Annual Financial Report for the 2018 fiscal year (January 1st, 2018 – December 31st, 2018)

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:

i. The accompanying annual separate and consolidated financial statements of HYGEIA SA for the fiscal period 01/01/2018 - 31/12/2018, 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.
ii. 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, Wednesday, April 24, 2019

Certified by

Athanasios Papanikolaou	Andreas Kartapanis	Georgios Politis
Chairman of the Board of Directors	CEO	Vice-Chairman of the Board of Directors
ID Card No. AN612863	ID Card No. AE140679	ID Card No. AM576467

B. INDEPENDENT AUDITOR'S REPORT

To the Shareholders of "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) and its subsidiaries, which comprise the separate and consolidated statements of financial position as at December 31 2018, and the separate and consolidated income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows for the 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 DIAGNOSTIC AND THERAPEUTIC CENTER OF ATHENS HYGEIA SA and its subsidiaries (the Group) as at December 31 2018, their 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 Standards on Auditing (ISAs), as incorporated into the Greek Law. Our responsibilities, under those 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.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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 2018, the Group has recognised goodwill of € 82.7 m., intangible assets of € 63.3 m. (Company: € 1.7 m.) and tangible assets of € 133 m. (Company: € 68.2 m.). Further, as at December 31, 2018, the Company has recognized investments in subsidiaries of € 123.9 m. In accordance with IFRS, management performs at the end of each reporting period, 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 aforementioned assessment requires significant level of judgement. 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 judgement by management regarding the future cash flows of 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. Given the significance of these financial statements items and management's use of assumptions and estimates, we consider the impairment assessment of the aforementioned financial statement items as one of the key audit matters. The Group's and the Company's disclosures relating to the accounting policy, assumptions and estimates used for the impairment assessment of the aforementioned assets are included in notes 7.5, 8.1, 8.3, 8.4 and 12.2 to the financial statements.	The key audit procedures performed included among others: • Assessment of management's estimates regarding the existence of impairment indications of these non-current assets. • Assessment of management's procedure pertaining to preparation of reliable business plans. • For those CGUs where impairment indications existed, evaluation of: i) the appropriateness of the methods applied for the identification of recoverable amount and ii) the reasonableness of the key management assumptions and estimates. • Assessment of the mathematical accuracy of discounted cash flow models. • For the aforementioned procedures, where it was deemed appropriate, we required the contribution of Grant Thornton's expert. • Assessment of the adequacy of the related disclosures in the financial statements with respect to this matter.

Key Audit Matters	How our audit addressed the key audit matter
Recoverability of Trade Receivables	
As at December 31 2018, the Group and the Company have recognized trade receivables of € 97.5 m. and € 71.6 m. respectively against which accumulated provision for impairment amounting to € 29.1 m. and € 19.2 m. has been recognized. In addition, as a result of the application of article 100 paragraph 5 of Law 4172/2013 and the subsequent related ministerial decisions (Clawback and Rebate), the Group's and the Company's trade receivables from the National Organization for Healthcare (EOPYY) for the period 2013-2018 have been impaired through credit invoices and provisions with the accumulated amount of €122.3 m. and €63 m. respectively. Management assesses the recoverability of the Group's trade receivables in accordance with IFRS 9 and makes estimates of the required provision for impairment for expected credit losses. Assessing the impairment of trade receivables requires a significant degree of judgment and, in combination with the importance of the item in the financial statements, we have assessed the recoverability of trade receivables as one of the key audit matters. The Group's and the Company's disclosures regarding the accounting policy, judgments and estimates used for assessing recoverability of trade receivables, are included in the notes 8.9, 8.10 and 12.9 to the financial statements.	The key audit procedures performed included among others: • Evaluation of management's procedures regarding the monitoring of trade receivables and assessment of their recoverability. • We assessed the management estimates regarding recoverability of trade receivables according to the provisions of IFRS 9. 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 Clawback on the receivables from EOPYY, we evaluated historical information of collectibles and relevant informative letters regarding Clawback and Rebate that have been disclosed to the Group by EOPYY. • We assessed the adequacy of the related disclosures in the financial statements with respect to this matter.

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. The Group's and the Company's disclosures regarding revenue recognition are included in note 7.15 and 12.24 to the financial statements.	Our audit approach included, among others, the following key procedures: • Understanding the internal controls which have been designed by management and are relevant to recognizing revenue from healthcare services. • Testing the design and operating effectiveness of the key internal controls related to pricing revenue arising from rendered healthcare services. • Performing among others, the following analytical procedures: (i) testing on a sample basis the accuracy of pricing according to the approved pricelists, (ii) revenue analytical procedures for identification of potentially unusual fluctuations, and (iii) testing revenue cut-off in the appropriate accounting period according to 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 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 do 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, we conclude, based on our audit, 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

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

In preparing the separate and consolidated financial statements, management is responsible for assessing the Company's and 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 (artic. 44 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 ISAs, as incorporated into 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 the 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 ISAs, as incorporated into 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's 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 to communicate with 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 Management is responsible for the preparation of the Management Report of the Board of Directors and Declaration of Corporate Governance, included in this report, according to the provisions of paragraph 5 of article 2 of Law 4336/2015 (part B) we note the following:

- **a)** The Management Report of the Board of Directors includes a statement of corporate governance that provides the information required by Article 43bb of Codified Law 2190/1920.
- **b)** In our opinion, the Management Report of the Board of Director's has been prepared in accordance with the legal requirements of article 43a and 107A and paragraph 1 (c and d) of Article 43bb of the Codified Law 2190/1920 and the content of the report is consistent with the accompanying separate and consolidated financial statements for the year ended 31 December 2018.
- **c)** Based on the knowledge we obtained during our audit of the Company "DIAGNOSTIC AND THERAPEUTIC CENTER OF ATHENS HYGEIA SA" and their 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 financial year that ended 31st December 2018, are disclosed in note 12.25 of the accompanying separate and consolidated financial statements.

4. Auditor's Appointment

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

Athens, 24th April 2019

Certified Accountant (C.A.)

Dimitra Pagoni

ICPA (GR) Reg. No. 30821

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An instinct for growth™

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C. Annual Report of the Board of Directors

Annual Report of the Board of Directors
for DTCA HYGEIA SA
ON THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR 1/1/2018 TO 31/12/2018

Dear shareholders,

In accordance with the provisions of Codified Law 2190/1920, as replaced as of 01/01/2019 by Articles 150-154 of Law 4548/2018, the provisions of Law 3556/2007, Article 4(2c, 6, 7 and 8), as well as Hellenic Capital Market Commission Decision No. 8/754/14.04.2016, Article 2, and the Company's Articles of Incorporation, we hereby submit the Board of Directors' Annual Report for the closed fiscal year 1/1/2018 to 31/12/2018.

This report outlines the financial information for the Group and the Company for the 2018 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 2019 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 01/01/2018-31/12/2018

2018 was a significant year for the Greek economy, as it marked the year the third economic adjustment programme was concluded, which was accompanied by specific relief measures for the country's financing needs, with a 10-year extension. As for the economic climate, both the consumer confidence index and expectations index have improved significantly, in step with the improved growth rate of economic activity.

HYGEIA Group continued to lead the domestic healthcare sector in 2018, recording remarkable financial results, while combining top-level healthcare services with high-tech medical equipment. The Group continues to follow the growth model, focusing mainly on its comparative advantages and strength, and aiming to reinforce and further expand its business affiliations with private insurance companies, therefore, securing the required liquidity for its unhindered operation.

According to a recent sector survey conducted by ICAP for private healthcare services (July 2018, p. 190 & 192) for the 2017 fiscal year, parent company Diagnostic and Therapeutic Center of Athens HYGEIA SA was ranked 1st among 10 sector companies in terms of EBITDA (earnings before interest, taxes, depreciation and amortization) and 1st in terms of Gross Profit Margin, strengthening the leading position it holds in the sector, owing to the targeted choices of the Management for ongoing improvement of its financials.

In 2018 yet again HYGEIA Group gave priority to maintaining adequate liquidity, expanding the services it offers and continuously developing its financial structure, coupled with striving at maximum efficiency in the quality of its services and focusing on implementing new technologies.

A major inhibiting factor towards the further healthy operating growth of the Group is the decision to extend the implementation of the rebate and claw-back mechanism until December 31, 2022, in accordance with Article 100 of Law 4172/2013 (Government Gazette 167/A/2013), a sign of limited development capacity and low expectations in terms of its desired level of affiliation with the National Organization for Healthcare (EOPYY).

In the near future, the core of the HYGEIA Group strategy continues to consist 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 Company's 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 as follows.

Revenue: On a consolidated level, Revenues from continuing operations for 2018 amounted to €217.4m, increasing by 5.5%, as opposed to €206m in 2017. Revenues for the Company amounted to €132.3m, compared to €125.2m for the same period last year, posting a 5.7% increase.

Gross Profit: Consolidated Gross Profit from continuing operations increased by 14.4%, reaching €41.4m, as opposed to €36.2m in 2017. Respectively, Gross Profit for the Company amounted to €28.3m, as opposed to €26.7m last year.

Adjusted Earnings (Losses) Before Taxes, Financial and Investment Results and Total Depreciation, Extraordinary Results and Results from Previous Years (EBITDA) (Adjusted EBITDA): The Group defines "Adjusted EBITDA" as the results before taxes, financial and investment results and total depreciation (of tangible and intangible assets), adjusted to the impact of possible extraordinary results and results from previous years. This adjusted indicator is used by the Management as an internal performance indicator of the management of repeated operating activities of the Group and the Company.

At Group level, the Adjusted EBITDA amounted to €38.8m, as opposed to respective earnings of €34.9m in 2017. At Company level, this indicator amounted to €30.3m, as opposed to €29.4m in 2017. Specifically, it is noted that the extraordinary results (earnings/losses) and the results from previous years (revenue/expenses), amounting to €2.3m for the Group and €1.7m for the Company, have not been included in the calculation of this adjusted financial indicator, as the amount pertains to items not directly related to the operating result of the current fiscal year and the current financial performance of the Group and the Company. For the purpose of comparison, the 2017 EBITDA was adjusted by €1.3m and €0.5m respectively.

Earnings/(Losses) Before Interest and Taxes (EBIT): Consolidated EBIT from continuing operations improved significantly and amounted to earnings of €23.3m, as opposed to earnings of €19m in 2017. The corresponding EBIT for the Company reached €20.8m, compared to earnings of €20.3m in 2017.

Earnings/(Losses) Before Taxes (EBT): The Consolidated EBT for the Group from continuing operations amounted to €16.5m, as opposed to €9.6m in earnings for 2017. Respectively for the Company, EBT amounted to €14.9m as opposed to -€9.2m in losses for 2017.

Net Earnings (Losses) After Taxes & Minority Interests: Net Earnings for the Group from continuing operations amounted to €19.6m, as opposed to Net Earnings amounted to €9.6m for 2017. Net Earnings after taxes for the Company were €14.1m, compared to losses of -€9.6m for the same period last year.

Tangible Fixed Assets: On 31/12/2018, Group's tangible fixed assets amounted to €133m and corresponded to 35% of Total Group Assets, while in the previous fiscal year, they amounted to €133.4m and corresponded to 32.4% of Total Group Assets. On 31/12/2018, the Company's tangible fixed assets amounted to €68.2m and corresponded to 25.9% of Total Company Assets, while in the previous fiscal year, they amounted to €68.8m and corresponded to 26.4% of Total Company Assets.

Goodwill: On 31/12/2018, Group's Goodwill amounted to €82.7m and corresponded to 21.7% of Total Group Assets, while in the previous fiscal year, it amounted to €82.7m and corresponded to 20.1% of Total Group Assets.

Trade and Other Receivables: On 31/12/2018, Group's Trade and Other Receivables amounted to €68.4m, as opposed to €64.4m for the previous fiscal year, up by €4m, and corresponded to 18% of the Total Consolidated Assets, compared to 15.6% for the previous fiscal year. Company Trade and Other Receivables amounted to €52.4m, as opposed to €46.6m for the previous fiscal year, increased by €5.8m, mainly due to the benefit from the reduced cuts in 2017 compared to the initial provision, and corresponded to 19.9% of Total Company Assets, compared to 17.9% for 2017.

Equity: On 31/12/2018, Consolidated Equity (before non-controlling interests) amounted to €138.2m, compared to €120.9m for 2017. Company's Equity amounted to €143m from €129.3m in 2017.

Net Debt: Consolidated Net Debt (Loans minus Cash and Cash Equivalents) amounted to €110.1m in 2017, from €120.5m in 2017. Company's Net Debt was €71.9m in 2018, from €82.3m in 2017.

Trade and Other Payables: On 31/12/2018, Group's Trade and Other Payables amounted to €53.2m, compared to €53.1m in 2017. On 31/12/2018, Company's Trade and Other Payables amounted to €16.1m, as opposed to €14.8m in 2017.

Net Cash Flows from Operating and Investing Activities: Group's Net Cash Flows from Operating Activities amounted to €21m in 2018, from €9.3m in 2017. Group's Net Cash flows from Investing Activities amounted to -€10.4m, from -€6.5m in 2017. Group's Cash amounted to €9.9m in 2018, from €11.1m in 2017. Company's Net Cash Flows from Operating Activities amounted to €17.4m from €12.5m, while Net Cash Flows from Investing Activities amounted to -€7.2m in 2018, from -€4.5m in 2017. Company's Cash amounted to €6.4m in 2018, from €4.8m in 2017.

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 evaluates its results and performance on a monthly basis, identifying promptly and effectively any deviations from the objectives, and taking corrective measures. Group performance is measured using internationally recognized financial performance indicators:

Adjusted Earnings (Losses) Before Taxes, Financial and Investment Results and Total Depreciation, Extraordinary Results and Results from Previous Years (EBITDA) (Adjusted EBITDA): The Group defines "Adjusted EBITDA" as the results before taxes, financial and investment results and total depreciation (of tangible and intangible assets), adjusted to the impact of possible extraordinary results and results from previous years. This adjusted indicator is used by the Management as an internal performance indicator of the management of repeated operating activities of the Group and the Company.

At Group level, the Adjusted EBITDA amounted to €38.8m, as opposed to respective earnings of €34.9m in 2017. At Company level, this indicator amounted to €30.3m, as opposed to €29.4m in 2017. Specifically, it is noted that the extraordinary results (earnings/losses) and the results from previous years (revenue/expenses), amounting to €2.3m for the Group and €1.7m for the Company, have not been included in the calculation of this adjusted financial indicator, as the amount pertains to items not directly related to the operating result of the current fiscal year and the current financial performance of the Group and the Company. For the purpose of comparison, the 2017 EBITDA was adjusted by €1.3m and €0.5m respectively.

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**	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
EBIT	23,267	19,025	20,770	20,283
Equity	138,204	120,853	142,955	129,305
Total borrowings average	125,774	144,759	82,737	89,991
ROCE	**9.11%**	**7.16%**	**9.49%**	**9.05%**

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	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Earnings after taxes	19,568	9,626	14,147	(9,618)
Equity average	129,529	120,778	136,130	134,122
ROE	**15.11%**	**7.97%**	**10.39%**	**-7.17%**

(B) Significant Business Decisions and Events

1. Significant Events During the Reporting Period

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 July 23, 2018, it was announced that the MITERA Institute of Life Assisted Reproduction Unit was among the leading fertility units in Greece and one of the top 50 in the world, after being accredited by GCR™ (Global Clinic Rating), a leading international body that rates hospitals and clinics.

On February 23, 2018, HYGEIA announced that, pursuant to the legislation in force, on February 22, 2018 the company trading as G. APOSTOLOPOULOS HOLDINGS SA and George V. Apostolopoulos submitted to the Hellenic Capital Market Commission and the Issuer the notifications dated February 22, 2018 regarding significant changes in the Issuer's voting rights, from which the following arises: that the company G. APOSTOLOPOULOS HOLDINGS SA, which is controlled by George V. Apostolopoulos, directly holds 15,840,022 shares, i.e. 5.181%, of the Company's Share Capital deriving from these shares.

Also on March 5, 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 the aforementioned amount. The balance burdened the 2017 fiscal year results.

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 April 2018, HYGEIA received an award for its positive work environment for a 3rd 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.

On July 5, 2018, MARFIN Investment Group Holdings SA (MIG) signed a binding agreement for the sale of all of its the controlling interest (direct and indirect) in the Company, standing at 70.385%, to Hellenic Healthcare S.A.R.L., which is controlled by CVC Capital Partners, for a consideration of €0.95 per share (total consideration €204,430 thousand). On August 25, 2018, by decision of the General Meeting of MARFIN Investment Group Holdings SA the sale and transfer were approved, along with all the relevant decisions and actions of its Board of Directors. The transaction was approved by the Competition Commission on September 27, 2018. On November 9, 2018, MIG announced that the transfer of the HYGEIA Group shares to the company controlled by the CVC Capital Partners investment fund had been concluded. The HYGEIA Group enterprise value amounted to €420m. On December 31, 2018, the HYGEIA Board of Directors formulated its Reasoned Opinion with regard to the Mandatory Tender Offer of Hellenic Healthcare Single-Member Holdings SA (hereinafter "the Offeror") to the Company's shareholders (hereinafter "the Tender Offer"), pursuant to Article 15 of Law 3461/2006. The Reasoned Opinion was accompanied by a detailed report by EUROXX Securities SA, acting as financial advisor for the Company, pursuant to Article 15(2) of the same law (hereinafter "the Advisor"). The Offeror notified in writing the Hellenic Capital Market Commission and the Company of the submission of the Tender Offer on 12/11/2018 (the "Tender Offer Date"), submitting at the same time a draft of the Information Memorandum to the Capital Market Commission and the Company's Board of Directors. The Information Memorandum for the Tender Offer was approved by the Hellenic Capital Market Commission on 20/12/2018 and was published on 27/12/2018.

On July 10, 2018, DTCA HYGEIA SA (the Company) announced that on 06/07/2018 a Share Purchase Agreement (SPA) was signed with company American Hospital ShA (the Buyer), registered in Tirana, Albania, for the sale of the Company's total stake (100%) in its subsidiary HYGEIA Hospital Tirana (HHT). On August 23, 2018, HYGEIA, in continuation of its announcement on 10/07/2018, informed the investment community on the conclusion of the sale of the Company's total stake (100%) in its subsidiary HYGEIA Hospital Tirana to company American Hospital ShA. The cash consideration for the transaction stood at €1.016m and was calculated on a cash free-debt free (CFDF) basis at the time the transaction was concluded. The Buyer assumed liabilities amounting to €29.5m in total (including the long-term borrowings of HHT, amounting to approximately €19m, as well as liabilities to HYGEIA Group companies, amounting to approximately €2.5m).

On July 11, 2018, it was announced that HYGEIA Group had started using the IBM Watson for Oncology (WFO) platform. The WFO platform installed at HYGEIA Hospital ensures the latest, direct, reliable and individualized treatment options for cancer patients, following the Hospital's strategic partnership with international tech company IBM. Its cutting-edge technology uses artificial intelligence and contributes to offering well-rounded cancer treatment options to doctors, by drawing documented information relating to oncology and related specialties from the WFO system.

On July 26, 2018 and August 31, 2018, subsidiaries MITERA and Y-LOGIMED respectively received the final audit documents on the tax audit for the 2012 fiscal year. Additional taxes and surcharges did not arise for subsidiary MITERA, whereas additional taxes and surcharges to the amount of €7.6 thousand arose for subsidiary Y-LOGIMED. These were offset in full by the Company's formed tax provision for unaudited fiscal years.

On December 10, 2018, Diagnostic and Therapeutic Center of Athens HYGEIA SA announced that Mr Georgios Efstratiadis, Vice-Chairman/Non-Executive Member of the Board of Directors, and Mr Fotios Karatzenis, Non-Executive Member of the Board of Directors, submitted their resignation to the Company's Board of Directors.

