EYAΘ

Quality in Life!

THESSALONIKI WATER SUPPLY & SEWERAGE Co. S.A.

ANNUAL REPORT 2016

MAY 2017 THESSALONIKI

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MESSAGE FROM THE CHAIRMAN AND CEO OF EYATH S.A.

EYATH S.A. operates in the wider area of Thessaloniki managing water, a public commodity. It supplies water to more than one million citizens, businesses and industries. It also manages the city's sewerage system using three urban and industrial Waste Water Treatment Plants, leaving its own footprint on another public commodity which is under its protection: the environment.

Protecting water resources while also safeguarding the environment and offering top class services to everyone are the company's daily, non-negotiable objectives.

Against that general framework of principles, during the time we have been in charge of managing EYATH S.A. (from 11.5.2016 to today):

• We have drawn up EYATH S.A.'s business plan for managing and distributing water within the company's territorial remit, with a € 64 million budget and 5-year implementation timeframe. It foresees a series of technical works to upgrade and optimise the existing system, and to expand company operations into new areas within the Thessaloniki conurbation which lack high quality water. Expanding company operations can also provide a solution to problems related to climate change and the protection of water reserves in general in neighbouring areas, such as the issue of over-abstraction or briny water.
• We launched procedures to build Phase A2 of the Thessaloniki Water Treatment Plant (the Aliakmon 'Refinery' as it is called) to secure the quantities of water needed for current and future water supply needs in the Thessaloniki Conurbation, and to make it possible to expand the current water supply system so that it covers the same territory as the sewerage system. In addition to having a purely developmental dimension (in the form of additional technical works), this extension will also increase the number of users of EYATH S.A.'s services (i.e. consumers).
• The work to improve the Waste Treatment Plant in the industrial area continues so that the essential environmental terms and conditions are met, thereby addressing administrative problems that could cause delays prejudicial to the environment in the area in general and Thermaikos Bay.
• We are restructuring the company, and are reactivating staff evaluation procedures that were dead letter for many years. We have put a new organisational chart in place, reducing the number of divisions from 8 to 6 to ensure greater flexibility, and to rationalise procedures, and above all to ensure better collaboration between the company's various divisions and departments. We reallocated competences to reduce operating costs, and the impact of this became visible in the 2016 financial year. We re-established the Company's Management Board, which meets on the basis of its updated internal regulations, to help better coordinate EYATH S.A.'s various divisions.
• We fully settled outstanding debts to the PPC and the Land Improvement Organisation, thereby freeing the company from additional litigation, and securing lower operating costs because electricity bills are paid on time.
• We launched procedures to recruit 150 employees via the Central Staff Recruitment Board (ASEP) who will take up positions during the current financial year, filling vacant posts. By bolstering the company's staff levels, it will be possible to implement the business plan for the next 5 years.
• We signed a 3-year collective labour agreement with employees ensuring industrial peace.
• We "absorbed" the cost of an extended social tariff for vulnerable social groups, without any negative impact on the Group's turnover (in fact it was € 73.3 million, up 0.31%) and put in place a policy to make it easier to repay overdue debts.
• We continued the process of gradually replacing old sections of network to reduce leaks and water supply outages. But above all we submitted a proposal for a project to install modern qualitative and quantitative management / control systems for drinking water on the water supply system in the area within EYATH's remit, with a total budget of € 4.2 million. It has already been approved for implementation under the National Strategic Reference Framework. That project will supplement existing remote control systems, ensuring optimal system operation in energy terms, giving us a picture of actual losses and improving the quality of water produced.
• We are currently in phase two of re-engineering company operations to develop a new CRM system.
• As for research programmes, we completed the financial scope of a project to monitor sewerage overflows in real time (Real-t SO), coordinated the disposal of sludge from the Thessaloniki Waste Water Treatment Plant on agricultural land and began investigating the possibility of disposing of sludge from that Plant on experimental wheat and maize crops. Today, after putting in place a wide-ranging

MESSAGE FROM THE CHAIRMAN AND CEO OF EYATH S.A.

partnership with the Aristotle University of Thessaloniki, we are preparing to submit research proposals for funding with national or European resources.

• We have given the local community back some added value in the form of informative, educational and cultural events as part of our CSR programme. We have also continued to help clean up the Thermaikos Bay, removing floating objects and occasional pollution spills.

Besides, as citizen demands for an improved urban environment have become all the more pressing in recent decades (and the quality of drinking water and effective management of urban waste water are key factors in that regard), EYATH S.A. is endeavouring to align itself as quickly as possible with the sustainable development targets in the 2030 Agenda and over the long term to become a local pillar of environmental capital. Against that background, it is ensuring and safeguarding, universal access to clean water for all citizens on equal terms, and adequate access to sanitary facilities on equal terms. To the extent relevant to the company, EYATH S.A. is endeavouring to constantly improve the quality of the aquifer in the region, to safely re-use treated water and sludge from the Waste Water Treatment Plants and to ensure integrated management of water resources through cross-border partnerships. As for energy, the company is seeking to increase the share of renewable energy sources that it uses, and to increase its energy efficiency. Other key strategic sustainable development targets for EYATH S.A. include improving the condition of the Thermaikos Bay, ensuring that company infrastructure in the Thessaloniki conurbation is more durable and adaptable, and integrating climate change responses.

In order for this ambitious 'agenda' to be successful, we need wide-ranging partnerships at local, regional, national, and sometimes international, level and above all the active involvement of civic society. Only by encouraging local communities, local businesses and local research bodies to be involved in our development and environmental policy can we flesh out EYATH S.A.'s vision and strategic objectives.

Prof. Giannis N. Krestenitis
Chairman & CEO of EYATH S.A.

INFORMATION ON HOW THE ANNUAL REPORT WAS PREPARED

This Annual Report contains all the financial and other information necessary to investors and their investment advisors for true evaluation of the assets, financial position, results and prospects of the company EYATH S.A. (hereinafter the "Company").

This report was prepared in accordance with the provisions of the applicable legislation and in particular the provisions of Article 8 of Decision No. 5/204/14-11-2000 of the Hellenic Capital Market Commission (HCMC), as amended by decision No. 7/372/15-2-2006 of the Board of Directors of the HCMC. The information it contains is true, accurate, complete, correct and clear.

All information required under Article 10 of Law 3401/2005 relating to the Company, its shares and the transferable securities market on which its shares are traded, which information the company published and made available to the public during the 2016 financial year in accordance with law, is available on the company's website: www.eyath.gr in the 'Investor relations' section. Moreover, the annual financial statements, audit certificates from the certified public accountants and reports from the Board of Directors which are incorporated into the consolidated financial statements have also been posted there. Lastly the Company declares that all transactions of persons obliged under Article 13(1) of Law 3340/2005 to disclose information, have been disclosed in accordance with the relevant law.

All Company Divisions provided the information needed within its own remit, to fully present the Company's key functions and operations.

The Board of Directors declares that all its members were apprised of this report and along with its authors declare that all information and data contained herein is complete and true.

There is no other data and no other events have occurred, concealment or omission of which could make all or part of the information or data contained herein misleading.

There is no litigation or arbitration pending against EYATH S.A. which could have major impacts on the company's financial status, other than those cited in the Annual Report as at 31/12/2016.

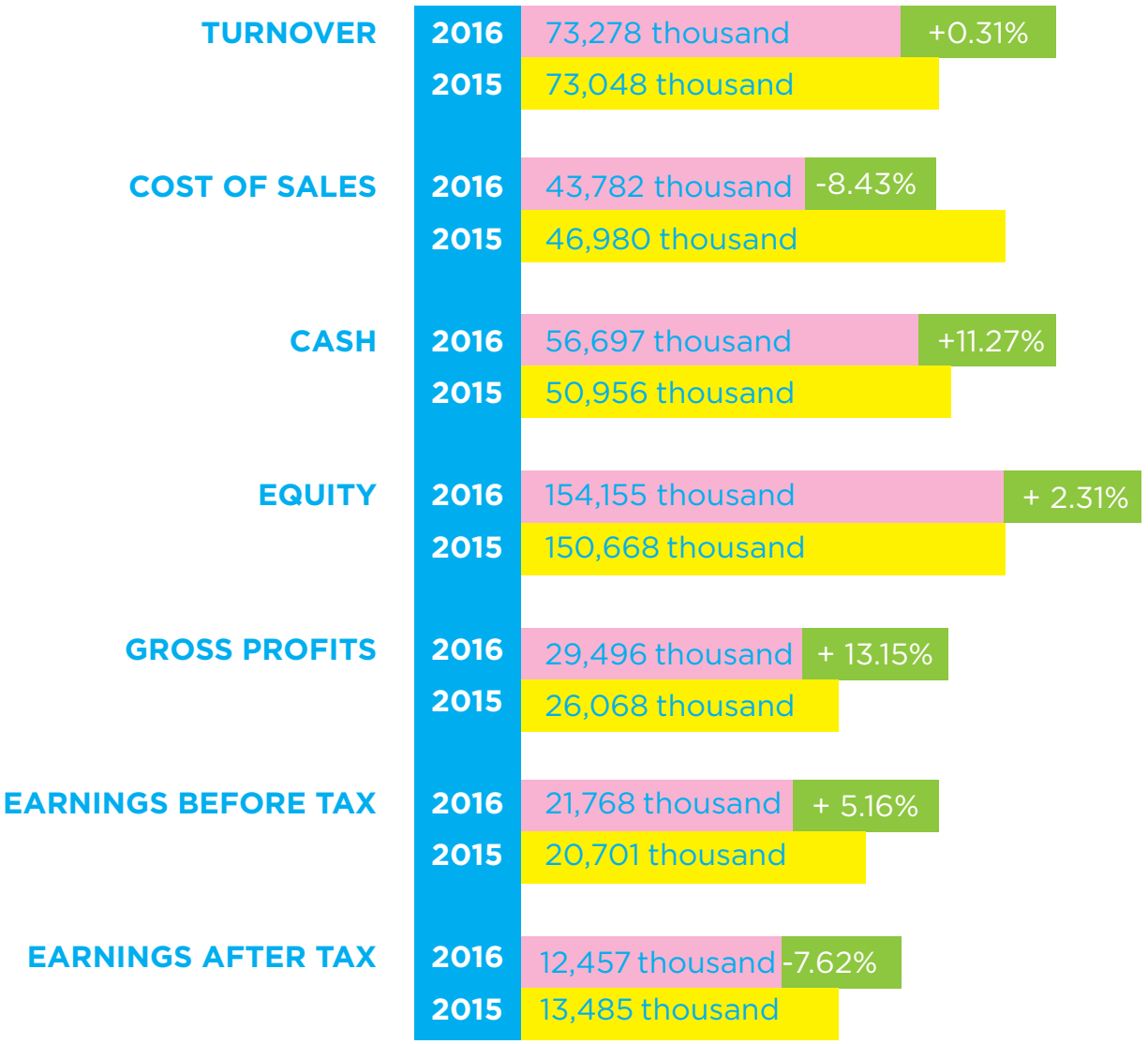
The person responsible for the preparation and accuracy of the data contained in this Report is: Dimitrios Alexandris, EYATH S.A.'s CFO.

SECTION 1

THE COMPANY IN 2016

1.1

AT A GLANCE



1.1

AT A GLANCE

INDICATORS

	01/01/2016-31/12/2016		01/01/2015-30/12/2015		Deviation
Performance and profitability ratios					
Gross Profit Margin	40.25%		35.69%		4.57%
EBITDA Margin	36.17%		34.69%		1.48%
EBIT	27.97%		26.80%		1.17%
EBT Margin	29.71%		28.34%		1.37%
EAT Margin	17.00%		18.46%		-1.46%
INVESTMENT RATIOS					
Earnings per share after tax	0.3432		0.3715		-7.61%
LIQUIDITY RATIOS					
	31/12/2016		**31/12/2015**		**Deviation**
General liquidity (Current assets / short-term liabilities)	10.31		5.99		72.05%
CAPITAL STRUCTURE & VIABILITY RATIOS					
Equity / Debt	407.36%		338.07%		69.29%

SECTION 2

THE COMPANY

2

2.1

BACKGROUND

The company with the corporate name "THESSALONIKI WATER SUPPLY & SEWERAGE CO S.A." doing business as "EYATH S.A." (hereinafter the "COMPANY" or "EYATH S.A."), which was founded in 1998 (Law 2651/2-11-1998 (Government Gazette 248/A/3-11-1998), was created from the merger of the companies "Thessaloniki Water Supply Organisation S.A." (OYTH S.A.) and "Thessaloniki Sewerage Organisation S.A." (OATH S.A.), which had been converted from bodies governed by public law into societes anonyme on 25.6.1997. It is listed on the Athens Exchange and is governed by the provisions of Codified Law 2190/1920 on societes anonyme, as that law applies as a complement to the provisions of Law 2937/2001, Chapter II (Government Gazette 169/A) and Law 3016/2002, as amended by Article 26 of Law 3091/2002. It is also subject to Chapter II of Law 3429/2009 on public corporations. The company's effective term is 99 years from 3.11.1998, and expires on 3.11.2097. The original Articles of Association were approved by decision No. ΕΓΑ/606/26-7-2001 (Government Gazette 989/30-7-2001) and the company is entered in the Companies Register (Reg. No. 41913/06/B/98/32) and the General Electronic Commercial Registry (GCR No. 58240404000). The Company's registered offices are in a privately owned building at 127 Egnatias St., Thessaloniki, GR-54635, Tel. 2310209231.

The Interministerial Privatisation Committee (IPC) issued decisions No. 563/17.10.2000 and 605/27.7.2001 and resolved to list EYATH S.A. on the Athens Exchange, and this was done by selling shares that came about from the share capital increase and selling existing shares owned by the Greek State, which until that point had been the sole shareholder.

On 27.7.2001 EYATH S.A.'s Extraordinary General Meeting of Shareholders unanimously decided to increase the share capital and list the shares on the Main Market of the Athens Stock Exchange. The following were decided in this regard:

a) To increase the Company's share capital by 511,125,000 GRD (€ 1,500,000) by issuing 1,500,000 new ordinary registered shares (the new shares offered) with a nominal value of 340.75 GRD (€ 1) each which accounted for 10% of the company's share capital.
b) the existing shareholder (the Greek State) would waive its right of pre-exemption in the share capital increase.
c) The new shares would be able to draw a dividend from the profits for 2001.
The new shares offered were sold via a public offering to investors (individuals and institutional investors) in line with the provisions of Presidential Decree 350/1985, as in force.

