Annual Financial Report (01/01/2019 – 31/12/2019)

[translation from the Greek original]

HELLENIC CORPORATION OF ASSETS AND PARTICIPATIONS

September 2020

Annual Consolidated and Separate Financial Statements for the fourth fiscal year 01.01.2019-31.12.2019 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 26th August 2020 and will be available on the internet after the approval of the General Assembly of the Company, at the web site address www.hcap.gr.

The annual consolidated and separate financial statements for the fiscal period 01.01.2019-31.12.2019, which can be found at pages 148-241, were prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, truly represent assets, liabilities, equity and the statement of income of the Hellenic Corporation of Assets and Participations S.A., as well as of the companies included in the consolidation considered as a whole.

The Chairman of the Board of Directors	**The Chief Executive Officer and Member of the Board of Directors**	**The Executive Director Member of the Board of Directors**
George Diamantopoulos ID No. M299970	Ourania Ekaterinari ID No. T222068	Stefanos Giourelis ID No. AK142391

The Chief Financial Officer

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

Charalambos Pilitsidis ECG License Class A' No. 33983	Maria Trakadi ECG License Class A' No. 27913	Konstantinos Motsakos ECG License Class A' No. 105030

Deloitte.

Deloitte Business Solutions S.A.

License number O.E.E 1297

EYATH: Thessaloniki Water treatment plant

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

Message from the HCAP Chairman

With the conclusion of its third year of operations, and the second since it was essentially assigned the responsibility to manage important to the economy State Owned Enterprises, HCAP has an impressive track to showcase:

- It has fulfilled its mission to evaluate and appoint Board Members for the State Owned Enterprises in its portfolio.
- It has raised the awareness to its subsidiaries for issues of Internal Audit, and it has also constituted Internal Audit Committees and appointed the relevant Committees' chairs.
- It has aligned its operations with modern practices on issues of Corporate Governance, Compliance, transparency and meritocracy.
- It has updated the targets set for each SOE in its portfolio pursuing profitability and overall development, within a framework of modern entrepreneurship, for the benefit of the Greek citizens.

During the same time, HCAP undertook many initiatives on issues of broader public interest, such as the digital transformation of the State Owned Enterprises. This, was supported with the appointment of professionals with relevant knowledge and experience deriving from both the private sector and Academia, in their Boards.

Another sector in which HCAP leaves its mark during 2019 relates to the awareness in environmental and sustainability issues, through the constant effort to improve the SOEs' operations through our participation in relevant events and fora. At the same time, we promote equal opportunities, with stronger presence of women in the Boards of our subsidiaries.

Lastly, and regarding our financials, HCAP has impressive results to showcase for 2019, as our revenues increased from 1,045 bln euros to 1,071 bln and our gross profit increased to 201.3 mln euros from 176 mln the year before.

2020 continues even more challenging, due to the Covid -19 outbreak that since early March started to affect the activities of HCAP and its subsidiaries. Our primary goal is to protect our, and our subsidiaries' employees, while at the same time all efforts are put so that companies in our group will continue to operate for the benefit of the society, like the cases of OASA, ELTA, and so on.

The Chairman
of the Board of Directors

Georgios Diamantopoulos

HCAP CEO Message

For the Hellenic Corporation of Assets and Participations, 2019 was essentially the second year of full operation, since the transfer of the State-Owned Enterprises in its portfolio occurred on 01.01.2018. 2019 was the year of the conclusion of the organisation's administration and staffing with executives holding a solid academic background and international experience or experience in large companies of the private sector, as specified in the guidelines of its Sole Shareholder, namely the Minister of Finance, and also in the provisions of its institutional framework of operation.

HCAP was established in early 2017 with the aim to bring together under one structure, participations of the Greek State in State-Owned Enterprises, as well as private real estate property of the Greek State, following the example of similar organizations in Europe that aim at the better management of Public Assets. We still strongly believe that the country's national wealth also includes, among others, assets that, gathered under a single entity such as HCAP, can be more easily recorded, mapped and eventually exploited on the basis of a long-term strategy agreed with the Greek Government.

HCAP's establishment is not an unusual development, since, on a global level and according to the OECD principles on the governance of State-Owned Enterprises, an ownership separation is proposed; the state retains the role of regulator and final decision-maker regarding important strategic issues and the composition of the portfolio that it wishes to keep under state control, but assigns the shareholder's responsibilities over this portfolio to another entity, usually of a corporate nature. This entity sets a universal framework of rules and policies, as well as targets and performance indicators, so that these enterprises can continuously improve their performance and also their transparency and accountability.

This example is seen in many countries, indicatively the United Kingdom, Hungary, Italy, Norway, New Zealand, Singapore and others.

The above emphasise the independence of HCAP, as well as its function as an important instrument for the support of the country's development strategy in important sectors of the economy. This, can be mainly done through the gathering of resources that will be directed to investments either by HCAP's subsidiaries, or through the Public Investments Plan that is supplementary fed by HCAP's dividends. Furthermore, HCAP will support efforts to take advantage of the Recovery Fund on a national level, through the realization of selected investment projects by its subsidiaries.

In the above context, HCAP is proceeding with the implementation of its Strategic Plan through actions on five key directions that act as significant catalysts for long-term transformation and change:

- ✓ Establishing professionalism, meritocracy and transparency in the management of State-Owned Enterprises. Particular focus is given to the implementation of modern corporate governance practices that are promoted through the active monitoring of the operation of their Boards, as well as training sessions for senior and mid-level executives.
- ✓ Target-setting and performance monitoring through the break down of our Strategic Plan and the articulation of a three-year Business Plan. As in common practice, targets and performance indicators included are rolling and updated on an annual basis. Revisions are seamlessly done through a feedback mechanism, taking also into account all developments.
- ✓ Contributing to the planning and acceleration of digital transformation in the wider public sector, as the country is facing a unique opportunity. We are at the beginning of the digital era and adequately equipped to take a step forward, as the country requires. Innovation is also important for achieving sustainability, as it reinforces a more rational use of natural resources (for example through smart meters) and promotes low-carbon technologies in our daily life. Thus, we aim to build communication channels and pursue collaboration among our subsidiaries in order to take advantage of the available knowledge and synergies (e.g. in areas such as physical and digital data security, smart networks, predicting using big data etc.), while simultaneously trying to connect State-Owned Enterprises with an ecosystem of innovative individuals and companies. Keeping digital transformation in mind, we also appointed at least one member in the Board of Directors of each subsidiary with solid professional and/or academic experience in technology and innovation.
- ✓ Sustainable development, which is not only an issue of funds and performance, but also a matter of perception and culture. HCAP has been systematically trying to introduce the values of responsibility, trust, equality and

transparency in the day-to-day operation of the SOEs. The adoption of these principles is necessary not only because they are valid, but also because this accelerates change, discarding unhealthy elements of the past.

- ✓ Implementing the Coordination Mechanism where, through HCAP for the first time, the State clearly sets out the Mandate and its expectations (Statement of Commitments) for State-Owned Enterprises, which are important for improved social policy-making – as indicatively in the case of the special categories of passengers in the Athens Public Transport system.

The executives placed in the Boards of Directors are knowledgeable and experienced, while at the same time we also try to increase the number of women in senior management and in the Boards. Moreover, the Innovation Network established by HCAP, promotes innovative ideas in the wider public sector, as well as synergies that can be exploited among our companies, especially if one considers the size of their networks and infrastructure and the millions of customers served.

This effort is already bearing fruit as, in 2019, the financial and operational performance of the Corporation and its Direct and Other Subsidiaries has already improved:

- The Corporation's profit has more than quadrupled throughout 2019, while dividend for the Greek State has increased more than fivefold
- The consolidated results of all companies indicate profitability, compared to losses in the previous year, with improvement in the results of almost all companies

Regarding 2020, the first quarter started with good prospects for the Greek economy and HCAP's portfolio companies and the improvement in numbers accelerated. However, in March the Greek and global economy and citizens faced the outbreak of an unprecedented public health crisis, which severely affected the entire spectrum of the economy.

For the rest of the year, we aim for consistency and continuity: Numerous challenges remain and the external environment is uncertain due to the pandemic, but we are moving forward as planned, pursuing every day our mission. Through our initiatives and work, we wish to be established in the minds of citizens as a reliable, highly professional organisation. We make every effort to achieve this.

The CEO and
Member of the Board of Directors

Ourania Ekaterinari

A | ANNUAL REPORT OF THE BOARD OF DIRECTORS

ANNUAL REPORT OF THE BOARD OF DIRECTORS OF THE 'HELLENIC CORPORATION OF ASSETS AND PARTICIPATIONS S.A.' ON THE FINANCIAL STATEMENTS OF 01.01.2019 – 31.12.2019.

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

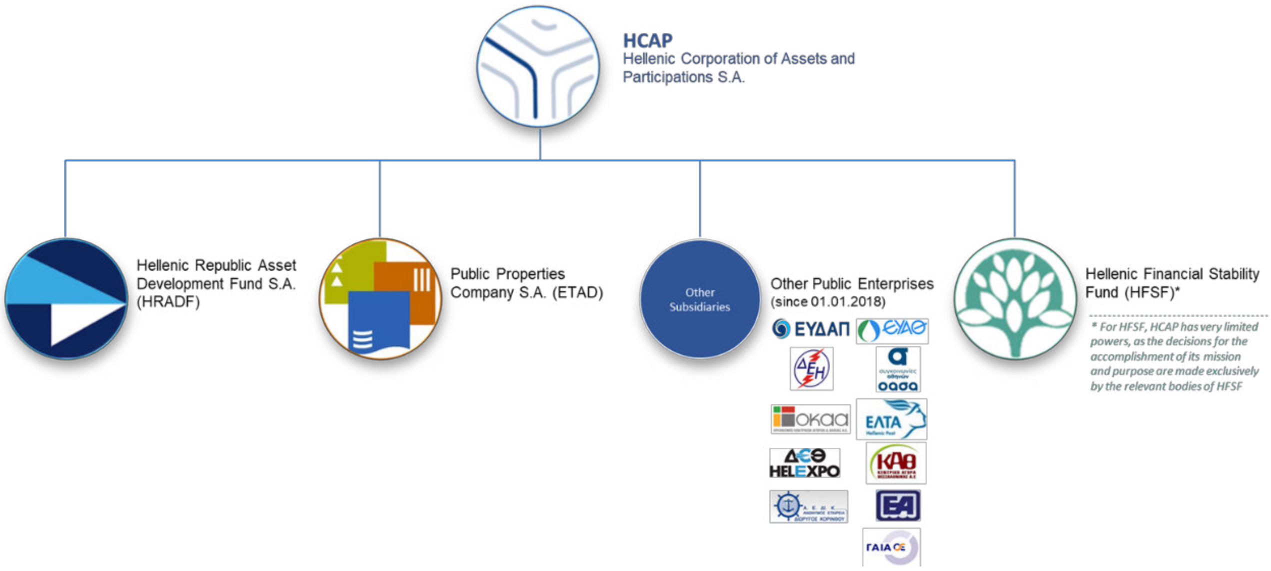
b) for the reduction of the financial obligations of the Hellenic Republic.

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.

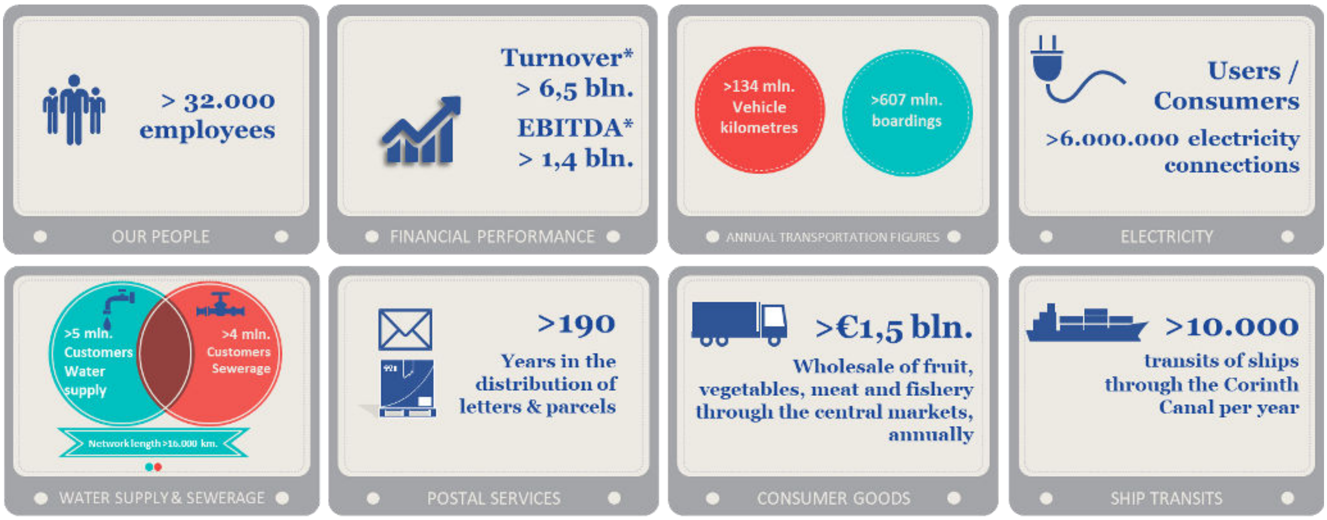
According to a decision of the Board of Directors of the Corporation dated 31.12.2018, the registered seat of the Corporation is at 4 Karagiorgi Servias Street in Athens.

As seen in the following chart, the companies currently under the Hellenic Corporation of Assets and Participations are three Direct Subsidiaries, namely the Hellenic Financial Stability Fund "HFSF", the Hellenic Republic Asset Development Fund S.A. "HRADF", and the Public Properties Company S.A. "ETAD", as well as the "Other Subsidiaries", which are enterprises in which the Greek State has shareholding participations and have been transferred to HCAP since 1.1.2018, with the exception of GAIAOSE, which was transferred in 01.07.2018.



According to the law and based on Corporate Governance standards, each of the Corporation's subsidiaries shall manage its own assets, independently from the others. By a decision of the General 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.

The HCAP portfolio at a glance



**The data refer to the 2019 financial year and have not resulted from a consolidation procedure.*

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”):

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 privatisation programme in Greece, and, specifically, the implementation of the Asset Development Plan (“ADP”). HRADF aims to maximise 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.

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.

Hellenic Financial Stability Fund (HFSF),

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

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 6th of November 2020.

Non-listed State-Owned Enterprises

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

And 100% of its subsidiaries
Road Transport S.A.
Urban Rail Transport S.A.

Central Markets & Fishery Organisation S.A. (100%)

Central Market of Thessaloniki S.A. (100 %)

Corinth Canal Co S.A. (100 %)

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

Hellenic Post S.A. (90 %)

Hellenic Saltworks S.A. (55.19 %)

GAIAOSE S.A. (100%)
since 01.07.2018

'Spiros Louis' Olympic Athletic Centre of Athens

Listed Utility companies

Public Power Corporation S.A. (34.123 %)

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

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

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.*

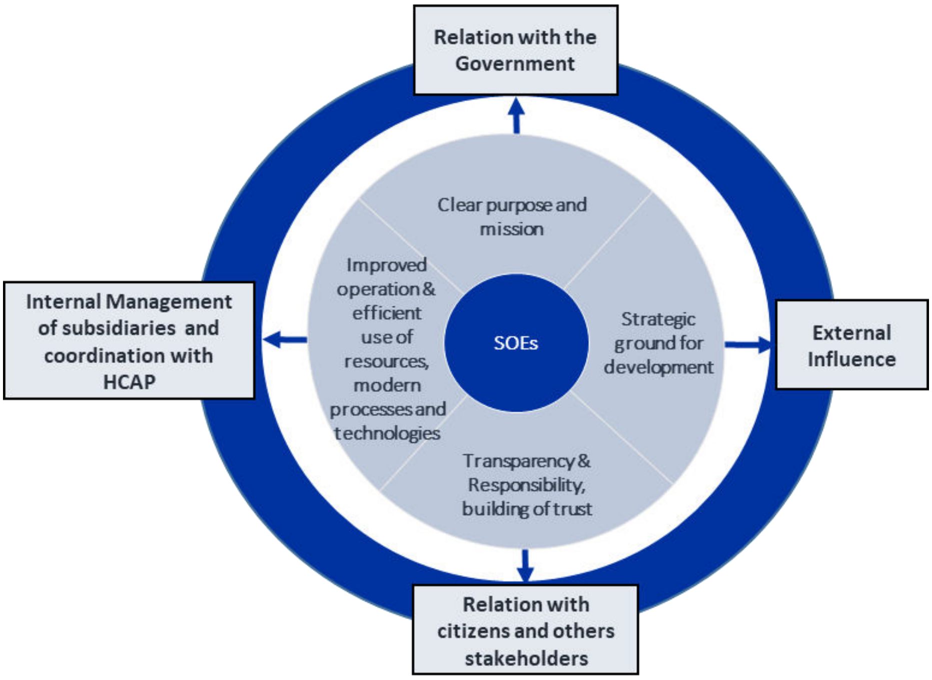
The State Owned Enterprises included in HCAP's portfolio are required through appropriate strategic, business, and operational planning and monitoring, to ensure they operate smoothly under the current conditions, and to create economic and social value in the long term, taking into account both the position of each company in each market, and the potential utilisation 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, etc.

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



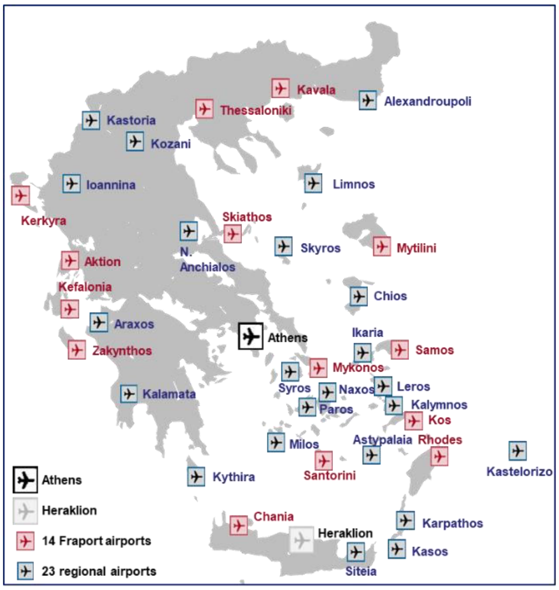
A.4. Other Participations and Rights

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 HCAPby 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 authorised.

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 Privatisations, 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 organisation, 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
- Araxos
- Astypalaia
- Icaria
- Ioannina
- Kalamata
- Kalymnos
- Karpathos
- Kassos
- Kastelorizo
- Kastoria
- Kozani
- Kythira
- Leros
- Limnos
- Milos
- Naxos
- Nea Anchialos
- Paros
- Sitia
- Skyros
- Syros
- Chios



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. The contribution of HCAP to development

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

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

a) Implementing the HRADF Asset Development Plan and by utilising the real estate portfolio of ETAD, attracting investments.

Revenue from realising the
Asset Development Plan
Of HRADF (amounts in millions €)

HRADF	
Period	**Accumulated Revenue**
2011-2016	3,454.7
2017-2018	2,425.2
2019*	1,212.1
Total	**7,092.0**

b) Transforming the State-Owned Enterprises by enhancing operational efficiency, cost-effectiveness, optimising resource use, innovation, and general improvement of the services provided to citizens, which enhance the country's competitiveness and extroversion in the respective sectors.

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

d) Lastly, by directly channelling part of HCAP's profits into investments. Specifically, a portion of HCAP's profits is paid to the Greek State as a dividend and is used for strategic investments through the Public Investments Plan, while the remainder is used by HCAP for investments in accordance with its Investment Policy. This policy determines the distribution of available resources for investment in different categories of investment:

Net profit of HCAP for **distribution** from
the 2019 financial year
(amounts in millions €)

HCAP	
Dividend Distribution	
50% Greek State	27.2
55% of the remainder in the Public Investments Plan	14.9
Withheld by HCAP	12.2
Total	**54.3**

** Included in the revenue for 2019 is the revenue from the 20-year concession of Athens International Airport, at the amount of €1.12 bln, although this was paid in 2/2019. All basic pending issues were settled in 2018 and the agreement for a 20-year extension was ratified by Parliament in early 2019.*

A.6. 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. Abraham - 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.

At present, the Board of Directors consists of the following members:

Full name	Position
Georgios Diamantopoulos	Chairman of the Board, Non-Executive Member
Ourania Ekaterinari	CEO, Executive Member
Stefanos Giourelis	Executive Director, Executive Member
Iro Athanassiou	Non-Executive Member

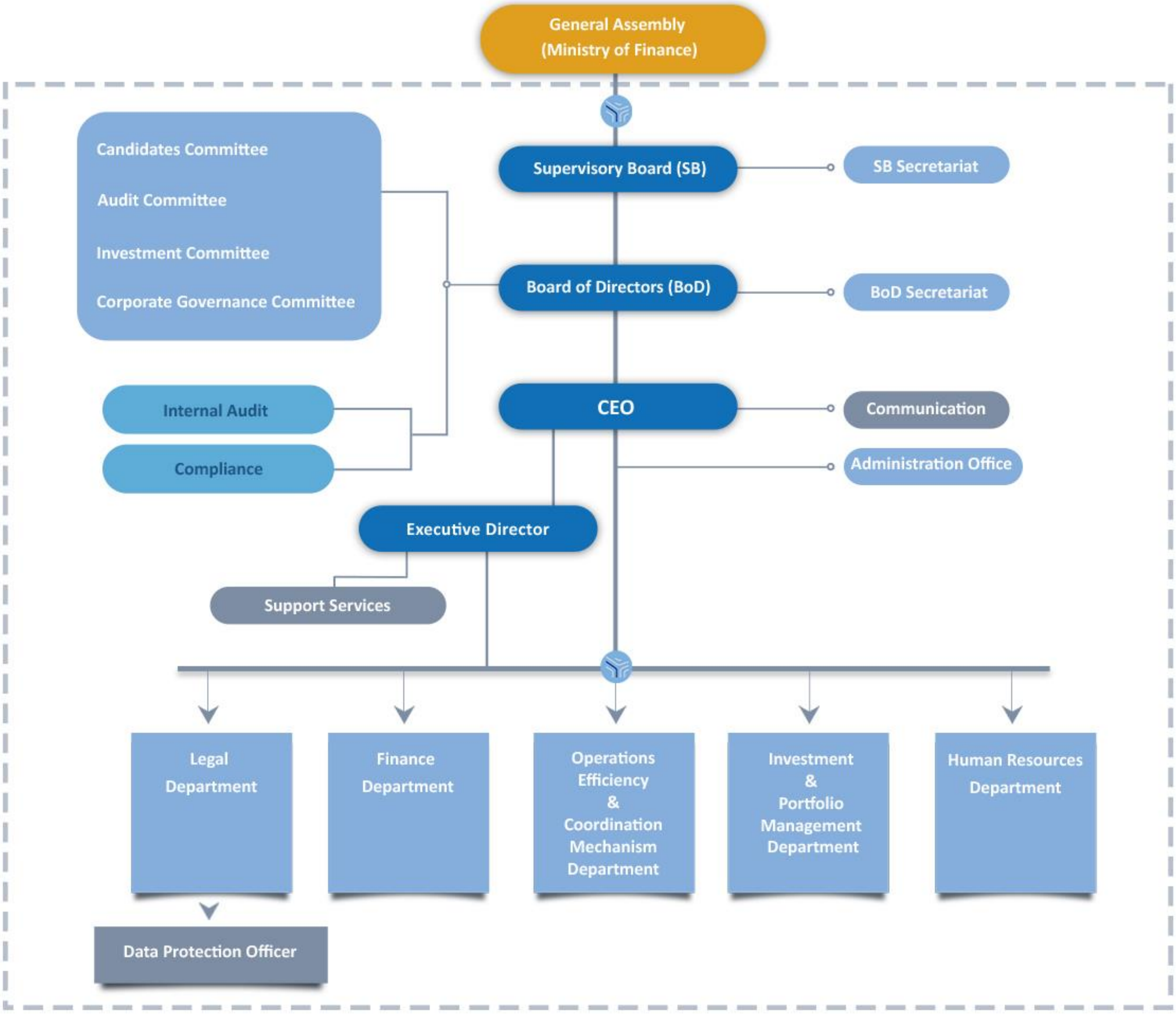
Alice Grigoriadi	Non-Executive Member
Konstantinos Derdemezis	Non-Executive Member
Themistocles Kouvarakis	Non-Executive Member
Spyros Lorentziadis	Non-Executive Member
Marina Niforos	Non-Executive Member

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

For the support of the Board of Directors' operations and pursuant to the 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 Committee, c) the Corporate Governance Committee, d) the Candidates Committee (for their composition, please see the Corporate Governance Declaration).

A.7. Organisational Chart

The organisational chart of HCAP is as follows:



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

A.8. Corporation's Share Capital

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

The Corporation's shares are non-transferable.

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

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.

A.9. 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 extra-ordinary 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 2020 were approved by the Audit Committee on 16.12.2019 and the Board of Directors on 18.12.2019.

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 2019 it focused on staffing the internal audit units of the subsidiaries, in accordance with the provisions of Law 3429/2005.

A.10. 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 dated 15.11.2019, 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 01.01.2019 – 31.12.2019.

A.11. 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. 2019 summed up to €72.6 mln, while on 30.06.2020 summed up to €70.2 mln.

A.12. 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.13. Transactions and Activities of the Company and the Group for the accounting period 01.01.2019 – 31.12.2019, as well as later events.

A.13.1 Condensed Financial Information of the Company and the Group

A) General Summary of HCAP performance of the period 2017-2019

In 2017, with the establishment of HCAP's organizational structure, **commenced the project of one of the most complex reforms of recent years**, with a long-term perspective and aiming amongst others at increasing the value and improving the return on assets of the State Owned Enterprises that would be transferred to its portfolio. Simultaneously, the first two (" direct ") subsidiaries were transferred to HCAP, in particular the Public Properties Company (" ETAD ") and the Hellenic Republic Asset Development Fund ("HRADF").

And the project began to produce results:

ETAD in 2016, for the first time after many loss-making years, became profitable and remained profitable since then. Its equity stood at € 438.8 million as of 31.12.2016, and it has more than doubled as of 31.12.2019 to 1.03 billion euros.

HRADF in 2017 turned for the first time in its history into significant profitability and had an all-time best in revenues from the development of assets and remained consistently profitable in subsequent years.

In 2018, in a complex undertaking for the Greek market, aiming to reforms and strengthening of competitiveness, but also unprecedented in size and difficulty (due to the number and the diversity of companies and the complexity of the problems each was facing), the participation of the Greek State in 13 companies ("Other subsidiaries") and many associates and subsidiaries was transferred to HCAP.

Following the development, HCAP initiated actions to improve their corporate governance with changes in their managements and Boards, articles of association, establishment or strengthening of (where already existed) Audit Committees, enhancing the system of Internal Controls and Compliance, improving transparency and reliability of their financial reporting, strengthen the performance as well as budgeting monitoring process through regular reporting and scorecard with specific qualitative and quantitative performance indicators (KPI's), etc.

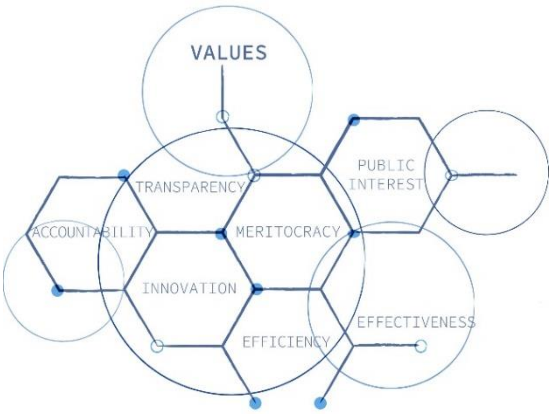
HCAP as a new organization, quarter by quarter started to produce results

Although for 2018 the annual consolidated results of all companies (HCAP Group) reflected a net loss of € 132.5 million, the quality characteristics behind this performance showed a clear gradual improvement in many areas, for example:

- The seemingly high losses of the year € 132.5 million comprised by:
  - Losses (consolidated) for the first semester of 2018 of € 158.1 million (deriving mainly from significant provisions, impairments, absorption of losses of associates, etc) and
  - Profits (consolidated) for the second semester of 2018 amounting to € 25.6 million, signaling a change of trend and shift to better results.
- Several of the subsidiaries achieved in 2018 their best performance either historically or in the last decade in terms of revenues and / or profitability (eg EYDAP, CMFO, GAIAOSE, TIF, CMT).

- The loss-making OASA and ELTA reduced the rapid pace of revenue decline of previous years, laid the foundations for their future transformation, while at the same time ELTA for the first time after several years created significant positive cash flows from operating activities that allowed them to resolve some problems created by cash difficulties of the past.
- HCAP, at company level, reflected for the first time, dividend revenues (€ 16.9 million) and net profits (€ 13.1 million).

In 2019, **the changes started yielding results in almost the entire range of companies** and performance improvements started to accelerate **having as a result to achieve consolidated net profit of € 191.7 million vs losses of € 132.5 million of the year 2018**.



Moreover, in addition to the significant net profits at the consolidated level, there are further significant improvements, such as:

Revenues in all sectors in which HCAP's subsidiaries operate, except of postal services, continue to increase. The postal market, which is the only one declining, is driven by changes in the industry worldwide.

Many companies in the year 2019 achieved their best performance

- Even for ELTA, that are operating in a difficult and rapidly changing market on a gloab level, managed for the second consecutive year (after 2018) to achieve significant positive cash flows from operating activities, after many years of negative ones, while they further reduced the rate of revenue reduction. Furthermore, in 2019 and 2020 the foundations were laid for the beginning of the transformation process to enable ELTA to meet the challenges of the future in a postal market that is changing rapidly, mainly due to technological developments (emails, e- bills, e - commerce and courier etc).
- HCAP, at company level, more than tripled its revenue from dividends (€ 61.9 million) and more than quadrupled its net profits (€ 57.2 million), while its cash and cash equivalents as at 31.12.2019 rose to € 72.6 million

In particular, and with regards to the individual subsidiaries:

- ETAD achieved in 2019 the highest revenues of the last six years and the highest profitability of at least a decade.
- HRADF achieved in 2019 the highest revenues since its establishment. Furthermore, in the three years period 2017-2019 it achieved to reach the revenues/proceeds for the Greek State from the implementation of the development program to € 3.6 billion, which are higher than those achieved in the previous six years (from HRADF's foundation in 2011 to the year 2016 and which amounted to € 3.5 billion).

- EYDAP achieved in 2018 the highest pre-tax profits of the last decade, and in 2019 it increased them further.
- OKAA in 2019 achieved one of the highest values of revenue since its establishment, while it maintained its high profitability.
- AEDIK in 2019 achieved the highest revenues historically (since the time it took over the management of the Corinth Canal from Periandros) but also historically high profits.

- Hellenic Saltworks in 2019 achieved the highest revenues of at least the last decade and significant profitability.
- GAIAOSE in 2019 achieved a record high of revenues and profitability.
- EYATH and KATH continued the good performance of the past in terms of revenue and profitability.
- OASA, after the gradual implementation of the electronic ticket, managed to stop the rate of revenue reduction and currently investments are planned for the renewal of its rolling stock.

Up until the first quarter of 2020, the performance of the majority of the aforementioned companies continued to improve even faster than in 2019, both in terms of revenue as well as profitability, as observed during the period from the beginning of the year to mid-March 2020.

However, since mid-March 2020, the outbreak of the pandemic has unpredictably and significantly affected all sectors of economic activity in Greece, as well as worldwide. Consequently, the activities of HCAP subsidiaries and associates could not be unaffected as it influenced a significant range of their activities. The impact of the phenomenon is expected to be significant especially in sectors related to:

- the transportation sector (OASA's revenues) or air travel (AIA's revenues) as their activities were considerably reduced,
- real estate revenues, especially in sectors affected by tourism (tourist real estate, Corinth Canal crossings , etc.),
- exhibition organization sector (TIF activities have been suspended for a significant period), but also in other sectors.

On the other hand, there were sectors that were resilient to the crisis, such as the companies EYDAP, EYATH, OKAA and KATH.

The impact of the phenomenon has halted the rapid growth of recent years, however this previous performance improvement allows most of the subsidiaries to have sufficient cash resources/liquidity and previous periods profits to enable then to meet this significant challenge, while at the same time being able to continue to provide their services and products to the citizens at the highest possible and uninterrupted level.

It should also be noted that the course of the HCAP portfolio may be affected by the outcome of important legal cases, such as the case before the Plenary Session of the Council of State regarding the transfer of shares of EYDAP and EYATH, but also other cases which pending before the competent courts at the subsidiary level, and depending on their outcome, significantly affect the financial results and equity at the consolidated level.

B) DISCUSSION- ANALYSIS ON THE CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR 2019

CONDENSED CONSOLIDATED INCOME STATEMENT

			Variance	
(amounts in euros 000's)	**2019**	**2018**	**€**	**%**
Revenue	1,070,783	1,045,876	24,907	2%
Cost of sales	(980,915)	(974,238)	(6,677)	1%
Subsidies attributable to cost of sales	111,451	104,372	7,079	7%
Gross profit	**201,319**	**176,010**	25,309	14%
Other operating income	177,226	127,205	50,021	39%
Administrative expenses	(163,407)	(159,528)	(3,879)	2%
Selling expenses	(61,294)	(59,055)	(2,239)	4%
Gain from revaluation of investment properties	73,834	57	73,777	-
Other operating expenses	(62,708)	(83,587)	20,879	-25%
Results before tax, finance and investing activities	**164,970**	**1,102**	163,868	14863%
Dividend income	2,468	1,595	873	55%
Share of profit / (loss) of associates	41,310	(116,368)	157,678	*
Valuation of financial assets at fair value through P&L	1,234	(280)	1,514	*
Finance income	27,101	32,390	(5,289)	-16%
Finance cost	(14,142)	(14,694)	552	-4%
Profit / (loss) before tax	**222,941**	**(96,255)**	319,196	*
Income tax	(31,211)	(36,288)	5,077	-14%
Net Profit / (Loss) after tax	**191,730**	**(132,543)**	324,273	*

** Change to profits from losses.*

As previously mentioned, in 2017 HCAP held a participation in 2 companies which were consolidated, while from 01.01.2018 (plus GAIAOSE from 01.07.2018) acquired the participation of the Greek State in 13 additional companies (as well as their subsidiaries and associates) .

This constituted a critical challenge in the year 2018, as for the first time the participations of the Greek State in 15 companies (majority or minority through HCAP) and in a number of other subsidiaries or associates of these companies would be consolidated. Companies which:

- were active in very different markets,
- followed different accounting policies in many cases, as they had made different choices between IFRS-allowed options for the presentation of balance sheet items or transactions / results of the year,
- had different procedures for preparing financial statements, systems, dates on which they completed their financial statements, while some of them, despite the fact that they were transferred to HCAP in 2018, had not published financial statements since 2016,
- there was a significant number of qualifications and matter of emphasis on the certificates of Certified Accountants, thus affecting the reliability and transparency of their financial statements,
- there was no homogeneity in the audit of the financial statements of these companies, as the 13 new companies were controlled by nine different certified public accountants, and in several cases the respective divisions of the companies were understaffed and without the appropriate infrastructure and systems, a problem that must be addressed in the future.

In general, the consolidation of so many different companies was one of the most complex challenges for the Greek market and the private sector, but at the same time it was of great importance for monitoring portfolio performance and improving transparency and reliability. in financial information for public enterprises . After a reasonable period of time since their transfer, HCAP followed actions to improve the quality of financial information and reports, including:

- Implemented a process of setting up (or strengthening where pre-existing) audit committees in these companies, staffing them with chairmen who have sufficient knowledge of accounting and auditing, according to the laws, also ensuring the independence of the members of the Audit Committees.
- A great effort was made to resolve and correct as much as possible of the problems highlighted by the external chartered accountants for the financial statements of these companies, resulting in a total of 35 qualifications and matters of emphasis on the financial statements of 2016, to be gradually reduced at approximately 14 in 2019.
- An effort was made to identify the most significant differences in the accounting policies adopted by the subsidiaries, as well as their convergence, so that the consolidated financial statements reflected uniform accounting policies.

As the transfer involved a large number of companies, 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 issues (such as impairment testing of a great volume of fixed assets that had not been carried out for many years) requires considerable time. This effort is expected to be completed within the year 2020 and any corrective entries concerning the period before 01.01.2018 will be recorded retroactively through the correction of the net assets of the first consolidation of these companies.

(a) Discussion on consolidated results for the year 2019 :

The year 2019 is the first year which has a fully comparable previous year, as the year 2016 was less than twelve months and with only two subsidiaries, the year 2017 concerned HCAP and the two direct subsidiaries ETAD and HRADF, while years 2018 and 2019 contain all consolidated companies.

Revenue

The increase in the consolidated revenue in the year 2019, compared to the previous year 2018, is primarily due to the combination of the following main factors:

a) Increased revenue in the majority of the companies (ETAD, HRADF, EYDAP, AEDIK, GAIAOSE, Hellenic saltworks, while other companies remained at about the same high levels of year 2018). Furthermore, during the previous year, GAIAOSE’s revenues were consolidated only for the 2nd half of 2018 (as it was transferred on 01.07.2018), while in year 2019, the revenues of the whole year were consolidated.

b) The decrease in ELTA’s revenue due to the continuous decrease of the total postal market was partially slowed down, while it was also partially mitigated by the increased electricity sales.

Cost of sales

The increase in cost of sales is due to a number of factors, where various increases are offset by cost reductions in other areas. At the end, the most significant effects remaining was the increase in the cost of electricity sold by ELTA (due to increased sales), the increase in production costs in certain companies (such as Hellenic saltworks) as production and sales increased, and the increased cost of OASA.

Subsidies attributable to cost of sales

These relate to OASA and the increase is due to the increase in the cost of sales of OASA and the subsidized part of the cost of sales of OASA (regular subsidy).

Other operating income

Other operating income mainly concerns the extraordinary subsidies received by OASA from the Greek State, as well as reversals of unused provisions. The increase in the year 2019 compared to the previous year is due to two main reasons:

- The fact that during the fiscal year 2019, OASA collected most of the fees for the transportation services provided to social groups with reduced or zero price in the form of an extraordinary subsidy, and only a small part of the payments received, that was characterized as payments that would offset this service, was allocated to revenue while the rest was recorded as income from extraordinary subsidies .
- The fact that ELTA reversed into income a part of the staff retirement provision, as it was decided to reduce the compensation paid to employees upon retirement.

Gain from revaluation of investment properties

It concerns the gains from the increase of the fair value of the investment properties. Although the total gain comes from various subsidiaries, the majority arose from the subsidiary ETAD and is attributable mainly to two factors: the regular increase in the value of real estate due to the rise of the overall market, but also the fact that ETAD during 2019, following the recognition of a number of new properties during the years 2016, 2017 and 2018, in the fiscal year 2019 focused on the increase of the value of the properties already recognized in previous financial years, with the improvement of the knowledge regarding their characteristics and attributes, as well as the management of uncertainties and issues of various such property assets that improved their value.

Other operating expenses

They mainly concern provisions for bad debts, impairment of assets, as well as provisions for various risks. During the year 2018, the amount was increased as the companies were consolidated for the first time and provisions were considered necessary to cover the existing risks. In the current year, the additions to such provisions were smaller, while the provisions for bad debts have increased.

Dividend income

It mainly concerns the dividend received by HCAP from the Greek State 1% participation to the company OTE, for which HCAP has the right to collect the respective dividends.

Share of profit/ (loss) of associates

The amount in the current year mainly concerns the share of the profits of Athens International Airport (AIA), which had significant profitability in the year 2019, as well as the share of losses of ETVA VIPE and to a lesser extent other associates. The loss of the previous year was mainly related to the incorporation of the loss from the results of PPC (which far exceeded HCAP share of 2018 AIA profits). As the consolidation of last year's PPC losses fully impaired the carrying value of the investment, there was no significant effect from PPC on the results during the current year.

Finance income

It mainly concerns interest and finance income from HCAP and subsidiary companies deposits at the Bank of Greece as well as other banking institutions. The decrease in income despite the increase in cash is due to reduction of interest rates.

Income tax

The rate of income tax as a percentage of pre-tax profits is less than the nominal income tax rate, mainly as a) part of the profits arises in companies that are exempt from income tax, b) certain captions are presented after income tax (e.g. the share of results of associates) and c) some companies which, during the year, made taxable profits, utilised tax losses from previous tax years for which no deferred tax asset had been recognised in the past.

(b) Discussion on Consolidated Statement of Financial Position items as at 31.12.2019 :

Regarding the significant variances at the statement of financial position captions when comparing 31.12.2018 with 31.12.2019, the most important concern the following:

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

Investment properties: The increase is mainly due to the gain from revaluation of investment properties recognized through the income statement, as well as from the initial recognition of new properties by ETAD which are recognized as a direct increase/ credit in equity.

Right-of-use assets (assets), current and non-current lease liabilities (liabilities): Relate to the recognition of the value of long-term leases based on the new accounting standard IFRS 16 which is applicable from the year 2019.

Cash and cash equivalents: The increase comes mainly from the positive operating cash flows of the year of the Group companies.

Provisions for staff leaving indemnities: The decrease is mainly due to the reduction of the corresponding provision in ELTA, which was only partially offset by the increase of the provision due to falling discount rates and due to the maturation of staff rights.

Other current liabilities: The increase is partially due to a significant amount of dividend collected by HRADF on behalf of the Greek State (due to the participation of Greek State in a third party company) and which by end of year was payable from HRADF to the Greek State.

C) DISCUSSION-ANALYSIS ON THE PERFORMANCE AND CERTAIN CAPTIONS OF THE SEPARATE COMPANY FINANCIAL STATEMENTS OF HCAP (STAND ALONE)

The improvement of the basic financial figures of HCAP during the last years, is presented in the condensed table below and shows the rapid evolution of this performance:

HCAP SA - CONDENSED SEPARATE FINANCIAL DATA

(amounts in euros 000's)	2019	2018	2017
Revenue	61,945	16,998	0
Profit / (loss) after taxes	57,179	13,060	(3,143)
Total assets	74,715	20,910	7,720
Total equity	69,733	19,710	6,652

Regarding the results of the year 2019, they reflect a significant increase in revenue and profitability, as a result of the maturation of its new activities and structure, as well as the active management of dividend expectations and dividend distribution capabilities of companies. These changes led to more than tripling revenue and more than quadrupling profits compared to 2018.

The total dividend income for the year 2019 and 2018 is analyzed as follows:

(amounts in euros 000's)	2019	2018
ETAD	21,188	-
AIA	16,250	-
EYDAP	14,378	10,650
GAIAOSE	4,377	-
EYATH	2,287	4,011
OTE	2,468	1,595
Other smaller amounts	997	742
Total	**61,945**	**16,998**

Regarding the expenses, the staffing and the structure of HCAP until the beginning of the year 2018 was based on the then foreseen structure of the Group (ie two direct subsidiaries). After the transfer of the public companies, together with a number of their own subsidiaries and associates and the multiplication of the Group's size, the transformation of the organization of HCAP was deemed necessary to satisfy the additional needs. Thus, the organization and staffing were adjusted respectively, gradually achieving an almost complete organizational structure by the end of 2019, which, resulted in an increase in various expenses compared to 2018, such as payroll and administration costs, rent/depreciation, office facilities, and expenses related to HCAP's subsidiaries, such as fees for the provision of consulting services for the restructuring of ELTA, projects related to the evaluation of the Boards of Directors of companies in HCAP portfolio, and for projects related to market research and evaluation of possible candidates, for Board of Directors positions, . as well as for the project of reviewing and strengthening the framework of Corporate Governance of specific State Owned Enterprises that are into HCAP's group.

The Company's cash and cash equivalents on 31.12.2019 amounted to € 72.6 million and their increase is due to the collection within 2019 of a significant part of dividend income totaling € 62.5 million.

Hellenic Saltworks: The Messolonghi salt flats

A.13.2 Important activities of the Corporation for the year ended on 31.12.2019 and subsequent events

Below are the most important activities of the Corporation for the fiscal year from **01.01.2019 until 30.12.2019,** as well as subsequent events and, in particular:

- **17 January 2019** - Reconstitution of the Corporation Board of Directors and re-election of the Board's Committees. Following the election of a new member of the Board by the Supervisory Board, namely Mr Spyros Lorentziadis, the Corporation's Board of Directors was reconstituted into a body on 17.01.2019 and decided on the re-election of the Audit Committee and the Investment Committee.
- **8 February 2019** - 2nd Work meeting between HCAP and the Managements of the State-Owned Enterprises of its portfolio. HCAP held a work meeting with its portfolio companies' management on the subject of the potential for synergies among the subsidiaries in accordance with the current institutional and regulatory framework, as well as the strategy and actions regarding the promotion of technology and digital convergence. Took part in this work meeting the management of the following corporations: PPC, EYATH, EYDAP, AIA, ETAD, Corinth Canal, GAIAOSE, TIF-HELEXPO, ELTA, Hellenic Saltworks, CMFO and the OASA Group.
- **14 February 2019** – Finalisation and approval of the final key performance indicators (KPIs) included in the Corporation's approved Business Plan.
- **27 February 2019** – The Board of Directors of HCAP approved the updated budget for 2019.
- **21 March 2019** – Approval of HCAP's Medium-term Budget for the period 2020-2023 for submission of a corresponding report to the Ministry of Finance and the State General Accounting Office.
- **21 March 2019** – Approval of the Fourth Quarterly Report of 2018 on the activities and financial statements of the Corporation, for submission to the Supervisory Board and posting to the Corporation website, in accordance with Articles 195 and 192 of Law 4389/2016. The Report was submitted to the Supervisory Board for approval and was subsequently posted on the Corporation's website.
- **19 April 2019** - Approval of the policy of appointing HCAP's Subsidiaries directors to the Boards of Directors of its Subsidiaries, on the basis of issues examined by the Corporate Governance Committee with the assistance of a specialised consultant (including the selection procedure, duties and obligations, issues of independence, fiduciary duty, confidentiality, management of conflict of interest, evaluation and limitations as regards fee etc.).
- **9 May 2019** - The 3rd work meeting took place with the managements of the State-Owned Enterprises of its portfolio, on the subject of investments and the available funding tools. The agenda included a discussion on the investment plans of HCAP's subsidiaries, the importance of their implementation for economy in total, tools and methods of funding from structural funds with the assistance of the Ministry of Economy (currently named Ministry of Development and Investments), as well as the collaboration with other institutional bodies, such as the European Investment Bank and Greek systemic banks.
- **January – July 2019** - Meetings were held to provide information on corporate governance and compliance issues with executives of EYDAP, OASA, TIF-HELEXPO, GAIAOSE, AEDIK and OASA.
- **18 June 2019** - Following the recommendation of ETAD's Board of Directors for the convening of an Extraordinary General Meeting of ETAD S.A., the decision was taken for the distribution of a dividend of twenty-one million one hundred and eighty-eight thousand four hundred and sixty-eight Euro (€21,188,468,00).
- **20 June 2019** - Approval of the Q1 2019 Corporate Governance Report for the period from 01.01.2019 to 31.03.2019 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.
- **20 June 2019** - Approval of the Q1 2019 Report for the period from 01.01.2019 to 31.03.2019 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.
- **July – September 2019** – Approval by HCAP of the amendments to the Articles of Association of the other subsidiaries of HCAP for the purpose of their harmonisation under the provisions of Law 4548/2018.

- **18 July 2019** – Approval of the 2020 HCAP budget for the purposes of the state budget, and approval of the updated Mid-Term Budgetary Strategy Framework for the purposes of reporting to the Greek State.
- **6 September 2019** - Approval of the Q2 2019 Report for the period from 01.04.2019 to 30.06.2019 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 September 2019** - Approval of the Q2 2019 Corporate Governance Report for the period from 01.04.2019 to 30.06.2019 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.
- **15 November 2019** – Ordinary General Meeting of HCAP and approval by the sole shareholder of the Annual Consolidated and Separate Financial Statements for the fiscal year 01.01.2018 – 31.12.2018 and of the relevant reports of the Board of Directors and of the certified auditors and of the overall management during the abovementioned fiscal year.
- **12 December 2019** - Self-convened extraordinary General Meeting of the Sole Shareholder, which is the Greek State, as legally represented by the Minister of Finance, in accordance with Articles 187(1) and 190 of Law 4389/2016 and election of three new Supervisory Board members to replace resigning members, in accordance with the provisions of Article 191(2) and 191(6) of Law 4389/2016.
- **18 December 2019** - Approval of the Q3 2019 Report for the period from 01.07.2019 - 30.09.2019 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.
- **18 December 2019** – Approval of the Q3 2019 Corporate Governance Report for the period from 01.07.2019 - 30.09.2019 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.
- **Ordinary General Meetings of 'Direct' and 'Other' Subsidiaries** (as defined under Law 4389/2016) – Within the period and under its shareholding status, HCAP participated in the Ordinary General Meetings of the 'Direct' and 'Other' Subsidiaries (as determined under Law 4389/2016) in which it made approvals regarding subjects appearing on the agenda of the Ordinary General Meeting.

Subsequent Events

- **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) organised 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 it 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** - Authorisation 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** - Authorisation 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.
- **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.
- **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.
- **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.
- **Ordinary General Meetings of Subsidiaries** (as determined under Law 4389/2016) – Within June 2020 and under its shareholding status, HCAP participated in the Ordinary General Meetings of subsidiaries PPC, EYDAP, EYATH, AIA, exercising its right to vote on subjects appearing on the agenda of the Ordinary General Meeting.

A.13.3 Events and activities of the Corporation

Described below are the main areas on which the Corporation focused and took initiative and action in the framework of achieving its purpose and mission in the year 2019. 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, utilisation of possible synergies, as well as actions to identify and assess alternative funding sources for investment in subsidiaries.

A 13.3.i Corporate Governance

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

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

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

<u>Statutes for State-Owned Enterprises</u>

In 2019, with the entry into force of the new law 4548/2018, HCAP made further changes and adapted the statutes of State-Owned Enterprises in line with the possibilities and flexibility permitted under the new law for the operation of Société Anonyme companies. Within the first half of 2018, HCAP proceeded to adapt the statutes for State-Owned Enterprises in accordance with Codified Law 2190/1920, in order to modernise their operations according to the rules in place for all sociétés anonymes.

