Annual Financial Report
for the 2017 fiscal year
(January 1st, 2017 – December 31st, 2017)

Prepared in accordance with Article 4 of Law 3556/2007

Company Registration No.: 13165/06/B/86/14
Registered in: 4 Erythrou Stavrou Street & Kifisias Avenue, 15123 Marousi, Attica, Greece

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A. Statements by Board of Directors Representatives

The Company's Board of Directors representatives proceeded with the following statements, in accordance with Article 4(2) of Law 3556/2007, as currently in effect:

1. Athanasios Papanikolaou, Chairman of the Board of Directors
2. Georgios Politis, Vice-Chairman of the Board of Directors
3. Andreas Kartapanis, CEO

We, the undersigned, in our said capacity, and having been appointed for this purpose by the Board of Directors of HYGEIA SA, do hereby declare and certify that, as far as we are aware:

α. The accompanying annual separate and consolidated financial statements of HYGEIA SA for the annual period 01/01/2017- 31/12/2017, prepared in accordance with the accounting standards in force, accurately reflect the assets and liabilities, equity and fiscal year results of the Company, as well as the companies included in the consolidation and considered as one.

β. The accompanying Board of Directors report accurately reflects the development, performance and position of the Company, as well as the companies included in the consolidation and considered as one, including the description of the main risks and uncertainties they may be facing.

Marousi, April 24, 2018

Certified by

Athanasios Papanikolaou	Andreas Kartapanis	Georgios Politis
Chairman of the Board of Directors	CEO	Vice-Chairman of the Board of Directors
Passport No. AN4135328	ID Card No. AE140679	ID Card No. AM576467

B. Financial Statements & Auditor Report

To the shareholders of the company Diagnostic and Therapeutic Center of Athens HYGEIA SA

Report on the Audit of the Separate and Consolidated Financial Statements

Opinion

We have audited the accompanying separate and consolidated financial statements of Diagnostic and Therapeutic Center of Athens HYGEIA SA (the Company), which comprise the separate and consolidated financial position statements as at December 31, 2017, and the separate and consolidated statements of comprehensive income, changes in equity and cash flows for the fiscal year then ended, including a summary of significant accounting policies and selected explanatory notes to the financial statements.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company and its subsidiaries as at December 31, 2017, and the financial performance and cash flows for the year then ended, in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis of Opinion

We conducted our audit in accordance with International Auditing Standards (ISAs), as incorporated in the Greek law. Our responsibilities, under these standards are further described in the "Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements" section of our report. We remained independent of the Company and its subsidiaries, during the whole period of our audit, in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) as incorporated in the Greek law, and we have fulfilled our ethical responsibilities in accordance with current legislation requirements and the aforementioned Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and consolidated financial statements of the current year. These matters and the related risks of material misstatement were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not express a separate opinion on these matters.

Key Audit Matters	How our audit addressed the key audit matter
Assessment of impairment of non-current assets	
As at December 31, 2017, the Group has recognized goodwill of €82.7m, intangible assets of €65.4m (Company: €1.3m) and tangible assets of €133.4m (Company: €68.8m). Further, as at December 31, 2017, the Company has recognized investments in subsidiaries of €124.5m. In accordance with the IFRSs, at the end of each reporting period, the Management performs impairment tests for goodwill and intangible assets with indefinite useful life, while for intangible assets with definite useful life, tangible assets and investments in subsidiaries impairment tests are performed only when relevant indications exist. The abovementioned assessment requires a significant level of judgment. The impairment test requires the identification of the recoverable amount of each Cash Generating Unit (CGU) as the higher of the fair value less costs to sell and value in use. The assessment requires judgment by the Management regarding the future cash flows for each CGU (relating to variables as revenue growth rate, capital and operating expenditures and the requirements of the relevant legal framework affecting their operation) and the discount rates applied to future cash flows. Due to the importance of these financial statements items and the Management's use of assumptions and estimates, we consider the impairment assessment of the abovementioned financial statement items as one of the key audit matters. Group and Company disclosures relating to the accounting policy, judgments and estimates used for the impairment assessment of the abovementioned assets are included in notes 7.5, 8.1, 8.3, 8.4 and 12.2 of the financial statements.	Our audit approach included, among others, the following procedures: • We assessed the Management's estimates regarding the existence of impairment indications for these non-current assets. • For those CGUs that impairment indications existed, we evaluated: i) the appropriateness of the methods applied for the identification of recoverable amount and ii) the reasonableness of the key assumptions and estimates of future cash flows. • We evaluated the reliability of the Management's estimates during the preparation of the business plans, which are the foundation for the valuations. Among others, we compared and analyzed the budgeted estimates/forecasts to the actual performance of the CGUs. • For the abovementioned procedures we used a Grant Thornton expert, where it was deemed appropriate. • We assessed the adequacy of the related disclosures in the financial statements.

Key Audit Matters	How our audit addressed the key audit matter
Recoverability of Trade Receivables	
As at December 31, 2017, the Group and the Company have recognized trade receivables of €92.2m and €65.4m respectively against which provision for impairment amounting to €27.9m and €18.8m has been recognized. In addition, as a result of the application of Article 100(5) of Law 4172/2013 and the subsequent related ministerial decisions (claw-back and rebate), the Group and Company trade receivables from the National Organization for Healthcare (EOPYY) for the period 2013-2017 have been impaired through credit invoices and provisions with the accumulated amount of €110.2m and €57.7m respectively. At each reporting date, the Management assesses the recoverability of the abovementioned Group and Company receivables so they may be reflected at their recoverable amount, a process which involves significant judgments and estimates. In this context, and combined with the importance of this item in the financial statements, we assessed the recoverability of trade receivables as one of the key audit matters. Group and Company disclosures regarding the accounting policy, judgments, and estimates used for the recoverability assessment of trade receivables are included in notes 8.9 and 8.10 and 12.9 of the financial statements.	Our audit approach included, among others, the following procedures: • We evaluated the Management's procedures regarding the monitoring of trade receivables and the assessment of their recoverability. • We assessed the Management's estimates regarding the recoverability of trade receivables. During this process, we evaluated among others, the estimates provided by legal consultants addressing the receivables for which legal proceedings have been initiated. Specifically for the provision of claw-back on the receivables from EOPYY, we evaluated historical information of receipts and relevant informative notices for claw-back and rebate that have been notified to the Group by EOPYY. • We assessed the adequacy of the related disclosures in the financial statements.

Key Audit Matters	How our audit addressed the key audit matter
Revenue Recognition	
We focused on this area due to the volume of transactions, the complexity of the pricing system, and the large number of approved pricelists per counterparty (EOPYY, private customers and insurance companies). For the abovementioned reasons, revenue recognition was considered as one of the key audit matters. Group and Company disclosures regarding revenue recognition, are included in notes 7.15 and 12.24 of the financial statements.	Our audit approach included, among others, the following procedures: • We obtained an understanding of the internal controls which have been designed by the Management and are relevant to the revenue recognition from healthcare services. • We tested the design and operating effectiveness, the key internal controls which cover procedures for the provision of healthcare services, and the application of relevant pricelists and appropriate pricing. • We performed among others, the following analytical procedures: (i) we tested on a sample basis the accuracy of pricing according to the approved pricelists, (ii) we performed revenue analytical procedures for the identification of potentially unusual fluctuations, and (iii) we tested revenue cut-off in the appropriate accounting period according to the provision of services.

Other Information

Management is responsible for the other information. The other information included in the Annual Financial Report comprises of the Management Report of the Board of Directors, which is mentioned in the “Report on Other Legal and Regulatory Requirements” and the Representations of the Members of the Board of Directors, but do not include the financial statements and the auditor’s report thereon.

Our opinion on the separate and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on our audit, we conclude that there is a material misstatement therein, we are required to communicate that matter. We have nothing to report, regarding the aforementioned matter.

Responsibilities of Management and those Charged with Governance for the Separate and Consolidated Financial Statements

The Management is responsible for preparing and fairly presenting the separate and consolidated financial statements in accordance with the IFRSs, as adopted by the European Union, as well as the internal controls that the Management deems necessary so that the separate and consolidated financial statements are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, the Management is responsible for assessing the Company's and 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 there is an intention to liquidate the Company or the Group or to cease operations, or there is no realistic alternative but to do so.

The Audit Committee (Article 44 of Law 4449/2017) of the Company is responsible for overseeing the Company's financial reporting process.

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 a whole 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 the ISAs, as incorporated in the Greek law, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, as incorporated in the Greek law, we exercise professional judgment and maintain professional skepticism throughout the 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 for one 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 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 the 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 or 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 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 of the Group to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the separate and consolidated 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 the financial information of the entities or business activities within the Company and the Group to express audit opinions on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

1. Management Report of the Board of Directors

Taking into consideration that the Management is responsible for the preparing the Management Report of the Board of Directors for the year ended 31 December, 2017, according to the provisions of Article 2(5) of Law 4336/2015 (part B), we note the following:

α. The Management Report of the Board of Directors includes a statement on corporate governance, which provides the information stipulated in Article 43bb of Codified Law 2190/1920.

β. In our opinion, the Management Report of the Board of Directors has been prepared in line with the legal requirements in force, stipulated in Articles 43a and 107A, as well as Article 43bb(1c and d) of Codified Law 2190/1920, and its content is consistent with the accompanying financial statements for the fiscal year ended on 31/12/2017.

γ. Based on the knowledge obtained from our audit, regarding the company Diagnostic and Therapeutic Center of Athens HYGEIA SA and its environment, we have not identified any material misstatements in the Management Report of the Board of Directors.

2. Complementary Report to the Audit Committee

Our audit opinion on the accompanying separate and consolidated financial statements is consistent with the complementary report to the Company's Audit Committee in accordance with Article 11 of the European Union (EU) Regulation 537/2014.

3. Provision of Non-Audit Services

We have not provided the prohibited non-audit services referred to in Article 5 of EU Regulation 537/2014.

The permitted non-audit services that we have provided to the Company and its subsidiaries during the fiscal year that ended on December 31, 2017 are disclosed in note 12.25 of the accompanying separate and consolidated financial statements.

4. Auditor's Appointment

We were first appointed statutory auditors by the Annual General Meeting of the Company on 18/07/2006. Since, we have been appointed as the statutory auditors for a total period of 12 years, based on the decisions of the Annual General Meetings of the shareholders.

Athens, April 24, 2018

Certified Accountants

Dimitra Pagoni	Dimitris Douvris
ICPA (GR) Reg. No. 30821	ICPA (GR) Reg. No. 33921

Ορκωτοί Ελεγκτές Σύμβουλοι Επιχειρήσεων
Ζεφύρου 56, 17564 Παλαιό Φάληρο
Α.Μ. ΣΟΕΛ 127

C. Annual Board of Directors Report

Annual Report of the Board of Directors
for DTCA HYGEIA SA
on the separate and consolidated financial statements for the 2017 fiscal year

Dear shareholders,

In accordance with the provisions of Codified Law 2190/1920, Article 43a(3), Article 107(3) and Article 136(2), the provisions of Law 3556/2007, Article 4(2c, 6, 7 and 8), as well as Hellenic Capital Market Commission Decision No. 7/448/11.10.2007, Article 2, and the Company's Articles of Incorporation, we hereby submit the Board of Directors Annual Report for the closed fiscal year 01/01/2017 to 31/12/2017.

This report outlines the financial information for the Group and the Company for the 2017 fiscal year, as well as the significant events that took place during this period and the impact thereof on the annual financial statements. It also describes the main risks and uncertainties that the Company may face in the 2018 fiscal year and provides the major transactions conducted between the Company and its related entities.

(A) FINANCIAL DEVELOPMENTS AND PERFORMANCE DURING THE REPORTING PERIOD

1. Review of Operations for the Fiscal Year 01/01/2016-31/12/2017

In the current economic environment, and with the anticipation that the growth rate of the Greek economy will improve, which would ensure economic growth and business trust, HYGEIA Group has fully responded to the challenges and continues to record significant operating profitability for yet another year, validating that it has risen successfully to the major challenges in the sector and has managed efficiently the strategic choices of the Management.

According to a recent sector survey conducted by ICAP (September 2017, p. 128) for private healthcare services, for a third year running, parent company Diagnostic and Therapeutic Center of Athens HYGEIA SA was ranked 1st among 20 sector companies in terms of EBITDA (earnings before interest, taxes, depreciation and amortization) and 1st in terms of equity, strengthening the leading position it holds in the sector, while rewarding the targeted choices of the Management for ongoing improvement of its financials.

In 2017 yet again HYGEIA Group gave priority to maintaining adequate liquidity, expanding the services it offers and continuously developing its financial structure, coupled with striving to constantly improve the quality of its services, focusing on implementing new technologies.

The continued delay in repayments by the National Organization for Healthcare (EOPYY) and the delay in implementing the necessary cooperation standards so that the HYGEIA Group Management is able to identify its position in the market and schedule future actions continue to act as inhibiting factors towards the further operating growth of the Group. Moreover, the unilateral, on the part of the Greek state, decision to extend the implementation of the rebate and claw-back mechanisms until December 31, 2018, in accordance with Article 100 of Law 4172/2013 (GG/A/167/2013), has further marred the expectations of the Group in terms of the amounts due by EOPYY.

These sectoral problems, combined with the broader business and social landscape, where there have been delays observed in taking action, have led to uncertainly as to whether higher economic growth rates may possible be achieved and trust may possibly be restored in the long run.
In the near future, the core of the HYGEIA Group strategy consists of: (1) further reinforcing the leading role of the Group in Greece, by providing top healthcare services, (2) maintaining adequate liquidity, by expanding business partnerships and capitalizing on the competitive edge the Group has within its sector, (3) continuously increasing the operating efficiency of the business activities of the Group companies, combined with the cost benefits stemming mainly from maximizing synergies within HYGEIA Group, and (4) seizing any investment opportunities that may arise.

The consolidated and separate financial figures include the impact from the implementation of the rebate and claw-back mechanisms on the corresponding items, in line with Article 100 of Law 4172/2013, and are listed below.

Revenue: On a consolidated level, revenue from continuing operations for 2017 amounted to approximately €206m, as opposed to €205.9m in 2016. Revenue for the Company amounted to €125.2m, compared to €126.0m for the same period last year.

Gross Profit: Consolidated gross profit from continuing operations increased by 9%, reaching €36.2m, as opposed to €33.2m in 2016. Respectively, gross profit for the Company amounted to €26.7m, as opposed to €22.8m last year.

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA): Consolidated EBITDA from continuing operations improved significantly by 9.9% and amounted to €33.5m, as opposed to earnings of €30.5m in 2016. The consolidated EBITDA margin was 16.3%, as opposed to 14.8% in 2016.

Company EBITDA was €28.9m in 2017, as opposed to €25.3m in 2016, posting a significant increase in the order of 14.1%, while the EBITDA margin as a percentage of sales was 23.1%, compared to 20.1% in 2016.

Earnings/(Losses) Before Interest and Taxes (EBIT): Consolidated EBIT from continuing operations improved significantly and amounted to earnings of €19m, as opposed to earnings of €15.4m in 2016. The corresponding EBIT for HYGEIA reached €20.3m, compared to earnings of €16m in 2016.

Earnings/(Losses) Before Taxes (EBT): The adjusted consolidated earnings before taxes for the Group from continuing operations amounted to €9.6m, as opposed to 1.9m in earnings for 2016. Respectively for the Company, losses amounted to -€9.2m as opposed to -€5.3m in losses for 2016.

Net Earnings (Losses) After Taxes & Minority Interests: Net results for the Group from continuing operations amounted to €9.7m in earnings, as opposed to €4.2m in earnings for 2016. Losses after taxes for the Company were -€9.6m, compared to losses of -€3.8m for the same period last year.

Results for the period from discontinued operations: Net results for the Group from discontinued operations amounted to -€11.3m in losses, as opposed to -€3.3m in losses for 2016.

Tangible Fixed Assets: On 31/12/2017, Group tangible fixed assets amounted to €133.4m and corresponded to 32.4% of Total Group Assets, while in the previous fiscal year, they amounted to €173.9m and corresponded to 40.5% of Total Group Assets. On 31/12/2017, the Company's tangible fixed assets amounted to €68.8m and corresponded to 26.4% of Total Company Assets, while in the previous fiscal year, they amounted to €72.1m and corresponded to 25.9% of Total Company Assets.

Goodwill: On 31/12/2017, Group goodwill amounted to €82.7m and corresponded to 20.1% of Total Group Assets, while in the previous fiscal year, it amounted to €82.7m and corresponded to 19.3% of Total Group Assets.

Trade and Other Receivables: On 31/12/2017, Group trade and other receivables amounted to €64.4m, as opposed to €62.9m for the previous fiscal year, up by €1.5m, and corresponded to 15.6% of the Total Consolidated Assets, compared to 14.6% for the previous fiscal year. Company trade and other receivables amounted to €46.6m, as opposed to €47m for the previous fiscal year, and corresponded to 17.9% of Total Company Assets, compared to 16.9% for 2016.

Equity: On 31/12/2017, consolidated Equity (before non-controlling interests) amounted to €120.7m, compared to €119.4m for 2016. Company Equity amounted to €129.3m from €138.9m in 2016.

Net Debt: Consolidated net debt (loans minus cash and cash equivalents) amounted to €120.5m in 2017, from €143.1m in 2016. Company net debt was €82.3m in 2017, from €90.4m in 2016, while the net debt to EBITDA ratio for 2017 was 2.9 as opposed to 3.6 in 2016.

Trade and Other Payables: On 31/12/2017, Group trade and other payables amounted to €53.1m, compared to €66.5m in 2016. On 31/12/2017, Company trade and other payables amounted to €14.8m, as opposed to €16.3m in 2016.

Net Cash Flows from Operating and Investing Activities: Group net cash flows from operating activities amounted to €9.3m in 2017, from €7.7m in 2016. Cash flows from investing activities amounted to -€6.5m, from -€5m in 2016. Cash at Group level amounted to €11.1m in 2017, from €14.7m in 2016. Company net cash flows from operating activities amounted to €12.5m from -€1.6m, while cash flows from investing activities amounted to -€4.5m in 2017, from -€2.8m in 2016. Cash at Company level amounted to €4.8m in 2017, from €2.5m in 2016.

2. Value Creation and Performance Indicators

(In the context of implementing the European Securities and Markets Authority Guidelines [ESMA/2015/1415en] on Alternative Performance Measures [APMs] effective as of July 3, 2016)

The Group uses Alternative Performance Measures (APMs) in decision-making with regard to its financial, operating and strategic planning, as well as when assessing or disclosing its performance. These APMs serve in better understanding the financial and operating results of the Group and its financial position. The Group evaluates its results and performance on a monthly basis, identifying promptly and effectively any deviations from the objectives, and taking corrective measures. The APMs must always be taken into account in combination with the financial results that have been prepared in line with the IFRSs, and in no way do they replace these.

Group performance is measured using internationally recognized financial performance indicators:

EBITDA (Earnings Before Interest, Taxes, Depreciation & Amortization): This indicator adds to the operating earnings before interest, taxes and total depreciation of tangible and intangible assets, the earnings/losses from the sale of tangible assets and the grant amortizations. The higher the indicator the more efficient the operation of a business.

	GROUP		COMPANY	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Operating profit/(loss)	19,025	15,353	20,283	16,031
Depreciation	14,498	15,119	8,598	9,244
(Earnings)/Losses from the sale of tangible assets	4	38	4	32
Grant amortization	(35)	(35)	0	0
EBITDA	**33,492**	**30,475**	**28,885**	**25,307**

ROCE (Return on Capital Employed): This ratio divides the earnings before interest and taxes by the total capital employed, which is the sum of the equity average for the last two years and the total debt obligations average for the last two years. The higher the ratio the more efficient the use of working capital.

	GROUP		COMPANY	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
EBIT	19,025	15,353	20,283	16,031
Equity average	120,778	120,222	134,122	140,735
Short-term borrowings average	144,759	158,872	89,991	93,701
ROCE	**7.16%**	**5.50%**	**9.05%**	**6.84%**

ROE (Return on Equity): This ratio divides the earnings after taxes from continuing operations by the equity average for the last two years. The higher the ratio the more efficient the use of equity.

	GROUP		COMPANY	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Earnings after taxes	9,626	4,084	(9,618)	(3,789)
Equity average	120,778	120,222	134,122	140,735
ROE	**7.97%**	**3.40%**	**-7.17%**	**-2.69%**

(B) Significant Business Decisions and Events

1. Significant Events During the Reporting Period

March 21, 2017: HYGEIA announced the reconstitution of the Board of Directors, with Mr Athanasios Christopoulos assuming the duties of Independent Non-Executive Member, replacing Mr Alexandros Edipidis, who resigned.

April 5, 2017: HYGEIA Group held an event at the Athens Concert Hall on "The Past, the Present and the Future of the Heart at HYGEIA Group". The Group unveiled the first fully organized private Heart Center in Greece for comprehensive treatment for all heart conditions, from fetuses to adults.

May 3, 2017: Based on the resolutions of the Annual General Meeting of MITERA shareholders, it was decided: (i) to reduce the company's share capital by twenty-five million five hundred and ninety-nine thousand five hundred and eighty-five euros (€25,599,585), with corresponding reduction in the nominal value of each stare to €0.35, offsetting past fiscal year losses by the same amount; (ii) to increase the Company's share capital to the total amount of four million five hundred and fifty thousand euros (€4,550,000) with capitalization of receivables and/or payment in cash.

May 31, 2017: HYGEIA informed the investment community that the tax audit for the 2009 and 2010 unaudited fiscal years for the parent company has been concluded. The audit produced additional taxes and surcharges to the amount of €1.07 million. Of this €492 thousand related to capital accumulation tax corrections. The Company's Management challenged the aforementioned audit finding for the amount of €492 thousand, and lodged a quasi-judicial application to annul this act. November 21, 2017: The Dispute Resolution Directorate of the Independent Public Revenue Authority issued its decisions, accepting the applications lodged by HYGEIA and annulling the acts imposing capital accumulation tax corrections to the amount of €492 thousand for the fiscal years 2009 and 2010.

June 12, 2017: HYGEIA Hospital renewed its quality, environment, and occupational health & safety certifications for another three years, in line with the new versions of the EN ISO 9001:2015, EN ISO 14001:2015 and OHSAS 18001:2007/ELOT 1801:2008 international standards, respectively.

July 6-9, 2017: A team of 60 volunteers consisting of HYGEIA Group medical, nursing, technical and administrative staff offered healthcare services free of charge to the residents of the islands of Tilos and Nisyros, as part of the 7th consecutive initiative of the HYGEIA Group Corporate Social Responsibility Traveling for Health program. A total of 684 residents were examined and 3,153 medical and diagnostic tests were performed.

August 21, 2017: The MITERA SA Board of Directors certified the Company's share capital increase totaling four million five hundred and fifty thousand euros (€4,550,000) with capitalization of receivables and payment in cash. This MITERA SA share capital increase was covered entirely by parent company HYGEIA SA.

With regard to the company Medical Technology Stem Cell Bank SA (trading under Stem Health Hellas SA) – where HYGEIA had an indirect holding until November 2013 – due to its inability to continue operating, HYGEIA was appointed sequestrator of its equipment in the context of the preliminary investigation being carried out by the Public Prosecutor's Office.

November 3-4, 2017: HYGEIA Group traveled to Argos Orestiko in the context of the Traveling for Health Corporate Social Responsibility initiative. A team of volunteers offered free-of-charge healthcare services to the locals.

November 22, 2017: In accordance with the provisions of Law 3156/2003 and Codified Law 2190/1920, HYGEIA SA announced the signing of an additional amendment act for the common bond loan program issued on 28/09/2012 via private placement financed by Piraeus Bank SA, Eurobank Ergasias Bank SA and Alpha Bank SA, with the former acting as representative and payment agent. As of November 21, 2017 the unpaid loan capital amounted to €87,645 thousand. The main terms of the additional amendment act of the program stipulate: (i) extension of the maturity date by 5 years, with the option of a further 2-year extension; (ii) three-month interest period, with a drop in the interest margin to 4% annually; (iii) amendment to the repayment schedule for the existing unpaid capital to semi-annual installments; (iv) compliance with the financial covenants on each financial reporting period (semi-annual and annual). Typical forms of collateral for this type of loans were used to secure the program.

November 27, 2017: The Board of Directors of HYGEIA announced the following:
(i) It had been briefed on the tender offer by Georgios Apostolopoulos Holdings SA for a 30% stake in the company's shares.
(ii) In accordance with Article 15(2) of Law 3461/2006, it decided to appoint an independent financial advisor, who would draw up a valuation report on the fair value of the Company's shares. It would then inform the investment community about the content of the report and their opinion on the tender offer.
(iii) It had been notified of the announcement issued on 24/11/2017 by Marfin Investment Group (MIG) – HYGEIA's majority shareholder, which has a 70.38% stake in the Company and exclusive control of HYGEIA – whereby MIG was not willing to proceed with the sale of any shares. The Board Members also announced that they were not willing to proceed with the sale of any shares.

In all events, the HYGEIA Board of Directors urged the investment community to review the HYGEIA financial figures, with the help of special advisors if necessary, so as to form their own opinions as to the content of the submitted tender offer.

December 20, 2017: The Information Memorandum of the tender offer submitted by Georgios Apostolopoulos Holdings SA, – which had been approved on December 15, 2017 – was published. December 21, 2017: The HYGEIA Board of Directors, took into account the following: (i) the consideration offered; (ii) the report of the financial advisor; (iii) the stock exchange price of the Company's share; (iv) the business goals of the bidder according to the Information Memorandum; (v) the core of the HYGEIA Group strategy; (vi) the potential impact on employment; and (vii) the current shareholding structure of the Company and the intentions of the current shareholders. As a result, it formulated the following reasoned opinion:

1. The consideration offered was not considered fair and reasonable from a financial point of view as it was substantially lower than the lower limit of the fair and reasonable price range, estimated between €0.64 and €0.78 per share, as per the valuation methods used by the Company's financial advisor, and in particular 29.69% lower than the lower limit of this range. The bidder's statements regarding their business goals constituted general views of the market where the Company operates and lacked specific references to the Company itself.

2. Given the statements made by the shareholders regarding their intention not to proceed with the sale of any shares, the tender offer could not affect the control of the Company. As a result, since the Company shall continue to be controlled by MIG, any successful outcome of the tender offer is not expected to have an impact on the Company's interests (including the employees' interests), the bidder's strategic plans for the Company or employment at the Company's places of business.

The acceptance period for the tender offer commenced on December 20, 2017 and ended on January 17, 2018. During the acceptance period, 2 shareholders accepted the tender offer legally and validly (accepting shareholders), offering 1,543 shares in total, which represent 0.0005% of the Company's total paid-up share capital and voting rights.

Eventually, on February 23, 2018, HYGEIA announced to the investment community that after the trading on February 22, 2018, the company Georgios Apostolopoulos Holdings SA held a total of 15,840,022 voting rights, which correspond to 5.181% of the issuer's share capital.

December 8, 2017: HYGEIA concluded the sale of all its shares in Group subsidiaries Bio-Check International Private Clinic SA and West Athens Primary Medicine Private Clinic SA – in which it had a 100% indirect stake – to Affidea Euromedic Holdings Hellas SA for a total consideration of €350 thousand.

December 21, 2017: The additional amendment act for the common bond loan program issued on 30/12/2013 was signed between company MITERA Private, General, Maternity, Gynecological & Children's Hospital SA and companies Eurobank Ergasias SA and Piraeus Bank SA, with the former acting as representative and payment agent during the signing of the additional act amounting to €41,163 thousand. The main terms of the additional amendment act of the program stipulate: (i) extension of the maturity date until November 15, 2021, with the option of a further 2-year extension; (ii) three-month interest period, with a drop in the interest margin to 4% annually; (iii) amendment to the repayment schedule for the existing unpaid capital to semi-annual installments; (iv) compliance with the financial covenants on each financial reporting period (semi-annual and annual). Typical forms of collateral for this type of loans were used to secure the program.

2. Significant Events after the End of the Fiscal Year

On January 17, 2018, MITERA and the Institute of Life announced the establishment of a top-level assisted reproduction unit, making the MITERA Institute of Life one of the most specialized assisted reproduction units in Europe.

On March 22, 2018, it was announced that HYGEIA has been included among the 21 innovative companies evaluated in the first edition of the Sustainability Performance Directory, by the QualityNet Foundation in Greece. The **21 companies** that were named **Most Sustainable Companies in Greece for 2017** have been included among the elite of the Greek business community, after being evaluated and ranked based on their non-financial performance and their overall approach when it comes to sustainability issues. The Sustainability Performance Directory has been designed in line with the guidelines of the Greek Sustainability Code and the standards of the relevant German Code. It evaluates the way in which companies approach sustainability issues, as well as the procedures and policies they adopt.

In March 2018, the tax audit of the Company's 2012 fiscal year, conducted by the Large Businesses Audit Center of the General Directorate of Taxation, was concluded. The audit produced additional taxes and surcharges to the amount of €296 thousand. The Company had formed a tax provision for unaudited fiscal years to the amount of €68 thousand, which was used to offset to aforementioned amount. The balance burdened the 2017 fiscal year results.

In April 2018, HYGEIA received an award for its positive work environment for a 3nd time, as it was ranked among the top companies listed as **Best Workplaces 2018**. The survey ranked HYGEIA Hospital 5th in terms of its workplace conditions in the category of companies with over 250 employees. The survey included 49 companies with a total of 22,300 salaried employees.

Also in April 2018, in response to a relevant query by the Capital Market Commission, the Company referred investors to an announcement issued on the same day by Marfin Investment Group SA – shareholder with a 70.385% stake (32.76% directly and 37.62% indirectly) – which announced that in the context of a confidentiality agreement, usual in such occasions information was provided to the investment funds of CVC Capital Partners regarding Diagnostic & Therapeutic Center of Athens HYGEIA SA. To date, Marfin Investment Group SA has not received any binding bids.

(C) MAIN RISKS AND UNCERTAINTIES

HYGEIA Group operates in the area of primary and secondary healthcare, offering comprehensive services. Historically, the private healthcare sector in Greece has been demonstrating significant peculiarities. The problems relating to the inefficient operation, the inability to satisfy the increasing demand and the continuous cutbacks in healthcare funding, coupled by staff shortages, have constituted a major factor for patients to shift towards the private sector, creating conditions for significant growth. Over the last 15 years, private healthcare services have demonstrated remarkable growth, adapting to and capitalizing on the quick adjustment of the sector companies to the rapid advances in medicine. However, the financial situation over the last few years and the prolonged recession have led to reductions in disposable income for households, significant deterioration in consumer trust, increase in unemployment and decrease in consumer spending. Meanwhile, liquidity shortages, imposition of high VAT rates and difficulties in securing bank financing have further exacerbated the existing problems faced by consumers and businesses.

A significant development in the last few years has been the partnership established between HYGEIA Group and EOPYY, which commenced in 2012. Although it has significantly expanded the volume of patient admissions, it has increased the outstanding balances to the Group hospitals and clinics. In addition, the deficits of the social insurance fund have led to the adoption of measures for unilateral cutbacks (rebate and claw-back) in hospitalization expenses via legislative regulations (Article 100 of Law 4172/2013) and the relevant subsequent ministerial decisions, which will continue to be in force until 2018.

All these evidence that the prospects in the domestic healthcare services sector for the near future are closely related to the progress of the Greek economy and the ability of EOPYY to fulfill its financial contractual obligations. A key point is to also determine the institutional framework for the possible future establishment of a new contract between EOPYY and private hospitals, while at the same time setting a binding time frame for repayment of the accumulated outstanding amounts due to private healthcare providers, drawing up a budget for each affiliated provider and auditing the accounts in real time.

The Group has also been monitoring the current developments in the Greek economy, evaluating the recovery of the value of tangible and intangible assets based on the expected short- and long-term market conditions and the implementation of the business plans approved by the Management.

The Group has been assessing the situation and continues to operate driven by the long-term interests of the company's stakeholders, focusing on introducing added-value services, investing in cutting-edge technology, quickly adjusting to the developments in medical science and technology, and offering innovative services in niche markets, all the while endeavoring to provide quality healthcare services, with a deep sense of respect for people, the society and the environment.

The Management is monitoring the developments and is adapting the core of its strategy to effectively confront the challenges of the Greek economic adjustment programs, while at the same time preparing the ground so as to take advantage of any opportunities which may arise.

1. Risk from Competition

Competition among companies is quite fierce in the private healthcare services sector. The large groups within the sector have solidified their position and offer a wide range of medical services. Moreover, there has been some activity noted lately in the transfer of shares and change of ownership among large private hospitals.

Competition among private healthcare units has been mainly centering on providing state-of-the-art medical equipment, offering quality services with suitable scientific staff, responding to patients quickly, and expanding the existing facilities to house new departments. A case in point is the fact that several private hospitals include anything from maternity clinics to diagnostic centers, so as to cover a broader range of services.

Another competition aspect observed in the private healthcare sector is that partnerships between private units and insurance companies have expanded, covering the medical expenses of a larger number of patients. As the key player in its sector, HYGEIA Group capitalizes on its comparative advantages, having secured exclusive partnerships with highly-acclaimed private physicians and offering top services, in accordance with the unique international standards it has been certified with in Greece.

2. Dependence on Contracts with Insurance Companies

HYGEIA Group holds long-term contracts with major insurance companies that have a high credit rating both in the domestic and the international market. These companies include ETHNIKI, NN, ALLIANZ, BUPA, METLIFE, INTERAMERICAN, GENERALI, GROUPAMA, AXA, AGROTIKI INSURANCE, etc. Furthermore, HYGEIA holds a contract with MedNet Hellas SA, an insurance agent that manages hospitalization insurance plans for insurance companies in Greece.

The aim of the Group Management is to continue to forge strategic partnerships with private insurance companies and to create exclusive insurance products for the Group hospitals.

The main selection criteria for entering into such contracts include the credibility and financial strength of the insurance companies, as well as the range of benefits available to their policyholders.

These strategic agreements ensure a comparative advantage for the Group, offering continuous growth, larger patient volume and adequate liquidity, while significantly reducing the Group's exposure to competition risk and cash flow shortages.

3. Exchange Rate Risk

Exchange rate risk is the risk of a fluctuation in the value of financial instruments, assets and liabilities due to changes in exchange rates. The vast majority of the Group transactions and balances is in euros, as is also the case with the Group borrowings, so as to take advantage of the lower interest rates. Therefore, exposure to exchange rate risk is considered to be low. With regard to the investment in Albania, the Group is affected by changes in the exchange rates between the euro and the local currency (lek). On 31/12/2017, the figures of that investment where classified as an disposal group, in line with the requirements of IFRS 5 on non-current assets held for sale. In any case, however, the Group Management is continuously monitoring any exchange rate risks that may arise and assesses the need to adopt relevant measures.

On 31/12/2017, a +/- 10% exchange rate change would have resulted in recognizing -/+ €1.9m before taxes in the Condensed Consolidated Statement of Results and -/+ €1.9m in equity.

4. Interest Rate Risk

Interest rate risk is the possibility of the fair value of the future cash flows of a financial asset exhibiting fluctuations due to changes in the market interest rates.

The Group is seeking to strike the optimal balance/relationship between borrowing costs and any possible impact on earnings and cash flows that may be prompted by changes in interest rates. The Group is monitoring and managing its borrowings, and its financial strategy in general, proceeding with a combination of short- and long-term borrowings. The Group policy is to constantly monitor interest rate trends and its financing needs. Furthermore, the Group's policy is to minimize exposure to cash flow interest rate risk with regard to long-term financing. Long-term financing is based on floating interest rates. On 31/12/2017, the Group was exposed to changes in the interest rate market with regard to bank borrowing, which is subject to a floating interest rate per loan, based on the official Euribor rates.

The following table depicts the sensitivity of the fiscal year results and equity to a reasonable interest rate change of +1% or -1% (2016: +/-1%).

	GROUP				**COMPANY**			
	Sensitivity factor		Sensitivity factor		Sensitivity factor		Sensitivity factor	
	1%	-1%	1%	-1%	1%	-1%	1%	-1%
Amounts in € '000	**31/12/2017**		**31/12/2016**		**31/12/2017**		**31/12/2016**	
Profit for the financial year (after tax)	(1,348)	1,348	(1,587)	1,587	(901)	901	(937)	937
Equity	(1,348)	1,348	(1,587)	1,587	(901)	901	(937)	937

5. Liquidity Risk

Liquidity risk monitoring focuses on rationally managing the temporal correlation of cash flows, and ensuring sufficient cash for covering current transactions.

Liquidity requirements are monitored in various time zones on a daily and weekly basis, and on a rolling 30-day basis. Long-term liquidity requirements for the 6 months ahead and the following year are calculated each month.

Presently, taking advantage of its size and reputation in the market, the Group has maintained its bargaining power, despite the capital controls and limitations in place on fund transfers, mainly to foreign countries, where HYGEIA Group's main suppliers of medical goods are active.

In addition, capitalizing on its comparative advantages, the Group has secured agreements with major Greek and foreign insurance companies, which offer significant liquidity, while at the same time greatly minimizing the Group's exposure to competition risk and cash flow shortages.
To monitor and manage liquidity risk, the Group prepares cash flow provisions on a regular basis.