On December 19, 2018, Diagnostic and Therapeutic Center of Athens HYGEIA SA announced that the Board of Directors had been reconstituted into an 11-member Board and new Board members would be appointed to replace the ones who had resigned.

On December 31, 2018, HYGEIA announced that the Board of Directors had been reconstituted into a 13-member Board and new Board members were appointed to replace the ones who have resigned. Subsequently, the new Board of Directors was as follows:

1	Athanasios Papanikolaou	Chairman/Non-Executive Member
2	Georgios Politis	Vice-Chairman/Non-Executive Member
3	Andreas Kartapanis	CEO/Executive Member
4	Dimitrios-Eleftherios Mantzavinos	Executive Member
5	Konstantina Psoni	Executive Member
6	Dimitrios Syrmas	Non-Executive Member
7	Sergios Stampoulous	Non-Executive Member
8	Panagiotis Throuvalas	Non-Executive Member
9	Spyridon Kalakonas	Non-Executive Member
10	Efstratios Pattakos	Non-Executive Member
11	Georgios Zacharopoulos	Non-Executive Member
12	Athanasios Christopoulos	Independent/Non-Executive Member
13	Nikolaos Damaskopoulos	Independent/Non-Executive Member

Furthermore, the Board of Directors appointed a new member to the Audit Committee, Mr D. Syrmas, replacing Mr G. Efstratiadis who resigned his post. The new Committee consisted of:

Athanasios Christopoulos, Chairman
Dimitrios Syrmas, Member
Nikolaos Damaskopoulos, Member

2. Significant Events after the End of the Fiscal Year

On February 11, 2019, in accordance with Article 23 of Law 3461/2006, Greek société anonyme trading as "Hellenic Healthcare Single-Member Holdings SA" announced the results of the mandatory tender offer submitted by the Offeror on November 12, 2018 for the acquisition of all the common registered dematerialized shares with voting rights of the société anonyme trading as "Diagnostic and Therapeutic Center of Athens HYGEIA SA".

On March 15, 2019, Greek société anonyme trading as "Hellenic Healthcare Single-Member Holdings SA" announced that the Board of Directors of the Hellenic Capital Market Commission approved the request submitted by the Offeror on 15/02/2019, in line with Article 27 of Law 3461/2006 for exercising its takeover right (squeeze-out) for the remaining common registered shares owned by the société anonyme trading as "Diagnostic and Therapeutic Center of Athens HYGEIA SA", with a nominal value of €0.41 each, which the Offeror had not acquired through the mandatory tender offer it had submitted on 12/11/2018, pursuant to the law.

The date the shares stopped being traded on the Athens Exchange was 02/04/2019. The procedure and timeline for the Takeover Right are specified in Decision 1/644.

On February 18, 2019, Hellenic Healthcare Group ("HHG") entities signed a new strategic agreement with Ethniki Asfalistiki for all insured policyholders within the Group hospitals. Following the recent buyouts, the Hellenic Healthcare Group network now includes Metropolitan Hospital, HYGEIA Hospital, MITERA Hospital, Metropolitan General and LETO Hospital. HHG's Hospitals are currently able to offer the latest and most advanced medical services in general medicine, pediatrics and obstetrics/gynecology.

On February 25, 2019, driven by its need to address the growing demands of its patients and to keep pace with the advancements in medicine, HYGEIA Hospital established the "my hygeia" online Personal Health Record (PHR) for patients.

On April 9, 2019, HYGEIA announced the conclusion of the registration of company Hellenic Healthcare Single-Member Holdings SA in the Dematerialized Securities System, as the new owner of the Company's 8,566,007 common registered shares, following the takeover right exercised pursuant to Decision no 2/840/15.03.2019 of the Hellenic Capital Market Commission Board of Directors. As a result, Hellenic Healthcare currently owns 305,732,436 of the Company's common registered shares, which represent 100% of the Company's paid-up share capital and voting rights.

On April 15, 2019, upon concluding exercising its takeover right (squeeze-out) for the Company shares on 08/04/2019, Hellenic Healthcare Single-Member Holdings SA, as the sole shareholder, convened an Extraordinary General Meeting at the Company offices, with the only item on the agenda being to approve submitting an application to the Hellenic Capital Market Commission for delisting the Company shares from the Athens Exchange.

In a unanimous decision of 100% of the represented paid-up share capital of the Company, the General Meeting approved of the Company submitting an application to the Hellenic Capital Market Commission for removing all the common registered intangible shares of the Company, with voting rights, i.e. 305,732,436 shares with a nominal value of €0.41 each, from the Athens Exchange, in accordance with Article 17(5) of Law 3371/2005, as in force.

On April 16, 2019, HYGEIA SA submitted an application to the Hellenic Capital Market Commission requesting the delisting of all its common registered dematerialized shares, with voting rights, i.e. 305,732,436 shares with a nominal value of €0.41 each, from the Athens Exchange, in accordance with Article 17(5) of Law 3371/2005.

(C) MAIN RISKS AND UNCERTAINTIES

The prospects of the Greek economy appear positive as the benefits from all the structural changes that have taken place in the country during the last years are beginning to emerge. These changes must continue so that a long-term positive impact on the potential growth rate is achieved.

At the same time, wide reforms in the business landscape are beginning to gain momentum, with company mergers and acquisitions across various sectors. Note that lately the focus on the healthcare sector seems to accelerate, as new business agreements are maturing.

A key point for the healthcare sector, where the Group is active, 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 accumulated amounts due to private healthcare providers.

The Management's priorities in dealing with the crisis 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 among the Group, so that it may further strengthen its financial position.

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.

The Group has been assessing the situation and continues to operate driven by the long-term interests of the company's stakeholders and adapts the core of its strategy, 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 top-quality healthcare services, with a deep sense of respect for people, the society and the environment.

1. Risk from Competition

The citizens' shift towards public healthcare services due to the adverse economic conditions has made competition among businesses in the private healthcare sector fiercer, as their total market share has been limited.

The large Groups within the sector have solidified their position and offer a wide range of medical services. 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-level services, in accordance with the unique international standards HYGEIA Group has been certified with 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.

2. Dependence on Contracts with Insurance Companies

HYGEIA SA 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, AGROTIKI INSURANCE, INTERAMERICAN, GENERALI, GROUPAMA, AXA etc.

Furthermore, the Company holds a contract with MedNet Hellas SA, an insurance agent that manages hospitalization insurance plans for insurance companies in Greece.

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 Group transactions and balances are in euro, 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. The Group Management is continuously monitoring any exchange rate risks that may arise and assesses the need to adopt relevant measures.

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 31/12/2018, 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% (2017: +/-1%).

	GROUP				**COMPANY**			
	Sensitivity factor		Sensitivity factor		Sensitivity factor		Sensitivity factor	
	1%	-1%	1%	-1%	1%	-1%	1%	-1%
Amounts in € '000	**31/12/2018**		**31/12/2017**		**31/12/2018**		**31/12/2017**	
Profit for the financial year (after tax)	(1,258)	1,258	(1,348)	1,348	(827)	827	(901)	901
Equity	(1,258)	1,258	(1,348)	1,348	(827)	827	(901)	901

5. Liquidity Risk

The private healthcare market was impacted significantly by the financial crisis, since it is directly dependent on the precarious progress of social security funds and the buying power of households. The decision for implementation of automatic rebate and claw-back mechanisms further burdened the sector, with businesses finding themselves unprepared to deal with the situation. Meanwhile, the delays in collecting the amounts in arrears owed by the Greek state, combined with the limited credit policy on the part of banks, has created significant liquidity problems for businesses.

The monitoring of liquidity risk 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.

In addition, the 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. In this context, it holds significant bargaining power compared to its competitors, mainly due to the large volume of orders it places and its established position in the market.

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 31/12/2018, the maturities of financial liabilities for the Group were as follows:

	GROUP 31/12/2018			
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	2,133	6,094	105,192	0
Liabilities relating to operating lease agreements	829	828	2,597	0
Trade payables	53,002	229	0	0
Other short-term liabilities	15,521	1,893	595	0
Sort-term borrowing	0	2,283	0	0
Total	**71,485**	**11,327**	**108,384**	**0**

The respective maturities of financial liabilities on 31/12/2017 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**

On 31/12/2018, the maturities of financial liabilities for the Company were as follows:

	COMPANY 31/12/2018			
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	1,467	4,137	69,699	0
Liabilities relating to operating lease agreements	637	654	1,781	0
Trade payables	15,915	155	0	0
Other short-term liabilities	7,643	1,891	215	0
Total	**25,662**	**6,837**	**71,695**	**0**

The respective maturities of financial liabilities on 31/12/2017 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
Total	**27,150**	**8,754**	**78,031**	**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.

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 date the financial statements are prepared and a relevant impairment provision is formed for any loss that may possibly arise from these receivables.

The Group applies the simplified IFRS 9 approach to calculate the expected credit losses, whereby the loss provision is always measured as an amount equal to the lifetime expected credit losses for trade 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 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. Suitable provisions have been recognized for losses arising from impairment of receivables due to specific credit risks and extraordinary events.

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	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Cash and cash equivalents	9,861	11,108	6,432	4,755
Trade and other receivables	68,396	64,381	52,351	46,570
Total	**78,257**	**75,489**	**58,783**	**51,325**

The maturities of financial receivables for the Group and the Company on 31/12/2018 and 31/12/2017 were as follows:

Amounts in € '000	GROUP		COMPANY	
Financial assets past due but not impaired	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Not more than 3 months	6,674	5,700	6,909	5,742
More than 3 months but not more than 6 months	6,819	6,954	6,345	5,844
More than 6 months but not more than 1 year	7,262	7,170	6,291	6,244
More than 1 year	11,499	9,008	6,478	3,970
Total	**32,254**	**28,832**	**26,023**	**21,800**

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 2018 and 2017 fiscal years was as follows:

	GROUP		COMPANY	
Amounts in € '000	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Total equity	138,204	120,853	142,955	129,305
Less: Cash and cash equivalents	(9,861)	(11,108)	(6,432)	(4,755)
Capital	**128,343**	**109,745**	**136,523**	**124,550**
Total equity	138,204	120,853	142,955	129,305
Plus: Loans	119,956	131,592	78,375	87,100
Total capital	**258,160**	**252,445**	**221,330**	**216,405**
Capital to Total capital	0.50	0.43	0.62	0.58

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 Article 25 of Law 4549/2018 (GG 105/A/14.06.2018), the claw-back mechanism of Article 11 of Law 4052/2012 (GG 41/A), of the delegated Ministerial Decision No. Γ5/63587/2015 (GG 1803/B) and Article 100 of Law 4172/2013 (GG 167/A), as amended and in force, is extended to the years 2019-2022, whereby 2018 is the initial basis of calculation for the first application, while the basis of calculation for any subsequent years will be the respective previous year. The permitted expenditure limits are adjusted for the years 2019-2022 exclusively based on the forecasted annual change of the real GDP at fixed prices, as reflected in the annual budget. The distribution of the limits among the three expenditure subcategories will be depicted in the recommendation report of the annual Greek budget. For the first implementation and as regards the year 2019, the distribution of the limits for the EOPYY pharmaceutical expenditure, hospital medication expenditure and expenditure for healthcare services provided by EOPYY shall be determined by ministerial decision.

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 of 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 (GG 2746/B/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 clinics of the rebate and claw-back amounts corresponding to the 2013, 2014, 2015, 2016 and 2017 fiscal years, which amount to €101.56m in total, 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 28/05/2017, 18/11/2014, 22/05/2015, 02/07/2015, 09/12/2015, 11/02/2016, 06/04/2016, 20/03/2017, 20/06/2017, 23/08/2017, 08/03/2018, 21/05/2018 and 21/06/2018, 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 and 2015 fiscal years, the 2nd half of 2016 and the 2017 fiscal year. To date, with the exclusion of the 2013, 2016 and 2017 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 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 01/01/2013-31/12/2017, 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/141/03.08.2016), 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 21/21.02.2016), 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 & 2017 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.

Moreover, 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.

Decision 194/448/08.02.2018 by the EOPYY Board of Directors unanimously approved the methodology to be used to calculate the 2017 claw-back amounts for the cases of providers whereby their submitted expenditure includes expenditures arising from more than one subcategory of healthcare services offered. Specifically, for these cases the rebate and cutback amounts for each provider, as determined by Ministerial Decision Γ3γ/Γ.Π.58976 and Joint Ministerial Decision Β2β/ref.38642, respectively, are divided in each subcategory of healthcare services in Γ3γ/37400, as amended and in effect (GG 26/15.01.2018), according to the percentage of the subcategory expenditure on the initially submitted expenditure of each provider.

On November 1, 2018, a new Greek Ministry of Health decision was published in the Government Gazette (GG 4898/B.01.11.2018) on the new Single Regulation for Health Services by the National Organization for Healthcare (EOPYY), amending and replacing joint ministerial decision with ref. no. ΕΑΛΕ/Γ.Π. 46846/19.06.2018 (B 2315). This Regulation redefines the healthcare services in terms of type, extent, amount, manner and process of receiving them. It also specifies the beneficiaries of said services, as well as the compensation process for relevant expenses. The decision took effect as of November 1, 2018.

On March 9, 2019, Law 4600/2019 on Updating and Reforming the Institutional Framework for Private Hospitals, Establishing a National Public Health Organization, Establishing a National Institute for Cancer and other provisions was published in the Government Gazette (GG 43).

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

2019 was a pivotal year for the ongoing growth of the economy, following the macroeconomic improvement in 2018, which was accompanied by the successful completion of the Third Programme. However, the increased volatility worldwide, coupled with the idiosyncrasies of the Greek business environment, have not yet led to the desired shift in the productive model and have not boosted international competition. Another significant factor for ensuring economic growth is streamlining the country's financing from international markets.

A key point for the healthcare sector, where the Group is active, 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's priorities in dealing with the crisis 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 among 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 selecting and at the same time executing/implementing suitable actions to limit risks.

Through monitoring the developments and using the experience of its successful management of 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 24/04/2019.

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 €19.3m, compared to €16.7m for the 2017 fiscal year.
- HYGEIA SA sales for provision of services, mainly relating to the performance of lab tests for subsidiary MITERA SA, amounting to €2.3m, compared to €2.2m in the 2017 fiscal year.

MIG was a related party to the Company up until November 9, 2018, the day when the HYGEIA Group shares were transferred to Hellenic Healthcare Single-Member SA, controlled by CVC Capital Partners. As a result, CVC Group 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	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Short-term benefits to managers and executives*	5,458	3,957	3,525	2,190
Post-employment benefits	690	302	400	214
Benefits of discontinued operations	228	468	0	0
Total	**6,376**	**4,727**	**3,925**	**2,404**

*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 2018 fiscal year due to accumulated losses.

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

Pursuant to Law 3556/2007 (Government Gazette 91/A/30.04.2007) "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.

The Company amended its Articles of Incorporation, in accordance with the provisions of Law 4548/2018 on reforming the law for sociétés anonymes (GG 104/A/13.06.2018), as amended and in force.

1. Company Share Capital Structure

On December 31, 2018, the 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) 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.

On 31/12/2018, the Company shares were still listed in the Athens Exchange and the acceptance period for the Mandatory Tender Offer submitted on 12/11/2018 by Hellenic Healthcare SA was underway. The Offer was submitted on November 9, 2018, in accordance with the provisions of Law 3461/2006, for the acquisition of the shares it did not own, directly or indirectly, i.e. 90,542,970 shares that represented 29.62% of the total paid-up share capital and voting rights of the Company, whose Information Memorandum was approved by the Hellenic Capital Market Commission on 20/12/2018 and was published on 27/12/2018. On April 8, 2019, HYGEIA announced the conclusion of the registration of company Hellenic Healthcare Single-Member Holdings SA in the Dematerialized Securities System, as the new owner of the Company's 8,566,007 common registered shares, following the takeover right exercised pursuant to Decision no 2/840/15.03.2019 of the Hellenic Capital Market Commission Board of Directors. As a result, on 08/04/2019, Hellenic Healthcare directly owned 305,732,436 of the Company's common registered shares, which represent 100% of the Company's paid-up share capital and voting rights. On April 15, 2019, upon concluding exercising its takeover right (squeeze-out) for the Company shares on 08/04/2019, Hellenic Healthcare SA, as the sole shareholder, convened an Extraordinary General Meeting at the Company offices, with the only item on the agenda being to approve submitting an application to the Hellenic Capital Market Commission for approving the delisting of the Company shares from the Athens Exchange. In a unanimous decision of 100% of the represented paid-up share capital of the Company, the General Meeting approved of the Company submitting an application to the Hellenic Capital Market Commission for delisting all the common registered shares.

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, as in force on 31/12/2018. 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:

Shareholding Structure on 31/12/2018

Shareholder Name	Shares	SHARE CAPITAL %
HELLENIC HEALTHCARE SA	287,082,439	93.90%
Shareholders holding < 5%	18,649,997	6.10%
TOTAL	**305,732,436**	**100.00%**

Current Shareholding Structure

Shareholder Name	Shares	SHARE CAPITAL %
HELLENIC HEALTHCARE SA	305,732,436	100%
TOTAL	**305,732,436**	**100%**

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

According to the business plan, as outlined in the approved Tender Offer Information Memorandum issued by Hellenic Healthcare SA, the latter is willing to continue the HYGEIA Group operations without any essential changes, aspiring to expand and update its services and activities, by implementing the core directions of the Company's business plan for HYGEIA Group.

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 a Corporate Governance Code; in preparing the Code, HYGEIA took into account the Hellenic Corporate Governance Code for Listed Companies, drawn up by the Hellenic Corporate Governance Council (HCGC), along with the generally accepted Corporate Governance best practices 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. Annual evaluation of the Board of Directors.

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 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 internal control 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 planning;
- 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 Company's financial statements, financials, 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 the 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 Politis	Vice-Chairman/Non-Executive Member
3	Andreas Kartapanis	CEO/Executive Member
4	Dimitrios-Eleftherios Mantzavinos	Executive Member
5	Konstantina Psoni	Executive Member
6	Dimitrios Syrmas	Non-Executive Member
7	Sergios Stampoulous	Non-Executive Member
8	Panagiotis Throuvalas	Non-Executive Member
9	Spyridon Kalakonas	Non-Executive Member
10	Efstratios Pattakos	Non-Executive Member
11	Georgios Zacharopoulos	Non-Executive Member
12	Athanasios Christopoulos	Independent/Non-Executive Member
13	Nikolaos Damaskopoulos	Independent/Non-Executive Member

The current 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 2018 fiscal year, the Board of Directors convened 10 times and issued additional decisions by drafting 20 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 closing fiscal year (2018), remunerations were paid to the Board members, based on the Board of Directors Decision issued on 31/05/2017, as approved by the deferred Annual General Meeting of Company Shareholders on 02/08/2018.

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:

Athanasios Christopoulos	Chairman
Dimitrios Syrmas	Member
Nikolaos Damaskopoulos	Member

Note that the provisions of Law 4449/2017 do not specify a special procedure for replacing an Audit Committee member who resigned or lost their capacity in any way, applying the corresponding provisions of Law 3016/2002. This replacement shall be on the agenda in the upcoming Annual General Meeting of Company Shareholders.
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 competent body, which must also appoint the Chairman of said Committee.