<u>Upgrading of the role of the Audit Committee</u>

In 2019, HCAP proceeded with the designation of Audit Committees and Heads of Committee with expertise and specialized knowledge based on the criteria of Law 4449/2017, in order to be able to substantially support the Boards and the quality and transparency of financial reporting, internal audit and risk management to the standards of listed companies. By the end of Q2 2020 their total number reached 16, constituting Audit Committees also in OASA subsidiaries OSY and STASY. Induction courses have also been held, in which HCAP executives provide training for the best functioning of each Committee.

<u>Systematic Evaluation of the Corporate Governance Framework</u>

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.13.3.ii Compliance

The Compliance Officer is rensponsible 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 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)

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. As of 31.12.2019 more than seventy (70) checks/evaluations have been carried out regarding possible conflict of interest situations both at HCAP and at the BoD level of HCAP's portfolio companies.

The implementation of compliance policies and procedures by HCAP's portfolio companies is systematically monitored through specific key performance indicators (KPIs) set for 2019 and 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 organisation.

In addition, HCAP's Compliance function has designed a comprehensive compliance training program for HCAP and its portfolio companies. I and has organised a number of interactive tailored workshops/seminars in order to promote compliance/business ethics and raise awareness on relevant issues. In particular, over 25 compliance/business ethics workshops have been delivered in 2019 addressed to the management and senior executives of HCAP and its portfolio companies. During 2019, HCAP also organised an event at the Athens Stock Exchange regarding corporate culture and ethics in which a large number of listed companies attended, while a similar event jointly organised by HCAP and the Federation of Industries of Greecewas held in Thessaloniki.

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. sThe Compliance function has so far developed, training courses on "Business Continuity Management", "Working from Home" and "Compliance and Business Ethics". Furthermore, informative material (such as videos, manuals, etc.) has been created in order to raise awareness on compliance and business ethics issues.

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. In this context, the Compliance Ofiicer participated in the 12th Conference of Transparency International – Greece with a presentation on the practical implementation of compliance in HCAP and its portfolio companies.
- ✓ participates in the 'Brain Regain' initiative and its mentorship program.
- ✓ has formed working groups focusing on issues such as Equality and Diversity andCorporate Social Responsibility.

A13.3.iii Board of Directors' assessments and upgrading of the role of 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 June 2020, more than 90 members in 16 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 specialised 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 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 June 2020, eighteen (18) 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.

Evaluations and appointments of members of the Board of Directors of Subsidiaries.

Described below are the key milestones and activities regarding evaluations and appointments of members of the boards of subsidiaries, procedures during which HCAP implemented best international practices and had the support, according to case of specialised consultants with recognised standing and experience. More specifically:

- **With regard to GAIAOSE S.A.**, the Board of Directors of HCAP, sole shareholder of GAIAOSE, in line with its remit, and given the expiration of the previous GAIAOSE Board's term in office, according to the procedure set out by Article 197(4) of Law 4389/2016, selected, with the assistance of a consultant, staff with professional experience and knowledge to join GAIAOSE's Board, including the Audit Committee. HCAP's Board unanimously decided to appoint the new Board and Audit Committee of GAIAOSE, in force as of 7 February 2019.

- **With regard to OASA S.A.**, the Board of Directors of HCAP, sole shareholder of OASA, in line with its remit, according to the procedure set out by Article 197(4) of Law 4389/2016, evaluated and selected staff with experience and knowledge, which they sufficiently possess collectively and with a diversity of experience in order to realise OASA's strategic goals. HCAP's Board unanimously decided to appoint the new Board and Audit Committee of OASA S.A., in force as of 06 May 2019. On 5 March 2020, the Board of Directors of HCAP, sole shareholder of OASA, , unanimously decided to appoint a new Chairman of the Board of Directors of OASA.

- **With regard to Corinth Canal Co S.A.**, the Board of Directors of HCAP, sole shareholder of Corinth Canal Co, in line with its remit, according to the procedure set out by Article 197(4) of Law 4389/2016, unanimously decided to appoint the new Board and Audit Committee of Corinth Canal Co S.A., in force as of 06 May 2019.

- **With regard to CMT S.A.,**the Board of Directors of HCAP, sole shareholder of CMT, in line with its remit, according to the procedure set out by Article 197(4) of Law 4389/2016, evaluated the Board of CMT S.A. and consequently unanimously decided to appoint the new Board and Audit Committee of CMT, in force as of 19 June 2019.

- **With regard to EYDAP S.A.**, the Board of Directors of HCAP, majority shareholder of EYDAP, in line with its remit and given the expiration of the term of the entire EYDAP Board on 28 June 2019, according to the procedure set out by Article 197(4) of Law 4389/2016, unanimously decided on the composition of EYDAP S.A.'s new Board and Audit's Committee, which was proposed at EYDAP's ordinary general meeting on 26 June 2019.

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

With regard to EYATH S.A., at the Extraordinary General Meeting of EYATH's shareholders on 21.02.2019, following a recommendation by the 'Candidates' Committee and in accordance with Article 197 of Law 4389/2016, HCAP proposed the election of two new non-executive members, one of whom was appointed Chairperson of the Audit Committee. At the Extraordinary General Meeting on 2 August 2019, HCAP proposed the election of a new Chairman of the Board of EYATH and then, at the Extraordinary General Meeting of EYATH on 27 August 2019, the election of a new EYATH CEO was decided.

With regard to the Hellenic Saltworks S.A., at the Extraordinary General Meeting of 17.05.2019 of the Hellenic Saltworks S.A., following a recommendation by the Candidates Committee and in accordance with Article 197 of Law 4389/2016, HCAP decided in favour of the election of a non-executive member in the role of Chairperson of the Audit Committee. Furthermore, a new member of the Board was appointed as representative for the employees.

With regard to the PPC, on 22 August at the Extraordinary General Meeting of the PPC, following a recommendation by the Candidates Committee, in accordance with Article 197 of Law 4389/2016 and with the support of renowned external consultants , HCAP decided in favour of the election of a new CEO and four BoD members of PPC. An additional member of the PPC Board of Directors was elected at the aforementioned General Meeting, following a proposal to HCAP made by the Minister of Finance according to article 197(4) of Law 4389/2016.

With regard to ELTA, on 7 October 2019 at the Extraordinary General Meeting of ELTA, following a recommendation by the Candidates Committee and in accordance with Article 197(4) of Law 4389/2016, HCAP decided in favour of the election of a new CEO, an Executive Director and a Non-Executive Member of the Board of Directors of ELTA, with the support of renowned external consultants.

With regard to ETAD, on 28 November 2019, at the Extraordinary General Meeting of ETAD S.A., after the resignation of the CEO, an Executive Director and a Non-Executive Member of the Board of Directors of ETAD and following a recommendation by the Candidates Committee in accordance with Article 197 of Law 4389/2016, HCAP unanimously decided in favour of the appointment of a CEO and two members in the Board of Directors of ETAD, with the support of renowned external consultants.

With regard to CMFO, on 23 December 2019 at the Extraordinary General Meeting of CMFO, following a recommendation by the Candidates Committee and in accordance with Article 197 of Law 4389/2016, HCAP decided in favour of the appointment of four new members of the Board of Directors of CMFO, among which the Chairman and the CEO.

The following took place in the first six months of 2020:

Appointment of the Chairman of the Board of OASA: The Board of Directors of HCAP, sole shareholder of OASA, in line with its remit and according to the procedure set out by Article 197 of Law 4389/2016, unanimously decided to appoint a new Chairman, non-executive member of the Board of Directors of OASA with effect from **5 March 2020**.

Appointment of a new Board of Directors in OSY: The Board of Directors of OASA, sole shareholder of OSY, in cooperation with HCAP, unanimously decided to appoint a new Board of Directors in OSY on **9 and 20 March 2020**. The members included the CEO, the non-executive Chairman of the Board, and three non-executive members.

Appointment of a new Board of Directors in STASY: The Board of Directors of OASA, sole shareholder of STASY, in cooperation with HCAP, unanimously decided to appoint a new Board of Directors in STASY on **20 March 2020**. The members included the CEO, the non-executive Chairman of the Board, and three non-executive members.

Appointment of new members of the Board of Directors of CMT: The Board of Directors of HCAP, in line with its remit and according to the procedure set out by Article 197 of Law 4389/2016, unanimously decided in favour of the appointment of a new non-executive member of the Board of Directors of CMT and Chairman of the Audit Committee, as well as a member proposed by the Minister of Finance on **27 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 of Law 4389/2016, unanimously decided in favour of the appointment of a new non-executive member of the Board of Directors of TIF, as well as a member proposed by the Minister of Finance on **28 April 2020**.

Appointment of new members of the Board of Directors of EYATH: 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 of Law 4389/2016, decided in favour of the appointment of five new members in the Board of Directors of EYATH, among which the CEO, on **30 April 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 of Law 4389/2016, decided in favour of the appointment of a new non-executive member of the Board of Directors of ELTA Chairman of the Audit Committee on **8 May 2020**.

Appointment of the Chairman of the Board of ETAD: The Board of Directors of HCAP, sole shareholder of ETAD, according to the procedure set out by Article 197 of Law 4389/2016, unanimously decided in favour of the appointment of a new Chairman, non-executive member of the Board of Directors of ETAD, on **27 May 2020**.

A.13.3.iv Setting of business goals and Key Performance Indicators (KPIs)

HCAP introduces best practices for monitoring the performance of its subsidiaries by adopting standards of the private economic sector.

HCAP role as an organization that contributes to the reinforcement and acceleration of value creation (Value Accelerator) in State-Owned Enterprises and is developed through specific objectives, such as:

- operational improvement and increase in corporate efficiency, using restructuring actions where required,
- digital transformation of companies in the light of modern trends and innovative ideas,
- training and education of employees and management executives of State-Owned Enterprises,
- corporate governance and transparency, taking into account internationally accepted principles,
- social participation, collaboration and consultation with all interested bodies,
- reinforcing diversity.

The main issue at stake for HCAP is 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 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's Strategic and Business Plan with a focus on value creation and performance improvement

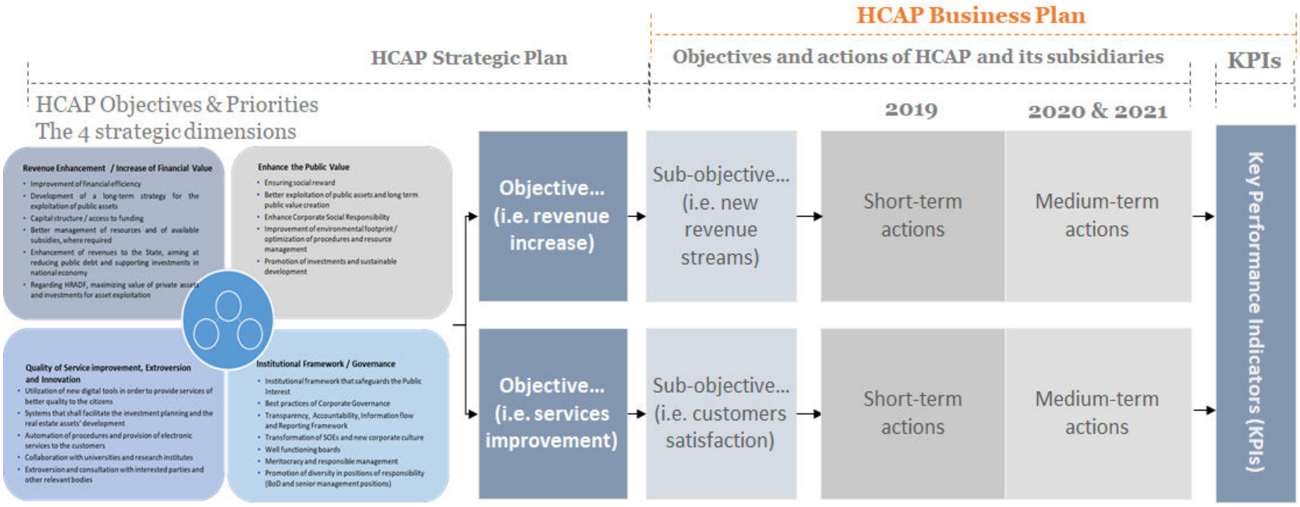
HCAP's Strategic Plan[1] was approved by the General Assembly in January 2018; it is a key tool for achieving its mission, which is ensuring and maximising the value of public property, while it places special emphasis on the principles of good Corporate Governance. The Strategic Plan was drafted taking into account the Strategic Guidelines of the Sole Shareholder, as represented by the Minister of Finance.

HCAP Strategic Plan has also served as the guidance for the drafting and updating of the Business Plans of the subsidiaries (direct and other non-listed ones) and the drafting of HCAP's Business Plan for 2019-2021.

According to HCAP Business Plan, the short-term and mid-term actions and priorities and the Key Performance Indicators (KPI) implemented for the first time, are set both at the level of HCAP and subsidiaries,

This new model that was implemented in 2019 (as graphically depicted below), was a joint effort by HCAP and its subsidiaries aiming to harmonise the companies' operational actions for the three-year period 2019-2021 with HCAP's guidelines and Strategic Plan.

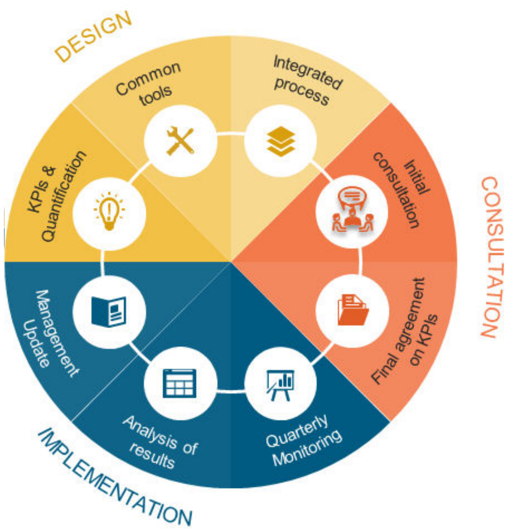
[1] It should be noted that HCAP's strategic plan does not include an analysis and presentation of the strategic goals for the Financial Stability Fund (HFSF), as well as for HRADF with regard to the assets included in its Asset Development Plan. It also does not include an analysis for non-listed companies in which HCAP is a minority shareholder.



The key performance indicators selected for each company on a per case basis, satisfy all four HCAP strategic dimensions, namely revenue and financial performance, improvement of the services provided, corporate governance and public value.

Following modern practices, HCAP's business plan is updated annually on a rolling basis. Therefore, in the last quarter of 2019 the business plan update process for the new three-year period 2020-2022 was initiated, also integrating the subsidiaries' KPIs. The Business Plan update was completed in the beginning of 2020 (February), but a necessary update followed along with with the required revisions in order to take into account the financial and operational impact of the pandemic.

Implementation of Key Performance Indicators (KPIs) in State-Owned Enterprises



In this context, 2019 was a milestone for the full development, adoption and, eventually, the implementation for the first time of a comprehensive performance monitoring system involving Key Performance Indicators (KPIs) in State-Owned Enterprises.

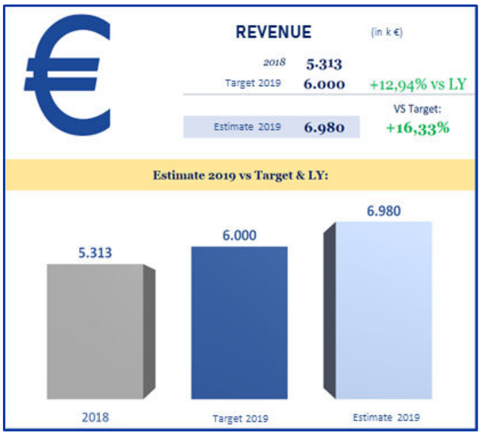
This mechanism reinforces the framework of corporate governance rules by adding modern practices that promote responsible management and transparency, similarly to the private sector; this has been one of HCAP's greatest achievements in its first year of full operation.

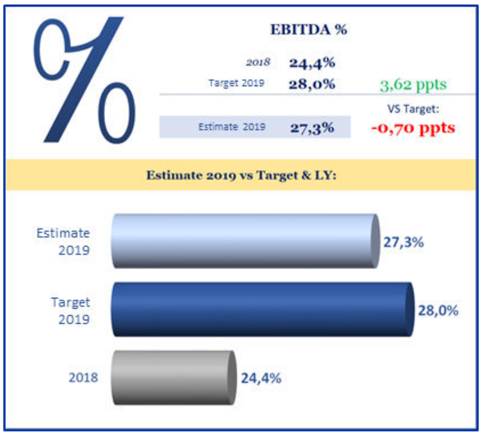
This new model applies to the portfolio's non-listed companies in which HCAP is either the sole or majority shareholder.

During the drafting of HCAP's Business Plan, KPIs were set for a three-year horizon (2019-2021) both at HCAP level as well as its subsidiaries, covering a broad spectrum of targets and actions, therefore also reinforcing the implementation of the subsidiaries' business plans.

The targets clarify and determine business priorities and form the basis for assessing the management and safeguarding the public interest in general.

Indicative examples of Key Performance Indicators





On a quarterly basis, the subsidiaries prepare and submit to HCAP information about the actual performance as well as forecast until the end of the year, so that the level of target attainment can be monitored through the use of common files (dashboards) created by HCAP for this particular purpose.

The performance monitoring procedure is complemented by periodic meetings for further discussion and data analysis in cooperation with the subsidiaries'management, in order to ensure the timely planning of corrective actions in case of deviation from the targets.

During the fourth quarter of 2019 the subsidiaries submitted their final estimates about the target attainment for the year, which forms the basis for the assessment of the management performance and the initiation of discussions for the target setting of the next three-year period (2020-2022).

Through the procedure that has already been adopted and implemented, during the last quarter of 2019 and the first quarter of 2020, the consultation with subsidiaries regarding the targets of the next three-year period was completed. The finalisation of the KPIs was followed by the unexpected pandemic outbreak and their revision was necessary.

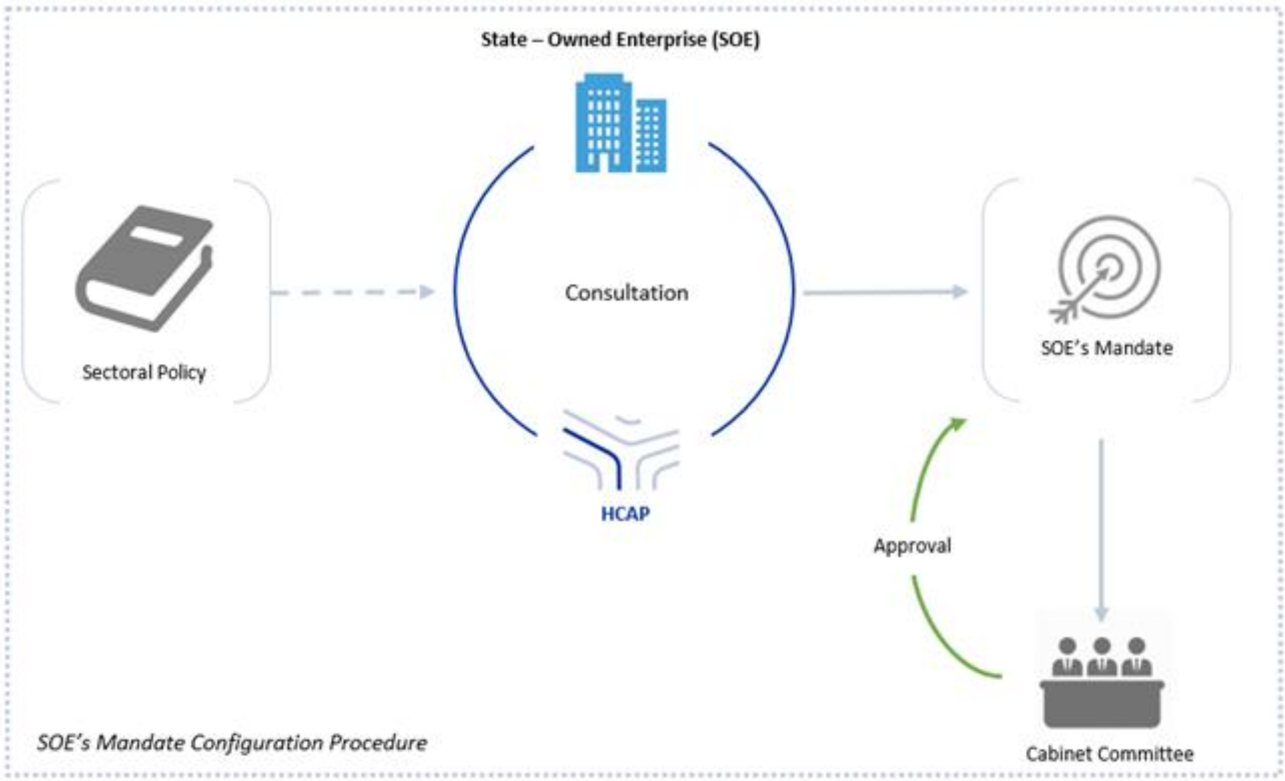
To date, the target-setting mechanism applies to the direct subsidiaries (HRADF, ETAD) and the State-Owned Enterprises (other subsidiaries) that are not listed in the stock exchange and in which HCAP is either the sole or majority shareholder.

At the same time, preliminary discussions have started with the listed companies EYDAP and EYATH in which HCAP is a majority shareholder, aiming for the continuous improvement of the water supply and sewerage services provided in the Athens and Thessaloniki areas, as well as the most efficient use of the natural resource, in the light of sustainable development. Some indicative examples are the reduced technical damages of networks, increased customer satisfaction, positive environmental footprint (energy savings, increase of recycled water, reduced leaks etc.), as well as the acceleration of the companies' investment plans and the integration of new technologies. Moreover, for the first time, the two water supply and sewerage companies are collaborating in areas of common interest, with an emphasis on innovation and sustainability.

A. 13.3. v Coordination Mechanism

Alongside the business plan, and within the framework set out in the Rules of Procedure, in 2019 the Coordination Mechanism provisions were gradually implemented, setting out the procedures and deliverables regarding the model of cooperation among the State, HCAP and State-Owned Enterprises, on:

a) the Mandate of the State-Owned Enterprises, which shall define the main activities of each State-Owned Enterprise;



b) the Statement of Commitments of the State-Owned Enterprises – in addition to the special obligations described below – with regard to quantitative and qualitative targets, which must be aligned with HCAP's Strategic Plan. The Statement of Commitments will also include the operational objectives that the Public Enterprise will have to fulfil in the framework of the established strategy and in harmonisation with its purpose of maximising their long-term economic and social value;

c) the Performance Contracts, which will clearly reflect the mandate and the targets of the special obligations, identify the financial resources for their implementation, and specify the role and commitments of the signatories.

In this framework, the role of these SOEs remains significant for social and sectoral policy-making by the State, for example through the provision of SGEIs, in line with European Law and the common values and policies of the European Union. As a result, the Coordination Mechanism will examine — in addition to the company's strategic and operational objectives (KPIs) — the assignment of special obligations that have not been otherwise regulated (for example through legislation), in order to agree on the qualitative terms and the compensation mechanism for the services offered.

The initiation of the processes specified in the context of the Coordination Mechanism started in the first quarter of 2019, following the establishment of the Cabinet Committee specified in the general framework, pursuant to the relevant Ministerial Council Act dated 27.02.2019.

Following the establishment of the Cabinet Committee, HCAP prepared and submitted the relevant deliverables to the involved parties, in accordance with the provisions of the Coordination Mechanism, as well as the general legal and regulatory framework.

Consequently, after consultations with its subsidiaries, HCAP completed the preparation of the Mandate and the Statement of Commitments for the following companies:

- ✓ Corinth Canal Co S.A. (AEDIK)
- ✓ Hellenic Saltworks S.A.
- ✓ Thessaloniki International Fair (TIF) - HELEXPO S.A.
- ✓ Central Market of Thessaloniki S.A. (CMT)
- ✓ Central Markets & Fisheries Organisation S.A. (CMFO)

It should be noted that the consultation for the Statement of Commitments took place in parallel and in addition to the consultation with its subsidiaries for their general target setting, since the Statement of Commitments stem from the targets/KPIs agreed between HCAP and State-Owned Enterprises in the context of business planning.

The original plans and the agreed schedule with the management included a second phase of deliverables, related to companies that were transferred to HCAP portfolio later or to companies for which a framework for the provision of a Service of General Economic Interest should be examined.

However, these plans had to be postponed to the second half of 2019 following the change of the Government in July 2019, since the Mechanism acknowledges the Greek Government as a key stakeholder in the entire communication procedure. By Ministerial Council Act dated 31.10.2019, the Cabinet Committee was established again, consisting of new members, while a Committee Support Team was also established. Therefore HCAP, during the period that immediately followed:

- ✓ Re-examined the deliverables of the Mechanism, in cooperation with the Cabinet Committee Support Team
- ✓ Updated the targets and Key Performance Indicators of its subsidiaries for the period 2020-2022 in the context of its rolling business planning, as included in the Statements of Commitments
- ✓ Started discussions and consultation with subsidiaries involved in the provision of Services of General Economic Interest (SGEIs)

Following the above, also in cooperation and communication with the Government, HCAP submitted the Mandates of the following companies to the Cabinet Committee for validation:

- ✓ Corinth Canal Co S.A. (AEDIK)
- ✓ GAIAOSE S.A.
- ✓ Thessaloniki International Fair (TIF) - HELEXPO S.A.
- ✓ Hellenic Post (ELTA Group)
- ✓ Hellenic Saltworks S.A.
- ✓ Central Market of Thessaloniki S.A. (CMT)
- ✓ Central Markets & Fisheries Organisation S.A. (CMFO)
- ✓ Athens Public Transport Organisation (OASA)

The Mandate specifies a high-level direction for the State-Owned Enterprises in the long term, as well as general targets related to the position of each company within the sector it operates, the pursuing of services of high quality etc. The Mandates of HCAP subsidiaries have been formed taking into account the Strategic Directions of the Sole Shareholder and the results of the consultation between HCAP and the Cabinet Committee Support Team. In accordance with the provisions of the Coordination Mechanism, the Mandates of the other subsidiaries stated above were validated by the Cabinet Committee in March 2020 and then published on HCAP’s website www.hcap.gr and on the websites of the subsidiaries.

Following the validation of the Mandates of the above mentioned companies, HCAP is proceeding with the drafting of the corresponding Statements of Commitments and Performance Contracts where required, as deliverables of the Coordination Mechanism.

It should be noted that: a) the Statement of Commitments for ELTA will be formed after the finalisation of the strategy and transformation plan currently being prepared by the company, b) OASA’s business planning and consequently its Statement of Commitments are affected by the agreement on the provision of transportation under special obligations (e.g. to vulnerable social groups), which will be discussed at a subsequent stage and will correspondingly lead to the drafting of Performance Contracts as deliverables of the Coordination Mechanism and c) no Coordination Mechanism deliverables are planned for the listed companies.

Due to the pandemic, the submission and finalisation of the aforementioned deliverables may be postponed.

A. 13.3.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 set the digital transformation of companies a high priority, setting the following objectives, in collaboration with their management:

1. Modernizing infrastructure and systems integration in order to improve the quality of services offered to citizens,
2. Automating business processes, taking into account new technological trends, in order to improve operational and resources’efficiency,
3. Promoting innovation, continuously striving to develop value added services and new revenue streams,
4. Developing employees’ digital skills and applying change management procedures.

Recognizing the speed of technology evolution, HCAP expects from SOEs management - also through 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:

- Modernizing the IT infrastructure, taking advantage of the new capabilities of Cloud Computing and 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
- Data Warehousing, Data Management, Business Intelligence and advanced Reporting Tools.
- Electronic automations in production and supply chain processes.
- Smart meters, preventive maintenance applications, inventory management systems for the monitoring of spare parts, consumables and fuel consumption.
- Smart Services and applications for mobiles (with an emphasis on Smart Society applications), installation or upgrading of telematics and fleet management systems.
- Human resource and efficiency management systems.
- Exploitation of Geographic Information Systems (GIS) and fixed asset monitoring applications for property registration.

HCAP also places special emphasis on the need for synergies and transfer of know-how among the companies in its portfolio. Synergies establish relationships of trust between companies and enable them to better respond to the new trends and exploit their competitive advantages.

To this end, on 8 February 2019 HCAP held a working meeting with its portfolio companies’ management on the potential synergies among the subsidiaries in accordance with the current institutional and regulatory framework, as well as the strategy and actions regarding the promotion of technology and digital convergence. Issues discussed during the meeting included modern technology trends and how digital transformation affects the operations and the development model of the respective industries at a European and international level, as well as the prospects and successful cases in Greece.

During the meeting, the companies’ management presented ideas and proposals for collaboration opportunities, while indicative examples were mentioned in relation to the following:

- ✓ Use of large store chains for the seamless information of the public
- ✓ Transforming stores into one-stop shops
- ✓ Providing bundled products and services
- ✓ Introducing innovative service channels, such as smart mailboxes etc.

Prospects were also discussed regarding the coverage of the companies' accommodation needs using common methods and means, in conjunction with the joint exploitation of their real estate property, for example through the implementation of a common GIS system. By electronic voting, the participants were given the opportunity to select which of the proposals presented were more suitable for implementation.

HCAP's active support of the digital transformation of the companies in its portfolio continued throughout 2019 and, in order to include some of the above proposals in an implementation stage, the company took the initiative to establish an **Innovation Network** for the wider public sector.

After appointing executives with academic or professional experience in the technology sector, HCAP established this network in order to create a fixed innovation structure in the wider public sector, which will be responsible for monitoring technological advancements on a global level and promote digital transformation projects in subsidiaries, as well as in other public organizations that might participate in it. The aim of this initiative is to find synergies among HCAP subsidiaries in their respective fields of activity, map new technologies that may promote innovation, as well as search for global best practices, business models and innovation standards.

In the context of this initiative, HCAP subsidiaries are called to unite their know-how and strengths and explore innovative ideas to redefine their traditional revenue models, introduce new products and better services for their customers, and rationalise their operating costs.

The operation of the HCAP Innovation Network represents a significant move of public sector companies to new technologies and focuses on the following areas:

The first area concerns exploring specific technologies of direct interest for these companies, such as Smart metering, sensors and IoT (Internet of Things) for water supply, electricity and transportation networks, smart buildings and infrastructures, cybersecurity, digital preventive maintenance operations, blockchain, circular economy and reduction of the energy footprint, e-mobility and smart mobility, machine learning and automation etc.

The second area explores how the greatest possible extroversion and synergy with other organizations might be achieved. Cooperation is proposed with the following organizations:

- ✓ Technology leaders in integrated solutions and products in the sectors of companies in HCAP's portfolio.
- ✓ Startups, enterprise incubators and technology funds that aim to create a relevant ecosystem for the exploration of best practices and funding schemes for innovative projects.
- ✓ Research institutions, universities and student groups, to ensure wider networking with the research community regarding the diffusion of knowledge, as well as results of relevant research projects funded by European Research Programmes (e.g. Horizon 2020/Horizon Europe, CEF, Digital Europe), Greek Research Programmes, NSRF and similar programmes.
- ✓ Similar companies abroad, as well as organisations similar to HCAP, in order to maximise synergies and provide information on the respective best practices followed.

The Innovation Network of the Hellenic Corporation of Assets and Participations is coordinated and supervised by an **Innovation Team** that consists of members of its subsidiaries' Boards of Directors who possess scientific and technological qualifications and experience.

In the context of its tasks and bearing in mind the aim of this initiative in general, the Innovation Team's plans for 2020 include actions aiming to bring State-Owned Enterprises closer to global technological advancements and the Greek innovation ecosystem. To this end, in Q2 2020 a series of web-based discussions in the form of webcasts were held in collaboration with the MIT Enterprise Forum Greece, with the participation of executives from HCAP and its subsidiaries, as well as world renowned scientists and researchers experienced in various areas of interest. During these webcasts, HCAP executives had the opportunity to become familiar with technologies and innovative solutions at the centre of international focus and, similarly, present relevant plans or pilot projects under way in these areas of interest, such as physical and digital data protection, predicting unpredictable events using big data, blockchain technology for real estate management and exploitation, and urban mobility in the future. These meetings concluded with discussions on methods and means for the funding of innovative solutions, as well as on the active role of HCAP and State-Owned Enterprises in the relevant value creation ecosystem.

A.13.3.vii Investment Plans - Alternative sources of funding & funding tools

HCAP and its subsidiaries (HRADF, ETAD, PPC, EYDAP, EYATH, OASA, STASY, ELTA, ETVA-VIPE, OSY, GAIAOSE,TIF-HELEXPO, CMFO, CMT, Corinth Canal, and Hellenic Saltworks) organised an all-day meeting on May 9th 2019 to discuss alternative sources of funding and financing tools for their investment plans.

Executives from the Greek State, international finance organisations (EIB and EBRD) as well as executives from the four major Greek banks participated at the meeting, where selected investments of different maturity and magnitute by four HCAP's subsidiaries were also presented. Furthermore, the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD) gave detailed presentations on the available sources of funding and alternative structures for implementing investments. There were also presentations on the possibilities provided by the NSRF programme (with reference also to the next funding period of 2021-2027), as well as on the particular features and overall potential of exploiting Public-Private Partnerships (PPP) and long-term concession contracts.

Representatives from the four systemic Greek banks analysed the terms and conditions under which access to various sources of funding are evaluated and under which financial structure they could stand. These sources included NSRF, EFSI, multilateral funding, Infrastructures Fund, bank loans, capital markets, etc.

To bring out investments that are critical to the effective operation and modernization of the SOEs and secure funding, a company must assess the capabilities and the eligibility criteria of bank funding and stick to solid planning and maturation processes for its investment projects. This could boost the broader growth and competitiveness of the Greek economy, leading to HCAP achieving one of the basic pillars of its mission.

The subsidiaries of HCAP implement extensive investment plans supported and funded by the NSRF 2014-2020. These plans include projects that vary in maturity and size. For now, as the current NSRF programming period is reaching its end, SOEs must consult with the Ministry of Development and Investments in order to actively contribute towards preparing the programme for the 2021-2027 period. As regards the current programming period, the majority is attributed to investment proposals by the two water supply and sewerage companies (EYDAP and EYATH), while there are also smaller projects of the HCAP subsidiaries.

At the same time, and following the severe negative impact of the pandemic and subsequent lock down, the European Union and the Member States have among others approved the establishment of the Resilience and Recovery Fund with a total budget of €750 billion, of which €33 billion are expected to be allocated to Greece as a combination of loans and grants.

In the current circumstances, projects aiming to the strengthening of SOEs, such as digital transformation, the modernization and strengthening of networks and infrastructure, energy upgrading projects and the transition to a low carbon economy, (eg: detoxification from fossil fuels, energy upgrading of buildings and infrastructure, electric propulsion, circular economy, wastewater management, etc.), which seem to meet the eligibility criteria, can be included as initial proposals in the Recovery Fund. HCAP and its subsidiaries are being prepared for the utilization of this new financial initiative in the best possible way, aiming at investment projects related to important reforms in key sectors of the economy in which the subsidiaries of HCAP are active and have a role in creating added value. in the economy but also for better service to the citizens.

A.13.4 Key financial results of the Group's subsidiaries for 2019

HCAP

Company profit of 57.2 mln. euros compared to 13.1 mln. in 2018

Group profit of 191.7 mln. euros compared to 132.5 mln. losses in 2018

HRADF

1.2bln. Privatisation Revenues for 2019

7.1 bln Accumulated Privatisation Revenue

ETAD

+7.5% Revenue, 6-year best

1 bln. Value of investment properties, from 370 mln in 1.1.2017

AEDIK

+12% Revenue All -time best

Transition from losses to profitability

EYATH

+5% Profit after tax

5 x total equity vs total liabilities

EYDAP

+6.9% EBITDA

+21% Profit after tax

GAIAOSE

All - time best performance for revenue & profitability

TIF - HELEXPO

€0.8mln. Profit after tax

Profitable for the 2nd year in a row

CMT

+22% Profit after tax

+30% EBITDA

CMFO

€2 mln. Profit after tax

€2.8 mln. EBITDA

ELTA

€20.6 mln Profit after tax

2nd year in a row with positive cash flows from operating activities

OASA

€33.5 mln. Losses reduction

Revenue increase due to the implementation of electronic ticket

Hellenic Saltworks

Doubling of profit after tax

+34% Sales 10 – year best

A.13.5 Actual Results and Activities of the Group's subsidiaries for the year ended on 31.12.2019

Thessaloniki International Fair S.A.

HELLENIC REPUBLIC ASSET DEVELOPMENT FUND (HRADF)

Short 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.

1,212 mln
Revenue from Privatisations 2019

7,092 mln
Revenue from Privatisations Cumulative

During the period 01.01.2019 to 31.12.2019, HRADF recorded a total profit after tax of € 1.1 mln. HRADF's total revenues from the development of assets for the same period are € 11 mln. It is noted that based on the decision of the Minister of Finance (Government Gazette B/1603/07.06.2016) HRADF's revenues for covering its operating expenses are calculated as follows:

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

Asset Development Plan

The assets included in the Medium-Term Programmes have already been transferred to the Fund and they can be summarised 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 HRADF Board of Directors and subsequently ratified by decision of the competent government body, while it is updated every six months. The current Asset Development Plan that was approved by the HRADF Board of Directors on 30/9/2019 was subsequently approved by the competent government body (KYSOIP) and has been in force since 13/11/2019.

2019 Transactions Overview

During the period 01.01.2019 – 31.12.2019, a significant number of tenders were conducted and completed covering a wide range of assets development (infrastructure, energy, telecommunications, real estate) of a total value of € 1,212.1 mln.

Finally, with regard to the revenues from the implementation of the Asset Development Plan, a table with the relevant revenues until 31.12.2019 is presented below.

Period/financial year	Annual revenues (€ mln)	Accumulated revenues since 2011 (€ mln)
2011	1,165.7	
2012	5.2	1,170.9
2013	1,040.4	2,211.3
2014	464.4	2,675.7
2015	284.9	2,960.6
2016	494.1	3,454.7
2017	1,378.9	4,833.6
2018	1,046.3	5,879.9
2019	1,212.1	7,092

The most important events and transactions from 01/01/2019 to the date of the report

During the period in question, the completed competition procedures and projects as well as the important events were the following:

- Twenty-year extension of the ‘Contract for the Development of the International Airport of Athens, El. Venizelos’ (Airport Development Agreement)
- Sale of 100% of the shares of the Hellenic company for Rolling Stock Maintenance S.A. (EESSTY)
- Annual concession fee for the upgrading, maintenance and operation of 14 Regional Airports 2018 (implemented through a long-term lease concession)
- Call of expression of interest for the sale of 30% of the share capital of the Athens International Airport and expression of interest by 10 international investment vehicles.
- Chios Marina concession agreement
- Declaration of the preferred investor for Alimos Marina
- Commencement of the tender procedure for Itea Marina in Fokida
- Commencement of the tender procedure for DEPA Infrastructure
- Transfer of rights in rem of the Iniohos Hotel, 26 Veranzerou St, Athens
- Transfer of rights in rem of Southern Afantou, Rhodes
- Signing of a sale and purchase contract for a property in Pretoria, S. Africa
- Conclusion of the transaction for Castello Bibelli, Corfu (January 2020)
- Commencement of the tender procedure for DEPA Commercial (January 2020)
- Signing of a sale and purchase contract for a property in the centre of Nafplion (March 2020)
- Signing of a contract for the long-term lease of the property “Sanatorio Mana” in the Arcadia region (March 2020)
- In July 2020, tender procedure commenced for the exploitation of the Alexandroupoli, Igoumenitsa and Kavala ports. In the first two cases, exploitation involves the sale of a percentage of shares, while in the case of Kavala it involves a long-term concession.

Furthermore, during the first half of 2019, HRADF also had a number of projects in the pipeline for which the competition process was under way, while at the same time it was implementing the maturation procedures and preparing new tenders for a number of projects:

- Long-term concession of Egnatia Odos Motorway and three vertical road axes (in progress)
- Port authorities (10 regional ports) (maturity and tender preparation procedures)
- Underground Natural Gas Storage Facility of South Kavala (maturity procedures, commencement of the tender process, call of expression of interest June 2020)
- Tourist Ports - Marinas in Thessaloniki, Mykonos, Mandraki - Rhodes, Argostoli, Zakynthos (maturity and tender preparation procedures)
- ELPE (Planning of the tender process)
- ELLINIKO (tender in its final stage – implementation of actions and conditions for the financial conclusion and completion of the transaction)
- Northern Afantou, Rhodes (Actions for the financial conclusion of the transaction)
- Markopoulo Olympic Equestrian Centre in Mesogaia, Attika (a draft Presidential Decree on the Special Plan for the Spatial Development of Public Real Estates (ESHADA) is to be approved by the Central Administration Council)
- Gournes in Heraklion, Crete (draft Presidential Decree on the Special Plan for the Spatial Development of Public Real Estates (ESHADA) approved by the Central Administration Council)
- Tourist real estate, incl. the Thermal Springs of Kam. Vourla, Thermopylae, Koniavitis Camping (Tender process maturity procedures)
- Construction site of Rio - Antirrio Bridge (tender in process)
- Other properties (Greek National Tourism Organization Camping, Porto Heli etc.) (property maturity procedures)

The communication policy followed by HRADF during 2019 was focused on promoting the assets for development, communicating with market stakeholders regarding the progress of the tenders and informing the public about the estimated socioeconomic footprint of the development initiatives of the Fund.

HRADF Sustainability Policy

Recognising the importance of sustainable development in Greece, HRADF is seeking ways to integrate sustainability in the public asset development programme so that, beyond the relevant economic and fiscal benefits, the foundations are built for a competitive economy that respects the environment, creates jobs and a cohesive society, while promoting innovation and reinforcing the adoption of Cyclical Economy principles.

The HRADF Sustainability Policy is based on three key axes: 1) the exchange of know-how between the companies in its portfolio, 2) the effort to turn investors to more environmentally friendly solutions and 3) the assessment and monitoring of the sustainability performance of the portfolio.

Moreover, HRADF cooperated with the European Bank for Reconstruction and Development (EBRD) to develop a digital tool for assessing the sustainability performance of the assets in its portfolio (ESG Rating Tool) using KPIs. The ESG Rating Tool is based on the best international practices and widely recognised standards and is in line with the Sustainable Development Goals (SDGs) and the environmental and social performance requirements of large financial and investment institutions.

The tool was developed with the assistance of an expert consultant, while the relevant costs were funded by the EBRD.

Moreover, the Fund assigned to the Foundation for Economic and Industrial Research (IOBE) the preparation of a study entitled "The Macroeconomic and Socioeconomic impact of the Hellenic Republic asset development programme". The results of the study were presented in July 2020.

Extroversion – Certifications

In January 2019, HRADF received the "Most Innovative Privatisation Programme 2019" award by the international financial magazine European CEO.

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. Organisational 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 mobilisation / 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.

Institutional Framework / Governance

The Audit committee, which was set up in 2019, updated its Charter, while a new Internal Auditor was appointed.

Effect of Covid-19 on HRADF activities

The exceptional outbreak of the Covid-19 pandemic affected the privatisation programme significantly.

- 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 (particularly in the period from mid-March until the end of May 2020).

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 start of these 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 for 2020 are extremely difficult to achieve and are therefore being revised.

PUBLIC PROPERTIES COMPANY S.A. (ETAD)

Short description of the company

The Public Properties Company S.A. (ETAD) constitutes the largest company in the management and development of the Hellenic Republic real estate assets and its main objective is to maximise the value of the assets in its portfolio for the benefit of the Greek economy. It manages and develops, to the benefit of the public interest, a large portfolio of real estate properties that are, for the greater part, coming to its ownership from the Greek State, while it reserves the right to manage a part 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 SA absorbed Olympiaka Akinita SA and was subsequently renamed Ellinika Touristika Akinita SA, b) in December 2011, Ellinika Touristika Akinita SA merged with KED SA and was renamed Etaireia Akiniton Dimosiou SA and finally c) in March 2015, Etaireia Akiniton Dimosiou SA absorbed the company Paraktio Attiko Metopo SA. The ETAD SA 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 properties that HRADF is 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 properties, which the company only managed in the past, upgraded and redefined the role of ETAD SA.

Thus, the new strategic goals of ETAD SA include completing the reorganisation and maturing of the portfolio and designing the appropriate exploitation strategy per category of properties, in order for the company to grow and establish itself as the main State Property Management Body.

For the year 2019, ETAD's revenue reached €50.9 mln, compared to €47.4 mln in the previous period. Pre-tax profits increased more than five-fold during the year, reaching €68.3 mln up from €10.8 mln. The overall value of its assets exceeded €1.3 bln, following an upwards trend in recent years, while the number of ETAD employees at the end of 2019 came to 461 permanent employees.

+7.5% Revenue	x6 Profit before tax

Following the vote of Law 4607/2019 Article 71 (Government Gazette Series I, Issue 65/24.04.2019), it was made possible for the first time in over a decade to distribute dividends to the shareholder (HCAP) in the amount of €21,188,468.

The most important events and transactions from 01/01/2019 to the date of the report

During 2019 and following the reorganisation of the company in 2018, ETAD started, under new structure and staffing, to create new sectors and cost centres that supported the company in achieving its strategic and business goals.

The main events and transactions for the year 2019 and until the publication of the current report are:

Property utilisation and long-term lease management

In the context of the strategic goals set by HCAP in 2019, new property lease contracts were implemented, old lease and concession contracts were updated, property sale tenders were announced, while the profitability of the business units managed by ETAD improved.

During 2019, the company proceeded with new property lease contracts for a total amount of €2.1 mln, 17 sale tenders for a total price of €1.2 mln, preparations for the sale of properties to existing business units for an amount of €2.5 mln, 5 leasing contracts through e-auctions, while it continued the review of existing contracts. Indicatively, a tender was held regarding the long-term lease of the Xenia hotel unit in Chios, as well as tenders on the long-term lease of two historical tourist kiosks at the Delphi area. Moreover, the company achieved improved results in the utilisation of large areas of old foreshores in the entire Greek territory, having published a large number of calls for expression of interest, reinforcing local economies and contributing to the smooth operation of hotels, restaurants, snack-bars and other F&B and leisure companies, especially in tourist destinations.

In 2019, ETAD handled significant issues related to leases of large customers (leases above €100,000 per year) and achieved important settlements aiming to review contracts and achieve the targets regarding the reduction of arrears. Similarly, the monitoring of lease contracts below €100,000 per year resulted in improvement actions for the management of over 160 existing lease files.

Regarding business units, ETAD proceeded to upgrade the services offered by the tourist infrastructures managed by it and to increase number of visits, implementing – though HCAP's general business and investment targets – its action plans. In this context, the electronic card for skiers was implemented in the Parnassos Ski Centre, as well as an electronic ticket system in the Diros caves and in Achilleion Museum in Corfu, which is available since the 2020 tourist period. Moreover, improved utilisation of souvenir stores was achieved by adding new products from a specialised company that cooperates with well-known museums (Acropolis Museum, Benakis Museum etc.); customer satisfaction surveys were held with the aim of implementing corrective actions for the improvement of the services offered; ticket prices at selected business units increased slightly, in order to achieve increased revenues and the financial viability of these units, as well as the funding of future investments. Lastly, within 2020, part of Akti Vouliagmeni was reformed in the special area under the name "Akti Gold", which now offers visitors upgraded services, such as the possibility of booking via electronic ticket, exclusive access and service and prebooked parking.

Olympic properties were also upgraded and hosted corporate events, sports events, product placement, social events, short-term leases for a playground, daycare and creative activity centre uses, short-term leases for spa and wellness centres, biking tourism and mountain trekking seminars. These actions took place in various Olympic installations, as well as in business units.

Consulting Services and Investments

ETAD continued the implementation of a co-funded investment programme of a total amount of € 28.1 mln that aims to upgrade the tourism infrastructure it manages, increase number of visits, and improve the visitor experience.

Regarding the modernisation of the current facilities and infrastructure networks of the Kaiafas Lake (budget: € 5.0 mln), the project was auctioned, a final Contractor was selected, the pre-contract check was conducted by the responsible management authority (EPAnEK) and, finally, the contract with the Contractor was signed at the end of 2019. The project implementation has already started.

Similarly, for the co-funded project "Ecotourism Park of Fanari in Rodopi. Modernization of the main infrastructure networks and development of new tourism infrastructure" (budget: € 2.4 mln), the project was auctioned, a final Contractor was selected and the pre-contract check was conducted by the competent management authority (Special Management Agency for Eastern Macedonia and Thrace). The project will start after the signing of the contract with the final Contractor, which is expected to occur within 2020.

Regarding the co-funded project "Restoration and promotion of the caves and building facilities of Diros in the Prefecture of Laconia – Phase B" (budget: € 8.5 mln), which consists of 5 sub-projects (with the Ministry of Culture and Sports being a joint beneficiary in 4 of these), the project was auctioned, a final Contractor was selected and the Contract was signed in May 2020.

Regarding the project "Restoration and promotion of the Achilleion complex in Corfu (phase B)" (budget: €12.2 mln), which consists of 9 sub-projects (with the Ministry of Culture and Sports being a joint beneficiary in 7 of these), pursuant to the decision 2329/10.04.2020 issued by the Special Management Agency for the Ionian Islands Region, it was included in the Operation Programme "Ionian Islands 2014-2020" and the completion of the folder and tender documents preparation is expected shortly.

All of the above projects are part of the 2014-2020 NSRF.

Finally, in May 2020, the Alimos Marina Concession Contract was signed and intensive efforts are made to deliver it within the year.

Extroversion and Promotion of the company

In the context of reinforcing the extroversion of the company and its business units, ETAD organised promotional events and a range of promotional activities.

Specifically, in 2019 ETAD participated in the International Hotel Investment Forum (IHIF) 2019 (Berlin, Germany), the National Pavilion of "Enterprise Greece" in the MIPIM International Exhibition (Cannes, France), while it also held presentations of selected parts of the portfolio to investors and Greek enterprises. In the 2nd semester of 2019, ETAD SA participated in EXPO REAL (Munich, Germany) as the only Greek exhibitor, in discussion panels in PRODEXPO (Athens), as well as in a round table on investments in tourist properties in the international investors' forum MR&H 2019 which was held in Athens. Moreover, ETAD organised an event on the promotion of short-term leasing option of its assets. Together with the Hellenic Society for the Protection of Nature, it jointly hosted an event for the award of a Blue Flag to Vouliagmeni Beach, as well as the informative environmental campaign "Love Our Seas" in the Alimos Marina.