At the same time, the Greek State which was the sole shareholder prior to the offer, decided for the purpose of achieving the necessary diversification, to sell 2,700,000 existing ordinary shares with a nominal value of 340.75 GRD (€ 1) each, which accounted for 16.36% of the company's share capital as it stood after the share capital increase.

Of those 2,700,000 shares owned by the Greek State, 2,500,000 were sold to investors (individuals and institutional investors) via a public offering and the other 200,000 shares were sold via private placement to staff with open-ended contracts and members of the Company's Board at a price 20% below the sale price of shares in the public offering, which was set using the book building method.

The new and existing shares sold via the public offering and via private placement (4,200,000 shares) accounted for 25.45% of the total number of shares in the Company after the share capital increase, in accordance with Article 3 of Presidential Decree 350/1985, as in force.

Pursuant to Article 22 of law 2937/26.7.2001, upon listing ownership of the main part of EYATH S.A.'s assets was transferred to the newly established body governed by public law, EYATH Fixed Assets, free of consideration. Under a 30-year contract signed on 27.7.2001 by the Greek State, EYATH Fixed Assets and EYATH S.A., EYATH S.A. was granted the exclusive right to provide water supply and sewerage services within its territorial remit. Under the same contract EYATH Fixed Assets was obliged to provide EYATH S.A. with the necessary quantities of water, at a predetermined price, to facilitate its customers (consumers),

2.1

BACKGROUND

and at the same time EYATH S.A. was to take measure to rationally use the water sold and to make concerted efforts to reduce leaks and losses as much as possible, by implementing a programme to improve and repair the water supply distribution network.

Following the decision of the Extraordinary General Meeting of Shareholders of 30.12.2012, the share capital was increased by € 1,650,000 by issuing 1,650,000 new ordinary registered shares with a nominal value of € 1 (340.75 GRD) each by:

a) capitalising € 1,580,015 from the premium on capital stock and
b) capitalising € 69,985 from the goodwill from adjustment in the value of real estate as at 31.12.2000.

The Extraordinary General Meeting of Shareholders decided on 29.12.2006 to increase the share capital by € 2,178,000 taken from the retained earnings account and by also increasing the value of existing shares from € 1 to € 1.12 (or 381.64 GRD) each.

The Extraordinary General Meeting of Shareholders decided on 7.11.2007 to increase the share capital by € 20,328,000.00 by capitalising part of the retained earnings account, as shown in the approved financial statements as at 31.12.2006 prepared in line with the IFRS, by issuing 18,150,000 new ordinary registered shares with a nominal value of € 1.12 each, and gratis distribution to existing shareholders at ratio of 1 new share for each existing share.

The Company's Share Capital stands at € 40,656,000 divided into 36,300,000 shares with a nominal value of € 1.12 each.

On 26.4.2016 the Board of Directors of the Hellenic Republic Asset Development Fund (HRADF) approved the updated Asset Development Plan (ADP), which on 25.5.2016 was approved by the Government Economic Policy Council (Government Gazette 1472/B). According to the above plan, 23% of the Company's shares were to be sold.

Article 2 of Law 4425/2016 (Government Gazette 185/A/30.9.2016) amended Article 197(6) of Law 4389/2016 and it was decided that 51% of shares in the company would be transferred to the Public Holdings Company S.A. when it is established. So far, that transfer has not taken place and HRADF is still the main shareholder in the Company, with a 74.02% stake.

2.2

THE COMPANY'S OBJECTS

The Company's mission is to provide water supply and sewerage services.

More specifically, its mission is:
• The design, construction, installation, operation, running, management, maintenance, extension and renewal of water supply and sewerage services. Those activities and works include pumping, desalination, treatment, storage, transport, distribution and management of all types of water handed over to it for those purposes, and works and activities to collect, transport, treat, store and manage all manner of waste water (other than toxic waste water) and to treat, distribute, dispose of and manage the products of the sewerage network.
• Utilisation of the products generated by treating waste water.
• Providing all manner of telecommunications services, especially via water supply and sewerage networks.
• Producing electricity especially by exploiting water from springs, dams, aqueducts and pipelines, and selling electricity it generates itself.
• Making investments to expand or modify the water supply and sewerage system (networks and facilities) to improve the quantity and/or quality of the services provided to citizens/consumers.

Moreover, the Company seeks to rationally manage water resources and collect and process urban waste and industrial waste water, other than toxic waste water. Other key functions of the Company which are cited in its Articles of Association are:

• The provision of water supply services to consumers via the water supply network.
• The provision of sewerage services via the sewerage network.
• Financial exploitation of those two services and networks.
• The provisions of water supply services includes providing drinking water of suitable quality for consumption to households, municipalities, and for public use (to water public spaces, for example), and providing water for industrial uses and also providing adequate quantities of water to fight fires.

This is done via a whole set of hydraulic and other works and operations which fall into three distinct sectors:

• Outdoor aqueducts and E/M facilities for transporting untreated water.
• Water treatment plants.
• Drinking water distribution network facilities.

The provision of sewerage services includes collecting liquid urban waste and industrial waste from the wider Thessaloniki area via the network of drains, transporting, cleaning it at waste treatment plans and then disposing of it in the natural environment.

The Company collects all quantities of untreated water required from underground springs located to the W and N of the city. The most important underground springs are at Kalohori, Sindos, Narres, Halkidona, Axios and Aravissos, which along with the Aliakmon River provide the largest quantities of water. Using pumping stations at Dendropotamos, Diavata, Sindos and Ionia, water is then stored in around 50 tanks and directed on to consumers via a network of pipes measuring around 2,340 km long.

Company activities are listed under code number 410 in the statistical classification of sectors of economic activity prepared by the National Statistical Authority of Greece.

According to Article 26 of Law 2937/2001, the Company's territorial remit, within which it may provide its services and conduct its business, is the following:

WITH REGARD TO WATER SUPPLY: the Municipalities of Thessaloniki, Ampelokipoi, Kalamaria, Neapoli, Sykies, Agios Pavlos, Menemeni, Polichni, Efkarpia, Triandria, Eleftherio Kordelio, Evosmos, Stavroupoli, Panorama, Pylea, Oreokastro, Pefka, as well as the industrial area of Thessaloniki.

WITH REGARD TO SEWERAGE: the territorial remit of EYATH S.A. is divided into five regions:

"Region A" includes the Municipalities of Thessaloniki, Ampelokipoi, Kalamaria, Neapoli, Sykies, Agios Pavlos, Menemeni, Polichni, Triandria, Diavata, Eleftherio Kordelio, Evosmos, Stavroupoli, Pylea, Panorama, Oreokastro, the districts of Ionia and Kalohori of the Municipality of Echedoros and the Community of Efkarpia.

"Region B" includes the area surrounded by the rivers Gallikos and Axios, up to the sea, including the industrial zone of the major Thessaloniki area, the district of Sindos of the Municipality of Echedoros, the districts of Agios Athanasios, Anchialos, Gefyra of the Municipality of Ag. Athanasios and the districts of Halastra and Anatoliko of the Municipality of Halastra.

"Region C" includes the hill zone of the Thessaloniki urban area and includes the community of Pefka and the Districts of Asvestochori, Exochi, Filyro of the Municipality of Hortiatis.

2.2

THE COMPANY'S OBJECTS

"Region D" extends to the Municipalities of Kalamaria and Panorama, to the Sedes public baths and the airport of Mikra and includes the Industrial area and the Districts of Thermi, N. Redestos, N. Rysio and Tagarades of the Municipality of Thermi and the District of Agia Paraskevi of the Municipality of Vassilika.

"Region E" extends from the airport of Mikra and the districts of N. Rysio and Tagarades of Agia Paraskevi to the sea and includes the Districts of Agia Triada, Perea, N. Epivates of the Municipality of Thermaikos and the districts of Nea Michaniona, Emvolo, Angelohori of the Municipality of Michaniona.

The Company, under a contract signed with the corresponding Municipality and EYATH Fixed Assets can undertake the existing network of local government authorities in one of the above regions and the obligation to provide water supply or sewerage services to the corresponding Municipality.

2.3

VISION & PROSPECTS

EYATH S.A. manages water, a public commodity. It supplies water to more than one million citizens, business and industries in the wider Thessaloniki area. It also manages the city's sewerage system using urban and industrial Waste Water Treatment Plants, leaving its own footprint on another public commodity which is under its protection: the environment.

In Management's view, EYATH S.A. is duty-bound to combine its business operations with social responsibility, providing a high level of water supply and sewerage services, at the lowest possible cost. At the same time, serving as the manager and provider of a public commodity, such as water, it must ensure that it is accessible to sensitive (vulnerable or special) groups of citizens, so that they can cover their basic needs.

The new management team at EYATH S.A., in a spirit of transparency and fairness, will seek to "return" its profits in projects for the Thessaloniki public, ensuring a balance between the Company's growth and the protection of the environment, which in the case of the Thessaloniki urban centre, is synonymous with the protection of the Thermaikos Bay.

The Company's strategy shall aim at fulfilling its obligations as a Utility Company, in combination with increasing the shareholders' assets. To this end, it seeks to improve the quality of the services it provides through an investment program, to improve its facilities, expand its technological infrastructures by using advanced software packages and developing specialised IT applications.

2.3

VISION & PROSPECTS

The upcoming increase of the company's workforce, with 150 employees to be added under ASEP (Central Staff Recruitment Board) procedures, will allow EYATH S.A. to expand its activities and contribute towards the economic growth of the wider region:
• through the overall development of its networks, namely with a series of technical projects in order to supply water to areas of both the urban area, and beyond it, to regions which currently are lacking good quality water
• by expanding its operation to neighbouring areas facing water supply and sewerage problems, for example tourist areas with water supply problems due to over-abstraction, saline water, etc.
• through building relationship of cooperation in the wider area, even outside the borders, where the high level of specialisation and know-how of the company and its workforce are appreciated.

Having developed business and investment plans, the company now seeks to grow and transform itself into a robust source of know-how and entrepreneurial skills for the wider area.

2.4

MAJOR EVENTS IN 2016

On 11/5/2016, during the Ordinary General Meeting of the Company's shareholders, the Company's new Board of Directors was elected, its term ending on 10/5/2021. The new management of EYATH S.A., in a spirit of transparency and fairness, will seek to "invest" its profits in projects for the Thessaloniki public, ensuring a balance between the Company's growth and the protection of the environment, which in the case of the Thessaloniki urban centre, is synonymous with protection of the Thermaikos Bay.

EYATH S.A. combines its business operations with social responsibility, providing a high level of water supply and sewerage services, at the lowest possible cost. At the same time, serving as the manager and provider of a public commodity, such as water, it makes sure that it is accessible to sensitive (vulnerable or special) groups of citizens, ensuring that they can cover their basic needs, having established a social water supply tariff.

On 26.4.2016 the Board of Directors of the Hellenic Republic Asset Development Fund (HRADF) approved the updated Asset Development Plan (ADP), which on 25.5.2016 was approved by the Government Economic Policy Council (Government Gazette 1472/B). According to the above plan, alternative choices for sale of 23% of the Company's shares will be evaluated.

Following steps taken by Company management, procedures have been launched through the Central Staff Recruitment Board (ASEP) to increase the company's workforce, with 150 employees to be added within the current fiscal year, to allow EYATH S.A. to expand its activities and contribute towards the economic growth of the wider region. The process of submitting applications and supporting documents has already been completed for 80 university or technical college employees and the final tables remain to be published, while procedures to recruit 70 secondary education employees is under way.

During the previous year, the Company's new Management team restructured the Company in administrative terms, preparing a new organisational chart, which reduced the number of Divisions from 8 to 6 through the reallocation of departments and competences, and also appointing a new General Manager and new heads of divisions and departments after an evaluation process. The Company's Management Board was also launched, which operates on the basis of updated internal regulations.

In September 2016, the Board of Directors approved the Business Plan for the Management - Distribution of water for water supply purposes within EYATH's remit. The budget for the plan (excluding the water supply SCADA which will be financed by a Central Macedonia Region NSRF Programme with a budget of € 4.4 million) is € 64 million and will be implemented by the Company over the next 5 years.

Article 2 of Law 4425/2016 (Government Gazette 185/A/30.9.2016) amended Article 197(6) of Law 4389/2016 and it was decided that 51% of shares in the company would be transferred to the Public Holdings Company S.A. when it is established. So far, that transfer has not taken place and HRADF is still the main shareholder in the Company, with a 74.02% stake.

2.4

MAJOR EVENTS IN 2016

The Board of Directors also recently approved a new company investment and business programme for the 2017-2023 period whose aim is:

• overall development of its networks, namely a series of technical projects in order to supply water to areas of both the urban area, and beyond it, to regions which currently are lacking good quality water
• implement the extension of the Thessaloniki Water Treatment Plant (known as the 'refinery') to ensure the necessary extra quantity of water needed to cope with current and future water supply demand for the Thessaloniki urban area
• expand its operation to neighbouring areas facing water supply and sewerage problems, for example tourist areas with water supply problems due to over-abstraction, saline water, etc.

2.5

PRICING POLICY 2016

Decision No. 416/2011 of the Board of Directors set the company's pricing policy for the 2012-2013 period, which was ratified with Joint Ministerial Decision No. 4799/19-12-2012 (Government Gazette 3450/B/27-12-2012) of the Ministers of Finance and Macedonia-Thrace. This decision remains in force to date, and there has been no change to the Company's pricing policy.

Currently, Article 33 of Law 4258/2014 on arrangements for setting the tariffs of EYDAP and EYATH is in force, under which as of 1.7.2015 tariffs for water supply and sewerage services are to be approved by decisions of the Special Secretary for Water, following consultations with the Minister of Finance and other relevant agencies.

The Ministry of Environment and Energy had put up for public consultation the Joint Ministerial Decision on the "Approval of general rules for costing and pricing water services. Cost-recovery method and procedures for water services in its various uses", which will determine the procedure for costing water supply and sewerage services, and may change the pricing of the water as of the day of its implementation in early 2018.

2.6

RESEARCH & DEVELOPMENT

The Development Division coordinated completion of work to re-engineer company operating procedures and to develop a new financial management IT system, in phase I of a wider project.

Moreover, it coordinated the launch of work to re-engineer company operating procedures and to develop a new CRM system, in phase II of a wider project. Phase II is currently under way.

