fiscal year 2020 a significant benefit from the use of the carried-forward tax losses of the past.

- **EYDAP – Provision for the additional cost of unrefined water for years 2013-2020.** EYDAP is in the final stage of negotiations with the Greek State for the extension of the exclusive right of water supply in its area of jurisdiction and for the final settlement of the price of untreated water for the period 2013 to 2020. Taking into account the recent developments of the relevant negotiations, as well as the studies and opinions of its technical and legal advisors, EYDAP proceeded to the recognition of a provision for the additional cost of untreated water for the period 2013-2020, amounting to € 157.5 mln, which burdened in its entirety the results of the current year. Of the total provision, an amount of € 22.2 mln relating to the year 2020 is included in the cost of sales, while an amount of € 135.3 mln relating to the provision for the years 2013-2019 is reflected in a separate account in the income statement of the year.

**HCAP's performance at company level during the year 2020** was mainly affected by three categories of events:

- The increasing impact on revenues from the increased profitability of the previous year (2019) for some of the subsidiaries, combined with their high liquidity, which allowed them to distribute higher dividends to HCAP in 2020,
- The declining effect on revenue from the fact that some companies, although significantly profitable in 2019, chose not to distribute dividends in 2020 in order to maintain liquidity in view of the challenges and difficulties that were expected to arise in 2020 and 2021 ( eg Athens International Airport, ETAD etc),
- The fact that during 2020 HCAP undertook the cost of financing three important consulting studies / projects, which concerned a) the strategic and business planning of the transformation of ELTA and b) the strategy and the roadmap for their digital transformation and c) the advisory work for the support of the Greek State regarding the planning of the development transition plan for the lignite areas of the country ("Just Transition Development



Plan” (SDAM) for the design of the program for the productive de-carbonization and development of the region of Western Macedonia and the municipality of Megalopoli”).

A more detailed discussion of the individual captions is presented below.

## B) DISCUSSION- ANALYSIS ON THE CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR 2020

### CONDENSED CONSOLIDATED INCOME STATEMENT

(amounts in thousands €)

	2020	2019	Variance	
			€	%
Revenue	957,196	1,070,783	(113,587)	-11%
Revenue from Universal Postal Service 2013-2019	166,629	-	166,629	100%
Cost of sales	(946,422)	(980,915)	34,493	-4%
Subsidies attributable to cost of sales	183,899	111,451	72,448	65%
<b>Gross profit</b>	<b>361,302</b>	<b>201,319</b>	<b>159,983</b>	<b>79%</b>
Other operating income	101,700	177,226	(75,526)	-43%
Administrative expenses	(162,877)	(163,407)	530	0%
Selling expenses	(59,933)	(61,294)	1,361	-2%
Gain from revaluation of investment properties	(30,817)	73,834	(104,651)	*
Other operating expenses	(57,483)	(62,708)	5,225	-8%
Provision for additional cost of unrefined water 2013-2019	(135,300)	-	(135,300)	100%
<b>Result before tax, finance and investing activities</b>	<b>16,592</b>	<b>164,970</b>	<b>(148,378)</b>	<b>-90%</b>
Dividend income	2,664	2,468	196	8%
Share of profit / (loss) of associates	(14,021)	41,310	(55,331)	*
Valuation of financial assets at fair value through P&L	189	1,234	(1,045)	-85%
Finance income	24,417	27,101	(2,684)	-10%
Finance cost	(10,983)	(14,142)	3,159	-22%
<b>Profit before tax</b>	<b>18,858</b>	<b>222,941</b>	<b>(204,083)</b>	<b>-92%</b>
Income tax	37,912	(31,211)	69,123	*
<b>Profit after tax</b>	<b>56,770</b>	<b>191,730</b>	<b>(134,960)</b>	<b>-70%</b>

\* Change to profits from losses or to losses from profits.

#### (a) Discussion on consolidated results for the year 2020:

##### Revenue:

As mentioned above, the evolution of the consolidated revenue in the year 2020 (compared to 2019) is the result of three main factors:

- Increase in turnover during the first quarter of 2020 (and especially until 22.3.2020) in the majority of companies (eg OASA, ETAD, TIF, CMFO, GAIAOSE, Corinth Canal while in other companies remained at approximately the same high levels of the corresponding period of 2019).
- The reducing effect on turnover from the pandemic, during which others were significantly affected (eg OASA, HRADF, TIF, ELTA, AEDIK, ETAD) and others less (CMFO, CMT, GAIAOSE etc). From the combination of the increasing effect of the first quarter and the decreasing effect of the remaining nine months, the total ordinary organic revenue of the Group decreased by € 113.6 million or 11%
- The fact of recognition within the year 2020 part of the revenue from the universal postal service of ELTA for the period 2013-2018 concerning the difference between the amount of € 15 mln per year paid by the Greek State and the amount determined by the cost review of ELTA by EETT regarding the cost of providing this service which was significantly higher. The difference between the two had not been recognized in the past as the criteria for its recognition were not met and was recognized in the year 2020 where the pending issues regarding the payment of this cost were finalized.

Cost of sales, administrative expenses and selling expenses:

The reduction in cost of sales, administrative and selling expenses is due to a number of factors, however the main one was the intense effort to rationalize costs, where possible, resulting in a significant reduction in all categories of costs (except maintenance costs to ensure the smooth operation of companies). At the same time, the reduction of fuel and energy prices also contributed to the reduction of costs.

The reduction of normal organic costs by approximately € 58.6 mln (before the new additional costs of € 22.2 mln relating to EYDAP provision for additional costs of unrefined water for the year 2020) offset a significant part of the loss of standard organic revenues which amounted to approximately € 113.6 mln. More detailed information by expense category is given in note 27.

Subsidies attributed to the cost of sales:

These subsidies concern OASA and are mainly related to the part of the regular subsidy that concerns the subsidized part of the cost of its sales. The increase in the current year is related to the fact that OASA in 2020 received extraordinary subsidy to compensate part of the loss of revenue due to the pandemic (the amount of the subsidy allocated to this account amounted to approximately € 71 mln).

Other operating income:

Other operating income mainly concerns extraordinary subsidies received by the OASA from the Greek State, as well as reversals of unused provisions. The significant decrease in year 2020 compared to the previous one is due to two main reasons:

- The fact that a) OASA received an extraordinary subsidy for the last nine months of 2020 to cover revenue losses due to a pandemic (see explanation above) but also b) that due to a significant increase in ticket revenues during the 4th quarter 2019 and the 1st quarter 2020 OASA had high levels of cash and cash equivalents at the start of the pandemic, enabling it to have significantly lower need for extraordinary subsidies beyond to the regular subsidies.
- The fact that in the previous year there was a higher level of income from unused provisions.

Other operating expenses

Other operating expenses mainly concern provisions for bad debts, impairment of assets, as well as provisions for various risks. During 2020, the amount was increased mainly due to increased provisions for doubtful receivables, as in certain companies due to the pandemic there were significant delays in the collections from customers.

Provision for additional cost of unrefined water 2013-2020

EYDAP is in the final stage of negotiations with the Greek State for the extension of the exclusive right of water supply in its area of jurisdiction and for the final settlement of the price of untreated water for the period 2013 to 2020. Taking into account the recent developments of the relevant negotiations, as well as the studies and opinions of its technical and legal advisors, EYDAP proceeded to the recognition of a provision for the additional cost of untreated water for the period 2013-2020, amounting to € 157.5 mln, which burdened in its entirety the results of the current year. Of the total provision, an amount of € 22.2 mln relating to the year 2020 is included in the cost of sales, while an amount of € 135.3 mln relating to the provision for the years 2013-2019 is reflected in a separate account in the income statement of the year.

Dividend income

It mainly concerns the dividend HCAP receives that relates to the 1% held by the Greek State in the company OTE, for which the right to collect has been transferred to HCAP.

Share of profit/ (loss) of associates

The amount for the year 2020 mainly concerns the integration of the share of the results of the Athens International Airport (losses of approximately € 10.5 mln, compared to profits of approximately € 41.3 mln in 2019), which recorded losses due to the strong impact of the pandemic on activities from the 2nd quarter of 2020. The remaining amount relates to a loss / profit ratio of other associates.

Finance income

It mainly concerns interest and deposit income in the Bank of Greece (as well as in other banks) of the companies' cash. The decrease in finance income despite the increase in the amount of cash is mainly due to the significant fall in interest rates.

Income tax

Income tax is a gain despite pre-tax profits, mainly due to developments regarding the universal postal service of ELTA. A significant amount of deferred tax asset (mainly on deferred tax losses but also on part of temporary differences) in previous years had not been recognized as the recognition criteria of IFRS were not met (taxable profits were not expected so as carried forward tax losses to be utilized in subsequent years). As, after the developments regarding the universal postal service, the company was able to utilize almost all the tax losses, while in addition there are expected to be taxable profits in future years, so that they can be deducted / used for tax purposes and the temporary differences resulted in a significant benefit in the current year's profit. In addition, a significant part comes from the deferred tax asset / benefit that was accounted for in relation to EYDAP's provision for the cost of unrefined water for the period 2013-2020.

**(b) Discussion on Consolidated Statement of Financial Position as at 31.12.2020:****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

(amounts in thousands €)	31.12.2020	31.12.2019	Variance	
			€	%
PP&E, intangible assets, right-of-use assets and Investment properties	3,459,175	3,510,904	(51,729)	-1%
Investment in subsidiaries, associates and joint ventures	446,313	460,903	(14,590)	-3%
Financial assets	8,496	11,708	(3,212)	-27%
Other non-current assets	276,350	236,224	40,126	17%
Inventories	90,318	93,274	(2,956)	-3%
Trade receivables and contract assets	437,353	448,875	(11,522)	-3%
Cash and cash equivalents & Restricted cash	1,217,058	884,512	332,546	38%
Other receivables	136,440	139,310	(2,870)	-2%
<b>Total assets</b>	<b>6,071,503</b>	<b>5,785,710</b>	<b>285,793</b>	<b>5%</b>
Share capital	110,000	10,000	100,000	1000%
Reserves	3,249,160	3,147,903	101,257	3%
Retained earnings	(35,593)	1,725	(37,318)	*
Non-controlling interest	511,160	548,887	(37,727)	-7%
Provisions for employee benefits	478,319	457,607	20,712	5%
Trade payables and contract liabilities	270,751	233,948	36,803	16%
Loans	186,567	203,825	(17,258)	-8%
Provision of additional cost of unrefined water	157,500	-	157,500	100%
Leasing liabilities	34,417	44,036	(9,619)	-22%
Other provisions	165,313	190,483	(25,170)	-13%
Other non-current liabilities	487,476	513,429	(25,953)	-5%
Other current liabilities	456,433	433,863	22,570	5%
<b>Total equity and liabilities</b>	<b>6,071,503</b>	<b>5,785,710</b>	<b>285,793</b>	<b>5%</b>

Regarding the significant variations of the Statement of Financial Position captions between 31.12.2020 and 31.12.2019, the most important concern the following:

Property, plant and equipment: the decrease is mainly due to annual depreciation which was significantly higher than the new additions of fixed assets.

Investment properties: The increase is mainly due to the recognition of additional properties by the company ETAD, the value of which exceeded the decrease from the annual revaluation of investment properties as well as from the concessions that took place during 2020.

Right-of-use assets (assets), non-current and current lease liabilities (liabilities): They relate to the recognition of the value of long-term leases based on the new IFRS 16 accounting standard that is applicable from 2019. The decrease is mainly due to the maturity of the contracts.

Investments in associates: The variation derives from the incorporation of the annual change in equity of the associates (mainly concerns the integration of the Group's share in the 2020 losses of associates).

Deferred tax assets: The increase is mainly due to the recognition of deferred tax assets on EYDAP's provisions for the additional cost of unrefined water for the period 2013-2020, while at the same time an increasing effect came from ELTA for the reasons mentioned above in the explanation of the income tax benefit on the income statement.

Financial assets at amortized cost: The balance mainly concerns maturity bonds held by a subsidiary, part of which matured and upon collection were transferred to Cash and cash equivalents.

Cash and cash equivalents: The increase comes mainly from a) HCAP's share capital increase by € 100 mln that was utilized for the respective share capital increase of ELTA, b) the collection by ELTA of a significant amount for the provided universal postal service for the period 2013-2020 and c) the positive operating cash flows of the Group companies.

Provisions for employee benefits: Refers to the provision for staff retirement indemnities that arise from the valuation of the liability with actuarial methods. The increase is mainly due to the fall in the discount rate of the future liability.

Other provisions: The decrease is due to the fact that part of the provisions of the previous year was utilized (€ 4.4 mln), while for another part (€ 20.6 mln) following subsequent events and estimates it was estimated that the risk for which they were established is not present anymore (or will result in a lower amount) and the subsidiaries have reversed the provision through income from unused provisions.

Provision of additional cost of unrefined water: as mentioned before, the amount relates to the provision established by EYDAP for the additional cost of untreated water for the period 2013-2020, amounting to € 157.5 mln, of which an amount of € 22.2 mln relating to the year 2020 is included in the cost of sales, while an amount of € 135.3 mln relating to the provision for the years 2013-2019 is reflected in a separate account in the income statement of the year.

## C) DISCUSSION ANALYSIS ON THE CAPTIONS AND THE PERFORMANCE OF THE SEPARATE FINANCIAL STATEMENTS OF HCAP

The evolution of HCAP's basic financial figures during the last years, is presented in the summary table below and shows the rapid evolution of its performance:

### HCAP S.A. – BASIC FINANCIAL FIGURES (amounts in thousands €)

	2020	2019	2018	2017
Revenue	35,214	61,945	16,998	-
Profit/ (loss) after tax	30,207	57,179	13,060	(3,143)
Total assets	160,604	74,715	20,910	7,720
Total equity	157,835	69,733	19,710	6,652

The turnover of HCAP SA (total dividend income) for the period 01.01- 31.12.2020 and 01.01- 31.12.2019 is analyzed as follows:

(amounts in thousands €)	2020	2019	Variance	
EYDAP	20,235	14,378	5,857	41%
EYATH	4,864	2,287	2,577	113%
GAIAOSE	4,500	4,377	123	3%
OTE	2,664	2,468	196	8%
CMFO	1,700	689	1,011	147%
Other	1,251	308	943	306%
<b>Subtotal</b>	<b>35,214</b>	<b>24,507</b>	<b>10,707</b>	<b>44%</b>
ETAD	-	21,188	(21,188)	-100%
AIA	-	16,250	(16,250)	-100%
<b>Total</b>	<b>35,214</b>	<b>61,945</b>	<b>(26,731)</b>	<b>-43%</b>

The Company, aiming at the continuous improvement of the performance of the companies in its portfolio and as a consequence of the active monitoring of their performance, during the period achieved a significant increase in dividend income from almost all companies (increase of about 56%), except by the companies Athens International Airport, the results of which were significantly affected during the pandemic period and it was decided not to distribute a dividend in order to have sufficient liquidity to deal with this critical period and ETAD which in 2019 had distributed an extraordinary dividend of € 21.2 mln which was not repeated.

Regarding the Company's operating expenses between the years 2020 and 2019, these are not comparable, as in 2020 HCAP's results were burdened with the financing of three important consulting studies / projects, which concerned a) the strategic and business planning of the transformation of ELTA and b) the strategy and the roadmap for their digital transformation and c) the advisory project for the support of the Greek State regarding the planning of the development plan for the lignite areas of the country ("Just Transition Development Plan" (SDAM) ) for the design of the program for the productive de-carbonization and development of the region of Western Macedonia and the municipality of Megalopoli).

The increase in expenditure on studies and similar consulting projects was largely offset by an increase in financial revenue of approximately € 0.5 mln, mainly due to the significant increase in its cash.

The Company's cash and cash equivalents decreased on 31.12.2020 to € 56.1 mln (2019: € 72.6 mln) from the combination of the facts that a) within 2020 HCAP paid to the Greek State € 44.6 mln for dividends and b) the total dividend income was decreased for the reasons mentioned above.

Investments in subsidiaries increased by € 100 mln due to the increase of share capital in the subsidiary ELTA SA. which took place in December 2020.

The increase in HCAP's receivables mainly concerns an amount of € 2.5 mln of dividend receivable from GAIAOSE, following the general assembly meeting that took place in the last quarter of 2020.

The paid share capital of HCAP has increased by € 100 mln, which concerns the increase of its share capital by payment of the said amount (and which was used in the aforementioned share capital increase of ELTA SA).

Based on the net profits of HCAP SA for the fiscal year 2020, of the provisions of its founding law 4389/2016 and its investment policy, the distribution of profits proposed for approval at the Ordinary General Meeting is to distribute a dividend to the Greek State of € 22,230,477.02 (€ 14,342,243.24 based on Law 4389/2016 art. 199 par.1 (a) and € 7,888,233.78 based on Law 4389/2016 art. 199 par. 1 (b.aa)), to transfer the amount of € 6,454,009.46 in the " Reserves from retained earnings held for investments by HCAP" and the amount of € 1,509,709.81 to be used for the formation of the statutory reserve.

Hellenic Saltworks: The Messolonghi salt flats



## A.12.2 Important activities of the Corporation for the year ended on 31.12.2020 and subsequent events

Below are the most important activities of the Corporation for the fiscal year from **01.01.2020 until 30.12.2020**, as well as subsequent events and, in particular:

- **21 January 2020** - The Board of Directors of HCAP approved the Corporation's budget for 2020, which was updated following the approval of the Board of Directors on 23 July 2020.
- **23 January 2020** - HCAP and the Federation of Industries of Greece (SBE) organized a day meeting on "Factors affecting Corporate Culture and Governance".
- **28 February 2020** - Reconstitution of the HCAP Board of Directors into a body, following the election of a new non-executive member of the Board of Directors by the Supervisory Board in accordance with the provisions of Article 192 of Law 4389/2016, as well as Reconstitution of the Investment Committee.
- **5 March 2020** - The Board of Directors of HCAP, sole shareholder of OASA, according to the procedure set out by Article 197(4) of Law 4389/2016, unanimously decided to appoint a new Chairman – non-executive member to the Board of Directors of OASA, in force as of 05.03.2020.
- **6 March 2020** - Selection of Internal Audit Director by the Board of Directors of HCAP in accordance with Article 197(2)(b) of Law 4389/2016 and HCAP's Internal Rules regarding the Performance Auditing Framework (para. 5.2.1).
- **9 - 20 March 2020** - Appointment of a new Board of Directors in OSY. The Board of Directors of HCAP, in line with its remit as sole shareholder of OASA, approved the recommendation made by OASA, with the supervision of the HCAP Candidates Committee, regarding the appointment of three new members of the Board of Directors of OSY and STASY, including the Chairman of the Audit Committee.
- **12 March 2020** - Approval, by the Government Committee, of the Missions of State-Owned Enterprises in the context of the Coordination Mechanism, following the submission of the respective proposals by HCAP.
- **19 March 2020** - Approval of the Q4 2019 Report for the period from 01.10.2019 - 31.12.2019 on the activities and financial statements of the Corporation, in accordance with Article 195 of Law 4389/2016. The Report was submitted to the Supervisory Board for approval and was subsequently posted on the Corporation's website.
- **19 March 2020** – Approval of the Q4 2019 Corporate Governance Report for the period from 01.10.2019 to 31.12.2019 on compliance with the corporate governance rules laid down by law and the Corporation's Rules of Procedure, in accordance with Article 192 of Law 4389/2016. The report was then submitted to the Supervisory Board.
- **19 March 2020** - Approval of the Mid-Term Budget in the context of reporting to the Greek State.
- **19 March 2020** – Decision by the HCAP Board of Directors for the convening of an Extraordinary General Meeting of the Société Anonyme "HRADF S.A." for the extension of the term of HRADF until 01.07.2022 and the corresponding amendment of the Statute of HRADF.
- **19 March 2020** - Authorization by the HCAP Board of Directors regarding the representation of HCAP and the exercising of the right to vote in the Ordinary General Meeting of the Société Anonyme "AEDIK S.A." for fiscal year 2018.
- **19 March 2020** - Authorization by the HCAP Board of Directors regarding the representation of HCAP and the exercising of the right to vote in the Ordinary General Meeting of the Société Anonyme "GAIAOSE S.A." for fiscal year 2018.
- **10 April 2020** - HCAP as the sole shareholder of HRADF convened an Extraordinary General Meeting of HRADF to extend the term of office of HRADF until 01.07.2022.
- **27 April 2020** - The Board of Directors of HCAP, in line with its remit and according to the procedure set out by Article 197(4) of Law 4389/2016, decided in favour of the appointment of a non-executive member of the Board of Directors of CMT and Chairman of the Audit Committee, as well as one more non-executive member proposed by the Minister of Finance.



- **28 April 2020** - Appointment of new members of the Board of Directors of TIF. The Board of Directors of HCAP, in line with its remit and according to the procedure set out by Article 197(4) of Law 4389/2016, decided in favour of the appointment of a non-executive member of the Board of Directors of TIF, as well as one more non-executive member proposed by the Minister of Finance.
- **30 April 2020** - Appointment of new members of the Board of Directors of EYATH, including the CEO. The Board of Directors of HCAP, majority shareholder of EYATH, in line with its remit and according to the procedure set out by Article 197(4) of Law 4389/2016, decided in favour of the appointment of five new members in the Board of Directors of EYATH.
- **8 May 2020** - Appointment of a new member of the Board of Directors of ELTA. The Board of Directors of HCAP, in line with its remit and according to the procedure set out by Article 197(4) of Law 4389/2016, decided in favour of the appointment of a non-executive member of the Board of Directors of ELTA and Chairman of the Audit Committee.
- **25 May 2020** - In the framework of CSR actions, a decision is made to finance the work of the consultant for the provision of consulting services to the SDAM Coordinating Committee on the Fair Development Transition Plan to de-lignification.
- **27 May 2020** – Appointment of a new Chairman of the Board of Directors of ETAD. The Board of Directors of HCAP, sole shareholder of ETAD, according to the procedure set out by Article 197(4) of Law 4389/2016 and following the resignation of the Chairman of the Board of Directors of ETAD, unanimously decided to appoint a new Chairman, non-executive member of the ETAD Board of Directors.
- **June 2020 Ordinary General Meetings of Subsidiaries** (as defined by law 4389/2016) - Within June 2020 and as a shareholder, HCAP participated in the Ordinary General Meetings of the subsidiaries PPC, EYDAP, EYATH, AIA, exercising the right to vote on the items on the agenda of the Ordinary General Meeting.
- **June 2020** - Update of affiliate KPIs taking into account the impact of the Covid-19 pandemic.
- **24 June 2020** – Approval of the Q1 2020 Corporate Governance Report for the period from 01.01.2020 to 31.03.2020 on compliance with the corporate governance rules laid down by law and the Corporation's Rules of Procedure, in accordance with Article 192 of Law 4389/2016. The report was then submitted to the Supervisory Board.
- **24 June 2020** – Approval of the Q1 2020 Report for the period from 01.01.2020 to 31.03.2020 on the activities and financial statements of the Corporation, in accordance with Article 195 of Law 4389/2016. The Report was submitted to the Supervisory Board for approval and was subsequently posted on the Corporation's website.
- **24 June 2020** - Approval by the Board of Directors of the proposal made by the Internal Audit Committee regarding the election of certified auditors for the Corporation for the period 01.01.2020 - 31.12.2020.
- **24 June 2020** - CSR Policy Approval.
- **July 2020 Ordinary General Meetings of Subsidiaries** (as defined by l. 4389/2016) - Within July - September 2020 and as a shareholder, HCAP participated in the Ordinary General Meetings of subsidiaries CMFO, ETVA VIPE, TIF, ELTA, HRADF, ETAD, exercising the right to vote on the issues contained in the agenda of the Ordinary General Meeting.
- **8 July 2020** - The Board of Directors of HCAP, within the framework of its responsibilities, in accordance with the procedure defined by article 197 par. 4 of l. 4389/2016, decided to appoint a new non-executive member of the Board of Directors of CMFO.
- **9 July 2020** - Reconstitution of the Audit Committee of HCAP, following the resignation of one member.
- **23 July 2020** - Approval of the Revised Budget of the Company for 2020 and approval of the Budget for 2021 for the Company and for the purposes of reporting to the Greek State.



- **27 July 2020** - The Board of Directors of HCAP, within the framework of its responsibilities, in accordance with the procedure set forth in article 197 par. 4 of I. 4389/2016, decided to appoint a new CEO and a new non-executive member of the Board of Directors of AEDIK - Chairman of the Audit Committee.
- **26 August 2020** - Approval of the Annual Consolidated and Corporate Financial Statements for the corporate year (01.01.2019- 31.12.2019) in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, as well as the management report of the Board of Directors to be submitted together with the report of certified auditors to the Regular General Meeting of the sole shareholder of the Company.
- **26 August 2020** - Approval of an updated Business Plan
- **1 September 2020** - Selection of the Director of Internal Audit in accordance with article 197 par.2b of I. 4389/2016.
- **23 September 2020** - Approval of the quarterly report (for the period 01.04.2020- 30.06.2020) for the observance of the rules of corporate governance of I. 4389/2016 and of the Rules of Procedure of the Company, according to article 192 par. 2 of I. 4389/2016.
- **23 September 2020** - Approval of the quarterly report on activities and financial statements of the Company, in accordance with article 195 par. 2 of I. 4389/2016 for the period 01.04.2020-30.06.2020.
- **23 September 2020** - Approval of the Semi-Annual Consolidated and Corporate Financial Statements for the period (01.01.2019- 30.06.2019) in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, as well as the management report of the Board of Directors together with the review report of the statutory auditors.
- **23 September 2020** - Adoption of Due Diligence Policy in the context of Regulatory Compliance policies.
- **28 September 2020** - Convening of Ordinary General Meeting for the year 2019.
- **5 October 2020** - The Board of Directors approved the participation of HCAP in action for the "European Digital Innovation Nodes", as well as its participation as a partner in a (under establishment) consortium for the creation of a Digital Innovation Node in the Region of Attica. The consortium submitted a proposal in October for financing the actions of the Node, which ranked 1st in the evaluation at national level, and will then be evaluated at European level.
- **19 October 2020** - Granting of authorization for the payment of dividend to the Greek State in accordance with the provisions of article 199 of law 4389/2016.
- **22 October, 2020** - Authorization for the representation of the Company and the exercise of the right to vote at the Annual Ordinary General Meeting of the OASA for the year 2019 regarding the issues of the agenda.
- **22 October 2020** - Authorization for the convening of the 'Extraordinary General Meeting of the subsidiary GAIAOSE for the decision to distribute a dividend from the profits for the year 2019.
- **22 October 2020** - Approval of the Articles of Association of the new subsidiary company "Holdings 5G SA".
- **23 October 2020** - Decision after the recommendation of the Candidates' Committee for the election of new Members of the Board of Directors of the subsidiary company under the name "Hellenic Saltworks SA".
- **23 November 2020** - Approval of Commitment Statements under the Coordination Mechanism based on the approved targeting of the subsidiaries included in the Business Plan of HCAP.
- **23 November 2020** - Approval of the revised Audit Plan for 2020.
- **26 November 2020** - Approval of the Transformation Plan of ELTA which was submitted and presented to the Board of Directors of HCAP by the management of ELTA after having been previously approved by the Board of Directors of ELTA.
- **17 December 2020** - Approval of the quarterly report on the activities and financial statements of the Company, in accordance with article 195 par. 2 of I. 4389/2016 for the period 01.07.2020-30.09.2020.

- **17 December 2020** - Approval by the Board of Directors of HCAP, following the recommendation of the Candidates' Committee of the selection of the new CEO for Hellenic Saltworks SA.
- **17 December 2020** - Approval by the Board of Directors of HCAP, following the recommendation of the Candidates' Committee of the Remuneration Policy of the Members of the Board of Directors of 5G Holdings.
- **18 December 2020** - Extraordinary General Meeting of the sole shareholder of the Company, based on which it was decided to increase the share capital of the Company by € 100,000,000 by issuing 100,000 shares with a nominal value of 1,000 euros / share in order for the Company to participate in the shareholder increase of the subsidiary ELTA SA and respectively amendment of the Company's Articles of Association regarding share capital.
- **21 December 2020** - Approval of the quarterly report (for the period 01.07.2020 - 30.09.2020) for the observance of the rules of corporate governance of I. 4389/2016 and the Rules of Procedure of the Company, according to article 192 par. 2 of I. 4389/2016.
- **21 December 2020** - Approval of the Annual Audit Plan for 2021.
- **23 December 2020** - Approval of the recommendation of the Candidates' Committee regarding the Members of the Board of Directors of the company "Holdings 5G SA" and authorization for the completion of the formalities of establishment of the new subsidiary company "Holdings 5G SA".

#### Subsequent events:

- **20 January 2021** - Approval by the Board of Directors of the Semi-Annual Consolidated and Corporate Financial Statements for the period (01.01.2020- 30.06.2020) in accordance with the International Financial Reporting Standards (IFRS) and the management report of the Board of Directors.
- **10 February 2021**- Approval of the quarterly report on the activities and financial statements of the Company, according to article 195 par. 2 of I. 4389/2016 for the period 01.10.2020-31.12.2020.
- **10 February 2021** -Approval of the quarterly report (for the period 01.10.2020 - 31.12.2020) for the observance of the rules of corporate governance of I. 4389/2016 and the Rules of Procedure of the Company, according to article 192 par. 2 of I. 4389/2016.
- **16 February 2021** - Constitution of the Board of Directors in a body following the election of a new Board of Directors by the Supervisory Board in accordance with the provisions of article 192 of I. 4389/2016 and articles 9 par. 2 and 10 par. 1 of the Company's Articles of Association and pursuant to the decision of the Supervisory Board of 16.02.2021. Decision making regarding the Company's representation powers.
- **16 February 2021** - Election of Audit, Corporate Governance, Investment & Risk Management Committees, Candidates' Committee of the Board of Directors.
- **2 March 2021** - Approval of a loan application of the direct subsidiary "Holdings 5G SA" to cover operating expenses of the first half of the operation of "5G A.E. Holdings" following a proposal of the Investment and Risk Management Committee of the Company, pursuant to article 93 par. 6 of Law 4747/2020.
- **18 March 2021** - Approval of the Company Budget for 2021 and the Budget for the period 2022-2025 within the Medium Term Fiscal Strategy Program for reporting purposes to the Greek State.
- **20 April 2021**- Authorization for the representation of the Company and the exercise of the voting right in the Annual Ordinary General Meeting of the societe anonyme "Athens International Airport SA" regarding the Issues of the agenda.
- **20 April 2021**- Approval of the Invitation for expression of interest & submission of tenders for the provision of consulting services to the Government Committee and the Coordinating Committee responsible for the Fair Development Transition Plan to de-lignification.
- **7 May 2021**- 'Approval of the Invitation for expression of interest & submission of offers for the assignment of consulting services regarding the utilization of the airport of Kalamata.

- **26 May 2021** - Authorization for the representation of the Company and the exercise of the voting right in the Extraordinary General Meeting of the société anonyme "ETVA VIPE SA" on May 26, 2021, regarding the approval of transactions and actions for the project of "Development of the Commercial Centre of Thriasio Pedio" and the related corporate relationships.
- **4 June 2021** - Authorization for the representation of the Company and the exercise of the voting right in the 'Extraordinary General Meeting of the société anonyme HRADF regarding the amendment of the Articles of Association of HRADF.

### A.12.3 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 2020. Specifically, these concern company governance, compliance, evaluation of the Board of Directors and appointment of new members, better operation of Board meetings and upgrading the role of Audit Committees, monitoring of business targets and key performance indicators (KPIs) for subsidiaries for the period 2019 – 2021, designing and gradually implementing a Coordination Mechanism, initiatives and actions regarding digital transformation, training of executives, utilization of possible synergies, as well as actions to identify and assess alternative funding sources for investment in subsidiaries.

#### A.12.3.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 subjects:

##### Systematic Evaluation of the Corporate Governance Framework

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

##### Further Support

HCAP is developing a single manual that includes suggestions for improving policies and procedures, as well as guidelines to create and apply an effective and functional system of Corporate Governance in State-Owned Enterprises. Furthermore, HCAP is supporting ongoing updating of the Board of Directors' rules of procedure in subsidiary companies, in order to make their operations more effective.

#### A.12.3.ii Compliance

The Compliance Officer 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 portfolio companies') operation, in line with international best practices.

HCAP's Compliance function has introduced a number of policies and procedures which are also adopted by its portfolio companies, in order to establish a new uniform corporate culture with an emphasis on business ethics and high compliance standards.

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

- ✓ Code of Ethics and Professional Conduct
- ✓ Compliance System Framework
- ✓ Gifts and Hospitality Policy
- ✓ Anti-bribery and Corruption Policy
- ✓ Guidance and Undertaking on the Protection of Confidential and Privileged Information
- ✓ Equal Opportunities and Diversity Policy
- ✓ Policy on Protection of Personal Data (GDPR)
- ✓ Third Party Risk Assessment Policy
- ✓ Corporate Social Responsibility Policy

HCAP's Compliance function has also developed mechanisms and procedures to enhance the prevention of conflict of interest issues. In particular, a conflict check screening process has been established and is followed regarding all members of HCAP's SB and BoD to ensure that their personal interests or relationships do not constitute a potential conflict of interest. A similar process is followed with respect to BoD members of HCAP and its portfolio companies 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.

The implementation of compliance policies and procedures by HCAP's portfolio companies is systematically monitored through specific key performance indicators (KPIs) set for 2020. Compliance officers have also been appointed in most portfolio companies in order to manage and implement the relevant compliance rules and procedures in each organization.

In addition, HCAP's Compliance function has designed a comprehensive compliance training program for HCAP and its portfolio companies. It has organized a number of interactive tailored workshops/seminars in order to promote compliance/business ethics and raise awareness on relevant issues. In particular, a significant number of compliance/business ethics virtual workshops have been delivered in 2020 addressed to the management and senior executives of HCAP and its portfolio companies.

The compliance function has also developed an innovative e-learning programme for employees of HCAP and its portfolio companies, running on a bespoke HCAP online training platform. The Compliance function has so far developed, training courses on "Business Continuity Management", "Working from Home" and "Compliance and Business Ethics". Furthermore, informative material has been created in order to raise awareness on compliance and business ethics issues such as videos, manuals and in particular, posters promoting HCAP's values and principles (Transparency, Integrity, Trustworthiness and Responsibility) as well as equal opportunities and diversity.

#### Other initiatives and actions

HCAP also supports actions that aim to highlight the importance of compliance and business ethics for Greek companies and:

- ✓ is represented on the Board of Directors of the Hellenic Corporate Governance Council (HCGC) and on the 15-member Experts' Council of HCGC;
- ✓ is a member of the Business Integrity Forum established by the Transparency International – Greece, which promotes corporate responsibility, transparency and accountability;
- ✓ participates in the 'Brain Regain' initiative and its mentorship program; and
- ✓ has formed working groups focusing on issues such as Equality and Diversity and Corporate Social Responsibility.

### **A12.3.iii Board of Directors' assessments and upgrading of the role of the Audit Committees of the direct and other HCAP subsidiaries**

#### **Boards of Directors of subsidiaries**

Following the review of a large number of CVs and after the pre-selection and further assessment of a number of professionals, HCAP's Board of Directors, following relevant proposals of the Candidates Committee, has appointed, as of the end of December 2020, more than 100 members in 17 Boards of Directors of subsidiaries in its portfolio, 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.

Moreover, these are professional executives who have together amassed skills and experience from various sectors (e.g. Credit institutions, consultancy services, engineering, construction, IT technologies, property management, tourism, etc.) and will ensure optimal governance and extroversion. A number of the new members of the Boards of the subsidiaries come from the Greek academic community, who have in the past stood out for their specialized knowledge.

In general, with regard to the academic background of the executives, 90% of the new members appointed to the Boards of Directors possess a post-graduate degree or a PhD in Economics, Finance, Business Management, etc. from Greek universities and/or foreign universities.

#### **Upgrading of the role of the Audit Committees of subsidiaries**

The Hellenic Corporation of Assets and Participations has set into motion actions to upgrade the role of Audit Committees by selecting Chairpersons with suitable knowledge and experience which will ensure independence and better auditing procedures in each corporation, through cooperation with the Internal Auditor and the ensuring of better external audits by chartered auditors to be selected using similar criteria. For the recruiting, evaluation and selection of Chairpersons for the Audit Committees on the Boards of State-Owned Enterprises which are the majority shareholder, HCAP proceeded to a Call of expression of interest, while arranging a large number of interviews with potential candidates.

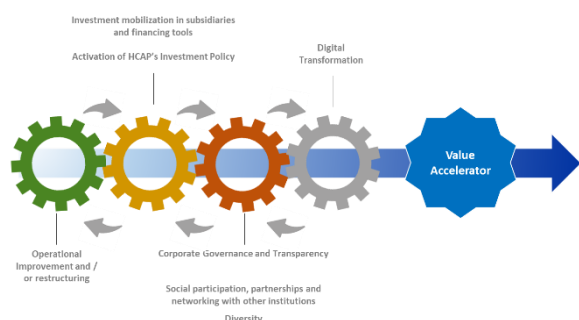
Further to the above, as of the end of December 2020, nineteen (19) Chairpersons of Audit Committees have been appointed to the Boards of Directors of HRADF, ETAD, PPC, EYDAP, EYATH, ELTA, OASA, OSY, STASY, GAIAOSE, AEDIK, CMT, CMFO and Hellenic Saltworks.

Moreover, on 26.11.2019 and in the context of enhancing its cooperation with the Audit Committees of its subsidiaries, the HCAP Audit Committee, supported by HCAP Management, held a relevant day meeting for members of Audit Committees and Boards of Directors of its subsidiaries.

### A.12.3.iv Implementation of business objectives and Key Performance Indicators (KPIs)

HCAP role, as an organization that integrally manages an important part of the assets of the Greek State, accelerates the value creation in SOEs (Value Accelerator) and is developed through specific objectives such as operational improvement, digital transformation of the enterprises, investment mobilization, as well as good corporate governance practices.

The main issue at stake for HCAP is for it to become a developmental tool for value creation.



**Financial value:** improvement of the financial results of state-owned enterprises through improved performance and cost rationalisation. This results in higher HCAP dividends to the State and creates a larger fiscal space, providing flexibility to the government for its economic policy.

**Public value:** improvement of key figures of the economy with the creation of cash flows to the Public Investments Plan, mobilisation of investment capital also through HCAP's Investment Policy, as

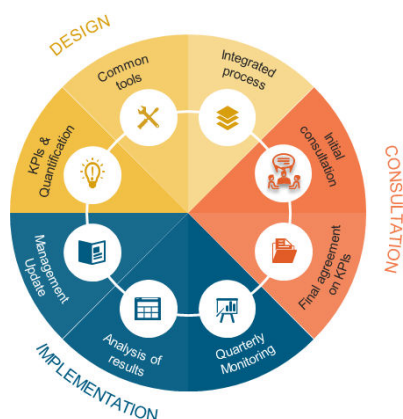
well as initiatives with a positive social and environmental footprint.

**Investments:** acceleration of investments for upgrading the provided services and infrastructures through the search for appropriate funding tools, the absorption of available funds (e.g. NSRF) and the activation of HCAP's investment policy. Digital investments will have a key role, utilising modern tools and technologies for smart infrastructure, as well as innovation provided by the exploitation of big data.

### HCAP Strategic & Business Planning

HCAP promotes the implementation of best practices for the performance monitoring of its subsidiaries by adopting standards from the private sector

HCAP Strategic Plan was approved by its General Assembly in January 2018 and is a key tool for achieving its mandate which is to ensure and maximize the public value, while giving special attention to the principles of good Corporate Governance.



The Strategic Plan is the guide for the preparation and annual update of HCAP Business Plan (rolling), covering a three-year horizon.

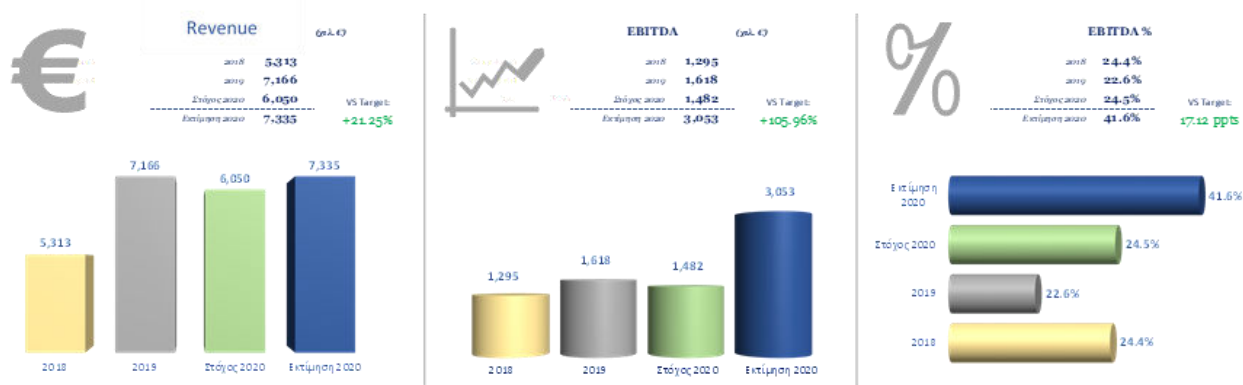
HCAP Business Plan is developed both at the HCAP and its subsidiaries level, with actions and priorities that are set in the short and medium term; the SOEs' performance targets are specified in terms of Key Performance Indicators (KPIs), enhancing the creation of a performance management culture.

The target setting mechanism applies to the direct subsidiaries, as well as to the SOEs (other subsidiaries) which are not listed and in which HCAP is the sole or the majority shareholder. It includes financial and operational targets (eg service quality upgrade, digital modernization, investments) as well as ESG (Environment, Society, Governance)

The implementation of the target-setting model was also continued in 2020, despite the outbreak of the pandemic. Due to the apparent effects of the pandemic, it was deemed necessary to revise HCAP Business Plan, in order to reflect the new reality. Thus, within the third quarter of the year (August 2020) the revised Business Plan was approved by the Board of Directors of HCAP, which also includes the targets and the agreed KPIs with the subsidiaries.

Since the outbreak of the pandemic, key priority for the SOEs was to ensure business continuity so that they could continue to offer their services to the society and Greek citizens, while at the same time protecting the health and safety of their employees.

During 2020 and in the first quarter of 2021, and based on the established performance monitoring process (KPI progress report), meetings were held with the subsidiaries in relation to their estimates (forecasts) and actual performance for 2020 and the relevant dashboards were completed



It is worth mentioning that the targets were designed and agreed before the announcement of the 2nd lockdown and, therefore, deviations from the set targets were expected to occur, since it was extremely difficult to assess the financial and operational impact at that point in time.

On February 2021, HCAP received the New Strategic Guidelines from its Sole Shareholder, the Minister of Finance. The new strategic guidelines have been examined thoroughly and will constitute the main pillar for the preparation of the medium-term Strategic Plan of HCAP 2022-2024, which will be ratified by the General Assembly according to the prescribed procedure.

HCAP Strategic Plan will, in turn, direct the strategy and business planning of the direct and other subsidiaries. The social and economic magnitude of the companies included in the HCAP portfolio, as well as the nature of their activities, make the new Strategic Plan of HCAP a key opportunity to lay the new foundations, which in the medium to long term horizon are expected to help HCAP improve its financial performance while ensuring a positive - social and environmental - sign.

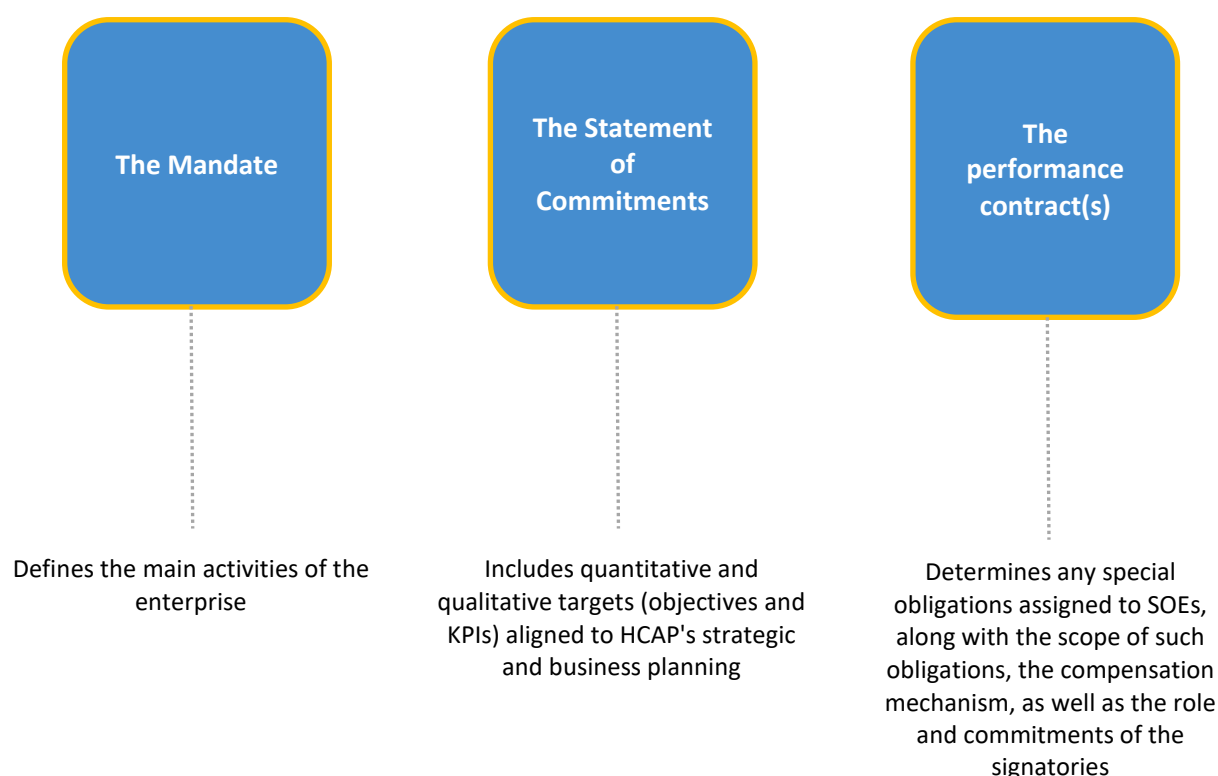
#### A.12.3.v Coordination Mechanism

The Coordination Mechanism sets out the procedures and deliverables regarding the model of cooperation among the State, HCAP and State-Owned Enterprises (SOEs), within the framework set out in the Rules of Procedure of HCAP. Excluded from the Coordination Mechanism scope are HCAP's direct subsidiaries, minority interests and listed companies.

The Greek Government is a key stakeholder and is represented by the Cabinet Committee by the Ministerial Council Act 38/31.10.2019. A Committee's Support Team was also established by the same act.

The Coordination Mechanism includes three main deliverables:





The implementation of the Coordination Mechanism in terms of Mandates and Statements of Commitments is currently at a mature stage.

HCAP prepared, during the first quarter of 2020, 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.

At a meeting of the Cabinet Committee in March 2020, the Mandates of the public enterprises CMFO, CMT, 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 on the website of HCAP (<http://www.hcap.gr/wp-content/uploads/2020/04/SOEs-Mandates.pdf>), as well as on the websites of the respective SOEs, while no update is expected without a substantial reason

The **Statements of Commitments** have been designed in such a way that it is a continuous process, repeated on an annual basis, in full alignment with the Strategic Plan and Business Plan of HCAP.

In this context and within the last quarter, HCAP prepared drafts of the 'Statement of Commitments', in accordance with the provisions of the Coordination Mechanism, for the following companies:

- Corinth Canal Co S.A. (AEDIK)
- GAIAOSE S.A.
- Hellenic Saltworks S.A.
- Central Market of Thessaloniki S.A. (CMT)
- Central Markets & Fisheries Organization S.A. (CMFO)
- Athens Public Transport Organization (OASA)



Excluded from 2020 implementation are two entities, namely: (i) Hellenic Post (ELTA Group) for which a major transformation plan is close to finalization; and (ii) TIF-HELEXPO S.A. since the company's operations are highly affected by the Covid-19 crisis.

The draft documents were submitted to the SOEs to gain consensus and, subsequently, HCAP BoD approved the documents on November 2020. It should be noted that the statements of commitments set-out financial, operational and other targets and KPIs for a 3-year horizon similar to business planning. As such, the targets were already agreed with the SOEs in the context of HCAP's Business Plan preparation (including revised planning that was concluded in the summer of 2020). Furthermore, due to the pandemic, the statements focus mainly on the targets for 2020.

As a final step, the statements were submitted to the Cabinet Committee accompanied by an explanation of how the Statements comply with HCAP's Strategic Plan.

In terms of **Performance Contracts**, they are only developed for certain SOEs. A key priority at this stage is to prepare the contract (or contracts) for OASA, in relation to special obligations assigned to OASA for the free or reduced fare transit of special passenger categories (e.g. free access to the unemployed) under the framework of the social policy pursued by the State.

Despite the significant effects of the pandemic for the Greek Government and HCAP, this deliverable made progress in the first months of 2021.

Thus, in cooperation with OASA, the recording of the existing special obligations was finalized and the draft describing the perimeter of these contracts was formed. Additionally, in cooperation with the support team of the Cabinet Committee, the key flow of actions was identified for the implementation of this deliverable, taking into account the various stakeholders.

In April 2021, by decision of the Minister of Finance (No. 48703 EX 2021 / B '1630 / 21.04.2021) the Steering Committee was established, according to the provisions of the Coordination Mechanism. The members of the Committee appointed are:

- Secretary General of Economic Policy of the Ministry of Finance (as President);
- Secretary General of Fiscal Policy of the Ministry of Finance;
- Secretary General of Transport of the Ministry of Infrastructure and Transport;
- CEO of OASA SA;
- CEO of HCAP SA;
- as well as officials from the Ministries, HCAP and OASA who will provide assistance to the Committee. In addition, a lawyer of HCAP Legal Department will undertake duties as secretary of the Committee.

The Steering Committee's tasks are:

- preparing a study on the list of special obligations which OASA will be called upon to undertake, as well as,
- providing support to the Cabinet Committee, in order for the latter to review and evaluate the list of activities for the assignment or maintenance of special obligations to OASA.

#### A.12.3.vi Technology, Digital Transformation & Synergies

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

1. Modernization of infrastructure and information systems, pursuing their integration and interoperation in order to improve the quality of services offered to citizens,
2. Automation of business processes, delivering digital solutions to business challenges and utilizing data, taking into account technological trends, in order to improve operational and resource utilization efficiency,

3. Promotion of innovation, continuously striving to develop value added services and improve the service experience for citizens,
4. Development of employees' digital skills and application of change management procedures.

Recognizing the speed of technology evolution, HCAP collaborates with SOEs' management – promoting synergies - to create and implement a holistic digital strategy based on current technology trends and future developments, ultimately aiming to provide better services to citizens.

Technologies of high priority for the companies in the portfolio are:

- Modern IT and communication infrastructures, utilizing the new capabilities of cloud computing/edge computing and the evolution of 5G technologies.
- Integrated enterprise resource planning (ERP) and Business Process Management (BPM) systems
- Modern customer relationship management (CRM) systems and applications, as well as Social Media Platforms
- Technologies for big and open data, data warehousing, data management, Business Intelligence (BI) and advanced reporting tools
- Electronic automation in production and supply chain processes
- Smart meters and sensors, preventive maintenance applications, inventory management systems for the monitoring of spare parts, consumables and fuel consumption.
- Cybersecurity and threat intelligence technologies and best practices
- Smart Services and applications for mobile devices (with an emphasis on Smart Society applications), installation or upgrading of telematics and fleet management systems, e-mobility technologies
- Distributed Ledger Technologies for smart/distributed transactions (blockchain)
- Human resource and efficiency management systems.
- Exploitation of Geographic Information Systems (GIS) and fixed asset monitoring applications for property registration.

The establishment of the HCAP Innovation Network for the wider public sector during 2019, as a result of an HCAP initiative and active support from the subsidiaries' BoD members, has led to the commencement of the collaboration and technology/experiences' exchange among HCAP companies during the COVID-19 outbreak. The goal of the Innovation Network activities has been to record the synergies between the HCAP companies in their respective sectors, the mapping of new technologies that can promote innovation and the exploration of international best practices, business models and innovation standards. The HCAP subsidiaries are invited to join their know-how and forces and examine innovative ideas that will redefine their traditional revenue streams, introduce new products and better services for their customers, as well as rationalize their operational expenditure.

The operations of HCAP's Innovation Network comprise a significant step towards the adoption of new technologies for public sector companies and are based on the following axes:

- A.** Investigation of emerging technology solutions of interest for the SOEs such as: smart metering, sensors and Internet of Things (IoT) for energy & water utilities and transportation companies, smart buildings and infrastructure, cybersecurity, preventive maintenance, blockchain, circular economy and environmental footprint improvement, e-mobility and smart transportation, machine learning and automation etc.
- B.** promotion of the extroversion of the SOEs and networking through cooperation with technology and innovation stakeholders, such as technology leaders, startups, incubators, technology funds, research institutions, etc.

The coordination and supervision of the HCAP's Innovation Network is undertaken by the Innovation Team comprised of Board Members and executives from the subsidiaries, with scientific and technological background and experience.

As part of the Innovation Network activities in the area of cybersecurity, a 'Plan for optimization of physical and digital security' was produced and communicated to the HCAP subsidiaries in May 2020. The plan documented the minimum actions that are required so that the HCAP companies can raise the level of infrastructure security regarding Information Technologies and Operational Technologies, both in terms of physical and digital security. Subsequently, a program for the upgrade of cybersecurity readiness of the subsidiaries has been planned by HCAP, including activities for cybersecurity maturity assessment based on relevant standards, delivery of a roadmap for upgrading the baseline cyber-security

maturity status as well as obtaining cybersecurity services on demand (opt-in), such as penetration testing services, security information and event management services as well as training and awareness raising activities for the companies' employees. The implementation of the program is planned for 2021.

On the thematic area of e-mobility, a workshop was organized on December 11, 2020, with participation of representatives from the Innovation Network member subsidiaries. Presentations described the strategy and activities of the respective subsidiaries for transition to e-mobility, according to each enterprise's business scope and the participants discussed in detail the potential for synergies on charging networks for electrical vehicles, the replacement of their fleets of vehicles by electrical ones, the co-creation of digital services for and about e-mobility and the contribution of e-mobility initiatives to the enterprises' ESG performance. Additionally, energy performance topics were also discussed, including energy efficiency and CO2 transmissions reductions throughout the enterprises' infrastructure and operations.

During the summer of 2020, HCAP's Innovation Network in collaboration with MIT Enterprise Forum Greece, organized a series of seven Webcasts on the exploitation of digital potential of businesses and how technological solutions can address tangible problems for public and private enterprises. The Webcasts under the title "Unlocking Digital Potential" took place from 19th June to 9th July 2020 and are available through the web address <https://hcap.labonline.gr/>. World-renowned members of the international scientific and technological community presented their proposals on a series of subject matters, such as Big Data, cybersecurity, smart mobility etc., while C-level members of HCAP's portfolio companies presented innovative activities and digital transformation projects under planning or in progress. In each Webcast, the presentations were followed by a discussion around the topic of each webcast, with participation from the audience. Throughout these webcasts:

- Several developing technologies, disruptive operational practices, innovative delivery models and added value services (such as blockchain, dynamic route adaptation in public transport, seamless combination of private and public services for the citizen and Visual Analytics services on water consumption) were recognized as 'game-changers' for public service companies.
- Awareness of the power of digitalization has significantly increased among HCAP companies' management and personnel who attended the Webcasts series, thus enabling the alignment of digital transformation mindsets and the identification of multiple opportunities.

In order to support the digital transformation and encourage innovation in the ecosystem of HCAP subsidiaries and related sectors of the economy, HCAP joined in September 2020 a promising consortium that will establish a Digital Innovation Hub of the Attica Region. The consortium comprises of NSRF "Demokritos", as a leading partner, and renowned organizations and institutions from the research & academic community (AUEB, NTUA, RC Athena, ICCS, EKT, GRNET), the private sector (Foundation, ACEin, Uni.Fund, NBG, the Hellenic Federation of Enterprises - SEV, the Hellenic Chamber of Hotels, Alexander S. Onassis Public Benefit Foundation), the technology transfer community (Archimedes) but also the local government authorities (the Athens' Development and Destination Management Agency and the Regional Development Fund of Attica). The consortium submitted in October a proposal for funding of the actions of the Hub entitled 'Smart-Attica Digital Innovation Hub (AtHeNAI)' in the call for expressions of interest for the selection of the "European Digital Innovation Hubs – EDIHs" of the European Program 2021–2027 » (Digital Europe Program). The proposal was ranked in the topmost position at national level, after evaluation, and will subsequently be evaluated at European level, in order to join the EU-approved European Digital Innovation Hubs network. This participation presents unique opportunities for the companies of HCAP. The Hub will implement the idea of a smart region in Attica by extending the Smart City concept and in this context, HCAP has undertaken the representation of its subsidiaries and their networking with the innovation ecosystem in a regional, national and European level, the facilitation of participation in test before invest activities as well as the implementation of training and digital upskilling actions.

In order to support and foster the direct collaboration of HCAP subsidiaries with the innovation ecosystem, research/academic institutions and the private sector, the development of a culture for producing and exploiting digital, open data within the public enterprises and the involvement of researchers, academics, data scientists and startups to utilize such data at scale, HCAP, in collaboration with MIT Enterprise Forum Greece, delivered to its subsidiaries in late 2020 an environment and framework for designing and hosting a series of innovation-driven competitions, entitled 'HCAP Incentivized Competition series' (see the relevant website: <https://hcap-challenge.mitefgreece.org/>). For these competitions, the subsidiaries can invite interested stakeholders to provide solutions to operational challenges by describing a challenge, delivering the relevant digital data and designing a process for review and testing of the provided

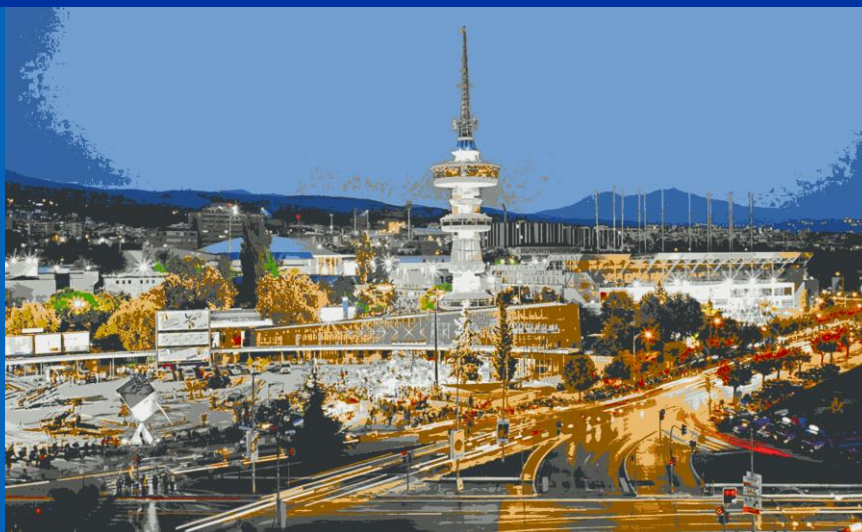
solutions, in order to ensure their fair evaluation. Examples of challenges that the interested participants are faced with include the identification of faults in utility networks, the design of preventive maintenance solutions, the accurate estimation of future consumption in utilities, the establishment of automated digital contracts etc. The solutions are expected to be based on data harvesting and processing, data analysis, machine learning techniques, utilization of databases, distributed data and distributed data processing etc.

- During November 2020, with active support from HCAP, EYDAP announced the first competition of the series entitled “Digital Innovation Challenges of EYDAP” (<https://hcap-challenge.mitefgreece.org/eydap-innochallenge/>) focusing on the challenges of the identification of faulty water meters and the optimal prediction of water consumption. The impressive number of applications (more than 160) was followed by a peer-reviewed process for the selection of eligible participants, supported by an international reviewers’ team and implemented through the collaboration of HCAP with EYDAP and MIT Enterprise Forum Greece. The selected teams (more than 70) received the required large data sets produced by the technical teams of EYDAP and have received under NDA mentoring support through workshops, before concluding with the solutions’ implementation and their submission scheduled for Q3 of 2021.
- In parallel, under the coordination of HCAP and in collaboration with MIT Enterprise Forum Greece, the preparation for the announcement of the second in the series of innovation competitions by EYATH was initiated in early 2021. The competition targets innovative solutions for the capturing and processing of pollutants from incoming wastewater as well as the recovery of “valuable materials”. The innovation competition will be held on the occasion of the expected revision of the European Waste Water Treatment Directive (UWWTD) which will lead to the introduction of stricter limits. EYATH will make available to the competition participants quantitative and qualitative data for the treatment stages of the Wastewater Treatment Plant (wastewater, drain, sludge) as well as all other necessary data, such as: power consumption, characteristics of electromechanical equipment, plant layout plans etc. for them to address challenges of the competition.

Under an initiative by HCAP and its Innovation Network, the activities to support the use, production and management of data as well as the use of open APIs across the HCAP portfolio companies have been intensified. Within 2021, the Open Data Hub of HCAP will be into operation and through it, selected datasets of the subsidiaries will be freely available for informative purposes and utilization by public bodies, the industry and innovation stakeholders. The initiative seeks to strengthen the role of the country's SOEs in the data economy. It is developed in the context of national policies, best practices but also the strengthening of innovation and digital entrepreneurship that utilizes open data and more generally ‘large’ data sets. It aims, among other things, at the formulation of a strategy and governance framework for open data in the companies of HCAP and in the operational maturity of the companies for the provision of open data and application programming interfaces (APIs) for accessing them.

A.12.4 Transactions and activities of the Company and the Group for the accounting period 01.01.2020 - 31.12.2020

Thessaloniki International Fair





## HELLENIC REPUBLIC ASSETS DEVELOPMENT FUND S.A. ("HRADF")

### Brief description of the Company

The Hellenic Republic Asset Development Fund S.A. ("HRADF" or "the Fund") was legally established in 2011 pursuant to Article 1 of Law 3986/2011 (Government Gazette 152 A/01.07.2011) and its effective term was set to be 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. until 1 July 2020. Moreover, by decision of the HCAP Board of Directors dated 19.03.2020, an extraordinary General Meeting of HRADF shareholders was held on 10.04.2020, which decided in favour of the extension of the term of HRADF until 01.07.2022 and the corresponding amendment of its Statute.

According to its founding law, the Company's purpose is to develop the assets and property of the Greek State and the assets of public entities and institutions or public companies whose share capital belongs entirely (whether directly or indirectly) to the State or to entities 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.

Further pursuant to Law 4804/2021 the purpose of the Fund was extended including the utilization of assets of Public Law Legal Entities (ΝΠΔΔ / NPDD) with the maturation of strategically important contracts that have been included in the "Strategic Contracts Development Program".