On 31/12/2017, the maturities of financial liabilities for the Group were as follows:

	GROUP 31/12/2017			
Amounts in € '000	Short-term		Long-term	
	Within 6 months	**6 to 12 months**	**1 to 5 years**	**More than 5 years**
Long-term borrowing	3,770	7,827	116,142	0
Liabilities relating to operating lease agreements	157	158	550	0
Trade payables	52,760	341	0	0
Other short-term liabilities	17,826	2,277	523	0
Sort-term borrowing	105	2,883	0	0
Total	**74,618**	**13,486**	**117,215**	**0**

The respective maturities of financial liabilities on 31/12/2016 were as follows:

	GROUP 31/12/2016			
Amounts in € '000	Short-term		Long-term	
	Within 6 months	**6 to 12 months**	**1 to 5 years**	**More than 5 years**
Long-term borrowing	0	0	750	0
Liabilities relating to operating lease agreements	132	132	723	0
Trade payables	62,108	4,380	0	0
Other short-term liabilities	18,116	4,095	664	0
Sort-term borrowing	41,037	115,151	0	0
Total	**121,393**	**123,758**	**2,137**	**0**

On 31/12/2017, the maturities of financial liabilities for the Company were as follows:

Amounts in € '000	COMPANY 31/12/2017 Short-term		Long-term	
	Within 6 months	6 to 12 months	1 to 5 years	More than 5 years
Long-term borrowing	3,020	6,077	77,596	0
Liabilities relating to operating lease agreements	92	95	220	0
Trade payables	14,488	331		0
Other short-term liabilities	9,550	2,251	215	0
Sort-term borrowing	0	0		0
Total	**27,150**	**8,754**	**78,031**	**0**

The respective maturities of financial liabilities on 31/12/2016 were as follows:

Amounts in € '000	COMPANY 31/12/2016 Short-term		Long-term	
	Within 6 months	6 to 12 months	1 to 5 years	More than 5 years
Long-term borrowing	0	0	750	0
Liabilities relating to operating lease agreements	27	27	117	0
Trade payables	11,904	4,380	0	0
Other short-term liabilities	9,105	2,260	259	0
Sort-term borrowing	33,750	58,210	0	0
Total	**54,786**	**64,877**	**1,126**	**0**

The aforementioned contractual maturity dates reflect the gross cash flows, which may differ from the book value of liabilities on the Financial Position Statement date.

In addition, HYGEIA Group is considered a very credible institution both by the banks and by its suppliers, due to its dynamic and dominant course in the Greek market.

6. Credit Risk

The Group and the Company apply a specific credit policy, which is based on monitoring the credit rating of its clients and successfully managing its receivables before they become overdue, as well as once they become doubtful. To monitor credit risk, clients are grouped based on the category they belong to, their credit nature, the maturing of their receivables and any other prior collection issues they may have exhibited. Clients considered as doubtful are reassessed on each financial statement reporting date and a relevant impairment provision is formed for any loss that may possibly arise from these receivables.

The Group is constantly monitoring its receivables, either separately or jointly, and includes this information in credit controls. The Group receivables derive from social security funds, insurance bodies, insurance companies and private clients. The Group focuses its policy on partnerships with credible insurance companies that have a high credit rating both in the domestic and the international market.

The most likely credit risk is mainly associated with: (i) high outstanding balances owed by social security funds for previous years, (ii) uninsured private clients, (iii) insured patients for the additional amount not covered by their insurer.

The impairment provision mainly pertains to private clients and includes:
(i) forming a specific and adequate provision for any clients labeled as doubtful,
(ii) proceeding with impairment for any clients with outstanding balances based on the maturing of said balances,
(iii) forming a provision based on the increased bad debt risk rate due to the conditions of the wider environment, taking into account the reduced liquidity and limited access of clients to bank financing.

With regard to the credit risk of cash and cash equivalents, note that the Group only transacts with recognized high credit-rating financial institutions.

The Group's exposure with regard to credit risk is limited to the financial assets, which were as follows on the Financial Position Statement reporting date:

Amounts in € '000	**GROUP**		**COMPANY**	
Financial assets	**31/12/2017**	**31/12/2016**	**31/12/2017**	**31/12/2016**
Cash and cash equivalents	11,108	14,854	4,755	2,503
Trade and other receivables	64,381	62,858	46,570	46,987
Total	**75,489**	**77,712**	**51,325**	**49,490**

The maturities of financial receivables for the Group and the Company on 31/12/2017 and 31/12/2016 were as follows:

Amounts in € '000	**GROUP**		**COMPANY**	
Financial assets past due but not impaired	**31/12/2017**	**31/12/2016**	**31/12/2017**	**31/12/2016**
Not more than 3 months	5,700	5,774	5,742	5,642
More than 3 months but not more than 6	6,954	6,703	5,844	5,045
More than 6 months but not more than 1	7,170	6,712	6,244	6,088
More than 1 year	9,008	10,705	3,970	6,050
Total	**28,832**	**29,894**	**21,800**	**22,825**

7. Capital Management

A primary concern for the Group and the Company when it comes to capital management is to secure and maintain a strong credit rating and healthy capital ratios, with the aim of supporting their operations and continuing as a going-concern, while also ensuring satisfactory returns for shareholders.

The Group monitors the capital based on the amount of equity plus subordinated loans, minus cash and cash equivalents, as presented in the Financial Position Statement.

Capital for the 2017 and 2016 fiscal years was as follows:

	GROUP		**COMPANY**	
Amounts in € '000	**31/12/2017**	**31/12/2016**	**31/12/2017**	**31/12/2016**
Total equity	120,853	120,703	129,305	138,939
Less: Cash and cash equivalents	(11,108)	(14,854)	(4,755)	(2,503)
Capital	**109,745**	**105,849**	**124,550**	**136,436**
Total equity	120,853	120,703	129,305	138,939
Plus: Loans	131,592	157,925	87,100	92,882
Total capital	**252,445**	**278,628**	**216,405**	**231,821**
Capital to Total capital	0.43	0.38	0.58	0.59

The Group determines the capital amount in relation to the total capital structure, e.g. equity and financial liabilities. The Group manages the capital structure and makes adjustments when the financial situation and the risk profile of existing assets change. With the aim of maintaining or adjusting the capital structure, the Group may adjust the payable dividends, return capital to its shareholders, issue share capital or sell assets to reduce borrowing.

8. Partnership with EOPYY-Obligations under Article 100 of Law 4172/2013

A major change introduced in the healthcare sector was the operation of the National Organization for Healthcare (EOPYY) on 01/01/2012. EOPYY now forms the umbrella social security fund for individuals who, until the end of 2011, were insured by IKA-ETAM, OGA, the Insurance Organization for the Self-Employed (OAEE), the Public Sector Fund (OPAD-TYDKY), TSAY and other social security funds.

The new legislation, based on which this new Organization operates, introduces a new component, which is the establishment of Closed Unified Hospital Fees. This introduces a new pricing and management procedure for hospital fees, which is based on the internationally established DRG (Diagnosis Related Groups) classification system. As part of this procedure, the hospital receives a budgeted and approved gross amount for covering the healthcare costs (excluding doctor's fees) and services it offers patients insured with social insurance funds or privately.

The private healthcare sector viewed this partnership between private hospitals and EOPYY positively, as it expanded their client base and increased the number of cases they served. However, the deficits and problems with the budgets caused long delays in the repayment of due hospitalization fees, while the unilateral cutbacks introduced by the State (claw-back and rebate) led to offsetting and canceling the collection of amounts owed.

In accordance with Article 100 of Law 4172/2013, the following have come into effect since July 2013 (with a retroactive effect from 01/01/2013):

i. An automatic claw-back mechanism for any expenses incurred relating to hospitalization, diagnostic tests and physiotherapy. Based on this mechanism, the monthly National Organization for Healthcare (EOPYY) expenses for diagnostic tests, hospitalization and physiotherapy offered by affiliated private healthcare providers must not exceed 1/12 of the approved credit funds of the EOPYY budget. The excess amount claimed on the part of EOPYY from the affiliated providers of the aforementioned private healthcare services is calculated on a semi-annual basis and must be deposited in a bank account indicated by EOPYY within one month from the date the written personal notification was issued. If said deadline expires without the payment having been made, the EOPYY Board of Directors may terminate the contract between EOPYY and the affiliated provider automatically and without payment of compensation until such time as the total amount due has been paid with interest by the provider or has been collected in accordance with the provisions of the Public Revenue Collection Code (KEDE). The monthly invoice submitted to EOPYY by the affiliated provider for the healthcare services rendered to people insured with the national insurer for the corresponding period is used to calculate the claw-back amount corresponding to each affiliated provider per month. Expenses submitted to EOPYY 20 days after the end of each month, and which relate to services rendered during the previous month, are neither recognized nor paid by EOPYY.

   The total claw-back amount is calculated semi-annually, by calculating the difference between the budgeted and the actual expense arising from the amount claimed by the provider, once any rebate and other expenses unacceptable at the time of calculation have been subtracted.

ii. A percentage over the amounts owed by EOPYY to affiliated private healthcare providers for hospitalization, diagnostic tests and physiotherapies for people insured with EOPYY, payable to the Organization as a rebate for each month. The rebate amount is calculated monthly and as of 01/01/2016, it is incorporated in the invoices issued to EOPYY for services rendered.

In accordance with Ministerial Decision Ref. No.Γ5/63587/20.8.2015, the provisions of cases (i) and (ii) above are valid until 31/12/2018.

By virtue of Ministerial Decision Γ3γ/37400/19.05.2017 (GG 1752/B/22.05.2017), the permitted expenditure limits for EOPYY were determined for healthcare services by affiliated private providers and for medical products and dietary supplements by manufacturers, importers, distributors/suppliers affiliated with EOPYY for 2017. According to the categories of services provided, the annual expenditure cost for private hospitalization services was €265m, while the annual expenditure cost for diagnostic exams and procedures was €350m.

By virtue of Decision Γ3γ/Γ.Π./51816 (GG 2638/28.07.2017), issued by the Deputy Health Ministerial, it was revealed that ministerial decisions Γ3γ/ref. 96176/4-11-2014 (B/3040) and Γ3γ/65273/15-09-2015 (B/2036) for calculating the claw-back amount for 2014 are no longer in effect. The automatic claw-back amounts for the year 2014 for the category "Private hospitalization services" shall now be calculated based on Article 100 of Law 4172/2013, and specifically the monthly bill that each affiliated provider submits to the EOPYY shall be used as the basis for calculating the claw-back amount corresponding to each said provider, against the healthcare services it offered to the people insured with EOPYY for the corresponding period. The claw-back amount is calculated based on the difference between the budgeted and the actual expenditure, after subtracting any rebates and unacceptable expenses.

Furthermore, by virtue of Decision Γ3γ/Γ.Π./58976/2017 (ΦΕΚ Β' 2746/04.08.2017), issued by the Deputy Health Minister, the healthcare services subject to rebate were classified, while the corresponding rates were also determined, which are tiered, depending on the amount of the expenditure submitted monthly. This ministerial decision is effective as of 01/08/2017.

EOPYY has notified via email the HYGEIA Group hospitals and clinics of the rebate and claw-back amounts corresponding to the 2013, 2014, 2015 and 2016 fiscal years and the 1st half of 2017, which come to approximately €95.4m (VAT included).

The Group companies affiliated with EOPYY have filed a writ before the Athens Administrative Court of Appeals against the orders issued by EOPYY on 28/05/2016, 18/11/2014, 22/05/2015, 02/07/2015, 09/12/2015, 11/02/2016, 06/04/2016, 20/03/2017, 20/06/2017 and 23/8/2017 and have also filed a request for cancellation before the Council of State against the new act issued by EOPYY on 07/03/2017, with regard to the automatic claw-back and rebate amounts corresponding to the 2013, 2014, 2013 and 2015 fiscal years, as well as the 2nd half of 2016. To date, with the exclusion of the 2013 and 2016 fiscal years, it has been impossible to calculate the exact budget and claw-back amounts corresponding to each Group hospital due to the fact that EOPYY has not disclosed all the parameters (sector and hospitals separately) that would reliably lead to the exact calculation of the relevant cutbacks. It should also be further clarified that the final claw-back amounts for 2014 and 2015 will arise once the total amounts submitted for the aforementioned years have been audited and eventually validated by EOPYY. In all events, the Management believes that, based on the information at hand, the Company and Group results have already been burdened with adequate amounts for the entire period the claw-back and rebate measures have been in effect and any further significant change is not expected.

In addition, according to the contract in force, on March 18, 2015, the affiliated auditing company notified Group hospitals HYGEIA, MITERA and LETO of the results from the administrative and medical audit of the invoices submitted to EOPYY for the period 01/01/2013-31/12/2013. Based on the notified findings, the unacceptable expenses amount to approximately €5.8m. In accordance with the legislation in force, the Group hospitals affiliated with EOPYY have already filed a complaint against the findings of the audit for said fiscal year, which was concluded without prejudice to the legality of decision no. 593 issued by the EOPYY Board of Directors. Said decision was issued in September 2013 and related to clarifications and instructions for implementing the Closed Unified Hospital Fees, in accordance with the Single Regulation for Health Services, with retroactive application as of the beginning of 2013. Given that the audit for the invoices submitted in 2013 was based on the aforementioned decision, the hospitals affiliated with EOPYY have brought an action before the Hellenic Council of State due to the retroactive application of the Closed Unified Hospital Fees for the fiscal year in question, but also with the aim of canceling the specific decision, as it was issued by a non-competent body (i.e. the EOPYY Board of Directors).

On March 7, 2017, EOPYY notified via email the HYGEIA Group hospitals and clinics of the claw-back amounts corresponding to the 2013 fiscal year, following the notification for the relevant audit by independent chartered accountants and the settlement of the relevant invoices submitted for the period, amounting to approximately €13.2m, VAT included. Once the cutback amounts were finalized, the Company and Group results were not burdened any further, given that the initial amounts related to these cutbacks were adequate. Note that the administrative and medical audit for the amounts submitted by all the sector hospitals to EOPYY for the 2012, 2014 and 2015 fiscal years has not commenced yet.

Based on the claw-back and rebate notifications issued by EOPYY and despite the fact that the audits for the 2014 and 2015 fiscal years have not been completed, the Group companies affiliated with EOPYY proceeded with issuing the corresponding return invoices for the periods 01/01/2013-30/06/2017, strictly for tax compliance purposes, pursuant to Ministerial Circular 1191/12.08.2014 and Ministerial Circular 1113/2.6.2015. Since the beginning of the 2016 fiscal year, the rebates under Article 100 of Law 4172/2013 are being integrated in the invoices submitted monthly by the Group companies to EOPYY.

Pursuant to the Legislative Decree (GG/A/184/31.12.2015), it was decided that the effective date for existing contracts between physicians, diagnostic centers, clinics, hospitals and other providers on the one hand, and EOPYY on the other – whether they are the original ones or ones that have already been extended – be further extended until 30/06/2016. In addition, in accordance with Article 52 of Law 4410/2016 (GG/141/3.8.2016), the effective date for these contracts between EOPYY and other health providers is extended until the new contacts are concluded.

Furthermore, in accordance with Article 90 of Law 4368/2016 "Measures to expedite the government tasks and other provisions" (GG 21/21.2.2016), the healthcare expenses, excluding pharmacists, incurred as of 01/01/2016 and submitted to the competent EOPYY departments will be settled randomly, which in all events would not be less than 5% of the total number of supporting documents submitted by each provider for expenses incurred by insured parties, while the number of supporting documents for expenses should be at least 10. EOPYY may perform final audits and settle any unsettled amounts due by EOPYY to its providers, excluding pharmacists and National Health System hospitals, for the years 2012-2015, based on the aforementioned process. Affiliated providers who have been included in the procedure under Article 100(6) of Law 4172/2013 (GG/A/167) are excluded from this process. Consequently, the expenditures submitted by the Group hospitals for the 2016 fiscal year have been audited by the competent EOPYY bodies and any cutbacks (i.e. rebates, unacceptable expenses and claw-back) are considered final.

In October 2016, the terms for EOPYY paying off its outstanding debts – which arose before it had started operating – to affiliated healthcare providers were determined, in accordance with Article 52 of Law 4430/2016. Specifically, based on the provisions of the specific Article, further rebates were established, so the Organization could pay off its total outstanding debts up to the 2015 fiscal year (including amounts in arrears prior to 2012) within 2017. Note that the affiliated Group companies have already formed adequate provisions against the provisions of said Article and consequently, their results are not expected to be further burdened.

Finally, Council of State decision 1874/2017 canceled the decisions made in October and November 2012 by the EOPYY Board of Directors regarding the reduction of process for selected diagnostic tests. According to the grounds of the decision, the decisions were issued by a non-competent body (EOPYY Board of Directors), given that there are no legal provisions granting it such a capacity. Based on the aforementioned decision, HYGEIA Group proceeded with re-invoicing the specific diagnostic tests.

(D) INFORMATION ON THE PROSPECTS AND OUTLOOK OF THE GROUP & THE COMPANY

The immediate implementation of key interventions to improve the economic climate and the business trust indicators, and to limit political uncertainty are necessary conditions for ensuring that the recovery of the Greek economy is maintained. This would expedite attracting new investment capitals, improving the banking system liquidity, further relaxing capital controls and establishing new businesses.

In addition, the recent changes in the social insurance system, along with the revisions in income and property tax, are expected to significantly affect the consumer behavior of households. Additional new tax measures will yet again limit disposable income and business capital, further exacerbating the need to pump liquidity and inhibiting maintainable growth.

A key point for the private healthcare sector is to also determine the institutional framework for the possible future establishment or not of a new contract between EOPYY and private hospitals, while at the same time setting a binding time frame for repayment of the amounts due to private healthcare providers.

The Management priorities will focus on ensuring the healthy financial structure of the Group, improving working capital management, balancing its cost structure with anticipated income and maximizing the potential of synergies within the Group, so that it may further strengthen its financial position.

According to the Group policy, the Management has approved a procedure for assessing the risks associated with the Group activities and operations, for planning the assessment methodology, as well as for implementing suitable actions to limit risks.

Through monitoring the developments and using the experience of its successful management over the previous years, the HYGEIA Group Management assesses the existing conditions using forecasts, evaluates all future investment and operating needs, and immediately adjusts its Business Plan. Its aim is to maintain and increase the operating performance of the Group companies, by limiting operating costs, expanding its client base and maximizing synergies within the Group.

The Group has also been monitoring the current developments in the Greek economy, while evaluating the recovery of the value of tangible and intangible assets based on the expected short- and long-term market conditions and the implementation of the business plans approved by the Management.

Meanwhile, the Group continues to operate driven by the long-term interests of the company's stakeholders, focusing on introducing added-value services, investing in cutting-edge technology and offering innovative services in niche markets, all the while endeavoring to provide top healthcare services, with a deep sense of respect for people, the society and the environment.

(E) TRANSACTIONS WITH RELATED PARTIES

This part includes the most important transactions and balances between the Company and related parties, as specified in IAS 24 (See Note 12.33).

Intracompany transactions in accordance with Law 3016, Article 2(4), were approved by the Board of Directors on 24/04/2018.

Significant Transactions Between the Company and Related Companies

The most important transactions between the Company and its related parties during the fiscal year were the following:

- HYGEIA SA purchases for provision of medical supplies and special materials from its subsidiary Y-Logimed amounting to €16.7m, compared to €17.5m for the 2016 fiscal year.
- HYGEIA SA sales for provision of services, mainly relating to the performance of lab tests for subsidiary MITERA SA, amounting to €2.2m, compared to €2.1m in the 2016 fiscal year.

Marfin Investment Group (MIG) constitutes a related party to the Company, due to the existing holding relationship as well as the common members on the Boards of the companies.

Transactions and Balances with Key Managers and Senior Executives

	GROUP		COMPANY	
	1/1-31/12/2017	1/1-31/12/2016	1/1-31/12/2017	1/1-31/12/2016
Short-term benefits of key management personnel*	3,957	3,422	2,190	1,774
Post-employment benefits	302	0	214	0
Benefits of discontinued operations	468	474	0	0
Total	**4,727**	**3,896**	**2,404**	**1,774**

**Short-term benefits to Board Members and Management Executives include salaries, fees, social insurance contributions and other charges.*

No loans have been granted to any Board Members or any other Executives of the Group (or their families).

(F) DIVIDEND POLICY

There were no dividends distributed for the 2017 fiscal year due to losses.

(G) Information and Explanatory Report for Article 4(7 & 8), Law 3556/2007

Pursuant to Law 3556/2007 (Government Gazette 91/A'/30.4.2007) "Transparency requirements in relation to information about issuers whose securities are admitted for trading on a regulated market and other provisions", Greek legislation was adjusted to the provisions of Directive 2004/109/EC of the European Parliament and the Council on December 15, 2004, for harmonization of transparency requirements in relation to information about issuers whose securities are admitted for trading on a regulated market and for amendment of Directive 2001/34/EC (OJ L. 390/38/31.12.2004).

This Explanatory Report of the Board of Directors is submitted to the Annual General Meeting of Shareholders and incorporated in the Report of the Board of Directors, in line with Article 4(7 & 8) of Law 3556/2007.In accordance with Article 4(7 & 8) of Law 3556/2007, the Board of Directors must submit to the Annual General Meeting of Shareholders detailed information pursuant to Article 4(7) of Law 3556/2007, as well as detailed information and the explanatory report pursuant to Article 4(8) of Law 3556/2007, which are incorporated in the Report of the Board of Directors.

1. Company Share Capital Structure

On December 31, 2017, the fully paid Company share capital amounted to one hundred and twenty-five million three hundred and fifty thousand two hundred and ninety-eight euros and seventy-six cents (€125,350,298.76), divided into three hundred and five million seven hundred and thirty-two thousand four hundred and thirty-six (305,732,436) ordinary registered shares at a nominal value of forty-one cents (€0.41) each.

The Company shares are listed for trading on the Athens Exchange.

For an entity to be considered a Company shareholder, it must be registered in Hellenic Exchanges SA (former Central Securities Depository SA), in line with Article 8b(7) of Codified Law 2190/1920. The Company shareholder rights deriving from the company share are proportional to the capital to which the share paid-up value corresponds. Each share provides all rights stipulated by the Law and the Articles of Incorporation; specifically:

- The right to receive dividends from the annual Company earnings or the earnings upon liquidation.
- The right to withdraw contribution corresponding to the share upon liquidation or capital amortization, if decided upon by the General Meeting.
- The preemption right in every Company share capital increase in cash and issuing of convertible bonds.

- The right to receive a copy of the financial statements, and the reports prepared by the certified auditors and the Company's Board of Directors.
- The right to participate in general meetings of the Company. Each share has one (1) voting right.
- In line with its Articles of Incorporation, the General Meeting of the Company Shareholders reserves all its rights during liquidation.

Company shareholder liability is limited to the nominal value of their shares.

2. Restrictions on the Transfer of Company Shares

Company share transfer is performed in accordance with the law and there are no restrictions regarding their transfer in the Articles of Incorporation, since they are intangible registered shares listed for trading.

3. Significant Direct or Indirect Holdings in Accordance with Law 3556/2007

The shareholders, natural or legal entities, holding either directly or indirectly a stake higher than 5% are as follows:

Shareholder	Percentage of voting rights on 31/12/2017	Current percentage of voting rights
Marfin Capital*	37.62%	37.62%
Marfin Investment Group	32.76%	32.76%
Georgios Apostolopoulos Holdings SA	-	5.18%
Other shareholders holding <5%	29.62%	24.44%
Total	**100.00%**	**100.00%**

** Marfin Capital SA is a 100% subsidiary of Marfin Investment Group Holdings SA.*

4. Shares that Provide Special Controlling Rights

There are none.

5. Restrictions on Voting Rights

None are stipulated in the Articles of Incorporation.

6. Company Shareholder Agreements

The Company is not aware of any agreements among its shareholders that may impose restrictions on its share transfer or on exercising the voting rights deriving from its shares.

7. Rules on Appointment and Replacement of Board Members and Amendment of Articles of Incorporation

The rules stipulated in the Company's Articles of Incorporation on the appointment and replacement of Board members do not differ from those stipulated in Codified Law 2190/1920.

8. Board of Directors Responsibility on Issuing New Shares or Acquiring Treasury Shares

A. Pursuant to the provisions of Article 13(1b & c), Codified Law 2190/1920, and abiding by the Company's Articles of Incorporation provisions, following a relevant decision by the General Meeting, the Board of Directors reserves the right to proceed with Company share capital increases by issuing new shares, by way of decision taken by an at least a 2/3 majority of its members. In this case, share capital may be increased up to the capital amount paid up on the date such authorization was granted to the Board of Directors by the General Meeting.
This authorization may be renewed by the General Meeting for a period not exceeding five years for every renewal.
B. Pursuant to the provisions of Article 13(13), Codified Law 2190/1920, by General Meeting decision, a stock option plan may be established for Board members, personnel and related companies, as defined in Article 42e(5), in the form of a stock option right, based on the specific terms of this decision. The list of beneficiaries includes entities offering services to the Company on a steady basis. The General Meeting decision sets the maximum number of shares to be issued, their subscription price and the terms for beneficiaries or the categories thereof, as well as the determination method for the acquisition price, the duration of the plan and any other related terms. In accordance with the law, the total nominal value of these shares shall not exceed 1/10 of the paid-up capital on the General Meeting decision date.

9. Significant Agreements Taking Effect, Amended or Expiring in the Event of Control Change after a Tender Offer

There are no such agreements.

10. Agreements with Board Members or Company Personnel

The Company, as well as subsidiaries MITERA SA, LETO SA and Y-LOGIMED SA, have drafted a pension plan for their executives, with the aim of rewarding their loyalty and dedication, and their continued unwavering support to them, with a minimum 10-year duration.

(H) CORPORATE GOVERNANCE STATEMENT

I. Introduction

HYGEIA has voluntarily adopted and implements the Corporate Governance Code (CGC); in preparing the Code, HYGEIA took into account the Corporate Governance Code for Listed Companies, drawn up by the Hellenic Federation of Enterprises (SEV), along with the widely accepted corporate governance principles that apply in the EU Member States.

The CGC is posted on the Company's website: www.hygeia.gr.

II. Corporate Governance Principles Implemented by the Company, in Addition to the Provisions of the Law

As a result of the Company adopting and implementing the CGC, certain corporate governance practices, in addition to the ones stipulated in the provisions of the relevant legislation, have been implemented, such as:

A. In its majority, the Board of Directors consists of Non-Executive Members.
B. An Executive Committee has been formed as a body to assist the Board of Directors.
C. A Central Procurement Committee has been formed with the aim of offering efficient and centralized management of supplies.
D. Evaluation of the Board of Directors shall take place every two (2) years.

The regulations for the committees under B and C have been posted on the Company's website: www.hygeia.gr.

III. Description of Internal Controls and Risk Management

The Company's Board of Directors regularly monitors the internal control systems and ensures that they are adequate. This is achieved through the following actions and procedures:

Risk Identification, Assessment and Management

The Company has developed and implements a Risk Management System with the aim of identifying, assessing and managing the risks it may face during its operation, and which are directly or indirectly related to the financial statements. The system provides for systematically recording and assessing the risks per operating area, as well as rating the adequacy of the Company's coverage towards said risks. According to the Risk Management System, the assessment findings are discussed at Management level, while the Audit Committee and the Board of Directors are informed on the most important of them.

1. Budgets / Planning

The Company implements a complete and adequate system for drafting and monitoring the annual ordinary detailed budget, subject to a monthly report. Comparison is performed to the respective actual and historical figures, with detailed explanation of all deviations. Simultaneous assessment of extraordinary forecasts (rolling forecasts) prepared on a quarterly basis contributes to decision making for further actions, in order to attain the set corporate targets.

2. Board of Directors Responsibilities

In line with the powers stipulated in the Company's Articles of Incorporation and the framework of rules and procedures stipulated in the internal regulation, the Board of Directors, assisted by its committees, decides on any issue regarding the management of the Company and its property, as well as the fulfillment of the corporate policy and strategic targets.

3. Duties / Powers of Management Executives

By decision of the Board of Directors, authorized individuals have been nominated, while the limits and the way of representation and commitment of the Company have been determined, for performing all acts related to its asset management.

4. Diversity Policy for Management Executives

In the context of equal opportunity and adoption of gender equality principles with regard to the composition of senior management, HYGEIA pledges to implement a gender diversity policy, contributing to tackling group-think.

5. Strategic Investments / Takeovers

Strategic investments and contingent takeovers require a decision by the Company's Board of Directors (or bodies authorized by the Board of Directors), following a proposal, including a feasibility study, a business plan and an adequate plan for implementing and monitoring the investment or takeover.

6. Procedures and Policies Preventing Financial Fraud

To avoid the risk of financial fraud, the Company has instituted and implements a rigorous framework of procedures and policies governing all its operations, and particularly the ones marked as high risk, such as policies and procedures for procurement, payments, treasury management, etc.

7. IT Systems

The Company has developed state-of-the-art IT systems, covering all activity sectors and assisting the Management in attaining its long-term corporate objectives. IT security is ensured by a rigorous framework of procedures, the most important ones being:

- Restoration procedures
- Back-up procedures
- Disaster recovery plan
- Procedures for protection against viruses, external interventions and malicious acts
- Email safety procedures

8. Procedures Related to the Preparation of the Separate and Consolidated Financial Statements

The Company has developed and implements specific procedures and systems, which safeguard the credibility and validity of the separate and consolidated financial statements, and their harmonization with the International Financial Reporting Standards. The most important of these procedures are:

- The Company and the Group subsidiaries follow and implement common accounting principles and policies, in line with the International Financial Reporting Standards (IFRSs).
- The accounting tasks followed are based on the IFRS principles, which have been adopted by the Group companies.
- Accounting entries are recorded and audited based on specific procedures, including the determination of the necessary documentation and approvals per case.
- Depreciations of tangible and intangible fixed assets are monitored and recorded in the fixed assets registry; they are calculated both based on the rates stipulated in the tax legislation and on the principles laid down in the IFRSs.
- Consolidation of Group financial statements is performed by the Group Financial Division, based on the IFRSs and the data collected both by the parent company and the subsidiaries.
- A monthly inventory is performed to ensure reliable presentation of inventories in the separate and consolidated financial statements. The inventories are performed based on clear and adequate written instructions, while any differences are audited, justified, approved and

recorded in the Company and subsidiary books, so as to ensure complete accord between the accounting books and the physical inventory.
- Agreements of balances with customers and suppliers are performed at regular intervals to ensure correct depiction of Company and subsidiary assets and liabilities. Similarly, monthly account agreements are performed with regard to the treasury, banks and tax liabilities/receivables.
- The closure and finalization of financial statements are based on explicit procedures, including completion and submission deadlines, responsibilities and the required disclosures.
- Explicit procedures and approval levels apply for entries of impairment provisions or asset write-offs, in line with the Company policy.
- A specific software access strategy is in place, depending on the responsibilities and authorizations of each user.

9. Internal Control

The Internal Control Unit operates in accordance with the international standards and widely accepted auditing principles, and in line with its operating regulation. The Internal Control Unit reports and presents the audit findings to the Audit Committee.

The Internal Control Unit arranges regular meetings with the Audit Committee; during these meetings, the audits carried out are inspected, the effectiveness of the internal control system is examined, and the findings and relevant proposals are discussed and evaluated.

The Internal Control Unit submits the overall audit plan for every fiscal year, which is approved by the Audit Committee. The plan is revised if necessary, after notification of and approval by the Audit Committee.

10. Transparency and Anti-Corruption Policy

The Company and HYGEIA Group focus especially on implementing preventive actions when it comes to issues of transparency and corruption, in response to the needs of their stakeholders.

In this context, the Group has developed and implements a Code of Ethics and Conduct, which has also taken into account the Code of Medical Ethics and the Greek legislation in force. This Code provides strict guidelines for complying with the rules of conduct, within and outside the organization, for example, in relation to its patients, suppliers and other Group stakeholders. The Code of Ethics and Conduct essentially covers issues that are related to an autonomous policy for combating corruption.

The Group has also prepared a Code of Corporate Governance, reinforcing transparency through its organizational structure. In addition, it has established specific limits of responsibility for each executive, as well as safeguards that are reviewed regularly, in the context of internal controls.

IV. Information about the Board of Directors

1. Main Responsibilities

The responsibilities of the Board of Directors are explicitly defined in the Company's Articles of Incorporation and the internal regulation or any other internal Company documents.
The Board of Directors is responsible for deciding on any act regarding the Company's management, its assets and the pursuit of its aim, while it takes all measures and decisions required, acts without any limitations (excluding issues under the General Meeting's exclusive responsibility) and represents the Company before the courts and extrajudicially.

The responsibilities of the Board of Directors include, but are not limited to:
- approving the Company's long-term strategy and operating objectives;
- approving the annual budget and business plan, as well as making decisions on the major capital expenses, acquisitions and sales;
- selecting and substituting, whenever necessary, the Company's executive leadership, and supervising the succession plan;

- monitoring the performance of senior Management and harmonizing the senior executives' remuneration with the long-term interests of the Company and its shareholders;
- ensuring the credibility of the financial statements, company information, financial reporting systems and published data, and the efficiency of the internal control and risk management systems;
- being vigilant with regard to existing and possible conflicts of interest between the Company and the Management, Board members or major shareholders (including shareholders with direct or indirect power to formulate or affect the Board of Directors composition and conduct), and adopting a suitable plan for resolving said conflicts; to this end, the Board of Directors must adopt a procedure for supervising the transactions of all stakeholders;
- ensuring an effective procedure of Company compliance to the relevant laws and regulations;
- having the responsibility of making decisions and monitoring the Company's management system effectiveness, including decision-making processes and assignment of powers and duties to other executives, as well as formulating, disseminating and implementing the Company's main principles and values governing its relations with all parties whose interests are related to the Company's interests.

The Board of Directors has assigned all or part of its management and representation powers to one or more persons, Board members or not, company employees or third parties, having also determined the extent of delegated powers.
The company is liable for the persons to whom the aforementioned powers have been delegated, as its bodies, for all the powers delegated to them.

The Board of Directors has formed committees to support it in the preparation of its decisions and ensure effective management of possible conflicts of interest during the decision-making process.

The Board of Directors is marked by diversity as to the skills, abilities, knowledge, qualifications and experience of its Members, as well as to gender in terms of the Executive Members.

2. Composition and Operation of the Board of Directors

According to the Company's Articles of Incorporation, the Board of Directors consists of nine (9) to thirteen (13) Members, who are appointed by the General Meeting. Their term of office is stipulated in Article 9(1) of the Articles of Incorporation.

In its current composition, the Board of Directors consists of thirteen (13) Members. The majority of them are Non-Executive, while there are also two (2) Independent Non-Executive members.

The current composition of the Board of Directors is as follows:

1. Athanasios Papanikolaou – Chairman/Non-Executive Member
2. Georgios Efstratiadis – Vice-Chairman/Non-Executive Member
3. Georgios Politis – Vice-Chairman/Non-Executive Member
4. Andreas Kartapanis – CEO/Executive Member
5. Dimitrios-Eleftherios Mantzavinos – Executive Member
6. Konstantina Psoni – Executive Member
7. Fotios Karatzenis – Non-Executive Member
8. Anastasios Kyprianidis – Non-Executive Member
9. Spyridon Kalakonas – Non-Executive Member
10. Ioannis Andreou – Non-Executive Member
11. Georgios Zacharopoulos – Non-Executive Member
12. Athanasios Christopoulos – Independent Non-Executive Member
13. Nikolaos Damaskopoulos – Independent Non-Executive Member

The Board of Directors serves a two-year office term, which ends during the Annual General Meeting of the second year.

The Board members are appointed by the shareholders for the term of office stipulated in the Articles of Incorporation, without excluding the possibility of them being re-elected.

Independent Non-Executive Members cannot hold a percentage higher than 0.5% of the Company's share capital, and must not have a dependency relationship with the Company or any parties associated with the Company. The Independent Members are appointed by the General Meeting of shareholders. The Board of Directors must determine whether a candidate fulfills the independence conditions before nominating said individual's candidacy to the General Meeting of shareholders.

The Board of Directors convenes and issues decisions at suitably regular intervals that ensure the efficient performance of its duties. During the 2017 fiscal year, the Board of Directors convened 11 times and issued additional decisions by drafting 28 written minutes, in accordance with Article 21(5), Codified Law 2190/1920, and Article 18(3) of the Company's Articles of Incorporation.

Alternatively, apart from the Company's registered headquarters, the Board of Directors may validly convene at any other location, in Greece or abroad, in accordance with the relevant provisions in the Articles of Incorporation. It may also convene via teleconference. During the previous fiscal year (2017), and specifically from 01.06.2017 to 31.12.2017, the Independent Non-Executive Members of the Board received remunerations for fulfilling their duties under their capacity, based on the decision of the Board of Directors issued on 31/05/2017, awaiting approval by the upcoming Annual General Meeting.

V. Other Administrative and Supervisory Bodies

1. Audit Committee

The Audit Committee's task is to assist the Board of Directors in fulfilling its mission with regard to ensuring effectiveness of audit mechanisms, proper accounting presentation of financial results, efficient operation of corporate risk management systems, compliance with the legislative and regulatory framework and effective implementation of the Principles of Corporate Governance.

The Audit Committee members are appointed by the General Meeting of Company shareholders, following a relevant Board of Directors proposal. The current composition is as follows:

1. Athanasios Christopoulos, Chairman
2. Georgios Efstratiadis, Member
3. Nikolaos Damaskopoulos, Member

The Audit Committee may meet as often as necessary, but at least four times a year, upon invitation extended by the Chairman. It must meet the regular company auditor at least twice a year, without the Company Management being present.

2. Executive Committee

The Executive Committee is composed of 3 to 7 members. The Committee members' term of office is two years, with the option of being reappointed.

The current composition of the Committee is as follows:

1. Athanasios Papanikolaou, Chairman
2. Andreas Kartapanis, Member
3. Dimitrios-Eleftherios Mantzavinos, Member

The main objective of the Executive Committee is to assist the Board of Directors in its task with delegation of its powers, in accordance with its regulation, which has been posted on the Company's website: www.hygeia.gr.

3. Procurement Committee

The Committee is composed of 3 members, who are appointed by the Company's Executive Committee, which must also appoint the Chairman of said Committee.

The Committee members' term of office is one year, with the option of being reappointed. The Committee's task falls within the duties stipulated in its regulation, which has been posted on the Company's website: www.hygeia.gr.

The current composition of the Committee is as follows:
1. Ioannis Andreou, Chairman
2. Georgios Politis, Member
3. Dimitrios-Eleftherios Mantzavinos, Member

VI. General Meeting of Shareholders

1. Main Powers

The General Meeting is the supreme company body, convened by the Board of Directors and entitled to decide on any matter pertaining to the Company. Shareholders are entitled to participate in the General Meeting, either in person or by legally authorized proxy, in line with the legal procedure in force.

2. General Meeting Operation/Shareholder Rights and their Exercise

The Board of Directors must ensure that the General Meeting of shareholders is prepared and held in a manner that facilitates the shareholders in effectively exercising their rights. Shareholders must be fully informed on all issues pertaining to their participation in the General Meeting, including the items on the agenda and their rights during the General Meeting.