As for research programmes, and within the constraints of its remit, the Division managed the completion and financial scope of the Real Time Operational Control Tool of Combined Sewerage Overflows at Coastal Cities" (Real-t SO).

In cooperation with the competent division, it also coordinated the task of disposing of sludge from the Thessaloniki Waste Water Treatment Plant on farmland, a project which continued during 2016.

It also oversaw the launch of a scientific study into the disposal of treated sludge from the Waste Water Treatment Plant on experimental crops of wheat and maize.

It also continued to improve available documentation about company networks in digital format, and the GIS background map which the Company maintains. In fact the relevant Department won an international prize for its efforts.

A. STRATEGIC PLANNING & PROGRAMMING OF RESEARCH PROGRAMMES

During 2016 the Research Programme Strategic Planning & Programming Department coordinated and implemented the following activities:

Real-t SO

"Real Time Operational Control Tool of Combined Sewerage Overflows (CSO) at Coastal Cities" (Code: 11SYN_9_184),as part of the action entitled "COOPERATION 2011: Partnerships between productive and research bodies in focused research and technological sectors" which is co-financed by the NSRF.

During 2016 the process of primary certifications essential for the programme was successfully completed. As a result, during the year the financial scope of the project was closed (the physical scope having been completed in 2015) and the company received the final amounts of certified expenditure.

The upshot of the project is an iOS app which can either be downloaded from the app store free of charge (Realtso) or from this link: *https://itunes.apple.com/us/app/real-tso/id1032021285?mt=8*.

More information is available on the project website: http://www.realtso.gr/product.html, and all deliverables, which are available at: *http://www.realtso.gr/deliverables.html.*

Research programme to study the impact of disposing of sludge on experimental crops.

As part of EYATH's sludge disposal operations, to enable the company to better understand and explore the issue it concluded an agreement with Aristotle University of Thessaloniki (Research Funds Special Account) to prepare a scientific study on the impact of adding sludge treated at a biological treatment plan on the physical, chemical and biochemical properties of soil, and on the performance, composition and quality of wheat and maize.

The study has been devised to evaluate the action on both the crops and end products, and the environmental impacts. Another objective is to provide the company in partnership with research bodies with cutting-edge know-how on this topic at national and international level.

The study is being carried out by the Soil Science Lab of the AUTH's School of Agriculture.

As part of this programme (which launched on 1.6.2016) four experimental fields have been created near Thessaloniki to examine the impact of adding limed sludge temporarily stored at the Thessaloniki Waste Water Treatment Plant and treated dehydrated sludge from that plant, both with and without additional inorganic fertilisers, on improvements to soil structure and the wheat and maize yield/quality (4 experimental fields will be planted in the 2016-2017 growing season and another 4 in the 2017-2018 season).

RESEARCH PROGRAMMES OFFICE

Throughout the year the office attended various meetings with agencies in the city and abroad, to explore how EYATH S.A. could participate in groups to work up research proposals. Proposals for how the company could participate in research projects which could be co-financed under research, technology and innovation programmes of the European Commission (Horizon 2020) or the General Secretariat for Research & Technology (GSRT - NRSF) were collected.

2.6

RESEARCH & DEVELOPMENT

In November 2016 staff from the office attended a Euromed Cities Network Meeting held in Nice, France. During a workshop on improving management of drinking water, sewerage and rain water given the challenges of climate change in the Mediterranean, hosted by the International Office of Water (IOW) and the Euro-Mediterranean Information System on know-how in the Water Sector (EMWIS) the company's experience in re-using water on crops was presented.

In the autumn of 2016 staff from the office helped set up a stand at the Thessaloniki International Fair on the Sewerage Cycle, and then helped spread information on that topic via the series of educational seminars for primary school children which was organised by EYATH's Press and PR Office.

B. GEOGRAPHICAL INFORMATION SYSTEMS (GIS) & THE WATER SUPPLY - SEWERAGE HYDRAULIC MODEL

During 2016 the GIS & Water Supply and Sewerage Hydraulic Model Department not only engaged in its regular tasks but was also involved in:

MAPPING WATER SUPPLY NETWORKS

As part of the contract for mapping services (surveying and recording of hydraulic data) of water supply networks and facilities and customer meters and connections, and surveying of all other public utility networks within EYATH S.A.'s remit and simultaneous identification of hidden leaks, a hydraulic and survey map was prepared for selected sections of the water supply network where the company had a limited, unclear or incomplete picture.

IMPROVING PRIVATE SEWERAGE CONNECTIONS TO THE SYSTEM

In partnership with the Sewerage Connections Department, private sewerage connections which, due to their age, had never been entered in the system, were logged in the system. When the task is completed, all sewerage connections will be in the system along with all data about them held in the records of the Sewerage Connections Department.

2.6

RESEARCH & DEVELOPMENT

C. IT,
TELECOM APPS AND COMPUTERISATION DEPARTMENT

During 2016 the IT, Telecom Apps and Computerisation Department not only performed its regular tasks but was also involved in:

responding to requests to change, configure and update the ERP code for the consumer and finance divisions. This was done either by installing new software or by making additions to the existing code. The most important requests related to:

• changing the algorithms that calculate the 'Tariff change'
and pricing for 'consumer discount' requests
• automating day-to-day accounting entry tasks and finalising the entries made
• enabling the 'Collections' tool to pay waster bills in bulk from a single cheque number
• adding a payment code into informative emails sent to customers
• creating mechanism to allow instalments to be collected
by external agencies (such as Masoutis supermarkets, Hellenic Association of Professional Lottery Agents (SEPPP)).
• billing and charging based on the social tariff
• transferring debt repayments from a sewerage customer
to a water supply customer
•connecting a customer to another disconnected customer
• checking data entries and changing meter reading and credit/debit note dates
• connecting water meter replacement applications to meter readings
• developing a new service which charges for emptying septic tanks
• excluding the application of interest charges to the debts of vulnerable groups
• completing roll over and commissioning of financial management operations (accounting, procurement, warehousing)
to the company's new SAP system
• upgrading the operating system on personal computers to Windows 8.1 and Windows 10
• extended helpdesk functionality, by recording and evaluating requests for assistance
• successfully completing the programme to procure new hardware (PCs and peripherals) for EYATH in 2016 via a public tender procedure

SECTION 3

COMPANY STRUCTURE

3

3.1

ORGANISATIONAL CHART

During 2016, the study to re-engineer the company's organisational structure was completed. The objective was to simplify the then organisational chart. All company Divisions now report to a single General Division and the number of divisions was reduced from 8 to 6 by 31.12.2016. Those divisions are as follows:

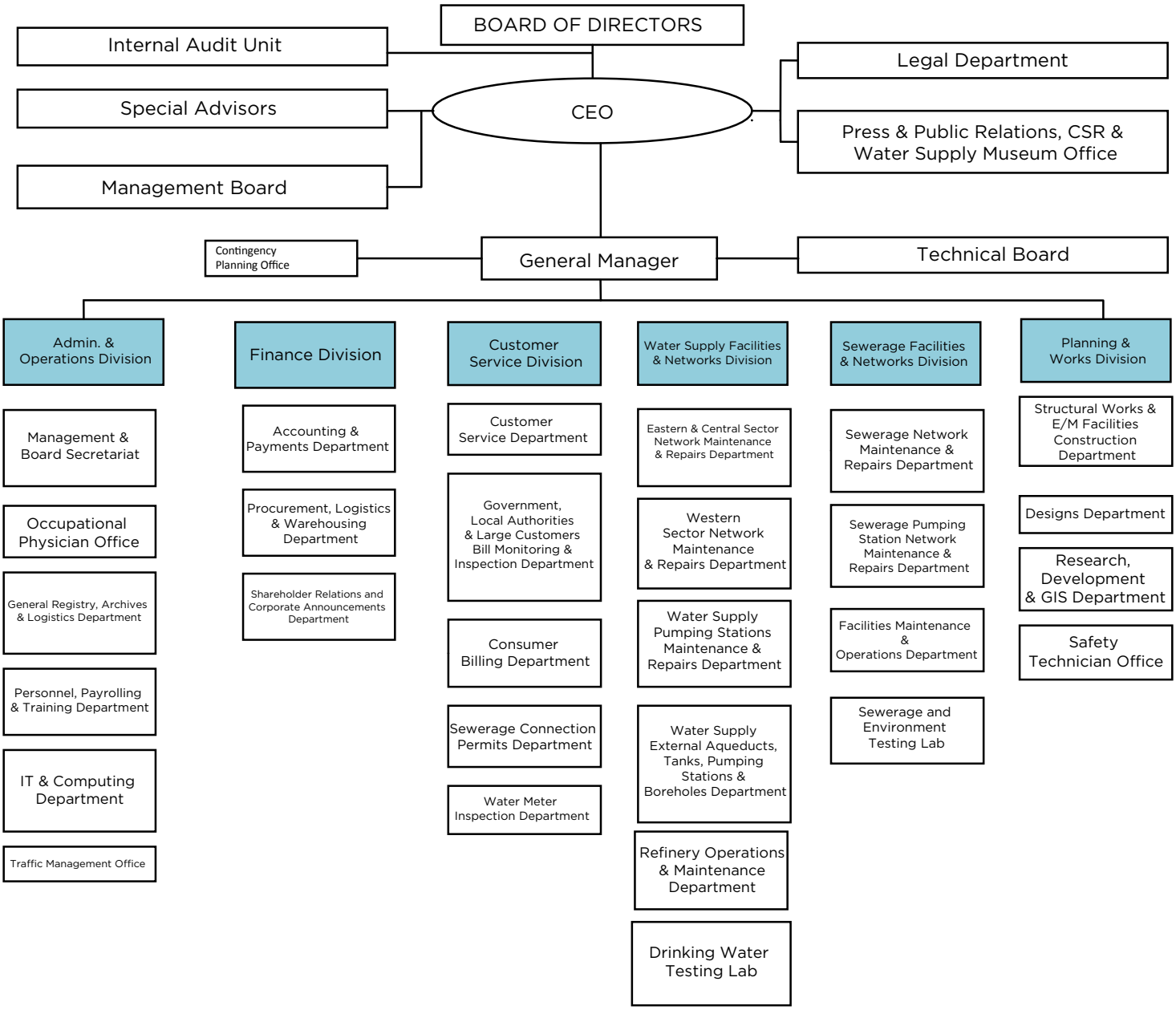
(a) Water Supply Facilities and Networks Division
(b) Sewerage Facilities and Networks Division
(c) Planning & Works Division
(d) Customer Service Division
(e) Admin & Operations Division
(f) Finance Division

The new organisational chart seeks to capitalise on economies of scale (with fewer Divisions and Departments) and bring similar activities under the same roof, thereby creating a more compact organisation that is ready to respond to the challenges in this new period of company growth.

The Management Board makes an important contribution to the Company's smooth functioning and growth and it has been in regular use again since mid-2016, equipped with new, updated internal regulations.

3.1

ORGANISATIONAL CHART



3.2

BOARD OF DIRECTORS

Article 13 of EYATH S.A.'s codified Articles of Association, approved by Decision No. K2-16550/19-11-2007 of the Minister of Development (Government Gazette 13309/20.11.2007), amended as regards Article 5(4) and Article 13 by decision No. K5-1143/1-4-2013 of the Minister of Development, Competitiveness, Infrastructure, Transport & Networks (Government Gazette 2044/5.4.2013), states that the Company is to be run by a Board of Directors comprised of between 7 and 11 directors, elected by the Company's General Meeting of Shareholders. Members of EYATH S.A.s Board serve for a five-year term in office.

Members are either executive or non-executive, and at least 2 are independent. Two members are also employee representatives.

Article 17 of the Articles of Association (Establishment of the Board) states that immediately after it is formed under Article 13 of the Articles of Association, the Board must meet and officially establish itself and elect a Chairman and one or more Vice Chairmen. A CEO can also be elected from among the members. The position of Chairman may be held by the same person holding the position of CEO.

The Board selects Managers, and in the same decision sets out their competences.

LINE-UP OF THE BOARD OF DIRECTORS IN 2016
During 2016 the Board of Directors' line-up was as follows:

BOARD OF DIRECTORS' LINE-UP FROM 01/01/2016 TO 11/05/2016

No.	NAME – SURNAME	POSITION ON BOARD	ROLE
1.	Nikolaos Papadakis	Chairman & CEO	University Assoc. Professor
2.	Penelope Ralli	Vice Chairman - Executive Member	Civil Engineer
3.	Konstantinos Koutroukis	Vice Chairman - Executive Member	Chemical Engineer
4.	Apostolos Apostolou	Independent Non-Executive Member	Economist
5.	Dimitrios Zakalkas	Non-Executive Member	Attorney at law
6.	Eleftheria Karahaliou	Non-Executive Member	Economist
7.	Sotirios Karahalios	Independent Non-Executive Member	Mechanical Electrical Engineer
8.	Markos Tsafis	Non-Executive Member	Structural Works Foreman
9.	Nikolaos Hatziantoniou	Non-Executive Member	Chemist
10.	Georgios Archontopoulos	Non-Executive Member	Employee representative
11.	Parthena Theodoridou	Non-Executive Member	Employee representative

3.2

BOARD OF DIRECTORS

BOARD OF DIRECTORS' LINE-UP FROM 11/5/2016 TO 31/12/2016

No.	NAME – SURNAME	POSITION ON BOARD	ROLE
1.	Ioannis Krestenitis	Chairman & CEO	University Professor
2.	Styliani Valani	2nd Vice Chairman - Executive Member	Attorney at law
3.	Ioannis Papaioannou	1st Vice Chairman - Executive Member	Agronomist
4.	Stefania Tanimidou	Independent Non-Executive Member	Economist
5.	Ioannis Antoniadis	Independent non-executive member	Attorney at law
6.	Eleftheria Karahaliou	Non-Executive Member	Economist
7.	Evdoxos Petridis	Non-Executive Member	Civil Engineer
8.	Olympia Latsiou Chryssafi	Non-Executive Member	Attorney at law
9.	Ioannis Tsionas	Non-Executive Member	Surveyor
10.	Georgios Archontopoulos	Non-executive member, employee representative	Employee representative
11.	Anastasios Sachinidis	Non-executive member, employee representative	Employee representative

In decision No. 139/2017 taken at its meeting on 6.4.2017 the Board replaced Ioannis Antoniadis with Panagiotis Gogos.