During the period 01.01.2020 to 31.12.2020, HRADF recorded a loss of € 5.41 mln. HRADF's total revenues from the development of assets for the same period are €46.3 mln. The amount of €46.3 mln relate to proceeds from privatizations, while revenue amounts to €1,589,311. 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.
- Re invoicing of the full amount of special expenses pertaining to the development of the assets.

### Asset Development Plan (ADP)

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

1. Corporate Portfolio
2. Infrastructure
3. Land Development

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 Board of Directors of HRADF and then ratified by a decision of the competent government body, while it is updated every six months. The ADP dated 30/09/2019 was approved by the Board of Directors of HRADF, and was further approved by the competent government body (KYSOIP) and was in force from 13/11/2019. On 7/5/2021, the Board of Directors of HRADF approved the update of the ADP, which was approved - subsequently - by the competent government body (KYSOIP) on 9/5/2021 and is in force since May 2021.

## 2020 Transactions Overview

During the period 1/1/2020 - 31/12/2020, due to the extraordinary circumstances imposed by COVID-19, the Fund's revenues amounted to EUR 1.59 million.

Regarding the revenues from the implementation of the Asset Development Plan, in the table below are presented the relevant revenues up to 31/12/2020.

Period / Financial Year	Annual Revenue (€ million)	Cumulative Revenue since 2011 (€ million)
2011	1,165.7	
2012	5.2	1,170.9
2013	1,040.4	2,211.3
2014	419.6	2,630.9
2015	289.2	2,920.1
2016	498.3	3,418.4
2017	1,378.7	4,797.1
2018	1,027.1	4,824.2
2019	1,208.9	7,033.1
2020	46.3	7,079.4

## Important events and transactions from 01/01/2020 to the date of the report

During the period under consideration the completed tender procedures, transactions and the important events were as follows:

- On 31/01/2020 the BoD of the Fund selected nine (9) investment consortia for participation in Phase B of the Tender for the sale of 30% of the share capital of the Athens International Airport
- Chios Marina Concession Award (Completion of transaction February 2020)
- On 13/05/2020 the concession contract for Marina Alimou was signed. The financial closing of the transaction took place in December 2020.
- Commencement of Tender Procedure for Itea Marina, Fokida. On 31/1/2020 an expression of interest file was submitted by an interested investor. The tender is in progress and after extensions requested by the investor, the submission of binding offers will take place on 14/07/2021
- Transaction Completion for Castello Bibelli, Corfu (January 2020)
- On 20/1/2020, the tender procedure for the utilization of the area of the former construction site of the Rio - Antirrio bridge took place. The tender was declared unsuccessful, due to the submission of a bid (financial offer) at lower levels than the valuation
- DEPA COMMERCIAL. Commencement on 23/1/2020 of DEPA COMMERCIAL tender process for the sale of 65% of the Company's shares. On 23/3/2020, nine (9) investment consortia submitted an expression of interest file, out of which



seven (7) were pre-selected and participate in the second phase of the Tender. The Tender process is suspended until the end of September 2021.

- DEPA INFRASTRUCTURE. On 21/2/2020, nine (9) investment schemes submitted an expression of interest file, out of which six (6) were pre-selected and participate in the second phase of the competition. Binding offers are expected on 15.07.2021.
- Signing of a purchase agreement for property situated at the center of Nafplio (March 2020)
- Signing of a long-term lease agreement for "Sanatorio Mana" in Arcadia (March 2020)
- Underground Natural Gas Storage Facility of South Kavala: On 29/6/2020 the Invitation for Submission of Expression of Interest for an Assignment of Concession for the Use, Development and Exploitation of the Underground Natural Gas Storage Facility. Two groups were pre-selected on 30/03/2021 for participation in the second Phase of the Competition.
- Port Authorities of Alexandroupolis, Igoumenitsa and Kavala: HRADF proceeded to the commencement of three international public tenders for the utilization of the ports of Alexandroupolis, Igoumenitsa and Kavala, on 17/7/2020. The Port Authorities of Alexandroupolis and Igoumenitsa will be utilized through the sale of a majority stake (sale 67%), while for the Port Authority of Kavala the sub-concession of a multi-purpose station in part of the port "Filippos II" is envisaged. Expressions of interest were submitted for all 3 ports. For the tenders of Alexandroupolis and Kavala, 4 groups were selected to participate in the second phase of the tender, while 7 were pre-selected for Igoumenitsa.
- Heraklion Port Authority: Publication of an invitation for Expressions of Interest took place on 05.04.2021. Expressions of interest are expected on 30.07.2021
- With its decision of 09/09/2020, KYSOIP approved the updated Asset Development Plan (ADP) approved by the Board of HRADF.
- Publication of Invitation to an e-auction tender took place in October 2020 for seven properties (Xenia Kythnou, Sampariza, N. Iraklitsa, Ippokratous 88, Aioulou and Ermou, Andritsaina Magistrate's Court, Klitoria Magistrate's Court). Binding offers were submitted for the five properties on 15.05.2021 and for the remaining two on 01.06.2021.
- Completion of a real estate transaction in Pretoria, in the midst of a pandemic and lockdown in South Africa (December 2020)
- Approval of the updated Asset Development Plan (ADP) on 07/05/2021 by the Board of HRADF and on 09/05/2021 by KYSOIP.
- EGNATIA ODOS: Submission on 01.04.2021 of two binding offers (bids) in the Tender for the Egnatia Odos and its three vertical axes concession.
- Gournes, Heraklion, Crete: Commencement of the Tender Procedure on 17.02.2021. The Presidential Decree was approved by the Council of State and published in the Official Gazette in May 2021. The tender is in progress and binding offers are expected on 15.10.2021
- North Afandou, Rhodes: At the request of the selected investor, an extension was given to the date of financial closing until 30.09.2021 followed by the submission of a letter of guarantee for the good execution of the transaction.
- HELLENIKON (tender process at final stage – fulfillment of conditions precedent for the financial closing and completion of the transaction). In 2020, the following actions took place, among others: Finalization of legislative regulations for the distribution of land process, finalization of a program agreement for the relocation of Agios Kosmas facilities to Skaramangas, registration in the cadastre of the JMC land distribution, etc. The Plan was approved by the Parliament. Estimated financial closing: June 2021
- Kalamaria Marina: Commencement of Tender Process (January 2021). Submission of binding offers 15.07.2021

Furthermore, HRADF during the period under consideration, had in progress a series of projects whose tender process was evolving / progressing, while implementing the procedures of maturation and preparation of tenders for a number of projects:

- ✓ AIA / Sale of 30% of the shares held by the Greek State in Athens International Airport SA. The transaction has been suspended due to the dramatic effects of the pandemic on aviation activities.
- ✓ Port Authorities (10 regional ports): Maturation and preparation procedures for the other (remaining) ports.
- ✓ Tourist Ports - Marinas of Mykonos, Mandraki, Rhodes, Argostoli, Zakynthos (Zante): Maturation procedures and preparation of the tender process



- ✓ ELPE: Following the previous unsuccessful tender, HRADF is called to formulate the strategy & conditions that will allow the repetition of the tender (as well as what characteristics it will have) aiming at the maximization of investment interest and consideration fee (transaction proceeds).
- ✓ Public Power Corporation SA (PPC): Evaluation by HRADF's consultants of alternative strategic options for the utilization of its shareholding in PPC of 17% in alignment with the broader restructuring plan of PPC and HEDNO.
- ✓ Markopoulo Equestrian Center of Mesogaia Attica: For approval by the Central Administration Committee (CAA) of Draft Presidential Decree ESHADA.
- ✓ Tourist properties, with Thermal Springs: Thermal Springs of Kamena Vourla, Camping EOT Koniaviti (for approval by the Central Administration Committee (ΚΣΔ) of ESHADA, Platistomo, Thermopylae (Maturation procedures of the tender process).
- ✓ Camping EOT in Agia Triada Thessaloniki: Preparation of a two-phase tender process (July 2021).
- ✓ Porto Heli etc (maturation processes).

### HRADF Communication policy

The communication approach of HRADF in 2020 focused on the positive consequences of the privatization program and the multiple benefits created for the economy, society and investors. The Management of the Fund communicated the results that the Fund has achieved throughout the previous period, as well as the new projects being implemented through interviews and presentations, mainly in International Media. During the first half of 2020, four (4) special financial reports / presentations for Greece were published, hosting the work of the Fund and statements of its Management. Based on the implementation of the privatization program, the HRADF issued thirty-four (34) press releases by the end of May 2021.

The Fund's management has participated in important conferences, including the Delphi Economic Forum, the Capital Link New York, the Economist 4th Sustainability Summit, the 8th Annual International Conference on Sustainable Development, the 31st Annual Greek Economic Conference organized by the Greek-American Chamber of Commerce etc.

In December 2020, HRADF was awarded the prize "Best Practices FDI Program, Greece, 2020" by the international magazine Global Brands Magazine.

HRADF in collaboration with EIT Climate-KIC Hub Greece, SDSN Greece, Athens University of Economics and Business and HSBC conducted the online seminar "Environment, Society and Corporate Governance (ESG): Critical areas that determine the future financial performance of companies" for the companies in its portfolio in January 2021.

The pandemic caused by COVID-19 and the health crisis that it brought sealed the developments during the second quarter of 2020 and the level of communication. The main concern of the HRADF communication strategy in this period was to explain to the media how it deals with the effects of the pandemic and to instill confidence and security to all stakeholders in the development and further implementation of the program, in the light of the new circumstances.

### Sustainability Policy of HRADF

Recognizing the importance of sustainable development for Greece, HRADF systematically explores ways to integrate sustainability and the adoption of ESG - Environmental, Social and Corporate Governance criteria into its corporate governance program, so that in addition to the economic and fiscal benefits, to build the foundations of a competitive economy that respects the environment, creates jobs and a cohesive society, promoting innovation and strengthening the adoption of the principles of Circular Economy.

HRADF, in collaboration with the European Bank for Reconstruction and Development (EBRD) and with a grant for employing Global Sustain, has developed a digital tool for assessing the performance of its portfolio assets using ESG criteria (and ESG Rating Tool) - and setting performance indicators (KPIs).

The ESG Rating Tool is based on international best practices and widely recognized standards and is in line with the Sustainable Development Goals (SDGs) and environmental and social performance requirements of major financial and investment institutions.

This is a tool that allows the user:

- ✓ assessing the current sustainable performance of the portfolio assets,
- ✓ performing the benchmarking between related asset classes and the entire portfolio,
- ✓ monitoring the evolution of this performance over time,
- ✓ the easy identification of the points that need improvement in each asset through the evaluation report that it produces and which is accompanied by high level recommendations for improving the performance in the ESG criteria for use by both HRADF and other stakeholders parts.

For the smooth integration of the ESG, the valuation of the following assets has already been completed:

- ✓ Port Authorities of Igoumenitsa, Kavala, Volos, Lavrio, Corfu, Elefsina, Heraklion and Patras
- ✓ Thermal Springs Installations in Kamena Vourla (adjustment of the questionnaire was required by the sustainability team)

The updated Asset Development Plan of HRADF, which was approved by the Government Economic Policy Council (KYSOIP) on 09/05/2021, includes, for the first time, guidelines for the application of the principles of Sustainability and the adoption of ESG criteria in the operation of HRADF, aiming to strengthen the attraction of responsible investments for the benefit of the Greek economy and society, while contributing to the achievement of energy and climate goals set by the country.

### Extroversion - Certifications

HRADF proceeded to the recruitment of a Consultant (IOBE) who undertook to prepare a study aiming: "to define, measure and depict the contribution of the state asset development program to the Greek economy; in particular, the impact of the Privatisation Program on fiscal consolidation, investment, GDP growth and job creation from 2011 until present for 5 major contracts under the responsibility of the CMU (14 Regional Airports, Piraeus Port, ASTIR PALACE Vouliagmeni, TrainOSE, Regional Ports ) » [« The Macroeconomic and Socio-economic impact of ADP»].

The presentation of the results of the study took place on 15/7/2020 by the General Manager of IOBE, Mr. Nikos Vetta in the presence of the Management of HRADF. The presentation was prefaced by the Minister of Finance, Mr. Ch. Staikouras.

In the privatization program as a whole, it is estimated that privatizations strengthened the country's GDP by approximately € 1 billion per year on average in the period 2011-2019. During the same period, the average impact on the labour market reached 20,000 full-time employees.

A significant part of the impact of privatizations came from investments made in the economy as a whole. According to the IOBE study, it is estimated that approximately € 5.6 billion in fixed investments (CAPES) made in the country from 2011 until the second quarter of 2019 can be attributed to the privatization program. It can be concluded that for every Euro of initial privatization proceeds, there is an average of 1.02 euros of fixed investments in the whole economy.

At the same time, the HRADF Management assigned an investor satisfaction survey and evaluation of the Fund's procedures to the distinguished research company Metron Analysis. The survey was conducted from December 2019 to February 2020 and was presented in June 2020, highlighting that the degree of satisfaction of investors from their cooperation with HRADF reaches 90%. The main findings of the research are the following:

- 80% of the investors state that they are satisfied with their cooperation with HRADF (spontaneous answers).
- After the whole questionnaire, when they have recalled procedures, communications, etc., the degree of satisfaction is 90%.
- Investor satisfaction in the expression of interest phase exceeds 50% - The principles of transparency, integrity and information on the progress of procedures are recognized at a rate of + 80%.
- Satisfaction from other bodies (supervisors, public sector bodies, etc.) drops to 40%.
- Investors believe that HRADF should acquire further responsibilities to improve decision-making and process management time schedules.
- 60% state that its cooperation with HRADF was better than thy initially expected

### Contract Monitoring Unit (CMU)

Following the completion of different and significant projects / transactions of the Asset Development Plan, HRADF monitors the execution of the contractual obligations arising from the implementation of signed contracts in order to ensure the proper and timely execution of the agreed terms (technical / construction, financial, investment and/or other) for the signed and executed contracts related to asset development. If requested or deemed necessary, HRADF submits to the State the information available per case, also adding written proposals. It also requests the most appropriate intervention / assistance of the Greek State regarding its areas of responsibility, aiming to achieve the best possible implementation of the contracts.

For this purpose, in accordance with the HRADF founding law as well as its internal Rules of Procedure, the Contract Monitoring Unit (CMU) was established with the aim of monitoring both concession agreements and real estate development project contracts, in the event where obligations and rights of the Grantor and/or Seller are included in the relevant agreements applying posterior to the signing of the contracts and throughout their term.

The CMU prevents or handles problems, assists investors in their collaboration with the Greek State, and proposes best practices, based on its experience from other projects.

The priorities and targets of the Contract Monitoring Unit include the following:

1. Organizational improvement and systematization of processes
  - Customization of the Fund's IT system based on contract monitoring needs, since the system had been designed to monitor tender processes.
2. Budgeting and recording of revenues (contractually provided financial consideration) and monitoring of the implementation of contracts, especially investments
3. Continuous monitoring of the implementation of contractual provisions
  - Recording, progress evaluation and mobilization / intervention for the smooth implementation and proper operation – as provided for in each contract – of the rights and obligations, their safeguards and treatment provisions, both on account of the Concessionaire/Buyer as well as the Grantor/Seller and, if included in the Contract, the Greek State.
  - Communication between the personnel of the CMU and the relevant officials of the relevant / involved Greek State Agencies and Concessionaire / Buyer, as appropriate, to manage issues and address any problems encountered during the implementation of the contracts and the evolution of investments, always in the spirit and context specified in the contracts.
  - Support for Parliamentary Audit and / or Negative Publicity Management on contractual matters managed by the Contract Monitoring Unit.

### Effect of Covid-19 on HRADF activities

The exceptional outbreak of the Covid-19 pandemic affected the privatization programme significantly. More specifically and among others it affected:

- Potential investors (uncertainty in planning their investments, inability of in-situ visits, difficulties in obtaining funding from banks etc.).
- Asset valuation.
- Reduced ability of state authorities to respond and implement in a timely manner the required actions/decisions.
- In this context, the Fund considered it necessary to extend the deadlines of the calls for expression of interest in ongoing tenders (Egnatia, former construction site of the Rio-Antirrio bridge, Itea Marina) or delay the commencement of tenders.

For the entire duration of these adverse circumstances, the HRADF continued working in order to proceed with the maturation and development of the projects included in its privatization plan, using teleworking tools both for its executives as well as for the required Board Meetings.

In conclusion, the Covid-19 pandemic delayed the implementation of the Asset Development Plan (ADP), while revenue targets set are extremely difficult to achieve and are therefore under revision.

## PUBLIC PROPERTIES COMPANY S.A. («ETAD»)



### Short description of the Company

The Public Properties Company S.A. (ETAD) constitutes the largest company involved in the management, exploitation and development of real estate assets owned by the Hellenic Republic. Its main objective is to maximize the value of the real estate assets included in its portfolio for the benefit of the Greek economy. It manages and exploits, in the public interest, a large portfolio of properties that are, for the greater part, State owned, while it reserves the management rights over several of them.

In its current form, ETAD has originated from the merger of four State property management and development companies, as follows: a) In March 2011, Etaireia Touristikis Anaptyxis S.A. absorbed Olympiaka Akinita S.A. and was subsequently renamed Ellinika Touristika Akinita S.A., b) in December 2011, Ellinika Touristika Akinita S.A. merged with KED S.A. and was renamed Etaireia Akiniton Dimosiou S.A. and finally c) in March 2015, Etaireia Akiniton Dimosiou S.A. absorbed the company Paraktio Attiko Metopo S.A. The ETAD S.A. asset portfolio indicatively includes Tourism real property, Urban-Commercial property, Industrial-Rural property, Special Type property such as Olympic Games property, Thermal Springs etc., as well as property that HRADF is mandated to exploit or which has been returned from it.

ETAD's main activities include the utilization and exploitation of its properties and business units, mainly through leasing 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 owned properties, which the Company only managed in the past, upgraded and redefined the role of ETAD S.A.

Thus, the new strategic goals of ETAD S.A. include completing the reorganization and maturing of the portfolio and designing the appropriate exploitation strategy per category of property, in order for the Company to grow and establish itself as the main State Property Management body.

### Effects of the COVID-19 Pandemic on Company operations and financial performance

The pandemic significantly affected the Company's operations, progress in implementing its business plan as well as its financial performance due to the widespread impact the pandemic had on general business activity and consequently on the national economy as a whole.

The impact on the leases of companies and businesses whose operations were fully suspended or severely restricted due to the health safety measures instigated by the State was particularly high. The sharp drop in foreign and domestic tourism flows in 2020 significantly affected ETAD's lessees and consequently both Company revenues and the profile of overdue monetary obligations owed to it. It is noted that almost 82% of the Company's revenues from leases came from companies and businesses whose activities were affected by the pandemic (in sectors such as tourism, catering and commerce). Nonetheless, in the midst of these difficult times, major efforts were exerted to reprofile debt repayment plans, restructure existing contracts and to recover properties following contract termination and lessee eviction (examples

include Ergon, Sportswear, Varkiza Beach); these properties have already or will be put back on the market for lease to new tenants.

Year end 2020 Company turnover stood at € 36.9 million compared to € 50.9 million in the previous year , recording a drop of 27.59%. Rental income is the Company's most important source of income accounting for 68.39% of its total turnover. Rental income in 2020 was down by 27,78% compared to the previous year.

The Company's operating costs in 2020 reached € 38.23 million, down by 34.26% compared to 2019, which amounted € 58.16 million.

Pre-tax profits/losses before financial and investment results were down by € 96.57million compared to the previous year, and in particular in 2020 stood at €26.12 million compared to profits of €70.44 million in 2019. This change was primarily due to the drop in the results from the readjustment in the value of investment properties from € 72.69 million in 2019 to € 26.12 in 2020.

The Company's financial income in 2020 stood at € 2.92 million, of which € 242 thousand relates to the dividend from Marina Zeas, while the rest relates to net financial income/expense. This was compared to € 3.75 million in 2019. Company financial expenses in 2020 stood at € 234 thousand compared to € 5.3 million in 2019.

Company results (losses) net of tax stood at € 23.44 million in the period ended (2020) compared to profits of € 71.16 million in the previous period (2019), a negative change of € 94.60 million.

In 2020 significant progress was made in managing overdue debts despite the unfavourable economic conditions caused by COVID-19. This resulted in an improvement in the Company's cash flows despite unfavourable economic performance due to external factors and events. More specifically, by intensifying its credit control and debt collection procedures, the Company managed to (a) collect overdue debts amounting to ~ €3.0 million, (b) settle overdue debts amounting to ~ €10.0 million and (c) assess debts totaling ~ €6.2 million.

#### Key events and transactions from 1.1.2020 to the date of the report

The main actions and activities for 2020 (and the period up to the date of the report) are set out below:

#### Main business and operational activities

- Successful completion of negotiations for main leases at marinas and properties of commercial and tourism interest such as Flisvos Marina and Athens Marina (Peace and Friendship Stadium)
- Reopening of the Thessaloniki Parking Business Unit
- Signing of the Alimos Marina Concession Agreement in May 2020 and handing over of the Property to the new Concessionaire on 31.12.2020.
- Preparation for the development of properties with emphasis on "non-tourist properties" and properties that require the implementation of a significant investment plan
- Implementation of existing tender procedures and signing of new property leases
- Improvement of existing leases and concessions
- Launch of new property sale and lease procedures
- Evaluation of the potential to develop Olympic facilities managed by the Company.
- Completion of concession of use of the Galatsi Olympic Venue to the Municipality of Galatsi by signing a 5-year lease in April 2021.
- Completion of procedures to evaluate Zone III at the Faliro Olympic Pole. Receipt of completed feasibility study for use of Zone III. Proposals of interest for the long-term development of these Olympic facilities are expected to be collected during the first half of 2021.
- Termination of contract relating to the Badminton Venue in August 2020. Hand back of the property is expected to be completed soon at which time the Company will recommence promoting the asset for development.
- Upgrading services for tourism infrastructure managed by ETAD to increase visitability.

- Completion of implementation of the electronic ski card at the Parnassos Ski Centre and the electronic ticketing system at Diros Caves and at the Achilleion Museum on Corfu, available from the 2020 tourist season.
- Improved use of shops selling commemorative products
- During the first half of 2020, part of Vouliagmeni Beach was rebranded as 'Gold Beach', a venue which now offers visitors upgraded services such as the option to book tickets online by choosing a location and umbrella, exclusive access, special service and secure parking.

### **Consultation Services and Investments**

Acting as a development advisor to HRADF, ETAD completed in 2020 the process of preparing and maturing a new cluster of properties and launched 7 new e-auction tenders via ETAD's special platform [www.e-publicrealestate.gr](http://www.e-publicrealestate.gr) for a group of HRADF properties, the majority of which relates to sale tenders and one relates to the grant of surface rights for a 99 year period. The project is expected to be completed in the second half of 2021.

### **Implementation of funded programmes**

ETAD continued the implementation of a co-funded investment programmes amounting to €28.85 million in total that aim to upgrade the tourism infrastructure the Company is managing, increase visitor levels, and improve visitor experience. The Investment Plan relates to:

<b>Assets</b>	<b>Budget (€ million)</b>
Achilleion Museum	<b>12.95</b>
Diros Caves	<b>8.5</b>
Lake Kaiafa	<b>5.0</b>
Fanari Ecotourism Park, Rhodopi	<b>2.4</b>

At the same time ETAD also included designs in the Public Investment Programme in the context of financing programmes to upgrade infrastructure within its remit or on properties directly adjacent to its own properties which add value (Parnassos and Vora Ski Centres, Kaiafa and Aedipsos Spa Springs, Government House in Thessaloniki, Diros Caves, Kaiser Bridge and sea quay at the Achilleion complex) and is in discussions with the competent bodies pending a decision on finalizing the designs to be funded, and the level of funded for the designs for each property finally proposed.

### **Settling property status issues and preparing properties for investment**

In the context of protecting, promoting, and exploiting Public Property for the benefit of the Greek economy, a main priority set by HCAP, ETAD is reviewing and auditing its portfolio and is settling property status issues with regard to (a) environmental and planning commitments (e.g. forested status, inclusion within Natura / Ramsar areas or archaeological zones, etc.), b) concessions, and c) illegally held properties, in order to truly utilize the portfolio and eliminate chronic problem sources, such as abandoned properties and illegally held and exploited properties. The Company also continued to review and update its register of state-owned properties and its Geographical Information System (GIS). For example, it mapped 1,191 old seashore lines and 435 islands and islets, and recorded 111 seafront management decisions in Attica and 31 in Thessaloniki.

The number of properties with active leases/concessions was updated. By fully recording how ETAD is managing those properties (leases, concessions), un-utilized sections can be identified and made available for development.

The Company also (a) took steps to resolve outstanding issues with properties so as to prepare and mature such for immediate development, (b) submitted property declarations to the Greek Cadastre, (c) filed objections concerning properties designated as forest areas, (d) prepared survey diagrams regarding geometry changes for the Greek Cadastre, and (e) has been continuously updating its MIS/GIS Register.

During the fire season, a significant number of small-scale projects were implemented, such as cleaning/clearing sites, pruning trees, carrying out minor repairs and installing fencing. This was done both for health and safety reasons but also



with an eye on the future development of these properties. In addition, ETAD took steps to restore and maintain some of the 164 public properties which have been characterized as hazardous, based on the classification of what needs done to them.

### **Digital Transformation**

ETAD continues to assign particular importance to its digital transformation, that includes a complete transition to electronic tendering, with the aim of enhancing transparency, equality and accessibility for all interested parties. Following the process of digital transformation which begun in 2020, the Company's management took a series of steps which can be summarized as follows:

- Computerization of the Asprovalta campsite.
- Implementation of web ticketing. Installation of an entry management system recording those entering/leaving and real time imaging of the number of people at its business units (Vouliagmeni Beach, Diros Caves, Achilleion Museum).
- Implementation of an electronic system to record and manage requests the Company receives at its Helpdesk.
- New Document Management System – embedded digital signatures protocol.
- Use of Microsoft Teams by the Company overall for teleconferences which simplified meetings, especially with regional teams and business units.
- New Real Estate software (Thesis) began to be installed. Full installation is expected to be completed in 2021.
- Implementation, installation and configuration of virtual PCs for Company employees to allow them to work easily from home given the new circumstances occasioned by the pandemic.
- Completion of feasibility study on digitization of Company archives.
- Implementation of an innovative 3D virtual tour for visitors to the Achilleion Museum and the Diros Caves in collaboration with the Ministry of Culture and Sport.

### **Outward-looking approach and social corporate responsibility**

To bolster the Company's outward-looking focus, the Company participated during the second half of 2020 in hybrid events and conferences such as PRODEXPO 2020 and GREEK ECONOMIC SUMMIT 2020. In these events the Company's activities and strategy were presented in press releases and announcements, news reports, articles and interviews of the CEO in printed and electronic media. During the same period the Company also supported social responsibility actions which included offering food to socially disadvantaged groups and measures to support local communities.

### **Corporate rebranding**

In order to create a new, modern, dynamic image for the Company, the corporate identity of both ETAD and its business units was redesigned as part of a corporate rebranding process. This will signal the start of a new era and will be compatible with its portfolio and asset development strategy. As far as business units are concerned, the objective is to create an improved, modern image, to interactively promote their services via digital and social media.

### **Institutional Framework / Governance**

On 27.5.2020, the Board of Directors decided to appoint Mr. Antonios Bezas as Chairman of the Board. After the Hellenic Single Public Procurement Authority opined in favour of the Company's draft Regulations on product procurement / service contracts, preparation of designs and implementation of works on 13.5.2020, which ETAD had submitted to the Authority, the Board of Directors of ETAD approved those Regulation at its meeting on 8.7.2020.

In 2020 the Audit Committee met a total of seven times. Due to COVID-19, meetings were held by video conference. During 2020 the Audit Committee fully performed the duties specified in its bylaws, namely monitoring of the financial statements, supervision of external auditors, supervision of the Internal Audit Unit and the Regulatory Compliance Unit, supervision of internal audit mechanisms and regular briefing of the Board of Directors.

### **Internal Audit Unit**

- Audit reports were issued in line with the Annual Audit Schedule and unscheduled audits were also carried out.
- A risk assessment was carried out to determine the annual audit schedule for 2021.

#### **Regulatory Compliance**

- Info-notes were issued about the results of meetings which took place during 2020 to implement the Policy to prevent, identify and manage conflicts of interest.
- A Regulatory Compliance Risk Assessment was carried out to determine the Annual Compliance Sector schedule for 2021.

#### **Prospects for 2021**

As regards 2021, following the new executive management team's appointment and assumption of its duties, ETAD is expected to proceed with a series of actions aimed at increasing revenues through more effective utilization of properties and rationalization of the management of business units, as well as at improving the value of the Company's portfolio. These objectives include the acceleration of property development for exploitation purposes, with their investment potential being one of the key criteria. Regarding the resolution of legal, technical and other issues of its portfolio, ETAD is also considering several alternatives with the goal to generate and increase value.

As far as the Company's organizational structure is concerned (a) experience from two years of the new structure will be taken into account and where necessary modifications will be made at central, regional and business unit level and (b) re-evaluation of the recorded procedures will be completed to ensure optimal Company operations.

Special emphasis will be placed on further modernizing the Company's operating philosophy in order to ensure full harmonization with the requirements of the market and the investor community, mainly through the adoption of modern operating practices that will reinforce effectiveness, transparency and flexibility. Important targets in this direction include having properties ready for development faster and the rational utilization of properties based on technical-economic studies / feasibility studies. Moreover, the Company will also start offering consultancy services to the wider public sector and to General Government agencies with particular emphasis placed in methods to address and overcome technical/legal issues with properties these entities are seeking to develop.

At the same time, the Company places special emphasis on its own digital transformation, which constitutes a cornerstone for the Company's operational improvement and growth. This also includes a shift to electronic tendering only, which will improve transparency, speed and accessibility.



## 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 kilometer network, the Company serves 4.4 million consumers (approximately 2,160,000 connections), while in the sewerage sector, with a 9,500 kilometer network, serves approximately 3.5 million users.

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

EYDAP owns the fixed assets (installations, infrastructure and equipment) downstream of the refineries' entrance, while the infrastructure related to the collection and transport of untreated water is owned by EYDAP Fixed Assets Company. EYDAP Fixed Assets Company is a Legal Entity of Public Law (L.E.P.L.) that is supervised by the Minister of Infrastructure and Transport and was established according to Law 2744/1999. Its objective is the management, maintenance and operation of the assets transferred to it, namely (i) the dams and reservoirs of Mornos - Evinos, (ii) the Marathonas reservoir, (iii) the Yliki infrastructure and installations, (iv) the external water supply system and (v) the local pumping stations.

The three Wastewater Treatment Plants (WWTP) in Psytalia, 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 the residents of Attica and, in general, 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.

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

### Most Important events and transactions from 01/01/2020 to the date of the report

#### Institutional Framework & Corporate Governance

The Company fully complies with the legal framework of corporate governance applicable to listed companies, having adopted in addition to the legal provisions the criteria of objectivity of the independent non-executive members of the Board of Directors as provided in the Greek Corporate Governance Code for listed companies. The Corporate Governance statement is analyzed in the Annual Financial Statements of EYDAP SA. which accompanies the financial statements and is posted on the Company's website in the Investor Relations section.

An Extraordinary General Meeting was held in May 2020, during which the majority shareholders Hellenic Company of Assets & Participations (HCAP) and Hellenic Republic Asset Development Fund (HRADF) elected Mr. Christos Karaplis, as a Member of the Board of Directors of EYDAP SA following a proposal by the Minister of Finance to the majority shareholder

HCAP according to sub-paragraph b' of par. 4 of article 197 of Law 4389/2016, in replacement of the recalled Member Mr. Alexandros Pouliasis and for the rest of his term, ie until 28.06.2024. Also, the General Meeting, after finding that the conditions of article 44 of Law 4449/2017 are met, approved by a majority the election of Mr. Christos Karaplis as a Member of the Company's Audit Committee with a term analogous to his term as a Member of the Board of Directors of EYDAP SA

In June 2020, at the Ordinary General Meeting of Shareholders, the amendment of the Company's Articles of Association was approved, which mainly concerned adjustments to Law 4548/2018. Also for the first time a position of vice president is provided when the CEO and the President are the same person. The new articles of association are posted on the corporate website. The General Assembly also approved the remuneration and remuneration policy of the Audit, Remuneration and Innovation and Digital Transformation Committees of EYDAP SA.

### **New Articles of Association**

By decision of the 38th General Meeting of Shareholders in June 2020, the Company amended its Articles of Association to meet the requirements of the market, the exploitation of the Company's know-how, but also the exploitation of opportunities related to its field of activity. A key change in the Articles of Association was the addition of new operations / activities in the purposes of the Company, such as the provision of services on behalf of third parties (eg maintenance of water meters, inspection of sewerage networks with cameras, water quality controls at EYDAPs laboratories, etc.), the metering indications recording for other utilities, the provision of training services, the provision of consultancy services in issues of urban resilience and sustainable operation related to its object, the installation of power generation systems for own or commercial use, the bottling and commercial distribution of drinking water, the production of water from wastewater treatment (recovered water) for reuse and the exploitation of recovered and non-potable water especially for irrigation purposes, for the enrichment of underground aquifers, for industrial and municipal use.

In addition, in order to achieve its purposes, the Company may set up companies or joint ventures or participate in companies or joint ventures in Greece or abroad, provide technical or consulting services to physical or legal entities, etc.

### **Covid-19 pandemic**

On March 11, 2020, the World Health Organization (WHO) officially recognized the coronavirus epidemic - Covid-19 - as a pandemic. Emergency measures taken worldwide, for public health reasons, are expected to negatively affect the course of the economy at both governmental (public) and operational / private sector levels. Regarding EYDAP, the risks and assessments have been recorded, while a Covid-19 policy has been drafted.

The management of the company monitors the developments, evaluates the risks and takes the necessary actions to continue its smooth operation and provision of service to its customers.

In the context of social responsibility and protection of both employees and citizens, a Special Crisis Management Team was immediately established due to Covid-19 through which the implementation of business plans in all its functions, such as e.g. the application of shift and remote work, the strengthening of alternative service channels (digital and through phone), the distribution of free self-tests to employees, the distribution of free masks and antiseptics, etc.

Finally, on March 27, 2020, the Board of EYDAP approved the donation of 2.5 million euros to address the coronavirus pandemic. Specifically, EYDAP allocated an amount of 2 million euros, for expenses related to the purchase of medical and hospital equipment, in cooperation with the competent authorities, while free water, at a value of €500,000 for the entire period of the coronavirus crisis, was decided to be distributed to reference hospitals.

In 2021 the Company received COVID -SHIELD certification for its 13 Regional Centers and for the two major Administration buildings in Galatsi and Ilisia, Athens.

### **Time extension of current (concession) agreement**

In view of the renewal of the exclusive right of EYDAP for the provision of water supply and sewerage services in the geographical area of its competence and given that the extension of the above Agreement between EYDAP and the Greek State expired on 22.04.2020, three renewals were granted, the first until December 31, 2020, ratified by the Board of the Company on April 22, the second, until April 30 2021, was ratified by the Board of the Company on December 30, 2020 and the third until June 30, 2021.

Management is in productive negotiations for the final closure of the agreement for the next 20 years.

### **New Organizational Structure**

On November 27, 2020, the Board of Directors of the Company approved the new organizational structure of the Company, which will be implemented from April 1, 2021.

The new Organization Chart was designed in response to two major challenges: the better utilization of the Company's personnel, as well as the implementation of the highly demanding investment plan that emphasizes in the transformation of the Company and the implementation of its major projects.

The new organizational chart introduces new organizational units, such as the Directorate-General for Transformation, the Directorate of Risk Management, Regulatory Compliance and Data Protection, the Directorate of Health, Safety, Environment and Quality (HSE & Quality Assurance), the Directorate of Strategy and Innovation, aiming at facilitating the Company's response to the above challenges.

For the execution of the transformation programme, in line with the best practices of other infrastructure companies in Europe, the General Directorate of Transformation was created, with the aim of managing and aligning all projects / actions with the strategic objectives of EYDAP. The General Directorate of Transformation will undertake the full supervision and management of the portfolio of optimization projects of EYDAP, as the size, complexity and horizon of implementation of the strategic transformation plan create the need to manage and align the General Directorates, Directorates and and inter-departmental units which will be assigned to implement over 90 individual projects.

### **Transformation Projects**

In 2020, the first projects on which the transformation of the Company is based changing the company into a modern, efficient and adapted to the needs of the customer, were completed. These projects concerned the operation of the Financial Services Department, the optimization of Procurement and Logistics processes, customer service, human resource management and the optimization of the Company's information systems.

The completion of these projects has laid the foundation on which immediate corrective actions have already begun in the above functions, while in the medium term, projects have already begun that will contribute to the completion of the transformation.

Indicatively, these projects concern the modernization and optimization of network and asset management and monitoring (smart grid), the digitalization of data and the transformation of ERP systems and processes aiming at the optimization of performance and decision-making (process), the optimization of costs, the redistribution of resources and the utilization of human resources, in the energy upgrade and reduction of the carbon footprint, in the redesign of the operational model of the supply chain and the transport management system and in the transformation of the customer experience

### **Company Regulations and Policies**

Within the framework of the principles of corporate governance, which among other things advocate transparency in the operation and organization of internal procedures, the Company proceeded in 2020 to adopt new Regulations and Policies, in order to align it with its strategic priorities for regulatory compliance and Corporate Governance, compliance and implementation of all quality operating standards and risk management throughout the business operations.

Specifically, in 2020, in addition to the Remuneration Policy, the Board of Directors of the Company approved the following Regulations / Policies:

- ✓ Regulation on Award and Execution of Contracts
- ✓ Rules of Operation of the Audit Committee

- ✓ Regulation of Internal Audit
- ✓ Procurement and General Services Regulation
- ✓ Cashier's Regulation
- ✓ Corporate Sponsorship Policy

By 2021, another nine policies and regulations related to corporate governance and operations are expected to be completed.

#### **Council of State (Conseil d'Etat) decision for the Tender for the operation and maintenance of Psyttalia Wastewater Treatment Plant**

The tender D-6684 for the operation and maintenance of the Psyttalia Wastewater Treatment Plant was announced in the summer of 2019. Three groups submitted bids to it.

During the year 2020, the award process progressed significantly with the evaluation of the most voluminous technical bids for which they were requested by EYDAP clarifications from all participants following the formulation (and submission) of a detailed report prepared by the Technical Chamber of Greece (TEE).

Following the submission of a preliminary appeal by one of the competing groups (bidders) the Council of State (Conseil d'Etat) confirmed with its judgment in decision 271/2020 the correctness of the company's actions regarding the receipt of clarifications. Following this, the tender proceeds and the next step is the completion of the evaluation of the technical bids and the opening and evaluation of the financial bids.

#### **Management of Receivables**

In 2020, the intensive efforts for claiming overdue debts by the Municipalities and the prevention of the accumulation of new debts continued. Within 2020, five (5) Municipalities fully repaid the overdue debt settlement agreements that they had concluded with EYDAP SA.

In the context of the expansion of the Area of Responsibility of EYDAP SA, procedures for the completion of transfer of the water supply network of the Municipality of Megara are in progress. With relevant decisions, the BoD of EYDAP extended the assistance provided by the Company through free water supply to the residents of the fire affected areas of the Municipalities of Marathon and Rafina - Pikermi who were affected by the deadly fire on 23/7/2018 and are still in a state of emergency.

Pursuant to sub-no. 20513 / 4.3.2020 Decision of the Board of Directors of EYDAP SA a new Water Supply Agreement was signed with the Ministry of Shipping & Island Policy ensuring the water supply of the arid islands and various open issues were resolved concerning Public Sector bodies / authorities.

During 2020, the effort to update the Registry of the codified Large Customers, the control of debts and their claim through the conclusion of settlements for repayment in installments as well as the management of cases of disputed debts, continued. Also, in the context of the Company's social policy, requests for application of special tariffs to Charity Organizations were satisfied.

Regarding the management of debts of private clients, the Company takes all necessary actions to ensure their collection. Indicatively, the company sends notifications for overdue debts, via sms and / or email, and (warning) letters before proceeding to the suspension of water supply of a property that has unpaid bills.

#### **EYDAP NISON ANAPTYKSIKI SA**

In July 2011 the Company "EYDAP NISON SA" was established in which EYDAP SA is the only shareholder holding 100% of shares. The purpose of the Company is the provision of water supply, sewerage services as well as a number of activities and operations related to the above, in the area outside the competence (area of responsibility) of EYDAP SA, through the utilization of know-how, specialized staff and modern tools available to EYDAP A .E.

Within the framework of the targets and objectives of the Company, in 2020, a contract was signed with the Municipality of Kasos for the provision of consultancy services for the formulation of pricing policy of the water services on the island. The works were successfully completed and the project was delivered to the Municipality, while the cleaning project of three sewerage pipes in the city of Patras was successfully completed and delivered. At the same time, EYDAP NIOSN ANAPTYKSIKI is at the stage of assessing the needs, possible cooperation and/or negotiations with the Municipalities of Astypalea, Kalavrita, Lefkada, Western Mani, Mouzaki in Karditsa, Fili, as well as with the Industrial Area of Lamia and the Municipality of Lamia. It is pointed out that due to the pandemic and the restrictive measures (COVID-19) imposed in the year 2020, the Municipalities-Communities suspended a large segment of activities related to water supply and sewerage projects.

In the context of formulating the corporate strategy in 2021, it is expected that the strategy of EYDAP NIOSN ANAPTYKSIKI will be formulated / decided, in order to become a further growth pillar for the Group.

### Risk Management

The existence of a risk management framework is pivotal to the consolidation of Corporate Governance. Business risk management is a structured, continuous and ongoing process, involving all levels of the organization in order to identify, record and assess risks, select appropriate response tools / methods, design and implement safeguards, assess adequacy and their effectiveness and continuous monitoring and reporting on opportunities and threats, which affect the achievement of the goals of the organization.

The Company places special emphasis on the effective monitoring and management of potential risks, in order to maintain the stability and continuity of its operations, namely:

- ✓ In shaping the overall framework and proposing a strategy, policies and procedures for managing and controlling risks that the Company may incur, in accordance with the directions of the Management.
- ✓ In the definition, identification and evaluation of the assumed risks.
- ✓ The development and implementation of tools adapted in relation to the risk of pricing the services provided and the training of organizational units for their use.
- ✓ In the preparation of a Crisis Management Plan.
- ✓ In the formation of a corporate risk management culture at each hierarchical level of the Company

Although each member of the Company plays its own role - within its responsibilities - to ensure adequate risk management, the Board of Directors bears overall responsibility, sets goals, sets policies, decides how to respond and whether or not to accept the residual risk. Selects the risk management framework, the implementation of which is assigned to the Company's executives.

During the last quarter of 2019, a risk assessment was carried out systematically following a specific methodology, with risk identification, rating and mapping throughout the Company and the group as well as their restrictive safeguards (controls) and the Risk Register was updated.

EYDAP has recently established a Risk Management Directorate (April 2021) aiming at developing and implementing an integrated risk management framework. The creation of this department is in line with the provisions of law 4706/2020 on corporate governance of listed companies.

The planning of the future status of the risk management function in EYDAP has already commenced and is in progress.

The first stage concerns the design and recording of the Operational Risk Management Framework throughout the operation of EYDAP through an integrated approach that will support the identification, assessment, monitoring and communication of significant risks in an effective and cost-effective manner.

### Digital Transformation and online service

EYDAP, through the utilization of digital technologies and setting the Digital Transformation as its strategic goal, aims to enhance its flexibility and efficiency as a source of value creation, always for the benefit of all its stakeholders, but also of Sustainable Development.

In addition, in the context of the emergency measures dealing with Covid-19 and the requirements that arose for remote work, EYDAP immediately took a series of actions to support business processes. These actions, which include new infrastructure projects (Virtual Desktops Infrastructure), configuration of existing applications, upgrading of telecommunications infrastructure, supply of equipment, etc., accelerated the digital modernization of the Company. At the same time, the digital skills of the executives were strengthened, while actions for the continuous enhancement of customer service through digital services were intensified.

Following the completion, in June 2020, of the EYDAP Information Systems optimization project, the proposed immediate actions for the digital modernization, the cost rationalization and the improvement of the provided services to customers (internal and external) were launched. The direct actions are related to both the organizational and operational model and the processes of the organizational units of the Digital Transformation Department / Unit and to the Information Systems of EYDAP.

In November 2020, in order to strengthen the organizational structures and support the Digital Transformation, the creation of a new General Directorate of Digital Governance was announced with effect from April 2021. The organizational units of the new General Directorate include the Data Governance, Cybersecurity, while the scope of services covers the needs of digital transformation of the Company, such as the integration of the use of cloud computing technologies (Business Cloud), Business Intelligence, Knowledge Systems, the design and provision of digital services, etc.

At the same time, the Company continued to enrich the range of its online services, with a greater emphasis on prompt and efficient customer service, utilizing existing digital networks. More specifically, in 2020 the Company continued to provide:

#### Payment of bills / settlements

- ✓ Option for payment via POS to all cash registers of the Regional Customer Service Centers.
- ✓ Electronic payment using the e-pos of the DIAS Payment System.
- ✓ Option for of settlement payments through external channels.
- ✓ Option for electronic payment of bills or settlement payments even if due date it has expired through our website:
  - By using a debit, credit or prepaid card of respective Banks and redirection to the payment system environment of DIAS SA.
  - Through web / internet banking.

#### Online services

- ✓ Option for the provision / aces to electronic services through the website of [www.eydap.gr](http://www.eydap.gr), where services are provided through eEYDAP, submission of requests for: debt settlement, issuance of electronic invoice (e-bill), application for special (lower) invoices to certain categories of customers, reduction of water bills due to undetected leakages, reconnection after interruption due to debts, laboratory tests of meters, etc. In the case of owners of building additional options are given such as removal of meter for safety reasons, disconnection of water supply and interruption of water supply due to debts. Indicatively, it is mentioned that requests for settlements in 2019 were 1,310, while in 2020 they were 4,842.
- ✓ Ability to enter the meter reading for a specific time period.
- ✓ Complete management of the water bills for all water connections owned by a customer by submitting only one registration in eEYDAP and at the same time maintaining the history of his bills on the website, in pdf format. The customer can also, correct data through taxisnet, to have access to the file of letters received from EYDAP, to monitor the progress of his requests, as well as to be informed about current or older settlements. Indicatively, we mention that the data corrections in 2019 were 18,733, while in 2020 they reached 45,435.
- ✓ Electronic notification to customers by e-mail and sms, regarding bill issuance, increased consumption, impending water supply interruption due to debt, informing the owner of a leased property about the existence of overdue debt of the tenant, etc.
- ✓ Creation and posting of the water bill while maintaining the history of the accounts on the site, in pdf format available for registered users.
- ✓ 24-hour telephone service through the 4-digit line 1022 that collects dynamic information from consumers, technical departments and regional centers. Provides telephone customer service, information technical services, production of statistics, recording complaints, information to third parties - Services. Specifically, calls to 1022 for



2020 were 460,936 (146,872 for Technical Services and 314,064 for Customers). It is important that 244,803 calls had a waiting time for communication of less than 40''. The number of electronic notifications (e-mail) for the year 2019 were 41,046 e-mails, while for 2020 respectively reached 98,088 e-mails.

- ✓ Official updates via social media. In order to provide immediate, reliable and extensive information to the public, EYDAP makes full use of its official social media pages both for customer service issues and for the ongoing developments and response actions concerning Covid-19.

Finally, in the framework of a comprehensive plan for Digital Transformation, EYDAP expects to operate extrovertly, utilizing the human capital that the country has at home and abroad and bridging forces through synergies and collaborations of public and private sector, academic institutions, research bodies etc.

An important action in this direction is the Digital Innovation Competition, an original, open competition of technological innovations, announced in November 2020 in collaboration with the Innovation Network of HCAP and MIT Enterprise Forum Greece which quickly attracted significant interest from researchers and the private sector.

### Investment Programme

The Company promotes the implementation of a significant number of projects which are included in the NSRF 2014-2020 and relate to water supply projects and mainly to sewerage projects in municipalities of Eastern Attica and, secondarily, in Western Attica.

EYDAP's design for these important sewerage projects aims at the integrated wastewater management of the area, with the option of reusing the treated effluents to ensure maximum environmental benefit.

In 2020, significant progress was made in the implementation of sewerage projects in Eastern Attica.

#### 1. "Construction of sewage network in the area of Glyka Nera of the Municipality of Paiania"

The project is co-financed by the NSRF / Operational Program "Attiki 2014-2020". The project will initially serve about 10,000 residents. The physical object is approx. 50% complete.

**CURRENT STATUS: UNDER CONSTRUCTION**

#### 2. "Collection, Treatment of urban wastewater of the Municipalities of Rafina-Pikermi and Spata-Artemis and Reuse-Disposal of treated effluents"

The project is co-financed by the NSRF / Operational Program "Transport Infrastructure, Environment and Sustainable Development 2014-2020".

The project will serve 135,000 inhabitants in the initial phase. The physical object includes the construction of the Wastewater Treatment Plant in the area of Plati Chorafi, the network for the collection and transportation of wastewater - including the external branches to connect the building, but also necessary complementary sub-projects such as Expropriations, Relocation of other Utility Networks, Management of Construction - Excavation Demolition by-products as well as Technical Consultancy and Publicity services.

Project implementation milestones:

- ✓ The financial contribution to the project was approved by the European Commission, with Executive Decision C (2020) 4877 / 15.7.2020.
- ✓ All three projects for the construction of a sewage network were tendered, which concern the construction of approximately 430 km of pipelines, 30 pumping stations and 18,500 external branches, for the connection of properties / buildings to the sewerage network. Specifically, the sub-projects under tender are:
  - Municipality of Rafina-Pikermi and Spata-Artemida: Construction of sewage networks and sewage pipelines, budget € 63,700,000.
  - Municipality of Spata-Artemida: Construction of sewerage networks and sewerage pipelines, budget € 70,000,000.
  - Municipality of Rafina-Pikermi, Pikermi, Drafi, Agios Spyridon, Dioni: Construction of sewerage networks, budget 34,200,000 €.
- ✓ The tender process and tender documents of the sub-project of the Technical Advisor budgeted at €3.77 million were approved. The contract notice was published in the Official Journal of the European Union (EUSR) on 04-01-2021.

CURRENT STATUS: UNDER TENDER

**3. "Collection, Treatment of urban wastewater of the Municipality of Marathon and Disposal-Reuse of treated effluents".**

The project is co-financed by the NSRF / Operational Program "Transport Infrastructure, Environment and Sustainable Development 2014-2020".

The project will serve 51,400 residents in the initial phase. The physical object includes the construction of a Sewerage Treatment Plant, the network for the collection and transport of sewerage effluents - including the external branches to connect the properties / buildings, and also necessary complementary sub-projects such as Expropriations, Relocations of Networks of other Utilities, Management of Construction - Excavation Demolition by-products as well as Technical Consultancy and Publicity services.

Project implementation milestones:

- ✓ The request for co-financing of the project has been submitted for approval by the European Commission and the approval of the financial contribution is pending.
- ✓ Board of Directors of EYDAP approved the execution of a tender for the Technical Support Consultancy Services, budgeted €1,796,760.52

CURRENT STATUS: UNDER TENDER

**4. "Sewerage of the areas of Leontari-Kantza, Kato Balanas and Ag. Nikolaos, Municipality of Pallini, recipient of effluents is the Wastewater Treatment Plant of Peania-Koropi "**

The study of the project is co-financed by the NSRF / Operational Program "Transport Infrastructure, Environment and Sustainable Development 2014-2020". The project will initially serve approx. 10,000 residents.

Project implementation milestones:

- ✓ The preliminary study for the design and implementation of the project has been completed.
- ✓ A request was submitted to include the project study in the NSRF, Operational Programme (OP) YMEPERAA 2014-2020. By Decision of the Special Secretary for the Management of European Fund for Regional Development and Cohesion Fund Programs, the inclusion of the Act was approved: The budget of the Act amounts to € 507,213.
- ✓ An Amendment Environmental Assessment Study File was prepared and the project-related Environmental Permitting Decision was issued for the project: Kantza - Leontari, Kato Balana, Loutro, Council Houses, Schools, Campa Estate and Loutro Industrial Park)

CURRENT STATUS: UNDER TENDER

**5. "Collection and treatment of urban wastewater of the Municipality of Saronikos, Agia Marina and Agios Dimitrios of the Municipality of Kropia"**

During the initial phase of operation of the project, 73,000 inhabitants will be served.

The study of the project is expected to be co-financed by the NSRF / Operational Program "Transport Infrastructure, Environment and Sustainable Development 2014-2020", following a request from EYDAP.

Milestones of project implementation:

- ✓ A multi-criteria analysis of the evaluation of the project design alternatives was completed and then, by Decision of the Board of EYDAP, the redesign of the sewerage projects in Eastern Attica was approved, according to which the coastal areas of Saronikos and Kropounia .

**STAGE: APPROVAL OF FINANCING OF THE STUDY (INCLUSION OF ACTION IN THE NSRF) and COMPILATION OF AN ENVIRONMENTAL IMPACT SSESMENT STUDY.**

**6. "Reuse of treated effluents of the Wastewater Treatment Plants (WWTP / KEL) of Eastern Attica"**



The maturation actions of the project continue, in order to establish the appropriate conditions for the use of the recycled water of WWTP. The aim of the project is the reuse of the recovered water of the Plant for irrigation and suburban use for the benefit of agricultural cooperatives and local communities.

Project implementation milestones:

- ✓ A pilot program is ongoing in collaboration with the Agricultural University of Athens in the area of Spata in order to demonstrate / present and highlight the use of processed WWTP outputs and at the same time to inform the local agricultural organizations / cooperatives of the Municipalities of Spata - Artemis and Rafina - Pikermi for the possibilities of possible restructuring of agricultural products that emerge from the use of the recovered water.
- ✓ The active participation of the involved Municipalities in the reuse of the recycled water of WWTP, is ensured by a Memorandum of Understanding and Cooperation of 21/1/2020 between EYDAP SA, the Attica Regional Governor and the Mayors of Rafina-Pikermi and Spata-Spata.
- ✓ A corresponding Memorandum of Understanding and Cooperation was signed on 17/7/2020 between EYDAP SA, the Attica Regional Governor and the Mayor of Marathon.
- ✓ For the active participation and information of the community and potential users of recycled water, EYDAP is in constant dialogue with the local rural community (agricultural cooperatives) in order to highlight the benefits resulting from the reuse of recycled water.

CURRENT STATUS: FEASIBILITY / ECONOMIC SUSTAINABILITY STUDY

The completion of sewerage projects in Eastern Attica, in addition to regulatory compliance with Directive 91/271 / EEC, will ensure the sustainability of the valuable water resource, upgrade the marine environment and aquifer, as well as protect health thus contributing to the achievement of the Sustainable Development Goals as set by UN.

#### **Approval of a PPP project for the Operation, Maintenance, Repair and Restoration of the Fixed Assets of the External Water Supply System (EYS)**

The Interministerial Committee for PPP Projects approved, on January 15, 2020, the project titled: "Operation, maintenance, repair and restoration of the assets of the External Water Supply System (EYS) to meet the requirements of the Greater Athens Area".

The project concerns the operation, maintenance, repair and restoration of the assets of the external water supply system (EYS) to meet the requirements of the Greater Athens Area.

The total of the provided services concerns the fixed assets that belong to EYDAP Fixed Assets Company and which are used for the collection, storage and transport of raw (untreated) water from the sources to the entrance of the Water Treatment Plants.

The operation and maintenance of these assets for the last 20 years was performed by EYDAP SA.

The contracting authority is the Ministry of Infrastructure and Transport and the indicative budget of the project amounts to €235 million.

The Company has already amended its Articles of Association and the amendment of its founding Law is expected, so that it can participate, through a consortium, in the tender for the above PPP and is considering the (submission) of expression of interest through a joint participation with other parties in this tender.

## Environmental protection, awareness and public value

In terms of improving the environmental footprint, the main actions are:

- ✓ Water reuse strategy in the existing Wastewater Treatment Plants and gradual development of research programs aimed at decentralized reuse with the utilization (through treatment) of wastewater directly from the sewerage network.
- ✓ Environmental awareness and education of children regarding the water cycle.
- ✓ Continuation of implementation of sewerage infrastructure (construction) works in Eastern Attica in order to complete as soon as possible the lacking sewerage infrastructure in the region of Eastern Attica in order to stop payment of the fine imposed in October 2015 for lack of infrastructure of Eastern Attica.
- ✓ Operation of a 2MW photovoltaic power plant at the EYDAP facilities in the site of the Water Treatment Plant of Acharnes (Menidi), a facility providing 60% of treated water to the Greater Athens Area.
- ✓ Replacement of LED bulbs in five buildings

The utilization of renewable energy sources is part of the company's energy upgrade program, which envisages a systematic shift to energy sources, environmentally friendly, aiming to reduce the country's carbon footprint in order to serve the national and European environmental targets for 2030. The program, after its successful start, will continue with the construction of new photovoltaic stations in other facilities of the company, while the energy audits of all facilities continue, the results of which will be used in energy saving actions. In 2021, the energy upgrade of the Company will have proceeded further, through the replacement of perimeter lighting with a new type of LED in 8 of its facilities and other environmental projects, whose studies will be completed in 2021 and are expected to be implemented in 2022.

Regarding the increase of public value, some of the relevant actions implemented in the first half of 2020 were the following:

- ✓ During the period where (restrictive) measures were imposed due to the pandemic, EYDAP in consultation with the Ministry of Infrastructure announced that there would be no interruption of water supply due to overdue bills.
- ✓ On March 27, 2020, the Board of EYDAP approved the donation of €2.5 million to address the coronary pandemic. Specifically, EYDAP will cover with an amount of 2 million euros, costs related to the purchase of medical and hospital equipment, in cooperation with the competent authorities. Also, €500,000 euros were allocated to reference hospitals in the form of free water for the entire period of the coronavirus crisis.
- ✓ The application of the Extraordinary Special Tariff (EET) to the beneficiaries of Social Solidarity Income of Law 4389/16 continued.
- ✓ EYDAP, with approved decisions of its Board of Directors, provides a relevant discount on the water bills of large families. Also, a discount is provided to elderly (OAP) customers.
- ✓ EYDAP has established specific procedures for debt settlement in installments, in consumers that belong to vulnerable social groups

## Important Distinctions

EYDAP won an award in the category "Best Public Company" in the 18th award ceremony of the Business Awards MONEY 2020, organized by Ethos Events, of the Ethos Group, and the investment and financial magazine MONEY (XRIMA). The award ceremony took place on Thursday, January 28 via digital broadcast.

## Important events and Prospects for 2021

During 2020, the Company continued the transformation process by completing five optimization projects in important areas of operation: Financial Services, Procurement, Human Resources, Customer Services and Information Systems.

The aim of the application of the findings of the above projects is the transformation of the Company into a modern and efficient Organization, which, in combination with the forthcoming signing of the agreement with the Greek State, will ensure the efficient utilization of water resources, will give priority to the customer ensure a fair and dynamic working environment, will provide flexibility to accelerate investment and will set the framework for further development in new sectors and activities.

More than 25 transformation projects based on the findings of the above optimization project, as well as the operational optimization of the Directorates of Water Supply and Sewerage are in progress in 2021.

In 2021, the Company further strengthens its efforts to promote major integrated sewerage projects in Eastern Attica and to enhance implementation of investments that will lead the Company on a path of dynamic growth.

Regarding the conclusion of a written agreement as defined in article 15 of the contract dated 12.9.12.1999 between the Greek State and the Company, which will determine the price of the treated raw water, the Company has agreed with the Greek State to extend the validity of the current agreement for the exclusive right to provide water supply and sewerage services in the geographical area of its competence, until June 30, 2021, while at the same time productive negotiations are ongoing for the final closure of the agreement for the next 20 years.

Utilizing the expertise of the employees, the continuous modernization through the technologies, continuously improve the productivity and consequently the competitiveness of the company in combination with the monopolistic nature of the offered product, EYDAP will continue to have high cash liquidity, without borrowing, and will achieve sustainable growth, ensuring the interests of both society and shareholders.

## THESSALONIKI WATER SUPPLY AND SEWERAGE S.A. ("EYATH")



### Brief description of the company

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

The purpose of the company is to design, construct, install, operate, utilize, manage, preserve, expand, and update the water supply and sewerage systems of Greater Thessaloniki. Its activities include operations and activities such as desalination, pumping, treatment, storage, transportation, distribution, and management of all types of water, 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 (geographical) areas, 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.

The consolidated turnover for 2020 amounted to € 71.9 million, pre-tax profits reached € 16.7 million, while EBITDA profits amounted to € 22.6 million. The company presents a strong cash base, with cash and cash equivalents of € 81.9 million. The employees of the EYATH group as of December 31, 2020 amounted to 329 people.

HCAP SA directly owns 50%+1 of EYATH SA shares. For more information, visit the company website [www.eyath.gr](http://www.eyath.gr).

### Most important events and transactions from 01/01/2020 to the date of the report

Since September 2020, the company operates under a new corporate structure (according the decision No. 588/2020 of the Board of Directors), within which all Directorates are now under a General Directorate. In addition, the departments of Regulatory Compliance and Risk & Crisis Management were created, which are under the Chief Executive Officer. With these changes, the management model of the company is modernized, in order to operate with flexibility and efficiency, in accordance with the legal requirements and the principles of corporate governance.

In the field of water supply, in 2020 the Thessaloniki Water Treatment Plant (EENTH) treated a total of 50,576,917 m<sup>3</sup> of water from Aliakmonas river, resulting in the consumption of 47,449,139 m<sup>3</sup> of drinking water, with an average daily flow of 129,625 m<sup>3</sup>. This water meets all the requirements of the current legislation, with an average outlet turbidity of 0.07 NTU.

Also, within 2020, a very important infrastructure project was completed in two phases (October - December): the connection of the Aliakmonas and Arabissos aqueducts. This project ensures the operation of alternative water supply source for the historic center of Thessaloniki in case of emergency and, in general, the optimal management of the water resources of Thessaloniki.

