GENERAL CLINIC, DIAGNOSTIC, TREATMENT, SURGERY CENTRE

ATHENS EUROCLINIC, SOCIÉTÉ ANONYME

FINANCIAL STATEMENTS

FOR THE FISCAL PERIOD BETWEEN JANUARY 1 AND DECEMBER 31, 2018

PREPARED IN ACCORDANCE WITH THE

INTERNATIONAL FINANCIAL

REPORTING STANDARDS

(I.F.R.S.)

SA REGISTRATION NO.: 1477/01/B/86/1476
Registered Offices: 7-9 Athanasiadou Street, POSTCODE: 11521, Athens

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A. Directors' Report of the company under the title "GENERAL CLINIC, DIAGNOSTIC, TREATMENT, SURGERY CENTRE, ATHENS EUROCLINIC S.A." on the Financial Statements concerning the period between January 1 and December 31, 2017.

Dear Shareholders,

We hereby present you with the Directors' Report of the Company under the title: "**GENERAL CLINIC, DIAGNOSTIC, TREATMENT, SURGERY CENTRE, ATHENS EUROCLINIC S.A.**" on the annual financial statements of 2018 fiscal period, by virtue of the clauses of codified law 2190/1920 as substituted, from law 4548/2018 and we inform you briefly about the following:

The present Annual Financial Statements include the information required by virtue of the clauses of cod. law 2190/1920, as substituted from 1-1-2019 by law 4548/2018 the Statement of Financial Position of the Company, the Statements on Comprehensive Income, Changes in Equity, the Cash Flow Statement, the Notes on the Annual Financial Statements, including the Audit Report prepared by the independent Certified Auditor - Accountant. The present have been prepared based on the applicable Legislation and the principles of the International Financial Reporting Standards, cover the fiscal period between 01.01.18 and 31.12.18 and present the actual financial structure of the Group.

FINANCIAL POSITION

The growth of the Greek economy initiated in 2017, continued in 2018. This growth is mainly a result of positive internal events. The prominent event that lead to this growth is the successful integration of the three year economic adjustment program and its effect on improving consumers' trust, reinforcing investments and liquidity. According to figures of Bank of Greece, the GDP increased by 1,9 % while further increase is expected for fiscal year 2019 – 2020.

In the health industry, the change of demographic characteristics such as the increase of life expectancy and the population aged more than 65 years old, in relation with the drastically deduction of public financing for health investment (roughly -32,8% for 2010 - 2017), have moved volume to the private health sector. 2018 is characterized from increased turnover and a general improvement of financial indexes in private healthcare companies.

Within this context , the Group took advantage of its flexible business model, as well as the relocation of Children's Clinic and opportunities that arose from the external environment, achieving a successful year.

Turnover: Turnover of the Group (excluding rebate and clawback) in 2018 reached € 43.82 million and increased by 2.64% versus the previous year. Turnover for the Company was € 43.21 million, compared to € 42.37 million for the same period last year. Inpatient hospitalisation days for 2018 decreased slightly by (-0.32%) versus the previous year, reaching 29,880 vs 29,977 in 2017.

The amount for rebate and clawback charged to the Financial Statements on December 31, 2018 reached € 2.73 million for the Group and € 2.68 million for the Company excluding VAT. At a consolidated level, net sales reached € 41.09 million increased by 2,22% compared to 2017. For the Company turnover after deducting the rebate & clawback is € 40.53 million, compared to € 39.89 million of 2017, which is increased by 1.61%.

Gross profit: On a Group level, gross profit (without rebate and claw back) reached € 9.13 million, increased by 30.20% compared to 2017. After deducting the Rebate and Clawback amounts, gross profit of the Group reached to € 6.41 million vs. 4.52 million in 2017, demonstrating a notable increase of 41.59%.

For the Company, gross profit (without rebate and claw back) reached € 8.81 million, a 27.81% increase compared to 2017. After deducting the amounts of rebate and claw back, the Gross profit reached € 6.13 million in comparison to € 4.41 million of 2017, an increase of 38,94% .

Earnings before interest, taxes, depreciation and amortization (EBITDA): EBITDA for the Group (without rebate and clawback) reached € 8.09 million, increased by € 2.34 million in relation to 2017, an increase of 40.72%.

After deducting the Rebate and clawback amounts, the profits before interest, taxes, depreciation and amortization amounted to € 5.36 million compared to € 3.26 million in 2017, a notable increase of 64,58%.

For the Company, EBITDA (without rebate and claw back) reached € 8.01 million increased by 41.40%, compared to 2017.

After deducting the Rebate and Clawback amounts, profits recorded a notable increase of 67.41% amounted to € 5.33 million against € 3.19 million in 2017.

Profit (Loss) after Taxes: Including rebate and clawback, the Group is reporting profits of € 1.5 million in comparison to losses of € 0.66 million in 2017. The parent Company is reporting profits after taxes of € 1.49 million, compared to losses of € 0.71 million in 2017.

Loans*:* At a consolidated and standalone level, the loans liabilities as of 31/12/2018 were € 32.76 million compared to € 31.14 million on 31/12/2017.

On 07/03/2018 a Coverage Agreement for the amount of € 29.71 million was signed according to law 3456/2013 with ''EFG Eurobank" and "Piraeus Bank" identifying "'EFG Eurobank" to be the bondholder agent.

In addition, the Company signed a leasing contract of € 1.61 million with ''EFG Eurobank financial leasing" and "Piraeus Bank financial leasing" regarding the acquisition of robotic surgery system "da vinci Si HD 4 – arm".

During 2018, an amount of € 150 thousand repayed from the bond loan and € 237 thousand from the financial leasing.

The bank loan liabilities are secured with collaterals on the tangible and intangible assets of the company. The management of the company granted the consent of the collaborating banks on the modification of financial indexes on the 31/12/2018 regarding company's bond loan.

Equity: At a Group level equity was € 0.32 million on 31/12/2018 increased by € 0.20 million compared to 2017, while at a Company level amounted to € 0.26 million compared to € 0.07 million on 31/12/2017.

Trade and other payables**:** At a consolidated level, suppliers and other liabilities at 31/12/2018 reached € 26.30 million compared to € 26.74 million in 2017. For the company the amount was € 26.20 million in comparison with € 26.66 million in 2017.

Cash Receivables and cash equivalents: Cash and cash equivalents for the Group reached € 0.88 million compared with € 0.93 million in 31/12/2017. For the Company cash and cash equivalents reached € 0.70 million in comparison with € 0.87 million in 2017. The Company is fulfilling all its short-term obligations (personnel payroll, insurance contributions and taxes, loan interest, etc.).

Trade and other receivables: Trade and other short-term receivables for the group as of 31.12.18 amounted to € 15.97 million in comparison with € 14.93 million on 31.12.2017. For the Company, trade and other receivables amounted to € 16.07 million compared with € 14.87 million on 31.12.2017. This change includes Rebate and Clawback amounts, reaching € 23.60 million for period 2013—2018, the reversal of provisions due to the issuing of credit notes for rebate and clawback, as well as the collection of receivables from private customers.

Expenses: For the Group, cost of sales decreased by 2.78% in relation to 2017 (€ 34.68 million compared to € 35.68 million) and for the Company dropped by 3,03% in relation to 2017 (€ 34.40 million vs € 35.48 million).

Administrative expenses decreased by 0.46% compared to 2017 (€ 5.50 million vs € 5.52 million) for the Group and 1.43% in relation to 2017 (€ 5.42 million vs € 5.5 million) for the Company.

At a Group level the personnel expenses reached € 12.47million, decreased by 2,15 % compared to 2017, while the staff on 31 December 2018 was 537 people vs 515 people on 31 December 2017 (increased by 3,30 %). In Company level the cost and expenses of human resource was € 12.36 million, dropped by 8.84% vs 2017, while for the total staff was 529 people vs 514 at 31/12/2017.

Inventory**:** Year-end inventory amounted to € 0.75 million, decreased by 1.71% compared to 2017. For the Company inventory was € 0.73 million increased by 2.89% compared to 2017.

Other income: Other income of the Group amounted to € 1.74 million from € 1.42 million in 2017 and for the Company € 1.92 million from € 1.44 million in 2017.

Financial Indicators:

Management evaluates the results and the Group's performance on a monthly basis, by identifying promptly and effectively any deviations from the objectives and taking actions accordingly. The effectiveness of the Group is depicted by the use of key performance indicators as follows:

				Group		Company	
Ratio	**Description**			**2018**	**2017**	**2018**	**2017**
Liabilities to Assets ratio	Liabilities to Assets ratio	/	Liabilities to Assets ratio	99.52%	99.82%	99.61%	99.89%
Gearing ratio	Gearing ratio	/	Total Equity + Net debt	99.02%	99.61%	99.21%	99.76%
Working Capital	Current Assets	-	Current Liabilities	(11,128,580)	(41,258,908)	(11,127,204)	(41,311,270)

SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

On 7 March, 2018 a Coverage Agreement for a bond loan was signed with ''EFG Eurobank" and "Piraeus Bank" with "EFG Eurobank" being the bondholder agent. The purpose of the bond loan is the refinancing of the current bond loan amounting to € 29.71 million. The basic terms of the new contract include: a) a two year extension of the expiry date of the bond loan, with the option of further extension of one year, b) three month interest rate period with annual interest rate margin at 4%, c) repayment schedule in quarterly instalments, d) the compliance with specific financial covenants on an annual and semi-annual basis.

On 27 April, 2018, the company signed a financial leasing agreement amounts to € 1.61 million, with "Eurobank Ergasias financial leasing" and ""Piraeus Bank leasing" regarding the acquisition of robotic surgery system "da vinci Si HD 4 – arm.

On 17 May, 2018, the application regarding the modification of the operating license of Children's Euroclinic from children's to general clinic of 77 beds was approved.

From 01 September, 2018 Euroclinic group was assigned the provision of health services to the insured of Europaiki Pisti SY.S.P.A. – O.T.E (Additional insurance Retirement fund O.T.E.) which amounts to 1.100 members. This is a health insurance program under the form of a closed network (capitation) providing secondary health care services. Members of this program are able to use the services provided in Euroclinic group, Errikos Ntinan hospital, Bioclinic Athens – Piraeus - Thessaloniki as well as in Euromedica Geniki kliniki Thessaloniki and Kozani.

On October 2018, the collaboration between TEAYPOIK (Employees Fund of in the Greek ministry of Economy) was renewed targeting to provide primary and secondary health services via programs with coverage from Euroclinic's closed network. The insured members are more than 11.500 including dependent members, while this number is expected to grow further.

After a successful year of collaboration between Euroclinic Group and Europaiki Pisti YP.ES.D.D.A (Fund of the Ministry of Internal Affairs) the collaboration was renewed on November 2018. The Program numbers roughly 5.500 insured people, for the first and second level of health services through programs with coverage from Euroclinic's closed network, ensuring at the same time more favorable terms of coverage in Euroclinic group, constraining the closed network of collaborating clinics of the program.

Finally, from 01/12/2018 Euroclinic Group in collaboration with Minetta insurance company is responsible for providing secondary health care services to the group insurance contract of Minetta - DEH, which amounts 9.000 members. The partners of this agreement are Bioclinic Athens – Piraeus - Thessalonikis, as well as Euromedica General Clinic of Thessalonikis and Kozanis.

RISK AND UNCERTAINTIES

(a) Market risk

Market risk results from fluctuations in future cash flows of a financial instrument due to fluctuations in market prices. The market risk for the Company mainly results from changes in the prices for medical procedures, as well as those of DRGs, and from the delayed payments by Public Funds and E.O.P.Y.Y., due to the continued recession. The Company does not hold any financial instruments in foreign currency or any investments in bonds or shares apart from checking accounts.

Price risk
The Company is exposed to price risk concerning the change of value in land & buildings that are recognized at the fair value.

Risk of cash flows and risk of changes in fair value due to changes in interest rates

The interest rate risk mainly comes from loans. Loans with variable interest rate expose the Company to a cash flow risk due to changes in interest rates. All Company loans are in Euro with variable interest.

(b) Credit risk

Credit risk is handled by the Financial Division of the Group. This risk results from credit offered to customers (customer credit risk). Regarding the cash reserves and cash equivalents, the Group is trading only with credit certified financial institutions.

The clientele of the Group consists of insurance funds and organizations, insurance companies and other private parties. Sales to insurance funds and insurance companies usually involve a small amount of risk regarding bad debt. Additionally, insurance funds are delaying payments. The credit risk is mainly focused on private patients - customers without insurance coverage, or whose insurance policies do not cover the entire cost of their hospitalization. The Company has set specific procedures for the proper and quick collection of its receivables.

The Group is applying a simplified approach of IFRS 9 to calculate the expected credit losses. Regarding receivables from costumers, provision for credit losses are equal to the expected credit losses throughout their total lifetime regarding receivables from costumer.

Group's exposure in credit risk is constrained to its financial assets which are analyzed below at the date of financial statements.

	Group		Company	
	2018	**2017**	**2018**	**2017**
Trade and other receivables	15,972,263	14,933,733	16,066,785	14,873,303
Cash available and cash equivalents	881,490	930,856	698,827	866,931
Total	**16,853,753**	**15,864,588**	**16,765,612**	**15,740,235**

The aging of receivables for the group and the company as of 31/12/2018 and 31/12/2017 is presented below.

	Group		Company	
	2018	**2017**	**2018**	**2017**
< 3 months	3,140,905	2,932,058	3,077,111	2,931,148
3 - 6 months	4,477,649	4,270,984	4,475,798	4,263,488
> 6 months	6,435,512	6,180,187	6,433,960	6,128,764
Total	**14,054,065**	**13,383,229**	**13,986,870**	**13,323,401**

(c) Liquidity risk

The monitoring of liquidity risk is focused on the ability of the Group and the Company to maintain certain liquidity levels in order to ensure the payment of trading activities, which is accomplished by managing the timing of cash inflows and outflows, as well as the sufficiency of cash and cash equivalents.

Management is analysing data and uses credit lines that have been agreed with the banks and the rest of financial institutions, when deemed necessary. More specifically, considering the low credit supply, the Group and the Company are trying to reduce the demand for working capital in any possible way.

The Group within its effort to reduce its exposure to EOPYY is developing further collaborations with private insurance companies that provide the required liquidity.

The table below is analysing the non-discounted cash flows of liabilities, sorted by expiry date, accounted according to the time remaining from the balance sheet date until the conventional expiry date.

Liabilities with expiry date less than one year, are presented according to the net book value because the discount effect is immaterial.

31 December 2018		**Group**	
	< 1 year	**1 - 5 years**	**> 5 years**
Loans (excluding finance leases)	2,133,129	29,260,000	0
Finance leases	293,776	1,074,143	0
Suppliers and other liabilities	26,304,382	0	0
	28,731,287	**30,334,143**	**0**

31 December 2017			
	< 1 year	**1 - 5 years**	**> 5 years**
Loans (excluding finance leases)	31,141,608	0	0
Suppliers and other liabilities	26,743,835	0	0
	57,885,443	**0**	**0**

31 December 2018		**Company**	
	< 1 year	**1 - 5 years**	**> 5 years**
Loans (excluding finance leases)	2,133,129	29,260,000	0
Finance leases	293,776	1,074,143	0
Suppliers and other liabilities	26,197,446	0	0
	28,624,351	**30,334,143**	**0**

31 December 2017			
	< 1 year	**1 - 5 years**	**> 5 years**
Loans (excluding finance leases)	31,141,608		
Suppliers and other liabilities	26,663,228		
	57,804,836	**0**	**0**

(d) Capital risk

The objective of the Group with regards to the management of capital is the preservation of its ability to continue its operation, in order to achieve profits for its shareholders and benefits for all stakeholders, while maintaining the optimum capital structure in order to reduce its capital cost.

To preserve or change its capital structure, the Group may alter the dividend paid to shareholders, return capitals to shareholders, issue new shares or sell assets with the purpose of reducing loans.

In line with the standard industry practice, the Group is monitoring its capital structure using the gearing ratio. The gearing ratios on 31 December 2018 and 2017 are presented below.

	Group		Company	
	2018	**2017**	**2018**	**2017**
Total debt	32,761,048	31,141,608	32,761,048	31,141,608
Minus: Cash and cash equivalents	(881,490)	(930,856)	(698,827)	(866,931)
Net debt	**31,879,558**	**30,210,752**	**32,062,221**	**30,274,677**
Equity	315,532	118,819	255,597	74,342
Total capital employed	**32,195,089**	**30,329,571**	**32,317,818**	**30,349,018**
Gearing ratio	**99.02%**	**99.61%**	**99.21%**	**99.76%**

COMPANY PERSPECTIVES

The increase of GDP in 2018 and estimations for 2019, imply that the Greek economy is going to grow. The substantial objective for Greece is to maintain the political stability, as parliament elections are planned for July of 2019 as well as the continuity of the growth policy and the reinforcement of investments.