The Board is the Company's supreme body and is primarily involved in devising strategy and growth policy for the company and also oversees and controls how its assets are managed. Its competences are set out in Law 2190/1920 and Law 3016/2002, as in force today.

3.2

BOARD OF DIRECTORS

The fees paid to members of the Board for Board meetings in 2016 are presented in the table below, for each relevant period.

FEES & REMUNERATION FOR BOARD MEMBERS FROM 1.1.2016 TO 11.5.2016

NAME – SURNAME	ROLE	BOARD OF DIRECTORS	ATTENDANCE EXPENSES	EMPLOYER CONTRIBUTIONS	ANNUAL RE-MUNERATION	TRAVEL EXPENSES	TOTAL COST
NIKOLAOS PAPA-DAKIS	CHAIRMAN & CEO - EXECUTIVE MEMBER	€1,410.00			€20,727.27	€965.03	€23,102.30
PENELOPE RALLI	BOARD MEMBER & VICE CHAIRMAN	€1,410.00			€4,923.04		€6,333.04
KOUTROUKIS KONSTANTINOS	BOARD MEMBER & VICE CHAIRMAN	€1,292.50			€4,923.04		€6,215.54
DIMITRIOS ZAKALKAS	BOARD MEMBER	€1,057.50	€1,689.64				€2,747.14
ELEFTHERIA KAR-AHALIOU (UP TO 31/12/2016)	BOARD MEMBER	€3,290.00	€4,643.28				€7,933.28
SOTIRIOS KARA-HALIOS	BOARD MEMBER	€1,410.00	€1,689.64				€3,099.64
MARKOS TSAFIS	BOARD MEMBER	€1,175.00	€1,689.64				€2,864.64
NIKOLAOS HATZIAN-TONIOU	BOARD MEMBER	€1,410.00	€1,689.64				€3,099.64
APOSTOLOS APOS-TOLOU	BOARD MEMBER	€1,410.00	€1,689.64				€3,099.64
ARCHONTOPOULOS GEORGIOS (UP TO 31/12/2016)	BOARD MEMBER & EYATH EMPLOYEE	€3,407.50	€4,643.28				€8,050.78
THEODORIDOU PARTHENA	BOARD MEMBER & EYATH EMPLOYEE	€1,292.50	€1,689.64				€2,982.14
TOTAL		**€18,565.00**	**€19,424.40**	**€0.00**	**€30,573.35**	**€965.03**	**€66,545.64**

3.2

BOARD OF DIRECTORS

FEES & REMUNERATION FOR BOARD MEMBERS FROM 12.5.2016 TO 31.12.2016

NAME – SURNAME	ROLE	BOARD OF DIRECTORS	ATTENDANCE EXPENSES	EMPLOYER CONTRIBUTIONS	ANNUAL REMUNERATION	TRAVEL EXPENSES	TOTAL COST
IOANNIS KRESTENITIS	CHAIRMAN & CEO - EXECUTIVE MEMBER	€1,997.50		€841.19	€36,272.73	€679.27	€39,790.69
STELLA VALANI	BOARD MEMBER & VICE CHAIRMAN	€1,997.50			€8,607.50		€10,605.00
IOANNIS PAPAIOANNOU	BOARD MEMBER & VICE CHAIRMAN	€1,880.00			€8,607.50		€10,487.50
STEFANIA TANIMIDOU	BOARD MEMBER	€822.00	€2,953.64				€3,776.14
IOANNIS ANTONIADIS	BOARD MEMBER	€1,997.50	€2,953.64			€118.85	€5,069.99
EVDOXOS PETRIDIS	BOARD MEMBER	€1,880.00	€2,953.64				€4,833.64
OLYMPIA LATSIOU CHRYSSAFI	BOARD MEMBER	€1,997.50	€2,953.64				€4,951.14
IOANNIS TSIONAS	BOARD MEMBER	€1,880.00	€2,953.64				€4,833.64
ANASTATIOS SACHINIDIS	BOARD MEMBER	€1,997.50	€2,953.64				€4,951.14
TOTAL		**€16,449.50**	**€17,721.84**	**€841.19**	**€53,487.73**	**€798.12**	**€49,508.19**

The amounts paid to the CEO were for fees, while other members received attendance expenses. Those figures were set in the decision of the Ordinary General Meeting of 11.5.2016.

€ 3,407.50 was paid in remuneration for meetings of the Board secretaries in 2016. According to Article 23 of the Articles of Association, the Board's pay and remuneration are set by decision of the Ordinary General Meeting of Shareholders.

The pay, excluding employer contributions, for the General Manager in the period **1.1.2016 - 27.7.2016** stood at **€ 52,350.17** and for Managers stood at **€ 457,473.08**.

3.3

THE GENERAL MANAGER AND MANAGERS

GENERAL MANAGER'S PAY

No.	NAME – SURNAME	FROM	TO	GROSS PAY	EMPLOYER CONTRIBUTIONS	TOTAL
1.	MICHAIL VADRATSIKAS	01/01/2016	27/07/2016	€45,442.70	€6,907.47	€52,350.17
2.	PETROS NASTOS	01/01/2016	31/12/2016	€45,443.38	€7,952.26	€53,395.64
TOTAL				**€90,886.08**	**€14,859.73**	**€105,745.81**

Michalis Vadratsikas' remuneration includes the sum of € 15,000 which was paid as compensation for his employment relationship with the company being terminated. On 28.7.2016 Mr. Petros Nastos took up the post of Company General Manager.

PAY FOR MANAGERS FROM 1.1.2016 TO 31.12.2016

No.	NAME – SURNAME	FROM	TO	GROSS PAY	EMPLOYER CONTRIBUTIONS	TOTAL
1.	ALEXANDROS ADAMOPOULOS	01/01/2016	27/07/2016	€41,785.68	€15,342.07	€57,127.75
2.	MARIA SAMARA	01/01/2016	31/12/2016	€33,865.92	€8,553.29	€42,419.21
3.	GEORGIOS ANGELOU	01/01/2016	31/12/2016	€34,216.68	€8,845.45	€43,062.13
4.	GEORGIOS THOMAREIS	01/01/2016	31/12/2016	€41,335.80	€7,351.02	€48,686.82
5.	LAZAROS KAMBOURIDIS	01/01/2016	31/12/2016	€45,571.38	€15,288.31	€60,859.69
6.	PETROS NASTOS	01/01/2016	31/12/2016	€45,571.38	€7,952.26	€53,395.64
7.	IOANNIS KASIOULAS	01/01/2016	31/12/2016	€30,550.00	€7,613.00	€38,163.00
8.	PANTELIS LEGBELOS	01/01/2016	31/12/2016	€44,301.36	€14,901.58	€59,202.94
9.	PANAGIOTIS PETRIDIS	01/01/2016	31/12/2016	€40,466.28	€14,089.62	€54,555.90
TOTAL				**€357,536.48**	**€99,936.60**	**€457,473.08**

3.3

THE GENERAL MANAGER AND MANAGERS

After completion of staff evaluation procedures and adoption of the new organisational chart, the Company selected the General Manager and Managers of its new Divisions, serving for a 3-year term commencing from 1.1.2017.

Mr. Petros Nastos remains as Company General Manager,
while the following persons were appointed as Company Managers:

- Lazaros Kambouridis, Mechanical - Electrical Engineer, heading the Water Supply Facilities & Networks Division.
- Christos Traganos, Civil Engineer, heading the Sewerage Facilities & Networks Division.
- Dimitrios Alexandris, university graduate in Economics and TEI graduate in business and finance, heading the Finance Division.
- Parthena Theodoridou, Civil Engineer, heading the Planning & Works Division.
- Alexandros Adamopoulos, Mechanical - Electrical Engineer, heading the Customer Service Division.
- Nikolaos Arambatzis, TEI graduate in admin and accounting, heading the Admin. and Operations Division.

Note that none of the Company's Board Members or senior executives are related to each other. Moreover, none of the Board members or senior executives of EYATH S.A. have been convicted for dishonourable offences or financial crimes or are involved in pending litigation pertaining to bankruptcy, criminal acts, nor have they been banned from engaging in business activities, stock exchange transactions, acting as investment advisors, bank and insurance fund executives, issuing underwriters, or executives with securities firms, among other things.

Note that in addition to the transactions listed above in this report, no other business relationship or transaction existed over the last three years up until the current accounting period between the administration and management and supervision bodies of the company or the main shareholder and the company itself.

All members of the Board of Directors and Company senior executives are Greek citizens. The postal address for Board members is the Company's head offices at 127 Egnatias St., Thessaloniki GR-54635.

The Board's independent non-executive members meet the requirements laid down in Article 4 of Law 3106/2002, as in force.

3.4

CORPORATE GOVERNANCE STATEMENT

1. Principles of Corporate Governance

In line with the requirements of Article 43a(3)(d) of Codified Law 2190/1920, the Company hereby gives notice that it implements the Corporate Governance Code for listed companies prepared by the Federation of Greek Industries (SEV) published in January 2011 which can be found on the Federation's website: www.sev.org.gr.

The Corporate Governance principles it follows have been incorporated into the Company's internal regulations which are available to the public in hard copy at the Company's head offices.

In the period 1.1 - 31.12.2016 the Company updated its Internal Audit Unit procedures to bring them into line with modern auditing standards.

2. Main characteristics of the Internal Audit and Risk Management Systems in relation to the preparation of the Financial Statements

The Internal Audit Unit's mission is:

• to examine and evaluate the adequacy and effectiveness of the Company and Group's system of internal controls and to ascertain to what extent the system provides a reasonable assurance about:

• compliance with policies, procedures, guidelines and decisions of Company Management and the legislation governing its operations
• adequate evaluation of the data processing systems, in order to ascertain to what extent such systems achieve their purposes and objectives, and adequate auditing procedures have been incorporated into them
• efficient and effective utilisation of the Company's available resources, and an overview of the means of safeguarding assets and an assurance per se of the existence of such assets (via inventories, counts, etc.)
• Reliability of the financial statements
• The reliability and completeness of data, information and means used for decision-making

• Management is briefed by the Audit Committee about the results of scheduled and unscheduled audits.
• Steps taken to correct auditing issues which have been identified and notified in the past are evaluated.

Internal auditing, as a function, is performed in an independent, objective manner and consequently has no power or other form of responsibility for the activities its oversees. The key principles guiding how internal audits are carried out are set out below:

• Each year an Audit Plan is drawn up, which includes areas to be audited during the year, the subject matter and timeframe for carrying out all auditing work. The annual Audit Plan is prepared based on risk assessment and is approved by the Audit Committee.
• Auditing work is carried out by 1st and 2nd class auditors with the required degree of professional diligence, conduct, confidentiality, objectivity and integrity, in compliance with the International Standards for the Professional Practice of Internal Auditing (Standards) and the Code of Conduct of the international Institute of Internal Auditors (IIA).
• When carrying out audits, Company auditors collaborate as necessary with staff and executives who are directly or indirectly involved in the activity being audited.
• The practices and detailed procedures implemented by Internal Auditing, and the operating framework for internal audits are outlined in detail in the Internal Audit Manual.
• The scope of audits and the findings which emerge from each auditing task are recorded in detail in internal Audit Reports. These are prepared by the 1st and 2nd class auditors who were involved in the auditing task and are reviewed by the head of the Internal Audit Unit.
• Follow-up of corrective measures is done by the Internal Audit Unit at regular intervals depending on their seriousness.
• The Audit Committee periodically briefs Company Management about issues which come to the attention of auditors while carrying out audits, or from other sources which require further investigation by expert investigators.

3.5

LEGISLATIVE FRAMEWORK - LEGISLATION

EYATH S.A. implements the legislation on companies (Codified law 2190/1920) as in force today, and Law 3016/2002, as a listed company. Following the enactment of Law 3429/2007 the Company brought its Articles of Association into line with the law following the decision of its Extraordinary General Meeting of Shareholders of 7.11.2007. The Extraordinary General Meeting of Shareholders decided on 21.2.2013 to delete Article 5(4) of the Articles of Association and bring it into line with the provisions of Article 2 of Law 4092/2012. That same decision also amended Article 13.

SECTION 4

CORPORATE SOCIAL RESPONSIBILITY

4

4

CORPORATE SOCIAL RESPONSIBILITY

As part of its Corporate Governance strategy to ensure the long-term, balanced development of the company for the benefit of employees, consumers and shareholders, EYATH S.A. is implementing Corporate Social Responsibility (CSR) activities, considering CSR as a key Corporate Governance tool.

CSR is now intimately bound up as a company activity with the reputation and brand equity of every business, can improve its economic, environmental and social performance, and has assumed greater importance in recent years thanks to the economic crisis. EYATH S.A.'s CSR programme primarily relates to **employees**, who benefit from a creative, rewarding work environment; **consumers**, who have shown increasing interest in the social and environmental credentials of the companies they do business with; and **local communities** that want to share the principles and values of local companies, especially in hard financial times, like those Greece has had to ensure in recent years. However, it also relates to **shareholders**, who reward responsible corporate behaviour and attitudes, just as they do with similar businesses in Europe which seek to operate and run under a common European and international framework of principles. Above all, it relates to future generations who seek to take possession of a world which respects man and the environment.

In line with European practice in this sector, which in effect is voluntary for businesses, but contributes to the goals of sustainable development, EYATH has taken steps in the following sectors.

4.1

EDUCATION - HEALTHCARE PROGRAMMES - FINANCIAL SUPPORT FOR EMPLOYEES

EYATH:

• Encourages and provides financial support for employee involvement in educational programmes (seminars, conferences, workshops, postgraduate degrees), to bolster their skills, personal development and job satisfaction, and to improve their day-to-day dealings with consumers.
• Encourages staff to get involved in volunteering (by collecting food or other items for the poor, running events with a social side, etc.).
• Organises events and distributes gifts to employees' children and provides cash rewards to school pupils with the highest scores in the university entrance exams every year.
• Runs camping schemes for employees' children.

4.2

EMPLOYEE HEALTH AND SAFETY PROGRAMMES

It also looks after the safety of staff and has a life and healthcare insurance policy in place for all staff.