The Committee members' term of office is two years, 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 accordance with the provisions of Law 4548/2018, as amended and in force, at least twenty (20) days prior to the General Meeting, the Company must post on its website, both in Greek and English, information regarding:

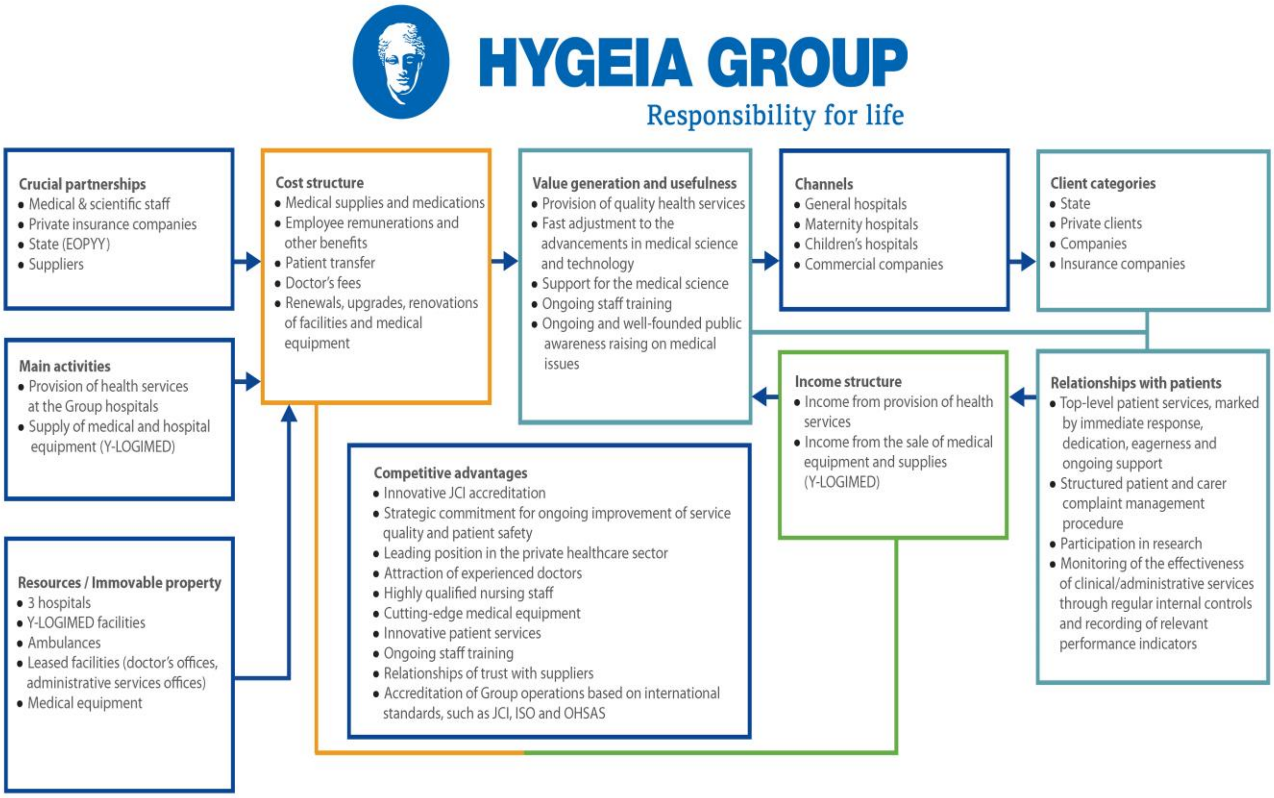
- the date, time and location of the General Meeting of Shareholders.
- the main rules and participation practices, including the right to introduce items to the agenda and submit questions, as well as the deadlines for exercising such rights;
- the voting procedures, the terms of representation by proxy 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

With its vision being to provide quality healthcare services and to maintain its leading position in the healthcare sector globally, the Group aspires to continue developing innovative services, with consistency and a deep sense of responsibility. As reflected in the business model it has adopted, the provision of quality healthcare services is the main source of value for the organization. The business model adopted by HYGEIA Group is outlined below:



** Based on the Business Model Generation by Alexander Osterwalder & Yves Pigneur*

2. Corporate Social Responsibility at HYGEIA Group

The absolute priority of HYGEIA Group is the long-term interests of its stakeholders. Keeping a close watch on the financial environment of the country, it focuses 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. The Group's strategic priorities are:

Strategic Priorities

- To provide premium quality services & invest in cutting-edge technology
- To assess and manage risks
- To respect the environment and the needs of society
- To safeguard the long-term interests of stakeholders through its transactions

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.

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.

Communication with and Commitment to the Stakeholders

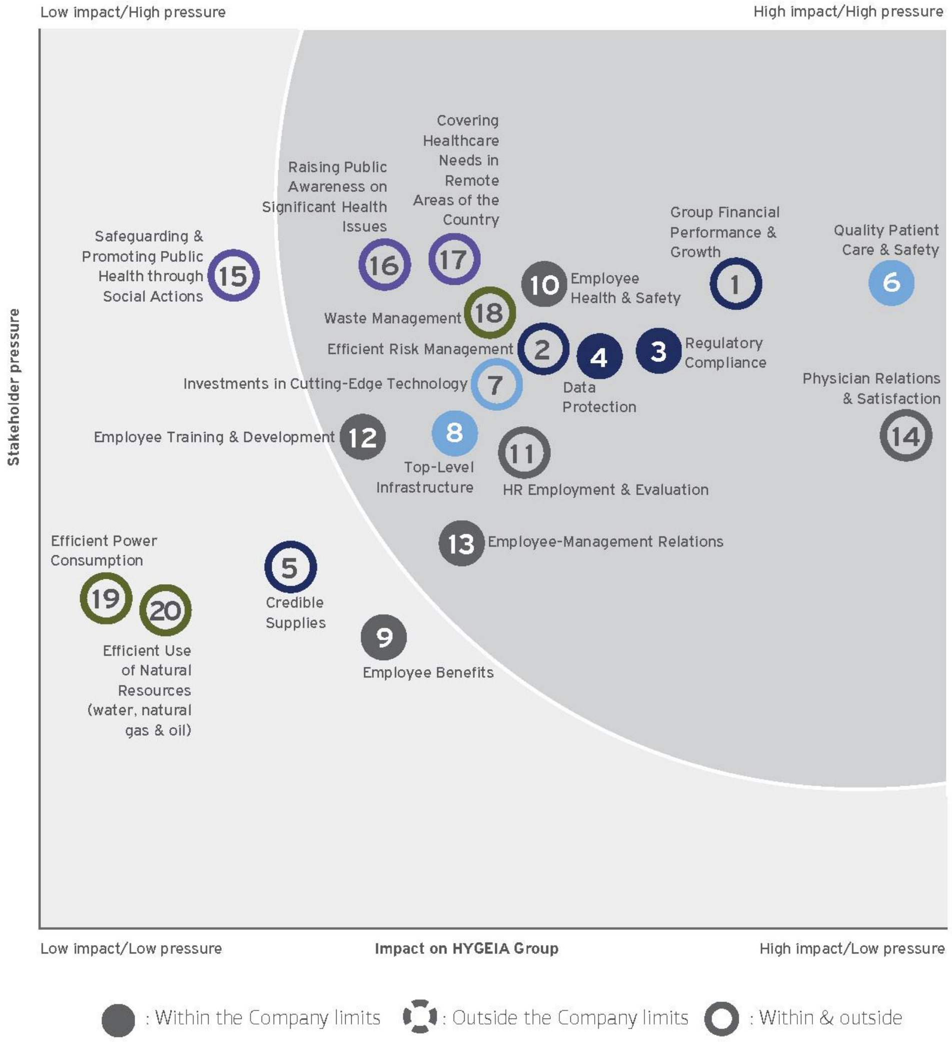
HYGEIA Group has identified as stakeholders the groups of people and organizations that are directly or indirectly affected by its activities, and naturally, all the groups that may affect its operation in any way and at any time. The HYGEIA Group stakeholders are as follows: employees, patients, patient 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 growth 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 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 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.

HYGEIA Group Materiality Map



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

Corporate Governance & Economic Growth

1. Group Financial Performance & Growth
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 Group.
The vertical axis relates to the pressure exerted on the Group 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 operations. Specifically, the following are implemented:

- **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 on Corporate Governance issues are outlined in the **Statement of Corporate Governance**.

Personal Data Protection

At HYGEIA we pledge to safeguard the fundamental rights of citizens and we are held accountable for these to the Hellenic Data Protection Authority. We implement all the fundamental principles regarding the lawfulness of any personal data processing (lawfulness, fairness, transparency, purpose limitation, data minimization, accuracy, storage limitation, integrity and confidentiality, accountability).

We have also informed the citizens who come into contact with the companies of their right to exercise their legal rights (to access, rectify, supplement, erase, restrict, object and receive data). A Data Protection Officer has been appointed by the Group, who continuously reviews the level of protection of the data belonging to anyone coming into contact with the HYGEIA Group companies, and ensures that the Group procedures and structures comply with the requirements of the General Data Protection Regulation (GDPR).

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

HYGEIA Hospital holds the Joint Commission International (JCI) accreditation. It is 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 healthcare experts (doctors, nurses and administrative employees) with international experience to the hospital. These experts perform an on-site evaluation of the hospital services based on the 1,000 plus 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. The hospitals that earn and maintain the JCI accreditation receive 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 2: Questions from the inpatient satisfaction survey								
QUESTIONS	HYGEIA			MITERA			LETO	
	2016	2017	2018	2016	2017	2018	2017	2018
Overall, how would you rate the quality of care you received at our Hospital? – "Excellent and/" or "Very Good"	97.6%	96.8%	97.2%	91.80%	92.0%	90.4%	97.6%	95.7%
Would you recommend our Hospital to your family and friends? – "Yes"	96.7%	96.2%	95.5%	85.6%	86.2%	86.4%	97.3%	96.5%

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

The satisfaction level of our patients remains very high and continues to greatly exceed the target of 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. Specifically:

- ✓ 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 administrative skills each individual has. 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.

Distribution of Human Resources per Rank and Gender*

Ranks	2016		2017		2018**	
	Men	***Women***	***Men***	***Women***	***Men***	***Women***
Directors	21	23	24	27	19	18
Senior Executives (Department Managers)	61	149	65	153	45	132
Scientific Staff	201	169	187	174	157	126
Nursing Staff	243	1,089	254	1,099	200	942
Administrative & Other Staff	378	734	395	741	323	661
TOTAL	**3,068**		**3,119**		**2,623**	
Associate Physicians	***2,142***	***1,774***	***2,101***	***1,809***	***2,076***	***1,846***

**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.*
***There are fewer employees in 2018, as the staff from HYGEIA Hospital Tirana are not included, given that the Group disinvested from Albania within 2018.*

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 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 21,594 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

As part of its commitment to safeguard the safety of patients, visitors, employees and doctors, HYGEIA encourages and supports free and open communication, as well as reporting of any situation that may potentially threaten the safety of patients and employees. Aiming to continuously improve the level of safety of the services offered and the work environment, HYGEIA has adopted a safety culture throughout the hospital.

The components of the Safety Culture

- Clear commitment to safety by top Management, translating into common values, beliefs and rules of conduct across all organizational levels.
- Provision of the necessary resources and incentives, so this commitment may come true.
- Constant and sincere communication between staff across all organizational levels.
- Transparency when reporting possible errors or problems, and alerting all stakeholders to these.
- Improving system efficiency, without attributing responsibility to anyone, as well as addressing safety issues, encourage learning and extracting valuable conclusions.

The following systems are in place to maintain the high level of safety:

i. Reporting of Errors, Adverse Events and Near Misses
ii. Patient Safety Survey

Proof of the Group's commitment to safeguard Workplace Health & Safety is the decision of HYGEIA Hospital to implement and maintain an Occupational Health and Safety Management System, certified to OHSAS 18001.

Each Group hospital implements programs, introduces measures and carries out actions relating to health and safety, as follows:

Programs

- Laboratory Safety Program
- Annual Vaccination Program
- Radiation Protection Program
- Safety Tour Program
- Accident Response Plan (e.g. exposure to blood or biological factors, exposure to chemical substances, etc.)
- Preparation of the Occupational Risk Assessment Study (ORAS)

Actions

- Medical Check-ups Upon Recruitment
- New Recruit Orientation on Occupational Health and Safety
- Staff Dosimetry & Annual Medical Observation

Protection from Infections

The Group hospitals adopt strict procedures and follow continuous training to ensure that the patients and employees are protected from hospital and other infections. A specific infection prevention and control program is addressed to and implemented in all the hospital departments by all the healthcare professionals and other staff who are in any way involved in patient care.

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

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. Expenses for proper management of hazardous and non-hazardous waste for the years 2016-2018 are depicted below:

Expenses from proper waste management (in euro)		
2016	**2017**	**2018***
1,558,491	1,585,961	1,123,843

**The total amounts for 2018 are lower, as the relevant amounts for HYGEIA Hospital Tirana are not included.*

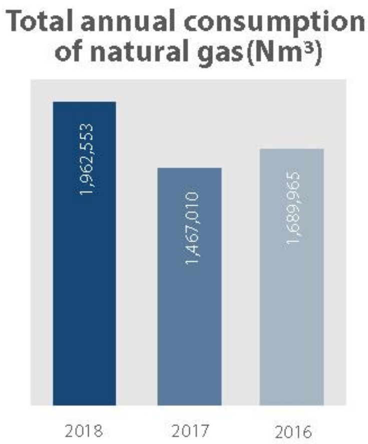
The quantities arising from the sterilization and incineration processes are forwarded to sanitary landfills by licensed companies, in line with the legislation.

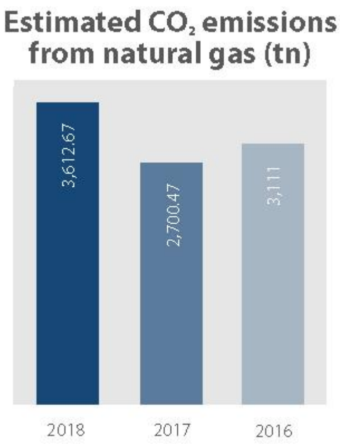
Water Consumption
Water consumption at the HYGEIA Group facilities mainly pertains to the use of urban water. Despite this, the Group records and monitors water consumption, and is on alert to intervene in case of leakage or overconsumption of this valuable natural resource.

WATER CONSUMPTION 2018	HYGEIA	MITERA	LETO	Y-LOGIMED
Water consumption from water supply networks (m^3)	79,567	61,770	16,655	560
Water consumption from water supply networks (lt per bed-day)	1,132	713	1,357	

To ensure continuous water supply, HYGEIA and MITERA 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, direct 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 direct emissions are low.





Environmental Legislation
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 2018.

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.

The social actions of HYGEIA Group are based on four main axes, though which it sets goals and strategic priorities. These blocks include:

- **Promoting Public Health – Traveling for Health Initiative**

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 9,800 residents have been examined and some 38,000 medical and diagnostic tests have been performed.

On June 30 and July 1, 2018, HYGEIA Group traveled to the remote island of **Symi** to provide free-of-charge medical services to the local residents, as part of the 9th volunteer campaign of the Traveling for Health initiative.

Around 2,100 tests were performed on 581 residents by volunteers from the HYGEIA Group companies, who also made two house calls. The team was made up of 28 physicians with 16 specialties, as well as another 32 volunteers, including nursing, technical and administrative staff from various HYGEIA Group companies.

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 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 2018 Corporate Responsibility Report, which is prepared based on the international GRI Standards (see www.hygeia.gr)

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

Athanasios Papanikolaou

Board of Directors Chairman/Non-Executive Member

D. Annual Financial Statements

ANNUAL CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED ON DECEMBER 31ST, 2018

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 24/04/2019, 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 8/754/14.4.2017 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, 2018 (Consolidated and Separate)

Amounts in € '000		GROUP		COMPANY	
	Note	31/12/2018	31/12/2017	31/12/2018	31/12/2017
ASSETS					
Non-Current Assets					
Tangible assets	12.1	133,038	133,384	68,216	68,833
Goodwill	12.2	82,706	82,706	0	0
Intangible assets	12.3	63,324	65,420	1,719	1,255
Investments in subsidiaries	12.4	0	0	123,897	124,536
Investment in properties	12.5	143	146	143	146
Other non current assets	12.6	2,834	1,100	832	678
Deferred tax asset	12.7	8,277	11,028	4,624	6,613
Total		**290,322**	**293,784**	**199,431**	**202,061**
Current Assets					
Inventories	12.8	5,155	5,111	1,488	1,400
Trade and other receivables	12.9	68,396	64,381	52,351	46,570
Other current assets	12.10	6,656	9,814	3,678	5,805
Financial assets measured at fair value through P&L	12.11	45	45	0	0
Cash and cash equivalents	12.12	9,861	11,108	6,432	4,755
Total		**90,113**	**90,459**	**63,949**	**58,530**
Assets held for sale	11	0	27,359	0	0
Total Assets		**380,435**	**411,602**	**263,380**	**260,591**
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	7,828	5,134	5,134
Retained earnings		(298,249)	(315,594)	(290,641)	(304,291)
Equity attributable to parent's shareholders		**138,041**	**120,696**	**142,955**	**129,305**
Non-controlling interests		163	157		
Total Equity		**138,204**	**120,853**	**142,955**	**129,305**
Non-current liabilities					
Deferred tax liability	12.7	26,280	32,187	4,631	5,852
Accrued pension and retirement obligations	12.15	16,380	15,642	9,657	9,360
Government grants	12.16	70	105	0	0
Long-term borrowings	12.17	107,789	116,692	71,480	77,816
Non-Current Provisions	12.18	8,305	10,137	1,943	2,139
Other long-term liabilities	12.19	595	523	215	215
Total		**159,419**	**175,286**	**87,926**	**95,382**
Current Liabilities					
Trade and other payables	12.20	53,231	53,101	16,070	14,819
Tax payable	12.21	22	307	0	297
Short-term debt	12.17	12,167	14,900	6,895	9,284
Other current liabilities	12.22	17,392	19,796	9,534	11,504
Total		**82,812**	**88,104**	**32,499**	**35,904**
Liabilities related to Assets held for sale	11	0	27,359	0	0
Total liabilities		**242,231**	**290,749**	**120,425**	**131,286**
Total Equity and Liabilities		**380,435**	**411,602**	**263,380**	**260,591**

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

2. Comprehensive Income Statement for the 2018 Fiscal Year (Consolidated and Separate)

	Note	GROUP 1/1-31/12/2018	GROUP 1/1-31/12/2017	COMPANY 1/1-31/12/2018	COMPANY 1/1-31/12/2017
Continuing operations					
Sales	12.24	217,388	205,972	132,345	125,223
Cost of sales	12.25	(175,989)	(169,796)	(104,019)	(98,562)
Gross profit		**41,399**	**36,176**	**28,326**	**26,661**
Administrative expenses	12.25	(15,711)	(15,562)	(5,602)	(5,515)
Distribution expenses	12.25	(5,643)	(5,320)	(2,014)	(1,814)
Other income	12.26	4,389	4,871	813	1,386
Other expenses	12.26	(1,167)	(1,140)	(753)	(435)
Operating profit		**23,267**	**19,025**	**20,770**	**20,283**
Impairment loss of assets		0	0	0	0
Other financial results	12.28	(524)	(26)	(1,802)	(23,454)
Finance costs	12.27	(6,345)	(9,477)	(4,077)	(6,051)
Financial income	12.27	101	35	8	26
Income from dividends		0	0	14	0
Profit before income tax		**16,499**	**9,557**	**14,913**	**(9,196)**
Income tax	12.29	3,069	69	(767)	(422)
Profit for the period from continuing operations		**19,568**	**9,626**	**14,146**	**(9,618)**
Discontinued operations					
Net profit from discontinued operations	11	(665)	(11,322)	0	0
Net profit for the period		**18,903**	**(1,696)**	**14,146**	**(9,618)**
Attributable to:					
Owners of the parent		19,552	9,656		
Non-controlling interests		16	(30)		
Results from discontinued operations Attributable to:					
Owners of the parent		(665)	(11,322)		
Non-controlling interests		0	0		