The Healthcare sector has been remodeled after the takeover of various companies from foreign funds and the shutdown smaller clinics as a result of the adverse economic climate.

Euroclinic group has achieved to record consecutive years of growth relying on its flexible business model which is combining expansion of activities, keeping spending at low levels while maintaining high quality of care.

Business strategy for 2019 is focusing on

- The further development of the operation of the Children's Clinic, with the operation of ICU for children
- Investments in state of the art technology (New MRI, etc)
- Developing One Day Surgery units (O.D.S)
- Creating a pioneering profile of personalised high quality services at competitive prices
- Strengthening of its brand name with emphasis in the continuing measurement and development of the quality of services offered
- Development and marketing of new products and services regarding prevention and diagnosis
- Development of strategic collaborations with private insurance companies, public insurance funds and the creation of a closed network.
- Further strengthening of outpatient and emergency department as a means to attract a greater volume of patients, taking advantage of the central location of the Clinique in Athens
- Gradual containment of the dependency on EOPYY through the:
    - provision of services that are not funded by EOPYY, such as aesthetic and preventive medicine, outpatient departments and capitation products directed to large population groups
    - increase of revenue from private insurance companies

- Further reduction of operating costs, by re-organizing departments, outsourcing of services, re-negotiation of agreements and use of new technology
- The efficient management of financial cash flows and maintenance of adequate working capital

RELATED-PARTY TRANSACTIONS

On December 31, 2018, 99.99% of the shares and voting rights of the Company were owned by Hippokrates Holdings BV, registered in Holland.

The Company shares are held by 57.89% by "Hippokrates Holdings B.V.", registered in Holland, which a 100% subsidiary of "Gulert Enterprises Limited", registered in Cyprus, which in turn is a 100% subsidiary of "South Eastern Europe Fund (SEEF)", registered in Jersey Island. 42.10% of total shares is owned by "AKKADIA HOLDINGS LIMITED", registered in Cyprus, which is a 100% subsidiary of "Hippokrates Holdings B.V.". The remaining 0.01% of the shares are owned by physicians.

The remaining transactions with related parties refer to transactions with members of the Board and with key management personnel of the Company, as well as to transactions with its subsidiary and are formulated as follows:+

(a) Transactions with members of the Board and key management personnel

	Group		Company	
	2018	**2017**	**2018**	**2017**
Remuneration of BoD members	213,600	228,600	213,600	228,600
Remuneration of Management personnel	912,044	919,564	912,044	919,564
Total	**1,125,644**	**1,148,164**	**1,125,644**	**1,148,164**

(b) Transactions with subsidiary

Subsidiary Euroclinic - Simeio D.Y.O. - Private Clinic Medical Single-Member Private Company was established on November, 7th 2016 with the purpose of engaging in the field of primary healthcare services. The share capital of the subsidiary amounts to € 10,000 (10 shares, with nominal value € 1,000 / share) and was paid in cash by the Company within 2016.

The transactions with the subsidiary refer to rents for the use of the subsidiary buildings and are listed below:

	2018		2017	
	Income	**Receivables**	**Income**	**Receivables**
EUROCLINIC - SIMEIO D.Y.O. - PRIVATE CLINIC MEDICAL SINGLE-MEMBER PRIVATE COMPANY	183,388	210,329	23,609	6,515
Total	**183,388**	**210,329**	**23,609**	**6,515**

FACILITIES - BRANCHES

The Company has been registered and is established in Greece, having its registered offices in Ampelokipi, Attica (7-9 Athanasiadou Str.).

EVENTS AFTER THE REPORTING PERIOD

There are no significant events between the 31 December 2018 and the publication of the financial statements, that could have a significant impact on the financial position and the operation of the Group and the Company in accordance with IAS 10.

SUMMARY DESCRIPTION OF THE BUSINESS MODEL

Athens Euroclinic was founded by Interamerican and commenced its operation in 1998, offering healthcare services. It is a state-of-the art diagnostic, surgical and treatment centre, capable of meeting the expectations of its patients, by setting strict criteria and an austere quality policy, equal to the largest hospital centres abroad.

Having high calibre medical and nursing personnel, with excellent scientific training, unique specialisations and having earned distinctions nationally and at a European level, holds a leading role in the field of private health. Athens Euroclinic is equipped state of the art medical equipment and modern facilities that allow it to cope with even the most challenging cases.

Children's Euroclinic was founded in 2002, which, operating within the context of Athens Euroclinic, provides quality specialized healthcare services to children.

In 2008, the transfer of the shares of both clinics to the South Eastern Europe Fund (SEEF) by Eureko B.V. (parent of Interamerican) was completed.

The subsidiary Euroclinic – Shmeio 2 – Private Polyclinic I.K.E. was established on 07/11/2016 with a mission to operate in the primary health care sector. The equity of the subsidiary is 10,000 € (10 shares, with nominal value of 1,000 € / Share) and was paid in cash from the Company in 2016.

CERTIFICATES

Following the creation of the certification and re-certification of "Center of Excellence for Surgical Thyroid & parathyroid glands", in 2018 it was created and certified for its excellent clinical results as Centre of excellence total arterial myocardial revascularization under Dr. Chlorogiannis supervision. This distinction is ensuring the scientific adequacy of the doctors' team of the related department, as well as the highest level of nursing and management personnel in a friendly environment for the patients.

In addition, in 2018, Athens Euroclinic was re-certified according to the protocol "Patients friendly hospital" for the quality of the Healthcare Services provided, as per the European standard EN 15224:2012, the global certification of ISO 9001:2015 as well as for the safety of the meals prepared, distributed and delivered within the clinic, as per the international standard ISO 22000:2005.

At the same time, preparation has been initiated in order to achieve for the clinics' laboratories to be awarded with ISO 15189:2012 certificate.

ENVIRONMENTAL ISSUES

The Group's objective is to preserve and protect the environment, through the application of specific environmental policies, with the purpose of reducing energy consumption and waste. The sorting of materials (office paper, clean packaging and wrapping material of health equipment, plastic, aluminium) from the common stream of wastes, as well as from purely hospital wastes, has contributed significantly to the protection of the environment. Special attention is given to the facilities, to ensure the necessary health conditions and the proper appearance of the areas. Cleaning is

performed by companies - cleaning crews, which consist of specialised personnel, trained in the cleaning methodology, using modern equipment and environmentally-friendly materials.

The specific environmental policies that aim to reduce the environmental footprint of Athens Euroclinic S.A. are the following:

- Use of green technology for the operation of the buildings, to reduce consumption of electricity:
  - LED lighting
  - Smart heating and air-conditioning systems, using the latest technology
  - Building insulation
- Special filtration of the air inside the areas of Athen's Clinic.
- Recycling and reduction of consumption of paper, aluminium, and plastic, thus reducing urban wastes.
- Careful management of infectious wastes. Disposal using a special procedure, employing a specialized Company for handling infectious wastes.
- Avoidance and application of all necessary measures to prevent environmental pollution.
- Neutralisation of liquid wastes coming from the microbiology laboratory to the necessary level to dispose them to the public sewage network.
- Encouragement and creation of environmental awareness to suppliers, subcontractors, and associates, through the application of operating procedures.
- Continuous personnel training in the Company policies on the protection of the environment.
- Compliance with the National and EU Law.

For 2018, 32.9 tons of recyclable materials collected.

LABOUR ISSUES

Our personnel is the timeless value in which we invest. The total amount of personnel employed by the Group and the company on 31.12.2018 reached 537 and 529 people accordingly (34% men and 66% women). The allocation of personnel per category and educational level is listed below:

Personnel Category	Group	Company	Personnel Category	Group	Company
			Ph. D.	6	5
Medical	43	36	Masters	59	54
Nursing	238	238	Bachelor's	69	67
			Technical Education		
Administrating	193	192	Institute	177	177
Assisting	26	26	Vocational Training	137	137
Paramedical	37	37	Secondary Education	84	84
			Basic Education	5	5
Total	**537**	**529**	**Total**	**537**	**529**

To achieve its objectives, the Company is focusing on attracting medical, nursing, and administrative personnel who are distinguished for their ethics and professionalism, while investing heavily in training its employees, through continuous professional development and the implementation of programs that cover operational and personal needs and priorities. Within this context, it organizes and implements training programs that mainly refer to the following:

- Smooth integration and training of new hires.
- Learning of improvement of personal skills.
- Continuous training in modern methods and nursing protocols.
- Certifications and intraclinical courses on nursing service.
- Participation in national or international conferences.

During 2018, 17 outsourced training sessions took place focusing on the developing specialization of executives, as well as 23 internal training sessions for the personnel awareness regarding infections, waste, specialized nursing procedures. Moreover, following the new legislation regarding GDPR, outsourced consultants provided relevant training to the Company's personnel.

Euroclinic is offering equal opportunities and equal treatment to its personnel and is treating them according to their abilities and performance. In addition, we are creating a working environment operating autonomously and creatively, respecting basic human rights and facing all the personnel equally.

The selection of the personnel is based on the recognition of talents and growth is the centre of Human Resource Management (HRM) adopted by the Group. Creativity, flexibility and problem solving thinking are encouraged by the Management. Moreover, the balance between work and personal life is adopted (worklife balance). We are working according to the global standards regarding security, the current legislation and the internal rules. We are in line with safety regulations, creating a comfortable working environment preventing accidents due to negligence.

CORPORATE SOCIAL RESPONSIBILITY

Over the years, Corporate Social Responsibility has become an integral part of a business operation. Athens Euroclinic Group is interconnected with the social context, within which it operates and recognises its responsibility towards society and the environment.

Within this context, on the occasion of the 20th anniversary of Athens Euroclinic, Management decided to offer health care services to children who represent the most sensitive part of society. For this reason, it chose the three largest child support organisations: "The smile of the child", the union "Together for Children" and "Ark of the World" and from July 1st, 2018, we are providing all medical and diagnostic tests to the children these three organizations support in Attica region. The criteria for selecting these structures was solely the support of as many children as possible. In total, these three organizations support more than 1.000 children in Attica, a number that unfortunately is continuously growing, as the number of families that cannot support their children due to financial reasons is increasing, as well as due to numerous cases of domestic violence and neglect of minors. With a sincere intention to support these organisations, Euroclinic Group decided to unload those responsible from the burden of raising funds to support the healthcare of the children, allowing them to focus on their work and the development and education of the children.

This action has a number of benefits. "The smile of the child" as well as "Ark of the world" and "Together for Children" have under their care children that each one has - for different reasons - suffered both physically and psychologically. Euroclinic Childrens' paediatricians are at their disposal, in order to secure their wellbeing. All children have to be and feel healthy in order to be able to turn in complete and happy adults.

Euroclinic Group with its program for the support of the three most important child-care organizations in Greece, stands out and ranks between the 35 top Companies that contribute with actions in the shaping of Corporate Social Responsibility in Greece, as presented in the 6th Actions Panorama of Corporate Social Responsibility hosted by Marketing Week.

Additionally, during 2018 the Group's employees participated in various voluntary actions, such as:

- Race for the cure for the breast cancer
- Action Hellas, assisting local communities, specially these are located in distant areas of Greece
- "Be my Hero" where 65% of our employees volunteered as possible future bone marrow donors
- Delivery of essentials for the reinforcement of people suffered from fire in East Attica
- Infants Foundation Mother where collected items (clothing – toys) for the needs of protected children

CORPORATE GOVERNANCE

Corporate Governance is the framework of principles, rules and practices based on which the Company is managed and operated, in order to safeguard the shareholders' interests, ensure the equal treatment among them and the repsect of the rights of all stakeholders.

As the Company is a not listed, it does not have the obligation to adhere to a Corporate Governance code. However, in order to protect its shareholders' and other stakeholders' interests, to ensure the transparency and to avoid fraudulent actions, the Group voluntarily follows a part of generally accepted Corporate Governance values applied by companies listed in the Greek Stock Market. In this context, the Group adopts moral business practices in order to avoid bribery, money laundering and any kind of fraud. Every relevant complaint is examined, while the findings are forwarded to the relevant authorities when needed.

Apart from the provisions of L. 2190/1920 as replaced from L. 4548/2018, from 1-1-2019 the major points of adherence to the principles of corporate governance are the following:

- The majority of the members of the Board of Directors are non-executive members (3 out of 5)
- There is an independent Internal Audit function reporting directly to the BoD.
- There is a Central Supplies Committee, targeting to the proper and transparent management of procurement.

DIVIDEND POLICY

The Board of Directors is proposing against the payment of dividends, due to accumulated losses.

The Board of Directors wishes to thank everyone who contributed to the achievement of the objectives and to the progress of the Company in 2018, including the Management, the Physicians and the staff.

Athens, July 01, 2019

THE MANAGING DIRECTOR

ANTONIOS VOUKLARIS

B. Independent Auditors' Report

To the Shareholders of the "EUROCLINIC S.A."

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying separate and consolidated financial statements of EUROCLINIC S.A. ("the Company"), which comprise the separate and consolidated statement of financial position as at December 31, 2018, separate and consolidated income statements, statements of comprehensive income, statements of changes in equity and cash flows for the year then ended including a summary of significant accounting policies and other explanatory notes to the financial statements.

In our opinion, apart from the effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company and its subsidiaries (the Group) as at 31 December 2018, their financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Qualified Opinion

Based on our audit and notwithstanding the requirements of International Accounting standard 16 "Property, Plant and Equipment", no update has been conducted regarding the valuation of the Group's and the Company's land and buildings of carrying amount of € 29.8 million at fair value, according to the accounting policies selected by the Group and Company. Due to this event, it is likely that the value, of land and buildings as presented in the financial statements, has changed. Therefore, we were not in position to obtain sufficient and appropriate audit evidence in order to verify the fair value of the assets and, consequently, we have qualified our opinion with regards to the valuation of the aforementioned assets and the potential impact on the Company's equity and Statement of Profit and Loss and Comprehensive Income for the year ended December 31, 2018.

We conducted our audit in accordance with International Standards on Auditing (ISAs) incorporated into the Greek Legislation. Our responsibilities under those standards are described in the Auditor's Responsibilities for the Audit of the separate and consolidated financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) incorporated into the Greek Legislation and ethical requirements relevant to the audit of separate and consolidated financial statements in Greece and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw your attention to Note 2.3 to the financial statements making reference to the fact that as at 31/12/2018, the Group's and the Company's total Equity is lower than one tenth of its share capital and, therefore, the requirements of Article 48, CL 2190/1920, as replaced as of 1/1/2019 by Article 119, par. 4, Law 4548/2018, regarding the Group's and Company's ability to continue as a going concern are applicable. At the same time, the aforementioned Note makes reference to the fact that the current liabilities of the Group and the Company exceed the total current assets by € 11.13 million, and, therefore, the Group and the Company might not be able to settle its contractual obligations.

The conditions described above indicate the existence of material uncertainty regarding the Group's and the Company's ability to continue as a going concern. However, as mentioned in Note 2.3 to the financial statements, the Group and the Company Management has planned the necessary actions to enhance their financial position and the going concern assumption, condition which has been taken into account for the preparation of the accompanying financial statements according to the going concern principle.

Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information is included in the Annual Board of Director's Report, the reference to which is made in the "Report on Other Legal and Regulatory Requirements" section of our Report but do not include the financial statements and our auditor's report thereon.

Our opinion on the separate and consolidated financial statements does not cover the other information and we will 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.

Management's Responsibility for the Separate and Consolidated Financial Statements

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

In preparing the separate and consolidated financial statements, management is responsible for assessing the Company's and 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.

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, incorporated into the Greek Legislation, 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 that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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 disclose to the management, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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

a) In our opinion, the Board of Directors' Report has been prepared in compliance with the effective legal requirements of Article 43a and 107a, CL 2190/1920, and its content corresponds to the accompanying separate and consolidated financial statements for the year ended as at 31/12/2018.

b) Based on the knowledge we acquired during our audit, we have not identified any material misstatements in the Board of Directors' Report in relation to the Company EUROCLINIC S.A. and its environment.