4.3

CUSTOMER SERVICE - SPECIAL ARRANGEMENTS FOR DEBTORS

THE COMPANY:

• Has been offering a social tariff since early 2014, with a 50% discount to assist vulnerable groups of citizens and in particular those large families, the elderly, those on low incomes or the long-term unemployed, and also offers an broad spectrum of repayment plans for overdue debts for all debtors and the financially disadvantaged (with a total taxable income of less than or equal to € 8,000 a year, augmented by € 3,000 for each dependent child).

• Is running info-campaigns for the public about the options available to socially and financially vulnerable population groups.

• Facilitates customers by offering improved e-services (on the EYATH website and web banking) and a wide network of partners and associated businesses (150 super markets in the prefecture of Thessaloniki and neighbouring prefectures of Halkidiki, Pieria, Imathia, Pella and Kilkis at no extra charge, and at associated OPAP agencies and Hellenic Post Office branches).

4.4

REDUCING THE ENVIRONMENTAL FOOTPRINT - INNOVATION AND RESEARCH - ECOLOGICAL PRACTICES

EYATH is ensuring that it is in line with the applicable environmental legislation, by constantly monitoring, consolidating and complying with the terms of environmental guidelines and directives at national and European level. EYATH is actively involved in EUREAU (the European Federation of National Associations of Water and Wastewater Services) through working groups and participates in the preparation of environmental guidelines at European level.

Moreover

- It invests in improving its facilities to ensure better performance and reduce energy consumption.
- It actively contributes to surface cleaning of the Thessaloniki seafront, removing floating objects and spills or cleaning up pollution incidents.
- It removes urban and industrial wastewater from the urban area via an extensive sewerage network, controlled by remotely controlled and operated systems.
- It is planning systematic modernisation of the water supply network to reduce leaks.
- It operates a state-of-the-art GIS system for preventative maintenance and rapid response to emergencies.
- It implements a programme to re-use water treated at the Thessaloniki Wastewater Treatment Facility to irrigate areas of land in the Halastra - Kalohori plains during droughts.
- It ensures that sludge is managed in an environmentally and socially beneficial manner: one of the most appropriate solutions is to use it as a fertiliser. It also aims to improve the biogas production unit running on sewage sludge which is already in operation at the Sindos Biological Treatment Plant, and to utilise its heat generating capacity;
- It systematically recycles at the workplace and uses environmentally-friendly materials.

4.5

RELATIONS WITH THE LOCAL COMMUNITY:

EYATH:

• Collaborates with the academic community at specialist and general events on environmental issues, attracting audiences comprised of students, experts and ordinary citizens.
• Participates in World Water Day celebrations on 22 March and World Environment Day events on 5 June, hosting info-events for the general public.
• Supports sporting and artistic events in the city, promoting the idea of well-being and culture, and also supports the activities of bodies with a strong reputation for social action either by purchasing equipment for them or carrying out works within its remit.
• Has prepared and submitted for approval to the Ministry of Education a 1-hour programme entitled 'The sewerage cycle in Thessaloniki', to brief primary and secondary school pupils about daily influxes to the sewerage network and raise their awareness.
• Prepares educational programmes for children as part of the Thessaloniki International Fair.
• Offers students at universities, technological education institutes and OAED academies the chance to do an internship and acquire valuable work experience in a decent working environment.
• Helps improve the life of refugees in refugee camps in the wider area of Thessaloniki, providing radiators and carrying out infrastructure works (water supply and sewerage facilities at those camps, and repairs to damaged facilities).
• Has a long-standing partnership with a magazine sold in the streets to support the unemployed, since its head offices are a 'safe haven' for sellers, and also supports unemployed people in Thessaloniki via the Labour Centre.
• Welcomes thousands of primary and secondary school pupils, as well as associations and other stakeholder groups, at the Water Supply Museum in operation since 2001 and open for the duration of the school year. Visitors are taken on a tour of the old Thessaloniki Main Pumping Station in the Sfagia area, and experience the history of water supply in the city up close. The Water Supply Museum also hosts major company events (New Year Pie cutting ceremonies, Christmas parties for employees' children, celebrations for World Water Day and World Environment Day) and also hosts periodic exhibitions in partnership with prestigious local organisations.
• Keeps an archive of maps, letters and other documents at the Water Supply Museum which cover the history of water supply in Thessaloniki and are available to any interested parties.

Through such activities, EYATH S.A. is fostering and showcasing its long, vibrant relationship with the local community.

4.6

HUMAN RESOURCES

On 31.12.2016 the Company employed 221 people.
The table below shows the change in employee figures over the last 5 years.

SPECIALISATIONS

STAFF CATEGORY	2012	2013	2014	2015	2016
Expert staff	3	3	3	3	3
University-educated Admin-Finance staff	7	8	8	8	9
University-educated Lawyers	1	1	1	1	1
University-educated Engineers	22	20	20	20	19
University-educated Chemists	6	4	4	4	4
University-educated Environmental Scientists	2	2	2	2	2
University-educated Doctors	1	1	1	1	1
University-educated Communications & Media experts	1	1	1	1	1
TEI-educated Admin-Accounting staff	13	13	13	13	12
TEI-educated Tech. apps staff	22	23	23	22	24
TEI-educated Public health inspectors / food technicians	2	2	2	2	2
Secondary-educ. Collectors - note-takers	-	-	-	-	-
Secondary-educ. Management secre-taries	46	46	44	43	43
Secondary-educ. Typists	1	1	1	1	1
Secondary-educ. Technicians	71	67	62	62	61
Secondary-educ. Receptionists	2	1	1	1	1
Secondary-educ. Nurses	1	1	1	1	1
Secondary-educ. IT staff	-	-	-	-	-
Secondary-educ. Foremen (tempo-rary)	16	14	12	11	10
General-educ. Cleaners	2	2	2	1	1
General-educ. Guards	3	3	3	3	3
General-educ. Process agents	2	1	1	1	1
General-educ. Labourers	32	26	23	22	20
General-educ. Collectors	2	2	1	1	1
TOTAL	**258**	**242**	**229**	**224**	**221**

Note that the figure of 221 includes the legal advisor.

4.6

HUMAN RESOURCES

One must also add staff from EYATH Services S.A. on contract to the Company's full-time staff. EYATH Services S.A., a subsidiary whose sole shareholder is EYATH S.A., began operating in 2009 and undertook on the parent company's behalf to provide meter-reading and water bill dispatch services for EYATH. Those services are provided by independent external associates. Initially there were 18 in the first sector and 6 in the second. Today 22 people are employed as meter readers and 8 are involved in dispatching water bills.

In the second half of 2010 EYATH S.A. assigned EYATH Services S.A. the task of providing additional services, covering the technical and scientific work formerly done by EYATH's own Divisions which were set out in the contracts between the two companies. So from a scientific and technical viewpoint, the Company is assisted by external advisors and independent service providers under the contracts between the parent company and subsidiary.

At the end of 2016, the total number of external associates contracted with EYATH Services S.A. was 93, and those contracts were extended under Article 46 of Law 4440/2016 to 30.6.2017.

Decision No. ΔΙΠΠ/Φ.ΕΓΚΡ./121/17708/28.7.2016 of the Committee referred to in Article 2(1) of Act of Legislative Content No. 33/2006 approved 150 new full-time staff positions for EYATH S.A., under private law open-ended employment contracts. Those positions are to be filled in accordance with the relevant ASEP Procedures. The new staff will be in the following categories:

- Category 1: 55 University-educated staff
- Category 2: 25 TEI-educated staff
- Category 3: 70 Secondary-educated staff

SECTION 5

INFRASTRUCTURE

5

5.1

WATER SUPPLY

WATER SUPPLY SECTOR

The facilities EYATH S.A. has or manges under the contract of 27.7.2001 with the Greek State are (a) water abstraction works, (b) external aqueducts, boreholes and related pipework, (c) pumping stations and tanks and (d) distribution networks with related pipelines and water meters.

AQUIFERS SUPPLYING WATER TO THE WIDER THESSALONIKI AREA

Paiko Aquifer
EYATH S.A. uses the karst system of springs on Mt. Paiko to supply water to Thessaloniki, and in particular collects water from the discharge point in the area known as Aravissos. Water abstraction from the Aravissos springs includes 2 natural supply shafts, a well with pump and 11 boreholes which funnel water to the Aravissos aqueduct via connecting pipelines. One of the boreholes is used to supply water to the local communities of Aravissos and Plagiari. The flow of water abstracted from the Aravissos springs ranges from 70,000 - 130,000 m^3/day and is directly dependent on the level of snowfall and rainfall each year.

Aliakmon River
Water abstraction from the river commences at Varvares, around 40 km from the river delta. Using the connecting channel the water flows freely over 50 km to the Axios River. Then using the Axios siphon, around 1.5 km long, and a sealed pipe 8.5 km long, it is transported to the Sindos pumping station.

From there, it is pumped via a 4.7 km long pipeline to the water treatment facilities known as the 'Refinery'.

A cutting edge treatment procedure is followed at the Refinery involving sedimentation beds, sand, carbon filters, ozonisation, chlorination, etc. to ensure its high quality.

The clean drinking water then enters a 75,000 m^3 tank and is distributed via 36 km of pipelines to existing water supply tanks at Diavata, Evosmos, Polichni, Neapoli, Vlatades, Toumba and Kalamaria and the Thessaloniki Industrial Area.

AQUIFERS WEST OF THESSALONIKI

Kalohori Aquifer
The Kalohori Aquifer was a major source of water for the city in the past. Today the Kalohori Aquifer springs and boreholes are no longer used due to inadequate supply. Two are used to supply water to the local community of Kalohori in the Municipality of Echedoros.

Sindos Aquifer
The Sindos Aquifer consists of a series of pressurised water-rich layers of rock with a high water potential. The quantity of water which can be abstracted from the aquifer via 14 boreholes is around 25,000 m^3/day. Water reaches the Kalohori pumping station along the Sindos aqueduct having first passed through a sedimentation tank. Due to the Refinery being in operation, the boreholes are not in use all year round and are systematically maintained and ready to cope with emergencies.

It is worth pointing out at this juncture that the way in which the Kalohori and Sindos Aquifers are managed, coupled with high levels of rainfall in recent years has meant that the aquifer has risen considerably and artesian phenomena have been observed again in both areas.

Axios Aquifer
In the wider Axios River area (Gefyra, Nea Halkidona, Eleousa, and Agios Athanasios) there are important aquifers with a total of 21 boreholes currently in use producing around 44,000 m^3 of water a day. Of those, 4 supply water to the local communities in the Municipality of Halkidona (Mikro Monastiri, Adendro, Valtohori and Eleousa).

Narres Aquifer on the Gallikos River
The Narres Aquifer is within the bed of the Gallikos River and was exploited via 3 water collection shafts and radial pipes, as well as 6 vertical, shallow boreholes.
The quantity that can be collected at Narres varies from 5,000 m^3 to 25,000 m^3 a day depending on rainfall and snowfall recorded each year. The Narres aqueduct is currently out of use.

5.1

WATER SUPPLY

AQUIFERS EAST OF THESSALONIKI

Agia Paraskevi Springs at Hortiatis

The Agia Paraskevi springs at Hortiatis are used to provide additional water to the Hortiatis Municipal District and as a back up to supply water to the G. Papanikolaou Hospital. The springs have been conceded to the Municipality of Pylea-Hortiatis. One borehole is used to supply water to the local community of Exochi.

Plains east of Thessaloniki

In the plains to the east of Thessaloniki (in the areas of Mikra Kalamaria) there are 6 boreholes producing 4,500 m^3 a day overall. This quantity is used to top up the Kalamaria tank. These boreholes are currently not in use.

EXTERNAL AQUEDUCTS - BOREHOLES

The Wider Thessaloniki Area is today supplied with water from the Aravissos – Axios aqueducts and the Refinery. The Sindos and Kalohori aqueducts are used during the summer.

Aravissos - Axios aqueducts

The Aravissos aqueduct is around 56 km long and uses gravity to transport water from the Paiko Aquifer to Thessaloniki. As mentioned above, water is collected naturally from two supply shafts and by pumping from 11 boreholes. During periods of increased flow from the aquifer (as in recent years from 2011 onwards) pumping operations are suspended and water is collected naturally from the main water collection shaft. This way only the springs' regulatory reserves are collected. Construction work on the Aravissos aqueduct was completed in 1978 and it has since been supplying water to Thessaloniki and the Thessaloniki Industrial Area. The aqueduct's transmission pipeline is made of prestressed concrete and steel rods. Water from the Aravissos aqueduct ends up at the main Dendropotamos pumping station. Water from boreholes in the Nea Halkidona area also ends up in the Aravissos aqueduct via connecting pipelines.

The Axios aqueduct, which became operational in 1976 connects to the Aravissos aqueduct via a series of valves. The Axios aqueduct transmission pipelines is made of asbestos cement pipes with a 800 mm diameter and is 14.7 km long. The Axios aqueduct pipe collects water pumped from the Axios, Eleousa, Gefyra and Agios Athanasios boreholes near Thessaloniki and operates over a length of 13,840 m parallel to the Aravissos aqueduct, thereby bolstering the ability of that aqueduct to channel water.

Narres aqueduct

The external Narres aqueduct became operational in 1968 and its water abstraction facilities have been built in the bed of the Gallikos River. The aqueduct is 11 km long approximately and consists of steel pipes. Water is collected into the aqueduct from 3 radial shafts and 6 boreholes.
The Narres aqueduct operated using gravity and supplied water to the Diavata tank which used to supply water to a section of Western Thessaloniki and the EKO facilities. The Narres aqueduct is currently out of use.

Sindos - Kalohori aqueduct

The Sindos - Kalohori aqueduct collects water from boreholes in the aquifers of the same name, consists of steel pipes, and operates using gravity. Water from the Sindos - Kalohori aqueduct via a bypass that has been built, first passes through a sedimentation tank and ends up at the Kalohori pumping station, where it is then forwarded under pressure to the Diavata tank or the Dendropotamos pumping station. It is used primarily during the summer to top up the water supply system.

PUMPING STATIONS AND TANKS

To transfer, store and distribute drinking water within the Thessaloniki conurbation, EYATH S.A. runs and maintains around 41 pumping stations and 40 tanks (including those in areas which recently came within its remit).

A. Dendropotamos Pumping Station

Water from the Dendropotamos Pumping Station supplies the centre of the city of Thessaloniki via high pressure steel pipes. Using the Evangelistria pumping station, water is sent to the Agios Pavlos Tank to supply water to the city centre and the Saranda Ekklisies tank to supply water to the Saranda Ekklisies and Triandria areas.