Statement of Comprehensive Income

	Note	GROUP 1/1-31/12/2018	GROUP 1/1-31/12/2017	COMPANY 1/1-31/12/2018	COMPANY 1/1-31/12/2017
Net profit for the period		**18,903**	**(1,696)**	**14,146**	**(9,618)**
Other comprehensive income:					
Amounts not reclassified in the Income Statement					
Reevaluation of accrued pension liability		(234)	(29)	3	0
Deferred tax on reevaluation of accrued pension liability		68	8	(1)	0
Share capital increase expenses		0	0	0	(23)
Deferred tax		0			7
		(166)	**(21)**	**2**	**(16)**
Amounts that may be reclassified in the Income Statement					
Exchange differences on translating foreign operations		0	149	0	0
Exchange gain /(loss) on disposal of foreign operations recognized to profit or loss		0	2,368	0	0
		0	**2,517**	**0**	**0**
Other comprehensive income for the period after tax		**(166)**	**2,496**	**2**	**(16)**
Total comprehensive income for the period after tax		**18,737**	**800**	**14,148**	**(9,634)**
Attributable to:					
Owners of the parent		18,721	830		
Non-controlling interests		16	(30)		
Earnings per share					
Basic earnings per share from continuing operations		0.0640	0.0316	0.0463	(0.0315)
Basic earnings per share from discontinued operations		(0.0022)	(0.0370)	0.0000	0.0000
Basic earnings per share	12.30	**0.0618**	**(0.0055)**	**0.0463**	**(0.0315)**

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

3. Changes in Equity Statement for the 2018 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 1/1/2017	**305,732,436**	**125,350**	**303,112**	**5,311**	**(314,382)**	**119,391**	**1,312**	**120,703**
Increase/(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:								
Available-for-sale financial assets								
Exchange differences on translation of foreign operations		0	0	149	0	149	0	149
Exchange gain/(loss) on disposal of foreign operations recognized 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)
Deferred tax on reevaluation of accrued pension liability		0	0	0	8	8	0	8
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**	**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**
Balance as of 1/1/2018	**305,732,436**	**125,350**	**303,112**	**7,828**	**(315,594)**	**120,696**	**157**	**120,853**
Impact from application of IFRS 9		0	0	0	(1,376)	(1,376)	(4)	(1,380)
Modified balance as of 1/1/2018		**125,350**	**303,112**	**7,828**	**(316,970)**	**119,320**	**153**	**119,473**
Dividends to non controlling interests		0	0	0	0	0	(6)	(6)
Transactions with owners	**0**	**0**	**0**	**0**	**0**	**0**	**(6)**	**(6)**
Profit for the period		**0**	**0**	**0**	**18,887**	**18,887**	**16**	**18,903**
Other comprehensive income:								
Reevaluation of accrued pension liability		0	0	0	(234)	(234)	0	(234)
Deferred tax on reevaluation of accrued pension liability		0	0	0	68	68	0	68
Other comprehensive income after tax		**0**	**0**	**0**	**(166)**	**(166)**	**0**	**(166)**
Total comprehensive income for the period after tax		**0**	**0**	**0**	**18,721**	**18,721**	**16**	**18,737**
Balance as of 31/12/2018	**305,732,436**	**125,350**	**303,112**	**7,828**	**(298,249)**	**138,041**	**163**	**138,204**

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 1/1/2017	**305,732,436**	**125,350**	**303,112**	**5,134**	**(294,657)**	**138,939**	**138,939**
						0	**0**
Profit for the period		**0**	**0**	**0**	**(9,618)**	**(9,618)**	**(9,618)**
						0	**0**
Other comprehensive income:						**0**	**0**
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**
Balance as of 1/1/2018	**305,732,436**	**125,350**	**303,112**	**5,134**	**(304,291)**	**129,305**	**129,305**
Impact from the application of IFRS 9					**(500)**	**(500)**	**(500)**
Modified balance as of 1/1/2018		**125,350**	**303,112**	**5,134**	**(304,791)**	**128,805**	**128,805**
Transactions with owners	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Profit for the period		**0**	**0**	**0**	**14,146**	**14,146**	**14,146**
Other comprehensive income:							
Reevaluation of accrued pension liability		0	0	0	3	3	3
Deferred tax on reevaluation of accrued pension liability		0	0	0	(1)	(1)	(1)
Deferred tax for actuarial profit/(loss) due to change in the tax rate		0	0	0	0	0	0
Other comprehensive income after tax		**0**	**0**	**0**	**2**	**2**	**2**
Total comprehensive income for the period after tax		**0**	**0**	**0**	**14,149**	**14,149**	**14,149**
Balance as of 31/12/2018	**305,732,436**	**125,350**	**303,112**	**5,134**	**(290,641)**	**142,955**	**142,955**

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

4. Cash Flow Statement for the 2018 Fiscal Year (Consolidated and Separate)

Amounts in € '000	Note	GROUP 31/12/2018	GROUP 31/12/2017	COMPANY 31/12/2018	COMPANY 31/12/2017
Cash flows from operating activities					
Profit (loss) before taxation from continuing operation		**16,499**	**9,557**	**14,913**	**(9,196)**
Profit (loss) before taxation from discontinued operation		**(665)**	**(11,327)**	**0**	**0**
Adjustments for:					
Depreciation		13,237	14,498	7,252	8,598
Changes in pension obligations		2,239	1,209	1,874	863
Provisions		3,696	4,183	2,104	2,500
Impairment losses for loans and other investments		0	0	804	23,449
Unrealized Exchange gains		(16)	(41)	(4)	(1)
Unrealized Exchange losses		36	13	2	6
(Profit) loss on sale of property, plant and equipment		6	4	6	4
Income from reversal of prior year's provisions		(1,219)	(1,247)	0	0
Financial costs of discounting receivables		219	4	49	0
Grants amortization		(35)	(35)	0	0
Profit/Loss from sale part of subsidiaries		0	0	665	0
Non-cash compensation expense		156	246	68	158
Interest and similar income		(94)	(10)	(1)	(2)
Interest similar expenses		6,042	9,170	3,887	5,859
Dividends		0	0	(14)	0
Total Adjustments		**24,267**	**27,994**	**16,692**	**41,434**
Cash flows from operating activities before working capital changes		**40,101**	**26,224**	**31,605**	**32,238**
Changes in Working Capital					
(Increase) / Decrease in inventories		(52)	(85)	(88)	(92)
(Increase)/Decrease in trade receivables		(8,551)	(11,639)	(8,240)	(7,325)
(Increase)/Decrease in other receivables		(900)	(3,589)	1,472	(2,529)
Increase / (Decrease) in liabilities (excluding banks		(4,340)	(4,061)	(2,902)	(3,194)
Operating cash flows from discontinued operations		1,364	12,173	0	0
		(12,479)	***(7,201)***	***(9,758)***	***(13,140)***
Cash flows operating activities		**27,622**	**19,023**	**21,847**	**19,098**
Interest paid		(6,301)	(9,161)	(4,109)	(6,036)
Income tax paid		(315)	(586)	(297)	(581)
Net Cash flows operating activities		**21,006**	**9,276**	**17,441**	**12,481**
Cash flows from investing activities					
Purchase of property, plant and equipment	12.1	(8,878)	(4,948)	(5,737)	(2,850)
Purchase of intangible assets	12.3	(1,973)	(1,214)	(1,401)	(758)
Proceeds from disposal of property, plant and equipment		19	37	5	106
Proceeds from disposal of intangible assets		151	0	151	0
Dividends received		0	0	14	0
Sale of subsidiaries (less cash)		1,022	161	935	0
Interest received		107	7	8	2
Investments in subsidiaries		(650)	0	(1,165)	(1,000)
Investment cash flows from discontinued operations		(167)	(515)	0	0
Net Cash flow from investing activities		**(10,369)**	**(6,472)**	**(7,190)**	**(4,500)**
Cash flow from financing activities					
Proceeds from borrowings		4,399	821	3,417	394
Payments for borrowings		(14,734)	(6,801)	(11,239)	(5,964)
Dividends paid to non-controlling interests		(6)	0	0	0
Payment of finance lease liabilities		(1,011)	(301)	(752)	(159)
Financing activities cash flows from discontinued operations		(447)	(120)	0	0
Net Cash flow financing activities		**(11,799)**	**(6,401)**	**(8,574)**	**(5,729)**
Net (decrease) / increase in cash and cash equivalents		**(1,162)**	**(3,597)**	**1,677**	**2,252**
Cash and cash equivalents at beginning of the period from continuing operations		11,108	14,727	4,755	2,503
Cash and cash equivalents at beginning of the period from discontinued operations		69	127	0	0
Exchange differences in cash and cash equivalents from discontinued operations		(154)	(80)	0	0
Net cash and cash equivalents at the end of the period from continuing operations		**9,861**	**11,108**	**6,432**	**4,755**
Net cash and cash equivalents at the end of the period from discontinued operations		**0**	**69**	**0**	**0**

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

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. The HYGEIA Group administrative services are located on 14 Fleming Street, 15123 Marousi, Greece. The Company website is www.hygeia.gr and on December 31, 2018 its shares were 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 31/12/2018, HYGEIA Group owned a total of 3 private hospitals in Greece, with a total capacity of 874 licensed beds, 43 operating rooms, 14 delivery rooms and 9 ICUs, and employing approximately 2,678 people and over 4,200 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; and LETO Maternity Hospital.

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 top-quality healthcare services through their social insurance funds and insurance companies. Throughout its history, and adhering to the principles of sustainable development, the Group has been endeavoring to combine quality healthcare services, with a deep sense of respect for people, society and the environment.

On July 5, 2018, MARFIN Investment Group Holdings SA signed a binding agreement for the sale of all of its the controlling interest (direct and indirect) in the Company, standing at 70.385%, to Hellenic Healthcare S.A.R.L., which is controlled by CVC Capital Partners, for a consideration of €0.95 per share (Total consideration €204,430 thousand). On August 25, 2018, by decision of the General Meeting of MARFIN Investment Group Holdings SA the sale and transfer were approved, along with all the relevant decisions and actions of its Board of Directors. The transaction was approved by the Competition Commission on September 27, 2018. On November 9, 2018, MIG announced that the transfer of the HYGEIA Group shares to the company controlled by the CVC Capital Partners investment fund had been concluded. On 31/12/2018, HYGEIA SA was a subsidiary of **Hellenic Healthcare Single-Member Holdings SA (HHG)** and has been included in its consolidated financial statements.

On 31/12/2018, HYGEIA SA employed a total of 1,266 people, as opposed to 1,271 on 30/12/2017, while the Group employed a total of 2,678 people, as opposed to 2,656 on 30/12/2017 (568 of whom corresponded to a discontinued operation).

6. Financial Statement Preparation Framework

6.1 Compliance Statement

The consolidated Company Financial Statements for December 31, 2018, which cover the period from January 1 to December 31, 2018, 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 31/12/2018.

The accompanying Financial Statements for December 31, 2018 were approved by the Board of Directors on 24/04/2019 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 31/12/2017, apart from the changes in Standards and Interpretations effective from 01/01/2018. The standards that apply for the Company and which have been adopted as of January 1, 2018, as well as the standards which are mandatory as of January 1, 2018, 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 01/01/2018 or thereafter.

- **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 impact of the application on the Group is described in Note 7.6.

- **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.

The Group applied the new IFRS 15 – Revenue from Contracts with Customers as of January 1, 2018, which had a significant impact on the consolidated Financial Statements. The accounting policy for recognizing revenues in line with IFRS 15 is described in note 7.15 of the attached Financial Statements.

- **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.

- **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. These amendments do not have an impact on the consolidated Financial Statements.

- **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"). These amendments do not have an impact on the consolidated Financial Statements.

- **Annual Improvements to IFRSs 2014-2016 Cycle (applicable to annual accounting periods commencing on or after 01-Jan-18)**

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. These amendments do not have an impact on the consolidated Financial Statements.

- **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. These amendments do not have an impact on the consolidated Financial Statements.

- **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 new interpretation does not have a significant impact on the consolidated Financial Statements.

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 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 1/1/2019.

The Group will apply IFRS 16 as of its mandatory effective date, i.e. January 1, 2019, using the modified retrospective approach. Under this approach, the cumulative effect of initially applying the Standard is recognized as an adjustment to equity at the date of initial application, without restating the comparative figures. On the date of the first implementation, the Group will recognize (i) a lease liability measured at present value arising from discounting the remaining lease payments using the incremental borrowing rate, as it applied on the day of initial implementation, and (ii) the right-of-use asset measured at an amount equal to the corresponding lease liability, adjusted by the amount of any prepaid or accrued lease payments.

For short-term leases and leases of low-value assets, the Group recognizes the lease payments as expenses in the Income Statement on a straight-line basis, in accordance with the exemptions in IFRS 16. Furthermore, the Group will apply the practical aspect of the Standard and will not separate non-lease from lease components, and instead account for both as if they were one lease component.

The Group analyzed the expected impact of IFRS 16 as of January 1, 2019. In short, based on the Management's current estimation, the impact from adopting IFRS 16 will be as follows: The Group estimates that it will recognize right-of-use assets and equal lease liabilities in the consolidated Financial Position Statement to the amount of approximately €3m to €3.3m (Company: to the amount of approximately €1.9m to €2.1m). In the consolidated Income Statement, the depreciations are expected to increase by €1.2m to €1.4m, and the financial expenses are expected to increase by €0.2m to €0.3m. The drop in rent revenues is expected to improve the operating results before financing and investing activities, depreciations and impairments, which shall range between €1.2m and €1.4m. The expected impact will affect contracts already in effect on January 1, 2019.

The real impact from the implementation of IFRS 16 will depend on the Group's discount rate on January 1, 2019, the lease contacts that fall within the scope of the new Standard on that day and the Group's final assessment regarding lease duration, especially with regard to exercising any renewal and termination rights.
The new accounting Standard for leases will not have a significant impact on the Group as a lessor.

- **Amendments to IFRS 9: "Prepayment Features with Negative Compensation" (applicable to annual accounting periods commencing on or after 1/1/2019)**

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, although an impact is not expected. These have been adopted by the EU, effective from 1/1/2019.

- **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, although an impact is not expected. These have been adopted by the EU, effective from 1/1/2019.

- **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 been adopted by the EU, effective from 1/1/2019.

- **Annual Improvements to IFRSs 2015-2017 Cycle (applicable to annual accounting periods commencing on or after 01/01/2019)**

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, although an impact is not expected. These have been adopted by the EU, effective from 1/1/2019.

- **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 been adopted by the EU, effective from 1/1/2019.

- **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.

- **Amendments to IFRS 3: "Definition of a Business" (applicable to annual accounting periods commencing on or after 01/01/2020)**

In October 2018, the IASB issued narrow-scope amendments to IFRS 3, to improve the definition of a business. The amendments will help companies determine whether an acquisition made is of a business or a group of assets. The amended definition emphasizes that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. In addition to amending the wording of the definition, the IASB has provided supplementary guidance. 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.

- **Amendment to IAS 1 and IAS 8: "Definition of Material" (applicable to annual accounting periods commencing on or after 01/01/2020)**

In October 2018, the IASB issued amendments to the definition of material, to make it easier for companies to make materiality judgments. The definition of material helps companies decide whether information should be included in their financial statements. The new definition amends IAS 1 and IAS 8. The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now featured elsewhere in IFRS Standards. 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 IFRS 9.

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 1 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 12.2.2).

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	1-5
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 and derecognition

A financial asset or a financial obligation is recognized in the Financial Position Statement when and only when the Group becomes a party to the contractual provisions of the instrument.

A financial asset is derecognized in the Financial Position Statement when the contractual rights to the cash flows from the financial asset expire or when the Group transfers the financial asset and all the risks and rewards arising from the ownership of that asset.

A financial liability (or part of it) is derecognized in the Financial Position Statement when and only when the contractual obligation is fulfilled, is canceled or expires.

7.6.2 Classification and Measurement of Financial Assets

Apart from those trade receivables which do not include a significant financing component and are measured based on their transaction price according to IFRS 15, the financial assets are initially measured at fair value plus the relevant transaction costs, except for the case of financial assets that are measured at fair value through results.

Financial assets, apart from those constituting formally designated and effective hedging instruments, are classified into the following categories:

α. financial assets at amortized cost,
β. financial assets at fair value through profit and loss,
γ. financial assets at fair value through other comprehensive income.

The classification is determined based on the Group's business model with regard to its financial assets, and the contractual cash flows of said assets.

All income and expenses that are related to the financial assets and recognized in the Income Statement are included in the items "Other financial results", "Financial expenses" and "Financial income", apart from the impairment of trade receivables that is included in the operating results.

7.6.3 Subsequent Measurement of Financial Assets

A financial asset is subsequently measured at fair value through results, at amortized cost or at fair value through other comprehensive income. The classification is based on two criteria:

i. The financial asset business model, i.e. if the objective is to hold the financial asset to collect the contractual cash flows or to collect contractual cash flows as well as to sell financial assets, and
ii. If the contractual cash flows of the financial asset are solely payments of principal and interest on the principal amount outstanding (SPPI criterion).

The category measured at amortized cost includes non-derivative financial assets, such as loans and receivables with fixed or determinable payment, which are not traded in active markets. After initial recognition, they are measured at the amortized cost based on the effective interest rate method. In the cases when the effect of discounting is immaterial, discounting is omitted.

The changes in fair value of the financial assets measured at fair value through other comprehensive income are recognized in the other comprehensive income of the Comprehensive Income Statement and reclassified in the Income Statement when the financial assets are derecognized.

The financial assets measured at fair value through results are measured at fair value and changes in fair value are recognized in the earnings or losses of the Income Statement. The fair value of the assets is determined against transactions in active markets or using valuation methods in the cases where there are no active markets.

7.6.4 Impairment of Financial Assets

The Group and the Company recognize impairment provisions for expected credit losses for all the financial assets, apart from those measured at fair value through results.

The goal of the impairment requirements of IFRS 9 is to recognize the expected credit losses for the full life of a financial instrument with a credit risk that has increased after initial recognition, irrespective of whether the assessment is made collectively or individually, using all the information that can be collected, according to historical and current data, as well as data with regard to reasonable future estimates.

This approach makes a distinction between:

- financial assets with credit risk that has not increased significantly since initial recognition or financial assets that have low credit risk on the reference date (Step 1);
- financial assets with credit risk that has increased significantly since initial recognition and do not have low credit risk on the reference date (Step 2);
- financial assets for which there is objective evidence of impairment on the reference date (Step 3).

For the financial assets included in Step 1 expected credit losses are recognized for a period of twelve months, while for those included in Step 2 or Step 3, expected credit losses are recognized for the full life of the financial asset.

The expected credit losses are based on the difference between the contractual cash flows and the cash flows that the Group or the Company expect to receive. The difference is discounted using an estimate of the initial effective interest rate of the financial asset.

The Group and the Company apply the simplified Standard approach for the assets from contracts, the trade receivables and the lease receivables, calculating the expected credit losses for the full life of these assets. In this case, the expected credit losses constitute the expected contractual cash flow deficiencies, taking into account the possibility of default at any point during the lifespan of the financial instrument. To calculate the expected credit losses, the Group uses a table of provisions, having grouped these financial assets based on the nature and maturing of balances, and taking into account the available historical data with regard to the debtors, adjusted for future factors with regard to the debtors and the financial environment. The effect from the adoption of IFRS 9 on the Group's Equity as at 31/12/2017 amounted to €1,380 thousand. This amount has impaired the Group's Equity as at 01/01/2018 and has increased the provision of doubtful debts from other current assets and trade receivables respectively.