The company also proceeded with advertisements in the printed and electronic press, promoting its actions, its business units, and the portfolio available for utilisation. Moreover, in 2019 ETAD implemented an initial redesign of its corporate web site (www.etad.gr), in order to improve its profile towards various categories of users. As to the web-based promotion of its identity and work, the company proceeded with the creation of corporate videos, as well as promotional videos of selected business units and properties intended for exploitation. Furthermore, e-auctions of properties were promoted through newsletters, property photos, issuing of press releases, as well as posts on the company's web site.

Public Value

In the context of protecting, promoting, and exploiting Public Property for the benefit of the Greek economy, ETAD is reviewing its portfolio with regard to environmental and urban planning restrictions (e.g. forests, Natura / Ramsar areas, archaeological zones, etc.), concessions, and illegally held properties, in order to truly utilize the portfolio and eliminate chronic problems, such as abandoned properties and illegally held and exploited properties.

Aiming at the proper management of its portfolio properties, ETAD also continued with the cleaning, reviewing and updating of all state-owned properties in its register, as well as in the Geographical Information System (GIS). It proceeded with the maturing of properties for their utilisation, the submission of property registrations in the Greek Cadastre, the submission of objections for properties designated as forest areas, the preparation of topographical plans regarding geometry changes in the Greek Cadastre, as well as the continuous updating of the MIS/GIS Registry. Many small-scale projects were also implemented, such as cleaning, deforestation and pruning, small repairs and fencing for safeguarding the properties in light of their future utilisation, as well as for health and safety reasons in accordance with the legislation in force. Moreover, protection and risk elimination measures continue to be taken following reports and requests issued by the competent authorities. Also, the restoration and maintenance works of public properties that have been characterised as dangerous are being prioritised.

Digital Transformation

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

- Development of a digital transformation strategy connected to the corporate strategy, designing the gradual transition to the new environment. The next step is the creation of the Digital Convergence and Modernisation mechanism, using modern implementation models, flexible technology project specification and acquisition methodologies, and development of an ERP system,
- Completion of a procurement application system,
- Completion of the GIS system upgrade,
- Completion of the BI system covering Financial Reporting and property monitoring needs and interconnection of the system with the property registry,
- Emphasis on IT systems security with the completion of the security regulation, the encryption of users' computers, and the creation of a Disaster Recovery Site,
- Establishment of e-tickets in business units. The applications has been given for use at the Parnassos Ski Centre ,at Akti Gold in Vouliagmeni, at the Diros caves and at the Achilleion Museum in Corfu,
- Completion of the computerisation of the Fanari Camping and Achilleion Museum business units, and
- Tender for the procurement of modern software for electronic protocol and document management, with integration of digital signatures in the new protocol.

Institutional Framework / Governance

The new ETAD executive management (CEO and Executive Director), as well as a new non-executive member of the Board of Directors, were appointed at the end of the 2nd semester of 2019.

Furthermore, in relation to the strategic directions of HCAP, ETAD carried out a series of actions and activities, with the support of HCAP, aiming at harmonising it with the current institutional framework and model practices of corporate governance.

The Board of Directors of HCAP approved the 'Cooperation Framework of the HCAP-Direct Subsidiaries Internal Audit Units' which defines the roles, responsibilities and reporting lines between the Internal Audit Units.

The Rules of Procedure of the ETAD Audit Committee were updated in 2019, while the audit procedure for conflict of interest was performed for all senior executives and candidates up to the level of Head of Division, according to HCAP guidelines. Also in 2019, HCAP's Compliance Officer held a training seminar for all senior executives on subjects relating to Compliance.

Regarding policies and regulations, the Board of Directors of ETAD approved the Compliance System Framework, the Anti-Bribery and Corruption Policy, as well as the Policy for the Prevention, Identification, and Handling of Cases of Conflict of Interest.

Moreover, the Compliance Division submitted four Quarterly Reports on Activities to the ETAD Board of Directors, through the Audit Committee.

Prospects for 2020

Regarding 2020 and following the takeover of duties by the new executive management, ETAD is expected to proceed with a series of actions aiming to increase revenues via more effective utilisation of properties and rationalisation of the management of business units, as well as to improve the fair value of the company's portfolio. Within the framework of the above targets is the faster maturity of the properties based on their investment type. ETAD SA is also considering several alternatives regarding the review of its portfolio to achieve an increase in public value.

In this same context, the updating of the ETAD regulation on sales and leasing is being completed, while the concession policy will also be revised.

As far as the organisational structure is concerned and in order to improve the company's operations, the findings of the first year of operation under the new organizational structure will be taken into consideration, interventions will take place where deemed necessary, and the drafting of the new procedures will be completed.

Special emphasis shall be placed on the further modernisation of the company's operating philosophy, in order to ensure full harmonisation with the requirements of the market and the investors, mainly through the adoption of modern operating regulations that reinforce effectiveness, transparency and flexibility. Important targets in this direction are the faster maturity and the rational utilisation of the properties based on techno-economic studies / feasibility studies. Moreover, the company will initiate the option of offering services on the technical and legal maturity of properties to the wider public sector and General Government entities.

At the same time, the company places special significance on its digital transformation, which constitutes a foundation stone for its operational improvement and growth. This also includes a move to almost exclusively electronic tenders, which improve transparency, speed and accessibility.

Finally, as to expenses, a further increase is expected due to the arbitration / litigation case with a lessee which is ongoing and requires high-cost specialist external consultant extraordinary fees.

Effect of Covid-19 on ETAD activities

The operation of ETAD during 2020 was significantly affected by the coronavirus pandemic since, under the restrictive measures, almost all business units were obliged to cease their operations for a period of 2-3 months. Parnassos and Vora Ski Centres closed prematurely for the season in early March, Vouliagmeni Beach was closed for almost 2 months, the Achilleion Museum and the Diros Caves for almost 3 months, while camping sites and thermal springs started their operation with a delay. All units restarted operations with a limited capacity following all planned measures, in accordance with health protocols and other instructions issued by the competent Ministries per case.

A significant impact is also expected on the company's revenue, as 82% of it originates from the lease of properties for tourism – F&B services to affected companies that are entitled to a 40% reduction in rent, as specified by law.

The preparation continued regarding the exploitation of properties as approved by management, with an emphasis on "non-tourist properties", in the context of reinforcing the diversification of the portfolio according to property type and in properties that involve the materialisation of a significant investment plan, and therefore require time, with the aim that, upon their completion, the global economy and the market will have recovered and it will be then possible to put them forward for immediate utilisation.

ETAD also took all provided and necessary measures for the uninterrupted continuation of its work, where feasible, as well as for the protection and safety of its employees and visitors.

Specifically, the company:

- Immediately invested in digital media and enabled remote working for its entire personnel, also applying rotating physical presence at work areas,
- Extensively used teleconferencing and limited meetings with physical presence,
- Provided protective equipment for its entire personnel, both at headquarters as well as at all of its business units and regional offices in Greece,
- Repeatedly informed its personnel on the recommended safety methods in the workplace,
- Performed regular weekly disinfection of workplaces,
- Significantly reinforced the credit control and arrears division to safeguard its revenue,
- Limited travel for its executives, allowing it only when it was absolutely necessary,
- Arranged special leave of absence for eligible employees.

Moreover, the company's management is closely monitoring the developments in relation to the pandemic and, based on the new data, is adapting its strategy regarding real estate and its other areas of activity.

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

Short description of the company

The Athens Water Supply and Sewerage Company (EYDAP) is the largest Water Supply – Sewerage company in Greece, and it has been listed on the Athens Stock Exchange since 2000. In the water supply sector, via a 14,000 kilometre network, the company serves 4.4 million consumers (approximately 2,160,000 connections), while in the sewerage sector, with a 9,500 kilometre 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 infrastucture and installations, (iv) the external water supply system and (v) the local pumping stations.

The three Wastewater Treatment Plants (WWTP) in Psyttalia, Metamorfosis, and Thriasio, with the central collectors, the extensive sewer pipelines, and the pumping stations that serve them, compose the main infrastructure for the collection and treatment of the urban wastewater of 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.

In June 2019 EYDAP conducted a customer satisfaction survey, which highlighted the public's almost universal trust in EYDAP, as well as its satisfaction from the company's services and pricing policy. The vast majority of consumers are satisfied by the quality, safety and price of the services provided by EYDAP.

For 2019 EYDAP's profitability improved on an after-tax profit level from €47.9 mln in 2018 to €58.1 mln, which corresponds to an impressive increase of 21%. EYDAP Group EBITDA also increased from €100.7 mln in 2018 to €107.6 mln in 2019. Revenue amounted to €323.8 mln, while the overall value of its assets exceeded €1,562.9 mln. The number of EYDAP personnel at the end of 2019 came to 2,217 employees.

+6.9%
EBITDA

+21%
Profit after tax

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

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

The most important events and transactions from 01/01/2019 to the date of the report

Institutional Framework & Corporate Governance

EYDAP, having a deep sense of responsibility and respect for its customers, employees, suppliers or partners whose data processes in the context of their cooperation and commercial relationship, has appointed a Data Protection Officer (DPO) already since April 2018, even before the implementation of the provisions of the General Data Protection Regulation EU 2016/679 (hereafter GDPR), which has been in force since 25/05/2018.

During 2019, the DPO office proceeded with the following actions, among others:

- Updating of the Activity Register, updating of the Fair Use and Data Protection Policy on the EYDAP web site, drafting of new Policies as required.
- Special terms - clauses were proposed in the course of updating the printed material - forms used in the context of the company's transactions with consumers.
- Training of the company's personnel using targeted training programmes (GDPR AWARENESS) on issues related to the processing of personal data during their work.

In September 2019, the Board of Directors Remuneration Committee was established. The Remuneration Committee was established by decision of the EYDAP Board of Directors and operates as an independent and objective body that transparently assists the company's BoD regarding issues related to the remuneration of executive and non-executive Members, according to the legislation on listed companies that is in force each time. The Remuneration Committee consists exclusively of non-executive members of the company's BoD, the majority of which are independent as specified in the provisions of Law 3016/2002 on corporate governance, as in force each time. The rules of procedure of the Remuneration Committee is posted on the company's web site www.eydap.gr.

Risk Management

The existence of a risk management framework is essential to the establishment of Corporate Governance. The management of business risks is a structured and continuous process that covers all levels of the organisation and aims at the identification, recording and assessment of the risks, the selection of appropriate response methods, the planning and application of safeguards, the evaluation of their adequacy and effectiveness, as well as the continuous monitoring and reporting on opportunities and threats that affect the achievement of the organisation's goals.

During the last quarter of 2019, a risk assessment took place, using a specific methodology involving risk identification, rating and mapping across the entire organisation and the Group, as well as the relevant controls, while the Risk Registry was also updated.

Also in 2019, the risk management manual was updated, the risk management team was re-established and its members received training.

EYDAP, as a company listed on the ASE, is committed to operating according to best corporate governance practices for listed companies. Regarding internal audit, in 2019 the Internal Audit Department developed a Quality Management System in accordance with ISO 9001: 2015 and received the relevant certification from TUV HELLAS. The existing Risk Registry was also updated based on a specific methodology and an integrated Quality Assurance Programme was drafted, in accordance with International Standards.

Customer service modernisation

EYDAP continuously enhances the range of its digital services, placing greater emphasis on immediate and effective customer service, utilising the existing digital networks. Specifically, the company continued to provide the following:

- Options to pay settled bills through external channels, not only at counters.
- Digital notification of customers through e-mail and SMS regarding issued bills, increased consumption, impending termination of the water supply because of overdue payments, notification of the owners of rented properties regarding arrears due by the tenants etc.
- Option to pay through POS at all counters of the Regional Customer Service Centres.

- 24-hour telephone service by calling 1022, which collects dynamic information from consumers, technical departments and regional centres. It provides customer service over the telephone, notification of technical services, generation of statistics, recording of complaints, notification of third parties - agencies. Specifically during 2019, calls to the number 1022 reached 550,000 (200,000 for Technical Services and 350,000 for Customers). It should be pointed out that 405,165 calls were served in less than 40''. The number of e-mails to 1022 for 2018 was 24,316, while the corresponding number for 2019 was 41,046 e-mails.
- Options for digital customer service through the www.eydap.gr web site, which covers various issues, such as digital payment, debt settlement, issuing of electronic bills etc.
- The "Click2call" service enables customers to enter their contact information and choose the subject that concerns them and the desired time of communication, and an employee from the call centre contacts them. The number of click2call requests for 2018 was 2,421, while the corresponding number for 2019 was 4,360.
- E-payments using the e-pos of the DIAS Payment System.
- Generation and posting of the bill on the web site, which also stores historical data regarding bills, in pdf format for registered users.
- Registration procedures were simplified, as e-EYDAP users can be registered via taxisnet. By registering at e-EYDAP, customers gain access to cumulative data regarding their services, debts, payments, correspondence with EYDAP etc. The number of registered users was 2,488 in 2018, while in 2019 it reached 21,944.
- In Q1 2019 and specifically on 28.03.2019, a simplified process was introduced for customer data correction, while it is also possible to submit a settlement request via taxisnet, which simplifies the procedures required for handling the requests of web site users. Data corrections reached 5,883 in 2018 and 18,733 in 2019. Settlement requests reached 1,353 in 2018 and 1,310 in 2019.

Finally, a series of videos were created with instructions on finding the water meter, checking its reading, as well as identifying leaks in the property. These videos have been posted on EYDAP's corporate web site (www.eydap.gr), as well as on the company's YouTube channel.

Digital Transformation

By utilising digital technologies and setting digital transformation as a strategic decision, EYDAP aims to reinforce its flexibility and efficiency to create value for the benefit of all involved parties, as well as its Sustainable Development. To this end, EYDAP created in April 2019 a new Digital Transformation organisational unit.

Within 2019 the company completed the data transfer, assessment, and transformation procedure, with the implementation of automated, reliable and structured rules as well as operational rules. This resulted in the automated generation of key performance indicators and the creation of a Balanced Scorecard, which measures the efficiency of the company's functions in four important dimensions (Financial, Customer, Internal Procedures, Training and Development).

In the context of formulating guidelines for EYDAP's integrated strategy on the digital upgrade of its IT resources, a comparative study was conducted that examined EYDAP's existing digital data collection and utilisation methods in relation to good practices on Machine Learning/Artificial Intelligence used by similar companies on an international level.

The study highlighted the ever increasing use of modern Machine Learning and Artificial Intelligence technologies as a means of optimising functional processes. It identified several areas of interest and appropriate data sets for the development of relevant algorithms and the company proceeded with the preliminary work on the general guidelines for the introduction of new applications and the full utilisation of the data at its disposal.

Regarding Data Governance, the company's goal for 2020 is to enrich reporting with new dynamic performance indicators related to specific business functions, as well as to design and implement a Data Warehouse through the utilisation of cloud technologies.

During the second semester of 2019 and in order to achieve its transformation, EYDAP launched a project for the optimisation of the critical sector of IT Systems. It mainly involves the review of the current architecture of IT Systems and Applications and the identification of opportunities for business process optimisation, in relation to the company's executives, processes, technology and data collection/processing.

The initiatives and targeted actions required to cover the company's operational needs will be identified, also taking into account international best practices and performance.

After the conclusion of the project and based on the resulting proposals, the subsequent goals and action plan for EYDAP's Digital Transformation will be defined.

Investment Programme

The company is promoting the implementation of a significant number of projects which are part of the 2014 – 2020 NSRF in the water and sewerage sectors and mainly concern sewerage works in East Attica municipalities, and, secondarily, in West Attica.

- In the first half of 2019, three (3) Programme Contracts (Framework Agreements) were signed with Municipalities of East Attica for the construction, by EYDAP, of sewerage waste works. Specifically, the contract with the Municipality of Rafina-Pikermi was signed on 21 February 2019, while a similar contract was signed with the Municipality of Spata-Artemida on 5 March 2019, according to which these Municipalities assign the right for the construction of external (sewerage) pipelines which will connect the property (tertiary network) to EYDAP, which will take place at the same time as the construction of the secondary network. The Municipality of Marathon has also signed a programme contract with EYDAP as of 4/2/2019, which was however amended on 10/6/2019, and which also assigned the right to construct external branches in the areas of the Municipality, where the secondary network will be constructed by EYDAP SA.
- The construction of the sewerage waste network (primary, secondary and tertiary) in the area of Glyka Nera, Municipality of Paiania with a budget of 9.6 million euro plus VAT. The project is co-funded by the Regional Operational Programme Attica 2014-2020 (ROP).
- In 2019, the tender for awarding the project for the Water Supply of the Kinetta Settlement in Megara, Phase A: external conduit & main tank, is currently under way.
- A contract was also signed in May 2019, with the relevant contract works currently under way, regarding the construction of a primary and secondary sewerage network in the area of Glyka Nera, Municipality of Paiania, terminating in the Koropi - Paiania Waste Water Treatment Plant.
- The tender regarding the construction of the sewerage network in the Municipality of Pallini is also under way in 2019. The project involves the construction of a sewerage network terminating (directing effluents) in the Psyttalia Waste Water Treatment Plant. The first semester of 2020 saw the conclusion of the tender and the selection of the provisional contractor (preferred bidder), while the project is expected to start by the end of the year.
- In July 2019, two major EYDAP sewerage projects in East Attica were included in NSRF - Operational Programme "Transport Infrastructure, Environment and Sustainable Development" ("YMEPERAA"):
  - ✓ "Collection, treatment of waste water of the Rafina - Pikermi and Spata - Artemida municipalities and Reuse - Disposal of treated outflow" with an eligible public expense of € 214,607,043.64 and
  - ✓ "Collection, treatment of waste water of the Marathonas municipality and Reuse - Disposal of treated outflow" with an eligible public expense of € 101,695,922.
- From the beginning of 2020 until today, EYDAP has started tender procedures for three major projects with a total budget of approximately €168 mln (excl. VAT) in East Attica, which aim to complete missing infrastructure in large areas of the region:
  - ✓ The first project involves the construction of a sewerage network and sewer pipelines in areas of the Rafina, Pikermi and Spata - Artemida (Loutsa) municipalities,
  - ✓ The second project involves the construction of a sewerage network in areas of the Spata - Artemida (Loutsa) municipality,
  - ✓ The third project involves the construction of sewerage networks in the areas of Pikermi, Drafi, Agios Spyridonas, Dioni in the Municipality of Rafina - Pikermi.

The sewerage projects are expected to provide a solution to the chronic problem related to sewerage and waste water treatment in the Rafina - Pikermi and Spata - Artemida municipalities. The projects are co-funded under the Operational Programme "Transport Infrastructure, Environment and Sustainable Development (YMEPERAA) 2014 – 2020"

Environmental protection, awareness, and public value

Regarding environmental footprint improvement issues, the most important actions include:

- Water reuse (treated wastewater) strategies at existing WWTPs and gradual development of research programmes aiming at decentralised reuse by utilising wastewater (following its treatment) directly from the sewerage network.
- Environmental awareness and education of children regarding the water cycle.
- Continuation of the implementation of sewerage works in East Attica in order to complete as soon as possible the construction of the missing sewerage infrastructure in the East Attica region, so that the fine imposed on the country since October 2015 because of missing sewerage infrastructures in areas of East Attica can be eliminated / lifted.
- In the second semester of 2019 a 2MW photovoltaic station in EYDAP’s facilities in the Water Treatment Plant in Acharnes (Menidi), which supplies water to 60% of the areas in the Athens Valley, was completed and commenced operation.

The utilisation of renewable energy sources is included in the company’s energy upgrade programme, which specifies a systematic turn towards environmentally-friendly energy sources, aiming to reduce the country’s carbon footprint in line with the national and European environmental targets by 2030. After its successful start, the programme will continue with the construction of new photovoltaic installations in other company facilities. The new station, which constitutes an investment with a total cost of 1.6 mln Euro, was funded entirely by the company’s own funds (equity) and was completed on time in 1.5 months.

Regarding public value increase, some of the relevant actions implemented in 2019 were the following:

- Continued application of the Emergency Special Tariff (EST) for beneficiaries of the Social Solidarity Income of Law 4389/16.
- EYDAP, according to the instituted decisions of its Board of Directors, provides a discount in the bills of large (multi – member) families. It also provides a discount to senior customers.
- EYDAP has in place certain debt payment plan procedures for consumers who belong to socially vulnerable groups (beneficiaries of the Social Residential Tariff, EST).
- An exhibition was held in the “Hellenic Cosmos” Cultural Centre in honour of the 90-year anniversary from the construction of the Marathonas dam. The aim of the exhibition, in which previously unpublished data regarding the project were presented for the first time, was to highlight its importance from an engineering as well as cultural and social aspect, and also to point out that the innovations of the past lead us to the innovations and developments of the future.

Important Distinctions

Furthermore, in 2019 EYDAP received a number of distinctions:

- EYDAP’s Digital Administration Information Department received three awards during the Impact Business IT Excellence Awards 2019 awards ceremony, which was held on 28 May 2019. Specifically, it was awarded a gold award in the “Continuous Business Improvement” category for the Administrative Modernisation project, a silver award in the “Systems Unification” category and a bronze award in the “Big Data” category for the Digital Data Governance project.
- The Internal Audit Department of EYDAP received the Gold Award at the Responsible Management Excellence Awards event organised by of EBEN GR, for its excellent performance in business ethics and in the responsible management model it has adopted. EYDAP is the only company of the wider Public Sector that holds the internationally acknowledged RME MODEL certification and has been awarded in the event for the second consecutive year.
- At the CHRIMA awards, EYDAP received an award as the best state-owned company for 2019.

Prospects for 2020

In the context of planning for the following years, during the second semester of 2019 the company decided to start 5 optimisation projects in important areas of the company’s operations: I) Financial Services, ii) Procurement, iii) Human Resources, iv) services provided to customers and v) IT Systems.

The aim of the above projects is to transform the company into a modern and efficient organisation that will ensure the effective utilisation of water resources, prioritise the customer and ensure a fair and dynamic work environment.

Optimisation works will continue during 2020, while two additional operational optimisation projects are also expected to start in the Water Supply and Sewerage Network Executive Divisions.

Given its social sensitivity, EYDAP will continue to support our fellow citizens that belong in vulnerable groups and are in need, through the application of social tariffs.

The utilisation of employees' know-how and the ongoing modernisation through the latest technologies continuously improve the company's productivity and, therefore, its competitiveness. Taking into account the monopolistic nature of the offered product, EYDAP will continue to achieve high cash liquidity without loans, as well as sustainable growth, assuring the interests of the general public as well as its own shareholders.

Furthermore, a critical issue that needs to be completed is the renewal of the contract dated 9.12.1999 between the Greek State and EYDAP, which assigned to the company the right to provide water supply and sewerage services to the region of the Capital for a 20-year period, while the price for treated water was also determined. Due to the lack of a written agreement, the company has continued even after 30.06.2013 to offset the price of raw water with the maintenance and operation services it offers for the fixed assets belonging to the "EYDAP Fixed Assets" Legal Entity of Public Law (L.E.P.L.). In view of the renewal of EYDAP's exclusive right to provide water supply and sewerage services in its geographical area of responsibility, the company, in agreement with the Greek State, extended the existing Contract between the two parties until the end of 2020 and the completion of the relevant negotiations. The above agreement also includes the implementation of Joint Ministerial Decision 135275 (Article 3(9), Government Gazette 1751/22.05.2017 'Adoption of General Water Pricing and Pricing Rules. Method and procedures for recovering the cost of water services in its various uses'.

Effect of Covid-19 on EYDAP activities

The company's management is closely monitoring the developments, assessing risks and proceeding with the required actions to continue its unimpeded operation and service towards its customers.

Due to Covid-19 and in the context of social responsibility and protection of its employees as well as citizens, a Special Crisis Management team was established to help advance the implementation of business plans in all its functions, e.g. full suspension of the operation of all Customer Service Centres until 4 May 2020, when the government lifted the first restrictive measures, the implementation of teleworking and rotation work, the reinforcement of alternative service channels (web- and telephone-based) etc.

During the aforementioned period of time, the company's actions led to a significant increase in digital and telephone-based customer service, while any faults in the company's water supply and sewerage network were handled immediately, as the Crisis Management Team had proactively scheduled special shifts. For these reasons, the company continued the unimpeded provision of services to its customers / consumers.

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

Short 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 and it is the largest water supply and sewerage company in Northern Greece.

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

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

In 2019 the profitability of the EYATH group increased by 5%, while profits after tax reached €14.7 mln, up from €14.0 mln in 2018. Consolidated sales for the 2019 financial year reached €72.7 mln, while total assets exceeded €218.5 mln. The company has a solid cash basis, with cash resources of €75.8 mln on 31.12.2019, while the EYATH group employed 344 people on 31 December 2019.

+5%
Profit after tax

75.8 mln
Cash resources

HCAP SA directly owns 50%+1 of EYATH SA shares. For more information, visit the company website www.eyath.gr.

The most important events and transactions from 01/01/2019 to the date of the report

A new pricing policy was implemented on 1 May 2019. The policy, approved by the Special Water Secretariat of the Ministry of Environment and Energy, reinforces the company's social profile while also contributing to the implementation of its investment programme. The new tariffs include an environmental levy of a contributory nature and ensure the recovery of the cost of services and, consequently, the company's viability.

On 3 October 2019, EYATH's management signed a new Operational Collective Agreement for EYATH personnel with a three-year duration (01/09/2019 - 31/08/2022). With this agreement an important issue was resolved which, for months, has constituted a point of debate between management and employees, ensuring the smooth operation of the company.

The company also decided to adopt a new corporate structure, effective from January 2020. The new corporate structure specifies the creation of an Executive Division for the Installations & Operation of Water Supply and Sewerage Networks, independent divisions for network operation and installations in the areas of water supply and sewerage, a new Digital Transformation Division, as well as the creation of a Compliance and Risk & Crisis Management Executive Unit. These changes modernise the company's management model and enable it to operate flexibly and effectively.

Regarding the water supply sector, the Thessaloniki Water Treatment Plant (TWTP) treated a total of 51,677,508 m3 of water from Aliakmonas river, providing 48,309,498 m3 of drinkable water to consumers, with an average daily supply of 132,355 m3. This water fulfils all requirements of the current legislation, with an average outlet turbidity of 0.07 NTU.

Furthermore, within 2019 a very important infrastructure project was completed, the connection of the Aliakmonas and Aravissos aqueducts. Completion took place in two phases (October - December). This project ensures an alternative water supply for the historical centre of Thessaloniki in case of emergency, while it also optimises the management of the water resources of Thessaloniki.

As to safeguarding water quality, it should be noted that both the Thessaloniki Water Treatment Plant (TWTP) and the Drinkable Water laboratories are certified according to EN ISO 17025:2005 for more than 11 physico-chemical and 3 microbiological parameters.

In the sewerage sector, 2019 saw the conclusion of the tender for the sewerage pumping stations' SCADA systems, a provisional contractor (preferred bidder) was selected and works are expected to be completed by the second semester of 2020. Moreover, a contract has been under way since March 2019 regarding the rainwater drainage network in the Region of Central Macedonia.

During the same period, works continued for the connection of the municipal districts of the Municipality of Chalkidona to the sewerage network and, subsequently, the Thessaloniki Waste Water Treatment Plant.

In September 2019 the Sewerage Laboratory Testing Department extended its certification according to EN ISO 17025:2005, while the Integrated IT System for its activities was also completed. Furthermore, after many years of efforts, the old calcareous mud deposits in the Thessaloniki Wastewater Treatment Plant was processed and removed. The mud was utilised in agricultural crops as a soil improver, under a programme of the Region of Central Macedonia.

Special emphasis was also placed on specific research activities: the research programmes unit participated in working groups in the context of co-funded national and European research, technology and innovation programmes. Specifically in 2019, a nationally funded research programme was under way, eight new proposals were submitted, while two new new projects were approved under international funding and cooperation.

Investment Programme

Construction contracts were conluded within 2019 for projects included in the company's approved seven-year investment planand were set under way in the first semester of 2020. Despite the appearance of Covid-19 in early 2020 and the subsequent escalation of the health crisis, the implementation of the investment programme continued uninterrupted.

The programme includes important projects, such as:

- The 'Works to Complete the Connection of Thessaloniki Low altitude / level Areas', which include 7 sewerage sub-projects, budget: €6 million (without VAT). The construction contract with the Contractor was signed in April 2019 and the works have already started.
- The project on the "Maintenance of EYATH Facilities for 2018", with a budget of €700,000 (without VAT), which includes, among others, maintenance works of the new EYATH facilities that are required for the installation of the new SCADA water supply system. The contract, worth €350,000.00 (without VAT) was signed in April 2019 and the contractor is already installed there.
- The reinforcement and repair of the Aravissos aqueduct, in the context of implementing the relevant frame agreement with a budget of € 3.37 mln (without VAT) signed in September 2019. The first individual executive contract for an amount of € 858,621.89 (without VAT) was signed in December 2019 and the contractor is already mobilising in situ. Works started on 01.06.2020.
- The extension of the Thessaloniki Water Treatment Plant (Phase A2) with a budget of € 21.7 mln (without VAT), co-funded by the NSRF. The tender is under way aiming for the the Contractor / Constructor to proceeed to site mobilisation within the second semester of 2020.
- The project "Sewerage works for the upgrade of pumping stations, discharge pipes, coastal receiving pipeline and main pipeline of the AINEIAS Wastewater Treatment Plant", with a budget of € 4.40 mln (without VAT). The contract was signed on 12/02/2019; preparatory actions for its implementation have already started.
- The frame agreement for the provision of Technical Consulting services to support studies and projects of the EYATH S.A. Strategic & Business Plan, with a budget of € 1.3 mln (excl. VAT).

- In December 2019, the tender procedure for the project “Remote control and automation of water supply systems within EYATH’s remit”, with a budget of € 3.4 mln (excl. VAT). was concluded and the contract was signed with the Contractor.

Environment and Public Value

EYATH implements a series of Corporate Social Responsibility (CSR) and environmental footprint improvement actions. As a business model promoting CSR, it aims to form a strong corporate culture, as well as develop the environmental awareness of the local community of Thessaloniki (value creating business model).

This corporate culture has a dual orientation: environment and society. EYATH’s high environmental performance represents a lower risk for the company and its investors and is related to actions on issues of energy performance, management of natural resources, pollution, waste management and essentially the management of the risk arising from the company’s activities.

The company’s social performance is related to its selection of suppliers, the reciprocal benefit to the local community, volunteerism, and improvement of work conditions. EYATH’s relationship with its employees and the local community includes actions such as: the support of the printing unit of an addiction treatment centre, which it uses for its printing work; the support of a street magazine; the purchase of environmentally-friendly promotional products; the voluntary recycling of cooking oils for the production of bio-diesel; and the support of small collectives involved in social work in favour of persons in need.

Moreover:

- Since early 2014, the company has implemented a social tariff and a broad arrears repayment arrangement programme for all debtors, without exception. Since May 2019, the inclusion of vulnerable groups follows the same criteria as those used for inclusion in the Social Residential Tariff of PPC and other electricity providers, simplifying the process for beneficiaries.
- New, ergonomic consumer service offices operate in 6, Aggelaki St. since June 2019. A modern service branch also operates in western Thessaloniki, opposite the courthouse.
- It systematically runs informative public campaigns on water quality, facilities provided to vulnerable groups, as well as the protection of consumers’ installations against extreme weather conditions. In 2019, campaigns were run covering the relocation of the main offices and the payment options either locally or digitally, without physical presence in branches’ counters (Pay Everywhere Campaign).

Finally, regarding the Water Supply Museum and provided that there will be no other restrictions due to the pandemic, plans include (a) the continuation of guided tours for special groups (families, persons with disabilities) which, in 2019, were attended by more than 7,000 visitors, (b) the extension of the programme “The sewerage cycle in Thessaloniki” with visits in more schools, with the aim to exceed the number of 1,000 students who participated in 2019, (c) the implementation of new campaigns aiming to sensitise consumers on environmental issues.

Prospects for 2020

The company’s prospects for 2020 are based on three axes:

- Acceleration of the implementation of the important projects currently under way and maturing of the remaining projects in the approved investment programme
- Promotion of actions of immediate return aiming at the improvement of the company’s energy and environmental efficiency as well as the reduction of unbilled water (Non revenue Water / NRW),, which are expected to have a positive impact on the company’s financial results.
- Further implementation of the principles of corporate governance through the updating of the Internal Rules of Procedure and the Board of Directors’ Rules of Procedure, the drafting of a Policy against Conflict of Interest, and the drafting of a Code of Ethics for all staff members of EYATH.

Finally, the resilience of the water supply and sewerage systems is the company’s first mid-term priority and it responds with the appropriate planning and collective effort.

Effect of Covid-19 on EYATH activities

Being fully aware of its social responsibility status, during the health crisis that resulted from the spread of the coronavirus, EYATH exhibited preparedness and prioritised the protection of its employees and consumers.

It proceeded to implement informative actions and take preventive measures in order to inform and protect employees and their families, as well as the consumers, while ensuring the continuation of the smooth operation of the company and the uninterrupted provision of water supply and sewerage services to the city.

It took measures to support the most vulnerable social groups, suspending bill payment obligations as well as the interruption of the water supply service due to debt for the duration of the pandemic. Finally, it adapted its operation to the new requirements, exploiting the options offered through teleworking, while it also focused on the acceleration of the company’s digital transformation, in order to be able to handle any new adverse circumstances.

CORINTH CANAL CO S.A.

Short description of the company

The main activities of Corinth Canal Co S.A (AEDIK) are the design, construction, maintenance, administration, operation, utilisation 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 utilisation 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 the year 2019, AEDIK's results after tax improved significantly, from losses of €132,000 in 2018 to profits of €1,015,000 in 2019, while revenue increased by 12%, exceeding €5 mln. The total value of its assets was €23.1 million, with employed staff in 31.12.2019 amounting to 75 people.

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

+12%
Revenue

Transition from losses to profitability

The most important events and transactions from 01/01/2019 to the date of the report

Business approach, service improvement & extroversion

In 2019, in the framework of the strategic goal set by HCAP regarding the unimpeded operation of the Canal, the company intensified its preventive measures and proceeded with:

- Continuation of works to construct new, larger drainage channels, extending and maintaining the existing network,
- Extending works of controlled cleaning of the slopes by implementing earth-removal works and creating levels,
- Creating a digital library with records of the condition of the slopes that allows their proper monitoring and timely prevention through scheduled controlled landslides,
- Completing the underwater maintenance and repair works in Isthmia bridge and the maintenance of the inverter equipment, and also initiating actions for the creation of a new, modern maintenance protocol,
- Installing new engines on the IVI pilot boat in the framework of fleet upgrade.

Tender procedures started in 2020 for assigning the project of the digital mapping of the real estate property, as well as for assigning to an insurance consultant the project of formulating the terms and conditions for the channel's insurance coverage. These works are expected to be completed within the year. The actions under way also include the purchase of a tugboat in the context of fleet modernisation.

Preliminary discussions have already started with the General Secretariat for Infrastructure and an on-site exploratory visit was conducted by a team of experienced engineers and geologists in order to determine the appropriate methodology for ensuring the stability of the canal's slopes in the long term. AEDIK is already collaborating with the Institute of Geology and Mineral Exploration (IGME) in order to update all geological studies and find solutions for the further stabilisation of the slopes.

In the framework of implementing the company's strategic goals as set by HCAP, AEDIK management continued its extroverted commercial policy for 2019, in order to attract new customers, by participating in exhibitions such as the TIF, Breakbulk Europe 2019 (Bremen), and the Posidonia.

Moreover, aiming at improving the operational profitability and continuous upgrading of the provided services, in 2019 the company undertook a series of initiatives, such as the conducting of an annual customer satisfaction survey and the review of the pricing policy from a more customer-oriented perspective. These actions continue during 2020.

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, in 2019 the company:

- Participated in a colloquium organised in Loutraki by the Loutraki Tourism Organization and the Region of Peloponnese, on 'Sport tourism as a driver of growth for Corinth and Peloponnese'.
- Supported local secondary schools participating in competitions abroad, as well as local sports clubs.
- Continued the Apprenticeship Programme for Vocational Senior High Schools, in cooperation with the Ministry of Education and local Vocational Senior High Schools.
- Made the canal available and contributed to the successful organisation of the international SUP race, which has been included in the international race calendar since 2018.
- Contributed to the successful bidding of the City of Corinth for the 2020 International Shooting Championship.
- Participated in the celebrations for the 190-year anniversary from the start of operation of the Engineering School of the Hellenic Army and started a cooperation for the maintenance of military pillboxes.

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

Lastly, in the framework of the strategic goal set by HCAP regarding the utilisation of its real estate property, the reopening of the Museum of the Canal in part of the headquarters at Isthmia is under way for 2022, and its renovation for this purpose has already started. In Q4 2019 a team was sent to Hungary, under the auspices of the Hungarian Ambassador and in cooperation with the University of Patras, and obtained useful information from Hungarian Government files regarding the construction of the canal, as well as the first relevant plans.

Institutional Framework & Corporate Governance

In 2019, a new Chairman of the Board of AEDIK was appointed, as well as two independent non-executive members, one of which serves as the Chairman of the Audit Committee. Furthermore, an introductory seminar for members of the Board of Directors was held by the corresponding HCAP services, and there was also extensive training of Board Members regarding compliance matters by the HCAP Compliance Officer. Also, a compliance officer was appointed in order to monitor, be informed about, and communicate regarding relevant matters. Lastly, in early 2020 a new Internal Auditor was appointed in accordance with the provisions of Law 3429/2005, as well as a new non-executive member representing the Ministry of Finance, while the Audit Committee Charter and the Internal Audit Unit Charter were approved in June 2020.

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, following all safety rules set out by the competent authorities.

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 Organisation of Greece and relevant Ministries,
- In the context of minimising 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.

GAIAOSE S.A.

Short description of the company

GAIAOSE SA is active in the management, utilisation 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 utilising 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 2626/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 the year 2019, the revenue of GAIAOSE reached €19.4 mln, up from €19.2 mln in 2018, while results after taxes also increased from €14.9 mln in 2018 to €15.3 mln in 2019. The total value of its assets exceeded €132.8 million, with employed staff in the end of 2019 amounting to 15 people.

+1%	+2.6%
Revenue	Profit after tax

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

The most important events and transactions from 01/01/2019 to 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.

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. In particular, GAIAOSE has submitted a notification for the issuing of the State Aid Clearance by the Commission, a process that is still in progress.

In addition to the aforementioned project, GAIAOSE manages similar sized plots of land in other areas, such as Alexandroupolis and Larissa. The Alexandroupolis plot will be developed together with the city port, while the Larissa plot will be developed in the future, when the transport and supply chain markets become more attractive for these regions and therefore for these assets.

For the rest of the real estate, GAIAOSE carries out maturing activities, mainly on urban 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 utilisation 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. During Q4 2019, GAIAOSE submitted an urban planning study and a Strategic Environmental Impact Assessment to the Ministry of Transport for further actions.
- Smaller size assets for commercial and residential activities.
- Completion of the procedures for the leasing to TRAINOSE of 10 properties that will enhance the latter's transportation work.
- Agreements with private parties/bodies for the leasing of new available properties.

The schedule of these actions has been delayed during March - May 2020 due to the Covid-19 pandemic, but has been gradually returning to normal since June.

Moreover, due to the pandemic and the relevant measures taken for the protection of businesses, both the company's revenues as well as income from property leases suffered a reduction of approximately 30%.

Finally, as of March 2019, the company has implemented a new credit policy that has led to a significant increase in collectability.

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. Discussions are still in progress between the companies and, if successful, are expected to lead to an increase in the number of leased vehicles.

During the last two years the company has concluded rolling stock leases with two new companies utilizing its rolling stock (having already leased five traction units), and also contributing to the smooth functioning of the liberalized rail market.

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

- Initiation of extensive maintenance works for the rolling stock leased to TRAINOSE. Works are proceeding normally, with a slight delay during the lockdown that resulted from the pandemic.
- Agreement with an internationally acknowledged expert to finalise the cost of the extensive maintenance for 131 vehicles.
- Tender for the appointment of a company that will certify the extensive maintenance works.
- Conducting surveys in the entire Greek territory to record rolling stock that cannot be utilised and constitutes scrap. The surveys have been concluded and the clearance phase (sale) is expected to initiate shortly and to finish within 2021.
- Analysis and assessment of the international railway market regarding rolling stock issues.
- Identification of locations for the storage and parking of rolling stock.
- Development of a monitoring and control system for the extensive maintenance works.

Technology and Innovation

The company has also 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 modernised the GIS system, migrating it to modern GCloud infrastructure.

The company has also underataken actions for:

- The development of a pilot service system based on blockchain 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 organised 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 digitisation 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.
- Control of IT Audit systems and cybersecurity.

Environment

Regarding Renewable Energy Sources, one of the future growth pillars for the company, in addition to its core activities, 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 being planned, where the date of the consolidated balance sheet is planned for February 29th 2020.

Public Value

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

- Actions to develop a regional green hub with museum, recreation and walking spaces, through the creation of a Holocaust Memory Park with an area of 2.4 hectares, following the construction of the Holocaust Museum in Thessaloniki.
- Offer for the relocation of 32 centuries-old olive trees at the site where the Holocaust Memory Park is to be constructed.
- Introduction of cultural uses in the building of the Railway Station of Pyrgos, Ilia, with the creation of a "Centre for hosting cultural socioeconomic events and events of local producers". The project has been included in the "Western Greece 2014-2020" Regional Operational Programme.
- Preparation of a study on the Restoration and Museum Use of the two remaining tram vehicles in Thessaloniki, due to their special historic value for the city. This study was delivered to the Municipality of Thessaloniki in 2019.
- Undertaking of the cost for the supply and installation of the equipment required for the operation of the Folklore Museum of the 4th Elementary School in Mandra, Attica.
- Concession to the Delta Municipality of the use of property in the area of the Sindos Railway Station, in order to host the Local History and Folklore Museum - Exhibition Space of the Delta Municipality in Thessaloniki.
- Entering into a memorandum of cooperation with the Railway Friends Association and concession of a new building close to the Peloponnisos Railway Station.
- Organising a national photography competition with the subject "Trains and Movement", in cooperation with the Hellenic Photographic Society.

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:

- The Audit Committee was established in Q1 2019 and consists of non-executive members of the BoD.
- The Rules of Procedure of the Audit Committee of GAIAOSE were updated.
- A Compliance Officer was appointed to monitor Compliance issues, get informed on them and communicate them to the company's competent bodies.
- An Internal Auditor was appointed, according to the provisions of Law 3429/2005.

- It has prepared a Corporate and Social Responsibility report, which will be published together with the 2019 financial results.
- It monitors and evaluates corporate risks.

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 compliance issues by HCAP's Compliance Officer.

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 organising exhibitions, congresses, and business delegations, as well as events in general, both in Greece and abroad. In recent years, TIF-HELEXPO has also organised theme parks, while since 2016 the concept of the honoured country at the Thessaloniki International Fair, which is held each year in September, has been revived.

The Thessaloniki International Fair S.A. began operating in 1925, and it has been operating on its current premises since 1940. In 1999 TIF-Helexpo is 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 (TIECC) 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.

In 2019 TIF continued to be profitable for a second year, with profit after tax reaching €0.8 mln, while EBITDA exceeded €0.6 mln. Revenue reached €13.2 mln, while the total value of the company's assets exceeded €246.5 mln. The number of staff employed by TIF at the end of 2019 amounted to 64 persons.

0.8 mln	246.5 mln
Profit after tax	Total asset value

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

Furhter information in company's website: www.helexpo.gr.

The most important events and transactions from 01/01/2019 to the date of the report

Business approach, service improvement & extroversion

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

In this context, in 2019 the company:

- It successfully organised the 84th TIF, where India was the honoured country. The number of visitors reached 263,737, while a slight increase in the number of Exhibitors, enrichment of concurrent activities and reinforcement of the event's impact not only in the city, but also in the rest of Greece and abroad has been suceeded. The next honoured country will be Germany.
- It organised various events, conferences and exhibitions in Athens and Thessaloniki, namely the exhibitions Zootechnia, Infacoma Athens, Aquatherm Athens, Athens International Jewellery show, Detrop, Oenos, Furnidec, Sportexpo, Freskon, Greek Travel show, International Book Fair, Art Thessaloniki etc.

- It pursued the opening of the market to large third countries and the maintainance of strong relationships with Balkan countries. In its efforts to internationalise sectoral exhibitions, , emphasis is given on foreign exhibitors, and implementation of hosted buyers programmes to attract potential foreign buyers.
- It enriched and expanded the exhibition programme by growing the company's activities both in Athens and in the region (e.g. 'Aqua Therm' international exhibition, which is jointly organised with the international exhibition house Reed Exhibitions - Mess Wien, as well as 'Greek Travel Show' and 'Agrothessaly' in the region), aiming at increasing the number of visitors and ticket revenue.
- It initiated actions for the adoption of electronic systems in communicating with the exhibitors-clients and visitors, as well as the full implementation of CRM-ERP (action under implementation).
- It presentation the new exhibition Beyond 4.0, which is addressed to companies, startups, providers of technology products and services, suppliers, research centres and universities, venture capital companies and investors, as well as anyone interested in Industry 4.0. Beyond 4.0 is the first technology exhibition to take place in Greece and aims to reinforce the extroversion and networking of companies in the sector. The exhibition's thematic areas will be the modern digital trends that help companies to evolve by adopting new practices that diversify their business models and production processes.

The company's revenues are affected by seasonality, therefore presenting significant variations from year to year. A fact that greatly contributes to the company's turnover variations is that Agrotica fair, which is a significant event, is organised only in even years, while in odd years smaller events, such as Zootechnica fair, are organised. Turnover originates from services related to the organisation of exhibitions, conferences, events, as well as revenues from the operation of parking areas.

In 2020, being an even 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, in exhibition space coverage and in the number of visitors), ranking 3rd among Europe's agricultural fairs. Detrop Boutique and Artozyma exhibitions, which followed, gathered 355 exhibitors from 16 countries in 7 exposition stands, while they recorded a total of 230 Hosted Buyers ans commercial visitors from 32 countries across the world, which corresponds to a 46% increase and highlights the international range of the two exhibitions. Similarly, increased figures were achieved in 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 goal of rationalising TIF-HELEXPO's modus operandi, coupled with a new mix of exhibitions and events, and the running of theme parks, has led Greece's national exhibition body to bolsters its visibility and fast track its evaluation of the redevelopment project which seeks to promote Thessaloniki and TIF as an attractive exhibition hub while also modernising and optimising the efficiency of TIF's assets.

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 significant importance that involves the reconstruction of the exhibition premises and accompanying facilities in the existing TIF-Helexpo S.A. land and the simultaneously creating a metropolitan park.

The Thessaloniki Exhibition Centre's redevelopment plan aims to redesign the exhibition and congress venues and to create an open green recreation space and outdoor cultural and exhibition spaces. The aim of the redevelopment plan is to modernise the operating facilities of TIF-Helexpo S.A., secure the optimal organisation of its activities, further enhance its international role as the largest and most significant exhibition and conference centre in Southeastern Europe, and, at the same time, create a metropolitan park of culture and urban green space for the residents in the city.

The following has been done in this direction:

- **2016**: Enactment 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 (KESYPOTHA) and posting by the Municipality of Thessaloniki.

This will be followed by the preparation of the draft Presidential Decree that will be signed by the Ministry of Environment and Energy and forwarded to the Council of State to be checked and then signed by the President of the Hellenic Republic. The above procedure is expected to be concluded within 2020.

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 analysis, preparation of the main development plan, financial analysis and proposals on the financing structure.

Moreover, TIF-HELEXPO SA is preparing the next step, which is the announcement of an International Architectural Tender for the total design of the reconstruction of the Thessaloniki Exhibition Centre under the auspices of the International Union of Architects (UIA), in accordance with the principles on architectural tenders specified by UNESCO.

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

- Finalisation of the Special Spatial Plan through the issuance of a relevant Presidential Decree.
- Selection of technical consultants (architectural & technical consultant) for the implementation of the architectural study and calculation of construction costs.
- Selection of financial and other specialised consultants, to set up a detailed Business Plan.
- Selection of the proposed development and implementation scenario, evaluating all alternative implementation scenarios.
- Technical and licensing maturity.
- Securing funding sources, based also 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 programmes.

Sport, culture, education and training are the corporate social responsibility (CSR) focus areas of TIF-HELEXPO SA. The company collaborates with the majority =of the social, cultural and business bodies of the country in the context of CSR activities such as, contribution to cleaning the Thermaikos Gulf, free concession foe the use of its premises for social purposes (blood donations, Children's Villages etc.), donations of equipment to various entities (Police, Fire Service etc.).

Institutional Framework & Corporate Governance

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

In August 2019, TIF-HELEXPO's Board of Directors approved a series of compliance policies and procedures, specifically: Code of Ethics and Professional Conduct, Compliance System Framework, Gifts and Hospitality Policy and Anti-Corruption and Bribery Policy. Furthermore, in 2019, a compliance officer was appointed in order to monitor, be informed about, and communicate relevant matters to the competent corporate bodies. In December 2019, HCAP's Compliance Officer held a training seminar on compliance, attended by the staff.The TIF-HELEXPO Audit Committee was established in Q4 2019 with the appropriate composition. In February 2020, the company's Board of Directors approved the Rules of procedure of the Audit Committee, the Stature of the Internal Audit Unit and the Internal Audit Operating Procedures Manual.

Effect of Covid-19 on TIF - HELEXPO activities

Given the rapid developments on the pandemic front and the forecasts regarding its spread and in order to protect exhibitors, visitors and employees, on the 6th of March 2020 the company decided to cancel the Freskon exhibition, which was planned to take place on 2-4 April 2020 in the Thessaloniki International Exhibition and Congress Centre. Following discussions with exhibitors and invited commercial visitors, TIF-HELEXPO decided to reschedule this exhibition, dedicated to the fresh fruit and vegetable sector, for 15-17 April 2021.

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 decide to prioritise health and safety of IBFT partners, exhibitors and visitors. The new dates for the 17th IBFT, which was originally scheduled to take place on 7-10 May 2020, are set for 29 October - 1 November 2020. Similarly, most exhibitions that had been scheduled to take place in the Maroussi Exhibition Centre in March and April were cancelled or postponed, while conferences were cancelled.

Based on its Code Number of Activity, the company was included in those companies that ceased operations following the Act of Legislative Content dated 11/03/2020 (Government Gazette 55 A), according to which urgent measures were taken to address the negative impact of the Covid-19 coronavirus and to limit its spread. Therefore, the company stopped its operation from 18/03/2020 to 28/06/2020 (Government Gazette B 2598/26-06-2020) and the employment contracts of its employees were suspended for the entire period from 18/03/2020 to 24/05/2020.