The Dendropotamos pumping station also supplies water to all of Eastern Thessaloniki and part of the western suburbs via a low pressure steel pipe as follows:

Areas in Eastern Thessaloniki

Water is pumped via a low pressure pipe to the Kassandrou pumping station where it is then sent on to the Toumba tank using 2 steel pressure pipes. From the Toumba tank a pumping station and pressure pipe direct the water to the Pylea tank from whence it supplies water directly to the upper Kalamaria area, and water is also pumped on to the wider area of Panorama. The lower Kalamaria zone is supplied with water from the Kalamaria tank which is gravity-fed from the Toumba tank via a steel pipe.

5.1

WATER SUPPLY

Areas in Western Thessaloniki

Using a low pressure pipe the Dendropotamos pumping station also supplies the Kallithea tank which uses a pumping station to supply the Kafkasos, Neapoli and Skyies tanks. Using a pressure pumping station the Sykies tank supplies the Eptapyrgio tank which supplies water to the Agios Pavlos area. Today additional water is also sent to the Meteora area from the Sykies tank using the pressure pumping station.

B. Sindos Pumping Station - Ionia Pumping Station

The Sindos Pumping Stations forwards water from the Aliakmon River to the Refinery for treatment. The treated water is then sent using gravity to the Thessaloniki Industrial Area and the Diavata and Ionia pumping stations. The majority of water is sent via the Ionia pumping station to the Paleokastro, Evosmos, Polichni, Neapoli, Vlatades, Toumba and Kalamaria tanks. Oreokastro is also supplied with water from the Paleokastro tank (D4) using a pressure pumping station.

EXPANSION OF OPERATIONS INTO NEW AREAS

EYATH S.A.'s expansion, involving the supply of water to new areas, is part of a wide-ranging development policy the Company has adopted, while plans are being made for it to cover other areas such as Nikopoli (in Stavroupoli), Anthokipi (in Polichni) and Echedoros. During 2014 water to the new workers housing complexes in the Delta District of Diavata was topped up from the Diavata tank.

TREATMENT OF DRINKING WATER

With the exception of water collected from the Sindos area boreholes, treatment is limited to chlorination before water is introduced to the distribution system. There are chlorination plants at the Dendropotamos and Diavata pumping stations. There are also chlorination plants at the treatment facilities for water from the Aliakmon River at Nea Ionia. Pre-chlorination is also carried out at the Sindos sedimentation tank, post-chlorination takes place at the Androutsos tank (Pefka), on the transmission pipeline at the Agia Kyriaki pumping station, and chlorination takes place at the Kalirachi borehole (in Panorama).

WATER SUPPLY - TREATMENT OF DRINKING WATER

Thessaloniki Water Treatment Plant on the Aliakmon River (the Refinery)

The Thessaloniki Refinery treats surface water using cutting edge methods that render the water hygienic and fit for drinking. The facility can at present treat 150,000 m^3 a day. The Public Works Special Service of the Ministry of the Environment, Planning & Public Works is currently examining a study to expand water treatment by an additional 150,000 m^3 a day.

When the Thessaloniki Refinery is fully rolled out it will be able to handle 600,000 m^3 a day.
Water is transported from the Aliakmon Dam (at Agia Varvara near Veria) to the Refinery in an open canal, twin siphon and sealed pipes.

The facilities occupy around 25 hectares which were expropriated specifically for this purpose by the company OYTH in a section of the Municipality of Nea Ionia. They lie around 2 km north of the Thessaloniki Industrial Area and around 23 km from the city of Thessaloniki itself.

The average annual quantity abstracted to supply water for Phase I projects will be 109.5 million m^3 (or 3.5 m^3/s), which accounts for 3.4% of the average annual flow of the Aliakmon River. In addition, the existing EYATH S.A. water supply springs offer the system the flexibility needed, so that abstraction at the Thessaloniki Refinery can be adjusted to suit other water regulation/management needs (power generation, irrigation, ecosystem requirements).

The main stages in treating drinking water are as follows:

- pre-ozonisation,
- initial pH adjustment by adding sulphuric acid,
- rapid stirring by adding flocculants,
- flocculation - sedimentation in special round tanks,
- filtering through sand beds using gravity,
- ozonisation and simultaneous addition of Hydrogen peroxide
- absorption and biodegrading of organic materials in carbon beds,
- final pH adjustment by adding slaked lime
- final decontamination of water using chlorine gas upstream from the water storage tank.

The production process is automated to a very high degree and includes a large number of on-line instruments which constantly record operational parameters and water characteristics in various stages (supply meters, pH meters, conductivity meters, turbidity meters, residual chlorine meters, etc.). Signals from these instruments are sent to the facility's control centre where a mimic diagram of all functions is installed. The same facilities also house the SCADA for the Sindos pumping station. Lab tests on the water produced and the functioning of all interim production stages

5.1

WATER SUPPLY

are carried out at the Facility's lab and the EYATH Drinking Water Testing Lab, where a large number of samples are examined daily in line with the applicable legislation (Joint Ministerial Decision No. Y2/οικ.2600/2001).

Remote control of machinery, remote operation of engines and automatic operation of the Thessaloniki Refinery units is achieved via 22 PLCs

Using the SCADA employees:
• record and constantly check water characteristics in various stages of treatment
• check that individual units and pieces of equipment are operating properly
• make changes to operational parameters to optimise the procedure
• ensure that the water leaving the Refinery is of excellent quality

The Refinery also has facilities for storing chemicals, preparing them and applying doses (sulphuric acid, polyelectrolytes, aluminium sulphate, chlorine and lime). There is also a line for treating sludge produced by the flocculation - sedimentation tanks (thickening and mechanical dehydration), a line for treating rinsing water which includes a special unit for removing solids, rainwater, water supply and sewerage, fire-fighting networks, and other ancillary facilities.

The installed capacity is around 1,400 KW and power comes from the PPC network via two independent lines, and there is also a 450 KW backup generator installed.

The project budget of € 20 million was financed entirely by the Public Investments Programme via the EU Cohesion Fund, under the aegis of the Greek Ministry of the Enviroment Planning & Public Works and was completed at the end of 2002.

The trial period and 18-month pilot operation period for the facility were managed by the designer-builder under the-supervision of Project Construction Inspection Directorate and came to an end on 25.2.2005 (when final acceptance of the whole project took place).

EYATH S.A. formally acquired the Refinery upon administrative acceptance of the project for use from the Project Construction Inspection Directorate / Ministry of the Environment, Planning & Public Works on 7.3.2005.

Ministerial Decision No. 41253/EKO 632/12.9.2008 approved the delivery - acceptance report transferring ownership to the body governed by public law by the name of EYATH Fixed Assets of the properties in the project entitled "Thessaloniki water supply from the Aliakmon River. Design, Build and Operation of Phase 1 of the Refinery".

Running and maintenance of the Refinery was assigned by decision of the Board of Directors of EYATH S.A. to the technical firm C. D. Konstantinidis S.A., for the period 8.11.2005 - 29.6.2007 for a monthly fee of € 180,000 and € 16/1000 m^3 of treated water. Between 30.6.2007 and 31.3.2010 the Refinery was run by I. Papailioupoulos S.A. for a monthly fee of € 158,000 and € 8.65/1000 m^3 of treated water for quantities outside the agreed figures. On 1.4.2010 the Board signed 2 1/2 month-long service agreements to run the Refinery choosing AKTOR S.A. as the service provider while from 14.3.2012 to 1.8.2013 the service provider was C. D. Konstantinidis S.A.

Decision No. 151/2013 of the Court of Audit approved the contract to run the Thessaloniki Refinery from 2.8.2013 for a period of 36 calendar months by the service provider "Aktor S.A. - C. D. Konstantinidis S.A." Joint Venture, which was chosen after an open international tender procedure to choose service providers, with a budget of € 7,638,882 (plus VAT).

During 2016 the Refinery treated 42,666,002 m3 of surface water from the Aliakmon River overall and 40,147,811 m^3 of drinking water was released from the facility at an average daily rate of 109,922 m3. That water met all the requirements in the applicable legislation (Joint Ministerial Decision No. Y2/οικ.2600/2001) on drinking water with an average turbidity level at the point of exit of just 0.121 NTU.

5.2

QUALITY CONTROL

Drinking Water Testing Lab

EYATH S.A.'s Drinking Water Testing Lab carries out checks and analyses of drinking water released for consumption to ensure that it meets the quality requirements in the applicable national and European legislation.
To this end it:

1. Carries out checks on the quality of drinking water
Drinking water quality checks are carried out in accordance with Joint Ministerial Decision No. Y2/2600/2001(Government Gazette 892/B/11/7/2001) on the quality of water for human consumption, as amended by Joint Ministerial Decision No. ΔΥΓ2/Γ.Π./38295/2007 (Government Gazette 630/B/26/4/2007) in compliance with Council Directive 98/83/EC and Sanitary Decree No. Γ3α/761/6/3/68 (Government Gazette 189/B/1968).

Under that sanitary decree, in order to effectively safeguard public health minimum daily checks are carried out on samples taken from the distribution network, central pumping stations and water abstraction springs which look at the following parameters: Free residual chlorine, odour, taste, turbidity, ammonia (NH4+), chlorides (Cl-), pH, conductivity, colour, Aluminium (Al), total Iron (Fe), Manganese (Mn), and microbiological analyses. During 2016 the Drinking Water Testing Lab took samples and performed analyses on **2,114** samples of drinking water from the entire EYATH S.A. distribution network.

Moreover, checks are carried out 16 times a year including parameters such as toxic substances, heavy metals and organic compound analyses (agrochemicals, polycyclic aromatic hydrocarbons, VOCs), bromide ions, etc. In 2015 **38** samples overall, representative of the water supply system, were underwent checks at regular intervals.

In additional supplementary checks are carried out 4 times a year for other organic and inorganic parameters and heavy metals.

2. Hygiene - microbiological checks
To ensure that drinking water is suitable, systematic sanitary checks and tests are carried out at water abstraction springs and the distribution network.

Each day the lab performs microbiological tests for total coliforms, Escherichia Coli (E.Coli), Clostridium perfrigens and total bacteria at 37°C and 22°C, on samples taken from the distribution network and locations where water is made available for consumption.

Each day on-site measurements of total residual chlorine are measured across the entire distribution network.

3. Decontamination of drinking water with chlorine (Cl_2)
To more effectively safeguard the quality of drinking water from a microbiological viewpoint:

- It is automatically decontaminated with anhydrous liquid chlorine (Cl2) at the central pumping stations round the clock across the whole year in line with Sanitary Decree YM 5673 (Government Gazette 5/B/9.1.1958) on decontamination of water used for water supply purposes.
- NaOCl solution is used for decontamination purposes at small peripheral pumping stations along with sanitary inspections.
- Free residual chlorine is constantly present and is detected up to the furthest reaches of the distribution network, and the minimum concentration is 0.2 mg/l of free residual chlorine (using the DPD method).

Decontamination using chlorine gas is the most appropriate method for our company since the cost of chlorine is very low and above all because the parametric values of organic compounds - by-products of chlorination in drinking water are well below the thresholds permitted in the applicable legislation.

4. Drinking Water Testing Lab Certification
The Drinking Water Testing Lab implements a quality management system that conforms to ISO 9001: 2008 /EN ISO 9001 : 2008

5.3

SEWERAGE

1. NETWORK

The network includes:

• the Main Sewerage Pipeline 16 km long and the extension to the Municipality of Thermi with a main collection pipeline 11 km long.
• Central sewerage and rainwater collectors.
• Primary and secondary sewerage pipelines.
• Overflows and sluice gates to ensure the problem-free operation of the network during rainfall and reverse valves to prevent seawater entering the network and being carried to the Thessaloniki Waste Water Treatment facilities.

The total length of pure sewage and combined sewage/rain water pipes is around 1,800 km, of which around 35% is of the combined type.
Total length of rainwater pipes: around 315 km.
Pipeline overflows: 140 items
No. of water collection shafts: 25,000 items
No. of access shafts: 42,000 items
No. of private junctions: 60,000 items
The cross section of the main sewerage pipeline ranges from 2,000 mm to 2,400 mm and from 600 mm to 1,600 mm for the extension to it.
Main collectors: 600 - 1,200 mm
Primary pipelines: 400 - 600 mm
Secondary pipelines: 250 - 355mm
No. of people covered: 1,100,000 people
Sewerage collected from an area of: 9,000 ha.

The quantity of sewage taken to the Thessaloniki Waste Water Treatment Plant on the Echedoros (Gallikos) River, in dry periods is around 170,000 m^3 a day and during rainfall is higher than 230,000 m^3 a day.

The quantity of sewage taken to the Waste Water Treatment Plant at Aeneia is 6,500 m^3 a day, but up to 60,000 m^3 a day can be handled. There is no overflow though.

2. PUMPING STATIONS

60 sewerage pumping stations are in operation round the clock in the Thessaloniki conurbation in areas from the Plagiari municipal district to the Sindos Industrial Area.

• City centre - Kalamaria: 11 pumping stations.
• Finikas - Thermi: 2 pumping stations.
• Western areas - Kalohori: 11 pumping stations.
• Pefka: 3 pumping stations
• Triandria: 1 pumping station.
• Pylea: 1 pumping station.
• Sykies: 1 pumping station.
• Panorama: 6 pumping stations.
• Filyro: 1 pumping station.
• Oreokastro- Paleokastro: 4 pumping stations.
• Thessaloniki Industrial Area at Sindos: 2 pumping stations.
• Sindos: 2 pumping stations.
• Plagiari: 3 pumping stations.
• Polichni: 1 pumping station.
• Tourist areas in the Municipality of Thermaikos: 11 pumping stations.

165 pump arrays are installed at those pumping stations.

They carry rain water and waste water to the main sewerage pipeline via single and double pressure pipes to ensure the uninterrupted flow of sewage water from areas that cannot use a gravity-operated sewage system, in the event that a pipeline is damaged.

The total quantity of waste water carried by the pumping stations to the main sewerage pipeline is 90,000 m^3 a day max. outside of rainy periods.

5.3

SEWERAGE

Those pumping stations operate to provide sewerage services to the above areas in groups or in a chain, or individually. In the first case, the waste water from several local pumping stations is sent to a main pumping station and from there is sent on to the main sewerage pipeline. In the second case the waste water is pumped in succession from one pumping station to the next using twin force pipes until it reaches the main sewerage pipeline. In the third case, the waste water from the area is sent to the pumping station and then pumped on to the main sewerage pipeline via force pipes.