In summary, the effect of the adjustments and reclassifications from the application of IFRS 9 – Financial Instruments on the Group and Company financial figures is outlined in the following table. Lines not been affected by the changes introduced by the new Standard are not included in the table.

Amounts in € '000		**GROUP**			**COMPANY**	
Extract of Financial Position Statement	**31/12/2017**	**IFRS 9 – transitional adjustments**	**01/01/2018 adjusted**	**31/12/2017**	**IFRS 9 – transitional adjustments**	**01/01/2018 adjusted**
Trade & other receivables	64,381	(90)	64,291	46,570	0	46,570
Other current assets	9,814	(1,290)	8,524	5,805	(500)	5,305
Trade portfolio & financial assets at fair value through the Income Statement	45	(45)	0	0		0
Financial assets at fair value through the Income Statement		45	45	0		0
Results carried forward	(315,594)	(1,380)	(316,974)	(304,291)	(500)	(304,791)

7.6.5 Classification and Measurement 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.

7.6.6 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.

7.7 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 within a year from the date the asset or the group of assets was 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
In accordance with Law 2112/20 and Law 4093/2012, the Company pays indemnity to employees in the event of dismissal or retirement. The indemnity amounts paid depend on the years of employment, the salary and how the employee left the Company (dismissal or retirement). Usually employees are entitled to participate in these programs based on their years of employment up to their retirement.

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 2018 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, Contingent Liabilities and Contingent Assets

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

The Group applied the new Standard IFRS 15 – Revenue from Contracts with Customers as of January 1, 2018, without adjusting the comparative information, recognizing the accumulated impact of the initial application to the Equity opening balance on the date of initial application. Therefore, the adjustments arising from the application of the new Standard are not included in the financial position of December 31, 2017, but have been recognized in the financial position of January 1, 2018.

The application of the new Standard did not affect the Group and Company Equity as at 01/01/2018.

For the recognition and measurement of the revenue from contracts with customers, the new Standard establishes a model consisting of the following five steps:

1. Identify the contract(s) with a customer.
2. Identify the performance obligations in the contract.
3. Determine the transaction price.
4. Allocate the transaction price to the performance obligations in the contract.
5. Recognize revenue when (or as) the performance obligations are fulfilled.

The transaction price is the amount that reflects the consideration the Group expects to be entitled to in exchange for goods or services, excluding the amounts collected on behalf of third parties (value added tax, other sales taxes).

The revenues are recognized when the relevant performance obligations are fulfilled, either at a point in time (usually for pledges related to the transfer of goods to a customer) or over time (usually for pledges related to the transfer of services to a customer).

The Group recognizes a contractual obligation for amounts received by customers (prepayments) which relate to performance obligations that have not been fulfilled, as well as when it reserves a right over a consideration which is unconditional (deferred revenue) before the contractual performance obligations are fulfilled and the goods or services are transferred. The contractual obligation is derecognized when the performance obligations are fulfilled and the revenue is recognized in the Income Statement.

The Group recognizes a customer receivable when there is an unconditional right to receive the consideration for the fulfilled contractual performance obligations towards the customer. Correspondingly, the Group recognizes an asset from contracts when it has fulfilled the performance obligations, before the customer pays or the payment becomes due, e.g. when goods or services are transferred to the customer before the Group has the right to issue an invoice.

Income recognition is carried out as follows:

- **Sale of goods –** Income from sale of goods is recognized at the point in time when the buyer takes control of the goods, usually when the goods are delivered. As a result, the adoption of the IFRS 15 has no effect on the recognition of this income apart from the cases when goods are sold in combination with other services, as described below (multiple-asset contracts).
- **Revenue from healthcare services –** The Group offers healthcare 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 is associated with is the National Organization of Healthcare (EOPYY). It should be noted that the Group has entered into agreements with this fund, whereby patients are fully or partly covered (pre-agreed remuneration) with regard to specific surgeries. The Group is affiliated with both domestic and foreign insurance companies. The main Group services include medical and hospitalization fees, as well as medical supplies and medications. Income is calculated based on the approved price lists per affiliated party (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. As a result, the adoption of IFRS 15 has no effect on the recognition of this income.
- **Rent income –** Income from operating leases of investment property owned by the Group is recognized gradually during the lease. The application of IFRS 15 has no effect on the recognition of the income in this category, as it falls within the scope of IAS 17.
- **Interest and dividend 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. Income from dividends is recognized when its collection right has been finalized by the shareholders. The adoption of IFRS 15 for the recognition of interest and dividend income has no effect on the Group's accounting policy.

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.

(c) Sale and leaseback

For sale and leaseback transactions, any positive difference in favor of the amount from the asset sale compared to the book value is not directly recognized as income for the Company and appears in the Financial Statements as income for future fiscal years, which is depreciated depending on the duration of the lease.

If the fair value of the asset at the time of the sale and leaseback transaction is smaller than its book value, the loss arising from the difference between the book value and the fair value is not recognized immediately, unless the asset is impaired, in which case the book value is reduced to the recoverable amount, in line with IAS 36.

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. If it is established that 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 discount 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 in Note 12.2.3 of 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. To check 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 Impairment of 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 discount 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 31/12/2018, 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 Measurement of Expected Credit Losses

The impairment of financial assets is based on assumptions regarding the risk of default and the percentages of expected credit losses. Specifically, the Group Management forms judgments when making these assumptions, as well as when choosing the inflows to calculate impairment, based on historical data, existing market conditions and provisions for future financial figures at the end of the reporting period.

The simplified IFRS 9 approach is used for assets from contracts, trade receivables and lease receivables, calculating the expected credit losses for the full life of these assets, using a table of provisions. This table is based on historical data, but is modified so as to reflect provisions for future economic conditions. Correlation between historical date, future economic condition and expected credit losses requires significant estimations. 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.

The amount of expected credit losses depends greatly on the changes in conditions and the provisions for the future economic condition. Furthermore, historical data and provisions for the future may not lead to typical conclusions of the real amount of default in future trade receivables (see Note 12.9 for further information).

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 Article 25 of Law 4549/2018 (GG 105/A/14.06.2018), the claw-back mechanism of Article 11 of Law 4052/2012 (GG 41/A), of the delegated Ministerial Decision No. Γ5/63587/2015 (GG 1803/B) and Article 100 of Law 4172/2013 (GG 167/A), as amended and in force, is extended to the years 2019-2022, whereby 2018 is the initial basis of calculation for the first application, while the basis of calculation for any subsequent years will be the respective previous year. The permitted expenditure limits are adjusted for the years 2019-2022 exclusively based on the forecasted annual change of the real GDP at fixed prices, as reflected in the annual budget. The distribution of the limits among the three expenditure subcategories will be depicted in the recommendation report of the annual Greek budget. For the first implementation and as regards the year 2019, the distribution of the limits for the EOPYY pharmaceutical expenditure, hospital medication expenditure and expenditure for healthcare services provided by EOPYY shall be determined by ministerial decision, issued within thirty (30) days from the date this document has been issued.

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 of 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 (GG 2746/B/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 clinics of the rebate and claw-back amounts corresponding to the 2013, 2014, 2015, 2016 and 2017 fiscal years, which amount to €101.56m in total, 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 28/05/2017, 18/11/2014, 22/05/2015, 02/07/2015, 09/12/2015, 11/02/2016, 06/04/2016, 20/03/2017, 20/06/2017, 23/08/2017, 08/03/2018, 21/05/2018 and 21/06/2018, 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 and 2015 fiscal years, the 2nd half of 2016 and the 2017 fiscal year. To date, with the exclusion of the 2013, 2016 and 2017 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 5.8 million euros. 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 01/01/2013-31/12/2017, 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/141/03.08.2016), 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 21/21.02.2016), 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 & 2017 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.

Moreover, 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.

Decision 194/448/08.02.2018 by the EOPYY Board of Directors unanimously approved the methodology to be used to calculate the 2017 claw-back amounts for the cases of providers whereby their submitted expenditure includes expenditures arising from more than one subcategory of healthcare services offered. Specifically, for these cases the rebate and cutback amounts for each provider, as determined by Ministerial Decision Γ3γ/Γ.Π.58976 and Joint Ministerial Decision Β2β/ref.38642, respectively, are divided in each subcategory of healthcare services in Γ3γ/37400, as amended and in effect (GG 26/15.01.2018), according to the percentage of the subcategory expenditure on the initially submitted expenditure of each provider.

On November 1, 2018, a new Greek Ministry of Health decision was published in the Government Gazette (GG 4898/B.01.11.2018) on the new Single Regulation for Health Services by the National Organization for Healthcare (EOPYY), amending and replacing joint ministerial decision with ref. no. ΕΑΛΕ/Γ.Π. 46846/19.06.2018 (Β 2315). This Regulation redefines the healthcare services in terms of type, extent, amount, manner and process of receiving them. It also specifies the beneficiaries of said services, as well as the compensation process for relevant expenses. The decision took effect as of November 1, 2018.

On March 9, 2019, Law 4600/2019 on Updating and Reforming the Institutional Framework for Private Hospitals, Establishment of National Public Health Organization, Establishment of National Institute for Cancer and other provisions was published in the Government Gazette (GG 43).

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 Assets and Liabilities

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 31/12/2018. 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.

The Management assesses the outcome of cases, taking into account information from the Group's Legal Department and associated legal firms, which arises based on the recent developments in the cases being handled. If it is believed that outflow of funds may be required to settle a liability and the amount can be reliably estimated, the Management forms the necessary provisions. The amount that will be required to settle the liability is determined based on the Management's estimates and 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 Notes 12.32.1 and 12.32.2 for further details).

9. Group Structure

9.1 Consolidated Companies and Consolidation Method

The Group companies included in the consolidated financial statements on 31/12/2018 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**		**2011-2018 (1)**
	HYGEIA Subsidiaries						
2	MITERA SA	Greece	Healthcare services	99.55%	Full consolidation	Direct & Indirect	2013-2018 (1)
3	MITERA HOLDINGS SA	Greece	Holdings in MITERA SA	100.00%	Full consolidation	Direct	2010-2018 (1)
4	LETO SA	Greece	Healthcare services	99.45%	Full consolidation	Indirect	2011-2018
5	LETO HOLDINGS SA	Greece	Holdings in LETO SA	99.27%	Full consolidation	Indirect	2010-2018
6	ALFALAB SA	Greece	Healthcare services	99.45%	Full consolidation	Indirect	2010-2018
7	Y-LOGIMED SA	Greece	Import, trading and supply of medical technology products	100.00%	Full consolidation	Direct	2010-2018
8	Y-PHARMA SA	Greece	Trading of pharmaceuticals and general medical supplies	85.00%	Full consolidation	Direct	2010-2018
9	ANIZ SA	Greece	Operation of canteens and restaurants	70.00%	Full consolidation	Direct	2010-2018
10	BEATIFIC SA	Greece	Research, production and trading of cosmetics	100.00%	Full consolidation	Direct	2014-2018

(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 2017 fiscal years based on the provisions of Article 65A(1) of Law 4174/2013. Note that during the 2018 fiscal year, the 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

On 21/06/2018, the Annual General Meeting decided to increase the share capital of company AlfaLab Private Diagnostic Lab Medical SA by two hundred thousand and one euros and eighty cents (€200,001.80) with payment in cash by LETO SA and issuing of sixty-eight thousand two hundred and sixty new registered shares (68,260) with a nominal value of €2.93 each, which increased the share capital to two hundred and fifty-eight thousand six hundred and one euros and eighty cents (€258,601.80), divided into eighty-eight thousand two hundred and sixty (88,260) registered shares with a nominal value of €2.93 each. The direct holding of LETO SA in subsidiary AlfaLab has not been affected following this share capital increase, as it already amounted to 100%.

On 21/06/2018, the Annual General Meeting of Shareholders of LETO Maternity, Gynecological & Surgical Center SA decided to increase its share capital by two hundred thousand and one euros and eighty cents (€200,001.80) with payment in cash by MITERA SA and issuing of 68,260 new registered shares with a nominal value of €2.93 each The issue price for the 68,620 new shares was €2.93 per share, which is equal to the nominal value of the issued shares. The share capital of LETO Maternity, Gynecological & Surgical Center SA currently amounts to seven million three hundred and seven thousand nine hundred and fifteen euros and seventeen cents (€7,307,915.17), divided into two million four hundred and ninety-four thousand one hundred and sixty-nine (2,494,169) registered shares with a nominal value of €2.93 each. Following this capital share increase, the direct holding percentage of MITERA SA in LETO Maternity, Gynecological &

Surgical Center SA comes to 74.46%, while the holding percentage of LETO Holdings SA in LETO Maternity, Gynecological & Surgical Center SA comes to 25.51%.

On 13/03/2018, the Extraordinary General Meeting of Shareholders of BEATIFIC Research, Production and Trading of Cosmetics SA decided to reduce the company's share capital by six hundred thousand six hundred and sixty euros (€600,660), with corresponding reduction in the nominal value of each share by €0.60, offsetting past fiscal year losses by the same amount. So the share capital amounts to thirty-eight thousand three hundred and forty euros (€38,340), divided into 63,900 registered shares with a nominal value of €0.60 each. The Extraordinary General Meeting decided to increase the Company's share capital by nine hundred thousand euros (€930,000) with payment in cash and issuing of 1,550,000 new common registered shares with a nominal value of €0.60 each. So the share capital amounts to nine hundred and sixty-eight thousand three hundred and forty euros (€968,340), divided into 1,613,900 common registered shares with a nominal value of €0.60. Once this share capital increase was concluded, the holding percentage of Y-LOGIMED in BEATIFIC Research, Production and Trading of Cosmetics SA amounts to 79%, while the direct holding percentage of HYGEIA SA comes to 21%.

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

Operating Segments

Segment Results as of 31/12/2018

Amounts in € '000	Healthcare Sector	Commercial Sector	Total from continuing operations	Discontinued operations	Total
Sales					
- to external customers	211,269	6,119	217,388	10,797	228,185
- intercompany sales	2,639	28,007	30,646	0	30,646
Net Sales	**213,908**	**34,126**	**248,034**	**10,797**	**258,831**
Depreciation	(13,137)	(100)	**(13,237)**	**(1,767)**	**(15,004)**
Financial Income	11	90	**101**	**0**	**101**
Financial Expense	(6,287)	(58)	**(6,345)**	**(1,011)**	**(7,356)**
Gains / (Losses) before taxes for the period	17,385	(886)	**16,499**	**178**	**16,677**
Total Assets as at 31/12/2018	376,631	30,766	**407,397**	0	**407,397**

Segment Results as of 31/12/2017

Sales	Healthcare Sector	Commercial Sector	Total from continuing operations	Discontinued 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**

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

Geographical Segments

	31/12/2018		**31/12/2017**	
	Sales	**Total Assets**	**Sales**	**Total Assets**
Greece	248,034	407,397	234,123	433,613
Other countries	0	0	0	0
Total from continuing operations	**248,034**	**407,397**	**234,123**	**433,613**
Discontinued operations	10,797	0	21,588	28,273
Total	**258,831**	**407,397**	**255,711**	**461,886**

The reconciliation of income, operating earnings or losses, assets and liabilities for each operating segment and the corresponding amounts in the Financial Statements are as follows:

Recociliation Table

Amounts in € '000

Segment Sales	**31/12/2018**	**31/12/2017**
Total Segment Sales	248,034	234,123
Eliminations of intercompany sales	(30,646)	(28,151)
Total from continuing operations	**217,388**	**205,972**
Discontinued operations	10,797	21,588
Total	**228,185**	**227,560**

Gains / (Losses)	**31/12/2018**	**31/12/2017**
Total Gains / (Losses) of segments	16,677	6,101
Adjusted for:		
Discontinued operations	(178)	3,456
Gains / (Losses) before taxes	**16,499**	**9,557**

Assets	**31/12/2018**	**31/12/2017**
Total continuing operations segment assets	407,397	433,613
Eliminations of intercompany assets	(26,962)	(22,011)
	380,435	**411,602**

11. Discontinued Operations

11.1 Sale DTCA HYGEIA SA's stake in HYGEIA Hospital Tirana

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 06/07/2018, HYGEIA signed the agreement for the sales of all its shares in its 100% subsidiary HYGEIA Hospital Tirana ShA to company American Hospital ShA. This sale was finalized on 22/08/2018 with the transfer of all of the shares in its subsidiary HYGEIA Hospital Tirana ShA to company American Hospital ShA.

According to the relevant agreement dated 06/07/2018, the buyer (company American Hospital ShA) assumes the liabilities of subsidiary HYGEIA Hospital Tirana ShA, amounting to €29.5m (including long-term borrowings amounting to approximately €19m, as well as liabilities to HYGEIA Group companies amounting to approximately €2.5m), whereas the sale was concluded against a cash consideration of €1.016 m. The cash consideration for the Transaction was calculated on a cash free-debt free (CFDF) basis at the time the Transaction was concluded. On 31/12/2018, a loss of €843 thousand for the Group arose from this transaction, which is included in the Income Statement, in the results from discontinued operations. Respectively, a loss of €665 thousand arose for the Company, which is included in the item "Income / (Expenses) from holdings and other financial assets" of the Company Income Statement. Note that the impairment amount that had been recognized in the annual financial statements of the period ended on 31/12/2017 at the initial classification of the investment as held for sale stood at €8,700 thousand and €22,036 thousand in the consolidated and separate financial statements, respectively. 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 01/01/2018-31/12/2018, but are presented separately.

The book values of assets and related liabilities on the date the sale of HYGEIA Hospital Tirana ShA was concluded are presented in detail in the following table:

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**

Amounts in € '000	22/8/2018
Assets	
Tangible assets	25,963
Intangible assets	180
Inventories	635
Trade and other receivables	741
Other current assets	494
Cash and cash equivalents	38
Assets held for sale	**28,051**
Liabilities	
Long-term borrowings	11,294
Trade and other payables	5,759
Short-term debt	7,609
Other current liabilities	1,530
Liabilities related to Assets held for sale	**26,192**
Net Assets /(Liabilities) related to Assets held for sale	**1,859**

11.2 Discontinued Operations for the Comparative Reporting Period (2017 Fiscal Year)

Discontinued operations for the comparative reporting period include:

- the results of HYGEIA Hospital Tirana ShA for the period 01/01/2017-31/12/2017 (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).

11.3 Net Group Results from Discontinued Operations

The net Group results from discontinued operations for the periods 01/01-31/12/2018 and 01/01-31/12/2017 are as follows:

Amounts in € '000	Discontinued operations 1/1-31/12/2018	Discontinued operations 1/1-31/12/2017	Group of assets held for sale 1/1-31/12/2017
Sales	10,797	1,920	19,668
Cost of sales	(9,791)	(1,167)	(17,811)
Gross profit	**1,006**	**753**	**1,857**
Administrative expenses	(2,094)	(906)	(3,744)
Other operating income	249	3	238
Other operating expenses	(85)	(2)	(71)
Operating profit	**(924)**	**(152)**	**(1,720)**
Other financial results	2,113	0	223
Financial expenses	(1,011)	(75)	(1,732)
Profit /(Loss)before income tax from discontinuing operations	**178**	**(227)**	**(3,229)**
Income Taxes	0	5	0
Profit / (Loss) for the period after taxes from discontinued operations	**178**	**(222)**	**(3,229)**
Profit / (Loss) from the sale of discontinued operations	(843)	3,197	0
Elimination of total income relating to non-current assets held for sale through P&L	0	0	(2,368)
Profit / (Loss) from evaluation of groups of assets held for sale at fair value	0	0	(8,700)
Result from discontinued operations	**(665)**	**2,975**	**(14,297)**

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

Amounts in € '000	**Result from the sale**
Book value	1,859
Sale consideration minus distribution expenses	1,016
Profit / (loss) from the sale	**(843)**
Reclassification of other comprehensive income relating to the discontinued operations in the consolidated Income Statement	0
Total Profit / (loss) from the sale	**(843)**
Attributable to:	
Owners of the parent	(843)
Non-controlling interests	0

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

Amounts in € '000	Discontinued operations 31/12/2018	Discontinued operations 31/12/2017	Group of assets held for sale 31/12/2017
Operating cash flows from discontinued operations	699	212	634
Investment cash flows from discontinued operations	(167)	(48)	(467)
Financing activities cash flows from discontinued operations	(447)	(56)	(64)
Cash and cash equivalents at beginning of the period from discontinued operations	69	81	45
Exchange differences in cash and cash equivalents from discontinued operations	(154)	(80)	
Total cash flows from discontinued operations	**0**	**109**	**148**

The basic earnings/(losses) per share from discontinued operations for the reporting periods 01/01-31/12/2018 and 01/01-31/12/2017 amount to €(0.0022) and €(0.0475) 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 31/12/2018, there were encumbrances on the Group and the Company tangible fixed assets against borrowing to the amount of €168m and €117.35m respectively.

