



HELLENIC REPUBLIC ASSET
DEVELOPMENT FUND

A. REPORT OF THE "HELLENIC REPUBLIC ASSET DEVELOPMENT FUND S.A. (HRADF)" FOR THE PERIOD 01/07/2019 – 30/09/2019

Results of the period

Summary

During the third quarter of 2019, the privatization program proceeded and progress was made in tenders that have been completed, with the aim of accelerating the signature of final contracts, as well as of the maturation of projects.

Progress of the Privatization Program

In particular, with regard to privatization contracts relating to **infrastructure** and **corporate portfolio**:

1. Athens International Airport

On 28.06.2019, HRADF published Call for Expression of Interest for the sale of the 30% held by AIA.

2. Egnatia Motorway (Egnatia Odos)

On 25/07/2019, the HRADF Board of Directors, following the recommendation of the Directors, decided to amend the Invitation to Submit Binding Offers, in accordance with the recommendation of the Directors, which related to the new extension of the Deadline for the Invitation to Submit Binding Offers until 21/02/2020, due to outstanding issues and delays related to tender requirements.

3. UNDERGROUND STORAGE OF THE PREFECTURE OF KAVALA

HRADF and its Advisers are in contact with the Hellenic Ministry of Environment and Energy regarding the preparation of the required legislation and the draft Joint Ministerial Decision (JMD) as required by Energy Law (L. 4001/11), which will apply the framework of the tender procedure for the concession and operation of the future underground storage. The publication of the JMD is a prerequisite for HRADF to proceed with the tender procedure.

4. PORT AUTHORITIES

In September 2019, the Fund assigned the project Advisors to conduct an exploratory study among three alternative exploitation proposals, namely through: (a) sub-concession of activities, (b) total concession or (c) sale of a majority stake, for each Port Authority.

5. TOURIST PORTS

Marina in Chios

The signing of the Concession Agreement and the financial closing is expected in February 2020.

Marina in Thessaloniki

The Strategic Environmental Assessment has been submitted to the Ministry of Tourism and will soon be consulted through the Ministry of Environment. The Tender is expected to start in the first quarter of 2020. At the same time, the licensing of the marina will proceed.

Marina in Alimos

The signature of the Concession Agreement and the financial closure of the transaction are expected in 2020.

Marina in Mykonos

HRADF has hired a qualified consultant, in order to consider the optimal way of concession.

Marina in Rhodes

HRADF has hired Legal, Financial and Technical Advisor. A technical and legal due diligence is carried out.

Marina in Itea

The Fund is in the second phase of the tender process. The elaboration phase of the of the Concession Agreement is expected to begin.

Marinas in Argostoli and Zakynthos

The two marinas are in the maturing process, in support of the required HRADF Board of Directors decision, for the relevant Call for Expressions of Interest.

6. PROPERTIES

Hellinikon SA

In August, the Joint Action Plan process was completed and the four necessary Joint Ministerial Decisions (JMDs) were issued for the spatial planning and development of the development and planning areas, for the casino and for the general provision of the Metropolitan Park (Hellenic Ministry of Finance/Hellenic Ministry of Environment and Energy/Hellenic Ministry of Culture and Sports). Also in August, the correction of the constitution of the institutional limit of Ag. Kosmas Metropolitan Pole, L. 4062, was completed in co-operation with the Land Registry.

Property in Tavros at Koryzi & Thrakis streets

The property is in the tender process for the transfer of full ownership since 10/06/2019 and with a deadline for bids on 17/01/2020.

Property in Thermopyles

An act of forest characterization of the property is expected, in order to determine the area to be exploited and the Special Plan of Spatial Development for the Public Property to be prepared by the Technical Advisor.

North Afandou

The signing of the SPA's and the financial closure are expected following the issuance of a MD by the Hellenic Ministry of National Defense and the resignation of the bidder from the use of the seashore-beach.

O.I.K. Markopoulou

In February 2019, the Strategic Environmental Assessment was forwarded to the Directorate of Environmental Licensing for consultation. Consultation is in progress.