Pumping stations operate using automatic electronic pumps, meaning they come on and go off based on electronic sensors that detect sewerage levels, based on the specified thresholds.

Operations are controlled by two remote control - remote operation systems. Those systems operate using PLCs at the local pumping stations, which control the overall process. PLCs from TOSHIBA support the operation of 24 pumping stations. PLCs from TELEMECANIQUE support the operation of 6 pumping stations. PLCs from MOTOROLA support the operation of 15 pumping stations. PLCs from SIEMENS support the operation of 4 pumping stations and PLCs from MITSUBISHI support the operation of 11 pumping stations in the tourist areas. All pumping station automated systems are wirelessly connected to the Control Centre which receives all information needed to enable surveillance to be carried out. The control centre has 2 computers with suitable hardware (transceivers, modems, antennas, etc.) and software to control operations and breakdowns and to remotely ensure uninterrupted operation of the pumping stations round the clock.

Installation of a third, cutting-edge remote control - remote operation system offering improved functionality. The system operates using PLCs at local pumping stations which control processes and are also wirelessly connected to the control centre. There is a computer at the control centre with suitable hardware (transceivers, modems, antennas, etc.) and software to control operations and faults and to remotely ensure operation which receives all information needed to enable surveillance to be carried out. The PLCs are from SIEMENS, and the main one was initially intended to cover 5 pumping stations which are being built, and then the subsequent new pumping stations, and the overall objective is that gradually all pumping stations will be included in the new SCADA and the two existing systems that date back to 2000 will be done away with.

5.4

WASTE WATER TREATMENT

According to the General Plan prepared in the late 1970s and then implemented, the Thessaloniki wider area was divided into the following waste collection zones:

a. waste water from central and western areas where most of the urban and industrial activities is concentrated and collected and transported to the Thessaloniki Waste Water Treatment Plant in the Sindos Area.
b. waste water from eastern (tourist) areas is collected and transported to the Waste Water Treatment Plant at Aeneia in the Municipality of Michaniona.
c. Waste water from the Thessaloniki Industrial Area is collected and transported to the Waste Treatment Plant there which came under EYATH S.A.'s control in January 2003.

a. Thessaloniki Waste Water Treatment Plant

Stage I of works on the Waste Water Treatment Plant with a total budget of € 11 million approximately commenced in 1983 and was completed in February 1992 when the facility was commissioned by the builder. In the meantime (1989-1992) necessary modifications needed to be carried out to individual units, to achieve a higher processing rate for some of the waste water from the city than had been originally planned, and the discharge point for treated waste water changed (in order to protect the Axios Delta) and the Thermaikos Bay was chosen as the discharge body. In 1992 the Waste Water Treatment Plant began treating around 40,000 m^3/day and gradually that rose to 70,000 m^3/day when Stage II became operational in 2000, with the treatment rate at over 90%.

Stage II works commenced at the end of 1996 with a budget of € 34 million and were completed in early 2000, achieving a treatment rate of over 95% of urban waste water from the city of Thessaloniki using a conventional biological treatment system and simultaneous nitrogen removal. Each day the Waste Water Treatment Plant receives around 160,000 m^3 of waste water but the specifications for the facility mean it can accept average waste water flows of up to 296,000 m^3/day and pollutant loads of BOD5, SS and Total N, of 80, 76 and 16 tn/day respectively.

At the same time, following completion of the project to receive and pre-treat septic tank waste in mid-2002 (with a budget of € 4.7 million) the Waste Water Treatment Plant can now receive around 1,500 m^3 of waste water a day from trucks from areas which are not connected to the sewerage network.

The Waste Water Treatment Plant outflow is directed via the twin treated waste water disposal pipeline out into Thermaikos Bay. The project, with a budget of € 19 million, was completed in mid-2001 and runs for 10.5 km on land and 2.5 km out to sea to a depth of 23 m.

Waste water undergoes secondary treatment at the Waste Water Treatment Plant with simultaneous nitrogen removal and the biologically treated waste water is disposed off in Thessaloniki Bay.

However, given the excellent quality of that water, and given the expected decline in water quantities at national and global level, EYATH S.A. is working in partnership with the National Agricultural Research Foundation and other bodies (using the old twin pipeline to the Axios River) to explore whether treated waste water mixed with water from the Axios River could be used to irrigate farmland close to the Waste Water Treatment Plant. This programme has been running over the last few summers.

5.4

WASTE WATER TREATMENT

Dehydrated Sludge Thermal Drying Plant:
On 16.1.2012 the Dehydrated Sludge Thermal Drying Plant commenced a 15-month trial period. The Public Works Special Service of the Ministry of Competitiveness, Infrastructure, Transport and Networks is responsible for the construction and trial operation of the plant. In line with agreed plans, when the trial period ended on 16.4.2013 EYATH S.A. took over running and maintenance of the plant (as operator) which was then awarded to a contractor following a tender procedure.

The Dehydrated Sludge Thermal Drying Plant at the Waste Water Treatment Plant receives quantities of dehydrated sludge produced daily by the Waste Water Treatment Plant in order to thermally treat it, evaporate any water in the sludge and produce a dry end product which is more than 92% solid.

The quantity produced daily (up to 20 t/day of dry product with 5-8% humidity compared to 160 t/day of dehydrated sludge with 80% humidity) can by its very nature be used in a wider variety of ways than dehydrated or limed sludge. The dry product is suitable for the following applications:

As a fuel in cement industries, in thermoelectric power plants, in construction material industries, in composting facilities, for soil improvement for non-edible crops, as a fertiliser additive for crops, etc.

In light of that, during all of 2016 the total quantity of dry product was taken away by contractors chosen following a tender procedure (total quantity of dried sludge in 2016: around 8,450 tons).

Waste Water Treatment Plant - summary data for 2016

Waste water treatment capacity (in population equivalent / PE units)

Organic load capacity (planned):
296,000m^3/d
(based on design, Directive 91/271/EEC)

Population covered (planned population)
1,333,000

Flow data for 2016

Average daily flow (m^3): 161,175

Type of waste water - quantities (m^3/d):
a. Urban waste water: 160,460
b. Industrial waste water: -
c. Waste from septic tanks: 715

Annual dried sludge production: 8,450 tons

Volume of waste water treated in 2016 (m^3):
58,568,000

Annual average outlet quality for 2016 (mg/L)	BOD5	COD	SS	N-NH4	Total N	Total P
	13.6	65.6	18.3	0.78	8.16	3.68

5.4

WASTE WATER TREATMENT

b. Aeneia Waste Water Treatment Plant for Thessaloniki's tourist areas

The Aeneia Waste Water Treatment Plant which covers Thessaloniki's tourist areas was opened in 1997 and in stage one of Phase I can treat 27,000 m^3/d. Initially small quantities of waste water from Michaniona and Angelohori were treated via the network and 3 pumping stations, and larger quantities of septic tank waste from other areas in the Municipality of Thermaikos, taken to the plant by tanker trucks.

Since 2001 the main sewerage pipeline for the tourist areas has been in operation with 8 pumping stations and the sewerage network of areas in the Municipality of Thermaikos, whose waste water is directed to the Aeneia Waste Water Treatment Plant to be treated. Waste water from the Plagiari area is also covered.

Since 1.5.2016 the Aeneia Waste Water Treatment Plant has been run by AKTOR S.A. based on the contract of 28.4.2016 and decision 4/2016 of the Board of Directors of EYATH S.A. The contract is for 60 months and expires on 30.4.2021.

Since September 2015 the Aeneia Waste Water Treatment Plant has had an aeration tank which was possible thanks to the primary sedimentation system used as well as the sludge digester, thereby saving significant amounts of energy (an approx. 20% reduction in annual energy consumption has been estimated). For the same reasons the quantity of dehydrated sludge produced fell by around 25%.

AENEIA Waste Water Treatment Plant - summary data for 2016

Waste water treatment capacity (in population equivalent / PE units)

Organic load capacity (planned):
87,000m^3
(based on design, Directive 91/271/EEC)

No. of people covered:
(associated population): 32,500
(based on average flow and organic load)

Peak population: 61,500

Flow data for 2015

Average daily flow (m^3): 7429

Type of waste water - quantities (m^3/d):
a. Urban waste water: 6,616
b. Industrial waste water: -
c. Waste from septic tanks: 813

Annual dehydrated sludge production (tons, approximately): 3,090

Volume of waste water treated in 2016 (m^3):
2,711,585

Annual average outlet quality for 2015 (mg/L)	BOD5	COD	SS	N-NH4	Total N	Total P
	6.2	47.2	13.9	0.54	9.0	6

5.4

WASTE WATER TREATMENT

c. Thessaloniki Industrial Area Waste Treatment Plant (WTP)

EYATH S.A. took over the plant in 2003 and it handles around 10,000 - 15,000 m^3 of industrial waste a day from the Thessaloniki Industrial Area.

In 2012 preliminary works financed by ETVA VIPE S.A. were carried out which will be incorporated into the overall project to upgrade and improve WTP operations. Once the preliminary works are completed, around 70% of the organic load in the waste will be removed.

ETVA VIPE S.A. submitted an environmental impact study to the Ministry of the Environment, Energy & Climate Change and a new decision approving environmental terms and conditions was issued, which includes the upgrade works and the WTP terms and conditions of operation. A request was also submitted to the Central Macedonia Region and a technical reconstruction permit was issued to enable the upgrade works to be carried out.

The plant is in the process of completing the technical reconstruction works which are being carried out by ETVA VIPE S.A.

Flow data for 2016

Average daily flow (m^3): 12,486
Total annual quantity of waste (m^3): 4,569,963
Annual dehydrated sludge production (m^3): 2,760

5.5

CARING FOR THE ENVIRONMENT

Sewerage and Environment Quality Control Department

During 2016 the Sewerage and Environment Quality Control Lab was engaged in the following activities:

- It carried out systematic checks on around 1,200 field and sample collection visits and 9,200 analyses were performed over the course of the year:
  - at production facilities located within EYATH's territorial remit (at least once a year)
  - at food businesses and professional facilities, connected to the EYATH network or networks managed by EYATH at:
    - the Thessaloniki Waste Water Treatment Plant
    - the Aeneia Waste Water Treatment Plant
    - the Waste Treatment Plant
  - the EYATH network of sewage pipes located within its territorial remit
  - at field visits and samplings of water leaks
  - in emergencies
- It implements a quality management system that conforms to ISO 9001: 2000 /EN ISO 9001 : 2000. As part of its quality management system it performs continuous self-checks to ensure the reliability of its analyses. Proficiency testing is carried out at least 3 times a year and results are within permissible limits.
- It supports the work of the Waste Water and Liquid Industrial Waste Treatment and Disposal Designs Inspection Committee, carrying out field visits, taking samples, and analysing samples, and receiving and forwarding documentation needed to issue disposal permits and handling documents for licensing after the Committee issues its opinion (around 140 cases were examined).
- It continues to keep records of its customers in digital format and hard copy (a total of 1,500 customers are on file).
- It oversees students doing their internship.

5.6

LICENSES / PERMITS

EYATH S.A. has the following licences/permits for its facilities:

a. Thessaloniki Refinery on the Aliakmon River

• A single open-ended installation and operating permit was issued for this facility on 10.5.2004 by DG Development - Industry & Mineral Wealth of the Thessaloniki Prefectural Authority in the name of EYATH S.A.
• Approval for the environmental terms and conditions was given by the Special Environment Service of the Ministry of the Environment in Joint Ministerial Decision No. 144779/1-12-2005 which is valid for 10 years.
• A fire protection certificate was issued following an on-site inspection by the Fire Department, valid from May 2008 to 2016.
• The Regulatory Authority for Energy has granted exemption from the need to obtain a power generation permit for the backup generator (Decision No. 33/2008 in accordance with Article 10 of Law 2773/1999).

b. Thessaloniki Waste Water Treatment Plant

• The plant has a permit (No. 30/οικ 6604/18-11-2003) to dispose of waste water into the Thermaikos Bay in line with Decision No. ΔΥ/22374/91/11-1-94 of the Prefect of Thessaloniki which was amended by his decision No. 30/οικ4439/13-6-2006.
• It also has approval for its environmental terms and conditions from the Special Environmental Service of the Ministry of the Environment, Planning & Public Works (Joint Ministerial Decision No. 106129/25-10-2006) valid for 9 years, which was amended by Joint Ministerial Decision No. 198531/20-04-2011, valid until 31.12.2015) and then by Joint Ministerial Decision No. 171602/20-03-14, which is valid for 10 years.
• A fire safety certificate (No. 1495/Φ.701.4/6986/27-02-13) was issued by the Thessaloniki Fire Department.
• There is a single installation and operating permit for the Waste Water Treatment Plant (No.15 /Φ.14.2.22243/2/10664/28-11-2003) from the Prefect of Thessaloniki which is of unlimited duration.
• There is also approval for the environmental terms and conditions from the Special Environmental Service of the Ministry of the Environment, Planning & Public Works for the disposal of treated waste water for irrigation purposes (Joint Ministerial Decision No. 141937/7-3-2005, which was extended by Joint Ministerial Decision No. 198531/20-04-2011 to 31.12.2015).
• 2.5 MWee biogas power generation plant at the Waste Water Treatment Plant. The operating permit for that plant was granted by decision of the General Secretary of the Central Macedonia Region (No. 8253/12-12-2003), valid for 10 years.

c. Aeneia Waste Water Treatment Plant

The Aeneia Waste Water Treatment Plant has:

• Approval for its environmental terms and conditions from the Special Environmental Service of DG Environment / Ministry of the Environment, Energy & Climate Change (Joint Ministerial Decision No. 133119/06-12-2010) valid for 10 years, renewing and amending the environmental terms and conditions for the waste water treatment and cleaning plant in the tourist areas of Thessaloniki, which is located in the Aeneia area of the Municipality of Nea Michaniona / Pref. of Thessaloniki, and for construction and operation of main sewerage pipelines, pumping stations and networks in the Municipalities of Thermaikos, Nea Michaniona, Epanomi and Mikra, which amended the initial Joint Ministerial Decision No. 85222/15-7-2002.
• It holds a final permit to dispose of waste water - industrial waste from the Aeneia Plant (Prefect of Thessaloniki Decision No. 30/3748/29-7-2002 which was amended by his Decision No. 30/οικ.1096/8-2-2007).
• It also has a fire protection certificate (No. 14937 Φ.701.4/7642/07.10.2010) from the Regional Fire Services Directorate of the Central Macedonia Region.
• EYATH S.A. also holds a single installation and operating permit for the Waste Water Treatment Plant (Prefect of Thessaloniki Decision No. 15/Φ.14.2.24558/2/5978/15-5-2007).
• Ministerial Decision No. ΔΥΓ2/Γ.Π. 102784/19-9-2008 approved the method for decontaminating treated waste water from the Aeneia Plant.

