Athens, 13 October 2021

Hellenic Corporation of Assets and Participations (HCAP) financial Results for the financial year 2020 (consolidated and standalone)

- ***HCAP recorded net consolidated profits of €56.8 million for the financial year 2020, as the improvement in its subsidiaries' performance that was observed at the beginning of 2020 was halted by the pandemic.***
- ***The resolution of the outstanding issues of Hellenic Post's Universal Service for years 2013– 2020 and EYDAP's raw water costs for years 2013 – 2020 had a significant impact on the results of financial year 2020.***

HCAP recorded net consolidated profits of €56.8 million for the financial year 2020. Consolidated results were impacted by the outbreak of the pandemic, which halted the acceleration of the improvement in performance of its subsidiaries seen in early 2020 and had a strong impact on sectors such as transportation, real estate asset management, etc. All Group's companies focused on mitigating the impact of the pandemic on their financial performance, through an effort to restrain revenue decline and rationalize expenses. At the same time, provision of services and goods vital to citizens (water supply, transportation, postal and related services, central food markets) continued smoothly, throughout the period of the restrictive measures.

Specifically, during 2020, the performance of the Corporation and its subsidiaries was as follows:

- The Group's consolidated recurring turnover during the year 2020 amounted to €957 million, down 11% from €1.07 billion for the 2019 financial year, as a result of the impact of the pandemic on the revenues of the subsidiaries, with greater impact on the revenues of public transport and the real estate sector (due to the legally mandated discounts on rents and the cancelation of exhibitions). The decline in recurring revenue was offset by an income of €166.6 million that was recognized following the resolution of the pending issue of the Universal Service offered by Hellenic Post for the years 2013-2019.
- The Group's gross profits amounted to €361 million, increased by 79% compared to €201 million in 2019, due to the resolution of the pending issue of the amount paid by the Greek State for the Universal Service offered by Hellenic Post for the period 2013-2019.
- Profits after taxes amounted to €56.8 million in 2020, down from €191.7 million in the previous financial year, due to :
    a. the non-recurring expenditure related to the provision for the additional cost of raw water for the 2013-2019 period, amounting to €135.3 million for EYDAP (and a further €22.2 million for the year 2020 included in cost of sales),
    b. losses of €30.8 million from valuation of investment property (as compared to earnings recorded in the previous financial year), and
    c. the incorporation of losses from the affiliated company Athens International Airport, compared to significant earnings the previous year.
- As regards the parent company, its turnover amounted to €35 million in 2020, down from €61 million in the previous year, which is mainly attributed to not receiving a dividend within 2020 from Public Properties Company and Athens International Airport, despite their strong profitability the previous year. Net profits amounted to €30 million for 2020, down from €57 in 2019.

- Based on HCAP S.A.'s net earnings for the financial year 2020, the provisions of its founding Law 4389/2016, and its investment policy, the proposed distribution of profits and dividend to the Greek State amounted to €22,2 million was approved during the Ordinary General Meeting.

The pandemic and the restrictive measures continue to affect all sectors in which the companies in HCAP's portfolio operate, throughout 2021. For most of these companies, the second half of the year saw significant developments regarding the implementation of their investment programmes. Developments in 2021 to date, per business sector, are summarized as follows:

Utilities Sector: 2021 is characterized by a very successful return of PPC to the markets, the acceleration of its transformation, as well as its credit rating upgrade. The framework agreement between EYDAP and the Greek State ensuring the price of raw water for the 2021-2040 period is in the process of finalization, which also marks the commencement of the company's transformation. Finally, the implementation of EYATH's investment plan for the upgrade of its water supply system, including repair of the Aravissos aqueduct and the implementation of the Scada telemetry systems, is proceeding.