Athens, July 1, 2019

Certified Accountant

Pelagia Kaza

SOEL Reg.: No. 62591

Grant Thornton
An instinct for growth™
Chartered Accountants Management Consultants
56, Zefirou str., 175 64 Palaio Faliro, Greece
Registry Number SOEL 127

C. Annual Financial Statements

Statement of Financial Position as of 31 December 2018 (Consolidated and Stand-alone)

	Notes	Group		Company	
		2018	2017	2018	2017
ASSETS					
Fixed assets					
Tangible assets	**4**	34,228,945	33,022,362	34,172,594	33,021,144
Other intangible assets	**5**	14,368,191	15,859,499	14,368,191	15,859,499
Investments in Subsidiaries and Associate Companies	**9**	0	0	10,000	10,000
Trade and other receivables	**8**	190,233	145,243	190,233	145,243
Deferred tax assets	**13**	0	0	0	0
Total non-current assets		**48,787,369**	**49,027,105**	**48,741,018**	**49,035,886**
Current Assets					
Inventories	**7**	748,954	761,947	731,534	753,331
Trade and other receivables	**8**	15,972,263	14,933,733	16,066,785	14,873,303
Cash and cash equivalents	**10**	881,490	930,856	698,827	866,931
Total current assets		**17,602,707**	**16,626,535**	**17,497,146**	**16,493,566**
TOTAL ASSETS		**66,390,076**	**65,653,640**	**66,238,164**	**65,529,452**
LIABILITIES					
Equity					
Share capital	**11**	38,165,002	38,165,002	38,165,002	38,165,002
Share premium	**11**	62,225,811	62,225,811	62,225,811	62,225,811
Other reserves	**12**	7,124,398	7,030,731	7,124,398	7,030,731
Retained earnings		(107,199,678)	(107,302,725)	(107,259,613)	(107,347,202)
Total equity		**315,532**	**118,819**	**255,597**	**74,342**
Liabilities					
Long-term liabilities					
Loans	**13**	30,334,143	0	30,334,143	0
Liabilities for personnel benefits	**14**	910,959	967,970	910,959	967,970
Deferred tax liabilities	**15**	5,450,551	6,033,804	5,465,510	6,034,701
Other provisions	**16**	647,604	647,604	647,604	647,604
Total long-term liabilities		37,343,258	7,649,378	37,358,217	7,650,275
Short-term Liabilities					
Loans	**13**	2,426,905	31,141,608	2,426,905	31,141,608
Suppliers and other liabilities	**17**	26,304,382	26,743,835	26,197,446	26,663,228
Total short-term liabilities		28,731,287	57,885,443	28,624,351	57,804,836
Total Liabilities		**66,074,544**	**65,534,821**	**65,982,567**	**65,455,111**
TOTAL EQUITY AND LIABILITIES		**66,390,076**	**65,653,640**	**66,238,164**	**65,529,452**

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

Statement of Comprehensive Income 2018 (Consolidated and Stand-alone)

	Notes	Group		Company	
		2018	2017	2018	2017
Sales	**18**	41,090,783	40,200,136	40,526,708	39,886,089
Cost of sales	**21**	(34,683,863)	(35,675,284)	(34,399,832)	(35,476,261)
Gross Profit		**6,406,919**	**4,524,852**	**6,126,876**	**4,409,828**
Other income	**20**	1,741,233	1,416,728	1,923,687	1,440,337
Administrative expenses	**21**	(5,495,574)	(5,521,245)	(5,423,421)	(5,501,936)
Other profits / (losses), net	**19**	52,564	(609)	52,564	(609)
Operating profits / (losses)		**2,705,143**	**419,726**	**2,679,706**	**347,620**
Financial income	**23**	2,577	1,416	2,577	1,416
Financial expenses	**23**	(1,805,206)	(1,577,909)	(1,802,142)	(1,576,101)
Financial incomes / (expenses), net	**23**	(1,802,630)	(1,576,494)	(1,799,566)	(1,574,686)
Profits / (losses) before taxes		**902,514**	**(1,156,768)**	**880,140**	**(1,227,066)**
Income Tax	**24**	600,533	492,902	607,449	514,516
Profits / (losses) after Taxes		**1,503,046**	**(663,866)**	**1,487,589**	**(712,550)**
Results after Taxes		**1,503,046**	**(663,866)**	**1,487,589**	**(712,550)**
Amounts not classified in the Income Statement:					
Actuarial (losses)/profits		131,925	104,532	131,925	104,532
Deffered tax on actuarial profits/losses		(38,258)	(30,314)	(38,258)	(30,314)
Other comprehensive income for the period after taxes		**93,666**	**74,218**	**93,666**	**74,218**
Cumulative comprehensive income for the period		**1,596,713**	**(589,648)**	**1,581,255**	**(638,332)**
Profits / (losses) after Taxes attributable to shareholders		**1,503,046**	**(663,866)**	**1,487,589**	**(712,550)**
Cumulative comprehensive income attributable to shareholders		**1,596,713**	**(589,648)**	**1,581,255**	**(638,332)**

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

Statement of Changes in Equity 2018 (Consolidated and Stand-alone)

	Group						Company					
	Share Capital	Share Premium	Other Reserves	Actuarial Gains/Losses Reserve	Retained Earnings	Total	Share Capital	Share Premium	Other Reserves	Actuarial Gains/Losses Reserve	Retained Earnings	Total
Balance as at 1 January 2017	**38,165,002**	**62,225,811**	**6,935,210**	**21,304**	**(106,638,858)**	**708,468**	**38,165,002**	**62,225,811**	**6,935,210**	**21,304**	**(106,634,652)**	**712,674**
Loss of 2017 after taxes	0	0	0	0	(663,866)	(663,866)	0	0	0	0	(712,550)	(712,550)
Revaluation of employee benefits	0	0	0	104,532	0	104,532	0	0	0	104,532	0	104,532
Deferred tax liability from the remeasurment of employee benefits	0	0	0	(30,314)	0	(30,314)	0	0	0	(30,314)	0	(30,314)
Accumulated comprehensive income	**0**	**0**	**0**	**74,218**	**(663,866)**	**(589,648)**	**0**	**0**	**0**	**74,218**	**(712,550)**	**(638,332)**
Balance as at 31 December 2017	**38,165,002**	**62,225,811**	**6,935,210**	**95,522**	**(107,302,725)**	**118,819**	**38,165,002**	**62,225,811**	**6,935,210**	**95,522**	**(107,347,202)**	**74,342**
Balance as at 1 January 2018	**38,165,002**	**62,225,811**	**6,935,210**	**95,522**	**(107,302,725)**	**118,819**	**38,165,002**	**62,225,811**	**6,935,210**	**95,522**	**(107,347,202)**	**74,342**
Impact from the application of IFRS 9	0	0	0	0	(1,400,000)	(1,400,000)	0	0	0	0	(1,400,000)	(1,400,000)
Revised balance as at 1 January 2018	**38,165,002**	**62,225,811**	**6,935,210**	**95,522**	**(108,702,725)**	**(1,281,181)**	**38,165,002**	**62,225,811**	**6,935,210**	**95,522**	**(108,747,202)**	**(1,325,658)**
Profits / (losses) of 2018 after taxes	0	0	0	0	1,503,046	1,503,046	0	0	0	0	1,487,589	1,487,589
Revaluation of employee benefits	0	0	0	131,925	0	131,925	0	0	0	131,925	0	131,925
Deferred tax liability from the remeasurment of employee benefits	0	0	0	(38,258)	0	(38,258)	0	0	0	(38,258)	0	(38,258)
Other amounts carried over	0	0	0	0	0	0	0	0	0	0	0	0
Accumulated comprehensive income	**0**	**0**	**0**	**93,666**	**1,503,046**	**1,596,713**	**0**	**0**	**0**	**93,666**	**1,487,589**	**1,581,255**
Balance on 31 December 2018	**38,165,002**	**62,225,811**	**6,935,210**	**189,188**	**(107,199,678)**	**315,532**	**38,165,002**	**62,225,811**	**6,935,210**	**189,188**	**(107,259,613)**	**255,597**

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

Statement of Cash Flows 2018 (Consolidated and Stand-alone)

	Notes	Group		Company	
		2018	2017	2018	2017
Cash flows from operating activities					
Cash flows from operating activities	**25**	2,438,400	3,780,687	2,237,286	3,723,715
Interest paid		(1,710,202)	(1,557,179)	(1,707,138)	(1,555,371)
Net cash flows from operating activities		**707,220**	**2,223,507**	**530,147**	**2,168,344**
Cash flows from investing activities					
Acquisitions of tangible assets		(2,378,601)	(1,618,352)	(2,320,267)	(1,617,113)
Interest collected		2,577	1,416	2,577	1,416
Net cash flows from investing activities		**(2,376,025)**	**(1,616,937)**	**(2,317,691)**	**(1,615,697)**
Cash flows from financing activities					
Collections from loans taken out (net from direct transaction expenses)		13,276,076	15,744,179	13,276,076	15,744,179
Loan repayment		(11,419,554)	(15,970,760)	(11,419,554)	(15,970,760)
Payments of capital for finance leases		(237,081)	0	(237,081)	0
Net cash flows from financing activities		**1,619,440**	**(226,581)**	**1,619,440**	**(226,581)**
Net increase / (decrease) in cash and cash equivalents		**(49,365)**	**379,990**	**(168,104)**	**326,065**
Cash and cash equivalents at the beggining of period		930,859	550,869	866,935	540,869
Cash and cash equivalents at the end of period	**10**	**881,494**	**930,859**	**698,831**	**866,935**

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

Notes on the Annual Financial Statements

1. Background

The Company operates in the field of health services in Greece.

The Company is registered and established in Greece, having its registered office in Ampelokipi, Attica (7-9 Athanasiadou Str.) and its electronic address is www.euroclinic.gr.

The Company shares are held by 57.89% by "Hippokrates Holdings B.V.", registered in Holland, which is a 100% subsidiary of "Gulert Enterprises Limited", registered in Cyprus, which in turn is a 100% subsidiary of "South Eastern Europe Fund (SEEF)", registered in Jersey Island. 42.10% of the shares is owned by "AKKADIA HOLDINGS LIMITED", registered in Cyprus, which is a 100% subsidiary of "Hippokrates Holdings B.V.". The remaining 0.01% of the shares is owned by physicians.

Subsidiary Euroclinic - Simeio D.Y.O. - Private Clinic Medical Single-Member Private Company was established on 7.11.16 with the purpose of engaging in the field of primary healthcare services. The share capital of the subsidiary amounts to € 10,000 (10 shares, with nominal value € 1,000 / share) and was paid on cash by the Company within 2016.

The consolidated financial statements of the year 2018 have been prepared in accordance with IFRS10.

The financial statements for the fiscal period ending on December 31, 2018 were approved for publication by the Company's Board on July 01, 2019, and are subject to approval by the Ordinary General Meeting of the Shareholders.

2. Summary of important accounting policies

The key accounting policies applied during the preparation of those financial statements are described below. The annual financial statements were prepared using the same accounting policies followed for the preparation and presentation of the financial statements of the Company for 2017, unless stated differently.

2.1 Framework for the preparation of the financial statements

The consolidated financial statements have been prepared by management in accordance with the International Financial Reporting Standards (IFRS) including the International Accounting Standards (IAS) and the interpretations issued by the Standing Interpretations Committee (SIC), which have been issued by the International Accounting Standards Board (IASB), as well as the interpretations thereof, which have been issued by the International Financial Reporting Interpretation Committee (IFRIC) and had been adopted by the European Union as of 31.12.18. The group is implying all International Financial reporting Standards (IFRS)

The financial statements have been prepared using historical cost, as such has been amended by valuating at fair value the tangible assets (lands and buildings).

The preparation of the financial statements in accordance with the IFRS standards requires the use of significant accounting estimations and judgment by Management with regards to the application of those accounting principles. In addition, the use of calculations and assumptions that affect the reported amounts of assets and liabilities is required, the disclosure of possible receivables and liabilities at the reporting date, and the reported income and expenses of the period presented. Despite the fact that those calculations are based on the best possible knowledge of the Management in relation to the current conditions and actions, the actual results may be different. The areas that refer to complex transactions and include a great level of subjectivity and the cases and assessments that are important to the financial statements are mentioned in Note 3.

Any differences between the amounts in the financial statements and the respective amounts in Notes are due to rounding.

2.2 Statement of compliance

The consolidated and standalone financial statements have been prepared based on the continued activity and do not contain any adjustments reflecting possible future impact on the assets and liabilities regarding the recovery and restructuring rate thereof if the Company becomes unable to continue operating in the future. The Management does not wish and it is not required to proceed to the liquidation of Group assets in the short-run.

According to the figures of Financial Position, on December 31, 2018, the Group and the Company are registering negative working capital as short term liabilities is over the non-current assets € by 11.2 million. The same time equity amounts on December 31, 2018, lower than the one tenth of the share capital. As a result article 47 of law N. 2190/1920 has to be implemented, for the continuity of company's operation, as replaced from 1/1/2019 from article 119 paragraph 4 of law N. 4548/2018.

The Group and the Company have taken actions in order to alleviate any existing liquidity issues.

On March 2018, a Coverage Agreement for a bond loan was completed with ''EFG Eurobank" and "Piraeus Bank" with "EFG Eurobank" to be the bondholder agent. Signing the particular agreement granted the refinancing of the current loan of € 29.71 million. The Basic terms of the Coverage agreement provisions a) the extension of expiry date for two years with possibility of further extension for one year b) the quarterly period of interest payment with a rate of 4% c) quarterly repayment program d) the binding on financial indexes in six month and annual bases.

On May 2018, the operation licence modification of Childrens' Euroclinic from Childrens' Clinic to General Clinic of total capacity of 77 beds was granted.

At the same time, Management has prepared a strategic plan for the period of 2019 - 2022, which incorporates growth of turnover through the provision of new services, expansion of its collaborations with insurance companies, and the design of new insurance products. At the same time, actions have been scheduled to limit operating expenses by restructuring departments and taking advantage of synergies, where possible. Management's priorities include the proper financial structuring of the Company and the best possible use of the working capital.

The Management analyses the various data and uses the line of credit provided by banks and other financing organisations. Specifically, under the current conditions of low credit supply, the Company is constantly trying to reduce its need for working capital, while cutting on its operating expenses.

Considering the above and the fact that there are no indications that the actions by Management will not be successful, it is estimated that the Company will not face any liquidity issues within the next 12 months.

2.3 Change in Accounting Policies

The accounting policies used for the preparation of the Financial Statements are consistent with those used for the preparation of the annual Financial Statements of the period ended on December 31, 2017, apart from the changes in Standards and Interpretations that apply since January 1, 2018. The standards presented are those that have been adopted by the EU as of January 1, 2018, along with the standards that are compulsory from January 1, 2018, but have not been adopted yet by the EU - these are expected to be adopted in the future.

New standards, interpretations, revisions and amendments to existing Standards that have come into force and have been adopted by the EU

The following amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), adopted by the European Union, and their application is mandatory from or after 01/01/2018.

- **IFRS 9 "Financial Instruments" (effective for annual periods starting on or after 01/01/2018)**

In July 2014, the IASB issued the final version of IFRS 9. The package of improvements introduced by the final version of the Standard, includes a logical model for classification and measurement, a single, forward-looking "expected loss" impairment model and a substantially-reformed approach to hedge accounting. The new standards effect is available in Note 2.10 of attached financial statements.

- **IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods starting on or after 01/01/2018)**

In May 2014, the IASB issued a new Standard, IFRS 15. The Standard fully converges with the requirements for the recognition of revenue in both IFRS and US GAAP. The key principles on which the Standard is based are consistent with much of current practice. The new Standard is expected to improve financial reporting by providing a more robust framework for addressing issues as they arise, increasing comparability across industries and capital markets, providing enhanced disclosures and clarifying accounting for contract costs. The new Standard will supersede IAS 11 "Construction Contracts", IAS 18 "Revenue" and several revenue related Interpretations.

The group and the company are applying the new standard IFRS 15 "Revenue from contracts with costumers" from 1st January 2018, which do not have significant effect in financial statements. The accounting policy for revenue recognition according to IFRS 15 is described in note 2.23 of the financial statements.

- **Clarifications to IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods starting on or after 01/01/2018)**

In April 2016, the IASB published clarifications to IFRS 15. The amendments to IFRS 15 do not change the underlying principles of the Standard, but clarify how those 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" (effective for annual periods starting on or after 01/01/2018)**

In June 2016, the IASB published narrow scope amendment to IFRS 2. The objective of this amendment is to clarify how to account for certain types of share-based payment transactions. More specifically, the amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, for share-based payment transactions with a net settlement feature for withholding tax obligation, as well as, a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The amendments do not affect the Group and Company's' Financial Statements

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

In September 2016, the IASB published amendments to IFRS 4. The objective of the 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 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 also permit all issuers of insurance contracts to recognize in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts Standard is issued (the "overlay approach"). The amendments do not affect the Group and Company's Financial Statements.