Under these circumstances, the company’s financial results have not remained unchanged. Apart from the scheduled events that were cancelled or postponed, further loss of revenue is caused by other activities, such as parking space operation, income from rentals etc. Also, due to the strict protocol to be applied to events from now on, the number of visitors and exhibitors will be reduced, therefore revenues will be affected. The smooth operation of the company largely depends on the ongoing developments, therefore the financial impact of the pandemic cannot be reliably assessed at this moment.

Moreover, in the context of corporate social responsibility, TIF-HELEXPO set under way the following actions during the restrictive measures taken due to the pandemic:

- It hosted at its premises in Thessaloniki a homeless shelter at the request of the Deputy Mayor for Social Policy of the Municipality of Thessaloniki, in order to contribute to the safe day and overnight accommodation of our homeless fellow citizens in this extremely difficult time.
- It hosted in its premises in Thessaloniki blood donation units of AHEPA and Theageniou hospitals to enable blood collection..
- It hosted three mobile units for blood donation and primary medical care of “The Smile of the Child” at Helexpo Maroussi in Athens.
- It donated professional disinfectants to be donated to the hospitals of Thessaloniki, Kastoria and Xanthi as well as to hospitals designated to the care of corona virus patients in Ptolemaida, Alexandroupoli, Ioannina and Larissa.
- It was willing and able to provide, if necessary, its facilities in Thessaloniki and Athens, to be used by the Ministry of Health and the General Secretariat for Civil Protection, as they see fit, in the context of their actions against the spread of corona virus.

Today, It continues its activities:

- It hosts in its premises in Athens and Thessaloniki, a team of officials from the National Public Health Organisation of Greece for the measurement of virus infections.
- It hosts mobile blood donation units in its facilities in Thessaloniki.

For the safeguarding of public health in relation to the operation of 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 during fairs and conference events aiming at the prevention and reduction of infections.

HELLENIC SALTWORKS S.A.

Short description of the company

Hellenic Saltworks S.A. is a public company, established in 1988, to develop and exploit the saltworks and the mineral salt of the country. Today, the company exploits 9 Greek saltworks, which constitute 92% of the Greek exploited saltworks, covering 2/3 of the domestic demand for raw salt. The salt flats are located in the following areas:

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

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

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

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

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

For the financial year 2019, company's profit after tax more than doubled compared to 2018, reaching €0.5 mln. Regarding sales, the company achieved a 15-year record of €7.1 mln, while the total value of its assets reached €17.6 mln. The number of staff employed at the end of 2019 amounted to 30 persons.

x2	+34%
Profit after tax	Sales

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

Further information in company's website: http://saltworks.gr.

The most important events and transactions from 01/01/2019 to the date of the report

Business approach, service improvement & extroversion

The company's activity is significantly affected by each year's weather and seasonality, both in terms of production volume and sales. In 2019, the volume of production reached 200,000 TN, increased by approximately 12% compared to 2018, while the sales volume reached approximately 197,500 TN, increased by approximately 45% compared to 2018. Turnover achieved a 15-year record, reaching €7.1 mln in 2019, increased by 35% compared to 2018; profitability increased accordingly. This financial result was largely due to the favourable weather conditions in the first two months of 2019, as well as the systematic efforts to upgrade the company's commercial policy, emphasising on broadening its customer base.

The company's performance has also been improved in exports achieved, as the value of sales outside Greece reached €154,100 compared to just €20,743 in 2018. In the 1st semester of 2020, the company's sales were negatively affected by the adverse weather conditions for the use of salt for snow removal, as well as the limited demand for salt due to the pandemic crisis. It seems possible this trend to be reversed as sales usually increase from June onwards, however the final figures will also depend on demand during the summer.

Under the guidance of HCAP, the company's management initiated the following actions:

- Completion of a preliminary study (techno-economic approach) on the prospect of integrating new areas into the productive saltwork area of Messolonghi, in an effort to increase production capacity. A request to the Ministry of Finance was submitted on 25.06.2020 regarding a 25-year extension of the relevant Concession Contract by the Greek State (Government Gazette Issue A No. 36/09.03.1978), which expires in 2028.
- Submission of a revised Dossier certifying the product "Afrina" as a Geographical Indication Product (GIP). The Management examined the remarks of the Directorate of Quality Systems and Organic Farming of the Ministry of Rural Development and Food and, on 30/06/2020, submitted a revised dossier aiming to receive the certification.
- Submission of a request to the competent departments of the Ministry of Development for the award of a national trademark to the company and a Greek trademarkas a distinctive of the origin of its products.
- Preparation of a preliminary techno-economic study, in cooperation with an external Consultant, for the construction of a modern salt packing unit in Messolonghi saltworks and invitation to tender for the demolition of the building of the old packing plant in Messolonghi, being a first step towards the construction of the new plant.
- Drafting of a comprehensive Special Ecological Assessment study for the renewal of the operating licence of Kitros saltworks, optimising its productive area (Division of the Lake). The aim is to submit the relevant Dossier to the Region of Central Macedonia (Regional Unit of Pieria) within Q3 2020.
- Strengthening the export orientation and the distribution network, and improving the trading portfolio, minimising commercial risk.
- Completion of the transition to the new ISO 9001: 2015 certification standard for all the saltworks.
  i. Approval by the company's Board of Directors and begining of accepting offers for the installation of a system ensuring the maximum possible protection against lightning for all saltworks.
  ii. Distribution of detailed Manuals to personnel regarding the strict adherence to the Health and Safety Rules at all work positions, in accordance with the legislation in force.

Moreover, under HCAP guidance, Hellenic Saltworks are 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 orientation. To this end and in order to support the company, HCAP has selected via tender a consultant to prepare the relevant study.

Investment Programme

The company's Investment Programme is updated taking into account the submitted Business Plan 2018 - 2022, prioritizing the initiatives and objectives identified in the published HCAP Strategy, the smooth and more efficient operation of the saltworks in accordance with the applied legislation, as well as the workplace health and safety. The following are being implemented in this framework:

i. Digital upgrading, aiming at completing the integrated Electronic Database for Electrical and Mechanical Equipment within 2020.

ii. Construction of a wash unit in Nea Kessani saltworks, in order to upgrade the quality of the product and enjoy an additional financial benefit from the sale of the washed salt.
iii. Implementation of targeted interventions in local saltworks (particularly Messolonghi and Kitros) regarding their equipment and geotechnical infrastructure, in order to achieve increased production compared to the previous year.
iv. Preparation of a dossier with specifications related to the study on the construction of a Loading Ladder and packing plant (25 kg) in Kalloni saltltworks, with market research on the options of facon packing.

Environment & Public Value

Through the above actions, Management aims on the one hand to improve its financial figures and, also to achieve an active economic and social contribution and environmental awareness. This is accomplished through:

- Contributing to the national economy through increased export activity and the maximum possible coverage of the domestic demand.
- Promoting differentiation through the unique character of Afrina of Messolonghi.
- Developing an action for electricity supply cosine correction and preparation of a feasibility study for the installation of photovoltaic systems in areas of the company's salworks, in the framework of actions to save resources and reduce energy needs.
- Adopting practices that contribute to the responsible management of saltworks and implementing actions for the protection of the wetland and the environment.

Specifically, for the saltwork facilities in 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 respectiveRegions. In particular Messolonghi saltworks is subject not only to the SEC provisions but also to the additional terms issued to ensure the integrity of NATURA 2000 protected areas.

Some indicative actions for Messolonghi saltworks in 2019 are the following:

- In September 2019, agreement with the Lagoon Management Agency for the creation of islands in selected lakes in the area of the saltworks, for the protection of avifauna, as recommended by the Agency.
- Contacts with competent executives of the Hellenic Electricity Distribution Network Operator regarding the installation of preventive signs on electricity poles, in order to deal with the problem of birds flying into power cables.
- Extension of the brine disposal period to four months, so that their density can be reduced in accordance with the Environmental terms specified by the Region regarding the operation of the saltworks.
- Wastewater management.

Institutional Framework & Corporate Governance

In 2019, the statutory amendments imposed by the new legal framework were concluded and and Audit Committee with the appropriate composition was established, while the Rules of Procedure were approved by the Board of Directors. An Internal Audit Unit was also established through the appointment of an independent certified Internal Auditor according to the provisions of Law 3429/2005.

The following actions were taken regarding compliance issues:

- Extensive training of the Board members was conducted by HCAP's Compliance Officer.
- A compliance officer was appointed in order to monitor and communicate relevant matters to the competent corporate bodies.
- Important policies and procedures were approved by the Board of Directors and are to be adopted by the company.

Lastly, in December 2019, the Board of Directors approved the company's Organisational Planning draft that included an updated Organisation Chart and descriptions of the corresponding job positions. The project, named "Improving/Updating Corporate Governance", will be implemented in cooperation with HCAP, which has assigned the total project to an external Consultant.

Effect of Covid-19 on the activities of Hellenic Saltworks

During the period of implementation of restrictive measures the company's operation continued smoothly, while all required prevention measures are still being followed. However, due to the demand issues for salt stated above, the company' revenues were mainly affected.

Moreover, since the production process starts in April, the company has taken all necessary prevention measures for the protection of the staff, so that production could start smoothly and without any delay. The fact that the salt flats are spread out in the Greek territory creates by itself a "natural protection" for the staff working there. This means that if an infected person is identified in one of the saltworks, the operation of the others will not be affected.

CENTRAL MARKET OF THESSALONIKI S.A. (CMT)

Short description of the company

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

The Central Market of Thessaloniki has operated since February 1975 at its current facilities, at the 7th kilometre of the Thessaloniki – Athens National Motorway, on the borders of the Municipality of N. Menemeni. CMT owns a plot of land of 247,000 square metres, of which 45,400 square metres are built areas, that include:

- The fruit and vegetable market, divided into 4 cores with a total of 280 shops with a surface area of 60 sq.m. each
- The meat market, with 24 shops with a surface area of 165 sq.m. each, with modern meat transport and storage equipment.

In 2019, CMT profits after tax amounted to €1.3 million vs €1.1 million in 2018, with EBITDA reaching €1.5 million vs €1.2 million. Revenue remained at the same levels as in 2018, exceeding €3 million, while the total value of the company's assets stood at €36.1 million. The number of staff employed at the end of 2019 amounted to 19 persons.

+22%
Profit after tax

+30%
EBITDA

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

Further information in company's website: https://kath.gr.

The most important events and transactions from 01/01/2019 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 exploiting its facilities, including the income from entrance fees. The market is currently operating at full capacity.

Aiming at modernising the existing facilities and infrastructure, increasing capacity, and expanding the activities and services provided, CMT Management is preparing to submit 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. The notice was issued on 16/1/2020 with an initial dossier submission deadline on 30/4/2020, which was later extended up to 30/9/2020 due to the coronavirus. The company is currently at the final stages of preparation of the dossier to be submitted to the NSRF.

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

- The assignment and implementation by a specialized research company of a survey on the satisfaction level of the merchants operating in its premises.

- All the necessary actions for the establishment of a Specialised Regional Medical Centre (decision Γ1α/Γ.Π.οικ. 27599/10-4-2019 by the Minister of Health). A part-time doctor has been employed at CMT since February 2020.
- The participation in domestic and international fairs and trade delegations.

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 a fair and transparent pricing. This system is already in place.

Environment & Public Value

In 2019 the company completed a series of tests and prepared itself so that, within 2020, is could migrate to an environmental management system for all types of waste, which would be fully harmonised with the environmental legislation. Moreover, in February 2020, a study on biological treatment was completed. The study was submitted to EYATH for approval and renewal of the licence for the 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, towards the handling of the Covid-19 pandemic.

At the same time, the completion of the planned infrastructure, modernisation, and infrastructure upgrading works, 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 cyclical economy actions.

Social Plate

In 2019, CMT continued, as a leading partner, the project "Supporting Social Enterprises in combating poverty and social exclusion", with the acronym "SOCIAL PLATE", in an effort to increase public value and social responsibility. The programme is being implemented in the framework of the European Cooperation Programme 'INTERREG V-A Greece Bulgaria 2014 – 2020', aiming to combat the waste of agricultural products and foodstuffs by utilising them for the benefit of the public, and address the social challenges of poverty, unemployment, and exclusion in a wider context.

From 1/1/2019 to 31/12/2019, the "Social Plate" team managed 331,900 kg of fruits and vegetables, out of which 222,961 were recovered and offered to social structures. There are 70 participating social structures – entities (Social Groceries, NGOs, Foundations, Church kitchens, etc.), and the aim is to increase that number.

Having realised the project's importance, as well as the total 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 Company that has been established for this purpose, or as a sponsor of the entire effort. Approximately 104.5 tonnes of fruit and vegetables were already collected in the first semester of 2020, out of which 74.5 tonnes were recovered and offered to social structures.

Recognising the importance of this action and in the context of Corporate Social Responsibility, HCAP supports the project and encourages the companies it supervises to participate. Moreover, it uses alternative financing forms such as crowdfunding, also attempting to attract sponsors through the participation in the Act4Greece platform of the National Bank of Greece https://www.act4greece.gr/actions/Action_socialplate.

Institutional Framework & Corporate Governance

On 19/6/2019 the General Meeting decided on the appointment of a new Management, with Theodoros Papadopoulos as Chairman and Antonios Bouris as CEO. The new Board of Directors also includes Alexandors Foteinos, Vassilios Chaitas and Panagiotis Magkas, while the member Theodoros Kogiannis resigned in November. The Audit Committee was reconstituted as well.

In July 2019 the company's statute was harmonised in accordance with Codified Law 4548/2018 and, in October 2019, the Audit Committee Charter was approved.

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

In December 2019, following a tender, the preparation of a risk assessment study for CMT was assigned to a consulting company. The study delivered included detailed conclusions of the risk assessment, as well as corrective proposals, and constitutes a useful tool both for Management as well as for the company's Internal Audit.

In February 2020, the company's BoD approved:

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

The General Meeting held on 27/04/2020 decided on the election of two new members of the Board of Directors, namely:

- Kazanas Athanasios 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.

Effect of Covid-19 on CMT activities

The smooth operation of the CMT during the pandemic is extremely important, as it is necessary for ensuring the unimpeded supply of the Greek territory with 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 the disruption of its smooth operation. According to 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 in its premises.

The pandemic has affected the company's revenue, as the Law imposed a 40% reduction in the rent of all affected companies active in its premises.

CENTRAL MARKETS & FISHERY ORGANISATION SA (CMFO)

Short description of the company

Central Markets and Fishery Organisation SA (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 joined 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 sq. meters)
- The Central vegetable and fruit market of Patras (50,000 sq. meters)
- 11 fish wharves/fish markets (administration and management / facilities under concession or leased)

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

For the year 2019, CMFO profit after tax reached €2.0 mln, with an EBITDA of €2.8 mln. Revenue amounted to €15.5 mln, while the totals asset value reached €76.1 mln. The number of staff employed on 31/12/2019 was 100 Private Open-Ended Contracts and 39 Fixed-Term Contracts, that have already ended.

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

Further information in company's website: https://okaa.gr.

2 mln
Profit after tax

2.8 mln
EBITDA

The most important events and transactions from 01/01/2019 to the date of the report

Business approach, service improvement & extroversion

Its main activity is the leasing of shops and open-air spaces, as well as utilising 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 organising corporate events, etc.
- Retail shops in Renti Consumer Market
- Spaces for the use and transportation of catches in fish wharves.

It also receives a revenue from the management and administration of fish wharves, such as the 2% fee on the sale invoices conducted in fish wharves, the fish container fee, revenue from the sale of ice in the fish wharves etc.

CMFO's main purpose, through its operation, is to create added value in commercial activity, both for itself and for its tenants. In the framework of serving this purpose, CMFO implemented a series of extroversion actions:

- During 2019 until today, CMFO participated in domestic fairs (Freskon, Food Expo, DETROP, Taste of Athens) and international fairs (MacFrut, Fruit Logistica), as well as in trade delegations. It organised B2B meetings for merchants with foreign delegations (e.g. a delegation of merchants from Barcelona Central Market, Mercabarna, Chinese markets, visit to the Central Market of Athens by Kenya's Deputy Minister of Foreign Affairs etc.).

- In September 2019, the Organisation hosted in Athens a meeting of the WUWM European Working Group, as well as a preliminary meeting for the Love Your Local Market campaign.

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

- 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, digitisation, and upgrading of the fish wharves' operating procedures, utilising 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 investment will be mostly funded by NSRF 2014-2020 funds. On 22.6.2020 the Technical Bulletin received the preliminary approval by the General Secretariat of Digital Governance and Simplification of Procedures of the Ministry of Digital Governance, which deemed that the project complies with the National Digital Strategy.
- On 30/04/2020 the Technical Bulletin for the modernisation of the infrastructure of the Central Market of Athens was submitted, including the addition of refrigeration facilities, the reorganisation of the incoming – outgoing network, traffic, and parking, the upgrading of security systems, and digital interconnection within the market. The investment will be mostly funded by NSRF 2014-2020 funds.
- All corporate processes were redesigned, while, specifically for claims management, the company procured a specialised customisable software for the full digitalisation of the procedure.
- Through an international tender, it proceeded with the change of 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 November 2019, it started designing the new e-consumer digital platform (ekatanalotis.gr), which was presented by the political heads of the Ministry of Development and became available to the public in March 2020. It is a new application for IOS and Android mobile devices that provides benefits to the consumer, who can enjoy reliable daily updates and comparisons of retail prices for products available in the entire Greek territory, and thus, reinforcing competition as well as the market's smooth operation. A particularity of this application is that all companies from the food sector (Super Markets) participate willingly.
- It is proceeding with the implementation of an e-commerce platform for the sale of products between the companies being installed in the CMFO and the retailers of fresh products, in an effort to further promote the digital services offered to its customers supporting CMFO tenants and food sellers and contributing to the increase of their turnover, particularly during the current crisis.
- It signed a Memorandum of Cooperation with the General Secretariat of Commerce and Consumer Protection that involves CMFO's assistance in the organised effort to control the market, limit black economy and deal with illegal trade in spaces supervised by the CMFO, as well as the development of a strategy and common actions for this purpose. Implementing its own procedures, CMFO will assist in making available and covering two positions in the joint working group with the entities of the Coordination Center for Market Supervision and Treatment of Illegal Trade, which is under the General Secretariat of Commerce and Consumer Protection.

By the end of 2020, with HCAP's assistance, the Organisation seeks to:

- Implement the studies and initiate some of the works regarding the projects that have been submitted to the EPANEK programme and involve large-scale interventions in trade methods and in the upgrade of infrastructures and spaces,
- Complete the remaining works for the operation of the new Fish Wharf in Volos,
- Complete the survey on the satisfaction level of the merchants operating on CMFO's premises, aiming at establishing optimal relationships with merchants and customers,
- Fully implement the new procedures,
- Initiate new actions related to extroversion and transfer of know-how.

Environment & Public Value

Environmental protection and corporate social responsibility are among HCAP's key pillars. Having recognised its important role in enhancing public value, the Organisation is expanding its activities through:

- 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 Keratsini Fish Wharf. Valuable assistance is provided by the Central Market Merchants Association, as well as the fishermen and merchants in the Fish Wharves.
- Promoting healthy diet in schools. CMFO is currently continuing the 'introduce the Fruit in Your Child's Life' action, distributing a children's nutrition book. It regularly hosts Attica school educational excursions , with an emphasis on Special Schools, as well as visits of Vocational Schools in the context of their training programme in workplaces.
- Preserving the cultural heritage. CMFO was actively involved in the rescue programme of wooden fishing boats, which have been declared traditional and are included in Measure 6.1.10 of the Fisheries and Maritime Operational Programme 2014-2020 'Final closure of fishing activities', by rescuing 3 fishing vessels, which are currently on display at the Central Market of Athens and the fish wharves in Michaniona and Kalymnos.
- Organising cultural events. CMFO participated and is seeking to organise cultural events on its premises, including theatrical and musical performances in the Athens Fruit and Vegetable Market and the Fish Wharf in Keratsini.
- Participating in research programmes. CMFO is participating in the VIOAXIOPIO programme, which deals with the production of biomolecules by utilising fish by-products and discarded fish catches, in collaboration with the Hellenic Centre of Marine Research (HCMR), the Pharmacy Department of the National & Kapodistrian University of Athens, and NAYS Ltd, in the context of a ETAK (Research, Technology, Growth, Innovation) single State aid action 'RESEARCH - INNOVATION - ENTERPRISE' 'COMPETITIVENESS, BUSINESS & INNOVATION' (EPANEK).
- Environmental protection. Approximately 9,500 tonnes of waste are produced annually in the Central Market of Athens, 4,127 of which are organic or biodegradable. Recognising its obligations to protect the environment and the need to continuously improve its environmental performance and according to the targets set by HCAP, it has already achieved a waste recovery percentage of 50%. Moreover, under VIOAXIOPIO programme, special equipment will be installed in the Fish Wharves in Keratsini and Thessaloniki for the recovery of styrofoam from packaging. Environmental policy focuses on: (a) the management of solid and liquid waste generated, giving priority to their separate collection and recycling, (b) continuous staff updating and training on environmental issues, and (c) sustained action for continuous compliance with developments.
- 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 in the Administration Building.

Institutional Framework & Corporate Governance

On 23/12/2019 the General Meeting decided on the appointment of a new Management, with Christos Krommydas as Chairman and Apostolos Apostolakos as CEO. The new Board of Directors also includes Mr. Dimitrios Batrzokas and Mrs. Eleni Leodi.

In 2019 extensive training of the Board members on compliance issues was conducted by HCAP's Compliance Officer. This training will be repeated within 2020 for the new Board members.

Following the creation of the Audit Committee, the company is in the process of approving the Rules of Procedure of the Audit Committee, updating the company's Internal Rules of Procedure to include the Audit Committee, and approving the Rules of Procedure of the Internal Audit Unit.

Effect of Covid-19 on CMFO activities

The rapid spread of Covid-19, as well as the resulting restrictive measures, have significantly affected the sales network of agricultural and fishing products, which is the sector of activity of CMFO's customers. The smooth operation of the

CMFO during the pandemic was extremely important and a high priority, as it is required to ensure the unimpeded supply of the Greek territory with food (fruit, vegetables, meat and fish catches).

The actions taken to protect employees, companies, consumers and visitors of the Organisation’s facilities for the entire duration of the restrictive measures played a significant role in the safety and continued operation of the Central Markets in Athens and Patras, as well as Greece’s 11 Fish Wharves. The provision of supplies to the entire Greek territory was not disrupted, as the CMFO Management took and 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 smooth operation. According to this plan, the Central Markets and the fish wharves are still operating normally, taking all required protective and preventive measures for its personnel, as well as for merchants who carry out activities or transactions in the premises.

The pandemic has affected the company’s revenue, as the Law imposed a 40% reduction in the rent of all affected companies active in its premises.

The Organisation’s revenue from Fish Wharves were similarly affected, due to the limited demand for fish catches during the period of implementation of the restrictive measures (non-operation of the HORECA sector).

Athens Urban Transport Organisation 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 reorganisation 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.

For 2019, OASA losses after tax were reduced to €14.5 million from €48.0 million in the previous year. The total value of its assets was €1,219.7 million, with 7,397 employees at the end of 2019.

HCAP is the sole shareholder of OASA.

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

33.5 mln
Reduction of losses

1.21 bln
Total asset value

The most important events and transactions from 01/01/2019 to the date of the report

Public Transport operational redesign

OASA has been focusing on the public transport operational redesign, which involves 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, OASA means of transportation had covered by December 2019:

- 130 mln vehicle kilometres
- 590 mln boardings

Regarding transport operations and given the limited available resources, the OASA Group has implemented a series of interventions in order to improve transport operations during the 2019 – 2020 winter season. It achieved the following:

- Technical availability of over 1,000 buses on a daily basis after September 2019.
- Reorganisation of the road transport network in order to enhance interoperability. Completion of two (2) phases (09-12/2019). The third phase has been under way since 7/7/2020, within the framework of the planned operation of three new metro stations in Piraeus.
- Improved frequency of services in Metro lines 1, 2 and 3 during peak hours.

Moreover, given that the strategic transport planning is a long-term process, the OASA Group has initiated a study that will assess the existing transport network and highlight areas for intervention for the further development of public transport.

In particular, preparations are under way so as to tender the new Attica General Transport Plan (the technical specifications have been finalised, public consultation is under way, and the relevant call for tenders is expected to be published within 2020) which aims for improved mobility of the citizens of Attica and the efficient operation of the Athens public transport system.

At the same time, actions are being taken to address chronic problems and resource shortages that affect transport work.

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 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.

E-ticket implementation

Regarding the implementation of the electronic ticket:

- More than 1.8 million “personalised” cards and 1.1 million “unpersonalised” cards have been distributed.
- There are 563 available POS devices in actual points of sale – kiosks that execute card recharge transactions. Pre-loaded tickets have been delivered to an additional 500 points of sale.
- 23% of sales transactions are being executed via credit and debit cards, which represents a significant increased compared to the period before the implementation of the ASKK.
- 7 out of 10 transactions are now made through Automated Card Issuers, while during the initial period of operation the corresponding rate was less than 30%.
- The discount products developed by OASA are becoming popular with the passengers, absorbing 7 out of 10 single tickets, while 4 out of 10 tickets are purchased via e-card.
- Damages to the equipment due to third-party fault have been reduced.

Actions under way

OASA as a group of companies

The desing of a programme is currently underway for the strengthening of OASA’s operation as a Group of Companies, aiming to improve the effectiveness and efficiency of the three Group companies (OASA – OSY – STASY) and their internal operations, using a uniform approach to the extent possible. The following actions are also under way:

- Public Transport works redesign.
- Centralisation of the scheduling of services at OASA level.
- Increased monitoring of the execution of the routing schedule in fixed-track means.
- Further improvement of the fare control function.

Preparation and operation of the fixed-track network extentions

In the context of extending the metro and tram network towards Piraeus, OASA has finalised 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. At the same time, the required actions to ensure the project funding via the NSRF 2014-2020 have been completed and the relevant RfP is expected to be published within 2020.

Regarding the commercial operation of the first three stations of the Metro extension to Piraeus, it has been planned to install and set into operation the required ASSK-OASA equipment using the existing infrastructure. Moreover, due to the operation of the new stations, bus and trolley network was also redesigned, in order to achieve the interoperability of transport modes and also resource savings (vehicles - personnel).

Specifically, 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 Keratsisi - Drapetsona, Nikea - Ag. Ioannis Rentis, Korydallos, Ag. Varvara, Perama and Piraeus, in order to achieve interoperability between the road transport network and the new stations of Metro line 3.

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

In order to provide improved services to passengers, the company has already initiated 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 unpersonalised 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, the upgrade of the Customer Service Centre at the Syntagma Metro Station in order to speed up the resolvement of customer issues related to the ASKK, etc.

Improving customer service

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

- A passenger satisfaction survey for OASA transport modes has been concluded and the results will be used as a basis for the design of actions aiming to improve and reinforce the organisation's passenger-centric approach.
- The implementation of standard quality lines has been initiated, 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 processes have been initiated for the implementation of the EN 13816 standard on "Quality in Public Transport" and the organisation is expected to be certified within 2020.
- The integration of the routes in Google Maps is being prepared.
- The organisation's website is undergoing major upgrades, 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 development of a Contactless solution is planned regarding the use of bank cards for fare product purchase, validation and payment.
- The development of a reliable passenger information system is underway, 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.
- Implementation of a modern bus lane control system. Operation of a new system with digital cameras, continuous road markings and further collaboration with Traffic Police regarding the policing of bus lanes.
- Completion of OSY drivers' training on driving behaviour and road safety issues.

In parallel, OASA has also completed the drafting of the "Municipal Transport Planning and Operation Guide", which is currently being printed. This Guide presents the procedure required for the planning, approval and operation of Municipal Transport by Local Authorities.

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 completion of the tender processes, the signing of a contract with the contractor and the initiation of project implementation is expected within 2020, aiming to significantly improve the accessibility of persons with disabilities to the bus and trolley network.

Information - awareness campaign

Collaboration between HCAP and the OASA Group has highlighted the importance of undertaking initiatives to increase passenger awareness and information provision. A campaign is currently being planned to enhance the use of the ath.ena card by the broader public. The campaign is scheduled to run within 2020.

Specific obligations (service provision based on social policies)

Through the capabilities provided to OASA by the e-ticket, it was possible for the first time to accurately record the movements of social policy beneficiaries through the use of personalised electronic cards in accordance with the international practice, where these cards bear the holders' information and are used exclusively by them.

OASA can now match the fare products by beneficiary category and thus, accurately and reliably calculate the amount of compensation requested by the relevant Ministries. Given that more than 40% of boardings involve categories of passengers with a free or reduced fare product, this documentation is necessary for OASA claims regarding the movement of subsidised social groups, as well as for clarifying the revenue framework in relation to these obligations.

HCAP and OASA have cooperated to formulate a budget and reporting methodology for the compensation level by each category of social policy beneficiaries, for further discussion and finalisation in the context of the Coordination Mechanism.

Fare evasion and revenue assurance

In 2019, additional measures were introduced to reduce fare evasion compared to 2018:

- Two (2) pilot control programmes were designed and implemented in OSY lines and controls were conducted in the Tram network, which assessed the effect of increased fare controls in limiting fare evasion and increasing the number of validations.
- ASSK data were utilised to improve monthly fare control scheduling.
- A memorandum of cooperation with the Hellenic Police was put into effect in 2019, with monthly coordination regarding the scheduling of assistance to the controls conducted by OASA in all means of transport. The cooperation between OASA and the Hellenic Police at an operational-level was also organised.
- A system was organised for monitoring the effectiveness of fare controls. In this context, OASA has completed the fare evasion survey for 2019, according to which the fare evasion rate is estimated at 17.97%, reduced by 13.38 percentage points compared to the corresponding 2018 survey.

Since June 2019, a system has been in place to monitor the effectiveness of fare controls. This enables OASA to monitor all critical assessment indicators. From June to December 2019, when the new system had been introduced, more than 922,000 fare controls were conducted and more than 30,000 fines were imposed in the STASY network. In the bus and trolley network, more than 740,000 fare controls were conducted and more than 6,900 fines were imposed.

Moreover, in the context of continuous improvement of the effectiveness of fare controls, the OASA Board of Directors decided to determine the coordination framework of the fare control procedures at OASA Group level, determine target setting and specify KPIs.

Restructuring and reinforcement of the sales network

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, operation of new sales points at OSY - STASY, and redesign of the agency policy for new partnerships regarding the sales of fare products).

- Completion of the redesign of the OASA retail sale network for improved geographical coverage of Attica.
- Completion of the staffing of additional STASY ticket issuing points.
- Installation and staffing of additional issuing points in the OSY network.
- Drafting of a new commercial policy.

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 modernisation

The prospects opening up due to the utilisation of technology in the transport sector are high on the HCAP and OASA agendas. The planning of the OASA Group investment Programme for the first-priority digital projects was completed within 2019 and the goal for 2020 is to complete a single digital strategy at group level, as well as the planning for digital transformation projects.

In this context, OASA within 2019:

- Completed the drafting of the technical specifications for the integrated preventive maintenance system using mechanical learning, for which the public consultation on technical specifications was also completed and the relevant project RfP is expected to be issued within 2020.
- Completed the drafting of the technical specifications and is initiating 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.).
- Initiated procedures for the operation of a new system with digital cameras. Specifically regarding the procurement of digital supervision systems and equipment for the system's control centre, the drafting of the technical specifications by OASA and the public consultation process have been completed. A request for project funding was submitted in May 2020 and is under evaluation. The tender procedure is scheduled to be concluded within 2020.
- Also plans the pilot application of wireless networking in a selected road transport line.

In parallel, within 2020, OASA plans to proceed with the process for the installation of over 500 new "smart" stops that provide information through telematics, so that, together with the 1,000 already existing ones, a network of 1500 stops will be created for improved passenger service. Actions are under way to ensure project funding in the framework of a co-funded programme ("Attica" Regional Operational Programme 2014-2020).

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 Organisation (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
- Capacity 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.

The first report on the environmental footprint of the OASA Group has been completed, following a relevant study. The results of the report will be utilised by OASA as a basis for the design of actions to improve the environmental footprint of urban transport, as well as to highlight their contribution to the improvement of the urban environment in general.

Issues for scheduling and accelerated implementation in the near future

Following the process that has now been adopted and implemented by HCAP, during Q1 2020 the consultation that had started in Q4 2019 regarding the targets of the next three years, which were also quantified using KPIs was completed. However, the finalisation of the KPIs was followed by the emergency pandemic situation. This affected the operation of the companies as well as certain critical financial figures for some of them, especially for 2020. Therefore, the confirmation of the targets was temporarily suspended until more data could be available on the duration of the crisis and its effect on financial activity.

Consequently, some of the financial and operational indicators need to be reviewed and possibly revised. The evaluation of the effects of the pandemic on the OASA Group is a critical parameter for the corresponding revision of the relevant indicators. Moreover, the handling of this emergency situation redefined the Group's key objectives as, especially during the lock down period, the group focused on business continuity, adhering to the measures set for the protection of public health as well as the health and safety of its employees.

In any case, certain areas have been identified for improvement and OASA currently plans to accelerate their implementation in the near future.

Financial performance

Revenue assurance

Important actions were implemented in 2019 regarding the improvement of the fare control system. 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, utilising, 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, 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-10 health crisis significantly affected urban transport revenues, as the loss of revenue in the period from March 2020 to May 2020 was in the order pf -72%.

OASA assessed the financial impact of the pandemic, assuming that the circulation restriction measures would be in place until 31/5, also taking into account ex-post data from March and April. Under these assumptions, OASA estimated that the loss of revenue for the March - May period amounted to € 41.33 mln.
OASA contacted the competent Ministries and requested an advance payment from the regular funding in order to cover inelastic expenses, as well as emergency funding to cover the loss of revenue due to the effects of Covid-19, in order to cover obligations to third parties and prevent the generation of overdue debts.

Moreover, based on the new circumstances created within 2020, the key priorities of OASA have been adapted and mainly focus on the following:

- Optimum passenger service under the new circumstances
- Maintaining its customer base with an emphasis on users of time-based fare products.
- Instilling in the passengers a feeling of safety regarding public transport.
- Readiness to adapt public transport operations and take measures when required, in order to ensure personnel and passenger safety.
- Promotion of the implementation of actions related to quality and the investment programme, whose implementation is not significantly affected by the health crisis.

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.

Rationalisation of operating costs

Another priority area defined by HCAP involves the rationalisation of operating costs per vehicle-kilometre. At present, OASA is considering rationalisation 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 and not ticket issuing points.

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.

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.

Upgrading of infrastructure and means of transport

OASA is supporting the competent entities regarding the actions required to ensure funding for new rolling stock required in the STASY fixed-track network, as well as the new OSY buses.

Specifically regarding road transport, technical issues will have to be clarified and planned regarding the selection of the vehicles / fuel mixture, the maintenance model, the preparation of base techniques, the loading network etc.

It should be noted that the availability of means of road transport is a prerequisite for the improvement of transport operations in a way that serves the passengers and, ultimately, the purpose of the company. In turn, the improved supply is expected to have mid-term positive consequences on the demand for transport using public means.

A procedure is also scheduled for the procurement of digital cameras that will be installed in selected locations along bus lanes, for improved policing and consequently improved traffic of public transport in these lanes. Also, in November 2019, a programme was launched for new road markings in bus lanes. The programme is expected to be completed within 2020.

The aim for the coming year is the drafting of a mid- to long-term investment plan at OASA Group level, both for digital transformation programmes as well as for the required investment in infrastructure and means of transport, in agreement and in cooperation with the competent Ministries.

Institutional Framework & Corporate Governance

A new Board of Directors was appointed in OASA in May 2019 and an Audit Committee was set up with the appropriate composition, while the Committee Charter was revised.

Also, the Compliance Officer of HCAP held a training seminar for all senior managers of OASA on issues relating to compliance.

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.

Lastly, one of the key issues for OASA remains the creation of a uniform corporate culture and the homogenisation of procedures, so that the companies may function as a Group in important aspects. With the assistance of an Advisor, 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 September 2019, OASA appointed a Compliance Officer and in March 2020, the OASA BoD approved the Organisation's Compliance Framework and the corporate governance policies and procedures. In early 2020, an Internal Auditor was appointed and the Internal Audit Unit Charter was approved.

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 subsidiaries, ELTA Courier SA and KEK-ELTA SA.

ELTA offers postal, financial, and bancassurance services, services of general economic interest, electricity supply, retail network products, and courier services, 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 S.A. 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.

In 2019, the profitability after tax of the ELTA Group increased significantly, reaching a profit after tax of €20.6 mln, up from a loss after tax of €16.9 in 2018. Its revenue came to €356.5 million, while the overall value of its assets came to €466 million. The number of staff employed at the end of 2019 amounted to 5,561 persons.

20.6 mln	466 mln
Profit after tax	Total assets

ELTA shareholders are HCAP, which owns 90% of shares, and EFG Eurobank Ergasias S.A. which owns 10%.

For more information, visit the company website: www.elta.gr.

The most important events from 01/01/2019 to the date of the report

Compensation of Universal Postal Service Net Costs

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 2020.

Specifically, in 2019 ELTA received €45 mln. as part of the compensation for the provision of universal service for the period 2017 – 2019 (€15 mln. per year). Moreover, ELTA initiated the required actions for the payment of €15 mln. as an advance payment against the Universal Service compensation for 2020, within the current year.

Important events took place in the first semester of 2020 regarding the obligation of ELTA to provide Universal Service and the relevant compensation, specifically:

- On 23/01/2020, the Hellenic Telecommunications and Post Commission (EETT) issued its Decision 920/020 that confirmed the Net Cost of Universal Service for 2018 at the amount of € 34,235 thous.
- On 11/03/2020, article 85 of Law 4674/2020 (Government Gazette A 53/11.03.2020) 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 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.
- On 30/06/2020 ELTA sent to EETT the calculation model for the Net Cost of Universal Postal Service for year 2019. Based on the results of this model, the total compensation to be claimed for the provision of Universal Postal Service for 2019 amounts to € 53,038 thous.

Addressing the emergency caused by the pandemic

During the recent pandemic caused by the spreading of Covid-19 during the second quarter of 2020, ELTA ensured the functional reliability of the Group and the unimpeded operation of its networks under safe conditions for its customers as well as its staff.

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 leave), understandably resulted in functional issues and delays.

The management and personnel of ELTA worked effectively to mitigate problems and the ELTA Group confirmed its social and national role as the body that ensures critical functional needs of the Greek society through the provision of the Universal Service.

New commercial policy

Hellenic Post is promoting a new commercial policy with the enrichment of its product portfolio, aiming to find new revenue sources and develop new services, as well as redesign the company's invoicing 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 invoice and letter 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.
- New pricing policy for financial services, which was approved by the Board of Directors on 21.02.2019 and implemented in May 2019.
- Redefining pricing policy management and customs clearance of 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.

Cost rationalisation to ensure viability

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 finalisation, approval and implementation of a large and complex project for the company's transformation and restructuring, with the support of specialised 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. At the same time, ELTA management is also implementing other projects, such as the preparation of the voluntary exit scheme.

Reorganising production operations and rationalising 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 a Post Office Box for parcel deliveries at Distribution Units. Moreover, ELTA is considering ceasing its operations in the electricity supply and trade sector. Furthermore, in March 2020 the ELTA Board of Directors decided to convene an Extraordinary General Meeting of Shareholders of the KEK-ELTA Société Anonyme where the only item on the agenda would be the dissolution of the company and the appointment of a liquidator in accordance with Article 121 of Law 4548/2018.

Also, since January 2020, the company's management has set under way actions that have been coordinated with all involved parties regarding the strategic, business and functional aspects of the ELTA transformation plan, taking into consideration the current market trends, as well as examples of other similar European companies that were restructured.

At the same time, ELTA management is cooperating with HCAP and the competent Ministries on actions to finalise the transformation financing plan and make preparations for obtaining the required approvals, so that the restructuring plan may be launched.

Technology, Digital Transformation and Innovation

The transformation plan framework provides for the updating of the overall planning for the digital modernisation 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 and, in cooperation with ELTA management, is drafting the implementation roadmap.

Regarding technological infrastructure, the following projects have been implemented:

- Upgrade and modernisation of ELTA infrastructure: In the context of upgrading – modernising 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.
- Serving and developing business operations: In order to improve service and also develop business operations, the company proceeded to implement – extend 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 process.
- Reinforcement of teleworking for protection against Covid-19: In the context of measures taken to prevent the spreading of Covid-19, the company enhanced the remote access and teleworking options of 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 specialised company for public ELTA applications and websites.

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.

Institutional Framework & Corporate Governance

By decision of extraordinary General Meetings in 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, while its Rules of Procedure had already been updated within 2019.

Actions were also implemented for the reinforcement of corporate governance, aiming to increase the effectiveness and speed of decision making.

A.14. Prospects for year 2020

HCAP's function as a Value Accelerator is being unfolded through specific pillars, namely:

(i) Operational efficiency
(ii) Digital transformation
(iii) Mobilisation of investments
(iv) Good corporate governance practices, promotion of transparency, diversity and social participation.

The consultation of HCAP with its subsidiaries that had started in the last quarter of 2019, was completed during the first quarter of 2020, and was done following a procedure that had already been adopted and implemented. The consultation took place to discuss and quantify the subsidiaries' targets for the next three years. However, HCAP's prospects for year 2020 were, as expected, affected by the outbreak of the pandemic.

Therefore, the Corporation was obliged to redefine its priorities for 2020 and update its business plan, as its subsidiaries' targets (both quantitative and qualitative) were also updated.

Regarding the HRADF and its Asset Development Plan (ADP), the conclusion of which is its responsibility, it is obvious that the revenue targets set in 2019 for privatisations to be completed (financial closure) within 2020, cannot be achieved, given the extreme circumstances. Moreover, the imposition of market and circulation restrictions renders the maturation of its assets very difficult, as physical presence is required in many cases; the in situ visits of potential investors, the physical presence of Government or Regulator representatives, etc. Since the impact of Covid-19 in HRADF's activities is multidimensional, the fund is now shifting its focus to the maturation and development of assets at the preliminary procedure stage. This will enable the HRADF to keep deadlines and/or other commitments undertaken by the Government. The HRADF also focuses on the reinforcement of horizontal functions or initiatives, such as the organisational structure of the Contract Monitoring Department. Moreover, the fund has also undertaken investment assessment initiatives, either through the creation of a specific ESG rating tool with the assistance of the European Bank for Recosntruction and Development (EBRD), or through similar studies prepared in cooperation with the Foundation for Economic and Industrial Research (IOBE). The accumulation of this knowledge will contribute to the dynamic recovery of the fund after the economic and general conditions have been restored, with the continuous aim of maximising the economic and social benefits from the execution of its Programme, in line with its mission.

Regarding ETAD, one of the priorities for the company is the faster mapping of its entire real estate portfolio. Furthermore, it is important to draft a strategy that is efficient for the maturation and exploitation of real estate assets, evaluating structures and tools, in combination with the digital mapping of the real estate property of the company and of other HCAP subsidiaries in a GIS system.

Regarding the State – Owned Enterprises, it has already been noted that within 2020, HCAP has had to readjust its business plan to account for the extraordinary events in the external environment. Following the outbreak of the pandemic and, even more, the imposition of restrictive measures, the main concern for HCAP and the State-Owned Enterprises in its portfolio, for the second quarter of 2020, has been business continuity. This, as it is clearly recognised that HCAP's subsidiaries are active in key sectors of the Greek economy and it was necessary for them to keep providing their important services to the citizens through the use of basic infrastructure. This target was achieved and, without any Covid-19 cases recorded.

So. for the period from mid-March to the end of April:

- Pensions were delivered at home to **369,000 pensioners**, for two consecutive months
- More than **11 million vehicle kilometres** were covered by public means of transport, while **boardings** exceeded **8.5 million**
- More than **2,500 drivers and technical staff** worked to provide the above transport operations
- **Transactions** in the postal shops network exceeded **2 million**, while **77% of the personnel** served the public at positions that required physical presence
- **Web- and phone-based service** at water supply companies **increased more than 20%,** while special shifts were planned for the immediate handling of faults, even during the lock down period
- More than **6,500 trucks** entered the central markets for supplies, while more than **8,500 retail customers** were served directly. A total of **3,000 tonnes of fish catches** were distributed through the central markets
- Over **2.2 million items** were delivered by the courier network, supporting e-commerce activities in the country

Significant differences can be found among HCAP's subsidiaries' mid- and long-term forecasts, following the period mentioned above. The evaluation of the effect of the pandemic on each individual company is a critical parameter for the corresponding revision of the relevant indicators included in HCAP's Business Plan, which is in line with its Strategic Plan. This means that, for example, water supply & sewerage companies are not expected to face significant problems due to Covid-19, while the OASA group, on the other hand, directly depends on the general guidelines on physical distancing, hygiene and circulation restriction decisions.

However, apart from dealing with the negative consequences of the outbreak, HCAP recognises that such events may also act as triggers to identify opportunities; therefore, in cooperation with the boards of its subsidiaries, is evaluating the effects of this unexpected event in both directions.

In any case, the main pillars of HCAP's strategic planning remain unchanged, while naturally aligned to the current circumstances. Therefore:

(i) At present, operational efficiency involves issues directly related to key activities of citizens, such as the delivery of pensions at home with the aim of avoiding unnecessary commuting, or the support of e-commerce through parcel deliveries.

(ii) In the short-term, digital transformation is oriented towards the use of remote work or collaboration tools, in order to enable State-Owned Enterprises to respond to the new working conditions. This does not mean that HCAP has ceased working on a digital strategy for all its subsidiaries. On the contrary, the prospects for year 2020 highlight that State-Owned Enterprises must move on a Strategic and Operational level at the same time. The optimum implementation of each SOEs' digital strategy is an objective of also HCAP's Innovation Network, which was established at the end of 2019. HCAP intends to reinforce the activities of the Innovation Network, that among others is targetting to the: a) connection between State-Owned Enterprises and the startup ecosystem, b) promotion of general synergies on a technological and innovation level, c) increase in the extroversion of State-Owned Enterprises by making open data available to citizens and the academic / research community. This, may also lead to the organisation of relevant competitions, where State-Owned Enterprises will make data available and call researchers and start uppers to provide solutions through their analyses, and d) implementation of actions to address risks related to physical safety and data cybersecurity. The promotion of investments within the 5G ecosystem is also of great importance, as it will have a multiplier effect on the economy and will facilitate the penetration and adoption of next generation networks.

(iii) The mobilisation of investments remains a key pillar, with investments in technology and IT being the most important, as they facilitate the companies' transition to a Covid-safe era. Moreover, a basis for new financing tools and new structural funds is provided, as these are designed at the European level. Such examples are the funds and mechanisms of the Recovery Fund, while in the latest developments on Public-Private Partnership (PPP), discussions are being held on a possible participation of the European Bank for Reconstruction and Development (EBRD) as a technical consultant. In simple terms, differentiations are expected both in the type of investments as well as in their available funding mechanisms, and HCAP aims to closely follow the developments and, where possible, play a decisive role in their formation, for the benefit of the companies in its portfolio and, ultimately, the economy.

(iv) Good corporate governance practices that also promote the principles of transparency, diversity and social participation remain high on HCAP's agenda for all of its subsidiaries, independently of their method of operation (i.e. the extent of physical presence of their employees). Indicatively, the priorities of HCAP's agenda include issues and actions of public and social reciprocity, either under Corporate Social Responsibility programmes implemented by its subsidiaries, or through the integration of the relevant principles in each company's operations and activities. Some initiatives are organised by subsidiaries under HCAP's supervision and cover exclusively CSR actions, such as the CMT Social Plate, while others are related to the reduction of the environmental footprint through changes in a company's operating model, such as the transition to a non- carbon economy and the cease of use of fossil fuels.

Particular reference must be made to the Coordination Mechanism, as 2020 will be the first year in which Public Administration formulates a single, high-level guideline for each State-Owned Enterprise in HCAP's portfolio, in the context of agreeing on and publishing each enterprise's Mandate. This guideline will form the basis for the next steps of the Mechanism, during which more specific targets will be made public, as specified in the relevant framework.

A.15. 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. The Coordination Mechanism is expected to be implemented with the participation of all involved parties, both on the side of HCAP and State-Owned Enterprises, as well as on the side of the Ministries and public agencies.

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

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, the coronavirus pandemic has not affected the Corporation's activities. 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 Corporation and its subsidiaries, with the main purpose of providing 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 companies also hold financial assets (with significantly lower values) related to shares of a listed company and bonds. The policy of the Corporation and its subsidiaries, during the year ended 31.12.2019, was not to enter into speculative transactions on financial instruments.

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

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

Market risk

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

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

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

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

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

Under the current structure, the risk exposure for the Corporation and its subsidiaries is limited, as:

- The Corporation and its subsidiaries maintain interest bearing assets, such as short-term investments in fixed term deposits, deposits in the Bank of Greece, as well as sight deposits, which in their majority have variable interest rates or short-term maturity dates, and as a result the risk of fluctuations in their fair value is limited. Moreover, any interest rates fluctuation may affect the value of interest income, however a potential fluctuation is not expected to significantly affect the financial results of the Corporation and its subsidiaries.
- Although some subsidiaries of the Corporation have payables related to loans, the risk of fluctuation in their fair value from fluctuations in interest rates is relatively limited, as a significant proportion have variable interest rates.

Credit risk

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

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

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

- For the real estate sector, a large 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 involves 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 relate either to receivables from the Greek state, or to receivables for which there are corresponding payables to the Greek state (such as the requirements of HRADF resulting from the exploitation of assets that are repayable the Greek State, or the receivables of ETAD from the Greek State for guaranteed loans). A significant part of those receivables concern the ELTA cost reimbursements from the Greek State for the provision of the Universal Service (a receivable which, if not settled, could lead to a significant risk of cash deficit increase and may pose a risk for the continuation of the smooth operation of the company), reimbursement claims by urban transport companies for the provision of transportation rights with full or partial ticket exemption for special passenger categories (e.g. Unemployed, Disabled, Large Families etc.), and receivables of the water supply companies from Local Government Organisations. For all such receivables, the Coordination Mechanism will decrease uncertainty and correct the lack of appropriate procedures and communication between the state and public corporations for the settlement of amounts due from the Greek State.

There is also a potential credit risk for cash and cash equivalents. In such cases the risk may arise from the inability of the counterparty to meet its obligations to the Corporation and its subsidiaries. In order to manage this credit risk, the Corporation's cash and a significant part of the subsidiaries’ cash is deposited at the Bank of Greece, while the Corporation and its subsidiaries collaborate with financial institutions with a high investment credit rating and continually assess/ set limits to their exposure at each individual financial institution.