### Investment Programme

Significant projects- included in the approved seven-year investment program of the company - were contracted and their implementation commenced in 2020, while for several others their implementation commenced in the first half of

2021. Despite the appearance of Covid-19 coronavirus in early 2020, and in the immediate aftermath of the crisis, the implementation of the investment program continued unhindered. This includes important projects, including the following:

- ✓ The "Completion Projects of the Connection of the Low Areas of Thessaloniki", which include five (5) important sewerage sub-projects, budgeted at € 6.0 million (excluding VAT). According to the project schedule, as it has been formed so far, the construction of the project will be completed by the end of 2021.
- ✓ On June 1, 2020, the major project of maintenance of the pipeline that transports water to the Thessaloniki Urban Complex from the springs of Arabissos to the central pumping station of Dendropotamos and from there to the internal network of the city began. The works concern a part of the pipeline within the Industrial Area of Thessaloniki, which has had failures in the past. The framework agreement, with a budget of €3.4 million, includes works for the control, strengthening and repair of the pipeline, where serious oxidation phenomena of the reinforcements have been identified. About 750m of pipeline have already been accessed and repaired to date.
- ✓ The expansion of the Thessaloniki Water Treatment Plant (Phase A2), with a budget of € 21.7 million (excluding VAT) co-financed by the NSRF. The Preferred Contractor has been announced and a legal proceeding for annulment of the decision by the Preliminary Appeals Authority is expected to be discussed and decided, in order for the company to complete the award process of the tender. With this project the capacity of the water treatment installation will increase from the current 150,000 m3 per day to 300,000 m3 per day.
- ✓ The contract for the project titled "Pipeline Upgrade Sewerage, Depression Pipes, Coastal Pipeline and Central Pipeline EEL AINEIA", budgeted at € 4.40 million (excluding VAT) was signed on 12/02/2019 and preparatory actions for its implementation have been realized.
- ✓ The implementation of the Agreement - Framework for the provision of Technical Support Consultant services for studies and projects of the Strategic & Business Plan of EYATH SA, budgeted at € 1.3 million (excluding VAT) continued. A total of three (3) individual contracts have been signed to date with a total budget of €418 thousand (excluding VAT).
- ✓ Since the beginning of 2020, the implementation of the project "Remote control and automation of the water supply system of the EYATH service area" has commenced and is progressing, with a budget of € 3.4 million (excluding VAT), financed by the Region of Central Macedonia.
- ✓ In 2020, a tender process was launched to appoint contractors for the implementation of projects with a total budget of € 4.4 million (plus VAT), related to water supply projects of € 2.8 million and sewerage projects of € 1.6 million.
- ✓ The projects for the Maintenance of EYATH Facilities continue, with a budget of € 0.7 million (excluding VAT), which include, among others, projects necessary for the installation of the new SCADA water supply system.
- ✓ Signing of Contracts for projects and studies that were included in the investment programme of the company and apply to sewerage and water supply projects with a contracted value of € 5.3 million and € 2.3 million respectively.
- ✓ In December 2020, the Contract was signed with the contractor for the renovation, energy improvement and operational upgrade of the Thessaloniki Wastewater Treatment Plant (EELTH), with a budget of € 41.0 million, which also provides for a 3.5 MW Electric / Thermal Energy Cogeneration Unit.
- ✓ In December 2020, the tender process for the upgrade of the administration building of EYATH SA began. at 127 Egnatia Street, Thessaloniki, budgeted at € 5.0 million (plus VAT), which was successfully completed and the Contractor signed a contract on 15/6/2021. The project scope includes the upgrade of the building, which is necessary primarily for security reasons and also for functionality reasons and reduction of its energy footprint.
- ✓ Finally, in October 2020, EYATH SA participated, by submitting an expression of interest, through its subsidiary EYATH Services SA and as a member of a Group of Companies, in the Public International Tender "IMPLEMENTATION OF THE HAVRIAS RIVER DAM, WATER AND NETWORK TREATMENT FACILITIES ON A PPP BASIS - Phase A", a project with a total value of approximately € 167 million, with a construction period of 3 years and an operation and maintenance period of 27 years.

## Environment and Public Value

2020 was marked by the Covid-19 pandemic. The company, of course, set as its first priority the protection of the health of its employees and consumers. At the same time, it also proceeded with a series of actions, in the context of its corporate culture with a dual orientation: the environment and society.

Having many years of activity in issues relating to public health and environment, EYATH proceeded to an extremely successful collaboration with the Aristotle University, participating in the development and implementation of a pioneering method for the continuous recording of the Covid-19 viral load in the area of Thessaloniki, providing the State with valuable information for monitoring the pandemic.

The company continued and intensified the actions of Corporate Social Responsibility (CSR), providing various options for the repayment of consumer bills, especially for vulnerable groups and affected companies, supporting with sponsorships, with personal hygiene materials / items, schools of the Municipalities of the wider Thessaloniki and specialized medical equipment the AHEPA covid reference hospital.

At the same time, it continued to emphasize in the social dimension of its activities, in the direction of reciprocal benefits to the local community, by supporting public benefit initiatives in the supply of sanitary ware, but also continued, not suspending due to pandemic, customary actions to local organizations. Particularly:

- ✓ In the area of Dendropotamos, in the Center for the Protection of Minors "Faros tou Kosmou", the company contributed financially for the creation of an experiential garden with irrigation, rainwater collection and water saving systems.
- ✓ Continued to assist with registrations and supply of corporate gifts to the unemployed / needy of "Schedia", a group that was particularly affected by the pandemic.
- ✓ Continued the "open" to the world voluntary recycling programs (cooking oil, consumables, batteries).
- ✓ Implemented informative action to protect the environment from discards of masks, (plastic) gloves and other personal hygiene items and tried in every way to ensure social continuity and cohesion, inside and outside the company, in the unprecedented health conditions experienced.
- ✓ In the Water Museum, due to its suspension of operation, exclusive priority was given to the documentation of the rich archival material: a digital archiving platform was created, the old archival material was consolidated with a new one (maps, documents) and the foundations for an electronic book were laid, which will preserve the history of water supply in Thessaloniki and the city itself eventually. Also, during the suspension, two videos were created for the museum, one of which is a digital tour of the building of the old central pumping station. We hope that with the return to normality we will be able to continue from the second half of 2021, extending our programs to other topics and implementing others that were interrupted due to a pandemic

## Prospects for 2021

The company's prospects for 2021 focus in three axes:

- ✓ The acceleration of the implementation of the important projects that have already been launched and the maturation of the other projects of the approved investment program,
- ✓ The promotion of immediate efficiency actions to improve the energy and environmental efficiency of the company, as well as to reduce non-priced water, which is expected to have a positive impact on the financial figures of the company.
- ✓ The further application of corporate governance principles through the updating of the Internal Rules of Procedure and the Rules of Procedure of the Board of Directors, the drafting of the Policy regarding Conflict of Interest, as well as the drafting of a Code of Ethics for all EYATH staff.

Finally, the resilience of water supply and sewerage systems is consistently our first priority, to which we will respond with planning and collective effort



### Short description of the company

The main activities of 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 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 6,343 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 more information, visit the company website [www.aedik.gr](http://www.aedik.gr).

### The most important events and transactions from 01/01/2020 to the date of the report

#### Business approach, service improvement & extroversion

In 2020, in the framework of the strategic goal set by HCAP regarding the unimpeded operation of the Canal, the company continued the implementation of preventive measures, security enhancement and service improvement actions. In particular:

- The removal of vegetation around the canal lights has been completed so that there is full lighting during night crossings, and trees that obstructed visibility and / or created erosion and destabilization on the slopes.
- The bottom of the canal has being scrubbed on a weekly basis, starting in the beginning of 2020 until the 15/1/2021 when the first major landslide took place.
- The scheduled ten-year maintenance of Poseidonia lighthouses for navigation safety reasons has been completed.
- In the context of the fleet upgrade, new engines have been installed on "IVI" and "IRA" vessels. The acquisition of the Vergina tugboat from the Thessaloniki Port Authority is scheduled to be completed by the second half of 2021 following the latest round of negotiations and a reduction on the acquisition price.
- Insurance coverage for the BoD, the canal and civil liability insurance for the tugboats has been contracted. Within 2021, we expect to insure the machine shop following its declassification and legalization of status from the Municipality of Loutraki-Perachora, which has previously classified it as a greenfield zone.



- The development of digital applications for the provision of upgraded on line services to customers is expected to be concluded in the second half of 2022 (due to the disruption caused by the landslides).
- In collaboration with the Center for National Security Studies, a review of infrastructure vulnerabilities is being conducted. A related action is the installation of a security fence on the perimeter of the canal, an action which is implemented by the Regional authorities of Peloponnese.
- Under investigation is the possibility of drawing up a comprehensive plan (master plan) for the optimal utilization of the canal's property in combination with the introduction of new products and services. Alternative options for funding the relevant studies and carrying out the projects are being considered.

Moreover, aiming at improving the operational profitability and the continuous upgrading of provided services, in 2020 the company conducted an annual customer satisfaction survey. A review of the pricing policy from a customer-oriented perspective will be conducted when repair works have been completed.

On 13/11/20 and 21/11/20, there were two landslides causing the cessation of crossings. AEDIK immediately proceeded with all the necessary actions for the restoration of the draughts and the re-opening of the canal as soon as possible. Furthermore, all relevant stakeholders were alerted and on the 27/11/20 a meeting was held at the company's offices in Isthmia, with main issues the safety - stability of the slopes as well as the maintenance-repair of the existing facilities. Following a relevant techno-geological study, conducted by EAGME and the University of Athens, to determine the extent and the causes of the problem, and given the fact that during the conduct of the study two additional major landslides took place (on the 15/1/2021 and again in 3/2/2021), it was jointly decided by EAGME, the University of Athens and the Ministry of Transport to cease transits through the canal and to restore the slopes. The project has been classified by the Ministry of Transport as being of "national importance". Following an emergency order by the Ministry of Transport, the Municipality of Loutraki proceeded with restorative actions for issues emanating from the area of the adjacent biological wastewater treatment facility. Following the restorative actions, slope erosion has noticeably improved in the area. The Ministry of Transport has appointed its own design office, to assess the extent of the damage and prepare the restoration study. The relevant study is expected to be completed within two months. Restoration works will follow implemented by a contractor selected by the Ministry of Transport. The project is estimated to cost 9 mil. Euros undertaken by the Ministry of Transport. The project is estimated to be completed by the mid-2022.

Unfortunately, from the beginning of 2021, when crossings ceased and until the termination of the restoration works, the Canal will be completely deprived of revenue, while operating costs as well as obligations to suppliers still exist at a high level. The needs of the company on an annual basis are estimated at 3.7-3.8 million. In cooperation with HCAP, actions are being implemented to find a way to meet payroll costs until the resumption of normal operations.

### Environment & Public Value

Apart from the actions related to the smooth operation of AEDIK both as a facility and as a corporation, also taking into account the importance and the impact of its activities, the company maintained its cooperation with the Loutraki Tourist Organization by continuing the supply of equipment and space for the Info Kiosk operation for transient tourists. Furthermore, following a related request by regional authorities the company ceded them the right to build and maintain WC facilities for visitors.

In addition, in order to further improve its environmental footprint, the company is preparing a feasibility study to cover the annual required amount of water from seawater treatment in a small desalination plant.

Finally, in the context of the strategic goal set by HCAP for AEDIK's real estate property, with a view to improving its utilization both for the company itself and for the promotion and development of the region:

- All real estate assets (land plots and buildings) have been properly located and appropriate record amendments (E9, cadastre etc.) have been made. Presently all real estate assets are registered with proper documentation (contracts, topographical schematics and related certificates).
- A process has been initiated to explore the options regarding the local general urban plan as well as the permitted land uses. This is done in close cooperation with the Municipality of Loutraki – Perachoras, in order to include them in the new general urban plan.
- The reopening of the Canal Museum in a part of the headquarters building in Isthmia and its renovation will be completed once the canal reopens and in accordance with the new general urban plan.

## Institutional Framework & Corporate Governance

In July 2020, a new Chairman of the Board was appointed, as well as one independent non-executive members, one of which serves as the Chairman of the Audit Committee.

In 2020 an Internal Auditor (in accordance with law N. 3429/2005) was appointed as well as a representative of Ministry of Economy in a non – executive position of the BoD. The Audit Committee Charter and the Internal Audit Unit Charter were approved in June 2020. A draft of a new company charter has been prepared (the existing one hails from 1988) and related negotiations with the employees and the Ministry of the Interior. The draft of the new charter has been forwarded to the legal department of HCAP for final tweaking. The official approval from the BoD is expected to follow.

## Effect of Covid-19 on AEDIK activities

The operation of the canal continued without any interruptions during the pandemic crisis, serving the vessels that wished to cross it and by following all safety rules set out by the competent authorities until the day crossings ceased due to the landslides.

All measures required for the protection of the employees and the customers were immediately taken:

- Personnel masks and gloves were acquired,
- Antiseptic liquids were placed in all work areas and vessels,
- Work areas were disinfected,
- Remote working was implemented, where feasible,
- A special manual was issued with instructions on operation and conduct, in order to ensure that the personnel understood the new situation based on the protocols and guidelines issued by the National Public Health Organization of Greece and relevant Ministries,
- In the context of minimizing direct contact, enhanced options were provided for electronic payment of the canal toll fees, as well as for electronic document transfer.

The pandemic crisis is expected to have a significant impact on the company's revenues for 2020, as these are affected both by the limited tourist activity and the health protocols implemented, as well as by the reduction in global economic activities and the drop in oil prices. The most significant fall was registered in leisure boats, a smaller but albeit marked reduction was registered in revenues stemming from commercial vessel passage.



### Short 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.

Since November 2010, according to Law 3891/10, GAIAOSE's purpose has been redefined and the financial status of the company changed, as the revenue from real estate leases is now considered 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 Φ26/Ref.No.12874/1400 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 reduction of OSE's debt to the State. The participation of the Greek State in GAIAOSE S.A. was transferred to the Hellenic Corporation of Assets and Participations (HCAP) on 1 July 2018.

For more information, visit the company website [www.gaiaose.gr](http://www.gaiaose.gr).

### The most important events and transactions from 01/01/2020 as of the date of the report

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 10,641 hectares, as well as 4,014 buildings covering an area of 380,260 sq.m. throughout the country. At the same time, the company manages 3,752 rolling stock units.

### COVID-19 Pandemic

With the emergence of the pandemic COVID-19, the Company undertook a series of measures. The primary goal of these measures was to preserve the health of its employees and secondly to minimize the impact on the Company's activity and operation.

Specifically, the Company undertook measures (minimization of the number of employees with physical presence in the Company premises, teleworking, special purpose leaves, medical seminars, office disinfection, temperature measurement of anyone entering the building, avoidance of physical encounters).

As for the business part, the Company revenues, deriving from the majority of the leased properties have decreased, for a certain period of time, by 40% leading to a corresponding collections reduction. This reduction was instituted for affected renters that are companies which suspended operations, as well as natural persons under the P.N.P. 20.03.2020 (Government Gazette A'68), which was ratified by Law 4683 (Government Gazette A'83 / 10.04.2020).

The company presented a loss of income from rent reductions in the period March - December 2020. In addition to the revenue decrease, the Company's receivables decreased by ~ 5 percentage points compared to 2019. Nevertheless, the Company's assets are considered sufficient to cover its needs for the following 12 months.

## Real estate development

This 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, attract investments and assist in the strategic planning for transport, the logistics chain and the country's transport infrastructure in general.

This category includes the Thriasio Logistics Center (58.8 hectares), for which the concession agreement was ratified by law in 2018 and is currently awaiting approval by the EU (DG Comp) to proceed with the financial closing of the contract and with the implementation of the concession agreement. GAIAOSE supports the Hellenic Government in this process.

In addition to the aforementioned project, GAIAOSE manages similar sized plots of land in other areas, such as Thessaloniki, Alexandroupolis and Larissa.

- For the utilization of the Thessaloniki land plot (former Gonou Camp, area of 271 ha), a preliminary feasibility study was prepared for its optimal utilization, with the alternative land uses (logistic center, freight station, processing center or a combination thereof), being located within a free trade zone. T
- The Alexandroupolis plot, most of which belongs to the port zone, will be utilized along with the port's privatization.

For the rest of the real estate, GAIAOSE carries out maturing activities, mainly on urban planning 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. The aim is not only the utilization through leasing, but also the increase of the properties' value through direct or indirect reconstruction interventions.

Specifically, the company is planning or is in the process of maturing other types of real estate, such as:

- Maturing and developing the Thessaloniki and Piraeus railway stations. GAIAOSE has prepared and submitted an urban planning study and a Strategic Environmental Impact Assessment to the responsible authorities.
- Smaller size assets for commercial and residential activities.
- Preparation of the leasing procedures for 10 properties to TRAINOSE as it results from the privatization folder, that will enhance the railway activity.
- Agreements with private parties/bodies for the leasing of available properties.

Moreover, due to the pandemic and the relevant measures taken for the protection of businesses, income from property leases suffered a reduction.

## Rolling Stock Management

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

TRAINOSE SA, which is at present the main party leasing the rolling stock managed by GAIAOSE, currently leases 1,160 vehicles. There is also a second tenant, who leases four engine rolling stock units.

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

- Extensive maintenance works for the rolling stock leased to TRAINOSE. Works are controlled and certified following procedures and monitoring systems developed internally. The extended maintenance works that have been completed in 2020 concern 13 vehicles and its value amounted to € 257 k.
- Works for the finalization of cost for extended maintenance of 131 vehicles is in progress, through an International Expert and are expected to be completed within 2021.
- Finalization of surveys conduction in the entire Greek territory to record rolling stock that cannot be utilized and constitutes scrap. The surveys that took place identified 867 vehicles that could be sold as scrap.
- Analysis and assessment of the international railway market regarding rolling stock issues.
- In house development of a monitoring and control system for the extensive maintenance works.

Revenue from rolling stock leases was not affected by the Covid-19 pandemic.

## Technology and Innovation

The company has developed a Geographical Information System (GIS) through which the overall information is being managed and is continuously kept up-to-date with any changes that occur and relate to the ownership status of the Hellenic Railways real estate properties. This system provides information on all of OSE's real estate, such as land value, value of buildings, area of each property, land use and buildings information, spatial planning information and complete photographic material of the real estate under GAIAOSE's management. In 2019 the company modernized the GIS system, migrating it to modern GCloud infrastructure.

The company has also undertaken actions for:

- The development of a pilot service system based on block chain technology, for the provision of modern asset management tools, as well as the recording and validation of supporting documents such as contracts, plans, technical reports, certificates, offers, proofs of payment etc. This phase was completed in June 2020 and was the subject of one of the webcasts organized by HCAP in cooperation with MIT Enterprise Forum Greece, regarding the way in which State-Owned Enterprises may exploit available options provided by technology and innovations.
- Implementation of the digitization of procedures for recording the company's real estate assets, the monitoring and management of leases, as well as the support for the execution of its administrative procedures.
- Preparation in order to change the ERP system. The new system was launched in January 2021.

## Environment

Regarding Renewable Energy Sources, the company owns two photovoltaic parks in the Thriasio area. Also, GAIAOSE SA is a 100% shareholder of the companies "GAIAOSE FOTOVOLTAIKA LARISAS SA", "GAIAOSE FOTOVOLTAIKA ATTIKIS & VIOTIAS SA" and "GAIAOSE FOTOVOLTAIKA KARDITSAS SA.". The absorption of these companies by the parent company is underway. A positive environmental impact is also expected from the sale of old, non-resourceable rolling stock (scrap).

## Public Value

In the context of GAIAOSE's social responsibility and respect towards cultural heritage, the company is implementing a series of social and developmental actions, including:

- Entering into a memorandum of cooperation with the Railway Friends Association and concession of a new building close to the Peloponnesus Railway Station.
- Introduction of cultural uses in the building of the Railway Station of Pyrgos, in Ilia, with the creation of a "Centre for hosting cultural socioeconomic events and events for local producers". The project has been included in the "Western Greece 2014-2020" Regional Operational Programme. The tender process is expected to be completed in the following period.
- Signing of a memorandum of understanding between the Municipality of Thessaloniki, the Israeli Community of Thessaloniki, and GAIAOSE for the transfer of the Holocaust Museum to a more prominent point within the property.
- Concession to the Peloponnese Region of a 50 km "linear" zone (Corinth-Derveni) for its utilization for public benefit purposes.

## Institutional Framework & Corporate Governance

GAIAOSE has adopted the Corporate Governance principles described in Greek Law and international practices. In this context, GAIAOSE has completed the following actions:

- An Internal Auditor was appointed, according to the provisions of Law 3429/2005 and the Internal Audit Unit Charter was approved.
- Prepared a Corporate and Social Responsibility report, which was published together with the 2019 financial results.
- Completed the communication to the staff regarding the corporate risks and completed their registry.

Furthermore, an introductory seminar for members of the Board of Directors was held by HCAP's respective unit, and there was also extensive training of the BoD members on regulatory compliance issues by HCAP's Compliance Officer.

- Carried out an IT Audit and cybersecurity audit, and has developed a plan for monitoring and mitigation of the findings. Part of the corrective actions has been implemented to strengthen the Internal Control system and significantly reduce the identified risks.
- A risk assessment table has been conducted, after informing and involving all Company's relevant personnel.
- Annual report on compliance with the requirements of the general regulation on personal data protection
- Monitoring regulatory compliance and evaluating its implementation
- Approval of a new regulation of obligations of members of the Board of Directors and updating of the operating regulation of the Audit Committee
- Self-assessment of the Board of Directors
- Preparation of Internal Audit regulations and Internal Audit Unit procedures
- Update of the ISO-2015 quality system

## THESSALONIKI INTERNATIONAL FAIR (TIF) – HELEXPO S.A.



### Short 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, both in Greece and abroad. Recently TIF-HELEXPO has also organized theme parks, while since 2016 the institution of the honoured country at the Thessaloniki International Fair, which is held in September each year, has been revived.

The Thessaloniki International Fair S.A. began operating in 1925, and has operated on its current premises since 1940. In 1999 TIF-Helexpo split into Thessaloniki International Fair (TIF S.A.) and Helexpo – Hellenic Exhibitions S.A. 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 distinctive title "TIF - HELEXPO S.A.".

The Company owns or manages two exhibition centres: a) the Thessaloniki International Exhibition and Congress Centre (TIEC) and b) HELEXPO MAROUSSI in Attica. The Thessaloniki International Exhibition and Congress Centre covers an area of approximately 180,000 square metres and has one of the largest congress centres in the Balkans, with a capacity of 2,500 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.

HCAP S.A. directly owns 100% of TIF – HELEXPO shares.

For more information, visit the company website [www.helexpo.gr](http://www.helexpo.gr).

### Key events and transactions from 1.1.2020 to the date of the report

#### Business approach, service improvement & extroversion

The company's revenues are affected by seasonality, and therefore present significant variations from year to year. A fact that greatly contributes to the turnover variations of TIF - Helexpo S.A. is that the large Agrotica fair is organized in even-numbered years, while the smaller Zootechnica fair is organized in odd-numbered years. Turnover originates from services related to the organization of exhibitions, conferences, events, as well as revenues from the operation of parking areas.

In 2020, which is an even-numbered year, the first exhibition activity held was the 28th Agrotica International Fair for Agricultural Machinery, Equipment and Supplies, which achieved a triple record (increase in the number of exhibitors, increased exhibition space coverage, increased visitor traffic), confirming it as the No. 3 agricultural fair in Europe. The subsequent Detrop Boutique and Artozyma fairs gathered 355 exhibitors from 16 countries in 7 exposition stands, while they received a total of 230 Hosted Buyers and commercial visitors from 32 countries across the world, which corresponds to a 46% increase and highlights the international reach of the two fairs. Similarly increased figures were observed at the Athens International Jewellery Show, which was held from 21 to 24 February at Metropolitan Expo, Athens, with the participation of 270 companies from Greece, Germany, Bulgaria, Turkey, Italy, Belgium, Cyprus, and the United Kingdom.

The success of the exhibition events and the increased number of visitors serve the two main goals of TIF-HELEXPO, namely consolidation and further strengthening of its leading position in Greece, as well as the formation of a strong and competitive company on a regional level.

The aim of rationalizing TIF-HELEXPO's operations, in combination with a new mix of fairs and events and the operation of theme parks, have led to the national exhibition body's enhancement of its promotional activity and faster evaluation



of the reconstruction works aiming to promote Thessaloniki and convert TIF-HELEXPO into an attractive exhibition hub for southeast Europe, while also modernizing the company's assets and optimizing the return on them.

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

The redevelopment of the Thessaloniki International Exhibition Centre is a project of great importance that includes the reconstruction of the exhibition and accompanying facilities at the existing TIF-Helexpo S.A. premises and the simultaneous creation of a metropolitan park.

The Thessaloniki Exhibition Centre's redevelopment plan aims to redesign the exhibition and congress venues and to create a free green recreation space as well as outdoor cultural and exhibition spaces. More specifically, 6 sectors and 4 construction area within those sectors have been defined. The uses specified include: Exhibition centres, a conference centre, retail outlets (excluding supermarkets, shopping malls and department stores), offices, banks, tourism / leisure, cultural buildings, sport, communal green spaces and parking areas. The aim of the redevelopment plan is to modernize the operational facilities of TIF-HELEXPO S.A., secure the optimal organization of its activities, further enhance its international role as the largest and most significant exhibition and conference centre in Southeast Europe, and, at the same time, create a metropolitan park of cultural and green space for citizens.

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 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 (SEIA)
- **November 2019:** Submission of an improved proposal that integrates proposals included in the SEIA.
- **April 2020:** Approval of the amended SSP by the Metropolitan Planning Council.
- **June 2020:** Approval of the amended SSP by the Central Council of Urban Planning Issues and Disputes and posting online by the Municipality of Thessaloniki.
- **August 2020:** Approval of the implementation plan for the special planning scheme by the Central Council of Urban Planning Issues and Disputes.
- **September 2020:** Announcement of an international architectural contest under the aegis of the International Union of Architects (UIA) and in accordance with the principles for UNESCO architectural competitions, which is expected to be completed in July 2021.
- **December 2020:** Completion of the 1st phase of the architectural contest in which the 15 architectural firms which will participate in Phase II of the contest were selected. A total of 116 candidates from 33 countries participated in phase I of the contest. A total of 55 technical offices from 17 countries participated in the teams which were selected, consisting of 222 engineers, 56 of whom were Greeks.
- **April 2021:** The Council of State issued a positive opinion on the draft Presidential Decree which had been sent by the Ministry of the Environment and Energy. The Council of State's positive opinion on the draft Presidential Decree relates to approval of the Special Planning Scheme and the Strategic Environmental Impact Assessment in the Thessaloniki Exhibition Centre area, the determination of land uses, building terms and restrictions, and approval of the Street Planning Scheme required to implement it.

This will be followed by the President of the Republic signing the Presidential Decree which is expected to be done in the first half of 2021.

The Management of TIF-HELEXPO SA has appointed a consulting company to prepare the project's prefeasibility plan, which has already been completed and includes, among others, market analyses, preparation of the main development plan, financial analysis and proposals on the financing structure.

Believing that the redevelopment project will drastically 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.

Some of these are as follows:

- Selection of financial and other specialized consultants, to prepare a detailed Business Plan.
- Selection of the proposed development and implementation scenario, evaluating all alternative implementation scenarios.
- Technical and licensing maturity.
- Securing sources of funding, which will also depend on the project's implementation method (e.g. Public-Private Partnership (PPP), concession etc.).

### Environment & Public Value

The company adopts actions that comply with the existing environmental legislation and participates in recycling schemes.

Sport, culture, education and training are the corporate social responsibility (CSR) focus areas of TIF-HELEXPO S.A. It cooperates with the majority of social, cultural and business bodies nationwide in the context of its CSR activities, offering the free concession of spaces for social purposes (blood donations, Children's Villages etc.), and donating equipment to various entities (Police, Fire Service etc.).

### Institutional Framework & Corporate Governance

As far as the statutory framework and corporate governance are concerned, in February 2020 the Company's Board of Directors approved the Audit Committee's bylaws, the Internal Audit Unit's bylaws and the Internal Audit Operating Procedures Manual.

### COVID-19's impact on TIF-HELEXPO's activities

Given the rapid developments on the pandemic front and the forecasts regarding its spread, in order to protect exhibitors, visitors and employees, on the 6 March 2020 the company decided to cancel the Freskon fair, which was planned to take place on 2-4 April 2020 at the Thessaloniki International Exhibition and Congress Centre.

The 17th International Book Fair of Thessaloniki (IBFT) was also postponed. Following discussions with editor associations, the representatives of the Honoured Country (Germany), as well as the other entities involved, the Hellenic Foundation for Culture and TIF-HELEXPO took this decision prioritizing the health and safety of IBFT partners, exhibitors and visitors. The exhibition was held online from 19 to 29 November, and was a success with 40,000 visitors.

The 85th Thessaloniki International Fair was also among the major exhibitions which were cancelled and was moved to 2021 and the Thessaloniki Helexpo Forum was organized in its place (11-20 September). The Thessaloniki Helexpo Forum was held by the Thessaloniki International Fair from 11 to 20 September at the I. Vellidis Conference Centre. 174 speakers and 23 coordinators on 24 panels raised topical issues that have arisen in these new unprecedented circumstances. The Thessaloniki Helexpo Forum was particularly warmly received and paved the way for it become a regular fixture.

Similarly, most exhibitions that had been scheduled to take place at the Maroussi Exhibition Centre in March and April were cancelled or postponed, while conferences were cancelled.

Based on its Economic Activity Code, the company is among those companies that was required to cease all operations following the Act of Legislative Content of 11.3.2020 (Government Gazette 55/A), under which urgent measures were taken to address the negative impact of the COVID-19 coronavirus and to limit its spread. Consequently, the company ceased operations on 18.3.2020 and its employees were put on furlough.

Given these circumstances, the company's financial results were impacted. Apart from the scheduled events that were cancelled or postponed, further losses of revenue were caused by the impacts on other activities, such as the running of parking facilities, income from store rents, etc. Also, due to the strict protocol to be applied to events from now on, the number of visitors and exhibitors will be reduced, meaning that revenues will therefore be affected. The smooth operation of the company largely depends on ongoing developments, therefore the financial impact of the pandemic cannot be reliably assessed at this moment.

Given the unprecedented healthcare crisis Greece is experiencing, the company has done what it can to help society, contributing all available infrastructure and all means to bolstering and facilitating the healthcare system. Despite the suspension of all exhibition activities due to the pandemic, the company did not remain inactive, offering its facilities (located at a key geographical point), for a series of services and actions relevant to both the health sector and the wider social contribution TIF-HELEXPO seeks to make.

- Since February one of the two mega vaccination centres has been hosted at the Thessaloniki International Exhibition Centre's facilities at stands 13 and 15 with 108 vaccination lines. A second mega vaccination centre has been housed in Helexpo Maroussi, Athens.
- It houses National Public Health Organization (EODY) mobile crews on its premises with a fleet of 35 cars.
- A National Ambulance Centre city centre station was set up outside stand 17, ensuring the best starting point and the best possible exit for ambulances for both eastern and western Thessaloniki.
- It has provided a storage area for healthcare materials of the 3rd and 4th Healthcare Region and at regular intervals the International Exhibition Centre becomes the reference point for blood donations for hospitals located in Thessaloniki.

Moreover, in the context of corporate social responsibility, TIF-HELEXPO set the following actions in motion during the pandemic lockdowns:

- It made available one of its stands at the Thessaloniki International Exhibition Centre to be used to accommodate homeless persons, following a request from the office of the Deputy Mayor of Thessaloniki for Social Policy, in order to contribute to the safe accommodation of our homeless fellow citizens during the day and at night in this extremely difficult time.
- It hosts purely society-focused activities such as assisting the Municipality of Thessaloniki distribute food three times a month.
- At its premises at the Thessaloniki International Exhibition Centre, it accommodated blood donation units of the AHEPA and Theagenio hospitals in order to enable blood drives to be held.
- It accommodated three mobile blood donation and primary healthcare units of "The Smile of the Child" at Helexpo Maroussi in Athens.
- It provided special professional disinfectants to hospitals in Thessaloniki and Northern Greece.

To safeguard public health while operating the Exhibition and Congress Centre during the pandemic, the company has issued a special protocol which includes the facilities' operation and personnel management policy, as well as the prevention policy and measures to be taken during fairs and conference events with the aim of preventing and reducing infections.



HELLENIC SALTWORKS S.A.



### Short 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 – Etolo-Akarnania
- Tourlida - Etolo-Akarnania
- Kitros – Pieria
- Kalloni – Lesvos
- Polichnitos – Lesvos
- Angelochori – Thessaloniki
- Mesi – Rhodopi
- Nea Kessani – Xanthi
- Milos (inactive)

The company's main activity is producing and harvesting salt through the evaporation of sea salt and the sale of raw salt in Greece. The product is natural salt. Its product categories are washed salt, unwashed salt and salt with special specifications ( $\text{NaCl} > 99.5\%$ ).

The main uses of the Company's products are:

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

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

The nominal annual production capacity for raw salt is 206,000 tons. Annual production ranges from 120,000 to 220,000 tons and depends on weather conditions. The season commences in April and normally ends in mid-September, followed by salt harvesting which ends in late October.

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

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

### Key events and transactions from 1.1.2020 to the date of the report

#### Business approach, service improvement & extroversion

The company's activity is significantly affected by each year's weather and by seasonality both in terms of production volume and sales. In 2020 the volume of sales was 169,321.38 tons compared to 197,606.32 tons in 2019. Likewise, sales in 2020 stood at € 5,876,702.17 compared to € 6,898,503.57 in 2019. In the first 4 months of 2021 the volume of sales was 68,677.37 tons compared to 45,311.29 tons in the same 4-month period in 2020. Sales in the first 4 months of 2021 stood at € 2,367,744.00 compared to € 1,665,348.52 in the first 4 months of 2020.

The mild weather conditions which prevailed during the majority of 2020 and the first four months of 2021 did not favour sales of salt for use in snow-clearing, with the result that there were stocks available.

The suspension of certain activities as a result of measures to curtail the pandemic continued to affect sales overall, particularly those of packaged salt and to small customers.

Under the guidance of HCAP, Management initiated the following actions:

- Submission of a revised Dossier certifying the product “Afrina” as a protected geographical indication (PGI) product. The Company received preliminary approval from the Ministry of Rural Development and Food. The procedure for obtaining final approval is expected to be completed by the end of 2021.
- Strengthening its export orientation and the distribution network, and improving its trading portfolio, and minimizing commercial risk.
- Demolition of the building at the old facilities at Messolonghi and removal of asbestos, based on the strict rules in force on the removal of hazardous waste and removal of asbestos sheets (Acceptance Report prepared on 25.8.2020) as a first step towards building a new modern salt packaging facility at the specific site.
- Drafting of a comprehensive Special Ecological Assessment study for the renewal of the Kitros salt flats’ operating permit by optimizing its production area (by dividing up the salt flats). The relevant dossier was filed in the Central Macedonia Region (Pieria Regional Unit) in May 2021.
- As part of the effort to save electricity to reduce costs and limit the cost of operating and maintaining E/M equipment, the company’s Board of Directors decided on 27.08.2020 to approve a specific procedure to upgrade all electrical facilities at the salt works by correcting the power factor for existing supplies or by generally restructuring of the electricity network at Messolonghi. Works will be completed by the end of 2021.
- Collaboration with the Hellenic Institute of Health & Safety commenced to evaluate the existing H&S system and then training seminars were held for all staff in 2021.
- In collaboration with HCAP’s Cost Compliance Division, online seminars were organized for all company staff in 2021.

Moreover, under HCAP guidance, Hellenic Saltworks is preparing a feasibility study on the vertical integration of production and the final product. The aim is to identify the prospects and financing needs of such an approach. To that end, to support the company HCAP selected a consultant, through a tender procedure, who prepared the relevant study, completed in April 2021. In the next stage the company intends to examine the market around the facilities of each salt flat in order to plan the degree of vertical integration in light of the needs of each area.

### **Investment Programme**

The company’s Investment Programme is updated taking into account the Business Plan 2018 - 2022 which was submitted, prioritizing those initiatives and objectives identified in the published HCAP Strategy, the smooth and more efficient operation of the salt flats in accordance with the legislation in force, as well as workplace health and safety. The following are being implemented in this context:

- Investments to improve the soil and technical infrastructure of all salt flats.
- Upgrading the electromechanical equipment of all salt flats.
- Purchase of software to install a complete MIS and CRM program.
- Consultancy services provided by Baker Tilly to evaluate and manage company risks. Completion by end of Q2 2021 is expected.
- PwC’s governance and IT system security project. The project is under way.

### **Environment & Public Value**

Through the above actions, Management aims on the one hand to improve the company’s financial figures and, on the other, to achieve an active economic and social contribution and promote environmental awareness. This is accomplished by:

- Contributing to the national economy through increased export activity and the maximum possible coverage of domestic demand.
- Promoting differentiation and showcasing the singular character of Afrina of Messolonghi salt.

- Taking steps to correct the power factor for electricity supplies as part of resource and energy saving actions.
- Adopting practices that contribute to the responsible management of salt flats and implementing actions for the protection of the wetland and the environment.

Specifically, for the salt flat facilities at Messolonghi and Kalloni, Lesvos, which by official decisions have been included in Standard Environmental Commitments (SEC), the company continuously adapts to the relevant requirements under the constant guidance of the Environmental and Spatial Planning Directorates of the corresponding Regions. In particular the Messolonghi salt flats are subject not only to the SEC provisions but also to the additional terms issued to ensure the integrity of NATURA 2000 protected areas.

### **Institutional Framework & Corporate Governance**

In early 2020 the Company's Audit Committee approved the Internal Audit Unit's bylaws and following the resignation of the Internal Auditor, a new one was appointed in June 2020 on the basis of the provisions of Law 3429/2005.

The Board of Directors of HCAP, which holds 55.19% of Hellenic Saltworks S.A.'s share capital, in line with its remit and according to the procedure set out by Article 197(4) of Law 4389/2016, unanimously decided in favour of the appointment of five new members in the Board of Directors of Hellenic Saltworks S.A. The Board now consists of:

1. Leonidas Vrettakos, Chairman of the Board of Directors
2. Antonios Doumanoglou, CEO,
3. Nikolaos Kotsalos, Non-Executive Member of the Board of Directors and Member of the Audit Committee
4. Evangelia Giza, Non-Executive Member of the Board of Directors and Member of the Audit Committee
5. Eleni Leodi, Non-Executive Member of the Board of Directors and executive of HCAP
6. Christos Siasos, Non-Executive Member of the Board of Directors.

### **COVID-19's impact on the activities of Hellenic Saltworks**

During such time as restrictive measures were in place the company's operations continued smoothly, while all preventative measures still needed are being followed. However, due to the demand issues stated above, the company was affected, primarily regarding its revenue.

Moreover, since the production process starts in April, the company took all necessary preventative measures to protect staff, so that production could start smoothly and without any delay. One positive factor in this regard is that the geographical spread of the salt flats throughout the territory of Greece by itself offers "natural protection" for the staff working there. This means that if an infected person is identified in one of the salt flats, operations at the other salt flats will not be affected.

## CENTRAL MARKET OF THESSALONIKI S.A. (CMT)



### Short description of the company

Central Market of Thessaloniki S.A.'s (CMT) seeks to ensure the most beneficial for production and consumption, distribution and trade of fruit and vegetables and meat, coupled with ensuring the quality and hygiene of the products being traded. On its premises it creates favourable terms and conditions to enable optimal wholesaling of fruits, vegetables and meat, and ensures the best functioning of the free market and healthy competition for the benefit of producers and end consumers.

The Central Market of Thessaloniki has operated since February 1975 at its current facilities, at the 7th km of the Thessaloniki – Athens National Road, on the borders of the Municipality of Nea Menemeni. The following are in operation at CMT's 226,000 m<sup>2</sup> premises, of which 45,400 m<sup>2</sup> are under roof:

- The fruit and vegetable market, divided into 4 central areas with a total of 280 shops, each covering 60 m<sup>2</sup>.
- The meat market, with 24 shops, each covering 165 m<sup>2</sup>, with modern meat transport and storage equipment.

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

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

### Key events and transactions from 1.1.2020 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 modernizing the existing facilities and infrastructure, increasing capacity, and expanding the activities and services provided. In September 2020, CMT Management submitted for approval a Technical Bulletin on 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 million for the CMT. In January 2021 inclusion of the investment plan was approved and implementation procedures are already under way.

As part of the effort to constantly improve the quality of services provided and to bolster commercial activity, in June 2020, the CMT Board of Directors approved a new billing system for vehicles entering its premises, aiming to achieve uninterrupted flow, improved safety, automation of fee payment, and fair, transparent pricing. This system is already in place.

#### Environment & Public Value

In 2020 the Company moved to the new environmental management system for all manner of waste, which is fully in line with environmental legislation. The company recognizes its environmental obligations and the need to continuously improve its environmental performance in order to achieve balanced economic growth in harmony with environmental protection.

Its environmental policy focuses on the following:



- using biological treatment plants to manage the liquid waste generated.
- Sorting at source, transport and certified management of organic waste and recyclable packaging materials. Organic waste is sent for further processing to a licensed composting plant and packaging materials are sent to licensed packaging recycling plants.

In the near future, the Company intends to assign a contractor, selected as part of a tender procedure, the task of overall management of solid waste in line with the rules of the circular economy. Moreover, in February 2020, a biological treatment study was completed. The study was submitted to the local water supply company, EYATH, for approval and renewal of the license for disposal of CMT's liquid waste.

In the context of Corporate Social Responsibility, the BoD decided to donate medical equipment worth €20,000 plus VAT to the Ippokrateio Hospital of Thessaloniki, to help it better cope with the COVID-19 pandemic.

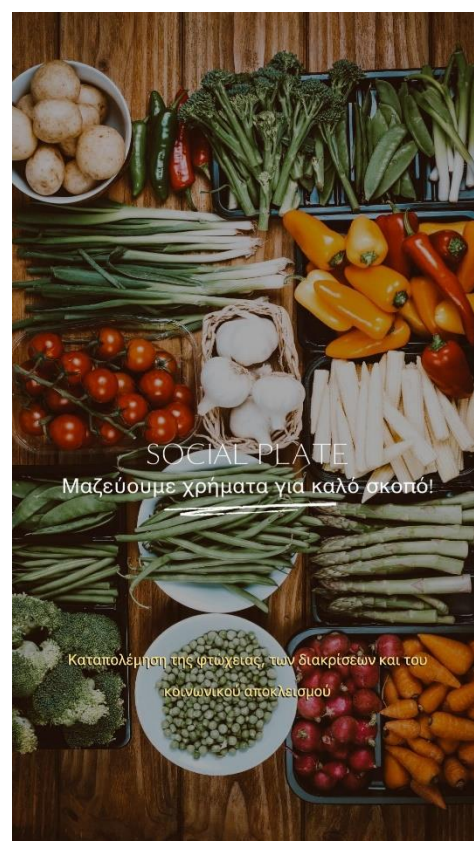
At the same time, the completion of the planned works to modernize and upgrade infrastructure, which will be included in and funded by the NSRF, will contribute significantly both to saving resources and reducing energy needs, as well as to implementing best practices for further circular economy activities.

### Social Plate

In an effort to increase public value and social responsibility, CMT continued to be lead partner in the project entitled "Supporting Social Enterprises in combating poverty and social exclusion", known more widely as "SOCIAL PLATE". The programme was implemented in the framework of the European Cooperation Programme 'INTERREG V-A Greece Bulgaria 2014 – 2020', aiming to combat the wastage 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 broader context.

Having realized the project's importance, as well as the overall benefit for socially excluded population groups, CMT has continued the project with its own funds since 31.12.2019, when the INTERREG subsidies stopped. In this context, CMT has called all interested companies and entities to support the SOCIAL PLATE project, either as a partner in the Civil Non-Profit Association that has been established for this purpose, or as a sponsor of the entire effort. In 2020 193.7 tons of fruit and vegetables were collected, of which 140.1 tons were recovered and offered to social care facilities. Likewise, in the first quarter of 2021, 46.8 tons of fruit and vegetables were collected and 31.1 tons were offered.

Recognizing the importance of this action, in the context of Corporate Social Responsibility, HCAP supports the project and encourages the companies it supervises to participate. Moreover, it uses alternative forms of funding such as crowdfunding, while also attempting to attract sponsors through participation in the Act4Greece platform run by the Bank of Greece ([https://www.act4greece.gr/actions/Action\\_socialplate](https://www.act4greece.gr/actions/Action_socialplate)). In November 2020 HCAP's initiative was a success, bringing in a sum of € 30,950, above the initial target, and will cover the cost of running the SOCIAL PLATE programme.



### Institutional Framework & Corporate Governance

In February 2020, the company's BoD approved:

- The Code of Ethics and Professional Conduct
- The Regulatory Compliance System Framework
- The Gifts and Hospitality Policy
- The Anti-Bribery and Corruption Policy
- The Avoidance of Conflicts of Interest Guidance.

It also commissioned an external consultancy firm to prepare a risk assessment study, whose conclusions led to corrective measures being taken.

The General Meeting held on 27.4.2020 decided to elect two new members of the Board of Directors, namely:

- Athanasios Kazanas to replace Mr. Kogiannis, who resigned
- Margiolaki Rona to replace Mr. Foteinos, who resigned, as Chairperson of the Audit Committee.

The new members were appointed for a three-year term, that is, until 26 April 2023.

In April 2021 the Board of Directors approved the new Board of Directors Bylaws.

#### **COVID-19's impact on CMT activities**

The smooth operation of CMT during the pandemic was extremely important, as it was necessary for ensuring the territory of Greece continued to enjoy an unimpeded supply of food (fruit, vegetables and meat).

The Company has successfully implemented a business continuity plan, in order to be able to prevent and quickly handle any potential infection, thus reducing the risk to its reputation and disruption to its operations. As part of this plan, the CMT market remained operative for the entire duration of the restrictive measures and is still operating normally, taking all required protective and preventive measures for its personnel, as well as for merchants who carry out activities or transactions at its premises. In July 2020 the Board of Directors approved the establishment of a Crisis Management Committee to ensure the continuous, uninterrupted operation of the company, irrespective of the challenges it may be faced with.

The pandemic has affected the company's revenue, as the Law imposed either a 40% or 100% reduction (whichever was appropriate) on the rent of all affected companies active at its premises.



## CENTRAL MARKETS & FISHERY ORGANISATION S.A. (CMFO)



### Short description of the company

Central Markets and Fishery Organization S.A. (CMFO) constitutes the link between the primary production sector and Greece's food supply chain, facilitating the supply of the Greek market with fruits, vegetables, meat, and fish catches.

The company was founded in 1955 and initially consisted of the Athens Central Fruit and Vegetable Market. Meat wholesalers were added to the company in 1970. In 2012 the company merged with ETANAL, 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 m<sup>2</sup>)
- The Central vegetable and fruit market of Patras (50,000 m<sup>2</sup>)
- 11 fish wharves/fish markets (administration and management / facilities under concession or leasing)

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

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

For more information, visit the company website [www.okaa.gr](http://www.okaa.gr).

### Key events and transactions from 1.1.2020 to the date of the report

#### Business approach, service improvement & extroversion

The company's main activity is the leasing of shops and open-air spaces, as well as development of its facilities. Specifically, CMFO leases:

- Fruit and vegetables wholesale shops (Central Markets of Athens and Patras)
- Meat wholesale shops (Central Market of Athens)
- Food consumption areas (restaurants, canteens within its premises)
- Open air spaces for the promotion of companies' products and services, and for organizing corporate events, etc.
- Retail shops in the Rentis Consumer Market
- Spaces for the use and transportation of catches at fish wharves.

It also receives a revenue from the management and administration of fish wharves, such as the 2% fee on the invoices that correspond to sales at fish wharves, the fish container fee, revenue from the sale of ice to the fish wharves, etc.

CMFO's main purpose is to ensure through its operation that it creates added value in commercial activities, both for itself and for its tenants.

Furthermore, in an effort to better manage the market and provide improved services to merchants and consumers, Management implemented a number of modernization initiatives:

- A Technical Bulletin was prepared and submitted for the implementation of an Integrated Information System (IIS) at the Fish Wharves. The project involves data modelling, digitization, and upgrading of the fish 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 catches in the Greek market. The majority of

this project will be financed by resources from the Fisheries Operational Programme under the aegis of the Ministry of Rural Development and Food. A framework agreement has been concluded with Information Society S.A. to support the project.

- On 30.4.2020 a Technical Bulletin was submitted relating to the modernization of the infrastructure at the Central Market of Athens, including the addition of refrigeration facilities, the reorganization of the incoming – outgoing vehicles, traffic flow and parking facilities, the upgrading of security systems, and digital interconnection within the market. The investment will be mostly funded by money from NSRF 2014-2020. The operation to upgrade infrastructure at CMFO to support modern entrepreneurship was included in NSRF's program on 1.12.2020. CMFO has come into contact with the Attica Region to obtain technical support for this project and a framework agreement is expected to be signed. Preliminary studies were also prepared relating to projects under the Competitiveness, Entrepreneurship and Innovation Operational Programme or preliminary steps for them, such as the design for the construction of refrigerators, amendment of environmental terms and conditions, etc. and a survey diagram of the facilities at Rentis.
- Having launched an international tender, it proceeded to change the waste management and cleaning model and entered into a contract with a private contractor for the cleaning of the Central Market of Athens and the Piraeus, Thessaloniki and Kavala fish wharves.
- In March 2020 the political leadership of the Ministry of Development presented the new e-Consumer digital platform (ekatanalotis.gr). It is a new application for IOS and Android mobile devices that provides benefits to consumers, who can enjoy reliable daily updates and comparisons of retail prices for products available in the entire territory of Greece, which reinforces competition as well as facilitating the smooth operation of the market. One special feature of this application is that all food sector companies (such as supermarkets) can participate if they choose to.
- The e-lahanagora platform was presented in June 2021. It is an e-commerce platform for the sale of products between companies established at CMFO premises and retailers of fresh products, in order to further promote the digital services it offers to its customers and assist CMFO tenants and food sellers, contributing to an increase in their turnover, particularly during the current crisis.
- The survey on the level of satisfaction among merchants operating at CMFO's premises was completed. The aim is to foster optimal relationships with merchants and customer. The survey allowed weaknesses in these areas to be identified and actions to combat those weaknesses will be planned.
- A study was prepared to identify, analyze and evaluate business risks (Enterprise Risk Assessment)A programme of improvements – maintenance work – repairs was implemented at the company's facilities (toilets, Kavala fish wharf doors, ice makers, etc.).
- The security system was upgraded at some of the Company's facilities.
- The new wing at the Michaniona fish wharf was released for use. The contract will be completed when the new refrigerator is delivered in July 2021.
- The contract to landscape outdoor areas at the Volos fish wharf was completed and all outstanding technical works have been carried out.
- 24h Services were introduced allowing customers to directly report problems relating to security and maintenance via applications such as Whatsapp and Viber.
- The company also signed a Memorandum of Understanding with the General Secretariat of Commerce and Consumer Protection that involves CMFO offering assistance in the organized effort to control the market, limit the black economy and deal with illegal trade at premises supervised by CMFO, as well as developing a strategy and common actions to achieve these goals. CMFO will take steps internally to fill two positions on the joint working group and will work in cooperation with the Coordination Centre for Market Supervision and Combating of Illegal Trade, which is under the General Secretariat of Commerce and Consumer Protection.

By the end of 2021, with the assistance of HCAP, CMFO seeks to:

- Commence operations at the new fish wharf in Volos.
- Fully implement new procedures.
- Commence new extroversion measures.

## Environment & Public Value

Environmental protection and corporate social responsibility are among HCAP's key pillars. Having recognized their important role in enhancing public value, CMFO is expanding its activities in these areas by:

- Supporting vulnerable groups. CMFO is continuing its activities regarding the provision of food (fruit, vegetables & fish catches) to various vulnerable groups through social groceries, associations, churches, NGOs etc., providing hundreds of tonnes of food annually, mainly at the Keratsini Fish Wharf. Valuable assistance is provided by the Central Market Merchants Association, as well as the fishermen and merchants at the Fish Wharves.
- Promoting healthy eating at schools. CMFO seeks to continue the action "Put the fruit into your child's life" by distributing the children's nutrition primer which had been temporarily suspended due to the pandemic.
- 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 catches, in collaboration with the Hellenic Centre of Marine Research (HCMR), the Pharmaceutical Department of the National & Kapodistrian University of Athens, and NAYS Ltd, in the context of the 'Research - Innovation - Enterprise' aspect of the single State aid action for Research, Technology, Growth, Innovation and the Competitiveness, Entrepreneurship & Innovation Operational Programme.
- Environmental protection. Approximately 10,000 tonnes of waste are produced annually at the Central Market of Athens, 4,127 of which are organic or biodegradable. Recognizing its obligations to protect the environment and the need to continuously improve its environmental performance and in line with the targets set by HCAP, it has already achieved a recovery rate of 50%. Moreover, under the VIOAXIOPIO programme, special equipment will be installed at the Fish Wharves of Keratsini and Thessaloniki for the recovery of styrofoam from packaging. Environmental policy focuses on: (a) managing the solid and liquid waste generated, giving priority to their separate collection and recycling, (b) continuous updating and training of staff on environmental issues, and (c) sustained action for continuous compliance with developments. In this context, in cooperation with the relevant Municipality of Nikea - Rentis, CMFO received from the Attica Region a washing device / organic waste truck which, in combination with 80 brown bins, will initially contribute further to improving best practices for recycling.
- Upgrading of facilities. CMFO is seeking to continuously upgrade its facilities, in an effort to improve the quality of its services to its customers – traders, while large amounts are also allocated to maintenance works. In January 2020, parking spaces for vulnerable groups (pregnant women, persons with disabilities etc.) were created in the area of the Central Market of Athens, fire-extinguishing cabinets were clearly marked, and fire safety exits were created at the Administration Building.

## Institutional Framework & Corporate Governance

In July 2020 the Audit Committee was set up comprised of three independent non-executive members. The Audit Committee Bylaws and the Internal Audit Unit Bylaws were then approved.

Moreover, a Compliance Officer has been appointed and the following were approved:

- The Code of Ethics and Professional Conduct
- The Regulatory Compliance System Framework
- The Gifts and Hospitality Policy
- The Anti-Bribery and Corruption Policy

**COVID-19's impact on CMFO activities**

The rapid spread of COVID-19, as well as the resulting restrictive measures, have significantly affected the economy, especially the sales network of agricultural and fishing products, which is the sector of activity the CMFO's customers operate in. Ensuring the smooth operation of CMFO during the pandemic was extremely important and was vital to guarantee that the territory of Greece continued to enjoy an unimpeded supply of food (fruit, vegetables, meat and fish catches).

The actions taken to protect employees, companies, consumers and visitors of the Organization's facilities played a significant role in the safety and continued operation of the Central Markets of Athens and Patras, as well as Greece's 11 Fish Wharves. The provision of supplies to the entire Greek territory was not disrupted, as CMFO's Management implemented strict protective measures regarding the COVID-19 pandemic and successfully implemented a business continuity plan, in order to be able to prevent and quickly handle any potential infection, thus reducing the risk to its reputation and the disruption of its operations. Under that plan, the CMFO fish wharves continue to operate normally, taking all required protective and preventive measures for personnel, as well as for merchants who carry out activities or transactions at the company's premises.

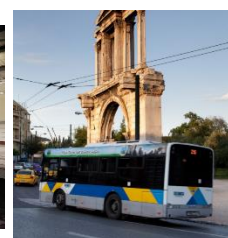
The pandemic has affected the company's revenue, as the Law imposed a 40% or 100% reduction in rent (whichever was appropriate) for all affected companies active at its premises.

The Organization's revenues from Fish Wharves were similarly affected, due to the limited demand for fish catches during the period the restrictive measures were in place (as a result of the HORECA sector being shut down).





## ATHENS URBAN TRANSPORT ORGANIZATION S.A. (OASA) AND SUBSIDIARIES



### Short 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 public transport via road vehicles, as well as via underground & ground -fixed track- modes of transport respectively. OASA, as the 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.

HCAP is the sole shareholder of OASA.

For more information, visit the company website [www.oasa.gr](http://www.oasa.gr).

### The most important events and transactions from 01/01/2020 as of the date of the report

- 306,71 million boardings (December 2020)
- 126,26 million executed vehicle kilometers (December 2020)
- 7,109 employees (regular staff on 31.12.2020)

### Public Transport operational redesign & partnership OASA – KTEL Attikis

#### *Redesign of road vehicle network*

OASA has been focusing on the public transport operational redesign, which includes the reorganization of the network of road vehicles (buses, trolleys) and their interoperability with fixed track modes, with the aim of achieving improved transport coverage for the area of its responsibility.

In this context, and given the limitations on available resources, the third phase of the reorganization of the network of road vehicles was completed in July 2020, in order to enhance interoperability within the context of the opening of the three new metro stations in Piraeus and interventions to improve the frequency of services on metro lines 1, 2 and 3 during peak hours.

#### *OASA – KTEL Attikis partnership*

In October 2020, aiming at increasing route density throughout the network due to the Covid 19 pandemic, 60 regional bus lines of OSY were assigned to the KTEL of Attica Prefecture through a transport work execution contract, thus releasing resources (vehicles and drivers) for thickening of the routes in the central lines of the network that have the highest passenger traffic.

The impact of the OASA - KTEL partnership (as well the leasing of buses that is further presented below) is as follows:

- Vehicles: In September 2020 (winter season - from 14.9) the average scheduling of road vehicles (thermal - electric) during morning peak hour at a daily basis, was 1,133 with a corresponding average output of 1,012 (89.3%). In April 2021 (with the assignment of the transport project of 60 lines to the KTEL, the reinforcement of OSY's traffic personnel and the initiation of the fleet reinforcement via bus leasing) the average scheduling of road vehicles / typical daily



basis was 1,222 with a corresponding average output of 1,217 (99.6% relative to schedule). The figure 1,222 (and 1,217) includes the scheduling of the 178 vehicles required for the execution of the KTEL transport work.

- Routes: In September 2020 (winter season) the scheduling of OSY's typical daily (average) routes was 17,179 and the execution of OSY's typical daily routes was 13,474 (78.4%). In April 2021 the scheduling of OSY's daily (average) routes including the KTEL was 18,109 (including the 2,711 daily KTEL routes) and the execution of the standard daily routes for road vehicles was 17,008 (93.9%).

#### *Actions for the renewal of the bus fleet*

Moreover, OASA participates in the study prepared for the European Investment Bank on the bus fleet renewal program for Athens and Thessaloniki as well as in the coordination group for the open Public Consultation by the Ministry of Infrastructure & Transport entitled "Renewal of the City Bus Fleet, for major areas of Attica and Thessaloniki".

In this context, the renewal of the urban transport fleet with environmentally friendly buses is a strategic choice for Athens public transport, as the new fleet will significantly enhance the environmental footprint of mass public transport, while at the same time, will lead to a reduction in operating costs and improvement of the provided quality of services. For this reason, the OASA is preparing a study entitled "Pilot program for the evaluation of electric buses" with a key target to develop a comprehensive methodology for the evaluation of electric buses that have operated as pilots in the Athens network. The proposal aims to formulate the framework, based on which it will be possible to evaluate the energy consumption of the candidate electric buses that will be used in the Athens network.

At the same time, important actions were launched to address chronic problems and shortages of resources that affect the transport project.

#### *Supply of buses through Leasing*

Regarding OSY's vehicle fleet, the tender process has been completed for the supply of 293 modern buses, of up to 10 years of age, through leasing. Until today, according to the signed contract, the 20% of the leased vehicles have been incorporated in OSY's fleet.

#### *Recruitment of drivers and technical staff in OSY and STASY*

The tender for the recruitment of 655 drivers and *technical staff* for OSY SA and STASY SA was completed, with fast-track procedures, in order to enhance the transport companies. At present, 143 metro-drivers and technicians have joined STASY and 319 drivers and technicians have joined OSY.

#### *Dealing with covid-19 health crisis in public transport*

Transport was significantly affected by the Covid-19 health crisis. Specifically, passenger transport as represented by the validations of the Automated Fare Collection System (ASKK) has gradually decreased in line with the implementation of restrictive measures on circulation, reaching a decrease of up to 90% in the networks of both OSY and STASY.

OASA immediately adapted to the new circumstances formed during the health crisis, ensuring the seamless operation of the Public Transport means for the entire duration of implementation of the restrictive measures on movements, serving transport needs as they developed in the specific period.

### **OASA as a Group of Companies**

In the context of promoting the enhancement of OASA operation as a Group of Companies (OASA-OSY-STASY) the following actions were implemented:

- Centralization of the scheduling of services at OASA level.
- Central planning and supervision of the fare control function by OASA and execution by subsidiaries
- Common rules of procedure for the Audit Committee
- Joint Head of Internal Audit Service
- Common rules of procedure for the Internal Audit Unit
- Common Corporate Governance policies and procedures
- Increased monitoring of the execution of the routing schedule in fixed-track means.

## Preparation and operation of fixed track network extensions

### Launch of operations of 3 new Metro stations

The operation of three stations along the extension of Metro line 3 in Piraeus, namely the Ag. Varvara, Korydallos, and Nikea stations, was initiated on Tuesday, July 7th. On the same day, the implementation of the bus lines redesign was launched in the wider area of the Municipalities of Keratsini - Drapetsona, Nikea - Ag. Ioannis Rentis, Korydallos, Ag. Varvara, Perama and Piraeus, in order to achieve interoperability between the road transport network and the new Metro line 3 stations.

In the context of extending the metro and tram network towards Piraeus, OASA has finalized the preparation of the technical specifications for the supply of equipment for the 6 new Metro stations towards Piraeus and the extension of the Tram network towards Piraeus, following a relevant request by Attiko Metro. Within the tender documents, the study of interfaces of the terminal equipment for sale will be incorporated, so as to ensure the interoperability and compatibility capacity with the existing ASSK system.

### *Tendering of the project for the expansion of the Metro & Tram network to Piraeus*

Following a relevant request by Attiko Metro, in the context of the expansion of the Metro and Tram network to Piraeus, OASA completed all the necessary actions and secured funding of € 6,642,900.00 plus VAT, from the OP. YMEPERAA NSRF 2014-2020 and the national Public Investment Program, for the project "Supply, Installation Commissioning, Maintenance and Support of Equipment for the Automatic Fare Collection System of the extension of Line 3 of the Metro to Piraeus and the extension of Tram to Piraeus" and proceeded to the bidding process.

The tendering process is in progress.

## Upgrade and operational improvements of the Automated Fare Collection System (ASSK)

By decision of the OASA's BoD, the "Change of OASA Period of Operation" was approved and the draft of the 4th amendment of the Partnership Agreement was also approved by the Court of Auditors.

In order to provide improved services to passengers, the company has completed the procedures for the system upgrade. These indicatively include the configuration of the interconnection protocol for each future extension, the procurement and installation of additional sales equipment (100 Automatic Card Issuing Machines - AMEK and 12 Card Issuing Terminals - TEK), as well as four (4) station management centres, the capacity to load non-personalized cards using the website and mobile phones via NFC, the extension of the transport rights expiry date via the AMEK machines and the automation of the rights provision service to the beneficiaries of free pass and reduced price fare products.

The "Change of OASA Period of Operation" was approved, the individual elements of the "OASA Change" and the draft of the 4th amendment of the Partnership Agreement and its annexes were approved, following submission for a legality check and approval by the Court of Auditors.

The contract implementation was initiated in December 2020 and the implementation schedule envisages completion of the works within 2021. Additional functional and structural improvements of the system are also to be implemented.

At the same time, the upgrade of the Passenger Service Center at the Syntagma Station was completed in order to deal with and resolve faster the passenger problems in relation to the ASSK, etc.

## Rolling stock upgrade

OASA supports the competent bodies in the actions required to secure funding so as to meet the needs for new rolling stock for the STASY's fixed track network, as well as for the new OSY buses.