During the current fiscal year, the Group and the Company spent the amount of €8.9m and €5.7m respectively for the purchase of tangible fixed assets, mainly pertaining to medical and other equipment and renovations or constructions.

GROUP

Amounts in € '000	Land	Buildings	Machinery	Vehicles	Furniture & Fittings	Construction in progress	Total
Book value 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
Acquisitions through business combinations	0	0	0	0	0	0	0
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)
Assets classified as held for sale	(5,528)	(30,138)	(12,682)	(177)	(3,632)	(1)	(52,158)
Exchange rate differences of assets classified as held for sale	93	507	(648)	(25)	55	0	(18)
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 from disposed 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 rate differences of assets 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**

	Land	Buildings	Machinery	Vehicles	Furniture & Fittings	Construction in progress	Total
Book value as of 1/1/2018	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 1/1/2018	**45,047**	**71,980**	**12,640**	**157**	**2,101**	**1,459**	**133,384**
Additions	0	1,074	6,163	8	1,236	397	8,878
Disposals	0	(5)	(1,902)	(2)	(109)	0	(2,018)
Reclassifications	0	110	663	0	161	(934)	0
Other transfers	0	0	0	0	0	(30)	(30)
Depreciation charge	0	(3,912)	(4,287)	(23)	(1,063)	0	(9,285)
Depreciation of disposals	0	5	1,993	0	109	0	2,107
Other transfers	0	0	2	0	0	0	2
Cost of valuation as of 31/12/2018	45,047	123,047	80,672	835	36,083	892	286,576
Accumulated depreciation	0	(53,795)	(65,400)	(695)	(33,648)	0	(153,538)
Net book value as of 31/12/2018	**45,047**	**69,252**	**15,272**	**140**	**2,435**	**892**	**133,038**

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
Book value 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
Book value 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**

	Land	Buildings	Machinery	Vehicles	Furniture & Fittings	Construction in progress	Total
Book value as of 1/1/2018	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 1/1/2018	**23,951**	**34,435**	**8,900**	**49**	**556**	**941**	**68,833**
Additions	0	565	4,230	2	564	377	5,737
Disposals	0	(5)	(1,303)	(2)	(0)	0	(1,310)
Reclassifications	0	110	662	0	161	(934)	0
Other transfers	0	0	0	0	0	(30)	(30)
Depreciation charge	0	(2,681)	(3,122)	(18)	(612)	0	(6,433)
Depreciation of disposals	0	5	1,414	0	0	0	1,419
Book value as of 31/12/2018	23,951	73,550	65,772	702	20,027	355	184,357
Accumulated depreciation	0	(41,121)	(54,992)	(670)	(19,358)	0	(116,141)
Net book value as of 31/12/2018	**23,951**	**32,429**	**10,780**	**32**	**669**	**355**	**68,216**

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

Amounts in € '000	Machinery	Vehicles	Total
Book value 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
Terminated lease 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)
Terminated lease contracts	103	0	103
Exchange differences on depreciation	(2)	(1)	(3)
Accumulated depreciation of assets held for sale	222	13	235
Depreciation of assets classified as held for sale	(105)	8	(97)
Book value 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**

Amounts in € '000	Machinery	Vehicles	Total
Book value as of 1/1/2018	17,454	0	17,454
Accumulated depreciation	(14,585)	0	(14,585)
Net book value as of 1/1/2018	**2,869**	**0**	**2,869**
Additions	3,349	0	3,349
Depreciation charge	(351)	0	(351)
Book value as of 31/12/2018	20,803	0	20,803
Accumulated depreciation	(14,936)	0	(14,936)
Net book value as of 31/12/2018	**5,867**	**0**	**5,867**

12.2 Goodwill

12.2.1 Analysis of Goodwill Trend

Goodwill has been entirely allocated to the healthcare sector and amounts to €82.7m (2017: €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	
Book value as of 1/1/2017	188,914
Accumulated impairment losses	(106,208)
Net book value as of 1/1/2017	**82,706**
Book value as of 31/12/2017	188,914
Accumulated impairment losses	(106,208)
Net book value as of 31/12/2017	**82,706**
Book value as of 31/12/2018	188,914
Accumulated impairment losses	(106,208)
Net book value as of 31/12/2018	**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 31/12/2018. 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 31/12/2018, intangible assets with indefinite useful life for the Group amounted to €45,813 thousand and included trademarks to the amount of €30,600 thousand and licenses to the amount of €15,213 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).

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On 31/12/2018, 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 the goodwill and value of intangible assets).

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Respectively, the impairment testing conducted according to the requirements of IAS 36 produced the need for the Company to form an impairment provision to the total amount of €804 thousand in the separate financial separate statements for the value of the Company holdings on subsidiary BEATIFIC SA.

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% (2017: 2%).

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

The WACC method reflects the discount 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 0.8120%. 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. WACC for GCU MITERA was estimated at 7.7% (2017: 7.6%).

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 31/12/2018, 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 2023 and half a percentage unit in the EBITDA in perpetuity, (ii) one percentage unit in the discount rate until 2023 and (iii) half a percentage unit in the discount rate in perpetuity). From the relevant analyses, no impairment amount arose for MITERA Group.

12.3 Intangible assets

Group and Company other intangible assets for the 2018 and 2017 fiscal years are outlined below:

GROUP

Amounts in € '000	Licences	Customer Relations	Brand Names	Computer Software	Other	Know How	Total
Book value as of 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 as of 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)
Assets classified as held for sale	(543)	0	0	(756)	0	0	(1,299)
Additions of assets classified as held for sale	5	0	0	31	0	0	36
Exchange differences of assets classified as held for sale	9	0	0	12	0	0	21
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 held for sale	(7)	0	0	(9)	0	0	(16)
Book value as of 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 as of 31/12/2017	**15,216**	**17,705**	**30,600**	**1,866**	**33**	**0**	**65,420**

	Licences	Customer Relations	Brand Names	Computer Software	Other	Know How	Total
Book value as of 1/1/2018	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 as of 1/1/2018	**15,216**	**17,705**	**30,600**	**1,866**	**33**	**0**	**65,420**
Additions	0	0	0	1,946	27	0	1,973
Disposals	0	0	0	(151)	0	0	(151)
Other transfers	0	0	0	30	0	0	30
Depreciation charge	(3)	(2,529)	0	(1,402)	(14)	0	(3,949)
Other transfers	0	1	0	0	0	0	1
Book value as of 31/12/2018	15,280	37,848	30,600	23,248	64	240	107,280
Accumulated depreciation	(67)	(22,671)	0	(20,959)	(18)	(240)	(43,955)
Net book value as of 31/12/2018	**15,213**	**15,177**	**30,600**	**2,289**	**46**	**0**	**63,324**

Within the current fiscal year there was no need to recognize impairment loss for the value of intangible assets (2017: €0 thousand).

The Company intangible assets for the 2018 and 2017 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 1/1/2017	13,338	13,338
Accumulated depreciation	(11,989)	(11,989)
Net 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)
Book value as of 31/12/2017	**1,255**	**1,255**

	Computer Software	Total
Book value as of 1/1/2018	14,096	14,096
Accumulated depreciation	(12,841)	(12,841)
Net book value as of 1/1/2018	**1,255**	**1,255**
Additions	1,401	1,401
Disposals	(151)	(151)
Other transfers	30	30
Depreciation charge	(816)	(816)
Book value as of 31/12/2018	15,376	15,376
Accumulated depreciation	(13,657)	(13,657)
Net book value as of 31/12/2018	**1,719**	**1,719**

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 31/12/2017	Book value at 31/12/2018
MITERA SA	117,742	117,742
MITERA Holdings SA	4,950	4,950
Y-LOGIMED SA	886	886
Y-PHARMA SA	255	255
ANIZ SA	64	64
BEATIFIC SA	639	0
Total	**124,536**	**123,897**

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

	COMPANY	
Amounts in € '000	**31/12/2018**	**31/12/2017**
Opening balance	**124,536**	**142,021**
Subsidiary share capital changes	3,302	4,550
Sale of subsidiaries	(3,137)	-
Impairment of investments recognized in results	(804)	(22,035)
Closing balance	**123,897**	**124,536**

The amount of €3,302 thousand relates to the participation in the share capital increase of subsidiaries HYGEIA Hospital Tirana ShA (€3,137 thousand) and BEATIFIC SA (€165 thousand). The amount of €804 thousand relates to the impairment of the investment in subsidiary BEATIFIC SA and was recognized in the Income Statement for 2018.

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 31/12/2018, 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**
Book value as of 1/1/2017	182	182	182	182
Accumulated depreciation	(34)	(34)	(34)	(34)
Net book value as of 1/1/2017	**148**	**148**	**148**	**148**
Depreciation charge	(2)	(2)	(2)	(2)
Book value as of 31/12/2017	182	182	182	182
Accumulated depreciation	(36)	(36)	(36)	(36)
Net book value as of 31/12/2017	**146**	**146**	**146**	**146**

	Measured at cost	**Total**	**Measured at cost**	**Total**
Book value as of 1/1/2018	**182**	**182**	**182**	**182**
Accumulated depreciation	(36)	(36)	(36)	(36)
Net book value as of 1/1/2018	**146**	**146**	**146**	**146**
Depreciation charge	(3)	(3)	(3)	(3)
Book value as of 31/12/2018	182	182	182	182
Accumulated depreciation	(39)	(39)	(39)	(39)
Net book value as of 31/12/2018	**143**	**143**	**143**	**143**

12.6 Other Non-Current Assets

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

Amounts in € '000	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Guarantees	382	441	185	229
Other long term receivables	2,452	659	647	449
Net book value	**2,834**	**1,100**	**832**	**678**

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, 2018. Pursuant to Article 23 of Law 4579/2018, the income tax rates for profits from business activities of legal persons in Greece, excluding credit institutions, will be gradually reduced by 1% annually, as follows: 28% for the 2019 fiscal year, 27% for the 2020 fiscal year, 26% for the 2021 fiscal year, and 25% for the 2022 fiscal year and any subsequent years. 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 1/1/2018	(Debit)/Credit to P&L of continuing operations	(Debit)/Credit to equity	Balance as of 31/12/2018	Balance as of 1/1/2017	(Debit)/Credit to P&L of continuing operations	(Debit)/Credit to equity	(Debit)/Credit to equity of discontinued operations	Deferred tax assets/(liabilities) from discontinued operations	Balance as of 31/12/2017
Tangible assets	(13,636)	2,341	-	(11,295)	(14,687)	1,081	-	3	(33)	(13,636)
Intangible assets	(18,551)	3,566	-	(14,985)	(19,274)	724	-	-	(1)	(18,551)
Investment portfolio	18	(2)	-	16	18	-	-	-	-	18
Other non current assets	-	44	-	44	-	-	-	-	-	-
Inventories	22	1	-	23	24	(2)	-	-	-	22
Trade and other receivables	130	2	-	132	58	72	-	-	-	130
Other current assets	1	-	-	1	1	-	-	-	-	1
Share premium	42	-	-	42	42	-	-	-	-	42
Retained earnings	2,960	(1,505)	-	1,455	4,383	(1,423)	-	-	-	2,960
Accrued pension and retirement obligations	4,921	(510)	70	4,481	4,779	185	8	2	(53)	4,921
Government grants	-	-	-	-	(10)	10	-	-	-	-
Non-Current Provisions	2,820	(835)	-	1,985	3,174	(342)	-	-	(12)	2,820
Current portion of non-current provisions	23	(9)	-	14	23	-	-	-	-	23
Other current liabilities	91	(7)	-	84	59	32	-	-	-	91
Off set deferred tax assets & liabilities	**(21,159)**	**3,086**	**70**	**(18,003)**	**(21,410)**	**337**	**8**	**5**	**(99)**	**(21,159)**

Amounts in € '000	COMPANY							
Deferred Assets/(Liabilities)	Balance as of 1/1/2018	(Debit)/Credit to P&L of continuing operations	(Debit)/Credit to equity	Balance as of 31/12/2018	Balance as of 1/1/2017	(Debit)/Credit to P&L of continuing operations	(Debit)/Credit to equity	Balance as of 31/12/2017
Tangible assets	(5,615)	1,253	-	(4,362)	(6,743)	1,128	-	(5,615)
Intangible assets	(237)	(31)	-	(268)	(242)	5	-	(237)
Other current assets	0	0	-	(0)	0	(0)	-	0
Retained earnings	2,927	(1,505)	-	1,422	4,350	(1,423)	-	2,927
Accrued pension and retirement obligations	3,065	(348)	(1)	2,716	2,934	124	7	3,065
Long-term provisions	620	(135)	-	485	620	-	-	620
Off set deferred tax assets & liabilities	**761**	**(766)**	**(1)**	**(7)**	**919**	**(166)**	**7**	**761**

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.

12.8 Inventories

Group and Company inventories are outlined below:

Amounts in € '000	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Merchandise	1,990	1,912	0	0
Finished goods	26	34	0	0
Raw materials and other consumables	3,352	3,386	1,638	1,550
Spare Parts of Tangible Assets	21	22	0	0
Total	**5,389**	**5,354**	**1,638**	**1,550**
Less: Provisions for scrap, slow moving and/or destroyed inventories for the period	(8)	(12)	0	0
Less: Provisions for scrap, slow moving and/or destroyed inventories recognized from previous year	(226)	(231)	(150)	(150)
Net book value	**5,155**	**5,111**	**1,488**	**1,400**

The Group does not hold any pledged inventories.

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

	Amounts in € '000		Amounts in € '000	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Opening balance	**(243)**	**(567)**	**(150)**	**(150)**
Additions of discontinued operations	0	(21)	0	0
Reductions from discontinued operations	0	340	0	0
Exchange difference of discontinued operations	0	17	0	0
Additions	(8)	(12)	0	0
Reversal of provisions for inventories	17	0	0	0
Closing balance	**(234)**	**(243)**	**(150)**	**(150)**

12.9 Trade and Other Receivables

Group and Company trade and other receivables are outlined below:

Amounts in € '000	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Trade receivables	82,660	76,195	54,438	49,990
Intercompany accounts receivable	0	0	8,034	6,109
Notes receivable	12,646	13,758	8,893	9,056
Checks receivable	2,177	2,133	206	206
Less: Impairment provisions	(29,103)	(27,859)	(19,220)	(18,791)
Net trade Receivables	**68,380**	**64,227**	**52,351**	**46,570**
Advances to suppliers	16	154	0	0
Total	**68,396**	**64,381**	**52,351**	**46,570**
Current assets	68,396	64,381	52,351	46,570
Total	**68,396**	**64,381**	**52,351**	**46,570**

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 €122.3m for the period 01/01/2013-31/12/2018 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 €63m for the period 01/01/2013-31/12/2018.

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 01/01/2013-31/12/2017, strictly for tax compliance purposes, pursuant to Ministerial Circular 1191/12.08.2014 and Ministerial Circular 1113/02.06.2015.

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	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Opening balance	**(27,859)**	**(36,216)**	**(18,791)**	**(24,899)**
Impact from application of IFRS 9	(70)	0	0	
Modified balance as of 1/1/2018	**(27,929)**	**(36,216)**	**(18,791)**	**(24,899)**
Additional provisions	(3,159)	(4,034)	(1,803)	(2,500)
Recovered bad debts	0	7	0	7
Exchange differences	0	(5)	0	0
Provisions for discontinuing operations	0	36	0	0
Reductions for discontinuing operations	0	312	0	0
Reductions/Eliminations	1,985	12,041	1,374	8,601
Closing balance	**(29,103)**	**(27,859)**	**(19,220)**	**(18,791)**

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	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Other Debtors	3,551	4,873	2,567	2,604
Receivables from the State	4,931	5,300	1,891	2,673
Other Receivables from related parties	0	0	701	1,387
Advances and loans to personnel	9	7	0	0
Prepaid expenses	1,021	1,276	678	804
Other Receivables	494	398	57	53
Guarantees	104	104	51	51
Total	**10,110**	**11,958**	**5,945**	**7,572**
Less: Impairment provisions	(3,454)	(2,144)	(2,267)	(1,767)
Net Receivables	**6,656**	**9,814**	**3,678**	**5,805**

Receivables from the State mainly pertain to withheld income tax and VAT credit, which are expected to either be collected or offset against taxes within 2019.

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

	GROUP		COMPANY	
Amounts in € '000	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Opening balance	**(2,144)**	**(2,243)**	**(1,767)**	**(1,767)**
Impact from application of IFRS 9	(1,310)	0	(500)	0
Adjusted balance 1/1/2018	**(3,454)**	**(2,243)**	**(2,267)**	**(1,767)**
Provisions for discontinuing operations	0	99	0	0
Closing balance	**(3,454)**	**(2,144)**	**(2,267)**	**(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 31/12/2018 and 31/12/2017 are outlined below:

Amounts in € '000	GROUP		COMPANY	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Cash in hand	49	90	6	8
Cash equivalent balance in bank	9,805	11,011	6,419	4,740
Pledged deposits	7	7	7	7
Total cash and cash equivalents	**9,861**	**11,108**	**6,432**	**4,755**
Cash and cash equivalents in €	9,834	11,066	6,405	4,713
Cash and cash equivalents in foreign currency	27	42	27	42
Total cash and cash equivalents	**9,861**	**11,108**	**6,432**	**4,755**

Cash, which is currently pledged, amounted to €7 thousand on 31/12/2018 (31/12/2017: €7 thousand) and mainly pertains to the associated banks issuing letters of guarantee for the Company.