Castello Bibelli

On 15/04/2019, a special-purpose company was established, to which the right of surface and ownership of property was infringed. The financial closure of the transaction, which is expected at the beginning of 2020, is pending.

Xenia & Medicinal Waters of Kythnos

In December 2018, a new tender procedure for the transfer of the surface right was launched for 99 years. From the sole bidder on 25/09/2019 an improved financial bid has been requested.

Property in Loutropolis, Kamena Vourla

The study of the Special Plan of Spatial Development for the Public Property and the Strategic Environmental Assessment was completed and a first presentation was made at the Joint Action Plan on 30/10/2019. The Government Gazette to recognize the medicinal waters is expected by the Ministry of Tourism.

Property Camping, Kamena Vourla

Determination of the boundaries of the property based on the finality of the claims that have been filed. Preparation for the start of the study of Special Plan of Spatial Development for the Public Property and Strategic Environmental Assessment. The HRADF was requested to address the issue of the sewage treatment plant, the waste of which discharges in front of the property. The Government Gazette to recognize the medicinal waters Mylos, Koniaviti, is expected by the Ministry of Tourism.

An effort is being made to expand the uses, which fall within the concept of Special Tourist Infrastructure Installation in order to attract more categories of investors.



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Gournes in Irakleio, Crete

On 21.11.2019, the new consultation process of the updated Strategic Environmental Assessment has started, and the issue of the Directorate of Environmental Licensing/Hellenic Ministry of Environment and Energy recommendation on the use of the Casino is pending. Following the issuance of the Directorate of Environmental Licensing/Hellenic Ministry of Environment and Energy recommendation on the Strategic Environmental Assessment, and the incorporation of its terms into the draft Presidential Decree, the latter will be presented to the Central Management Board for the Exploitation of the Greek Government Property. Subsequently, the Fund may initiate a bidding procedure for the utilization of the property on the basis of which it will be possible - without obligation - to materialize within the Casino investment.

Antirrio

The property, following the investor interest procedure, is expected to be included in the bidding process in the 1st quarter of 2020.

Peraia

The government-designated property will be returned to the Greek State and then granted to the Alexandria Innovation Zone for the creation of a technology park (thess intec).

E-auction

The signature of the Long Term Lease (50 years) for the Parcel E7 of the Sanatorium of Mana, (adjacent to the Parcel E6 with the recently proclaimed Newer Monument, demolished building) by the same Investor.

The signing of the Contract for the property in Nafplio is also imminent upon the recommendation of the Special Committee of Article 12, para. 1, L. 4178/13 (Committee for the Control of Unlawful Constructions for the Protection of Cultural Environment) and the issuance of the relevant Declaration on the Settlement of Unlawful Constructions at property.

7. Other Properties

Pretoria

In response to the international competition, 2 binding bids were submitted, while the HRADF requested improved bids. Improved bids were submitted on 27/05/2019, and on 30/05/2019 the preferred investor was announced. The sale's agreement signed on 05/07/2019. The financial closure of the transaction is pending.

8. Contract Monitoring Unit

The Contract Monitoring Unit, in accordance with the addition of Article 5a to the law of HRADF (L. 3986/2011) in 2014, has the responsibility to support and assist the Greek State in the execution of the contracts. The projects to be monitored in its portfolio that generate the most workload relate mostly to concession projects, share buybacks and shareholder agreements.