Also, STASY's project for the "Upgrade of Line 1 rolling stock - Energy recovery through the upgrade of 2 traction substations" with a total budget of € 75 mln. was included in the national Public Investment Program.

## Improving customer service

The transition to a more passenger-centric model is a common goal for HCAP and OASA. In this context:

- The implementation of standard quality lines has been initiated in March 2020, with the aim to promote the "OASA standard" in public transport. Aiming to provide a satisfactory level of service to passengers, pilot quality lines will operate in accordance with the EN 13816:2002 European Quality Standard, which defines the requirements that determine, target and measure the quality of the services provided by the Means of Public Transport to the

passengers, and also proposes measurement means and methods. The health crisis due to Covid 19 suspended the operation of the standard lines, which will be reopened by returning to normal operating conditions.

- The certification of organization according to the EN 13816 standard on “Quality in Public Transport” has been completed.
- In parallel, and in compliance with the quality standard, the 2020 annual survey for passenger satisfaction was completed.
- In April 2021, the operation of an on-demand bus line was initiated in cooperation with the Municipality of Haidari, the necessity of which is strengthened due to the measures imposed on public transport means due to Covid19, which include a reduction in the degree of vehicles occupancy. During the operation of the line, data for the provided service are collected and evaluated, such as the number of routes, the travel time, the number of users, the vehicle occupancy, etc. Through the use of the intelligent passenger and route management system it is possible to improve the service provided to passengers (bus arrival notification, increase of routes in the section with high demand, reduction of waiting time), the saving of resources (drivers & vehicles) while avoiding empty vehicles routes, the application of vehicle occupancy limitation due to covid19 and the automatic checking of the vehicle occupancy. Demand Responsive Transport Systems (DRTs) are a new form of flexible transportation services. The service provided is between the service offered by the taxi and the service offered by the buses that operate on predetermined routes. This line will operate in addition to the conventional means of transport and will serve unplanned travel needs in an area with low travel demand.
- The integration of the routes in Google Maps has been completed.
- The organization’s new website has been completed, in order to provide a higher level of information and enable the use of the webpage for transactions related to the purchase of fare products. The new OASA website has a modern, user friendly design (access tools for disabled) and operates to all devices (mobile friendly), integrates all of the organization’s available applications and tools (telematics to search for itineraries, points of sale search, online purchase of e-ticket products, interactive maps, etc.), has a section with information necessary for Athens visitors to travel with public transport and other useful information (use of mobile apps, frequently asked questions, tips).
- A CRM pilot program has been initiated in order to utilize the passengers’ reports / suggestions.
- The development of a reliable passenger information system was completed in March 2020, as well a communications plan to promote points of sale through the Telematics application.
- A special kiosk was set up at the airport metro station, so as to improve the information provided to passengers regarding the fare and in order to increase sales at the specific point. Due to the health crisis, its operation has been suspended until we return to normal conditions.
- Road markings were put in place in most of the bus lanes and others are planned until the end of 2021. Furthermore, the cooperation with the Traffic Police was strengthened (Memorandum of Cooperation with the Hellenic Police was signed which provides for bus lane policing).
- The planning for the interconnection of the academic identity card with the ASSC OASA system has been initiated, in order for the students to be able to use their smart cards for their travels with OASA’s transport means.

#### **Accessibility of Persons with Disabilities (PwD)**

The project “Supply and installation of special pavement protrusions at 190 bus and trolley stops for the improvement of PwD accessibility” has been included in the NSRF (Inclusion Decision No. 3846/5.5.20). The tendering process has been completed and the contract signature and the initiation of project implementation are underway. The project aims to significantly improve the accessibility of persons with disabilities to the bus and trolley network.

#### **Participation in Sustainable Mobility planning for Attica**

According to the recent law 4784/2021 and law 4599/2019, OASA cooperates with more than 25 Attica municipalities in order to prepare Sustainable Urban Mobility Plans (SVAK). The action will continue during 2021 with the formulation of measures and proposals that will promote sustainable modes of transport (pedestrian transport, bicycle) and their combination with public transport, thus discouraging the use of private transport means, so that the State may cooperatively lead to emissions reduction of gaseous pollutants and the reduction of the greenhouse effect.

#### **Electricity Committee**

OASA participated in the Electricity Committee established by the Ministry of Energy and Environment, in order to examine the parameters of electricity penetration in the field of transport. In the context of the Electricity Committee work, Law

4710/2020 was drafted on the promotion of electric mobility in transport, which aims to form a regulatory framework for the electro mobility market, the development of infrastructure and the establishment of incentives for the promotion of electric mobility.

### **Strategic Transport Plan preparation**

Within 2020, "the Study / expertise on evaluation of the existing transport network and specification of interventions for the development of Public Transport" was completed. The aim of the study is the redesign of the transport work and the formulation of short term actions in order to optimize the level of service and the Athens urban transport network operation.

At the same time, the feasibility was documented and the drafting of the specifications for the New Strategic Transport Plan of Attica (to be procured in 2021) was completed. More specifically, preparations are underway for the tendering process of the new Attica Strategic Transport Plan (SMA) aiming at the improvement of Attica population mobility as well as the effective operation of the Athens Transport system. It is also a critical element for the preparation of the OASA transport policy in the view of the following decade, taking into account that the previous General Transport Plan was completed in 2009 while in the meantime, the unfavorable consequences of the financial crisis have occurred, which have affected the level of transport service provided.

### **Information - awareness campaign**

Collaboration between HCAP and the OASA Group has highlighted the importance of undertaking initiatives to increase passenger awareness and information provision.

Before the outbreak of the health crisis due to Covid-19, a campaign was prepared to enhance the use of the ath.ena card by the broader public, which was suspended due to the special circumstances of the pandemic. By returning to normal operating conditions, the campaign is planned to be implemented.

In addition, following the removal of traffic restrictions in May 2020, a campaign was launched in order to inform the public about Covid 19 protection measures while using public transport, through website and the social media.

In parallel and for a 2 months' period, 300 "Passenger Assistants" were placed at main metro stations and stops, in order to supervise, manage and assist passenger traffic, further contributing to passengers' familiarization with the new conditions for their safe transport.

### **Sales policy**

The fare product sale system redesign is currently under way, through the reinforcement of the sales network, aiming at a significant increase of the network's geographical coverage and the relevant improvement of passenger service (restructuring of the retail network and information signaling, operation of new points of sale at OSY – STASY, staffing of additional network sale points and redesign of the agency policy for OASA's sale network in order to develop new partnerships regarding the sales of fare products).

Moreover, following an OASA initiative, the beneficiaries of free or zero-fare transport were confirmed, while any non-beneficiaries were removed from the unemployed and student category.

### **Digital and operational modernization**

The prospects opening up due to the utilization of technology in the transport sector are high on the HCAP and OASA agendas. In this context, OASA:

- Completed the technical specifications and draft tender for the integrated preventive maintenance system using mechanical learning, and received the relevant approval by the General Secretariat of Digital Governance & Process Simplification. Due to the project's technical specifications the following actions (funding, tendering, implementation) will be implemented by OSY. The project is in the process of submitting a request for funding.
- Completed the technical specifications and the public consultation regarding the Integrated Passenger Information System (OSPE) which will provide comprehensive information to passengers regarding combined transport options using both OASA transport means as well as other means (ports, airport, municipal transport etc.). The specifications have been submitted to the General Secretariat of Digital Governance for approval.
- Completed the approval for funding via NSRF (Decision 6419/23.7.20) for the operation of a new system with digital cameras. The tender procedure has also been completed and the contract signature is underway.

- In parallel, OASA plans to proceed with the process for the installation of over 1000 new “smart” stops that provide information through telematics, so that, together with the 1,000 already existing ones, a network of 2000 stops will be created for improved passenger service. The funding for the project “Technical assistance for the OASA Telematics system extension” has been ensured during 2020 (decision 2692/6-10-2020).
- The development of a new data management system using geographic information system (GIS) is in progress. The development of the system aims at the transition to the projection and analysis of the basic transport data exported from the Telematics system (lines and stops) as well as their combination with additional data exported from other sources. For this purpose, a New Transport Database was created in 2021, a data update system was introduced and the first applications were developed for both internal management and presentation to the passenger public.
- An agreement was signed with the Research University Institute of Communication Systems & Computers for the elaboration of a research program "Export of Performance Indicators for the OASA transportation word and level of passenger service in the Athens Public Transportation" using advanced analytical data processing techniques”

### **Health and safety during the pandemic**

In order to manage the Covid-19 crisis, OASA immediately adapted its operations to ensure the safety of its staff and passengers. The measures taken for urban transport included the following:

- Extensive daily disinfection of trains & vehicles according to the instructions issued by the National Public Health Organization (EODY) – Disinfection of offices and other workplaces
- Creating of an OASA Passenger Service Centre
- Informative media campaign regarding preventive measures
- Establishment of a “passenger assistance” team to provide instructions to passengers regarding the use of masks & the avoidance of overcrowding
- Occupancy restrictions using special signs
- Encouraging the use of bank cards for transactions & use of internet and the relevant smartphone application for issuing/reloading

### **Environment & Public Value**

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

Within this context, the first environmental footprint report for Group OASA has been finalized, regarding the measurement of the environmental impact of the Group's activity as a whole (using 2019 base year data).

The purpose of measuring the Group environmental footprint is to introduce environmental parameters into the decision-making process at a Group level, to undertake environmentally responsible decisions (by defining a coherent framework / methodology for the annual assessment of the Group's footprint) to identify improvement areas, to plan for targeted actions as well as to highlight the contribution of public transport in improving the urban environment.

### **Financial performance**

#### ***Revenue assurance***

HCAP has set as a target the uniformity of the mechanism at Group policy level, the improvement of control results and the reinforcement of the fare control mechanism. To this end, after having identified points to be improved, OASA has prepared and is currently implementing a relevant action plan.

#### **Increase of revenues from the sale of fare products**

This includes actions to increase boardings in the OASA Group area of coverage, utilizing, inter alia, the planned extensions of the fixed-track network, the enhancement of the retail sales network in order to improve the network's geographical coverage, the reinforcement of the wholesale trade of long-term fare products etc.

Interventions related to the improvement of transport operations, fighting fare evasion, and commercial development are depicted in the financial results of the last quarter, before the covid – 19 health crisis, during which revenue from the sale of ticket products during the three-month period from Dec. 2019 to Feb. 2020 increased by +9.1% compared to the previous year, while during the two-month period from Jan. 2020 to Feb. 2020 there was an increase of +12%.

However, the Covid-19 health crisis that followed, has significantly affected urban transport revenues.

In the context of the health crisis, measures of practical support were implemented for the regular users of the Public Transport, during the period of application of the measures of restriction of movement but also during the period of return to the social and economic normality concerning:

- provision from 1 June 2020, of a time extension of 30 or 55 days for fare products (monthly, quarterly, semi-annually and annually) that were in force during the period of application of travel restriction measures
- provision from June 1, 2020, of additional discount in the form of an additional period of 37 days in the purchase of new annual cards.
- Reduction from 1 June 2020, in the selling prices of all types of fares with the application of the VAT rate reduction to 13%.

The financial impact as per the revenue loss from fare products (tickets and time cards) for the OASA Group due to the implementation of the Covid-19 pandemic measures for the period from March 1, 2020 to February 28, 2021 compared to the revenues of the corresponding period March 2019 - February 2020 amounts to € 102.34 mil. (from € 167.64 mil. to 65.31 mil.).

OASA has secured equal funding from the Greek State to cover revenue loss due to the Covid-19 impact (€ 43.79 mil. within 2020 and € 58.56 mil. within May 2021).

In addition, € 3.98 mil. was secured for the Group's expenses until the end of 2020 in the context of dealing with the pandemic as well as € 2.4 mil. for OSY expenses due to Covid-19.

#### *OASA compensation for social policies*

In implementation of article 110 of law 4714/2020 for the compensation of OASA for the provision of travel rights to beneficiaries of full or partial exemption from the payment of fare to transport means, OASA has been compensated with the amount of € 50 mln., plus the corresponding VAT (Government Gazette 5514B / 16.12.2020).

#### Increase of revenue from other activities

One of HCAP's targets is to evaluate options for the further utilisation of existing revenue sources and the creation of new ones; this requires cooperation between OASA and other involved entities. An indicative revenue source is the exploitation of available spaces in network stations and parking areas, advertisements in large metro stations, as well as in trains, in means of road transport etc. To that end, pilot implementations are being promoted regarding modern methods of station utilisation.

However, given the significant reduction of passenger traffic during the health crisis, the relevant time horizon for the materialisation of the relevant pilot implementations has been affected accordingly, since the demand for the utilisation of available spaces is also affected by this development. It is estimated that these pilot implementations will be moved to the following financial year.

In the immediately following period, OASA is taking initiatives to prepare these activities, indicatively regarding the clarification, in cooperation with the competent entities, of its strategy and the relationship between OASA and Attiko Metro for issues related to the utilisation of the existing metro network, as well as its extensions.

#### **Rationalization of operating costs**

Another priority area defined by HCAP involves the rationalization of operating costs per vehicle-kilometer. At present, OASA is considering rationalization options that can be implemented in the coming years through the drafting of a study to define critical cost areas and design relevant actions. An indicative area of priority is the reduced use of consumable tickets in paper form, the promotion of smart cards and the increased number of fare-product purchase transactions using the website.

Moreover, given the significant reduction in revenue under the latest circumstances, particularly during the health crisis, the companies of the OASA Group have intensified their efforts to control their operating costs, other than those relating to the prevention and provision of information of employees and passengers about Covid 19.

Finally, OASA is taking initiatives to conclude and sign the new transport operations contracts between OASA S.A. and its subsidiaries, defining the obligations of providers (Transport Operations Providers, EPSE) based on operations, cost and quality indicators, the reward and penalty system, as well as the annual funding for the provision of the public service.



These contracts are expected to significantly improve the framework covering the assignment, execution and monitoring of transport operations and supplementary services provided by the EPSE, in line with reinforcing effectiveness and efficiency.

### **Institutional Framework & Corporate Governance**

The changes in the OASA Board of Directors were completed in March 2020, while the changes in the Boards of Directors of OASA subsidiaries OSY and STASY were completed in May 2020.

One of the key issues for OASA remains the creation of a uniform corporate culture and the homogenization of procedures, so that the companies may function as a Group in important aspects. HCAP, in cooperation with OASA is assessing ways to reinforce corporate governance for the OASA Group, also in relation to its subsidiaries, OSY and STASY, as well as to improve the coordination and control exercised over them by OASA.

In March 2020, the OASA BoD approved the Organization's Compliance Framework and the corporate governance policies and procedures. In early 2020, an Internal Auditor was appointed according to the provisions of L. 3429/2005 and the Internal Audit Unit Charter, as well as the Internal Audit Operating Procedures Manual were approved.

### **Performance Contract**

In the framework of the Coordination Mechanism and in particular, for the preparation of the Performance Contract, a committee was set up in April 2021 by decision of the Minister of Finance, for the preparation of a study on the list of special obligations that will be called to undertake OASA, as well as providing support to the Government Committee for the Governance Coordination of State Owned Enterprises, in order for the latter to review and evaluate a list of activities for the assignment or maintenance of specific obligations to the OASA.

In particular, the Performance Contract is expected to have as a scope, the special obligations related to services provided in the form of social policy in urban transport and relate exclusively to the right to travel at a reduced fare or to the right to free travel by public transport in OASA's responsibility area, under the same conditions under which public transport is provided and organized for the general public.



## HELLENIC POST S.A. (ELTA)



### Short description of the company

Hellenic Post S.A. (ELTA) is a group of enterprises providing postal services to the whole 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 subsidiary, ELTA Courier SA.

ELTA offers postal, financial, and bancassurance services, services of general economic interest, electricity supply, retail network products, and courier services, while in recent years it is an alternative provider active in the trade and supply of electricity. According to Law 4053/2012 on '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 in the 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.

ELTA's sole shareholder is HCAP (100%).

For more information, visit the company website: [www.elta.gr](http://www.elta.gr).

### The most important events from 01/01/2020 as of the date of the report

#### Universal Postal Service Net Costs 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 of part of the compensation for the net cost of the universal service that the Greek State owes for the period from 2013 to 2021.

Specifically, ELTA initiated the required actions for the payment of €15 mln. as an advance payment against the Universal Service compensation for 2020, as well as the advance payment of €15 mln. for 2021. Important events took place in the first semester of 2020 regarding the obligation of ELTA to provide Universal Postal Service and the relevant compensation, specifically:

- On 11/03/2020, article 85 of Law 4674/2020 (Government Gazette 153/11.03.2020) amended article 8 of Law 4053/2012 and extended its validity to include for year 2020, also forecasting that the relevant cost would exceed the amount of € 15 mln.
- On 26/03/2020 the model for calculating the Net Cost of the Universal Postal Service (UPS) was sent by ELTA to E.E.T.T.. The calculation of the UPS was made taking into account the financial data for the year 2019, in order to collect the Universal Service compensation for the year 2020. The total compensation required for the provision of the Universal Postal Service amounted to € 50.1 mil.
- On 11/05/2020, ELTA received from the Greek State the amount of € 15 mln. as an advance payment against the Net Cost of Universal Service for year 2020.

- With the Law 4727 / 23.09.2020 article 227 "Issues of universal postal service" the method of payment of the net cost of the Universal Service for the year 2021 was defined.
- On 03/11/2020 the model of calculation of the Net Cost of Universal Postal Service (UPS) for the period January-July 2020 was sent by ELTA to E.E.T.T. in order to receive the Universal Service compensation for 2021. Based on the result of the model, the total compensation required for the provision of UPS for the 7 months of 2020 amounted to € 25.7 mil.
- On 10/12/2020 the Ministry for Digital Government approved the credit commitment of € 15 mil. for the cost of providing universal postal service for the financial year 2021. The relevant amount was collected by ELTA on 18/12/2020
- On 21.12.2020, based on the joint decision of the Ministers of Finance and Digital Government, the amount, timeline and procedure were determined for the payment to the Universal Postal Service Provider of the verified net cost for the provision of the universal postal service (UPS) by E.E.T.T. for the years 2013 to 2018, according to article 8 of law 4053/2012. As a result, the Greek State paid the amount of € 149.1 mil. on 28/12/2020 as the remaining amount of the verified net cost for providing the universal postal service for the years 2013-2018 by E. E.T.T.

Finally, in December 2020, Law 4758/04-12-2020 (Government Gazette A/242/04-12-2020), Part D: "Regulations for the Hellenic Post and other provisions", articles 41 - 50, was issued. Article 50 regulates the issues of financing the universal postal service as to the calculating methodology of the net cost and the relevant compensation by the Greek state.

#### Other important decisions

- ELTA's Board of Directors, during its 1812/13-03-2020 meeting, decided to convene an extraordinary General Assembly for the Societe Anonyme "ELTA VOCATIONAL TRAINING CENTER" (KEK ELTA S.A.) with the sole subject of the company's dissolution under the article 121 of the law 4548/2018. By decision of the General Assembly on 21/05/20, it was decided to dissolve and liquidate the company KEK-ELTA SA, that occurred based on this on July 31 2020. As of August 1st 2020 the company has been put into liquidation. The decision on the course of KEK-ELTA SA did not affect the employees' training program. On the contrary the company's effort for continuous development and training of the staff is enhanced and will now be implemented by the company through the Directorate of Education.
- ELTA's Board of Directors decided on 16/03/2020, the observance of the maximum limit of € 15 thousand, for the severance pay due to retirement (Law 3198/1955, article 8).
- ELTA's Board of Directors decided, during its meeting 1826 / 24-09-2020, the reorganization of the staff training and the establishment of a Directorate of Training which successfully completed the "start up" bi-monthly training program for the integration of 271 employees to the management level. The program was implemented with asynchronous and modern distance learning, through the Directorate of Education new e-learning platform and included innovative teaching methods, modern training tools, a combination of individual and group learning and interaction between participants.
- ELTA's Management implemented a program of immediate productive reorganization resulting in the reduction of operating costs.
- With Management bodies' decisions, internal organizational procedures were reformed and updated, which resulted in the improvement of human resources allocation and the reduction of operating and production costs.
- Based on the decision "oik.29768 / 23.10.2020", which is an amendment of the Ministerial Decision. No. 72142/1663/2014 "Determining the quality of the provided universal national and inter-community postal services", the quality standards for the delivery rates of the domestic A 'priority mail have been modified and are now as follows:  
D+3 for the 90% of shipments  
D+5 for the 98% of shipments

- On November 23, 2020, ELTA's Board of Directors approved the final transformation plan.
  - On November 26, 2020, HCAP's Board of Directors approved the transformation plan submitted by ELTA.
  - In December 2020:
    - Law 4758/04-12-2020 (Government Gazette A/242/04-12-2020), Part D: "Regulations for the Hellenic Post and other provisions", articles 41 – 50, was issued, which lays the foundations for the transformation of the company.
    - By Decision of the General Assembly of December 23rd, 2020, the share capital of the company was reduced by €340.81 mln, with the cancellation of the total number of the Company's registered shares, i.e. 200.479.014 shares, with a nominal value of 1.7 € each, offsetting losses from previous years from the balance sheet account (31/12/2019) "Fair value reserves", € 211.7 mil. and with parallel write-off of losses from the account "Losses in new" 129.1 million. €, as follows:
      - a) For the shareholder "Hellenic Corporation of Properties and Participations SA", which held shares, corresponding to the 90% of the issued share capital, 180,431,114 shares, were canceled, with a nominal value of 1.7 Euros each, and
      - b) For the shareholder "Eurobank SA", which held 20,047,900 shares, corresponding to the 10% of the issued share capital, 20,047,900 shares were canceled, with a nominal value of € 1.7 each.
- By virtue of the same Decision of the General Assembly, the share capital of the Company was increased simultaneously by € 100 million by issuing 100,000,000 new common registered shares with voting rights, with nominal value € 0.4 each and offering price 1 (one) € each. Thus, the share capital of the Company currently amounts to € 40 million, divided into 100,000,000 common registered shares, with a nominal value of € 0.4 each. The difference between the nominal value of the new shares and the offering price, which amounts to € 60 mil., is registered in a special reserve account of the Company from the issue of shares at premium.
- On 18.01.2021 the new Business Collective Agreement – ELTA SA Internal Labor Regulation was signed.

#### **Addressing the emergency due to the pandemic**

During the recent pandemic caused by the spreading of Covid-19 during the second quarter of 2020 until today (May 2021), ELTA ensured the Group's functional reliability and the unimpeded operation of its network under safe conditions for its customers as well as its personnel.

The emergency situation and the unforeseen issues arising from the need to manage the health crisis, as well as the absence of part of the staff (vulnerable groups, special leaves), understandably resulted in functional issues and delays.

ELTA's management and personnel worked in a coordinated manner, with a plan for dealing with the crisis and to effectively normalize the situation. ELTA Group confirmed its social and national role as the body that ensures critical functional needs of the Greek society through the uninterrupted provision of the Universal Postal Service.

Defending public health in conditions of maximum safety, the Hellenic Post, on 19.02.2021, became the first company in the postal sector in Greece that is certified against the coronavirus for all its activities. ELTA followed the strictest protocol of requirements and procedures for prevention and hygiene and was certified by the TÜV AUSTRIA CoVid Shield.

#### **New commercial policy**

Hellenic Post is promoting a new commercial policy with the enrichment of its product portfolio, aiming to new revenue sources and to new services development, as well as to the redesign of the company's pricing policy. A number of relevant actions are under way:

- Signing agreements aiming at preserving or recovering important customers.
- Communication with corporate customers on a monthly basis, where customers are also being informed on current company issues and initiatives.

- Readjusting the basic price list and for the mail and parcel services, which was approved by the Board of Directors in its meeting on 07.02.2019. The new pricing policy has been submitted to the Hellenic Telecommunications and Post Commission (EETT) for assessment. Following the regulator's approval, the new pricing policy has been implemented since March 2020.
- Dynamic repositioning of philatelic products through electronic channels and resellers in targeted market segments.
- Redefining pricing policy management and customs clearance for postal objects from cross-border post, mainly from China, which was approved at the ELTA Board of Directors at the meeting held on 11.07.2019 and implemented in February 2020.
- Two new services are already being implemented in the context of digital transformation:
  - a) The e-stamp service (December 2020), which replaces the traditional stamp, placing customer safety as the key criterion in the midst of a pandemic, offering flexibility and ease of use and
  - b) The web labeling service (January 2021), which is an internet application that enables customers to prepare and print the accompanying forms required for posting mail and small packages to destinations abroad.
- Tools redesign and use of new applications embedded in the Sales Department approach to meet the needs of corporate customers.
- The subsidiary ELTA Courier implements its commercial strategy which aims to increase profitability and improve the customer experience. The key actions focus on two pillars, a) the development of new innovative services and the strengthening of existing ones and b) the extroverted approach to the Greek and international market. This is materialized through a series of actions, the main of which are:
  - The implementation of the new procurement system for ELTA Courier agents.
  - Concluding international collaborations with major e-commerce companies.
  - Reorganization of the sales department for corporate customers.
  - Transformation of corporate stores into agencies.
  - Launch of the new ELTA Courier mobile app.
  - Launch of ELTA Courier marketplace.
  - Pricing policy redesign.

#### **Cost rationalization to ensure viability**

Since January 2020, the company's management has set under way actions that have been coordinated with all parties involved with the strategic, business and operational transformation plan of ELTA, taking into account market trends, as well as examples of other respective European companies that have been restructured.

Ensuring the company's viability and stability is one of the primary targets for ELTA's Management and HCAP.

In this context, on 28/05/2020 the Board of Directors decided on the reconstitution of the ELTA Strategy Commission and set under way the finalization, approval and implementation of a large and complex project for the company's transformation and restructuring, with the support of specialized technical consultants. This may be the first and largest restructuring designed to date, while similar actions have occurred in the postal sectors of many European countries.

Specifically regarding the ELTA transformation plan, HCAP has proceeded to conduct tenders and select reputable consultants to provide services supporting the management of ELTA both for the business transformation strategy, as well as for the digital transformation strategy. ELTA management is also implementing other projects, such as the preparation of the voluntary exit scheme. The central pillar of the plan is the implementation of a Voluntary Exit Program with the best possible incentives for the company's employees.

By decision of ELTA's Board of Directors on 28/01/2021, the Voluntary Exit Program for the company's personnel was approved.

The VRS program execution lasted from February 1, 2021, until February 23, 2021 and participation was optional. 1,976 employees participated in the program.

The cost of the VRS program amounts to € 140 mil. and is the largest successful program in the country over time, taking into account the time frame and participation rate.

Reorganizing production operations and rationalizing operating costs is a strategic priority both for HCAP and for ELTA Management.

In this context, special emphasis has been placed on the design of a new business model for the company, as well as its functional restructuring. Regarding the restructuring of the ELTA network, a number of actions are already being implemented and more are planned, including mergers and suspensions of operations of productive units, relocations of transaction shops, and creation of Post Office Box for parcel deliveries at Distribution Units.

In terms of distribution, significant adjustments were made in 2020, which led to a reduction of the necessary positions by ~ 900. These adjustments continued in 2021 due to the change of regulatory obligation from  $x + 1$  to  $x + 3$ , resulting in the further reduction of the necessary positions by ~ 580. The total adjustment approached the 1,500 distribution positions, which equates to a reduction of 52%. At the same time, in the first five months of 2021, the night shifts of the Sorting Centers were abolished, the Alexandroupolis Sorting Center was merged with the Thessaloniki one and the Tripoli Sorting Center was merged with the Attica one.

In addition, the following projects are at an advanced stage of the tender process:

- ELTA Group Service Points Network optimization
- Franchising study
- Provision of consulting services for recording, standardization and modeling of existing ELTA procedures
- Provision of consulting services regarding the implementation of ELTA Group business transformation

The subsidiary ELTA Courier implements the task of supplying a robotic sorting system to optimize sorting, with the aim of increasing productivity and streamlining costs.

Regarding the Electricity market, the ELTA evaluates the discontinuance of the company's activity in the electricity supply and trading sector, following a relevant study.

### **Technology, Digital Transformation and Innovation**

Digital transformation is one of the top priorities for HCAP and the Hellenic Post Management, both as a strategic goal that will lead the company into the future and improve its growth prospects, as well as a way of ensuring the company's business continuity, in direct interconnection with the total transformation plan and return to normal conditions.

The transformation plan framework provides for the updating of the overall planning for the digital modernization of ELTA, based on the new business model that encompasses the company's entire set of infrastructure and systems.

HCAP has proceeded to conduct a tender and select a consultant to support ELTA management in the design of the Digital Strategy and the creation of the relevant implementation road map. The selected consultant has already completed the implementation of the current state of the company's digital infrastructure and transformation needs as well as the implementation roadmap.

Regarding technological infrastructure, the following projects have been implemented:

- Upgrade and modernization of ELTA infrastructure: In the context of upgrading – modernizing the infrastructure of the ELTA IT systems, the following projects have been implemented:
  - A total of 3,000 users and their emails were migrated from MS Exchange 2003 to MS Exchange 2010, while their migration from MS Exchange 2010 to MS Exchange Online (Microsoft Cloud) is currently under way.
  - Expansion of storage space on the company's Virtualization platform.

- Telephony via VoIP - The largest network of centralized telecommunications infrastructure in Greece. Installed in Private Cloud infrastructure at the headquarters of the Organization can offer unlimited possibilities at all points of presence. The new infrastructure is based on next-generation Unified Communication Solution technologies and provides a variety of functions such as IP telephony, Mobility, Fax Services, Video calling, Conference Rooms, Call recording, Remote Extension, Soft Phone and more.
- Upgrading of central network equipment - Within the project, a firewall system consisting of four (4) Fortigate 600E devices was installed in a high availability layout with Virtual Clustering implementation. The Fortigate 600E is a Unified Threat Management (UTM) device, which includes Firewall, Application Control, IPSec / SSL VPN, Intrusion Prevention, Antivirus, Antimalware, Anti-Botnet, Traffic Shaping, Antispam and Web URL / Content Filtering for detection of multiple threats. This system provides protection against a significant number of network infrastructure threats such as: Denial-of-service (DoS), Unauthorized access, Man-in-the-middle (MITM) attack, Privilege escalation, Intrusions, Botnets, Routing protocol attacks.
- Serving and developing business operations: In order to improve service and also develop business operations, the company proceeded:
  - To the implementation - extension of the application for the exchange of ITMATT messages (postal format). The application enables the exchange of postal information with postal companies in other countries and helps achieve automation of the customs clearance process.
  - On e-stamp: The digital stamp -e-stamp-, a 17-digit code that replaces the traditional stamp, is addressed to individuals and small businesses and is available 24h/7d, through the site e-stamp.elta.gr. The e-stamp process is fast, completely safe and is completed within 3 simple steps. The digital stamp was designed placing customer safety as the key criterion in the midst of a pandemic, offering flexibility and ease of use.
  - On the postal fee stamp: The availability of a postal fee stamp was designed for all traceable postal items that to date require the affixing of a physical stamp. It will speed up the transaction in the stores, will provide added value to the postal items that until now were traded using a simple stamp and will reduce to a minimum the cost of printing traditional paper stamps.
- Reinforcement of teleworking for protection against Covid-19: In the context of preventive measures against the spreading of Covid-19, the company enhanced the remote access and teleworking options for ELTA employees through the following methods:
  - Supply and installation of collaboration applications (Zoom and Slack).
  - Provision of full remote access to regional and central Management (400+ users).
- Security of ELTA IT systems: In the context of enhancing the company's reliability, the following projects were implemented:
  - Certification of the IT Division according to ISO 27001 standard.
  - Implementation of External Penetration Test on systems and network infrastructure.
  - Implementation of a Web Application Security solution by a specialized company for public ELTA applications and websites.
  - Implementation of technologies and Security Operations Center service, providing the organization with continuous protection and management of security incidents on a continuous basis 24h/7d. The service ensures the timely detection, investigation, response and management of security incidents that occur in the network infrastructure and ELTA services. Intelligent security information event management technologies, IDS / IPS, intelligent threat exchange mechanisms, self-healing, intelligent rule creation, vulnerability assessment.

On May 13, 2021 ELTA's Board of Directors approved the expediency for:

- creating a main Data Center in the Contractor's facilities and a backup Data Center (Disaster Recovery).
- conducting an open tender for the project "Modernization of Telecommunications Infrastructure and Services for ELTA"

The subsidiary ELTA Courier, provided for modifications in the tracking system (Track & Trace) so as to enhance functionality and flexibility, providing more information for customers. At the same time, the Control Dashboard was implemented, which captures the efficiency and production indicators of stores in terms of delivery of items, while the daily monitoring of the network from receipt to delivery of items has been enabled in order to capture possible delays. In this way, potential network problems in a possible vertical increase of orders may be addressed. In addition, new customer-centric applications (apps) have been launched, enabling customers to have a complete view and control of their shipments.

#### **Institutional Framework & Corporate Governance**

- By decision of extraordinary General Assembly on 27/02/20 and 08/05/20, two new Non-Executive Members were appointed to the Board of Directors and the Audit Committee was reconstituted.
- By ELTA BoD decision 11/03/21:
  - a) the Rules of Procedure of the Recruitment and Remuneration Committee and
  - b) the Rules of Procedure of the Strategy Committee,were approved.

The enhancement of the Corporate Governance is a company target and in this direction relevant actions are continuously being implemented.



### A.13. Prospects for 2021

In 2021 the pandemic and the mitigation measures continue to affect all the sectors in which we operate. In the second half of the year, with the intensification of vaccinations and the lifting of lockdowns, the market was restarted with the general situation of the Greek economy showing encouraging signs of recovery. **There have been significant developments in the companies of the portfolio of HCAP during this period.**

**PPC has successfully returned to the markets**, after seven years, with the issuance of two viability bonds totaling € 775 million and a green bond of € 500 million, while it is smoothly building its presence in e-mobility. EYDAP has reached into a framework agreement with the Greek State in a beneficial way and its Reorganization Program is proceeding. **EYATH implements its investment plan** with the completion of important projects to improve its services. **The restoration project of the Corinth Canal begins**, which will ensure the smooth operation of the company in the future, while at the same time it will allow the design and development of the Canal as a tourist pole. By the end of June next year, the architectural competition for the renovation of the TIF exhibition space will have been completed.

The concessions of the Galatsi Olympic Center and the Skaramaga Shipyards by ETAD were completed, while the extension of the lease of Marina Gouvia in Corfu for 15 years was agreed. At the same time, **ETAD is accelerating the development of a complete strategic plan for its real estate assets and will proceed, in cooperation with the private sector, to their maturation and utilization.** Technical data sheets were approved, both for the **upgrade of the storage and maintenance infrastructure (refrigerators) of the Central Market of Athens**, as well as for the **upgrade of the facilities of CMT** and the utilization of digital tools, which were included in the program "Competitiveness Entrepreneurship and Innovation" of NSRF 2014- 2020. Four memoranda of cooperation for the development of 5G services and products signed by 5G Ventures with Vantage Towers Greece, University of Patras, National Research Center for Natural Sciences "Demokritos" and the Corallia unit of the "Athena" Research Center were also completed.

We proceeded to the **selection of the new Board of Directors of HRADF** based on the collectively extensive and differentiated experience and know-how and with the goal to accelerate the transactions within the Development Program of the Fund. Shortly after assuming the duties of the new Board of Directors, the **HRADF proceeded to the signing of the flagship agreement with Lamda Development S.A. for the transfer of the shares of "Hellenikon S.A."**, marking the beginning of the development of the area as the largest urban regeneration in Europe. The concession of Egnatia Odos, the concession of the right to use and exploit the main highway and its three vertical roads for a period of 35 years and the sale of DEPA INFRASTRUCTURE are now moving rapidly.

**We have started the development process of the 23 regional airports of the country**, an issue inextricably linked to the tourism development of Greece, starting from Kalamata airport for which the competition for the search of consultants was launched.

**At the same time for 2021, we give priority to the digital transformation our portfolio companies.** Thus, we proceed to horizontal actions of cooperation and exchange of best practices, between our subsidiaries, such as the start of the process for the creation of Open Data Hub and the beginning of the upgrade of cybersecurity for our subsidiaries.

In the context of our contribution to tackling climate change and the creation of a low-emission economy, we support the country's de-lignification process and the Fair Development Transition Plan (SDAM) in the post-lignite era. To this end, we assist with the assignment of a Consulting Services project for the **setting up of the new company that will ensure the proper transition of lignite-dependent areas** to the new era with the best possible conditions, while maintaining social cohesion.

Finally, we will launch in 2021 the overall strategy and operating framework for sustainable development (ESG) of HCAP and its subsidiaries, as well as the integration tools that will be required. It is worth noting that recognizing the serious economic and social impact of climate change, we have joined the One Planet Sovereign Wealth Funds international network, which includes all major public investment funds with strong sustainable development policies (ESG), with the aim of consulting and leveraging good practices.

**We are optimistic about the course of the economy, as according to all forecasts, our country is entering a new period of strong growth.** The Bank of Greece's GDP forecast for 2021 is maintained at + 4.2%, while for 2022 it is at + 5.3%. At the same time, with the historic approval of Ecofin of the "Greece 2.0" plan, our country is entitled to receive through the European Recovery Fund 30.5 billion euros by mid-2026, to implement 106 investments and 68 reforms that will move

our country ahead. The new HRDAF unit is expected to play a key role in the implementation of these investments, and in contributing to the economic prosperity of the country within this new context. It is clear that all the companies in our portfolio have a broader role in the recovery of the Greek economy, both through attracting investments and contributing to the extroversion of the wider group of HCAP, as well as through their contribution to the absorption of resources and the implementation of projects under the Recovery and Resilience Fund.

**In 2021 we are laying the foundations for important aspects of our purpose, accelerating the investment projects of our subsidiaries** and helping to start resolving chronic issues they were facing. This is the new role of HCAP, to be a shareholder with an active role in the modernization of State - Owned Enterprises, in creating added value for its subsidiaries, in providing upgraded services to citizens and of course in creating added value for its shareholder, the Greek state .

**In October 2021, we will publish our new strategic plan for the development and utilization of public property**, based on the new strategic directions from our sole Shareholder, the Ministry of Finance. In our Plan, we will capture the intention of the Management for the development of the company, as well as the plan to increase the value of our subsidiaries.

However, the developments of 2021 in the field of economy do not depend only on our intentions and projects. The "Delta" mutation and the evolution of the vaccination program may influence the course of tourism and will largely determine the growth rate of the Greek economy. As HCAP, we will monitor developments and take the necessary actions, assessing the economic environment, in order to strengthen our portfolio companies and promote the improvement of their services and products for the benefit of the citizens.

#### A.14. Risks and Uncertainties

The operations of HCAP and of the companies in its portfolio are subject to various risks. 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 the clients of the enterprises in the portfolio to pay on time, with a direct impact on liquidity, as well as access of State-Owned 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 provisions of goods and services: In certain companies the prices at which services and goods are provided are set by the regulatory provisions the company must comply with. Examples of such cases are:
  - The invoicing 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 at ELTA in order to cover the net cost of the Universal Service.
  - The tickets pricing policy of the Athens Public Transport Organization (OASA), as well as 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 from 2017 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 SA for the maintenance and operation of the fixed assets that belong to the "EYDAP Fixed Assets" Legal Entity of Public Law (L.E.P.L.). In view of the upcoming expiry of the 1999 contract with

the Greek State, following the six-month extension given on 25/10/2019, a new agreement which will determine the price of untreated water, among others, is pending.

- Although from some companies a framework has been set, based on which companies are compensated by the Greek State for loss of revenues or the cost of service provision (such as the cases of ELTA's Universal Service or OASA's provision of transportation rights with full or partial ticket exemption for special categories of passengers), inadequacies have been noted in practice, which in the past 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, particularly for specific obligations imposed on State-Owned Enterprises that are not otherwise regulated, the Coordination Mechanism has been legislated to regulate the compensation mechanism, and especially through the Performance Contracts. Key priority at this stage is to prepare the contract (or contracts) for OASA, in relation to special obligations assigned to OASA for the free or reduced fare transit of special passenger categories (e.g. free access to the unemployed) under the framework of the social policy pursued by the State. Despite the significant effects of the pandemic for the Greek Government and HCAP, a number of preparatory actions were carried out for this deliverable in 2020, while significant progress is made in 2021 with the establishment of a special Steering Committee, by decision of the Minister of Finance (No. 48703 EX 2021 / B '1630 / 21.04.2021).

#### **HCAP and the companies in its portfolio are governed by specific laws and regulations that are applied to State-Owned Enterprises**

If 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 sectors, companies of the Greek Public sector. Therefore, their operations will continue to be governed by laws and provisions applicable to the Public sector that affect specific procedures, such as, for example, those concerning hiring, procurement, etc.

These laws and provisions, especially regarding major State-Owned 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 better 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 that may financially impact the Corporation and its subsidiaries, as well as their reputation.

It should also be noted that the performance of HCAP's portfolio is also dependent on the outcome of some legal cases. Such cases indicatively are the case in the Council of State regarding EYDAP and EYATH and other cases in competent courts regarding HCAP's subsidiaries, like the case of ETAD against "Attikos Helios SA", that could materially affect ETAD's financial status, depending on its outcome.

#### **Emergencies and natural disasters**

Emergencies, including natural disasters, fires, public health crises, major unforeseen malfunctions in main 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 making efforts to strengthen their operational readiness in dealing with such crises and emergencies, to the degree that this is possible. It should be noted, that the Corinth Canal remains closed, following a landfall, which took place in January 2021, and restoration works are in progress.

In the above context, there is also a risk that of companies in HCAP's portfolio may face compensation claims for civil responsibility 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.

Lastly, although the coronavirus pandemic has not affected the Corporation's activities (excepting the case of the subsidiary TIF-HELEXPO), affected the total operational and financial impact on the 2020 results. In addition, the maintenance of the conditions during the first months of 2021 is expected to have financial impact on the 2021 results, which We cannot calculate the total operational and financial impact on the 2020 results, as it largely depends on the extent and duration of the pandemic and may also be affected by other factors which we cannot foresee at present.

### **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 this also happened during the Covid – 19 outbreak and the relevant health & safety measures that had to be taken.

As regards the environmental compliance requirements for 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, upgrading, or restoration actions/projects. Changes in environmental legislation, especially, may increase compliance cost and, in the end, may impact the profitability and cash flow of the companies in HCAP's portfolio.

## **FINANCIAL RISKS**

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 Company and its subsidiaries, during the year ended 31.12.2020 was not to enter into speculative transactions on financial instruments.

The Company 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 to the Greek State, or the receivables of ETAD from the Greek State for guaranteed loans). A significant part of those receivables concern reimbursement claims by urban 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 Organizations. 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 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 organizations.

The increased exposure to this risk stems from the fact that the amounts are significant for the size of the organizations 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 outbreak of the pandemic has also put significant pressure in some companies on their available cash liquidity and working capital management (especially those whose revenues have been dramatically affected).

### 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 harmonization 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 of 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), the goals of which 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, based on the approved Coordination Mechanism, which is part of the HCAP's Internal Regulation started in 2020 with the development of the two out of the three deliverables (Mandates and Statements of Commitments'). Through constant communication with subsidiaries' management, as well as with the single shareholder and public services, priorities and crucial matters are identified, in order for the Mechanism to operate effectively. The Covid-19 outbreak also led to some delays in the articulation of the SOEs' Statements of Commitments, as basic KPIs that were already set, are highly affected by the new circumstances.

**Risk of strategic plan implementation by HCAP portfolio companies**

This risk concerns the potential inability of alignment between the strategies and operational goals of the subsidiaries with the corresponding strategies and goals of HCAP, and, in general, difficulties in implementing them. This may be due to an inability to support and implement those goals internally – internal factors (e.g. non-specialized staff, antiquated infrastructure and IT 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 both with its subsidiaries' business plans, as well as with the HCAP business plan which is updated for an annual and three-year period (on a rolling basis) and includes actions and targets for both HCAP and its subsidiaries. In this context, the definition of clear targets/KPIs for the subsidiaries, on a rolling basis, as well as performance monitoring at predetermined intervals and through systematic procedures, ensures the continuous alignment of the subsidiaries' operational targets with HCAP's strategic guidelines. Part of the success of implementation naturally also lies with 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 the upper management of its subsidiaries. The risk's probability of occurrence increases due to the current institutional framework that governs the amounts of offered fees and provisions for the positions to be staffed in higher and senior management, 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 in direct & indirect subsidiaries, and, on the other hand, it is communication with the State, regarding policies that will strengthen the attractiveness to and retention of good executives of public companies (from within the organizations 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 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 of senior management positions in public companies.

**Risk of securing adequate capital for companies restructuring**

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. The risk is even higher for capital that is already secured but for which long approval processes are required by relevant European Instruments (e.g. DG Comp).

#### **Risk of Investment Policy Implementation**

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

To that end, the Corporation has composed the Investment Committee, which consists of Board Members, while it was staffed by corresponding management.

#### **Public image risk**

This risk concerns the potential weakness of the Corporation to develop an effective communication strategy to transmit its messages to the broader public as regards its mission, its goals, and the limitations of its responsibilities. There is also the 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 and for which HCAP has limited power or management responsibility.

The Corporation has undertaken measures to mitigate this risk, such as monitoring trends and data 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 to posting Press Releases and presentations on its website for the better informing of the public, as well as developing a crisis management policy. During the Covid-19 outbreak, the Corporation organized a series of webcasts and updates on YouTube, regarding issues of the pandemic and how State Owned Enterprises handled it, but also around issues of digital transformation based on international standards and current circumstances.

#### **Risk of IT infrastructure and IT system security**

This risk concerns the potential inability of the Corporation to develop an IT strategy that meets its operational needs and to set out an adequate IT system 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 IT systems.

The Corporation has designed and is implementing a series of measures to decrease risk, such as issuing access rights and authenticating users for use of its IT systems, secure remote access to the company network via VPN, etc.

As regards companies in its portfolio, a large portion of the operations of the Corporation's subsidiaries is based on their IT systems. Therefore, they are exposed to the risk of unavailability, alteration of data reliability, and unauthorized access to those systems. In order to minimize these risks, the Corporation's subsidiaries are taking measures to strengthen the security of their IT systems and to minimize 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 compensate for related losses which could impede their operation, damage their reputation, or have significant negative impacts on their works.

Furthermore, in relation to the danger of cyber-attacks, Corporation subsidiaries are taking 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 disclosure 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 moved to 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 the risk.

#### **RISK MANAGEMENT**

The Corporation and its subsidiaries have defined risk as a set of uncertain and unpredictable circumstances, which may have an overall negative impacts on their operation, 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 recognize 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. But 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 are facing.

## A.15. Significant transactions with related parties

The Group's transactions during the period 01.01.2020 – 31.12.2020 have been made based on market terms and in the framework of normal business activity.

The transactions and balances with related parties in accordance with the provisions of IAS 24 are listed below.

## i) Balances with related parties of the Group and the Company:

	GROUP		COMPANY	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
<b>Receivables</b>				
Subsidiaries	-	-	2,500,000	-
Associates	5,532,319	6,254,038	-	-
<b>Total</b>	<b>5,532,319</b>	<b>6,254,038</b>	<b>2,500,000</b>	<b>-</b>

Receivables

The Group's receivables from associates relate mainly to receivables for postal services (€4.2 mln approximately) as well as receivables for water supply and sewerage services (€1.5 mln approximately).

	GROUP		COMPANY	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
<b>Payables</b>				
Subsidiaries	-	-	3,757	3,934
Associates	63,437,376	44,150,135	2,466	2,262
<b>Total</b>	<b>63,437,376</b>	<b>44,150,135</b>	<b>6,223</b>	<b>6,196</b>

Payables

The Group's payables to associates relate mainly to payables from the supply / purchase of electricity.

## ii) Transactions with related parties of the Group and the Company:

	GROUP		COMPANY	
	01.01.2020 - 31.12.2020	01.01.2019 - 31.12.2019	01.01.2020 - 31.12.2020	01.01.2019 - 31.12.2019
<b>Revenue</b>				
Subsidiaries	-	-	32,549,290	43,226,257
Associates	26,983,617	30,629,519	-	16,250,000
<b>Total</b>	<b>26,983,617</b>	<b>30,629,519</b>	<b>32,549,290</b>	<b>59,476,257</b>

Revenue

The Group's revenue from associates mainly relates to revenue for postal services (€20.7 mln), as well as rental revenue (€5.3 mln). The remaining amounts derives from water supply and sewerage services (€0.9 mln approximately). Regarding the Company, revenue relate mainly to dividend income during the year.

### Expenses

The Group's expenses from associates relates mainly to electricity costs (€72.6 mln), as well as rental expenses (€ 1.5 mln).

	GROUP		COMPANY	
	01.01.2020 - 31.12.2020	01.01.2019 - 31.12.2019	01.01.2020 - 31.12.2020	01.01.2019 - 31.12.2019
<b>Expenses</b>				
Subsidiaries	-	-	7,571	20,693
Associates	74,042,525	74,599,237	15,713	14,115
<b>Total</b>	<b>74,042,525</b>	<b>74,599,237</b>	<b>23,284</b>	<b>34,808</b>

	GROUP		COMPANY	
	01.01.2020 - 31.12.2020	01.01.2019 - 31.12.2019	01.01.2020 - 31.12.2020	01.01.2019 - 31.12.2019
<b>Disposal of assets</b>				
Subsidiaries	-	-	-	17,383
Associates	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,383</b>

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 31.12.2020 was €9,058,377 (31.12.2019: € 8,088,444).
- Company: for the year 01.01.2020-31.12.2020, was € 1,654,783 compared to €1,623,780 for the year 01.01.2019-31.12.2019.

### Supervisory Board

The gross fees of all members of the Supervisory Board for the year 01.01.2020-31.12.2020 amounted to €278,683 compared to €231,467 for the year 01.01.2019-31.12.2019.

## A.16. 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 adopted its Corporate Governance Code, introduced with the General Assembly decision of the sole shareholder on May 19th 2017, in accordance with the provisions of Article 189 of Law 4389/2016 (the “**Corporate Governance Code**”).

According to the OECD Corporate Governance Principles<sup>1</sup>, which are an international reference point for the Hellenic Corporate Governance Code<sup>2</sup>, on which the Corporation's Corporate Governance Code is based, corporate governance relates to the set of relationships between a Corporation's management, its BoD, its shareholders, and other stakeholders. It provides the structure by which the objectives of the company can be discussed and set, the key risks it may face during its operation 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 during the implementation of the above. The OECD Principles stress the role of good corporate in the promotion of business competitiveness, both in terms of internal organizational effectiveness and in terms of lower cost of capital. Finally, the increased transparency promoted by corporate governance enhances transparency and accountability of the overall financial activities of private enterprises and public organizations and institutions.

Specifically, enterprises that include serving the public interest in their purpose must maintain high corporate governance and transparency standards. According to the Corporate Governance Code of the Corporation, HCAP's corporate governance and disclosure requirements have to be at least at the 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 senior management bodies of the Corporation and of its direct subsidiaries on governance best practices. Another objective of the Code is to improve the provision of information to the sole shareholder and to reinforce the participation of key stakeholders, including the general public and potential investors in corporate affairs.

### Corporate Bodies

The bodies of the Corporation are the General Assembly of the 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, which is the Greek State, as lawfully represented by the Minister of Finance. The Corporation's share capital amounted to €40,000,000 and is divided into 40,000 common registered shares with a nominal value of €1,000 each.

On December 18, 2020, an Extraordinary General Meeting of the sole shareholder of the Company took place, based on which it was decided to increase the share capital of the Company by € 100,000,000 by issuing 100,000 shares with a nominal value of 1,000 euros / share and to amend the Company's Articles of Association in relation to share capital.

On January 20, 2021, the Board of Directors approved the certification of the payment of one hundred million euros (€ 100,000,000).

<sup>1</sup> OECD (2004), *Corporate Governance Principles*.

<sup>2</sup> HCGC (2013), *Hellenic Corporate Governance Code for Listed Companies*.

The share capital of the Company amounts to 140 million euros. The paid-up share capital of the Company amounts to 110 million euros. According to article 21 par. 4 of L. 4548/2018, "Payments for repayment of capital are charged proportionally to all shares taken by the same person." Therefore, the amount paid of 100 million euros for the recent share capital increase is charged proportionally to the 140,000 shares issued.

The Greek State holds the Corporation's forty thousand (40,000) common registered shares with a nominal value of one thousand Euros (€1000) 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 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, determining the remuneration of the members of the Board of Directors, and the amendment of the Articles of Association. These issues which shall be decided according to the provisions of founding Law 4389/2016 and in particular it is determined that 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 HRADF in relation to assets which are to be privatized on the date of entry into force of this Law and (bb) the HFSF. The strategic plan shall include any development or privatization 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 Articles of Association of the Corporation on a proposal of the Board of Directors, which shall be endorsed by the Supervisory Board.
- c) Shall approve the establishment of new direct subsidiaries on a proposal of the Board of Directors, which shall be endorsed 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 endorsed 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 endorsed 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 assessment 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 the Law 4389/2016, the Articles of Association, 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 decides on the following matters:

- a) Shall select and appoint the members of the Board of Directors of the Corporation in accordance with the conditions mentioned below 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.
- 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 Articles of Association 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 endorse the re-transfer 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 endorse 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 Articles of Association.

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 favour.

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

- Formation and establishment of the Supervisory Board
- Election of President
- Role and competencies of the President
- Secretary, Administrative Support and Expenses
- Meetings (calling meetings and the decision-making process)
- Quorum

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

The Supervisory Council consists of five **(5) members**, which are 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 Chairman of the Supervisory Board, selected by the European Commission and the European Stability Mechanism, acting jointly, following the agreement of the Minister of Finance.

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

The **first Supervisory Board** was appointed by order No M.A.D.K.A. 0015977 EΞ 2016/7.10.2016 of the Minister of Finance, published in the Government Gazette (GG YODD 536/10.10.2016) as provided for in Article 210(1) of Law 4389/2016. Three members of the Supervisory Board resigned in October 2019. A General Assembly of the sole shareholder of the Corporation, the Greek State, as legally represented by the Minister of Finance, in accordance with Articles 187(1) and 190 of Law 4389/2016, was held on 12.12.2019 to elect three new members of the Supervisory Board to replace members who had resigned, in accordance with the provisions of Article 191(2) and (6) of Law 4389/2016.

The new Supervisory Board of HCAP today consists of the following members, whose term expires on 25 October 2021:

1. Jacques, Henri, Pierre, Catherine Le Pape - *was appointed Chairman of the Supervisory Board*
2. David Vegara Figueras, Member
3. Xenia Kazoli, Member
4. Charalambos Meidanis, Member
5. Avraam - Minos Moissis, Member

The brief CVs of HCAP's Supervisory Board members and the Secretary of the Supervisory Board are presented below.

**Jacques Le Pape,** Born in 1966, Jacques Le Pape graduated in Physics from the Ecole Normale Supérieure  
*Chairman of the* (Paris) in 1990. He is also a member of the French Institute of Actuaries and holds a MAS  
*Supervisory Board* from the Paris school of economics.

Jacques Le Pape has served as Senior Adviser in Barber Hauler Capital Advisers in Paris from November 2019 to February 2020, while since February 2020 he has been serving as Partner thereof. In May 2021, Jacques Le Pape was appointed as Chair of the Board of Caisse Centrale de Réassurance (CCR). From July 20, 2018, to February 1, 2020, he served as the CFO of The Global Fund. He previously served as general inspector in the French Ministry of Finance 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 also served as the Secretary of AFKLM Board.

From 2007 to 2011, Jacques Le Pape was the deputy chief of staff for Christine Lagarde at the French Ministry for Finance, before joining the French Ministry of Finance Inspection Office. Between 2003 and 2007, he held the successive positions of advisor to the French 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 of the Corporation by decision of the Minister of Finance dated October 7, 2016, and published in the Government Gazette of the Hellenic Republic on October 10, 2016, upon proposal of the European Commission and the European Stability Mechanism. He was appointed Chairman of the Supervisory Board during the first Supervisory Board meeting on October 15, 2016, by deliberation of the Supervisory Board. His current term of office expires on October 25, 2021.

Corporate address: 4 Karagiorgi Servias str., Athens.

**David Vegara Figueras,** David Vegara Figueras (Barcelona, Spain, 1966) is Chief Risk Officer and Executive Board  
*Member* 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 served as Deputy Director of the Western Hemisphere Department at the International Monetary Fund (IMF). 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 of the Corporation by decision of the Minister of Finance dated October 7, 2016, and published in the Government Gazette on October 10, 2016. His current term of office expires on October 25, 2021.

Corporate address: 4 Karagiorgi Servias str., Athens.

**Xenia Kazoli,**  
*Member*

Xenia Kazoli is an international lawyer admitted to the bars of New York, Paris and Athens. For the last few years, she has been advising on corporate governance and regulatory reform and served for four years as a senior advisor with Nestor Advisors Ltd. She has worked for twenty years for international law firms (Skadden Arps LLP and Allen & Overy LLP) in their Paris and London capital market teams, specializing in international debt and equity offerings in the public and private sector and advising on privatizations and cross border transactions.

Prior to this, Xenia Kazoli has worked with the World Bank in Washington DC, conducting legal assessment, policy and regulatory reform in capital markets in Latin America.

Xenia Kazoli is currently an independent non-executive director of the board of the Athens Exchange (ATHEX) and Chair of its Nomination and Remuneration Committee, a member of the Board of the ATHEX CSD and member of its Audit Committee, as well as Vice Chair of the Management Council of the Hellenic Corporate Governance Council. She is also member of the advisory board of DESMOS and co-founder of Corporate Governance Hub, a nonprofit promoting corporate governance and diversity on boards.

She holds a Law degree from the University of Athens, an LL.M. from George Washington University and speaks five languages.

Xenia Kazoli was appointed to the Supervisory Board by decision of the Sole Shareholder of the Corporation on December 12, 2019. Her current term of office expires on October 25, 2021.

Corporate address: 4 Karagiorgi Servias str., Athens.

**Charalambos Meidanis,**  
*Member*

Haris Meidanis (Athens, Greece 1970) is an experienced lawyer, currently the managing partner at Meidanis, Seremetakis and Associates law firm.

He professionally specializes in the areas of Private International Law, the Law of International Transactions, Arbitration, Mediation and Business Law, having also published more than 50 articles in academic journals.

He is an accredited Mediator (CIArb and Hellenic Ministry of Justice) and has provided consulting services to the Greek Ministries of Economy and Development. Haris Meidanis is a member of the mediation council of EODID and member of the Institute of World Business Law of ICC.

Haris Meidanis possesses academic experience, as he has taught at universities in Greece and abroad, such as the University of Athens, Panteion University, Bilkent, as well as at Institutes, such as the European Institute of Public Administration.

Haris Meidanis holds a Law degree from the University of Athens, an LL.M. from the University of London and a PhD in Private International Law from Panteion University in Athens. He is Fellow of the Chartered Institute of Arbitrators.

Haris Meidanis was appointed to the Supervisory Board by decision of the Sole Shareholder of the Corporation on December 12, 2019. His current term of office expires on October 25, 2021.

Corporate address: 4 Karagiorgi Servias str., Athens.

***Avraam -Minos  
Moissis,  
Member***

Avraam-Minos Moissis has a long professional record in the financial services sector, among which top executive and C-suite positions in Insurance Companies and Banks. He is a licensed actuary, former President of the Hellenic Association of Insurance Companies and member of the executive committee of the Hellenic Banking Association. Currently, he is one of the founding partners of SYNERGON Partners and the owner of In2Resilience Ltd. advisory firms incorporated in Greece and Cyprus respectively. He is the non-executive Chairman of the regulated factoring company Flexfin SA.

He holds academic degrees in Mathematics from University of Athens and Actuarial Science from Heriot Watt University of Edinburgh, UK.

Avraam-Minos Moissis was appointed to the Supervisory Board by decision of the Sole Shareholder of the Corporation on December 12, 2019. His current term of office expires on October 25, 2021.

Corporate address: 4 Karagiorgi Servias str., Athens.

***George Stubos,  
Supervisory Board's  
Secretary***

George Stubos holds a PhD in Political Economy from the University of Toronto, Canada. He taught at York University (Canada) between 1986 and 1998 and was an executive at the Bank of Greece from 1998 to 2016. During the same period, he taught a graduate course at the University of Athens – Studies in Southeastern Europe.

The following table presents the external professional commitments of the Members of the Supervisory Board.

Member of the Supervisory Board	Profession	Participation as an executive or non-executive member in other companies or non-profit organizations
Jacques, Henri, Pierre, Catherine Le Pape	Partner at the firm Barber Hauler Capital Advisors	Chairman at Caisse Centrale de Reassurance Board member at the Institute for Advance Studies – Paris Board member at the French Committee of the international Chamber of Commerce
David Vegara Figueras	Chief Risk Officer - Executive Member of the Board at Banko Sabadell	BoD member of Pasqual Maragall Foundation
Xenia Kazoli	Lawyer, Advisor at Nestor Advisors, specializing in corporate governance, regulatory compliance and reform issues.	Independent non-executive member of the Board of Directors of the Athens Stock Exchange Member of the Greek Council of Corporate Governance Member of the Board of Directors and Treasurer of the Action Finance Initiative Greece's representative in the Corporate Social responsibility and Anti-Corruption Commission of the International Chamber of Commerce (ICC) Member of the DESMOS Advisory Board Co-Founder of the Corporate Governance Hub
Charalambos Meidanis	Lawyer, Managing partner at law firm “Meidanis-Seremetakis & Associates”	Certified Mediator, Member of the Greek Ministry of Justice
Avraam - Minos Moissis	Partner at SYNERGON Partners and the owner of In2Resilience Ltd.	Non-Executive Chairman of FlexFin SA

The Supervisory Board has convened 22 times during the period 01.01.2020-31.12.2020, either by physical presence or through teleconferencing. More decisions were taken by circulation of the Minutes. The total Minutes of the Supervisory Board for the above period amount to 38.

#### 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 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 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 CEO, 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 Codified Law 2190/1920, including in relation to the appointment and 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, for the progress of the appointment process, the list of prospective members, and the final selection of members for direct and 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 of the Corporation. The Article 197(4)[iv] of Law 4389/2016 and particularly from the phrase 'To assist in selecting...' to '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 Operating Rules, in accordance with article 200 of Law 4389/2016.
- h. To approve the restructuring plan for 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 Operating Rules.
- k. To submit for approval by the General Meeting of the sole shareholder the financial statements of the Corporation.
- l. To prepare 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 Law 4389/2016.
- 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 prepare amendments to the Internal Operating 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 CEO of the Board of Directors and to propose to the Supervisory Board that they be removed from office.

Regarding the **operation** of the Board of Directors, pursuant to Law 4389/2016, the Board of Directors shall be at quorum when at least three members are present. Each member of the Supervisory Board 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 set out in this paragraph is met. The vacancy must be filled within sixty (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 jointly appointed by 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. 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 for 2020. Provided that the representative of the European Commission and of the European Stability Mechanism has been asked to attend in accordance the preceding paragraph, their 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 e-mail, courier or fax, at least three (3) working days before the appointed date of the meeting. The Chair or, in their 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(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 consist of five (5) to nine (9) members appointed for four (4) years, in accordance with the Corporation's Articles of Association, by decision of the Supervisory Board, and under the conditions set out in the Rules of Procedure.