12.13 Share Capital

On December 31, 2018, 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 Stock 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 1/1/2017	**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**

	Statutory Reserve	**Tax-free reserves**	**Other reserves**	**Translation reserves**	**Total**
Opening Balance as of 1/1/2018	**5,600**	**594**	**1,634**	**0**	**7,828**
Closing balance as of 31/12/2018	**5,600**	**594**	**1,634**	**0**	**7,828**

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

	Statutory Reserve	Tax-free reserves	Other reserves	Total
Opening balance as of 1/1/2018	**4,101**	**594**	**440**	**5,134**
Closing balance as of 31/12/2018	**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 € '000

	31/12/2018			31/12/2017		
	Defined benefit plans (Non financed)	Defined benefit plans (Financed)	Total	Defined benefit plans (Non financed)	Defined benefit plans (Financed)	Total
Defined benefit obligation	13,827	3,760	17,587	12,910	3,918	16,828
Fair value of plan assets	-	1,207	1,207	-	1,186	1,186
	13,827	**2,553**	**16,380**	**12,910**	**2,732**	**15,642**
Classified as:						
Non-current liability	13,827	2,553	**16,380**	12,910	2,732	**15,642**
Current liability	0	0	**0**	0	0	**0**

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

	31/12/2018			31/12/2017		
	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	**12,910**	**3,918**	**16,828**	**12,774**	**3,586**	**16,360**
Current service cost	457	479	936	431	471	902
Interest expense	232	71	303	239	68	307
Remeasurement - actuarial losses (gains) from changes in financial assumptions	516	(289)	227	(118)	158	40
Benefits paid	(525)	(1,419)	(1,944)	(344)	(365)	(709)
Past service cost	233	-	233	104	-	104
Cost of settlements/cuts/special circumstances	4	1,000	1,004	-	-	-
Defined benefit obligation 31 December	**13,827**	**3,760**	**17,587**	**12,910**	**3,918**	**16,828**

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

	31/12/2018	31/12/2017
	Defined benefit plans (Financed)	Defined benefit plans (Financed)
Fair value of plan assets 1 January	**1,186**	**728**
Interest income	21	13
Return on plan assets (excluding amounts included in net interest)	(14)	11
Employer contributions	1,448	799
Benefits paid	(1,434)	(365)
Fair value of plan assets 31 December	**1,207**	**1,186**

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

	31/12/2018	31/12/2017
	Defined benefit plans (Financed)	Defined benefit plans (Financed)
Cash and cash equivalents	1,207	1,186
Total	**1,207**	**1,186**

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

	31/12/2018			31/12/2017		
	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	(243)	(54)	(297)	(199)	(49)	(248)
Actuarial gains /(losses) from changes due to experience	(273)	329	56	317	(98)	219
Total income /(expenses) recognized in other comprehensive income	**(516)**	**275**	**(241)**	**118**	**(147)**	**(29)**

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	(1,197)	1,366	(1,190)	1317
	Expected rate of salary increases		Expected rate of salary increases	
	0.5%	-0.5%	0.5%	-0.5%
Increase / (decrease) in the defined liability	1,068	(937)	1,052	(963)

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:

Amounts in € '000

	31/12/2018			31/12/2017		
	Defined benefit plans (Non financed)	Defined benefit plans (Financed)	Total	Defined benefit plans (Non financed)	Defined benefit plans (Financed)	Total
Defined benefit obligation	7,105	3,760	10,865	6,628	3,918	10,546
Fair value of plan assets	-	1,207	1,207	-	1,186	1,186
	7,105	**2,553**	**9,657**	6,628	2,732	9,360
Classified as:						
Non-current liability	7,105	2,553	**9,657**	6,628	2,732	**9,360**
Current liability	0	0	**0**	0	0	**0**

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

	31/12/2018			31/12/2017		
	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	**6,628**	**3,918**	**10,546**	**6,531**	**3,585**	**10,116**
Current service cost	206	479	685	200	471	671
Interest expense	119	71	190	124	68	192
Remeasurement - actuarial losses (gains) from changes in financial assumptions	278	(289)	(11)	(121)	159	38
Benefits paid	(301)	(1,419)	(1,720)	(161)	(365)	(526)
Past service cost	173	-	173	58	-	58
Cost of settlements/cuts/special circumstances	3	1,000	1,003	(2)	-	(2)
Defined benefit obligation 31 December	**7,105**	**3,760**	**10,865**	**6,628**	**3,918**	**10,546**

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

	31/12/2018	31/12/2017
	Defined benefit plans (Financed)	**Defined benefit plans (Financed)**
Fair value of plan assets 1 January	**1,186**	**728**
Interest income	21	13
Return on plan assets (excluding amounts included in net interest)	(14)	11
Employer contributions	1,448	799
Benefits paid	(1,434)	(365)
Fair value of plan assets 31 December	**1,207**	**1,186**

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

	31/12/2018	31/12/2017
	Defined benefit plans (Financed)	**Defined benefit plans (Financed)**
Cash and cash equivalents	1,207	1,186
Total	**1,207**	**1,186**

	31/12/2018			31/12/2017		
	Defined benefit plans (Non financed)	**Defined benefit plans (Financed)**	**Total**	**Defined benefit plans (Non financed)**	**Defined benefit plans (Financed)**	**Total**
Current service costs	206	479	685	200	471	671
Past service costs	173	-	173	58	-	58
Net Interest on the defined obligation	119	65	184	124	55	179
Cost of settlements/cuts/special circumstances	-	1,000	1,000	-	-	-
Total expenses recognized in profit or loss	**498**	**1,544**	**2,042**	**382**	**526**	**908**

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

	31/12/2018			31/12/2017		
	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	(116)	(54)	(170)	(98)	(49)	(147)
Actuarial gains /(losses) from changes due to experience	(162)	329	167	219	(99)	120
Total income /(expenses) recognized in other comprehensive income	**(278)**	**275**	**(3)**	**121**	**(148)**	**(27)**

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	(817)	909	(708)	781

	Expected rate of salary increases		Expected rate of salary increases	
	0.5%	**-0.5%**	**0.5%**	**-0.5%**
Increase / (decrease) in the defined liability	618	(560)	523	(482)

The main actuarial assumptions used were as follows:

	31/12/2018	31/12/2017
Discount rate at 31 December	1.70%	1.80%
Expected rate of salary increases	1.80%	1.80%
Inflation	2.00%	2.00%

The discount 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 1/1/2017	**140**	**140**
Amortization	(35)	(35)
Closing balance as of 31/12/2017	**105**	**105**

	Investment grants	Total
Balance at the beginning as of 1/1/2018	**105**	**105**
Amortization	(35)	(35)
Closing balance as of 31/12/2018	**70**	**70**

12.17 Borrowings

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

Amounts in € '000	GROUP	
Long-term borrowings	**31/12/2018**	**31/12/2017**
Obligations under finance lease	2,597	550
Unsecured bank borrowing	0	750
Secured bond loans	113,419	126,989
Less: Long-term loans payable in next financial year	(8,227)	(11,597)
Total of long-term loans	**107,789**	**116,692**
Short-term debt	**31/12/2018**	**31/12/2017**
Obligations under finance lease	1,657	315
Secured bank borrowing	2,283	2,988
More: Long-term loans payable in next financial year	8,227	11,597
Total of short-term loans	**12,167**	**14,900**

Group loan maturity dates are outlined below:

Amounts in € '000	GROUP				
Borrowings as of 31/12/2018	**Obligations under finance lease**	**Secured bank borrowing**	**Unsecured bank borrowing**	**Secured bond loans**	**Borrowings**
Within 1year	1,657	2,283	0	8,227	**12,167**
After 1 year but not more than 2 years	1,754	0	0	14,286	**16,040**
After 2 years but not more than 3 years	721	0	0	90,906	**91,627**
After 3 years but not more than 4 years	122	0	0	0	**122**
	4,254	**2,283**	**0**	**113,419**	**119,956**
Amounts in € '000					
Borrowings as of 31/12/2017	**Obligations under finance lease**	**Secured bank borrowing**	**Unsecured bank borrowing**	**Secured bond loans**	**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**
	865	**2,988**	**750**	**126,989**	**131,592**

Amounts in € '000	COMPANY	
Long-term loans	**31/12/2018**	**31/12/2017**
Obligations under finance lease	1,781	221
Unsecured bank borrowing	0	750
Secured bond loans	75,304	85,942
Less: Long-term loans payable in next financial year	(5,605)	(9,097)
Total of long-term loans	**71,480**	**77,816**

Short-term loans	**31/12/2018**	**31/12/2017**
Obligations under finance lease	1,290	187
More: Long-term loans payable in next financial year	5,605	9,097
Total of short-term loans	**6,895**	**9,284**

Company loan maturity dates are outlined below:

Amounts in € '000	COMPANY			
Borrowings as of 31/12/2018	**Obligations under finance lease**	**Unsecured bank borrowing**	**Secured bond loans**	**Borrowings**
Within 1year	1,290	0	5,605	**6,895**
After 1 year but not more than 2 years	1,379	0	10,875	**12,254**
After 2 years but not more than 3 years	402	0	58,824	**59,226**
	3,071	**0**	**75,304**	**78,375**

Amounts in € '000				
Borrowings as of 31/12/2017	**Obligations under finance lease**	**Unsecured bank borrowing**	**Secured bond loans**	**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**
	408	**750**	**85,942**	**87,100**

Group liabilities under financial lease are outlined below:

	31/12/2018		31/12/2017	
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	1,657	1,657	317	315
After 1year but not more than 5 years	2,597	2,597	555	550
Total of Future minimum lease payments	**4,254**	**4,254**	**872**	**865**
Less: Interest expenses	0	0	(7)	0
Total of Present value of future minimum lease payments	**4,254**	**4,254**	**865**	**865**

The total financial cost of long- and short-term borrowings as well as financial leases for the annual period 01/01-31/12/2018 (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 2017 fiscal year, and by extension, the discount 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 2018 fiscal year were 4.42% for long-term borrowings (as opposed to 6.70% in 2017) and for 3.50% for short-term borrowings (as opposed to 3.10% in 2017). Respectively for the Company, the borrowing rate for long-term borrowings stood at 4.48% (as opposed to 6.30% in 2017).

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 1/1/2017	**570**	**10,974**	**11,544**
Additional provisions	0	93	93
Utilized provisions	(69)	(77)	(146)
Reversal of provisions	(30)	(1,200)	(1,230)
Reversal of provisions for discontinued operations	(84)	(40)	(124)
Closing balance as of 31/12/2017	**387**	**9,750**	**10,137**
	Provision for Tax expense for unaudited fiscal years	**Provision for sub judice cases**	**Total**
Opening balance as of 1/1/2018	**387**	**9,750**	**10,137**
Additional provisions	0	494	494
Utilized provisions	(6)	(1,310)	(1,316)
Reversal of provisions	(10)	(1,000)	(1,010)
Reversal of provisions for discontinued operations	0	0	0
Closing balance as of 31/12/2018	**371**	**7,934**	**8,305**
Non-Current Provisions	371	7,934	8,305
Current portion of non-current provisions	0	0	0
	371	**7,934**	**8,305**

	COMPANY		
Amounts in € '000	**Provision for Tax expense for unaudited fiscal years**	**Provisions for sub judice cases**	**Total**
Opening balance as of 1/1/2017	**69**	**2,139**	**2,208**
Utilized provisions	(69)	0	(69)
Closing balance as of 31/12/2017	**0**	**2,139**	**2,139**
	Provision for Tax expense for unaudited fiscal years	**Provisions for sub judice cases**	**Total**
Opening balance as of 1/1/2018	**0**	**2,139**	**2,139**
Additional provisions	0	300	300
Utilized provisions	0	(496)	(496)
Closing balance as of 31/12/2018	**0**	**1,943**	**1,943**

12.19 Other Non-Current Liabilities

Other non-current liabilities are outlined below:

Amounts in € '000	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Other liabilities	380	252	56	56
Settled amounts due from insurance funds	0	20	0	0
Settlement of illegal constructions based on Law 4014/2011	215	251	159	159
Total	**595**	**523**	**215**	**215**

12.20 Trade and Other Payables

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

Amounts in € '000	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Suppliers	41,331	40,484	10,024	8,513
Checks Payable	2,452	3,829	1,348	2,108
Customers' Advances	2,477	2,728	383	467
Intercompany accounts payable	0	0	528	406
Other liabilities	6,971	6,060	3,787	3,325
Total	**53,231**	**53,101**	**16,070**	**14,819**

12.21 Payable Income Tax

Payable income tax is outlined below:

Amounts in € '000	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Tax expense	22	10	0	0
Tax audit differences	0	297	0	297
Total	**22**	**307**	**0**	**297**

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.

In July and August 2018, subsidiaries MITERA and Y-LOGIMED respectively received the final audit documents on the tax audit for the 2012 fiscal year. Additional taxes and surcharges did not arise for subsidiary MITERA, whereas additional taxes and surcharges to the of €7.6 thousand arose for subsidiary Y-LOGIMED. These were offset in full by the Company's formed tax provision for unaudited fiscal years.

12.22 Other Current Liabilities

Other current liabilities are outlined below:

Amounts in € '000	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Deferred income-Grants	159	103	124	0
Social security insurance	3,597	3,707	1,783	1,819
Other Tax liabilities	6,888	7,141	3,606	3,772
Salaries and wages payable	1,562	1,601	915	927
Accrued expenses	950	1,248	352	491
Others Liabilities	3,453	5,174	2,355	4,044
Accrued Interest expenses	783	822	399	451
Total	**17,392**	**19,796**	**9,534**	**11,504**

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

	Long-term borrowings	Short-term debt	Total
31/12/2017	**116,692**	**14,900**	**131,592**
Cash flows:			
Repayments	-13,302	-2,443	**-15,745**
Proceeds	4,399	0	**4,399**
Non-cash changes:			
Other changes		-290	**-290**
31/12/2018	**107,789**	**12,167**	**119,956**

COMPANY

31/12/2017	Long-term borrowings	Short-term debt	Total
	77,816	**9,284**	**87,100**
Cash flows:			
Repayments	-9,753	-2,238	**-11,991**
Proceeds	3,417	0	**3,417**
Non-cash changes:			
Other changes	0	-151	**-151**
31/12/2018	**71,480**	**6,895**	**78,375**

12.24 Sales

Sales are outlined below:

Amounts in € '000	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Sales of goods	274	258	0	0
Sales of Merchandises	4,656	4,434	0	0
Income from services provided	212,458	201,280	132,345	125,223
Total revenue from continuing operations	**217,388**	**205,972**	**132,345**	**125,223**
Total revenue from discontinued operations	10,797	21,588	0	0
Total	**228,185**	**227,560**	**132,345**	**125,223**

Segment results as of 31/12/2018	Greece	European countries	Total
Revenues from external customers	217,388	0	**217,388**
Revenues from external customers (discontinued operations)	0	10,797	**10,797**

Segment results as of 31/12/2017	Greece	European countries	Total
Revenues from external customers	205,972	0	205,972
Revenues from external customers (discontinued operations)	1,125	20,463	21,588
Non current assets as of 31/12/17	282,756	0	282,756

Revenue distribution from sales through the Group's operating segments is outlined in Note 10.

12.25 Expenses per Operation

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

	GROUP							
	31/12/2018				31/12/2017			
Amounts in € '000	**Cost of sales**	**Administrative expenses**	**Distribution expenses**	**Total**	**Cost of sales**	**Administrative expenses**	**Distribution expenses**	**Total**
Wages and other employee benefits	61,042	9,910	3,097	**74,049**	59,151	9,652	2,917	**71,720**
Inventory cost	48,957	0	0	**48,957**	44,732	0	0	**44,732**
Tangible assets depreciation	8,524	355	409	**9,288**	9,641	319	487	**10,447**
Intangible assets depreciation	3,331	567	51	**3,949**	3,354	644	53	**4,051**
Third party expenses	28,728	1,544	108	**30,380**	27,534	1,610	97	**29,241**
Third party benefits	11,594	767	7	**12,368**	11,642	771	12	**12,425**
Telecommunication expenses	252	71	0	**323**	245	73	1	**319**
Operating leases rentals	1,556	594	227	**2,377**	1,524	649	270	**2,443**
Taxes & Duties	1,613	452	41	**2,106**	1,557	430	44	**2,031**
Provisions	3,588	72	1	**3,661**	3,783	269	0	**4,052**
Insurance	1,606	172	4	**1,782**	1,494	131	4	**1,629**
Repairs and maintenance	3,755	294	26	**4,075**	3,609	301	25	**3,935**
Other advertising and promotion expenses	3	338	1,490	**1,831**	12	305	1,247	**1,564**
Sales commission	62	0	0	**62**	2	0	0	**2**
Other expenses	1,089	526	151	**1,766**	1,169	347	135	**1,651**
Donations	158	6	0	**164**	222	13	0	**235**
Transportation expenses	128	29	31	**188**	124	29	28	**181**
Consumables	3	14	0	**17**	1	19	0	**20**
Total costs from continuing operations	**175,989**	**15,711**	**5,643**	**197,343**	**169,796**	**15,562**	**5,320**	**190,678**
Total costs from discontinued operations	9,791	2,094	0	**11,885**	18,978	4,650	0	**23,628**
Total	**185,780**	**17,805**	**5,643**	**209,228**	**188,774**	**20,212**	**5,320**	**214,306**

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

	COMPANY							
	31/12/2018				31/12/2017			
Amounts in € '000	**Cost of sales**	**Administrative expenses**	**Distribution expenses**	**Total**	**Cost of sales**	**Administrative expenses**	**Distribution expenses**	**Total**
Wages and other employee benefits	33,716	4,748	274	**38,738**	32,417	4,704	272	**37,393**
Inventory cost	33,077	0	0	**33,077**	29,042	0	0	**29,042**
Tangible assets depreciation	6,056	15	365	**6,436**	7,289	18	439	**7,746**
Intangible assets depreciation	768	2	46	**816**	802	2	48	**852**
Third party expenses	15,693	0	0	**15,693**	13,925	0	0	**13,925**
Third party benefits	5,466	383	0	**5,849**	5,546	390	0	**5,936**
Telecommunication expenses	118	10	0	**128**	120	10	0	**130**
Operating leases rentals	1,050	86	0	**1,136**	1,012	83	0	**1,095**
Taxes & Duties	1,127	0	0	**1,127**	1,248	0	0	**1,248**
Provisions	2,104	0	0	**2,104**	2,500	0	0	**2,500**
Insurance	1,178	97	0	**1,275**	1,070	88	0	**1,158**
Repairs and maintenance	2,541	208	0	**2,749**	2,400	197	0	**2,597**
Other advertising and promotion expenses	0	0	1,313	**1,313**	0	0	1,048	**1,048**
Sales commission	62	0	0	**62**	2	0	0	**2**
Other expenses	801	53	16	**870**	867	23	7	**897**
Donations	158	0	0	**158**	222	0	0	**222**
Transportation expenses	104	0	0	**104**	100	0	0	**100**
Total costs from continuing operations	**104,019**	**5,602**	**2,014**	**111,635**	**98,562**	**5,515**	**1,814**	**105,891**

For the fiscal year ended on December 31, 2018, the Group expenses included regular auditor fees to the amount of €15.1 thousand relating to permitted non-audit services.