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

Liquidity risk

Liquidity risk relates to the risk that the Corporation and its subsidiaries may not have sufficient liquidity to enable them to execute 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 estimate that, under the current existing structure and available resources, they have limited exposure to the aforementioned risk, based on the maintenance of sufficient liquidity levels (cash and cash equivalents) and the appropriate working capital and cash flow management.

Exposure to this risk is greater 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 of Services of General Economic Interest, or specific economic relief provided to social groups according to the Greek State's regulations, as well as any subsidies for expenditures incurred by certain organisations.

The increased exposure to this risk stems from the fact that the amounts are significant for the sizes of the organisations and there is sometimes a significant delay in the payment of these amounts by the Greek state. Furthermore, the exposure is also increased by the fact that one of the sub-groups in HCAP's portfolio cannot institutionally 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 Covid-19 outbreak, exercised significant pressure to some SOEs' (especially to those that their revenues were drastically affected) liquidity and to the way they managed their working capital.

Risk from tax and other regulations

The tax regime in Greece, as regards taxation of company profits, is subject to frequent reviews, and HCAP's subsidiaries may in the future face increased tax percentages. The enforcement of new taxes or changes in the interpretation and application of tax regulations by the Tax Authorities, and the harmonisation of Greek tax law with that of the European Union, may result in additional payable amounts by the Corporation 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 is currently under way, based on the approved Coordination Mechanism, which is part of the HCAP's Internal Regulation. 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-specialised 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 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 organisations or from the private job market). At the same time, in order to supplement boards of directors, there is support, where required, from reputable external 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 will be 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 responsiibility.

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 unauthorised access to those systems. In order to minimise these risks, the Corporation's subsidiaries are taking measures to strengthen the security of their IT systems and to minimise 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 recognise and provide an initial assessment of risks, in order for them to be presented to the Board of Directors for planning and approval of specific procedures and policies that will manage the identified subsidiary risks. 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.16. Significant transactions with related parties

The Group's transactions during the period 01.01.2019 – 31.12.2019 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 Corporation:

	GROUP		COMPANY	
Receivables	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Subsidiaries	-	-	-	555,321
Associates	6,254,038	8,822,337	-	-
Total	**6,254,038**	**8,822,337**	**-**	**555,321**

	GROUP		COMPANY	
Payables	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Subsidiaries	-	-	3,934	4,495
Associates	44,150,135	43,134,196	2,262	2,498
Total	**44,150,135**	**43,134,196**	**6,196**	**6,993**

Receivables

The Group's receivables on associates relate mainly to receivables for postal services (€ 4.5 mln approximately) as well as receivables on water and sewerage services (€ 1.5 mln approximately).

Payables

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

ii) Balances with related parties of the Group and the Corporation:

	GROUP		COMPANY	
Revenue	**01.01.2019 - 31.12.2019**	**01.01.2018 - 31.12.2018**	**01.01.2019 - 31.12.2019**	**01.01.2018 - 31.12.2018**
Subsidiaries	-	-	43,226,257	15,403,092
Associates	23,934,696	31,591,209	16,250,000	-
Total	**23,934,696**	**31,591,209**	**59,476,257**	**15,403,092**

	GROUP		COMPANY	
Expenses	**01.01.2019 - 31.12.2019**	**01.01.2018 - 31.12.2018**	**01.01.2019 - 31.12.2019**	**01.01.2018 - 31.12.2018**
Subsidiaries	-	-	20,693	19,973
Associates	74,599,237	68,557,333	14,115	-
Total	**74,599,237**	**68,557,333**	**34,808**	**19,973**

	GROUP		COMPANY	
Sales of fixed assets	**01.01.2019 - 31.12.2019**	**01.01.2018 - 31.12.2018**	**01.01.2019 - 31.12.2019**	**01.01.2018 - 31.12.2018**
Subsidiaries	-	-	17,383	-
Associates	-	-	-	-
Total	**-**	**-**	**17,383**	**-**

Revenue

The Group's income from associates mainly relates to revenues for postal services (€ 22.3 mln) as well as income from water and sewerage services (approximately € 1.1 mln). Regarding the Corporation, the revenues mainly relate to income from dividends.

Expenses

The Group's expenses from associates relate mainly to electricity costs (€ 73.1 mln) as well as rental expenses (€ 1.4 mln).

Compensation to Management for the Group and the Corporation, is analysed as follows:

Boards of Directors and Key Management

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

- Group: for the period ended on 31.12.2019 they amounted to € 8,088,444 (30.06.2018: € 7,279,130).
- Corporation: for the period 01.01.2019-31.12.2019 they amounted to € 1,623,780, in comparison to € 1,412,464 for the period 01.01.2018-31.12.2018.

Supervisory Board

The fees (gross amount) of the members of the Supervisory Board for the period 01.01.2019-31.12.2019 amounted to € 231,467 in comparison to € 304,700 for the period 01.01.2018-31.12.2018.

A.17. Corporate Governance Declaration

The present Corporate Governance Declaration is a special part of the Annual Report of the Board of Directors in accordance with the Corporation's Rules of Procedure and the provision of article 152 of Law 4548/2018.

Corporate Governance Code of the Corporation

The Corporation 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[2], which are an international reference point for the Hellenic Corporate Governance Code[3], 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 organised, 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 organisational 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 organisations 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 Greek State holds a 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

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

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 privatised on the date of entry into force of this Law and (bb) the HFSF. The strategic plan shall include any development or privatisation targets of the Corporation on the basis of general strategic guidelines given by the Minister of Finance (the 'Strategic Plan'). The issues included in the Strategic Plan shall be set out in the Rules of Procedure.

b) Shall approve the amendments of the 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 ΕΞ 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. 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, *Chairman of the Supervisory Board*

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

Jacques Le Pape has served from 20 July 2018 to February 1st of 2020 as the CFO of The Global Fund. He previously served as general inspector in the French Finance Ministry Inspection Office. From 2013 to 2016, Jacques Le Pape was Executive Vice-president Corporate Secretary at Air France-KLM. He was a member of the Group Executive Committee and was in charge of Corporate Strategy, Legal and Fleet investments. He 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. He then joined the Finance Ministry Inspection Office. Between 2003 and 2007, he held the successive positions of advisor to the Minister of Justice and the Minister for Transport and subsequently to the Minister of Finance. From 2000 to 2002, he was Director of the Office of Multilateral Development Institutions at the Treasury Department in Paris. He was previously Deputy General Rapporteur at the French Competition Council after he held different positions at the Treasury Department and at the Insurance Supervisory Commission.

Jacques Le Pape is a Board member at the Institute for Advance Studies – Paris and Vice - Chair and Treasurer at the French Committee of the International Chamber of Commerce. He has also 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. He was appointed as Chairman of the Supervisory Board on 10 October 2016. His current term of office expires on 25 October 2021.

David Vegara Figueras, *Member*

David Vegara Figueras (Barcelona, Spain, 1966) is Chief Risk Officer and Executive Board Member at Banco Sabadell. He is also a member of the Board of the Pasqual Maragall Foundation against Alzheimer.

He was previously Lecturer at ESADE Business School (banking, finance, and macroeconomics, 2015-2019) and Deputy Managing Director at the European Stability Mechanism (ESM), responsible for banking (2012-2015). Before joining the ESM he was

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

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

David Vegara Figueras was appointed to the Supervisory Board by decision of the Minister of Finance on 10 October 2016. His current term of office expires on 25 October 2021.

Xenia Kazoli, *Member*

Ms. Kazoli is a lawyer with international experience who specialises in corporate governance, regulatory compliance and reform issues. She has worked for twenty years in international law firms (Skadden Arps LLP and Allen & Overy LLP) as part of the financial market teams in Paris and London, specialising in share issues and international offers in the public and private sector, privatisations and cross-border transactions.

Ms. Kazoli has previously worked with the World Bank in Washington DC on legal assessment and regulatory reform issues for capital markets in Latin America. She is an independent non-executive member of the Board of Directors of the Athens Stock Exchange and a member of the Greek Council of Corporate Governance. She is also Greece's representative in the Corporate Social responsibility and Anti-Corruption Commission of the International Chamber of Commerce (ICC).

Ms. Kazoli is admitted to the bars of New York, Paris and Athens. She holds a Law Degree from the University of Athens and an L.L.M. postgraduate degree from George Washington University and speaks five languages.

Charalambos Meidanis, *Member*

Mr. Meidanis is a lawyer and managing partner at law firm “Meidanis-Seremetakis & Associates”.

Mr. Meidanis specialises in Private International Law and Law of International Business Transactions, Arbitration and Mediation, as well as business law. In the above fields, Mr. Meidanis has published over forty academic articles in respectable legal magazines.

Mr. Meidanis is a Certified Mediator (CIArb, Greek Ministry of Justice) and has worked as legal counsel at the Ministry of Economy and the Ministry of Development. He has taught in Greek and foreign Universities, such as the University of Athens and the Panteion University in Greece, Bilkent University in Ankara and EIPA in Luxembourg.

Mr. holds a Law Degree from the University of Athens and an L.L.M. postgraduate degree from the University of London, as well as a Ph.D in Private International Law from the Panteion University of Athens He is a Fellow of the Chartered Institute of Arbitrators.

Minos Moissis, *Member*

Mr. 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 and a non-executive member of the ASE listed company SIDMA SA.

He holds academic degrees in Mathematics from University of Athens and Actuarial Science from Heriot Watt University of Edinburgh, UK.

George Stubos, *Chairman of the Supervisory Board*

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 organisations
Jacques, Henri, Pierre, Catherine Le Pape	CFO of The Global Fund (Until February 2020) Senior Advisor at Barber Hauler Capital Advisers (Paris) (Until February 2020) Partner - Barber Hauler Capital Advisors (Since February 2020)	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, specialising 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
Abraham - Minos Moissis *	Partner at SYNERGON Partners and the owner of In2Resilience Ltd.	Non-Executive Chairman of FlexFin SA Independent non-executive member of listed company SIDMA SA.

***The aforementioned data concern the period from the appointment of the new Supervisory Board members on 12.12.2019.

The Supervisory Board has convened 15 times during the 01.01.2019-31.12.2019 period, 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 35.

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 reorganisation of the Corporation's direct subsidiaries (with the exception of the HFSF and its holdings in the capital of other companies).

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

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

At present, the Board of Directors consists of the following members:

Full name	Position	Term of office
George 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[4]	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

Brief CVs of HCAP's Board of Directors' members

Georgios Diamantopoulos
non-executive Member of the Board of Directors

He was born in 1951. He studied at Deree College in Athens and holds an MBA degree from the University of Massachusetts at Amherst. He has extensive experience in multinational corporations, of which a 4-year tenure as CEO 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.

[4] 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.

Ourania Aikaterinari, *CEO and Executive Member of the Boards of Directors*

She was born in 1971. She studied at Aristotle University of Thessaloniki, from which she obtained a degree in Electrical and Computer Engineering. She also holds an MBA from City University in the UK. She has worked in corporate & investment banking in Greece and abroad for large financial institutions such as BNP Paribas, Eurobank and Deutsche Bank, as well as in the energy sector. 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 & 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.

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

He was born in 1964. He studied Mining Engineering & 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 & Africa).

Iro Athanassiou, *non-executive Member of the Board of Directors*

She was born in 1960. She holds a BA degree from Deree College and a MSc from London School of Economics. She has had 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 TITAN and she is a Board Member of SEV, IOVE, and SEET. She mentors startups for Orange Grove – Dutch Embassy. Her areas of expertise include strategic development, marketing, and organisational restructuring.

Aliki Grigoriadi *non-executive Member of the Board of Directors*

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

Konstantinos Derdemezis, *non-executive Member of the Board of Directors*

Mr. Derdemezis is an experienced senior executive, currently a Member of the Group Executive Committee and South East Europe Executive Director for TITAN Cement Group. He has over 20 years of experience in emerging markets and complex international environments. He is also a non-Executive Member of the Boards of Directors of various companies 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 by 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

He 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 School of Law School. He is a certified public accountant and auditor and has a long and diverse career and experience as a business consultant specialising 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. 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 of the Board of Directors at the time of publication.

Member of the Board of Directors	Profession	Participation as an executive or non-executive member in other companies or non-profit organisations	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 Corporate Governance & Candidates Committee	December 2017 – present
		2) SPONSORVALUE S.A.: Chairman and CEO	April 2010 – present
		3) GIORGOS DIAMANTOPOULOS & Co PARTNERSHIP – CONSULTING SERVICES: Manager	September 2012 – present

Ourania Ekaterinari	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 IKE : Shareholder	December 2019 – present
Hiro Athanassiou		1) Chair of the GAAB (Global Alumni Advisory Board) at the American College of Greece, Pierce, Deree, ALBA 2) Mentor at WOMEN ON TOP	2016 – present 2018 – present
Alice Grigoriadi	Adviser	1) Member of the advisory board of NuvaLaw 2) Founding Member and Board Member of the 'Hellenic Blockchain Hub' 3) Member of the Board of Directors of Eurobank S.A. and Eurobank Holdings, Member of the Risk Committee Member of the Remunerations Committee Member of the Digital and Transormation Committee (as of 16.09.2020)	April 2017 – present March 2018 – present April 2020 – present
Themistocles Kouvarakis	Former executive of the European Investment Bank	-	
Marina Niforos	Strategy Consultant	1) Seche Environnement (publicly listed company) Non-Executive Member	April 2017 – present
		2) European Network of Women in Leadership(non-profit) Non-Executive Member 3) Member of the 'EU Blockchain Observatory Policy and Framework Conditions Working Group'	July 2011 – present May 2018 – present
Spyros Lorentziadis	Adviser	1)TEMES S.A. – Construction Company Costa Navarino Non-Executive Member of the Board of Directors 2) Piraeus Bank- Senior Advisor to the CEO on matters relating to the enhancement of the System of Internal Audit and Operational Risk	October 2018 – present July 2017 – present
Konstantinos Derdemezis		TITAN Group Member of the Group's Executive Committee	

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 that Christina Koliatsi, Chief Legal Counsel of the Corporation (Attorney with Piraeus Bar Registry No 2989), 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. 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 organised, 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 analysed 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 authorised 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 utilise the potential of the staff, submits to the Board of Directors for approval of organisational charts and training and further education programmes that considersnecessary.

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 reorganisation of the other direct subsidiaries, except for the Financial Stability Fund under Law 3864/2010.

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

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

o) recommends the 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, 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 01.01.2019 – 31.12.2019 was 46, of which 32 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.

The issues that have been discussed at the Meetings of the Board of Directors during the period from 01.01.2019 to 31.12.2019 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:

- Creation of a three-year Business Plan for 2019-2021, in line with the Corporation’s Strategic Plan (article 192(2) case d of Law 4389/2016).
- Finalisation and approval of the final key performance indicators (KPIs) of HCAP subsidiaries included in the Corporation's approved Business Plan.
- Targets of the Corporation and the Board of Directors for 2019,
- Approval of the 2019 budget.
- Approval of HCAP's 2020 budget in the context of the State’s budgeting process and approval of the Corporation’s updated Mid-Term Budget for 2020-2023 in the context of reporting to the Greek State.
- Drafting 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).
- Participating and exercising voting rights in the Ordinary General Meeting of each subsidiary regarding the issues on the agenda (Article 192(2) (e) of Law 4389/2016).
- Approval of the Annual Consolidated and Corporate Financial Statements for the period 01.01.2018 – 31.12.2018, in accordance with International Financial Report Standards (IFRS), as adopted by the European Union, and of the Board of Directors’ Management Report to be submitted, together with the Certified Auditors’ Report, to the Ordinary General Meeting of the Corporation’s sole shareholder.
- Approval of the Six-Month Consolidated and Corporate Financial Statements for the period 01.01.2018 – 30.06.2018, in accordance with International Financial Report Standards (IFRS), as adopted by the European Union, and of the Board of Directors’ Management Report, together with the Certified Auditors’ Review.
- Implementation of the Dividend Policy.
- Assessment of the Boards of Directors of subsidiaries.

- Preliminary procedures and gradual implementation of the ‘Coordination Mechanism’ in accordance with the Rules of Procedure of the Corporation.
- Compliance Policies
- Updating the ELTA Audit Plan / Reform Plan - Procedures for the review of the ELTA reform business plan by an independent international company in order to form a final proposal also covering the communication and consultation with the competent bodies that will approve its funding.
- Proposal to the Supervisory Board on the Election of Certified Auditors for HCAP for financial year 2019.

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)
- Amendment of the statutes of subsidiaries so that they comply with Law 4548/2018
- Assessment of the Boards of Directors of subsidiaries in accordance with Article 197(4) of Law 4389/2016 for other subsidiaries
- Election of new members of the Boards of Directors in ETAD SA, TIF-HELEXPO, CMFO SA, ELTA SA, OASA SA, HELLENIC SALTWORKS SA, GAIAOSE SA, EYATH SA, CMT SA, EYDAP SA, PPC SA, AEDIK SA, in accordance with article 197(4) of Law 4389/2016 on the Constitution of Audit Committees of subsidiaries in accordance with the applicable regulatory framework.
- Framework - Guidelines on the Remuneration Policy of the Boards of Directors of listed companies in HCAP's portfolio.
- Training and education of the subsidiaries on regulatory compliance and corporate governance issues
- Colloquiums - Work meetings between HCAP and the State-Owned Enterprises of its portfolio
- Appointment of Internal Auditors in subsidiaries, in cooperation with the Internal Audit Department
- Enhancement of the Corporate Governance framework at the companies in HCAP’s portfolio

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 & Candidates Committee
4. Candidates Committee (Article 197(4) Law 4389/2016)

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

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

Audit Committee

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

On 17.01.2019 the Board of Directors of the Corporation decided on the restructuring of the Investment Committee following the election of Mr. Spyros Lorentziadis as a new non-executive member of the HCAP Board of Directors.

The composition of the Audit Committee in 2019 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 01.01.2019-31.12.2019, the items on the agenda of the Meetings mainly related to: updating of the chapter "Performance Auditing Framework" of the Corporation's Rules of Procedure, amendment of the Committee's Rules of Procedure, actions related to the subsidiaries' Internal Audit Units, issues related to the Audit Committees of subsidiaries (constitution and staffing of Audit Committees, targets/KPIs, meetings with Chairpersons of Audit Committees, collaboration framework), issues related to financial information and reports of the corporation and the group, issues related to the rotation of external auditors, procedure/requests for the assignment of non-audit tasks to the corporation's External Auditors, Audit Plan of the Internal Audit Unit for 2020 and Budget of the Internal Audit Unit, financial performance of subsidiaries, issues related to the Internal Audit System and Internal Audit Unit, issues on the agenda of the General Meetings of companies in HCAP's portfolio, risk assessment results and impact on the audit plan, selection of external auditors for financial year 2019, approval of the quarterly reports on actions and financial statements of the Corporation, approval of the annual and semi-annual consolidated and company financial statements of the Corporation for the period 01.01.2018-31.12.2018, assessment of HCAP's Internal Audit Unit, audit reports issued by the Internal Audit Unit, information by the Chairpersons of the Audit Committees of HCAP subsidiaries, Committee self-evaluation process, evaluation of external auditors, annual scheduling of Committee meetings and agenda items. During 2019 the Committee held meetings with the external auditors and assessed the effectiveness of the external audit process and reviewed its performance.

From 01.01.2019 – 31.12.2019, the Committee has held five (5) meetings with the participation of all Members of the Committee.

Investment Committee

It is composed by three non-executive members of the Board of Directors with experience on investment issues. The Investment Committee operates within the framework provided 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 17.01.2019 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. Spyros Lorentziadis, Member

On 29.05.2019 Mr. Lorentziadis resigned as a Member of the Investment Committee.

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

During 2019, the Investment Committee convened only once, on 03.04.2019, with the participation of all Members. The issue that the Committee dealt with during its meeting was the finalisation of the Committee's Rules of Procedure.

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. According to the resolution of the Board of Directors dated 03.03.2017, the Committee was firstly formed under the title Corporate Governance Committee, and on 24.07.2017, the Board of Directors approved the amendment of the name to Corporate Governance and Candidates Committee, in order to assist the Board of Directors of the Corporation on the selection and appointment of members of the Board of Directors of the direct subsidiaries of the Corporation. The Committee's Rules of Procedure were approved on 24.07.2017. Following the implementation of Law 4618/2019 (Government Gazette A 89/10.06.2019) and pursuant to the Board of Directors decision dated 20.06.2019, the responsibility over the Boards of Directors of the direct subsidiaries was passed on to the Committee of Article 197(4) of Law 4389/2016 and the Committee was renamed Corporate Governance Committee.

Pursuant to the Board of Directors decision 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 01.01.2019 – 31.12.2019, the items on the agenda of the Committee’s Meetings mainly related to: meetings with executives of subsidiaries in relation to corporate governance issues, implementation of the programme for the enhancement of subsidiaries’ corporate governance with the assistance of an external consultant with international experience, corporate governance KPI monitoring framework at HCAP and subsidiary level, harmonisation of the internal rules of subsidiaries, formation of a policy regarding the appointment of members of the BOD of HCAP subsidiaries, issues related to the operation of the Boards of Directors of subsidiaries, best practices for the evaluation of Boards of Directors, best practices on the procedure of Board member selection from the Boards of Directors of HCAP subsidiaries, HRADF and ETAD corporate governance issues, review of the 2019 working plan and priorities for 2020 regarding the vertical integration of subsidiaries’ corporate governance policies, composition of the ETAD board of directors.

Until 31.12.2019, the Committee has held a total of six (6) meetings with the participation of all Members.

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 (of Other Subsidiaries), comprised of members of the Board of Directors of HCAP. In particular, in accordance with the above provision, the Board Members of the other subsidiaries, the shares of which are transferred in whole or in part to the Corporation pursuant to Article 197, as well as Members of the Boards of the subsidiaries of these companies, shall be elected by their shareholders’ General Meeting, in accordance with the provisions of Codified Law 2190/1920 (now 4548/2018). One member of the Board of the other subsidiaries shall be put forward for election by the Minister of Finance to the Corporation, which shall exercise its rights to vote at the General Meeting of these companies, for the purpose of electing the BoD members, and/or to appoint BoD members, in accordance with C.L. 2190/1920. Following the implementation of Law 4618/2019 (Government Gazette A 89/10.06.2019) and pursuant to the Board of Directors decision dated 20.06.2019, the Candidates’ Committee is the competent Committee for the Boards of Directors of the direct subsidiaries as well.

The Candidates Committee is responsible for recommending to the Board of HCAP nominees for appointment to the Boards of other subsidiaries, when required. The Committee shall comprise 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 other subsidiaries, the Internal Regulation principles apply on: the appointment of board members, and 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 01.01.2019 – 31.12.2019 were:

1. Ourania Aikaterinari, CEO
2. Stefanos Giourelis, Executive Director
3. Marina Niforos, Non-Executive Member of the Board of Directors

4. Hiro Athanassiou, Non-Executive Member of the Board of Directors
5. Spyros Lorentziadis, Non-executive Member of the Board of Directors (until 12/09/2019)

Ms. Marina Niforos resigned from her position as Member of the Candidates Committee with effect from 30.04.2020.

During the period 01.01.2019-31.12.2019, the items on the agenda of the Committee mainly related to: assessment of the Boards of Directors of the subsidiaries and search for and selection of candidates with the support of external independent advisors, 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, Requests for Interest (RFI) and procedural steps for filling non-executive positions and senior executive positions, interviewing and assessment of candidates for filling executive and non-executive positions in listed and non-listed State-Owned Enterprises, enhancement of the role of the Audit Committees of State-Owned Enterprises, interviewing and assessment of candidates to fill the position of Chairperson of the Audit Committees of subsidiaries, preparation of recommendations to the Board of Directors for the assessment of the Board of Directors and the appointment of new Boards of Directors of the other subsidiaries, formation of an introductory programme for the new BoD members (Induction/Onboarding Programme) with each company's key business issues and corporate governance issues, creation of a database with CVs that have already been assessed for positions on the Boards of Directors of State-Owned Enterprises, in cooperation with the Human Resources Department and continuous update of the list, issues related to the proper operation of the Boards of Directors of direct and other subsidiaries in meetings with Management representatives regarding the companies' work and progress, updating and approval of the Committee's Statute of Operation, procedural issues related to the conducting of checks on candidates' potential conflict of interest issues, ETAD Boards of Directors, formation of a remuneration policy for members of the Boards of Directors of subsidiaries pursuant to Law 4635/2019.

Up to 31.12.2019 the Committee convened eleven (11) times in a total of fifty-three (53) meetings with the participation of all Members, except nine meetings where Ms. Niforos was absent, five meetings where Mr. Lorentziadis was absent, two meetings where Ms. Athanassiou was absent and one meeting where Mr. Giourelis was absent.

Board performance evaluation

During the first quarter of 2019 the Supervisory Board proceeded with the evaluation of the BoD executive and non-executive Members for 2018, 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.

Moreover, the Corporate Governance Code specifies that non-executive members must convene periodically without the presence of executive members, in order to evaluate the performance of the executive members.

Two meetings of the non-executive members of the Board of Directors of HCAP were accordingly held in October and November.

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:

a) 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.

b) 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 €2000 (additional fee per meeting and up to 10 meetings per annum)
- Member: € 45,000 (annual fixed fee) and € 1,000 (additional fee per meeting and up to 10 meetings per annum)

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

Table with the 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								
	Gross Remuneration		Net Remuneration *	Gross Remuneration		Net Remuneration *	Gross Remuneration		Net Remuneration *
Full name	01.2018 - 12.2018	01.2019 - 12.2019	01.2019-12.2019	01.2010 - 12.2018	01.2019 - 12.2019	01.2019-12.2019	01.2018 - 12.2018 (per diem)	01.2019 - 12.2019 (per diem)	01.2018-12.2018 (per diem)
Jacques, Henri, Pierre, Catherine Le Pape, Chairman of the SB	50,000	41,667	31,191	22,000	20,000	14,319	3,500	2,550	1,819
Georgios Diamantopoulos, Member	45,000	34,950	22,309	11,000	10,000	4,969	3,000	1,600	748
Georgios-Spyros Tavlas, Member	45,000	34,650	22,848	11,000	10,000	6,399	-	-	-
Olga Charitou, Member	45,000	15,000	9,867	11,000	4,000	2,513	-	-	-
David Vegara Fiqueras, Member	45,000	37,500	28,211	11,000	10,000	7,170	2,200	1,900	1,354
Polyxeni (Xenia) Kazoli, Member	-	2,550	1,615	-	-	-	-	-	-
Abraham Minos Moissis, Member	-	2,550	1,615	-	-	-	-	-	-
Charalambos Meidanis, Member	-	2,550	1,620	-	-	-	-	-	-

*Additional taxes and social insurance contributions must be calculated in the net amounts, according to the applicable legislation.
** Without receiving any remuneration from 01.05.2019
***Pursuant to the decision of the General Meeting of the sole shareholder on 12.12.2019, three new members were appointed. The Supervisory Board convened on 13.12.2019 and the relevant remunerations have been included in the forecast for financial year 2019.

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							
	Gross Remuneration		Net Remuneration*	Gross Remuneration		Net Remuneration*	Gross Remuneration	
Full name	01.2018-12.2018	01.2019-12.2019	01.2019-12.2019	01.2018-12.2018	01.2019-12.2019	01.2019-12.2010	01.2018-12.2018	01.2019-12.2019*
O. Aikaterinari, CEO	270,000	270,000	124,628	24,185	27,027	12,162	20,600	21,350
S. Giourelis, Executive Director	230,000	230,000	106,427	20,602	11,512	5,273	15,100	15,600

*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.

Chairman and Non-Executive Members of the BoD	Remuneration for attendance at Meetings			Remuneration for participating in Committees (attending sessions)			Other remuneration or benefits		
	Period								
	Gross Remuneration		Net Remuneration*	Gross Remuneration		Net Remuneration*	Gross Remuneration		Net Remuneration*
Full name	01.2018-12.2018	01.2019-12.2019	01.2019-12.2019	01.2018-12.2018	01.2019-12.2019	01.2019-12.2019	01.2018-12.2018 (per diem)	01.2019-12.2019 (per diem)	01.2019-12.2019 (per diem)
G. Diamantopoulos, Chairperson of the BoD	75,000	75,000	40,350	28,000	28,000	12,111	200	100	38
A. Grigoriadi, Member	30,000	30,000	19,167	22,500	24,000	11,078	3,300	3,300	1,473
Th. Kouvarakis, Member	30,000	30,000	19,167	19,000	20,500	9,665	700	400	162
M. Niforos, Member	30,000	30,000	19,167	25,500	36,500	16,472	2,800	2,250	968
H. Athanassiou, Member	21,900	30,000	21,004	26,000	33,000	16,708	200	-	-
S. Lorentziadis, Member	-	29,200	20,407	-	27,500	13,841	-	-	-

*The net amounts will be subject to additional taxes and social security contributions, according to the applicable legislation

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 organisational structures, policies, procedures, and safeguards (internal controls) that are summarised below:

- Law 4389/2016 outlines specific structures and responsibilities with regard to the Corporation's governing bodies (Shareholder's General Meeting, Supervisory Board, Board of Directors). Additionally, the Sole Shareholder's General Meeting has approved the Corporation's Internal Regulation, which covers areas such as: "Financial reporting standards and framework for financial reporting preparation", "Performance monitoring framework: Monitoring objectives & reporting framework", "Performance auditing framework", etc. The Internal Regulation sets out key policies, procedures, and responsibilities of the Corporation's bodies, which are related both directly and indirectly with the financial reporting process.
- The Corporation has established an Audit Committee, comprising of non-executive members of the Board of Directors. The Audit Committee's composition and functioning are determined in accordance 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, recognises 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, four 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.18 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 01.01.2019-31.12.2019.

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, 26 August 2020

The Chairman of the Board of Directors	The CEO and Member of the Board of Directors
Georgios Diamantopoulos	**Ourania Ekaterinari**
ID CARD No M299970	ID CARD No T222068

Members of the Board of Directors

Stefanos Giourelis	**Iro Athanassiou**	**Alice Grigoriadi**
ID CARD No AK142391	ID CARD No Φ031009	ID CARD No AM543704
Themistocles Kouvarakis	**Marina Niforos**	**Spyridon Lorentziadis**
Passport No AN0837368	ID CARD No Σ273214	ID CARD No Π329468
Konstantinos Derdemezis		
ID CARD No AM 508145		

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B | INDEPENDENT AUDITOR'S REPORT

To the Shareholders of the Company

"HELLENIC CORPORATION OF ASSETS AND PARTICIPATIONS S.A."

Report on separate and consolidated financial statements

Qualified opinion

We have audited the accompanying separate and consolidated financial statements of HELLENIC CORPORATION OF ASSETS AND PARTICIPATIONS S.A. ("the Company"), which comprise the separate and consolidated statement of financial position as at December 31, 2019, 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, 2019, 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 € 1.9 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 2019.
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 it 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 of the financial statements, while all relevant information and explanations requested in the context of our audit were provided. 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 31/12/2019 standing at approximately € 1,092 million. As far as those assets are concerned, indications of impairment were effective, while, respectively, the item "Investment Property" includes investment property items of subsidiaries of approximately € 51.8 million, which, notwithstanding the applied accounting principles, have not been measured at fair value. As reported in Notes 5 and 6 to the financial statements, the procedure of calculating the amount of impairment of the

relevant self-used 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 and measurement of investment property at fair value.

We conducted our audit in accordance with International Standards on Auditing (ISAs) incorporated into the Greek Legislation. Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of the separate and consolidated financial statements" section of our report. We are independent of the Company 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 GAIAOSE S.A. regarding the real estate property items, falling within the provisions of Law 3891/2010 as in force, which do not meet the recognition criteria according to the provisions of the International Financial Reporting Standards as at 31/12/2019, 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 Note 35 to the 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.). In the absence of written agreement, as provided for by article 15 of the Agreement with the Greek State dated as at 09.12.1999, determining the consideration of raw water resources, for the period 30/6/2013-31/12/2019, the Company continued to offset the cost of raw water against the cost of services rendered for maintenance and operation of the fixed assets of "L.E.P.L. EYDAP Fixed Assets" fulfilling this way its relevant obligation. Based on the data in the letter of the Greek State, disclosed within 2019, it has been estimated that the latter (ie the Greek State) demanded an additional amount standing at approximately € 266 m as far as the aforementioned period is concerned, with EYDAP S.A. expressing its opposition to this claim. The subsidiary company EYDAP S.A. is at the stage of negotiating with the Greek State the final determination of the consideration of raw water resources. Given significant divergence between the parties as to financial, legal and technical criteria to be taken into account, it is not possible at the present stage to assess the outcome of this case. Our opinion is not qualified regarding the above matter.

Management's responsibility for the separate and consolidated financial statements

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

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

Auditor's responsibilities for the audit of the separate and consolidated financial statements

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

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

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

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

Report on other legal and regulatory requirements

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

a) In our opinion, the Board of Directors' Report has been prepared in compliance with the effective legal requirements of Article 150 and 153, Law 4548/2018, and its content corresponds to the accompanying separate and consolidated financial statements for the year ended as at 31/12/2019.

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, 26 August 2020

The Certified Public Accountant

Panagiotis Christopoulos

SOEL Reg. Num. 28481

Grant Thornton

An instinct for growth™

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

C | CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Consolidated and Separate Statement of Financial Position as at 31.12.2019

		GROUP		COMPANY	
(amounts in €)	**Note**	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Assets					
Non-current assets					
Property, plant and equipment	5	2,274,211,619	2,355,746,267	231,577	149,300
Investment properties	6	1,183,412,043	1,077,249,671	-	-
Intangible assets	7	10,391,891	10,887,686	31,810	14,479
Right-of-use assets	8	42,888,382	-	891,079	-
Investments in subsidiaries	9	1	1	13	13
Investments in associates	9	460,903,240	436,671,558	3	3
Deferred tax assets	10	94,307,335	91,239,980	-	-
Other non-current assets	11	141,915,308	176,501,338	33,045	33,045
Financial assets at amortised cost	12	5,161,845	3,929,710	-	-
Financial assets at fair value through profit or loss	12	4,342,002	3,106,313	-	-
Financial assets at fair value through other comprehensive income	12	2,204,202	679,507	-	-
Total		**4,219,737,868**	**4,156,012,031**	**1,187,527**	**196,840**
Current assets					
Inventories	13	93,274,413	87,392,912	-	-
Trade receivables and contract assets	14	448,874,922	484,366,614	688,252	880,445
Other receivables	15	139,310,445	110,978,650	211,146	191,747
Restricted cash	16	10,381,374	7,621,591	-	-
Cash and cash equivalents	16	874,130,644	736,714,759	72,627,752	19,640,841
Total		**1,565,971,798**	**1,427,074,526**	**73,527,150**	**20,713,033**
Total assets		**5,785,709,666**	**5,583,086,557**	**74,714,677**	**20,909,873**
Equity					
Share capital	17	10,000,000	10,000,000	10,000,000	10,000,000
Other reserves	18	3,147,903,212	3,129,912,119	2,553,913	(2,854)
Retained earnings		1,724,980	(143,415,334)	57,178,938	9,712,519
Total equity attributable to shareholders		**3,159,628,192**	**2,996,496,785**	**69,732,851**	**19,709,665**
Non controlling interests		548,886,734	544,231,767	-	-
Total equity		**3,708,514,926**	**3,540,728,552**	**69,732,851**	**19,709,665**
Non-current liabilities					
Deferred tax liability	10	37,162,626	38,322,507	-	-
Staff retirement indemnities	19	457,606,963	473,014,255	67,885	40,448
Other provisions	20	190,483,390	182,485,308	-	-
Long-term loans	21	68,011,733	84,434,150	-	-
Long-term lease liabilities	8	33,892,015	-	766,534	-
Other non-current liabilities	22	227,245,710	230,780,602	-	-
Government grants	23	249,020,962	261,769,506	-	-
Total		**1,263,423,399**	**1,270,806,328**	**834,419**	**40,448**
Current liabilities					
Current tax liability		8,319,644	13,882,418	-	-
Short-term loans	21	119,391,114	119,611,385	-	-
Short-term portion of long term-loans	21	16,422,418	16,387,641	-	-
Trade and other payables and contract liabilities	24	233,950,138	259,668,751	624,797	444,547
Short-term lease liabilities	8	10,144,237	-	149,598	-
Other current liabilities	25	425,543,790	362,001,482	3,373,012	715,213
Total		**813,771,341**	**771,551,677**	**4,147,407**	**1,159,760**
Total equity and liabilities		**5,785,709,666**	**5,583,086,557**	**74,714,677**	**20,909,873**

The Group and the Company have applied IFRS 16, for the first time on 1 January 2019, using the modified retrospective approach. Under this approach, the comparative information is not restated (Note 2.2.1).

The accompanying notes presented on pages 148-241 are considered an integral part of the financial statements.

Consolidated and Separate Income Statement for the year 2019

		GROUP		COMPANY	
(amounts in €)	**Note**	**01.01.2019 - 31.12.2019**	**01.01.2018 - 31.12.2018**	**01.01.2019 - 31.12.2019**	**01.01.2018 - 31.12.2018**
Revenue	26	1,070,783,499	1,045,876,091	61,944,726	16,997,936
Cost of sales	27	(980,915,394)	(974,237,544)	-	-
Subsidies attributable to cost of sales	28	111,450,715	104,371,765	-	-
Gross profit		**201,318,820**	**176,010,312**	**61,944,726**	**16,997,936**
Other operating income	28	177,226,420	127,204,745	-	-
Administrative expenses	27	(163,407,010)	(159,527,876)	(5,640,158)	(4,357,770)
Selling expenses	27	(61,294,150)	(59,055,293)	-	-
Gain from revaluation of investment property	6	73,833,735	57,376	-	-
Other operating expenses	29	(62,708,031)	(83,586,773)	(5,498)	(1,104)
Result before tax, finance and investing activities		**164,969,784**	**1,102,491**	**56,299,070**	**12,639,062**
Dividend income		2,468,470	1,594,844	-	-
Share of profit / (losses) of associates	9	41,310,313	(116,368,110)	-	-
Fair value gains/(losses) on financial assets at fair value through profit or loss	12	1,233,589	(280,244)	-	-
Finance income	30	27,100,605	32,390,392	935,958	427,147
Finance cost	31	(14,141,387)	(14,694,158)	(56,090)	(5,853)
Profit / (Loss) before tax		**222,941,374**	**(96,254,785)**	**57,178,938**	**13,060,356**
Income tax	32	(31,210,941)	(36,287,713)	-	-
Profit / (Loss) after tax (A)		**191,730,433**	**(132,542,498)**	**57,178,938**	**13,060,356**
Attributable to:					
Equity holders of the parent		**156,508,338**	**(159,394,600)**	**57,178,938**	**13,060,356**
Non-controlling interests		**35,222,095**	**26,852,102**	**-**	**-**

The Group and the Company have applied IFRS 16, for the first time on 1 January 2019 using the modified retrospective approach. Under this approach, the comparative information is not restated (Note 2.2.1).

The accompanying notes presented on pages 148-241 are considered an integral part of the financial statements.

Consolidated and Separate Statement of Comprehensive Income for the year 2019

		GROUP		COMPANY	
(amounts in €)	**Note**	**01.01.2019 - 31.12.2019**	**01.01.2018 - 31.12.2018**	**01.01.2019 - 31.12.2019**	**01.01.2018 - 31.12.2018**
Profit / (Loss) after tax		**191,730,433**	**(132,542,498)**	**57,178,938**	**13,060,356**
Other comprehensive income that will be recycled to profit or loss in subsequent periods					
Share of other comprehensive income of associates	9	-	(41,002)	-	-
Other comprehensive income that will not be recycled to profit or loss in subsequent periods					
Share of other comprehensive income of associates (not recycled)	9	(554,827)	239,374	-	-
Change in financial assets at fair value through other comprehensive income	12	928,312	(1,764,135)	-	-
Actuarial gains / (losses)	19	(32,779,950)	1,264,779	(4,910)	(2,870)
Total other comprehensive income (B)		**(32,406,465)**	**(300,984)**	**(4,910)**	**(2,870)**
Total comprehensive income (A)+(B)		**159,323,968**	**(132,843,482)**	**57,174,028**	**13,057,486**
Attributable to:					
Equity holders of the parent		**138,019,485**	**(159,677,369)**	**57,174,028**	**13,057,486**
Non-controlling interests		**21,304,483**	**26,833,887**	**-**	**-**

The Group and the Company have applied IFRS 16, for the first time on 1 January 2019 using the modified retrospective approach. Under this approach, the comparative information is not restated (Note 2.2.1).

The accompanying notes presented on pages 148-241 are considered an integral part of the financial statements.

Consolidated Statement of Changes in Equity for the year ended 31.12.2019

		GROUP					
(amounts in €)	Note	Share Capital	Reserves	Retained earnings	Total	Non controlling interests	Total Equity
As at 01.01.2018 published figures		**10,000,000**	**877,322,256**	**18,410,775**	**905,733,031**	**-**	**905,733,031**
Adjustments due to adoption of IFRS 9	14	-	-	(1,839,464)	(1,839,464)	-	(1,839,464)
As at 01.01.2018 (restated)		**10,000,000**	**877,322,256**	**16,571,311**	**903,893,567**	**-**	**903,893,567**
Profit/ (loss) after tax for the year		-	-	(159,394,600)	(159,394,600)	26,852,102	(132,542,498)
Other comprehensive income for the year (net of tax)		-	(282,769)	-	(282,769)	(18,215)	(300,984)
Total comprehensive income of 2018		**-**	**(282,769)**	**(159,394,600)**	**(159,677,369)**	**26,833,887**	**(132,843,482)**
Subsidiaries' equity at the date of transfer	18	-	2,185,046,972	-	2,185,046,972	532,023,793	2,717,070,765
Reserve from the transfer of assets from/ (to) the Greek State with no consideration	18	-	67,260,015	-	67,260,015	-	67,260,015
Subsidiaries’ costs of issuing share capital		-	-	(26,400)	(26,400)	-	(26,400)
Distributed dividends		-	-	-	-	(14,625,913)	(14,625,913)
Subsidiaries’ statutory reserves	18	-	565,645	(565,645)	-	-	-
As at 31.12.2018		**10,000,000**	**3,129,912,119**	**(143,415,334)**	**2,996,496,785**	**544,231,767**	**3,540,728,552**
As at 01.01.2019		**10,000,000**	**3,129,912,119**	**(143,415,334)**	**2,996,496,785**	**544,231,767**	**3,540,728,552**
Profit after tax for the year		-	-	156,508,338	156,508,338	35,222,095	191,730,433
Other comprehensive income for the year (net of tax)		-	(18,488,853)	-	(18,488,853)	(13,917,612)	(32,406,465)
Total comprehensive income of 2019		**-**	**(18,488,853)**	**156,508,338**	**138,019,485**	**21,304,483**	**159,323,968**
Distributed dividends		-	-	(7,150,842)	(7,150,842)	(16,663,465)	(23,814,307)
Profit distribution		-	4,269,858	(4,269,858)	-	-	-
Other transfers		-	(66,625)	52,676	(13,949)	13,949	-
Reserve from the transfer of assets from/to the Greek State with no consideration	18	-	32,276,713	-	32,276,713	-	32,276,713
As at 31.12.2019		**10,000,000**	**3,147,903,212**	**1,724,980**	**3,159,628,192**	**548,886,734**	**3,708,514,926**

The Group and the Company have applied IFRS 16, for the first time on 1 January 2019 using the modified retrospective approach. Under this approach, the comparative information is not restated (Note 2.2.1).

The accompanying notes presented on pages 148-241 are considered an integral part of the financial statements.

Separate Statement of Changes in Equity for the year ended 31.12.2019

		COMPANY			
(amounts in €)	**Note**	**Share Capital**	**Reserves**	**Retained earnings**	**Total Equity**
As at 01.01.2018		**10,000,000**	**3**	**(3,347,837)**	**6,652,166**
Profit after tax for the year				13,060,356	13,060,356
Other comprehensive income for the year (net of tax)		-	(2,870)	-	(2,870)
Total comprehensive income of 2018		**-**	**(2,870)**	**13,060,356**	**13,057,486**
Reserves created from the acquisition of Other Subsidiaries with no consideration	18	-	13	-	13
As at 31.12.2018		**10,000,000**	**(2,854)**	**9,712,519**	**19,709,665**
As at 01.01.2019		**10,000,000**	**(2,854)**	**9,712,519**	**19,709,665**
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)
Total comprehensive income of 2019		**-**	**(4,910)**	**57,178,938**	**57,174,028**
Distributed dividends		-	**-**	(7,150,842)	(7,150,842)
Profit distribution		-	2,561,677	(2,561,677)	-
As at 31.12.2019		**10,000,000**	**2,553,913**	**57,178,938**	**69,732,851**

The Group and the Company have applied IFRS 16, for the first time on 1 January 2019 using the modified retrospective approach. Under this approach, the comparative information is not restated (Note 2.2.1).

The accompanying notes presented on pages 148-241 are considered an integral part of the financial statements.

Consolidated and Separate Statement of Cash Flows

		GROUP		COMPANY	
(amounts in €)	**Note**	**01.01.2019 - 31.12.2019**	**01.01.2018 - 31.12.2018**	**01.01.2019 - 31.12.2019**	**01.01.2018 - 31.12.2018**
Cash flows from operating activities					
Profit / (Loss) before tax		**222,941,374**	**(96,254,785)**	**57,178,938**	**13,060,356**
Plus / minus adjustments for:					
Depreciation and amortization	27	117,974,583	115,272,066	208,120	14,064
Net amortization of lease advances expenses and deferred rental income		(520,809)	(537,757)	-	-
Amortization of subsidies	23, 28	(15,536,350)	(16,377,486)	-	-
Amortization of customer contributions	22, 28	(909,765)	(910,091)	-	-
Unrealized exchange differences		(98,213)	(707,620)	-	-
Provision of staff leaving indemnities	19	(40,942,006)	17,689,985	47,260	25,322
Other provisions		27,592,884	44,838,511	189,879	248,997
Losses/(gains) from disposal/write-offs of tangible and intangible assets		(66,736)	(3,908)	437	-
Impairment loss on investment in associates	27	17,260	-	-	-
Impairment loss on tangible assets	5, 29	2,688,471	-	-	-
Impairment reversal of tangible assets	5, 28	(2,791,679)	(3,933,733)	-	-
Fair value change of financial assets at fair value through profit or loss	12	(1,233,589)	280,244	-	-
Gains from revaluation of investment property	6	(73,833,735)	(57,376)	-	-
Share of profit/(losses) of associates	9	(41,310,313)	116,368,110	-	-
Dividend income		(2,468,470)	(1,594,844)	-	-
Finance income	30	(27,100,605)	(32,390,392)	(935,958)	(427,147)
Finance cost	31	14,141,387	14,694,158	56,090	5,853
Cash flows from operating activities before working capital adjustments		**178,543,689**	**156,375,082**	**56,744,766**	**12,927,445**
(Increase) / decrease in inventories		(6,983,911)	(2,589,555)	-	-
(Increase) / decrease in trade and other receivables		23,749,211	42,957,097	346,047	(857,938)
Increase / (decrease) in trade and other payables		36,750,619	(19,569,028)	300,653	104,250
Income tax paid		(46,545,589)	(29,262,252)	-	-
Staff allowances paid	19	(15,958,327)	(18,934,570)	(24,733)	-
Net cash flows from operating activities (a)		**169,555,692**	**128,976,774**	**57,366,733**	**12,173,757**
Cash flows from investing activities					
Purchases of PP&E and intangible assets		(25,417,823)	(24,432,164)	(158,586)	(99,246)
Proceeds from disposal of PP&E and intangible assets		24,926	356,438	17,928	-
Proceeds from subsidies and customers' contributions	22, 23	2,787,806	3,908,054	-	-
Returns of customers' contributions	22	(13,056)	-	-	-
Proceeds from disposal of financial assets		-	1,935	-	-
Acquisition of financial assets	12	(1,242,100)	-	-	-
Dividends received		18,859,500	2,189,977	-	-
Subsidiaries' cash and cash equivalents at the date of transfer		-	510,645,385	-	-
Interest received		15,297,486	15,146,314	572,828	236,249
Net cash flows from investing activities (b)		**10,296,739**	**507,815,939**	**432,170**	**137,003**
Cash flows from financing activities					
Net increase / (decrease) of overdraft account and bank loans		(710,189)	-	-	-
Interest and similar expenses paid		(6,419,663)	(10,365,362)	(7,835)	(5,853)
Lease repayments (capital and interest)		(12,378,714)	-	(190,710)	-
Dividends paid		(20,168,197)	(13,926,209)	(4,613,447)	-

(Increase) of restricted cash		(2,759,783)	(1,207,944)	-	-
Net cash flows from financing activities (c)		**(42,436,546)**	**(25,499,515)**	**(4,811,992)**	**(5,853)**
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)		**137,415,885**	**611,293,198**	**52,986,911**	**12,304,907**
Net cash and cash equivalents at the beginning of the year		736,714,759	125,421,561	19,640,841	7,335,934
Net cash and cash equivalents at the end of the year	16	**874,130,644**	**736,714,759**	**72,627,752**	**19,640,841**

The Group and the Company have applied IFRS 16, for the first time on 1 January 2019 using the modified retrospective approach. Under this approach, the comparative information is not restated (Note 2.2.1).

The accompanying notes presented on pages 148-241 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 2019.

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:

A) "Direct Subsidiaries":	**% Participation**
(a) Hellenic Financial Stability Fund (HFSF)[1]	100%
(b) Hellenic Republic Asset Development Fund S.A. (HRADF)	100%
(c) Public Properties Company (ETAD)	100%

B) "Other Subsidiaries" (according to L. 4389/2016):	**% Participation**
(a) 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) Central 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.[2]	100%
(i) Hellenic Post S.A. (ELTA)	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 S.A.	0.96%

NOTES:

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

2) Pursuant to article 113 of Law 4549/2018, from 01.07.2018 the participation of the Greek State in GAIAOSE S.A. was transferred to the Company.

Moreover, according to article 350 of Law 4512/2018 “the Greek State’s right to receive dividend due to its participation in the share capital of the Societe Anonyme under the name "Hellenic Telecommunications Organization SA" (OTE SA) is transferred to HCAP”. The Greek State reserves the right to vote in the General Assembly of OTE for its shares.

Furthermore, pursuant to the provisions of Law 4549/2018, until full repayment of the loan granted under the Financial Facility Agreement and its subsequent amendments, the Company became a guarantor with commitments as defined in the said agreement.