The Board of Directors of HCAP for the period 01.01.2021 and up to 15.02.2021 consisted of the following members:

Full name	Position	Term of office
Georgios Diamantopoulos	Chairman of the Board, Non-Executive Member	15.02.2017 – 15.02.2021
Ourania Aikaterinari	CEO, Executive Member	15.02.2017 – 15.02.2021
Stefanos Giourelis	Executive Director, Executive Member	15.02.2017 – 15.02.2021
Hiro Athanassiou	Non-Executive Member	08.04.2018 – 08.04.2022
Alice Grigoriadi	Non-Executive Member	15.02.2017 – 15.02.2021
Konstantinos Derdemezis <sup>3</sup>	Non-Executive Member	01.03.2020 – 01.03.2024
Themistocles Kouvarakis	Non-Executive Member	15.02.2017 – 15.02.2021
Spyros Lorentziadis	Non-Executive Member	14.01.2019 – 14.01.2023
Marina Niforos	Non-Executive Member	15.02.2017 – 15.02.2021

On 12.07.2021 the Supervisory Board of Hellenic Corporation of Assets and Participations S.A. (HCAP), pursuant to articles 191 and 192 of Law 4389/2016, announced the new composition of the Board of Directors with effect from February 16, 2021.

The **new Board of Directors** of the Corporation consists of the following members:

Full Name	Position	Term of Service
Konstantinos Derdemezis	Chairman of the Board of Directors, Non-executive Member	01.03.2020-01.03.2024
Gregory D. Dimitriadis	CEO, Executive Member	16.02.2021-15.02.2025
Stefanos Giourelis	Deputy CEO and Executive Director, Executive Member	16.02.2021-15.02.2025
Hiro Athanassiou	Non-executive Member	08.04.2018-08.04.2022
Marco Veremis	Non-executive Member	16.02.2021-15.02.2025
Giovanna Kampouri Monnas	Non-executive Member	16.02.2021-15.02.2025
Thymios Kyriakopoulos	Non-executive Member	16.02.2021-15.02.2025
Spyros Lorentziadis	Non-executive Member	14.01.2019-14.01.2023
Marina Niforos	Non-executive Member	16.02.2021-15.02.2025

<sup>3</sup> On 25.2.2020, the Supervisory Board unanimously decided on the selection and appointment of Mr. Konstantinos Derdemezis as a non-executive member of the Board of Directors of HCAP for a term of four (4) years.

Brief CVs of the members who participated in the Board of Director of HCAP in 2020 follow:

<p><b>Georgios Diamantopoulos,</b> <i>Non – executive Chairman of the Board of Directors</i></p>	<p>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 of Jacobs Suchard (Greece) and 17 years as CEO of Kraft Foods (Greece). He has founded SponsorValue Hellas, a sponsorship assessment company, which he has been managing since 2010. He is a non-executive member of the BoD of listed company Evropaiki Pisti Insurance Co., of which he is also the Chairman of the Audit Committee. He has also been a member of the Hellenic Federation of Enterprises (SEV), the American-Hellenic Chamber of Commerce, the Association of Greek Food Industries (SEVT), CAOBISCO, Association of CEOs (EASE), Hellenic Management Association (EEDE), Hellenic Advertisers Association (SDE) and others.</p>
<p><b>Ourania Aikaterinari,</b> <i>CEO and executive member of the Board of Directors</i></p>	<p>She was born in 1971. She studied at the Aristotle University of Thessaloniki, from which she obtained a degree in Electrical and Computer Engineering. She holds an MBA from City University, UK. She has worked in corporate &amp; 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. From 2010 to 2015, she was Deputy CEO of Public Power Corporation S.A. (PPC), as well as member of its Board of Directors. Also, for the 2 years prior to her appointment at HCAP, she was Partner at Ernst &amp; Young (EY) international consultants. She has served as member of the Energy Committee of the American-Hellenic Chamber of Commerce, member of the Supervisory Board of ADMIE S.A., as well as Deputy Chairman of the Energy Committee of the Technical Chamber of Greece. She is also a Member of the Greek Council of Corporate Governance.</p>
<p><b>Stefanos Giourelis,</b> <i>Executive Director &amp; Executive Member of the Board of Directors</i></p>	<p>He was born in 1964. He studied Mining Engineering &amp; Metallurgy at the National Technical University of Athens. He has worked in Information Technology for more than 25 years, in international sales and management positions. He worked for 19 years at Hewlett Packard for Greece, the Middle East, the Mediterranean, and Africa, based initially in Athens and afterwards in Dubai. For 4 of those years he was General Manager (Greece) and for 8 years he was CEO in Greece, Africa, and subsequently in the GRAF region (Greece &amp; Africa).</p>
<p><b>Hiro Athanassiou,</b> <i>Non – executive member of the Board of Directors</i></p>	<p>She was 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); VP Operations for L. America, South and Eastern Europe, Russia, Turkey and Israel (2010 – 2014); and EVP and Managing Director for Greece and Cyprus (2014 – 2018). She currently holds the position of independent non-executive member of the Board of Directors of TITAN and she is Member the Board of Directors of SEV, IOVE, and SEET. She mentors startups for Orange Grove – Dutch Embassy. Her areas of expertise include strategic development, marketing, and organizational restructuring.</p>
<p><b>Alice Grigoriadi,</b> <i>Non – executive member of the Board of Directors</i></p>	<p>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).</p>

**Konstantinos Derdemezis,**  
Non – executive member  
of the Board of Directors

Mr. Derdemezis is an experienced senior executive, currently Member of the Group Executive Committee and Executive Director of South East Europe for TITAN Cement Group. He has over 20 years of experience in emerging markets and complex international environments. He is also non-Executive Member of Boards of Directors of various subsidiaries of the TITAN Group in South East Europe. His fields of expertise are: asset and operations management, restructuring, corporate culture reform, corporate governance. Mr. Derdemezis holds a degree from the Aristotle University of Thessaloniki and a postgraduate degree in Chemical Engineering from the Pennsylvania State University, USA. Further academic qualifications include an MBA degree from ALBA Graduate Business School and a postgraduate degree in Public Administration from Harvard University, while he recently completed INSEAD's International Directors Program (IDP and Board Accreditation).

**Themistocles Kouvarakis,**  
Non – executive member  
of the Board of Directors

He was born in Piraeus, Greece in 1956. He has worked for 28 years (1988 – 2016) at the European Investment Bank in Luxembourg, where he was head of structural funding for the United Kingdom, Ireland and Scandinavia, all funding for Greece, as well as head of monitoring and restructuring of loans for structural funding and public bodies across the entire EU. He holds an MBA degree from Harvard Business School, a MSc degree in Economics from the London School of Economics and Political Science and a Bachelor of Arts in Economics from the University of Essex. He won a Greek Championship in Water Polo in 1974 with the Ethnikos Piraeus Youth team.

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

She was born in 1969. She studied at the Cornell University in USA. She holds an MBA 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 at the 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 degree from the Department of Political and Economic Science of University of Athens Law School. He is a certified public accountant and auditor and has a long and diverse career and experience as a business consultant specializing in corporate governance and internal audits. He has held senior executive positions at EY and Arthur Andersen. He has also served as a non-executive Board Member at the National Bank of Greece, Eurobank, Emporiki Bank, as well as Athens International Airport. At present, he serves as Advisor to the CEO of Piraeus Bank on issues relating to the enhancement of the internal audit and operational risk supervision system. Mr. Lorentziadis also sits as a non-executive member on the BoD of TEMES S.A.

The following table presents the **external professional commitments** of the Members who participated in the Board of Directors in 2020:

Member of the Board of Directors	Profession	Participation as an executive or non-executive member in other companies or non-profit organizations	Dates
Georgios Diamantopoulos	Adviser	1) European Reliance Insurance Company: Non-executive Member of the Board of Directors,	September 2006 – present
		Chairperson of the Internal Audit Committee,	October 2013 – present
		Member of the Risk Committee	February 2014 – present
		Chairperson of the Corporate Governance & Candidates Committee	December 2017 – present
		2) SPONSORVALUE S.A.: Chairman and CEO	April 2010 –December 2020
		3) GIORGOS DIAMANTOPOULOS & Co PARTNERSHIP – CONSULTING SERVICES: Manager	September 2012 – present
		4) “SOHO SQUARE ATHENS S.A.”, Chairman of the Board of Directors	July 2020 - present
Ourania Aikaterinari	Executive Member of HCAP Board	Member of the Greek Council of Corporate Governance	December 2018 – present
Stefanos Giourelis	Executive Member of HCAP Board	Sun Waves PC : Shareholder	December 2019 – present
Hiro Athanassiou		1) Chair of the GAAB (Global Alumni Advisory Board) at the American College of Greece, Pierce, Deree, ALBA	2016 – present
		2) Chair of NGO EXANDAS	- December 2020

Alice Grigoriadi	Adviser	<p>1) Member of the advisory board of NuvaLaw</p> <p>2) Founding Member and Board Member of the 'Hellenic Blockchain Hub' (HBH)</p> <p>Member of the Board of Directors of Eurobank S.A. and Eurobank Holdings,</p> <p>Member of the Risk Committee</p> <p>Member of the Remunerations Committee</p> <p>Member of the Digital and Transformation Committee (as of 16.09.2020)</p>	<p>April 2017 – present</p> <p>March 2018 – present</p> <p>April 2020 – present</p>
Themistocles Kouvarakis	Former executive of the European Investment Bank	-	
Marina Niforos	Associate Professor at HEC Paris	<p>1) European Network of Women in Leadership (non-profit)</p> <p>Non-Executive Member</p> <p>2) Member of the 'EU Blockchain Observatory Policy and Framework Conditions Working Group'</p> <p>3) Chair of INSEAD IDN Governance Club</p>	<p>July 2011 – present</p> <p>May 2018 – present</p> <p>December 2020</p>
Spyros Lorentziadis	Adviser	<p>1) TEMES S.A. – Construction Company Costa Navarino</p> <p>Non-Executive Member of the Board of Directors</p> <p>2) Piraeus Bank</p> <p>Senior Advisor to the CEO on matters relating to the enhancement of the System of Internal Audit and Operational Risk</p>	<p>October 2018 – present</p> <p>July 2017- present</p>
Konstantinos Derdemezis		<p>TITAN Group</p> <p>Member of the Group's Executive Committee</p>	September 2008-present

#### Secretary of the Board of Directors (Corporate Secretary)

Pursuant to the Corporate Governance Code, the Board of Directors should be assisted by a competent, suitably qualified, and experienced Secretary of the Board of Directors, who shall attend 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 to ensure that the Board complies with internal rules and relevant laws and regulations. The Corporate Secretary's competencies 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 Christina Koliatsi, Chief Legal Counsel of the Corporation (Attorney with Piraeus Bar Registry No 2989), to be appointed as Corporate Secretary. The Corporate Secretary holds a Law degree from the University of Athens, a Postgraduate Degree (LLM) from King's College London and a Postgraduate Degree (MSc) on Strategic Management from the Department of Economics of the University of Athens. She has twenty years of professional experience, has served as partner in an internationally active law firm, Senior Manager in Ernst & Young on corporate law, corporate reform and energy law, and has extensive expertise on corporate law issues. 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 CEO, the Board of Directors may appoint another executive member. All other members are independent non-executive members.

The **Chairperson** is responsible for leading the board. They have the responsibilities of setting its agenda, ensuring that the work of the board is well organized, and meetings conducted efficiently. The Chairperson is also responsible for ensuring that Board Members receive accurate and timely information, and for effective communication with the shareholder and the Supervisory Board, in accordance with fair treatment of interests of the shareholder and the public.

In accordance with the Articles of Association of the Corporation, **the CEO** has the responsibilities provided in Article 11 of the Corporation's Articles of Association, as analyzed below, as well as any other duties assigned by the Corporation's Board of Directors.

- a) represents the Corporation judicially and extrajudicially, including representation in General Meetings of its subsidiaries, voting as authorized 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 operation 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 utilize the potential of the staff, submits to the Board of Directors for approval of organizational charts and training and further education programmes that considers necessary.
- g) implements all actions related to the ordinary management of the Corporation.
- h) recruits the staff of the Corporation, except for the appointment of 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 boards of directors of the direct subsidiaries of the Corporation, except for the Financial Stability Fund referred to in Law 3864/2010, as well as of the other subsidiaries in which the Corporation has the necessary 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 quarterly reports on the activities of the Corporation and its financial statements for submission to the Supervisory Board, in accordance with Article 195 of Law 4389/2016.



- l) submits to the Board of Directors for approval the plan for the restructuring of the 'Public Properties Company 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 establishment 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.

Management and representation powers of the Corporation 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, 16/04/2018, 15/06/2018, 13/12/2018, 17/01/2019, 19/09/2019 and 21/01/2020 and 16/02/2021 are still in effect.

#### Meetings of the Board of Directors

The total number of Minutes of the Meetings of the Board of Directors for the period 01.01.2020- 31.12.2020 was forty-nine (49), of which thirty-four (34) were prepared by circulation pursuant to Article 94 of Law 4548/2018. All the Members participated in all the meetings of the Board of Directors apart from two members, who did not participate in the discussion of certain items for reasons of management of potential conflict of interest situation.

The issues that have been discussed at the Meetings of the Board of Directors during the period from 01.01.2020- 31.12.2020 concern the implementation of the obligations and actions provided by Law 4389/2016 regarding the Corporation and its actions with regard to the direct and other subsidiaries, indicatively:

- Targets of the Corporation and the Board of Directors for 2020
- Performance assessment regarding the targets of the executive members of the Board of Directors for 2019
- Update of the KPIs for 2020 taking into consideration the impact of the Covid-19 pandemic
- Approval of the Corporation's budget for 2021 and for purposes of reporting to the Greek State
- Approval of the 2020 budget
- Approval of the Corporation's Mid-Term Budget for purposes of reporting to the Greek State
- Impact of the Covid-19 pandemic on the subsidiaries of HCAP
- Approval of the updated Business Plan of HCAP for 2020-2022
- ELTA S.A.: Transformation Plan - Participation in the share capital increase of ELTA S.A. with an amount of 100.000,00€
- Preparation and approval of the quarterly reports concerning compliance with the rules of corporate governance in accordance with Law 4389/2016 and the Corporation's Rules of Procedure and quarterly reports on actions and financial statements for 2019 (Article 192(2)(j) and Article 195 of Law 4389/2016).
- Participation and exercise of voting rights at the Ordinary General Meeting of each subsidiary on the items of the agenda (Article 192(2) (e) of Law 4389/2016).
- Preliminary procedures and gradual implementation of the 'Coordination Mechanism' in accordance with the Rules of Procedure of the Corporation. Approval of the Statements of Commitment within the framework of Coordination Mechanism based on the approved targeting of the subsidiaries included in the Business plan of HCAP
- Compliance Policies (CSR, Due Diligence Policy)
- Proposal to the Supervisory Board for the Election of Certified Auditors for HCAP for the financial year 2020
- Selection of Internal Audit Director in accordance with Article 197(2)(b) of Law 4389/2016 and HCAP's Rules of Procedure regarding the Performance Auditing Framework (par. 5.2.1)
- Approval of updated annual Audit Plan for 2020 and approval of the Audit Plan for 2021

- Proposal for the amendment of the chapter with title “Investment Policy” of the Rules of Procedure in accordance with art. 189 par. 3 of Law 4389/2016
- Approval of the Semi-annual Consolidated and Corporate Financial Statements for the period 01.01.2019 – 30.06.2019
- Approval of the Annual Consolidated and Corporate Financial Statements for the period 01.01.2019 – 30.06.2019
- Reconstitution of the Board of Directors’ Committees
- Approval of the Articles of Association of the recently established subsidiary “5G Ventures S.A.”, appointment of the first Board of Directors of the Corporation and approval of the Remuneration Policy of the Members of the Board of Directors following proposal of the Candidates Committee of the Board of Directors
- Self-assessment process of the Board of Directors

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 regard to corporate governance issues:

- Implementation of a target-setting model with Key Performance Indicators (KPIs)
- Update of the subsidiaries’ KPIs taking into consideration the impact of the Covid-19 pandemic
- Assessment of the Boards of Directors of subsidiaries in accordance with Article 197(4) of Law 4389/2016 of the other subsidiaries
- Election of new members of the Boards of Directors in OASA S.A., CMT S.A., TIF-HELEXPO S.A., EYATH S.A., ELTA S.A., ETAD S.A., CMFO S.A., AEDIK S.A., HELLENIC SALTWORKS S.A., 5G Ventures S.A. in accordance with article 197(4) of Law 4389/2016. Assistance to OASA on the process of filling the positions of the Boards of Directors of the companies OSY S.A. and STASY S.A.
- Appointment of Members to the subsidiaries’ Audit Committees in accordance with the current regulatory framework and appointment of Audit Committee Chairpersons
- Appointment of Internal Auditors to subsidiaries with the assistance of the Internal Audit Division
- Extension of the term of HRADF until 01.07.2022
- Performance monitoring of subsidiaries and meetings with the representatives of the Boards of Directors of the subsidiaries

#### Board of Directors Committees

Pursuant to the provisions of Article 192(2)(s) and 197(4) of Law 4389/2016 and the decisions of the Board of Directors dated 03.03.2017 and 24.04.2017, the following Committees of the BoD have been established:

1. Audit Committee
2. Investment Committee
3. Corporate Governance Committee
4. Candidates Committee (Article 197(4) Law 4389/2016)

#### Audit Committee

It is composed by 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 adequate knowhow regarding auditing and accounting matters.

The Audit Committee members shall have a term of office equal to that of the members of the existing Board of Directors, and in the case of different provisions in the Rules of Procedure the latter’s provisions shall prevail. The composition of the Audit Committee for the period 01.01.2020-30.06.2020 was the following:

1. Spyros Lorentziadis, Chairperson
2. Alice Grigoriadi, Member
3. Themistocles Kouvarakis, Member

On 09.07.2020 Ms. Alice Grigoriadi resigned as a member of the Audit Committee and the Corporation’s Board of Directors decided on the reconstitution of the Audit Committee with the following composition:

1. Spyros Lorentziadis, Chairperson
2. Themistocles Kouvarakis, Member
3. Hiro Athanassiou, Member

Pursuant to the Rules of Procedure of the Corporation, the role and competencies of the Audit Committee include the following:

#### 1. Supervision of the internal audit unit

- To review and approve the policies and procedures of the internal audit unit in order to ensure their compliance with relevant international.
- To ensure the independence and impartiality of the internal audit unit, suggesting to the Board of Directors the appointment or the removal of the department's Director and executives.
- To assess the internal auditors and suggest their remuneration or any adjustments thereof.
- To examine and review, where necessary, the operation, structure, objectives, and procedures of the internal audit function.
- To review the audit plan in order to ensure its effectiveness.
- To examine and assess the audit reports, as well as the comments by the management.
- At least once a year, to assess the adequacy, quality, and effectiveness of the internal audit department, in order to promote more effective approaches, where necessary, without breaching its independence.

#### 2. Supervision of external auditors

- It is responsible for the preparation and the selection procedure of external auditors in accordance with Article 193 of Law 4389/2016. To submit 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.
- To assure the Board of Directors that the work carried out by external auditors is correct and sufficient in terms of scope and quality.
- To inform the Board of Directors of the outcome of the external audit and explain how the external audit contributed to the integrity of financial reporting and what the role of the Audit Committee was in that process.
- To review and monitor the independence of external auditors, as well as the objectivity and effectiveness of the audit procedure, taking into account professional and regulatory requirements.
- To approve the provision of any non-audit services from the external auditors, after properly assessing threats to their independence and the safeguards applied to mitigate these risks in accordance to the relevant legislation (Regulation (EU) 537/2014, Directive 2014/56/EU and its implementing Law 4449/2017).
- To discuss any material audit differences that may arise during the audit with the external auditors, regardless of whether such differences were settled.
- To discuss any deficiencies in the internal audit system that may have been identified by the external auditors, particularly those regarding the provision of financial information and preparation of financial statements.

#### 3. Monitoring of financial statements

- To monitor the external audit of the annual and consolidated financial statements, as well as the performance of the external audit.

- To support 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.
- To support the Board of Directors in preparing the financial statements submitted to the Supervisory Board.
- To monitor the implementation of effective procedures for the provision of financial information and to submit proposals and recommendations to ensure its integrity.
- To ensure, on behalf of the Board of Directors, that there are no significant disagreements between the management and the external auditors.
- To submit the external auditors' reports to the Board of Directors.
- To inform the Board of Directors of any issues about which the external auditors express serious concerns.

#### 4. Supervision of internal control mechanisms

- To assure the Board of Directors that the Corporation's internal quality control, internal audit, compliance, and risk management systems, mainly regarding financial reporting, are properly and systematically reviewed, and that the Corporation complies with the relevant laws and regulations.
- To participate 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 progress of the implementation of recommendations and any problems arising from the relevant action plans.
- To support the Board of Directors in obtaining sufficient information in order to make decisions regarding transactions between associated parties and to inform the Board of Directors of any conflicts of interest.
- To ensure that procedures are in place 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 operation of the Corporation.

During the period 01.01.2020-31.12.2020 the issues that have been discussed at the Meetings of the Committee mainly relate to: Issues related to the Audit Committees of the subsidiaries (KPIs and objectives of the Internal Audit Units and Audit Committees for 2019 and 2020, meetings with the Chairpersons of the Audit Committees), issues of financial information and corporate and consolidated financial reports (HCAP annual and semi-annual financial statements and financial statements of subsidiaries, subsidiaries' financial performance, items of the agenda of the General Assemblies of the companies of HCAP portfolio, important legal and tax cases), requests for the assignment of non-audit tasks to the corporation's External Auditors, Internal Audit System and Internal Audit Division matters (Approval of the Internal Audit Unit's Charter, whistleblowing process, periodical reports on the activities of the Internal Audit Unit), selection of external auditors for the financial year 2020, RfI for the external audit of the financial statements for the fiscal year 2021, approval of the quarterly reports on actions and financial statements of the Corporation, objectives of the Audit Committee and the Internal Audit Division for 2020, selection of Internal Audit Director, Audit Plan for 2020 and 2021, audit reports issued by the Internal Audit Unit, planning of a workshop for Audit Committees of non-listed subsidiaries. During 2020 the Committee held meetings with the external auditors and assessed the effectiveness of the external audit process and reviewed its performance

From 01.01.2020-31.12.2020, the Committee has held seven (7) meetings with the participation of all Members of the Committee and resolutions were taken twice by circulation of the minutes.

On 16.02.2021, following the election of new Members of the Board of Directors, the Board of Directors of the Corporation decided the constitution of the Audit Committee as follows:

1. Spyros Lorentziadis, Chairperson
2. Hiro Athanassiou, Member
3. Thymios Kyriakopoulos, Member

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 for in Article 200 of Law 4389/2016 and in accordance with the Corporation's Investment Policy, which is part of its internal Rules of Procedure. The Investment Committee members shall have a term of office equal to that of the members of the existing Board of Directors, and in the case of different provisions in the Rules of Procedure the latter's provisions shall prevail.

On 16.03.2020 the Board of Directors of the Corporation decided on the restructuring of the Investment Committee as follows:

1. Themistocles Kouvarakis, Chairperson
2. Marina Niforos, Member
3. Konstantinos Derdemezis, Member

The Investment Committee, during the period 01.01.2020-31.12.2020, held two meetings on 08.04.2020 and 05.06.2020 with the participation of all Members. The items discussed during the Committee's meetings mainly relate to: preparation of the Investment Policy framework and proposal to the Board of Directors for the amendment of the Investment Policy as chapter of the Corporation's Rules of Procedure, planning of the Committee's works, review of best practices followed by other countries and issues on real estate investment strategy.

On 16.02.2021, following the election of new Members of the Board of Directors, the Corporation's Board of Directors decided the constitution of the Investment Committee and Committee of Risk Management, as follows:

1. Thymios Kyriakopoulos, Chairperson
2. Marco Veremis, Member
3. Marina Niforos, Member

Corporate Governance 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, in accordance with the provisions of Article 192(2)(i) of Law 4389/2016. The Committee's Rules of Procedure were approved on 24.07.2017 and amended on 20.06.2019 following the implementation of Law 4618/2019 (Government Gazette A 89/10.06.2019).

By virtue of the decision of the Board of Directors dated 16.04.2018, the Corporate Governance Committee was reconstituted with the following composition:

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

During the period 01.01.2020-31.12.2020, the main items discussed during the Committee's meetings mainly relate to: corporate governance KPIs for 2019 and objectives for 2020, Corporate Governance Handbook and planning of measures for the vertical integration to the subsidiaries, planning of workshop with the participation of subsidiaries' representatives for the presentation of the CG Handbook and other current issues on corporate governance, matters of ESG strategy, Committee and Board of Directors' self-assessment process, interim review of the KPIs on corporate governance and adjustments to the objectives based on the new conditions that developed due to the Covid-19 pandemic and implementation of the annual corporate governance plan.

From 01.01.2020-31.12.2020, the Committee has held three (3) meetings with the participation of all Members of the Committee.

On 16.02.2021, following the election of new Members of the Board of Directors, the Corporation's Board of Directors decided the constitution of the Corporate Governance Committee, as follows:

1. Giovanna Kampouri Monnas, Chairperson
2. Hiro Athanassiou, Member
3. Spyros Lorentziadis, Member

#### Candidates Committee

Furthermore, pursuant to the provisions of Article 197(4) of Law 4389/2016, as amended by Law 4512/2018, the Board of Directors of the Corporation established the Candidates Committee comprised of members of the Board of Directors of HCAP.

The competences of the Candidates Committee are provided for in art. 197 par. 4 of Law 4389/2016, as amended and in force, and by decision of the Board of Directors of HCAP, which are depicted in the Committee's Rules of Procedure. The Committee shall comprise of up to five (5) members, including the Corporation's executive members of the Board of Directors, as well as non-executive members of the Board of Directors with expertise in SOE 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. Regarding the way of exercising shareholder rights for the appointment of the Boards of Directors of direct and other subsidiaries, the Internal Regulation principles apply on: the appointment of board members, the competency of the candidates with regard to the requirements of the management of the other subsidiaries (State-Owned Enterprises' Mandate, Statement of Commitments, etc.), avoiding discrimination, independence, and the professional criteria necessary to fulfil the purposes of each of the other subsidiaries.

The Committee Members during 01.01.2020 – 30.04.2020 were:

1. Ourania Aikaterinari, Chairperson
2. Stefanos Giourelis, Member
3. Marina Niforos, Member
4. Hiro Athanassiou, Member

Ms. Marina Niforos resigned from her position as Member of the Candidates Committee with effect from 30.04.2020.

Thus, the composition of the Candidates Committee during the period 30.04.2020-20.08.2020 was the following:

1. Ourania Aikaterinari, Chairperson
2. Stefanos Giourelis, Member
3. Hiro Athanassiou, Member

On 29.07.2020 the Corporation's Board of Directors decided the reconstitution of the Candidates Committee as follows:

1. Ourania Aikaterinari, Chairperson
2. Stefanos Giourelis, Member
3. Hiro Athanassiou, Member
4. Konstantinos Derdemezis, Member (with effect from 20.08.2020)

On 13.10.2020 the Committee decided to propose its reconstitution, which was approved by the Board of Directors by its decision dated 22.10.2020, as follows:

1. Hiro Athanassiou, Chairperson
2. Ourania Aikaterinari, Member
3. Stefanos Giourelis, Member
4. Konstantinos Derdemezis, Member
5. Themistocles Kouvarakis, Member

During the period 01.01.2020-31.12.2020, the items discussed during the meetings of the Committee mainly relate to: assessment of the Boards of Directors of the subsidiaries and search and selection of candidates to fill vacancies with

the support of external independent advisors where required, preparation and approval of the profile – skills matrix regarding the assessment of or the search for candidates for executive and non-executive positions of BoD members, interviews with candidates for the filling of positions of Board of Directors, proposals to the Board of Directors with regard to issues related to the competences assigned to the Candidates Committee by the Board of Directors of HCAP.

Up to 31.12.2020 the Committee met fourteen (14) times in a total of forty-five (45) meetings with the participation of all Members, except three meetings where Ms. Niforos was absent, and four meetings where Ms. Athanassiou was absent.

On 16.02.2021, following the election of new Members of the Board of Directors, the Corporation's Board of Directors decided the constitution of the Candidates Committee, as follows:

1. Hiro Athanassiou (Chairperson until 30.04.2021 and Ms. Niforos from 01.05.2021)
2. Marco Veremis, Member
3. Stefanos Giourelis, Member
4. Gregory D. Dimitriadis, Member
5. Giovanna Kampouri Monnas, Member

#### Board performance evaluation

During the first quarter of 2020 the Supervisory Board proceeded with the evaluation of the BoD executive and non-executive Members of the Board of Directors for 2019, as well as the evaluation of the executive members based on the annual targets determined by decision of the Supervisory Board and issued a decision on the performance of executive members based on the approved targets. The evaluation by the Supervisory Board is conducted in accordance with the provisions of Law 4389/2016 and based on HCAP's Internal Regulation and specifically the chapter entitled "Criteria for the Evaluation and Removal of HCAP BoD Members" which was introduced by decision of the General Meeting of HCAP's sole shareholder on 15.12.2017.

Moreover, according to the Corporate Governance Code of HCAP (paragraph 3.7), the evaluation of the effectiveness of the Board of Directors and its Committees 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 should be discussed by the Board of Directors, and in the follow-up to the evaluation, the Chairman should take steps to address the identified weaknesses. The Board of Directors should also assess the performance of its Chairman, a process led by another non-executive member of the Board of Directors.

In April-May 2020, the HCAP BoD self-evaluation procedure was implemented for the first time. The Corporate Governance Committee led the process following decision of the Board of Directors.

#### Conflict of Interest

The Rules of Procedure of the Corporation include a special chapter related to the policy for the prevention, identification, and handling of conflict of interest 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 concept of being in a 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 may:

- 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 their position, as well as of the information and confidential data, to which they have access due to their position, for their 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:



- Potential Members and
- Close Relatives, as defined by the Rules of Procedure.

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

- identify relevant Private Interests that could potentially lead to a Conflict with their duties; Private interests shall include gaining of undue advantages either in favour of the member directly, or their spouse (or partner to be considered legally as spouse) or any relatives (by blood or in-law) as defined in the Rules of Procedure, or any legal entities closely connected to them. If a member is aware of such a situation then they should declare the existing impediment and refrain from handling the cases related to it.
- promptly disclose all relevant information about a situation that could lead to a conflict of interest, when circumstances change after their initial disclosure, or when new situations arise, which could result in a conflict of interest.

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

### Remuneration of the members of the Supervisory Board and the Board of Directors

#### Remuneration of the Supervisory Board

In accordance to Article 194(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(7)(a) of Law 4389/2016 and by virtue of the decision of the General Assembly of the sole shareholder of the Corporation dated 17 January 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 Assembly of the sole shareholder on 28 August 2017, as follows:

- Chairperson: €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)

Table with the net and gross remuneration of the Members of the Supervisory Board:

Chairperson and Non-Executive Members of the SB***	Fixed Remuneration			Remuneration for attendance at Meetings**			Other remuneration or benefits		
	Period 1.1.19-31.12.19 Gross	Period 1.1.20-31.12.20 Gross	Period 1.1.20-31.12.20 Net	Period 1.1.19-31.12.19 Gross	Period 1.1.20-31.12.20 Gross	Period 1.1.20-31.12.20 Net	Period 1.1.19-31.12.19 Per diem gross	Period 1.1.20-31.12.20 Per diem gross	Period 1.1.20-31.12.20 Per diem net
Full Name	Remuneration	Remuneration	Remuneration*	Remuneration	Remuneration	Remuneration*	remuneration	remuneration	remuneration*
Jacques, Henri, Pierre, Catherine Le Pape, Chairman of the SB	41,667	48,333	36,136	20,000	17,600	12,549	2,550	650	463
David Vegara Fiqueras, Member	37,500	43,500	32,005	10,000	8,800	6,097	1,900	500	344
Polyxeni (Xenia) Kazoli, Member	2,550	43,500	27,801	-	9,600	3,966	-	-	-
Avraam Minos Moissis, Member	2,550	43,500	27,801	-	9,600	3,966	-	-	-
Charalambos Meidanis, Member	2,550	43,500	27,924	-	9,600	4,015	-	-	-

\* The net amounts will be subject to additional taxes and social security contributions, according to the applicable legislation.

\*\* On 27.12.2020 the Supervisory Board held a meeting for which a relevant provision had been recognized in the fiscal year 2020.

\*\*\* The Members of the Supervisory Board decided to waive their remuneration by 20% for the months of April and May, amount that was deposited by the Corporation to the special account held by the Bank of Greece for donations due to the Covid-19 pandemic.

## Board of Directors' Remuneration

Pursuant to Article 194(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.

By decision of the Supervisory Board, the remuneration of the Chairperson of the Board of Directors was set at the amount of €75,000 annually, plus 2000 per BoD meeting. The other non-executive members of the Board of Directors shall receive the amount of €30,000 annually, plus €1000 per BoD Meeting. By decision of the Supervisory Board, a cap has been set at 14 BoD meetings per year. In relation to the Committees and particularly for the non-executive members, it was provided that they receive €1000 per Committee Meeting, while the respective amount for the Chairperson of the Committee is €1500 per Committee Meeting.

Table with the gross and net remuneration of the Members of the Board of Directors:

Executive members of the BoD***	Salary			Additional performance remuneration (bonus)			Other remuneration or benefits**	
	Period 1.1.19-31.12.19 Gross Remuneration	Period 1.1.20-31.12.20 Gross Remuneration	Period 1.1.20-31.12.20 Net Remuneration*	Period 1.1.19-31.12.19 Gross Remuneration	Period 1.1.20-31.12.20 Gross Remuneration	Period 1.1.20-31.12.20 Net Remuneration*	Period 1.1.19-31.12.19 Gross Remuneration	Period 1.1.20-31.12.20 Gross Remuneration
Full Name								
Ourania Aikaterinari, CEO	270,000	266,160	127,190	27,027	-	-	21,350	20,775
Stefanos Giourelis, Executive Director	230,000	226,729	108,950	11,512	-	-	15,600	15,100

\* The net amounts will be subject to additional taxes and social security contributions, according to the applicable legislation.

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

\*\*\* The Executive Members decided to waive their remuneration by 20% for the month of April, amount that was deposited by the Corporation to the special account held by the Bank of Greece for donations due to the Covid-19 pandemic.

Chairman and Non-Executive Members of the BoD	Fixed Remuneration			Remuneration for attendance at meetings (attending Board and Committees sessions)			Other remuneration or benefits		
	Period 1.1.19-31.12.19 Gross	Period 1.1.20-31.12.20 Gross	Period 1.1.20-31.12.20 Net	Period 1.1.19-31.12.19 Gross	Period 1.1.20-31.12.20 Gross	Period 1.1.20-31.12.20 Net	Period 1.1.19-31.12.19 Per diem gross	Period 1.1.20-31.12.20 Per diem gross	Period 1.1.20-31.12.20 Per diem Net
Full Name	Remuneration	Remuneration	Remuneration*	Remuneration	Remuneration	Remuneration*	remuneration	remuneration	Remuneration*
Georgios Diamantopoulos, Chairperson of the BoD	75,000	73,750	39,953	28,000	27,600	12,642	100	-	-
Alice Grigoriadi, Member	30,000	29,500	20,049	24,000	20,600	10,076	3,300	2,150	1,027
Themistokles Kouvarakis, Member	30,000	29,500	20,062	20,500	26,300	12,625	400	-	-
Marina Niforos, Member	30,000	29,500	20,829	36,500	22,900	10,426	2,250	1,200	556
Hiro Athanassiou, Member	30,000	29,500	20,547	33,000	32,100	15,040	-	-	-
Spyros Lorentziadis, Member	29,200	29,500	20,567	27,500	21,000	10,485	-	-	-
Konstantinos Derdemezis, Member	-	24,500	18,770	-	19,600	10,181	-	400	194

\* The net amounts will be subject to additional taxes and social security contributions, according to the applicable legislation.

\*\* The Members decided to waive their remuneration by 20% for the month of April, amount that was deposited by the Corporation to the special account held by the Bank of Greece for donations due to the Covid-19 pandemic.

#### Contracts with Members of the Board of Director

There is no plan for distribution of shares, share options, and similar securities to Board Members. The Executive Members have concluded a four-year service 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 fees may be granted to the Executive Members as a bonus, which shall be linked to the performance and achievement of objectives, as those are 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 organizational structures, policies, procedures, and safeguards (internal controls) that are summarized 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 with 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 Internal Control and Risk Management System; (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 independence of the External Auditors; (d) monitoring the effectiveness and performance of the Internal Audit Department.

- Enterprise risks of the Corporation (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 an independent Internal Audit Department, which reports to the Board of Directors through the Audit Committee. The Internal Audit Department 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 the financial information process 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 principle of segregation of duties 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 between the Corporation's Finance Department and 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.
- The preparation of the annual and semi-annual standalone and consolidated financial statements, in accordance with the International Financial Reporting Standards, has been assigned to a well-recognized consulting firm, who possesses the required knowledge and experience.
- The Corporation's Finance Department monitors on a continuous basis the entries and records prepared by the external partners who support both the accounting operations, as well as the consolidation and preparation of the annual and semi-annual standalone and consolidated financial statements. Multiple safeguards have been designed and implemented, such as reviewing of reports and performing reconciliations.
- Finance Department personnel have significant experience, possess a number of professional qualifications, and are regularly updated on developments and changes in International Financial Reporting Standards.

- The Audit Committee, as well as the Internal Audit Department, 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.
- External Auditors audit the semi-annual and audited annual separate and consolidated financial statements and inform the Audit Committee accordingly.
- 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 policy

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 in its Board of Directors and its Supervisory Board, and in the composition of its senior executives and human resources, specifically with respect to gender, as well as with other aspects, such as age, education and professional background, place of residence, and nationality.

It is HCAP's priority to establish equal opportunities at all levels with quantifiable results. For example, three women are currently serving on HCAP's Board of Directors out of a total of nine members, while the ratios are proportional in managerial positions in the rest of the company.

HCAP pursues the cultivation of a high profile for diversity in the workplace and in positions of responsibility in its subsidiaries as well, promoting equal treatment and equal access to opportunities, as well as education and training for all employees. More specifically, with regard to the appointment of new members on the boards of directors of its portfolio, HCAP's strategy involves selecting highly qualified professionals through meritocratic processes, with a focus on the essential and formal qualifications required of BoDs so that they may respond to their mandate.

The qualitative composition of these Boards is representative of optimal criteria being applied during selection, including members' complementarity in skills and experience, academic background, extroversion, age, literacy with respect to new technologies and innovation, as well as enhancement of the female presence, thus emphasizing HCAP's commitment to supporting the principles of inclusion and diversity.

#### A.17 Other Issues

##### **Acquisition/holding of own shares**

The Corporation and its subsidiaries do not hold any own shares (of HCAP).

##### **Restrictions on the transfer of the Corporation's 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 Corporation has no branches.

##### **Research and development activities**

There were no significant activities for research and development during the period 01.01.2020-31.12.2020.

**Policies for the appointment and the replacement of members of the Board of Directors, along with amendments in the Articles of Association if different from the provisions of Law 4548/2018**

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

- a) Selects and appoints the members of the Board of Directors of the Corporation in accordance with the conditions referred to in Article 192 of Law 4389/2016, and
- b) Revokes the appointment of the members of the Board of Directors of the Corporation.

Moreover, the Supervisory Board endorses the Board of Director's suggestion to the General Assembly of the sole shareholder 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 49 of Law 4548/2018.**

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

Athens, 16 July 2021

**The Chairman  
of the Board of Directors**

**The Chief Executive Officer  
and Member of the Board of  
Directors**

**The Deputy Chief Executive Officer  
& Executive Director  
and Member of the Board of  
Directors**

**Konstantinos Derdemezis**  
ID No. AM 508145

**Gregory D. Dimitriadis**  
ID No. AB 733147

**Stefanos Giourelis**  
ID No. AK142391

## 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, 2020, 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, 2020, 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 € 2,3 million, referring to the account 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 2020.
2. Lawsuits have been filed against the direct subsidiary “PUBLIC PROPERTIES COMPANY S.A.” (PPCo S.A.)” by lessee of its real estate items and its affiliated companies. The arbitral decisions issued in respect of the aforementioned lawsuits under Num. 20/2019, 24/2019, 28/2019, 29/2019, 1/2020, 2/2020, 3/2020 and 4/2020 impose an obligation on the direct subsidiary PPCo S.A. to pay the claimant and its affiliated companies an amount of approximately € 568 million, plus interest arising from the conduct of the lawsuits. The direct subsidiary PPCo S.A. has exercised and will timely exercise against the above mentioned arbitral decisions all the legal means, as provided for by the Code of Civil Procedure, for the annulment of the above lawsuits, or for recognition of their non-existence. A detailed description on the development of this case and the relevant actions conducted by the Management of the Subsidiary is provided in note 33 A2c to the financial statements, while all relevant information and explanations requested in the context of our audit were taken into account. The final outcome of these lawsuits cannot be predicted at the present stage, given that the relative legal procedures are in progress. In the course of our audit, we were not in position to obtain reasonable assurance about the estimate of the potentially required additional provision.
3. The Balance Sheet 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 31/12/2020 standing at approximately € 1,057 million. As far as those assets are concerned, indications of impairment were effective. As



reported in Note 5 to the financial statements, the procedure of calculating the amount of impairment of the relevant self-used property, plant and equipment and the fair value of the investment property items in question is in progress. Therefore, we have reservations regarding the correct measurement of the aforementioned items as well as the contingent impact on the equity and the income statement of the closing and the previous years arising from calculation of the impairment amount of self-used property, plant and equipment.

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 within the entire course of our appointment 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 GAIOSE S.A. regarding the real estate property items, falling within the provisions of Law 4111/2013, which do not meet the recognition criteria according to the provisions of the International Financial Reporting Standards as at 31/12/2020, as well as the actions scheduled by the Managements as far as the aforementioned matter is concerned. Our opinion is not qualified regarding the above matter.
2. We draw your attention to Notes 27 and 35 to the separate and consolidated financial statements regarding determination of the consideration of raw water resources, supplied by the Greek State to the subsidiary "ATHENS WATER SUPPLY AND SEWERAGE COMPANY S.A." (EYDAP S.A.). As referred to in Notes 27 and 35, the subsidiary EYDAP S.A. is at the final stage of negotiations with the Greek State regarding the extension of the right to exclusive disposal of water in its area of responsibility as well as the final settlement of the consideration of raw water resources for the period 2013 to 2020. Based on the course of the above negotiations, as well as the studies and opinions of its technical and legal consultants, the subsidiary EYDAP S.A. made a provision for the additional cost of raw water for the above period, totaling € 157.5 million, which burdens the closing year income statement and the equity of the Company and the Group. 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 consolidated 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 150 and 153, Law 4548/2018, and its content corresponds to the accompanying separate and consolidated financial statements for the year ended as at 31/12/2020.

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, 16 July 2021

The Certified Public Accountant

Panagiotis Christopoulos  
SOEL Reg. Num. 28481



**C | CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS****Consolidated and Separate Statement of Financial Position as at 31.12.2020**

		GROUP		COMPANY	
(amounts in €)	Note	31.12.2020	31.12.2019	31.12.2020	31.12.2019
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	5	2,209,339,520	2,274,211,619	218,037	231,577
Investment properties	6	1,206,114,365	1,183,412,043	-	-
Intangible assets	7	10,834,645	10,391,891	24,788	31,810
Right-of-use assets	8	32,886,479	42,888,382	732,851	891,079
Investments in subsidiaries	9	1	1	100,000,013	13
Investments in associates	9	446,312,793	460,903,240	3	3
Deferred tax assets	10	164,576,015	94,307,335	-	-
Other non-current assets	11	111,773,182	141,915,308	35,209	33,045
Financial assets at amortised cost	12	2,635,135	5,161,845	-	-
Financial assets at fair value through profit or loss	12	4,534,842	4,342,002	-	-
Financial assets at fair value through other comprehensive income	12	1,326,158	2,204,202	-	-
<b>Total</b>		<b>4,190,333,135</b>	<b>4,219,737,868</b>	<b>101,010,901</b>	<b>1,187,527</b>
<b>Current assets</b>					
Inventories	13	90,318,042	93,274,413	-	-
Trade receivables and contract assets	14	437,353,272	448,874,922	3,188,275	688,252
Other receivables	15	136,440,299	139,310,445	310,595	211,146
Restricted cash	16	7,940,997	10,381,374	-	-
Cash and cash equivalents	16	1,209,117,280	874,130,644	56,094,551	72,627,752
<b>Total</b>		<b>1,881,169,890</b>	<b>1,565,971,798</b>	<b>59,593,421</b>	<b>73,527,150</b>
<b>Total assets</b>		<b>6,071,503,025</b>	<b>5,785,709,666</b>	<b>160,604,322</b>	<b>74,714,677</b>
<b>Equity</b>					
Share capital	17	110,000,000	10,000,000	110,000,000	10,000,000
Other reserves	18	3,249,159,792	3,147,903,212	17,619,947	2,553,913
Retained earnings		(35,592,823)	1,724,980	30,214,835	57,178,938
<b>Total equity attributable to shareholders</b>		<b>3,323,566,969</b>	<b>3,159,628,192</b>	<b>157,834,782</b>	<b>69,732,851</b>
Non controlling interests		511,159,796	548,886,734	-	-
<b>Total equity</b>		<b>3,834,726,765</b>	<b>3,708,514,926</b>	<b>157,834,782</b>	<b>69,732,851</b>
<b>Non-current liabilities</b>					
Deferred tax liability	10	37,337,879	37,162,626	-	-
Staff retirement indemnities	19	478,318,637	457,606,963	104,128	67,885
Other provisions	20	165,313,070	190,483,390	-	-
Long-term loans	21	53,409,339	68,011,733	-	-
Long-term lease liabilities	8	24,863,240	33,892,015	619,676	766,534
Other non-current liabilities	22	212,004,361	227,245,710	-	-
Government grants	23	238,134,214	249,020,962	-	-
<b>Total</b>		<b>1,209,380,740</b>	<b>1,263,423,399</b>	<b>723,804</b>	<b>834,419</b>
<b>Current liabilities</b>					
Current tax liability		7,015,060	8,319,644	-	-
Short-term loans	21	117,929,971	119,391,114	-	-
Provision for unrefined water cost		157,500,000	-	-	-
Short-term portion of long term-loans	21	15,227,754	16,422,418	-	-
Trade and other payables and contract liabilities	24	263,735,722	233,950,138	881,959	624,797
Short-term lease liabilities	8	9,553,672	10,144,237	156,211	149,598
Other current liabilities	25	456,433,341	425,543,790	1,007,566	3,373,012
<b>Total</b>		<b>1,027,395,520</b>	<b>813,771,341</b>	<b>2,045,736</b>	<b>4,147,407</b>
<b>Total equity and liabilities</b>		<b>6,071,503,025</b>	<b>5,785,709,666</b>	<b>160,604,322</b>	<b>74,714,677</b>

The accompanying notes presented on pages **150- 244** are considered an integral part of the financial statements

## Consolidated and Separate Income Statement for the year ended 31.12.2020

		GROUP		COMPANY	
		01.01.2020 - 31.12.2020	01.01.2019 - 31.12.2019	01.01.2020 - 31.12.2020	01.01.2019 - 31.12.2019
(amounts in €)	Note				
Revenue	26	957,196,079	1,070,783,499	35,213,684	61,944,726
Revenue from Universal Postal Service 2013-2019	22	166,629,389	-	-	-
Cost of sales	27	(946,422,481)	(980,915,394)	-	-
Subsidies attributable to cost of sales	28	183,899,259	111,450,715	-	-
<b>Gross profit</b>		<b>361,302,246</b>	<b>201,318,820</b>	<b>35,213,684</b>	<b>61,944,726</b>
Other operating income	28	101,699,597	177,226,420	-	-
Administrative expenses	27	(162,876,915)	(163,407,010)	(6,406,185)	(5,640,158)
Selling expenses	27	(59,932,807)	(61,294,150)	-	-
Gain/ (Loss) from revaluation of investment property	6	(30,817,510)	73,833,735	-	-
Other operating expenses	29	(57,482,832)	(62,708,031)	(4,079)	(5,498)
Provision for additional cost of unrefined water 2013-2019	27	(135,300,000)	-	-	-
<b>Result before tax, finance and investing activities</b>		<b>16,591,779</b>	<b>164,969,784</b>	<b>28,803,420</b>	<b>56,299,070</b>
Dividend income		2,664,394	2,468,470	-	-
Share of profit / (losses) of associates	9	(14,021,345)	41,310,313	-	-
Fair value gains/(losses) on financial assets at fair value through profit or loss	12	188,840	1,233,589	-	-
Finance income	30	24,417,741	27,100,605	1,452,718	935,958
Finance cost	31	(10,983,095)	(14,141,387)	(49,083)	(56,090)
<b>Profit before tax</b>		<b>18,858,314</b>	<b>222,941,374</b>	<b>30,207,055</b>	<b>57,178,938</b>
Income tax	32	37,911,705	(31,210,941)	-	-
<b>Profit after tax (A)</b>		<b>56,770,019</b>	<b>191,730,433</b>	<b>30,207,055</b>	<b>57,178,938</b>
Attributable to:					
<b>Equity holders of the parent</b>		<b>66,862,719</b>	<b>156,508,338</b>	<b>30,207,055</b>	<b>57,178,938</b>
<b>Non-controlling interests</b>		<b>(10,092,700)</b>	<b>35,222,095</b>	-	-

## Consolidated and Separate Statement of Comprehensive Income for the year ended 31.12.2020

	Note	GROUP		COMPANY	
		01.01.2020 - 31.12.2020	01.01.2019 - 31.12.2019	01.01.2020 - 31.12.2020	01.01.2019 - 31.12.2019
<b>Profit after tax</b>		<b>56,770,019</b>	<b>191,730,433</b>	<b>30,207,055</b>	<b>57,178,938</b>
<b>Other comprehensive income that will not be recycled to profit or loss in subsequent periods</b>					
Share of other comprehensive income of associates (not recycled)	9	(313,073)	(554,827)	-	-
Change in financial assets at fair value through other comprehensive income		(667,313)	928,312	-	-
Actuarial gains / (losses)		(18,511,173)	(32,779,950)	(12,859)	(4,910)
<b>Total other comprehensive income (B)</b>		<b>(19,491,559)</b>	<b>(32,406,465)</b>	<b>(12,859)</b>	<b>(4,910)</b>
<b>Total comprehensive income (A)+(B)</b>		<b>37,278,460</b>	<b>159,323,968</b>	<b>30,194,196</b>	<b>57,174,028</b>
Attributable to:					
<b>Equity holders of the parent</b>		<b>55,978,380</b>	<b>138,019,485</b>	<b>30,194,196</b>	<b>57,174,028</b>
<b>Non-controlling interests</b>		<b>(18,699,920)</b>	<b>21,304,483</b>	<b>-</b>	<b>-</b>

The accompanying notes presented on pages 150- 244 are considered an integral part of the financial statements

## Consolidated Statement of Changes in Equity for the year ended 31.12.2020

GROUP						
(amounts in €)	Note	Attributable to shareholders of parent			Non controlling interests	Total Equity
		Share Capital	Reserves	Retained earnings		
<b>As at 01.01.2019</b>		<b>10,000,000</b>	<b>3,129,912,119</b>	<b>(143,415,334)</b>	<b>544,231,767</b>	<b>3,540,728,552</b>
Profit after tax for the year		-	-	156,508,338	35,222,095	191,730,433
Other comprehensive income for the year (net of tax)		-	(18,488,853)	-	(13,917,612)	(32,406,465)
<b>Total comprehensive income of 2019</b>		<b>-</b>	<b>(18,488,853)</b>	<b>156,508,338</b>	<b>21,304,483</b>	<b>159,323,968</b>
Distributed dividends		-	-	(7,150,842)	(16,663,465)	(23,814,307)
Results distribution		-	4,269,858	(4,269,858)	-	-
Other transfers		-	(66,625)	52,676	13,949	-
Reserve from the transfer of assets from/to the Greek State with no consideration	6, 18	-	32,276,713	-	-	32,276,713
<b>As at 31.12.2019</b>		<b>10,000,000</b>	<b>3,147,903,212</b>	<b>1,724,980</b>	<b>548,886,734</b>	<b>3,708,514,926</b>
<b>As at 01.01.2020</b>		<b>10,000,000</b>	<b>3,147,903,212</b>	<b>1,724,980</b>	<b>548,886,734</b>	<b>3,708,514,926</b>
Profit after tax for the year		-	-	66,862,719	(10,092,700)	56,770,019
Other comprehensive income for the year (net of tax)		-	(10,884,339)	-	(8,607,220)	(19,491,559)
<b>Total comprehensive income of 2020</b>		<b>-</b>	<b>(10,884,339)</b>	<b>66,862,719</b>	<b>(18,699,920)</b>	<b>37,278,460</b>
Distributed dividends		-	-	(42,092,265)	(25,109,476)	(67,201,741)
Results distribution		-	43,176,421	(43,198,155)	-	(21,734)
Acquisition of minority shareholder interest of ELTA		-	-	(6,082,458)	6,082,458	-
Sales and transfers of assets from the reserve from the transfer of assets from/ (to) the Greek State with no consideration		-	(4,388,182)	(12,312,518)	-	(16,700,700)
Other transfers		-	495,126	(495,126)	-	-
Share Capital Increase	17	100,000,000	-	-	-	100,000,000
Reserve from the transfer of assets from/to the Greek State with no consideration	6, 18	-	72,857,554	-	-	72,857,554
<b>As at 31.12.2020</b>		<b>110,000,000</b>	<b>3,249,159,792</b>	<b>(35,592,823)</b>	<b>511,159,796</b>	<b>3,834,726,765</b>

The accompanying notes presented on pages 150- 244 are considered an integral part of the financial statements.

## Separate Statement of Changes in Equity for the year ended 31.12.2020

(amounts in €)	Note	COMPANY			
		Share Capital	Reserves	Retained earnings	Total Equity
<b>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>
Profit after tax for the year		-	-	57,178,938	57,178,938
Other comprehensive income for the year (net of tax)		-	(4,910)	-	(4,910)
<b>Total comprehensive income of 2019</b>		<b>-</b>	<b>(4,910)</b>	<b>57,178,938</b>	<b>57,174,028</b>
Distributed dividends		-	-	(7,150,842)	(7,150,842)
Profit distribution		-	2,561,677	(2,561,677)	-
<b>As at 31.12.2019</b>		<b>10,000,000</b>	<b>2,553,913</b>	<b>57,178,938</b>	<b>69,732,851</b>
<b>As at 01.01.2020</b>		<b>10,000,000</b>	<b>2,553,913</b>	<b>57,178,938</b>	<b>69,732,851</b>
Profit after tax for the year		-	-	30,207,055	30,207,055
Other comprehensive income for the year (net of tax)		-	(12,859)	-	(12,859)
<b>Total comprehensive income of 2020</b>		<b>-</b>	<b>(12,859)</b>	<b>30,207,055</b>	<b>30,194,196</b>
Distributed dividends		-	-	(42,092,265)	(42,092,265)
Increase of share capital	17	100,000,000	-	-	100,000,000
Profit distribution		-	15,078,893	(15,078,893)	-
<b>As at 31.12.2020</b>		<b>110,000,000</b>	<b>17,619,947</b>	<b>30,214,835</b>	<b>157,834,782</b>

The accompanying notes presented on pages **150- 244** are considered an integral part of the financial statements.



## Consolidated and Separate Statement of Cash Flows for the year ended 31.12.2020

		GROUP		COMPANY	
		01.01.2020 - 31.12.2020	01.01.2019 - 31.12.2019	01.01.2020 - 31.12.2020	01.01.2019 - 31.12.2019
(amounts in €)					
Note					
Cash flows from operating activities					
Profit before tax					
18,858,314222,941,37430,207,05557,178,938					
Plus / minus adjustments for:					
Depreciation and amortization					
27108,209,169117,974,583221,832208,120					
Net amortization of lease advances expenses and deferred rental income					
(508,439)(520,809)-					
Amortization of subsidies					
23, 28(14,603,680)(15,536,350)-					
Amortization of customer contributions					
22, 28(910,458)(909,765)-					
Unrealized exchange differences					
257,325(98,213)-					
Provision of staff leaving indemnities					
1912,829,910(40,942,006)23,38447,260					
Other provisions					
7,566,81927,592,884-189,879					
Provision for additional cost of unrefined water					
27157,500,000--					
Losses/(gains) from disposal/write-offs of tangible and intangible assets					
5,707,578(66,736)1,199437					
Impairment loss on investment in associates					
27-17,260--					
Impairment loss on tangible assets					
1,067,1622,688,471--					
Impairment reversal of tangible assets					
5, 28-(2,791,679)--					
Fair value change of financial assets at fair value through profit or loss					
12.2(188,840)(1,233,589)-					
Gains from revaluation of investment property					
630,817,510(73,833,735)-					
Share of profit/(losses) of associates					
914,021,345(41,310,313)-					
Dividend income					
(2,664,394)(2,468,470)-					
Finance income					
30(24,417,741)(27,100,605)(1,452,718)(935,958)					
Finance cost					
3110,983,09514,141,38749,08356,090					
Cash flows from operating activities before working capital adjustments					
324,524,675178,543,68929,049,83556,744,766					
(Increase) / decrease in inventories					
(1,948,357)(6,983,911)-					
(Increase) / decrease in trade and other receivables					
36,303,77323,749,211(2,601,613)346,047					
Increase / (decrease) in trade and other payables					
12,202,24936,750,619429,112300,653					
Income tax paid					
(16,688,884)(46,545,589)-					
Staff allowances paid					
(16,375,500)(15,958,327)-(24,733)					
Net cash flows from operating activities (a)					
338,017,956169,555,69226,877,33457,366,733					
Cash flows from investing activities					
Purchases of PP&E and intangible assets					
(37,681,988)(25,417,823)(32,721)(158,586)					
Proceeds from disposal of PP&E and intangible assets					
668,81824,926-17,928					
Proceeds from subsidies and customers' contributions					
3,086,9562,787,806--					
Returns of customers' contributions					
22-(13,056)-					
Proceeds from disposal of financial assets					
124,000,000--					
Acquisition of financial assets					
12(1,504,000)(1,242,100)-					
Dividends received					
2,831,14518,859,500--					
Payment for subsidiary's share capital increase					
-(100,000,000)-					
Interest received					
12,874,50715,297,4861,452,697572,828					
Net cash flows from investing activities (b)					
(15,724,562)10,296,739(98,580,024)432,170					
Cash flows from financing activities					
Net increase / (decrease) of overdraft account and bank loans					
(2,456,032)(710,189)-					
Collection for share capital increase					
17100,000,000-100,000,000-					
(Increase)/ Decrease of restricted cash					
2,440,377(2,759,783)-					
Payments for decrease of share capital					
(3)--					
Interest and similar expenses paid					
(5,529,149)(6,419,663)(7,743)(7,835)					
Lease repayments (capital and interest)					
8(12,791,626)(12,378,714)(193,107)(190,710)					
Dividends paid					
(68,970,325)(20,168,197)(44,629,661)(4,613,447)					
Net cash flows from financing activities (c)					
12,693,242(42,436,546)55,169,489(4,811,992)					
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)					
334,986,636137,415,885(16,533,201)52,986,911					
Net cash and cash equivalents at the beginning of the year					
874,130,644736,714,75972,627,75219,640,841					
Net cash and cash equivalents at the end of the year					
161,209,117,280874,130,64456,094,55172,627,752					

The accompanying notes presented on pages 150- 244 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 2020.

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 Greek 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:

<b>A) "Direct Subsidiaries":</b>	<b>% Participation</b>
(a) Hellenic Financial Stability Fund (HFSF) <sup>1</sup>	100%
(b) Hellenic Republic Asset Development Fund S.A. (HRADF)	100%
(c) Public Properties Company (ETAD)	100%
<b>B) "Other Subsidiaries" (according to L. 4389/2016):</b>	<b>% Participation</b>
(a) Athens Water Supply and Sewerage Company S.A. (EYDAP)	50%+1 share
(b) Thessaloniki Water Supply and Sewerage Company S.A. (EYATH)	50%+1 share
(c) Athens Urban Transportation Organization S.A. (OASA)	100%
(d) Markets and Fisheries Organization S.A. (CMFO)	100%
(e) Thessaloniki Central Market S.A. (CMT)	100%
(f) Corinth Canal Co. S.A. (AEDIK)	100%
(g) Thessaloniki International Fair – HELEXPO S.A. (TIF-HELEXPO)	100%
(h) GAIAOSE S.A. <sup>2</sup>	100%
(i) Hellenic Post S.A. (ELTA) <sup>4</sup>	90%
(j) Hellenic Saltworks S.A.	55.19%
(k) Public Power Corporation S.A. (PPC)	34.12%

(l) ETVA – Industrial Areas S.A	35%
(m) Athens International Airport S.A	25%
(n) Folli Follie A.E	0.96%

**NOTES:**

1) HCAP has no authority over the Hellenic Financial Stability Fund (HFSF) as decisions on the implementation of its mission and purpose are taken exclusively by the management bodies of the HFSF. In addition, the management bodies of the FSF are not selected by HCAP.

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.

3) In the above table the new direct subsidiary "5G Ventures" is not included, as it obtained legal status on 14.01.2021.

4) The participation percentage of HCAP of Hellenic Post SA changed after the reduction and subsequent increase of share capital of ELTA that took place in December 2020 from 90% to 100%.

Moreover:

a) 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.

b) pursuant to article 198 par. 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 Company, without consideration.

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 Company became a guarantor with commitments as defined in the said agreement.

The annual consolidated and separate financial statements for the year ended December 31, 2020, were approved by the Board of Directors on 16.07.2021 and will be available at <https://www.hcap.gr/>, in the "Company" section, in the "Financial Results" subsection after their approval of the General Assembly of Shareholders.

## 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 measured at fair value through profit or loss and 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, 2019, except for the adoption of new standards and interpretations, the application of which became

mandatory for periods after January 1, 2020 and are 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 of which estimates and assumptions are significant for the preparation of the financial statements, are presented in note 4.

## 2.2 New standards, amendments to standards and interpretations

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning January 1, 2020 and for subsequent accounting periods, which are presented below.

### **2.2.1 Standards and Interpretations effective for the current financial year**

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

#### **Conceptual Framework in IFRS standards**

The IASB issued the revised Conceptual Framework for Financial Reporting on 29 March 2018. The Conceptual Framework sets out a comprehensive set of concepts for financial reporting, standard setting, 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.