12.26 Other Operating Income / Expenses

Other operating income for the 2018 and 2017 fiscal years is outlined below:

Amounts in € '000	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Rent income	1,086	1,261	302	337
Income from subsidies	104	125	57	45
Compensations	0	1	0	1
Grants amortization	35	35	0	0
Income from reversal of unrealized provisions	1,219	1,247	0	0
Income from services provided	1,290	767	344	391
Other income	623	1,427	94	612
Profit on sale of property, plant and equipment	32	8	16	0
Other operating income from continuing operations	**4,389**	**4,871**	**813**	**1,386**
Other operating income from discontinued operations	249	241	0	0
Total other operating income	**4,638**	**5,112**	**813**	**1,386**

Other operating expenses for the 2018 and 2017 fiscal years are outlined below:

Amounts in € '000	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Real estate tax and other taxes	2	171	0	72
Other fines & augmentation	16	224	9	213
Provisions	35	131	0	0
Losses on sale of property, plant and equipment	42	12	25	4
Other expense	1,072	602	719	146
Other operating expenses from continuing operations	**1,167**	**1,140**	**753**	**435**
Other operating expenses from discontinued operations	85	73	0	0
Total other operating expenses	**1,252**	**1,213**	**753**	**435**

12.27 Financial Costs / Income

Financial costs / income are outlined below:

Amounts in € '000	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Interest expenses from short-term loans	115	158	12	62
Interest expenses from bond loan	5,300	8,287	3,558	5,491
Finance charges payable under finance leases and hire purchase contracts	128	34	82	16
Charge from retirement employee benefits	303	307	190	192
Commission for guarantees	2	1	1	1
Other interest related expenses	82	208	60	81
Bank commissions	415	482	174	208
Financial expenses from continuing operations	**6,345**	**9,477**	**4,077**	**6,051**
Financial expenses from discontinued operations	1,011	1,807	0	0
Total financial expenses	**7,356**	**11,284**	**4,077**	**6,051**

Amounts in € '000	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Bank interest	3	6	1	0
Expected return on assets from defined benefit plan	7	25	7	25
Other interest income	91	4	0	1
Total financial income	**101**	**35**	**8**	**26**

12.28 Other Financial Results

Other financial results are outlined below:

Amounts in € '000	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Impairment loss of assets	0	0	(804)	(23,449)
Gains / (losses) from sale of subsidiaries and associates	0	0	(665)	0
Foreign exchange gains	16	41	4	1
Foreign exchange losses	(36)	(13)	(2)	(6)
Other financial results	(247)	(54)	(286)	0
Financial cost from discounted value of receivables	(257)	0	(49)	0
Other financial results income from continuing operations	**(524)**	**(26)**	**(1,802)**	**(23,454)**
Other financial results income from discontinued operations	2,113	223	0	0
Total other financial results	**1,589**	**197**	**(1,802)**	**(23,454)**

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 Continuing operations		COMPANY Continuing operations	
Amounts in € '000	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Current income tax	21	12	0	0
Deferred income tax	(3,090)	(337)	767	166
Tax audit differences	0	256	0	256
Total income tax from continuing operations	**(3,069)**	**(69)**	**767**	**422**

	GROUP Continuing operations		COMPANY Continuing operations	
Amounts in € '000	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Profit before income tax (from continuing and discontinued operations)	16,499	9,557	14,913	(9,196)
Nominal Tax rate	29%	29%	29%	29%
Presumed Tax on Income	**4,785**	**2,772**	**4,325**	**(2,667)**
Adjustments for non taxable income				
- Offset due to accumulated losses from previous financial years	(7,243)	(7,972)	(6,208)	(8,213)
- Additional taxes and increases from preceding years	0	256	0	256
- Damage of the year for which was not recognized deferred tax asset	2,075	3,013	2,172	9,465
- Other	0	(241)	0	0
Adjustments for non deductible expenses for tax purposes				
- Non tax deductible expenses	751	2,043	460	1,519
- Effect on opening deferred income tax of reduction in income tax rates	(3,438)	0	15	0
- Additional taxes and surcharges	1	60	3	62
Total tax from continuing and discontinued operations	**(3,069)**	**(69)**	**767**	**422**

According to the tax legislation, the tax rate applicable to Greek businesses was set at 29% for 2018 and 2017. Pursuant to Article 23 of Law 4579/2018, the income tax rates for profits from business activities of legal persons in Greece, excluding credit institutions, will be gradually reduced by 1% annually, as follows: 28% for the 2019 fiscal year, 27% for the 2020 fiscal year, 26% for the 2021 fiscal year, and 25% for the 2022 fiscal year and any subsequent years. As a result of the gradual reduction in the income tax rate and the re-measurement of deferred tax assets and liabilities, deferred income tax (income) to the amount of €3.4 thousand arose for the Group, which was recorded in the Income Statement.

Further information regarding the deferred tax can be found in Note 12.7.

12.30 Earnings per Share

The basic earnings per share for the period 01/01-31/12/2018 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	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Earnings attributable to equity holders of the parent company	19,551,682	9,655,911	14,146,082	(9,617,233)
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)	**0.0640**	**0.0316**	**0.0463**	**(0.0315)**

Amounts in € '000

Discontinued operations	**GROUP**	
Basic earnings / (loss) per share	**31/12/2018**	**31/12/2017**
Earnings attributable to equity holders of the parent company	(664,630)	(11,322,814)
Weighted average number of shares	305,732,436	305,732,436
Basic earnings / (loss) per share (euro per share)	**(0.0022)**	**(0.0370)**

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:

Operating lease commitments				
Within one year	1,131	852	590	742
After one year but not more than five years	2,740	2,794	1,609	1,798
More than five years	518	277	136	257
Operating lease short-term commitments pertaining to discontinued operations	0	18	0	0
Total operating lease commitments	**4,389**	**3,941**	**2,335**	**2,797**

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

Amounts in € '000	**GROUP**		**COMPANY**	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Finance lease commitments				
Within one year	1,657	315	1,290	187
After one year but not more than five years	2,597	550	1,781	221
Total finance lease commitments	**4,254**	**865**	**3,071**	**408**

Group and Company guarantees on 31/12/2018 and 31/12/2017 were as follows:

	GROUP		COMPANY	
Amounts € '000	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Guarantees				
Guarantees to third parties	49	51	0	0
Performance letters of guarantee	200	198	33	30
Guarantees for the repayment of subsidiary borrowing	15,007	35,080	15,007	35,080
Guarantees for the participation in various tenders	0	2	0	2
Total guarantees	**15,256**	**35,331**	**15,040**	**35,112**

On 31/12/2018, there were encumbrances on the Group tangible fixed assets against borrowing to the amount of €168m (2017: €187.4m) for the Group and €117.4m (2017: €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 30/12/2018 and 31/12/2017 were as follows:

	GROUP		COMPANY	
Amounts in € '000	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Other commitments				
Other short-term commitments pertaining to discontinued operations	0	375	0	375
Other long-term commitments pertaining to discontinued operations	0	370	0	370
Total other commitments	**0**	**745**	**0**	**745**

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 31/12/2018, the Group and the Company had formed provisions to the amount of €7.94m and €1.9m 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 31/12/2018.

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 2017 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 1006/2017, the companies that have undergone the aforementioned special tax audit are not exempt 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 2018 fiscal year, the special audit for obtaining a Tax Compliance Report is underway and the relevant tax certificates shall be distributed after the 2018 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.

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 01/01/2018 – 31/12/2018

	BUYER	DTCA HYGEIA SA	MITERA SA	MITERA HOLDINGS SA	LETO SA	LETO HOLDINGS SA	ALFALAB SA	Y-LOGIMED SA	Y-PHARMA SA	ANIZ SA	BEATIFIC SA	TOTAL
SELLER	DTCA HYGEIA SA	0	2,323,557	0	68,712	0	7,606	24,541	0	68,407	6,870	**2,499,694**
	MITERA SA	362,267	0	0	3,197	0	0	0	0	0	10,332	**375,798**
	LETO SA	25	21,557	0	0	2,055	54,620	0	0	0	0	**78,257**
	ALFALAB SA	325,878	526,747	0	204,373	0	0	0	0	0	0	**1,056,998**
	Y-LOGIMED SA	19,273,143	7,755,587	350	945,199	0	3,246	0	1,150	0	9,796	**27,988,471**
	ANIZ SA	22,773	0	0	0	0	0	242	0	0	0	**23,015**
	BEATIFIC SA	232	2,950	0	0	0	0	0	0	0	0	**3,182**
	TOTAL	**19,984,318**	**10,630,398**	**350**	**1,221,482**	**2,055**	**65,472**	**24,783**	**1,150**	**68,407**	**26,998**	**32,025,415**

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

	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
SELLER	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 RECEIVABLES - LIABILITIES AS OF 31/12/2018

	LIABILITY	DTCA HYGEIA SA	MITERA SA	MITERA HOLDINGS SA	LETO SA	LETO HOLDINGS SA	ALFALAB SA	Y-LOGIMED SA	Y-PHARMA SA	ANIZ SA	BEATIFIC SA	TOTAL
RECEIVABLES	DTCA HYGEIA SA	0	6,311,161	0	282,396	8,610	125,367	1,972,052	0	135	35,908	**8,735,629**
	MITERA SA	411,532	0	0	49,191	0	0	0	0	0	40,416	**501,140**
	LETO SA	2,915	21,557	0	0	14,448	23,501	0	0	0	259	**62,680**
	LETO HOLDINGS SA	0	0	0	130,561	0	0	0	0	0	0	**130,561**
	ALFALAB SA	31,313	260,127	0	153,173	0	0	0	0	0	0	**444,613**
	Y-LOGIMED SA	0	15,568,835	363	4,066,768	0	12,991	0	1,502	0	50,694	**19,701,153**
	Y-PHARMA	61,177	23,090	0	19,558	0	0	0	0	0	7,900	**111,725**
	ANIZ SA	13,286	0	0	0	0	0	0	0	0	0	**13,285**
	BEATIFIC SA	8,000	0	0	0	0	0	0	0	0	0	**8,000**
	TOTAL	**528,223**	**22,184,770**	**363**	**4,701,647**	**23,058**	**161,859**	**1,972,052**	**1,502**	**135**	**135,178**	**29,708,787**

INTERCOMPANY RECEIVABLES - LIABILITIES AS OF 31/12/2017

	LIABILITY	DTCA HYGEIA SA	MITERA SA	LETO SA	LETO HOLDINGS SA	ALFALAB SA	Y-LOGIMED SA	Y-PHARMA SA	BEATIFIC SA	TOTAL
RECEIVABLES	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**

Transactions and Balances with Related Parties

The following table depicts the Company and Group transactions with related parties, mainly pertaining to Piraeus Group and MIG companies, up until November 2018. From November until the end of the year, it includes the transactions with CVC Group companies.

Amounts in € '000	GROUP 31/12/2018	COMPANY 31/12/2018	GROUP 31/12/2017	COMPANY 31/12/2017
Sales of goods/services				
Subsidiaries	0	2,040	0	1,963
Other related parties	148	12	67	22
Total	**148**	**2,052**	**67**	**1,985**

Amounts in € '000	GROUP 31/12/2018	COMPANY 31/12/2018	GROUP 31/12/2017	COMPANY 31/12/2017
Other income/expenses from holdings				
Subsidiaries	0	460	0	442
Other related parties	183	83	231	99
Total	**183**	**543**	**231**	**541**

Amounts in € '000	GROUP 31/12/2018	COMPANY 31/12/2018	GROUP 31/12/2017	COMPANY 31/12/2017
Purchase of goods				
Subsidiaries	0	19,273	0	16,661
Other related parties	160	0	156	0
Total	**160**	**19,273**	**156**	**16,661**

Amounts in € '000	GROUP 31/12/2018	COMPANY 31/12/2018	GROUP 31/12/2017	COMPANY 31/12/2017
Other expenses				
Subsidiaries	0	711	0	685
Other related parties	7,352	5,103	11,038	7,381
Total	**7,352**	**5,814**	**11,038**	**8,067**

Amounts in € '000	GROUP 31/12/2018	COMPANY 31/12/2018	GROUP 31/12/2017	COMPANY 31/12/2017
Purchase of tangible/ intangible assets				
Other related parties	1,084	758	1,117	820
Total	**1,084**	**758**	**1,117**	**820**

Amounts in € '000	GROUP 31/12/2018	COMPANY 31/12/2018	GROUP 31/12/2016	COMPANY 31/12/2016
Receivables				
Subsidiaries	0	8,736	0	6,314
Other related parties	536	0	14,262	6,762
Total	**536**	**8,736**	**14,262**	**13,076**

Amounts in € '000	GROUP 31/12/2018	COMPANY 31/12/2018	GROUP 31/12/2016	COMPANY 31/12/2016
Liabilities				
Subsidiaries	0	528	0	406
Other related parties	0	0	85,445	55,496
Total	**0**	**528**	**85,445**	**55,903**

Transactions with key administration and management executives of the Company and Group are outlined below.

Compensation Paid to Key Management and Administrative Executives

The benefits paid to Management executives at Group and Company level are outlined below:

	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Short-term benefits to managers and executives*	5,458	3,957	3,525	2,190
Post-employment benefits	690	302	400	214
Benefits of discontinued operations	228	468	0	0
Total	**6,376**	**4,727**	**3,925**	**2,404**

*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 31/12/2018 are outlined below.

Financial assets	31/12/2018 Fair value measurement at end of the reporting period using:				31/12/2017 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 measurements								-
-Assets Held for sale	-	-	-	-	-	27,359	-	27,359
Total financial assets	**-**	**45**	**-**	**45**	**-**	**27,404**	**-**	**27,404**
Non-recurring fair value measurements								
-Liabilities Held for sale	-	-	-	-	-	27,359	-	27,359
Total financial liabilities	**-**	**-**	**-**	**-**	**-**	**27,359**	**-**	**27,359**
Net fair value	**-**	**45**	**-**	**44**	**-**	**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	**31/12/2018**		**31/12/2017**		**31/12/2018**		**31/12/2017**	
Profit for the financial year (after tax)	(1,258)	1,258	(1,348)	1,348	(827)	827	(901)	901
Equity	(1,258)	1,258	(1,348)	1,348	(827)	827	(901)	901

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 31/12/2018, 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	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Cash and cash equivalents	9,861	11,108	6,432	4,755
Trade and other receivables	68,396	64,381	52,351	46,570
Total	**78,257**	**75,489**	**58,783**	**51,325**

The maturities of financial receivables for the Group and the Company on 31/12/2018 and 31/12/2017 were as follows:

Amounts in € '000	GROUP		COMPANY	
Financial assets past due but not impaired	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Not more than 3 months	6,674	5,700	6,909	5,742
More than 3 months but not more than 6 months	6,819	6,954	6,345	5,844
More than 6 months but not more than 1 year	7,262	7,170	6,291	6,244
More than 1 year	11,499	9,008	6,478	3,970
Total	**32,254**	**28,832**	**26,023**	**21,800**

13.1.3 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.

On 31/12/2018, the maturities of financial liabilities for the Group were as follows:

	GROUP 31/12/2018			
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	2,133	6,094	105,192	0
Liabilities relating to operating lease agreements	829	828	2,597	0
Trade payables	53,002	229	0	0
Other short-term liabilities	15,521	1,893	595	0
Short-term borrowing	0	2,283	0	0
Total	**71,485**	**11,327**	**108,384**	**0**

The respective maturities of financial liabilities on 31/12/2017 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
Short-term borrowing	105	2,883	0	0
Total	**74,618**	**13,486**	**117,215**	**0**

On 31/12/2018, the maturities of financial liabilities for the Company were as follows:

	COMPANY			
	31/12/2018			
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	1,467	4,137	69,699	0
Liabilities relating to operating lease agreements	637	654	1,781	0
Trade payables	15,915	155	0	0
Other short-term liabilities	7,643	1,891	215	0
Total	**25,662**	**6,837**	**71,695**	**0**

The respective maturities of financial liabilities on 31/12/2017 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
Total	**27,150**	**8,754**	**78,031**	**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 31/12/2018, both the Group and the Company posted a positive working capital to the amount of €7,301 thousand and €31,450 thousand respectively.

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. 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.

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 2018 and 2017 fiscal years is outlined below:

	GROUP		COMPANY	
Amounts in € '000	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Total equity	138,204	120,853	142,955	129,305
Less: Cash and cash equivalents	(9,861)	(11,108)	(6,432)	(4,755)
Capital	**128,343**	**109,745**	**136,523**	**124,550**
Total equity	138,204	120,853	142,955	129,305
Plus: Loans	119,956	131,592	78,375	87,100
Total capital	**258,160**	**252,445**	**221,330**	**216,405**
Capital to Total capital	0.50	0.43	0.62	0.58

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.

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 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 31/07/2019. 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 31/12/2018, the unamortized value of the Company's buildings, machinery and fixtures amounted to €43.9m. Therefore, the insurance coverage amount for the unamortized value based on data from 31/12/2018 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

The citizens' shift towards public healthcare services due to the adverse economic conditions has made competition among businesses in the private healthcare sector fiercer, as their total market share has been limited.

The large Groups within the sector have solidified their position and offer a wide range of medical services. 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-level services, in accordance with the unique international standards HYGEIA Group has been certified with 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 Mako robotic-arm assisted system for partial and total knee, and total hip replacement procedures; (v) the largest Radiotherapy and Oncology Department, with three linear accelerators; (vi) the first PET/CT in Greece; (vii) a new 128-slice CT scanner; (viii) a digital angiography system; (ix) the Watson for Oncology (WFO) AI system; (x) a Navigator neuronavigation system; and (xi) 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 11, 2019, in accordance with Article 23 of Law 3461/2006, Greek société anonyme trading as "Hellenic Healthcare Single-Member Holdings SA" announced the results of the mandatory tender offer submitted by the Offeror on November 12, 2018 for the acquisition of all the common registered dematerialized shares with voting rights of the société anonyme trading as "Diagnostic and Therapeutic Center of Athens HYGEIA SA".

On March 15, 2019, Greek société anonyme trading as "Hellenic Healthcare Single-Member Holdings SA" announced that the Board of Directors of the Hellenic Capital Market Commission approved the request submitted by the Offeror on 15/02/2019, in line with Article 27 of Law 3461/2006 for exercising its takeover right (squeeze-out) for the remaining common registered shares owned by the société anonyme trading as "Diagnostic and Therapeutic Center of Athens HYGEIA SA", with a nominal value of €0.41 each, which the Offeror had not acquired through the mandatory tender offer it had submitted on 12/11/2018, pursuant to the law.

The date the shares stopped being traded on the Athens Exchange was 02/04/2019. The procedure and timeline for the Takeover Right are specified in Decision 1/644.

On February 18, 2019, Hellenic Healthcare Group signed a new strategic agreement with Ethniki Asfalistiki for all insured policyholders within the Group hospitals. Following the recent buyouts, the Hellenic Healthcare Group network now includes Metropolitan Hospital, HYGEIA Hospital, MITERA Hospital, Metropolitan General and LETO Hospital. It is currently able to offer the latest and most advanced medical services in general medicine, pediatrics and obstetrics/gynecology.

On February 25, 2019, driven by its need to address the growing demands of its patients and to keep pace with the advancements in medicine, HYGEIA Hospital established the "my hygeia" online Personal Health Record (PHR) for patients.

On April 9, 2019, HYGEIA announced the conclusion of the registration of company Hellenic Healthcare Single-Member Holdings SA in the Dematerialized Securities System, as the new owner of the Company's 8,566,007 common registered shares, on April 8, 2019, following the takeover right exercised pursuant to Decision no 2/840/15.03.2019 of the Hellenic Capital Market Commission Board of Directors. As a result, Hellenic Healthcare currently owns 305,732,436 of the Company's common registered shares, which represent 100% of the Company's paid-up share capital and voting rights.

On April 15, 2019, upon concluding exercising its takeover right (squeeze-out) for the Company shares on 08/04/2019, Hellenic Healthcare SA, as the sole shareholder, convened an Extraordinary General Meeting at the Company offices, with the only item on the agenda being to approve submitting an application to the Hellenic Capital Market Commission for delisting the Company shares from the Athens Exchange.

In a unanimous decision of 100% of the represented paid-up share capital of the Company, the General Meeting approved of the Company submitting an application to the Hellenic Capital Market Commission for removing all the common registered intangible shares of the Company, with voting rights, i.e. 305,732,436 shares with a nominal value of €0.41 each, from the Athens Exchange, in accordance with Article 17(5) of Law 3371/2005, as in force.

On April 16, 2019, HYGEIA SA submitted an application to the Hellenic Capital Market Commission requesting the delisting of all its common registered dematerialized shares, with voting rights, i.e. 305,732,436 shares with a nominal value of €0.41 each, from the Athens Exchange, in accordance with Article 17(5) of Law 3371/2005.

Marousi, April 24, 2019

BOARD CHAIRMAN	*CHIEF EXECUTIVE OFFICER*	*GROUP CHIEF FINANCIAL OFFICER*
ATHANASIOS PAPANIKOLAOU *ID Card No. AN612863*	*ANDREAS KARTAPANIS* *ID Card No. AE140679*	*DIMITRIOS MANTZAVINOS* *ID Card No. AM236377*
CHIEF FINANCIAL OFFICER *ELEONORA KELEPOURI* *ID Card No. Σ028050*		GROUP DEPUTY CHIEF FINANCIAL OFFICER *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, 2018, 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).