- **Annual Improvements to IFRS 2014-2016 Cycle (effective for annual periods starting on or after 01/01/2018)**

December 2016, the IASB issued Annual Improvements to IFRSs – 2014-2016 Cycle, a collection of amendments to IFRSs, in response to several issues addressed during the 2014-2016 cycle. The issues included in this cycle and are effective for annual periods starting on or after 01/01/2018 are the following: IFRS 1: Deletion of short-term exemptions for first-time adopters, IAS 28: Measuring an associate or joint venture at fair value. The amendments do not affect the Group and Company's Financial Statements.

- **Amendments to IAS 40 "Transfers of Investment Property" (effective for annual periods starting on or after 01/01/2018)**

In December 2016, the IASB published 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 (a) a transfer into, or out of investment property should be made only when there has been a change in use of the property, and (b) such a change in use would involve the assessment of whether the property qualifies as an investment property. That change in use should be supported by evidence. The amendments do not affect the Group and Company's Financial Statements.

- **IFRIC 22 "Foreign Currency Transactions and Advance Consideration" (effective for annual periods starting on or after 01/01/2018)**

In December 2016, the IASB issued a new Interpretation, IFRIC 22. IFRIC 22 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 amendments do not have a significant affect the Group and Company's Financial Statements.

<u>New Standards, Interpretations, Revisions and Amendments to existing Standards that have not been applied yet or have not been adopted by the European Union</u>

The following new Standards, Interpretations and amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), but their application has not started yet or they have not been adopted by the European Union.

- **IFRS 16 "Leases" (effective for annual periods starting on or after 01/01/2019)**

In January 2016, the IASB issued a new Standard, IFRS 16. The objective of the project was to develop a new Leases Standard that sets out the principles that both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'), apply to provide relevant information about leases in a manner that faithfully represents those transactions. To meet this objective, a lessee is required to recognise assets and liabilities arising from a lease. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any (to be adapted in respect of every Group/Company). The above have been adopted by the European Union with effective date of 01/01/2019.

The group and the company will apply IFRS 16 beginning from the compulsory date of application which is 1st of January 2019, using a modified retroactively approach. Based on this approach, a cumulative effect from the initial application of the standard will be recognized as an adjustment of equity at the date of the initial application, without recasting of comparative information. During initial application the company will recognize (a) a liability leasing counted in the present value where applicable from the discounting of remaining leasing amount with the use of marginal interest rate, as was in use at the day of initial application, and (b) a right of use of the asset amounting an amount that equals with the respective liability leasing, adjusted at the amount of possible pre-paid or accrued leasing.

Regarding short term leasing and leasing of which the subjected element of the asset is low in value, the group and the company will recognize the leasing as expenses in financial statement with standard discount rate, according to relevant exceptions provided by IFRS 16. At the same time, the group and the company will apply the practical application of this standard and will not proceed to the distinction of non-leasing data from leasing data, facing in an accounting approach every leasing and relevant non leasing element as single leasing element.

The group and the company analyzed the expected effect of IFRS 16 on 1 January 2019. To sum up, based on the current estimation of the management, the outcome from IFRS 16 application will be as follows: Consolidated financial statement will recognize the right of use to assets as well as equal liabilities from leasing, estimated between € 2,5 million and € 2,8 million. In consolidated financial statement, the depreciation are expected to rise from € 590 thousand to € 650 thousand and the finance expenses are expected to rise from € 145 thousand to € 200 thousand. The respective reduction of expenses from leasing liabilities is expected to increase EBITDA from € 590 thousand to € 650 thousand. The expected effect is related with current contracts on 1 January 2019.

The real effect of IFRS 16 will depend on the interest rate of repayment that will be used on 1 January 2019, the identification of leasing contracts that are considered as financial leasing according to the Standards and the duration of the leasing as it will be determined if the leasing will be renewed or finalized.

The new accounting standard for the leasing has not a significant impact for the company as the lessor.

- **Amendments to IFRS 9: "Prepayment Features with Negative Compensation" (effective for annual periods starting on or after 01/01/2019)**

In October 2017, the IASB published 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. Under the amendments, companies are allowed to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any (to be adapted in respect of every Group/Company). The above have been adopted by the European Union with effective date of 01/01/2019.

• IFRIC 23 "Uncertainty over Income Tax Treatments" (effective for annual periods starting 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 Company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2019.

• Amendments to IAS 28: "Long-term Interests in Associates and Joint Ventures" (effective for annual periods starting on or after 01/01/2019)

In October 2017, the IASB published narrow-scope amendments to IAS 28. The objective of the amendments is to clarify that companies account for long-term interests in an associate or joint venture – to which the equity method is not applied – using IFRS 9. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2019.

• Annual Improvements to IFRSs – 2015-2017 Cycle (effective for annual periods starting on or after 01/01/2019)

In December 2017, the IASB issued Annual Improvements to IFRSs – 2015-2017 Cycle, a collection of amendments to IFRSs, in response to several issues addressed during the 2015-2017 cycle. The issues included in this cycle are the following: IFRS 3 - IFRS 11: Previously held interest in a joint operation, IAS 12: Income tax consequences of payments on financial instruments classified as equity, IAS 23: Borrowing costs eligible for capitalization. The amendments are effective for annual periods beginning on or after 1 January 2019. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

• Amendments to IAS 19: "Plan Amendment, Curtailment or Settlement" (effective for annual periods starting on or after 01/01/2019)

In February 2018, the IASB published narrow-scope amendments to IAS 19, under which an entity is required to use updated assumptions to determine current service cost and net interest for the remainder of the reporting period after an amendment, curtailment or settlement to a plan. The objective of the amendments is to enhance the understanding of the financial statements and provide useful information to the users. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

• Revision of the Conceptual Framework for Financial Reporting (effective for annual periods starting on or after 01/01/2020)

In March 2018, the IASB issued the revised Conceptual Framework for Financial Reporting (Conceptual Framework), the objective of which was to incorporate some important issues that were not covered, as well as update and clarify some guidance that was unclear or out of date. The revised Conceptual Framework includes a new chapter on measurement, which analyzes the concept on measurement, including factors to be considered when selecting a measurement basis, concepts on presentation and disclosure, and guidance on derecognition of assets and liabilities from financial statements. In addition, the revised Conceptual Framework includes improved definitions of an asset and a liability, guidance supporting these definitions, update of recognition criteria for assets and liabilities, as well as clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

• Amendments to References to the Conceptual Framework in IFRS Standards (effective for annual periods starting on or after 01/01/2020)

In March 2018, the IASB issued Amendments to References to the Conceptual Framework, following its revision. Some Standards include explicit references to previous versions of the Conceptual Framework. The objective of these amendments is to update those references so that they refer to the revised Conceptual Framework and to support transition to the revised Conceptual Framework. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any (to be adapted in respect of every Group/Company). The above have not been adopted by the European Union.

• Amendments to IFRS 3: "Definition of a Business" (effective for annual periods starting 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 Board has provided supplementary guidance. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

• Amendments to IAS 1 and IAS 8: "Definition of Material" (effective for annual periods starting on or after 01/01/2020)

In October 2018, the IASB issued amendments to its definition of material to make it easier for companies to make materiality judgements. The definition of material helps companies decide whether information should be included in their financial statements. The updated 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 has featured elsewhere in IFRS Standards. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any (to be adapted in respect of every Group/Company). The above have not been adopted by the European Union.

• IFRS 17 "Insurance Contracts" (effective for annual periods starting on or after 01/01/2021)

In May 2017, the IASB issued a new Standard, IFRS 17, which replaces an interim Standard, IFRS 4. The aim of the 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 the above on its Financial Statements, though it is not expected to have any (to be adapted in respect of every Group/Company). The above have not been adopted by the European Union.

2.4 Change in Accounting Policies

(a) Valuation currency and reporting currency

The Company and its subsidiary operate in Greece. All the accounts of the financial statements are measured in Euros, which is the currency of the primary financial environment in which the Company operates (the "functional currency"). The financial statements are presented in Euros, i.e. the currency used for the functional purposes of the Company and for the presentation of its financial figures.

(b) Foreign transactions and balances

Transactions in foreign currency are valuated at the functional currency using the exchange rates applicable at the date of the transaction. Any translation profits or losses resulting from settling such transactions and from the valuation of the cost of use of foreign currency receivables and liabilities are recognized in the Statement of Comprehensive Income. There are no significant transactions or balances in currencies other than Euro.

2.5 Tangible assets

Group's land and buildings include the privately owned clinics. Land and the buildings are presented at fair value, based on periodical valuations by independent certified valuators, minus the subsequent depreciations of buildings. Any accumulated depreciation at the date the buildings are valued, are deleted against the book value of the buildings and the net amount is set at the adjusted value of the building.

Tangible assets in other categories are measured at historical cost minus any accumulated depreciation and minus any accumulated value impairment losses. The historical cost includes all direct expenses relevant with the acquisition of assets.

Deferred expenses are registered in excess of the book value of the tangible assets or are recognized as a separate asset, depending on the specific case, only if there is a significant possibility that the Company shall acquire future financial benefits relevant with the fixed asset will be accounted, and the cost of that asset can be reliably measured. The Company recognises at the book value of that tangible asset the cost for replacing an asset, when such cost is charged to it, provided that the recognition criteria are met. The book value of the replaced parts of the tangible assets is written off. Any other expense for repairs and maintenance is registered in the results of the financial statements of the year.

The increase in the book value of land and buildings resulting through the readjustment of these assets is recognized in equity, by crediting sundry reserves. Any reductions eliminating previous increases of the same assets are recognized in equity, by charging sundry reserves. Any additional reductions are recognized by charging the operating results and reduce or increase profits or losses respectively.

Any borrowing costs for acquiring, constructing or producing a tangible asset, which requires a significant period in order to operate or be sold, are capitalized as part of its cost. The borrowing costs are capitalized during the acquisition or active construction and capitalization ceases upon completion of the asset. The capitalization of borrowing costs is postponed if the construction of the asset gets postponed.

Land is not depreciated. The depreciation charges of the remaining tangible assets, which are approached by using the component method for each asset, are calculated using the straight fine method during the useful life thereof, which is as follows:

Category	Usefull Economic Life (in Years)
Buildings and facilities	20 - 40
Machinery and installations	5 – 10
Transportation means	9 - 11
Furniture and other equipment	5 – 10

The residual values and the useful lives of the tangible assets are subject to re-evaluation and adjustment, at least at the end of each fiscal period.

When the book values of the tangible assets exceed the recoverable value thereof, the difference (impairment) is directly registered as expense in results (Note 2.7 below).

During the sale of tangible assets, except from lands and buildings, the differences between the price received and the book value thereof is registered as a profit or loss (net) in results.

Upon selling the lands and buildings, the amount noted in sundry reserves is transferred to results carried forward.

2.6 Intangible assets

Licenses & Trademarks

Any licenses and trademarks acquired are recognised at historical cost. Any licenses and trademarks acquired through business combinations are recognized at fair value on the date of acquisition.

The licenses and trademarks have limited useful life and are measured at historical cost minus any accumulated amortization and minus any accumulated impairment losses. Amortization is calculated by using the straight line method during the economic useful life thereof (23.5 years), which is regularly re-examined.

Customer relations

Any customer relations acquired through business combinations are recognized at fair value on the date of acquisition. The customer relations have limited useful life and are measured at historical cost minus any accumulated amortization and minus any accumulated impairment losses. Amortization is calculated by using the straight fine method during the evaluated useful life thereof (3.5 - 9.6 years), which is regularly re-examined.

2.7 Impairment of non-financial assets

The assets subject to depreciation are audited for any impairment of their value, when indications are present that their book value will not be recovered. Impairment is recognized at the amount that the book value of the asset exceeds its recoverable amount. The recoverable amount is the highest between fair value less costs to sell and value in use. In order to evaluate impairment losses, assets are classified in the smaller possible cash generating units. Any non-financial assets that have been impaired are re-examined for any inversion of the impairment at the end of each period.

2.8 Financial assets

1. Classification

The investments of the Company are classified in the following categories based on the purpose of acquisition thereof. Management sets classification at the initial recognition and re-examines the classification at each date of publication.

(a) Loans and receivables

The financial assets of the group and the company are ranked in the category “Loans & Receivables”, which consist of non-derivatives financial assets with fixed or scheduled payments, which are not negotiable in active marketplaces and there in no intention of selling them. This includes non-derivative assets with fixed or determined payments, which are not traded in active markets and for which there is no intention to sell. Those are included in the current assets, apart from those expiring more than 12 months after the reporting date. The latter are included in non-current assets, within the account “Customers and trade receivables”.

2. Recognition and Measurement

The acquisition and sale of financial assets are recognised on the date of the transaction, which is also the date on which the Company commits to buy or sale the asset. The investments are initially recognized at fair value including transaction expenses for all financial assets that are not valued at FVTPL. Financial assets valued at FVTPL are initially recognized at fair value. Any transaction expenses are registered in results. The financial assets are derecognised when the right to collect in the cash flows of investments expires or is transferred and the Company has substantially transferred all risks and benefits related to the ownership thereof.

Then, the financial assets available for sale, including the financial assets valued at FVTPL are presented at fair value. Loans, receivables and investments withheld until expiration are presented at amortized cost by using the method of effective interest rate.

Any profits or losses resulting from the changes in fair value of the financial assets valuated at FVTPL are recognized in the period results which come up as “Sundry profits / (losses) - net”. Income from dividends of financial assets valued at fair value are recognized in results as “Sundry income" when the Company has established a right for the collection thereof.

The Group, examines whether there are indications of impairment on each balance sheet date.

2.9 Netting of financial assets

Financial assets and liabilities are netted and the net amount is presented in the Statement of Financial Position, in case there is a legitimate right for netting along with the intention of settling on a net basis or recognising the asset and settling the liability at the same time.

2.10 Impairment of financial assets

The group and the company recognise provisions of impairment for expected credit losses for all the financial assets, except from them that accounted in fair value as of the financial statements.

The goal of impairment of receivables regarding IFRS 9 is to recognize the expected credit losses for the total life of a financial asset, of which credit risk has been increased after the initial recognition, without taking into consideration if the valuation is in a group or individual level, using all, using all the information that can be collected, based not only on historic and present data, but also data of future fair evaluations.

For the implementation of the above approach we are proceeding in the distinction between:

- The financial assets of which the credit risk has not increased significantly after the initial recognition or which have lower assets risk at the reporting date (level 1)
- The financial assets of which the credit risk has been significantly worse after the initial recognition and which the credit risk remains high (level 2)
- The financial assets of which there is objective evidence of impairment at the reporting date (level 3)

The financial assets classified in stage one are recognized as expected credit losses for the period of the next twelve months, while there that are classified in stage 2 or stage 3 are recognized as expected credit losses for the total life of the financial asset.

The expected credit losses are based on the difference between the conventional cash flows and the expected cash flows. The difference is accounted using an estimation of initial real interest rate of the financial asset.

The group and the company are applying the simplified approach of the template regarding the assets from contacts, or trade receivables and rent receivables, calculating the expected credit losses for the total life of these assets. In this case the expected credit losses recommend the expected shortages on conventional cash flows, taking into consideration the possibility of breaking the agreement anytime during the life of the asset. During the calculation of the expected credit losses, the company is using a table of provisions having grouped the assets according to the nature and aging the balance and taking into consideration available historic data in relation with the debtors and the financial environment. The effect of IFRS 9 implementation in equity the company’s at the 31/12/07 is € 1.4 million. This amount had been deducted from the equity of the group and the company on the 01/01/2018 and has increased the provision of trade receivables respectively.

To summarize, the effect of the adjustments and reclassifications on the financial statements of the group and the company are analyzed in the below table. Figures that may missing from the table did not change from IFRS 9 effect.

	Group		Company	
	Trade and other receivables	**Equity**	**Trade and other receivables**	**Equity**
Balance on 1 January 2018	14,933,733	(107,302,725)	14,873,303	(107,347,202)
Effect from the implementation of IFRS 9	(1,400,000)	(1,400,000)	(1,400,000)	(1,400,000)
Adjustable balance on the 1st January 2018	**13,533,733**	**(108,702,725)**	**13,473,303**	**(108,747,202)**

2.11 Inventory

The Group and the Company maintain a stock of consumables and pharmaceuticals. Inventory is valued at the lowest value of and net realisable value. The cost of consumables is measured based on weighted average method, whereas the cost of pharmaceuticals based on latest price, due to the continuing price changes.