In combination with the provisions of Law 3884/2010, at least twenty (20) days prior to the General Meeting, the Company must post on its website, both in Greek and English, information regarding:

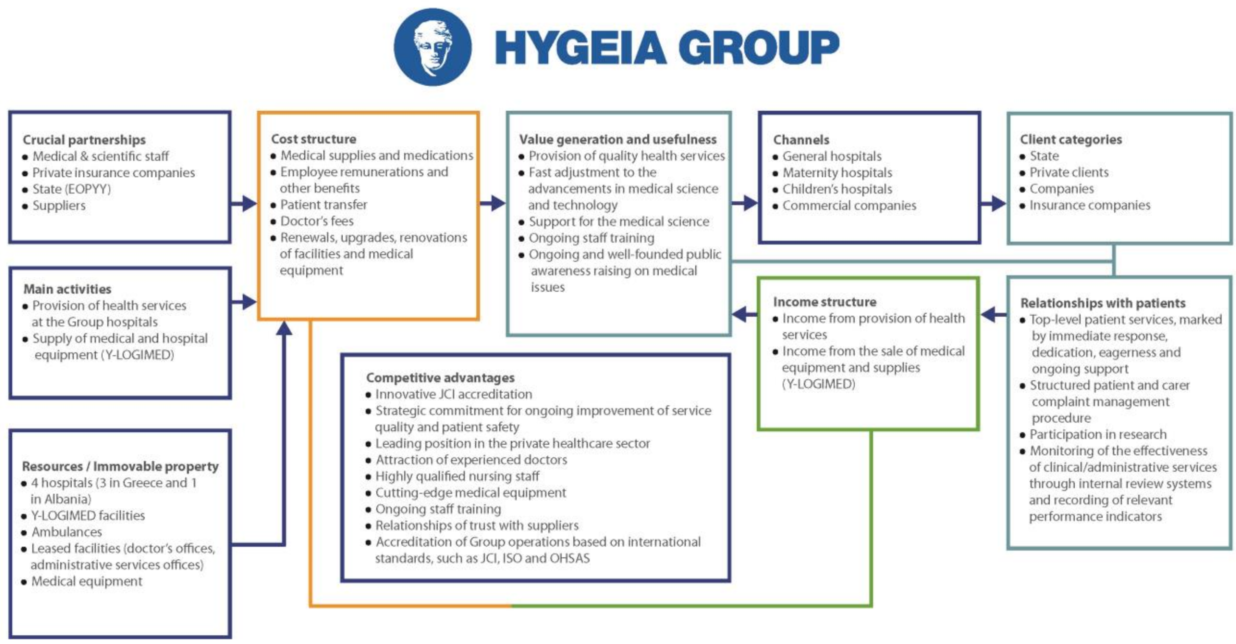
- the date, time and location of the General Meeting of shareholders;
- the main rules and participation practices, including the right to introduce items to the agenda and submit questions, as well as the deadlines for exercising such rights;
- the voting procedures, the terms of representation by proxy and the forms to be used for voting by proxy;
- the proposed agenda of the Meeting, including any drafts of the decisions to be discussed and voted on, as well as any accompanying documents;
- the proposed list of candidate Board members;
- the total number of shares and voting rights on the convention date.

It is the responsibility of the Board of Directors to ensure that the Company posts the voting process results on its website within five (5) days at the latest from the General Meeting date, stipulating for each decision at least the number of shares for which valid votes were cast, the share capital ratio represented by said votes, the total number of valid votes, as well as the number of votes in favor or against each decision and the number of abstentions.

(I) NON-FINANCIAL REPORTING

1. The HYGEIA Group Business Model

HYGEIA Group undoubtedly strives to protect and promote health, in all the facets of its operations. With its vision being to be a point of reference in Greece for the provision of quality healthcare services and to continue to offer hospital services in tune with the highest standards worldwide, maintaining its leading position among international healthcare organizations, HYGEIA Group aspires to continue improving and to develop innovative services for all people, with consistency and a deep sense of responsibility. HYGEIA Group tries to generate value for all its stakeholders. As reflected in the business model it has adopted, the provision of quality healthcare services is the main source of value for the organization.



We forecast the developments and potential challenges faced by the healthcare sector in advance, while we examine every investment opportunity that may arise and may contribute to achieving our vision. We forge relationships of mutual trust with our stakeholders, aiming at fostering two-way communication with them, as their opinion forms the foundation for the development of our programs.

2. Corporate Social Responsibility at HYGEIA Group

HYGEIA Group is active in the most significant area for people, health. The concepts of respect, dignity, compassion and caring constitute the foundation for every service its offers through its hospitals, while also encompassing the concept of responsibility on all its activities. The commitments and priorities set by the Group are reflected in the policy it has adopted and implements:

Corporate Responsibility Policy Excerpt

- We focus on our patients and their families, by responding to their needs, desires and expectations promptly, offering top-level healthcare, and ensuring the necessary resources, as well as fully trained personnel and cutting-edge technology.
- We implement an integrated Quality & Patient Safety Improvement Program, which covers clinical and administrative operations (including services offered by clinical, diagnostic and imaging labs), occupational health and safety, work accident and occupational illness prevention, and environmental protection and pollution control.
- We have created an environment of trust and a workplace safety culture, promoting active participation, diversity of opinions, protection of rights, open communication, accountability, safety, environmental responsibility, teamwork, training and personal development, goal attainment and recognition, when expectations are met.
- We comply with the legislation in force, as well as the regulations, management standards (Joint Commission International, ISO 9001, ISO 14001, OHSAS 18001 and ISO 15189) and professional practices governing our operation.
- We promote our Policy to patients and their families, our employees, our associates, our suppliers and all other social partners and we encourage them to support it.

The aim of the Corporate Responsibility framework adopted by HYGEIA Group is smooth and mutually beneficial co-existence with society and all its stakeholders in general, all the while focusing on people, with a deep sense of responsibility and compassion.

HYGEIA Group **publishes its Corporate Responsibility Report annually**. The Report is prepared **based on the international GRI Standards**. In this context, it has recorded in detail and prioritized its most significant issues. The procedure followed (materiality analysis) was based on the Guidelines of the Global Reporting Initiative (GRI) and the AA1000 AccountAbility Assurance Standard. It was verified by the stakeholders of the organization through a special survey conducted.

Communication with and Commitment to the Stakeholders

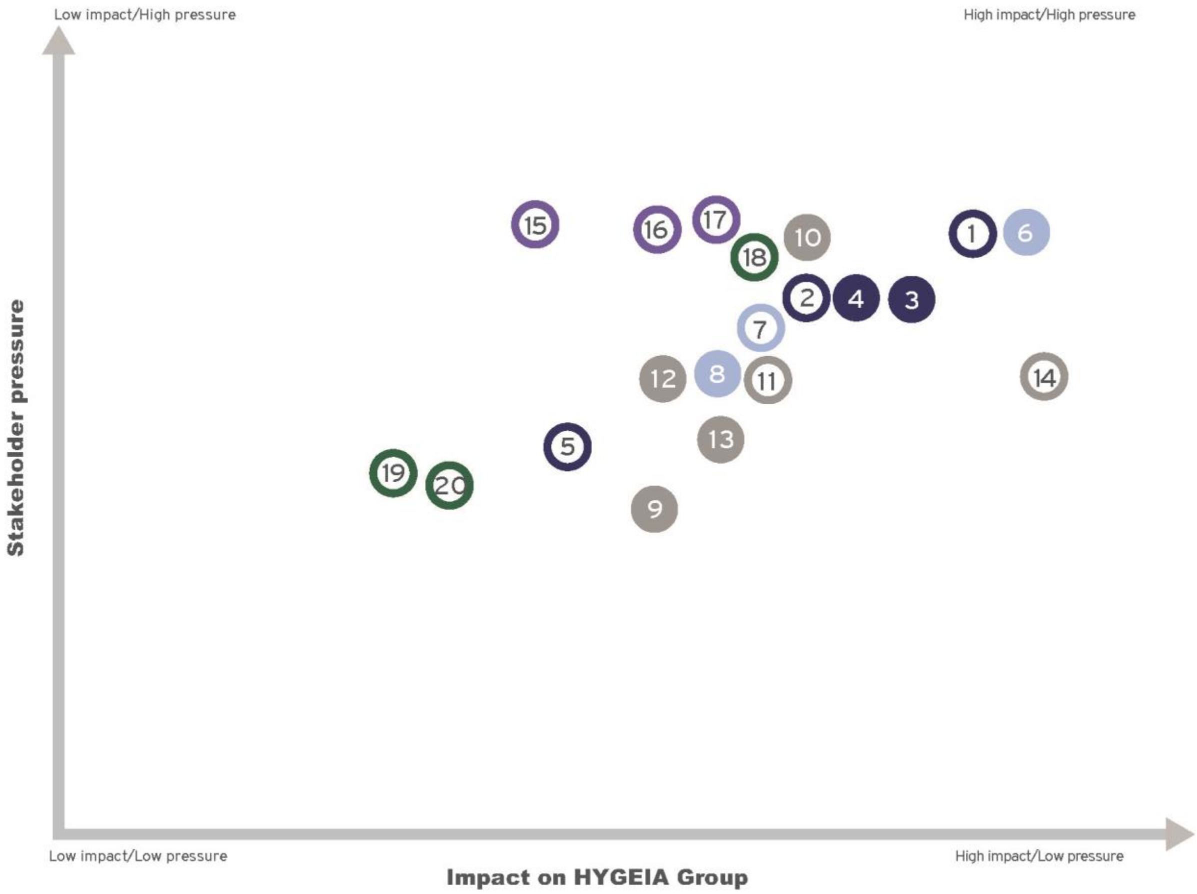
In addition, HYGEIA Group has identified as stakeholders the groups of people and organizations that are directly or indirectly affected by its activities, and naturally, all the groups that may affect its operation in any way and at any time. The procedure for identifying and subsequently prioritizing the stakeholders was based on the GRI methodology and took into account both the extent of influence each category of stakeholders exercises on the Group, and the extent of influence exercised by the Group on each category of stakeholders. Given that certain factors, such as the extent and nature of the Group operations, determine the nature of these categories, different gravity is placed on each one.

The HYGEIA Group stakeholders are as follows: employees, patients, patient families and visitors, shareholders, associate physicians, insurance companies, subcontracting services, vulnerable social groups and NGOs, suppliers, the state and regulatory authorities, public social insurance organizations, private customers, the Media, the medical and scientific community, as well as financial institutions.

The trust of our stakeholders is essential in ensuring the long-term success of HYGEIA Group. For this reason, we pledge to cultivate open dialogue with patients, employees, customers, shareholders and all stakeholder categories, so as that there is constant communication and their needs are recorded.

The map with the most significant issues for HYGEIA Group reflects the gravity of each issue in the development of the Group, along with how important it is for its stakeholders. Significant issues are those that have a significant impact on the operation of the Group.

The assessment of the significant issues performed to prepare the 2017 Annual Report led to the development of the following map:



The descriptors "within", "outside" and "within/outside" refer to identifying the areas of influence for each essential issue at HYGEIA Group.

: Within the Company limits : Outside the Company limits : Within & outside

Corporate Governance & Economic Growth

1. Group Financial Performance & Development
2. Efficient Risk Management
3. Regulatory Compliance
4. Data Protection
5. Credible Supplies

Quality Services

6. Quality Patient Care & Safety
7. Investments in Cutting-Edge Technology
8. Top-Level Infrastructure

Human Resources

9. Employee Benefits
10. Employee Health & Safety
11. HR Employment & Evaluation
12. Employee Training & Development
13. Employee-Management Relations
14. Physician Relations & Satisfaction

Society

15. Safeguarding & Promoting Public Health through Social Actions
16. Raising Public Awareness on Significant Health Issues
17. Covering Healthcare Needs in Remote Areas of the Country

Environment

18. Waste Management
19. Efficient Power Consumption
20. Efficient Use of Natural Resources (water, natural gas, oil)

The horizontal axis relates to the impact of material issues on the operation of the Company
The vertical axis relates to the pressure exerted on the Company by stakeholders with regard to these issues.

3. Implementation of Systems and Risk Management

HYGEIA Group has identified the defining factors that contribute towards efficient management of the risks it is exposed to. In this context it has developed and implements management systems in key sectors of its activities. Specifically:

- **Implementing a Corporate Governance system** and drawing up a Code to record the best corporate governance practices that the Group follows both voluntarily and pursuant to the legislation in force
- **Implementing systems and procedures,** which aim to continuously improve and develop key areas in the Group activities (health and safety, environment, quality of services).
- **Recording and monitoring key performance indicators (KPIs)**
- **Identifying stakeholders and prioritizing them**
- **Establishing a centralized request application system**, through which any request submitted by stakeholders can be treated and managed efficiently and in a timely manner.
- **Establishing a Corporate Responsibility Team,** which consists of executives that act on behalf of all the companies of the Group; their role is to participate, be informed and represent every service area of the Group.

Risk & Safety Management of Facilities

HYGEIA Group has developed an integrated Risk & Emergency Management Plan to systematically and responsibly manage a wide range of internal and external adverse events that may potentially affect the smooth operation of the hospitals and/or threaten the safety of patients, visitors or the staff.

Detailed information on the financial risks of the organization is outlined in the Description of Internal Controls and Risk Management section of this Report, while information on non-financial risks is included in the following sections, per Group Corporate Responsibility axis.

Corporate Governance, Transparency and Anti-Corruption

HYGEIA Group considers that proper implementation of the Corporate Governance Principles as pivotal, both for ensuring the sustainable development of the Group companies, but also for safeguarding and serving the legitimate interests of all Group stakeholders. HYGEIA Group strives and pledges to act with integrity, always in line with the laws, regulations and internal policies in force. In this context it adopts ethical business practices and conducts its business with transparency and credibility. Bribery and any other incidents of corruption are strictly forbidden in our companies. We do not tolerate corruption, money laundering, bribery or any other immoral or illegal activity. Our performance and competitiveness are solely based on legal practices. Detailed information of Corporate Governance issues are outlined in the Statement on Corporate Governance.

All the HYGEIA Group hospitals have instituted a Scientific Board

The Scientific Board is the supreme scientific council of the Hospital and makes decisions on medical/scientific matters. It oversees the general terms for practicing medicine, including the code of conduct. It develops mechanisms for identifying actions to improve the quality, efficiency, safety, effectiveness and adequacy of the medical services offered; and for detecting the needs of patients and specifying programs that meet these needs. It also approves and oversees clinical trials carried out in each hospital; and undertakes to examine any scientific matter that relates to the scope and operation of the hospitals. It may submit proposals to the Board of Directors for organizing and participating in scientific meetings, inviting Greek and foreign scientists to lectures, seminars and symposiums, as well as organizing training activities for the medical and nursing staff of the hospital. It approves the rules, procedures, guidelines and all the documents that specify the operation of each hospital's Medical Service, as well as the rights and obligations of the physicians, while it guides the medical practice.

4. Care and Responsibility to Patients

HYGEIA Group's commitment to provide quality services covers both its operations and the entire range of the services it offers. In this context, it implements an integrated Quality Improvement & Patient Safety Program that covers all the Group hospitals and administrative activities, including the services offered by the clinical labs and the diagnostic or therapeutic imaging departments.

Gold Seal of Approval for HYGEIA

The HYGEIA Hospital Joint Commission International (JCI) accreditation was renewed for another three-year term. To date, it remains the only hospital in Greece to have earned the Gold Seal of Approval®, the most distinguished and internationally recognized Accreditation Standard for Healthcare Organizations. Only 580 hospitals worldwide have received this accreditation. JCI is an international accreditation standard for healthcare services. Preparations for this accreditation usually last around 2 years. Once the preparation has been completed, JCI sends a team of international healthcare expert inspectors (doctors, nurses and administrative employees) to the hospital. These inspectors perform an on-site evaluation of the hospital services based on a list of over 1,000 requirements of the standard. The requirements cover the entire range of patient-centric operations within a hospital, such as accessibility, clinical assessment and care, anesthesiology and surgical care, education, and patient rights. They also encompass all support operations, such as lab and imaging services, infection prevention and control, management of medications, facility management and safety, management of patient files and clinical information, human resources management, and hospital management practices. The JCI accreditation is valid for 3 years. If a hospital wishes to maintain its accreditation, it must be reevaluated at the end of that period. JCI accredited hospitals hold the Gold Seal of Approval©.

Quality Committees

Quality Committees have been formed for monitoring and improving clinical operations. Depending on its scope, each Committee mainly aims at studying, analyzing and providing opinions on matters concerning its area of interest. The objective of the Quality Committees is to resolve the clinical issues that may arise, while pushing services to new, even higher levels. Through the Quality Council, the Committees work closely with all the departments of each hospital to resolve any issues and improve the services offered.

Patient and Carer Satisfaction

Part of the daily operation of the HYGEIA Group hospitals is to respond to the needs, complaints and comments of patients. These are submitted via post, email or the Feedback Form. All written remarks by patients (inpatients or outpatients), carers and visitors are received by the Corporate Quality Division and forwarded to the Management and all relevant executives for further investigation and proper corrective actions. Increasing patient and carer satisfaction is a top priority and a strong incentive for HYGEIA Group, so that it may constantly improve the experience of everyone entrusting their health and the health of their loved ones to it.

Some of the questions from the patient satisfaction survey conducted in the HYGEIA Group hospitals and the respective responses with rates attributed over a three-year period are listed below.

TABLE 1: Questions from the inpatient satisfaction survey

QUESTIONS	HYGEIA			MITERA			HHT			LETO*
	2015	2016	2017	2015	2016	2017	2015	2016	2017	2017
Overall, how would you rate the quality of care you received at our Hospital? – "Excellent and/or	98.0%	97.6%	96.8%	93.0%	91.80%	92.0%	85.5%	90.8%	89.43%	97.6%

Very Good”										
Would you recommend our Hospital to your family and friends? – "Yes"	96.4%	96.7%	96.2%	85.7%	85.6%	86.2%	82.9%	88.7%	87.77%	97.3%

**The table only includes figures for LETO Hospital for 2017, as the Hospital introduced the Patient Satisfaction Survey in October 2016.*

The satisfaction level of our patients remains very high, surpassing for yet another year the target set at 85%.

5. Responsibility to Employees

For HYGEIA Group, people are its most valuable asset. All Group employees share a common vision and contribute decisively in accomplishing the business objectives, supporting the Group’s leading position in the sector. The Group has adopted a people-centric approach in all its systems and practices. Despite our admittedly tough business sector, the constant diligence towards our employees and their families has led to an awarded work environment.

Code of Ethics, Policies and Procedures

HYGEIA Group has developed and implements a Code of Ethics for Employees, which ensures compliance to the fundamental conventions of the International Labour Organization (ILO) on labor issues. HYGEIA Group recognizes how important is it to establish suitable working conditions for all the people employed in its hospitals. To this end, it has developed structures and procedures that ensure protection of labor rights and contribute to ongoing improvement of working conditions. The Group voluntarily follows and complies with the principles of the UN Global Compact.

The HYGEIA Code of Ethics and Conduct and the Group hospital and company work regulation highlight our commitment to protect human rights and offer equal opportunities to all the employees. In particular:

- ✓ We support fair employment.
- ✓ We encourage our colleagues to develop their skills and capabilities.
- ✓ We urge employees to attend the educational and training seminars available for developing their potential.
- ✓ We treat each other with fairness and respect.
- ✓ We do not allow distinctions based on sex, race, nationality, religion, color, family status, sexual orientation or disability, unless the disability renders the individual incapacitated, and the recruitment decisions reflect this commitment.
- ✓ We defend the principles and values of human rights and we do not recruit or employ people who have not reached the legal working age, ensuring that all our associated companies adopt the same policies.
- ✓ We do not allow sexual or any other type of harassment.
- ✓ We create a culture we are proud of, through our actions and words; a culture admired by patients, their families, the employees and the general public.
- ✓ We work towards building an environment of respect and understanding, where anyone can openly raise and discuss their concerns with regard to ethical behavior, especially to their supervisors, without fear of reprimand or retaliation.
- ✓ We view diversity among our staff and associates as a strength and a benefit in providing quality care.

Human Rights and Equal Opportunities

At HYGEIA Group, human rights constitute the cornerstone of our operations, and govern all the policies, procedures and practices of human resources management. In this context, HYGEIA Group defends the

principles and values of human rights and forbids the recruitment and employment of people who have not reached the legal working age. It also ensures that all associated companies adopt the same policies. HYGEIA Group opposes child labor and condemns all forms of forced and compulsory labor. Due to the practices and procedures followed by the Group, there are no grounds for such incidents to arise.
At HYGEIA Group, no incidents, or even complaints, have been recorded or reported for any discrimination due to diversity. Furthermore, no incidents of child or forced labor, or any type of harassment have ever arisen.

In addition, HYGEIA Group ensures (through written commitment/agreements) and checks that its associated suppliers (subcontracting services on Group hospitals) respect and protect human and labor rights. In this context, it plans on drawing up a special Code of Ethics for Suppliers.

HYGEIA Group is committed to offering equal opportunities to all individuals, irrespective of gender, age, disability, color, race, nationality, socioeconomic status, religion or political beliefs. Promotion to managerial posts mainly depends on the needs of the companies and the individual's skills in human resources management. At HYGEIA Group, minimum wage for men and women is set based on the local legislation and the collective agreements. There is no differentiation between men and women for the same type of employment. Finally, HYGEIA Group employs people with disabilities wherever possible. These individuals are placed in posts suitable for their skills.

Ranks	**2017**		**2016**	
	Men	***Women***	***Men***	***Women***
Directors	24	27	21	23
Senior Executives (Department Supervisors)	65	153	61	149
Scientific Staff	187	174	201	169
Nursing Staff	254	1,099	243	1,089
Administrative Staff	395	741	378	734
TOTAL	**3,119**		**3,068**	
Associate Physicians	***2,101***	***1,809***	***2,142***	***1,774***

**Note that the HYGEIA Group Non-Financial Information Report is prepared based on the international GRI Standards. For this reason, information on Group companies with a revenue below 5% of the total Group revenue is not included.*

HYGEIA Group has created more than 3,000 direct and indirect jobs in the Greek society, within a work environment marked by security, equality, stability and professional development.

Training & Development

Ongoing staff education and training is a key priority. The Group's offering of continuous training opportunities to its employees is fundamental both for its corporate success and for the personal and professional development of its executives and employees.

An educational plan is prepared annually, which is budgeted and followed throughout the year. The plan aims to meet the needs set by the employees themselves, and educate them so as to help them meet the challenges posed by the latest technologies implemented at HYGEIA Group.

The Group companies dedicated a total of 19,937 teaching hours to educational programs.

In addition, the HYGEIA Group hospitals organize a series of postgraduate internship programs. In this context, in partnership with the Scientific Union of HYGEIA Doctors, HYGEIA announces internships on medical specialties for new physicians twice a year, while MITERA organizes postgraduate internship programs, aiming to offer specialization to doctors and introduce them to new minimally invasive techniques in gynecology, as well as new approaches on related specialties.

Evaluation & Development

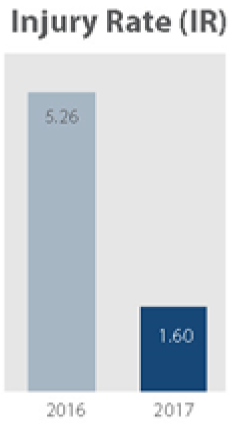
At HYGEIA Group, staff performance evaluation is an extremely important procedure. All the Group companies apply a common Performance Management System, which forms the foundation for a uniform human resource development program and reflects the Group's position with regard to fair, objective and meritocracy-driven treatment for all employees.

Each year, 100% of the Group employees and executives are evaluated. In addition, the employees also evaluate their supervisors and managers, to foster a two-way feedback of cooperation and ongoing improvement.

Health & Safety

Safeguarding occupational health and safety is a commitment for HYGEIA Group, but also a responsibility that extends to each and every one of the employees in all business activity sectors. HYGEIA Group records and monitors the Occupational Health & Safety indicators, such the Injury Rate (IR), which dropped during 2017.

INJURY RATE (IR)



$$\text{Injury rate (IR)} = \frac{\text{total no. of accidents}}{\text{total hours worked}} \cdot 10^6$$

Fostering Employee Volunteerism

The medical, nursing and administrative staff participate in the initiatives of the Group voluntarily. They donate goods, dedicate their free time and offer a warm embrace and a smile to all our fellow citizens in need. The relevant actions include collection of basic necessities for various organizations, blood drives, participation in sporting events in support of various charities and NGOs, etc.

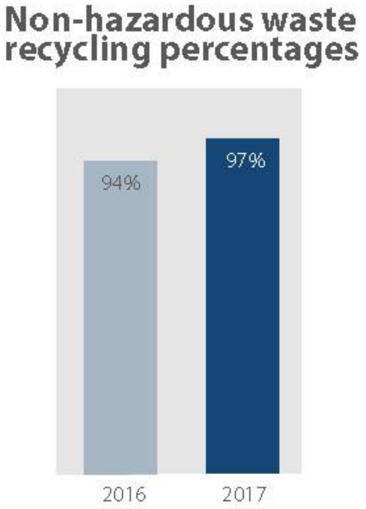
6. Caring for the Environment

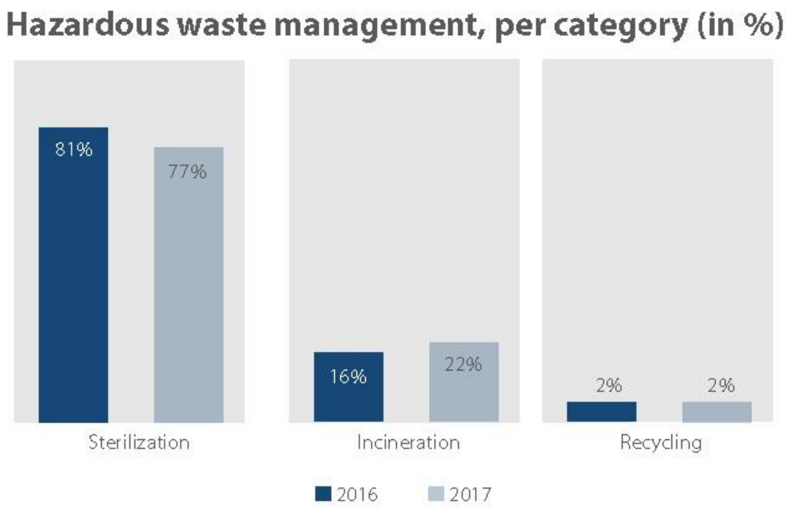
HYGEIA Group consistently develops environmental protection actions to constantly reduce its environmental impact. The main environmental priorities for healthcare providers are proper hazardous material and waste management, reasonable use of natural resources, electricity and water, and reduced gas emissions into the atmosphere. Note that HYGEIA Group is not active in protected areas with wetlands and does not pump superficial waters (e.g. rivers or lakes).

HYGEIA applies an ISO 14001 certified Environmental Management System

Each year we evaluate our environmental activities and services, and their impact on the environment. Based on this evaluation, we try to improve our environmental performance, by setting targets and programs, specifying indicators and monitoring our performance against the Environmental Management System we have adopted. This certification constitutes a priority for HYGEIA, which aims at operating responsibly towards the environment, both as a means to save resources and as a method of growth.

In the years 2015-2017 HYGEIA's spending on environmental protection initiatives totaled approximately €1.4m, a number which further proves our commitment to successfully manage environmental issues that are of our direct or indirect concern. This figure includes costs related to contracts with waste management companies, expenses for waste collection carts, cost of consumables as well as costs to replace equipment with environmentally friendlier ones and excludes any cost related to urban waste management.





Recognizing the significance of proper management of waste from the Group hospitals, we implement a special Hazardous Substances & Waste Management Plan. This Plan has been prepared per Group hospital and includes the procedures that must be in place for handling, storing, transporting and disposing of the hazardous substances and waste produced during the operation of the hospitals and departments. The HYGEIA Group hospitals fully comply with the environmental legislation in force. Management of hazardous and non-hazardous waste for the years 2016 and 2017 is depicted below.

The quantities arising from the sterilization and incineration processes are forwarded to sanitary landfills by licensed companies, in line with the legislation.

Water Consumption

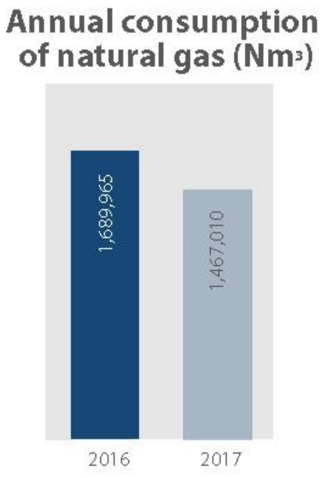
Water consumption at the HYGEIA Group facilities mainly pertains to the use of urban water. Despite this, the Group records and monitors water consumption, and is on alert to intervene in case of leakage or overconsumption of this valuable natural resource.

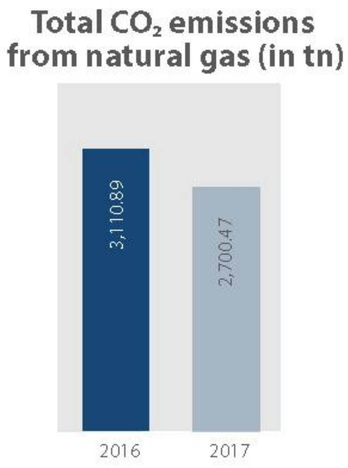
HYGEIA GROUP TOTALS	2017	2016
Water consumption from water supply networks (m^3)	228,769	215,587
Water consumption from water supply networks (lt per bed-day)	7,716	7,009

To ensure continuous water supply, HYGEIA, MITERA and HHT have a network of reservoirs for temporary storage of water. This ensures autonomy in the water supply of their facilities in case there is an interruption to the water supply network. HYGEIA and Y-LOGIMED, have a water well, which they use exclusively to water their gardens.

Energy Consumption and Air Emissions

The HYGEIA Group hospitals consume energy from direct (natural gas and oil) and indirect energy sources (electricity). At the HYGEIA Group facilities, air emissions mainly come from the operation of boilers used to heat the buildings, produce hot water and power the steam generators, as well as from the operation of the gensets. Taking into account that the boilers and steam generators run on natural gas, air emissions are low.





**Source: Attiki Gas Supply http://www.aerioattikis.gr*

Regulatory Compliance
HYGEIA Group systematically monitors the Greek and EU environmental legislation and complies with all the legal and regulatory requirements. As a result of this practice, no complaints were filed and no fines were imposed on the hospitals for environmental issues during 2017.

7. Responsibility to Society

Contributing, showing respect and being responsible towards society are integral parts of HYGEIA Group's culture and strategy. The Group continues to offer to society, through a series of actions, focusing on prevention, diagnosis and treatment, with the ultimate objective to safeguard public health.

HYGEIA Group has developed four main blocks of social activity, on the basis of which it sets goals and strategic priorities. These blocks include:

- **Promoting Public Health**

In 2013, we launched the "Traveling for Health" initiative, to serve the needs of residents in remote small islands or mountainous regions who do not enjoy easy access to medical services.

A total of 8 volunteer campaigns have been completed so far, while more than 9,834 residents have been examined and some 38,000 medical and diagnostic tests have been performed.

Apart from the "Traveling for Health" initiative, the Group also develops an extensive social contribution program in the area of healthcare that includes provision of medical services, medical equipment and know-how and medical care.

- **Providing Information and Raising Public Awareness**

Each year the Group organizes public awareness campaigns, prompted by global health days, weeks and months. In the context of these campaigns, HYGEIA offers check-ups at special rates and publicly supports the vision and initiatives of social groups and organizations. In addition, the Group shares informational videos of various organizations, which are screened on TV sets located in common areas within the Group hospital premises.

- **Promoting Medical Science**

Committed to advancing medical science, HYGEIA Group invests in education, by organizing and implementing educational programs, seminars and events, and school visits to its hospitals. Through these actions, it offers students the opportunity to do their internship in healthcare specialties, while it also gives students the chance to take a tour of the Hospital and witness daily medical practice in action.

The HYGEIA Group Corporate Responsibility actions are described in detail in the 2017 Corporate Responsibility Report, which is prepared based on the international GRI Standards (see www.hygeia.gr).

Marousi, April 24, 2018
By order of the Board of Directors

Athanasios Papanikolaou

Board of Directors Chairman/Executive Member

D. Annual Financial Statements

ANNUAL CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED ON DECEMBER 31ST, 2017

IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS), AS ADOPTED BY THE EUROPEAN UNION

The accompanying financial statements were approved by the Board of Directors of HYGEIA SA on 24/04/2018, and have been posted on the internet, on the website www.hygeia.gr, as well as on the Athens Exchange website.

The annual financial statements of the consolidated subsidiaries, as required by decision 8/754/14.4.2016 of the Capital Market Commission Board of Directors, are posted on the internet, on the website www.hygeia.gr.

1. Financial Position Statement as at December 31, 2017 (Consolidated and Separate)

Amounts in € '000		GROUP		COMPANY	
	Note	**31/12/2017**	**31/12/2016**	**31/12/2017**	**31/12/2016**
ASSETS					
Non-Current Assets					
Tangible assets	12.1	133,384	173,948	68,833	72,136
Goodwill	12.2	82,706	82,706	0	0
Intangible assets	12.3	65,420	68,689	1,255	1,349
Investments in subsidiaries	12.4	0	0	124,536	142,021
Investment in properties	12.5	146	148	146	148
Other non current assets	12.6	1,100	1,222	678	594
Deferred tax asset	12.7	11,028	12,561	6,613	7,904
Total		**293,784**	**339,274**	**202,061**	**224,152**
Current Assets					
Inventories	12.8	5,111	5,674	1,400	1,308
Trade and other receivables	12.9	64,381	62,858	46,570	46,987
Other current assets	12.10	9,814	6,573	5,805	3,361
Trading portfolio and financial assets measured at fair value through P&L	12.11	45	45	0	0
Cash and cash equivalents	12.12	11,108	14,854	4,755	2,503
Total		**90,459**	**90,004**	**58,530**	**54,159**
Assets held for sale	11	27,359	0	0	0
Total Assets		**411,602**	**429,278**	**260,591**	**278,311**
EQUITY AND LIABILITIES					
Equity					
Share capital	12.13	125,350	125,350	125,350	125,350
Share premium		303,112	303,112	303,112	303,112
Other reserves	12.14	7,828	5,311	5,134	5,134
Retained earnings		(315,594)	(314,382)	(304,291)	(294,657)
Equity attributable to parent's shareholders		**120,696**	**119,391**	**129,305**	**138,939**
Non-controlling interests		157	1,312		
Total Equity		**120,853**	**120,703**	**129,305**	**138,939**
Non-current liabilities					
Deferred tax liability	12.7	32,187	33,971	5,852	6,985
Accrued pension and retirement obligations	12.15	15,642	15,632	9,360	9,389
Government grants	12.16	105	140	0	0
Long-term borrowings	12.17	116,692	1,473	77,816	867
Non-Current Provisions	12.18	10,137	11,544	2,139	2,208
Other long-term liabilities	12.19	523	664	215	259
Total		**175,286**	**63,424**	**95,382**	**19,708**
Current Liabilities					
Trade and other payables	12.20	53,101	66,488	14,819	16,284
Tax payable	12.21	307	588	297	554
Short-term debt	12.17	14,900	156,452	9,284	92,015
Other current liabilities	12.22	19,796	21,623	11,504	10,811
Total		**88,104**	**245,151**	**35,904**	**119,664**
Liabilities related to Assets held for sale	11	27,359	0	0	0
Total liabilities		**290,749**	**308,575**	**131,286**	**139,372**
Total Equity and Liabilities		**411,602**	**429,278**	**260,591**	**278,311**

The attached notes form an integral part of the Financial Statements.