#### **IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of 'material' (Amendments)**

The Amendments clarify the definition of material and how 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 have been improved. The Amendments also ensure that the definition of material is consistent across all IFRS Standards.

#### **IFRS 3: Business Combinations (Amendments)**

The IASB issued amendments in Definition of a Business (Amendments to IFRS 3) aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The Amendments are effective for business combinations for which the acquisition date is in the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period.

#### **Interest Rate Benchmark Reform - IFRS 9, IAS 39 and IFRS 7 (Amendments)**

In September 2019, the IASB issued amendments to IFRS 9, IAS 39 and IFRS 7, which concludes phase one of its work to respond to the effects of Interbank Offered Rates (IBOR) reform on financial reporting. The amendments published, deal with issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative interest rate and address the implications for specific hedge accounting requirements in IFRS 9 "Financial Instruments" and IAS 39 "Financial Instruments: Recognition and Measurement", which require forward-looking analysis. The amendments provide temporary reliefs, applicable to all hedging relationships that are directly affected by the interest rate benchmark reform, which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate.

There are also amendments to IFRS 7 “Financial Instruments: Disclosures” regarding additional disclosures around uncertainty arising from the interest rate benchmark reform. Phase two (ED) focuses on issues that could affect financial reporting when an existing interest rate benchmark is replaced with a risk-free interest rate (an RFR).

### **2.2.2 Standards and Interpretations effective for subsequent periods but not yet effective and were not earlier**

#### **adopted by the Group and the Company**

The following standards, amendments and interpretations have been issued, which are mandatory for subsequent periods, but not yet effective and not early adopted by the Group. The Group is currently assessing their impact on the financial statements.

#### **IAS 1 Presentation of Financial Statements and IFRS 2 Statement of Practice: Disclosure of Accounting Policies (Amendments)**

The Amendments apply to annual periods beginning on or after 1 January 2023 with earlier application permitted. The amendments provide guidance on the application of material crises to accounting policy disclosures. In particular, amendments to IAS 1 replace the requirement to disclose "significant" accounting policies with the requirement to disclose "material" accounting policies. Instructions and illustrative examples are also added to the Practice Statement to assist in applying the concept of substance when making judgments about accounting policy disclosures. The Group is in the process of assessing the impact of the application of these amendments to its financial statements.

#### **IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (Amendments)**

Amendments take effect for annual reference periods beginning on or after 1 January 2023 with earlier application permitted and applicable to changes in accounting policies and changes in accounting estimates made on or after the beginning of this period. The amendments introduce a new definition of accounting estimates, defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify what changes in accounting estimates are and how they differ from changes in accounting policies and error corrections. The Group is in the process of assessing the impact of the application of the amendments to its 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 effect of applying the amendments to its financial statements.

#### **IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. However, the Board has deferred the effective date by one year, i.e. 1 January 2023, to provide companies with more time to implement any classification changes resulting from the amendments. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current or non-current. The amendments affect the presentation of liabilities in the statement of financial position and do not change

existing requirements around measurement or timing of recognition of any asset, liability, income or expenses, nor the information that entities disclose about those items. Also, the amendments clarify the classification requirements for debt which may be settled by the company issuing own equity instruments. These Amendments have not yet been endorsed by the EU. The Group is in the process of assessing the effect of applying the amendments to its financial statements.

### **IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements 2018-2020 (Amendments)**

The amendments are effective for annual periods beginning on or after 1 January 2022 with earlier application permitted. The IASB has issued narrow-scope amendments to the IFRS Standards as follows:

- **IFRS 3 Business Combinations (Amendments):** update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
- **IAS 16 Property, Plant and Equipment (Amendments):** prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss.
- **IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments):** specify which costs a company includes in determining the cost of fulfilling a contract for the purpose of assessing whether a contract is onerous.
- **Annual Improvements 2018-2020** make minor amendments to **IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture** and the Illustrative Examples accompanying **IFRS 16 Leases**.

The amendments have not yet been endorsed by the EU. The Group is in the process of assessing the effect of applying the amendments to its financial statements.

### **Amendments to IFRS 16 “Leases” Covid-19 – Related Rent Concessions (effective for annual periods starting on or after 01/06/2020)**

In May 2020, the IASB issued amendments to IFRS 16 that provide lessees with an exemption from assessing whether a Covid-19-related rent concession is a lease modification. More specifically, the amendments clarify that if certain conditions are met, lessees are not required to assess whether particular Covid-19-related rent concessions are lease modifications. Instead, lessees that apply the practical expedient, would account for those rent concessions as if they were not lease modifications. It applies to Covid-19-related rent concessions that reduce lease payments due on or before June 30, 2021. The amendments do not affect the consolidate/ separate Financial Statements.

### **IFRS 16 (Amendment) “COVID-19-Related Rent Concessions — Extension of practical expedient” (effective for annual accounting periods beginning on or after 01/04/2021)**

The amendment extends, by one year, the application period of the practical expedient in relation to rent concessions to cover rental concessions that reduce lease payments due on or before 30 June 2022. The Group is in the process of assessing the impact of these amendments in its financial statements, however no change is expected. This amendment has not yet been adopted by the European Union.

### **Interest Rate Benchmark Reform – Phase 2 – IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments)**

In August 2020, the IASB published Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, completing its work in response to IBOR reform. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). In particular, the amendments provide for a practical expedient when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, to require the effective interest rate to be adjusted, equivalent to a movement in a market rate of interest. Also, the amendments introduce reliefs from



discontinuing hedge relationships including a temporary relief from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component. Furthermore, the amendments to IFRS 4 are designed to allow insurers who are still applying IAS 39 to obtain the same reliefs as those provided by the amendments made to IFRS 9. There are also amendments to IFRS 7 “Financial Instruments: Disclosures” to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity’s financial instruments and risk management strategy. The amendments are effective for annual periods beginning on or after 1 January 2021 with earlier application permitted. While application is retrospective, an entity is not required to restate prior periods. The Group is in the process of assessing the impact of these amendments in its financial statements.

## 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 ceases 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, noncontrolling 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, in accordance with IFRS 3. 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 December 31, 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"):

<b><u>"Direct Subsidiaries":</u></b>	<b>% Participation</b>
• Hellenic Financial Stability Fund (HFSF)	100%
• Hellenic Republic Asset Development Fund S.A. (HRADF)	100%
• Public Properties Company (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:

<b><u>“Other Subsidiaries” within the meaning of Law 4389/2016 for which the participating interest transferred was a majority shareholding:</u></b>	<b>% Participation</b>
• 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%
• Markets and Fisheries Organization S.A. (CMFO)	100%
• Thessaloniki Central Market S.A. (CMT)	100%
• Corinth Canal Co. S.A. (AEDIK)	100%
• Thessaloniki International Fair – HELEXPO S.A. (TIF-HELEXPO)	100%
• GAIAOSE S.A. *	100%
• Hellenic Post S.A. (ELTA)**	90%
• Hellenic Saltworks S.A.	55.19%

<b><u>“Other subsidiaries” within the meaning of Law 4389/2016 for which the participating interest transferred was a minority shareholding:</u></b>	<b>% Participation</b>
• Public Power Corporation S.A. (PPC)	34.12%
• ETVA – Industrial Areas S.A	35%
• Athens International Airport S.A (AIA)	25%
• Folli Follie A.E	0.96%

\*The above participating rights were transferred as at 01.01.2018, except for GAIAOSE which was transferred at 01.07.2018.

\*\* The participation percentage of HCAP of Hellenic Post SA changed after the reduction and subsequent increase of share capital of ELTA that took place in December 2020 from 90% to 100%.

In the above table the new direct subsidiary "5G Ventures" is not included, as it obtained legal status on 14.01.2021.

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 have 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 HFSF’s 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”.

Although more than 12 months have passed since 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, the resolution of some of the issues, such as the testing of impairment of fixed assets for two subsidiaries with high complexity, requires considerable time and any corrective adjustments 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 participating interest 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 control over those companies (if they are subsidiaries) or significant influence (if they are associates).

As a first step, it was assessed whether the participating interest that HRADF holds 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 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 participating interests, 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 participating interests 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 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.

Group's 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 also includes any intrinsic goodwill (net of any impairment) arising 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 "Share of profit/ (losses) of 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 the 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 as such those entities 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 from/ to 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 and equipment**

All tangible assets excluding those considered as "investment property" accounts are presented in the Statement of Financial Position at historical cost less accumulated depreciation and impairment losses (Note 2.8). Historical cost comprises of all expenses directly attributed to the purchase of the assets.

Subsequent costs 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.
- Machinery equipment from 3 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 and the difference (impairment) is recorded in the income statement (Note 2.8).

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 and borrowing cost (if applicable). 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 incur.

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.

Investment properties transferred with no consideration to the Group (Law 4389/2016)

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) they were recorded 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 transfer 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 will be transferred to retained earnings.

Furthermore, the subsidiary GAIAOSE (transferred to HCAP on 01.07.2018), in accordance with existing legal framework (i.e. L. 3891/2010, L. 4111/2013), has 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 the operational needs of its management. 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 amortization 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 the 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 amortization 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 amortized 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**

### **IFRS 16 (applicable from January 1, 2019)**



Determining whether an agreement contains a lease or not, is based on the substance of the agreement at the beginning of the lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### **(a) Group as a lessee**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. The Group and the Company recognize lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### **I) Right-of-use assets**

The Group and the Company recognize right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Except where the Group and the Company are relatively certain that the ownership of the leased assets will be transferred to the Group at the end of the lease, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful life and the lease term. If ownership of the leased asset is transferred to the Group or the Company at the end of the lease term or its cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated and separate statement of financial position. The right-of-use assets are also subject to impairment (Note 2.8).

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the statement of comprehensive income in the period in which the event or condition that triggers those payments occurs.

#### **II) Lease liabilities**

At the commencement of the lease, the Group and the Company recognize lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group and the Company use its incremental borrowing rate at the lease commencement date, in cases when the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased with accrued interest and reduced for the lease payments.

At the commencement date of the lease period, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date of the lease period:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be paid by the lessee under the residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and are recognized as an expense in the period in which the event or condition that triggers those payments occurs.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Group

and the Company remeasure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is measured by discounting the revised lease payments using the initial discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case, the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Those re-measurements are included in a separate line in the note of Right-of-use assets as “modifications/remeasurements”.

Lease liabilities are presented as a separate line in the consolidated and separate statement of financial position.

Interest on the lease liability is allocated during the lease term in such a manner so that the amount produces a constant periodic rate of interest on the remaining balance of the lease liability.

After the commencement of the lease period, the Group and the Company recognize in profit or loss (unless the costs are included in the carrying amount of another asset applying other applicable Standards) both:

(a) interest on the lease liability; and

(b) variable lease payments not included in the measurement of the lease liability in the period in which the event or condition that triggers those payments occurs.

### III) Short-term leases and leases of low-value assets

The Group and the Company apply the short-term lease recognition exemption to its short-term leases of (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). The Group and the Company also apply the lease of low-value assets recognition exemption to leases that are considered to be low value (those with value less than €5,000). Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

#### (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 properties 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 annual impairment testing. 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 allocated at the smallest possible cash-generating unit. Non-financial assets, other than goodwill, that have been impaired are re-assessed 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 Trade and other receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, except if the discount outcome is not important, less provision for impairment. The provision for impairment of trade receivables is formed on the basis set out in note 2.11.1.

## 2.11 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 have as a consequence that in some cases expected losses are recognized earlier.

### 2.11.1 Financial assets

#### Classification and measurement of financial assets

With the exception of trade receivables that are initially measured at transaction price unless the discounting effect is significant, the Group initially measures a financial asset at its 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, meaning 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" criterion).

The classification and measurement of the Group's financial assets is as follows:

- **Financial assets measured at amortized cost:** The financial assets that are held with the purpose of retaining and collecting the contractual cash flows and 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 derecognized, 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 recycled 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.

### 2.11.2 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 presented as 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 expenses 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, cancelled or expired. When an existing financial liability is exchanged with another liability from the same lender with substantially different terms or the terms of an existing liability are substantially modified, such exchange or modification is treated as derecognition of the initial liability and recognition of a new liability. The difference in the respective carrying amounts is recognized in income statement.

#### 2.11.3 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reflected in the statement of financial position only when the Group or the Company legally holds that right and intends to settle them on a net basis with one another or to claim the asset and settle the obligation at the same time. The statutory right should not depend on future events and should be capable of being executed in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

#### 2.12 Restricted cash

Restricted cash are cash equivalents not readily available for use. These cash equivalents may not be used by the Group until a certain point in time is reached or an event occurs in the future. In the cases where restricted cash is expected to be used within one year from the date of the statement of financial position, these are classified as a current asset. However, if they are not expected to be used within one year from the date of the statement of financial position, they are classified as a non-current asset.

#### 2.13 Cash and cash equivalents

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

#### 2.14 Share capital

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

## 2.15 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.

Subsidies related to expenses are deferred and recognized in the income statement to match the expenses they intend to compensate. More specifically, for the subsidy that OASA subgroup receives 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 "Other operating income" in the income statement using the straight line method over the estimated useful life of the related assets.

## 2.16 Current and deferred income tax

Income tax comprises current tax and deferred tax. Income tax is recognized in the income statement, except for cases that relate to items recognized in other comprehensive income or directly in equity. In these cases, income 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, when applicable tax law is subject to interpretation and establishes 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 and the accounting base of the assets and liabilities 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 utilize the temporary difference that generates 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 utilized.

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 utilized.

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) have all the administrative, financial, tax, court, substantive and procedural legal benefits and exemptions of the Greek State, except VAT.

Based on the above, the Company does not recognize any current and deferred tax.

## 2.17 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, which is the long-term high-yield corporate bond rate with almost equal duration to the retirement plan.

The current service cost of the defined benefit plan recognized in the income statement as payroll cost, 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 recognized immediately in the income statement.

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

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

Any asset that arises from this calculation is limited to unrecognized 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 recognized as payroll costs upon the creation of the requirement to pay. Prepayments are recognized as an asset in the event of a refund or offsetting of future liabilities is possible.

## 2.18 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 recognized at fair value and subsequently measured at amortized cost using the effective interest method.



## 2.19 Provisions

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

Where the effect of time value of money is material, provisions are measured at the present value of the outflow 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 recognized as 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 income statement.

## 2.20 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 the performance obligations that arise from the contract with the customer.
5. Recognize revenue when a performance obligation that arises from a contract with a customer is satisfied.

The main principle is that an entity will recognize 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 an entity must apply in order to measure revenue and the point of its recognition. In accordance with IFRS 15, revenues are recognized when the customer gains control of the goods or services, determining the time of transition of control — either it is at a point in time or over time.

The Group applies the standard for the financial year 2018, and as regards the previous periods, it has recognized 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 January 1, 2018 (modified retroactive method). The contracts that were completed before the date of first application (namely, January 1, 2018) were not reviewed.

### (a) Revenue from leases

Operating lease rentals are recognized in income statement using the straight line method during the lease term. When the Group offers incentives to its clients, the relevant cost is recognized using the straight line method as a reduction of revenue over the lease term.

### (b) Revenues from rendering of services

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

HRADF, acting as an agent, carries out collections from the utilization of assets on behalf of the Greek State and as such revenue from utilizations of assets is thus not considered as revenue for HRADF and consequently for the Group. In this case, the Group's revenues include the commission fee rather than the gross revenue of the transactions. 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 utilization of assets and amounts to 0.5%.

### (b) Revenue from the sale of goods

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

#### (c) Interest income

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

#### (d) Dividend income

Dividend income is recognized in income statement when the shareholder's right to receive payment is finalized. It should be noted that as dividend income is the main source of income for the Company (but not the Group), it is presented as "revenue" in HCAP's separate income statement, while at a Group level intra-group dividends are eliminated and the remaining Group dividend income is presented as "Dividend income".

### 2.21 Distribution of dividends

The distribution of dividends to the shareholder of the parent company is recognized as a liability when the distribution is approved by the General Meeting of the shareholders.

### 2.22 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 the 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 from the settlement and 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.

### 2.23 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 utilization 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 utilization of the assets, intended to cover its operating expenses. Any cash inflow from transfer and utilization 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 information accounts. These assets are transferred to the HRADF 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 utilization as well as those already utilized are presented in detail in the financial statements of HRADF.

### 2.24 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.

During the year, no reclassifications have been performed to the statement of financial position and the statement of results of 31.12.2019 of the Group and the Company.

Besides the above, there have been reclassifications to tables of the notes of the Group and the Company, as well as, within the individual notes of the Group and Company, 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 Group and the Company.

### 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 Company and its subsidiaries, during the year ended 31.12.2020 was not to enter into speculative transactions on financial instruments.

The Company 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

##### iv. 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.

##### v. 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).

##### vi. 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 reimbursement claims by urban 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 Organizations. 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 and Company's assets that are exposed to credit risk at the end of the reporting period are analyzed as follows:

	GROUP		COMPANY	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
<b>Financial assets</b>				
Cash and cash equivalents	1,209,117,280	874,130,644	56,094,551	72,627,752
Within the following year	437,353,272	448,874,922	3,188,275	688,252
Within 1-5 years*	110,949,344	141,080,630	35,209	33,045
Other receivables**	123,064,087	129,624,173	658	1,517
Restricted cash	7,940,997	10,381,374	-	-
<b>Net carrying amount</b>	<b>1,888,424,980</b>	<b>1,604,091,743</b>	<b>59,318,693</b>	<b>73,350,566</b>

\*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 organizations.

The increased exposure to this risk stems from the fact that the amounts are significant for the size of the organizations 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 outbreak of the pandemic has also put significant pressure in some companies on their available cash liquidity and working capital management (especially those whose revenues have been dramatically affected).

The following table presents the breakdown of the financial liabilities of the Group and the Company:

	GROUP		COMPANY	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
<b>Financial liabilities</b>				
<b>Within the following year (Trade and other payables)</b>				
-Trade and other payables and contract liabilities*	226,932,543	207,640,102	881,959	624,797
-Short-term loans	117,929,971	119,391,114	-	-
-Short-term portion of long-term loans	15,227,754	16,422,418	-	-
-Short-term lease liabilities	9,553,672	10,144,237	156,211	149,598
-Other current liabilities**	330,848,980	310,429,323	685,823	3,031,482
	700,492,920	664,027,194	1,723,993	3,805,877
<b>Other long-term liabilities</b>				
-Other non-current liabilities***	180,092,719	193,932,057	-	-
-Long-term lease liabilities	24,863,240	33,892,015	619,676	766,534

-Long-term loans	53,409,339	68,011,733	-	-
	258,365,298	295,835,805	619,676	766,534
<b>Total</b>	<b>958,858,218</b>	<b>959,862,999</b>	<b>2,343,669</b>	<b>4,572,411</b>

\* The analysis of "Trade and other payables and contract liabilities" does not include amounts from "Customer advances" and "Contract liabilities and deferred income".

\*\* The analysis of "Other current liabilities" does not include "Payables to social security funds" and "Tax liabilities and duties".

\*\*\* The analysis of "Other non-current liabilities" does not include "Customer contributions" and "Deferred rental income".

### 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 harmonization 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.

### 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: for assets 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: the fair value of these assets is determined using factors/inputs related to market data, either directly (prices) or indirectly (derived from prices).
- Level 3: the fair value of these assets is not based on observable market data, but is mainly 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 measured at fair value as of 31 December 2020 and 31 December 2019:

	GROUP			
	CLASSIFICATION 31.12.2020			
Financial assets	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	4,463,546	15,202	56,094	4,534,842
Financial assets at fair value through other comprehensive income	1,276,162	-	49,996	1,326,158
<b>Total</b>	<b>5,739,708</b>	<b>15,202</b>	<b>106,090</b>	<b>5,861,000</b>
	GROUP			
	CLASSIFICATION 31.12.2019			
Financial assets	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	4,277,907	12,001	52,094	4,342,002
Financial assets at fair value through other comprehensive income	2,154,207	-	49,995	2,204,202
<b>Total</b>	<b>6,432,114</b>	<b>12,001</b>	<b>102,089</b>	<b>6,546,204</b>

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 recognize a provision in their separate financial statements. Both the determination of the probability and the determination of whether the amount can be estimated reliably requires significant judgement from 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 33).

###### - 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 analyzed and then recorded as doubtful if conditions imply that it is non-recoverable.

#### **- Provision for staff leaving indemnities**

The amount of the provision for staff leaving indemnities is based on an actuarial study. The actuarial study includes the setting of assumptions about the discount rate, the increase rate in employee wages, the increase in the consumer price index and the expected remaining working life. The assumptions used involve significant uncertainty and management of HCAP subsidiaries should continuously reassess 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.

#### **(f) Impairment of PP&E**

PP&E is initially recognized 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 analyzed in Notes 2.3(a3), 2.3(a4) and 2.3 (b).

#### **(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 (Note 12.2).

#### **(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 recognized on the date that the associates were transferred. The methods and assumptions used for the valuation of the AIA and ETVA-VIPE companies are analyzed in Note 9.

#### **(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.

#### **(l) Determination of lease term – Accounting by lessee**

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate). If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate). Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset. Most extension options in offices and vehicles leases have not been included in the lease liability, because the Group could replace the assets without significant cost or business disruption. The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

#### **(m) Estimate on Decision of the Council of State (CoS) for the transfer of 10,119 properties of the State impact**

With the decision No. 86/18.6.2018 (GG/B '2317 / 19.6.2018) of the Government Economic Policy Council, the Minister of Finance was authorized to issue the relevant acts and to take any necessary action for the transfer to ETAD of 10,119 properties, owned by the Greek State, as they are specified with Code Number of National Cadastre in Annex I. Pursuant to the above decision of Government Economic Policy Council, the decision of the Minister of Finance with No ΥΠΟΙΚ 0004586 ΕΞ2018/19.6.2018 was issued (B '2320/19.6.2018), which provided the transfer to ETAD, according to articles 196 par. 6 and 209 of Law 4389/2016, of the above 10,119 properties of the Greek State that were dealt with in No. 86/18.06.2018 (GG B' 2317/19.06.2018) decision of the Government Economic Policy Council.

However, the 10,119 properties that would become the property of ETAD, upon registration of each transferred property in the cadastre, included 2,445 properties under the jurisdiction of the Ministry of Finance, which were already registered in the Portfolio of ETAD (Registry/MIS), as registered public real estate (ABK), pursuant to the provisions of Law 973/1979 in combination with article 196 of Law 4389/2016. Of these 2,445 properties under the jurisdiction of the Ministry of Finance already registered in the Register of ETAD under the above provisions, there are 205 properties of total fair value of approximately €85 mln as at 31.12.2020 that have already been recognized in the financial statements of ETAD.

Based on the above, the management of ETAD considers that the recent decisions of the CoS (Section D) with numbers 927, 928, 929, 930, 931, 932, 933, 934/2020, according to which the decisions with No. 86/18.6.2018 and 0004586 ΕΞ2018/19.6.2018 of the Government Economic Policy Council and the Ministry of Finance respectively are cancelled, will not have any effect on the properties that have been recognized in the financial statements of ETAD.

## 5. Property, plant &amp; equipment

GROUP						
	Buildings - Land - Technical Installations	Machinery Equipment	Vehicles	Furniture and other equipment	Fixed assets under construction	Total
<b>Cost as at 01.01.2019</b>	<b>2,704,418,983</b>	<b>661,171,471</b>	<b>975,678,142</b>	<b>210,813,257</b>	<b>17,923,298</b>	<b>4,570,005,151</b>
Additions	1,235,040	1,358,181	819,665	2,690,683	17,960,202	24,063,771
Disposals/write-offs	(115,893)	(110,508)	(166,124)	(406,394)	(265,800)	(1,064,719)
Other transfers	14,968,094	2,893,729	921,173	(25,063)	(18,829,161)	(71,228)
<b>Cost as at 31.12.2019</b>	<b>2,720,506,224</b>	<b>665,312,873</b>	<b>977,252,856</b>	<b>213,072,483</b>	<b>16,788,539</b>	<b>4,592,932,975</b>
<b>Cost as at 01.01.2020</b>	<b>2,720,506,224</b>	<b>665,312,873</b>	<b>977,252,856</b>	<b>213,072,483</b>	<b>16,788,539</b>	<b>4,592,932,975</b>
Additions	758,469	663,218	4,104,384	3,077,948	27,952,043	36,556,062
Disposals/write-offs	(486)	(1,807,652)	(13,320,582)	(1,167,133)	-	(16,295,853)
Transfers from investment properties	6 2,165,552	-	-	-	-	2,165,552
Tranfers to investment properties	6 (1,870,983)	-	-	-	-	(1,870,983)
Other transfers	11,598,233	3,522,883	-	83,879	(15,204,995)	-
<b>Cost as at 31.12.2020</b>	<b>2,733,157,009</b>	<b>667,691,322</b>	<b>968,036,658</b>	<b>215,067,177</b>	<b>29,535,587</b>	<b>4,613,487,753</b>
<b>Accumulated depreciation/impairment as at 01.01.2019</b>	<b>(832,220,253)</b>	<b>(382,285,758)</b>	<b>(801,033,418)</b>	<b>(198,719,455)</b>	-	<b>(2,214,258,884)</b>
Depreciation charge	(49,180,292)	(25,417,640)	(27,491,514)	(3,259,936)	-	(105,349,382)
Impairments	29 -	-	-	-	(2,688,471)	(2,688,471)
Reversal of impairment	28 2,791,679	-	-	-	-	2,791,679
Disposals/write-offs	111,771	110,170	166,127	352,428	-	740,496
Other transfers	44,005	-	-	(799)	-	43,206
<b>Accumulated depreciation/impairment as at 31.12.2019</b>	<b>(878,453,090)</b>	<b>(407,593,228)</b>	<b>(828,358,805)</b>	<b>(201,627,762)</b>	<b>(2,688,471)</b>	<b>(2,318,721,356)</b>
<b>Accumulated depreciation/impairment as at 01.01.2020</b>	<b>(878,453,090)</b>	<b>(407,593,228)</b>	<b>(828,358,805)</b>	<b>(201,627,762)</b>	<b>(2,688,471)</b>	<b>(2,318,721,356)</b>
Depreciation charge	(47,236,401)	(24,950,597)	(21,139,209)	(2,957,351)	-	(96,283,558)
Impairments	(227,456)	-	-	-	-	(227,456)
Disposals/write-offs	12,866	1,673,589	8,293,333	1,067,200	-	11,046,988
Depreciations of transfers to investment properties	6 37,149	-	-	-	-	37,149
<b>Accumulated depreciation/impairment as at 31.12.2020</b>	<b>(925,866,932)</b>	<b>(430,870,236)</b>	<b>(841,204,681)</b>	<b>(203,517,913)</b>	<b>(2,688,471)</b>	<b>(2,404,148,233)</b>
<b>Net book value at 31.12.2019</b>	<b>1,842,053,134</b>	<b>257,719,645</b>	<b>148,894,051</b>	<b>11,444,721</b>	<b>14,100,068</b>	<b>2,274,211,619</b>
<b>Net book value at 31.12.2020</b>	<b>1,807,290,077</b>	<b>236,821,086</b>	<b>126,831,977</b>	<b>11,549,264</b>	<b>26,847,116</b>	<b>2,209,339,520</b>

	COMPANY		
	Buildings - Land - Technical Installations	Furniture and other equipment	Total
<b>Cost as at 01.01.2019</b>	12,552	157,856	170,408
Additions	90,274	46,997	137,271
Disposals/write-offs	-	(26,978)	(26,978)
<b>Cost as at 31.12.2019</b>	<b>102,826</b>	<b>177,875</b>	<b>280,701</b>
<b>Cost as at 01.01.2020</b>	<b>102,826</b>	<b>177,875</b>	<b>280,701</b>
Additions	8,489	22,761	31,250
Disposals/write-offs	-	(4,176)	(4,176)
<b>Cost as at 31.12.2020</b>	<b>111,315</b>	<b>196,460</b>	<b>307,775</b>
<b>Accumulated depreciation/impairment as at 01.01.2019</b>	(241)	(20,867)	(21,108)
Depreciation charge	(11,245)	(25,383)	(36,628)
Disposals/write-offs	-	8,612	8,612
<b>Accumulated depreciation/impairment as at 31.12.2019</b>	<b>(11,486)</b>	<b>(37,638)</b>	<b>(49,124)</b>
<b>Accumulated depreciation/impairment as at 01.01.2020</b>	(11,486)	(37,638)	(49,124)
Depreciation charge	(15,199)	(28,392)	(43,591)
Disposals/write-offs	-	2,977	2,977
<b>Accumulated depreciation/impairment as at 31.12.2020</b>	<b>(26,685)</b>	<b>(63,053)</b>	<b>(89,738)</b>
<b>Net book value at 31.12.2019</b>	<b>91,340</b>	<b>140,237</b>	<b>231,577</b>
<b>Net book value at 31.12.2020</b>	<b>84,630</b>	<b>133,407</b>	<b>218,037</b>

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, 2020, 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 31.12.2020 and 31.12.2019 mainly concern projects for the expansion of the water and sewerage networks of the subsidiaries EYDAP and EYATH.

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

During the comparative year, impairments of assets under construction include €2.3 mln that relates to EYATH's impairment of an incomplete building in the Toumba area. This impairment was due to the elapse of consecutive years without construction work having been completed, with the result that the existing unfinished structure was rendered obsolete. The remaining impairment of €0.3 mln concerned the impairment charged by ETAD regarding the construction of floating piers in Marina Alimou.

On the date of the transfer of the shareholdings in public entities, 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 for the year 2018 and the amount of the impairment was recognized by the Group as a correction of the value of property, plant and equipment and the equity of the transferred subsidiaries on the date of the transfer amounting to € 184.8 mln.

In two subsidiaries, due to the large volume and complexity of the assets, the relevant procedure is still in progress and it has not been completed up to the date of approval of these financial statements.

Any corrective entries for matters related to the period prior to the transfer date 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
<b>As at 01.01.2019</b>		<b>1,077,249,671</b>	-
Fair value of investment properties that were transferred from/to the Greek State with no consideration (a)	18	32,276,713	-
Other additions		51,924	-
Gain from fair value adjustment		73,833,735	-
<b>As at 31.12.2019</b>		<b>1,183,412,043</b>	-
<b>As at 01.01.2020</b>		<b>1,183,412,043</b>	-
Fair value of investment properties that were transferred from/to the Greek State with no consideration (a)	18	72,857,554	-
Other additions		23,102	-
Disposals/write-offs		(18,191,343)	-
Gain/ (Loss) from fair value adjustment		(30,817,510)	-
Transfers to tangible fixed assets	5	(2,165,552)	-
Transfers from tangible fixed assets	5	996,071	-
<b>As at 31.12.2020</b>		<b>1,206,114,365</b>	-

Rental income that was recognized during current year in Income Statement amounts to € 40.6 mln (31.12.2019: € 52.3 mln) (Note 26).

The fair value of investment properties has been categorized as Level 3 of fair value hierarchy. The valuation of investment properties at its fair value on 31.12.2020 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 organized 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 specialized building installations, facilities, and land improvements of the individual properties of the Group, if they were not leased or there was no organized and active market for the sale of corresponding properties.

3. The Income 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.

As of 31 December 2020, 4 investment properties belonging to ELTA have been 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 recognized additional investment properties amounting to €72.9 mln (2019: € 32.3 mln) (Note 18), which meet the requirements of Article 196 of Law 4389/2016 and the IFRS criteria. In the case of new properties recognized 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 recognized directly through other comprehensive income, as it concerns a transaction with the ultimate shareholder.

If ETAD recognizes new assets which it does not wholly own, but on which it has the right to manage and utilize, 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 Usufructuary, according to which the use and utilization 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 utilization of the properties belonging to Greek National Tourism Organization (GNTO), and, therefore, in accordance with applied practices and the concept of Usufructuary, the Value of these assets, namely, the value of the Rights to Manage, Administrate, Exploit, and Utilize 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 Utilize 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 and have a surface of less than 10 acres, 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 utilizing them, due to the special planning commitments enforced by the special permit procedure. For properties which are part of established 'Natura' or 'Ramsar' areas, have a surface of more than 10 acres and have no additional environmental commitments, no discount rate is applied.
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 characterized as green areas, illegally occupied areas or areas under dispute, discounted value rates were adopted in order to reflect the difficulty in utilizing the properties in question. The discount value rates applied for planning commitments ranged from 20% to 90% depending on the commitment:

Categories of Urban Restrictions	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 Utilize	up to 80%
Forest areas, properties with special urban planning	up to 85%



Properties characterized as green areas, archeological sites	up to 90%
NATURA 2000 network: Surface <10 acres and with additional environmental commitments	up to 85%

The discount value rates applied for legal commitments ranged from 30% to 80% depending on the commitment:

Legal Limitation Categories	Discount Rate (%)
Property with undetermined uses, listed buildings, application act in progress, co-owned property	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 implemented 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, depending on the data of the comparative element from 0% to 20%, 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 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 5% to 15% 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 will result from the estimated yield of each commercial property (Yield, 4% to 12%) plus the average estimated growth rate (average GDP growth) which is the same with the expected development of domestic GDP and is listed below according to the forecasts of the International Monetary Fund (IMF).

Year	2020	2021	2022	2023	2024	2025
Average GDP	-9,50%	4,10%	5,60%	3,70%	2,40%	1,00%

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 Report 2019).

Year	2020	2021	2022	2023	2024	2025
CPI	-0,60%	0,70%	0,90%	1,00%	1,60%	1,80%

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 utilization, 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 insufficient or vague 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 utilization, a fair value was calculated.

9. Concerning parts of seashore and beach zones characterized 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 recognize 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 the companies.
- 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 finalize 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 2020 ETAD finalized the complete identification, registration, valuation and recording from the above described, which were registered at a total fair value of € 72.9 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.

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 Greek 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 utilized 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.

**(c) Transfer of property from the “Property, Plant and Equipment” to the “Investment Properties”**

At a Group level, during the financial year an amount of €0.6 mln was transferred from property, plant and equipment to investment properties. This concerned the transfer of a STASY's property at the Maroussi Station. The net book value before transfer amounted to € 1.8 mln, while the difference with the fair value was recorded in Other Expenses.

**(d) Transfer of property from the “Investment Properties” to the “Property, Plant and Equipment”**

At a Group level, during the financial year an amount of €1.6 mln was transferred from investment properties to property, plant and equipment. This concerned the transfer of a parking space in the area of Thessaloniki which the subsidiary ETAD decided to exploit by its own means. It also concerns a transfer of € 0.6 mln from investment properties to property, plant and equipment of the subsidiary AEDIK.

**(e) Disposals and concessions of property**

The subsidiary ETAD, during the financial year, proceeded to recognition and sale of property. According to article 94 of Law 4605/2019, a seventy percent (70%) of the purchase price is attributed to the Greek State. ETAD after examining the characteristics of the transaction, concluded that does not receive all the benefits from the recognition of the asset at 100% of its fair value and therefore, the property was recognized at 30% of its value, ie € 0,3 mln. The total purchase price amounted to € 1.0 mln with simultaneous recognition of a liability of 70%.

In addition, ETAD proceeded to the sale of apartments in the area of Thessaloniki amounted to € 0.4 mln, as well as the sale of apartments in the area of Athens amounted to € 0.8 mln.

Also, ETAD proceeded to use concession, management and exploitation of the Olympic Center of Ano Liossia to the General Secretariat of Sports amounted to € 16.7 mln.

## 7. Intangible assets

	GROUP				
	Goodwill	Software	Licenses	Other intangible assets	Total
<b>Cost as at 01.01.2019</b>	<b>3,356,880</b>	<b>64,568,171</b>	<b>989,569</b>	<b>5,715,461</b>	<b>74,630,081</b>
Additions	-	1,356,309	-	2,600	1,358,909
Disposals/write-offs	-	(31,666)	-	-	(31,666)
Transfers	-	(84,097)	38,062	50,000	3,965
<b>Cost as at 31.12.2019</b>	<b>3,356,880</b>	<b>65,808,717</b>	<b>1,027,631</b>	<b>5,768,061</b>	<b>75,961,289</b>
<b>Cost as at 01.01.2020</b>	<b>3,356,880</b>	<b>65,808,717</b>	<b>1,027,631</b>	<b>5,768,061</b>	<b>75,961,289</b>
Additions	-	1,250,803	900	397,319	1,649,022
<b>Cost as at 31.12.2020</b>	<b>3,356,880</b>	<b>67,059,520</b>	<b>1,028,531</b>	<b>6,165,380</b>	<b>77,610,311</b>
<b>Accumulated amortization/impairment as at 01.01.2019</b>	-	<b>(61,200,647)</b>	<b>(985,673)</b>	<b>(1,556,075)</b>	<b>(63,742,395)</b>
Amortization expense	-	(1,830,032)	(755)	(11,588)	(1,842,375)
Disposals/write-offs	-	15,372	-	-	15,372
Transfers	-	34,705	(34,705)	-	-
<b>Accumulated amortization/impairment as at 31.12.2019</b>	-	<b>(62,980,602)</b>	<b>(1,021,133)</b>	<b>(1,567,663)</b>	<b>(65,569,398)</b>
<b>Accumulated amortization/impairment as at 01.01.2020</b>	-	<b>(62,980,602)</b>	<b>(1,021,133)</b>	<b>(1,567,663)</b>	<b>(65,569,398)</b>
Amortization expense	-	(1,201,763)	(1,430)	(4,380)	(1,207,573)
Transfers	-	1,305	-	-	1,305
<b>Accumulated amortization/impairment as at 31.12.2020</b>	-	<b>(64,181,060)</b>	<b>(1,022,563)</b>	<b>(1,572,043)</b>	<b>(66,775,666)</b>
<b>Net book value at 31.12.2019</b>	<b>3,356,880</b>	<b>2,828,115</b>	<b>6,498</b>	<b>4,200,398</b>	<b>10,391,891</b>
<b>Net book value at 31.12.2020</b>	<b>3,356,880</b>	<b>2,878,460</b>	<b>5,968</b>	<b>4,593,337</b>	<b>10,834,645</b>

At Group level, the amount of goodwill amounting to € 3,357 thousand (31.12.2019: €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 31.12.2020 amounting to €4,6 mln (31.12.2019: € 4,2 mln) relates mainly to the right to use the Corinth Canal by AEDIK amounting to €4,1 mln (2019: €4,1 mln.).

	COMPANY		
	Software	Other intangible assets	Total
<b>Cost as at 01.01.2019</b>	<b>15,003</b>	<b>2,600</b>	<b>17,603</b>
Additions	18,715	2,600	21,315
<b>Cost as at 31.12.2019</b>	<b>33,718</b>	<b>5,200</b>	<b>38,918</b>
<b>Cost as at 01.01.2020</b>	<b>33,718</b>	<b>5,200</b>	<b>38,918</b>
Additions	271	1,200	1,471
<b>Cost as at 31.12.2020</b>	<b>33,989</b>	<b>6,400</b>	<b>40,389</b>
<b>Accumulated amortization/impairment as at 01.01.2019</b>	<b>(3,124)</b>	-	<b>(3,124)</b>
Amortization expense	(3,290)	(694)	(3,984)
<b>Accumulated amortization/impairment as at 31.12.2019</b>	<b>(6,414)</b>	<b>(694)</b>	<b>(7,108)</b>
<b>Accumulated amortization/impairment as at 01.01.2020</b>	<b>(6,414)</b>	<b>(694)</b>	<b>(7,108)</b>
Amortization expense	(6,253)	(2,240)	(8,493)
<b>Accumulated amortization/impairment as at 31.12.2020</b>	<b>(12,667)</b>	<b>(2,934)</b>	<b>(15,601)</b>
<b>Net book value at 31.12.2019</b>	<b>27,304</b>	<b>4,506</b>	<b>31,810</b>

**Net book value at 31.12.2020****21,322****3,466****24,788**

There are no intangible assets at a Group or Company level that are pledged as collateral.

Amortization of intangible assets, other than goodwill which is not amortized and the right to use Corinth canal by AEDIK which is not amortized due to the indefinite useful life of the right, 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.

**8. Leases**

Right-of-use assets are analyzed as follows:

	GROUP		
	Buildings	Vehicles	Total
<b>Cost</b>			
<b>1 January 2019 - Impact from the application of IFRS 16</b>	51,029,109	592,462	51,621,571
Additions	1,269,118	780,520	2,049,638
<b>31 December 2019</b>	<b>52,298,227</b>	<b>1,372,982</b>	<b>53,671,209</b>
<b>1 January 2020</b>	52,298,227	1,372,981	53,671,208
Additions	129,742	803,384	933,126
<b>31 December 2020</b>	<b>52,427,969</b>	<b>2,176,365</b>	<b>54,604,334</b>
<b>Accumulated depreciation</b>			
1 January 2019	-	-	-
Depreciation charge	(10,295,848)	(486,979)	(10,782,827)
<b>31 December 2019</b>	<b>(10,295,848)</b>	<b>(486,979)</b>	<b>(10,782,827)</b>
<b>1 January 2020</b>	(10,295,848)	(486,979)	(10,782,827)
Depreciation charge	(10,273,927)	(444,111)	(10,718,038)
Other movements	(216,990)	-	(216,990)
<b>31 December 2020</b>	<b>(20,786,765)</b>	<b>(931,090)</b>	<b>(21,717,855)</b>
<b>Net book value at 31.12.2019</b>	<b>42,002,379</b>	<b>886,003</b>	<b>42,888,382</b>
<b>Net book value at 31.12.2020</b>	<b>31,641,204</b>	<b>1,245,275</b>	<b>32,886,479</b>

	COMPANY		
	Buildings	Vehicles	Total
<b>Cost</b>			
<b>1 January 2019 - Impact from the application of IFRS 16</b>	1,010,778	47,809	1,058,587
Additions	-	-	-
<b>31 December 2019</b>	<b>1,010,778</b>	<b>47,809</b>	<b>1,058,587</b>
<b>1 January 2020</b>	1,010,778	47,809	1,058,587
Additions	-	11,520	11,520
<b>31 December 2020</b>	<b>1,010,778</b>	<b>59,329</b>	<b>1,070,107</b>
<b>Accumulated depreciation</b>			
1 January 2019	-	-	-
Depreciation charge	(149,745)	(17,763)	(167,508)
<b>31 December 2019</b>	<b>(149,745)</b>	<b>(17,763)</b>	<b>(167,508)</b>
<b>1 January 2020</b>	(149,745)	(17,763)	(167,508)
Depreciation charge	(149,745)	(20,003)	(169,748)
<b>31 December 2020</b>	<b>(299,490)</b>	<b>(37,766)</b>	<b>(337,256)</b>
<b>Net book value at 31.12.2019</b>	<b>861,033</b>	<b>30,046</b>	<b>891,079</b>
<b>Net book value at 31.12.2020</b>	<b>711,288</b>	<b>21,563</b>	<b>732,851</b>

The consolidated and separate statement of financial position as of December 31, 2019 includes the following amounts related to lease liabilities:

		GROUP		
	Note	Buildings	Vehicles	Total
<b>Long-term lease liabilities</b>				
Opening balance 01.01.2019		41,976,644	443,599	42,420,243
Additions		272,907	603,232	876,139
Transfers to short-term lease liabilities		(9,247,660)	(156,707)	(9,404,367)
<b>Closing balance of long-term lease liabilities as at 31.12.2019</b>		<b>33,001,891</b>	<b>890,124</b>	<b>33,892,015</b>
Opening balance 01.01.2020		33,001,891	890,124	33,892,015
Additions		70,895	524,218	595,113
Transfers to short-term lease liabilities		(9,202,646)	(421,242)	(9,623,888)
<b>Closing balance of long-term lease liabilities as at 31.12.2020</b>		<b>23,870,140</b>	<b>993,100</b>	<b>24,863,240</b>
<b>Short-term lease liabilities</b>				
Opening balance 01.01.2019		9,333,132	148,863	9,481,995
Additions		1,089,112	177,287	1,266,399
Transfers from long-term lease liabilities		9,078,483	156,708	9,235,191
Interest charge for the year	31	2,598,361	39,586	2,637,947
Payments of the year		(12,252,898)	(224,397)	(12,477,295)
<b>Closing balance of short-term lease liabilities as at 31.12.2019</b>		<b>9,846,190</b>	<b>298,047</b>	<b>10,144,237</b>
Opening balance 01.01.2020		9,846,190	298,047	10,144,237
Additions		44,125	275,037	319,162
Transfers from long-term lease liabilities		9,202,821	427,877	9,630,698
Interest charge for the year	31	2,118,824	132,377	2,251,201
Payments of the year		(11,898,891)	(892,735)	(12,791,626)
<b>Closing balance of short-term lease liabilities as at 31.12.2020</b>		<b>9,313,069</b>	<b>240,603</b>	<b>9,553,672</b>
		COMPANY		
	Note	Buildings	Vehicles	Total
<b>Long-term lease liabilities</b>				
Opening balance 01.01.2019		885,568	30,564	916,132
Additions		-	-	-
Transfers to short-term lease liabilities		(131,533)	(18,065)	(149,598)
<b>Closing balance of long-term lease liabilities as at 31.12.2019</b>		<b>754,035</b>	<b>12,499</b>	<b>766,534</b>
Opening balance 01.01.2020		754,035	12,499	766,534
Additions		-	7,800	7,800
Transfers to short-term lease liabilities		(139,939)	(14,719)	(154,658)
<b>Closing balance of long-term lease liabilities as at 31.12.2020</b>		<b>614,096</b>	<b>5,580</b>	<b>619,676</b>
<b>Short-term lease liabilities</b>				
Opening balance 01.01.2019		125,210	17,245	142,455
Additions		-	-	-
Transfers from long-term lease liabilities		131,533	18,065	149,598
Interest charge for the year	31	46,390	1,865	48,255
Payments of the year		(171,600)	(19,110)	(190,710)
<b>Closing balance of short-term lease liabilities as at 31.12.2019</b>		<b>131,533</b>	<b>18,065</b>	<b>149,598</b>
Opening balance 01.01.2020		131,533	18,065	149,598
Additions		-	3,722	3,722
Transfers from long-term lease liabilities		139,939	14,719	154,658
Interest charge for the year	31	40,067	1,273	41,340
Payments of the year		(171,600)	(21,507)	(193,107)
<b>Closing balance of short-term lease liabilities as at 31.12.2020</b>		<b>139,939</b>	<b>16,272</b>	<b>156,211</b>



## 9. Investments in subsidiaries and associates

### 9.1 Investments in subsidiaries

In accordance with Article 188 of Law 4389/2016, the participation of the Greek State in a portfolio of public entities was transferred to HCAP with no consideration. Some of those entities are directly controlled by HCAP, and therefore have been recognized in the separate financial statements as “Investments in subsidiaries”.

These public entities are analyzed below:

Subsidiaries	Object of activity	Country of activity	31.12.2020	31.12.2019	Consolidation Method
			Direct participation %	Direct participation %	
Public Properties Company S.A. (PPCo or ETAD)	Management and utilisation of the real estate portfolio that the Greek State transferred to it	Greece	100.00%	100.00%	Full
Hellenic Republic Asset Development Fund (HRADF)	Utilization of the Greek State's private property and promotion of privatizations	Greece	100.00%	100.00%	Full
Hellenic Financial Stability Fund (HFSF)	Contribution in the stability of the Greek banking system through strengthening the banking institutions' capital adequacy	Greece	100.00%	100.00%	Not consolidated (note 2.3)
Athens Water Supply and Sewerage Company S.A. (EYDAP)	Water distribution and drainage and water treatment services.	Greece	50% + 1 share	50% + 1 share	Full
Thessaloniki Water Supply and Sewerage Company S.A. (EYATH)	Water distribution, drainage and water treatment, telecommunication, electricity production and sales services	Greece	50% + 1 share*	50% + 1 share*	Full
Athens Public Transport Organization S.A. (OASA)	Planning, programming, organizing, coordinating, controlling, and providing overground and underground mass transport works	Greece	100.00%	100.00%	Full
Central Markets and Fishery Organization S.A. (CMFO)	Management and administration of central markets and fisheries	Greece	100.00%	100.00%	Full
Central Market of Thessaloniki S.A. (CMT)	Management and administration of the Central Market of Thessaloniki	Greece	100.00%	100.00%	Full
Corinth Canal Co S.A. (AEDIK)	Exercising the Corinth Canal exploitation rights	Greece	100.00%	100.00%	Full
Hellenic Post S.A. (ELTA)**	Provision of mail and electric energy services	Greece	100.00%	90.00%	Full
Thessaloniki International Fair S.A. (TIF)	Organising trade fairs	Greece	100.00%	100.00%	Full
Hellenic Saltworks S.A.	Development and improvement of Greek saltwork products	Greece	55.19%	55.19%	Full
GAIAOSE S.A.	Railway administration, founding and running of commercial centers	Greece	100.00%	100.00%	Full

\*Furthermore, an additional 264,880 shares are held through EYDAP.

\*\* The participation percentage of HCAP of Hellenic Post SA changed after the reduction and subsequent increase of share capital of ELTA that took place in December 2020 from 90% to 100%.

The shares or securities incorporating the subsidiaries' capital were transferred to the Company with no consideration. The Company recognized its participation in the above subsidiaries in the separate statement of financial position at the acquisition cost and presents them at symbolic value (€1 per company).

The Group through its subsidiaries has control on the following companies:

Subsidiary Trade Name with indirect participation of HCAP	Group Subsidiary	Country of activity	31.12.2020	31.12.2019
			% of HCAP indirect participation	% of HCAP indirect participation
EYDAP Nison Development S.A.	EYDAP	Greece	50% + 1 share	50% + 1 share
EYATH Services S.A.	EYATH	Greece	50% + 1 share	50% + 1 share
Road Transport S.A.	OASA	Greece	100.00%	100.00%
Urban Rail Transport S.A.	OASA	Greece	100.00%	100.00%
OKAA Energeiaki S.A.	CMFO	Greece	100.00%	100.00%
OKAA Business Park	CMFO	Greece	100.00%	100.00%
Kinoniki Epististikí Voithia CNPC	CMT	Greece	95.00%	95.00%
ELTA Courier S.A.*	ELTA	Greece	99.98%	89.98%
KEK ELTA S.A.*	ELTA	Greece	70.00%	63.00%
Ellinikes Ekthesiakes Paragoges S.A.	TIF-HELEXPO	Greece	70.00%	70.00%
GAIAOSE Fotovoltaika Attikis & Viotias S.A.	GAIAOSE	Greece	100.00%	100.00%
GAIA OSE Fotovoltaika Larissas S.A.	GAIAOSE	Greece	100.00%	100.00%
GAIA OSE Fotovoltaika Karditsas S.A.	GAIAOSE	Greece	100.00%	100.00%

\*The change in the participation percentage of HCAP occurred as a result of the increase in the participation percentage of HCAP in ELTA SA.

## 9.2 Investment in associates

Some of the 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 entities are analysed below:

Associates	Object of activity	Country of activity	31.12.2020	31.12.2019
			% of Direct participation	% of Direct participation
Public Power Corporation S.A. (PPC)	Production, transport, and distribution of electricity	Greece	34.12%	34.12%
Athens International Airport S.A. (AIA)	Funding, constructing, and operating pilot airports and managing AIA in Spata, Attica	Greece	25.00%	25.00%
ETVA Industrial Areas S.A. (ETVA VIPE)	Establishing, organizing, utilizing, and managing – administrating organized business areas (industrial areas)	Greece	35.00%	35.00%

The shares or securities incorporating the associates' capital were transferred to the Company with no consideration. The Company recognized in its separate financial statements its participation in the above associates 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:

Trade name of associates	Group of the subsidiary/associate	Country of activity	31.12.2020	31.12.2019
			participation %	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%

## HELLENIC CORPORATION OF ASSETS AND PARTICIPATIONS S.A.

Notes to the Annual Financial Statements

Amounts in Euro (€) unless otherwise stated

CMFO Joint Venture – Traders’ Association of the Central Market of Athens PCC	CMFO	Greece	50.00%	50.00%
PPC Renewables S.A.	PPC	Greece	34.12%	34.12%
HEDNO S.A.	PPC	Greece	34.12%	34.12%
Arkadikos Ilios 1 S.A.	PPC	Greece	34.12%	34.12%
Arkadikos Ilios 2 S.A.	PPC	Greece	34.12%	34.12%
Iliako Velos 1 S.A.	PPC	Greece	34.12%	34.12%
Amalthia Energiaki S.A.	PPC	Greece	34.12%	34.12%
SOLARLAB S.A.	PPC	Greece	34.12%	34.12%
Iliaka Parka Ditikis Makedonias 1 S.A.	PPC	Greece	34.12%	34.12%
Iliaka Parka Ditikis Makedonias 2 S.A.	PPC	Greece	34.12%	34.12%
PPC FINANCE PLC	PPC	United Kingdom	34.12%	34.12%
PPC Bulgaria JSCo	PPC	Bulgaria	29.00%	29.00%
PPC Elektrik Tedarik Ve Ticaret A.S	PPC	Turkey	34.12%	34.12%
Phoibe Energiaki S.A.	PPC	Greece	34.12%	34.12%
PPC ALBANIA	PPC	Albania	34.12%	34.12%
GEOTHERMIKOS STOCHOS S.A.	PPC	Greece	34.12%	34.12%
GEOTHERMIKOS STOCHOS DYO S.A.	PPC	Greece	34.12%	-
WINDARROW MOYZAKI ENERGY S.A.	PPC	Greece	34.12%	34.12%
EDS DOO Skopje	PPC	Republic of N. Macedonia	34.12%	34.12%
EDS DOO Belgrade	PPC	Serbia	34.12%	34.12%
EDS International SK SRO	PPC	Slovakia	34.12%	34.12%
EDS International KS LLC	PPC	Kosovo	34.12%	34.12%
LIGNITIKI MELITIS S.A.	PPC	Greece	34.12%	34.12%
LIGNITIKI MEGALOPOLIS S.A.	PPC	Greece	34.12%	34.12%
Diachiristiki VI.PA Kastorias S.A.	ETVA VIPE	Greece	30.98%	30.98%
ETVA Anaptixiaki S.A.	ETVA VIPE	Greece	35.00%	35.00%
ETVA A.K.E.S. Management S.A.	ETVA VIPE	Greece	35.00%	35.00%
Hellenic Fund for Sustainable Development**	ETVA VIPE	Greece	-	35.00%
Thriasio Freight Centre S.A.	ETVA VIPE	Greece	28.00%	28.00%
International Exhibition Centre of Crete*	TIF	Greece	33.33%	33.33%
Thessaloniki Tourism Organization*	TIF	Greece	32.39%	32.39%
Exhibition Research Institute*	TIF	Greece	50.00%	50.00%
International Exhibition Centre of Eastern Macedonia – Thrace*	TIF	Greece	30.00%	30.00%
International Trade Centre of Thessaloniki*	TIF	Greece	19.05%	19.05%
Helexpo-Technoekdotiki Joint Venture*	TIF	Greece	50.00%	50.00%
Helexpo-AG Joint Venture*	TIF	Greece	50.00%	50.00%

\* Equity method is not applied to these associates, as they do not have significant activity.

\*\* Liquidated on 23.07.2020.

The carrying amount of the associates in the consolidated financial statements after applying the equity method is as follows:

GROUP	
01.01.2020 - 31.12.2020	01.01.2019 - 31.12.2019

<b>Opening balance</b>	<b>460,903,240</b>	<b>436,671,558</b>
Share of profit/(loss), after tax	(14,021,345)	41,310,313
Other	(14,283)	(6,544)
Impairment	-	(17,260)
Share of other comprehensive income, net of tax	(313,073)	(554,827)
Dividends received	(241,746)	(16,500,000)
<b>Ending Balance</b>	<b>446,312,793</b>	<b>460,903,240</b>

#### **Valuation methods of transferred investments in associates**

On 01.01.2018, the investments in the 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 Company recognized these investments at acquisition cost (which was zero) and presented them in the separate 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 of 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 Group assessed the requirements of IFRS 13, 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, by giving 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 assets 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: the fair value of these assets is determined using factors/inputs related to market data, either directly (prices) or indirectly (derived from prices).

- Level 3: the fair value of these assets 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 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 valuation 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 as at 01.01.2018), 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 State assumes debt as at the end of the concession period.

The fair value measurement 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 inventory (properties). 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; however they were considered inappropriate for this valuation.

For the purposes of applying the Adjusted Net Asset Value methodology, adjustments were made to ETVA'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 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 yearly results of the associates with the amounts presented as "Investments in associates" in the statement of financial position, as "Share of profit/(losses) of associates" in the income statement and as "Share of other comprehensive income of associates" in the statement of other comprehensive income.

**Current year 2020**

<b>Condensed Statement of Comprehensive Income</b>	<b>PPC</b>	<b>AIA</b>	<b>ETVA VIPE</b>	<b>Marina Zeas S.A.</b>	<b>LAMDA Flisvos Marina S.A.</b>	<b>Hellenic Casino of Parnitha S.A.</b>	<b>Total</b>
Revenue	4,649,444,000	150,950,488	8,448,456	5,489,144	11,681,793	27,645,915	
Net profit / (loss) for the year	35,204,000	(41,914,829)	1,214,979	(453,848)	10,316,095	(12,644,787)	
Other comprehensive income for the year (net of tax)	8,450,000	(276,138)	(16,739)	-	(16,223)	(478,542)	
Share of profit/(loss), after tax*	-	(10,478,707)	425,243	(113,462)	2,348,975	(6,195,946)	<b>(14,013,897)</b>
Share of other comprehensive income, net of tax	-	(69,034)	(5,859)	-	(3,694)	(234,486)	<b>(313,073)</b>
Dividends received	-	-	-	(241,746)	-	-	<b>(241,746)</b>
<b>Participation%</b>	<b>34.12%</b>	<b>25.00%</b>	<b>35.00%</b>	<b>25.00%</b>	<b>22.77%</b>	<b>49.00%</b>	

<b>Condensed Statement of Financial Position</b>	<b>PPC</b>	<b>AIA</b>	<b>ETVA VIPE</b>	<b>Marina Zeas S.A.</b>	<b>LAMDA Flisvos Marina S.A.</b>	<b>Hellenic Casino of Parnitha S.A.</b>	<b>Total</b>
Non-current assets	10,698,447,000	1,808,259,862	19,772,664	27,813,722	133,209,994	61,033,269	
Current assets	2,987,107,000	414,193,032	183,493,442	6,495,801	10,344,614	12,586,999	
Non-current liabilities	7,122,565,000	1,093,818,363	15,070,120	17,794,496	13,219,869	13,155,843	
Current liabilities	3,477,823,000	303,511,865	5,996,362	5,733,250	116,777,847	11,443,891	
Equity	3,085,166,000	825,122,666	182,199,624	10,781,777	13,556,892	49,020,535	
Group share of the equity of associates	1,052,658,639	206,280,667	63,769,868	2,695,444	3,086,904	24,020,062	1,352,511,585
Adjustment for uniformity of 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)
Losses for 2019, not recognized	307,928,906	-	-	-	-	-	307,928,906
Gains for 2020, not recognized	(15,208,649)	-	-	-	-	-	(15,208,649)
<b>Carrying amount of investments in associates**</b>	<b>-</b>	<b>351,115,207</b>	<b>65,336,487</b>	<b>2,695,444</b>	<b>3,086,904</b>	<b>24,020,062</b>	<b>446,254,105</b>

\* The difference with "Share of profit/(loss) of associates" in the consolidated income statement relates to "CMFO Joint Venture – Traders' Association of the Central Market of Athens PCC" of €7,448 which is not included in the table above.

\*\* The difference in the carrying amount of investments in associates in the consolidated statement of financial position relates to investments in associates held by the subsidiary TIF, which are not included in the table above.

## Previous year 2019

<b>Condensed Statement of Comprehensive Income</b>	<b>PPC</b>	<b>AIA</b>	<b>ETVA VIPE</b>	<b>Marina Zeas S.A.</b>	<b>LAMDA Flisvos Marina S.A.</b>	<b>Hellenic Casino of Parnitha S.A.</b>	<b>Total</b>
Revenue	4,931,609,000	407,212,645	8,520,169	5,366,827	11,176,860	75,713,899	
Net profit / (loss) for the year	(1,685,670,000)	174,440,841	(5,757,957)	1,905,422	(4,021,088)	302,229	
Other comprehensive income for the year (net of tax)	821,448,000	(1,203,912)	(15,411)	-	(31,564)	(492,384)	
Share of profit/(loss), after tax*	-	43,610,210	(2,015,285)	476,356	(915,602)	148,092	<b>41,303,771</b>
Share of other comprehensive income, net of tax	-	(300,978)	(5,394)	-	(7,187)	(241,268)	<b>(554,827)</b>
Dividends received	-	(16,250,000)	-	(250,000)	-	-	<b>(16,500,000)</b>
<b>Participation%</b>	<b>34.12%</b>	<b>25.00%</b>	<b>35.00%</b>	<b>25.00%</b>	<b>22.77%</b>	<b>49.00%</b>	

<b>Condensed Statement of Financial Position</b>	<b>PPC</b>	<b>AIA</b>	<b>ETVA VIPE</b>	<b>Marina Zeas S.A.</b>	<b>LAMDA Flisvos Marina S.A.</b>	<b>Hellenic Casino of Parnitha S.A.</b>	<b>Total</b>
Non-current assets	11,005,496,000	1,874,890,972	20,168,902	11,448,101	133,837,465	65,276,644	
Current assets	2,567,010,000	226,120,621	183,456,826	5,254,339	6,589,769	13,623,484	
Non-current liabilities	7,161,644,000	1,012,142,710	17,018,236	1,342,815	17,630,748	8,240,273	
Current liabilities	3,370,270,000	221,468,328	5,605,674	3,157,000	119,550,381	8,515,990	
Equity	3,040,592,000	867,400,555	181,001,818	12,202,625	3,246,104	62,143,865	
Group share of the equity of associates	1,037,449,990	216,850,139	63,350,636	3,050,656	739,138	30,450,494	1,351,891,053
Adjustment for uniformity of 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)
Losses for 2019, not recognized	307,928,906	-	-	-	-	-	307,928,906
<b>Carrying amount of investments in associates**</b>	<b>-</b>	<b>361,684,679</b>	<b>64,917,255</b>	<b>3,050,656</b>	<b>739,138</b>	<b>30,450,494</b>	<b>460,842,222</b>

\* The difference with "Share of profit/(loss) of associates" in the consolidated income statement relates to "CMFO Joint Venture – Traders' Association of the Central Market of Athens PCC" of €6,542 which is not included in the table above.

\*\* The difference in the carrying amount of investments in associates in the consolidated statement of financial position relates to investments in associates held by the subsidiary TIF, which are not included in the table above.



## 10. 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. Deferred tax assets and liabilities are 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, at the reporting date. Consequently, for the current period, deferred tax was calculated using the rate 24% according to Law 4646/2019.