Projects under the supervision of the Contract Monitoring Unit

- **Concession of 14 Regional Airports:** Concession contract for the exclusive right to upgrade, maintain, manage and operate 14 regional airports in the Greek Territory for a period of 40 years. Collection of price and renewal of letter of guarantee as provided.
- **Concession of Mutual Betting on Horse Races** Concession agreement for the exclusive right to organize and conduct mutual betting on horse races in Greece for a period of 20 years. A decision is expected by the Greek Court of Audit regarding the possibility of signing a modification contract following L. 4608/2019. Renewal of letter of guarantee as provided.
- **State Lottery Operations Concession:** Concession contract for the exclusive right of production, operation, circulation, promotion and management of State Lotteries for a period of 12 years.
- **Sale of shares - OPAP S.A.:** Contract for the sale of 33% of OPAP S.A. Arbitration continued by Emma Delta, buyer of 33% of OPAP shares, regarding compensation claims based on the provisions of the share purchase agreement.
- **Sale of shares - Piraeus Port Authority S.A.:** Contract for the sale of 67% of Piraeus Port Authority S.A. in two stages (51% and 16%). Designation of HRADF as a Design Authority for Piraeus Port Authority S.A.
- **Sale of shares - Thessaloniki Port Authority S.A.:** Contract for the sale of 67% of Thessaloniki Port Authority S.A. Designation of HRADF as a Design Authority for Thessaloniki Port Authority S.A.
- **Sale of shares - OTE S.A.:** Contract for the sale of 5% of OTE S.A.
- **Sale of shares - TRAINOSE S.A.:** Contract for the sale of 100% of TRAINOSE S.A.
- **Sale of shares - EESSTY S.A.:** Contract for the sale of 100% of EESSTY S.A. As above.
- **Sale of shares - DESFA S.A.:** Contract for the sale of 31% of DESFA S.A.
- **Long term lease** for 50 years of Sanatorium Mana property in Arcadia.
- **Long-term lease** for 30 years of XEY 8 property in Chalandri.
- **Modiano Market:** Sale of 45% of the Special Purpose Company (SPC) shares that manages the market. The building permit is expected to be issued to pay the second installment. The letter of guarantee for the rest of the financial consideration has been renewed.



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- **Xenia, Skiathos:** Surface right sale and pre-agreed ownership sale as soon as the hotel comes into operation. Completion of ownership transfer procedures.
- **Sale and lease back of 28 properties** of the State to the National Bank and Eurobank Bank groups. Regarding the SLB contract of the Eurobank group (Grivalia Properties Real Estate Investment Company), the assignment of a Technical Advisor is expected for the drafting of Master Plan to change the use of the Property of the Ministry of Education in Marousi.
- **Property in Kassiope** Appointment of an expert to determine the value of the paths and pending the issuance of a decision of the Administrative Court of Ioannina regarding forest or non-forest area designation within the property.
- **Property in Paliouri** Pending the Forest Technical Board to issue a decision on whether or not to designate a forest area within the property.



B. FINANCIAL STATEMENTS FOR THE PERIOD 01/07/2019 – 30/09/2019
Financial Results

In the third quarter of 2019, HRADF recorded losses of € 1,337 thousand against losses of € 1,109 thousand in the corresponding period of 2018, while cumulative results for the period 1.1.2019-30.09.2019 amounted to profit of € 2,482 thousand against profit of € 401 thousand for the corresponding period of 2018.

It is noted that HRADF's revenue, and in particular the HRADF's remuneration to cover its operating expenses, which amounts to 0.5% of the asset value for the period under review, is calculated on the certified fee.

The Statement of Comprehensive Income is as follows:

	<i>amounts in euro</i>	<i>amounts in euro</i>
	01.07.2019- 30.09.2019	01.07.2018- 30.09.2018
Turnover – Sales	284,415	302,782
Cost of Sales	(1,618,470)	(1,465,852)
Gross Profit/(Losses)	(1,334,055)	(1,163,070)
Other operating revenue	2,298	276
Other operating costs	(1,839)	(609)
Operating Profit/(Losses)	(1,333,596)	(1,163,403)
Financial income	0	56,345
Financial expenses	(2,951)	(1,608)
Net Profit/(Losses) before Taxes	(1,336,547)	(1,108,666)
Income Tax	0	0
Net Profit/(Losses) after Taxes	(1,336,547)	(1,108,666)
Other total income (net, after taxes)		
Actuarial gains/(losses) from provision of compensation to staff	0	0
Aggregate Total Income of the Period	(1,336,547)	(1,108,666)

Transactions from asset valuations made during the period considered

	Fee
Distribution from contingency reserve of the Port Authority of Patras	2,000,000
Dividend distribution from accumulated past earnings of the Port Authority of Igoumenitsa	3,000,000
Budgetary Regional Airport Concession Fee (01.07.2019-30.09.2019)	5,725,000
Total amounts	(10,725,000)