2. Comprehensive Income Statement for the 2017 Fiscal Year (Consolidated and Separate)

Amounts in € '000		GROUP		COMPANY	
	Note	**1/1-31/12/2017**	**1/1-31/12/2016**	**1/1-31/12/2017**	**1/1-31/12/2016**
Continuing operations					
Sales	12.24	205.972	205.891	125.223	126.043
Cost of sales	12.25	(169.796)	(172.702)	(98.562)	(103.280)
Gross profit		**36.176**	**33.189**	**26.661**	**22.763**
Administrative expenses	12.25	(15.562)	(15.135)	(5.515)	(5.499)
Distribution expenses	12.25	(5.320)	(5.093)	(1.814)	(1.514)
Other income	12.26	4.871	3.656	1.386	1.007
Other expenses	12.26	(1.140)	(1.264)	(435)	(726)
Operating profit		**19.025**	**15.353**	**20.283**	**16.031**
Other financial results	12.28	(26)	(3.662)	(23.454)	(14.840)
Finance costs	12.27	(9.477)	(9.772)	(6.051)	(6.566)
Financial income	12.27	35	27	26	22
Income from dividends		0	0	0	6
Profit before income tax		**9.557**	**1.946**	**(9.196)**	**(5.348)**
Income tax	12.29	69	2.138	(422)	1.559
Profit for the period from continuing operations		**9.626**	**4.084**	**(9.618)**	**(3.789)**
Discontinued operations					
Net profit from discontinued operations	11	(11.322)	(3.324)	0	0
Net profit for the period		**(1.696)**	**760**	**(9.618)**	**(3.789)**
Attributable to:					
Owners of the parent		9.656	4.173		
Non-controlling interests		(30)	(89)		
Results from discontinued operations attributable to:					
Owners of the parent		(11.322)	(3.324)		
Non-controlling interests		0	0		
EBITDA		33.523	30.472	28.881	25.275
EBITDA (circ.34)		33.492	30.475	28.885	25.307

Statement of Comprehensive Income

Amounts in € '000		**1/1-31/12/2017**	**1/1-31/12/2016**	**1/1-31/12/2017**	**1/1-31/12/2016**
Net profit for the period		**(1.696)**	**760**	**(9.618)**	**(3.789)**
Other comprehensive income:					
Amounts not reclassified in the Income Statement					
Reevaluation of accrued pension liability		(29)	73	(23)	276
Deferred tax on reevaluation of accrued pension liability		8	(21)	7	(80)
		(21)	**52**	**(16)**	**196**
Amounts that may be reclassified in the Income Statement					
Exchange differences on translating foreign operations		149	153	0	0
Exchange gain /(loss) on disposal of foreign operations recognized to profit or loss		2.368	0	0	0
		2.517	**153**	**0**	**0**
Other comprehensive income for the period after tax		**2.496**	**205**	**(16)**	**196**
Total comprehensive income for the period after tax		**800**	**965**	**(9.634)**	**(3.593)**
Attributable to:					
Owners of the parent		830	1.056		
Non-controlling interests		(30)	(91)		
Earnings per share					
Basic earnings per share from continuing operations		0,0316	0,0137	(0,0315)	(0,0124)
Basic earnings per share from discontinued operations		(0,0370)	(0,0109)	0,0000	0,0000
Basic earnings per share	12.30	**(0,0055)**	**0,0028**	**(0,0315)**	**(0,0124)**

- *The attached notes form an integral part of the Financial Statements.*
- *The items of the consolidated Comprehensive Income Statement for the comparative annual period that ended on 31/12/2016 have been revised to include continuing operations only. The results from discontinued operations are clearly included and analyzed in a separate note (see Note 11), in line with the requirements of IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations".*

3. Changes in Equity Statement for the 2017 Fiscal Year (Consolidated and Separate)

GROUP

Amounts in € '000	Number of shares	Share capital	Share premium	Other reserves	Retained earnings	Total equity attributable to owners of the parent	Minority interests	Total Equity
Balance as of 1/1/2016	**305,732,436**	**125,350**	**303,112**	**5,158**	**(315,285)**	**118,335**	**1,405**	**119,740**
Dividends to non controlling interests		0	0	0	0	0	(2)	(2)
Transactions with owners	**0**	**0**	**0**	**0**	**0**	**0**	**(2)**	**(2)**
Profit for the period		**0**	**0**	**0**	**849**	**849**	**(89)**	**760**
Other comprehensive income:								
Exchange differences on translation of foreign operations		0	0	153	0	153	0	153
Reevaluation of accrued pension liability		0	0	0	75	75	(2)	73
Deferred tax on reevaluation of accrued pension liability		0	0	0	(21)	(21)	0	(21)
Other comprehensive income after tax		**0**	**0**	**153**	**54**	**207**	**(2)**	**205**
Total comprehensive income for the period after tax	**0**	**0**	**0**	**153**	**903**	**1,056**	**(91)**	**965**
Balance as of 31/12/2016	**305,732,436**	**125,350**	**303,112**	**5,311**	**(314,382)**	**119,391**	**1,312**	**120,703**
Balance as of 1/1/2017	**305,732,436**	**125,350**	**303,112**	**5,311**	**(314,382)**	**119,391**	**1,312**	**120,703**
Icrease/(decrease) of non-controlling interests in subsidiaries		0	0	0	475	475	(1,125)	(650)
Transactions with owners	**0**	**0**	**0**	**0**	**475**	**475**	**(1,125)**	**(650)**
Profit for the period		**0**	**0**	**0**	**(1,666)**	**(1,666)**	**(30)**	**(1,696)**
Other comprehensive income:								
Exchange differences on translation of foreign operations		0	0	149	0	149	0	149
Exchange gain/(loss) on disposal of foreign operations recognised in profit or loss		0	0	2,368	0	2,368	0	2,368
Reevaluation of accrued pension liability		0	0	0	(29)	(29)	(0)	(29)
Other comprehensive income after tax		**0**	**0**	**2,517**	**(21)**	**2,496**	**(0)**	**2,496**
Total comprehensive income for the period after tax		**0**	**0**	**2,517**	**(1,687)**	**830**	**(30)**	**800**
Balance as of 31/12/2017	**305,732,436**	**125,350**	**303,112**	**7,828**	**(315,594)**	**120,696**	**157**	**120,853**

The attached notes form an integral part of the Financial Statements.

COMPANY

Amounts in € '000	Number of shares	Share capital	Share premium	Other reserves	Retained earnings	Total equity attributable to owners of the parent	Total Equity
Balance as of 1/1/2016	**305,732,436**	**125,350**	**303,112**	**5,134**	**(291,065)**	**142,531**	**142,531**
Profit for the period		**0**	**0**	**0**	**(3,788)**	**(3,788)**	**(3,788)**
Other comprehensive income:							
Reevaluation of accrued pension liability		0	0	0	276	276	276
Deferred tax on reevaluation of accrued pension liability		0	0	0	(80)	(80)	(80)
Other comprehensive income after tax		**0**	**0**	**0**	**196**	**196**	**196**
Total comprehensive income for the period after tax		**0**	**0**	**0**	**(3,592)**	**(3,592)**	**(3,592)**
Balance as of 31/12/2016	**305,732,436**	**125,350**	**303,112**	**5,134**	**(294,657)**	**138,938**	**138,939**
Balance as of 1/1/2017	**305,732,436**	**125,350**	**303,112**	**5,134**	**(294,657)**	**138,939**	**138,939**
Profit for the period		**0**	**0**	**0**	**(9,618)**	**(9,618)**	**(9,618)**
Other comprehensive income:							
Reevaluation of accrued pension liability		0	0	0	(23)	(23)	(23)
Deferred tax on reevaluation of accrued pension liability		0	0	0	7	7	7
Other comprehensive income after tax		**0**	**0**	**0**	**(16)**	**(16)**	**(16)**
Total comprehensive income for the period after tax		**0**	**0**	**0**	**(9,634)**	**(9,634)**	**(9,634)**
Balance as of 31/12/2017	**305,732,436**	**125,350**	**303,112**	**5,134**	**(304,291)**	**129,305**	**129,305**

The attached notes form an integral part of the Financial Statements.

4. Cash Flow Statement for the 2017 Fiscal Year (Consolidated and Separate)

Amounts in € '000	Note	GROUP 31/12/2017	GROUP 31/12/2016	COMPANY 31/12/2017	COMPANY 31/12/2016
Cash flows from operating activities					
Profit (loss) before taxation from continuing operation		**9,557**	**1,946**	**(9,196)**	**(5,348)**
Profit (loss) before taxation from discontinued operation		**(11,327)**	**(3,330)**	**0**	**0**
Adjustments for:					
Depreciation		14,498	15,119	8,598	9,244
Changes in pension obligations		1,209	1,242	863	905
Provisions		4,183	7,300	2,500	5,300
Impairment losses for loans and other investments		0	500	23,449	13,400
Unrealized Exchange gains		(41)	(11)	(1)	(2)
Unrealized Exchange losses		13	24	6	2
(Profit) loss on sale of property, plant and equipment		4	38	4	32
Income from reversal of prior year's provisions		(1,247)	(400)	0	0
Profit / Loss from fair value valuation of financial assets at fair value through profit and loss		4	3,149	0	1,440
Grants amortization		(35)	(35)	0	0
Non-cash compensation expense		246	276	158	190
Interest and similar income		(10)	(6)	(2)	(1)
Interest similar expenses		9,170	9,424	5,859	6,346
Dividends		0	0	0	(6)
Total Adjustments		**27,994**	**36,620**	**41,434**	**36,850**
Cash flows from operating activities before working capital changes		**26,224**	**35,236**	**32,238**	**31,502**
Changes in Working Capital					
(Increase) / Decrease in inventories		(85)	(44)	(92)	138
(Increase)/Decrease in trade receivables		(11,639)	(7,820)	(7,325)	(11,518)
(Increase)/Decrease in other receivables		(3,589)	(140)	(2,529)	723
Increase / (Decrease) in liabilities (excluding banks		(4,061)	(15,569)	(3,194)	(17,047)
Operating cash flows from discontinued operations		12,173	4,172	0	0
		(7,201)	***(19,401)***	***(13,140)***	***(27,704)***
Cash flows operating activities		**19,023**	**15,835**	**19,098**	**3,798**
Interest paid		(9,161)	(7,979)	(6,036)	(5,379)
Income tax paid		(586)	(177)	(581)	0
Net Cash flows operating activities		**9,276**	**7,679**	**12,481**	**(1,581)**
Cash flows from investing activities					
Purchase of property, plant and equipment	12.1	(4,948)	(2,838)	(2,850)	(1,595)
Purchase of intagible assets	12.3	(1,214)	(1,064)	(758)	(640)
Proceeds from disposal of property, plant and equipment		37	83	106	65
Dividends received		0	0	0	6
Sale of subsidiaries (less cash)		161	0	0	0
Interest received		7	2	2	1
Investments in subsidiaries		0	0	(1,000)	(615)
Investment cash flows from discontinued operations		(515)	(1,142)	0	0
Net Cash flow from investing activities		**(6,472)**	**(4,959)**	**(4,500)**	**(2,778)**
Cash flow from financing activities					
Proceeds from borrowings		821	2,856	394	2,672
Payments for borrowings		(6,801)	(5,180)	(5,964)	(4,500)
Dividends paid to non-controlling interests		0	(2)	0	0
Payment of finance lease liabilities		(301)	(94)	(159)	0
Financing activities cash flows from discontinued operations		(120)	249	0	0
Net Cash flow financing activities		**(6,401)**	**(2,171)**	**(5,729)**	**(1,828)**
Net (decrease) / increase in cash and cash equivalents		**(3,597)**	**549**	**2,252**	**(6,187)**
Cash and cash equivalents at beginning of the period from continuing operations		14,727	14,127	2,503	8,690
Cash and cash equivalents at beginning of the period from discontinued operations		127	114	0	0
Exchange differences in cash and cash equivalents from discontinued operations		(80)	64	0	0
Net cash and cash equivalents at the end of the period from continuing operations		**11,108**	**14,727**	**4,755**	**2,503**
Net cash and cash equivalents at the end of the period from discontinued operations		**69**	**127**	**0**	**0**

- *The attached notes form an integral part of the Financial Statements.*
- *The items of the consolidated Cash Flow Statement for the comparative annual period that ended on 31/12/2016 have been revised to include continuing operations only. Net cash flows from operating, investment and trading activities of discontinued operations are clearly included and analyzed in a separate note (see Note 11), in line with the requirements of IFRS 5.*

5. General Information about the Group

HYGEIA SA was founded in 1970 by physicians, the majority of whom were professors at the University of Athens, and has since been active in the provision of primary and secondary healthcare services.

The Company is housed in a private building situated on the corner of 4 Erythrou Stavrou Street and Kifisias Avenue in Marousi, Greece. HYGEIA Group's administrative services are located on 14 Fleming Street, 15123 Marousi, Greece. The Company website is www.hygeia.gr and its shares are listed on the Athens Exchange.

In January 2006, Marfin Investment Group (MIG) gained control of the Company and within the next few months, it launched a series of investment initiatives (acquisitions, mergers and the establishment of new companies), with the strategic objective being to create the largest group of integrated healthcare services in Southeast Europe. On 31/12/2017 HYGEIA Group was present in 2 Southeast European countries, owning a total of 4 private hospitals in Greece and Albania, with a total capacity of 1,094 licensed beds, 52 operating rooms, 19 delivery rooms and 10 ICUs, and employing approximately 3,200 people and over 3,900 associate physicians. Note that the Group's activities are not subject to significant seasonality.

The Company's portfolio includes the following hospitals: DTCA HYGEIA; MITERA General, Maternity, Gynecological & Children's Hospital; LETO Maternity Hospital; and HYGEIA Hospital Tirana.

HYGEIA Group is also active in the area of primary healthcare through the AlfaLab Molecular Biology & Cytogenetics Center.

HYGEIA Group also owns a company trading in special materials, consumables, pharmaceuticals and general medical supplies (Y-LOGIMED SA).

As of May 2013, HYGEIA Group is active in the area of research, production and trading of cosmetics through the incorporation of the company BEATIFIC Research, Production and Trading of Cosmetics SA.

HYGEIA SA offers its services to private individuals as well as patients seeking quality healthcare services through their social security funds and insurance companies. Throughout its history, and adhering to the principles of sustainable development, the Group has been endeavoring to combine top-level healthcare services, with a deep sense of respect for people, society and the environment.

HYGEIA Group is a subsidiary of **Marfin Investment Group SA (MIG)** and has been included in its consolidated financial statements with a consolidation percentage of 70.38% (31/12/2016: 70.38%).

On 31/12/2017, HYGEIA SA employed a total of 1,271 people, as opposed to 1,278 on 31/12/2016, while on the same date, the Group employed a total of 3,224 people (of whom 568 pertained to the discontinued operation), as opposed to 3,213 on 31/12/2016 (of whom 594 pertained to the discontinued operation).

6. Financial Statement Preparation Framework

6.1 Compliance Statement

The consolidated Company Financial Statements for December 31, 2017, which cover the period from January 1 to December 31, 2017, have been prepared based on the principle of going concern. The consolidated and separate financial statements are in line with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), as well as their interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), and adopted by the European Union up to and including 31/12/2017.

The accompanying Financial Statements for December 31, 2017 were approved by the Board of Directors on 24/04/2018 and are subject to final approval by the Annual General Meeting of shareholders. They are available to the investment community at the Company's headquarters, the Company's website at www.hygeia.gr, as well as the Athens Exchange website at www.helex.gr.

6.2 Calculation Basis

The Group Financial Statements have been prepared based on the principle of historical cost, as amended for readjustment at fair value of the following items:

- financial assets and liabilities at fair value via the Comprehensive Income Statement (including derivatives),
- financial instruments held for sale.

6.3 Presentation Currency

These financial statements are presented in thousands of euros, the operating currency of the Group, i.e. the currency of the primary economic environment where the Group and most of its subsidiaries are active, unless otherwise specified.

6.4 Use of Estimations

The preparation of the financial statements in accordance with the IFRSs requires making estimations and judgments when implementing the Company's accounting principles. Judgments, assumptions and estimations by the Management affect the amount certain assets and liabilities are measured at, the amount recognized during the fiscal year for certain income and expenses, as well as the presented estimates on contingent liabilities.

Assumptions and estimations are evaluated on a continuous basis, in accordance with historical experience and other factors, including expectations on the outcome of future events considered reasonable under the circumstances. Said estimations and assumptions pertain to the future and, therefore, the results may actually differ from accounting calculations.

The sectors requiring the highest degree of judgment and the sectors where estimations and assumptions have the most significant impact on the consolidated financial statements are presented in Note 8.

6.5 Comparative Data and Rounding-off

Discrepancies between the amounts in the Financial Statements and the corresponding amounts in the Notes are a result of rounding off.

6.6 Changes in Accounting Policies

The accounting policies used to prepare the Financial Statements are consistent with those that were used to prepare the Financial Statements for the fiscal year that ended on 31/12/2016, apart from the changes in Standards and Interpretations effective from 01/01/2017. The standards that apply for the Company and which have been adopted as of January 1, 2017, as well as the standards which are mandatory as of January 1, 2017, but do not apply to the activities of the Company, are presented in Paragraph 6.6.1. The standards, the amendments to standards and the interpretations to already existing standards which are not effective yet, or have not yet been adopted by the EU, are presented in paragraph 6.6.2.

6.6.1. New Standards, Interpretations, Revisions and Amendments to the Existing Standards in Effect and Adopted by the EU

The following amendments to the Standards have been published by the International Accounting Standards Board (IASB), have been adopted by the EU and their application is mandatory as of 01/01/2017 or thereafter.

- **Amendments to IAS 7 "Disclosure Initiative" (applicable to annual accounting periods commencing on or after 01/01/2017)**

In January 2016, the IASB issued narrow-scope amendments to IAS 7. The aim of these amendments is to enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments require entities to provide disclosures, enabling investors to evaluate changes in liabilities arising from financing activities, including changes from cash flows and non-cash changes. The Group has provided the necessary disclosures in Note 12.23.

- **Amendments to IAS 12 "Deferred Tax: Recognition of Deferred Tax Assets for Unrealized Losses" (applicable to annual accounting periods commencing on or after 01/01/2017)**

In January 2016, the IASB issued narrow-scope amendments to IAS 12. These amendments on the recognition of deferred tax assets for unrealized losses clarify how to account for deferred tax assets related to debt instruments measured at fair value. These amendments do not have an impact on the separate and consolidated financial statements.

- **Annual Improvements to IFRS 2014-2016 Cycle (applicable to annual accounting periods commencing on or after 01/01/2017)**

In December 2016, the IASB issued the "Annual Improvements to IFRS 2014-2016 Cycle", which incorporate a series of adjustments to some IFRS and form part of the annual improvements of the IFRS. The amendments included in this cycle that are applicable to annual periods starting on or after January 1, 2018 are: IFRS 1: Deletion of short-term exemptions for first-time adopters of the IFRS, IAS 28: Measuring an associate or joint venture at fair value. The Group will examine the impact of all these on its financial statements, although an impact is not expected. These have been adopted by the EU, effective from 1/1/2018.

6.6.2. New Standards, Interpretations, Revisions and Amendments to the Existing Standards not yet in Effect or not Approved by the EU

The following new Standards, Interpretations and amendments to Standards have been published by the IASB, but either they are not in effect yet or they have not been approved yet by the EU.

- **IFRS 9 "Financial Instruments" (applicable to annual accounting periods commencing on or after 01/01/2018)**

In July 2014, the IASB issued the final version of IFRS 9. The improvements introduced by the new Standard include a logical model for classification and measurement, a single, forward-looking expected loss impairment model and a substantially-reformed approach to hedge accounting. The Company will examine the impact of all these on its financial statements, although an impact is not expected. These have been adopted by the EU, effective from 01/01/2018. It is estimated that upon their initial application, the impact on the Company and the Group will not be significant.

The Group will apply the new Standard without adjusting the comparative information. On the reporting date, it proceeded with assessing the impact from the application of IFRS 9. The conclusions of the Management with regard to the four main sectors where the new standard is expected to have an impact are listed below:

- The new value impairment model requires recognizing impairment provisions based on expected credit losses and not just incurred credit losses, as applies according to IAS 39. The Group will apply the simplified approach in terms of trade receivables. The Group is in the process of conducting final checks so as to identify the impact from the transition to the new Standard. Note that based on the detailed assessment conducted, the Group has concluded that no significant impact is expected on the Group and the Company from the adoption of the new Standard.
- The revised hedge accounting rules harmonize the accounting of hedging relationships with the Group policies and risk management procedures. On 31/12/2017, the Group did not have any

hedging relationships and consequently no impact is expected on the separate and consolidated financial statements.

- No impact is also expected on the classification and measurement of the financial assets due to the application of the new Standard.

The new Standard further requires additional disclosures, while altering the way the information is presented. The Group shall amend accordingly the nature, extent and structure of the disclosures provided regarding financial instruments, so as to comply with the new Standard.

- **IFRS 15 "Revenue from Contracts with Customers" (applicable to annual accounting periods commencing on or after 01/01/2018)**

In May 2014, the IASB issued a new Standard, IFRS 15. This Standard is fully converged to the requirements for the recognition of revenue in both IFRS and the US Generally Accepted Accounting Principles (US GAAP). Said Standard is based on key principles that are generally consistent with current practice. The new Standard is expected to improve financial reporting, by establishing a more robust framework for addressing revenue recognition issues, improving comparability across industries and capital markets, providing additional information and reducing the complexity of accounting for contract costs. The new Standard replaces IAS 18 "Revenue" and IAS 11 "Construction Contracts", as well as certain Interpretations on revenue. These have been adopted by the EU, effective from 1/1/2018. In the context of applying the new Standard, the Group performed a detailed assessment of its accounting for all its revenue sources. Based on the assessment performed, the Management did not identify any material differences from the existing accounting policies. Consequently, the adoption of the new Standard is not expected to have an impact on the separate and consolidated statements upon application.

- **Clarifications to IFRS 15 "Revenue from Contracts with Customers" (applicable to annual accounting periods commencing on or after 01/01/2018)**

In April 2016, the IASB issued clarifications to IFRS 15. The amendments to IFRS 15 do not change the underlying principles of the Standard, but rather clarify how the principles should be applied. The amendments clarify how to identify a performance obligation in a contract, how to determine whether a company is a principal or an agent and how to determine whether the revenue from granting a license should be recognized at a point in time or over time. These have been adopted by the EU, effective from 01/01/2018. As explained above, the adoption of the new Standard is not expected to have an impact on the separate and consolidated statements upon application.

- **Amendments to IFRS 4 "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts" (applicable to annual accounting periods commencing on or after 01/01/2018)**

In September 2016, the IASB issued amendments to IFRS 4. The objective of these amendments is to address the temporary accounting consequences of the different effective dates of IFRS 9 "Financial Instruments" and the forthcoming insurance contracts Standard. The amendments to the existing requirements of IFRS 4 permit entities whose predominant activities are connected with insurance to defer the application of IFRS 9 until 2021 (the "temporary exemption"); and permit all issuers of insurance contracts to recognize in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts Standard is issued (the "overlay approach"). The Group is not expecting that this amendment will have an impact on its financial statements. These have been adopted by the EU, effective from 1/1/2018.

- **IFRS 16 "Leases" (applicable to annual accounting periods commencing on or after 01/01/2019)**

In January 2016, the IASB issued a new Standard, IFRS 16. The aim of the IASB is to develop a new Standard that sets out the principles to be implemented by both parties to a contract – i.e. the customer ("lessee") and the supplier ("lessor") – for disclosure of leases in a manner that faithfully reflects such

transactions. To achieve this, the lessee must recognize the assets and liabilities stemming from the lease. These have been adopted by the EU, effective from 01/01/2019.
The Standard will mainly affect the accounting of the Group's operating leases. On the reporting date, the Group had non-cancellable operating leases to the amount of €3,941 thousand.
The Management is in the process of assessing the most suitable accounting per operating lease and the quantitative effects from the adoption of the new Standard. The final conclusions from this assessment shall be finalized in the near future.

- **Annual Improvements to IFRS 2014-2016 Cycle (applicable to annual accounting periods commencing on or after 1/1/2018)**

In December 2016, the IASB issued the "Annual Improvements to IFRS 2014-2016 Cycle", which incorporate a series of adjustments to some IFRS and form part of the annual improvements of the IFRS. The following amendments are included in this Cycle: **IFRS 1:** Deletion of short-term exemptions for first-time adopters of the IFRS, **IAS 28:** Measuring an associate or joint venture at fair value. The amendments apply for annual periods commencing on January 1, 2018 with regard to IFRS 1 and IAS 28. The Group will examine the impact of all these on its financial statements**.** These have not yet been adopted by the EU.

- **Amendment to IFRS 2 "Classification and Measurement of Share-Based Payment Transactions" (applicable to annual accounting periods commencing on or after 01/01/2018)**

In June 2016, the IASB issued a narrow-scope amendment to IFRS 2. The aim of this amendment is to clarify how to account for certain types of share-based payment transactions. Specifically, the amendment provides requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based payment transactions with a net settlement feature for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The Group will examine the impact of all these on its financial statements, although an impact is not expected. These have been adopted by the EU, effective from 1/1/2018.

- **Amendments to IAS 40 "Transfers of Investment Property" (applicable to annual accounting periods commencing on or after 01/01/2018)**

In December 2016, the IASB issued narrow-scope amendments to IAS 40. The objective of the amendments is to reinforce the principle for transfers into, or out of, investment property in IAS 40, to specify that (i) a transfer into, or out of investment property should be made only when there has been a change in use of the property, and (ii) such a change in use would involve the assessment of whether the property qualifies as an investment property. That change in use should be supported by evidence. The Group will examine the impact of all these on its financial statements. These have been adopted by the EU, effective from 1/1/2018.

- **IFRIC 22 "Foreign Currency Transactions and Advance Consideration" (applicable to annual accounting periods commencing on or after 01/01/2018)**

In December 2016, the IASB issued a new Interpretation, IFRIC 22. This Interpretation provides requirements about which exchange rate to use in reporting foreign currency transactions (such as revenue transactions) when payment is made or received in advance. The Group will examine the impact of all these on its financial statements. These have been adopted by the EU, effective from 1/1/2018.

- **Amendments to IAS 28 "Long-term Interests in Associates and Joint Ventures" (applicable to annual accounting periods commencing on or after 01/01/2019)**

In October 2017, the IASB issued narrow-scope amendments to IAS 28. These amendments aim to provide disclosures as to the accounting of long-term interests in associates and joint ventures – to which the equity method is not applied – based on IFRS 9. The Group will examine the impact of all these on its financial statements, although an impact is not expected. These have not yet been adopted by the EU.

- **Amendments to IFRS 9 "Prepayment Features with Negative Compensation" (applicable to annual accounting periods commencing on or after 01/01/2019)**

In October 2017, the IASB issued narrow-scope amendments to IFRS 9. Under the existing requirements of IFRS 9, an entity would have measured a financial asset with negative compensation at fair value through profit or loss, as the "negative compensation" feature would have been viewed as introducing potential cash flows that were not solely payments of principal and interest. Based on the amendments, entities will now be able to measure certain prepayable financial assets with negative compensation at amortized cost or at fair value through other comprehensive income if a specified condition is met. The Group will examine the impact of all these on its financial statements. These have been adopted by the EU, effective from 01/01/2019.

- **Annual Improvements to IFRS 2015-2017 Cycle (applicable to annual accounting periods commencing on or after 1/1/2019)**

In December 2017, the IASB issued the "Annual Improvements to IFRS 2015-2017 Cycle", which incorporate a series of adjustments to some IFRS and form part of the annual improvements of the IFRS. The following amendments are included in this Cycle: IFRS 3 - IFRS 11: Previously held interests in a joint operation, IAS 12: Income tax consequences of payments on financial instruments classified as equity, IAS 23: Borrowing costs eligible for capitalization. These amendments are applicable to annual periods commencing on or after January 1, 2013. The Group will examine the impact of all these on its financial statements. These have not yet been adopted by the EU.

- **IFRIC 23 "Uncertainty over Income Tax Treatments" (applicable to annual accounting periods commencing on or after 01/01/2019)**

In June 2017, the IASB issued a new Interpretation, IFRIC 23. IAS 12 "Income Taxes" specifies how to account for current and deferred tax, but not how to reflect the effects of uncertainty. IFRIC 23 provides requirements that add to the requirements in IAS 12 by specifying how to reflect the effects of uncertainty in accounting for income taxes. The Group will examine the impact of all these on its financial statements. These have not yet been adopted by the EU.

- **Amendments to IAS 19 "Plan Amendment, Curtailment or Settlement/Availability from a Defined Benefit Plan" (applicable to annual accounting periods commencing on or after 01/01/2019)**

In February 2018, the IASB issued narrow-scope amendments to IAS 19. Based on these, an entity is required to use updated actuarial assumptions to determine the current service cost and net interest for the period after a plan amendment, curtailment or settlement. The aim of these amendments is to enhance the understandability of financial statements and provide more useful information to the users of these. The Group will examine the impact of all these on its financial statements, although an impact is not expected. These have not yet been adopted by the EU.

- **Revision of the Conceptual Framework for Financial Reporting (applicable to annual accounting periods commencing on or after 01/01/2020)**

In March 2018, the IASB revised the Conceptual Framework for Financial Reporting, aiming to integrate important issues that were not addressed, as well as to update and provide clarifications with regard to specific guidance. The revised Conceptual Framework for Financial Reporting includes a new chapter on measurement, which analyses the concept of measurement, including factors that must be taken into account when selecting a calculation basis; issues on presentation and disclosure in financial statements; and guidance on the derecognition of assets and liabilities in the financial statements. Furthermore, the revised Conceptual Framework for Financial Reporting includes improved definitions for assets and liabilities, guidance that assists in applying said definitions, updates on criteria from recognizing assets and liabilities, and clarifications on important topics, such the roles of stewardship, prudence, and measurement uncertainty in financial reporting. The Group will examine the impact of all these on its financial statements, although an impact is not expected. These have not yet been adopted by the EU.

- **Amendments to References to the Conceptual Framework for Financial Reporting (applicable to annual accounting periods commencing on or after 01/01/2020)**

In March 2018, the IASB issued amendments to the references to the Conceptual Framework for Financial Reporting, following its revision. Some Standards include explicit references to previous versions of the Conceptual Framework for Financial Reporting. These amendments aim to update the aforementioned references and support the transition to the revised Conceptual Framework for Financial Reporting. The Group will examine the impact of all these on its financial statements, although an impact is not expected. These have not yet been adopted by the EU.

- **IFRS 17 "Insurance Contracts" (applicable to annual accounting periods commencing on or after 01/01/2021)**

In May 2017, the IASB issued a new Standard, IFRS 17, replacing an interim standard, IFRS 4. The aim of the IASB project was to provide a single principle-based standard to account for all types of insurance contracts, including reinsurance contracts that an insurer holds. A single principle-based standard would enhance comparability of financial reporting among entities, jurisdictions and capital markets. IFRS 17 sets out the requirements that an entity should apply in reporting information about insurance contracts it issues and reinsurance contracts it holds. The Group will examine the impact of all these on its financial statements, although an impact is not expected. These have not yet been adopted by the EU.

7. Main Accounting Principles

The accounting principles used to prepare the attached financial statements, and which the Group systematically implements, are consistent with those implemented in the previous fiscal year, apart from the ones mentioned in paragraph 6.6.1.

7.1 Consolidation

7.1.1 Subsidiaries

These are all the companies that the parent company is able to control, directly or indirectly through other subsidiaries. The Company gains and exercises control over by owing the majority of voting rights in the subsidiaries. Subsidiaries are also the companies in which the Company is able to appoint the majority of their Board Members, by way of being the most significant single major shareholder. The existence of potential voting rights that can be exercised when preparing the financial statements is taken into consideration in order to establish whether the Company exercises control over the subsidiaries.

Subsidiaries are consolidated using the acquisition method (full consolidation), starting from the control acquisition date, and cease being consolidated from the date such control does not exist. The buyout of a subsidiary by the Group is accounted based on the acquisition method. On the acquisition date, the acquiring company recognizes the goodwill that arises from the acquisition transaction as the excess amount between:

- the sum of (i) the consideration that was transferred, measured at fair value, (ii) the amount of any non-controlling interests in the acquired company (measured either at fair value or at the proportion of the non-controlling interests over the net recognized assets of the acquired company), and (iii) in business combinations completed in stages, the fair value on the date the holding rights previously owned by the acquired company are acquired by the acquiring one, minus
- the net value on the acquisition date of the acquired recognized assets and the assumed liabilities.

Goodwill is reviewed annually for possible impairment and the difference between the book and the recoverable value is recognized as impairment loss, burdening the earnings or losses for the period.

The costs associated with the acquisition of investments in subsidiaries (e.g. advisor, lawyer, accountant or valuator fees, and other professional and consulting fees) are recognized as expenses, burdening the earnings or losses for the period they were incurred.

Otherwise, in the case when the acquiring company acquires a holding right whereby, on the acquisition date, the net value of the acquired assets and assumed liabilities exceeds the consideration that was being transferred, then it is considered a bargain purchase. Once the necessary repeat audits have been conducted, the excess amount of the aforementioned difference is recognized as a profit in the earnings or losses for the period.

Intercompany transactions, balances and unrealized earnings from transactions between Group companies are eliminated. Unrealized losses are also eliminated, unless the transaction provides impairment indications of the transferred asset.

Wherever necessary, the accounting policies of the subsidiaries have been amended to ensure consistency with the accounting policies adopted by the Group. The consolidated subsidiaries along the relevant Group holding percentages are listed on Note 9.

7.1.2 Holdings in Subsidiaries (Separate Financial Statements)

The holdings of the parent company in the consolidated subsidiaries are measured at acquisition cost, minus any accumulated impairment losses. The impairment testing is conducted based in the requirements of IAS 36.

7.1.3 Changes in Ownership Interests in Subsidiaries

When there are changes in the ownership interests in a subsidiary, then it is examined whether these changes result in the loss of control in the subsidiary or not.

- When the changes in ownership interests do not result in loss of control, then they are accounted as equity transactions (i.e. transactions with owners in their capacity as owners). In these cases, the book values of the controlling and non-controlling interests are adjusted so as to reflect the changes in their relevant holdings in the subsidiary. Any difference between the amount at which the non-controlling interests are adjusted and the fair value of the consideration paid up or received is recognized directly in equity and distributed to the owners of the parent company.
- Otherwise, i.e. if the changes in ownership interests lead to loss of control, the parent company accounts the necessary sale entry and recognizes the result from the sale (derecognition of the subsidiary's assets, goodwill and liabilities on the loss of control date, derecognition of the book value of non-controlling interests, determination of sale result). Upon loss of control of a subsidiary, any investment kept by the former subsidiary is recognized according to the requirements of IAS 39.

7.1.4 Non-controlling interests

Non-controlling interests are the part of a subsidiary's equity that does not belong to the parent company, either directly or indirectly. Losses pertaining to the non-controlling interests (minority) of a subsidiary may exceed the holdings of the non-controlling interests in the subsidiary's equity. Earnings or losses and any other component of other comprehensive income are accounted both for the owners of the parent and the non-controlling interests, even if this results in the non-controlling interests posting a deficit.

7.2 Foreign Currency Conversion

The consolidated financial statements are presented in euros, which is the operating and presentation currency of the Group.

(a) Activities Abroad

Foreign subsidiary assets and liabilities, including goodwill and fair value adjustments due to business combinations, are converted to euros based on the exchange rates that apply on the Financial Position Statement date. Income and expenses have been converted to the Group's presentation currency at average exchange rates during the reporting period. Any differences arising from this process have been debited/(credited) to the subsidiaries' Financial Position Statement conversion equity reserve in foreign currency. During the sale, write-off, or derecognition of a foreign subsidiary, the aforementioned reserve is transferred to the Comprehensive Income Statement.

(b) Transactions in Foreign Currency

All transactions in foreign currency are converted into the operating currency, according to the exchange rates in effect on the date of the transactions. Asset and liability monetary items expressed in a foreign currency are converted into the Group's operating currency on the Financial Position Statement date using the prevailing exchange rate on that date. Foreign exchange earnings and losses arising from the settlement of such transactions during the fiscal year and from the conversion of monetary assets expressed in foreign currencies using the exchange rates in effect on the Financial Position Statement date are recorded in the Comprehensive Income Statement.

Non-monetary items and liabilities expressed in foreign currency and measured at their fair value are converted into the Group's operating currency using the exchange rate in effect on their fair value determination date. Foreign currency differences from non-monetary items measured at their fair value are considered part of the fair value and are, therefore, recognized where fair value differences are also recognized.

Earnings and losses deriving from transactions in foreign currencies and valuation of monetary items at the end of the fiscal year in foreign currencies that fulfill the specifications for cash flow hedges are recognized in equity.

7.3 Tangible assets

Tangible fixed assets and property investments are recorded in the financial statements at acquisition cost, less accumulated depreciation and any impairment suffered by the assets. The acquisition cost includes all the directly attributable expenses for the acquisition of the assets. Subsequent expenses arising in relation to tangible fixed assets are capitalized only if they increase the future financial benefits expected to flow into the Group from the development of these assets, and their cost can be accurately valued.

Repairs and maintenance are recognized directly in the Comprehensive Income Statement as an expense, at the time they are carried out.

Land is not depreciated. Depreciations of other tangible assets burden the Comprehensive Income Statement, are calculated using the straight-line method of depreciation, throughout their estimated useful life, and are the following per asset category:

Buildings	30-50 years
Building facilities and equipment	12-20 years
Machinery and mechanical equipment	6-10 years
Vehicles	4-9 years
Furniture and other equipment	3-10 years

The residual values and useful lives of tangible fixed assets are subject to review annually, on the Financial Position Statement preparation date.

When the book value of a tangible asset exceeds its recoverable value, the difference (impairment) is immediately recorded in the Comprehensive Income Statement as an expense.

Upon the sale of tangible assets, any differences between the consideration received and their book value are recorded in the Comprehensive Income Statement as earnings or losses.

7.4 Intangible assets

Intangible assets mainly include licenses, customer relations and trademarks. In the consolidated financial statements, intangible assets are recognized at fair value when they had not been previously recognized in the separate financial statements of the acquired companies.

An intangible asset is initially measured at acquisition cost. The cost of an intangible asset acquired through a business combination is the fair value of that asset on its acquisition date.

After initial recognition intangible assets are measured at acquisition cost minus accumulated depreciation and any accumulated impairment loss. Depreciation is measured based on the straight-line method throughout the useful life of the intangible assets. With the exception of certain trademarks and licenses that have been estimated to have indefinite useful life, all other intangible assets have a limited life, ranging from 3 to 12 years. The depreciation period and method are reviewed at least at the end of each annual reporting period.

Software

Software pertains to the purchase cost and any expense incurred during software development so that it may be rendered operable. Expenses reinforcing or extending the performance of software beyond their default specifications are recognized as a capital expense and are added to the initial cost of the software. Software is valued at acquisition cost, minus depreciation. Depreciations are performed using the straight-line method during the useful life of the assets, ranging from 3 to 5 years, and are recorded in the Comprehensive Income Statement as an expense. Expenses required for software maintenance are recognized as expenses, at the time they take place.

Trademarks / Brand Names

They are recognized at acquisition cost, minus accumulated amortization and any cumulative impairment loss. Moreover, they are also recognized at fair value according to the allocation procedures of the acquisition price to the acquired assets and liabilities. The brand names recognized during the allocation of the acquisition cost have an indefinite useful life and are reviewed for possible impairment at each Financial Position Statement date (see Note 12.2.1).

Agreements with Customers (Customer Relations)

They are also recognized at fair value according to the allocation procedures of the acquisition price to the acquired assets and liabilities. The intangible asset recognized during the allocation of the acquisition cost has a useful life of 12 years and is amortized accordingly. Depreciation is recorded in the Comprehensive Income Statement as an expense.

Licenses

They are also recognized at fair value according to the allocation procedures of the acquisition price to the acquired assets and liabilities. Licenses recognized during the allocation of the acquisition cost have an indeterminate useful life and are reviewed for possible impairment at each Financial Position Statement date.

A summary of the policies applied with regard to the useful life of intangible Group assets is outlined below:

Intangible asset	Duration	Useful life (in years)
Trademarks / Brand Names	Indefinite	-
Licenses	Indefinite	-
Computer software	Limited	3-5
Agreements with customers	Limited	12

Goodwill arising from the acquisition of subsidiaries and associates

Goodwill is recognized as the difference between the acquisition cost and the fair value of assets, liabilities and contingent liabilities of the acquired company on the acquisition date. In the event of acquisition of a subsidiary, goodwill is presented as a separate asset, while in the event of acquisition of an associate, goodwill is included in the value of the Group's investment in the associate.