The net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

Any impairment losses are recognized in the results of the period during which they occur.

2.12 Cash & Cash equivalents

Cash and Cash equivalents include cash, bank deposits and short term (less than three months) low risk investments that are considered easily liquidated. They include ddeposits of the group and the company valued at € 22.6 thousand (31/12/2017: € 21.5 thousand) concerning mainly guarantee letters from cooperating banks of the company. The bank accounts overdrafts are available as short term liabilities on loans.

2.13 Share Capital

Share capital includes ordinary Company shares. Ordinary shares are registered in equity.

The direct costs for the issuing of shares are registered after deducting the relevant income tax, by reducing the value of the issued shares.

2.14 Suppliers and other liabilities

Liabilities to suppliers refer to Group and Company liabilities originating from the purchase of goods and services in the course of its standard operation.

Liabilities to suppliers and others are initially recognized at fair value and are later measured at amortized cost using the effective interest rate method.

The above liabilities are registered as short-term liabilities if they expire within 12 months before the end of the fiscal period. Otherwise, they are registered as long-term liabilities.

2.15 Factoring

Factoring agreements with recourse are initially recognised at fair value, as a liability to the factoring Company. Any difference between the collected amount (after deducting the relevant expenses) and the repayment value is recognised in the Statement of Comprehensive Income during the loan using the effective rate method.

The amounts pre-collected by factoring companies, without recourse, reduce the trade receivables.

2.16 Loans

Loans are valued at cost, which is the real value of exchange received minus the issue cost related with the loan. After the initial recognition, loans are calculated on the unamortized cost using real interest rate. Any difference between the collected amount (after relevant expenses are deducted) and the payoff value is recognized in the financial statements during the loan period is accounted by the real interest rate method.

Amounts paid for the creation of loan lines are recognized as expenses for the accomplishment of the transaction, at the point which is possible that part or all the limits will be used. In this occasion the remunerations are postponed until limits are used. In this occasion where it is not sure that part or all of the boundaries will be used, remunerations are capitalized as payments in advance and are depreciated based on the period these boundaries concern.

The loans are ranked as short-term liabilities, except if the company has the right to postpone the payoff of the liability for at least 12 months from the balance sheet publication date.

2.17 Taxes

Taxation of the fiscal period includes the income tax and the deferred tax. Taxation is recognised as an expense in the statement of comprehensive income, (excluding the part that refers to funds that have been directly recognized at net position or in other comprehensive income). In this case, taxation is recognised in equity or in other comprehensive income.

Income tax is calculated based on tax legislation and the tax rates applicable in Greece and is registered as an expense in the period during which the income has occurred. The Company Management valuates in regular periods the position of the Company with regards to tax laws and recognises provisions for amounts that may result for payment to tax authorities. These amounts are identified as “Provisions” in the Statement of Financial Position.

Any deferred income tax is calculated by applying the liability method to all temporary differences between the carrying value and the tax base of assets and liabilities. No deferred income tax is accounted from the initial recognition of an asset or liability in a transaction, apart from a business combination that did not affect either the accounting or the taxable profit or loss. The deferred income tax is determined by using the tax rates (and laws) applied on the reporting date, or that are expected to apply when the income shall be recognised from the deferred tax receivable, or when the deferred tax liability is settled.

A deferred tax asset is recognised for unused losses carried forward, If and only if it is considered probable that there will be sufficient future taxable profits against which the losses can be utilised.

Deferred tax is recognized for the temporary differences that come up from investments in affiliates and affiliate businesses, except from the case in which the inversion of temporary differences is controlled from the company and is possible that temporary differences with not revert in the future.

Any deferred tax assets and liabilities are set off when there is a legally established right to set off the current tax assets against the current tax liabilities and when the deferred income taxes refer to the same tax authority.

2.18 Government grants

Government grants are recognised at fair value when there is reasonable assurance that the Company will comply with all applicable laws and that the grant will be received.

Any government grants referring to expenses are registered in transitory accounts and are recognised in results so that they are matched with the expenses destined to repay.

2.19 Employee benefits

(a) Post-employment benefits

The Group and the Company participate in various defined contribution plans, which are financed through contributions made to funds. Those payments are defined by Greek legislation and the Funds' regulations. A benefit system includes a pension programme that sets the amount the employee shall collect upon retirement, which usually depends on factors such as age, years of experience and fees. Benefits paid to all employees of the country of origin of the Company are considered to constitute a pension programme for fixed benefits.

The liability registered in the Statement of Financial Position with regards to defined contribution plans is the present value of the liability for the defined benefit at the end of the fiscal period minus the fair value of the assets of the programme and the changes resulting from non-recognised actuarial gains and losses and the cost of experience. The commitment of the defined benefit is calculated annually by an independent actuarial using the projected unit credit method. The present value of the defined benefits is defined by discounting the budgeted future cash outflows, was calculated using the iBoxx AA Corporate Overall 10+ EUR indices, at the payable currency of the benefits and on terms, until the expiration thereof, that are similar to the terms applying for the commitment of a defined benefit.

All actuarial gains are recognized in other comprehensive income.

Service cost is directly registered in results, except from the case where the changes of the program depend on the remaining service time of the employees. In this case, the service cost is registered in results using the fixed method in the maturity period.

(b) Termination benefits

Termination benefits are paid when employees are made redundant before the retirement date or in case of voluntary redundancy in exchange of those benefits. The Company registers those benefits when it has clearly committed either to terminate the employment of existing employees, in accordance with a detailed program for which there is no option of withdrawal, or when offering such benefits as incentive for voluntary redundancy. Any termination benefits that are due 12 months after the balance sheet date are discounted at the current value thereof.

(c) Short-term benefits

Short-term benefits to personnel, in money or in kind, are registered as an expense when they occur.

2.20 Provisions

Provisions for litigious actions are recognised when there is a commitment resulting from past events, with probable outflow of resources, and when the required amount can be reliably.

The provisions are calculated at the fair value of expenses that are required in order to cover the current liability on the reporting date. The discount interest rate used in order to define the current value reflects on the current market assessments for the time value of money and the increases concerning the specific liability.

When the outflow of financial resources as a result of present commitments is not considered possible, or when the amount of this provision cannot be reliably evaluated, not liability is recognized in the financial statements. Contingent liabilities are not recognised in financial statements; instead these are disclosed, unless the possibility of releasing resources, which include financial benefits, is minimal.

The increase of the provision relevant with the passing of time is recognised as a financial cost.

2.21 Recognition of revenue

The group and the company are implementing the new IFRS 15 Receivables from contracts with customers from 1st of January 2018 without the adjustment of comparative information, recognizing the cumulative effect of the initial application in the remaining of equity at the reporting date.

The application of IFRS 15 has not the same effect on the company's equity at the 01/01/2018.

For the recognition and the count of revenue which is received from contracts with clients, the new template is implementing a new model that is consisting of five stages:

1. Identifying the contact with the client
2. Identifying the commitment of execution
3. Identifying the price of the exchange
4. Allocation of the trade amount based the agreement commitments
5. Identifying revenue the time the agreement commitments are fulfilled.

The price of the exchange and amount of the trade amount on a contract which a company is expecting to have right, as exchange for the transfer of goods or services to a client , excluding the amounts that earned on behalf of a third party (VAT, other taxes on sales).

The income is recognized when relative implementation commitments are fulfilled or in a specific moment (usually for promises that have to do with transfer of goods to a client) or as the time passes.

The group and the company are recognizing a conventional liability for the amounts they receive from their clients (payments in advance), which concerns commitment of execution that have not been completed, as well as when they maintain the right (with a price which is unconditional) before the execution of contract commitments and the transfer of product or services. The contractual obligation is write off when commitments of execution are executed and the revenue is recognized in the financial statements.
The group and the company are recognizing receivables from a client when there is unconditional right of the client to receive the price for the execution of contract commitments to the client. Respectively the company is recognizing an element of the asset from contracts when the execution commitments are fulfilled, before the client pay or before the payment is demanded, for example when the products or series are transferred to the client before the right of the company to issue an invoice.

The revenue recognition from health services is taking place at the time the service is being provided based on the amounts expected to being received from the counterparties. The revenue from selling products is recognized at the time when the buyer acquires the control of the products, usually with the delivery of the product. The adoption of IFRS 15 has not any impact on the revenue recognition of the above revenue.

The revenue from operating leases is recognized gradually during the rental. The IFRS 15 has not any effect in revenue recognition of this category, as it is falls in IAS 17 implementation.

2.22 Interest revenue/interest expenses

Interest income expenses are recognised in the financial income. Expenses line, using the effective interest rate method, excluding the financing expenses related with the acquisition, manufacture or production of an asset for which a significant time period is required in order to operate or be sold, which are capitalised as a part of the asset's cost.

The effective interest rate method is a method for calculating the amortised cost of a financial asset or of a financial liability and for classifying the revenue from interest or the interest expense in the relevant period. The effective interest rate is the interest rate accurately discounting future cash payments or collections during the expected life of the financial tool or during a shorter period where it applies to the net value of the financial asset or financial liability. In the calculation of the effective interest rate, the Company evaluates the cash flows by considering all contractual terms of the financial tool (e.g. prepayment options) but does not take into consideration all future credit losses. This calculation includes all

fees paid or collected between the contracting parties that are an integral part to the effective interest rate, the expenses of transactions and all other goodwill or discounts.

When there is impairment of receivables, their book value is reduced to their recoverable amount, which refers to the present value of the anticipated future cash flows, discounted by the initial effective interest. Then, the interest rates are accounted using the same interest rate over the impaired value (new book value).

2.23 Leases

(a) The Company as a lessee

Operating leases

Any leases where basically the risks and rewards of ownership are retained by a third party, i.e. by the lessor, are classified as operating leases. Any payments made, including advances, for operating leases (after deducting any incentives offered by the lessor) are recognised in results in proportion to the duration of the lease.

Finance leases

Leases of transport means and equipment, where the Company basically retains all risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the beginning of the lease at the lowest value between the fair value of the fixed asset and the current value of the minimum rents. Each rent is allocated between the liability and the financial expenses, in order to achieve stability for the remaining financial liability. The respective liabilities arising from rents, after deducting financial expenses, are registered in long-term and short-term liabilities. The part of the financial expense referring to interests is recognised in results during the leases, in order to allow for a fixed periodical interest rate over the remaining balance of the liability for each period.

(b) The Company as a lessor

The Company leases real property only in the form of operating leases.

2.24 Attribution of dividends

The attribution of dividend is recognised as a liability when approved by the shareholder's General Meeting.

2.25 Investment in subsidiaries

Subsidiaries are businesses controlled by the Company, directly or indirectly through other subsidiaries. The Company acquires control through the acquisition of the majority of voting rights of these companies. Additionally, as subsidiaries are considered entities in which the Company as the majority shareholder can elect the majority of members of the BoD. The existence of potential voting rights that are exercisable at the date of the financial statements, is gathered in order to assess whether the Company has control over these entities.

In the Company's Financial Statements investments in subsidiaries are valued at cost including any impairment losses. On each date of the Statement of Financial Position, the Company examines whether or not there are indications of impairment. If impairment is documented, the loss referring to the difference between the cost of and fair value is transferring to the Statement of Comprehensive Income.

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.

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.

The companies included in the consolidated financial statements as at 31.12.2018 are the following:

no	Company	Registered in	Activity	% of participation	Consolidation method
1	GENERAL CLINIC, DIAGNOSTIC, TREATMENT, SURGERY CENTRE - **ATHENS EUROCLINIC S.A.**	Greece	Provision of healthcare services		Parent company
Subsidiaries					
1	EUROCLINIC SIMEIO D.Y.O. PRIVATE POLYCLINIC	Greece	Provision of primary healthcare services	100%	Full

3. Important accounting assessments and judgments by Management

Management assessments and judgements are continuously re-examined and are based on historical data and expectations for future events that are considered fair according to the data at hand.

The Company performs assessments and assumptions with regards to the development of future events. The assessments and assumptions with significant risk to cause substantial adjustments to the book values of the assets and liabilities within the next 12 months are as follows:

(a) Assessment of "fair value" of land and buildings

The most suitable indication of "fair value" is the current value that applies in an active market of similar real properties. If it is impossible to locate such information, the Company defines the value using a variety of logical assessments for the "fair values". In order to take such a decision, the Company takes into consideration a number of sources, including the following:

i) The current prices in an active real estate market of different nature, condition or location, which have been adapted to express such differences.

ii) Recent prices of similar real properties in less active markets, adapted in order to express any changes in the financial conditions that took place from the date the respective transactions occurred at that prices, and

iii) Discounted future cash flows, based on reliable valuations of future cash flows from external sources, such as current real property prices for the same location and condition, using discount interest rates showing the current assessment of the market with regards to the uncertainty about the amount of and time moment such cash flows appeared.

If it is not possible to locate current or recent prices, "fair value" is defined by employing valuation techniques for discounted cash flows. The Group uses assumptions that are basically based on the conditions of the market prevailing on the date of preparation of each balance sheet (market growth rate, discount interest rate).

The land and buildings of the Company were valued by independent valuators on December 31, 2010. The valuation was based on recent transactions made on standard commercial terms and market conditions.

(b) Impairment of trade receivables

The management of the company is evaluating at the end of each reporting period the recoverability of trade receivables of the group targeting to represent the recoverable amount. During the calculation of expected credit losses according to IFRS 9, the company is using a provision table, having grouped the receivables from customers, based on the nature and aging of the outstanding amount and taking into consideration the historic date in relation to the debtors and the financial environment.

On December 31, 2018, the results of the Company were charged with impairment of trade receivables amounting to € 436,04 thousand (December 31, 2017: € 883,95 thousand).

Since July 2013, the following have been enacted, in accordance with article 100 of law 4172/2013:

a) The Clawback mechanism for expenses related to hospitalization, diagnostic tests, and physical therapy. Based on this mechanism, the monthly expense by E.O.P.Y.Y. regarding diagnostic tests, hospitalisation, and physical therapies provided by contracted private healthcare providers cannot exceed 1/12 of the approved credit registered in the budget of E.O.P.Y.Y. The calculation basis for the amount that applies each month to each contracted provider is the monthly invoice submitted by the latter to E.O.P.Y.Y. for healthcare services provided to its insured parties during the respective period. No expenses submitted to E.O.P.Y.Y. are acknowledged or reimbursed after twenty (20) days from the end of each calendar month. The entire amount of the clawback is calculated at a semi-annual basis, calculating the difference between the budgeted and the actual expense, resulting from the expense required by the providers, after deducting any rebate amounts and other disallowable expenses at calculation time.

b) The establishment of a scale rate over the debts of E.O.P.Y.Y. for hospitalization, diagnostic tests, and physical therapies of the persons insured over the private healthcare providers contracted with E.O.P.Y.Y., in favour of the Organisation in the form of a Rebate for each month. The rebate is calculated on a monthly basis and paid by the indebted healthcare providers within one month from the written or electronic personal notice, to a bank account suggested by E.O.P.Y.Y.

Moreover, E.O.P.Y.Y. is allowed to offset the above rebate amounts with equal debts owed to these providers within the same and/or previous year, as such result from their lawful vouchers.

The clauses of the above cases (a) and (b) have a retroactive effect from 01.01.2013 and its duration extended to 2019-2020 according to relevant law num. 25 of Law N.4549/2018-ΦΕΚ 105^{A}/14-06-2018.

Private clinics have appealed to ΣτΕ against the mentioned law adjustments, supporting that these adjustments are clearing and canceling the collection of due amounts, while at the same time is imposing to the clinic to offer free of charge healthcare services at the part that is over E.O.P.Y.Y. monthly limit.

(c) Provisions for legal cases

The Group forms a provision for medical and other cases based on data received by its Legal Department and its collaborating Counsels. The provisions are calculate based on the assesment of the management regarding the expenditure will needed to solve the expected liabilities at the reporting date of financial statements and is based on a number of factors that requires exersize of judgement. If the final awarded amount is different from the one initially recognised, the difference shall affect the results of the period during which such event shall take place.

(d) Provision for income tax

Greek tax legislation and the relevant clauses are subject to interpretations by tax authorities. There are several transactions and calculations for which the final tax determination is uncertain. The income statements are filed with the tax authorities on an annual basis, but the profits or losses declared for tax purposes, remain temporary pending until tax authorities have audited the tax statements and the books of the taxed entity; based on these audits, the relevant tax liabilities are finalized. If the final tax is different from the one initially recognised, the difference shall affect the income tax for the period when this shall take place.