The annual consolidated and separate financial statements for the year ended December 31, 2019, were approved by the Board of Directors on 26.08.2020 and are subject to the approval of the General Assembly of Shareholders. They are available at www.hcap.gr, in the "Company" section, in the "Financial Results" subsection.

2. Summary of significant accounting policies

2.1 Basis of preparation

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

The financial statements have been prepared using the going concern assumption and on a historic cost basis, except for the investment properties and the debt and equity instruments which are 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, 2018, except for the adoption of new standards and interpretations, the application of which became mandatory for periods after January 1, 2019 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, 2019 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, except for the impact of IFRS 16, which is described below.

IFRS 16: Leases

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, which are the customer ('lessee') and the supplier ('lessor'). The new standard requires lessees to recognize most leases on their financial statements. Lessees will have a single accounting framework for all leases, with some exceptions. Lessors' accounting treatment of leases remains virtually unchanged. The standard mainly affects the accounting treatment of the operating leases where the Group and Company are the lessees.

The Group and the Company initially adopted IFRS 16 on January 1, 2019 using the modified retrospective approach, whereby the retrospective effect of applying the standard was recognized at that date. The comparative figures have not been restated.

The Group and the Company applied the practical expedient provided for the definition of a lease. This means that they applied IFRS 16 to all contracts entered into before January 1, 2019 that were identified as leases in accordance with IAS 17 and IFRIC 4. Furthermore, the Group and the Company use the exemptions of the standard for lease contracts that have a lease term of 12 months or less and lease contracts of low value.

Right-of-use assets

The Group and the Company recognize right-of-use assets at the lease commencement date (the date the underlying asset is available for use). Right-of-use assets are initially measured at cost and subsequently 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 (see below), initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group and the Company are reasonably certain to obtain ownership of the leased asset at the end of the lease term, 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 a lease ownership transfer of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, then the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the lease commencement date. Right-of-use assets are subject to impairment.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37. These costs are included in the related right-of-use asset.

The right-of-use assets are presented as a separate line in the statement of financial position. The Group's right-of-use assets mainly refer to real estate leases and car leases. Right-of-use assets were recognized at an amount equal to the corresponding lease liabilities, adjusted by the amount of any prepaid or accrued lease payments.

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 paid over the lease term. Lease payments include fixed payments, less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Company and amounts of penalties for terminating a lease, if the lease contract reasonably reflects that the Group and the Company will exercise the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Company use the incremental borrowing rate at the lease commencement date, if the interest rate implicit in the lease contract is not readily determinable.

After the commencement date, the amount of lease liabilities is increased with accrued interest (using the effective interest method) and reduced with the lease payments. In addition, the carrying amount of lease liabilities is re-measured (with corresponding adjustment to the related right-of-use asset) , if:

- the lease duration 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.

The result of this re-measurements is disclosed within the note of right-of-use assets as modifications.

Lease liabilities are presented as a separate line in the statement of financial position and are classified as long-term and short-term.

Significant judgment in determining the lease term of contracts with renewal options

The Group and the Company determine the lease term as the non-cancellable term of the lease, together with any periods covered by a) an option to extend the lease if it is reasonably certain to be exercised, or b) an option to terminate the lease, if it is reasonably certain not to be exercised.

In case that Group's companies have the option, under some of their leases to extend the term of the lease, their management apply judgement in evaluating whether it is reasonably certain to exercise the option to renew, taking into consideration all relevant factors that create an economic incentive for them to exercise the renewal. After the commencement date, the Group's companies reassess the lease term if there is a significant event or change in circumstances that is within their control and affects their ability to exercise (or not to exercise) the option to renew (as for example a change in the business strategy).

On the Standard's initial application date, there was an impact on the Group's and the Company's total assets and liabilities, due to the capitalization of operating leases as assets and the recognition of their respective liabilities.

The impact/changes on the Group's and the Parent Company's financial statements from the adoption of IFRS 16, in respect of leases previously classified as operating leases, is as follows:

ASSETS	**GROUP**	**COMPANY**
Right-of-use assets	51,621,570	1,058,587
Reclassifications from other assets	(62,064)	-
Total assets	**51,559,506**	**1,058,587**
LIABILITIES		
Long-term lease liabilities	42,052,337	916,132
Short-term lease liabilities	9,507,169	142,455
Total liabilities	**51,559,506**	**1,058,587**

Impact for the period:

In relation to leases under IFRS 16, the Group and the Company have recognised depreciation and interest expenses, instead of operating lease expenses. The following amounts have been recognized in the Income Statement for the year ended 31.12.2019:

	GROUP	**COMPANY**
Depreciation of right-of-use assets	10,782,828	167,508
Interest expense related to lease liabilities	2,680,698	48,256
Lease expenses from short-term contracts, low value assets and variable rents	12,641,068	515
Impact from the application of IFRS 16 to the income statement	**26,104,594**	**216,279**

The subsidiary EYDAP leases excavation machines and transportation means in order to cover its operational needs. The average contract duration is 3 months. These type of leases are recognized as operating lease expenses on a straight-line basis throughout the lease period. The total cash outflow of EYDAP for leases within the year 2019 amounted approximately to € 8,218 k., out of which an amount of approximately € 6,965 k. relates to short-term lease contracts for machinery.

IFRS 9 (Amendment) "Prepayment with negative compensation"

The amendment specifies that pre-paid financial assets that allow or require a party to either pay or receive reasonable compensation for the early termination of the contract (in the sense that the asset owner may be charged due to early repayment) may be measured at amortized cost or at fair value through the statement of other comprehensive income. The amendment had no material impact on the consolidated and separate financial statements.

IAS 28 (Amendments) "Long-term interests in Associates and Joint Ventures"

The amendments relate to whether the measurement (and, in particular, impairment) of long-term investments in associates and joint ventures, which are in fact part of the net investment in the associate or joint venture, is governed by IFRS 9, IAS 28 or a combination of the two standards. The amendments clarify that an entity applies IFRS 9 before applying IAS 28 to those long-term participations for which the equity method does not apply. When applying IFRS 9, an entity does not take into account any adjustments in the carrying amount of long-term investments arising from the application of IAS 28. The amendments had no material impact on the consolidated and separate financial statements.

IFRIC INTERPETATION 23 "Uncertainty over Income Tax Treatments"

The Interpretation clarifies the accounting for income taxes when tax treatments involve uncertainty. The interpretation provides additional guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances. The interpretation had no material impact on the consolidated and separate financial statements.

IAS 19 (Amendements) "Plan amendment, curtailment or settlement"

The amendments require entities to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement has occurred. The amendments also clarify how the application of the asset ceiling requirements is affected by the accounting treatment of an amendement, curtailment or settlement of a defined benefit plan. The amendements have no material impact on the consolidated and separate financial statements.

The **IASB has issued the annual improvements to IFRSs 2015 – 2017 Cycle**, which is a collection of amendments to IFRSs. The following amendments have no material impact on the Group's financial statements.

- **IFRS 3 "Business Combinations" and IFRS 11 "Joint Arrangements":** The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business.
- **IAS 12 "Income Taxes":** The amendments clarify that the tax consequences of payments on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits have been recognized.
- **IAS 23 "Borrowing Costs":** The amendments clarify paragraph 14 of the standard so that when a qualifying asset is ready for its intended use or sale, and a portion of the borrowing made specifically to obtain that qualifying asset remains outstanding at that point, that outstanding borrowing should be treated as part of the funds that were borrowed generally.

2.2.2 Standards and Interpretations mandatory 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.

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 amendment is not expected to have a material impact on the consolidated and separate financial statements.

Conceptual Framework of IFRS standards

The IASB issued the revised conceptual framework for financial reporting on March 29, 2018. The conceptual framework sets out a comprehensive set of concepts for financial reporting. These concepts help to define standards, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards. IASB also issued a separate accompanying document, Amendments to References to the Conceptual Framework in IFRS Standards, which sets out the amendments to affected standards in order to update references to the revised Conceptual Framework. Its objective is to support transition to the revised Conceptual Framework for companies that develop accounting policies using the conceptual framework when no IFRS Standard applies to a particular transaction. For preparers who develop accounting policies based on the conceptual framework, it is effective for annual periods beginning on or after January 1, 2020.

IFRS 3 (Amendements): "Definition of a business" (effective for annual periods beginning on or after January 1, 2020)

IASB issued amendments regarding the definition of a business (amendments to IFRS 3) in order to resolve difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments apply to business combinations for which the acquisition date is determined in the first annual reporting period commencing on or after January 1st, 2020 and for the acquisition of assets that occur at or after the beginning of that period, while earlier application is permitted. The amendments have not yet been adopted by the European Union. The amendments are not expected to have a material impact on the consolidated and separate financial statements.

IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: "Definition of materiality" (Amendments)

The amendments are effective for annual accounting periods beginning on or after January 1, 2020, while earlier adoption is permitted. The amendments clarify the definition of materiality and the way it should be applied. The new definition states that «Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity". In addition, the interpretations accompanying the definition of materiality have improved. The amendments ensure that the definition of materiality is consistent across all IFRS standards. The amendments have not yet been adopted by the European Union. The amendments are not expected to have a material impact on the consolidated and separate financial statements.

Interest Rate Benchmark Reform - IFRS 9, IAS 39 and IFRS 7 (Amendments)

The amendments are effective for annual periods beginning on or after January 1, 2020 and must be applied retrospectively. Earlier application is permitted. In September 2019, the IASB issued amendments to IFRS 9, IAS 39 and IFRS 7, which concludes the first phase of its works to respond to the effects of Interbank Offered Rates (IBOR) reform on financial reporting. The second phase focus on issues that could affect financial reporting when an existing interest rate benchmark is replaced with a risk-free interest rate (an RFR). The amendments published, deal with issues arising in 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". The amendments provided temporary reliefs, applicable to all existing 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. The amendments are not expected to have a material impact on the consolidated and separate financial statements.

IFRS 16 (Amendment) "Covid-19-Related Rent Concessions" (effective for annual periods beginning on or after January 1, 2020)

The amendment provides lessees (but not lessors) with an exemption from assessing whether a Covid-19-related rent concession is a lease modification. The lessees can choose to account for rental concessions in the same way they would for changes that are not lease modifications. The amendment has not yet been adopted by the European Union.

IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current (Amendments)

The amendments are effective for annual periods beginning on or after January 1, 2022 while earlier application is permitted. The amendments aim to achieve consistency in the application of the standard's requirements, helping companies to determine whether the loans and other liabilities with uncertain settlement date are classified as Current or Non-Current liabilities, in the Statement of Financial Position. The amendments affect the presentation of liabilities in the Statement of Financial Position, while they do not amend the existing requirements regarding the measurement or the time of recognition of an asset, liability, income or expense or their disclosures. The amendments also clarify the classification requirements for the borrowing, which can be settled by a company by issuing equity instruments. The amendments have not yet been endorsed by the European Union. The Group is in the process of assessing the impact of these amendments in its financial statements.

IFRS 3 (Amendment) "Reference to the Conceptual Framework" (effective for annual periods beginning on or after January 1, 2022)

The amendment updated the standard, so as to refer to the Conceptual Framework for the Financial Report issued in 2018, when it should be determined what constitutes an asset or liability in a business combination. In addition, an exception was added for certain types of liabilities and contingent liabilities acquired in a business combination. Finally, it is clarified that the acquirer should not recognize any contingent assets, as defined in IAS 37, at the acquisition date. The amendment has not yet been adopted by the European Union.

IAS 16 (Amendments) "Property, Plant and Equipment – Proceeds before intended use" (effective for annual periods beginning on or after January 1, 2022)

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendments have not yet been adopted by the European Union.

IAS 37 (Amendments) "Onerous Contracts – Cost of fulfilling a contract" (effective for annual periods beginning on or after January 1, 2022)

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments have not yet been adopted by the European Union.

Annual Improvements to IFRS Standards (2018-2020 Cycle) (effective for annual periods beginning on or after January 1, 2022)

The amendments set out below include changes to three IFRSs. The amendments have not yet been adopted by the European Union.

IFRS 1 "First-time adoption of Interntational Financial Reporting Standards"

The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.

IFRS 9 "Financial instruments"

The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

IFRS 16 "Leases"

The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

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, non-controlling interests and other equity items, while any remaining profit or loss is recognized in income statement. If there is any remaining participating interest, it is recognized at fair value.

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

When the acquisition of subsidiaries does not qualify as capital contribution by the shareholder or does not involve business combinations under common control, it is accounted for using the acquisition method, 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"):

"Direct Subsidiaries":	**% Participation**
▪ The Hellenic Financial Stability Fund ("HFSF")	100%
▪ The Hellenic Republic Asset Development Fund ("HRADF")	100%
▪ Public Property Company SA (ETAD)	100%

Furthermore, following the amendment of Law 4389/2016 as stipulated by the provisions of Law 4512/2018, the Greek State's holdings in a number of companies called "Other Subsidiaries" (within the meaning of the Law) were transferred to the Company, for some of which a majority shareholding was transferred and for some a minority. The analysis of "Other subsidiaries" is as follows:

<u>"Other subsidiaries" within the meaning of Law 4389/2016 for which the participating interest transferred was a majority shareholding:</u>	**% Participation**
▪ Athens Water Supply and Sewerage Company S.A. (EYDAP)	50%+1 share
▪ Thessaloniki Water Supply and Sewerage Company S.A. (EYATH)	50%+1 share
▪ Athens Urban Transportation Organization S.A. (OASA)	100%
▪ Central Markets and Fisheries Organization S.A. (CMFO)	100%
▪ Thessaloniki Central Market S.A. (CMT)	100%
▪ Corinth Canal Co. S.A. (AEDIK)	100%
▪ Hellenic Post S.A. (ELTA)	90%
▪ Thessaloniki International Fair – HELEXPO S.A. (TIF-HELEXPO)	100%
▪ Hellenic Saltworks S.A.	55.19%
▪ GAIAOSE S.A.*	100%
<u>"Other subsidiaries" within the meaning of Law 4389/2016 for which the participating interest transferred was a minority shareholding:</u>	
▪ Public Power Corporation S.A. (PPC)	34.12%
▪ ETVA – Industrial Areas S.A.	35%
▪ Athens International Airport S.A. (AIA)	25%
▪ Folli Follie S.A	0.96%

**The above participating rights were transferred as at 01.01.2018, except for GAIAOSE which was transferred at 01.07.2018.*

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

In the case of Hellenic Financial Stability Fund SA, the Group considered the facts and circumstances relating to the ownership of shares comprising the Fund's capital and the requirements of Law 4389/2016 for the rights and the relationship of HCAP and HFSF and concluded that, on the basis of such facts and circumstances and the relevant IFRS provisions, it does not have control or 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, resolution of some of the issues require considerable time.

A typical example of a process in which significant progress has been made, but has not been finalized, is the testing of impairment of a large volume of fixed assets, a process that many of the subsidiaries as challenged by the Certified Auditors' Certificate had not performed for many years. For those subsidiaries that the process has been completed, the appropriate actions have been followed and any necessary adjustments were recorded, however, for others which have a very large number of fixed assets with high complexity, the procedures have proceeded to a significant degree, but have not been completed by the date of approval of the financial statements.

This effort is expected to be materially completed within the year 2020 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 direct subsidiary.

(b) Associates and joint ventures

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

A joint venture is a joint arrangement where the parties having joint control over the agreement have rights to the net assets of the agreement. Joint control is the contractually agreed sharing of control over an agreement, which exists only when activity-related decisions require the unanimous consent of the parties sharing control.

The Group’s investments in associates and joint ventures are accounted for using the equity method in the consolidated financial statements. The carrying value of investments in associates or joint ventures 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 to/ from the Greek State with no consideration” due to the fact that the transaction was with the sole shareholder (under common control) during the period during which the investment was acquired.

The Group recognizes in the consolidated financial statements each new associate at the date of its transfer, without restating the comparative figures of the previous period.

2.4 Property, plant 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.
- 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 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/re-measurements”.

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 recognise 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.

IAS 17 (applicable until December 31, 2018)

Determining whether an agreement is or includes a lease is based on the substance of the agreement at the beginning of the lease. The agreement is or includes a lease if the fulfilment of the agreement depends on the use of a particular asset and the agreement transfers the right to use the asset, even if the asset is not explicitly mentioned in the agreement. A lease is classified at its inception as an operating or financial lease.

Group as a lessee

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

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

Lease payments are allocated to the finance cost and to the reduction of the outstanding liability. The finance cost should be distributed over the lease term so as to obtain a fixed periodic rate of interest on the outstanding balance of the liability.

Assets held under finance lease are depreciated over the useful life of the asset. If there is no reasonable assurance that by the end of the lease term, the lessee will acquire the asset, then the full depreciation of that asset will take place through the smallest period between the lease term and the useful life of the asset.

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 recognised initially at fair value and subsequently measured at amortised 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

a) 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:

- <u>Financial assets measured at amortised cost</u>: 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.
- <u>Financial assets measured at fair value through other comprehensive income (debt instruments)</u>: Financial assets in this category are debt instruments that meet the SPPI criterion and are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Changes in their carrying amount are recorded in the statement of other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains or losses, which are recognized in the income statement. When they are derecognised, the cumulative amount of the fair value changes recognized in other comprehensive income is recycled in the income statement. Interest income from these assets is included in finance income and is recognized using the effective interest method.
- <u>Financial assets measured at fair value through other comprehensive income (equity investments)</u>: 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.
- <u>Financial assets at fair value through profit and loss</u>: 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 withing 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 utilised.

Deferred tax assets and liabilities are offset when there is a legally valid right to offset current tax assets with current tax liabilities and when deferred tax assets and liabilities relate to income taxes levied by the same tax authority, or to the same legal entity or different legal entities that intend to settle the balances on a net basis.

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

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

Based on the above, the Company does not recognise 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 recognised 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 recognised immediately in the income statement.

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

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

Any asset that arises from this calculation is limited to unrecognised actuarial losses and the past service cost, in addition to the current value of available returns and decreases of future contributions to the programme.

B) Defined contribution plan

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

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

2.18 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 recognised at fair value and subsequently measured at amortised cost using the effective interest method.

2.19 Provisions

Provisions are recognised 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 recognised 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. Recognise revenue when a performance obligation that arises from a contract with a customer is satisfied.

The main principle is that an entity will recognise revenues in such a way that reflects the transfer of the goods or services to the customers in the amount that it expects it shall be entitled to in exchange for those goods and services. Furthermore, it includes the principles that an entity must apply in order to measure revenue and the point of its recognition. In accordance with IFRS 15, revenues are recognised when the customer gains control of the goods or services, determining the time of transition of control — 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 recognised the cumulative effect of the application of IFRS 15 on all contracts that had not yet been completed by 1 January 2018, as a restatement of the opening balance of equity on 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 recognised in income statement using the straight line method during the lease term. When the Group offers incentives to its clients, the relevant cost is recognised using the straight line method as a reduction of revenue over the lease term.

(b) Revenues from rendering of services

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

HRADF, acting as an agent, carries out collections from the utilisation of assets on behalf of the Greek State and as such revenue from utilisations 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 utilisation of assets and amounts to 0.5%.

(c) Revenue from the sale of goods

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

(d) Interest income

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

(e) Dividend income

Dividend income is recognised in income statement when the shareholder's right to receive payment is finalised. It should be noted that as dividend income is the main source of income for the Company (but not the Group), 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 utilisation or transfer of such assets does not increase its profit and loss or net assets, with the sole exception of the revenue collected as a percentage of the price of utilisation of the assets, intended to cover its operating expenses. Any cash inflow from transfer and utilisation of the assets, will be diminished by an equal value cash outflow to the Greek State.

Given that HRADF mediates in the sale of assets on behalf of the Greek State, the assets transferred to it are separately tracked in distinct 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 utilisation as well as those already utilised 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.

The reclassifications that were performed in the statement of financial position of the Group as of 31.12.2018, are analysed below:

- An amount of €261,769,506 related to government grants was transferred from "Other non-current liabilities" line to a separate line item named "Government grants".
- An amount of €489,919 related to the short-term portion of long-term loans was transferred from "Short-term loans" to "Short-term portion of long-term loans".

The reclassification that was performed in the income statement of the Group as of 31.12.2018 is analysed below:

- An amount of €14,347,182 related to provisions of impairment of receivables was transferred from "Selling expenses" to "Other operating expenses".

Besides the above, there have been reclassifications within Operating Activities in the Group's statement of cash flows, 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 Corporation and its subsidiaries, during the year ended 31.12.2019 was not to enter into speculative transactions on financial instruments.

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

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

Market risk

i. Currency risk

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

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

ii. Price risk

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

The most significant part of Company 's and its subsidiaries' exposure to price risk relates mainly to non-financial instruments, such as investment properties, inventory, etc. For such assets and liabilities there are risks from price changes, variances of commodities price indexes such as, e.g.:

- the exposure of its subsidiaries to the risk of relevant fluctuations in the fair value of real estate properties, which may affect the amounts presented in the financial statements at fair values (such as investment properties) and,
- the limited exposure of its subsidiaries to risk of price changes (e.g. due to inflation), in cases where part of their revenue stems from leasing agreements, that could include terms for annual price adjustments based on Consumer Price Index,
- the exposure of subsidiaries to fluctuating international goods prices, such as fuels (e.g. transport), as well as regulated prices (such as the cost of raw water in water and sewerage companies), etc.. Such changes in prices can impact the economic performance of these companies, if they cannot be passed on to consumers (such as in cases where sales or service prices are regulated, and it is either not feasible to pass on the costs or they are passed on with large delay).

iii. Cash flow risk and risk of fair value changes due to changes in interest rates

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

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

- The Company and its subsidiaries maintain interest bearing assets, such as short-term investments in fixed term deposits, deposits in Bank of Greece, as well as sight deposits, which in their majority have variable interest rates or short-term maturity dates, and as a result the risk of fluctuations in their fair value is limited. Moreover, any interest rates fluctuation may affect the value of interest income, however, a potential fluctuation is not expected to significantly affect the financial results of the Company and its subsidiaries.
- Although some subsidiaries of the Company have payables related to loans, the risk of fluctuation in their fair value from fluctuations in interest rates is relatively limited, as a significant proportion have variable interest rates.

Credit risk

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

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

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

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

There is also a potential credit risk for cash and cash equivalents. In such cases the risk may arise from the inability of the counterparty to meet its obligations to the Corporation and its subsidiaries. In order to manage this credit risk, the Corporation's cash and a significant part of the subsidiaries' cash is deposited at the Bank of Greece, while the Corporation and its subsidiaries collaborate with financial institutions with a high investment credit rating and continually assess/ set limits to their exposure at each individual financial institution.

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

The Group's and Company's assets that are exposed to credit risk at the end of the reporting period are analyzed as follows:

	GROUP		COMPANY	
Financial assets	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Cash and cash equivalents	874,130,644	736,714,759	72,627,752	19,640,841
Within the following year	448,874,922	484,366,614	688,252	880,445
Within 1-5 years*	141,080,631	175,166,083	33,045	33,045
Other receivables**	129,624,172	100,321,774	1,517	553
Restricted cash	10,381,374	7,621,591	-	-
Net carrying amount	**1,604,091,743**	**1,504,190,821**	**73,350,566**	**20,554,884**

**Excluding lease advances.*
***Excluding prepaid expenses.*

Liquidity risk and capital management

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

The Corporation and most of the consolidated subsidiaries, under the current existing structure and available resources, estimate that they have limited exposure to the aforementioned risk, based on the maintenance of sufficient liquidity levels (cash and cash equivalents) and the appropriate working capital and cash flow management.

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

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

The 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:

Financial liabilities	GROUP		COMPANY	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Within the following year (Trade and other payables)				
-Trade and other payables and contract liabilities*	207,640,102	227,048,566	624,797	444,547
-Short-term loans	119,391,114	119,611,385	-	-
-Short-term portion of long-term loans	16,422,418	16,387,641	-	-
-Short-term lease liabilities	10,144,237	-	149,598	-
-Other current liabilities**	310,429,323	283,144,918	3,031,483	431,625
	664,027,194	**646,192,510**	**3,805,878**	**876,172**
Other long-term liabilities				
-Other non-current liabilities***	193,932,057	196,024,852	-	-
-Long-term lease liabilities	33,892,015	-	766,534	-
-Long-term loans	68,011,733	84,434,150	-	-
	295,835,805	**280,459,002**	**766,534**	**-**
Total	**959,862,999**	**926,651,512**	**4,572,412**	**876,172**

** 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 harmonisation of Greek tax law with that of the European Union, may result in additional payable amounts by the Company and its subsidiaries, which may cause significant negative impacts on the financial results and liquidity of the companies.

3.2 Determination of fair values

Financial instruments measured at fair value at the balance sheet date are classified as follows, depending on how their fair value is determined:

- Level 1: based on quoted (unadjusted market) prices in active markets for identical assets or liabilities.
- Level 2: for items whose fair value is determined by factors associated with market data, either directly (prices) or indirectly (price derivatives)
- Level 3: for items whose fair value is not determined by market observations, but which is based on -internal estimates.

The fair value of current trade and other receivables as well as of trade and others payables approximates their carrying amounts.

In the following table are presented the Group's financial assets measured at fair value as of 31 December 2019 and 31 December 2018:

	GROUP			
	CLASSIFICATION 31.12.219			
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**
Total	**6,432,114**	**12,001**	**102,089**	**6,546,204**

	GROUP			
	CLASSIFICATION 31.12.2018			
Financial assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss	3,070,498	11,601	24,214	**3,106,313**
Financial assets at fair value through other comprehensive income	629,512	-	49,995	**679,507**
Total	**3,700,010**	**11,601**	**74,209**	**3,785,820**

Level 1 includes the investment in Greek Government bonds and in shares of Attica Bank, which are traded in the Athens Stock Exchange.

4. Significant accounting estimates and judgements

The preparation of the Group's financial statements requires management to make judgments and estimates that affect the reported amounts of revenues, expenses, assets, and liabilities. Such estimates, assumptions and judgements are reassessed periodically based on historical data and expectation of future events so that they reflect the current conditions.

Despite the fact that such estimates are based on the management of the Company and the Group Subsidiaries' best perception of current events and their knowledge of any future activities, actual results may materially differ from those calculations and assumptions taken into account for the preparation of the financial statements.

Estimates and assumptions that could have a significant risk of future material adjustments to the carrying amounts of assets and liabilities are as follows:

(a) Estimates on Investment properties

The most appropriate indication of "fair value" is the current value that apply to an active market of related leases as well as other contracts. If it is not possible to obtain such information, the Group determines the value within a range of reasonable estimates of "fair values". In order to take such a decision, the Group takes into consideration the data from a variety of sources, including:

I. Current prices in an active market for properties of a different nature, condition or location (or subject to different leasing terms or other contracts), which have been adjusted to reflect these differences.

II. Recent prices of similar properties in less active markets, adjusted to reflect any changes in the economic conditions that have occurred since the date of the respective transactions at those prices; and

III. Discounted future cash flows based on reliable estimates of future cash flows arising from the terms of existing leasing and other contracts and (where feasible) from external data such as current rental rates of similar properties in the same location and condition using discount rates that reflect the current market assessment of the uncertainty about the amount and timing of such cash flows.

The disclosures relating to the fair value measurement of investment property are presented in Note 6.

(b) Property and rights not recognized in the financial statements

Pursuant to the provisions of Law 4389/2016, a portfolio of numerous real estate properties is transferred to ETAD with no consideration, for a part of which, there are significant ambiguities and uncertainties. Regarding the accounting treatment of this part of the portfolio, the management of the subsidiary has made estimates regarding ETAD's control over the property as well as its various qualitative, legal and technical characteristics that determine the likely future economic benefits to the company.

(c) Provisions

- Provisions regarding contingent liabilities and pending legal cases

The Group's subsidiaries are involved in various disputes and legal cases for any significant cases of which their management reviews the status on a periodic basis to assess the probability of outflow, based partially on the views of their legal counsels. If the cash outflow of any disputes and legal cases is considered probable and the amount can be estimated reliably, the Group companies recognise a provision in their separate financial statements. Both the determination of the probability and the determination of whether the amount can be estimated reliably requires significant judgement from the management of the subsidiaries. When additional information becomes available, the management of the subsidiaries should re-examine the likelihood of an adverse effect and may review the related estimate of the likely outflow. The completeness of the provisions for the existing outstanding legal cases is reassessed, after consideration by the group's subsidiaries' legal counsels of the data related to historical data and recent developments (Note 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 analysed and then recorded as doubtful if conditions imply that it is non-recoverable.

- Provision for staff leaving indemnities

The amount of the provision for staff leaving indemnities is based on an actuarial study. The actuarial study includes the setting of assumptions about the discount rate, the increase rate in employee wages, the increase in the consumer price index and the expected remaining working life. The assumptions used involve significant uncertainty and management of HCAP subsidiaries should continuously reassesses them.

(d) Impairment of investments in associates

The Group tests for impairment, when there is evidence of impairment, the value of its investments in associates by comparing the recoverable amount of each investment (the highest value between the value in use and the fair value less costs to sell) at its carrying amount. The Group makes estimates to determine the recoverable amount, including key assumptions for the period of estimated cash flows, the future cash flows, growth rate and discount rates, in order to determine the present value of the expected future cash flows of the associate.

(e) Useful life of Property, plant and equipment

Property, plant and equipment is depreciated according to the estimated useful life. The estimated useful lives are reviewed regularly and may be changed on the basis of various factors such as technological innovation, mainly related to software programmes.

(f) Impairment of PP&E

PP&E is initially recognised at cost and then depreciated over its useful lives. The Company and its subsidiaries examine in each reporting period whether there are indications of impairment of the tangible assets. If there are indications, the impairment test is carried out on the basis of market data and of the entity's management's estimates of future operating and economic conditions. For the impairment testing, the subsidiaries' management coordinates with independent valuers.

(g) Existence of control or significant influence over the investments that were transferred with no consideration from the Greek State

The participation of the Greek state in various public corporations was transferred to HCAP in accordance with Law 4389/2016. This participation in some cases concerned a majority participating interest and in others a minority shareholding. For the assessment as to whether with each participating interest HCAP has control or significant influence on the public entities whose shares have been transferred for consolidation purposes, the Group's Management carries out estimates and judgments, which are analysed in Notes 2.3(a3) and 2.3(a4).

(h) Valuation of the investment held in Folli Follie SA and assessment of the events that led to the suspension of trading of its shares at ASE

Pursuant to Law 4389/2016, the 0.96% participation of the Greek State in Folli Follie, which is a listed company on ASE, was transferred to HCAP. As Folli Follie shares were suspended from trading at ASE, their value must be calculated based on estimates and judgments, which include judgments and estimates regarding whether the decrease in value of these stocks is due to factors that existed on 01.01.2019 and were revealed later (namely, whether it was an adjusting post-balance sheet event of 01.01.2018 or not) (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 recognised on the date that the associates were transferred. The methods and assumptions used for the valuation of the AIA and ETVA-VIPE companies are analysed in Note 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.

5. Property, plant & equipment

	Note	GROUP					
		Buildings - Land - Technical Installations	Machinery Equipment	Vehicles	Furniture and other equipment	Fixed assets under construction	Total
Cost as at 01.01.2018		**77,279,496**	**3,246,616**	**838,407**	**10,565,278**	**2,048,030**	**93,977,827**
Cost of PP&E held by subsidiaries that were transferred		2,628,645,659	646,663,796	1,009,011,372	197,458,447	14,479,833	4,496,259,107
Additions		2,867,400	9,745,061	357,774	2,883,696	6,712,655	22,566,586
Disposals/write-offs		(3,982,744)	(107,239)	(35,575,394)	(390,362)	-	(40,055,739)
Transfers to investment properties	6	(2,742,630)	-	-	-	-	(2,742,630)
Other transfers		2,351,802	1,623,237	1,045,983	296,198	(5,317,220)	-
Cost as at 31.12.2018		**2,704,418,983**	**661,171,471**	**975,678,142**	**210,813,257**	**17,923,298**	**4,570,005,151**
Cost as at 01.01.2019		**2,704,418,983**	**661,171,471**	**975,678,142**	**210,813,257**	**17,923,298**	**4,570,005,151**
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)
Cost as at 31.12.2019		**2,720,506,224**	**665,312,873**	**977,252,856**	**213,072,483**	**16,788,539**	**4,592,932,975**
Accumulated depreciation/impairment as at 01.01.2018		**(26,312,177)**	**(1,493,389)**	**(481,113)**	**(5,939,130)**	**-**	**(34,225,809)**
Accumulated depreciation/impairment of PP&E held by subsidiaries that were transferred		(761,297,720)	(354,621,856)	(803,423,317)	(189,384,075)	-	(2,108,726,968)
Depreciation charge		(50,264,470)	(26,277,757)	(32,981,528)	(3,711,183)	-	(113,234,938)
Disposals/write-offs		1,505,353	107,244	35,422,167	180,565	-	37,215,329
Transfers to investment properties	6	215,028	-	-	-	-	215,028
Impairment reversal	28	3,933,733	-	-	-	-	3,933,733
Other transfers		-	-	430,373	134,368	-	564,741
Accumulated depreciation/impairment as at 31.12.2018		**(832,220,253)**	**(382,285,758)**	**(801,033,418)**	**(198,719,455)**	**-**	**(2,214,258,884)**
Accumulated depreciation/impairment as at 01.01.2019		**(832,220,253)**	**(382,285,758)**	**(801,033,418)**	**(198,719,455)**	**-**	**(2,214,258,884)**
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)
Impairment reversal	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
Accumulated depreciation/impairment as at 31.12.2019		**(878,453,090)**	**(407,593,228)**	**(828,358,805)**	**(201,627,762)**	**(2,688,471)**	**(2,318,721,356)**
Net book value at 31.12.2018		**1,872,198,730**	**278,885,713**	**174,644,724**	**12,093,802**	**17,923,298**	**2,355,746,267**
Net book value at 31.12.2019		**1,842,053,134**	**257,719,645**	**148,894,051**	**11,444,721**	**14,100,068**	**2,274,211,619**

	COMPANY		
	Buildings - Land - Technical Installations	**Furniture and other equipment**	**Total**
Cost as at 01.01.2018	-	74,758	74,758
Additions	12,552	83,098	95,650
Cost as at 31.12.2018	**12,552**	**157,856**	**170,408**
Cost as at 01.01.2019	**12,552**	**157,856**	**170,408**
Additions	90,274	46,997	137,271
Disposals/write-offs	-	(26,978)	(26,978)
Cost as at 31.12.2019	**102,826**	**177,875**	**280,701**
Accumulated depreciation/impairment as at 01.01.2018	-	(9,352)	(9,352)
Depreciation charge	(241)	(11,515)	(11,756)
Accumulated depreciation/impairment as at 31.12.2018	**(241)**	**(20,867)**	**(21,108)**
Accumulated depreciation/impairment as at 01.01.2019	(241)	(20,867)	(21,108)
Depreciation charge	(11,245)	(25,383)	(36,628)
Disposals/write-offs	-	8,612	8,612
Accumulated depreciation/impairment as at 31.12.19	**(11,486)**	**(37,638)**	**(49,124)**
Net book value at 31.12.2018	**12,311**	**136,989**	**149,300**
Net book value at 31.12.2019	**91,340**	**140,237**	**231,577**

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, 2019, 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 31.12.2019 and 31.12.2018 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 current year, impairments of assets under construction amounting to €2.6 mln 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 concerns the impairment charged by ETAD regarding the costruction of floating piers in Marina Alimou.

On the date of the transfer of the shareholdings in public entities, ie 01.01.2018 except from GAIAOSE which was on 01.07.2018, in various of the transferred entities there were qualifications in the auditors' reports regarding possible impairments of their assets. In order to resolve this long-standing issue, subsidiaries which had high total value of fixed assets initiated impairment testing procedures. In some of the subsidiaries this testing was completed prior to the publication of the consolidated financial statements 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 other 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.

This procedure is expected to be completed within the year 2020 and 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
As at 01.01.2018		**828,523,736**	**-**
Investment properties held by subsidiaries that were transferred		178,808,570	-
Fair value of investment properties that were transferred from/to the Greek State with no consideration (a)	18	67,260,015	-
Transfers from property, plant and equipment (c)	5	2,527,602	-
Other additions		72,372	-
Gain from fair value adjustment		57,376	-
As at 31.12.2018		**1,077,249,671**	**-**
As at 01.01.2019		**1,077,249,671**	**-**
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	-
As at 31.12.2019		**1,183,412,043**	**-**

Rental income that was recognized during current year in Income Statement amounts to € 66.1 mln (31.12.2018: € 48.3 mln) (Note 26).

The fair value of investment properties has been categorised as Level 3 of fair value hierarchy. The valuation of investment properties at its fair value on 31.12.2019 was implemented based on an independent valuer's report. The valuer implemented International Valuation Standards – IVS, and took into account the guidelines and standards of the Royal Institute of Chartered Surveyors – RICS of Great Britain, and the standards of the European Group of Valuers Associations – TEGOVA).

The basic valuation methods used were the following:

1. The Sales Comparison Approach – Market Approach, which is considered to reflect the most credible indication of value for PP&E for which there is an organised active market and which shapes value based on analysis and comparison of older or recent purchases and sales of comparable assets. It is based on the hypothesis that an informed buyer would not pay more to purchase a property or PP&E than the market cost of a similar property or PP&E, for the exact same use and purpose.
2. The Cost Approach, which was applied during the estimation of specialised building installations, facilities, and land improvements of the individual properties of the Group, if they were not leased or there was no organised and active market for the sale of corresponding properties.
3. The Income Capitalisation Approach, which was applied mainly in the valuation of companies or intangible assets and rights, and which determines value based on capitalising revenue sources which the property provides or may provide, in accordance with its current use. The Income Capitalisation Approach is further applied to ascertain the value of property, mainly investment, commercial or leasable property, where the potential leasing of the property and revenues that may be achieved from capitalisation of the rent is considered exploitation. Two techniques may

be taken into account during the application of the Income Capitalisation Approach for the evaluation of mainly investment properties. The Direct Capitalisation technique and the Discounted Cash Flows Analysis technique.

As of 31 December 2019, 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 recognised additional investment properties amounting to €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 recognised by ETAD, pursuant to the provisions of Law 4389/2016, if they are wholly owned by the company, the initial recognition (whether by voting of a law, or at a later date with the progress of the procedure of gradual identification of these properties' titles, the understanding and recording of the assets and their specifications, and their valuation and accounting) was performed using the fair value, and the difference between cost and fair value was recognised directly through other comprehensive income, as it concerns a transaction with the ultimate shareholder.

If ETAD recognises new assets which it does not wholly own, but on which it has the right to manage and utilise, initially their fair value is calculated as if it was wholly owned, and then the value of ETAD's right on the assets is determined, with the application of the Concept of Usufructury, according to which the use and utilisation a long-term tangible asset owned by someone else cannot exceed 8/10 of the asset's value under whole ownership.

ETAD has been granted until 2097 the use and utilisation of the properties belonging to Greek National Tourism Organization (GNTO), and, therefore, in accordance with applied practices and the concept of Usufructury, the Value of these assets, namely, the value of the Rights to Manage, Administrate, Exploit, and Utilise GNTO's properties, cannot exceed 80% of the Commercial Value of the properties in question under a regime of whole ownership. For the remaining properties originating with GNTO, their value is calculated at 100% under a regime of whole ownership. This methodology is applied to assets that concern the Rights to Manage, Administrate, Exploit, and Utilise GNTO properties (e.g. Seashore), while the value of GNTO properties that now belong wholly to ETAD is calculated at 100% of their fair value during the reference period.

Regarding the main assumptions used to value the investment properties of ETAD, they are presented below:

1. The properties in ETAD's portfolio or parts of them, which in accordance to the data available are part of established 'Natura' or 'Ramsar' areas 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 utilising 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 characterised as green areas, illegally occupied areas or areas under dispute, discounted value rates were adopted in order to reflect the difficulty in utilising the properties in question. The discount value rates applied for planning commitments ranged from 20% to 90% depending on the commitment.

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 Utilise	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, ranging from 0% to 20% depending on the data of the comparative element, in order to quantify the difference between the asking price and the sale price at which a potential sale would lead, following negotiations between the buyer and seller.
   - The impairment of the asking price ranging from 0% to 10% depending on how long the comparative element identified has remained on the market.
   - The adaptation of the asking sale or leasing price, depending on the physical characteristics of the comparative element (location, area, frontage, storey, construction year, etc.).
6. The leased properties were valued either with the use of the Income Capitalisation Approach, and specifically the Discounted Cash Flows method, or based on future rent payments. The recoverability ratio from 0% to 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
Average GDP	2.20%	1.70%	1.30%	0.90%	0.90%

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
CPI	0.90%	1.20%	1.40%	1.80%	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 utilisation, due to city planning, spatial, or other administrative constraints. The reasons for which a value was not determined for specific ETAD properties are listed below:

   - Clearly forest land or lakes or rivers
   - Completely protected properties – National Parks
   - Properties with special city planning commitments
   - Property buildings that have been build by illegal owners.

   In cases of properties with commitments such as the above, for which it was ascertained, following assessment, that they could become the object of transfer or commercial utilisation, a fair value was calculated.
9. Concerning parts of seashore and beach zones characterised as Public Tourism Land (TDK) the administration / management of which is transferred to the General Secretariat of Public Property (GSPP) in accordance with the opinion of ETAD's director of legal services, as regards Article 68(1) of Law 4484/2017, no value will be calculated as not belonging to ETAD. For TDKs with active leases or concessions, fair value was calculated up to the expiry date of the lease/concession.

(b) Properties and rights not meeting the IFRS criteria and not recognized in the financial statements

Property and rights that do not meet the IFRS criteria relate to Greek State assets that were transferred to ETAD pursuant to the provisions of Law 4389/2016 and for which legal or technical difficulties exist, or at this time is not at ETAD's disposal all the elements of the title deeds that would be needed to recognise them. Law 4389/2016 provides that a portfolio of a significant number of properties is transferred with no consideration to ETAD. However, for part of the portfolio there are significant ambiguities and uncertainties as:

- The aforementioned law did not include a detailed breakdown analysis of the transferred properties.
- For part of this portfolio, there is uncertainty regarding whether these properties can be transferred to ETAD, either because they partially or fully fall under the exceptions stipulated by the law, or because there are other technical or legal impediments, and also for which of these properties the impediments can be remedied.
- The fact that a considerable part of information has not been delivered to ETAD, regarding those properties for which the ownership and possession have been transferred to ETAD pursuant to the above law, that would enable ETAD to be knowledgeable of all the individual aspects, attributes, quality, legal and technical characteristics of such properties.
- Trial pilot transcriptions of several properties revealed cases where certain conflicts would cause issues in the transcription process, or cases where transcription will be made possible through appropriate legislative interventions.

Furthermore, the subsidiary GAIAOSE (transferred to HCAP on 01.07.2018) holds, in accordance with existing legal framework (such as L.3891/2010, L. 4111/2013), the sole management, utilization and commercial exploitation of all real estate properties of OSE, as well as those transferred by this law to the Greek State, excluding property related to the railway infrastructure and its operational needs. For these properties there are ambiguities and uncertainties.

With respect to the accounting treatment of this part of the portfolio, management of ETAD took into consideration the requirements of the International Financial Reporting Standards for the recognition of an asset which include the following:

- Based on the IFRS Conceptual Framework, an asset shall be recognized in the financial statements, if it meets all the following criteria:
  i. It is a resource controlled by the entity as a result of past events (Conceptual Framework, para. 4.4.a),
  ii. From this resource, future economic benefits are expected to flow to the entity (Conceptual Framework, para. 4.4.a and 4.38.a),
  iii. The value of the resource can be measured reliably (Conceptual Framework, para. 4.38.b).

- Moreover, in IAS 40, para. 16, the specific criteria set for the recognition of investment property, are the same with the criteria cited above.
- In accordance with the IFRS Conceptual Framework, para. 4.42, an asset that, at a particular point in time, fails to meet the IFRS recognition criteria, may qualify for recognition at a later date as a result of subsequent circumstances or events.

As for the meeting of the above criteria, ETAD's management estimated that:

- For an undetermined number of properties, it is not certain whether ETAD will exercise control, since they fall, either partially or fully, under the exceptions of the law, or there are technical or legal impediments that need to be resolved with an as yet unknown outcome, while for certain properties, their existence is uncertain due to lack of data. Furthermore, the transfer of ownership procedures has not been completed at the mortgage or land registries.
- Due to the above and the lack of data regarding their qualitative, legal and technical characteristics, it is uncertain whether there will be any future inflow of economic benefits to ETAD.
- As a result of the above, the value of the above potential cash inflow cannot be measured reliably.

Consequently, ETAD's management deemed that, based on the facts and circumstances and pursuant to the IFRS requirements as analyzed, the above part of the portfolio does not meet the asset recognition criteria set by IFRS, and has not yet proceeded in their recognition in the statement of financial position.

ETAD continues its planned actions to examine the possibility and create the conditions for recognition of these properties. Within this context, the Ministry of Finance issued on 17.03.2017 the decision no. 2/9655/0004 to establish, set up and appoint the members of a work group tasked with providing ETAD with all the data on properties transferred to ETAD, while, in turn, ETAD has also set up a similar work group to process all the data received and take any further action needed to confirm their existence, record quality characteristics of property data, and finalise whether such property is transferred to ETAD partially or fully, so as to eliminate any ambiguity and uncertainty regarding ETAD's ownership of those properties.

Based on the above preparatory work, ETAD will gradually identify the property titles, comprehend and record property data and attributes, file their transfer to ETAD in the respective mortgage or land registries and also proceed with the valuation and accounting for all the properties for which uncertainties have been lifted. As part of these actions, in 2019 ETAD finalized the complete identification, registration, valuation and recording from the above described, which were registered at a total fair value of € 32.3 mln increasing Investment Properties and Equity.

Due to the significant number of properties, the issues mentioned above and the number of legal and technical impediments in a large number of titles, it is expected that it will take a considerable amount of time to complete this process.

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 utilised for railway operation, as of today, the only distinction that has been made is that of the active rail network, the suspended network and the abolished network. From this categorization the only real estate that GAIAOSE can freely exploit is part that belongs to the abolished network. The utilization and commercial exploitation of the properties that serve the National Rail Infrastructure as identified in paragraph 3 of Art. 6 of Law 3891/2010, wherever possible, belongs exclusively to GAIAOSE. However, in this case GAIAOSE shall first obtain the agreement of the Infrastructure Manager with regard to the technical specifications and operation of the planned constructions in order not to expose at risk or prevent the activity of the Infrastructure Manager.

Therefore, it is clear that OSE's obligation to give its assent may impose restrictions on the free commercial exploitation of railway infrastructure property by GAIAOSE. The above restrictions may be extended to the abolished network property, taking into account the possibility of OSE, through the annual Network Statement, to operate the abolished network. Although so there is no such case, the possibility for OSE to make use of this right, as long as the real estate serving the National Rail Infrastructure has not been identified in accordance with the procedure set out in par. 6 of Law 3891/2010, there is increased uncertainty as to the ability of GAIAOSE to control their free use and the ability to reliably assess the management and utilization rights of these properties.

In this context, there is uncertainty about the real estate properties managed and operated by GAIAOSE, such as potential barriers (legal, planning, etc.), but also regarding the possibility of individual exploitation of those rights by GAIAOSE (eg if some issue of future transport activation arises) that affect the ability to reliably measure these resources. In this context, it was considered that these rights do not yet meet the IFRS recognition criteria and consequently the company has not yet recognized them as assets. GAIAOSE has initiated a process that will gradually remove any uncertainties and / or obstacles, and will progressively identify and measure these assets as the process progresses.

Furthermore, GAIAOSE owns a property in Thriassio which is depicted as an investment property and appears in its financial statements from previous years (and in these consolidated financial statements) at the value of € 51 mln, for which fair value measurement has not yet been completed. Any difference that will arise in the valuation of this property will be recognised upon completion of the procedure, and in the consolidated financial statements will affect the equity of that company at the date of transfer of its shares to HCAP.

(c) Transfer of property from the "Property, Plant and Equipment" category to the "Investment Properties" category

At a Group level, during the comparative financial year an amount of €2.5 mln was transferred from property, plant and equipment to investment properties. This concerned the transfer of the subsidiary OSY's property due to change of use. Specifically, the depot was transformed into a leased events hall.

7. Intangible assets

	GROUP				
	Goodwill	**Software**	**Licenses**	**Other intangible assets**	**Total**
Cost as at 01.01.2018	**-**	**2,460,001**	**182,846**	**-**	**2,642,847**
Additions	-	1,783,606	-	9,600	1,793,206
Cost of intangibles owned by subsidiaries that were transferred	3,356,880	61,440,156	806,723	5,705,861	71,309,620
Disposals/write-offs	-	(1,115,592)	-	-	(1,115,592)
Cost as at 31.12.2018	**3,356,880**	**64,568,171**	**989,569**	**5,715,461**	**74,630,081**
Cost as at 01.01.2019	**3,356,880**	**64,568,171**	**989,569**	**5,715,461**	**74,630,081**
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
Cost as at 31.12.2019	**3,356,880**	**65,808,717**	**1,027,631**	**5,768,061**	**75,961,289**
Accumulated amortization/impairment as at 01.01.2018	**-**	**(2,214,234)**	**(182,846)**	**-**	**(2,397,080)**
Accumulated amortization/impairment of intangibles owned by subsidiaries that were transferred	-	(58,166,410)	(797,322)	(1,553,956)	(60,517,688)
Disposals/write-offs	-	1,111,293	-	-	1,111,293
Transfers	-	98,206	-	-	98,206
Amortization expense	-	(2,029,502)	(5,505)	(2,119)	(2,037,126)
Accumulated amortization/impairment as at 31.12.2018	**-**	**(61,200,647)**	**(985,673)**	**(1,556,075)**	**(63,742,395)**
Accumulated amortization/impairment as at 01.01.2019	**-**	**(61,200,647)**	**(985,673)**	**(1,556,075)**	**(63,742,395)**
Amortization expense	-	(1,830,032)	(755)	(11,588)	(1,842,375)
Disposals/write-offs	-	15,372	-	-	15,372
Transfers	-	34,705	(34,705)	-	-
Accumulated amortization/impairment as at 31.12.2019	**-**	**(62,980,602)**	**(1,021,133)**	**(1,567,663)**	**(65,569,398)**
Net book value at 31.12.2018	**3,356,880**	**3,367,524**	**3,896**	**4,159,386**	**10,887,686**
Net book value at 31.12.2019	**3,356,880**	**2,828,115**	**6,498**	**4,200,398**	**10,391,891**

At Group level, the amount of goodwill amounting to € 3,357 thousand (31.12.2018: €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 31.12.2019 amounting to €4,200 thousand (31.12.2018: € 4,159 thousand) relates mainly to the right to use the Corinth Canal by AEDIK.