On the acquisition date (or on the completion date of the relevant purchase price allocation), the goodwill acquired is allocated to the cash generating units, or to groups of cash generating units that are expected to benefit from this union. Following initial recognition, goodwill is valued at cost minus accumulated losses due to the decrease in its value. Goodwill is not amortized, but is reviewed annually, or more frequently when events or changes in circumstances indicate possible value impairment (see Notes 12.2.2 & 12.2.3 for the procedures followed to review the impairment of goodwill).

If a part of a cash generating unit to which goodwill has been allocated is sold, then the goodwill that corresponds to the sold portion is included in the book value of this part, in order to determine the profit or loss. The value of goodwill that corresponds to the sold portion is determined according to the relevant values of the part sold and the part of the cash generating unit that remains.

7.5 Value Impairment of Non-Financial assets

Assets with an indefinite useful life that are not depreciated are subject to an impairment review annually or when certain facts imply that the book value may not be recoverable. Depreciated assets are subject to impairment review when there are indications that the book value is not recoverable.

Impairment loss is recognized when the book value of an asset or Cash Generating Unit exceeds its recoverable amount. The Cash Generating Unit is the smallest group of assets that can generate cash flows independently from other assets and groups of assets. The recoverable amount is defined as the largest amount between the net fair value (after sales expenses) and the value in use. Value in use is the current value of estimated future cash flows expected to occur for the company from the use of the asset and from the income expected to arise from its sale at the end of its estimated useful life. The book value of the asset is reduced to the recoverable amount. In the event of a cash generating unit, the impairment loss is first deducted from the goodwill that has been recognized for this unit and then from the remaining assets, proportionately.

Impairment losses are recognized in the Comprehensive Income Statement for the fiscal year. An impairment loss that has been recognized for goodwill cannot be reversed in a subsequent period. With regard to the other assets, it is reviewed whether there are impairment indications on each Financial Position Statement date. An impairment loss is reversed if there is a change in the estimate of the recoverable amount. Following the reversal of the impairment loss, the book value of the asset cannot exceed the book value (after depreciation) that would appear if the impairment loss had not been recognized.

7.6 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity.

7.6.1 Initial Recognition

The financial assets and the financial liabilities are recognized on the transaction date, which is the date when the Group commits to selling or buying the asset.

The financial assets and the financial liabilities are initially recognized at fair value, plus the directly attributable expenses of the transaction, excluding the financial assets and the financial liabilities that are measured at fair value through profit and loss.

7.6.2 Classification and Measurement of Financial Assets

The Group's financial instruments are classified under the following categories, based on the essence of the contract and the purpose for which they were acquired. The category in which each financial instrument is classified differs from the rest, since, depending on the category in which the instrument is classified, different rules apply as to its measurement as well as to the way each result is recognized either in the earnings or losses of the Comprehensive Income Statement or in the other comprehensive income of the Comprehensive Income Statement, and cumulatively in equity. The Group financial assets include the following asset categories:

- financial assets measured at fair value through profit and loss,
- loans and receivables,
- financial assets held for sale.

(a) Loans and receivables

They include non-derivative financial assets with fixed or determinable payments, which are not traded in active markets and which the Group has no intention of selling immediately.

Loans and receivables are measured at amortized cost based on the effective interest rate method, minus any impairment loss. Each change in the value of loans and receivables is recognized in the profit and loss for the period when the loans and receivables are written off or their value drops, as well as during amortization.

(b) Financial assets at fair value through profit and loss

These are financial assets that meet any of the following conditions:

(1)Financial assets held for commercial purposes. These are securities that were purchased with the aim of making a profit from the short-term price changes.

(2)Financial assets and liabilities that were classified in this category at initial recognition because:

(i) they are assets that, based on the Group's strategy, are managed, valued and monitored at fair value. They are essentially business investments or

(ii) they are assets that include embedded derivatives that significantly affect the flows of the main contract and the Group chooses to classify the entire complex financial instrument in this category.

The assets of this portfolio are measured at fair value and the changes in fair value are recognized in the earnings or losses of the Comprehensive Income Statement, as a result of financial activities. In the Group's Financial Position Statement, the financial instruments of this category are included in the item "Trade portfolio & other financial assets at fair value through profit and loss".

(c) Financial assets held for sale

The financial assets held for sale include non-derivative financial assets which are classified as held for sale or which do not meet the criteria to be classified in other financial asset categories. All the financial assets classified in this category are measured at fair value, provided this can be reliably determined, with any changes in their value recognized in the other comprehensive income of the Comprehensive Income Statement and cumulatively in a special equity reserve.

Upon sale or impairment of the assets held for sale, the accumulated earnings or losses that had been recognized in equity are reclassified in the earnings or losses for the period.

In the event of impairment, the amount of cumulative losses that is transferred from equity and recognized in the profit and loss is the difference between the acquisition value and the fair value, minus any previously recognized impairment loss.

The impairment losses that had been recognized in the results as investment in an equity instrument held for sale are not reversed through profit and loss. The losses that had been recognized in the consolidated financial statements of previous periods and which stem from debt securities are reversed through profit and loss if the increase (impairment reversal) is related to events that occurred after the recognition of the impairment in the Comprehensive Income Statement.

With regard to investments that do not trade in an active market, the fair value is calculated based on generally accepted valuation techniques. These techniques are based on recent bilateral transactions for similar investments, reference to the trading value of another investment with similar features to the one being valued, analysis of discounted cash flows and investment valuation models.

Income from interest of assets held for sale is recognized in the profit and loss based on the effective interest rate method. Dividends from securities held for sale are recognized in profit and loss when the Group has a right over these dividends. Exchange rate differences from the valuation of debt securities held for sale are recognized in the earnings or losses for the period.

7.6.3 Valuation of Financial Liabilities

The Group's financial liabilities mainly include bond loans and bank loans. Borrowings are initially recognized at cost, which the fair value of the consideration received, minus the cost of issuing the loan. After initial recognition, loans are measured at the amortized cost based on the effective interest rate method. Loans are classified in current liabilities, unless the Group reserves the right to carry over a liability settlement at least 12 months after the reporting date of the financial statements.
Financial liabilities may be classified during initial recognition as measured at fair value through profit and loss, provided they meet the following criteria.

(i) The classification reverses or significantly reduces the effects of the accounting mismatch that would have arisen had the liability been measured at the amortized cost.
(ii) Said liabilities are part of a group of liabilities that are managed or assessed as to their performance based on fair value, in line with the Group's strategies for financial risk management.
(iii) The financial liability includes an embedded derivative that is classified and measured separately.

7.6.4 Derecognition

A financial asset is derecognized when the Group loses control over the contractual rights included in this asset. This happens when the rights expire or are transferred, and the Group has essentially transferred all the risks and returns the ownership entails.
Financial liabilities are derecognized when the Group's contractual commitment for payment in cash or other financial instruments expires, is canceled or is eliminated.

When an existing financial liability is replaced by another by the same third party (creditor) on substantially different terms or when the existing terms of a liability differ substantially, then said liability is derecognized, the differentiated one is recognized and the difference between the two is recognized in the Comprehensive Income Statement for the fiscal year.

7.6.5 Offsetting

Financial assets and liabilities are offset and the net amount appears in the Financial Position Statement, only when the Group has a legal right and intends to proceed with simultaneous asset and liability settlement to the net amount.

Income and expenses are offset only when it is permitted by the standards or when they regard earnings or losses deriving from a group of similar transactions, such as trade portfolio transactions.

7.6.6 Value Impairment of Assets

On each Financial Position Statement reporting date, the Group assesses the extent to which a financial asset or a group of financial assets has been impaired.

Assets that are subject to impairment testing (provided certain indications exist) are assets measured at acquisition cost or based on the equity method (holdings in subsidiaries and associated companies), assets measured at amortized cost (long-term receivables) and investments held for sale.

In the case of financial instruments measured at fair value (debt securities, equity instruments and assets held for sale), the reduction in the fair value of the asset that has been recognized in other comprehensive income and cumulatively in equity is transferred in the earnings or losses for the reporting period. The amount of the impairment loss is equal to the difference between the acquisition cost of the asset and its fair value. Postdated impairment loss reversal of an equity instrument is not permitted through profit and loss. On the contrary if the fair value of a debt security increases at a later date, and this is related to objective events that occurred after the provision was formed, then the reversal of the impairment provision is recognized through profit and loss.

The recoverable value of holdings in subsidiaries and associated companies is determined in the same manner as with non-financial assets. The recoverable/received value of other financial assets so as to perform the relevant impairment tests is generally determined based on the current value of estimated future cash flows, discounted either based on the initial effective discounted interest rate for each asset or group of assets, or based on the current performance coefficient of a similar asset. The resulting impairment losses are recognized in the profit and loss for the reporting period.

7.7 Inventories

Inventories are measured at the lowest value between cost and net liquidation value. Merchandise cost includes all the expenses incurred so that products reach the current place of storage. Merchandise cost is determined based on the weighted average cost. The net liquidation value of merchandise is the estimated sale price or the estimated replacement cost during the Group's regular operation, minus the necessary estimated costs associated with their sale. A provision for slow-moving or obsolete inventories is formed, when deemed necessary.

7.8 Cash and Cash Equivalents

Cash and cash equivalents include cash in the treasury, sight deposits, term deposits, overdraft bank accounts and other high-liquidity investments which are directly convertible into specific amounts of cash that are not subject to significant risk of any change in value. The Group considers term deposits and high-liquidity, low-risk investments with an initial maturation of less than three months to be cash. For the purpose of preparing the consolidated Cash Flow Statement, available cash is made up of cash and bank deposits, as well as the cash as stipulated above.

7.9 Long-term Assets Held for Sale and Discontinued Operations

The Group classifies a long-term asset or a group of assets and liabilities as held for sale if their value is mainly expected to be recovered through sale of the assets and not through their use.

The main conditions for classifying a long-term asset or a group of items (assets and liabilities) as held for sale is for the asset or group to be available for immediate sale in its current state. Moreover, completion of the sale must only depend on conditions that are usual and typical for sale of such assets and the sale must be extremely likely.

For a sale to be considered extremely likely, the following conditions must apply cumulatively:

- The Management is committed to a plan for selling the assets or the group of assets.
- A plan to find a buyer and complete the transaction must be underway.
- The sale price offered must reasonably correlate with the current market value of the assets or the group of assets.
- The sale is expected to be completed with a year from the date the asset or the group of assets was was as held for sale, barring certain exceptions.
- The actions required to complete the sales plan must demonstrate that it is not likely that significant amendments to the plan will be required or that the plan will be canceled.

Right before the initial classification of the asset or the group of assets and liabilities held for sale, the asset (or the assets and liabilities included in the group) are measured in all events based on the IFRSs in effect.

The long-term assets (or groups of assets and liabilities) classified as held for sale are measured (after initial classification as above) at the lowest value between the value these appear in the financial statements and their fair value, discounted by the direct distribution expenses, while the resulting impairment losses are recorded in the income statement. Any possible increase in fair value at a later valuation shall be recorded in the income statement, but not for an amount higher than the initially recorded impairment loss.

At the date when a long-term asset (or long-term assets included in a group of assets and liabilities) is classified as held for sale, depreciation on the long-term assets in question is not accounted.

7.10 Share Capital

Share capital is determined based on the nominal value of the shares issued. The share capital increase with payment in cash includes any difference at share premium upon the initial share capital issue.

(a) Share capital increase expenses

Direct expenses related to the issue of new shares are subtracted from equity, net of taxes.

(b) Share dividends

Share dividends are recognized as a liability in the fiscal year they are approved by the General Meeting of Company shareholders.

7.11 Income Tax & Deferred Tax

The fiscal year income-tax charge consists of current taxes, deferred taxes and tax-audit differences for preceding fiscal years.

Current Income Tax

Current tax is calculated based on the tax Financial Position Statements of each company included in the consolidated financial statements, in accordance with the Greek tax law in effect or other tax frameworks governing the operation of foreign subsidiaries. The current income tax expenses include the income tax resulting from each company’s earnings, as appearing in their income tax declaration statement, and provisions for additional taxes and surcharges for unaudited fiscal years; said expenses are calculated in accordance with the statutory or materially statutory tax rates.

Deferred Income Tax

Deferred taxes are the taxes or tax reliefs pertaining to financial encumbrances or benefits arising in the fiscal year which have already been accounted for or will be accounted for by tax authorities in different fiscal years. Deferred income tax is determined with the liability method from the temporary differences between the book value and the tax base of assets and liabilities. Deferred income tax is not accounted for if it results from the initial recognition of an asset or liability in a transaction, excluding a business combination, which did not affect either the accounting or the tax profit or loss when the transaction took place.

Deferred tax assets and liabilities are valued based on the tax rates expected to apply in the fiscal year when the asset or liability will be settled, taking into account the tax rates (and tax laws) in effect or materially in effect until the Financial Position Statement. In the event of inability to clearly determine the reversal time of temporary differences, the tax rate in effect in the fiscal year following the Financial Position Statement date shall apply.

Deferred tax assets are recognized to the extent there shall arise a future taxable profit for the use of the temporary difference that generates the deferred tax asset, while they are reviewed on every Financial Position Statement date and are reduced to the extent that it is not at all probable that a sufficient taxable profit will be available to allow utilization of the benefit for the deferred tax asset in part or in whole.

Deferred income tax is recognized for the temporary differences arising from investments in subsidiaries and associates, except for the case when the reversal of temporary differences is controlled by the Group and it is possible that temporary differences will not be reversed in the foreseeable future.

Most changes in the deferred tax assets or liabilities are recognized as part of tax expenses in the Comprehensive Income Statement for the fiscal year. Only the changes in assets or liabilities affecting the temporary differences are directly recognized in Group equity and result in charging the relevant deferred tax asset or liability change in the relevant equity account.

7.12 Employee Benefits

(a) Short-term benefits

Short-term benefits to employees (apart from post-employment benefits) in cash or kind are recognized as an expense when they become accrued. Any unpaid amount is recorded as a liability, while in the event that the amount that has already been paid exceeds the amount of the benefits, the Company recognizes the excess amount as an asset (prepaid expense) only to the extent that the prepayment shall lead to a reduction in future payments or to a refund.

(b) Post-employment benefits

Post-employment benefits include both defined contribution plans and defined benefit plans.

Defined contribution plan

The employer's liability is limited to the payment of employer contributions to the social insurance funds. The contribution payable by the Group for a defined contribution plan is recognized as a liability after the subtraction of the contribution paid, while accrued contributions are recognized as an expense in the Income Statement.

Defined benefit plan

The liability recorded in the Financial Position Statement for defined benefit plans is the current obligation value for the defined benefit, and the changes arising from any actuarial profit or loss and the cost of years of employment. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. For discounting of the 2017 fiscal year, the chosen interest rate follows the trend of the iBoxx AA Corporate Overall 10+ EUR indices, which are considered consistent with the principles of IAS 19, i.e. they are based on bonds equivalent to the currency and estimated duration in terms of employee benefits, but are also suitable for long-term provisions.

A defined benefit plan determines specific liabilities for payable benefits, based on various parameters, such as age, years of employment and salary. The provisions for the period are included in the relevant staff costs in the accompanying separate and consolidated Income Statements, and are composed of the current and the past cost of service, the relevant financial cost, the actuarial earnings or losses, and any possible additional burdens. As to the unrecognized actuarial earnings or losses, the revised IAS 19 is followed, which includes a series of amendments to the accounting of defined benefit plans, including:

- recognizing actuarial earnings/losses in other comprehensive income and their exclusion from profit and loss,
- not recognizing the expected returns on investment for the plan in profit and loss, but recognition of the relevant interest in the net liability/(asset) of the benefit, calculated based on the discount rate used to measure the defined benefit liability.
- recognizing the cost of years of employment in the profit and loss earlier than the amendment date of the plan or recognizing the relevant restructuring or termination benefit,
- other changes include new disclosures, such as quantitative sensitivity analysis.

(c) Employment termination benefits

Employment termination benefits are paid when employees leave before the retirement date. The Group pays these benefits when it undertakes to do so, when it terminates to employ existing employees based on a detailed plan that cannot be withdrawn, or when it offers these benefits as an incentive for voluntary retirement. Employment termination benefits due 12 months after the Financial Position Statement are discounted at their current value.

In the event of employment termination without being able to determine the employees who will make use of such benefits, there is no accounting measurement, but disclosure as contingent liability.

7.13 Provisions

Provisions are formed when:

- A current legal or estimated liability arises as a result of past events.
- It is likely that an outflow of funds will be required to settle a liability.
- The amount required can be reliably measured.

The provisions are reviewed on the financial statement date and are adjusted to reflect the current value of the expense that is expected to become due so as to settle the liability. When the impact of the time value of money is significant, the provision amount is the current value of the expenses expected to become due so as to settle the liability. If an outflow of resources shall possibly not be required for settling a liability for which a provision has already been formed, then said liability is reversed.

In the event that outflow of financial resources resulting from current obligations is not considered probable, or the provision amount cannot be reliably measured, no liability is recognized in the financial statements, unless it is reviewed in the context of a business combination. Contingent liabilities are not recognized in the financial statements, but are disclosed, unless the possibility of outflow of resources integrating financial benefits is minimal. Possible financial benefit inflows for the Group that do not yet meet the criteria of an asset are considered contingent assets and are disclosed if the inflow of financial benefits is probable.

7.14 Government Grants

Government grants are recorded at their fair value, only if it is certain that the grant will be collected and the Group will comply with all the relevant terms for receiving the grant. Government grants relating to expenses are subtracted from the expenses during the period required for their systematic correlation to the granted expenses. Government grants intended for funding tangible assets are recorded in liabilities and transferred to the earnings or losses for each reporting period in equal annual installments based on the expected useful life of the granted fixed assets, subtracting the corresponding depreciation expenses.

7.15 Recognition of Income and Expenses

Income

Income is measured at the fair value of the consideration collected or expected to be collected, and it represents the amounts collected for the provision of services in the context of the normal operation of the Group. Income is accounted net of value added tax, refunds, all types of discounts and after limiting the sales within the Group.

It is believed that the income amount can be measured reliably when all contingent liabilities related to its sale have been resolved. Income recognition is carried out as follows:

(a) Provision of services

The Group offers its services both to private individuals/patients and to patients/customers covered through affiliated social security funds and insurance companies. In particular, the main social security fund that the Group and Company are associated with is EOPYY. Note that the Group companies have entered into agreements, whereby patients are fully or partly covered (pre-agreed fee) for any expenses incurred with regard to open-heart surgeries, CT scans, MRIs, arthroplasties, lithotripsies, etc. The insurance companies the Company is affiliated with are both domestic and foreign companies.

The main Group services include medical and hospitalization fees, as well as medical supplies and medications. Income is calculated based on the approved pricelists per counterparty (EOPYY, private customers and insurance companies) and is recognized during the period the service was provided, based on the amount expected to be collected from the counterparties.

(b) Sales of goods

Income for sales of goods in recognized when the essential risks and rewards of ownership of the goods have been transferred to the buyer, usually when the goods have been sent for delivery.

(c) Interest income

Interest income is recognized using the effective interest rate method, which is the interest rate that accurately discounts future cash payments or collections throughout the expected life of the financial instrument or, when required for a shorter period, at the net book value of the financial asset or liability.
When a receivable has been impaired, the Group decreases the book value to the amount that is expected to be recovered, which is the amount resulting from the estimated future cash flows, discounted using the effective interest rate of the instrument, and continues the periodic reversal of the discounting as interest income. Interest income on loans that have been impaired is recognized using the initial effective interest rate.

(d) Dividend income

Dividends are recognized as income when their collection right is established, i.e. on the date their distribution is approved by each company's General Meeting.

(e) Rent income

Income from operating leases of investment property owned by the Group is recognized gradually during the lease.

Expenses

Expenses are recognized in the Comprehensive Income Statement on an accrued basis. Payments made for operating leases are carried over to the Comprehensive Income Statement as expenses during the leasehold usage.

Interest expenses are recognized on an accrued basis.

7.16 Leases

(a) Operating leases

Leases are essentially classified as operating leases when the risks and benefits of ownership are held by the lessor (owner). Payments made for operating leases (net of any incentives offered by the lessor) are recognized as expenses, based on the straight-line method (proportionally) during the lease term.

(b) Financial leases

Financial leases that essentially transfer to the Company or the Group all the risks and benefits related to the leased fixed asset are capitalized at the beginning of the lease at the fair value of the leased fixed asset or the current value of the minimum lease payments, if this is lower. Payments for financial leases are allocated among financial expenses and decrease in financial liability, so as to achieve a fixed interest rate in the remaining balance of the liability. Financial expenses are charged in the profit and loss. Capitalized leased fixed assets are depreciated based on the smallest period between the estimated useful life of the asset and the duration of the lease.

7.17 Earnings or Losses from Discontinued Operations

A discontinued operation is a component of the Group that either has been sold or has been classified as held for sale and

- represents a large separate part of business operations or a geographic region of operations,
- forms part of a single coordinated plan to sell a large part of operations or a geographic region of operations,
- Is a subsidiary acquired exclusively with the aim of being resold.

Earnings or losses from discontinued operations, including earnings or losses for the comparative period, are presented as a separate item in the Income Statement. This amount corresponds to the after-tax results of discontinued operations and the after-tax earnings or losses that resulted from the valuation and sale of the assets classified as held for sale (see Note 11).

Disclosures of discontinued operations for the comparative period include disclosures for earlier periods presented in the financial statements, so that the disclosures may relate to all the operations that have been discontinued until the last day of the period being presented. In the event that operations previously classified as discontinued are now considered continuing, the disclosures of previous periods are adjusted accordingly.

7.18 Earnings per Share

The basic earnings per share are calculated by dividing the net earnings corresponding to the parent company shareholders by the weighted average number of common outstanding shares during each year, excluding the average number of common shares acquired as own shares.

Diluted earnings per share are calculated by dividing the net earnings attributed to the parent company shareholders (after subtracting interest on convertible shares after tax) by the weighted average number of outstanding shares during the year (adjusted due to the impact of impaired convertible shares).

The weighted average number of common outstanding shares during the accounting period, and for all the accounting periods presented, is adjusted to events that have modified the number of common outstanding shares without a respective modification in the funds.

8. Significant Accounting Estimates and Judgments by the Management

The preparation of the financial statements in accordance with the International Financial Reporting Standards (IFRSs) requires for the Management to make judgments, estimates and assumptions that affect its assets and liabilities, the disclosures for contingent liabilities and receivables, as well as the income and expenses during the periods being presented.

Certain amounts included in or affecting the financial statements and the relevant disclosures are estimated based on the formation of assumptions in relation to values or conditions that could not possibly be known at the time the financial statements are prepared. As a result, the actual results may differ from those that have been estimated. An accounting estimate is considered significant for the Group's financial situation and Income Statement when it requires the most difficult, subjective or complex judgments to be made by the Management. Management estimates and judgments are based on past experience and on other factors, including the expectations for future events considered reasonable under specific circumstances, while they are constantly re-evaluated based on all the available information.

The main estimates and judgments referring to facts whose development could affect the items in the financial statements for the next 12 months are listed below:

8.1 Estimates for Calculating the Value in Use of CGUs

The Group conducts a relevant impairment test of the value of investments in subsidiaries and associates whenever there is an indication for impairment, according to the provisions of IAS 36. In order to establish whether there are reasons for impairment, the value in use and the fair value reduced by the sale cost of each Cash Generating Unit (CGU) are calculated. The recoverable CGU amounts have been set for the purposes of impairment testing, based on the calculation of their value in use, which requires estimates. To calculate the value in use, the estimated future cash flows are discounted at their current value using a pre-tax discounted interest rate, which reflects the current market estimates for the time value of money and the risks associated with the specific CGU. Cash provisions based on approved business plans of the Management are used for the calculation. These business plans and cash flow provisions usually cover a period of 5 years. Cash flows beyond the period whereby the provisions are available are extended based on the estimated growth rates. The main assumptions used to calculate the recoverable value of different CGUs and the sensitivity analyses conducted from time to time are included and analyzed further in the financial statements.

8.2 Business Combinations

Upon initial recognition, assets and liabilities of the acquired entity are included in the consolidated financial statements at their fair values. Upon fair value measurement, the Management uses estimates regarding future cash flows; however, the actual results may differ. Any change in the measurement after initial recognition will affect goodwill measurement. No such events arose during the current fiscal year.

8.3 Impairment Testing of Goodwill and Intangible Assets with Indefinite Useful Life

The Group carries out the relevant impairment testing of goodwill and intangible assets with indefinite life duration deriving from subsidiaries and associates at least on an annual basis or whenever an indication for impairment arises, in accordance with the IAS 36 provisions. In order to establish whether there are reasons for impairment, the value in use and the fair value impaired by the business unit sale cost are calculated. Usually, the methods used are the current value of cash flows, the evaluation based on ratios of similar transactions or businesses trading in active markets, and the stock market price. To implement such methods, the Management is required to use information such as the estimated future profitability of a subsidiary, business plans and market information, such as interest rates, etc. (see Notes 12.2.2 & 12.2.3 of the Financial Statements for further information).

8.4 Tangible Fixed Assets

Tangible fixed assets are audited for impairment purposes when events or changes in the conditions illustrate that their book value may not be recoverable. To calculate value in use, the Management estimates the future cash flows from the asset or the cash flow unit, and selects the appropriate discounted rate to calculate the current value of future cash flows.

8.5 Useful Life of Depreciable Assets

The Management regularly reviews the useful lives of depreciable assets, in order to evaluate the appropriateness of the initial estimates. On 31/12/2017, the Management estimated that the useful lives represented the anticipated usefulness of assets.

8.6 Financial Instrument Fair Value Estimation

The fair value calculation of financial assets and liabilities for which no market prices have been published requires the use of specific estimation techniques. Fair value calculation requires various kinds of estimations. The most significant ones pertain to the assessment of the various risks a financial instrument is subject to, such as business risk, liquidity risk etc., and the estimation of the future profitability prospects of enterprises, in the event of equity instrument valuation.

8.7 Income Tax

Provision for income tax based on IAS 12 is calculated by estimating the taxes to be paid to tax authorities, and includes the current income tax for every fiscal year and a provision for additional taxes that may arise in tax audits.

The Group companies are subject to different income tax legislation. Significant estimates are required to determine the total provision for income tax, as presented in the Financial Position Statement. Final tax determination is uncertain for specific transactions and calculations. The Group recognizes liabilities for forecasted tax issues based on calculations as to whether additional tax will arise. When the final tax result differs from the initially recognized amount, the differences also affect the income tax provision for deferred taxation in the period this was determined (further information in Note 12.29).

8.8 Deferred Tax Assets on Tax Losses

A deferred tax asset is recognized for all unused tax losses, to the extent that sufficient tax profits may arise and may be offset with these tax losses. Significant judgments and estimates are required by the Group Management, based on future tax profits combined with the future tax strategies to follow, to determine the deferred tax asset amount that can be recognized (see Note 12.7).

8.9 Provisions for Doubtful Receivables

The Group forms provisions for doubtful receivables in relation to specific customers when there is information or indications highlighting that recovery of part of or the whole amount of the receivable in question is not likely. At each reporting date, the Management assesses the recoverability of the Group receivables so they may be reflected at their recoverable amount. This assessment takes into account the Group's credit policy, information on outstanding customer balances, its experience as to the rate of collecting receivables per patient category, the current financial conditions and possible assurances and guarantees that have been made for specific customers. Meanwhile, the Group Management also examines information from the Group's legal advisors, which arises based on the processing of historical data and the recent developments of cases for which legal proceedings have been initiated (see Note 12.9 for further details).

8.10 Obligations under Article 100 of Law 4172/2013 – Claw-back & Rebate

In accordance with Article 100 of Law 4172/2013, the following have come into effect since July 2013 (with a retroactive effect from 01/01/2013):

i. An automatic claw-back mechanism for any expenses incurred relating to hospitalization, diagnostic tests and physiotherapy. Based on this mechanism, the monthly National Organization for Healthcare (EOPYY) expenses for diagnostic tests, hospitalization and physiotherapy offered by affiliated private healthcare providers must not exceed 1/12 of the approved credit funds of the EOPYY budget. The excess amount claimed on the part of EOPYY from the affiliated providers of the aforementioned private healthcare services is calculated on a semi-annual basis and must be deposited in a bank account indicated by EOPYY within one month from the date the written personal notification was issued. If said deadline expires without the payment having been made, the EOPYY Board of Directors may terminate the contract between EOPYY and the affiliated provider automatically and without payment of compensation until such time as the total amount due has been paid with interest by the provider or has been collected in accordance with the provisions of the Public Revenue Collection Code (KEDE). The monthly invoice submitted to EOPYY by the affiliated provider for the healthcare services rendered to people insured with the national insurer for the corresponding period is used to calculate the claw-back amount corresponding to each affiliated provider per month. Expenses submitted to EOPYY 20 days after the end of each month, and which relate to services rendered during the previous month, are neither recognized nor paid by EOPYY.

   The total claw-back amount is calculated semi-annually, by calculating the difference between the budgeted and the actual expense arising from the amount claimed by the provider, once any rebate and other expenses unacceptable at the time of calculation have been subtracted.

ii. A percentage over the amounts owed by EOPYY to affiliated private healthcare providers for hospitalization, diagnostic tests and physiotherapies for people insured with EOPYY, payable to the Organization as a rebate for each month. The rebate amount is calculated monthly and as of 01/01/2016, it is incorporated in the invoices issued to EOPYY for services rendered.

In accordance with Ministerial Decision Ref. No.Γ5/63587/20.8.2015, the provisions of cases (i) and (ii) above are valid until 31/12/2018.

By virtue of Ministerial Decision Γ3γ/37400/19.05.2017 (GG 1752/B/22.05.2017), the permitted expenditure limits for EOPYY were determined for healthcare services by affiliated private providers and for medical products and dietary supplements by manufacturers, importers, distributors/suppliers affiliated with EOPYY for 2017. According to the categories of services provided, the annual expenditure cost for private hospitalization services was €265m, while the annual expenditure cost for diagnostic exams and procedures was €350m.

By virtue of Decision Γ3γ/Γ.Π./51816 (GG 2638/28.07.2017), issued by the Deputy Health Ministerial, it was revealed that ministerial decisions Γ3γ/ref. 96176/4-11-2014 (B/3040) and Γ3γ/65273/15-09-2015 (B/2036) for calculating the claw-back amount for 2014 are no longer in effect. The automatic claw-back amounts for the year 2014 for the category "Private hospitalization services" shall now be calculated based on Article 100 of Law 4172/2013, and specifically the monthly bill that each affiliated provider submits to the EOPYY shall be used as the basis for calculating the claw-back amount corresponding to each said provider, against the healthcare services it offered to the people insured with EOPYY for the corresponding period. The claw-back amount is calculated based on the difference between the budgeted and the actual expenditure, after subtracting any rebates and unacceptable expenses.

Furthermore, by virtue of Decision Γ3γ/Γ.Π./58976/2017 (ΦΕΚ Β' 2746/04.08.2017), issued by the Deputy Health Minister, the healthcare services subject to rebate were classified, while the corresponding rates were also determined, which are tiered, depending on the amount of the expenditure submitted monthly. This ministerial decision is effective as of 01/08/2017.

EOPYY has notified via email the HYGEIA Group hospitals and clinics of the rebate and claw-back amounts corresponding to the 2013, 2014, 2015 and 2016 fiscal years and the 1st half of 2017, which come to approximately €95.4m (VAT included).

The Group companies affiliated with EOPYY have filed a writ before the Athens Administrative Court of Appeals against the orders issued by EOPYY on 28/05/2016, 18/11/2014, 22/05/2015, 02/07/2015, 09/12/2015, 11/02/2016, 06/04/2016, 20/03/2017, 20/06/2017 and 23/8/2017 and have also filed a request for cancellation before the Council of State against the new act issued by EOPYY on 07/03/2017, with regard to the automatic claw-back and rebate amounts corresponding to the 2013, 2014, 2013 and 2015 fiscal years, as well as the 2nd half of 2016. To date, with the exclusion of the 2013 and 2016 fiscal years, it has been impossible to calculate the exact budget and claw-back amounts corresponding to each Group hospital due to the fact that EOPYY has not disclosed all the parameters (sector and hospitals separately) that would reliably lead to the exact calculation of the relevant cutbacks. It should also be further clarified that the final claw-back amounts for 2014 and 2015 will arise once the total amounts submitted for the aforementioned years have been audited and eventually validated by EOPYY. In all events, the Management believes that, based on the information at hand, the Company and Group results have already been burdened with adequate amounts for the entire period the claw-back and rebate measures have been in effect and any further significant change is not expected.

In addition, according to the contract in force, on March 18, 2015, the affiliated auditing company notified Group hospitals HYGEIA, MITERA and LETO of the results from the administrative and medical audit of the invoices submitted to EOPYY for the period 01/01/2013-31/12/2013. Based on the notified findings, the unacceptable expenses amount to approximately €5.8m. In accordance with the legislation in force, the Group hospitals affiliated with EOPYY have already filed a complaint against the findings of the audit for said fiscal year, which was concluded without prejudice to the legality of decision no. 593 issued by the EOPYY Board of Directors. Said decision was issued in September 2013 and related to clarifications and instructions for implementing the Closed Unified Hospital Fees, in accordance with the Single Regulation for Health Services, with retroactive application as of the beginning of 2013. Given that the audit for the invoices submitted in 2013 was based on the aforementioned decision, the hospitals affiliated with EOPYY have brought an action before the Hellenic Council of State due to the retroactive application of the Closed Unified Hospital Fees for the fiscal year in question, but also with the aim of canceling the specific decision, as it was issued by a non-competent body (i.e. the EOPYY Board of Directors).

On March 7, 2017, EOPYY notified via email the HYGEIA Group hospitals and clinics of the claw-back amounts corresponding to the 2013 fiscal year, following the notification for the relevant audit by independent chartered accountants and the settlement of the relevant invoices submitted for the period, amounting to approximately €13.2m, VAT included. Once the cutback amounts were finalized, the Company and Group results were not burdened any further, given that the initial amounts related to these cutbacks were adequate. Note that the administrative and medical audit for the amounts submitted by all the sector hospitals to EOPYY for the 2012, 2014 and 2015 fiscal years has not commenced yet.

Based on the claw-back and rebate notifications issued by EOPYY and despite the fact that the audits for the 2014 and 2015 fiscal years have not been completed, the Group companies affiliated with EOPYY proceeded with issuing the corresponding refund invoices for the periods 01/01/2013-30/06/2017, strictly for tax compliance purposes, pursuant to Ministerial Circular 1191/12.08.2014 and Ministerial Circular 1113/2.6.2015. Since the beginning of the 2016 fiscal year, the rebates under Article 100 of Law 4172/2013 are being integrated in the invoices submitted monthly by the Group companies to EOPYY.

Pursuant to the Legislative Decree (GG/A/184/31.12.2015), it was decided that the effective date for existing contracts between physicians, diagnostic centers, clinics, hospitals and other providers on the one hand, and EOPYY on the other – whether they are the original ones or ones that have already been extended – be further extended until 30/06/2016. In addition, in accordance with Article 52 of Law 4410/2016 (GG/141/3.8.2016), the effective date for these contracts between EOPYY and other health providers is extended until the new contacts are concluded.

Furthermore, in accordance with Article 90 of Law 4368/2016 "Measures to expedite the government tasks and other provisions" (GG 21/21.2.2016), the healthcare expenses, excluding pharmacists, incurred as of 01/01/2016 and submitted to the competent EOPYY departments will be settled randomly, which in all events would not be less than 5% of the total number of supporting documents submitted by each provider for expenses incurred by insured parties, while the number of supporting documents for expenses should be at least 10. EOPYY may perform final audits and settle any unsettled amounts due by EOPYY to its providers, excluding pharmacists and National Health System hospitals, for the years 2012-2015, based on the aforementioned process. Affiliated providers who have been included in the procedure under Article 100(6) of Law 4172/2013 (GG/A/167) are excluded from this process. Consequently, the expenditures submitted by the Group hospitals for the 2016 fiscal year have been audited by the competent EOPYY bodies and any cutbacks (i.e. rebates, unacceptable expenses and claw-back) are considered final.

In October 2016, the terms for EOPYY paying off its outstanding debts – which arose before it had started operating – to affiliated healthcare providers were determined, in accordance with Article 52 of Law 4430/2016. Specifically, based on the provisions of the specific Article, further rebates were established, so the Organization could pay off its total outstanding debts up to the 2015 fiscal year (including amounts in arrears prior to 2012) within 2017. Note that the affiliated Group companies have already formed adequate provisions against the provisions of said Article and consequently, their results are not expected to be further burdened.

Finally, Council of State decision 1874/2017 canceled the decisions made in October and November 2012 by the EOPYY Board of Directors regarding the reduction of process for selected diagnostic tests. According to the grounds of the decision, the decisions were issued by a non-competent body (EOPYY Board of Directors), given that there are no legal provisions granting it such a capacity. Based on the aforementioned decision, HYGEIA Group proceeded with re-invoicing the specific diagnostic tests.

8.11 Provision for Personnel Indemnities

The provision amount for personnel indemnities is based on an actuarial study. The actuarial study includes the establishment of assumptions relating to the discount rate, employee remuneration increase rate, consumer price index increase and anticipated remaining work life. The assumptions used carry a significant amount of uncertainty and the Group Management proceeds with reassessing them continuously (see Note 12.15).

8.12 Contingent Events

During its regular course of operations, the Group is involved in legal claims and compensations. The Management considers that any settlements will not significantly affect the Group and the Company's financial position on 31/12/2017. However, the determination of contingent liabilities relevant to legal disputes and claims is a complex procedure involving judgments with regard to the possible consequences and interpretations of laws and regulations. Changes in the judgments or interpretations might lead to an increase or decrease in the contingent liabilities of the Group and the Company in the future (see Note 12.32).