Deferred Tax Recievables/ Liabilities	Opening Balance 01.01.2020	Change in profits	Other Total Income	Closing Balance 31.12.2020
Provisions for staff retirement indemnities	71,763,314	(1,370,247)	5,746,092	76,139,159
Other temporary deductible differences	8,397,563	1,029,867	-	9,427,430
Trade and other receivables	15,304,151	(7,172,157)	-	8,131,994
Other provisions	14,772,109	32,174,624	-	46,946,733
Deferred tax in tax reserve due to revaluation of real estate assets	7,449,080	-	-	7,449,080
Impairment of equity instruments	6,978,078	(69,915)	210,731	7,118,894
Trade and other payables	22,097,376	(278,348)	-	21,819,028
Grants	1,387,781	(631,682)	-	756,099
Impairment of inventories	1,275,021	24,435	-	1,299,456
Carried forward tax losses	240,000	6,389,806	-	6,629,806
Other taxable temporary differences	(127,980)	11,901	-	(116,079)
PP&E and intangible assets	(21,907,271)	(1,026,808)	-	(22,934,079)
Adjustment of deferred tax assets of ELTA	(34,985,379)	34,985,379	-	-
Remeasurement of investment properties	(35,499,134)	69,749	-	(35,429,385)
<b>Total</b>	<b>57,144,709</b>	<b>64,136,604</b>	<b>5,956,823</b>	<b>127,238,136</b>

Deferred Tax Recievables/ Liabilities	Opening Balance 01.01.2019	Change in profits	Other Total Income	Closing Balance 31.12.2019
Provisions for staff retirement indemnities	84,882,927	(22,832,631)	9,713,018	71,763,314
Other temporary deductible differences	8,165,260	232,303	-	8,397,563
Trade and other receivables	14,443,434	860,717	-	15,304,151
Other provisions	12,858,873	1,913,236	-	14,772,109
Deferred tax in tax reserve due to revaluation of real estate assets	7,759,458	(310,378)	-	7,449,080
Impairment of equity instruments	8,053,266	(478,807)	(596,381)	6,978,078
Trade and other payables	6,096,714	16,000,662	-	22,097,376
Grants	2,912,652	(1,524,871)	-	1,387,781
Impairment of inventories	1,358,396	(83,375)	-	1,275,021
Carried forward tax losses	-	240,000	-	240,000
Other taxable temporary differences	(8,807,052)	8,679,072	-	(127,980)
PP&E and intangible assets	(24,751,071)	2,843,800	-	(21,907,271)
Adjustment of deferred tax assets of ELTA	(23,199,682)	(11,290,571)	(495,126)	(34,985,379)
Remeasurement of investment properties	(36,855,702)	1,356,568	-	(35,499,134)
<b>Total</b>	<b>52,917,473</b>	<b>(4,394,275)</b>	<b>8,621,511</b>	<b>57,144,709</b>

The significant increase in the amount of deferred tax assets is mainly due to developments regarding the universal postal service of ELTA, as a significant amount of deferred tax asset (mainly on carried forward tax losses but also on part of temporary differences) in previous years had not been recognized as IFRS recognition criteria were not met (taxable profits were not expected in the following years to offset the losses). Following the developments regarding the universal postal service, the company was able to utilize a large part of the tax losses carried forward within the year 2020, while in addition taxable profits in subsequent years are expected, so that temporary differences can be deducted / utilized for tax purposes.

## 11. Other non-current assets

	Note	GROUP		COMPANY	
		31.12.2020	31.12.2019	31.12.2020	31.12.2019
Non-current receivables from disposal of assets (a)	22	51,096,023	64,689,604	-	-
Non-current receivables from Greek State and Local authorities (b)		45,433,316	61,134,135	-	-
Guarantees		8,540,038	8,067,900	35,209	33,045
Personnel loans (c)		5,010,343	5,766,892	-	-
Other		2,928,713	3,481,188	-	-
Lease advances		823,838	834,678	-	-
Provisions for doubtful non-current assets (d)		(2,059,089)	(2,059,089)	-	-
<b>Total</b>		<b>111,773,182</b>	<b>141,915,308</b>	<b>35,209</b>	<b>33,045</b>

(a) There is an equal value payable included in Other non-current liabilities that matches the non-current receivables from disposal of assets (note 22). HRADF recognizes a receivable from the buyer based on the agreed price 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:

Asset	GROUP	
	31.12.2020	31.12.2019
Sale of rights of use of radio frequencies through EETT (1800 MHz band)	28,368,000	35,460,000
Interest of escrow account HRADF-COSCO (Sale of 16% of the shares of PPA S.A.)	11,086,108	9,288,560
Sale of 33% of the share capital of OPAP SA	6,000,000	9,000,000
Sale of shares New Corfu Real Estate Investments S.A.	2,000,000	4,000,000
Sale of shares of Castello Bibelli	1,786,505	-
Sale of properties through the online platform	1,095,410	5,801,044
Sale of shares of company "Archade Modiano S.A."	760,000	1,140,000
<b>Total of long-term receivables from the sale of assets</b>	<b>51,096,023</b>	<b>64,689,604</b>

(b) The non-current receivables from the Greek State and Local Authorities are analyzed as follows:

- Amount of €43.7 mln (31.12.2019: €59.3 mln) relates to receivables of the former company KED SA 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 €0.4 mln (31.12.2019: €0.8 mln) 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 as finance income for the aforementioned receivables amounts to approximately €0.1 mln (2019: €0.4 mln).
- Amount of €1.2 mln (31.12.2019: €0.9 mln) relates to arrangement of EYATH's receivables from Greek State and Local Authorities.

(c) Personnel loans amounting to €5.0 mln (31.12.2018: €5.8 mln) 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	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Opening balance	2,059,089	2,275,089	-	-
Provisions utilised during the year	-	(216,000)	-	-
Closing balance	<b>2,059,089</b>	<b>2,059,089</b>	-	-

## 12. Financial assets

### 12.1 Financial assets measured at amortized cost

Financial assets measured at amortized cost of €2.6 mln (31.12.2019: € 5.2 mln) relate to bonds issued by a bank held by the subsidiary CMFO. As at 31.12.2018, the amount of € 4.0 mln related to the purchase of subordinated bonds issued by the Bank of Chania, with a maturity of five years and with an annual interest rate of 6.5%. This bond was issued on 31.12.2015 and expired on 31.12.2020 (when its collection took place).

Within 2019, the subsidiary CMFO, according to a decision of its Board of Directors, proceeded to the purchase of a subordinated bond issued by Bank of Chania, with a value of €1,240,000, a maturity of seven (7) years and an annual interest rate of 5.30%. This bond was issued on 31.10.2019 and will expire on 31.10.2026.

Within 2020, the subsidiary CMFO, according to a decision of its Board of Directors, proceeded to the purchase of a subordinated bond issued by Bank of Chania, with a value of €1,500,000 a maturity of seven (7) years and an annual interest rate of 4 %. This bond was issued on 31.12.2020 and will expire on 31.12.2027.

During the current year an impairment loss of €25,041 was recognized in the income statements in respect of the above bonds.

### 12.2 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 of Attica Bank, 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	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Financial assets at fair value through profit or loss				
Opening balance	4,342,002	3,106,313	-	-
Revaluation recognized in the income statement	188,840	1,233,589	-	-
Others	4,000	2,100	-	-
Closing balance	<b>4,534,842</b>	<b>4,342,002</b>	-	-

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 33, 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)
<b>Presentation of the financial asset in the Statement of Financial Position</b>	<b>0.00</b>

## 12.3 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	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
<b>Opening balance</b>	2,204,202	679,507	-	-
Revaluation recognized in the statement of comprehensive income	(878,044)	1,524,695	-	-
<b>Closing balance</b>	<b>1,326,158</b>	<b>2,204,202</b>	-	-

### 13. Inventories

The analysis of inventories is presented below:

	GROUP		COMPANY	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Raw materials	613,832	356,415	-	-
Merchandise	5,280,925	5,490,159	-	-
Finished and semi-finished products	5,589,243	6,365,275	-	-
Consumables and spare parts	90,778,100	87,642,374	-	-
Purchases on transit	96,048	555,567	-	-
Provisions for impairment of inventories	(12,040,106)	(7,135,377)	-	-
<b>Total</b>	<b>90,318,042</b>	<b>93,274,413</b>	<b>-</b>	<b>-</b>

The value of inventory consumptions recognized in the income statement (note 27) in the current period amounts to €95.0 mln (31.12.2019: €112.8 mln).

	GROUP	
	31.12.2020	31.12.2019
<b>Provisions for impairment of inventories</b>		
Opening balance of provision for impairment of inventories	7,135,377	6,692,113
Additional provisions for the year	4,904,729	1,102,406
Utilized provisions	-	(659,142)
<b>Closing balance of provision for impairment of inventories</b>	<b>12,040,106</b>	<b>7,135,377</b>

### 14. Trade receivables and contract assets

Below is an analysis of trade receivables and contract assets:

	Note	GROUP		COMPANY	
		31.12.2020	31.12.2019	31.12.2020	31.12.2019
Trade receivables from third parties (a)		607,373,939	544,185,895	-	-
Contract assets and accrued income (b)		73,431,053	99,671,126	688,275	688,252
Trade receivables from public entities (c)		61,766,999	64,996,438	-	-
Management fees receivable from Greek State (d)		32,154,091	32,418,652	-	-
Receivables from disposal of assets of Greek State (e)	24	18,031,440	37,924,941	-	-
Cheques receivable		3,706,003	6,925,016	-	-
Overdue cheques receivable		2,509,260	3,270,534	-	-
Notes receivable		1,703,265	1,796,667	-	-
Receivables from expenses occurred on behalf of Greek State		1,034,732	1,926,156	-	-
Dividends receivable		-	-	2,500,000	-
Provisions for doubtful receivables (f)		(364,357,510)	(344,240,503)	-	-
<b>Total</b>		<b>437,353,272</b>	<b>448,874,922</b>	<b>3,188,275</b>	<b>688,252</b>

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 €175.3mln (31.12.2019: €158.2 mln), receivables from domestic and foreign customers of the subsidiary ETAD amounting to €153.5 mln (31.12.2019: €147.8 mln), receivables from customers of subsidiary EYATH amounting to €85.3 mln (31.12.2019: €80.5 mln), as well as receivables from domestic and foreign customers of the ELTA sub-group amounting to €117.1 mln (31.12.2019: €88.1 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 €48.4 mln (31.12.2019: €55.5 mln) and the subsidiary EYATH amounting to €14.6 mln (31.12.2019: €14.3 mln). The remainder of this line item includes also accrued income of OASA arising in the context of the provision of social benefit services amounting to €5.2 mln.
- (c) "Trade receivables from public entities" mainly relate to receivables from Local Authorities, Greek State and Public entities of the subsidiary EYDAP amounting to €54.8 mln (31.12.2019: €57.9 mln).
- (d) Amount of € 32.2 mln (31.12.2019: € 32.4 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).
- (e) "Receivables from disposal of assets of Greek State" of € 18.0 mln (31.12.2019: € 37.9 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 and contract liabilities" (Note 24). Specifically, the above receivables are analyzed as follows:
- € - mln (31.12.2019: 23.3 mln) relates to the annual concession fee of Regional Airports
  - € 4.8 mln (31.12.2019: € 5.2 mln) relates to consideration for the disposal of properties that were sold through internet platform
  - € 3 mln (31.12.2019: € 3 mln) which is part of the consideration from the sale of 33% of the share capital of OPAP SA.
  - € 2 mln (31.12.2019: € 2mln) which is part of the consideration from the sale of the shares of the company "New Corfu Real Estate Investments S.A."
  - € 7.1 mln (31.12.2019: € -) which is part of the consideration from the granting of rights of use of radio frequencies in the 1800 MHz band through the E.E.T.T.
  - € 0.38 mln (31.12.2019: € 0.38 mln) which is part of the consideration from the sale of the shares of the company "Stoa Modiano S.A."
  - € 0.8 mln (31.12.2019: € -) relates to sale of shares of Castello Bibelli property
  - € 0.7 th. (31.12.2019: € -) relates to receivable from the reduction of the share capital of DEPA EMPORIA

In addition, as at 31.12.2019 an amount of € 4 mln concerns a receivable from the dividend distribution from the accumulated results of previous years of the Heraklion Port Authority, which after its collection will be paid to the Special Account of the Greek State according to the provisions of Law 3986/2011.

- (f) The "Provision for doubtful receivables" of the Group are as follows:

	GROUP		COMPANY	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
<b>Provisions for doubtful trade receivables</b>				
<b>Opening balance</b>	<b>344,240,503</b>	<b>330,480,265</b>	-	-
Additional provisions for the year	22,810,747	15,951,828	-	-
Income from unused provisions	(330,105)	(618,591)	-	-
Provisions utilised during the year	(2,363,635)	(531,028)	-	-
Other movements - reclassification to provisions for other receivables (Note 15)	-	(1,041,971)	-	-
<b>Closing balance</b>	<b>364,357,510</b>	<b>344,240,503</b>	-	-

## 15. Other receivables

Other receivables are analyzed as follows:

	GROUP		COMPANY	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Various debtors (a)	57,794,735	59,777,495	552	1,407
Other receivables from Greek State (b)	55,521,104	62,473,437	2	2
Grants receivable(c)	39,536,862	4,287,796	-	-

Prepaid expenses	13,376,212	9,686,272	309,937	209,629
Other receivables	12,124,304	12,365,827	104	108
Receivables from personnel	12,015,065	13,251,910	-	-
Creditors' debit balances	11,540,950	10,535,111	-	-
Disputed receivables from Greek State	10,100,431	14,183,932	-	-
Dividends receivable for subsequent payoff to Greek State (d)	1,764,338	29,445,160	-	-
Disputed receivables	200,370	200,370	-	-
Minus: Provision for impairment (e)	(77,534,072)	(76,896,865)	-	-
<b>Total</b>	<b>136,440,299</b>	<b>139,310,445</b>	<b>310,595</b>	<b>211,146</b>

(a) "Various debtors" relates mainly to receivables of ELTA sub-group of €36.7 mln (31.12.2019 €37.1 mln), mainly arising from electricity debtors, receivables from OAED, receivables from Eurobank regarding POS and prepaid courier services, receivables of the subsidiary EYDAP of €7.6 mln (31.12.2019: €8.4 mln) and receivables from OASA sub-group of €4.6mln (31.12.2019: €5.8 mln).

(b) "Other receivables from Greek State" derive mainly from the subsidiary ETAD and include:

- A receivable of € 4.6 mln (31.12.2019: € 4.6 mln) that relates to an advance for special duty of L.3220/2004, for the acquisition of property owned or managed by GNT0. The whole amount of the receivable is provided as doubtful receivable.
- Amount of € 14.7 mln (2019: € 15.9 mln) arising from the absorbed by ETAD entity KED SA and relates to the current portion of KED receivable from the Greek State for the repayment of state-guaranteed loans. There is a respective liability of equal value included in "Short-term portion of long-term loans" (Note 21).
- Amount of €7.9 mln (2019: €7.9 mln) that relates to a receivable from a municipal authority.
- Amount of €0.03 mln (2019: €5.3 mln) that relates to VAT receivable.
- Amount of € 2.3 mln approximately (2019: € 2.2 mln) consists mainly from ETAD's receivable for the return of advance payment of income tax from previous year.

(c) The "Grants Receivable" mainly includes a receivable of the OASA sub-group amounting to € 38.1 mln which relates to an extraordinary grant from the Greek State due to loss in revenue from the Covid-19 pandemic. The purpose of this extraordinary grant is to provide the required liquidity to the subsidiaries of the sub-group OSY SA (€ 13.2 mln) and STASY SA (€ 24.9 mln), so that they can to meet overdue liabilities to third parties.

(d) The "Dividends receivable for subsequent payoff to the Greek State" as of 31.12.2019 mainly concerned the interim dividend of HELPE SA. for the year 2019 amounting to € 27.1 mln approved in November 2019, as well as the dividend of the Heraklion Port Authority for the year 2018 amounting to € 1.6 mln approved in September 2019. The balance as at 31.12.2020 relates to dividends of the companies OL. Heraklion amounting to € 0.7 mln, Hellenic SA amounting to € 0.8 mln, of O.L. Corfu amounting to € 0.2 mln and O.L. Rafina 0.03 mln. These dividends are receivable from the HRDAF and payable to the Greek State, therefore there is a corresponding obligation (Note 25).

(e) The movement of "provision for impairment" for other receivables is as follows:

	GROUP		COMPANY	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
<b>Provisions for other receivables</b>				
<b>Opening balance</b>	76,896,865	74,830,265	-	476,805
Additional provisions for the year	4,694,286	5,540,232	-	189,879
Other movements	27,712	-	-	-
Other movements - reclassification from provisions for trade receivables (Note 14)	-	1,041,971	-	-
Provisions utilised during the year	(162)	(1,237,737)		(666,684)
Income from unused provisions	(4,084,629)	(3,277,866)	-	-



<b>Closing balance</b>	<b>77,534,072</b>	<b>76,896,865</b>	<b>-</b>	<b>-</b>
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## 16. Cash and cash equivalents and Restricted cash

An analysis of Group's and Company's cash and cash equivalents is presented below:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
Cash in hand	14,808,332	757,695,017	56,094,438	72,627,439
Current accounts	1,132,883,810	100,570,864	-	-
Short-term deposits	61,425,138	15,864,763	113	313
<b>Total</b>	<b>1,209,117,280</b>	<b>874,130,644</b>	<b>56,094,551</b>	<b>72,627,752</b>

Cash and cash equivalents represent cash in hand, current accounts in the Bank of Greece other banks and short-term deposits with duration up to three months.

The increase of the Group's cash is mainly due to: a) the increase of the share capital of HCAP by € 100 mln, b) the collection of Universal Postal Service by ELTA amounting to € 179.1 mln, c) the increase of the cash of EYDAP by € 34 mln derives from its operating activities and d) the increase of the cash resources of HRADF by € 25 mln derives from the collection of dividends of € 27 mln.

The net variance in cash and cash equivalents at Company level is mainly due to the fact that during the year the Company collected dividends amounting to €30.0 mln while it paid dividends of € 44.6 million to the Greek State.

The caption of "Restricted cash" in the Statement of Financial Position includes deposits of the subsidiary ELTA of €7.4 mln (31.12.2019: €6.7 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, as well as, deposits of the subsidiary ETAD of €0.4 mln (31.12.2019: €3.7), which are not available to the Company due to pending court cases. It is also included a letter of guarantee of the subsidiary CMFO issued on behalf of the joint venture "JOINT VENTURE CMFO - ATHENS CENTRAL MARKET ASSOCIATION OF ATHENS P.C." of the value of 155,000 euros for the good execution of the contract with protocol number 28377 11/3/2016 concerning the supply of groceries for the needs of the National Institute of Labor and Human Resources.

## 17. Share Capital

According to article 188 of law 4389/2016, the initial share capital of the Company on 31.12.2019 amounted to € 40,000,000, divided in 40,000 nominal shares, with a nominal value of € 1,000 each. The Board of Directors of HCAP, with its decision of 03.03.2017, certified the partial payment of the share capital, and in particular the payment of the amount of 10,000,000 euros, which corresponds to the coverage of ¼ the nominal value of the Company's shares, in accordance with the provisions of Law 4548/2018 on partial payment of capital.

On December 18, 2020, the Extraordinary General Meeting of the sole shareholder of the Company, decided to increase the share capital of the Company by € 100,000,000 by issuing 100,000 shares with a nominal value of 1,000 euros / share and respectively amending the Company's Articles of Association on share capital.

On January 20, 2021, the Board of Directors approved the certification of the payment of one hundred million euros (€ 100,000,000) following the share capital increase of HCAP amounting to € 100,000,000, which was decided by the Extraordinary General Meeting of the sole shareholder of the company on December 18, 2020.

The share capital of the Company amounts to 140 mln euros. The paid-up share capital of the Company amounts to 110 mln euros. According to article 21 par. 4 of law 4548/2018, "Payments for repayment of capital are charged proportionally to all shares taken by the same person." Therefore, the amount paid of 100 mln euros for the recent share capital increase is charged proportionally to the 140,000 shares issued.

Share capital is fully covered by the Greek State:

	31.12.2020	31.12.2019
-Authorized capital	40,000,000	40,000,000
-Unpaid capital	(30,000,000)	(30,000,000)
- Share Capital Increase	100,000,000	-
<b>Paid-in capital</b>	<b>110,000,000</b>	<b>10,000,000</b>

The share capital of the Company could be increased by a decision of the General Meeting of the sole shareholder, following a proposal of the Board of Directors, which is endorsed by the Supervisory Board. The share capital of the Company is covered in its entirety by the Greek State and is deposited by decision of the Minister of Finance in an account held with the Bank of Greece in the name of the Company.

The Company's shares are non-transferable. As the operation of it and its direct subsidiaries, as defined in article 188 of law 4389/2016, serves a special public purpose, the shares of the Company, the shares of its direct subsidiaries, as well as the securities that incorporate the capital of the Fund Of Financial Stability of Law 3864/2010 (AD 119) ("HFSF") are things out of transaction within the meaning of the provision of article 966 of the Civil Code.

## 18. Other reserves

Group's and Company's other reserves are analyzed as follows:

Note	GROUP		COMPANY	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Reserves created from the acquisition of Other Subsidiaries (as referred in the law)	2,185,046,972	2,185,046,972	13	13
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 HRADF with no consideration	19,451,328	19,451,328	1	1
<b>Subtotal (a)</b>	<b>2,642,744,593</b>	<b>2,642,744,593</b>	<b>15</b>	<b>15</b>
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)	6 584,860,622	516,391,250	-	-
Reserve from railway rolling stock rentals (c)	26,171,290	-	-	-
Reserves from retained earnings held for investments by HCAP (d)	14,296,386	2,076,051	14,296,386	2,076,051
Statutory reserves	7,544,251	2,759,452	3,344,184	485,626
Revaluation reserve for investment properties (e)	6 2,694,085	2,694,085	-	-
Reserve from share of other comprehensive income in associates (recycled in retained earnings)	(41,002)	(41,002)	-	-
Reserve from share of other comprehensive income in associates (not recycled in retained earnings)	(551,501)	(238,428)	-	-
Reserve from financial assets at fair value through other comprehensive income	(899,814)	(573,109)	-	-
Reserve from actuarial gains/(losses) of Group's subsidiaries and associates	(27,659,119)	(17,909,681)	(20,639)	(7,780)
<b>Total</b>	<b>3,249,159,792</b>	<b>3,147,903,212</b>	<b>17,619,947</b>	<b>2,553,913</b>

(a) The amount of € 2,642.7 mln (31.12.2019: € 2,642.7 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) The "Reserve from transfer of assets from/to Greek State with no consideration" of €584.9 mln (31.12.2019: €516.4 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) The amount of € 26.2 mln (31.12.2019: € - million) " Reserve from railway rolling stock rentals" refers to the rents collected by GAIAOSE for rolling stock which were formed under paragraph 8 of Article 8 of Law 3891/2010. These rents, according to the law, have been collected on behalf of the Greek State and are attributable to the extensive maintenance of the rolling stock for its restoration to proper operating condition.
- (d) The amount of € 14.3 mln (31.12.2019: 2.1 mln) "Reserves from retained earnings held for investments by HCAP" pertains to profits held by the Company in order to be utilised for investments according to paragraph 2 of article 200 of Law 4389/2016 (and they can also be held in order to cover any possible future losses).
- (e) The "Revaluation reserve for investment properties" of € 2.7 mln (31.12.2019: € 2.7 mln) relates to the change 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.

## 19. 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 defined benefits 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:

Main actuarial assumptions	GROUP		COMPANY	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Discount rate	0.04%-1.29%	0,04%- 1.70%	0.70%	1.29%
Future earning raises	0.0% -2.90%	0.00%-3.00%	1.50%	1.50%
Average expected remaining working life (years)	1-20.63	2- 24.75	24.09	24.75
Inflation	1%-2%	~0.89%- 2.00%	1.50%	1.50%

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:

Main actuarial assumptions	GROUP		COMPANY	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Discount rate	0.71%	1.11%	-	-
Future earning raises	2020-21: ~ 2.13%, 2022+: 1.60%	2020-21: ~ 2.15%, 2022+:1.60%	-	-
Liability Duration	16.54	17.22	-	-

Medical Care Inflation	2021+: 1.60%	2020-21: ~ 0.89%, 2022+: 1.60%	-	-
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C) For two special lump sum accounts for EYDAP's employees hired before and after 25.10.1999

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:

Main actuarial assumptions	GROUP		COMPANY	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Discount rate	0.44%	0.84%	-	-
Future earning raises	2021: 2.13% 2022+: 1.60%	2020-21: ~ 2.15%, 2022+: 1.60%	-	-
Liability Duration	11.95	12.72	-	-
Inflation	2021+: 1.60%	2020-21: ~ 0.89%, 2022+: 1.60%	-	-

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:

Main actuarial assumptions	GROUP		COMPANY	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Discount rate	0.14%	0.54%	-	-
Future earning raises	2021: 2.13% 2022+: 1.60%	2020-21: ~ 2.15%, 2022+: 1.60%	-	-
Liability Duration	6.39	6.89	-	-
Inflation	2021+: 1.60%	2020-21: ~ 0.89%, 2022+: 1.60%	-	-

The amounts recognized in the income statement and in the statement of other comprehensive income are analyzed as follows:

Amounts recognized in the income statement	GROUP		COMPANY	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Current service cost	7,929,210	8,899,728	22,508	28,411
Finance cost	4,144,478	7,228,514	876	843
Past experience cost	25,192	445,555	-	-
Curtailment cost*	731,030	(57,515,803)	-	18,006
<b>Total expense in income statement</b>	<b>12,829,910</b>	<b>(40,942,006)</b>	<b>23,384</b>	<b>47,260</b>
<b>Other Comprehensive Income (OCI)</b>				
Net actuarial (profits)/ loss recognized in the year	(24,257,264)	(41,998,115)	(12,859)	(4,910)
<b>Total amount recognized in other comprehensive income</b>	<b>(24,257,264)</b>	<b>(41,998,115)</b>	<b>(12,859)</b>	<b>(4,910)</b>

The movement of the net liability as presented in the Statement of Financial Position is as follows:

Movement of net liability	GROUP		COMPANY	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
<b>Opening balance</b>	<b>457,606,963</b>	<b>473,014,255</b>	<b>67,885</b>	<b>40,448</b>
Cumulative amount recognised in OCI	24,257,264	41,998,115	12,859	4,910
Total expense/ (income) recognized in income statement	12,829,910	(40,942,006)	23,384	47,260
Employee's contributions	1,840,949	2,007,262	-	-
Staff transfer costs	-	(7,482)	-	-

Employer's contributions paid	(3,815,940)	(2,504,854)	-	-
Benefits paid during the year	(14,400,509)	(15,958,327)	-	(24,733)
<b>Net liability at year end</b>	<b>478,318,637</b>	<b>457,606,963</b>	<b>104,128</b>	<b>67,885</b>

\* On 16/3/2020 the BoD of the subsidiary ELTA decided, as a public utility company, to keep as maximum limit of staff compensation due to retirement the amount of €15 thousand. Therefore, the Group's curtailments for 2019 includes income of € 57,966,508.

The sensitivity analysis of the provision for staff leaving indemnities for the Company against changes in the main assumptions is:

Actuarial liability (change)	COMPANY	
	31.12.2020	31.12.2019
Discount rate +0.5%	-11%	-11%
Discount rate -0.5%	13%	13%
Rate of payroll change +0.5%	9%	10%
Rate of payroll change -0.5%	-8%	-9%

The number of employees, occupied as salaried regular staff at the end of the current year amounts to 16,001 (31.12.2019: 16,324) for the Group and 49 (31.12.2019: 47) for the Company, while the seasonal employees of the Group at the end of the current year amounts to 612 (31.12.2019: 445).

## 20. 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
<b>Balance as at 01.01.2020</b>	11,764,137	175,807,087	2,912,166	190,483,390
Additional provisions for the year	5,659,474	4,285,333	-	9,944,807
Transfers to current liabilities	(1,280,001)	(730,597)	-	(2,010,598)
Provisions utilized during the year	(379,786)	(4,404,347)	-	(4,784,133)
Income from unused provisions	(7,736,411)	(20,583,985)	-	(28,320,396)
<b>Closing balance as at 31.12.2020</b>	<b>8,027,413</b>	<b>154,373,491</b>	<b>2,912,166</b>	<b>165,313,070</b>

	GROUP			
	Various other provisions	Provisions for litigation cases	Provisions for taxes	Total
<b>Balance as at 01.01.2019</b>	9,822,903	169,670,239	2,992,166	182,485,308
Additional provisions for the year	3,202,934	24,522,651	-	27,725,585
Provisions utilized during the year	-	(818,718)	-	(818,718)
Transfers to current liabilities	-	(1,480,688)	(60,000)	(1,540,688)
Income from unused provisions	(1,261,700)	(16,086,397)	(20,000)	(17,368,097)
<b>Closing balance as at 31.12.2019</b>	<b>11,764,137</b>	<b>175,807,087</b>	<b>2,912,166</b>	<b>190,483,390</b>

"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 cases (note 33).

## 21. 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 11 "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, the amount of "Long-term loans" in the consolidated statement of financial position includes €10.0 mln (31.12.2019: € 10.5 mln) coming from the subsidiary ELTA, which concerns the part of a loan from Attica Bank having a maturity date on 07.12.2028. The short-term portion of this loan amounts to € 0.5 million. The loan bears pledges on ELTA's properties (Notes 5 and 6).

### Short-term loans

This category includes the balance of the overdraft account of the subsidiary ELTA from the Consignment Deposits & Loans Fund, including interest payable. As at December 31, 2020, the balance of this loan amounted to € 114.5 mln (31.12.2019: €116.1 mln). Additionally, an amount of €3.4 mln (31.12.2019: €3.3 mln) relates to short-term bank loans of the indirect subsidiary ELTA Courier having a duration from one to three months.

## 22. Other non-current liabilities

Other non-current liabilities are analyzed as follows:

	Note	GROUP		COMPANY	
		31.12.2020	31.12.2019	31.12.2020	31.12.2019
Non-current payables from disposal of assets (a)	11	51,096,023	64,689,604	-	-
Payables to lessees (b)		46,137,021	46,206,745	-	-
Long-term customer guarantees		38,549,314	37,686,042	-	-
Payable to the Greek State, pursuant to Par. 8, Art. 8, L.3891/2010 (c)		31,560,708	31,560,708	-	-
Customers' contributions (d)		21,033,557	21,916,290	-	-
Other liabilities (e)		12,749,653	13,788,958	-	-
Deferred rental income		10,878,085	11,397,363	-	-
<b>Total</b>		<b>212,004,361</b>	<b>227,245,710</b>	-	-

- (a) 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 11).
- (b) Payables to lessees of approximately € 46.1 mln (31.12.2019: € 46.2 mln) relate to the cost of installations that the lessees performed to the properties leased by subsidiary ETAD. These payables have been agreed to be offset with the respective future rental payments of the lessees.
- (c) "Payable to the Greek State under Par.8, Art.8, Law 3891/2010" of GAIAOSE amounting to € 31.6 mln (31.12.2019: €31.6 mln) 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.
- (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.

	Note	GROUP		COMPANY	
		31.12.2020	31.12.2019	31.12.2020	31.12.2019
<b>Customer contributions</b>					
Initial value of customer contributions		21,916,290	22,839,111	-	-
Collections during the year		27,725	-	-	-
Returns during the year		-	(13,056)	-	-
Depreciation during the year	28	(910,458)	(909,765)	-	-
<b>Closing balance of income from sewage network</b>		<b>21,033,557</b>	<b>21,916,290</b>	<b>-</b>	<b>-</b>

(e) "Other liabilities" of 12.7 mln (31.12.2019: €13.8 mln) mainly include payables to "Astir Marina Vouliagmeni" amounting to €10.4 mln (31.12.2017: €10.7 mln) and to National Bank of Greece amounting to € 0.9 mln (31.12.2019: € 1.7 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.

### 23. Government grants

Government grants relate to the grants received by the Group subsidiaries from the Greek State for investments 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:

	Note	GROUP		COMPANY	
		31.12.2020	31.12.2019	31.12.2020	31.12.2019
<b>Government Grants</b>					
<b>Opening balance</b>		<b>249,020,962</b>	<b>261,769,506</b>	-	-
Received during the year		3,716,932	2,787,806	-	-
Credited in the income statement of the year	28	(14,603,680)	(15,536,350)	-	-
<b>Closing balance</b>		<b>238,134,214</b>	<b>249,020,962</b>	<b>-</b>	<b>-</b>

### 24. 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:

	Note	GROUP		COMPANY	
		31.12.2020	31.12.2019	31.12.2020	31.12.2019
Domestic and foreign suppliers (a)		156,097,456	148,818,761	881,959	624,797
Current portion of liabilities from the disposal of Greek State's assets (b)	14	45,768,877	37,924,941	-	-
Contract liabilities and deferred income		25,740,936	14,055,469	-	-
Payables to public sector entities		11,475,950	7,780,018	-	-
Customer advances		11,062,243	12,254,567	-	-
Customer guarantees - current		7,442,116	7,564,847	-	-
Other trade payables		3,886,318	3,661,525	-	-
Greek State's fund management account (KED) (c)		2,261,826	1,890,010	-	-
<b>Total</b>		<b>263,735,722</b>	<b>233,950,138</b>	<b>881,959</b>	<b>624,797</b>



- (a) "Domestic and foreign Suppliers" mainly include payables to suppliers of OASA sub-group of €77.3 mln (31.12.2019: €72.6 mln), of EYDAP amounting to € 26.2 mln (31.12.2019: € 22.9 mln), of the ELTA sub-group of € 20.4 mln (31.12.2019: €19.7 mln), as well as of ETAD amounting to € 18.5 mln (31.12.2019: € 19.1 mln).
- (b) The amount of the "Current liabilities from the disposal of Greek State's asset" includes an amount of €27.7 mln, which concerns a liability to the Greek State from the utilization of Marina Alimou, which was paid to the Special Account of the Greek State in accordance with the provisions of Law 3986/2011 after the reporting date. As at 31.12.2019 the amount of the "Current liabilities from the disposal of Greek State's asset" includes an amount of €4 mln, which concerns a liability to the Greek State from the distribution of the Heraklion's Port Authority accumulated results of previous years, which after its collection will be paid to the Special Account of the Greek State according to the provisions of Law 3986/2011.
- In addition, an amount of €18.0 mln (31.12.2019: €33.9 mln) relates to the payables of the subsidiary HRADF to the Greek State arising from the utilization of assets 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 provisions of Law 3986/2011. These liabilities to the Greek State are matched by equal receivables by the counterparties from the asset exploitation (Note 14).
- (c) The Greek State's Funds Management Account (KED) amounting to €2.3 mln (31.12.2019: € 1.9 mln), relates 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.

## 25. Other current liabilities

Other current liabilities are analyzed as follows:

	GROUP		COMPANY	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Cash attributable to third parties (a)	118,374,345	106,260,280	-	-
Payables to social security funds	93,068,558	93,787,894	121,027	117,134
Other non-group transport operators (b)	50,739,149	49,491,713	-	-
Institutions of public utilities	48,469,211	24,294,722	-	-
Other payables	36,827,321	26,034,126	-	-
Tax liabilities and duties (excluding income tax)	32,515,803	21,326,573	200,716	224,396
Various creditors	25,119,294	24,617,480	-	-
Accrued expenses	16,913,631	13,069,472	685,393	487,876
Payables to personnel	9,925,493	10,292,242	430	6,210
Payables to Eurobank	9,658,790	10,519,695	-	-
Guarantees	6,860,805	6,564,694	-	-
Dividends payable from subsidiaries (c)	4,854,891	32,449,982	-	-
Liabilities to the Greek State	2,773,782	3,022,202	-	-
Cheques payable	332,268	1,275,319	-	-
Dividends payable from HCAP to Greek State (d)	-	2,537,396	-	2,537,396
<b>Total</b>	<b>456,433,341</b>	<b>425,543,790</b>	<b>1,007,566</b>	<b>3,373,012</b>

- (a) "Cash attributable to third parties" derives from the subsidiary ELTA, which 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, COSMOTEL etc.
- (b) Liabilities to "Other non-group transport operators" relate mainly to the liability of €50.7 mln (31.12.2019: €49.4 mln) of the indirect subsidiary STASY to ATTIKO METRO S.A..
- (c) "Dividends payable from subsidiaries" mainly concern dividends of €1.9 mln (31.12.2019: €29.4 mln) which after their collection by HRADF will be paid to the Greek State (Note 15).

- (d) "Dividends payable from HCAP to Greek State" of €2.5 mln as at 31.12.2019 concern the remaining balance of dividends payable to the Greek State from HCAP resulting from the distribution of profits for the year 2018 which was paid to the Greek State within 2020.

## 26. Revenue

Description	GROUP		COMPANY	
	01.01.2020- 31.12.2020	01.01.2019- 31.12.2019	01.01.2020- 31.12.2020	01.01.2019- 31.12.2019
Revenue from water supply and sewerage services (a)	398,363,052	393,065,541	-	-
Revenue from postal services (b)	231,732,811	233,873,831	-	-
Revenue from public transport services (c)	140,653,230	206,882,066	-	-
Revenue from other services	71,309,648	86,753,478	-	-
Revenue from electricity sales	45,345,977	55,593,935	-	-
Rental income (d)	40,587,845	52,342,449	-	-
Other revenue	13,344,854	13,965,929	-	-
Revenue from the sale of goods	12,181,476	14,469,910	-	-
Revenue from parking services	2,087,872	2,788,678	-	-
Revenue from re-charging third party fees to Greek State (e)	1,415,431	4,984,800	-	-
Revenue from HRADF's fees (f)	173,883	6,062,882	-	-
Dividend income (g)	-	-	35,213,684	61,944,726
<b>Total</b>	<b>957,196,079</b>	<b>1,070,783,499</b>	<b>35,213,684</b>	<b>61,944,726</b>

(a) "Revenue from water supply and sewerage services" refers to the revenue of EYDAP and EYATH from the water supply and sewerage services provided.

(b) "Revenue 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) "Revenue 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 subsidiary ETAD amounting to € 25.2 mln (31.12.2019: €34.9 mln), rental income of subsidiary GAIAOSE amounting to €4.5 mln (31.12.2019: €5.2 mln), as well as rental income of the two central markets amounting to €6.9 mln (31.12.2019: €7.8 mln).

(e) "Revenue from re-charging third party fees to Greek State" amounting to €1.4 mln (31.12.2019: € 4.9 mln) relates to the recharge of special expenses regarding the utilization of assets from subsidiary HRADF

(f) "Revenue from HRADF's fees" amounting to €0.2 mln (31.12.2019: €6.1 mln) relates to the HRADF's fee 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) which is used to cover the administrative and operating expenses of HRADF.

(g) The Company's dividend income relates to dividends from Group's companies and are analyzed as follows:

	COMPANY	
	01.01.2020- 31.12.2020	01.01.2019- 31.12.2019
Athens Water Supply and Sewerage Company S.A. (EYDAP)	20,235,000	14,377,500
Thessaloniki Water Supply and Sewerage Company S.A. (EYATH)	4,864,200	2,286,900
GAIAOSE S.A.	4,500,000	4,377,287
Hellenic Telecommunications Organization S.A. (HTO S.A.)	2,664,395	2,468,470

Central Markets and Fishery Organization S.A. (CMFO)	1,700,000	688,408
Central Market of Thessaloniki SA (CMT)	1,000,000	267,739
Corinth Canal Co S.A. (AEDIK)	150,000	-
Hellenic Saltworks S.A.	100,089	39,954
Public Properties Company S.A. (ETAD)	-	21,188,468
Athens International Airport S.A. (AIA)	-	16,250,000
<b>Total</b>	<b>35,213,684</b>	<b>61,944,726</b>

From the dividends listed above, an amount of € 32.7 mln was collected in 2020 and an amount of € 62.5 mln in 2019.

## 27. Expenses by category

Group's and Company's expenses by category are analyzed below:

		GROUP			
	Note	Cost of sales	Administrative expenses	Selling expenses	Total
<b>Period 01.01.2020 - 31.12.2020</b>					
Payroll cost		445,748,705	86,288,085	31,578,980	563,615,770
Third party fees and expenses		114,782,221	31,565,863	8,967,124	155,315,208
Depreciation and amortization of PP&E, intangible and right-of-use assets	5, 7, 8	94,989,841	10,178,821	3,040,507	108,209,169
Utilities costs		90,132,504	9,829,271	5,831,730	105,793,505
Consumption of inventories		94,997,562	916,417	322,865	96,236,844
Various expenses		55,288,450	9,367,872	7,592,890	72,249,212
Repair and maintenance costs		22,322,906	4,152,583	621,264	27,096,753
Provision for additional cost of unrefined water 2020		22,200,000	-	-	22,200,000
Other taxes and duties		12,689,257	3,391,443	897,211	16,977,911
Operating lease expenses		2,837,908	7,430,657	1,120,913	11,389,478
Third parties fees and expenses for utilization of the private property of the Greek State (recharged)		1,415,431	-	-	1,415,431
Provisions		-	-	-	-
Self-consumption cost		(10,982,304)	(244,097)	(40,677)	(11,267,078)
<b>Total</b>		<b>946,422,481</b>	<b>162,876,915</b>	<b>59,932,807</b>	<b>1,169,232,203</b>

		GROUP			
	Note	Cost of sales	Administrative expenses	Selling expenses	Total
<b>Period 01.01.2019 - 31.12.2019</b>					
Payroll cost		463,092,595	86,322,160	33,294,615	582,709,370
Third party fees and expenses		115,159,291	30,925,334	7,823,210	153,907,835
Depreciation and amortization of PP&E, intangible and right-of-use assets	5, 7, 8	104,182,767	10,639,072	3,152,744	117,974,583
Utilities costs		97,531,642	11,752,253	7,260,243	116,544,138
Consumption of inventories		111,544,319	930,462	287,141	112,761,922
Various expenses		59,117,749	9,534,422	7,521,025	76,173,196
Repair and maintenance costs		17,695,991	1,844,017	152,005	19,692,013
Other taxes and duties		12,374,259	3,512,683	965,085	16,852,027
Operating lease expenses		3,587,330	8,174,970	878,767	12,641,067
Third parties fees and expenses for utilization of the private property of the Greek State (recharged)		4,984,800	-	-	4,984,800
Provisions		-	17,260	-	17,260

Self-consumption cost	(8,355,349)	(245,623)	(40,685)	(8,641,657)
<b>Total</b>	<b>980,915,394</b>	<b>163,407,010</b>	<b>61,294,150</b>	<b>1,205,616,554</b>

The subsidiary EYDAP is in the final stage of negotiation with the Greek State for the extension of the right of exclusive disposal of water in its area of responsibility and for the final settlement of the price of the unrefined raw water for the period 2013 to 2020. Taking into account the process of negotiation, as well as the studies of its technical and legal advisors, EYDAP proceeded to the recognition of a provision for the additional cost of unrefined water for the period 2013-2020, amounting to € 157.5 mln, which burdens the results of current year.

For the year 2020 the established provision amounts to approximately € 22.2 mln and is included in the cost of sales. For the years 2013 to 2019, the total amount of the provision amounted approximately € 135.3 mln and was recognized in a separate caption of the income statement named "Provision for additional cost of unrefined water 2013-2019".

	Note	COMPANY	
		01.01.2020- 31.12.2020	01.01.2019- 31.12.2019
<b>Administrative expenses</b>			
Payroll cost		3,644,370	3,499,672
Third party fees and expenses		2,016,271	1,441,502
Utilities costs		311,745	254,580
Depreciation and amortization of PP&E, intangible and right-of-use assets	5, 7, 8	221,832	208,120
Various expenses		183,084	177,918
Other taxes and duties		26,566	57,266
Operating lease expenses		1,421	515
Repair and maintenance costs		896	585
<b>Total</b>		<b>6,406,185</b>	<b>5,640,158</b>

Third party fees of the Company appear increased compared to 2019, mainly:

A) Due to two major consulting projects funded by HCAP, assessing the need for proper planning of the transformation of the subsidiary of ELTA. Specifically, these projects concern the strategic and business planning of the transformation of ELTA and the strategy and the roadmap for their digital transformation.

B) Due to the fact that it financed a project to support the Greek State regarding the planning of the development transition plan for the lignite areas of the country ("Just Transition Development Plan", SDAM).

C) Due to consulting projects for search and selection of executives for the formation of the new direct subsidiary of HCAP "5G Ventures SA", but also for the evaluation and finding of executives in Boards of Directors.

## 28. Other operating income

	Note	GROUP		COMPANY	
		01.01.2020- 31.12.2020	01.01.2019- 31.12.2019	01.01.2020- 31.12.2020	01.01.2019- 31.12.2019
Income from unused provisions (a)		32,735,365	74,149,302	-	-
Special Subsidies (b)		37,867,786	61,384,714	-	-
Amortization of government grants	23	14,603,680	15,536,350	-	-
Other income		7,334,255	9,251,688	-	-
Income from other related activities		5,405,390	8,487,019	-	-
Income from prior years		2,375,911	3,475,697	-	-
Amortization of customers' contributions	22	910,458	909,765	-	-
Revenue from contract settlement (IVECO)		466,752	1,240,206	-	-

Income from impairment reversal of PP&E	5	-	2,791,679	-	-
<b>Total</b>		<b>101,699,597</b>	<b>177,226,420</b>	-	-

- (a) Income from unused provisions mainly relate to revenue of € 15.6 mln of the OASA subgroup and €12.2 mln of the ELTA subgroup from reversal of provisions for legal cases. In 2019, that income mainly concerned an amount of €57.9 mln from the reversal of the provision of benefits to employees of the subsidiary ELTA due to the imposition of maximum limit of retirement compensation allowance governing the public utility companies utilities (note 19).
- (b) Income from “Special Subsidies” comes mainly from the OASA sub-Group and relates to a subsidy of €106 mln (31.12.2019: €105.8 mln) of the operating deficit of OASA up to to 40% of the annual operating costs before depreciation from the State Budget, an amount of € 81.9 mln (31.12.2019: € -) concerning an extraordinary subsidy to the OASA sub-group to cover costs of OSY and STASY due to reduced revenues as a result of the Covid-19 pandemic, a subsidy of €3.7 mln (31.12.2019: €39.1 mln) to STASY SA for the settlement of overdue balances to PPC from the General Accounting Office of the Greek State, as well as smaller amounts of extraordinary subsidies received by OSY. From the total value of the collected subsidies, an amount of €183.9 mln (31.12.2019: €111.4 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”.

## 29. Other operating expenses

Group’s and Company’s Other operating expenses are analyzed below:

	GROUP		COMPANY	
	01.01.2020- 31.12.2020	01.01.2019- 31.12.2019	01.01.2020- 31.12.2020	01.01.2019- 31.12.2019
Provisions for impairment of receivables	27,505,033	21,302,179	-	-
Other provisions	12,749,538	26,228,426	-	-
Prior year expenses	5,134,881	6,069,959	2,203	-
Loss from disposal/write-off asstes	5,117,552	-	-	-
Non recurrent and extraordinary expenses	4,671,587	3,732,743	589	5,498
Loss from revaluation of asset transferred to investment properties	837,763	-	-	-
Other expenses	801,412	1,430,267	-	-
Other exceptional losses	302,365	237,249	-	-
Impairment losses on PP&E	229,399	2,688,471	-	-
Tax penalties	133,302	1,018,737	1,287	-
<b>Total</b>	<b>57,482,832</b>	<b>62,708,031</b>	<b>4,079</b>	<b>5,498</b>

## 30. Finance Income

Group’s and Company’s finance income is analyzed below:

	GROUP		COMPANY	
	01.01.2020- 31.12.2020	01.01.2019- 31.12.2019	01.01.2020- 31.12.2020	01.01.2019- 31.12.2019
Interest income	24,125,754	26,725,226	1,452,718	935,958
Other finance income	291,987	375,379	-	-
<b>Total</b>	<b>24,417,741</b>	<b>27,100,605</b>	<b>1,452,718</b>	<b>935,958</b>

Interest income of €24.1 mln (2019: € 26.7 mln) relates to interest income from time deposits and current accounts, as well as interest income from overdue receivables.

### 31. Finance cost

The Group's and Company's Finance Cost is analyzed below:

Note	GROUP		COMPANY	
	01.01.2020- 31.12.2020	01.01.2019- 31.12.2019	01.01.2020- 31.12.2020	01.01.2019- 31.12.2019
Other finance costs	4,889,935	6,799,228	7,743	7,834
Interest expense on bank liabilities	3,841,959	4,704,212	-	-
Financial cost on lease liabilities (first application of IFRS 16)	8 2,251,201	2,637,947	41,340	48,255
<b>Total</b>	<b>10,983,095</b>	<b>14,141,387</b>	<b>49,083</b>	<b>56,090</b>

### 32. Income tax

The Company is exempt from income tax as analyzed in Note 2.16.

Income tax recognized in income statement is analyzed as follows:

Note	GROUP		COMPANY	
	01.01.2020- 31.12.2020	01.01.2019- 31.12.2019	01.01.2020- 31.12.2020	01.01.2019- 31.12.2019
Current tax	(26,246,057)	(29,370,088)	-	-
Deferred tax	10 64,136,604	(4,394,275)	-	-
Tax differences from tax audits	21,158	2,553,422	-	-
<b>Total</b>	<b>37,911,705</b>	<b>(31,210,941)</b>	<b>-</b>	<b>-</b>

	GROUP		COMPANY	
	01.01.2020- 31.12.2020	01.01.2019- 31.12.2019	01.01.2020- 31.12.2020	01.01.2019- 31.12.2019
<b>Results before tax</b>	18,858,314	222,941,374	30,207,055	57,178,938
Current tax rate (percentage)	24%	24%	24%	24%
Income tax calculated with the current tax rate	(4,525,995)	(53,505,930)	(7,249,693)	(13,722,945)
Adjustments for:				
- Non-recognition of deferred tax liability/(asset) on profits/(losses) of companies exempt from income tax	(15,201,879)	15,998,410	7,249,693	13,722,945
- Non-recognition of deferred tax assets on the share of gain/losses from associates or joint ventures	(3,363,335)	9,982,782	-	-
- Recognition of deferred tax asset of previous years	41,375,185	6,261,586	-	-
- Utilization of tax losses from previous years for which no deferred tax asset had been recognized	24,712,846	6,173,342	-	-
- Non-taxable income	3,519,548	3,790,809	-	-
- Recovery of tax audit differences imposed in previous years	-	2,553,422	-	-
- Other	(882,076)	(2,068,762)	-	-
- Change in tax rate	4,380,000	(2,666,688)	-	-
- Non tax-deductible expenses	(12,072,845)	(3,160,367)	-	-
- Non-recognition of deferred tax asset for losses	(29,744)	(14,569,545)	-	-
<b>Total</b>	<b>37,911,705</b>	<b>(31,210,941)</b>	<b>-</b>	<b>-</b>

According to the current Income Tax Code (L.4172/2013), as amended by the Law 4646/2019, the income tax rate for the legal entities residing in Greece for the income of the fiscal year 2020 and 2019 is set at 24%. For the fiscal year 2018 the income tax rate was 29%.

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, based on how they expected on 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 in the current year, despite the earnings before tax, the tax (current and deferred) is shown to be an expense, is mainly due to the following:

a) The subsidiary ELTA recognized a deferred tax asset from carried-forward tax losses of € 41.4 mln that can be offset until 2022 based on the approved business plan of ELTA, the equivalent of which had not been recognized in previous years

b) a significant impact is due to the fact that the income statement reflects loss of 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.

Olympic Properties SA which has been absorbed by ETAD, was audited for the fiscal year 2008 and according to a Final Act of Corrective Determination of Income Tax for financial year 01.01.2008-31.12.2018 which was delivered in 2017 a difference in main tax was calculated at €2.3 mln, and an additional tax for inconsistency was assessed at € 2.7 mln (total €5.0 mln). ETAD took legal action against the above tax charges. For the above amount, a provision had been established equal to 100% as at 31.12.2018. In 2019, with the decision number 2750/2019, the Administrative Court of Appeal of Athens decided to reject the Final Act of Corrective Determination of Income Tax with No. 1077 / 18-5-2017. Therefore, ETAD in 2019 recognized income tax of € 2.3 mln relating to the difference in main tax and € 2.7 mln in "Other operating income" from the reversal of the provision.

### 33. 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	
	31.12.2020	31.12.2019
Letters of guarantee HRADF	183,957,990	267,861,261
Letters of guarantee ETAD	53,107,800	53,208,523
Letters of guarantee OASA	44,122,548	91,042,463
Letters of guarantee ELTA	5,765,084	5,765,084
Letters of guarantee GAIAOSE	3,132,636	1,096,515
Letters of guarantee CMFO	571,218	347,135
Letters of guarantee TIF-HELEXPO	334,485	331,281
Letters of guarantee HCAP	71,801	32,642
<b>Total</b>	<b>291,063,562</b>	<b>419,684,904</b>

The Group has issued letters of guarantee to assure liabilities, analysis by company as follows:

	GROUP	
	31.12.2020	31.12.2019
Issued letters of guarantee EYATH	511,386	416,786
Issued letters of guarantee EYDAP	362,658	1,387,912



Issued letters of guarantee OASA	806,562	415,581
Issued letters of guarantee TIF-HELEXPO	-	25,092
Issued letters of guarantee HELLENIC SALTWORKS	2,625	4,573
<b>Total</b>	<b>1,683,231</b>	<b>2,249,944</b>

## Legal cases regarding third party claims against HCAP or its subsidiaries

### 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 decisions 1223 and 1224/2020 of the Section D' (Seven-member Composition) were issued, according to which the cases were referred to the Court Plenum of the Council of State due to significance. The discussion of the case before the Plenary Session of the Council of State took place on 06.11.2020 and 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-Follie 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.

On the case was issued the decision No. 3572/2020 of the Athens Multi-Member Court of First Instance, rejecting the lawsuit on the grounds that the shareholder, as an indirectly party, is not entitled to sue members of the company's Board of Directors. HCAP has filed an appeal against the decision within the stipulated deadline.

3. On 19.08.2019, a seizure order was notified against HCAP in Paris on the basis of an arbitral award for a dispute between the Greek State and the company HELLENIC SHIPYARDS (Skaramagka) SA. The case concerns an attachment attempted by Hellenic Shipyards Skaramagka SA -HSY- against the Company on a Bank in France for an amount of €210,924,931.51, for the enforcement of an arbitral award of the International Chamber of Commerce (ICC) in combination and pursuant to a judgment of the Paris Court of Appeal issued on 27.06.2019 which authorized the HSY to serve an attachment against the Company in France. The Company has exercised the necessary appeals and legal remedies against the decision in the competent courts of France, claiming that HCAP lacks of passive legitimation regarding the dispute between the Greek State and third parties, and that under law 4389/2016 HCAP is not liable for third party claims to the detriment of the Greek State as it is a separate independent legal entity. The date of discussion of the case before the competent court (Paris Court of Appeal) was set for 10.02.2021 when it was postponed and re-appointed for 24.11.2021. It is noted that the attachment was attempted in France where HCAP has no assets.

### A2. Regarding Direct Subsidiaries

#### ETAD

(a) 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 €44 mln. It is underlined that in many cases there are conflicting claims between the Company and third parties, with suits and counter-suits.

(b) The Lagonisi Hotel Complex was leased to ATTIKOS ILIOS SA with contract No 10469/1999, which was subsequently amended and supplemented with contracts No. 555 and 633/2003 respectively (with the latter an adjacent area was also leased to ATTIKOS ILIOS), as well as with contract No 1175/2009, according to which pending contract matters were settled. In particular, the following A.1 – 8 lawsuits:

A.1) 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. requested, among other things, ETAD to be ordered to 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, to be ordered to pay to Attikos Ilios SA the amount of 24,952,181.31 Euros plus a 2.4% stamp duty and legal interest from 1.1.2003, to be ordered to pay to Attikos Ilios SA the amount of 1,229,420.44 Euros plus a 2.4% stamp duty and legal interest, to be ordered to pay to Attikos Ilios SA the amount of 5,000,000 Euros as compensation for non-material damage, to order the defendant to pay to Ilios SA the amount of 9,522,527 Euros for the material damage, as well as the amount of 5,000,000 Euros as compensation for non-material damage, that is a total of 14,522,527 Euros and to order ETAD to pay to the Touristiki Xenodochiaki Emporiki SA the amount of 1,000,000 Euros as compensation for non-material damage. This application-lawsuit was heard before the Arbitral Tribunal and the decision no.20/2019 was issued, which partially accepts the lawsuit and obliges ETAD to pay to "Attikos Ilios aXTENE" the amount of 34,678,834 Euros with legal interest as of the service of the lawsuit, the amount of 21,209,354 Euros increased by 2.4% for stamp duty and with the agreed contractual interest of 5.9% per annum for the period from 1.1.2003 until the service date of the lawsuit, and since then with legal interest, the amount of 1,045,007 Euros increased by 2.4% for stamp duty, with legal interest as of the service of the lawsuit and orders ETAD to pay to "Attikos Ilios AXTENE" the amount of 820,000 euros for the court costs and to all the above companies the amount of 69,300 Euros. In addition, it orders "Touristiki Xenodochiaki Emporiki SA" and "Anonymos Touristiki Eteria Ilios S.A." to pay to ETAD the amount of 20,000 Euros and the amount of 290,000 Euros respectively.

A.2) Furthermore, the three aforementioned companies filed action for damages against ETAD on 28.11.2018, with which they request ETAD to be ordered to pay to Attikos Ilios SA the amount of 258,753,105 Euros with interest, an amount that constitutes the profits that with certainty would have obtained during the period 2005 -2012, to order the defendant to pay as compensation for non-material damage 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 above lawsuit was heard before the Arbitral Tribunal and the decision no. 24/2019 was issued, which partially accepted the lawsuit, ordered ETAD to pay to "Attikos Ilios SA" the amount of 64,955,567 Euros with the legal interest as of the service of the lawsuit until repayment, the amount of 900,000 Euros for court costs and the amount of 69,300 Euros as remuneration of the umpire, the arbitrators and the secretary. In addition, it ordered "Anonymos Touristiki Eteria Ilios S.A." to pay the court costs of ETAD set at 100,000 Euros and "Touristiki Xenodochiaki Emporiki SA" to pay the court costs of ETAD set at 60,000 Euros. Furthermore the opponents of ETAD filed the following lawsuits:

A.3) On April 12, 2019 a request for arbitration 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 the 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 damage, 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 damage, and that ETAD be ordered to pay to the third of these three companies the amount of 10,000,000 Euros as compensation for nonmaterial damage. For this request-lawsuit, the no. 3/2020 Arbitral Award was issued, which partially accepted the request-lawsuit, recognized the obligation of ETAD to pay to the above first applicant the amount of 66,987,803.20 Euros, ordered ETAD to pay to "Attikos Ilios" the amount of 850,000 Euros as court costs and ordered the ETAD to pay the applicants the amount of 69,300 Euros as remuneration of the umpire, the arbitrators and the secretary. In addition, it ordered "Touristiki Xenodochiaki Emporiki SA" to pay the court costs of ETAD set at 50,000 Euros and "Anonymos Touristiki Eteria Ilios S.A." to pay the court costs of ETAD set at 100,000 Euros.

A.4) Furthermore, on 10 April 2019 a request for arbitration 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 the 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 damage, 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 damage, and that ETAD be ordered to pay to the third of

these three companies the amount of 5,000,000 Euros as compensation for nonmaterial damage. For this request-lawsuit, the no. 4/2020 Arbitral Award was issued, which partially accepted the request-lawsuit, recognized the obligation of ETAD to pay to the above first applicant the amount of 26,552,304.00 Euros, ordered ETAD to pay to "Attikos Ilios SA" the amount of 700,000 Euros as court costs and ordered the ETAD to pay the applicants the amount of 69,300 Euros as remuneration of the umpire, the arbitrators and the secretary. In addition, it ordered "Touristiki Xenodochiaki Emporiki SA" to pay the court costs of ETAD set at 70,000 Euros and "Anonymos Touristiki Eteria Ilios S.A" to pay the court costs of ETAD set at 150,000 Euros.

A.5) In fact, the above companies served a request for arbitration on 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 damage in the amount of 20,000,000 Euros, that ETAD be ordered to pay the second of these companies compensation for non-material damage in the amount of 30,000,000 Euros, that ETAD be ordered to pay the third of these companies compensation for non-material damage in the amount of 10,000,000 Euros. For this request-lawsuit, the no. 1/2020 Arbitral Award was issued, which obliges ETAD to pay to "Attikos Ilios SA", the amount of 292,716,254 Euros with the legal interest as of the service of the lawsuit until repayment, as well as part of court costs of €1,400,000 and the amount of €69,300 as remuneration of the umpire, the arbitrators and the secretary. In addition, it ordered "Anonymos Touristiki Eteria Ilios S.A" to pay the court costs of ETAD set at 100,000 Euros and "Touristiki Xenodochiaki Emporiki SA" to pay the court costs of ETAD set at 60,000 Euros.

A.6) Furthermore, the above companies served a request for arbitration on 12.5.2019, with which they seek for declaration as to the obligation of ETAD to pay the amount of 21,980,000 Euros for the forfeiture of penalties imposed pursuant to indent B of the operative part of arbitral award 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 arbitral award No 4/2006, and the amount of 10,000,000 Euros as compensation for non-material damage to the first of the applicants and the amount of 5,000,000 Euros as compensation for non-material damage to the second and third applicants. For this request-lawsuit, the no. 2/2020 Arbitral Award was issued, which partially accepted the request-lawsuit, declared the obligation of ETAD to pay to the above first applicant the amount of 43,960,000 Euros, ordered ETAD to pay to "Attikos Ilios SA" the amount of 600,000 Euros as court costs and ordered ETAD to pay the applicants the amount of 69,200 Euros as remuneration of the umpire, the arbitrators and the secretary. In addition, it ordered "Touristiki Xenodochiaki Emporiki SA" to pay the court costs of ETAD set at 100,000 Euros and "Anonymos Touristiki Eteria Ilios S.A" to pay the court costs of ETAD set at 100,000 Euros.

A.7) In addition, the applicant companies, with their request for arbitration dated 15.5.2019, requested ETAD to 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. Also, with the same request for arbitration the applicants request to ETAD to be ordered to pay to them compensation for nonmaterial damage, 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 the award no. 28/2019 the arbitral tribunal accepted in part the above arbitration request-lawsuit, obliged ETAD to pay to "Attikos Ilios SA" the amount of 4,000,000 Euros, to "Touristiki Xenodochiaki Emporiki SA" the amount of 1,000,000 Euros and to "Anonymos Touristiki Eteria Ilios S.A" the amount of 10,000,000 Euros, as well as the amount of 250,000 Euros for their court costs and the amount of 69,300 Euros as remuneration of the umpire, the arbitrators and the secretary.

A.8) Additionally, with the request for arbitration dated 4.6.2019 the above companies requested ETAD to be ordered to pay the amount of 640,000 Euros for the alleged non compliance of ETAD with the operative part of arbitral award No 32/2011, dated 1.4.2019 and beyond, and subsequently the amount of 5,000 Euros daily as of the filing of the request for arbitration 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 damages, and the total amount for court costs and arbitrator fees. The arbitral tribunal with its award no. 29/2019, rejected the above arbitration request - lawsuit and ordered the companies to pay ETAD part of its court costs, amounting to 40,000 Euros. It also ordered ETAD to pay the above companies the amount of 27,720 Euros as remuneration of the the umpire, the arbitrators and the secretary.