	COMPANY		
	Software	Other intangible assets	Total
Cost as at 01.01.2018	**14,007**	**-**	**14,007**
Additions	996	2,600	3,596
Cost as at 31.12.2018	**15,003**	**2,600**	**17,603**
Cost as at 01.01.2019	**15,003**	**2,600**	**17,603**
Additions	18,715	2,600	21,315
Cost as at 31.12.2019	**33,718**	**5,200**	**38,918**
Accumulated amortization/impairment as at 01.01.2018	**(816)**	**-**	**(816)**
Amortization expense	(2,308)	-	(2,308)
Accumulated amortization/impairment as at 31.12.2018	**(3,124)**	**-**	**(3,124)**
Accumulated amortization/impairment as at 01.01.2019	**(3,124)**	**-**	**(3,124)**
Amortization expense	(3,290)	(694)	(3,984)
Accumulated amortization/impairment as at 31.12.2019	**(6,414)**	**(694)**	**(7,108)**
Net book value at 31.12.2018	**11,879**	**2,600**	**14,479**
Net book value at 31.12.2019	**27,304**	**4,506**	**31,810**

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 amoritzed 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		
Cost	**Buildings**	**Vehicles**	**Total**
1 January 2019 - Impact from the application of IFRS 16	51,029,109	592,461	51,621,570
Additions	1,269,118	780,520	2,049,638
31 December 2019	**52,298,227**	**1,372,981**	**53,671,208**
Accumulated depreciation			
1 January 2019	-	-	-
Depreciation charge	(10,295,847)	(486,979)	(10,782,826)
31 December 2019	**(10,295,847)**	**(486,979)**	**(10,782,826)**
Net book value at 31.12.2019	**42,002,380**	**886,002**	**42,888,382**

	COMPANY		
Cost	**Buildings**	**Vehicles**	**Total**
1 January 2019 - Impact from the application of IFRS 16	1,010,778	47,809	1,058,587
Additions	-	-	-
31 December 2019	**1,010,778**	**47,809**	**1,058,587**
Accumulated depreciation			

1 January 2019	-	-	-
Depreciation charge	(149,745)	(17,763)	(167,508)
31 December 2019	**(149,745)**	**(17,763)**	**(167,508)**
Net book value at 31.12.2019	**861,033**	**30,046**	**891,079**

The consolidated and separate statement of financial position as of December 31, 2019 includes the following amounts related to lease liabilities:

	GROUP	**COMPANY**
	31.12.2019	**31.12.2019**
Lease liabilities (short-term portion)	10,144,237	149,598
Lease liabilities (long-term portion)	33,892,015	766,534
Total lease liabilities	**44,036,252**	**916,132**

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 recognised in the separate financial statements as "Investments in subsidiaries". These public entities are analysed below:

Subsidiaries	**Object of activity**	**Country of activity**	**31.12.2019 Direct participation%**	**31.12.2018 Direct participation%**	**Consolidation Method**
Public Properties Company S.A. (ETAD)	Management and utilisation of the real estate portfolio transferred by the Greek State	Greece	100.00%	100.00%	Full
Hellenic Republic Asset Development Fund (HRADF)	Utilisation of the Greek State's private property and implementation of privitizations	Greece	100.00%	100.00%	Full
Hellenic Financial Stability Fund (HFSF)	Contribution in the stability of the Greek banking system through strengthening the banking insitutions' 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, scheduling, organising, coordinating, controlling, and providing overground and underground mass transport work	Greece	100.00%	100.00%	Full
Central Markets and Fishery Organization S.A. (CMFO)	Management, administration and operation of central markets and fisheries	Greece	100.00%	100.00%	Full
Central Market of Thessaloniki S.A. (CMT)	Management, administration and operation 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 and development of postal services and trade and supply of electricity	Greece	90.00%	90.00%	Full

Thessaloniki International Fair S.A. (TIF)	Organising trade fairs	Greece	100.00%	100.00%	Full
Hellenic Saltworks S.A.	Improvement, development, and utilisation of Greek saltworks, and processing and trade of saltwork products	Greece	55.19%	55.19%	Full
GAIAOSE S.A.	Management of rail assets, as well as establishment and operation of freight centres	Greece	100.00%	100.00%	Full

**Furthermore, an additional 264,880 shares are held through EYDAP.*

The shares or securities incorporating the subsidiaries' capital were transferred to the Company with no consideration. The Company recognised 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:

			31.12.2019	**31.12.2018**
Subsidiary Trade Name with indirect participation of HCAP	**Group Subsidiary**	**Country of activity**	**% 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 Episitistiki Voithia CNPC	CMT	Greece	95.00%	95.00%
ELTA Courier S.A.	ELTA	Greece	90.00%	90.00%
KEK ELTA S.A.	ELTA	Greece	63.00%	63.00%
Exhibition Applications*	TIF-HELEXPO	Greece	-	70.00%
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 Larisas S.A.	GAIAOSE	Greece	100.00%	100.00%
GAIA OSE Fotovoltaika Karditsas S.A.	GAIAOSE	Greece	100.00%	100.00%

** Liquidated during 2019.*

9.2 Investment in associates

Some of the public companies whose participation was transferred to HCAP from the Greek State, are significantly influenced by HCAP, and therefore they have been recognised on financial statements as 'Investment in associates'. These public entities are analysed below:

			31.12.2019	**31.12.2018**
Associates	**Object of activity**	**Country of activity**	**% of Direct participation**	**% of Direct participation**
Public Power Corporation S.A. (PPC)	Production, transport, and distribution of electricity	Greece	34.12%	34.12%
Athens International Airport S.A. (AIA)	Funding, constructing, and operating 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 organised 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 recognised 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	Subsidiary/Associate of the Group	Country of activity	31.12.2019 % of participation	31.12.2018 % of participation
Marina Zeas S.A.	ETAD	Greece	25.00%	25.00%
LAMDA Flisvos Marina S.A.	ETAD	Greece	22.77%	22.77%
Hellenic Casino of Parnitha S.A.	ETAD	Greece	49.00%	49.00%
CMFO Joint Venture – Traders' Association of the Central Market of Athens PCC	CMFO	Greece	50.00%	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%
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	Kossovo	34.12%	34.12%
LIGNITIKI MELITIS S.A.	PPC	Greece	34.12%	34.12%
LIGNITIKI MEGALOPOLIS S.A.	PPC	Greece	34.12%	34.12%
PPC Renewables ROKAS S.A.	PPC	Greece	16.72%	16.72%
PPC Renewables TERNA ENERGIAKI S.A.	PPC	Greece	16.72%	16.72%
PPC Renewables NANKO ENERGY – MYHE GITANI S.A.	PPC	Greece	16.72%	16.72%
PPC Renewables MEK ENERGIAKI S.A.	PPC	Greece	16.72%	16.72%
PPC Renewables ELTEV AIFOROS S.A.	PPC	Greece	16.72%	16.72%
PPC Renewables EDF EN GREECE S.A.	PPC	Greece	16.72%	16.72%
EEN VOIOTIA S.A.	PPC	Greece	15.90%	15.90%
Aioliko Parko LOUKO S.A.	PPC	Greece	16.72%	16.72%
Aioliko Parko MBAMBO VIGLIES S.A.	PPC	Greece	16.72%	16.72%
Aioliko Parko KILIZA S.A.	PPC	Greece	16.72%	16.72%
Aioliko Parko LEFKIVARI S.A.	PPC	Greece	16.72%	16.72%
Aioliko Parko AGIOS ONOUFRIOS S.A.	PPC	Greece	16.72%	16.72%
Waste Syclo S.A.	PPC	Greece	16.72%	16.72%
PPC Solar Solutions S.A.	PPC	Greece	16.72%	16.72%
OROS Energiaki Ltd.	PPC	Greece	16.72%	16.72%
ATTICA GREENESCO ENERGIAKI S.A.	PPC	Greece	16.72%	16.72%
Volterra Lykovouni Sole Shareholder Company S.A.	PPC	Greece	15.35%	-
Volterra K-R Sole Shareholder Company S.A.	PPC	Greece	15.35%	-
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%	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%
KEK SEVE-FING-TIF (liquidated in 2019)*	TIF	Greece	-	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%
Fair & Sectoral Fair Joint Venture*	TIF	Greece	51.00%	51.00%

**The equity method is not applied to these associates, as they do not have significant activity.*

The carrying amount of the associates in the consolidated financial statements after applying the equity method is as follows:

	GROUP
As at 01.01.2018	36,911,946
Fair value of associates transferred from the Greek State on 01.01.2018	516,972,984
Share of other comprehensive income, net of tax	198,372
Dividends received	(1,043,634)
Share of profit/(loss), after tax	(116,368,110)
As at 31.12.2018	**436,671,558**
As at 01.01.2019	**436,671,558**
Share of profit/(loss), after tax	41,310,313
Other	(6,544)
Impairment	(17,260)
Share of other comprehensive income, net of tax	(554,827)
Dividends received	(16,500,000)
As at 31.12.2019	**460,903,240**

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 the company's equity, as presented at the audited and published financial statements of 31.12.2017, prepared in accordance with IFRS. The adjustments to specific accounts of the company's assets and liabilities were based on information about events that occurred prior to 01.01.2018 or that could be reasonably assumed at that date, as well as other assumptions that were considered probable for valuation purposes.

The fair value 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 2019

Condensed Statement of Comprehensive Income	PPC	AIA	ETVA VIPE	Marina Zeas S.A.	LAMDA Flisvos Marina S.A.	Hellenic Casino of Parnitha S.A.	Total
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	**41,303,771**
Share of other comprehensive income, net of tax	-	(300,978)	(5,394)	-	(7,187)	(241,268)	**(554,827)**
Dividends received	-	(16,250,000)	-	(250,000)	-	-	**(16,500,000)**
Patricipation%	**34.12%**	**25.00%**	**35.00%**	**25.00%**	**22.77%**	**49.00%**	

Condensed Statement of Financial Position	PPC	AIA	ETVA VIPE	Marina Zeas S.A.	LAMDA Flisvos Marina S.A.	Hellenic Casino of Parnitha S.A.	Total
Non-current assets	11,005,496,000	1,874,890,972	20,168,902	11,448,101	133,837,464	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
Carrying amount of investments in associates**	**-**	**361,684,679**	**64,917,255**	**3,050,656**	**739,138**	**30,450,494**	**460,842,222**

** 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.*

Previous year 2018

Statement of Comprehensive Income	**PPC**	**AIA**	**ETVA VIPE**	**Marina Zeas S.A.**	**LAMDA Flisvos Marina S.A.**	**Hellenic Casino of Parnitha S.A.**	**Total**
Revenue	4,741,878,000	387,082,810	3,459,335	4,920,283	10,794,834	84,417,765	
Net profit / (loss) for the year	(903,835,000)	171,041,262	(11,133,436)	996,432	1,496,651	(2,985,180)	
Other comprehensive income for the year (net of tax)	48,265,000	647,695	(1,323)	-	(2,825)	76,642	
Share of profit/(loss), after tax	(154,358,880)	42,760,316	(3,896,703)	249,108	340,787	(1,462,738)	**(116,368,110)**
Share of other comprehensive income, net of tax	-	161,923	(463)	-	(643)	37,555	**198,372**
Dividends received	-	-	-	(650,000)	(5)	(393,629)	**(1,043,634)**
Patricipation%	**34.12%**	**25.00%**	**35.00%**	**25.00%**	**22.77%**	**49.00%**	

Condensed Statement of Financial Position	**PPC**	**AIA**	**ETVA VIPE**	**Marina Zeas S.A.**	**LAMDA Flisvos Marina S.A.**	**Hellenic Casino of Parnitha S.A.**	**Total**
Non-current assets	11,210,482,000	593,228,046	19,636,056	11,825,344	37,839,326	67,277,072	
Current assets	2,902,239,000	766,271,173	190,739,980	4,716,015	5,902,766	9,927,053	
Non-current liabilities	6,559,252,000	336,139,643	15,124,398	2,271,867	21,589,480	6,114,235	
Current liabilities	3,610,389,000	264,195,949	8,476,452	2,955,984	14,842,939	8,755,870	
Equity	3,943,080,000	759,163,627	186,775,186	11,313,508	7,309,673	62,334,020	
Group share of the equity of associates	1,345,378,896	189,790,907	65,371,315	2,828,377	1,664,413	30,543,670	1,635,577,578
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)
Carrying amount of investments in associates**	**-**	**334,625,447**	**66,937,934**	**2,828,377**	**1,664,413**	**30,543,670**	**436,599,841**

*** 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% accoding to Law 4646/2019. The deferred tax for the comparative year was calculated using rates from 25% to 28% under the Law 4579/30.11.2018 which was in force at that point of time and based on how the Group's subsidiaries expected at the reporting date to recover or settle the carrying amount of their assets and liabilities.

At 31.12.2017, the Company and the Group had not recognized deferred tax as the Group (HCAP and Direct Subsidiaries) are exempted from income tax. With the transfer of the "Other Subsidiaries" on 01.01.2018, the Group included for first time subsidiaries that are not exempt from income tax and therefore deferred tax was recognized.

	GROUP			
Deferred tax assets/(liabilities)	**Opening Balance 01.01.2019**	**Income/ (expense) in income statement**	**Other comprehensive income**	**Closing Balance 31.12.2019**
Provisions for staff retirement indemnities	84,882,926	(22,832,630)	9,713,018	71,763,314
Other temporary deductible differences	8,338,862	17,059,706	-	25,398,568
Trade and other receivables	14,443,434	860,717	-	15,304,151
Other provisions	12,858,873	1,913,237	-	14,772,110
Deferred tax in tax reserve due to revaluation of real estate assets	7,759,458	(310,378)	-	7,449,080
Impairment of equity investments	8,053,266	(478,806)	(596,381)	6,978,078
Trade and other payables	5,923,113	(586,742)	-	5,336,371
Grants	2,912,652	(1,524,872)	-	1,387,781
Impairment of inventories	1,358,396	(83,375)	-	1,275,021
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 subsidiary ELTA	(23,199,682)	(11,290,572)	(495,126)	(34,985,380)
Remeasurement of investment properties' fair value	(36,855,702)	1,356,568	-	(35,499,134)
Total	**52,917,473**	**(4,394,275)**	**8,621,511**	**57,144,709**

	GROUP				
Deferred tax assets/(liabilities)	**Opening Balance 01.01.2018**	**Arising from the transfer of subsidiaries**	**Income/ (expense) in income statement**	**Other comprehensive income**	**Closing Balance 31.12.2018**
Provisions for staff retirement indemnities	-	95,632,122	(7,456,747)	(3,292,449)	84,882,926
Trade and other receivables	-	13,974,162	469,272	-	14,443,434
Other provisions	-	8,945,363	3,913,510	-	12,858,873
Other temporary deductible differences	-	10,020,075	(1,681,213)	-	8,338,862
Impairment of equity investments	-	8,389,416	(816,096)	479,946	8,053,266
Deferred tax in tax reserve due to revaluation of real estate assets	-	9,001,000	(1,241,542)	-	7,759,458
Trade and other payables	-	6,725,000	(801,887)	-	5,923,113
Grants	-	3,385,143	(472,491)	-	2,912,652
Impairment of inventories	-	1,383,290	(24,894)	-	1,358,396
Other taxable temporary differences	-	(21,909,580)	13,102,528	-	(8,807,052)
Adjustment of deferred tax assets of subsidiary ELTA	-	(12,961,879)	(10,237,803)	-	(23,199,682)
PP&E and intangible assets	-	(25,898,541)	1,147,470	-	(24,751,071)
Remeasurement of investment properties' fair value	-	(42,523,317)	5,667,615	-	(36,855,702)
Total	**-**	**54,162,254**	**1,567,722**	**(2,812,503)**	**52,917,473**

11. Other non-current assets

	Note	GROUP 31.12.2019	GROUP 31.12.2018	COMPANY 31.12.2019	COMPANY 31.12.2018
Non-current receivables from disposal of assets (a)	22	64,689,604	64,210,639	-	-
Non-current receivables from Greek State and Local authorities (b)		61,134,135	93,692,713	-	-
Guarantees		8,067,900	7,293,992	33,045	33,045
Personnel loans (c)		5,766,892	5,989,799	-	-
Other		3,481,188	6,254,031	-	-
Lease advances		834,678	1,335,253	-	-
Provisions for doubtful non-current assets (d)		(2,059,089)	(2,275,089)	-	-
Total		**141,915,308**	**176,501,338**	**33,045**	**33,045**

(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:

<u>Asset</u>	GROUP 31.12.2019	GROUP 31.12.2018
Sale of rights of use of radio frequencies through EETT (1800 MHz band)	35,460,000	35,460,000
Interest of escrow account HRADF-COSCO (Sale of 16% of the shares of PPA S.A.)	9,288,560	-
Sale of 33% of the share capital of OPAP SA	9,000,000	12,000,000
Sale of properties through the online platform	5,801,044	9,230,639
Sale of shares New Corfu Real Estate Investments S.A.	4,000,000	6,000,000
Sale of shares of company "Archade Modiano S.A."	1,140,000	1,520,000
Total of long-term receivables from the sale of assets	**64,689,604**	**64,210,639**

(b) The non-current receivables from the Greek State and Local Authorities are analyzed as follows:

- Amount of €59.3 mln (31.12.2018: €89.5 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 €0.8 mln (31.12.2018: €2.9 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 €0.4 mln (2018: €1.6 mln).
- Amount of €0.9 mln (31.12.2018: €1.1 mln) relates to arrangement of receivables from Greek State and Local Authorities of EYATH.

(c) Personnel loans amounting to €5.8 mln (31.12.2018: €6.0 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 31.12.2019	GROUP 31.12.2018	COMPANY 31.12.2019	COMPANY 31.12.2018
Opening balance	2,275,089	2,059,089	-	-
Provisions from the transfer of subsidiaries	-	216,000	-	-
Provisions utilised during the period	(216,000)	-	-	-
Closing balance	**2,059,089**	**2,275,089**	**-**	**-**

12. Financial assets

12.1 Financial assets measured at amortised cost

Financial assets measured at amortized cost of €5.2 mln (31.12.2018: € 3.9 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 expires on 31.12.2020. Its collection will take place on the first working day of 2021 and therefore it has been classified as a long-term receivable as at 31.12.2019. As at 01.01.2018 the value of the bond had been impaired by € 0.1 mln. Part of this impairment amounting to € 0.04 mln was reversed in 2018.

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.

During the current year an impairment loss of €7,865 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	
Financial assets at fair value through profit or loss	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Opening balance	3,106,313	-	-	-
Financial assets from the transferred subsidiaries	-	3,386,557	-	-
Revaluation recognized in the income statement	1,233,589	(280,244)	-	-
Others	2,100	-	-	-
Closing balance	**4,342,002**	**3,106,313**	**-**	**-**

In addition, on 01.01.2018 the Greek State transferred to HCAP with no consideration the participation of 0.96% held in Folli Follie SA, which was classified as a financial asset at fair value. The shares, on the date of the transfer, had a market value of € 12,233,853. Subsequently, it was revealed that the financial statements of Folli Follie did not accurately reflect its true financial position and performance, as a result of which the share price collapsed and its trading was suspended on 25.05.2018. On 15.07.2019, the restated balance sheet as of 31.12.2017 was published, which presented the following figures:

	GROUP		
	Restated 2017	**Initially published 2017**	**Difference**
Profit / (Loss) before tax	(127,802,218)	242,038,190	(369,840,408)
Total equity	69,553,317	1,919,231,546	(1,849,678,229)

	COMPANY		
	Restated 2017	**Initially published 2017**	**Difference**
Profit / (Loss) before tax	(197,765,090)	(53,492,052)	(144,273,038)
Total equity	(25,328,641)	154,530,848	(179,859,489)

Therefore, the balance sheet presents negative equity at Company level and € 69.6 mln positive equity at consolidated level, before the effect of the auditors' qualifications and given their negative opinion on the financial statements. As mentioned in Note 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)
Presentation of the financial asset in the Statement of Financial Position	**0.00**

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**	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Opening balance	679,507	-	-	-
Financial assets held by the transferred subsidiaries	-	2,855,999	-	-
Additions	-	68,995	-	-
Revaluation recognized in the statement of comprehensive income	1,524,695	(2,245,487)	-	-
Closing balance	**2,204,202**	**679,507**	**-**	**-**

13. Inventories

The analysis of inventories is presented below:

	GROUP		**COMPANY**	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Raw materials	356,415	490,790	-	-
Merchandise	5,490,159	5,782,669	-	-
Finished and semi-finished products	6,365,275	5,438,325	-	-
Consumables and spare parts	87,642,374	82,129,394	-	-
Purchases on transit	555,567	243,847	-	-
Provisions for impairment of inventories	(7,135,377)	(6,692,113)	-	-
Total	**93,274,413**	**87,392,912**	**-**	**-**

The value of inventory consumptions recognized in the income statement (note 27) in the current period amounts to €112.8 mln (31.12.2018: €107.0 mln).

	GROUP	
Provisions for impairment of inventories	**31.12.2019**	**31.12.2018**
Opening balance of provision for impairment of inventories	6,692,113	27,179
Impairment provisions due to subsidiaries' transfers	-	5,605,463
Additional provisions for the year	1,102,406	1,059,471
Utilized provisions	(659,142)	-
Closing balance of provision for impairment of inventories	**7,135,377**	**6,692,113**

14. Trade receivables and contract assets

Below is an analysis of trade receivables and contract assets:

		GROUP		COMPANY	
	Note	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Trade receivables from third parties (a)		544,185,895	524,159,283	-	-
Contract assets and accrued income (b)		99,671,126	112,061,372	688,252	325,124
Trade receivables from public entities (c)		64,996,438	63,172,858	-	-
Receivables from disposal of assets of Greek State (d)	24	37,924,941	33,416,487	-	-
Management fees receivable from Greek State (e)		32,418,652	68,376,330	-	-
Cheques receivable		6,925,016	6,530,382	-	-
Overdue cheques receivable		3,270,534	3,146,248	-	-
Receivables from expenses occurred on behalf of Greek State		1,926,156	2,088,590	-	-
Notes receivable		1,796,667	1,895,329	-	-
Other dividends receivable		-	-	-	555,321
Provisions for doubtful receivables (f)		(344,240,503)	(330,480,265)	-	-
Total		**448,874,922**	**484,366,614**	**688,252**	**880,445**

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 €158.2 mln (31.12.2018: €163.3 mln), receivables from domestic and foreign customers of the subsidiary ETAD amounting to €147.8 mln (31.12.2018: €138.5 mln), receivables from customers of subsidiary EYATH amounting to €80.5 mln (31.12.2018: €70.9 mln), as well as receivables from domestic and foreign customers of the ELTA sub-group amounting to €88.1 mln (31.12.2018: €60.5 mln).

(b) "Contract assets and accrued income" relates mainly to accrued, unbilled revenue to the water and sewerage customers of the subsidiary EYDAP amounting to €55.5 mln (31.12.2018: €51.3 mln) and the subsidiary EYATH amounting to €14.3 mln (31.12.2018: €13.2 mln) . The remainder of this line item includes also accrued income of OASA arising in the context of the provision of social benefit services.

(c) "Trade receivables from public entities" mainly relate to receivables from Local Authorities, Greek State and Public entities of the subsidiary EYDAP amounting to €57.9 mln (31.12.2018: €57.1 mln).

(d) "Receivables from disposal of assets of Greek State" of € 37.9 mln (31.12.2018: € 33.4 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:

- € 23.3 mln (31.12.2018: 23.18 mln) relates to the annual concession fee of Regional Airports
- € 5.18 mln (31.12.2018: € 5.23 mln) relates to consideration for the disposal of properties that were sold through internet platform
- € 3 mln (31.12.2018: € 3 mln) which is part of the consideration from the sale of 33% of the share capital of OPAP SA.
- € 2 mln (31.12.2018: € 2mln) which is part of the consideration from the sale of the shares of the company "New Corfu Real Estate Investments S.A."

- € 0.38 mln (31.12.2018: € -) part of the consideration from the sale of the shares of the company "Stoa Modiano S.A."

In addition, 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.

(e) The amount of € 32.4 mln (31.12.2018: € 37.8 mln) of "Management fees receivable from Greek State" relates to the claims of the former KED from Tax Authorities for income related to management of Greek State's properties (leases, concessions, disposals). In addition, the balance as at 31.12.2018 included an amount of € 30 mln related to the receivable of subsidiary ELTA for the compensation of the Universal Service for 2017 and 2018.

(f) The "Provision for doubtful receivables" of the Group are as follows:

	GROUP		COMPANY	
Provisions for doubtful trade receivables	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Opening balance	**330,480,265**	**157,749,640**	**-**	**-**
Effect from adoption of IFRS 9	-	1,839,464	-	-
Opening balance after IFRS 9 adoption	**330,480,265**	**159,589,104**	**-**	**-**
Provisions from the transfer of subsidiaries	-	175,391,988	-	-
Additional provisions for the year	15,951,828	13,187,508	-	-
Income from unused provisions	(618,591)	(10,868,155)	-	-
Provisions utilised during the year	(531,028)	(6,820,180)	-	-
Other movements - reclassification to provisions for other receivables (Note 15)	(1,041,971)	-	-	-
Closing balance	**344,240,503**	**330,480,265**	**-**	**-**

15. Other receivables

Other receivables are analyzed as follows:

	GROUP		COMPANY	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Various debtors (a)	59,777,495	60,117,997	1,407	512
Other receivables from Greek State (b)	62,473,437	59,409,008	2	476,807
Dividends receivable for subsequent payoff to Greek State (c)	29,445,160	3,627,105	-	-
Disputed receivables from Greek State	14,183,932	16,135,012	-	-
Receivables from personnel	13,251,910	12,774,548	-	-
Other receivables	12,365,827	10,641,440	108	39
Creditors' debit balances	10,535,111	12,246,560	-	-
Prepaid expenses	9,686,272	10,656,875	209,629	191,194
Grants receivable	4,287,796	-	-	-
Disputed receivables	200,370	200,370	-	-
Minus: Provision for impairment (d)	(76,896,865)	(74,830,265)	-	(476,805)
Total	**139,310,445**	**110,978,650**	**211,146**	**191,747**

(a) "Various debtors" relates mainly to receivables of ELTA sub-group of €37.1 mln (31.12.2018: €36.6 mln), mainly arising from electricity debtors, receivables from OAED, receivables from Eurobank regarding POS and prepaid courier services, receivables of the subsidiary EYDAP of €8.4 mln (31.12.2018: €7.2 mln) and receivables from OASA sub-group of €5.8 mln (31.12.2018: €7.1 mln).

(b) "Other receivables from Greek State" derive mainly from the subsidiary ETAD and include:

- A receivable of € 4.6 mln (31.12.2018: € 4.6 mln) that relates to an advance for special duty of L.3220/2004, for the acquisition of property owned or managed by GNTO. The whole amount of the receivable is provided as doubtful receivable.
- Amount of € 15.90 mln (2018: € 15.90 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 (2018: €7.9 mln) that relates to a receivable from a municipal authority.
- Amount of €5.3 mln (2018: €5.9 mln) that relates to VAT receivable.
- Amount of € 2.2 mln approximately (2018: € 2.2 mln) consists mainly from ETAD’s receivable for the return of advance payment of income tax from previous year.
- As at 31.12.2018, this line item included also an amount of € 2.5 mln, which concerned a claim for the return of taxes and fines imposed on the absorbed entity “Olympic Properties SA” for the fiscal year 2008, for which a provision of equal amount had been recognized. ETAD had filed an appeal, for which it was exonerated during the current year.

(c) The "Dividends receivable for subsequent payoff to the Greek State" mainly concern 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. These dividends are receivable from the HRDAF and payable to the Greek State, therefore there is a corresponding obligation (Note 25).

(d) The movement of “provision for impairment” for other receivables is as follows:

	GROUP		COMPANY	
Provisions for other receivables	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Opening balance	74,830,265	28,070,199	476,805	227,808
Effect from adoption of IFRS 9	-	-	-	-
Opening balance after IFRS 9 adoption	**74,830,265**	**28,070,199**	**476,805**	**227,808**
Provisions from the transfer of subsidiaries	-	49,396,918	-	-
Income from unused provisions	(3,277,866)	(4,045,525)	-	-
Additional provisions for the year	5,540,232	1,408,673	189,879	248,997
Provisions utilised during the year	(1,237,737)	-	(666,684)	-
Other movements - reclassification from provisions for trade receivables (Note 14)	1,041,971	-	-	-
Closing balance	**76,896,865**	**74,830,265**	**-**	**476,805**

16. Cash and cash equivalents and Restricted cash

An analysis of Group’s and Company’s cash and cash equivalents is presented below:

	GROUP		COMPANY	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Current accounts	757,695,017	609,092,965	72,627,439	19,640,598
Short-term deposits	100,570,864	109,126,741	-	-
Cash in hand	15,864,763	18,495,053	313	243
Total	**874,130,644**	**736,714,759**	**72,627,752**	**19,640,841**

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 variance in cash and cash equivalents at Group level derives mainly from the increase in cash of the subsidiaries EYDAP, OASA and ELTA, arising from their operating activities.

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 €62.5 mln.

The caption of “Restricted cash” in the Statement of Financial Position includes deposits of the subsidiary ELTA of €6.7 mln (31.12.2018: €7.6 mln), which have been pledged as security for the issuance of letters of guarantee in favor of third parties for the good execution of projects and participation in tenders, as well as, deposits of the subsidiary ETAD of €3.7 mln (31.12.2018: €-), which are not available to the Company due to pending court cases.

17. Share Capital

Share Capital at Group and Company level as at 31.12.2019 amounts to €40,000,000, divided in forty thousand (40,000) nominal shares of nominal value of 1,000 each. Share capital is fully covered by the Greek State:

	31.12.2019	**31.12.2018**
uthorized capital	40,000,000	40,000,000
npaid capital	(30,000,000)	(30,000,000)
aid-in capital	**10,000,000**	**10,000,000**

Company’s shares cannot be transferred. Considering that the operations of the Company and its direct subsidiaries as referred to article 188 are serving a special public purpose, the Company’s shares, the shares of its direct subsidiaries as well as the titles that consist the capital of Hellenic Financial Stability Fund of L. 3864/2010 (A’ 119) (“HFSF”), are considered as items that are not subject to transactions by the meaning of the regulation of article 966 of the Civil Code.

The Company’s share capital can be increased by decision of the General Assembly of the sole shareholder, after suggestion of the Board of Directors that will be supported by the Supervisory Board. The Company’s share capital is deposited by decision of the Minister of Finance in the Company’s bank account in Bank of Greece.

From the nominal share capital of € 40 mln, an amount of €10 mln was paid during 2016, the first corporate year of the Company. As at 31.12.2019 and 31.12.2018, out of the total authorized share capital, the amount of €30,000,000 was unpaid capital, as there were no additional share capital payments since then.

18. Other reserves

Group's and Company's other reserves are analyzed as follows:

		GROUP		COMPANY	
	Note	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Reserves created from the acquisition of HRADF		19,451,328	19,451,328	1	1
Reserves created from the acquisition of ETAD and its associates		438,246,293	438,246,293	1	1
Reserves created from the acquisition of Other Subsidiaries (as referred in the law)		2,185,046,972	2,185,046,972	13	13
Subtotal (a)		**2,642,744,593**	**2,642,744,593**	**15**	**15**
Reserves of HFSF acquisition		1	1	1	1
Reserve from the transfer of assets from/(to) the Greek State with no consideration (b)	6	516,391,250	484,114,537	-	-
Revaluation reserve for investment properties (c)	6	2,694,085	2,694,085	-	-
Reserves from retained earnings held for investments by HCAP (d)		2,076,051	-	2,076,051	-
Reserve from actuarial gains/(losses) of Group's subsidiaries and associates		(17,909,681)	564,702	(7,780)	(2,870)
Statutory reserves		2,759,452	565,645	485,626	-
Reserve from share of other comprehensive income of associates (not recycled in retained earnings)		(238,428)	316,399	-	-
Reserve from share of other comprehensive income of associates (recycled in retained earnings)		(41,002)	(41,002)	-	-
Reserve from financial assets at fair value through other comprehensive income		(573,109)	(1,046,841)	-	-
Total		**3,147,903,212**	**3,129,912,119**	**2,553,913**	**(2,854)**

(a) The amount of € 2,642.7 mln (31.12.2018: € 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 €516.4 mln (31.12.2018: €484.1 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 "Revaluation reserve for investment properties" of € 2.7 mln (31.12.2018: € 2.7 mln) relates to the fluctuation of the fair values of investment properties that were transferred to ETAD in previous periods with no consideration according to the provisions of Law 4389/2016.

(d) The amount of € 2.1 million (31.12.2018: -) "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).

The balances of the companies have been adjusted to ensure that their accounting policies are consistent with those adopted by the Group and to remove any measurable qualifications included in the Certified Auditors Reports.

The table below presents a summary of the Statement of Financial Position as at the transfer date of the subsidiaries transferred to HCAP on 01.01.2018, and also of GAIAOSE which was transferred on 01.07.2018. Moreover, it presents the fair value of the associates as measured at the initial recognition on 01.01.2018.

Amounts as at 01.01.2018 (in thousands €) after the adoption of IFRS 9 and 15 (GAIAOSE 01.07.2018)

A. Subsidiaries	Total assets	Total Liabilities	Equity	% Participation	Proportion in equity
EYDAP	1,480,113	557,264	922,849	50% +1 share	461,424
EYATH	205,027	37,925	167,102	50% +1 share*	83,784
OASA	1,279,319	388,504	890,815	100%	890,815
CMFO	72,525	12,715	59,810	100%	59,810
CMT	34,364	5,311	29,053	100%	29,053
AEDIK	21,871	2,543	19,328	100%	19,328
ELTA	327,689	504,024	(176,335)	90%	(158,702)
TIF	246,856	48,430	198,426	100%	198,426
HELLENIC SALTWORKS	16,911	3,103	13,808	55.19%	7,621
GAIAOSE	112,890	36,299	76,591	100%	76,591
Total (A)	**3,797,565**	**1,596,118**	**2,201,447**		**1,668,150**

B. Associates	Fair Value	% Participation	Proportion in Fair Value
PPC	452,400	34.12%	154,359
AIA	1,166,813	25%	291,703
ETVA VIPE	202,386	35%	70,835
Total (B)	**1,821,599**		**516,897**
Total (A) + (B)			**2,185,047**

** plus indirect participation through EYDAP*

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:

	GROUP		COMPANY	
Main actuarial assumptions	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Discount rate	0.04%- 1.70%	0.04%-2.14%	1.29%	2.14%
Future earning raises	0.00%-3.00%	0.00%-3.00%	1.50%	2.00%
Average expected remaining working life (years)	2- 24.75	2- 24.42	24.75	24.42
Inflation	~0.89%- 2.00%	1.5%-2.00%	1.50%	2.00%

B) For the calculation of the relevant provisions for Medical and Healthcare plan of EYDAP.

EYDAP covers the medical and healthcare expenses of its employees, pensioners and their protected members based on the provisions of its internal regulation which is in effect. The plan is partially financed from the employees' and pensioners' contributions.

The main assumptions of the actuarial study are the following:

	GROUP	
Main actuarial assumptions	**31.12.2019**	**31.12.2018**
Discount rate	1.11%	1.92%
Future earning raises	2020-21: ~ 2.15%, 2022+:1.60%	2019-25: ~ 1.40%, 2026+: 1.80%
Liability Duration	17.22	16.4
Medical Care Inflation	2020-21: ~ 0.89%, 2022+: 1.60%	2019-22: ~ 1.52%, 2023+: 1.80%

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:

	GROUP	
Main actuarial assumptions	**31.12.2019**	**31.12.2018**
Discount rate	0.84%	1.68%
Future earning raises	2020-21: ~ 2.15%, 2022+:1.60%	2019-25: ~ 1.40%, 2026+: 1.80%
Liability Duration	12.72	13.25
Inflation	2020-21: ~ 0.89%, 2022+: 1.60%	2019-22: ~ 1.52%, 2023+: 1.80%

C2) For the calculation of Special lump sum account for EYDAP's employees hired until 25.10.1999.

The main assumptions of the actuarial study are the following:

	GROUP	
Main actuarial assumptions	**31.12.2019**	**31.12.2018**
Discount rate	0.54%	1.31%
Future earning raises	2020-21: ~ 2.15%, 2022+:1.60%	2019-25: ~ 1.40%, 2026+: 1.80%
Liability Duration	6.89	7.36
Inflation	2020-21: ~ 0.89%, 2022+: 1.60%	2019-22: ~ 1.52%, 2023+: 1.80%

The amounts recognized in the income statement and in the statement of other comprehensive income are analyzed as follows:

	GROUP		COMPANY	
Amounts recognized in the income statement	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Current service cost	8,899,728	10,217,889	28,411	25,322
Finance cost	7,228,514	6,642,838	843	-
Past service cost	445,555	75,246	-	-
Curtailments*	(57,515,802)	754,012	18,006	-
Total expense/ (income) in income statement	**(40,942,006)**	**17,689,985**	**47,260**	**25,322**
Other Comprehensive Income (OCI)				
Net actuarial (loss)/ profit recognised in the year	(41,998,115)	4,311,057	(4,910)	(2,870)
Total amount recognized in other comprehensive income	**(41,998,115)**	**4,311,057**	**(4,910)**	**(2,870)**

The movement of the net liability as presented in the Statement of Financial Position is as follows:

	GROUP		COMPANY	
Movement of net liability	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Opening balance	**473,014,255**	**1,837,639**	**40,448**	**12,256**
Provisions from the transfer of subsidiaries	-	477,447,139	-	-
Employer's contributions paid	(2,504,854)	(77,312)	-	-
Employee's contributions	2,007,262	1,642,557	-	-
Cumulative amount recognised in OCI	41,998,115	(4,311,057)	4,910	2,870
Benefits paid by the plan	-	(2,280,126)	-	-
Benefits paid during the year	(15,958,327)	(18,934,570)	(24,733)	-
Total expens/ (income) recognised in income statement	(40,942,006)	17,689,985	47,260	25,322
Staff transfer costs	(7,482)	-	-	-
Net liability at year end	**457,606,963**	**473,014,255**	**67,885**	**40,448**

* 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	
Scenario	**31.12.2019**	**31.12.2018**
Discount rate +0.5%	-11.10%	-10.70%
Discount rate -0.5%	12.70%	12.30%
Inflation +0.5%	12.60%	12.30%
Inflation -0.5%	-11.10%	-10.80%
Rate of payroll change +0.5%	10.20%	10.60%
Rate of payroll change -0.5%	-9.00%	-9.20%

The number of employees, occupied as salaried regular staff at the end of the current year amounts to 16,324 (31.12.2018: 16,918) for the Group and 47 (31.12.2018: 30) for the Company, while the seasonal employees of the Group at the end of the current year amounts to 445 (31.12.2018: 454).

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**
Balance as at 31.12.2018	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
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)
Provisions utilized during the year	-	(818,718)	-	(818,718)
Closing balance as at 31.12.2019	**11,764,137**	**175,807,087**	**2,912,166**	**190,483,390**

	GROUP			
	Various other provisions	Provisions for litigation cases	Provisions for taxes	Total
Balance as at 31.12.2017	-	29,337,058	-	29,337,058
Other provisions from the transfer of subsidiaries	10,041,345	96,494,335	2,992,166	109,527,846
Additional provisions for the year	350,000	54,655,402	-	55,005,402
Transfers to other liabilities	-	(152,974)	-	(152,974)
Income from unused provisions	-	(6,908,861)	-	(6,908,861)
Provisions utilized during the year	(568,442)	(3,754,721)	-	(4,323,163)
Closing balance as at 31.12.2018	**9,822,903**	**169,670,239**	**2,992,166**	**182,485,308**

"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). "Other Provisions from the transfer of subsidiaries" mainly concern provisions for legal cases of OASA sub-group of € 51.9 mln, as well as provisions for legal cases of subsidiary EYDAP of €35.2 mln.

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 €10.5 mln (31.12.2018: € 11 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, 2019, the balance of this loan amounted to € 116.1 mln (31.12.2018: €116.1 mln). Additionally, an amount of €3.3 mln (31.12.2018: €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:

		GROUP		COMPANY	
	Note	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Non-current payables from disposal of assets (a)	11	64,689,604	64,210,639	-	-
Payables to lessees (b)		46,206,745	45,876,786	-	-
Non-current customer guarantees		37,686,042	37,740,496	-	-
Customers' contributions (c)		21,916,290	22,839,111	-	-
Payable to the Greek State, pursuant to Par. 8, Art. 8, L.3891/2010 (d)		31,560,708	31,560,708	-	-
Other liabilities (e)		13,788,958	16,636,222	-	-
Deferred rental income		11,397,363	11,916,640	-	-
Total		**227,245,710**	**230,780,602**	**-**	**-**

(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 € 46.2 mln (31.12.2018: € 45.9 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) The amount of customers' contributions concerns the contribution of EYDAP's customers (including Greek State and Local Authorities) for the initial cost for the development of the network (counters, network compounds etc.) or its upgrade.

		GROUP		COMPANY	
Customer contributions	**Note**	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Initial value of customer contributions		**22,839,111**	**20,763,380**	-	-
Collections during the year		-	2,985,822	-	-
Returns during the year		(13,056)	-	-	-
Depreciation during the year	28	(909,765)	(910,091)	-	-
Closing balance of customer contributions		**21,916,290**	**22,839,111**	**-**	**-**

(d) "Payable to the Greek State under Par.8, Art.8, Law 3891/2010" of GAIAOSE amounting to € 31.6 mln (31.12.2018: €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.

(e) "Other non-current liabilities" of 13.8 mln (31.12.2018: €16.6 mln) mainly include payables to "Astir Marina Vouliagmeni" amounting to €9.8 mln (31.12.2018: €11.0 mln) and to National Bank of Greece amounting to € 2.6 mln (31.12.2018: € 2.6 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:

		GROUP		COMPANY	
Government Grants	**Note**	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Opening balance		**261,769,506**	**28,220,727**	-	-
Government grants from the transfer of subsidiaries		-	249,004,033	-	-
Received during the year		2,787,806	922,232	-	-
Charged in the income statement	28	(15,536,350)	(16,377,486)	-	-
Closing balance		**249,020,962**	**261,769,506**	**-**	**-**

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:

		GROUP		COMPANY	
	Note	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Domestic and foreign suppliers (a)		148,818,761	153,868,506	624,797	444,547
Current portion of liabilities from the disposal of Greek State's assets (b)	14	37,924,941	35,416,487	-	-
Greek State's fund management account (KED) (c)		1,890,010	22,077,650	-	-
Contract liabilities and deferred income		14,055,469	18,509,659	-	-
Customer advances		12,254,567	14,110,525	-	-
Customer guarantees - current		7,564,847	6,985,501	-	-
Payables to public sector entities		7,780,018	6,786,664	-	-
Other trade payables		3,661,525	1,913,759	-	-
Total		**233,950,138**	**259,668,751**	**624,797**	**444,547**

(a) "Domestic and foreign Suppliers" mainly include payables to suppliers of OASA sub-group of €72.6 mln (31.12.2018: €73.4 mln), as well as, payables to suppliers of the ELTA sub-group of € 19.7 mln (31.12.2018: €23.3 mln).

(b) 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 €33.9 mln (31.12.2018: €33.4 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). As at 31.12.2018, these liabilities also included an amount of €2 mln which related to the obligation of the subsidiary HRADF to the Greek State from the collection of part of the consideration from the sale of the shares of the company "New Corfu Real Estate Investments SA", which was paid into the Special Account of the Greek State during 2019 and in accordance with Law 3986/2011.

(c) The Greek State's Funds Management Account (KED) amounting to €1.9 mln (31.12.2018: € 22.1 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	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Cash attributable to third parties (a)	106,260,280	122,303,297	-	-
Other non-group transport operators (b)	49,491,713	46,123,904	-	-
Payables to social security funds	93,787,894	45,746,320	117,134	106,755
Tax payables and duties (excluding income tax)	21,326,573	33,110,245	224,396	176,833
Various creditors	24,617,480	23,268,951	-	-
Institutions of public utilities	24,294,722	21,409,692	-	-
Other payables	26,034,126	20,616,097	-	-
Accrued expenses	13,069,472	13,061,297	487,876	431,329
Payables to personnel	10,292,242	10,740,692	6,210	296
Payables to Eurobank	10,519,695	10,618,174	-	-
Guarantees	6,564,694	6,576,722	-	-
Dividends payable from subsidiaries (c)	32,449,982	4,462,411	-	-
Dividends payable from HCAP to Greek State (d)	2,537,396	-	2,537,396	-
Liabilities to the Greek State	3,022,202	3,103,333	-	-
Cheques payable	1,275,319	860,347	-	-
Total	**425,543,790**	**362,001,482**	**3,373,012**	**715,213**

(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, COSMOTE etc.

(b) Liabilities to "Other non-group transport operators" relate mainly to the liability of €43.1 mln (31.12.2018: €43.1 mln) of the indirect subsidiary STASY to ATTIKO METRO S.A..

(c) "Dividends payable from subsidiaries" mainly concern dividends of €29.4 million which after their collection by HRADF will be paid to the Greek State (Note 15).

(d) "Dividends payable from HCAP to Greek State" of €2.5mln concern the remaining balance of dividends payable to the Greek State from HCAP resulting from the distribution of profits for the year 2018.

26. Revenue

	GROUP		COMPANY	
Description	**01.01.2019-31.12.2019**	**01.01.2018-31.12.2018**	**01.01.2019-31.12.2019**	**01.01.2018-31.12.2018**
Revenue from water supply and sewerage services (a)	393,065,541	391,861,784	-	-
Revenue from postal services (b)	233,873,831	242,064,406	-	-
Revenue from public transport services (c)	206,882,066	194,199,774	-	-
Revenue from other services	86,753,478	80,774,927	-	-
Revenue from electricity sales	55,593,935	51,319,791	-	-
Rental income (d)	52,342,449	48,258,933	-	-
Revenue from the sale of goods	14,469,910	12,875,594	-	-
Other revenue	13,965,929	12,321,106	-	-
Revenue from HRADF's fees (e)	6,062,882	5,231,710	-	-
Revenue from re-charging third party fees to Greek State (f)	4,984,800	4,556,900	-	-
Revenue from parking services	2,788,678	2,411,166	-	-
Dividend income (g)	-	-	61,944,726	16,997,936
Total	**1,070,783,499**	**1,045,876,091**	**61,944,726**	**16,997,936**

(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 € 34.9 mln (31.12.2018: €32.8 mln), rental income of subsidiary GAIAOSE amounting to €5.2 mln (31.12.2018: €2.7 mln), as well as rental income of the two central markets amounting to €7.8 mln (31.12.2018: €7.7 mln).

(e) "Revenue from HRADF's fees" amounting to €6.1 mln (31.12.2018: €5.2 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.

(f) "Revenue from re-charging third party fees to Greek State " amounting to €4.9 mln (31.12.2018: € 4.6 mln) relates to the recharge of special expenses regarding the utilization of assets from subsidiary HRADF.

(g) The Company's dividend income relates to dividends from Group's companies and are analyzed as follows:

	COMPANY	
	01.01.2019-31.12.2019	**01.01.2018-31.12.2018**
Public Properties Company S.A. (ETAD)	21,188,468	-
Athens International Airport S.A. (AIA)	16,250,000	-
Athens Water Supply and Sewerage Company S.A. (EYDAP)	14,377,500	10,650,000
GAIAOSE S.A.	4,377,287	-
Thessaloniki Water Supply and Sewerage Company S.A. (EYATH)	2,286,900	4,011,150
Hellenic Telecommunications Organization S.A. (OTE S.A.)	2,468,470	1,594,844
Central Market of Thessaloniki SA (CMT)	267,739	158,783
Central Markets and Fishery Organization S.A. (CMFO)	688,408	394,228
Hellenic Saltworks S.A.	39,954	27,838
Corinth Canal Co S.A. (AEDIK)	-	161,093
Total	**61,944,726**	**16,997,936**

From the dividends listed above, an amount of € 62,500,047 was collected in 2019 and an amount of € 16,442,615 in 2018.

27. Expenses by category

Group's and Company's expenses by category are analyzed below:

		GROUP			
Period 01.01.2019 - 31.12.2019	**Note**	**Cost of sales**	**Administrative expenses**	**Selling expenses**	**Total**
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
Utilities costs		97,531,642	11,752,253	7,260,243	116,544,138
Other taxes and duties		12,374,259	3,512,683	965,085	16,852,027
Various expenses		59,117,749	9,534,422	7,521,025	76,173,196
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
Provisions		-	17,260	-	17,260
Consumption of inventories		111,544,319	930,462	287,141	112,761,922
Repair and maintenance costs		17,695,991	1,844,017	152,005	19,692,013
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
Self-consumption cost		(8,355,349)	(245,623)	(40,685)	(8,641,657)
Total		**980,915,394**	**163,407,010**	**61,294,150**	**1,205,616,554**

	GROUP			
Period 01.01.2018 - 31.12.2018	**Cost of sales**	**Administrative expenses**	**Selling expenses**	**Total**
Payroll cost	474,296,810	88,255,153	32,143,777	594,695,740
Third party fees and expenses	101,191,812	26,924,919	7,262,026	135,378,757
Utilities costs	98,396,865	9,884,356	6,149,647	114,430,868
Other taxes and duties	11,716,865	3,579,183	805,780	16,101,828
Various expenses	64,156,266	9,430,287	7,648,603	81,235,156
Depreciation and amortization of PP&E and intangible assets	102,580,946	9,478,829	3,212,291	115,272,066
Provisions	-	-	-	-
Consumption of inventories	105,732,029	997,644	289,108	107,018,781
Repair and maintenance costs	22,693,279	2,873,512	775,383	26,342,174
Operating lease expenses	3,669,124	8,338,911	807,250	12,815,285
Third parties fees and expenses for utilization of the private property of the Greek State (recharged)	4,556,900	-	-	4,556,900
Self-consumption cost	(14,753,352)	(234,918)	(38,572)	(15,026,842)
Total	**974,237,544**	**159,527,876**	**59,055,293**	**1,192,820,713**

		COMPANY	
Administrative expenses	**Note**	**01.01.2019-31.12.2019**	**01.01.2018-31.12.2018**
Payroll cost		3,499,672	2,785,252
Third party fees and expenses		1,441,502	1,069,233
Utilities costs		254,580	267,668
Other taxes and duties		57,266	29,964
Various expenses		177,918	131,545
Depreciation and amortization of PP&E, intangible and right-of-use assets	5, 7, 8	208,120	14,065
Repair and maintenance costs		585	-
Operating lease expenses		515	60,043
Total		**5,640,158**	**4,357,770**

Payroll costs of the Company include the cost of employees, Supervisory Board, Board of Directors and Committees of the Board of Directors, as well as related costs. After the constitution of the Board of Directors into a body on 16.02.2017, the reorganization and staffing of the Company began, which was based till then on the initial planned structure of the group (ie two direct subsidiaries). Following the transfer of the "Other subsidiaries", which tripled the Group's size, the transformation of the organizational structure of the Company was deemed necessary in order to be able to meet the additional needs and duties. The reorganization and staffing of the Company was almost completed by the end of 2019. This process had as a result the increase of payroll costs in 2019 comparing to those of 2018.