8.13 Uncertain Outcome of Pending Sub Judice Cases

The Group and the Company have pending sub judice cases. The Management assesses the outcome of cases, taking into account the information available from the Group's Legal Department, which manages the cases. Wherever necessary, the provisions are calculated based on the estimates of the Management for the expense that shall be required to settle the expected liabilities on the financial statement reporting date, and is based on a number of factors that require the use of judgment. Changes in the judgments or estimates may possibly lead to an increase or decrease in the Group contingent liabilities in the future. When additional information becomes available, the Group Management reviews the facts yet again, which may lead it to revise its estimates (see Note 12.32.1 for further details).

9. Group Structure

9.1 Consolidated Companies and Consolidation Method

The Group companies included in the consolidated financial statements on 31/12/2017 are outlined below:

No.	Company Name	Registered in	Activity	Holding %	Consolidation Method	Holding R/ship	Unaudited Fiscal Years
1	**DTCA HYGEIA SA**	**Greece**	**Healthcare services**		**PARENT COMPANY**		**2011 2013-2017 (1)**
	HYGEIA Subsidiaries						
2	MITERA SA	Greece	Healthcare services	99.55%	Full consolidation	Direct & Indirect	2011-2017 (1)
3	MITERA HOLDINGS SA	Greece	Holdings in MITERA SA	100.00%	Full consolidation	Direct	2010-2017 (1)
4	LETO SA	Greece	Healthcare services	99.45%	Full consolidation	Indirect	2010-2017
5	LETO HOLDINGS SA	Greece	Holdings in LETO SA	99.27%	Full consolidation	Indirect	2010-2017
6	ALFALAB SA	Greece	Healthcare services	99.45%	Full consolidation	Indirect	2010-2017
7	HYGEIA HOSPITAL TIRANA ShA	Albania	Healthcare services	100.00%	Full consolidation	Direct	-
8	Y-LOGIMED SA	Greece	Import, trading and supply of medical technology products	100.00%	Full consolidation	Direct	2010-2017
9	Y-PHARMA SA	Greece	Trading of pharmaceuticals and general medical supplies	85.00%	Full consolidation	Direct	2010-2017
10	ANIZ SA	Greece	Operation of canteens and restaurants	70.00%	Full consolidation	Direct	2010-2017
11	BEATIFIC SA	Greece	Research, production and trading of cosmetics	100.00%	Full consolidation	Direct	2014-2017

(1) For the Group companies registered in Greece, the tax audit for the 2011 to 2013 fiscal years based on Article 82(5) of Law 2238/1994 has been concluded, and so has the tax audit for the 2014, 2015 and 2016 fiscal years based on the provisions of Article 65A(1) of Law 4174/2013. Note that on 31/12/2017, the fiscal years up to 31/12/2011 were written off, in line with the provisions of Article 1(36) of Law 4174/2013, while a special audit for obtaining a Tax Compliance Report is underway See Note 12.32.2 for further details.

9.2 Changes in the Structure of the Group

August 21, 2017: The MITERA SA Board of Directors certified the Company's share capital increase totaling four million five hundred and fifty thousand euros (€4,550,000) with capitalization of receivables and payment in cash. This MITERA SA share capital increase was covered entirely by parent company HYGEIA SA. Following this share capital increase, the Direct and Indirect holding of HYGEIA SA in the subsidiary changed and currently amounts to 99.55% from 99.49%.

December 8, 2017: HYGEIA concluded the sale of all its shares in Group subsidiaries Bio-Check International Private Clinic SA and West Athens Primary Medicine Private Clinic SA – in which it had a 100% indirect stake – to Affidea Euromedic Holdings Hellas SA. Therefore, these companies have not been consolidated in the Financial Statements for the fiscal year ended on 31/12/2017 and the corresponding annual comparative period of 2016 using the full consolidation method. In addition, information on the results of these companies for the reporting periods are presented in the results from discontinued Group operations (see Note 11 for further details).

Within 2017, all the necessary supporting documents certifying the completion of the process for liquidating inactive subsidiary LETO Lab SA, in which the Group had a holding percentage of 89.19%, were obtained.

The Group does not have any subsidiaries with significant non-controlling interests. In addition, the Group has no interests in unconsolidated structured entities.

10. Segment Reporting

The Group implements IFRS 8 "Operating Segments", which stipulates that the operating segments are defined based on the "management approach" and requires that external reporting is based on the same principles as internal reporting. The Company's Board of Directors is considered the main business decision-maker and has identified two operating segments for the Group activities. In particular, the Group is active in the healthcare services sector – and specifically the provision of diagnostic and medical services – and the medical supplies, pharmaceuticals and special materials trading sector, mainly in Greece, but also abroad.

Cross-segment sales mainly pertain to the trading of medical supplies and special materials by company Y-LOGIMED SA to the Group hospitals.

The Group reports income from EOPYY amounting to 10% of its annual revenue.

The required reporting per operating segment is outlined below.

The income, earnings and assets per operating segment are as follows:

Operating Segments

Segment Results as of 31/12/2017
Amounts in € '000

Sales	**Healthcare Sector**	**Commercial Sector**	**Total from continuing operations**	**Discontinuing operations**	**Total**
- to external customers	200.113	5.859	205.972	21.588	227.560
- intercompany sales	2.556	25.595	28.151	0	28.151
Net Sales	**202.669**	**31.454**	**234.123**	**21.588**	**255.711**
Depreciation	(14.403)	(95)	**(14.498)**	**(3.417)**	**(17.915)**
Financial Income	32	3	**35**	**0**	**35**
Financial Expense	(9.423)	(54)	**(9.477)**	**(1.807)**	**(11.284)**
Gains / (Losses) before taxes for the period	11.845	(2.288)	**9.557**	**(3.456)**	**6.101**
Total Assets as at 31/12/2017	401.167	32.446	**433.613**	28.273	**461.886**

Segment Results as of 31/12/2016
Amounts in € '000

Sales	**Healthcare Sector**	**Commercial Sector**	**Total from continuing operations**	**Discontinuing operations**	**Total**
- to external customers	200.445	5.446	205.891	21.840	227.731
- intercompany sales	3.256	25.809	29.065	276	29.341
Net Sales	**203.701**	**31.255**	**234.956**	**22.116**	**257.072**
Depreciation	(15.026)	(93)	**(15.119)**	**(3.345)**	**(18.464)**
Financial Income	24	3	**27**	**0**	**27**
Financial Expense	(9.697)	(75)	**(9.772)**	**(1.648)**	**(11.420)**
Gains / (Losses) before taxes for the period	4.346	(2.400)	**1.946**	**(3.330)**	**(1.384)**
Total Assets as at 31/12/2016	423.652	39.704	**463.356**	39.297	**502.653**

Group sales and assets based on geographical distribution are as follows:

Geographical Segments	31/12/2017		31/12/2016	
Amounts in € '000	**Sales**	**Total Assets**	**Sales**	**Total Assets**
Greece	234.123	433.613	235.233	463.356
Other countries	0	0	0	0
Total from continuing operations	**234.123**	**433.613**	**235.233**	**463.356**
Discontinuing operations	21.588	28.273	21.839	39.297
Total	**255.711**	**461.886**	**257.072**	**502.653**

The total amounts corresponding to the Group's operating segments reconcile with the main items in the financial statements as follows:

Recociliation Table **Amounts in € '000** **Segment Sales**	**31/12/2017**	**31/12/2016**
Total Segment Sales	234.123	235.232
Eliminations of intercompany sales	(28.151)	(29.341)
	64.823.160	**77.907.816**
Gains / (Losses) before taxes	**31/12/2017**	**31/12/2016**
Total Gains / (Losses) of Segment	6.101	(1.384)
Eliminations of intercompany gains/(losses)	3.456	3.330
	(5.432.837)	**3.861.361**
Total Assets	**31/12/2017**	**31/12/2016**
Total Segment Assets	433.613	463.356
Eliminations of intercompany assets	(22.011)	(34.078)
	719.183.468	**759.694.710**

11. Disposal Groups Held for Sale and Discontinued Operations

11.1 Sale of companies Bio-Check International Private Clinic SA and West Athens Primary Medicine Private Clinic SA

December 8, 2017: HYGEIA concluded the sale of all its shares in Group subsidiaries Bio-Check International Private Clinic SA and West Athens Primary Medicine Private Clinic SA – in which it had a 100% indirect stake – to Affidea Euromedic Holdings Hellas SA for a total consideration of €350 thousand.

The transaction generated a profit for the Group to the amount of €3.2m, which is included in consolidated Income Statement in the results from discontinued operations. The profit amount was calculated as the difference between the product from the sale of the holdings, minus the relevant transaction expenses and their book value on the date of the sale.

Specifically, the book values of the net assets for these companies on the day their sale was finalized are presented in detail in the following table:

	Biocheck SA	**Primary SA**
Amounts in € '000	**Book values as of the date of sale**	**Book values as of the date of sale**
Non-current assets	276	150
Current assets	112	186
Cash and cash equivalents	94	95
Total assets	**482**	**431**
Non-current liabilities	219	88
Current liabilities	2,336	1,117
Total liabilities	**2,555**	**1,205**
Total equity	**(2,073)**	**(774)**
Less: Non-controlling interests		
Equity attributable to owners of the parent	**(2,073)**	**(774)**

Respectively, the calculation of the transaction results is as follows:

	Biocheck SA	**Primary SA**
Amounts in € '000	**Result from the sale**	**Result from the sale**
Book value Genesis	(2,073)	(774)
Sale price minus relevant expenses incurred	175	175
Gain from the sale	**2,248**	**949**

On 31/12/2017, the Company did not consolidate the financial position details of these companies, while it included the result from discontinued operations for these companies, i.e. earnings amounting to €2,976 thousand (further broken down as profit from the sale to the amount of €3,197 thousand and losses from operations for the 01/01-08/12/2017 period to the amount of €221 thousand) in the consolidated Income Statement.

11.2 Decision to Examine the Sale of the Holding of DTCA HYGEIA SA in HYGEIA Hospital Tirana

Within the current fiscal year, the Company's Management decided to examine the sale of the holding of HYGEIA SA in subsidiary HYGEIA Hospital Tirana Sha. Specifically, the Management reviewed the commitments undertaken by the parent company against bank borrowings of the subsidiary, in combination with the financial performance of the investment in question, and decided to examine the possibility of attracting possible investors with the aim of divesting from the subsidiary. This is expected to be concluded within a year from the date the investment was classified as held for sale.

Based on these, on 31/12/2017, HYGEIA Hospital Tirana Sha was classified as a disposal group in the Financial Position Statement, according to the requirements of IFRS 5 for non-current assets held for sale. On the date its was classified as a disposal group, the Group valued the disposal group data at the lowest value between its book value and the fair value, minus the sale expenses (according to IFRS 5, paragraph 15). Comparing the fair value of the disposal group with the amount of its corresponding book value, a loss of €8,700 thousand arose for the Group, which was recognized in the item "Earnings/(losses) from valuation of disposal groups at fair value" of the Income Statement for discontinued operations (see next Note).

The income and expenses, and earnings and losses relating to this discontinued operation are not included in the Group results from continuing operations for the period 01/01-31/12/2017, i.e. losses to the amount of €14,297 thousand (further broken down to losses of €8,700 thousand from measurement at fair value and losses to the amount of €3,229 from operations for the period 01/01-31/12/2017), but are presented separately. Furthermore, the book values of the assets and the continuing liabilities of the disposal group on 31/12/2017 are clearly presented (see Note 11.4 for details).

11.3 Discontinued Operations for the Comparative Reporting Period (2016 Fiscal Year)

Discontinued operations for the comparative reporting period include:

- the results of HYGEIA Hospital Tirana ShA for the period 01/01-31/12/2016 (due to its classification as a disposal group held for sale on 31/12/2017),
- the results of Bio-Check International Private Clinic SA and West Athens Primary Medicine Private Clinic SA (due to their sale on 08/12/2017).

11.4 Net Group Results from Discontinued Operations and Disposal Group Held for Sale

The net Group results from discontinued operations for the periods 01/01-31/12/2017 and 01/01-31/12/2016 are as follows:

	Discontinued operations	Disposal group held for sale	Discontinued operations	Disposal group held for sale
Amounts in € '000	**1/1-31/12/2017**	**1/1-31/12/2017**	**1/1-31/12/2016**	**1/1-31/12/2016**
Sales	1,920	19,668	1,971	19,869
Cost of sales	(1,167)	(17,811)	(1,322)	(17,571)
Gross profit	**753**	**1,857**	**649**	**2,298**
Administrative expenses	(906)	(3,744)	(1,055)	(3,706)
Other operating income	3	238	5	186
Other operating expenses	(2)	(71)	(1)	(227)
Operating profit	**(152)**	**(1,720)**	**(402)**	**(1,449)**
Other financial results	0	223	(82)	251
Financial expenses	(75)	(1,732)	(108)	(1,540)
Profit /(Loss)before income tax from discontinuing operations	**(227)**	**(3,229)**	**(592)**	**(2,738)**
Income Taxes	5	0	6	0
Profit /Loss for the period after taxes from discontinued operations	**(222)**	**(3,229)**	**(586)**	**(2,738)**
Gains /(Losses) from the sale of the discontinued operations	3,197	0	0	0
Derecognision of comprehensive income associated with non-current assets classified as held for sale through the income statement	0	(2,368)	0	0
Earnings/ (losses) from valuation of assets available for sale at fair value	0	(8,700)	0	0
Less: Income Taxes	0		0	0
Result from discontinued operations	**2,975**	**(14,297)**	**(586)**	**(2,738)**

Additionally, the book values of assets and the liabilities relating to them that were classified as held for sale (HYGEIA Hospital Tirana ShA) on 31/12/2017 are as follows:

Amounts in € '000	31/12/2017
Assets	
Tangible assets	25,456
Intangible assets	242
Inventories	651
Trade and other receivables	730
Other current assets	211
Cash and cash equivalents	69
Assets held for sale	**27,359**
Liabilities	
Long-term borrowings	11,318
Trade and other payables	6,636
Short-term debt	7,606
Other current liabilities	1,799
Liabilities related to Assets held for sale	**27,359**

The following table presents the net cash flows from operating, investing and financing activities pertaining to discontinued operations:

Amounts in € '000	Discontinued operations 31/12/2017	Disposal group held for sale 31/12/2017	Discontinued operations 31/12/2016	Disposal group held for sale 31/12/2016
Operating cash flows from discontinued operations	212	634	87	755
Investment cash flows from discontinued operations	(48)	(467)	(76)	(1,066)
Financing activities cash flows from discontinued operations	(56)	(64)	(19)	268
Cash and cash equivalents at beginning of the period from discontinued operations	81	46	89	25
Total cash flows from discontinued operations	**109**	**149**	**145**	**(18)**

The basic earnings/(losses) per share from discontinued operations for the reporting periods 01/01-31/12/2017 and 01/01-31/12/2016 amount to €(0.0370) and €(0.0109) respectively (see Note 12.30).

12. Other Explanatory Notes on the Financial Statements

12.1 Tangible assets

Tangible fixed assets (land, buildings, machinery, other equipment) are depicted based on the historical acquisition cost, minus accumulated depreciation and any reductions in their value.

On 31/12/2017, there were encumbrances on the Group and the Company tangible fixed assets against borrowing to the amount of €187.4m and €116.8m respectively.

During the current fiscal year, the Group and the Company spent the amount of €7m and €4.6m respectively for the purchase of tangible fixed assets, mainly pertaining to medical equipment and renovations or constructions.

GROUP

Amounts in € '000	Land	Buildings	Machinery	Vehicles	Furniture & Fittings	Construction in progress	Total
Cost of valuation as of 1/1/2016	50,484	151,432	87,766	1,048	36,644	1,070	328,444
Accumulated depreciation	0	(45,288)	(64,346)	(812)	(34,076)	0	(144,522)
Net Book Value as of 1/1/2016	**50,484**	**106,144**	**23,420**	**236**	**2,568**	**1,070**	**183,922**
Additions	0	171	2,595	9	944	27	3,746
Disposals	0	0	(1,816)	(17)	(105)	0	(1,938)
Reclassifications	0	147	87	0	0	(234)	0
Exchange differences on cost	(2)	(12)	(16)	10	(5)	0	(25)
Other transfers	0	0	197	0	0	(63)	134
Depreciation charge	0	(4,868)	(8,168)	(61)	(991)	0	(14,088)
Depreciation of disposals	0	0	1,644	8	101	0	1,753
Exchange differences on cost	0	83	393	83	(9)	0	550
Other transfers	0	0	(106)	0	0	0	(106)
Cost of valuation as of 31/12/2016	50,482	151,738	88,813	1,050	37,478	800	330,361
Accumulated depreciation	0	(50,073)	(70,583)	(782)	(34,975)	0	(156,413)
Net book value as of 31/12/2016	**50,482**	**101,665**	**18,230**	**268**	**2,503**	**800**	**173,948**

	Land	Buildings	Machinery	Vehicles	Furniture & Fittings	Construction in progress	Total
Cost of valuation as of 1/1/2017	50,482	151,738	88,813	1,050	37,478	800	330,361
Accumulated depreciation	0	(50,073)	(70,583)	(782)	(34,975)	0	(156,413)
Net book value as of 1/1/2017	**50,482**	**101,665**	**18,230**	**268**	**2,503**	**800**	**173,948**
Additions	0	364	4,398	0	863	1,023	6,648
Disposals from Sale of subsidiaries	0	(732)	(948)	(2)	(313)	0	(1,995)
Disposals	0	0	(2,240)	0	(72)	(24)	(2,336)
Reclassifications	0	45	30	0	264	(339)	0
Additions of assets classified as held for sale	0	84	116	0	152	0	352
Disposals of assets classified as held for sale	0	0	(1,091)	(17)	0	0	(1,108)
Exchange differences on cost of assets classified as held for sale	93	507	(648)	(25)	55	0	(18)
Assets classified as held for sale	(5,528)	(30,138)	(12,682)	(177)	(3,632)	(1)	(52,158)
Depreciation charge	0	(4,160)	(5,222)	(28)	(1,035)	0	(10,445)
Depreciation of disposals	0	0	2,320	0	(30)	0	2,290
Depreciation of assets classified as held for sale	0	(625)	(2,230)	(27)	(162)	0	(3,044)
Depreciation of assets of sold subsidiaries	0	(69)	(66)	0	(8)	0	(143)
Depreciations of disposal assets classified as held for sale	0	0	1,020	9	0	0	1,029
Accumulated depreciation of sold subsidiary	0	536	889	1	306	0	1,732
Accumulated depreciations of assets classified as held for sale	0	4,575	10,040	129	3,260	0	18,004
Exchange differences of assets classified as held for sale	0	(72)	724	26	(50)	0	628
Cost of valuation as of 31/12/2017	45,047	121,868	75,748	829	34,795	1,459	279,746
Accumulated depreciation	0	(49,888)	(63,108)	(672)	(32,694)	0	(146,362)
Net book value as of 31/12/2017	**45,047**	**71,980**	**12,640**	**157**	**2,101**	**1,459**	**133,384**

Impairment testing is conducted on tangible fixed assets when the events and conditions indicate that their unamortized value may not be recoverable any more. If the unamortized value of tangible fixed assets exceeds their recoverable value, the excess amount is an impairment loss, which is recognized directly as a charge in the results. The largest amount arising by comparing the fair value of an asset after excluding expenses arising during sale to the value in use is the recoverable amount of the fixed asset.

Changes in the tangible fixed asset account of the Company are broken down as follows:

COMPANY

Amounts in € '000	Land	Buildings	Machinery	Vehicles	Furniture & Fittings	Construction in progress	Total
Cost of valuation as of 1/1/2016	23,951	72,661	60,651	702	18,547	504	177,017
Accumulated depreciation	0	(32,535)	(47,338)	(605)	(17,513)	0	(97,991)
Net book value as of 1/1/2016	**23,951**	**40,126**	**13,313**	**97**	**1,034**	**504**	**79,025**
Additions	0	47	1,216	0	307	25	1,595
Disposals	0	0	(1,244)	0	(14)	0	(1,259)
Reclassifications	0	95	82	0	0	(178)	0
Other transfers	0	0	0	0	0	(70)	(70)
Depreciation charge	0	(2,971)	(4,775)	(25)	(547)	0	(8,318)
Depreciation of disposals	0	0	1,148	0	14	0	1,162
Cost of valuation as of 31/12/2016	23,951	72,803	60,705	702	18,841	281	177,283
Accumulated depreciation	0	(35,505)	(50,965)	(630)	(18,047)	0	(105,147)
Net book value as of 31/12/2016	**23,951**	**37,298**	**9,741**	**72**	**794**	**281**	**72,136**

	Land	Buildings	Machinery	Vehicles	Furniture & Fittings	Construction in progress	Total
Cost of valuation as of 1/1/2017	23,951	72,803	60,705	702	18,841	281	177,283
Accumulated depreciation	0	(35,505)	(50,965)	(630)	(18,047)	0	(105,147)
Net book value as of 1/1/2017	**23,951**	**37,298**	**9,741**	**72**	**794**	**281**	**72,136**
Additions	0	32	3,110	0	386	1,023	4,550
Disposals	0	0	(1,849)	0	(1)	(24)	(1,874)
Reclassifications	0	45	217	0	76	(339)	0
Depreciation charge	0	(2,940)	(4,082)	(22)	(699)	0	(7,744)
Depreciation of disposals	0	0	1,763	0	1	0	1,764
Cost of valuation as of 31/12/2017	23,951	72,881	62,183	702	19,302	941	179,960
Accumulated depreciation	0	(38,445)	(53,283)	(653)	(18,746)	0	(111,127)
Net book value as of 31/12/2017	**23,951**	**34,435**	**8,900**	**49**	**556**	**941**	**68,833**

Tangible fixed assets include the following amounts, which the Group holds as a lessee, according to financial leases:

Amounts in € '000	**Machinery**	**Vehicles**	**Total**
Cost of valuation as of 1/1/2016	17,354	29	17,383
Accumulated depreciation	(14,901)	(11)	(14,912)
Net Book Value as of 1/1/2016	**2,453**	**18**	**2,471**
Additions	738	9	747
Disposals	0	(19)	(19)
Discontinuance of leasing contracts	(428)	0	(428)
Exchange differences on cost	13	3	16
Other movements	68	0	68
Depreciation charge	(147)	(10)	(157)
Depreciation of disposals	0	10	10
Discontinuance of leasing contracts	372	0	372
Exchange differences on depreciation	(3)	0	(3)
Cost of valuation as of 31/12/2016	17,746	22	17,768
Accumulated depreciation	(14,678)	(11)	(14,689)
Net book value as of 31/12/2016	**3,068**	**11**	**3,079**

Amounts in € '000	**Machinery**	**Vehicles**	**Total**
Cost of valuation as of 1/1/2017	17,746	22	17,768
Accumulated depreciation	(14,678)	(11)	(14,689)
Net book value as of 1/1/2017	**3,068**	**11**	**3,079**
Additions	868	19	887
Discontinuance of leasing contracts	(265)	0	(265)
Assets classified as held for sale	(910)	(42)	(952)
Exchange differences on cost	15	1	16
Depreciation charge	(125)	(9)	(134)
Depreciations of assets classified as held for sale	(105)	8	(97)
Discontinuance of leasing contracts	103	0	103
Exchange differences on depreciation	(2)	(1)	(3)
Accumulated depreciations of assets classified as held for sale	222	13	235
Cost of valuation as of 31/12/2017	17,454	0	17,454
Accumulated depreciation	(14,585)	0	(14,585)
Net book value as of 31/12/2017	**2,869**	**0**	**2,869**

12.2 Goodwill

12.2.1 Analysis of Goodwill Trend

Goodwill has been entirely allocated to the healthcare sector and amounts to €82.7m (2016: €82.7m). Within the current fiscal year, there were no changes in the value of recognized goodwill.

The change in the item of goodwill is depicted as follows:

Amounts in € '000	
Cost of valuation at 1/1/2016	188,914
Accumulated impairment losses	(106,208)
Net Book Value at 1/1/2016	**82,706**
Cost of valuation at 31/12/2016	188,914
Accumulated impairment losses	(106,208)
Net book value at 31/12/2016	**82,706**
Book Value as of 1/1/2017	188,914
Accumulated impairment losses	(106,208)
Net book value at 1/1/2017	**82,706**
Cost of valuation at 31/12/2017	188,914
Accumulated impairment losses	(106,208)
Net book value at 31/12/2017	**82,706**

12.2.2 Impairment Testing of Goodwill and Intangible Assets with Indefinite Useful Life in the Consolidated Financial Statements

Impairment testing of goodwill and recognized intangible assets with indefinite life was carried out on 31/12/2017. The goodwill impairment testing for acquisitions of the consolidated Group companies was performed after having allocated these items to the individual Cash Generating Units (CGUs). The recoverable amount of goodwill associated with the individual CGUs has been determined based on the value in use, which was calculated using the method of discounted cash flows.

Respectively on 31/12/2017, intangible assets with indefinite useful life for the Group amounted to €45,790 thousand and included trademarks to the amount of €30,600 thousand and licenses to the amount of €15,190 thousand. The recoverable amount of trademarks with unlimited life (value in use) was determined based on the income that arose from the rights of use (income approach via relief from royalty method) The recoverable amount of hospital licenses with unlimited life (value in use) was determined based on the incremental cash flow method.

For determining the value in use, the Management uses assumptions it considers reasonable and which are based on the best possible information at its disposal, as this applies on the Financial Statement reporting date (see Note 12.2.3).

Consolidated Financial Statements

On 31/12/2017, the impairment testing conducted according to the requirements of IAS 36 did not produce the need for the Group to form an impairment provision for goodwill and intangible assets with unlimited life (during the comparative annual period, impairment losses had been recognized for intangible assets to the amount of €500 thousand).

Separate Financial Statements

Respectively, the impairment testing conducted according to the requirements of IAS 36 did not produce the need for the Company to form an impairment provision in the separate financial separate statements for the value of the Company holdings.

12.2.3 Assumptions Used to Determine Value in Use

The recoverable value of each CGU is determined based on the calculation of value in use. The determination arises through the current value of estimated future cash flows, as these are expected to be generated from each CGU (method of discounted cash flows). The main assumptions the Group uses to determine the estimated future cash flows are as follows:

- **Formulation of 5-Year Business Plans per CGU:**

- The business plans are formulated based on a maximum period of 5 years. Cash flows beyond 5 years are extracted based on conclusions. using estimates of the growth rates mentioned below.
- Business plans are based on recently drawn up and approved budgets and estimates.
- Budgetary operating profit and EBITDA margins as well as future estimates using reasonable assumptions are used for the business plans.
- The business plans include the necessary revisions for depicting the current economic environment and reflect previous experience, provisions from sector studies and other available information from external sources.

The calculations for determining the recoverable value of CGUs were based on 5-year business plans approved by the Management. Said plans have included the necessary revisions for depicting the current economic environment and reflect previous experience, provisions from sector studies and other available information from external sources.

- **Growth Rate in Perpetuity:**

Cash flows beyond 5 years have been extracted based on conclusions, using the estimates of growth rates in perpetuity, which were taken from external sources. For MITERA Group, the growth rate used was set at 2% (2016: 2%).

- **Weighted Average Capital Cost (WACC):**

The WACC method reflects the discounted interest rate of future cash flows for each the CGU, according to which the cost of equity, as well as the cost of long-term borrowing, are weighted so as to calculate the cost of the company's total capital.

Given that all business plan cash flows were determined based on the euro, the return of the 10-year Euro Swap Rate (EUS) was used as a risk-free return. On the measurement date, the 10-year Euro Swap Rate stood at 0.8865%. The 10-year Greek Sovereign Bond was not used as a risk-free return, since the markets recognized a significant spread in this security.

Estimates from independent sources were taken into account for calculating the country risk premium and the equity risk premium. The beta sensitivity indexes are evaluated annually based on published market data. The WACC for CGU MITERA was estimated a rate of 7.6% (2016: 10.5% for the period 2017-2021, 6.8% for perpetuity).

Apart from the aforementioned estimates regarding the determination of the value in use of CGUs, the Management is not aware of any changes in the conditions which may possibly affect its other assumptions.

Sensitivity Analysis of Recoverable Amounts:

Currently, the Management is not aware of any other event or condition that would reasonably cause any changes to any of the main assumptions used to determine the recoverable amount of CGUs. Nevertheless, on 31/12/2017, the Group analyzed the sensitivity of the recoverable amounts per CGU in relation to a change in some of the main assumptions presented above (one such change is mentioned as an example: (i) one percentage unit in the EBITDA margin until 2022 and half a percentage unit in the EBITDA in perpetuity, (ii) one percentage unit in the discounted interest rate until 2022 and (iii) half a percentage unit in the discounted interest rate in perpetuity). From the relevant analysis, it is concluded that an impairment amount between €0m and up to €16.8m max may arise with regard to MITERA Group.

12.3 Intangible assets

Group and Company other intangible assets for the 2017 and 2016 fiscal years are outlined below:

GROUP

Amounts in € '000	**Licences**	**Customer Relations**	**Brand Names**	**Computer Software**	**Other**	**Know How**	**Total**
Cost of valuation at 1/1/2016	15,796	37,848	31,100	19,816	0	240	104,800
Accumulated depreciation	(397)	(15,084)	0	(16,809)	0	(240)	(32,530)
Net Book Value at 1/1/2016	**15,399**	**22,764**	**31,100**	**3,007**	**0**	**0**	**72,270**
Additions	26	0	0	1,197	0	0	1,223
Disposals	0	0	0	(7)	0	0	(7)
Impairment losses recognised in P&L	0	0	(500)	0	0	0	(500)
Exchange differences on cost	(16)	0	0	20	0	0	4
Other movements	0	0	0	70	0	0	70
Depreciation charge	(67)	(2,530)	0	(1,776)	0	0	(4,373)
Exchange differences on cost	17	0	0	(15)	0	0	2
Cost of valuation at 31/12/2016	15,806	37,848	30,600	21,096	0	240	105,590
Accumulated depreciation	(447)	(17,614)	0	(18,600)	0	(240)	(36,901)
Net book value at 31/12/2016	**15,359**	**20,234**	**30,600**	**2,496**	**0**	**0**	**68,689**

	Licences	**Customer Relations**	**Brand Names**	**Computer Software**	**Other**	**Know How**	**Total**
Cost of valuation at 1/1/2017	15,806	37,848	30,600	21,096	0	240	105,590
Accumulated depreciation	(447)	(17,614)	0	(18,600)	0	(240)	(36,901)
Net book value at 1/1/2017	**15,359**	**20,234**	**30,600**	**2,496**	**0**	**0**	**68,689**
Additions	3	0	0	1,174	37	0	1,214
Disposals from Sale of subsidiaries	0	0	0	(135)	0	0	(135)
Additions of assets classified as held for sale	0	5	0	31	0	0	36
Exchange differences on cost of assets classified as held for sale	9	0	0	12	0	0	21
Assets classified as held for sale	(543)	0	0	(756)	0	0	(1,299)
Depreciation charge	(6)	(2,529)	0	(1,512)	(4)	0	(4,051)
Assets classified as held for sale (depreciation)	(58)	0	0	(173)	0	0	(231)
Accumulated depreciation of sold subsidiary	0	0	0	135	0	0	135
Accumulated depreciations of assets classified as held for sale	454	0	0	603	0	0	1,057
Exchange differences of assets classified as held for sale	(7)	0	0	(9)	0	0	(16)
Cost of valuation at 31/12/2017	15,280	37,848	30,600	21,422	37	240	105,427
Accumulated depreciation	(64)	(20,143)	0	(19,556)	(4)	(240)	(40,007)
Net book value at 31/12/2017	**15,216**	**17,705**	**30,600**	**1,866**	**33**	**0**	**65,420**

Within the current fiscal year there was no need to recognize impairment loss for the value of intangible assets (2016: €500 thousand).

The Company intangible assets for the 2017 and 2016 fiscal years are outlined in the following table and pertain to software in their entirety:

COMPANY

Amounts in € '000	Computer Software	Total
Book value as of 1/1/2016	12,628	12,628
Accumulated depreciation	(11,066)	(11,066)
Book value as of 1/1/2016	**1,562**	**1,562**
Additions	640	640
Other transfers	70	70
Depreciation charge	(923)	(923)
Book value as of 31/12/2016	13,338	13,338
Accumulated depreciation	(11,989)	(11,989)
Net book value as of 31/12/2016	**1,349**	**1,349**

	Computer Software	Total
Book value as of 1/1/2017	13,338	13,338
Accumulated depreciation	(11,989)	(11,989)
Book value as of 1/1/2017	**1,349**	**1,349**
Additions	758	758
Other transfers	0	0
Depreciation charge	(852)	(852)
Book value as of 31/12/2017	14,096	14,096
Accumulated depreciation	(12,841)	(12,841)
Net book value as of 31/12/2017	**1,255**	**1,255**

12.4 Investments in Subsidiaries

Company subsidiaries are presented in detail in Note 9.1. The book value of investments in subsidiaries is broken down as follows:

Subsidiary name (Amounts in € '000)	Book value at 31/12/2016	Book value at 31/12/2017
MITERA SA	113,192	117,742
MITERA Holdings SA	4,949	4,949
HYGEIA Hospital Tirana ShA	22,036	0
Y-LOGIMED SA	886	886
Y-PHARMA SA	255	255
ANIZ SA	64	64
BEATIFIC SA	639	639
Total	**142,021**	**124,536**

The changes in the "Investments in Subsidiaries" item during the current and the previous fiscal year were as follows:

	COMPANY	
Amounts in € '000	**31/12/2017**	**31/12/2016**
Opening balance	**142,021**	**154,806**
Subsidiary share capital changes	4,550	615
Sale of subsidiaries	-	-
Impairment of investments recognized in results	(22,036)	(13,400)
Closing balance	**124,535**	**142,021**

The amount of €4,550 thousand pertains to the participation in the share capital increase of subsidiary MITERA SA, by decision of the Annual General Meeting of the company shareholders on 03/05/2017. The share capital increase arose from capitalization of the parent Company receivables and payment in cash. Following this share capital increase, the direct and indirect holding of HYGEIA SA in the subsidiary changed and currently amounts to 99.55% from 99.49%.

Within the current fiscal year, the Company's Management decided to examine the sale of the holding of HYGEIA SA in HYGEIA Hospital Tirana (hereinafter HHT). Based on this decision, on 31/12/2017, the Company valued its holding at the lowest value between its book value and the fair value, minus the sale expenses, and proceeded with impairing the holding.

The aforementioned impairment is included in the item "Asset Impairment", included in the "Other financial results" of the separate Comprehensive Income Statement.

There are no subsidiaries with significant non-controlling interest holdings (see Note 9).

The Group has no holdings in unconsolidated structured entities.

12.5 Property Investments

On 31/12/2017, property investments included a store in the Municipality of Chalandri covering an area of 79.2sq.m and were valued using the cost method.

Amounts in € '000	**GROUP**		**COMPANY**	
	Measured at cost	**Total**	**Measured at cost**	**Total**
Cost of valuation at 1/1/2016	182	182	182	182
Accumulated depreciation	(31)	(31)	(31)	(31)
Net Book Value at 1/1/2016	**151**	**151**	**151**	**151**
Depreciation charge	(3)	(3)	(3)	(3)
Cost of valuation at 31/12/2016	182	182	182	182
Accumulated depreciation	(34)	(34)	(34)	(34)
Net book value at 31/12/2016	**148**	**148**	**148**	**148**

	Measured at cost	**Total**	**Measured at cost**	**Total**
Book value as of 1/1/2017	**182**	**182**	**182**	**182**
Accumulated depreciation	(34)	(34)	(34)	(34)
Net book value at 1/1/2017	**148**	**148**	**148**	**148**
Depreciation charge	(2)	(2)	(2)	(2)
Cost of valuation at 31/12/2017	182	182	182	182
Accumulated depreciation	(36)	(36)	(36)	(36)
Net book value at 31/12/2017	**146**	**146**	**146**	**146**

12.6 Other Non-Current Assets

Group and Company other non-current assets are outlined below:

Amounts in € '000	**GROUP**		**COMPANY**	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Guarrantees	441	574	229	223
Other long term receivables	659	648	449	371
Net book value	**1,100**	**1,222**	**678**	**594**

12.7 Deferred Tax Assets / Liabilities

Deferred income tax is calculated on the temporary differences, using the tax rates expected to apply in the countries where Group companies operate on the recovery or settlement date. The amounts appearing in the Financial Position Statement are expected to be recovered or settled after December 31, 2017. For the calculation of the deferred tax for companies operating in Greece, the tax rate for the 2017 fiscal year stands at 29%.

Deferred tax assets / liabilities, as resulting from the relevant temporary tax differences, are outlined below:

Amounts in € '000				GROUP						
Deferred Assets/(Liabilities)	**Balance as of 1/1/2017**	**(Debit)/Credit to P&L of continuing operations**	**(Debit)/Credit to equity**	**(Debit)/Credit to P&L of discontinued operations**	**Deferred taxes relating to discontinued operations**	**Balance as of 31/12/2017**	**Balance as of 1/1/2016**	**(Debit)/Credit to P&L of continuing operations**	**(Debit)/Credit to equity**	**Balance as of 31/12/2016**
Tangible assets	(14,687)	1,081	-	3	(33)	(13,636)	(15,893)	1,207	-	(14,687)
Intangible assets	(19,274)	724	-	-	(1)	(18,551)	(20,133)	859	-	(19,274)
Investment portfolio	18	-	-	-	-	18	18	-	-	18
Inventories	24	(2)	-	-	-	22	28	(4)	-	24
Trade and other receivables	58	72	-	-	-	130	170	(112)	-	58
Other current assets	1	-	-	-	-	1	1	-	-	1
Share premium	42	-	-	-	-	42	42	-	-	42
Retained earnings	4,383	(1,423)	-	-	-	2,960	4,383	-	-	4,383
Accrued pension and retirement obligations	4,779	185	8	2	(53)	4,921	4,675	125	(21)	4,779
Government grants	(10)	10	-	-	-	-	(21)	11	-	(10)
Non-Current Provisions	3,174.00	(342)	-	-	(12)	2,820	3,021	153	-	3,174
Current portion of non-current provisions	23	-	-	-	-	23	23	-	-	23
Other current liabilities	59	32	-	-	-	91	100	(41)	-	59
Off set deferred tax assets & liabilities	**(21,410)**	**337**	**8**	**5**	**(99)**	**(21,159)**	**(23,586)**	**2,198**	**(21)**	**(21,410)**

Amounts in € '000			COMPANY					
Deferred Assets/(Liabilities)	**Balance as of 1/1/2017**	**(Debit)/Credit to P&L of continuing operations**	**(Debit)/Credit to equity**	**Balance as of 31/12/2017**	**Balance as of 1/1/2016**	**(Debit)/Credit to P&L of continuing operations**	**(Debit)/Credit to equity**	**Balance as of 31/12/2016**
Tangible fixed assets	(6,743)	1,128	-	(5,615)	(8,053)	1,310	-	(6,743)
Intangible assets	(242)	5	-	(237)	(248)	6	-	(242)
Other non-current assets	0	0	-	0	0	-	-	0
Results carried forward	4,350	(1,423)	-	2,927	4,350	-	-	4,350
Accrued pension & retirement liabilities	2,934	124	7	3,065	2,916	98	(80)	2,934
Long-term provisions	620	-	-	620	475	145	-	620
Off set deferred tax assets & liabilities	**919**	**(166)**	**7**	**761**	**(560)**	**1,559**	**(80)**	**919**

The deferred tax assets arising from unused tax losses to be offset in future fiscal years are recognized only if it possible to offset them with future tax earnings. The deferred tax assets for the Group for unused tax losses amounted to €2,960 thousand (31/12/2016: €4,383 thousand) and have been recognized as part of the losses that the Management reasonably estimates will certainly be offset against future tax earnings.