Real Estate & Asset Development sector: When the new **HRADF** Management took office, a number of projects of major importance were quickly launched. (The sale and transfer of Hellinikon S.A. to HELLINIKON GLOBAL I S.A. The sale of Egnatia Odos for a price of €1,5 billion. The sale of 100% of DEPA INFRASTRUCTURE for €733 million. Accelerated procedures for the Kalamaria marina concession). **The Hellenic Public Properties Company (HPPC)** completed the concession of its asset property at Skaramangas Shipyards for a final price of €37.3 million (+21.5% from starting price). At the same time, the company's business units were gradually reopened (Akti Vouliagmeni, Achilleion Museum, the Fanari and Asprovalta Campgrounds, etc.). **GAIAOSE** signed a lease agreement with the Municipality of Agioi Anargyroi for land surrounding the former railway station, while **TIF** successfully completed the first COVID-free fair at its exhibition centre.

Food & Supply Sector: The Central Market of Thessaloniki (CMT) secured a significant grant from the Green Fund to support the "SOCIAL PLATE" initiative (amounting to €310 thousand in total), with the aim of reducing food waste and supporting vulnerable groups. **The Central Market and Fishery Organization (CMFO)** delivered to professional fishers and fish traders in Northern Greece projects for the improvement of the facilities of the Nea Michaniona fish wharf in Thessaloniki, **amounting to more than €4 million**. In 2021, **HELLENIC SALTWORKS** is recovering in terms of performance and laying the foundations for further growth.

Postal Services Sector: Hellenic Post (ELTA) Group is ushering in a new era, as the new robot installation investment for hybrid sorting went into operation at the company's sorting centre in Krioneri. At the same time, the new Mobile Application for its customers was launched by ELTA Courier.

Transport & Infrastructure Sector: Transport for Athens (OASA Group) has launched customer satisfaction surveys. At the same time and during the pandemic, it is emphasising on customer service, through the gradual introduction of new buses – through Leasing – into its vehicle fleet, as well as strengthening of its human resources. With regard to the development of the **23 regional airports**, the tender for the selection of a preferred advisor consortium for Kalamata airport was successfully completed. Finally, studies for restoration of the Corinth Canal are proceeding. During August 2021, the company was granted a loan from Piraeus Bank to cover its operational needs, with HCAP's assistance.

Sustainable Development Initiatives and Strategy: The development of a comprehensive strategy and operational framework for sustainable development (ESG) for the parent company, as well as the tools for their incorporation into the subsidiaries, is already under way.

- The strategy being planned will be in full compliance with the Paris Agreement and the EU Green Deal, and will aim at integrating sustainable development practices throughout the company's portfolio, management procedures and investment decisions.
- HCAP joined the Task Force on Climate Related Disclosures (TCFD) and One Planet for Sovereign Wealth Funds, a climate alliance in which all significant international public investment funds participate.

Finally, the process for the submission for approval of HCAP's Strategic Plan to its Sole Shareholder, the Ministry of Finance, is under way. The process is expected to be completed in the immediate future.

<u>A few words about HCAP</u>

HCAP is a holding company established in 2016 with the Greek State as its sole shareholder, as represented by the Minister of Finance. Its mission, as the Greek State's Investment Fund, is to: play an active role in the modernisation of Public Enterprises, maximise the value of public property, ensure enhanced services for citizens/consumers and contribute to the national economy. HCAP's portfolio includes subsidiaries and holdings in public enterprises that are active in key sectors of the Greek economy, such as ***Real Estate & Asset Development****: Hellenic Republic Asset Development Fund (HRADF), Hellenic Public Properties Company (HPPC), GAIAOSE, ETVA-VIPE, TIF HELEXPO,* ***Energy and Utilities:*** *PPC, EYDAP, EYATH,* ***Transport and Infrastructure:*** *Athens International Airport, Transport for Athens (OASA Group), AEDIK, 23 Regional Airports,* ***Food Supply:*** *CMT, CMFO, Hellenic Saltworks,* ***Technology:*** *5G (PHAISTOS), and* ***Postal Services:*** *HELLENIC POST. The value of the portfolio managed by HCAP currently stands at €6 billion, and its companies have a total of 31,000 employees.*