(e) Personnel benefits

The present value of obligations for personnel benefits is based on various factors that are actuarially calculated using certain assumptions. The assumptions used for determining the net expense for personnel benefits include discount

interest rate, future increases in wages, and inflation rates. Any changes in these assumptions shall affect the book value of the liability.

The present value of fixed benefits is specified by using the suitable discounting rate. Specifically, the iBoxx AA Corporate Overall 10+ EUR index was used, at the payable currency of the benefits and on terms, until the expiration thereof, that are similar to the terms applying for the commitment of a fixed benefit. In addition, another basic financial assumption is related with the increases in personnel pay.

The assumptions used are further analysed in Note 14.

(g) Useful life of depreciable assets

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

(h) Impairment of assets with definite useful life

Assets with definite useful life are tested for impairment when events indicate that their value might not be recovered. For the estimation of their value in use the management estimates future cash flows from the asset or the CGU and selects the appropriate discounting factor, in order to estimate the present value of these future cash flows.

4. Tangible assets

	Group							
	Land	**Buildings & facilities**	**Improvement to third-party properties**	**Fixed assets under way**	**Machinery and installations**	**Transportation means**	**Furniture and other equipment**	**Total**
Opening b/ce as at 1 January 2017	**7,552,150**	**24,563,874**	**528,610**	**897,167**	**18,035,811**	**60,604**	**9,398,685**	**61,036,902**
Additions	0	991,045	0	637,871	67,829	0	483,539	**2,180,285**
Sales / Disposals	0	0	0	0	(111,231)	0	(6,991)	**(118,222)**
Reclassications	0	1,081,239	453,800	(1,535,039)	0	0	0	**0**
Closing b/ce as at 1 January 2017	**7,552,150**	**26,636,158**	**982,410**	**0**	**17,992,409**	**60,604**	**9,875,233**	**63,098,965**
Accrued depreciation as at 1 January 2017	**0**	**(3,556,720)**	**(249,489)**	**0**	**(17,224,444)**	**(60,457)**	**(8,164,718)**	**(29,255,828)**
Depreciation	0	(484,140)	(37,552)	0	(184,418)	(148)	(230,703)	**(936,960)**
Depreciation of sold/disposed assets	0	0	0	0	111,091	0	5,091	**116,182**
Closing b/ce as at 1 January 2017	**0**	**(4,040,860)**	**(287,041)**	**0**	**(17,297,770)**	**(60,604)**	**(8,390,330)**	**(30,076,606)**
Net Book Value as at 31 December 2017	**7,552,150**	**22,595,298**	**695,369**	**0**	**694,639**	**0**	**1,484,903**	**33,022,359**
Opening b/ce as at 1 January 2017	**7,552,150**	**26,636,158**	**982,410**	**0**	**17,992,409**	**60,604**	**9,875,233**	**63,098,965**
Additions	0	111,844	72,759	2,743	1,730,145	0	461,111	**2,378,601**
Sales / Dispodsals	0	0	0	0	(127,749)	0	(165,323)	**(293,072)**
Other transfers	0	0	0	0	0	0	0	**0**
Closing b/ce as at 1 January 2018	**7,552,150**	**26,748,002**	**1,055,169**	**2,743**	**19,594,805**	**60,604**	**10,171,021**	**65,184,494**
Accrued depreciation as at 1 January 2018	**0**	**(4,040,860)**	**(287,041)**	**0**	**(17,297,770)**	**(60,604)**	**(8,390,330)**	**(30,076,606)**
Depreciation	0	(490,181)	(105,470)	0	(282,675)	0	(286,012)	**(1,164,338)**
Depreciation of sold/disposed assets	0	0	0	0	127,040	0	158,352	**285,392**
Closing b/ce as at 1 January 2018	**0**	**(4,531,041)**	**(392,511)**	**0**	**(17,453,404)**	**(60,604)**	**(8,517,991)**	**(30,955,552)**
Net Book Value as at 31 December 2018	**7,552,150**	**22,216,961**	**662,658**	**2,743**	**2,141,400**	**0**	**1,653,030**	**34,228,942**

	Company							
	Land	**Buildings & facilities**	**Improvement to third-party properties**	**Fixed assets under way**	**Machinery and installations**	**Transportation means**	**Furniture and other equipment**	**Total**
Opening b/ce as at 1 January 2017	**7,552,150**	**24,563,874**	**528,610**	**897,167**	**18,035,811**	**60,604**	**9,398,685**	**61,036,902**
Additions	0	991,045	0	637,871	67,829	0	482,299	**2,179,045**
Sales / Disposals	0	0	0	0	(111,231)	0	(6,991)	**(118,222)**
Reclassications	0	1,081,239	453,800	(1,535,039)	0	0	0	**0**
Closing b/ce as at 1 January 2017	**7,552,150**	**26,636,158**	**982,410**	**0**	**17,992,409**	**60,604**	**9,873,994**	**63,097,726**
Accrued depreciation as at 1 January 2017	**0**	**(3,556,720)**	**(249,489)**	**0**	**(17,224,444)**	**(60,457)**	**(8,164,718)**	**(29,255,828)**
Depreciation	0	(484,140)	(37,552)	0	(184,418)	(148)	(230,682)	**(936,939)**
Depreciation of sold/disposed assets	0	0	0	0	111,091	0	5,091	**116,182**
Closing b/ce as at 1 January 2017	**0**	**(4,040,860)**	**(287,041)**	**0**	**(17,297,770)**	**(60,604)**	**(8,390,309)**	**(30,076,585)**
Net Book Value as at 31 December 2017	**7,552,150**	**22,595,298**	**695,369**	**0**	**694,639**	**0**	**1,483,685**	**33,021,141**
Opening b/ce as at 1 January 2017	**7,552,150**	**26,636,158**	**982,410**	**0**	**17,992,409**	**60,604**	**9,873,994**	**63,097,726**
Additions	0	111,844	60,829	2,743	1,730,145	0	414,707	**2,320,267**
Sales / Dispodsals	0	0	0	0	(127,749)	0	(165,323)	**(293,072)**
Other transfers	0	0	0	0	0	0	0	**0**
Closing b/ce as at 1 January 2018	**7,552,150**	**26,748,002**	**1,043,239**	**2,743**	**19,594,805**	**60,604**	**10,123,378**	**65,124,921**
Accrued depreciation as at 1 January 2018	**0**	**(4,040,860)**	**(287,041)**	**0**	**(17,297,770)**	**(60,604)**	**(8,390,309)**	**(30,076,585)**
Depreciation	0	(490,181)	(105,470)	0	(282,675)	0	(282,812)	**(1,161,137)**
Depreciation of sold/disposed assets	0	0	0	0	127,040	0	158,352	**285,392**
Closing b/ce as at 1 January 2018	**0**	**(4,531,041)**	**(392,511)**	**0**	**(17,453,404)**	**(60,604)**	**(8,514,769)**	**(30,952,330)**
Net Book Value as at 31 December 2018	**7,552,150**	**22,216,961**	**650,728**	**2,743**	**2,141,400**	**0**	**1,608,609**	**34,172,591**

Depreciation charges for the Group amounting to € 1.16 mil (2017: € 936.96 thousand) and the Company € 1.16 mil (2017: € 936.94 thousand) have been registered in the Statement of Comprehensive Income as follows: € 791.75 thousand (2017: € 637.13 thousand) in Cost of Sales and € 372.59 thousand (2017: € 299.83 thousand) in Administrative Expenses for the group and for the Company are: € 789.57 thousand (2017: € 637.12 thousand) in Cost of Sales and € 371.56 thousand (2017: € 299.82 thousand) in Administrative expenses. The relative amounts at 1/1/2018 of the initial acquisition value and cumulative depreciation of the improvement in buildings have updated equally without the effect of undepreciated value at 1/1/2018.

If the lands and buildings were accounted in historical cost, the respective amounts thereof would be as follows:

	Group			
	2018		2017	
	Land	Buildings & facilities	Land	Buildings & facilities
Cost	3,446,439	25,297,205	3,446,439	25,185,361
Accumulated depreciation	0	(7,752,515)	0	(7,120,085)
Net Book Value on 31 December	**3,446,439**	**17,544,690**	**3,446,439**	**18,065,276**

	Company			
	2018		2017	
	Land	Buildings & facilities	Land	Buildings & facilities
Cost	3,446,439	25,297,205	3,446,439	25,185,361
Accumulated depreciation	0	(7,752,515)	0	(7,120,085)
Net Book Value on 31 December	**3,446,439**	**17,544,690**	**3,446,439**	**18,065,276**

Regarding fixed assets of the Group and the Company there are tangible collateral to the banks amounts to € 35.65 million for buildings and facilities, as well as fictional collaterals for the equipment.

5. Intangible assets

Intangible assets of the Group and the Company for 2018 and 2017 are presented as follows:

	Group			Company		
	Licenses & Trademark	**Trade relations**	**Total**	**Licenses & Trademark**	**Trade relations**	**Total**
Cost of Ownership or Valuation on 1 January 2017	**19,778,827**	**6,163,173**	**25,942,000**	**19,778,827**	**6,163,173**	**25,942,000**
Balance 31 December 2017	**19,778,827**	**6,163,173**	**25,942,000**	**19,778,827**	**6,163,173**	**25,942,000**
Accumulated amortization on 1 January 2017	**(3,246,381)**	**(4,935,630)**	**(8,182,012)**	**(3,246,381)**	**(4,935,630)**	**(8,182,012)**
Amortization	(1,082,127)	(818,362)	**(1,900,489)**	(1,082,127)	(818,362)	**(1,900,489)**
Balance on 31 December 2017	**(4,328,509)**	**(5,753,992)**	**(10,082,501)**	**(4,328,509)**	**(5,753,992)**	**(10,082,501)**
Net Book Value on 31 December 2017	**15,450,318**	**409,181**	**15,859,499**	**15,450,318**	**409,181**	**15,859,499**
Cost of Ownership or Valuation on 1 January 2018	**19,778,827**	**6,163,173**	**25,942,000**	**19,778,827**	**6,163,173**	**25,942,000**
Balance on 31 December 2018	**19,778,827**	**6,163,173**	**25,942,000**	**19,778,827**	**6,163,173**	**25,942,000**
Accumulated amortization on 1 January 2018	**(4,328,509)**	(5,753,992)	**(10,082,501)**	**(4,328,509)**	**(5,753,992)**	**(10,082,501)**
Amortization	(1,082,127)	(409,181)	**(1,491,308)**	(1,082,127)	(409,181)	**(1,491,308)**
Αναπροσαρμογή αξίας Αποσβέσεων	0	0	**0**	0	0	**0**
Balance on 31 December 2018	**(5,410,636)**	**(6,163,173)**	**(11,573,809)**	**(5,410,636)**	**(6,163,173)**	**(11,573,809)**
Net Book Value on 31 December 2018	**14,368,191**	**0**	**14,368,191**	**14,368,191**	**0**	**14,368,191**

Amortization charges amounting to €1.49 million (2017: €1.90 million) have been registered in the Statement of Comprehensive Income as follows: €1.01 million (2017: €1.29 million) in Cost of Sales and €477.22 thousand (2017: €608.16 thousand) in Administrative Expenses.

Regarding intangible assets (trade marks) a collateral has been formed.

Test for Impairment

The Group performs tests for impairment for its intangible assets in accordance with IAS 36 "Impairment of Assets" whenever there are indications for impairment.

In order to test for impairment of intangible assets, the Company is considered as a Cash Generating Unit (CGU), using cash flow estimates, before taxes, based on financial calculations approved by the Board of Directors. The Management defines the gross profit margin based on past performance and on expectations about the development of the market. The growth rate in perpetuity reflects the estimates of management. Management assesses the discount interest rates using interest rates reflecting the current market conditions about the current value of money and the specific risks of Greece. The Company assesses that there were no indications of impairment on 31.12.2018.

6. Financial assets and liabilities per segment

The accounting principles for financial assets and obligations apply to the following segments:

(a) Financial Assets per segment

	Group		Company	
	2018	**2017**	**2018**	**2017**
Trade and other receivables	15,972,263	14,933,733	16,066,785	14,873,303
Cash available and cash equivalents	881,490	930,856	698,827	866,931
Total	**16,853,753**	**15,864,588**	**16,765,612**	**15,740,235**

	Group					
	2018			**2017**		
Liabilities	**Liabilities in fair value through results**	**Other financial liabilities**	**Total**	**Liabilities in fair value through results**	**Other financial liabilities**	**Total**
Loans (excluding finance leases)	0	31,393,129	31,393,129	0	31,141,608	31,141,608
Finance leases	0	1,367,919	1,367,919	0	0	0
Suppliers and other liabilities	0	26,304,382	26,304,382	0	26,743,835	26,743,835
Total	**0**	**59,065,430**	**59,065,430**	**0**	**57,885,443**	**57,885,443**

	Company					
	2018			**2017**		
Liabilities	**Liabilities in fair value through results**	**Other financial liabilities**	**Total**	**Liabilities in fair value through results**	**Other financial liabilities**	**Total**
Loans (excluding finance leases)	0	31,393,129	31,393,129	0	31,141,608	31,141,608
Finance leases	0	1,367,919	1,367,919	0	0	0
Suppliers and other liabilities	0	26,197,446	26,197,446	0	26,663,228	26,663,228
Total	**0**	**58,958,494**	**58,958,494**	**0**	**57,804,836**	**57,804,836**

7. Inventory

	Group		Company	
	2018	**2017**	**2018**	**2017**
Consumables	489,538	480,787	472,477	472,642
Pharmaceuticals	259,416	281,160	259,057	280,689
Total	**748,954**	**761,947**	**731,534**	**753,331**

The cost of inventory registered as an expense in the Cost of Sales amounts to € 10.89 million (2017: € 10.85 million) for the Group and € 10.85 million (2017: € 10.82 million) for the Company. Inventory does not include impaired assets.

8. Trade receivables

	2018	**2017**	**2018**	**2017**
Trade receivables	50,167,471	44,626,432	50,055,051	44,560,354
Minus: Rebate & Clawback	(23,604,096)	(20,491,771)	(23,558,872)	(20,485,522)
Minus: Allowances	(12,509,309)	(10,751,431)	(12,509,309)	(10,751,431)
Net receivables from customers	**14,054,065**	**13,383,229**	**13,986,870**	**13,323,401**
Advances	294,759	238,461	291,280	237,202
Current income receivable	113,493	71,647	113,493	71,647
Purchase discounts	87,618	56,836	87,618	56,836
Receivables from various taxes	631,252	659,694	588,909	659,672
Sundry debtors	981,309	669,108	1,188,848	669,788
	16,162,496	**15,078,976**	**16,257,018**	**15,018,546**
Minus: Long-term receivables - advances	(190,233)	(145,243)	(190,233)	(145,243)
Short-term receivables from customers and trade receivables	**15,972,263**	**14,933,733**	**16,066,785**	**14,873,303**

Long-term receivables that are included in non-current assets refer to guarantees issued to third parties within the context of the Company's activities that do not have a specific expiration date.

The fair value of receivables from customers and other receivables is approximately the same with their book value.

All the above receivables refer to interest-free assets of the Group and the Company.

The Group has calculated the Clawback and Rebate from the beginning of the effectiveness of these decisions, through relevant charges to its financial results. Specifically, it has reduced the receivables from E.O.P.Y.Y. for the period of 01.01.2013-31.12.2018 by the amount of € 23.60 million, following the application of article 100, par. 5 of Law 4172/2014 and of the later relevant ministerial decisions.

Apart from E.O.P.Y.Y. and the insurance companies, there is no concentration of credit risk with regard to trade receivables, since the Group has a large number of customers mainly in Greece and also co – operations with foreign insurance companies.

The maturity of trade receivables in arrears that have not been impaired is listed below:

	Group		Company	
	2018	**2017**	**2018**	**2017**
< 3 months	3,140,905	2,932,058	3,077,111	2,931,148
3 - 6 months	4,477,649	4,270,984	4,475,798	4,263,488
> 6 months	6,435,512	6,180,187	6,433,960	6,128,764
Total	**14,054,065**	**13,383,229**	**13,986,870**	**13,323,401**

On 31.12.2018, trade receivables amounting to € 12.51 mil. (2017: € 10.75 mil.) are considered non-recoverable and an equivalent provision for bad debts has been formed.