12.8 Inventories

Group and Company inventories are outlined below:

Amounts in € '000	**GROUP**		**COMPANY**	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Merchandise	1,912	1,889	0	0
Finished goods	34	30	0	0
Raw materials and other consumables	3,386	4,300	1,550	1,458
Spare Parts of Tangible Assets	22	22	0	0
Total	**5,354**	**6,241**	**1,550**	**1,458**
Less: Provisions for scrap, slow moving and/or destroyed inventories for the period	(12)	(81)	0	0
Less: Provisions for scrap, slow moving and/or destroyed inventories recognized from previous year	(231)	(486)	(150)	(150)
Net book value	**5,111**	**5,674**	**1,400**	**1,308**

The Group does not hold any pledged properties.

The provision trends for scrap, slow-moving and destroyed inventory are broken down as follows.

	GROUP Amounts in € '000		COMPANY Amounts in € '000	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Opening balance	**(567)**	**(594)**	**(150)**	**(150)**
Additions of discontinuing operations	(21)	0	0	0
Decreases of discontinuing operations	340	0	0	0
Exchange difference of discontinuing operations	17	0	0	0
Additions	(12)	(86)	0	0
Exchange difference	0	(12)	0	0
Reclassifications	0	125	0	0
Closing balance	**(243)**	**(567)**	**(150)**	**(150)**

12.9 Trade and Other Receivables

Group and Company trade and other receivables are outlined below:

Amounts in € '000	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Trade receivables	76,195	76,106	49,990	49,497
Intercompany accounts receivable	0	0	6,109	7,800
Notes receivable	13,758	20,668	9,056	14,233
Checks receivable	2,133	2,277	206	356
Less:Impairment Provisions	(27,859)	(36,216)	(18,791)	(24,899)
Net trade Receivables	**64,227**	**62,835**	**46,570**	**46,987**
Advances from suppliers	154	23	0	0
Total	**64,381**	**62,858**	**46,570**	**46,987**

These receivables are considered to be amounts of short-term maturity. The fair value of these short-term financial assets is not determined independently, since the book value is considered to be approaching their fair value.

The Group and the Company have proceeded with calculating the claw-back and rebate amounts starting from the date the decisions took effect, thus burdening their financial results. Specifically, the Group has impaired the EOPYY receivables by the cumulative amount of approximately €110.2m for the period 01/01/2013-31/12/2017 through credit invoices and provisions, pursuant to Article 100(5) of Law 4172/2013 (GG Vol. A 167/23.07.2013) and the relevant subsequent ministerial decisions, while the Company has impaired the EOPYY receivables by the amount of €57.7m for the period 01/01/2013-31/12/2017

Based on the claw-back and rebate notifications issued by EOPYY, the Group companies affiliated with EOPYY proceeded with issuing the corresponding refund invoices for the periods 01/01/2013-30/06/2017, strictly for tax compliance purposes, pursuant to Ministerial Circular 1191/12.08.2014 and Ministerial Circular 1113/2.6.2015.

All trade receivables have been examined for possible impairment indications. Certain receivables were found to have indications for which impairment provisions were formed. Impairments were mainly performed for receivables from natural persons and bills of exchange.

The changes in Group and Company provisions for doubtful receivables are outlined below:

	GROUP		COMPANY	
Amounts in € '000	**31/12/2017**	**31/12/2016**	**31/12/2017**	**31/12/2016**
Opening balance	**(36,216)**	**(30,265)**	**(24,899)**	**(20,444)**
Additional provisions	(4,034)	(6,382)	(2,500)	(4,800)
Recovered bad debts	7	435	7	345
Exchange differences	0	(4)	0	0
Exchange differences from discontinuing operations	(5)	0	0	
Provisions for discontinuing operations	36	0	0	0
Decreases from discontinuing operations	312	0	0	
Decreases / eliminations	12,041	0	8,601	0
Closing balance	**(27,859)**	**(36,216)**	**(18,791)**	**(24,899)**

The outstanding and non-impaired trade receivables are analyzed in Note 13.1.2.

12.10 Other Current Assets

Other current assets are outlined below:

Amounts in € '000	GROUP		COMPANY	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Other Debtors	4,873	3,446	2,604	2,318
Receivables from the State	5,300	3,951	2,673	1,397
Other Receivables from related parties	0	0	1,387	1,007
Advances and loans to personnel	7	14	0	0
Prepaid expenses	1,276	866	804	292
Other Receivables	398	437	53	63
Guarantees	104	102	51	51
Total	**11,958**	**8,816**	**7,572**	**5,128**
Less:Impairment Provisions	(2,144)	(2,243)	(1,767)	(1,767)
Net Receivables	**9,814**	**6,573**	**5,805**	**3,361**

Receivables from the State mainly pertain to withheld income tax and VAT credit, which are expected to either be collected or offset against future taxes within 2018.

The changes in Group and Company impairment provisions for other receivables are outlined below:

	GROUP		COMPANY	
Amounts in € '000	**31/12/2017**	**31/12/2016**	**31/12/2017**	**31/12/2016**
Opening balance	**(2,243)**	**(2,243)**	**(1,767)**	**(1,767)**
Provisions for discontinuing operations	99	0	0	0
Closing balance	**(2,144)**	**(2,243)**	**(1,767)**	**(1,767)**

12.11 Trading Portfolio

The Group trading portfolio includes Greek Government Bonds valued at €45 thousand. There were no changes to these within the current fiscal year.

12.12 Cash and Cash Equivalents

Cash and cash equivalents for the Group and the Company on 31/12/2017 and 31/12/2016 are outlined below:

Amounts in € '000	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Cash in hand	90	82	8	6
Cash equivalent balance in bank	11,011	14,765	4,740	2,490
Pledged short-term time deposits	7	7	7	7
Total cash and cash equivalents	**11,108**	**14,854**	**4,755**	**2,503**
Cash and cash equivalents in €	11,066	14,802	4,713	2,485
Cash and cash equivalents in foreign currency	42	52	42	18
Total cash and cash equivalents	**11,108**	**14,854**	**4,755**	**2,503**

Cash, which is currently pledged, amounted to €7 thousand on 31/12/2017 (31/12/2016: €7 thousand) and mainly pertains to the associated banks issuing letters of guarantee for the Company.

12.13 Share Capital

On December 31, 2017, the Company's share capital amounted to one hundred and twenty-five million three hundred and fifty thousand two hundred and ninety-nine euros (€125,350,299) fully paid, divided into three hundred and five million seven hundred and thirty-two thousand four hundred and thirty-six (305,732,436) ordinary registered shares at a nominal value of forty-one cents (€0.41) each, all listed in the Athens Exchange.

12.14 Other Reserves

Group and Company other reserves are outlined below:

Amounts in € '000	GROUP				
	Statutory Reserve	Tax-free reserves	Other reserves	Translation reserves	Total
Opening Balance as of 1/1/2016	**5,600**	**594**	**1,634**	**(2,670)**	**5,158**
Exchange differences on translating foreign operations	0	0	0	153	153
Closing balance as of 31/12/2016	**5,600**	**594**	**1,634**	**(2,517)**	**5,311**
	Statutory Reserve	Tax-free reserves	Other reserves	Translation reserves	Total
Opening Balance as of 1/1/2017	**5,600**	**594**	**1,634**	**(2,517)**	**5,311**
Exchange differences on translating foreign operations	0	0	0	2,517	2,517
Closing balance as of 31/12/2017	**5,600**	**594**	**1,634**	**0**	**7,828**

Amounts in € '000	COMPANY			
	Statutory Reserve	Tax-free reserves	Other reserves	Total
Opening balance as of 1/1/2016	**4,101**	**594**	**440**	**5,134**
Closing balance as of 31/12/2016	**4,101**	**594**	**440**	**5,134**
	Statutory Reserve	Tax-free reserves	Other reserves	Total
Opening balance as of 1/1/2017	**4,101**	**594**	**440**	**5,134**
Closing balance as of 31/12/2017	**4,101**	**594**	**440**	**5,134**

12.15 Liabilities for Employee Benefits due to Retirement

The Group is legally liable to pay a lump-sum indemnity to personnel on the retirement date of each employee. Apart from said legal liability to pay a lump sum-indemnity to personnel on the retirement date of each employee, the Company has also introduced a special benefit plan for employees in the form of a Group Insurance Policy. Based on this plan, an additional indemnity is paid upon retirement, as well as past service, depending on the years in service at the company.

This Group liability is outlined below:

Amounts in €

	31/12/2017			31/12/2016		
	Defined benefit plans (Non financed)	**Defined benefit plans (Financed)**	**Total**	**Defined benefit plans (Non financed)**	**Defined benefit plans (Financed)**	**Total**
Defined benefit obligation	12,910	3,918	16,828	12,774	3,586	16,360
Fair value of plan assets	-	1,186	1,186	-	728	728
	12,910	**2,732**	**15,642**	**12,774**	**2,858**	**15,632**
Classified as:						
Non-Current Liability	12,910	2,732	**15,642**	12,774	2,858	**15,632**
Current liability	0	0	**0**	0	0	**0**

Changes in the present value of the defined benefit obligation are as follows:

	31/12/2017			31/12/2016		
	Defined benefit plans (Non financed)	**Defined benefit plans (Financed)**	**Total**	**Defined benefit plans (Non financed)**	**Defined benefit plans (Financed)**	**Total**
Defined benefit obligation 1 January	**12,774**	**3,586**	**16,360**	**12,345**	**3,641**	**15,986**
Current service cost	431	471	902	408	491	899
Interest expense	239	68	307	272	80	352
Remeasurement - actuarial losses (gains) from changes in financial assumptions	(118)	158	40	228	(301)	(73)
Benefits paid	(344)	(365)	(709)	(682)	(325)	(1,007)
Past service cost	104	-	104	203	-	203
Losses / (gains) on curtailments and settlements	-	-	-	-	-	-
Actuarial obligation of discontinued operation	(176)	-	(176)	-		-
Defined benefit obligation 31 December	**12,910**	**3,918**	**16,828**	**12,774**	**3,586**	**16,360**

Changes in the fair value of plan assets are as follows:

	31/12/2017	31/12/2016
	Defined benefit plans (Financed)	**Defined benefit plans (Financed)**
Fair value of plan assets 1 January	**728**	**1,031**
Interest income	13	23
Return on plan assets (excluding amounts included in net interest)	11	(2)
Employer contributions	799	-
Benefits paid	(365)	(324)
Fair value of plan assets 31 December	**1,186**	**728**

Plan assets can be broken down into the following categories of investments

	31/12/2017	31/12/2016
	Defined benefit plans (Financed)	**Defined benefit plans (Financed)**
Cash and cash equivalents	1,186	728
Total	**1,186**	**728**

The amounts recognized in profit or loss related are:

	31/12/2017			31/12/2016		
	Defined benefit plans (Non financed)	Defined benefit plans (Financed)	Total	Defined benefit plans (Non financed)	Defined benefit plans (Financed)	Total
Current service costs	431	471	902	408	491	899
Past service costs	104	-	104	203	-	203
Net Interest on the defined obligation	239	55	294	272	59	331
Total expenses recognized in profit or loss	**774**	**526**	**1,300**	**883**	**550**	**1,433**

The amounts recognized in other comprehensive income in the Statement of Other Comprehensive Income are:

	31/12/2017			31/12/2016		
	Defined benefit plans (Non financed)	Defined benefit plans (Financed)	Total	Defined benefit plans (Non financed)	Defined benefit plans (Financed)	Total
Actuarial gains /(losses) from changes in financial assumptions	(199)	(49)	(248)	(600)	(136)	(736)
Actuarial gains /(losses) from changes due to experience	317	(98)	219	372	437	809
Total income /(expenses) recognized in other comprehensive income	**118**	**(147)**	**(29)**	**(228)**	**301**	**73**

The effect of changes in the significant actuarial assumptions is as follows:

	Discount rate		Discount rate	
	0,5%	-0,5%	0,5%	-0,5%
Increase (decrease) in the defined liability	(1,190)	1,317	(976)	1081
	Expected rate of salary increases		**Expected rate of salary increases**	
	0,5%	-0,5%	0,5%	-0,5%
Increase (decrease) in the defined liability	1,052	(963)	1,070	(969)

Sensitivity analysis was performed by changing one parameter each time, without changing any of the others. The actual change may differ from the one presented, since it is unlikely for a change to arise in an actuarial assumption without simultaneously affecting another, as some of the actuarial assumptions are related to each other.

This Company liability is outlined below:

COMPANY

Amounts in '000 €

	31/12/2017			31/12/2016		
	Defined benefit plans (Non financed)	Defined benefit plans (Financed)	Total	Defined benefit plans (Non financed)	Defined benefit plans (Financed)	Total
Defined benefit obligation	6,628	3,918	10,546	6,531	3,586	10,117
Fair value of plan assets	-	1,186	1,186	-	728	728
	6,628	**2,732**	**9,360**	6,531	2,858	9,389
Classified as:						
Non-Current Liability	6,628	2,732	**9,360**	6,531	2,858	**9,389**
Current liability	0	0	**0**	0	0	**0**

Changes in the present value of the defined benefit obligation are as follows:

	31/12/2017			31/12/2016		
	Defined benefit plans (Non financed)	Defined benefit plans (Financed)	Total	Defined benefit plans (Non financed)	Defined benefit plans (Financed)	Total
Defined benefit obligation 1 January	**6,531**	**3,585**	**10,116**	**6,409**	**3,641**	**10,050**
Current service cost	200	471	671	193	491	684
Interest expense	124	68	192	140	80	220
Remeasurement - actuarial losses (gains) from changes in financial assumptions	(121)	159	38	24	(301)	(277)
Benefits paid	(161)	(365)	(526)	(320)	(325)	(645)
Past service cost	58	-	58	108	-	108
Losses / (gains) on curtailments and settlements	(2)	-	(2)	(23)	-	(23)
Defined benefit obligation 31 December	**6,628**	**3,918**	**10,546**	**6,531**	**3,585**	**10,116**

Changes in the fair value of plan assets are as follows:

	31/12/2017	31/12/2016
	Defined benefit plans (Financed)	Defined benefit plans (Financed)
Fair value of plan assets 1 January	**728**	**1,031**
Interest income	13	23
Return on plan assets (excluding amounts included in net interest)	11	(2)
Employer contributions	799	-
Benefits paid	(365)	(324)
Fair value of plan assets 31 December	**1,186**	**728**

Plan assets can be broken down into the following categories of investments

	31/12/2017	31/12/2016
	Defined benefit plans (Financed)	Defined benefit plans (Financed)
Cash and cash equivalents	1,186	728
Total	**1,186**	**728**

The amounts recognized in profit or loss related are:

	31/12/2017			31/12/2016		
	Defined benefit plans (Non financed)	Defined benefit plans (Financed)	Total	Defined benefit plans (Non financed)	Defined benefit plans (Financed)	Total
Current service costs	200	471	671	193	491	684
Past service costs	58	-	58	108	-	108
Net Interest on the defined obligation	124	55	179	140	57	197
Total expenses recognized in profit or loss	**382**	**526**	**908**	**441**	**548**	**989**

The amounts recognized in other comprehensive income in the Statement of Other Comprehensive Income are:

	31/12/2017			31/12/2016		
	Defined benefit plans (Non financed)	Defined benefit plans (Financed)	Total	Defined benefit plans (Non financed)	Defined benefit plans (Financed)	Total
Actuarial gains /(losses) from changes in financial assumptions	(98)	(49)	(147)	(24)	301	277
Actuarial gains /(losses) from from change in liability due to experience	219	(99)	120	-	-	-
Total income /(expenses) recognized in other comprehensive income	**121**	**(148)**	**(27)**	**(24)**	**301**	**277**

The effect of changes in the significant actuarial assumptions is as follows:

	Discount rate		Discount rate	
	0,5%	**-0,5%**	**0,5%**	**-0,5%**
Increase (decrease) in the defined liability	(708)	781	(481)	534

	Expected rate of salary increases		Expected rate of salary increases	
	0,5%	**-0,5%**	**0,5%**	**-0,5%**
Increase (decrease) in the defined liability	523	(482)	526	(480)

The main actuarial assumptions used were as follows:

The significant actuarial assumptions used for the valuation are as follows:

	31/12/2017	31/12/2016
Discount rate at 31 December	1.80%	1.90%
Expected rate of salary increases	1.80%	1.80%
Inflation	2.00%	2.00%

The discounted interest rate used has been determined based on the returns of high-performance corporate bonds which are expressed in the currency in which the benefits must be paid and which have maturity terms similar to the terms of the relevant liability. The relevant assumptions have changed compared to the previous period due to changes in the market conditions.

12.16 Grants

Group grants are outlined below:

Amounts in € '000	Investment grants	Total
Opening Balance as of 1/1/2016	**175**	**175**
Amortization	(35)	(35)
Closing balance as of 31/12/2016	**140**	**140**

	Investment grants	Total
Balance at the beginning as of 1/1/2017	**140**	**140**
Amortization	(35)	(35)
Closing balance as of 31/12/2017	**105**	**105**

12.17 Borrowings

Group and Company loans, including their maturity dates, are outlined below:

Amounts in € '000	**GROUP**	
Long-term borrowings	**31/12/2017**	**31/12/2016**
Obligations under finance lease	550	723
Bank borrowing with collateral	0	18,345
Bank borrowing without collateral	750	1,750
Bond loans with collateral	126,989	132,756
Less: Long-term loans payable in next financial year	(11,597)	(152,101)
Total of long-term loans	**116,692**	**1,473**
Short-term debt	**31/12/2017**	**31/12/2016**
Obligations under finance lease	315	264
Bank borrowing with collateral	2,988	4,087
More: Long-term loans payable in next financial year	11,597	152,101
Total of short-term loans	**14,900**	**156,452**

Amounts in € '000	**COMPANY**	
Long-term borrowings	**31/12/2017**	**31/12/2016**
Obligations under finance lease	221	117
Bank borrowing without collateral	750	1,750
Bond loans with collateral	85,942	90,960
Less: Long-term loans payable in next financial year	(9,097)	(91,960)
Total of long-term loans	**77,816**	**867**
Short-term debt	**31/12/2017**	**31/12/2016**
Obligations under finance lease	187	55
More: Long-term loans payable in next financial year	9,097	91,960
Total of short-term loans	**9,284**	**92,015**

Group loan maturity dates are outlined below:

Amounts in € '000	GROUP				
Borrowings as of 31/12/2017	**Obligations under finance lease**	**Bank borrowing with collateral**	**Bank borrowing without collateral**	**Bond loans with collateral**	**Borrowings**
Within 1year	315	2,988	750	10,847	**14,900**
After 1 year but not more than 2 years	463	0	0	8,947	**9,410**
After 2 years but not more than 3 years	80	0	0	14,447	**14,527**
After 3 years but not more than 4 years	7	0	0	92,748	**92,755**
After 4 years but not more than 5 years	0	0	0	0	**0**
More than five years	0	0	0	0	**0**
	865	**2,988**	**750**	**126,989**	**131,592**

Amounts in € '000					
Borrowings as of 31/12/2016	**Obligations under finance lease**	**Bank borrowing with collateral**	**Bank borrowing without collateral**	**Bond loans with collateral**	**Borrowings**
Within 1year	264	22,432	1,000	132,756	**156,452**
After 1 year but not more than 2 years	253	0	750	0	**1,003**
After 2 years but not more than 3 years	265	0	0	0	**265**
After 3 years but not more than 4 years	148	0	0	0	**148**
After 4 years but not more than 5 years	57	0	0	0	**57**
More than five years	0	0	0	0	**0**
	987	**22,432**	**1,750**	**132,756**	**157,925**

Company loan maturity dates are outlined below:

Amounts in € '000	COMPANY			
Borrowings as of 31/12/2017	**Obligations under finance lease**	**Bank borrowing without collateral**	**Bond loans with collateral**	**Borrowings**
Within 1year	187	750	8,347	**9,284**
After 1 year but not more than 2 years	197	0	5,947	**6,144**
After 2 years but not more than 3 years	24	0	10,947	**10,971**
After 3 years but not more than 4 years	0	0	60,701	**60,701**
After 4 years but not more than 5 years	0	0	0	**0**
More than five years	0	0	0	**0**
	408	**750**	**85,942**	**87,100**

Amounts in € '000				
Borrowings as of 31/12/2016	**Obligations under finance lease**	**Bank borrowing without collateral**	**Bond loans with collateral**	**Borrowings**
Within 1year	55	1,000	90,960	**92,015**
After 1 year but not more than 2 years	57	750	0	**807**
After 2 years but not more than 3 years	60	0	0	**60**
After 3 years but not more than 4 years	0	0	0	**0**
After 4 years but not more than 5 years	0	0	0	**0**
More than five years	0	0	0	**0**
	172	**1,750**	**90,960**	**92,882**

Group liabilities under financial lease are outlined below:

	31/12/2017		**31/12/2016**	
Amounts in € '000	**Future minimum lease payments**	**Present value of future minimum lease payments**	**Future minimum lease payments**	**Present value of future minimum lease payments**
Within 1year	317	315	273	264
After 1year but not more than 5 years	555	550	734	723
More than five years	0	0	0	0
Total of Future minimum lease payments	**872**	**865**	**1,007**	**987**
Less: Interest expenses	(7)	0	(20)	0
Total of Present value of future minimum lease payments	**865**	**865**	**987**	**987**

The total financial cost of long- and short-term borrowings as well as financial leases for the annual period 01/01-31/12/2017 (and the relevant comparative annual period) are included in the item "Financial expenses" for the consolidated and separate Income Statement.

The Group does not have loans at fair value. It is estimated that the book value of borrowings is close to their fair value, since the loans have been re-financed or have undergone amendments almost to their entirety during the 2016-2017 fiscal years, and by extension, the discounted interest rate that would have been used to determine fair value is estimated to be similar to the interest rates that the Group is paying.

The Group's actual weighted average borrowing rates for the 2017 fiscal year were 6.70% for long-term borrowings (as opposed to 6.40% in 2016) and 3.10% for short-term borrowings (as opposed to 4.80% in 2016). Respectively for the Company, the borrowing rate for long-term borrowings stood at 6.30% (as opposed to 6.10% in 2016).

Completion of Restructuring Agreements for the HYGEIA and MITERA Bond Loans

Within the current fiscal year, the Group and the Company reclassified their borrowings amounting to €121,909 thousand and €82,863 thousand respectively from short-term to long-term borrowings, in the context of restructuring the HYGEIA and MITERA borrowings.

HYGEIA Bond Loan

On 21/11/2017, in accordance with the provisions of Law 3156/2003 and Codified Law 2190/1920, an additional amendment act was signed for the common bond loan program issued on 28/09/2012 via private placement financed by Piraeus Bank SA, Eurobank Ergasias Bank SA and Alpha Bank SA, with the former acting as representative and payment agent. As of date the additional act was signed, the unpaid loan capital amounted to €87,645 thousand.

The main terms of the additional amendment act of the program stipulate: (i) extension of the maturity date by 5 years to 21/11/2021, with the option of a further 2-year extension subject to the approval of the bond holders; (ii) three-month interest period at the Euribor 3M interest rate and a drop in the interest margin to 4% annually; (iii) amendment to the repayment schedule for the existing unpaid capital to semi-annual installments; (iv) compliance with the financial covenants on each financial reporting period (semi-annual and annual). The Company has put up collateral to secure the program, which includes a lien on tangible fixed assets and the formation of non-possessory pledges on the equipment amounting to €116.8m, as well as pledges on receivables from social insurance funds and the Company trademark.

MITERA Bond Loan

Respectively for the MITERA bond loan, on 21/12/2017, an additional amendment act for the common bond loan program issued on 30/12/2013 was signed between company MITERA SA and companies Eurobank Ergasias SA and Piraeus Bank SA, with the former acting as representative and payment agent. During the signing of the additional act, the unpaid capital amounted to €41,163 thousand.

The main terms of the additional amendment act of the program stipulate: (i) extension of the maturity date by 5 years to 15/11/2021, with the option of a further 2-year extension subject to the approval of the bond holders; (ii) three-month interest period at the Euribor 3M interest rate and a drop in the interest margin to 4% annually; (iii) amendment to the repayment schedule for the existing unpaid capital to semi-annual installments; (iv) compliance with the financial covenants on each financial reporting period (semi-annual and annual). The Company has put up collateral to secure the program, which includes a lien on tangible fixed assets and the formation of non-possessory pledges on the equipment amounting to €50.6m, as well as pledges on receivables from social insurance funds and the MITERA trademark.

Within 2017, the Group Management received the consent of the associated banks for waiving the obligation of meeting financial covenants on 31/12/2017 for the MITERA bond loan.

12.18 Provisions

Total provisions for the Group and the Company relate to long-term provisions, which do not appear as discounted amounts, given that their payment date cannot be accurately estimated.

	GROUP		
Amounts in € '000	**Provision for Tax expense for unaudited fiscal years**	**Provision for sub judice cases**	**Total**
Opening Balance as of 1/1/2016	**1,951**	**10,507**	**12,458**
Additional provisions	0	571	571
Utilised provisions	(1,381)	(104)	(1,485)
Closing balance as of 31/12/2016	**570**	**10,974**	**11,544**
	Provision for Tax expense for unaudited fiscal years	**Provision for sub judice cases**	**Total**
Balance at the beginning as of 1/1/2017	**570**	**10,974**	**11,544**
Additional provisions	0	93	93
Utilised provisions	(69)	(77)	(146)
Reversal of provisions	(30)	(1,200)	(1,230)
Reversal of provisions from discontinued operations	(84)	(40)	(124)
Closing balance as of 31/12/2017	**387**	**9,750**	**10,137**

	COMPANY		
Amounts in '000€	**Provision for Tax expense for unaudited fiscal years**	**Provision for sub judice cases**	**Total**
Opening balance as of 1/1/2016	**650**	**1,639**	**2,289**
Additional provisions		500	500
Utilised provisions	(581)	0	(581)
Closing balance as of 31/12/2016	**69**	**2,139**	**2,208**
	Provision for Tax expense for unaudited fiscal years	**Provision for sub judice cases**	**Total**
Opening balance as of 1/1/2017	**69**	**2,139**	**2,208**
Utilised provisions	(69)	0	(69)
Closing balance as of 31/12/2017	**(0)**	**2,139**	**2,139**

12.19 Other Non-Current Liabilities

Other non-current liabilities are outlined below:

Amounts in € '000	**GROUP**		**COMPANY**	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Other liabilities	252	272	56	55
Settled amounts due for social insurance funds	20	69	0	0
Settlement of illegal constructions based on Law 4014/2011	251	323	159	204
Total	**523**	**664**	**215**	**259**

12.20 Trade and Other Payables

Group and Company trade and other payables balances are outlined below:

Amounts in € '000	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Suppliers	40,484	54,113	8,513	8,184
Checks Payable	3,829	3,175	2,108	2,430
Customers' Advances	2,728	3,060	467	665
Intercompany accounts payable	0	0	406	1,556
Other liabilities	6,060	6,140	3,325	3,449
Total	**53,101**	**66,488**	**14,819**	**16,284**

12.21 Payable Income Tax

Payable income tax is outlined below:

Amounts in € '000	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Tax expense	10	34	0	0
Tax audit differences	297	554	297	554
Total	**307**	**588**	**297**	**554**

In March 2018, the tax audit for the 2012 fiscal year for the Company was concluded. Additional taxes and surcharges to the amount of €296 thousand arose. Note that the Company had formed a tax provision for unaudited fiscal years to the amount of €68 thousand, which was used to offset to aforementioned amount. The balance burdened the 2017 fiscal year results.

Furthermore, the regular tax audits for the 2012 fiscal years for HYGEIA subsidiary MITERA SA was concluded within the current fiscal year. Additional taxes and surcharges did not arise. The Company is expected to receive the final audit documents within 2018.

12.22 Other Current Liabilities

Other current liabilities are outlined below:

Amounts in € '000	GROUP		COMPANY	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Deferred income-Grants	103	50	0	0
Social security insurance	3,707	4,606	1,819	1,981
Other Tax liabilities	7,141	8,406	3,772	4,685
Salaries and wages payable	1,601	1,993	927	940
Accrued expenses	1,248	1,515	491	315
Others Liabilities	5,174	4,025	4,044	2,261
Accrued Interest expenses	822	958	451	629
Obligation arising from share acquisitions	0	70	0	0
Total	**19,796**	**21,623**	**11,504**	**10,811**

12.23 Agreement to Change Liabilities from Financing Activities

The changes in the Group and Company liabilities from financing activities have been grouped as follows:

GROUP

31/12/2016	**Long-term borrowings**	**Short-term debt**	**Total**
	1,473	**156,452**	**157,925**
Cash flows:			
Repayments	(5,801)	(1,301)	**(7,102)**
Proceeds	0	821	**821**
Non cash changes:			
Acquisitions through business combinations / Disposals from Sale of subsidiaries	0	(1,045)	**(1,045)**
Reclassifications	132,337	(132,337)	**0**
Transfer from groups held for sale	(11,318)	(7,669)	**(18,987)**
Other changes	1	(21)	**(20)**
31/12/2017	**116,692**	**14,900**	**131,592**

COMPANY

31/12/2016	**Long-term borrowings**	**Short-term debt**	**Total**
	867	**92,015**	**92,882**
Cash flows:			
Repayments	0	-5,886	**-5,886**
Proceeds	104	0	**104**
Non cash changes:			
Reclassifications	76,845	-76,845	**0**
31/12/2017	**77,816**	**9,284**	**87,100**

12.24 Sales

Sales are outlined below:

Amounts in € '000	**GROUP**		**COMPANY**	
	1/1-31/12/2017	**1/1-31/12/2016**	**1/1-31/12/2017**	**1/1-31/12/2016**
Sales of goods	258	210	0	0
Sales of Merchandises	4.434	3.909	0	0
Income from services provided	201.280	201.772	125.223	126.043
Total revenue from continuing operations	**205.972**	**205.891**	**125.223**	**126.043**
Total revenue from discontinued operations	21.588	21.840	0	0
Total	**227.560**	**227.731**	**125.223**	**126.043**

12.25 Expenses per Operation

Group expenses are broken down into cost of goods sold, administrative expenses and sale expenses:

	GROUP							
	1/1-31/12/2017				1/1-31/12/2016			
Amounts in € '000	**Cost of sales**	**Administrative expenses**	**Distribution expenses**	**Total**	**Cost of sales**	**Administrative expenses**	**Distribution expenses**	**Total**
Wages, Retirement and Other employee benefits	59,151	9,652	2,917	**71,720**	58,849	9,463	2,962	**71,274**
Inventory cost	44,732	0	0	**44,732**	45,039	0	0	**45,039**
Tangible Assets depreciation	9,641	319	487	**10,447**	10,157	305	522	**10,984**
Intangible Assets depreciation	3,354	644	53	**4,051**	3,394	684	57	**4,135**
Third party expenses	27,534	1,610	97	**29,241**	27,060	1,832	134	**29,026**
Third party benefits	11,642	771	12	**12,425**	11,663	820	10	**12,493**
Telecommunication Expenses	245	73	1	**319**	232	71	1	**304**
Operating leases rentals	1,524	649	270	**2,443**	1,475	490	252	**2,217**
Taxes & Duties	1,557	430	44	**2,031**	1,119	428	52	**1,599**
Provisions	3,783	269	0	**4,052**	7,285	15	0	**7,300**
Insurance	1,494	131	4	**1,629**	1,550	137	4	**1,691**
Repairs and maintenance	3,609	301	25	**3,935**	3,291	267	27	**3,585**
Other advertising and promotion expenses	12	305	1,247	**1,564**	78	242	930	**1,250**
Sales commission	2	0	0	**2**	1	0	0	**1**
Other expenses	1,169	347	135	**1,651**	1,134	331	120	**1,585**
Donations	222	13	0	**235**	195	4	0	**199**
transportation expenses	124	29	28	**181**	179	31	22	**232**
Consumables	1	19	0	**20**	1	15	0	**16**
Total costs from continuing operations	**169,796**	**15,562**	**5,320**	**190,678**	**172,702**	**15,135**	**5,093**	**192,930**
Total costs from discontinued operations	18,978	4,650	0	**23,628**	18,893	4,761	0	**23,654**
Total	**188,774**	**20,212**	**5,320**	**214,306**	**191,595**	**19,896**	**5,093**	**216,584**

Company expenses are broken down into cost of goods sold, administrative expenses and sale expenses:

	COMPANY							
	1/1-31/12/2017				1/1-31/12/2016			
Amounts in € '000	**Cost of sales**	**Administrative expenses**	**Distribution expenses**	**Total**	**Cost of sales**	**Administrative expenses**	**Distribution expenses**	**Total**
Wages, Retirement and Other employee benefits	32,417	4,704	272	**37,393**	31,884	4,627	267	**36,778**
Inventory cost	29,042	0	0	**29,042**	30,385	0	0	**30,385**
Tangible Assets depreciation	7,289	18	439	**7,746**	7,830	20	473	**8,323**
Intangible Assets depreciation	802	2	48	**852**	869	2	52	**923**
Third party expenses	13,925	0	0	**13,925**	14,493	0	0	**14,493**
Third party benefits	5,546	390	0	**5,936**	5,441	383	0	**5,824**
Telecommunication Expenses	120	10	0	**130**	115	9	0	**124**
Operating leases rentals	1,012	83	0	**1,095**	954	78	0	**1,032**
Taxes & Duties	1,248	0	0	**1,248**	935	0	0	**935**
Provisions	2,500	0	0	**2,500**	5,300	0	0	**5,300**
Insurance	1,070	88	0	**1,158**	1,115	91	0	**1,206**
Repairs and maintenance	2,400	197	0	**2,597**	2,206	181	0	**2,387**
Other advertising and promotion expenses	0	0	1,048	**1,048**	0	0	712	**712**
Sales commission	2	0	0	**2**	1	0	0	**1**
Other expenses	867	23	7	**897**	821	22	5	**848**
Donations	222	0	0	**222**	194	0	0	**194**
transportation expenses	100	0	0	**100**	144	0	0	**144**
Total	**98,562**	**5,515**	**1,814**	**105,891**	**103,280**	**5,499**	**1,514**	**110,293**

Within the current fiscal year, the amounts recognized in the Income Statement for the Group and the Company due to defined contribution pension plans came to €302 thousand and €214 thousand respectively. These amounts are included in the item "Remunerations, pension and other employee benefits" of the following table.

For the fiscal year ended on December 31, 2017, the Group expenses included regular auditor fees to the amount of €62 thousand relating to permitted non-audit services.

12.26 Other Operating Income / Expenses

Other operating income for the 2017 and 2016 fiscal years is outlined below:

Amounts in € '000	GROUP		COMPANY	
	1/1-31/12/2017	1/1-31/12/2016	1/1-31/12/2017	1/1-31/12/2016
Rent income	1.261	1.231	337	318
Income from Subsidies	125	235	45	66
Compensations	1	0	1	0
Grants amortization	35	35	0	0
Income from reversal of unrealized provisions	1.247	0	0	0
Έσοδα από αχρησιμοποίητες προβλέψεις από αποζημίωση προσωπικού	0	400	0	0
Income from services provided	767	819	391	482
Other income	1.427	925	612	130
Profit on sale of property, plant and equipment	8	11	0	11
Other operating income from continuing operations	**4.871**	**3.656**	**1.386**	**1.007**
Other operating income from discontinued operations	241	191	0	0
Total other opeating income	**5.112**	**3.847**	**1.386**	**1.007**

Other operating expenses for the 2017 and 2016 fiscal years are outlined below:

Amounts in € '000	GROUP		COMPANY	
	1/1-31/12/2017	1/1-31/12/2016	1/1-31/12/2017	1/1-31/12/2016
Real estate tax and other taxes	171	196	72	75
Other fines & augmentation	224	379	213	255
Provisions	131	0	0	0
Losses on sale of property, plant and equipment	12	49	4	43
Other expense	602	640	146	353
Other operating expenses from continuing operations	**1,140**	**1,264**	**435**	**726**
Other operating expenses from discontinued operations	73	228	0	0
Total other operating expenses	**1,213**	**1,492**	**435**	**726**

12.27 Financial Costs / Income

Financial costs / income are outlined below:

Amounts in € '000	GROUP		COMPANY	
	1/1-31/12/2017	1/1-31/12/2016	1/1-31/12/2017	1/1-31/12/2016
Interest expenses from short-term loans	158	205	62	109
Interest expenses from bonds	8,287	8,675	5,491	5,965
Finance charges payable under finance leases and hire purchase contracts	34	5	16	0
Charge from retirement employee benefits	307	348	192	221
Commission for guaranties	1	2	1	2
Other interest related expenses	208	78	81	73
Bank commissions	482	459	208	196
Financial expenses from continuing operations	**9,477**	**9,772**	**6,051**	**6,566**
Financial expenses from discontinued operations	1,807	1,648	0	0
Total financial expenses	**11,284**	**11,420**	**6,051**	**6,566**

Amounts in € '000	GROUP		COMPANY	
	1/1-31/12/2017	1/1-31/12/2016	1/1-31/12/2017	1/1-31/12/2016
Bank interest	6	2	0	1
Expected asset return from defined benefit plan	25	21	25	21
Other interest related incomes	4	4	1	0
Total financial income	**35**	**27**	**26**	**22**

12.28 Other Financial Results

Other financial results are outlined below:

Amounts in € '000	GROUP		COMPANY	
	1/1-31/12/2017	1/1-31/12/2016	1/1-31/12/2017	1/1-31/12/2016
Impairment loss of assets	0	(500)	(23.449)	(13.400)
Foreign exchange gains	41	11	1	2
Foreign exchange losses	(13)	(24)	(6)	(2)
Other financial results	(54)	(3.149)	0	(1.440)
Other financial results income from continuing operations	**(26)**	**(3.662)**	**(23.454)**	**(14.840)**
Other financial results income from discontinued operations	223	169	0	0
Total other financial results	**197**	**(3.493)**	**(23.454)**	**(14.840)**

The impairment of assets for the current fiscal year are explained in detail in Notes 12.2 & 12.4.