Against the above mentioned Arbitral Awards Nos. 20/2019, 24/2019, 28/2019, 29/2019, 1/2020, 2/2020, 3/2020 and 4/2020, ETAD has exercised and will exercise on time all the appeals and legal remedies provided for by the Code of Civil Procedure for their annulment, otherwise the declaration of their non-existence.

B.1) Against the Arbitration Decision no. 20/2019, ETAD has filed before the Athens Court of Appeal the from 26.09.2019 and with GAK: 8807/2019 its annulment action, otherwise recognition of its absence, as well as the supplementary action from 17.10.2019 cancellation. The main action for annulment from 26.09.2019 and with GAK: 8807/2019 was discussed after the summons of the opponents for summary judgment in a panel together with the supplementary action for annulment from 17.10.2019 on 12.03.2020 and the issuance of a decision is expected. Also, on 24.09.2020, the supplementary action for annulment from 17.10.2019 was discussed at its initial date, since in the opinion of ETAD in the trial of 12.03.2020 it had not been registered in the list and the sub-no. 474/2021 decision of the Athens Court of Appeals, by virtue of which the trial was suspended until its final termination with GAK: 8807/2019 main lawsuit. We note that with the decision no. 1064/2020 of the Athens Court of Appeal (Precautionary Measures Procedure) the request of ETAD for suspension of the execution of the arbitral award was rejected.

B.2) Against the Arbitration Decision no. 24/2019, ETAD had filed before the Athens Court of Appeals the action of annulment of 17.12.2019, otherwise recognition of its absence, from which it resigned on 19.02.2020. Nevertheless, the specific lawsuit was discussed on 20.02.2020 and the decision no. 4481/2020 of the Athens Court of Appeals was issued, which ruled that the trial was canceled. ETAD, on 19.02.2020 filed a new lawsuit for annulment in time, otherwise acknowledging the non-existence of the Arbitration Decision no. .2020, when it was canceled due to the limitations of the discussion of the cases due to the COVID-19 pandemic. Following the summons of the other party for the re-determination of the date of discussion of the above lawsuit, the discussion was determined for the trial of 20.05.2021, when it was postponed for the trial of 02.06.2022.

B.3) Against the Arbitral AwardNo. 3/2020 and 4/2020, ETAD will file lawsuits before the Athens Court of Appeals for their annulment, otherwise the declaration of their non-existence, which was to be discussed on 15.04.2021, but with a summons to a shorter trial, it was determined for the trial on 19.11.2020, when it was canceled due to the limitations of the discussion of cases due to the COVID-19 pandemic. Following the summons of the other party for the re-determination of the date of discussion of the above lawsuit, the discussion was determined for the trial of 20.05.2021, when it was postponed for the trial of 26.01.2023.

B.4) Against the Arbitral Award No. 4/2020, ETAD will file lawsuits before the Athens Court of Appeals for their annulment, otherwise the declaration of their non-existence, which was to be discussed on 15.04.2021, but with a summons to a shorter trial, it was determined for the trial on 19.11.2020, when it was canceled due to the limitations of the discussion of cases due to the COVID-19 pandemic. Following the summons of the other party for the re-determination of the date of discussion of the above lawsuit, the discussion was determined for the trial of 20.05.2021, when it was postponed for the trial of 26.01.2023.

B.5) Against the Arbitral Award no. 01/2020, ETAD has filed on 12.06.2020 before the Athens Court of Appeals the action for its annulment, otherwise the declaration of its non-existence, and the hearing is set for 20.05.2021. However, with the summons of a shorter trial, it was determined for the trial of 3.12.2020, when it was canceled due to the limitations of the discussion of the cases due to the pandemic of COVID-19. Following the summons of the other party for the re-determination of the date of discussion of the above lawsuit, the discussion was determined for the trial of 20.05.2021, when it was postponed for the trial of 02.06.2022.

B.6) Against the Arbitral Award no. 02/2020, ETAD has filed on 12.06.2020 before the Athens Court of Appeals the action for its annulment, otherwise the declaration of its non-existence, and the hearing was set for 15.04.2021, but with a summons to a shorter trial, it was determined for the trial of 19.11.2020, when it was canceled due to the restrictions of the discussion of the cases due to the COVID-19 pandemic. Following the summons of the other party for the re-determination of the date of discussion of the above lawsuit, the discussion was determined for the trial of 20.05.2021, when it was postponed for the trial of 26.01.2023.

B.7) Against the Arbitral Award no. 28/2019, ETAD has filed on 10.06.2020 before the Athens Court of Appeals the action for its annulment, otherwise the declaration of its non-existence, and the hearing is set for 15.04.2021, but with a summons to a shorter trial, it was determined for the trial of 19.11.2020, when it was canceled due to the limitations of the discussion of the cases due to the COVID-19 pandemic. Following the summons of the other party for the re-determination of the date of discussion of the above lawsuit, the discussion was determined for the trial of 20.05.2021, when it was postponed for the trial of 26.01.2023.

B.8) Against the Arbitral Award no. 29/2019, ETAD has filed on 10.06.2020 before the Athens Court of Appeals the action for its annulment, otherwise the declaration of its non-existence, and the hearing was set for 20.05.2021, but with a summons to a shorter trial, it was determined for the trial of 3.12.2020, when it was canceled due to the restrictions of

the discussion of the cases due to the COVID-19 pandemic. Following the summons of the other party for the re-determination of the date of discussion of the above lawsuit, the discussion was determined for the trial of 20.05.2021, when it was postponed for the trial of 02.06.2022. Against the decisions of the Athens Court of Appeals on the annulment lawsuits, the possibility of an appeal before the Supreme Court is provided, by the defeated party.

C) Against the provisions of Arbitration Decisions no. 20/2019, 24/2019, 28/2019, 1/2020, 2/2020, 3/2020 and 4/2020, with which ETAD is ordered to pay the above mentioned court costs for each decision, ETAD has filed before the competent Single Member Court of First Instance of Athens on 18.12.2019, 03.02.2020, 03.02.2020, 03.02.2020, 03.02.2020, 12.03.2020 and 12.03.2020 respective appeals, and by which he requests the cancellation of the relevant provisions of the arbitral awards. The appeals from 03.02.2020 against the no. 24 & 28/2019, 1 & 2/2020 decisions were determined for the trial of 17.11.2020, when they were canceled due to the limitations of the discussion of the cases due to the pandemic of COVID-19, and a new trial of all four was determined on 28.9. 2021, the discussion of the appeal from 18.12.2019 against the no. 20/2019 of the decision was determined for the trial of 19.01.2021, when it was canceled due to the pandemic of COVID-19 and a new trial was determined for 9.11.2021, while the appeals of 12.03.2020 against the no. 3 & 4/2020 decisions were discussed during the trial of 11.05.2021 and a decision is expected.

D) In fact, with the enforcement proceedings imposed dated 10 June 2019, Attikos Ilios imposed an attachment order against ETAD on, among others, National Bank of Greece, Piraeus Bank SA, Eurobank Ergasias SA, Alfa Bank SA, Attica Bank SA, and Bank of Greece, for the amount of 43,965,050 Euros for alleged monetary penalties due, which, according to the opponents, were imposed on ETAD with arbitrary award No 4/2006. In order to contest the attachment, ETAD filed an opposition to enforcement, which is to be discussed on 15.03.2022 and temporary regulation of status application dated 14.06.2019. For this application the no. 378/2020 decision of the Single Member Court of First Instance of Athens was issued, which accepted the above application, suspended the enforcement procedure described above until the issuance of a final decision on the opposition and awarded ETAD the amount of 300 euros as court costs.

E) Furthermore, ATTIKOS ILIOS S.A. and TOURISTIKI XENODOCHIAKI EMPORIKI S.A. and ANONIMOS TOURISTIKI ETERIA ILIOS S.A. have filed:

E.1) ATTIKOS ILIOS S.A. and TOURISTIKI XENODOCHIAKI EMPORIKI S.A. and ANONIMOS TOURISTIKI ETERIA ILIOS S.A. have filed the lawsuits dated 10-9-2015 with General Application Number No 83910/2015 and Petition Application Number No 3072/2015 against ETAD, DIMITRIOS LAMPROU and GRIGORIOS DOUNIS, with which they request that ETAD and the former members of its Board of Directors, be ordered to pay compensation due to nonmaterial damages and more specifically ETAD and D.LAMPROU to pay the amount of €6,000,000 to each of the above and ETAD and G.DOUNIS to pay the amount of €4,000,000 to each of the above, which was discussed on 18-04-2019. For the above lawsuit the no. 3982/2019 decision of the Multi-Member Court of First Instance of Athens was issued, rejecting the lawsuit and awarding the defendants the amount of 20,000 Euros as court costs. Against the above decision the plaintiff companies filed before the Three-Member Court of Appeal of Athens the from 13.01.2020 and with GAK: 7110/2020 appeal, as well as the from 15.01.2021 and with GAK: 304/2021 additional reasons thereof, which were determined to be discussed on 18.02.2021 when they were canceled due to the limitations of the discussion of the cases due to the COVID-19 pandemic and they were re-determined for the trial of 02.09.2021.

E.2) ATTIKOS ILIOS has filed against the company absorbed by ETAD 'PARAKTIO ATTIKO METOPO S.A.' and its former President A.MATIATOS, a lawsuit dated 20-02-2015, with which it requests €20,000,000 for non-material damage, which was discussed on 9.5.2019 and a decision is expected. With the no. 2487/2020 decision of the PPrAth, this lawsuit was rejected as inadmissible due to indefiniteness and court costs were imposed against the plaintiff in the amount of € 1,500. Against the no. 2487/2020 of the decision of PPrAth, was brought before the Three-Member Court of Appeal of Athens with GAK: 6325/2021 appeal, which has not yet been determined.

E.3) TOURISTIKI XENODOCHIAKI EMPORIKI S.A. has filed against the company absorbed by ETAD, PARAKTIO ATTIKO METOPO S.A.' and its former President A.MATIATOS, a lawsuit dated 30-7-2015 with GAK 77682/2015 and 2737/2015, with which she was asked to be paid the amount of € 10,000,000 for moral damage. The lawsuit was to be discussed before the P.P.A. on 11-5-2017, when it was initially postponed for 21-2-2019 and then postponed for 09.05.2019, when the other party, with an oral statement, which was recorded in the minutes, withdrew from the lawsuit. In this case, no. 2008/2020 decision of PPrAth, by which the trial was declared abolished and court costs are awarded against the plaintiff in the amount of € 20,000. Against this decision, the other party filed the appeal with GAK: 2145/2021, which has not yet been determined.



E.4) ANONIMOS TOURISTIKI ETERIA ILIOS S.A. has filed against the company absorbed by ETAD, PARAKTIO ATTIKO METOPO S.A.' and its former President A.MATIATOS, a lawsuit dated 2-3-2015 with GAK 27101/2015 and AKD 896/2015, with which she was asked to be paid the amount of € 20,000,000 for moral damage. The lawsuit was to be discussed before the P.P.A. on 11-5-2017, when it was initially postponed for 21-2-2019, and then postponed for 09.05.2019, when it was discussed. On this lawsuit was issued the no. 2489/2020 decision of PPrAth, by which the lawsuit was rejected and court costs were awarded against the plaintiff in the amount of € 1,500. Against this decision, the other party filed the appeal with GAK: 6288/2021, which has not yet been determined.

#### 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 Agreement 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 12.08.2013 Share Transfer Agreement 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 (par. 12.9 of the Agreement).
- 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 (par. 12.1 of the Agreement).
- 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 (par. 12.1 of the Agreement).
- The hearing of the case was completed before the arbitral tribunal in November 2020 and on June 15, 2021 its decision was issued as follows: 1. Accepted that the HRADF / Greek State owes to the Buyer the amount of compensation. 2. Did not accept the Buyer's compensation for the additional charge of OPAP SA., consequence of the increase of the participation of the Greek State in the gross income of the company from 30% to 35% under article 56 of law 4389/2016 (par. 12.1 of the Contract). 3. Accepted that HRADF / Greek State owes to the Buyer an amount for legal costs. 4. Defined the obligation to pay by the HRADF the costs of the arbitration procedure. According to the HRADF, this amount is exceeded by deposits already made by the HRADF.

The provisions of the last indent of Law 3986/2011 on joint and in whole liability of the Greek State apply.

#### 2) Activation of clause 16.1 of the Share Transfer Agreement dated 12.08.2013 for the sale of 33% of OPAP S.A.

Emma Delta has informed HRADF of an internal transaction that took place between existing corporate entities participating in the company. Emma Delta's position is that the respective transaction does not fall within the scope of Article 16.1 of the Contract and therefore no additional price has to be paid. HRADF had an opposite view and required Emma Delta to pay an additional price. Emma Delta has not taken any action up today.

HRADF has incorporated this issue as a counterclaim against Emma Delta into the ongoing Arbitration process (case above). The case was discussed before the arbitral tribunal and its decision is awaited.

#### 3) Emma Delta's contingent claims pursuant to the Share Transfer Agreement dated 12.08.2013 for the sale of 33% of OPAP S.A., due to change in the legislative framework for gambling and exclusive online rights

Emma Delta has informed HRADF with a letter that it intends to seek compensation in the event that a bill of Finance Ministry, which is currently under deliberation with the EU's TRIS process, is adopted, and which intends to amend L.4002/2001 on matters relating to online gambling. Emma Delta's rationale is that this bill will affect OPAP SA's exclusive rights, arising from the concession agreement OPAP has with the Greek State, as amended. According to Emma Delta's view, this would lead to a partial revocation of the exclusive license under the concession contract, a fact that would lead HRADF to reimbursement under the Transfer Agreement dated 12.08.2013 for the sale of 33 % of OPAP S.A.

HRADF has responded by refusing any liability.

Emma Delta reverted pointed out the recently published decisions of the Council of State on the right to place an online bet and the subsequent legislative initiative of the Finance Ministry to submit to Parliament draft laws on online gambling, and on the other hand, it reiterated its potential claims from HRADF, suspending, though, the claims awaiting the award of OPAP S.A.'s two new arbitrations against the Greek State on the same issue. Emma Delta claims that if it is not satisfied by its 33% share in relation to the amounts that it expects to be adjudicated to OPAP S.A., it will reopen the proceedings against HRADF to meet the rest of its financial claims.

#### 4) 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 utilize 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 several liability is in force.

#### 5) 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.

Pursuant to its letter of 23.04.2019, Cosco raised to the HRADF a series of issues related to the investment of the PPA, claiming unconventional behavior of the State. With the same letter, Cosco requests the immediate transfer of a percentage of 16%, the sale of which has been agreed with the sale and purchase agreement of shares dated 08.04.2016, but it is subject to the postponement of the completion of the mandatory investments of the first investment period. Cosco returned with this request under its letter of 23.11.2020. All stakeholders are being consulted on this issue.

#### 6) 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.

#### 7) Claims against HRADF based on no.1/2018 Act of Compensation of Land Plots of the Municipality of Syros

According to no. 1/2018 Act of Compensation of Land Plots of the Municipality of Syros and in combination with no. 49/2018 and 20/2019 applications for the determination of the final expropriation unit price of the Municipality of Kythnos and others before the Three-Member Court of Appeal of Aegean, compensation is claimed by HRADF due to the value that obtains the land plot under its ownership located in OT. 28 of the Baths Settlement of the Municipality of Kythnos by the modification of the existing road plan. The applications were discussed before the Aegean Court of Appeals on 10.05.2019, in which the HRADF appeared with a relevant intervention petition and a decision is expected.



Based on the above applications, the decision number 76/2020 of the Three-Member Court of Appeal of Aegean was issued, according to which the final unit price was determined. The amount of compensation to be paid to the owners of the expropriated land has already been paid to the Deposits and Loans Fund by the HRADF.

#### 8) Lawsuits of employees against PPA and THPA

Employees' lawsuits have been filed against PPA and THPA, according to which they ask for retrospective payment of the curtailments made in their remuneration under the memorandum laws. HRADF has intervened in the cases on the grounds that potential prosperity of these cases could generate claims against HRADF by the buyers of the relevant share sale agreements. Decision No. 61/2019 of the District Court of Athens has already been issued, which partially accepts the employees' request and against which an appeal will be exercised.

Furthermore, the decision No. 5/2021 of the Justice of the Peace of Thessaloniki has been issued, which has rejected the lawsuit of the employees.

#### 9) Lawsuit of Hellenic Olympic Committee against ETAD – Trial announcement / HRADF counterclaim

On 09.01.2009 a lawsuit, with General Application Number 2914/2009, had been filed by Hellenic Olympic Committee (HOC) against "Olympic Assets S.A." whose successor is "Public Properties Company S.A.". This lawsuit seeks to declare as unconstitutional the provision of article 35, par. 1, of Law 3342/2005, under which "Olympic Assets S.A." was given the exclusive right to use, manage and exploit "International Radio and Television Center" property. Therefore, it is requested the payment of rentals, the latter has been received, under a lease agreement with Lamda Development. The discussion of this lawsuit has been canceled, but HOC has filed a new lawsuit against ETAD with the same content and claim but extending the amount to include the total rentals that have been received up to date as a compensation for the unjustified enrichment. Following the aforementioned new lawsuit of HOC against ETAD, the latter filed a counterclaim against the HRADF in an intervention exercise – trial announcement.

The above right has come to HRADF pursuant to the decision No 202/21.02.2012 of the Inter-Ministerial Committee on Restructuring and Reconstruction and has been utilized by HRADF pursuant to No 56.183/05.02.2013 usufruct notarial act of the notary of Athens Maria Poulantza in favour of Lamda Development. In the light of this development and following the aforementioned trial announcement of ETAD, any positive outcome could potentially have legal effects on the HRADF, and would damage the legality of the property that was the object of utilization by HRADF.

The lawsuit was discussed in April 2021 and the decision is expected.

#### 10) Lawsuit of former employees

On 27.12.2019 a lawsuit (labor dispute procedure) with General Application Number 115067/2019 and Special Application Number 3117/2019, has been filed before the Single-Member Court of First Instance of Athens by a former employee against the company. With this lawsuit, the payment of € 215,315.87 is requested for overtime and holiday and leave allowances according to what in detail is referred to it. The hearing had been scheduled for 28.02.2020, when it was postponed for 10.06.2020. According to the assessment of the management of HRADF, the success of this lawsuit is not probable in view of the legal framework of the establishment and operation of HRADF and its established practice of non-overtime occupation of its staff.

On 07.04.2021 a lawsuit (labor dispute procedure), with General Application Number 19719/2021 and Special Application Number 574/2021, has been filed before the Single-Member Court of First Instance of Athens by a former employee against the company. With this lawsuit, the payment of € 56,516.42 is requested for overtime and holiday and leave allowances according to what in detail is referred to it. According to the assessment of the management of HRADF, the success of this lawsuit is not probable in view of the legal framework of the establishment and operation of HRADF and its established practice of non-overtime occupation of its staff.

#### 11) Technical disputes in the Contracts of Regional Airports

The appeal of Fraport has been served to the Greek State in the process of resolving technical disputes as to whether the Covid-19 pandemic is a force majeure event in the context of the concession agreement. The dispute is between the

Greek State and the Concessionaire and the Greek State will be obliged to pay the amount of compensation if the case is lost. HRADF intends to intervene.

In the same context, according to the Act of Legislative Content of 01.05.2020, the payment of the Concession Fee for the year 2019, which was payable on 31.03.2020, has been postponed for six months with interest.

Within this semester, a discussion started between Fraport, the Greek State and the HRADF for the restructuring of Concession fee payment liability due to the consequences of COVID. This issue has been referred to the European Union services which are responsible for taking the relevant decision and consequently the collection is suspended.

Finally, an Agreement was reached between Fraport, Greek State and HRADF for the compensation of Fraport for its claims against the Greek State, on the basis of the Greek State's acceptance of its responsibility due to the measures taken in 2020 to deal with the pandemic in accordance with the context of the concession agreement. According to the concession agreement, the Concessionaire (Fraport) will not owe and will not pay the Annual Concession Fee for the Concession Years 2019, 2020 and 2021 and the necessary accounting and tax arrangements will be made. If the passenger traffic of the year 2021 at the Regional Airports, as estimated at the end of that year, is less than 30.8 million passengers, the Concessionaire will not owe and will not pay the Annual Concession Fee for the Concession Year 2022. For the same reasons given above, the Concessionaire is entitled to offset its compensation with the Variable Concession Fee provided in Article 3.1 of the Concession Agreements which will now be due only after the fourth anniversary of the respective Concession Start Date (ie for the year 2022 onwards). If the passenger traffic of the year 2021 at the Regional Airports, as estimated at the end of that year, is less than 30.8 million passengers, then the Variable Concession Fee will be due in relation to each Concession Year only after the fifth anniversary of the respective Date. Concession Start (for the year 2023 onwards). Simultaneous indefinite suspension of the procedure before the Technical Dispute Resolution Committee.

The agreement has already been ratified by Law 4810/2021 (Government Gazette A 107).

#### 12) South Afantou

A lawsuit of a civilian is pending before the Court of First Instance of Rhodes, invoking real rights on a property owned by HRADF. Pursuant to the decision no. 314/2020 of the Single-Member Court of First Instance of Rhodes, the case was forwarded to the Multi-Member Court of First Instance due to lack of jurisdiction. In the same context, a lawsuit by the buyer against the private trespasser with filing number 109/2020 has been filed before the Multi-Member Court of First Instance of Rhodes, in which the HRADF has intervened in favor of the buyer. Furthermore, the appeal with filing number 42/2020, of the private trespasser before the Magistrates' Court of Rhodes is pending. The request of the appeal is the cancellation of the decision no. 74/2020 of the same court, which has been issued during the procedure of the precautionary measures.

#### 13) Request for Arbitration, submitted before the LCIA by the " Hellenic Lotteries S.A " against the HRADF and the Greek State

With the above application for recourse for arbitration, requests were submitted, which, among other things, are an amendment to the terms of the Concession Agreement, signed on July 30, 2013, between HRADF and HELLENIC LOTTERIES. Hellenic Lotteries invokes reasons related to the pandemic and requests the exemption from the duty of payment of the full Minimum Annual Fee for the year 2020 and the extension of the Concession Agreement.

The Fund has already submitted a Response Brief arguing that it should not be a party to this Arbitration and that it should be excluded before proceed with the case.

The HRADF has informed that the that the provision foreseen in Law 3986/2011 regarding joint and several liability is in force.

#### 14) Lawsuit of INTRALOT against ODIE, HRADF and the Greek State

INTRALOT in its lawsuit claims that ODIE, from August 2019 up to September 2020, by order of the HRADF and the Greek State, and without any consultation with INTRALOT, implemented the amendment of the lease agreement of the property in Markopoulo, Attica, where Ippodromies SA is located, accepting the offsetting of expenses resulting in the payment of a reduced rent.

Law 4338/2015 ratified the Concession Agreement for the right to conduct Horse Racing and the related rights. Article 2 par. 2 of Law 4338/2015 provided for the suspension of compulsory execution against ODIE. Article 7. par. 2 of the same law provided for the possibility of ODIE to agree to the assignment of up to 2/3 of the monthly rent to creditors who have imposed compulsory seizure. Compliance with the terms of the assignment agreement also results in the suspension of enforcement for these creditors.

Article 49 of Law 4608/2019 provided for the possibility of amendments to the Hippodrome Concession Agreement, such as the provisions concerning the lease of the Hippodrome (possibility of downward rent adjustment, the possibility of the lessee to offset its claims from improvement costs with the rent up to 60% of it).

ODIE, in application of the possibility provided by Law 4608/2019, signed a contract amending the terms of the lease, with the condition that it will be activated only if approved by the Court of Auditors.

As the signed amendment resulted in a significant reduction of the rent, and therefore of the assigned claim, INTRALOT considers that ODIE violated the terms of the regulation agreement.

Furthermore, INTRALOT considers that it has a claim not only against the counterparty of ODIE but also against the HRADF, as the sole shareholder of ODIE and against the State, which is represented by the HRADF.

The plaintiff INTRALOT invokes the abolition of the independence of the legal entity of ODIE, by which the alleged full responsibility of HRADF and the State for the debts of ODIE is based.

Regarding the alleged full liability of HRADF and ODIE, HRADF's opinion is that the lawsuit is legally unfounded, while it is noted that in the end there has been no reduction in rent, because the Court of Auditors did not approve the lease amendment.

#### 15) Claims of former ODIE employees against the Greek State, HRADF and Horse Racing SA

At the beginning of June 2021, the HRADF received 6 group lawsuits by a total of about 700 former hourly employees at the Hippodrome.

The lawsuits hearings are scheduled for January 2022 with the special procedure of labor disputes. The lawsuits are directed against the Greek State, HRADF and Horse Racing SA. but not against ODIE. It is probable that the lawsuits will be dismissed for procedural reasons.

The HRADF informed that the provision foreseen in Law 3986/2011 regarding joint and several liability is in force.

#### 16) EESSTY

Additional Intervention by the HRADF before the Administrative Court of Appeal of Athens against the societe anonyme with the name "RAIL CARGO LOGISTICS GOLDAIR OF INTERNATIONAL RAIL TRANSPORTATIONS AND LOGISTICS SA» (the applicant) and in favor of the validity of no. 680/2019 Decision of the Competition Commission, pursuant to which the notified concentration was approved and relates to the acquisition by the company under the name «TRAINOSE TRANSPORTATION - PASSENGER AND CARGO TRANSPORTATION SERVICES RAILWAY COMPANY SOCIETE ANONYME», of the sole control over the company under the name «ELLINIKI ETAIREIA SYNTIRISIS SIDIRODROMIKOU TROCHAIU YLIKOU S.A». In its appeal before the Athens Administrative Court of Appeal dated on 21.02.2020, the above applicant sought the annulment of the above decision of the Competition Commission: (b) due to an error in the assessment of the effects of the concentration on the railway rolling stock maintenance market. The HRADF exercised the above intervention having an obvious legal interest in maintaining the validity of the above decision of the Competition Commission, which was a condition (deferral condition) of the completion of the transfer of EESSTY shares from the HRADF to TRAINOSE (Sale Condition. Therefore, in case that the approval of the concentration by the Competition Commission is canceled, an essential condition (namely, deferral condition) will be missing for the completion of the transfer, which was explicitly provided as a condition for the completion of the transfer agreement the HRADF at TRAINOSE and issues will arise, at least, regarding the implementation and application of the privatization contract of EESSTY, a contract which has already been signed since 29.10.2018 and has produced legal results, as TRAINOSE has already paid the relevant consideration and has now become the sole shareholder of EESSTY, which it controls and has now absorbed. The discussion of the Appeal has been set for 22.10.2020, it was postponed for the trial of 20.05.2021, was discussed and the issuance of a decision is expected.

**17) Elliniko - Recognition lawsuit regarding a property in Alimos, Attica**

On 14.09.2020 a lawsuit was filed before the Athens Multi-Member Court of First Instance against (1) the Greek State and (2) the HRADF, by which the plaintiffs request recognition of their 50% indivisible ownership of each of them, on a plot of land totaling of 1,752 sq.m., located in Alimos, Attica. The discussion of the case has been determined for 19.10.2021 with the new regular procedure. Given the extent of the disputed plot section, the outcome of the lawsuit is unlikely to have a material impact on the HRADF's financial results.

**18) Marina of Kalamaria**

The application for cancellation of the Municipality of Kalamaria with the filing number 831/2021 against the tender procedure conducted by the HRADF for the utilization of the Marina of Kalamaria has been submitted to the HRADF, as well as the application with filing number 123 / 15.05.2021 for suspension. HRADF has already submitted its views on the suspension application. The discussion of the cancellation request is scheduled for 22.06.2021.

**19) Marina Alimou**

On 05.03.2021, with a relevant summons of the Court, the application for annulment of the Association was filed with the relevant summons of the Court with the filing number E 2707/2020 under the name "HELLENIC PROFESSIONAL YACHT OWNERS BAREBOAT ASSOCIATION –SITESAP" and other applicants before the Council of State, which is directed against the Greek State and the HRADF, with a request for annulment (a) of the Act of the Council of Ministers no. 8 / 07.04.2020 (Government Gazette AD 77/2020) and title "Co-signing by the Greek State of the Concession Agreement for the use, operation, management and exploitation of Alimos marina and the direct contract for the development of Alimos marina, as well as authorization for the aforementioned co-signature to the Ministers of Finance, Development and Investment and Tourism ", (b) the signing of a concession agreement from 13.05.2020, by which the HRADF granted to the company under the name "DEVELOPMENT OF A NEW MARINA ALIMOU SOLE SHAREHOLDER SA" the right of use and (c) any related act or omission. Regarding the legal application for annulment, it was further notified to the HRADF, on 13.04.2021, with filing number 295 / 09.04.2021 petition of additional grounds for annulment of the same applicants. HRADF intervened in favor of the validity of the contested acts, while interventions were also exercised by both the PUBLIC REAL ESTATE COMPANY SA. (ETAD) as well as the Concessionaire "DEVELOPMENT OF A NEW MARINA ALIMOU SOLE SHAREHOLDER CONCESSION SA". The case was discussed in the Plenary Session of the Council of State during the trial of 14.05.2021 and a decision is expected.

**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 €95.2 mln as of 31.12.2020. These lawsuits mainly concern compensation for damages from floodings (due to pipeline fractures or rainfalls), or lawsuits by various counterparty suppliers and contractors with regard to violation of contractual terms. There are also pending court proceedings regarding labour disputes in the amount of approximately €149.4 mln.

The overall amount of EYDAP's provisions comes to €44.6 mln as of 31.12.2020 (the amount was approximately €48.9 mln as of 31.12.2019). In addition, the amount of approximately €2.2 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 was €2.9 mln approximately).

The provision for legal cases is based on EYDAP's management estimates in collaboration with its Legal Department for the amount that is likely to be disbursed.

**EYATH (Group)****Contingent liabilities from Judicial and under arbitration disputes**

As of 31.12.2020 there are lawsuits, extrajudicial notices, and future claims in general against EYATH and the EYATH Group, in the total amount of approximately €45 mln, for which a total provision of €3.1 mln has been made.

Regarding these lawsuits, €9 mln mainly concern compensation due to flood damage or lawsuits of various counterparty suppliers and contractors for breach of contract terms, and €36 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 the management of the OASA Group and taking into account the opinion of its legal department, there are lawsuits and third party claims against STA.SY S.A., totaling approximately to €63.8 mln, of which €41.4 mln relates to labor and insurance, €5.4 mln relates to civil liability cases (insurance), €13.2 mln relates to contract cases (civil) and €3.8 mln relates to other cases. For some of these claims amounting approximately to € 34.4 million, the management of STA.SY S.A. estimates that future cost will arise and posted a provision of 13.3 mln in the financial statements. For the remaining lawsuits and claims of amount of 29.4 mln approximately, no relevant provision has been recognized in the financial statements, because it is estimated that they will have a positive outcome for the company.

There are pending legal cases against OSY of a total amount €101.5 mln, of which €86.4 mln relates to labor and insurance cases, €13.4 mln relates to civil liability cases and €1.8 mln relates to other cases. For some of these lawsuits, the management of OSY estimates that there will be a future loss and a provision of €24.1 mln has been recognized in the financial statements. For the remaining lawsuits and claims of third parties amounting to € 77.4 mln, no relevant provision has been made in the financial statements, as it is estimated that they will have a positive outcome for OSY.

There are pending lawsuits against the OASA related to claims from PCT (€ 894.3 mln), lawsuits from banks (€ 14.7 mln) and labor and insurance cases (€ 4.37 mln). OASA for these lawsuits and claims of third parties, has formed provisions, based on the opinion of its legal department, amounting to approximately € 17 mln. Lawsuits of a total amount of € 942.7 mln are pending against the companies of the OASA sub-group, for which, according to the estimates of the management of the sub-group and taking into account the opinion of the legal department, no provisions have been recognized.

**Disputed receivables**

OASA SA has filed an appeal, before the Legal Council of the State, for the recognition of its claims regarding the transportation services provided to special categories of citizens, during the years from 2011 to 2019, based on Law 3086/2002 on "Organization of the Legal Council of the State "(art. 2 par. 1, art. 6 and art. 7), against the Greek State (Minister of Finance) and against the Minister of Labor, Social Security and Welfare.

Specifically:

- Application to the Legal Council of the State, claims an amount of €72.8 mln, which concerns the provision of transportation services in years 2011 and 2012.
- Lawsuit before the Administrative Court of First Instance of Athens, claims an amount of €185.9 mln, which concerns the provision of transportation services in years 2013, 2014 and 2015 amounting to € 126.5 mln and default interest on the claimed amount for the transportation services of years 2011 and 2012 amounting to €59.4 mln.
- Lawsuit before the Administrative Court of First Instance of Athens, claims an amount of €86.4 mln, which concerns the provision of transportation services for 2016.
- Lawsuit before the Administrative Court of First Instance of Athens, claims an amount of €104.6 mln, which concerns the provision of transportation services for 2017.
- Lawsuit before the Administrative Court of First Instance of Athens, claiming an amount of € 112,611,175, which concerns the provision of a transport project for the year 2019.

**CMFO (Group)**

### Disputes and Claims

CMFO group is involved in various legal cases and legal proceedings in the context of its daily operation. The management of CMFO along with its legal advisors estimate that all pending cases are expected to be settled without significant negative effect on the financial position of CMFO sub-group.

### Contingent liabilities from Judicial and under arbitration disputes

As of 31.12.2020 there are judicial claims by third parties against the CMFO group, for a total amount of €306,265.99, for which an equal provision has been made. The analysis of the provision is based on CMFO attorney letters.

### CMT

#### Contingent assets

There is a claim of CMT S.A. against the Greek State for property expropriation. Due to the uncertainty regarding the final amount of compensation to be awarded to the Company, no receivable has been recognized by the Greek State in the financial statements of CMT.

#### Contingent liabilities - Disputes

As of the financial year end the following lawsuits have been filed against CMT:

- 5 employees of CMT S.A. have filed a lawsuit, the main claim being (€27,500 the unconstitutional nature of the law cancelling benefits. The management of CMT estimates that the probable outcome of this case will be positive for CMT and therefore no provision has been recognized in the financial statements.

#### Litigation arrangements / litigation in the financial year

In the financial year 2020, the lawsuit filed by an employee of CMT from an accident caused during working hours with the payment of relevant compensation was settled. The amount of the compensation together with the default interest did not exceed the amount of the relevant provision that had already been formed by CMT in a previous year (€ 25,000).

Also, regarding the lawsuit of 15 employees against CMT which had as its main lawsuit (€ 134,917.50) the non-inclusion in the single payroll and the ancillary lawsuit (€ 73,750) the unconstitutionality of the law for the abolition of benefits, it is noted that was discussed on 13 October 2020 and decision number 234/2020 was issued, on the basis of which it rejected it.

#### CMT applications against third parties

As of the reporting date, CMT had disputed receivables against customers for the amount of €523,216.52. For the part of the disputed claims for which the management of CMT estimates that it is not recoverable, an impairment loss has been recognized.

### CORINTH CANAL

#### Pending Judicial Cases

AEDIK is involved in the capacity of plaintiff and defendant in various legal cases. As at 31.12.2020 there are lawsuits/future claims concerning claims of third parties against AEDIK (such as labor disputes) with the amount of all legal cases amounting to approximately €0.8 mln plus any surcharges. AEDIK recognizes provisions in the financial statements regarding the pending legal cases, in those cases where it is considered probable that an outflow of resources will be required for the settlement of the obligation and this amount can be estimated reliably. The amount of the provision that has already been formed for these cases amounts to €62 thousand.

### ELTA

#### Receivables from the Universal Service

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 liberalized 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 liberalization, namely until 31 December 2028.

The same law (Article 8) determines the way the Universal Postal Service is funded. Specifically, the implementation of the compensation mechanism for the cost of the Universal Postal Service is determined, which must be in accordance with the European Postal Directive and competition law. The net cost of the Universal Postal Service provision burdens the Universal Service provider as to the part of the postal service provision within the Universal Postal Service, the postal service providers within the Universal Postal 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.

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.

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.

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".

#### Approvals from EETT

The competent regulatory authority, namely EETT, was responsible for verifying the Net Cost of the Universal Postal Service. In 2018, EETT verified the Cost for Universal Postal Services for the years 2013 to 2016. Specifically, on 16.04.2018, EETT with the decision 845/006 / 26-03-2018 announced the final verified cost for the provision of universal services of fiscal years 2013 to 2015, which amounted to € 127,905 thousand. On 15.10.2018, EETT with decision 868/007 announced the final verified cost for the provision of universal services for the year 2016, which amounted to € 39,551 thousand. Then and specifically on 18.02.2019, EETT with decision 884/011 announced the final verified cost for the provision of universal services for the year 2017, which amounted to € 37,430 thousand. At the beginning of the closing year, 23.01.2020, EETT with its decision 920/020 announced the final verified cost for the provision of universal services for the year 2018, which amounted to € 34,235 thousand. On 18.01.2021, EETT with its decision 976/7 proceeded to the verification of the Cost for Universal Postal Services for the year 2019 which amounted to € 32,508 thousand.



Disbursements net cost Universal Service

On 16.05.2018 and on 12.06.2020 the Ministry of Digital Policy, Telecommunications, and Information by its decisions 7118/2018 and 8678/2018 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 31.10.2018 the Ministry of Digital Policy, Telecommunications, and Information, by virtue of its decision 2027/2019, 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.

Within the first quarter of 2019, the Ministry of Digital Policy, Telecommunications and Information proceeded with the disbursement of € 15,000 thousand as part of the Universal Service compensation for 2017. The receipts of the Universal Service compensation of € 15,000 thousand for 2018 and 2019 took place on 19.07.2019 and on 30.12.2019 respectively.

On 11.05.2020 the amount of € 15 million was paid to ELTA by the Greek State as compensation for Universal Service for the year 2020.

Based on the study model of Law 4053/2012 the total net cost of Universal Service for the years 2013-2018 as approved by EETT amounts to € 239,121 thousand, of which the amount of € 90,000 thousand was collected until the year 2019.

At the end of 2020, with the joint decision No. 35772 EX 2020 / 21.12.200 of the Ministers of Finance and Digital Government, it was decided to determine the amount, the time and the payment procedure to the Universal Postal Service (F.P.K. T.Y.) of the verified net cost of the provision of the universal postal service (K.K.P.K.T.Y.) by the National Telecommunications and Post Commission (E.E.T.T.) for the years 2013 to 2018, according to article 8 of law 4053/2012.

For the determination of the amount of compensation, the amounts, amounting to € 15,000 thousand that had been paid per year from the state budget to the FKKTY, for the years 2013 to 2018, were taken into account, as an advance, against the total of annually verified by E.E.T.T. costs for the provision of universal service. On 28.12.2020, the Greek State based on the said decision proceeded to the payment of the amount of € 149,120,993 as the remaining amount of the verified net cost of the provision of the universal postal service for the years 2013-2018 by E.E.T. T. .

On 31.12.2020, the amount of the claim from the Net Cost of Universal Service amounts to € 34,679 thousand. This amount results as a sum of the amount of € 17,508 (difference of the verified amount of 32,508 for the year 2019 and the amount of € 15,000 thousand received) and the amount of € 17,171 (difference of the recognized amount of 32,171 for the year 2020 and the amount of € 15,000 thousand received).

For the financial year 2019, as mentioned in section "Approvals by EETT", the amount of compensation KKKY has been verified and the payment of the remaining amount of € 17,508 thousand is pending. For the year 2020, the Company has recognized as a receivable KKKY the amount of € 32,171 thousand, which is under the approval of EETT but a part of it, ie the amount of € 15,000 thousand, has already been paid by the Greek State within 2020.

Third party claims against ELTA

1. A Joint Venture of Companies claims in court an additional contracting consideration in the amount of €17,800,000 plus VAT and interest, by having filed 12 lawsuits which are pending at first instance. On 27.09.2019 and while the determination of the hearing of the aforementioned cases is still pending, 11 lawsuits were filed against ELTA by the same plaintiff, according to which the plaintiff reviews the relevant amounts and requests a total amount of €77,834,530. The Legal Department of ELTA estimates that the case will have a positive outcome and the lawsuits will be dismissed, except for an amount amounting to approximately € 2 million for which there was no payment by ELTA due to real circumstances estimated by the Administration at the time.

2. Groups of employees have filed lawsuits against ELTA. The amount they claim amounts to € 1,065 thousand. One of these lawsuits (concerning the amount of € 17.1 thousand) was discussed during the trial on 02.05.2017, was admitted in its entirety and an appeal has been filed which was determined on 11.11.2022. The last lawsuit was discussed on 27.11.2017, it was admitted in the first instance and an appeal has been filed against it, which was heard on 27.09.2019. The amount that ELTA has been obliged to pay at first instance amounts to €326 thousand plus default interest. This lawsuit was finally accepted in the second instance. It is generally expected that these lawsuits will be rejected and in fact a final decision has already been issued, accepting the company's lack of fault.

3. Groups of employees have filed lawsuits against ELTA (five in total) requesting the payment of a total of € 1,185 thousand, which is the reduction of the salaries they suffered based on the § a of its first term from 20.07.2017 Joint Framework Agreement between ELTA and POST but also the reductions they have suffered due to the memorandum

laws. Of these lawsuits, only one has been adjudicated on 11.10.2019 concerning 100 employees on which a decision was issued which rejected the lawsuit. These other lawsuits were postponed by the courts 09.09.2020, 02.10.2020 and the new ones are 17.03.2021 and 28.05.2021. There remains another one that was heard on 21.10.2020. The Legal Department of ELTA estimates that they will be rejected in their entirety.

#### ELTA claims against third parties

1. ELTA has filed a lawsuit before the Administrative Court of Appeals of Athens against a state organization 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 recently a decision was issued that accepts the lawsuit in its entirety, so the recovery of this amount will be pursued even if the opposing legal entity files an appeal.
2. ELTA has a claim against the Greek State for postal work that it had provided to a Ministry: a) for the amount of €5,033,671.06, for the pursuit of which it has been filed a lawsuit before the Administrative Court of Appeal of Athens. The hearing date for the case had been set for 14.05.2019. The date was postponed for the trial of 21.01.2020 when the preliminary ruling no. 2040/2020 was discussed and issued. A new court was appointed on 19.01.2021, where a decision was discussed and issued which partially accepts the lawsuit for an amount of € 2,800,000 and the expediency of an appeal against it will be investigated and b) an amount of € 541,184.10 regarding the provision of postal services for In the years 2013-2014, for which a lawsuit was filed, the in-court settlement of the dispute did not take place and 08.12.2020 was appointed as a court and with a postponement 06.04.2021. The lawsuits are expected to be accepted.
3. ELTA has a claim against a public insurance organization of € 5,277,374.55 for the provision of postal services. A lawsuit will be filed for this amount before the Administrative Court of First Instance of Athens, which is estimated with certainty that it will be accepted.

#### TIF- HELEXPO

##### Contingent assets

For the construction work, regarding the METRO OF THESSALONIKI, part of of TIF-Helexpo SA property was necessarily expropriated at the Fountain station. The temporary compensation unit price was set by the decision No 380/2014 of the Court of Appeal of Thessaloniki. The company filed a separate application to the Three-Member Court of Appeal for the determination of final compensation claiming the amount of € 500,000. Due to the uncertainty regarding the final amount of compensation to be awarded to TIF, no receivable has been recognized from the Greek State in the financial statements.

##### Contingent liabilities – Judicial disputes

As of 31.12.2020 and 31.12.2019, there are pending lawsuits, extra-judicial procedures and general claims against TIF Group totaling approximately to €5.9 mln, for which a total provision of € 600 thousand has been recognized. TIF's legal department estimates that beyond the provision already recognized, no other cases will arise whose judicial outcome will significantly impact TIF Group's assets and operations.

#### 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 advisors estimate that the pending cases will be concluded without significant negative impact upon subsidiary's financial position or its financial results.

#### GAIAOSE

##### Contingent assets

The claims of GAIAOSE against ATTIKO METRO SA with the nos. 11117/2017, 2188/2018 and 3492/2019 court decisions and awarded amounts of €1,938,643.20, €12,098.80 and €6,263,419.87 respectively, became irrevocable, after the expiration of the legal remedies. The company will consider its next actions in order to collect the above amounts.

### Contingent liabilities

On 31.01.2020, an invoice was sent by TRAINOSE SA to GAIAOSE, with an issue date 31.12.2019, totaling to €10,529,786.12 (€8,491,763 plus VAT €2,038,023.12) and having the following description: "Invoicing of additional maintenance services performed due to non-performance of extended maintenance of the rolling stock 9/2018 to 2/2019". At the same time, an extrajudicial statement was sent - notification of debt - offset proposal, with which TRAINOSE proposed the offset of the above amount of €8,491,763, which, according to TRAINOSE, corresponds to the cost of additional maintenance work performed due to non-performance of extended maintenance with responsibility of GAIAOSE, with an equal liability arising from lease rentals of rolling stock. The management of GAIAOSE, based on the opinion of its legal department, considers that the claim of TRAINOSE is legally and substantially unfounded and that it is not substantiated by contractual terms, nor by the law but instead by arbitrary interpretations of provisions of the law. Following this, GAIAOSE did not proceed with the recording of this invoice in company's books and returned it to TRAINOSE SA. After, the latter refused to receive it, GAIAOSE delivered it to a notary, notifying also to the Tax Office of Athens the statement of denial of this claim and denial of recording the invoice.

### Unaudited tax years

Parent Company and Subsidiaries <sup>(1)</sup>	Fiscal years unaudited by tax authorities	Fiscal years with tax compliance certificate form audit firms	Notes
Hellenic Corporation of Assets and Participations (HCAP)	25.10.2016-2020	2018-2019	
Public Properties Company (ETAD) <sup>(2)</sup>	2012-2020	2013-2019	
<i>Olympic Assets S.A.</i>	2009-2011	-	Absorbed by ETAD in 2011
<i>Public Real Estate Company S.A.</i>	2008-2011	-	Absorbed by ETAD in 2011
<i>Paraktion Attiko Metopo S.A.</i>	21.08.2013- 21.03.2015	21.08.13-31.12.2014	Absorbed by ETAD in 2015
Hellenic Republic Asset Development Fund (HRADF) <sup>(2)</sup>	2012-2020	30.06.2012- 31.12.2019	
Athens Water Supply and Sewerage Company (EYDAP)	2011-2020	2012-2019	
EYDAP Nison Development S.A.	2011-2020	-	100% subsidiary of EYDAP
Thessaloniki Water Supply and Sewerage Company (EYATH)	2014-2020	2011-2019	100% subsidiary of EYATH
EYATH Services S.A.	2014-2020	2011-2019	
Athens Urban Transportation Organization S.A. (OASA)	2015-2020	2013-2019	
Road Transport S.A.	2015-2020	2013-2019	100% subsidiary of OASA
Urban Rail Transport S.A.	2015-2020	2013-2015, 2017- 2019	100% subsidiary of OASA
Central Markets and Fisheries Organization S.A. (CMFO)	2013-2020	2011-2019	
CMFO Energeiaki S.A.	05.07.2012-2020	2013-2019	100% subsidiary of CMFO
Business Park CMFO S.A.	26.11.2015-2020	2015-2019	100% subsidiary of CMFO
Thessaloniki Central Market S.A. (CMT)	2015-2020	2011-2015, 2017- 2019	
Corinth Canal S.A. (AEDIK)	2013-2020	2011-2016	
Hellenic Post S.A. (ELTA)	2014-2020	2011-2019	
Courier ELTA S.A.	2014-2020	2011-2019	99.98% subsidiary of ELTA

			70% subsidiary of ELTA, under liquidation
Vocational Training Center ELTA S.A.	2014-2020	2011-2019	
Thessaloniki International Fair-Helexpo S.A. (TIF-Helexpo)	2014-2020	2012-2015, 2018- 2019	
Helexpo Hellenic Exhibitions S.A.	2010- 30.04.2013	2011-2012	Absorbed by TIF- Helexpo in 2013
Hellenic Exhibition Productions S.A.	2014-2020	2011-2012, 2014- 2015	Under liquidation
Hellenic Saltworks S.A.	2012-2020	2011-2019	
GAIAOSE S.A.	2014-2020	2011-2019	
GAIAOSE Fotovoltaika Attikis & Viotias S.A.	2014-2020	2011-2019	100% subsidiary of GAIAOSE
GAIAOSE Fotovoltaika Larisas S.A.	2014-2020	2011-2019	100% subsidiary of GAIAOSE
GAIAOSE Fotovoltaika Karditsas S.A.	2014-2020	2011-2019	100% subsidiary of GAIAOSE

<sup>1</sup> The above table does not include Hellenic Financial Stability Fund ("HFSF") and the associates companies as analyzed in Note 9.2.

<sup>2</sup> With the par.1 of 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. For the above amount, a provision had been established equal to 100% as at 31.12.2018. During the current year, with the decision number 2750/2019, the Administrative Court of Appeal of Athens decided to reject the Final Act of Corrective Determination of Income Tax with No. 1077/18-5-2017. Therefore, in 2019, ETAD recognized income tax of € 2,270,787.99 relating to the difference in main tax.

At the beginning of the year 2021, an official notification for tax audit was notified to CMFO by the Tax Office of Piraeus with protocol No.1847 / 21-1-2021 concerning the years 2009-2011.

### 34. Related party transactions and balances

#### i. Related party balances:

	GROUP		COMPANY	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
<b>Receivables</b>				
Subsidiaries	-	-	2,500,000	-
Associates	5,532,319	6,254,038	-	-
<b>Total</b>	<b>5,532,319</b>	<b>6,254,038</b>	<b>2,500,000</b>	<b>-</b>

#### Receivables

The Group's receivables from associates relate mainly to receivables for postal services (€4.2 mln approximately) as well as receivables for water supply and sewerage services (€1.5 mln approximately).

	GROUP		COMPANY	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
<b>Payables</b>				

Subsidiaries	-	-	3,757	3,934
Associates	63,437,376	44,150,135	2,466	2,262
<b>Total</b>	<b>63,437,376</b>	<b>44,150,135</b>	<b>6,223</b>	<b>6,196</b>

Payables

The Group's payables to associates relate mainly to payables from the supply / purchase of electricity.

**ii. Related party transactions:**

	GROUP		COMPANY	
	01.01.2020 - 31.12.2020	01.01.2019 - 31.12.2019	01.01.2020 - 31.12.2020	01.01.2019 - 31.12.2019
<b>Revenue</b>				
Subsidiaries	-	-	32,549,290	43,226,257
Associates	26,983,617	30,629,519	-	16,250,000
<b>Total</b>	<b>26,983,617</b>	<b>30,629,519</b>	<b>32,549,290</b>	<b>59,476,257</b>

Revenue

The Group's revenue from associates mainly relates to revenue for postal services (€20.7 mln), as well as rental revenue (€5.3 mln). The remaining amounts derives from water supply and sewerage services (€0.9 mln approximately). Regarding the Company, revenue relate mainly to dividend income during the year.

	GROUP		COMPANY	
	01.01.2020 - 31.12.2020	01.01.2019 - 31.12.2019	01.01.2020 - 31.12.2020	01.01.2019 - 31.12.2019
<b>Expenses</b>				
Subsidiaries	-	-	7,571	20,693
Associates	74,042,525	74,599,237	15,713	14,115
<b>Total</b>	<b>74,042,525</b>	<b>74,599,237</b>	<b>23,284</b>	<b>34,808</b>

Expenses

The Group's expenses from associates relates mainly to electricity costs (€72.6 mln), as well as rental expenses (€ 1.5 mln).

	GROUP		COMPANY	
	01.01.2020 - 31.12.2020	01.01.2019 - 31.12.2019	01.01.2020 - 31.12.2020	01.01.2019 - 31.12.2019
<b>Disposal of assets</b>				
Subsidiaries	-	-	-	17,383
Associates	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,383</b>

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 31.12.2020 was €9,058,377 (31.12.2019: € 8,088,444).

- Company: for the year 01.01.2020-31.12.2020, was € 1,654,783 compared to €1,623,780 for the year 01.01.2019-31.12.2019.

### Supervisory Board

The gross fees of all members of the Supervisory Board for the year 01.01.2020-31.12.2020 amounted to €278,683 compared to €231,467 for the year 01.01.2019-31.12.2019.

## 35. 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 31.12.2020, except for the commitments described in note d "Other commitments" below.

#### b) Commitments of property leases where the Group is the lessee

The Group leases buildings and offices for the needs of its 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	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Within the next year	872,081	825,614	-	-
From to two (2) to five (5) years	85,997	-	-	-
More than five (5) years	108,680	-	-	-
<b>Total</b>	<b>1,066,758</b>	<b>825,614</b>	-	-

The future minimum (non-cancellable) rentals receivable arising from operating leases of real estate property, vehicles and other leases (the Group is a lessor) are as follows:

Non-cancellable future receivables from operating leases	GROUP		COMPANY	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Within the next year	27,581,624	29,744,997	-	-
From to two (2) to five (5) years	97,529,454	110,105,201	-	-
More than five (5) years	450,659,274	461,424,957	-	-
<b>Total</b>	<b>575,770,352</b>	<b>601,275,155</b>	-	-

#### 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

### Price of raw unprocessed water received for the period 1.7.2013 to 31.12.2019

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 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 raw unprocessed 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 extinguished. 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 EYDAP - which will determine the price paid to "L.E.P.L. EYDAP Fixed Assets" for the raw unprocessed 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 raw unprocessed 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.

The publication 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" brings changes in the pricing of water and sewerage services, including the pricing of raw unprocessed water.

EYDAP is in the final stage of negotiations with the Greek State for the extension of the right of exclusive disposal of water in its area of responsibility and for the final settlement of the price of treated raw water for the period 2013 to 2020. Taking into account the development of the relevant negotiations, as well as the studies and opinions of its technical and legal advisors, the Company proceeded to the formation of a provision for the additional cost of untreated water for the period 2013-2020, amounting to € 157.5 mln, which burdens the results of the current use. A relevant reference is made in note 27.

### 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 €39 mln at 31.12.2020 and approximately €47 mln at 31.12.2019.

## 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 will end on 30.06.2026.

### 36. Events after the reporting period

The sections A.12.4 and A.13 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 in separate notes (ie legal cases) or analyzed below:

#### GROUP

##### Change in tax rate

With tax regulations decided after the reporting period (Law 4799/2021), changes were made to the Income Tax Code (Law 4172/2013 - KFE), with the most important been the reduction of the corporate income tax rate to 22% for income from 2021.

##### Establishment of a subsidiary company "5G Ventures Societe Anonyme"

On October 22, 2020, by decision of the Board of Directors of HCAP and by law 4727/2020, it was decided to establish a societe anonyme with the name "5G Ventures" (hereinafter "5G Ventures"), which is part of its direct subsidiaries of its statutes. The sole purpose of 5G Ventures is the establishment and management of the Mutual Fund "Phaistos Fund" (hereinafter "Phaistos Fund") of article 94 of law 4727/2020, pursuant to article 7 of law 2992/2002 according to prevailing market conditions and guarantees of full transparency and accountability and in compliance with International Financial Reporting Standards (IFRS).

On January 14, 2021, the company was registered in the General Electronic Commercial Registry (GEMI) while its share capital amounted to € 100,000 and was paid by HCAP on 12.02.2021

#### HRADE

##### Progress of the Privatisation Programme

Subsequent events that concern utilisation contracts in infrastructure and the company portfolio are mentioned in detail on HRADE's website, [www.hradf.com](http://www.hradf.com). No relevant adjustment of the financial statements or disclosure in accordance with International Financial Reporting Standards (IFRS) is required, therefore they are not included in this note.

##### Organization - Operation of the HRADE

With the decision of June 7, 2021 of the Extraordinary General Meeting of Shareholders, the operation of the Fund was extended for another four years, ie from July 1, 2022 to July 1, 2026.

On June 5, 2021, with Law 4804 / 5.6.2021, article 5B was added to the law of HRADF (Law 3986/2011). With the addition of Article 5B, a Fund for Maturity of Strategic Contracts was created in the Fund, which functions as a separate accounting unit. The Unit will contribute to the maturation of Strategic Significance Contracts that have been included in the "Development Program of Strategic Significance Contracts" of Law 4799/2021.

## **ETAD**

### **a) Panthessalian Stadium**

In May 2021, the Company signed a concession contract for the Panthessaliko Stadium in the Municipality of Volos.

### **b) Galatsi Olympic Center**

The concession of the use of the Galatsi Olympic facility in the homonymous Municipality of Galatsi was completed with the signing of a five-year lease agreement in April 2021.

### **c) Scaramanga Shipyards**

The Company's Tender for its property at Skaramaga Shipyards was successfully completed, on 07.07.2021, with a final price of € 37.3 mln.

## **EYDAP**

### **Extension of Signing a Contract with the Greek State**

EYDAP is in negotiations with the Greek State for the renewal of the exclusive right to provide water supply and sewerage services in its geographical area of responsibility. In agreement with the Greek State, the existing contract was initially extended until 25.04.2020 and then with a newer agreement of the parties until 31.12.2020 and then until 30.04.2021 in order to complete the relevant consultations. EYDAP is in the final stage of negotiations with the Greek State for the extension of the right of exclusive disposal of water in its area of responsibility and for the final settlement of the price of treated raw water for the period 2013 to 2020. Taking into account the development of the relevant negotiations, as well as the studies and opinions of its technical and legal advisors, EYDAP, proceeded to the formation of a provision for the additional cost of untreated water for the period 2013-2020, burdening its results.

## **EYATH**

### **Upgrading of the Administration building**

With the decision number 187/2021 of the Board of Directors of EYATH was approved and awarded the upgrade project of the Administration Building of EYATH at 127 Egnatia Street, estimated project value € 4,999,894.82, excluding VAT, with the appointment of a temporary contractor. An architectural preliminary design has been prepared for this building, which was approved by the 605/2020 Decision of the Board of EYATH SA. The feasibility of the project concerns the need to upgrade the building, which is necessary primarily for security reasons and then for reasons of functionality and reduction of its energy footprint.

### **Recruitment of New Staff**

The Board of Directors of EYATH with its Decision 204/2021, approved the beginning of the procedures for issuing a notice through ASEP for the filling of fifty (50) staff positions, with a private law employment relationship of indefinite duration.

## **CMT**

On 21.01.2021 the inclusion of the submitted investment plan for financing by EPANEK was approved.

## **ELTA**

### **Receivables from Universal Service**

On 18.01.2021 EETT with its decision 976/7 proceeded to the verification of the Cost for Universal Postal Service for year 2019 as the amount of € 32,508 thousand.

**Voluntary exit program for staff**

On 28/01/2021, with a decision of the Board of Directors of the Company, the voluntary exit program for the staff was implemented in the context of its corporate transformation. A total of 1,976 employees applied for participation in the Voluntary Exit Program.

**AEDIK****Shutdown of the canal due to slope collapse**

At the beginning of 2021, the Canal was closed due to falls from the slopes and was declared a state of emergency by the Peloponnese for reasons of public safety and for a period of 6 months (until July 28, 2021). The management of AEDIK has contacted all stakeholders and has commissioned studies in order to lift the risk regime and restore the operation of the Canal. At the same time, it is looking for new ways of financing with financial institutions to cover its financial obligations for as long as it does not operate.

**OASA****Supply of buses through Leasing**

Regarding the vehicle fleet of OSY, the tender for the supply of 293 modern buses, aged up to 10 years with leasing, has been completed and to date, according to the signed contract, 20% of the vehicles have joined the OSY fleet.

**Staff recruitment**

The recruitment of 367 drivers and 56 craftsmen for the strengthening of urban transport is gradually being implemented from March 2021. As of April, 327 people have been hired, resulting in the improvement of the transport project.

**Covid-19 pandemic**

Due to the continued spread of the Covid-19 pandemic, the turnover of the OASA subgroup for the year 2021 is expected to be significantly affected. The decline in receipts from sales of GHM services in the first five months of 2021 was of the order of 48% compared to the corresponding five months of the previous year, ie € 25.32 million.

Based on the above and in order to ensure the proper operation of urban transport in the context of these emergencies, the following actions were taken:

- On 09.04.2021 a letter was sent to the Ministry of Infrastructure and Transport to cover missing revenues for the months of January and February of 2021 amounting to € 5.85mIn with number of protocol OASA 4635 / 09.04.2021.
- On 05.05.2021 the Ministry of Finance - General Accounting Office of the State sends a Decision of the Minister of Finance for registration of additional credit for an extraordinary grant of the OASA Group for missing revenue period September 2020 to February 2021 amounting to € 38,290.392 for STASY and 20,255,930 for OSY. The amount of € 13,370,956.54 of STA.SY concerns the missing revenues January - February 2021 and respectively the amount of € 7,073,345.18 for OSY.
- On 11.05.2021 a letter was sent to the Ministry of Infrastructure and Transport for the payment of an extraordinary subsidy of € 6.91 million to cover missing revenues for the period March - April 2021.
- The Ministry of Infrastructure and Transport approved credits amounting to € 2,400,186 for OSY to cover expenses due to Covid.
- The Ministry of Infrastructure and Transport approved appropriations amounting to € 1,621,183 for OSY to cover the payroll of newly hired employees from the regular budget.

- OSY with its letter no. prot. 25006 / 8.6.2021 requested the partial payment of a special subsidy amounting to € 2,520,000 plus VAT 13% for the months April to June 2021 for the lease of three hundred city buses.
- The issuance of a JMC for 2021 is expected based on article 110 of L.4714 / 2020 (Issue A '148 / 31.07.2020) for the compensation of the OASA Group for the social policy for the movements of social groups with reduced or no fare amount € 50 million plus VAT. The relevant NSA of the Ministry has been issued for the commitment in its budget.
- For the months January to May 2021 the OASA has received from the Ministry of Infrastructure and Transport the amount of € 8,646,948.23 plus 13% VAT or a total amount of € 9,771,051.50 as an extraordinary grant for the monthly advances of the above months based on the OASA Convention with the KTEL ATTICA.

### 37. Approval of the Financial Statements

The company and consolidated Financial Statements for the period ended 31.12.2020 were approved by the Board of Directors of the Hellenic Corporation of Assets and Participations S.A. on 16.07.2021.

Athens, 16 July 2021

**The Chairman  
of the Board of Directors**

Konstantinos Derdemezis  
ID No. AM 508145

**The Chief Executive Officer  
and member of the Board of Directors**

Gregory D. Dimitriadis  
ID No. AB 733147

**The Deputy Chief Executive Officer &  
Executive Director  
and member of the Board of Directors**

Stefanos Giourelis  
ID No. AK142391

**The Chief Financial Officer**

Charalambos Pilitsidis  
ECG License Class A' No. 33983

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

Polyzois I. Sotiropoulos  
ECG License Class A' No. 0018370



**PwC ACCOUNTING A.E.**

License Number 1494