The amount of such a provision is calculated as follows:

	Group		Company	
	2018	**2017**	**2018**	**2017**
Balance on 1 January	10,751,431	9,950,067	10,751,431	9,950,067
Impact from the application of IFRS 9	1,400,000	0	1,400,000	0
Modified balance as of 1/1/2018	**12,151,431**	**9,950,067**	**12,151,431**	**9,950,067**
Impairment Provision	436,040	883,951	436,040	883,951
Write offs	(78,162)	(82,586)	(78,162)	(82,586)
Total	**12,509,309**	**10,751,431**	**12,509,309**	**10,751,431**

The provisions for impairment have been registered in the Statement of Comprehensive Income, at the cost of sales.

The amounts recognised as a provision are usually written off, provided that their collection is considered not probable.

The maximum credit risk for the Company on the reporting date is the book value of customers and sundry receivables, which is approx. the same with the fair value thereof.

On the reporting date, the Company did not own any securities registered against customers.

9. Investments in Subsidiaries and Associate Companies

On 31.12.2018, the Company owned 100% of the share capital of its subsidiary “Euroclinic - Simeio D.Y.O. - Private Clinic Medical Single-Member Private Company”. The subsidiary was established on 7.11.16 with purpose to operate in the

field of primary healthcare services. The share capital of the subsidiary amounts to 10,000 (10 shares, with nominal value € 1,000 / share) and was paid in cash by the Company within 2016.

10. Cash and cash equivalents

	Group		Company	
	2018	**2017**	**2018**	**2017**
Cash	13,850	25,132	11,790	22,110
Cash equivalents	867,640	905,724	687,037	844,821
Total	**881,490**	**930,856**	**698,827**	**866,931**

The amount of cash and cash equivalents, which is temporarily withheld on 31/12/2018 is € 22.6 thousand 31.12/2017: € 21.5 thousand) and refers primarily to provision from the letters of guaranty issued by cooperating banks of the Company. The average interest rate of demand deposits for 2018 was 0.2% (2017: 0.2%).

11. Share capital and share premium account

	Company			
	Number of shares	**Ordinary shares**	**Share premium**	**Total**
Balance on 31 December 2018	8,673,864	38,165,002	62,225,811	**100,390,812**
Balance on 31 December 2017	8,673,864	38,165,002	62,225,811	**100,390,812**

The total amount of approved ordinary shares is 8,673,864 (2017: 8,673,864 shares) with nominal value € 4.4 for each share (2017: € 4.4 for each share). All issued shares have been fully paid.

The share-holding composition of the Company is as follows:

SHAREHOLDER	**No of SHARES**
HIPPOKRATES HOLDING B.V.	5,020,455
AKKADIA HOLDINGS LIMITED	3,652,330
OTHER SHAREHOLDERS	1,079
TOTAL	**8,673,864**

"AKKADIA HOLDINGS LIMITED" is 100% owned by "Hippokrates Holdings B.V.".

12. Other reserves

	Group			
	Ordinary reserves	Remeasurement gain/loss of defined benefit plan liability	Revaluation reserve	Total
Balance on 1 January 2017	**23,875**	**21,304**	**6,911,335**	**6,956,514**
Assessment of personnel benefits	0	104,532	0	104,532
Deferred tax (note 15)	0	(30,314)	0	(30,314)
Balance on 31 December 2017	**23,875**	**95,522**	**6,911,335**	**7,030,732**
Balance on 1 January 2018	**23,875**	**95,522**	**6,911,335**	**7,030,732**
Assessment of personnel benefits	0	131,925	0	131,925
Deferred tax (note 15)	0	(38,258)	0	(38,258)
Balance on 31 December 2018	**23,875**	**189,188**	**6,911,335**	**7,124,398**

	Company			
	Ordinary reserves	Remeasurement gain/loss of defined benefit plan liability	Revaluation reserve	Total
Balance 1 January 2017	**23,875**	**21,304**	**6,911,335**	**6,956,514**
Assessment of personnel benefits	0	104,532	0	104,532
Deferred tax (note 15)	0	(30,314)	0	(30,314)
Balance on 31 December 2017	**23,875**	**95,522**	**6,911,335**	**7,030,732**
Balance on 1 January 2018	**23,875**	**95,522**	**6,911,335**	**7,030,732**
Assessment of personnel benefits	0	131,925	0	131,925
Deferred tax (note 15)	0	(38,258)	0	(38,258)
Balance on 31 December 2018	**23,875**	**189,188**	**6,911,335**	**7,124,398**

(a) Ordinary reserve

By virtue of the clauses of cod. law 2190/1920, every entity is obliged to transfer at least 5% of its profits, after taxes, to Ordinary Reserves. This obligation ceases when the Reserve account is equal to 1/3 (33.33%) of the share capital. The Reserve cannot be attributed, but it can be used to absorb losses.

13. Loans

	Group		Company	
	2018	**2017**	**2018**	**2017**
Long-term loans				
Finance leases	1,074,143	0	1,074,143	0
Bank loans - Bond loans	29,260,000	0	29,260,000	0
Total long -term loans	**30,334,143**	**0**	**30,334,143**	**0**
Short - term loans				
Finance leases	293,776	0	293,776	0
Bond loans	300,000	29,710,000	300,000	29,710,000
Bank loans	1,833,129	1,431,608	1,833,129	1,431,608
Total sort-term loans	**2,426,905**	**31,141,608**	**2,426,905**	**31,141,608**
Total loans	**32,761,048**	**31,141,608**	**32,761,048**	**31,141,608**

The Group and the Company do not have loans valued in fair values, however the accounting value of short term loan obligations is approaching their fair value. The average actual interest rate of the bond loan for 2018 was 3.91% (2017: 3.63%).

On 7 March, 2018 a Coverage Agreement for a bond loan was signed with ‘’EFG Eurobank” and “Piraeus Bank” with “EFG Eurobank” being the bondholder agent. The purpose of the bond loan is the refinancing of the current bond loan amounting to € 29.71 million. The basic terms of the new contract include: a) a two year extension of the expiry date of the bond loan, with the option of further extension of one year, b) three month interest rate period with annual interest rate margin at 4%, c) repayment schedule in quarterly instalments, d) the compliance with specific financial covenants on an annual and semi-annual basis. The management of the company received the consent of cooperating banks for the modification of the financial indexes at 31/12/2018 regarding the bond loan.

14. Employee Benefits

	Group		Company	
	2018	**2017**	**2018**	**2017**
Liabilities in the Statement of Financial Position for:				
Pension benefits	910,959	967,970	910,959	967,970
Charges to the Statement of Comprehensive Income				
Pension benefits	106,959	490,042	106,959	490,042

	Group		Company	
	2018	**2017**	**2018**	**2017**
Current value of non-financed payables	910,959	967,970	910,959	967,970
Liability in the balance sheet	**910,959**	**967,970**	**910,959**	**967,970**

	Group		Company	
	2018	**2017**	**2018**	**2017**
Current service cost	76,840	87,947	76,840	87,947
Net interest on the net defined liability	16,455	18,665	16,455	18,665
Losses / (profits) from curtailments/settlements/terminations	88,577	383,430	88,577	383,430
Net (profits) / losses	**181,873**	**490,042**	**181,873**	**490,042**

	Group		Company	
	2018	**2017**	**2018**	**2017**
Carrying value of liability at the beginning of period	**967,970**	**1,036,927**	**967,970**	**1,036,927**
Current service cost	76,840	87,947	76,840	87,947
Financial cost	16,455	18,665	16,455	18,665
Cost of cuts / settlements / terminations	88,577	383,430	88,577	383,430
Actuarial losses / (profits)	(131,925)	(104,532)	(131,925)	(104,532)
Benefits paid	(106,959)	(454,467)	(106,959)	(454,467)
Carrying value of liability at the end of period	**910,959**	**967,970**	**910,959**	**967,970**

The main actuarial assumptions employed are the following:

	Group		Company	
	2018	2017	2018	2017
Discount rate	1.6%	1.7%	1.6%	1.7%
Future raises in wages	2.0%	2.0%	2.0%	2.0%
Inflation	2.0%	2.0%	2.0%	2.0%

Mortality and morbidity rates

With regards to the assumptions concerning the mortality and morbidity rates, mortality table EVK 2000 has been used for men and women.

Analysis of result sensitivity

The sensitivity of the present value of the actuarial obligation in a possible change of the basic assumptions that were used, is presented below:

	2018	2017
Increase of Interest payable by 0,5%	841,584	870,035
Decrease of Interest payable by 0,5%	1,001,573	1,079,110
Increase of expected wage growth by 0,5%	1,000,516	1,075,197
Decrease of expected wage growth by 0,5%	841,544	871,076

15. Deferred Tax

Deferred income tax is accounted on the temporary differences, after the use of taxation factors that are expected to be in use at the date of recovery or the date of settlement. The amounts that are available in the income statement is estimated that will be recovery or settled after the 31st of December 2018. According to article 23 of law 4579/2018, taxation factors on the profits from business operation of law representatives in Greece, excluding the credit organizations, reducing gradually at 1% annually as follows: 28% for the fiscal year 2019, 27% for the fiscal year 2020, 26% for the fiscal year 2021 and 25% for fiscal year 2022 and after.

Changes on the deferred tax assets and liabilities during the fiscal year are as follows:

Deferred taxation	Group								
	Liabilities for personnel benefits	Impairment of receivables	Unrecognised intangible assets	Provisions	Fair value gains	Depreciation of tangible assets	Licenses & Trademarks	Customer relations	Total
Balance on 1 January 2017	**(288,170)**	**(2,910,811)**	**(15,457)**	**(414,296)**	**1,218,790**	**3,778,449**	**4,794,409**	**355,987**	**6,518,902**
Charge / (credit) in the statement of comprehensive income	(10,317)	(72,263)	5,126	(59,724)	88,622	84,284	(313,817)	(237,325)	(515,413)
Charge / (credit) in other comprehensive income	30,314	0	0	0	0	0	0	0	30,314
Balance on 31 December 2017	**(268,172)**	**(2,983,075)**	**(10,330)**	**(474,020)**	**1,307,412**	**3,862,734**	**4,480,592**	**118,662**	**6,033,804**
Balance on 1 January 2018	**(268,172)**	**(2,983,075)**	**(10,330)**	**(474,020)**	**1,307,412**	**3,862,734**	**4,480,592**	**118,662**	**6,033,804**
Charge / (credit) in the statement of comprehensive income	(56,594)	349,829	5,126	127,936	(174,733)	69,204	(823,617)	(118,663)	(621,511)
Charge / (credit) in other comprehensive income	38,258	0	0	0	0	0	0	0	38,258
Balance on 31 December 2018	**(286,508)**	**(2,633,246)**	**(5,204)**	**(346,084)**	**1,132,679**	**3,931,937**	**3,656,975**	**()**	**5,450,551**

Deferred taxation	Company								
	Liabilities for personnel benefits	Impairment of receivables	Unrecognised intangible assets	Provisions	Fair value gains	Depreciation of tangible assets	Licenses & Trademarks	Customer relations	Total
Balance on 1 January 2017	**(288,170)**	**(2,910,811)**	**(15,457)**	**(414,296)**	**1,218,790**	**3,778,449**	**4,794,409**	**355,987**	**6,518,902**
Charge / (credit) in the statement of comprehensive income	(10,317)	(71,679)	5,126	(59,412)	88,622	84,284	(313,817)	(237,325)	(514,516)
Charge / (credit) in other comprehensive income	30,314	0	0	0	0	0	0	0	30,314
Balance on 31 December 2017	**(268,172)**	**(2,982,490)**	**(10,330)**	**(473,708)**	**1,307,412**	**3,862,734**	**4,480,592**	**118,662**	**6,034,701**
Balance on 1 January 2018	**(268,172)**	**(2,982,490)**	**(10,330)**	**(473,708)**	**1,307,412**	**3,862,734**	**4,480,592**	**118,662**	**6,034,701**
Charge / (credit) in the statement of comprehensive income	(56,594)	361,806	5,126	130,021	(174,733)	69,204	(823,617)	(118,663)	(607,449)
Charge / (credit) in other comprehensive income	38,258	0	0	0	0	0	0	0	38,258
Balance on 31 December 2018	**(286,508)**	**(2,620,683)**	**(5,204)**	**(343,687)**	**1,132,679**	**3,931,937**	**3,656,975**	**()**	**5,465,510**

16. Other provisions

	Group		Company	
	Pending Litigation	Total	Pending Litigation	Total
Balance on 1 January 2017	**525,104**	**525,104**	**525,104**	**525,104**
Additional provisions for period	122,500	122,500	122,500	122,500
Balance on 31 December 2017	**647,604**	**647,604**	**647,604**	**647,604**
Balance on 1 January 2018	**647,604**	**647,604**	**647,604**	**647,604**
Balance on 31 December 2018	**647,604**	**647,604**	**647,604**	**647,604**

(a) Pending litigation

The group and the company are involved in litigations as part of normal operation, between them and the cases of medical liability. For these litigations the Group and the Company are covered by insurance contracts. The group forms provisions additional of the pending litigations, in cases where is considered possible to demand outflow for the settlement of the liability and the amount that can be evaluated reasonably taking into consideration the assumptions of law advisor and of the law department of the group.

The group and the company on 31/12/2018 did not conduct additional provisions. The management and the law advisors of the company believe that pending litigations, the current provisions for litigations, are expected to settle without significant negative effects on the consolidated financial position of the group or in the financial statements.

(b) Tax liabilities

The Group proceeds to the annual estimation of contingent liabilities that arise from the audit of previous fiscal years and forms the relevant provisions when considered necessary. The Management considers that any taxes that may be payable will not have a significant impact on equity, on the Profit and Loss, or on the Cash Flows of the Company.

The unaudited periods of the Company are analytically presented in Note 24.

17. Trade and Other Payables

	Group		Company	
	2018	**2017**	**2018**	**2017**
Suppliers	16,349,954	16,805,086	16,323,818	16,789,097
Salaries Payable	104,439	228,530	104,439	212,477
Doctors Payable	4,053,134	3,656,948	4,026,968	3,655,872
Saundry Payable	3,228,829	3,615,686	3,209,262	3,604,764
Liabilities from third party	1,475,233	1,488,550	1,449,543	1,456,504
Public insurance Funds	668,288	654,880	658,910	650,358
Accrued Expenses	424,506	294,156	424,506	294,156
Total of Other Suppliers and Other Long term liabilities	**26,304,382**	**26,743,835**	**26,197,446**	**26,663,228**

The balances above represent interest free short term liabilities.

18. Sales

	Group		Company	
	2018	**2017**	**2018**	**2017**
Provision of services to:				
Private patients	13,137,810	14,257,087	12,729,463	13,997,926
Insurance companies	20,697,087	19,279,782	20,695,381	19,277,991
Public funds	9,302,986	8,588,357	9,106,187	8,529,011
Private companies	678,511	564,388	678,511	564,388
Rebate & Clawback	(2,725,611)	(2,489,476)	(2,682,833)	(2,483,227)
Total services provided	**41,090,783**	**40,200,136**	**40,526,708**	**39,886,089**

19. Other profits/losses

	Group		Company	
	2018	**2017**	**2018**	**2017**
Losses from the sale of assets	(5,836)	(809)	(5,836)	(809)
Gains from the sale of assets	58,400	200	58,400	200
Total	**52,564**	**(609)**	**52,564**	**(609)**

20. Other Income

	Group		Company	
	2018	**2017**	**2018**	**2017**
Rent	66,401	64,980	89,817	88,589
Revenue from sundry operations	1,279,680	489,567	1,435,351	489,567
Other income	364,817	862,181	368,184	862,181
Total other income	**1,741,233**	**1,416,728**	**1,923,687**	**1,440,337**

23. Employee Benefits

	Group		Company	
	2018	**2017**	**2018**	**2017**
Salaries and day-wages	9,742,369	9,710,353	9,657,795	9,695,379
Employer contributions	2,497,607	2,490,751	2,476,454	2,487,057
Expenses for defined benefits plans	58,458	16,910	58,458	16,910
Personnel compensation	106,959	454,467	106,959	454,467
Other provisions	61,045	68,443	61,045	68,443
Total Personnel Fees and Expenses	**12,466,438**	**12,740,924**	**12,360,711**	**12,722,256**

On 31/12/2018 the total number of employees on the Group and the Company was 537 and 529 respectively, while for 2017 was 515 and 514 respectively.