12.29 Income Tax

Income tax is outlined below:

	GROUP				COMPANY	
	Continuing operations		Discontinued operations		Continuing operations	
Amounts in € '000	**1/1-31/12/2017**	**1/1-31/12/2016**	**1/1-31/12/2017**	**1/1-31/12/2016**	**1/1-31/12/2017**	**1/1-31/12/2016**
Current income tax	12	84	0	0	0	0
Deferred income tax	(337)	(2,192)	(5)	(6)	166	(1,559)
Tax audit differences	256	(30)	0	0	256	0
Total income tax from continuing operations	**(69)**	**(2,138)**	**(5)**	**(6)**	**422**	**(1,559)**

	GROUP				COMPANY	
	Continuing operations		Discontinued operations		Continuing operations	
Amounts in € '000	**1/1-31/12/2017**	**1/1-31/12/2016**	**1/1-31/12/2017**	**1/1-31/12/2016**	**1/1-31/12/2017**	**1/1-31/12/2016**
Profit before income tax (from continuing and discontinued operations)	9,557	1,946	(3,457)	(3,330)	(9,196)	(5,348)
Nominal Tax rate	29%	29%	29%	29%	29%	29%
Presumed Tax on Income	**2,772**	**564**	**(1,003)**	**(966)**	**(2,667)**	**(1,551)**
Adjustments for non taxable income						
- Offset due to accumulated losses from previous financial years	(7,972)	(7,428)	0	0	(8,213)	(6,840)
- Additional taxes and increases from preceding years	256	0	0	0	256	0
- Damage of the year for which was not recognized deferred tax asset	3,013	3,712	513	172	9,465	2,294
- Other	(241)	0	0	0	0	0
Adjustments for non deductible expenses for tax purposes						
- Non tax deductible expenses	2,043	969	0	377	1,519	4,464
- Tax differences of preceding financial years	0	(30)	0	0	0	0
- Additional taxes and surcharges	60	74	0	0	62	74
- Effect from differences in tax coefficients of foreign subsidiaries	0	0	485	411	0	0
Total tax from continuing and discontinued operations	**(69)**	**(2,138)**	**(5)**	**(6)**	**422**	**(1,559)**

According to the tax legislation, the tax rate applicable to Greek businesses was set at 29% for 2015 onwards.

12.30 Earnings per Share

The basic earnings per share for the period 01/01-31/12/2017 and the corresponding comparative period result from dividing the earnings corresponding to parent company shareholders (after tax) by the Company's weighted average number of common shares during the period. Diluted losses per share equal to the basic ones per share.

Amounts in '000 €				
Continuing operations	**GROUP**		**COMPANY**	
Basic earnings / (loss) per share	**31/12/2017**	**31/12/2016**	**31/12/2017**	**31/12/2016**
Earnings attributable to equity holders of the parent company	9,655,911	4,174,735	(9,617,233)	(3,787,573)
Weighted average number of shares	305,732,436	305,732,436	305,732,436	305,732,436
Basic earnings / (loss) per share (Euro per share)	**0.0316**	**0.0137**	**(0.0315)**	**(0.0124)**

Amounts in '000 €

Discontinued operations	**GROUP**	
Basic earnings / (loss) per share	**31/12/2017**	**31/12/2016**
Earnings attributable to equity holders of the parent company	(11,322,814)	(3,325,253)
Weighted average number of shares	305,732,436	305,732,436
Basic earnings / (loss) per share (Euro per share)	**(0.0370)**	**(0.0109)**

12.31 Commitments

Operating lease commitments of the Company and the Group operating as a lessee.

The Group leases offices and warehouses through operating leases, which have different terms, adjustment clauses and rights of renewal. According to the operating and financial lease agreements, the future minimum total rent payable is outlined below:

Amounts in € '000	**GROUP**		**COMPANY**	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Operating lease commitments				
Within one year	852	1,726	742	945
After one year but not more than five years	2,794	3,759	1,798	2,078
More than five years	277	520	257	180
Operating lease sort-term commitments pertaining to discontinued operations	18	0	0	0
Total operating lease commitments	**3,941**	**6,005**	**2,797**	**3,203**

Group and Company liabilities in financial leases per year are outlined below:

Amounts in € '000	**GROUP**		**COMPANY**	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Finance lease commitments				
Within one year	315	264	187	55
After one year but not more than five years	550	723	221	117
Total finance lease commitments	**865**	**987**	**408**	**172**

Group and Company guarantees on 31/12/2017 and 31/12/2016 were as follows:

	GROUP		**COMPANY**	
Amounts in € '000	**31/12/2017**	**31/12/2016**	**31/12/2017**	**31/12/2016**
Guarantees				
Guarantees to third parties	51	51	0	0
Performance letters of guarantee	198	198	30	30
Guarantees for the repayment of subsidiary borrowing	35,080	36,583	35,080	36,080
Guarantees for the participation in various tenders	2	2	2	2
Total guarantees	**35,331**	**36,834**	**35,112**	**36,112**

On 31/12/2017, there were encumbrances on the Group tangible fixed assets against borrowing to the amount of €187.4m (2016: €187.4m) for the Group and €116.8m (2016: €116.8m) for the Company. In addition, the trademarks of the companies have been pledged as collateral to secure the bond loans issued to the Company and subsidiary MITERA.

Other commitments for the Group on 31/12/2017 and 31/12/2016 were as follows:

	GROUP	
Amounts in € '000	**31/12/2017**	**31/12/2016**
Other commitments		
Within one year	0	432
After one year but not more than five years	0	733
Other short-term commitments pertaining to discontinued operations	375	0
Other long-term commitments pertaining to discontinued operations	370	0
Total other commitments	**745**	**1,165**

12.32 Contingent Receivables / Liabilities

Information Regarding Contingent Liabilities

The Group has contingent liabilities on issues arising in the context of its usual business activities. More specifically:

12.32.1 Major Pending Litigation

The Group and the Company (both as a defendant and as a plaintiff) are involved in various pending court cases as part of their normal operation. These also include medical malpractice cases. For the majority of said cases, the Group and the Company are covered for professional malpractice through malpractice liability policies they hold. The Group forms provisions in its financial statements for pending legal cases, when it is considered likely that an outflow of funds may be required to settle a liability. This amount must be estimated reliably.

On 31/12/2017, the Group and the Company had formed provisions to the amount of €9.8m and €2.1m respectively. The Company's Management and legal advisors estimate that the pending cases, apart from the already formed provision for sub judice cases, are expected to be settled without a significant negative impact on the Group's consolidated financial position or its operating results (see Note 12.18).

12.32.2 Contingent tax liabilities

The Group tax liabilities are not final, as there are still unaudited fiscal years, described in detail in Note 9.1 of the annual Financial Statements for the period ended on 31/12/2017.

In relation to the unaudited tax years in said Note, there is a possibility that additional tax and surcharges could be imposed when they are examined and finalized. Each year, the Group assesses contingent liabilities which are expected to arise from past fiscal year audits, by forming provisions where this is deemed necessary. The Management considers that other than the formed provisions, any tax amounts which may arise will not have a major impact on the Group consolidated financial position, operating results and cash flows (see Notes 12.18 & 12.29).

Tax Compliance Report

For the 2011 to 2016 fiscal years, the Group companies that operate in Greece and meet the relevant criteria for having a tax audit performed by chartered accountants received a Tax Compliance Report, in line with Article 82(5) of Law 2238/1994 and Article 65A(1) of Law 4174/2013, without any material differences arising. According to Ministerial Circular 1006/2016, the companies that have undergone the aforementioned special tax audit are not exempted from undergoing a regular audit by the competent tax authorities. The Group Management estimates that no additional tax difference will arise that would have a significant impact on the Financial Statements in any future repeat audits by the tax authorities if these ever take place.

For the 2017 fiscal year, the special audit for obtaining a Tax Compliance Report is underway and the relevant tax certificates shall be distributed after the 2017 Financial Statements have been published. If additional tax liabilities arise after the completion of the tax audit, it is estimated that they will not have any material impact on the Financial Statements. Note that according to the recent relevant legislation, the audit and issuing of the Tax Compliance Report applies for the fiscal years 2016 and onwards optionally.

Note that on 31/12/2017, the fiscal years up to 31/12/2011 were written off, in line with the provisions of Article 1(36) of Law 4174/2013.

12.33 Transactions with Related Parties

Intercompany Transactions

The following transactions and balances are the transactions of the Group subsidiaries. These transactions among the Group companies included in the Group's consolidated Financial Statements are crossed out during the process of full consolidation.

INTERCOMPANY PURCHASES - SALES 01/01/2017 - 31/12/2017

SELLER

BUYER	DTCA HYGEIA SA	MITERA SA	LETO SA	LETO HOLDINGS SA	ALFALAB SA	HYGEIA HOSPITAL TIRANA ShA	LETO LAB SA	Y-LOGIMED SA	Y-PHARMA SA	ANIZ SA	BEATIFIC SA	TOTAL
DTCA HYGEIA SA	0	2,189,602	42,926	0	5,251	75,023	0	17,204	0	66,509	7,906	**2,404,421**
MITERA SA	316,557	0	5,156	0	0	120	0	0	0	0	10,371	**332,204**
LETO SA	86	0	0	1,971	52,800	0	1,167	0	0	0	0	**56,024**
ALFALAB SA	348,503	481,805	135,947	0	0	32,310	0	0	0	0	0	**998,564**
Y-LOGIMED SA	16,660,505	7,510,512	968,349	0	5,078	418,388	0	0	1,200	0	36,197	**25,600,229**
ANIZ SA	20,091	0	0	0	0	0	0	196	0	0	0	**20,287**
BEATIFIC SA	365	2,638	0	0	0	0	0	0	0	0	0	**3,003**
TOTAL	**17,346,107**	**10,184,556**	**1,152,379**	**1,971**	**63,128**	**525,840**	**1,167**	**17,400**	**1,200**	**66,509**	**54,474**	**29,414,732**

INTERCOMPANY PURCHASES - SALES 01/01/2016 - 31/12/2016

SELLER

BUYER	DTCA HYGEIA SA	MITERA SA	LETO SA	LETO HOLDINGS SA	ALFALAB SA	HYGEIA HOSPITAL TIRANA ShA	LETO LAB SA	Y-LOGIMED SA	Y PHARMA AE	ANIZ AE	BEATIFIC SA	BIOCHECK SA	PRIMARY CARE SA	TOTAL
DTCA HYGEIA SA	0	2,321,031	43,108	0	5,595	134,994	0	17,144	0	66,846	6,000	182,668	158,241	**2,935,627**
MITERA SA	294,402	0	9,273	0	500	0	0	0	0	0	10,275	3,475	2,123	**320,048**
LETO SA	0	0	0	1,932	52,800	0	1,260	0	0	0	0	0	0	**55,992**
ALFALAB SA	549,759	478,600	133,095	0	0	33,060	0	0	0	0	0	18,188	1,891	**1,214,592**
Y-LOGIMED SA	17,531,224	6,727,782	1,044,397	0	5,871	441,676	0	0	1,200	0	13,279	18,936	15,582	**25,799,947**
ANIZ SA	18,779	0	0	0	0	0	0	244	0	0	0	0	0	**19,023**
BEATIFIC SA	319	327	0	0	0	-3,720	0	0	0	0	0	0	0	**-3,074**
BIOCHECK SA	147,245	180	0	0	0	0	0	0	0	0	0	0	0	**147,425**
PRIMARY CARE SA	129,008	0	0	0	0	0	0	0	0	0	0	0	0	**129,008**
TOTAL	**18,670,735**	**9,527,920**	**1,229,874**	**1,932**	**64,766**	**606,010**	**1,260**	**17,388**	**1,200**	**66,846**	**29,554**	**223,268**	**177,837**	**30,618,591**

INTERCOMPANY RECEIVABLES - LIABILITIES AS OF 31/12/2017

RECEIVAB'

LIABILITY	DTCA HYGEIA SA	MITERA SA	LETO SA	LETO HOLDINGS SA	ALFALAB SA	Y-LOGIMED SA	Y-PHARMA SA	BEATIFIC SA	TOTAL
DTCA HYGEIA SA	0	3,758,505	203,060	8,610	216,550	2,028,262	0	98,614	**6,313,600**
MITERA SA	241,309	0	45,991	0	0	0	0	33,245	**320,545**
LETO SA	2,891	0	0	12,319	27,350	0	0	259	**42,819**
LETO HOLDINGS SA	0	0	187,561	0	0	0	0	0	**187,561**
ALFALAB SA	27,210	169,736	22,325	0	0	0	0	0	**219,271**
Y-LOGIMED SA	0	16,400,535	3,752,067	0	8,969	0	311	653,942	**20,815,824**
Y-PHARMA	113,677	23,090	19,558	0	0	0	0	7,900	**164,224**
ANIZ SA	13,280	0	0	0	0	0	0	0	**13,280**
BEATIFIC SA	8,000	0	0	0	0	0	0	0	**8,000**
TOTAL	**406,367**	**20,351,866**	**4,230,562**	**20,929**	**252,869**	**2,028,262**	**311**	**793,960**	**28,085,125**

INTERCOMPANY RECEIVABLES - LIABILITIES AS OF 31/12/2016

RECEIVABLES

LIABILITY	DTCA HYGEIA SA	MITERA SA	LETO SA	LETO HOLDINGS SA	ALFALAB SA	HYGEIA HOSPITAL TIRANA ShA	LETO LAB SA	Y-LOGIMED SA	ANIZ AE	BEATIFIC SA	BIOCHECK SA	PRIMARY CARE SA	TOTAL
DTCA HYGEIA SA	0	4,958,360	151,564	8,610	210,187	2,113,801	0	21,259	99	20,035	699,363	623,220	**8,806,497**
MITERA SA	281,531	0	40,835	0	0	238,613	0	0	0	25,639	4,804	8,014	**599,436**
LETO SA	2,805	0	0	10,277	36,467	0	4,172	0	0	259	16,814	0	**70,795**
LETO HOLDINGS SA	0	0	232,561	0	0	0	0	0	0	0	0	0	**232,561**
ALFALAB SA	33,881	136,065	54,330	0	0	66,015	0	0	0	0	67,638	2,813	**360,742**
HYGEIA HOSPITAL TIRANA	32,837	0	0	0	0	0	0	0	0	0	0	0	**32,837**
Y-LOGIMED SA	1,005,406	18,860,639	3,844,370	0	2,676	1,160,648	0	0	0	645,081	142,629	159,384	**25,820,833**
Y-PHARMA	146,677	23,090	19,558	0	0	0	0	1,292	0	7,900	0	0	**198,516**
ANIZ SA	10,134	0	0	0	0	0	0	0	0	0	0	0	**10,134**
BEATIFIC SA	8,000	0	0	0	0	11,270	0	0	0	0	0	0	**19,270**
BIOCHECKSA	22,492	1,349	0	0	10	0	0	0	0	0	0	0	**23,851**
PRIMARY CARE SA	12,184	100	0	0	0	0	0	0	0	0	0	0	**12,284**
TOTAL	**1,555,947**	**23,979,603**	**4,343,218**	**18,887**	**249,340**	**3,590,347**	**4,172**	**22,551**	**99**	**698,914**	**931,249**	**793,431**	**36,187,757**

Transactions and Balances with Related Parties

The following table depicts transactions of the Company and Group with related parties, mainly pertaining to Piraeus Group and MIG companies.

Amounts in € '000	GROUP 31/12/2017	COMPANY 31/12/2017	GROUP 31/12/2016	COMPANY 31/12/2016
Sales of goods / services				
Subsidiaries	0	1.963	0	2.457
Other related parties	67	22	1.101	773
Total	**67**	**1.985**	**1.101**	**3.230**

Amounts in € '000	GROUP 31/12/2017	COMPANY 31/12/2017	GROUP 31/12/2016	COMPANY 31/12/2016
Other income / expenses from holdings				
Subsidiaries	0	442	0	479
Other related parties	231	99	249	98
Total	**231**	**541**	**249**	**577**

Amounts in € '000	GROUP 31/12/2017	COMPANY 31/12/2017	GROUP 31/12/2016	COMPANY 31/12/2016
Purcase of goods				
Subsidiaries	0	16.661	0	17.532
Other related parties	156	0	131	0
Total	**156**	**16.661**	**131**	**17.532**

Amounts in € '000	GROUP 31/12/2017	COMPANY 31/12/2017	GROUP 31/12/2016	COMPANY 31/12/2016
Other expenses				
Subsidiaries	0	685	0	1.139
Other related parties	11.038	7.381	11.148	7.407
Total	**11.038**	**8.067**	**11.148**	**8.546**

Amounts in € '000	GROUP 31/12/2017	COMPANY 31/12/2017	GROUP 31/12/2016	COMPANY 31/12/2016
Purchase of tangible / intangible assets				
Other related parties	1.117	820	938	656
Total	**1.117**	**820**	**938**	**656**

Amounts in € '000	GROUP 31/12/2017	COMPANY 31/12/2017	GROUP 31/12/2016	COMPANY 31/12/2016
Receivables				
Subsidiaries	0	6.314	0	8.806
Other related parties	14.262	6.762	13.359	1.864
Total	**14.262**	**13.076**	**13.359**	**10.670**

Amounts in € '000	GROUP 31/12/2017	COMPANY 31/12/2017	GROUP 31/12/2016	COMPANY 31/12/2016
Liabilities				
Subsidiaries	0	406	0	1.556
Other related parties	85.445	55.496	90.779	58.754
Total	**85.445**	**55.903**	**90.779**	**60.310**

Transactions with key administration and management executives of the Company and Group are outlined below.

Benefits to Key Management Executives

The benefits paid to Management executives at Group and Company level are outlined below:

	GROUP		COMPANY	
	1/1-31/12/2017	1/1-31/12/2016	1/1-31/12/2017	1/1-31/12/2016
Short-term benefits of key management personnel*	3,957	3,422	2,190	1,774
Post-employment benefits	302	0	214	0
Benefits of discontinued operations	468	474	0	0
Total	**4,727**	**3,896**	**2,404**	**1,774**

*Short-term benefits to Board Members and Management Executives include salaries, fees, social insurance contributions and other charges.

No loans have been granted to any Board Members or any other Executives of the Group (or their families).

12.34 Fair Value of Financial Instruments

The Group uses the following hierarchy to determine and disclose the fair value of financial instruments per valuation technique:
Level 1: negotiable prices in active markets for similar assets or liabilities
Level 2: valuation techniques for which all inflows having a significant impact on the recorded fair value are observable either directly or indirectly
Level 3: techniques using inflows with a significant impact on the recorded fair value and not based on observable market data.

Financial assets and liabilities measured at fair value on 31/12/2017 are outlined below.

Financial assets	31/12/2017 Fair value measurement at end of the reporting period using:				31/12/2016 Fair value measurement at end of the reporting period using:			
Amounts in € '000	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss								
- Bonds	-	45	-	45	-	45	-	45
Non-recurring fair value measurments								
-Assets Held for sale	-	27,359	-	27,359	-	-	-	-
Total financial assets	**-**	**27,404**	**-**	**27,404**	**-**	**45**	**-**	**45**
Non-recurring fair value measurments								
-Liabilities Held for sale	-	27,359	-	27,359				
Total financial liabilities	**-**	**27,359**	**-**	**27,359**	**-**	**-**	**-**	**-**
Net fair value	**-**	**45**	**-**	**45**	**-**	**45**	**-**	**45**

There were no transfers between levels.

The fair value of the following financial assets and liabilities for the Group and the Company is close to their book value:

- Trade & other receivables
- Other current assets
- Trade & other payables
- Borrowing
- Cash, cash equivalents and pledged deposits

13. Risk Management Aims and Policies

The Group is exposed to multiple risks, such as market risk (interest rate fluctuations, market prices, etc.), credit risk, liquidity risk and currency risk. The Group's risk management program aims to limit the negative impact on financial results arising from the weakness to forecast financial markets and the fluctuations in cost and sales variables.

The risk management policy is implemented by the Group's Financial Division.
The following procedure is followed:

- Assessment of the risks associated with the Group activities and operations,
- Methodology planning and selection of the suitable financial products for risk reduction,
- Execution/implementation of the risk management procedure, in accordance with the procedure that has been approved by the Management.

13.1 Financial Risks

13.1.1 Interest Rate Risk

Changes in interest rates may affect the net income of the Group, increasing the cost of servicing the debt it undertook for financing. Changes at interest rate level may also affect, among others: (i) the cost and availability of debt financing and by extension the ability of the Group to achieve attractive returns for its investments and (ii) the ability to finance the debt of investments and other business activities in which the Group invests.

Bank borrowing is one of the sources of financing for Group investments. To a great extent Group borrowing depends on floating interest rates and as a result, is directly linked to the amount and the changes in interest rates, which exposes the Group to cash flow risk. The Group's floating interest rates are converted to fixed via hedged financial instruments and the bank deposits hedge the fixed interest rates to a large extent. The Group policy is to constantly monitor interest rate trends and the duration of its financing needs. Therefore, decisions on the duration, as well as the relationship between fixed and floating interest rate for a new loan are made separately for each case.

The following table depicts the sensitivity of the fiscal year results and equity for the Group and the Company based on a reasonable interest rate change of +/-1%:

	GROUP				COMPANY			
	Sensitivity factor		Sensitivity factor		Sensitivity factor		Sensitivity factor	
	1%	-1%	1%	-1%	1%	-1%	1%	-1%
Amounts in € '000	**31/12/2017**		**31/12/2016**		**31/12/2017**		**31/12/2016**	
Profit for the financial year (after tax)	(1,348)	1,348	(1,587)	1,587	(901)	901	(937)	937
Equity	(1,348)	1,348	(1,587)	1,587	(901)	901	(937)	937

13.1 Credit Risk

The Group and the Company apply a specific credit policy, which is based on monitoring the credit rating of its clients and successfully managing its receivables before they become overdue, as well as once they become doubtful. To monitor credit risk, clients are grouped based on the category they belong to, their credit nature, the maturing of their receivables and any other prior collection issues they may have exhibited. Clients considered doubtful are reassessed on each financial statement reporting date and a relevant impairment provision is formed for any loss that may possibly arise from the statements.

The Group is constantly monitoring its receivables, either separately or jointly, and includes this information in credit controls. The Group receivables derive from social security funds, insurance bodies, insurance companies and private clients. The Group and the Company focus their policy on partnerships with credible insurance companies that have a high credit rating both in the domestic and the international market.

The most likely credit risk is mainly associated with the high outstanding balances owed by social security funds for previous years; with uninsured private clients; or with insured patients for the additional amount not covered by their insurer.

On 31/12/2017, adequate impairment provisions over trade receivables for the Group and the Company had been formed.

For cash and cash equivalents, the Group only transacts with recognized high credit-rating financial institutions.

The Group's exposure with regard to credit risk is limited to the financial assets, which were as follows on the Financial Position Statement date:

Amounts in € '000	GROUP		COMPANY	
Financial assets	**31/12/2017**	**31/12/2016**	**31/12/2017**	**31/12/2016**
Cash and cash equivalents	11,108	14,854	4,755	2,503
Trade and other receivables	64,381	62,858	46,570	46,987
Total	**75,489**	**77,712**	**51,325**	**49,490**

The maturities of financial receivables for the Group and the Company on 31/12/2017 and 31/12/2016 were as follows:

Amounts in € '000	GROUP		COMPANY	
Financial assets past due but not impaired	**31/12/2017**	**31/12/2016**	**31/12/2017**	**31/12/2016**
Not more than 3 months	5,700	5,774	5,742	5,642
More than 3 months but not more than 6	6,954	6,703	5,844	5,045
More than 6 months but not more than 1	7,170	6,712	6,244	6,088
More than 1 year	9,008	10,705	3,970	6,050
Total	**28,832**	**29,894**	**21,800**	**22,825**

13.1.3 Interest Rate Risk

Liquidity risk monitoring focuses on rationally managing the temporal correlation of cash flows, and ensuring sufficient cash for covering current transactions.

Liquidity requirements are monitored in various time zones on a daily and weekly basis, and on a rolling 30-day basis. Long-term liquidity requirements for the 6 months ahead and the following year are calculated each month.

On 31/12/2017, the maturities of financial liabilities for the Group were as follows:

	GROUP 31/12/2017			
Amounts in € '000	Short-term		Long-term	
	Within 6 months	**6 to 12 months**	**1 to 5 years**	**More than 5 years**
Long-term borrowing	3,770	7,827	116,142	0
Liabilities relating to operating lease agreements	157	158	550	0
Trade payables	52,760	341	0	0
Other short-term liabilities	17,826	2,277	523	0
Sort-term borrowing	105	2,883	0	0
Total	**74,618**	**13,486**	**117,215**	**0**

The respective maturities of financial liabilities on 31/12/2016 were as follows:

	GROUP			
	31/12/2016			
Amounts in € '000	**Short-term**		**Long-term**	
	Within 6 months	**6 to 12 months**	**1 to 5 years**	**More than 5 years**
Long-term borrowing	0	0	750	0
Liabilities relating to operating lease agreements	132	132	723	0
Trade payables	62,108	4,380	0	0
Other short-term liabilities	18,116	4,095	664	0
Sort-term borrowing	41,037	115,151	0	0
Total	**121,393**	**123,758**	**2,137**	**0**

On 31/12/2017, the maturities of financial liabilities for the Company were as follows:

	COMPANY			
	31/12/2017			
Amounts in € '000	**Short-term**		**Long-term**	
	Within 6 months	**6 to 12 months**	**1 to 5 years**	**More than 5 years**
Long-term borrowing	3,020	6,077	77,596	0
Liabilities relating to operating lease agreements	92	95	220	0
Trade payables	14,488	331		0
Other short-term liabilities	9,550	2,251	215	0
Sort-term borrowing	0	0		0
Total	**27,150**	**8,754**	**78,031**	**0**

The respective maturities of financial liabilities on 31/12/2016 were as follows:

	COMPANY			
	31/12/2016			
Amounts in € '000	**Short-term**		**Long-term**	
	Within 6 months	**6 to 12 months**	**1 to 5 years**	**More than 5 years**
Long-term borrowing	0	0	750	0
Liabilities relating to operating lease agreements	27	27	117	0
Trade payables	11,904	4,380	0	0
Other short-term liabilities	9,105	2,260	259	0
Sort-term borrowing	33,750	58,210	0	0
Total	**54,786**	**64,877**	**1,126**	**0**

The aforementioned contractual maturity dates reflect the undiscounted cash flows, which may differ from the book value of liabilities on the Financial Position Statement reporting date.

On 31/12/2017, both the Group and the Company posted a positive working capital to the amount of €2,355 thousand and €22,626 thousand respectively.

As mentioned in Note 12.17, within the current fiscal year, the Group and the Company concluded the restructuring of borrowings for HYGEIA and MITERA. As a result borrowings amounting to €121,909 thousand and €82,863 thousand respectively were reclassified from short-term to long-term borrowings.

Apart from the successful restructuring of the HYGEIA and MITERA borrowings, the Group had already proceeded with a series of actions to further improve its liquidity. Specifically, the Group companies that are affiliated with EOPYY have already transferred a significant part of the claw-back and rebate cost recorded in the financial statements to third parties. Furthermore, capitalizing on its leading position in the sector, the Group has been solidifying its trade partnerships, striving to ensure additional working capital.

HYGEIA Group is considered a very credible institution both by the Banks and by its suppliers, due to its dynamic and dominant course in the Greek market.

Furthermore, taking advantage of its size and reputation in the market, the Group has maintained its bargaining power, despite the capital controls and limitations in place on fund transfers, mainly to foreign countries, where HYGEIA Group's main suppliers of medical goods are active. In addition, capitalizing on its comparative advantages, the Group has secured agreements with major Greek and foreign insurance companies, which offer significant liquidity, while at the same time greatly minimizing the Group's exposure to competition risk and cash flow shortages.

13.1 Exchange Rate Risk

Exchange rate risk is the risk of a fluctuation in the value of financial instruments, assets and liabilities due to changes in exchange rates. The vast majority of the Group transactions and balances is in euros, as is also the case with the Group borrowings, so as to take advantage of the lower interest rates. Therefore, exposure to exchange rate risk is considered to be low. With regard to the investment in Albania, the Group is affected by changes in the exchange rates between the euro and the local currency (lek). On 31/12/2017, the figures of that investment where classified as a disposal group, in line with the requirements of IFRS 5 on non-current assets held for sale In any case, however, the Group Management is continuously monitoring any exchange rate risks that may arise and assesses the need to adopt relevant measures.

On 31/12/2017, a +/- 10% exchange rate change would have resulted in recognizing -/+ €1.9m before taxes in the Condensed Consolidated Statement of Results and -/+ €1.9m in equity.

13.1.5 Capital Management Risk

HYGEIA Group's goals with regard to capital management are as follows:

- to ensure going concern for the Group companies,
- to ensure satisfactory returns to its shareholders, by pricing products and services proportionately to the level of risk.

The Group monitors the capital based on the amount of equity plus subordinated loans, minus cash and cash equivalents, as presented in the Financial Position Statement, as well as in relation to the requirements of Law 2190/1920.
Capital for the 2017 and 2016 fiscal years is outlined below:

	GROUP		**COMPANY**	
Amounts in € '000	**31/12/2017**	**31/12/2016**	**31/12/2017**	**31/12/2016**
Total equity	120,853	120,703	129,305	138,939
Less: Cash and cash equivalents	(11,108)	(14,854)	(4,755)	(2,503)
Capital	**109,745**	**105,849**	**124,550**	**136,436**
Total equity	120,853	120,703	129,305	138,939
Plus: Loans	131,592	157,925	87,100	92,882
Total capital	**252,445**	**278,628**	**216,405**	**231,821**
Capital to Total capital	0.43	0.38	0.58	0.59

The Group determines the capital amount in relation to the total capital structure, e.g. equity and financial liabilities. The Group manages the capital structure and makes adjustments when the financial situation and the risk profile of existing assets change. With the aim of maintaining or adjusting the capital structure, the Group may adjust the payable dividends, return capital to its shareholders, issue share capital or sell assets to reduce borrowing.

The Group manages its capital structure and makes adjustments to it based on the economic conditions and risk profile of assets from time to time.

13.2 Strategic and Operating Risks

Contracts with Insurance Companies

The Group holds long-term contracts with following insurance companies (ETHNIKI, NN, ALLIANZ, BUPA, METLIFE, ALICO, INTERAMERICAN, GENERALI, AXA, GROUPAMA, etc.) Furthermore, the Company has signed a contract with MedNet Hellas SA, an insurance agent that manages hospitalization insurance plans for some of the largest insurance companies in Greece.

These agreements ensure continuous growth and larger patient volume, while significantly decreasing the Group's exposure to competition and liquidity risks.

Insurance Coverage of Assets

HYGEIA SA has taken out insurance policies for its fixed equipment and facilities with insurance company Ethniki Asfalistiki SA with the following expiry dates: Fire and Loss of Profits 15/03/2019, and General and Professional Liability 31/07/2018. It also holds a Group Pension Policy for its personnel with insurance company METLIFE ALICO AEAZ, and vehicle insurance, renewed every six months. Note that on 31/12/2017, the unamortized value of the Company's buildings, machinery and fixtures amounted to €47.9m. Therefore, the insurance coverage amount for the unamortized value based on data from 31/12/2017 stands at approximately 175%, a fact that may negatively affect the Company in the event of total destruction of buildings and machinery. However, the Company's Management considers the possibility of total destruction of the HYGEIA SA facilities highly unlikely, while it is constantly proceeding with insuring all its new fixed assets.

Healthcare Sector Conditions

HYGEIA Group is active in the area of primary and secondary healthcare in Greece, offering comprehensive services. The private healthcare services sector in Greece demonstrates certain peculiarities, which are due to the leading position that the public healthcare services sector traditionally occupied. However, inability on the part of the public sector to meet the constantly rising demand and offer quality healthcare services led to the significant growth of private hospitals. With the growth rate of private health services, it is obvious that the private healthcare sector in Greece represents a particularly dynamic prospect, and participating companies cannot but respond. The results and progress of HYGEIA Group are directly affected by its activities and the development of its potential as to the further growth of the healthcare sector.

Risk from Competition

In the area of private healthcare, competition among businesses has been quite fierce, as the public sector is unable to respond to the constantly rising demand, but also offer quality healthcare services.

In that vein, private hospitals have shifted towards enriching the services they offer and responding promptly to patients, while expanding existing facilities to house new departments. A case in point is the fact that several private hospitals include anything from maternity clinics to diagnostic centers, so as to cover a broader range of services.

Another competition aspect observed in the private healthcare sector is that partnerships between private units and insurance companies have expanded, covering the hospitalization expenses of a larger number of patients. Capitalizing on its comparative advantages, and having as its priority to continuously offer top-level services, in accordance with the international standards it has been certified with, HYGEIA Group currently holds the leading position in the private healthcare sector in Greece. However, in the event that the Group discontinues its growth and investment policy, its competitive edge may be significantly affected, thus affecting its financial status.

Healthcare Sector Liquidity Limitations

Over the last few years, liquidity shortages and difficulties in bank borrowing, combined with the prolonged recession and the reduction in consumer disposable income, have created a climate of uncertainty. EOPYY and the other insurance funds are being faced with difficulties in repaying their financial obligations. As a result, smaller clinics and diagnostic centers are facing major liquidity problems. A defining factor for survival is for EOPYY to penetrate the total revenues of each healthcare provider, combined with better managing the cost reductions of services offered. Naturally, this trend may lead to the shrinking of the secondary healthcare sector mainly, heightening competition among existing providers and curbing even more the already reduced revenues due to the claw-back and rebate mechanisms.

Technological Advancement Risk

The rapid advancement of technology and the need for ongoing restructuring exercise a decisive impact on healthcare services. Private hospitals embark on very costly investment schemes to renew their infrastructure and acquire state-of-the-art medical equipment so as to offer new and better services. HYGEIA Group renews its technical equipment regularly and currently operates: (i) the first latest generation Hybrid Operating Room in Greece. Its pioneering design and versatile state-of-the-art equipment make it possible to simultaneously perform the latest endovascular and open surgical procedures on any part of the cardiovascular system, under maximum safety, speed and reliability conditions; (ii) the only Gamma Knife in Greece (a sophisticated brain tumor radiosurgery system); (iii) the only da Vinci S robotic surgery system in Greece; (iv) the largest Radiotherapy and Oncology Department, with three linear accelerators; (v) the first PET/CT in Greece; (vi) a new 128-slice CT scanner; (vii) a digital angiography system; (viii) a Navigator neuronavigation system; and (ix) esophageal Doppler monitoring. HYGEIA Group's objective is to continuously invest in the most advanced medical and technological developments, and train its personnel in order to keep abreast with the international developments in the healthcare sector.

14. Events after the Financial Position Statement Date

On February 23, 2018, upon conclusion of the tender offer submitted on November 27, 2017 for acquisition of a 30% stake in the company's shares by Georgios Apostolopoulos Holdings SA, HYGEIA announced to the investment community that after trading on February 22, 2018, said company held a total of 15,840,022 voting rights, which correspond to 5.181% of the issuer's share capital.

In March 2018, the tax audit of the Company's 2012 fiscal year, conducted by the Large Businesses Audit Center of the General Directorate of Taxation, was concluded. The audit produced additional taxes and surcharges to the amount of €296 thousand. The Company had formed a tax provision for unaudited fiscal years to the amount of €68 thousand, which was used to offset to aforementioned amount. The balance burdened the 2017 fiscal year results.

Also in April 2018, in response to a relevant query by the Capital Market Commission, the Company referred investors to an announcement issued on the same day by Marfin Investment Group SA – shareholder with a 70.385% stake (32.76% directly and 37.62% indirectly) – which announced that in the context of a confidentiality agreement, usual in such occasions information was provided to the investment funds of CVC Capital Partners regarding Diagnostic & Therapeutic Center of Athens HYGEIA SA. To date, Marfin Investment Group SA has not received any binding bids.

Apart from these, there are no events subsequent to the Financial Statements that relate to either the Group or the Company and which must be reported pursuant to the IFRSs.

Marousi, April 24, 2018

BOARD CHAIRMAN	*CHIEF EXECUTIVE OFFICER*	*GROUP CHIEF FINANCIAL OFFICER*
ATHANASIOS PAPANIKOLAOU *Passport No. AN4135328*	*ANDREAS KARTAPANIS* *ID Card No. AE140679*	*DIMITRIOS MANTZAVINOS* *ID Card No. N294701*
GROUP FINANCIAL CONTROLLER	*CHIEF FINANCIAL OFFICER*	*GROUP DEPUTY CHIEF FINANCIAL OFFICER*
NIKOLAOS LEKAKIS *ID Card No. AE106335*	*ELEONORA KELEPOURI* *ID Card No. Σ028050*	*SPYRIDON KOSMAS* *ID Card No. AZ555377 LICENSE No. 16310-CLASS A*

E. Online Posting of the Annual Financial Report

The annual financial statements, the audit reports prepared by chartered accountants and the Board of Directors reports for the fiscal year ended December 31, 2017, for the companies incorporated in the consolidated financial statements, are posted on the Company's website (www.hygeia.gr) and on the website of the General Electronic Commercial Registry (GEMI).