Third party fees for 2019 appear slightly increased comparing to 2018 mainly due to costs incurred for the provision of consulting services for the restructuring of ELTA, for evaluation projects of Boards of Directors of companies included in the portfolio of HCAP, who is the major shareholder, for the staffing of Board of Directors positions of these companies, as well as, for the project of reviewing and strengthening the framework of Corporate Governance of the Public Entities.

28. Other operating income

	Note	GROUP 01.01.2019-31.12.2019	GROUP 01.01.2018-31.12.2018	COMPANY 01.01.2019-31.12.2019	COMPANY 01.01.2018-31.12.2018
Special Subsidies (a)		61,384,714	54,151,063	-	-
Income from unused provisions (b)		74,149,302	21,822,540	-	-
Amortization of government grants	23	15,536,350	16,377,486	-	-
Amortization of customers' contributions	22	909,765	910,091		
Income from other related activities		8,487,019	5,663,725	-	-
Other income		9,251,688	8,560,226	-	-
Income from prior years		3,475,697	10,463,839	-	-
Income from reversal of PP&E impairment	5	2,791,679	3,933,733	-	-
Revenue from contract settlement (IVECO)		1,240,206	5,322,042	-	-
Total		**177,226,420**	**127,204,745**	**-**	**-**

(a) Income from "Special Subsidies" comes mainly from the OASA sub-group and relates to a subsidy from the State Budget of the operating deficit of OASA up to 40% of the annual operating cost before depreciation, a subsidy of €39.1 mln (31.12.2018: €31.7 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 subsidy received by OSY. From the total value of the collected subsidies, an amount of €111.4 mln (31.12.2018: €104.4 mln) relates to subsidies for cost of sales and has been presented as a separate caption in income statement named "Subsidies attributable to cost of sales".

(b) The income from unused provisions mainly concerns € 57.9 mln from the reversal of the provision of staff retirement indemnities of subsidiary ELTA due to the imposition of the maximum limit of retirement compensation allowance governing the public utility companies (note 19).

29. Other operating expenses

Group's and Company's Other operating expenses are analyzed below:

	Note	GROUP 01.01.2019-31.12.2019	GROUP 01.01.2018-31.12.2018	COMPANY 01.01.2019-31.12.2019	COMPANY 01.01.2018-31.12.2018
Other provisions		26,228,426	52,064,873	-	-
Provisions for impairment of receivables		21,302,179	14,347,182		
Prior years expenses		6,069,959	7,734,643	-	-
Non recurrent and extraordinary expenses		3,732,743	5,713,870	5,498	1,104
Other expenses		1,430,267	3,338,703	-	-
Tax penalties		1,018,737	211,045	-	-
Other extraordinary losses		237,249	176,457	-	-
Impairment losses on PP&E	5	2,688,471	-	-	-
Total		**62,708,031**	**83,586,773**	**5,498**	**1,104**

30. Finance Income

Group's and Company's Finance Income is analyzed below:

	GROUP		COMPANY	
	01.01.2019-31.12.2019	**01.01.2018-31.12.2018**	**01.01.2019-31.12.2019**	**01.01.2018-31.12.2018**
Interest income	26,725,226	26,046,372	935,958	427,147
Other finance income	375,379	6,344,020	-	-
Total	**27,100,605**	**32,390,392**	**935,958**	**427,147**

Interest income of €26.7 mln (2018: € 26.0 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:

	GROUP		COMPANY	
	01.01.2019-31.12.2019	**01.01.2018-31.12.2018**	**01.01.2019-31.12.2019**	**01.01.2018-31.12.2018**
Interest expense on bank liabilities	4,704,212	5,451,856	-	-
Finance cost on lease liabilities (first application of IFRS 16)	2,680,700	-	48,256	-
Other finance costs	6,756,475	9,242,302	7,834	5,853
Total	**14,141,387**	**14,694,158**	**56,090**	**5,853**

Other finance cost relates mainly to interest expense on overdue payables of "Other subsidiaries" and "Direct subsidiary" ETAD.

32. Income tax

The Company is exempt from income tax as analyzed above (Note 2.16).

Income tax recognized in income statement is analyzed as follows:

		GROUP		COMPANY	
	Note	**01.01.2019-31.12.2019**	**01.01.2018-31.12.2018**	**01.01.2019-31.12.2019**	**01.01.2018-31.12.2018**
Current tax		(29,370,088)	(37,788,632)	-	-
Deferred tax	10	(4,394,275)	1,567,722	-	-
Tax differences from tax audits		2,553,422	(66,803)	-	-
Total		**(31,210,941)**	**(36,287,713)**	**-**	**-**

	GROUP		COMPANY	
	01.01.2019-31.12.2019	01.01.2018-31.12.2018	01.01.2019-31.12.2019	01.01.2018-31.12.2018
Results before tax	222,941,374	(96,254,785)	57,178,938	13,060,356
Current tax rate (percentage)	24%	29%	24%	29%
Income tax calculated with the current tax rate	(53,505,930)	27,913,888	(13,722,945)	(3,787,503)
Adjustments for:				
- Non-recognition of deferred tax liability/(asset) on profits/(losses) of companies exempt from income tax	15,998,410	(15,378,044)	13,722,945	3,787,503
- Non-recognition of deferred tax assets on the share of gain/losses of associates or joint ventures	9,982,782	(33,493,627)	-	-
- Recognition of deferred tax asset of previous years	6,261,586	-	-	-
- Utilization of tax losses from previous years for which no deferred tax assed had been recognized	6,173,342	755,867	-	-
- Untaxed income	3,790,809	3,232,908	-	-
- Recovery of tax audit differences imposed in previous years	2,553,422	-	-	-
- Other	(2,068,762)	(254,246)	-	-
- Change in tax rate	(2,666,688)	(4,670,529)	-	-
- Non tax-deductable expenses	(3,160,367)	(1,244,291)	-	-
- Non-recognition of deferred tax asset for losses	(14,569,545)	(13,149,639)	-	-
Total	**(31,210,941)**	**(36,287,713)**	**-**	**-**

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 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 previous year 2018, despite the losses before tax, the tax (current and deferred) is shown to be an expense, is mainly due to the following:

a) from the profitable companies the tax resulting is mainly tax expense, while for the companies that incur losses or are continuously loss-making either the recognition of deferred tax asset / income has ceased, or the companies are not subject to income tax from their normal operations, with the consequence that deferred tax asset / income has not been applied for their losses,
b) a significant impact is due to the fact that the income statement reflects loss 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,
c) as net deferred tax in the statement of financial position (deferred tax assets minus deferred tax liabilities) is a deferred tax asset, the change in the tax rate (decrease) led to a decrease in the asset and an incurred expense for the year.

Olympic Properties SA which 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. 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, 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	
	31.12.2019	**31.12.2018**
Letters of guarantee HRADF	267,861,261	267,911,331
Letters of guarantee OASA	91,042,463	54,691,628
Letters of guarantee ETAD	53,208,523	49,563,074
Letters of guarantee ELTA	5,765,084	9,213,940
Letters of guarantee GAIAOSE	1,096,515	1,096,515
Letters of guarantee CMFO	347,135	338,222
Letters of guarantee TIF-HELEXPO	331,281	335,415
Letters of guarantee HCAP	32,642	17,370
Total	**419,684,904**	**383,167,495**

The Group has issued letters of guarantee to assure liabilities, analysis by company as follows:

	GROUP	
	31.12.2019	**31.12.2018**
Issued letters of guarantee EYATH	416,786	526,286
Issued letters of guarantee EYDAP	1,387,912	1,514,474
Issued letters of guarantee OASA	415,581	415,581
Issued letters of guarantee TIF-HELEXPO	25,092	25,092
Issued letters of guarantee HELLENIC SALTWORKS	4,573	5,362
Total	**2,249,944**	**2,486,795**

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.

2. The Company filed before the Multi-Member First Instance Court of Athens a lawsuit dated 15.11.2018 under general filing number 107643/2018 against the executive members of the Board of Directors and the members of the Audit Committee of the company under the name Folli-Folie Commercial, Manufacturing and Technical Société Anonyme. The Company possesses 0.96% of the shares in Folli-Follie. By such lawsuit, it is asked that the defendants, jointly and severally liable, shall be obliged to pay the Company the amount of € 12,349,752.66, otherwise the amount of € 9,259,095.06, as well as € 500,000 as monetary relief for moral damage, on the grounds that, due to their unlawful acts or omissions during the management of Folli-Follie, they are liable for the depreciation/ annihilation of the share value.

HCAP has filed pleadings for such lawsuit in accordance with the applicable procedural rules and the hearing has been set for 22.09.2020.

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 4389/2026 HCAP is not liable for third party claims to the detriment of the Greek State as it is a separate independent legal entity. A hearing for the case has not yet been scheduled. It is noted that the attachment was attempted in France where HCAP has no assets.

A2. Regarding Direct Subsidiaries

ETAD

(a) An important number of the overall properties owned by GNTO, that ETAD already manages, were obtained through the forced expropriation of many smaller properties. According to the data of the properties' files, in the case of some of the properties expropriated in favour of GNTO, former owners have requested the expropriations executed for tourism purposes to be revoked. They are judicially seeking the revocation of the expropriations and the return to them of their former properties. Some of the requests regarding small portions of Company properties have already been accepted by the Plenary Session of the Council of State, while many more requests by former owners are still pending. Even if these requests are accepted, they do not impede the broader utilisation of the properties, as they concern individual small sections and in any case, forced expropriation can be declared on them. With the exception of properties in Paliouri, Halkidiki and Fanari, Komotini, the process of reacquisition of ownership by the applicants has not been completed, due to the non-payment of the foreseen compensation by them to the property owner GNTO and the corresponding transfer of the relevant Land Registry.

(b) ETAD is involved in court and other cases concerning third party claims against the Company, for which a provision has been created against its results in the total amount of approximately €47 mln. It is underlined that in many cases there are conflicting claims between the Company and third parties, with suits and counter-suits.

(c) The Lagonisi Hotel Complex was leased to ATTIKOS ILIOS SA with contract No 10469/1999, which was 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.

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 aAXTENE" 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.

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:

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 non-material 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.

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 non-material 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.

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.

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 awardNo 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.

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 non-material 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.

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.

More specifically:

A) Against the Arbitral Award no. 20/2019, ETAD has filed on 26.09.2019 before the Athens Court of Appeal the action for its annulment, otherwise the declaration of its non-existence, as well as the supplementary action for annulment on 17.10.2019, which was heard on 12.03.2020 and a decision is expected. It is noted 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) Against the Arbitral Awardno. 24/2019, ETAD had filed on 17.12.2019 before the Athens Court of Appeals the action of its annulement, otherwise the declaration of its non-existence, which ETAD waived on 19.02.2020. Nevertheless, the specific lawsuit was heared on 20.02.2020 and a decision is expected. On 19.02.2020, ETAD filed a new action for annulment on time, otherwise the recognition of the non-existence of the Arbitral Award no. 24/2019, and the hearing is set for 04.03.2021.
C) 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.
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 is set for 20.05.2021.
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.
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 is set for 15.04.2021.
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, in the immediate near future. The determination of the hearing of the lawsuits is expected for the spring of 2021.
D) Against the decisions of the Athens Court of Appeals on the annulment lawsuits, the possibility of appealing before the Supreme Court is provided by the defeated party.
E) 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, which have been determined for hearing on 17.03.2020, 31.03.2020, 31.03.2020, 31.03.2020, 31.03.2020, 19.05.2020 and 19.05.2020 respectively, requesting the disappearance of the relevant provisions of the arbitral awards. Of these appeals, the five set to be discussed on 17.3.2020 and 31.3.2020 have been canceled due to the suspension of Courts operation and will be redetermined upon reopening.

The Management and the Board of ETAD are handling the case. For this case, apart from HCAP as ETAD's shareholder, the Greek Government has also been briefed given that the Greek State is the ultimate shareholder of ETAD, with the European Institutions being briefed as well. ETAD will exhaust all the legal and procedural possibilities provided by law.

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.
Furthermore, ATTIKOS ILIOS S.A. and TOURISTIKI XENODOCHIAKI EMPORIKI S.A. and ANONIMOS TOURISTIKI ETERIA ILIOS S.A. have filed the lawsuit 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 non-material 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.
Lastly, 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.

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 case is ongoing, with an estimated hearing before the arbitral tribunal in November 2020. An assessment of the progress of the case cannot be made by the management of HRADF but in any case the provisions of the last indent of par. 2 of article 5 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 withing 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).

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 utilise state lotteries, claimed that the Contract for the Concession of State Lotteries dated 30.07.2013 was violated, claiming that the change of the social security scheme for lottery salespersons constituted a unilateral amendment of the law on the side of the State at the expense of the Concessionaire.

On a monthly basis the Concessionaire sends letters with which it states that it has paid the amount of the social security contributions and requests compensation corresponding to the amounts of said lottery salesperson social security contributions, which the Concessionaire paid to EFKA. These claims are addressed directly to the State, however a suit against HRADF cannot be ruled out as it is the counterparty to the Concessionaire in the Concession Contract. HRADF has announced that the provision foreseen in Law 3986/2011 regarding joint and 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.

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.

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.

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.

10) Lawsuit of a former employee

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.

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.

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.

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 €92.8 mln as of 31.12.2019. 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 €170.3 mln.

The overall amount of EYDAP's provisions comes to €48.9 mln as of 31.12.2019 (the amount was approximately €55.1 mln as of 31.12.2018). In addition, the amount of approximately €2.9 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 €1.4 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 31.12.2018 there are lawsuits, extrajudicial notices, and future claims in general against EYATH and the EYATH Group, in the total amount of approximately €40 mln, for which a total provision of €3.19 mln has been made.

Regarding these lawsuits, €10 mln mainly concern compensation due to flood damage or lawsuits of various counterparty suppliers and contractors for breach of contract terms, and €30 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 €79.5 mln, of which €51.6 mln relates to labor and insurance, €6.4 mln relates to civil liability cases (insurance), €16.0 mln relates to contract cases (civil) and €5.5 mln relates to other cases. For some of these claims amounting approximately to € 18.4 million, the management of STA.SY S.A. estimates that future cost will arise and posted an equal provision in the financial statements. For the remaining lawsuits and claims, 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 €22.8 mln, of which €21.4 mln relates to labor and insurance cases, €24.0 thousand relates to civil liability cases and €1.3 million 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 €22.8 mln has been recognized in the financial statements.

OASA has formed provisions of approximately € 17.4 mln for lawsuits, based on the opinion of the legal department.

There are pending lawsuits against the OASA Group totaling to €942 mln, for which, according to the estimates of OASA's management and taking into account the opinion of their legal service 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.

The cases are expected to be heard.

It is noted that for the claims of OASA for the provision of transportation services for 2018, amounting to €32.5 mln, a payment order was issued in 2019 by the Single Member Administrative Court of Appeal of Piraeus, which obliges OAED to pay the above amount in the company OASA SA.

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 31.12.2019 there are judicial claims by third parties against the CMFO group, for a total amount of €253,745.67, 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.

Third party and employee lawsuits against the Company

As of the financial year end the following lawsuits have been filed against CMT:

- an employee of CMT S.A. submitted an application against CMT S.A. following an accident caused while working, in the amount of €222,231.78, which was heared on 29.03.2019 and the decision number 2480/2020 of the Single Member Court of First Instance of Thessaloniki was issued, which is to be engrossed and ratification.
- EFKA filed a lawsuit against CMT S.A. for the aforementioned lawsuit of the employee against the Company, in the amount of €2,454.76 with a discussion date on 07.02.2020, when it was canceled.

For the above case, CMT has recognized a provision of € 25,000.

- 15 employees of CMT S.A. have filed a lawsuit, the main claim being (€134,917.50) the non- implementation of the law on unified wage and a secondary claim (€73,750.00) regarding the unconstitutional nature of the law cancelling benefits. After a postponement, the date of discussion was on 09.04.2020, when it was canceled due to the suspension of operation of courts.

For this case, the management of CMT is not possible to make any estimate regarding the amount that may be required for its settlement and therefore no provision has been recognized in the financial statements.

- Furthermore, 5 employees of CMT S.A. have filed a lawsuit, the main claim being (€27,500 the unconstitutional nature of the law cancelling benefits.

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.

CMT applications against third parties

As of the reporting date, CMT had disputed receivables against customers for the amount of €565,377.72, while as of the date of drafting of the financial statements the corresponding amount is set to €623,382.80. 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.

AEDIK

Pending Judicial Cases

AEDIK is involved in the capacity of plaintiff and defendant in various legal cases. As at 31.12.2019 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

Until 2012 part of the compensation of Hellenic Post for the cost of the Universal Service was offset by the exclusive rights over letters up to 50 grams in weight. Further to the application of the third Postal Directive and in accordance with the implementation/transposition act thereof (Law 4053/2012 'On Postal Services, Electronic Communications, and Other Provisions' of the Ministry of Infrastructure, Transport, and Networks), the Greek post market was fully liberalised on 01.01.2013. ELTA was appointed as Universal Postal Service Provider in Greece for a period of 15 years as of the initiation of the full liberalisation, namely until 31 December 2028.

The same law (Article 8) determines the way the Universal Service is funded. Specifically, the implementation of the compensation mechanism for the cost of the Universal Service is determined, which must be in accordance with the European Postal Directive and competition law. The net cost of the Universal Service provision burdens the Universal Service provider as to the part of the postal service provision within the Universal Service, the postal service providers within the Universal Service, and the State Budget.

Article 8 of Law 4053/2012 states that by a joint decision of the Ministers of Finance and Infrastructure, Transport, and Networks, the part of the net cost of the provision of the Universal Service that burdens the State Budget is determined and paid directly to the beneficiary agency. By the same decision and upon proposal of the Hellenic Telecommunications and Post Commission (EETT), the way in which the part of the net cost burdening the postal service providers is divided is determined. EETT is also named as the competent party for the collection and payment to the beneficiary Universal Service provider of the corresponding amounts.

The Ministry of Infrastructure, Transport, and Networks prepared a draft of a joint ministerial decision regarding the compensation of the Universal Service Provider - USP (ELTA), and acting jointly with HRADF, it pre-announced it in October 2012 to the DG Comp of the European Commission. As a result of the comments - questions by the European Commission, relevant answers, and consultations, it was decided to focus on the calculation of the cost of the Universal Service.

The company, tried to highlight the reasonableness of its claim for the provision of the Universal Service, on the basis of the examples of other member-states of the European Union, as to which the European Commission has ruled that the compensation for the provision of the Universal Service granted by the Member-States to the corresponding Universal Service providers complies with EU state aid rules.

To that end, the Greek State, assisted by with the contribution of an independent adviser, prepared the relevant reference model and the documentation as to the calculation methodology of the Universal Service net cost. Following successive discussions/ debates and improvements, for addressing the requests of the European Commission, the European Commission approved on 03.06.2013 the methodology by which the net cost of the Universal Service is calculated.

The European Union, based on its decision C (2014) 5436, 1/8/2014, as published in the official Journal of the European Union, decided not to object to the offset/compensation provided to ELTA in the form of direct grants from the State Budget for the provision of the Universal Service, during the transitional regime for the period 2013-2014 or 2013-2015 up to the amount of € 15 mln.

Following a tendering procedure, the calculation of the net cost of the Universal Service in accordance with the calculation model of Law 4053/2012 was assigned to independent surveyors. Potential intangible and commercial gains of the Universal Service provider will be considered in the calculation context.

On 19.4.2017 the 'Contract on assignment of the universal postal service provision' was signed between the Ministry of Digital Policy, Telecommunications, and Information and Hellenic Post. The contract came into effect on 19.04.2015, it refers to a period of six years, and it regulates all the details based on which the universal service is provided by ELTA. It should be noted that until the signing of this contract, the 'Administration contract between the Greek State and Hellenic Post' had corresponding effect, which had been signed on 08.11.2010 between the Ministry of Infrastructure, Transport, and Networks and ELTA, with effect for a period of 6 years as of 18.04.2009.

By virtue of a voted relevant modification/ addition in the recent Law 4463/2017 of the Ministry of Digital Policy, Telecommunications, and Information on 'Measures to decrease the cost of installation of high speed electronic communications - Harmonisation of the law with Directive 2014/61/EU and other provisions' (law 4463/2017), it was determined that the amount of compensation for the universal service for the first three years (2013, 2014, and 2015) will be determined following a proposal of the competent regulator, the Hellenic Telecommunications and Post Commission (EETT).

Pursuant to Article 14 of Law 4463/30.03.2017, Paragraph 6 was added to Article 8 of Law 4463/2012, which "determines a transitional stage for the compensation of the universal service for the years 2013, 2014, and 2015". For the transitional stage the UPSP shall submit to EETT its calculation of the universal service provision net cost for the years 2013, 2014, and 2015 by 30 June 2017. EETT would then review the submitted data and verify, in accordance with applicable provisions, the net cost for the provision of the universal postal service for the above years to the extent it exists. The net cost for the provision of the universal postal service for the years 2013, 2014, and 2015 to be verified by EETT may not exceed the amount of fifteen (15) mln Euros per year, and it is covered in its entirety, by the State Budget as a Service of General Economic Interest (SGEI). The amount is paid directly to the UPSP. By virtue of a joint decision of the Ministers of Finance and Digital Policy, Telecommunications, and Information, the time and method of payment, the necessary documents, and all necessary details shall be determined. The new Contract on the assignment of the provision of the universal postal service between the Greek State and the UPSP will come into effect retroactively as of the date of expiry of the previous contract, namely on 19.04.2015".

In early August 2017, a Law was passed, which, by Chapter E of Article 39(1), amends Article 8(6)[4] of Law 4053/2012, as amended by Article 14(1) of Law 4463/2017, as follows: "From the net cost of the provision of the universal postal service for the years 2013, 2014, and 2015 to be verified by EETT, the State Budget will cover up to the amount of fifteen mln Euros per year, as a Service of General Economic Interest (SGEI)".

On 16.04.2018 EETT informed Hellenic Post of its decision 845/006/26.03.2018 entitled 'Verification report on the Net Cost for the Provision of the Universal Postal Service for the years 2013, 2014, and 2015', according to which the final verified cost of the provision of universal services for the period 2013 - 2015 was set at € 127,904,956.

ELTA, based on the above considering that the claims /receivables for the Universal Service directly relate to its smooth operation, implemented all necessary actions for the purpose of the approval by the competent authorities of the compensation for the Universal Service also for the year 2016. The study on the methodology and the net cost of the Universal Service for the financial year of 2016 was submitted to EETT within 2017, determining the relevant receivable/claim at € 46,823 thousand. On 15.10.2018 EETT informed Hellenic Post of its decision 868/007 'Verification report of the Net Cost for the Provision of the Universal Postal Service for the year 2016', according to which the final verified cost for the provision of universal services for 2016 was set at €39,551 thousand.

On 16.05.2018 the Ministry of Digital Policy, Telecommunications, and Information by its decision 7118/2018 approved and proceeded to the payment to ELTA of €22,500 thousand, as payment against debts relating to the universal postal service for the period 2013 - 2015. On 12.06.2018 the Ministry of Digital Policy, Telecommunications, and Information by its decision 8678/2018 approved and proceeded to the payment to ELTA of an additional amount of €22,500 thousand, as payment against debts relating to the universal postal service for the period 2013 - 2015.

On 29.06.2018 the study on the methodology and net cost of the Universal Service for the financial year of 2017 was submitted to EETT. It included a Universal Service net cost (USNC) of €54,936 thousand and an additional amount of €23,175 thousand as a funding cost that burdened ELTA due to the lack of compensation for the provision of universal postal services for the past years 2013 – 2015. On 18.02.2019 EETT informed Hellenic Post of its decision 884/011 'Verification report of the Net Cost for the Provision of the Universal Postal Service for the year 2017', according to which the final verified cost for the provision of universal services for 2017 was set at € 37,430 thousand, without calculation of the Universal Service funding cost.

On 11.10.2018, by GG/A/179_Law 4569 2018 and in particular Article 49, the first four indents of Article 8(6) of Law 4053/2012, as in force, are replaced as follows: "6. A transitional stage is determined for the compensation of the universal service for the years from 2013 through 2017. For the transitional stage, the UPSP shall submit to EETT its calculation of the universal service provision net cost for the years 2013, 2014, and 2015 by 30 June 2017 and for the years 2016 and 2017 in accordance with Article 9 of decision under number 697/129/18.7.2013 of EETT (B΄ 2016). EETT shall subsequently review the submitted data and verify, in accordance with the applicable provisions, the net cost of the provision of the universal postal service for said years to the extent that it exists. Of the net cost for the provision of the universal postal service for the years from 2013 to 2017 to be verified by EETT, the State Budget will cover up to the amount of fifteen mln Euros (15,000,000) per year, as a Service of General Economic Interest (SGEI)".

In addition, the phrase "for the period 2013 to 2015" is replaced through the phrase "for the period 2013 to 2017", in the third indent of the paragraph added with Article 14(2) of Law 4463/2017 (A' 42) at the end of Part B' of Annex I of Law 4053/2012.

On 24.10.2018 the Ministry of Digital Policy, Telecommunications, and Information forwarded by virtue of its decision 2013/H entitled: “Provision of a universal postal service for the financial years 2016 and 2017”, a request to the Ministry of Finance on the provision of a relevant credit amounting to € 30,000 thousand.

On 31.10.2018 the Ministry of Digital Policy, Telecommunications, and Information, by virtue of its decision 2027, approved and proceeded to the payment to ELTA of an amount equal to €15,000 thousand as payment for debts relating to the universal postal service for the period of 2016.

On 24.12.2018 in GG/A/218_N4587 2018 and in particular in Article 71, it is mentioned that in Article 8(6) of Law 4053/2012 (A’ 44) “Regulation of operation of the postal markets, electronic communication matters, and other provisions”, as in force, a new indent is added after indent d’, as follows: “The amount of the previous indent may be paid to the UPSP prior to the final verification of the net cost of the universal postal service provision by EETT for the year 2017, provided that the Authority estimates that the relevant cost clearly exceeds the amount of fifteen mln (15,000,000) Euros”.

On 14.02.2019 the Ministry of Digital Policy, Communications, and Information paid the amount of €10 mln as part of the compensation for the Universal Service for 2017, whereas the remaining balance of €5 mln was collected by ELTA on 26/3/2019.

On 24.04.2019, the GG/A/65 by virtue of Law 4607 2019 and in particular Article 59 of Chapter E’ amends Article 8 of Law 4053/2012, as follows: “The following amendments shall be made to Article 8(6) of Law 4053/2012 (A’ 44), which was added through Article 14(1) of Law 4463/2017 (A’ 42):

a) In the first indent, as this was replaced through Article 49(1) of Law 4569/2018 (A’ 179), the words “until 2017” shall be replaced through the words “until 2019”.

b) In the second indent, as this was replaced through Article 49(1) of Law 4569/2018, the words “and the years 2016 and 2017” shall be replaced through the words “2016, 2017, 2018, and 2019”.

c) In the fourth indent, as this was replaced through Article 49(1) of Law 4569/2018, the words “until 2017” shall be replaced through the words “until 2019”.

d) In the fifth indent, which was added through Article 71 of Law 4587/2018 (A’ 218) the words “for the year 2017” shall be replaced through the words “for the years 2017 and 2018”.

The following indent is added after the fifth indent: “For the year 2019 the said amount may be paid to the universal service provider prior to the verification of the net cost of the provision of the universal postal service by EETT for this year, provided that the Authority foresees, based on the cost - financial data regarding the provision of the universal postal service during the first quarter of the year 2019, in conjunction with the verified annual net cost for the provision of the universal postal service for the years from 2013 until 2017, that the relevant cost will exceed the amount of fifteen mln (15,000,000) Euros for 2019”.

On 21.06.2019 the Ministry of Digital Policy, Telecommunications, and Information, by virtue of its decision 9889/2019 entitled: “Provision of net cost of universal postal service for the financial years 2018-2019”, forwarded a request to the Ministry of Finance on the provision of a relevant credit amounting to €30,000 thousand.

On 28.06.2019, ELTA submitted to EETT the study on the methodology and the net cost of Universal Service for the year 2018, which included a Universal Service net cost (USNC) of € 55,289 thousand.

On 04.07.2019 the Ministry of Digital Policy, Telecommunications and Information, by virtue of its decision 395/H, approved the commitment of a credit amounting to €15,000 thousand Euros for expenses regarding the provision of the universal postal service for the financial year 2018. The collection of the Universal Service compensation for 2018 amounting to €15,000 thousand took place on 19.07.2019.

On 13.09.2019 and based on the final financial data for the year 2018, Hellenic Post updated the submission of the methodology and the net cost of Universal Service for the year 2018, setting the total amount of the required compensation at € 53,624 thousand.

On 20.12.2019 the Ministry of Digital Policy, Telecommunications and Media approved the credit commitment of €15,000 thousand for the cost of universal postal service for the financial year 2019. The collection of the Universal Service compensation of € 15,000 thousand for 2019 took place on 30.12.2019.

On 23.01.2020 EETT, with its decision 920/020, proceeded to the verification of the USNC for 2018 in the amount of €34,235 thousand. For the fiscal year 2019, ELTA determined as USNC the amount of € 35,000 thousand.

On 13.04.2020 EETT, with its decision with P.N. 932/004, confirmed that based on the submitted cost - financial data of the universal postal service for 2019, in combination with the verified annual net cost of the universal postal service for the years 2013 to 2018, the net cost of the universal postal service provided, will exceed the amount of fifteen million (15,000,000) euros for the year 2020.

GG 1710 B/06-05-2020 Joint Ministerial Decision amends 2029/H/31-10-2018 Joint Ministerial Decision "Determination of time and way of return to the universal provider (ELTA SA) of the verified by E.E.T.T. net cost of providing the universal postal service which may not exceed 15 million euros per year, of the required supporting documents as well as any necessary detail "(B' 4899), in force as follows:

Subparagraph b of paragraph B' is replaced as follows: "The payment of the net cost of the provision of the universal postal service for the year 2020, which may not exceed fifteen million euros (15,000,000.00 €) per year and is covered by the State Budget, as a Service of General Financial Interest (SGEI), is carried out after the submission of the supporting documents of par. A, cases 1, 2, 3, 4, 5, 9, of the present and after the submission of a relevant proposal by E.E.T.T. which confirms, based on the cost - financial data of the universal postal service during the first quarter of 2020 and in combination with the annual net cost of the universal postal service for the years 2013 to 2017, that the relevant costs for the year 2020 will exceed the amount of fifteen million (15,000,000) euros. If the request is submitted before the expiration of the first quarter of the year, then EETT takes into account for the forecast the cost-financial data of the universal postal service of the previous year".

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.

On 30.06.2020, the model for calculating the Net Cost of the Universal Postal Service (NCUPS) for the year 2019 was sent by ELTA to EETT. Based on the result of this model, the total compensation required for the provision of the Universal Postal Service for the year 2019 amounts to € 53,038 thousand.

Based on the study model of Law 4053/2012 the net cost of the Universal Service for the period from 01.01.2013 through 31.12.2019 was calculated at €274,121 thousand (2019: €35,000 thousand on the basis of an estimation for 2019, 2018: €34,235 thousand on the basis of EETT decision 920/020/23-01-2020, 2017: €37,430 thousand on the basis of EETT decision 884/011/18-02-2019, 2016: €39,551 thousand on the basis of EETT decision 868/007/15-10-2018, 2013-2015: €127,905 thousand on the basis of EETT decision No 845/006/26-03-2018).

Third party claims against ELTA

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. For these lawsuits, but also for the case as a whole, it is difficult to make an assessment. If the company's position is accepted, then the lawsuits will be rejected, except for an amount amounting to approximately €2 mln, for which there was no payment by ELTA due to real circumstances assessed by the ELTA management at that time.

2. A company with its lawsuit against ELTA requests the amount of €400,000. The lawsuit was discussed on 30.10.2017 and was referred for trial by the Multi-Member Court of First Instance of Athens and its hearing has not been determined yet.

3. 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.

ELTA claims against third parties

1. ELTA has filed a lawsuit before the Administrative Court of Appeals of Athens against a state organisation as to the amount of €6,509,508.16, which it owes it for handling its correspondence. This lawsuit was heard on 28.04.2015 and a

judgment was issued referring the case to the Administrative Court of First Instance of Athens for trial, before which it was heard on 11.04.2019 and 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 21.01.2020, when it was discussed and a decision is expected and b) for the amount of € 541,184.10, for which a lawsuit has also been filed before the Administrative Court of Appeal and its determination is expected. 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, some 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 31.12.2019, 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[1]	Fiscal years unaudited by tax authorities	Fiscal years with tax compliance certificate from audit firms	Notes
Hellenic Corporation of Assets and Participations (HCAP)	25.10.2016-2019	2018	
Public Properties Company (ETAD) [2]	2012-2019	2013-2018	
Olympic Assets S.A.	2009-2011	-	*Absorbed by ETAD in 2011*
Public Real Estate Company S.A.	2008-2011	-	*Absorbed by ETAD in 2011*
Paraktion Attiko Metopo S.A.	21.08.2013-21.03.2015	21.08.13-31.12.2014	*Absorbed by ETAD in 2015*
Hellenic Republic Asset Development Fund (HRADF) [2]	2012-2019	30.06.2012-31.12.2018	
Athens Water Supply and Sewerage Company (EYDAP)	2011-2019	2012-2018	
EYDAP Nison Development S.A.	2011-2019	-	*100% subsidiary of EYDAP*
Thessaloniki Water Supply and Sewerage Company (EYATH)	2014-2019	2011-2018	
EYATH Services S.A.	2014-2019	2011-2018	*100% subsidiary of EYATH*
Athens Urban Transportation Organization S.A. (OASA)	2014-2019	2013-2018	
Road Transport S.A.	2014-2019	2013-2018	*100% subsidiary of OASA*
Urban Rail Transport S.A.	2014-2019	2013-2015, 2017-2018	*100% subsidiary of OASA*
Central Markets and Fisheries Organization S.A. (CMFO)	2013-2019	2011-2018	
CMFO Energeiaki S.A.	05.07.2012-2019	2013-2018	*100% subsidiary of CMFO*
Business Park CMFO S.A.	26.11.2015-2019	2016-2018	*100% subsidiary of CMFO*
Thessaloniki Central Market S.A. (CMT)	2014-2019	2011-2015, 2017-2018	
Corinth Canal S.A. (AEDIK)	2012-2019	2011-2016	
Hellenic Post S.A. (ELTA)	2012-2019	2011-2018	
Courier ELTA S.A.	2012-2019	2011-2018	*99,98% subsidiary of ELTA*
Vocational Training Center ELTA S.A.	2012-2019	2011-2018	*70% subsidiary of ELTA*
Thessaloniki International Fair-Helexpo S.A. (TIF-Helexpo)	2014-2019	2012-2015, 2018	
Helexpo Hellenic Exhibitions S.A.	2010- 30.04.2013	2011-2012	*Absorbed by TIF-Helexpo in 2013*
Exhibition Applications S.A.	2014-2019	2011-2013,2015	*Liquidated on 31.12.2019*
Hellenic Exhibition Productions S.A.	2014-2019	2011-2015	*Under liquidation*
Hellenic Saltworks S.A.	2012-2019	2011-2018	
GAIAOSE S.A.	2013-2019	2011-2017	
GAIAOSE Fotovoltaika Attikis & Viotias S.A.	2013-2019	2011-2018	*100% subsidiary of GAIAOSE*
GAIAOSE Fotovoltaika Larisas S.A.	2013-2019	2011-2018	*100% subsidiary of GAIAOSE*
GAIAOSE Fotovoltaika Karditsas S.A.	2013-2019	2011-2018	*100% subsidiary of GAIAOSE*

[1] The above table does not include Hellenic FinanciaL Stability Fund ("HFSF") and the associates companies as analyzed in Note 9.2

[2] 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, ETAD recognized income tax of € 2,270,787.99 relating to the difference in main tax.

34. Related party transactions and balances

i) Related party balances:

	GROUP		COMPANY	
Receivables	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Subsidiaries	-	-	-	555,321
Associates	6,254,038	8,822,337	-	-
Total	**6,254,038**	**8,822,337**	**-**	**555,321**

Receivables

The Group's receivables from associates relate mainly to receivables for postal services (€4.5 mln approximately) as well as receivables for water supply and sewerage services (€1.5 mln approximately).

	GROUP		COMPANY	
Payables	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Subsidiaries	-	-	3,934	4,495
Associates	44,150,135	43,134,196	2,262	2,498
Total	**44,150,135**	**43,134,196**	**6,196**	**6,993**

Payables

The Group's payables to associates relate mainly to payables from the supply / purchase of electricity.

ii) Related party transactions:

	GROUP		COMPANY	
Revenue	**01.01.2019 - 31.12.2019**	**01.01.2018 - 31.12.2018**	**01.01.2019 - 31.12.2019**	**01.01.2018 - 31.12.2018**
Subsidiaries	-	-	43,226,257	15,403,092
Associates	23,934,696	31,591,209	16,250,000	-
Total	**23,934,696**	**31,591,209**	**59,476,257**	**15,403,092**

Revenue

The Group's revenue from associates mainly relates to revenue for postal services (€22.3 mln), as well as revenue from water supply and sewerage services (€1.1 mln approximately). Regarding the Company, revenue relate mainly to dividend income during the year.

	GROUP		COMPANY	
Expenses	**01.01.2019 - 31.12.2019**	**01.01.2018 - 31.12.2018**	**01.01.2019 - 31.12.2019**	**01.01.2018 - 31.12.2018**
Subsidiaries	-	-	20,693	19,973
Associates	74,599,237	68,557,333	14,115	-
Total	**74,599,237**	**68,557,333**	**34,808**	**19,973**

Expenses

The Group's expenses from associates relates mainly to electricity costs (€73.1 mln), as well as rental expenses (€ 1.4 mln).

	GROUP		COMPANY	
Disposal of assets	**01.01.2019 - 31.12.2019**	**01.01.2018 - 31.12.2018**	**01.01.2019 - 31.12.2019**	**01.01.2018 - 31.12.2018**
Subsidiaries	-	-	17,383	-
Associates	-	-	-	-
Total	**-**	**-**	**17,383**	**-**

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 31.12.2019 was €8,088,444 (31.12.2018: € 7,279,130).
- Company: for the year 01.01.2019-31.12.2019, was € 1,623,780 compared to €1,412,464 for the year 01.01.2018-31.12.2018.

Supervisory Board

The gross fees of all members of the Supervisory Board for the year 01.01.2019-31.12.2019 amounted to €231,467 compared to €304,700 for the year 01.01.2018-31.12.2018.

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 31.12.2019, 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**	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Within the next year	825,614	12,698,086	-	-
From to two (2) to five (5) years	-	40,922,537	-	-
More than five (5) years	-	24,187,168	-	-
Total	**825,614**	**77,807,791**	**-**	**-**

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**	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Within the next year	29,744,997	27,520,604	-	-
From to two (2) to five (5) years	110,105,201	120,413,964	-	-
More than five (5) years	461,424,957	425,087,570	-	-
Total	**601,275,156**	**573,022,138**	**-**	**-**

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.

In response to a question from the Hellenic Capital Market Commission regarding a letter from the President of the public entity EYDAP Pagion to EYDAP, requesting an additional amount which, based on the letter, was estimated at € 266 mln for the period 1.7.2013 to 31.12.2019, EYDAP (following also the decision of its Board of Directors 20339/19.6.2019) announced with its corporate announcement on 22.06.2019 that according to Law 2744/1999 and the 1999 Contract, the price of the raw unprocessed water should be subject of a Contract between EYDAP and the Greek State and it has expressed its opposition to the above claim.

In the context of the ongoing negotiations with the Greek State, which were intensified from the second half of 2019, for the extension of the right of exclusive disposal of water in the area of Athens, the Greek State raised the issue of final settlement of the price of raw unprocessed water received for the period 01.07.2013 to 31.12.2019. EYDAP, in an effort to find a solution and final settlement of this pending case, has assigned to external financial, technical and legal advisors the examination of the financial, technical and legal parameters of the claim of the Greek State. Given the ongoing negotiations, the relevant discussions, and the existence of a significant divergence between the parties over time, regarding the financial, technical and legal criteria needed to be taken into account for the final settlement of this case, it is not possible at this stage , to make a reliable assessment of the outcome.

EYDAP will continue its efforts for its settlement, as soon as possible, in the context of the wider discussions that are being held for the extension of the right of exclusive water disposal in the area of Athens.

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 €47 mln at 31.12.2019 and approximately €32 mln at 31.12.2018.

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.13.3 and A.14 of the BoD report describes various important subsequent events of the Company and the Group that took place after the balance sheet date and before the date of issuance of the financial statements. From these events, the cases that according to IAS 10 require disclosure in the financial statements, are disclosed either is separate notes (ie legal cases) or analysed below:

GROUP

Impact of Covid-19 pandemic

The rapid spread of Covid-19 and its declaration by the World Health Organization as a pandemic is an unprecedented test for the whole world. Continuing to affect economic and business activity in our country and around the world, the extent of its effects will largely depend on its duration, government policy on restrictions applied, as well as the current and subsequent economic crisis caused by the pandemic.

As early as mid-March, the Greek Government began to take measures both to limit the spread of Covid-19 and to mitigate the economic impact of Covid-19 pandemic on affected businesses and citizens.

The Company and its subsidiaries, with a strong sense of responsibility, are constantly monitoring developments in order to respond appropriately at all levels, having prepared a specialized action plan to ensure their smooth business operation and the safety of their employees and society as a whole. The health and safety of the Group's employees, as well as, the social groups served by our subsidiaries remain our main priority.

Evaluating the latest available data up to June 2020 and the prevailing conditions regarding the measures taken by the Greek Government by sector of activity, in combination with the gradual lifting of the restrictions, the companies have made an assessment of the potential impact on liquidity and their financial performance for 2020 depending on the measures taken by industry, which includes:

- reduction of the volume of activity for the current financial year, especially in the sectors most affected, such as transport, leasing of tourist real estate and conduction of exhibitions,
- decrease in collections from customers as a result of the general recession in the market, which is expected to affect all companies in the portfolio that provide credit to their customers,
- increase of costs for the compliance of the companies with the new needs that arose, such as disinfection of premises, provision of sanitary ware, etc.,
- the suspension of part of the capital expenditure program.

Nevertheless, the low level of borrowing and the significant cash resources of the Group offer security in the context of this uncertain period. The main priority of the Group is to continue to meet future challenges, maintaining high quality services always with the aim of protecting its workforce and society as a whole.

Given the fact that, as at 31 December 2019, the evolution of this situation was not yet known, the Management estimates (according to the provisions of IAS 10 - Events after the Reporting Period) that the Covid-19 pandemic is not an adjusting post balance sheet event as of 31 December 2019.

HRADF

Progress of the Privatisation Programme

Subsequent events that concern utilisation contracts in infrastructure and the company portfolio are mentioned in detail on HRADF's website, www.hradf.com. No relevant adjustment of the financial statements or disclosure in accordance with International Financial Reporting Standards (IFRS) is required, therefore they are not included in this note.

Extension of duration until July 1, 2022

According to the Extraordinary General Meeting of the shareholders of HRADF held on 10.04.2020, the extension of its duration by two years was decided, i.e. until July 1, 2022.

ETAD

Decision of the Council of State (CoS) for the transfer of 10,119 properties of the State

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 215 properties of total fair value of approximately €78 mln as at 31.12.2019 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.

Signing of a preliminary agreement with Fulgor for the disposal of property

ETAD has entered into a preliminary agreement with FULGOR S.A. for the disposal of a property in the Municipality of Loutraki - Agioi Theodoroi. This is a property next to the existing operating industrial unit of FULGOR S.A. and aims to the expansion of its production, its sales abroad, and the job creation in the region. The proceeds from disposal that ETAD will receive amount to €973,850.

Parking in Thessaloniki

On 13.02.2020, ETAD terminated its cooperation with an individual who had the management of parking in the area of Courts due to existing debts. On 24.02.2020, ETAD started operating the parking with its own means.

Seizure of a pledged amount

On 24.06.2020 the Municipality of Marathon, with which ETAD is involved in a court case, proceeded to the seizure and withdrawal of a pledged amount of €2,717,454.65 from a company's bank account. ETAD has filed an objection against this seizure attachment, which is expected to be examined on 12.11.2020. At the same time, ETAD has filed a second appeal before the Administrative Court of Appeal of Athens, against the initial decision to impose municipal and compensatory fees, which is expected to be heard on 14.01.2021.

CMFO

Due to the change in the possibilities provided by the legislation, CMFO abandoned the cleaning model through fixed term contracts and following an international tender, a contract with a private contractor was signed for the cleaning of the Central Market of Athens and the fisheries of Piraeus, Thessaloniki and Kavala, at an annual fee of €2,190,000 plus VAT.

CMT

Decision of the Region of Central Macedonia regarding the street in front of the northern entrances of the company

According to a document of the Region of Central Macedonia with Protocol No 13276 (2048)/28-02-2020 notified to CMT, CMT was informed regarding the street in front of the Northern Entrances (P3, P4 & P5) of CMT, that it is CMT's property, but in fact it has been put into common use for decades, serving as a rule the access to the facilities of CMT. During the elaboration procedures of the studies of A/K K16, as well as the declaration of the Expropriation, no action was initiated for this road, as it was not part of the final planning of the Project. Therefore the amount of approximately 215 acres mentioned in the property's valuation report with a reference date on 31.12.2019, is now delimited to to 221,025 sq.m.

ELTA

Receivables from the Universal Service

On 23.01.2020 EETT, with its decision 920/020, proceeded to the verification of the USNC for 2018 in the amount of €34,235 thousand. On 11.03.2020 article 85 of L.4674/2020 (GG A 53/11.03.2020) amends article 8 of L.4053/2012 as follows:

A) In the first and fourth indent of paragraph 6 of article 8 of L.4053/2012 (A' 44) the phrase "until 2019" is replaced by the phrase "until 2020".

B) In the second indent of paragraph 6 of article 8 of L.4053/2012 the phrase "2018 and 2019" is replaced by the phrase "2018, 2019 and 2020".

C) After the sixth indent of paragraph 6 of article 8 of L.4053/2012, a new indent is added as follows: "For the year 2020 the above amount can be deposited to the universal service provider, at its request to the General Secretariat of Telecommunications and Posts of the Ministry of Digital Government, before the verification of the net cost of the provision of the universal postal service by EETT, if the Authority provides, based on the cost - financial data of the provision of the universal postal service during the first quarter of 2020 and in combination with the annual net cost of the universal postal service for the years 2013 to 2017, that the relevant costs for the year 2020 will exceed the amount of fifteen million (15,000,000) euros. If the request is submitted before the expiration of the first quarter of the year, then EETT takes into account for the forecast the cost-financial data of the universal postal service of the previous year".

On 13.04.2020 EETT, with its decision with P.N. 932/004, confirmed that based on the submitted cost - financial data of the universal postal service for 2019, in combination with the verified annual net cost of the universal postal service for the years 2013 to 2018, the net cost of the universal postal service provided, will exceed the amount of fifteen million (15,000,000) euros for the year 2020.

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.

On 30.06.2020, the model for calculating the Net Cost of the Universal Postal Service (NCUPS) for the year 2019 was sent by ELTA to EETT. Based on the result of this model, the total compensation required for the provision of the Universal Postal Service for the year 2019 amounts to € 53,038 thousand.

Liquidation of KEK ELTA

On 16.03.2020 the BoD of ELTA decided to convene an Extraordinary General Meeting of the shareholders of KEK ELTA Societe Anonyme with the sole topic the dissolution of the company and the appointment of a liquidator in accordance with article 121, Law 4548/2018.

OASA

Due to the pandemic and in order to ensure the proper functioning of urban transports in the context of these emergency situations, OASA through letters sent to the Ministry of Infrastructure and Transport and to the Ministry of Finance - General Accounting Office of the State applied for an extraordinary subsidy for the months March, April and May 2020. As a follow up of these letters, the Greek State, within June 2020, proceeded in payment to OSY and STASY of a collective amount of € 25.7 million. In addition, in July 2020 credits of € 0.9 million were approved for OASA S.A.

On July 31, 2020, Law 4714/2020 was voted, which article 110 replaces article 86 of Law 4530/2018 and regulates the exemptions and compensations regarding the payment of fare on public transport for various categories of beneficiaries. According to the existing provisions, the loss of income of the transport providers from the relevant exemptions is compensated. The compensation, recognized as income, is granted annually and for its determination, the providers make available to the Ministry of Infrastructure and Transport the travel data of the previous year. By joint decision of the Ministers of Finance and Infrastructure and Transport, which is an annual contract between the Greek State and the competent transport provider, determine the amount of compensation, the method of calculation and the procedure for granting it. Any claims of previous years of transport service providers, from transports of passengers with full or partial exemption of fare, are not requested.

With a Legislative Instrument (PNP) published on 22.8.2020, OASA has the opportunity to proceed with the conclusion of contracts for the provision of transport work, rental of buses and provision of training services to professional drivers. These contracts shall be deemed to meet the condition of an urgent need due to an unforeseen circumstance. In addition, OASA has now the opportunity, in order to encounter the increased needs due to COVID-19, to hire staff under a private law contract for an indefinite period of time, for specific specialties from the companies OASA, OSY, STASY. The main reason is to further increase the frequency of public transport services to meet the increased needs due to COVID-19.

37. Approval of the Financial Statements

The company and consolidated Financial Statements for the period ended 31.12.2019 were approved by the Board of Directors of the Hellenic Corporation of Assets and Participations S.A. on 26.08.2020.

Athens, 26 August 2020

The Chairman of the Board of Directors	**The Chief Executive Officer and Member of the Board of Directors**	**The Executive Director Member of the Board of Directors**
George Diamantopoulos ID No. M299970	Ourania Ekaterinari ID No. T222068	Stefanos Giourelis ID No. AK142391

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

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