24. Expenses per category

Group	**2018**			**2017**		
	Cost of Sales	**Administrative expenses**	**Total**	**Cost of Sales**	**Administrative expenses**	**Total**
Consumables	10,894,535	0	10,894,535	10,849,905	0	10,849,905
Personnel expenses	10,006,234	2,460,204	12,466,438	10,287,014	2,453,909	12,740,924
Third-party fees	6,102,855	254,286	6,357,140	6,200,883	258,370	6,459,253
Third party benefits	3,649,594	192,194	3,841,788	3,755,655	197,666	3,953,321
Taxes / Fees	0	621,892	621,892	0	587,286	587,286
Miscellaneous expenses	1,788,767	1,117,191	2,905,958	1,768,411	1,116,029	2,884,440
Depreciation/Amortization	1,805,839	849,807	2,655,646	1,929,466	907,984	2,837,449
Impairment of receivables	436,040	0	436,040	883,951	0	883,951
Total cost	**34,683,863**	**5,495,574**	**40,179,437**	**35,675,284**	**5,521,245**	**41,196,529**

Company	2018			2017		
	Cost of Sales	Administrative expenses	Total	Cost of Sales	Administrative expenses	Total
Consumables	10,849,760	0	10,849,760	10,817,198	0	10,817,198
Personnel expenses	9,921,653	2,439,059	12,360,711	10,272,080	2,450,176	12,722,256
Third-party fees	5,975,468	248,978	6,224,446	6,060,496	252,521	6,313,016
Third party benefits	3,633,287	191,226	3,824,513	3,752,810	197,516	3,950,326
Taxes / Fees	0	586,187	586,187	0	580,637	580,637
Miscellaneous expenses	1,779,962	1,109,190	2,889,152	1,760,275	1,113,109	2,873,384
Depreciation/Amortization	1,803,663	848,783	2,652,445	1,929,451	907,977	2,837,428
Impairment of receivables	436,040	0	436,040	883,951	0	883,951
Total cost	**34,399,832**	**5,423,421**	**39,823,253**	**35,476,261**	**5,501,936**	**40,978,197**

25. Net Finance Income/Expenses

	Group		Company	
	2018	2017	2018	2017
Loan interest	(1,147,152)	(1,131,054)	(1,147,152)	(1,131,054)
Interest of financial leases	(55,047)	0	(55,047)	0
Retirement programme interest	(16,455)	(18,665)	(16,455)	(18,665)
Various bank expenses	(586,552)	(426,125)	(583,488)	(424,317)
Interest Rate Swaps	0	(307,659)	0	(307,659)
Profits at fair value of swaps	0	305,594	0	305,594
Total financial expenses	**(1,805,206)**	**(1,577,909)**	**(1,802,142)**	**(1,576,101)**
Interests on deposits	1,484	1,266	1,484	1,266
Other interest revenue	1,092	149	1,092	149
Total financial income	**2,577**	**1,416**	**2,577**	**1,416**
Financial incomes / (expenses) (net)	**(1,802,630)**	**(1,576,494)**	**(1,799,566)**	**(1,574,686)**

26. Taxation

Tax charged to Profits Before Taxes of the Company is different from the theoretical amount that would come up using the weighted average tax rate, calculated on the results of the Company. The difference is as follows:

	Group		Company	
	2018	**2017**	**2018**	**2017**
Profits before taxes	902,514	(1,156,768)	880,140	(1,227,066)
Tax calculated using the applicable tax rates for the Company (2017: 29%, 2016: 29%)	261,729	(335,463)	255,241	(355,849)
Tax losses for the period for which no deferred tax asset has been recognised	(206,069)	(418,837)	(206,069)	(418,837)
Expenses that are not exempted from income tax	106,914	260,170	106,914	260,170
Other	428	1,228	0	0
Total	**(600,533)**	**(492,902)**	**(607,449)**	**(514,516)**

The tax rate that was implied for 2018 was 29%. According to provisions of No. 23 of Law 4579/2018, there will be a gradual reduction of the rate on profits from operation activity of legal entities to 28% for the fiscal year 2019, 27% for the fiscal year 2020, 26% for the fiscal year 2021 and 25% for fiscal year 2022 and after.

The Company has been audited by tax authorities until the year of 2010.

Regarding the periods between 2011 and 2017, the Company was subject to a special tax audit conducted by Certified Auditors - Accountants under paragraph 5, article 82 of Law 2238/1994 and article 65A of Law 4174/2013 and received an unqualified Tax Compliance Report. It is noted that under circular POL. 1006/2016, companies that have been subjected to the above specific tax audit are not exempted from the conduct of standard tax audit by the competent tax authorities. The Management of the Company estimates that in possible future re-audits by the tax authorities, if these take place, no additional tax differences will come up that could have a material impact on the financial statements.

For 2018, the special audit to obtain the Tax Compliance Report is underway and the relevant tax certification is going to be granted after Financial Statements' publication. In case the tax audit decides that there are added tax liabilities, these tax liabilities are not expected to have vital effect to the financial statements. According to relevant, recent law the control and the issue of Tax Compliance Report is valid for 2016 and after in complimentary basis.

25. Cash flows from operating activities

	Group		Company	
	2018	**2017**	**2018**	**2017**
Losses before taxes	902,514	(1,156,768)	880,140	(1,227,066)
Adjustments for:				
Depreciation of tangible assets	1,164,338	936,960	1,161,137	936,939
Amortization of intangible assets	1,491,308	1,900,489	1,491,308	1,900,489
(Profits) / losses after the sale of tangible assets (as shown below)	7,680	2,040	7,680	2,040
Interest revenue	(2,577)	(1,416)	(2,577)	(1,416)
Interest expenses	1,788,751	1,557,179	1,785,687	1,555,371
Impairment of receivables	436,040	883,951	436,040	883,951
Employee benefits	93,296	106,612	93,296	106,612
Other provisions (income from unused provisions)	0	122,500	0	122,500
	5,881,350	**4,351,547**	**5,852,712**	**4,279,421**
Changes in working capital				
Decrease / (increase) of inventory	12,993	(14,171)	21,797	(5,555)
Decrease / (increase) of receivables	(2,919,560)	(1,127,909)	(3,074,512)	(1,060,965)
Increase / (decrease) of liabilities (excluding banks)	(518,002)	642,257	(544,331)	581,852
Increase / (reduction) of liability for personnel benefits	(18,381)	(71,037)	(18,381)	(71,037)
	(3,442,951)	**(570,861)**	**(3,615,427)**	**(555,706)**
Cash flows from operating activities	**2,438,400**	**3,780,687**	**2,237,286**	**3,723,715**
Profits / (losses) from disposal of tangible fixed assets	52,564	(609)	52,564	(609)
Income from disposal of tangible assets	**52,564**	**(609)**	**52,564**	**(609)**

26. Contingent liabilities

(a) Guarantees

The Company has granted guarantees to third parties, within the context of its standard operations, amounting to € 83. 16 thousand (2017: € 89.32 thousand) in order to secure liabilities and good implementation.

(b) Tangible liens

Fixed charges registered in favour of banks for the tangible and intangible assets of the Company are stated in Notes 4 and 5.

(c) Tax liabilities

The unaudited periods of the Company are stated in Note 24.

27. Commitments

(a) Capital liabilities

There are not significant capital expenses that have been taken, but have not been executed on the reporting date.

(b) Liabilities from operating leases

The Company leases vehicles and buildings through operating leases. Those building leases have various terms concerning the readjustment of the rent, the rights for renewal and other clauses usually last between 2 and 5 years.

The leases for vehicles last between 1-2 years. The liabilities of operating leases for transport vehicles for 2018 amounted to € 71.7 thousand (2017: € 71.1 thousand).

The minimum future payable rents in accordance with existing operating leases are as follows:

	Group		Company	
	2018	**2017**	**2018**	**2017**
Fom 0 to 1 year	528,380	336,225	504,771	312,616
From 2 to 5 years	1,727,589	965,061	1,633,154	870,625
Up to 5 years	652,335	215,627	628,726	192,018
Total	**2,908,304**	**1,516,913**	**2,766,650**	**1,375,259**

28. *Related party transactions*

The Company shares are held by 57.89% by “Hippokrates Holdings B.V.”, registered in Holland, which is a 100% subsidiary of “Gulert Enterprises Limited”, registered in Cyprus, which in turn is a 100% subsidiary of "South Eastern Europe Fund (SEEF)", registered in Jersey Island. Shares amounting to 42.10% are owned by “AKKADIA HOLDINGS LIMITED”, registered in Cyprus, which is a 100% subsidiary of “Hippokrates Holdings B.V.”. The remaining 0.01% of the shares is owned by physicians.

The remaining transactions with related parties refer to transactions with members of the Board and with key management personnel of the Company, as well as transactions with its subsidiary; these are formulated as follows:

(a) Transactions with members of the Board and key management personnel

	Group		Company	
	2018	**2017**	**2018**	**2017**
Remuneration of BoD members	213,600	228,600	213,600	228,600
Remuneration of Management personnel	912,044	919,564	912,044	919,564
Total	**1,125,644**	**1,148,164**	**1,125,644**	**1,148,164**

(b) Transactions with subsidiary

Subsidiary Euroclinic - Simeio D.Y.O. - Private Clinic Medical Single-Member Private Company was established on 7.11.16 with the purpose of engaging in the field of primary healthcare services. The share capital of the subsidiary Company amounts to 10,000 (10 shares, with nominal value € 1,000 / share) and was paid on cash by the Company within 2016.

The remaining transactions with the subsidiary refer to rent for the use of the affiliate buildings and are listed below:

	2018		2017	
	Income	**Receivables**	**Income**	**Receivables**
EUROCLINIC - SIMEIO D.Y.O. - PRIVATE CLINIC MEDICAL SINGLE-MEMBER PRIVATE COMPANY	183,388	210,329	23,609	6,515
Total	**183,388**	**210,329**	**23,609**	**6,515**

29. Risks and uncertainties

The Group and the Company are exposed to financial risk, like market risk (price risk, cash flow risk from interest rate changes), credit risk and liquidity risk. The general schedule of risk management set; is focusing on the random market hypothesis of the financial markets and is targeting to minimize its potential negative effects on financial performance.

Risk Management is performed by the financial division, which operates under certain rules, approved by the Board of Directors. Financial Division defines the financial risk in collaboration with services facing these risks. The management board supplies written instructions and guidance for the generic risk management, as well as special instructions for the management of certain risks as interest rate risk, credit risk, use of derivatives and non-derivatives financial instruments and instruction on how to invest cash reserves.

Market risk results from fluctuation in future cash flows of a financial instrument due to fluctuation in market prices. The market risk for the Company mainly results from changes in the prices for medical procedures, as well as of those DRGs, and from the delayed payments by Public Funds and E.O.P.Y.Y., due to the continued recession. The Company does not own any financial instruments in foreign currency or any investments in bonds or shares apart from checking accounts.

Price risk
The Company is exposed to price risk concerning the change of value in land buildings that is recognized at the fair value.

Risk of cash flows and risk of changes in fair value due to changes in interest rates

The interest rate risk mainly comes from loans. Loans with variable interest rate expose the Company to a cash flow risk due to changes in the interest rates. All Company loans are in Euro with variable interest.

(b) Credit risk

Credit risk is handled by the Financial Division of the Group. This risk results from credit offered to customers (customer credit risk). Regarding the cash reserves and cash equivalents, the Group is trading only with credit certified financial institutions.

The clientele of the Group consists of insurance funds and organizations, insurance companies and other private parties. Sales to insurance funds and insurance companies usually involve a small amount of risk regarding bad debt. Additionally, insurance funds are delaying payments. The credit risk is mainly focused on private patients - customers without coverage by any insurance, or whose insurance policies do not cover the entire cost of their hospitalization. The Company has set specific procedures for the proper and quick collection of its receivables.

The Group is applying a simplified approach of IFRS 9 to calculate the expected credit losses. Regarding receivables from costumers', provision credit losses are equal to the expected credit losses throughout the total lifetime regarding receivables from costumer.

Group's exposure in credit risk is constrained to its financial assets which are analyzed below at the date of financial statements.

	Group		Company	
	2018	**2017**	**2018**	**2017**
Trade and other receivables	15,972,263	14,933,733	16,066,785	14,873,303
Cash available and cash equivalents	881,490	930,856	698,827	866,931
Total	**16,853,753**	**15,864,588**	**16,765,612**	**15,740,235**

The aging of the below financial receivables for the group and the company at 31/12/2018 and 31/12/2017 is analyzed as follows:

	Group		Company	
	2018	**2017**	**2018**	**2017**
< 3 months	3,140,905	2,932,058	3,077,111	2,931,148
3 - 6 months	4,477,649	4,270,984	4,475,798	4,263,488
> 6 months	6,435,512	6,180,187	6,433,960	6,128,764
Total	**14,054,065**	**13,383,229**	**13,986,870**	**13,323,401**

(c) Liquidity risk

The monitoring of liquidity risk is focused on the ability of the Group and the Company to maintain certain liquidity levels in order to ensure the payment of trading activities, which is accomplished by managing the timing of cash inflows and outflows, as well as the sufficiency of cash and cash equivalents.

Management is analysing data and uses credit lines that have been agreed with the banks and the rest of financial institutions, when deemed necessary. More specifically, considering the low credit supply, the Group and the Company are trying to reduce the demand for working capital in any possible way.

The Group during its effort to reduce its exposure to EOPYY by developing further collaborations with private insurance companies that can contribute in liquidity demands.

The table below is analysing the non-discounted cash flows of liabilities, sorted by expiry date, accounted according to the time remaining from the balance sheet date until the conventional expiry date.

Liabilities with expiry date less than one year, are presented according to the net book value because the discount effect is immaterial.

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The monitoring of liquidity risk is focused on the ability of the Group and the Company to maintain certain liquidity levels in order to ensure the payment of trading activities, which is accomplished by managing the timing of cash inflows and outflows, as well as the sufficiency of cash and cash equivalents.

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Liabilities with expiry date less than one year, are presented according to the net book value because the discount effect is immaterial.

31 December 2018		**Group**	
	< 1 year	1 - 5 years	> 5 years
Loans (excluding finance leases)	2,133,129	29,260,000	0
Finance leases	293,776	1,074,143	0
Suppliers and other liabilities	26,304,382	0	0
	28,731,287	**30,334,143**	**0**

31 December 2017			
	< 1 year	**1 - 5 years**	**> 5 years**
Loans (excluding finance leases)	31,141,608	0	0
Suppliers and other liabilities	26,743,835	0	0
	57,885,443	**0**	**0**

31 December 2018		**Company**	
	< 1 year	**1 - 5 years**	**> 5 years**
Loans (excluding finance leases)	2,133,129	29,260,000	0
Finance leases	293,776	1,074,143	0
Suppliers and other liabilities	26,197,446	0	0
	28,624,351	**30,334,143**	**0**

31 December 2017			
	< 1 year	**1 - 5 years**	**> 5 years**
Loans (excluding finance leases)	31,141,608		
Suppliers and other liabilities	26,663,228		
	57,804,836	**0**	**0**

(d) Capital risk

The objective of the Group with regards to the management of capital is the preservation of its ability to continue its operation, in order to achieve profits for its shareholders and benefits for all stakeholders, while maintaining the optimum capital structure in order to reduce its capital cost.

To preserve or change its capital structure, the Group may alter the dividend paid to shareholders, return capitals to shareholders, issue new shares or sell assets with the purpose of reducing loans.

In line with the standard industry practice, the Group is monitoring its capital structure using the gearing ratio. The gearing ratios on 31 December 2018 and 2017 are presented below.

	Group		Company	
	2018	**2017**	**2018**	**2017**
Total debt	32,761,048	31,141,608	32,761,048	31,141,608
Minus: Cash and cash equivalents	(881,490)	(930,856)	(698,827)	(866,931)
Net debt	**31,879,558**	**30,210,752**	**32,062,221**	**30,274,677**
Equity	315,532	118,819	255,597	74,342
Total capital employed	**32,195,089**	**30,329,571**	**32,317,818**	**30,349,018**
Gearing ratio	**99.02%**	**99.61%**	**99.21%**	**99.76%**

The leverage ratio has slightly decreased in 2018 to 99.02%. The reason of this decrease is due to the increase of equity.

30. Events after the reporting period

There are not any significant events between the 31 December 2018 and the date of financial statements publication, than could have a significant impact on the financial position and the operation of the group and the company according to IAS 10.

Athens, July 1, 2019

CHAIRMAN OF THE BOARD OF DIRECTORS	**CHIEF EXECUTIVE OFFICER**	**CHIEF FINANCIAL OFFICER**	**CHIEF ACCOUNTANT**
SPYROS KAPRALOS	ANTONIOS VOUKLARIS	MARINA MAZARAKI	GEORGIOS KYRKOS
ID card no.: AI 597179	ID card no.: Φ 000370	ID card no.: X 547493	ID card no.: X 614651