5.7

TECHNICAL WORKS

TECHNICAL WORKS DIVISION

WORKS COMPLETED DURING 2016

NO.	Project	Completion date	Contractual amount in € (excl. VAT)
1.	Repair and maintenance of biological reactors at the Waste Water Treatment Plant for the wider Thessaloniki area	31/08/2016	4,384,036.79
2.	Construction of main sewerage pipeline to Kalamaria and extension of sewerage network to the Municipal Community of Plagiari in the Municipality of Thermi, Municipal Community of Perea in the Municipality of Thermaikos and the Marathonas area of the Municipality of Thessaloniki.	23/09/2016	1,338,253.34
3.	Construction of supplementary sewerage networks for the Municipal Community of Oreokastro in the Municipality of Oreokasro and the Municipal Community of Polichni in the Municipality of Pavlos Melas.	19/02/2016	1,499,730.55
4.	Maintenance of EYATH S.A. facilities in 2013	18/06/2016	447,154.47
5.	Repair of damage to the sewerage network in 2014	16/06/2016	1,658,536.57
6.	Repair of damage to the water supply network in Western Thessaloniki in 2014 (Phase I)	06/04/2016	1,760,000.02
TOTAL			**€11,087,711.74**

WORKS UNDER WAY DURING 2016

NO.	Project	Budget (VAT excl.) Contractual amount in € (excl. VAT)	Contractual amount in € (excl. VAT)
1.	Group I of urgent water supply works 2014	3,000,000.00	2,061,000.01
2.	Group I of urgent sewerage works and extensions to the net-work of drains with third party participation in the cost (2014)	2,439,024.39	1,741,273.60
3.	Group I of urgent sewerage works 2016	2,439,024.39	1,449,103.04
4.	Works to improve operation of the water supply and sewerage networks and facilities within EYATH S.A.'s territorial remit	2,682,000.00	1,636,019.98
5.	Maintenance of EYATH S.A. facilities in 2016	813,008.13	422,764.22
6.	Repair of damage to water supply network in central and eastern Thessaloniki in 2016	1,500,000.00	884,100.00
7.	Repair of damage to the water supply network in Western Thessaloniki in 2016	2,000,000.00	1,178,799.99
8.	Repair of damage to the sewerage network in 2016	2,439,024.38	1,512,195.13
9.	Disconnection - reconnection of water supplies within EYATH S.A.'s territorial remit in 2016	490,000.00	289,100.00
TOTAL			**€11,174,355.97**

5.7

TECHNICAL WORKS

ABSORPTION IN 2016

NO.	Project	1st half of 2016, €	2nd half of 2016, €	Total (VAT excl.) €
1.	Maintenance of EYATH S.A. facilities in 2011	1,509.72	0.00	1,509.72
2.	Construction of supplementary sewerage networks for the Municipal Community of Oreokastro in the Municipality of Oreokasro and the Municipal Community of Polichni in the Municipality of Pavlos Melas.	80,583.26	0.00	80,583.26
3.	Group I of urgent sewerage works and extensions to the network of drains with third party participation in the cost (2014)	411,802.71	317,967.23	729,769.94
4.	Group I of urgent water supply works 2014	268,686.20	521,222.00	789,908.20
5.	Branch lines - extensions of water supply network and increased replacement of valves in the city of Thessaloniki in 2013	2,041.94	0.00	2,041.94
6.	Construction of main sewerage pipeline to Kalamaria and extension of sewerage network to the Municipal Community of Plagiari in the Municipality of Thermi, the Municipal Community of Perea in the Municipality of Thermaikos and the Marathonas area of the Municipality of Thessaloniki.	520,364.03	166,901.08	687,265.11
7.	Repair and maintenance of biological reactors at the Waste Water Treatment Plant for the wider Thessaloniki area	1,063,605.09	1,185,204.78	2,248,809.87
8.	Supplementary sewerage network works in the Municipality of Pefka	-83,029.07	0.00	-83,029.07
9.	Maintenance of EYATH S.A. facilities in 2013	73,111.38	115,889.52	189,000.90
10.	Construction of private branch lines to connect properties to the Thessaloniki network of drains in 2010	1,166.87	0.00	1,166.87
11.	Works to improve operation of the water supply and sewerage networks and facilities within EYATH S.A.'s territorial remit	108,438.21	422,305.04	530,743.25
12.	Group I of urgent sewerage works 2016	0.00	219,487.22	219,487.22
13.	Installation of 27,000 m of water supply pipes in the central Thessaloniki area	0.00	1,963.99	1.963.99
14.	Replacement of the roof on the sludge dehydration building at the Thessaloniki Waste Water Treatment Plant	0.00	309.05	309.05
15.	Repair and maintenance of biological reactors at the Waste Water Treatment Plant for the wider Thessaloniki area	0.00	7,866.99	7,866.99
16.	Group II of urgent sewerage works 2009	0.00	-10,487.90	-10,487.90
17.	Repair of damage to the sewerage network in 2014	360,531.26	208,908.42	569,439.68
18.	Repair of damage to the sewerage network in 2016	0.00	242,769.80	242,769.80
19.	Repair of damage to the water supply network in Western Thessaloniki in 2014 (Phase I)	297.886.18	0.00	297,886.18
20.	Repair of damage to the water supply network in Western Thessaloniki in 2014	0.00	357,016.13	357,016.13
TOTAL				**€6,864,021.13**

5.7

TECHNICAL WORKS

TENDER PROCEDURES TO APPOINT CONTRACTORS FOR WORKS TO BE CARRIED OUT IN 2016

NO.	Project	Budget (VAT excl.)	Discount (%)	Duration	Lowest Bidder
1.	Disconnection - reconnection of water supplies within EYATH S.A.'s territorial remit in 2016	490,000.00	41.00	15 months	DIOLKOS OE
2.	Group I of urgent sewerage works 2016	2,439,024.39	40.59	24 months	PANTECHNIKI PROJECTS S.A.
3.	Group I of urgent water supply works 2016	2,000,000.00	42.55	16 months	ELLINIS CONSTRUCTION S.A. (signing of the contract pending)
4.	Repair of damage to water supply network in central and eastern Thessaloniki in 2016	1,500,000.00	41.06	18 months	PSARRAS CONSTRUCTION S.A.
5.	Maintenance of EYATH S.A. facilities in 2016	813,008.13	48.00	12 months	ARIS K CONSTRUCTION S.A.
6.	Repair of damage to the sewerage network in 2016	2,439,024.38	38.00	24 months	KANDIA CONSTRUCTION PROJECTS S.A.
TOTAL		€9,681,056.90			

5.7

TECHNICAL WORKS

PROJECTS FUNDED BY EYATH FIXED ASSETS

NO.	Project	Budget (VAT excl.) €	Contract (VAT excl.) €	Absorption in 2016 (VAT excl.) €	Fee (EYAT SA)
1.	Extension of sewerage networks in the Municipalities of Panorama and Polichni (Contractor: KEDRIA TERA LTD).	1,500,000.00	692,599.20	1,596.75	-
2.	Design for waste water sewerage works along the Eleorema stream (Contractor - PSARRAS CONSTRUCTION S.A.)	5,490,000.00	2,229,724.98	4,273.29	-
3.	Sewerage works in the area above the inner ring road of the Municipality of Kordelio - Evosmos (Contractor - PSARRAS CONSTRUCTION S.A.)	5,473,500.00	1,886,878.86	0.00	-
4.	Sewerage works for the Efedroupoli area of the Municipality of Pavlos Melas (Contractor - PSARRAS CONSTRUCTION S.A.)	1,045.500.00	258,709.81	102,634.38	-
TOTAL			**€108,504.42**		**€0.00**

SECTION 6

CONSUMPTION

6

6.1

CUSTOMER SERVICE

By its nature, the Customer Service Division's main task is customer service. This means that staff in the Division have to deal with the Company's customers/consumers every day whether by taking meter readings and then billing for water and sewer usage, or collecting bills at various locations or signing new water supply contracts or just handling customer requests.

To achieve its objective of optimal customer service, the company has significantly increased the number of locations where customer service is provided, to ensure the least inconvenience for them.

EYATH's consumers can visit the company's head offices at 127 Egnatias St., its offices at 98 Tsimiski St. (for sewerage-related matters only) or the Western Sector branch.

Bills can be paid:

• at the company's head offices at 127 Egnatias St. or at the Western Sector branch
• at the 150 Diamantis Masoutis Supermarkets in the Prefecture of Thessaloniki and neighbouring prefectures of Halkidiki, Pieria, Imathia, Pella and Kilkis, at no additional cost
• at more than 50 Hellenic Post office branches and agencies in the wider area and at all Hellenic Post branches nationwide
• by standing order from any bank account or at bank cashiers' desks by debiting any account
• online via the EYATH website (www.eyath.gr) by credit card or via any bank using web-banking

Plans already have been made to develop an integrated customer service and management tool which will focus on modernising billing, and customer service and management. EYATH S.A.'s goal is:

• to meet rising customer demand for minimal bureaucracy and faster service
• to safeguard its revenues by monitoring customers from start to end, and so having a comprehensive picture of each customer
• to examine alternative methods for settling payments and granting discounts, to see how these impact on revenues. This is vital given the ongoing economic crisis and EYATH S.A.'s sensitivity about the need to supply this public commodity, water
• to improve the company's image and customer experience by adopting uniform water supply and sewerage practices and so ensure that a single profile is projected to customers
• to effectively utilise its available resources.

6.2

CONSUMPTION DATA

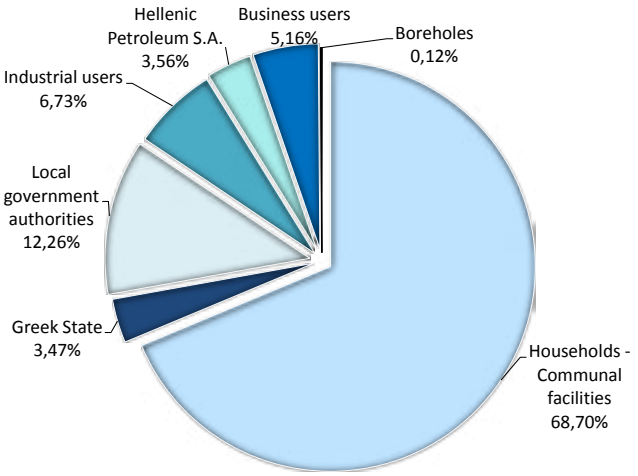
Quantities of water billed						
Consumer category Households - Communal facilities		Quantities for 2016		Percentages for 2016	Percentages for 2015	Percent ages for 2014
State		37,997,184 m³		68.12%	69.10%	68.70%
		2,049,180 m³		3.67%	3.66%	3.47%
Local government authorities	Ordinary customers	1,322,487 m³	6,502,364 m³	11.66%	11.52%	12.26%
	Network improvement	5,179,877 m³				
Industries		4,090,518 m³		7.33%	6.45%	6.73%
Hellenic Petroleum		2,103.161 m³		3.77%	3.78%	3.56%
Businesses, ThPA, Fire Hydrants		2,989,555 m³		5.36%	5.24%	5.16%
Boreholes		47,057 m³		0.08%	0.25%	0.12%
TOTAL		**55,779,019 m³**		**100.00%**	**100.00%**	**100.00%**

According to the table, households continue to consume over 2/3 of all the water supplied.

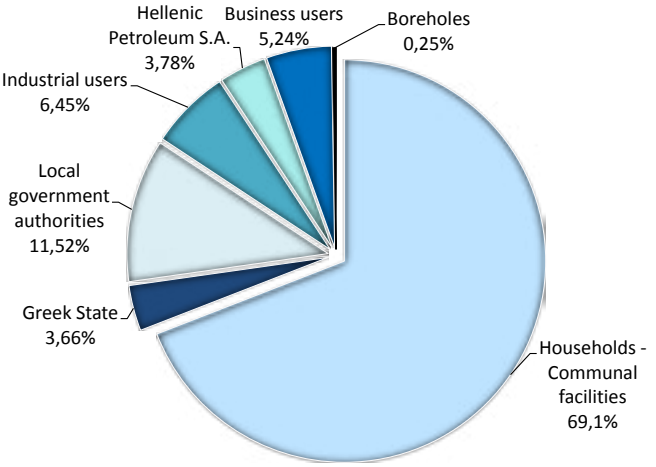
6.2

CONSUMPTION DATA

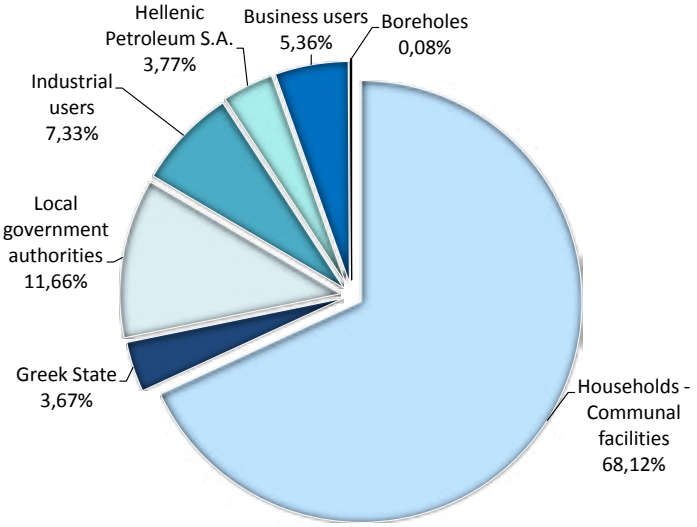
ALLOCATION OF WATER CONSUMPTION IN 2014



ALLOCATION OF WATER CONSUMPTION IN 2015



ALLOCATION OF WATER CONSUMPTION IN 2016



6.2

CONSUMPTION DATA

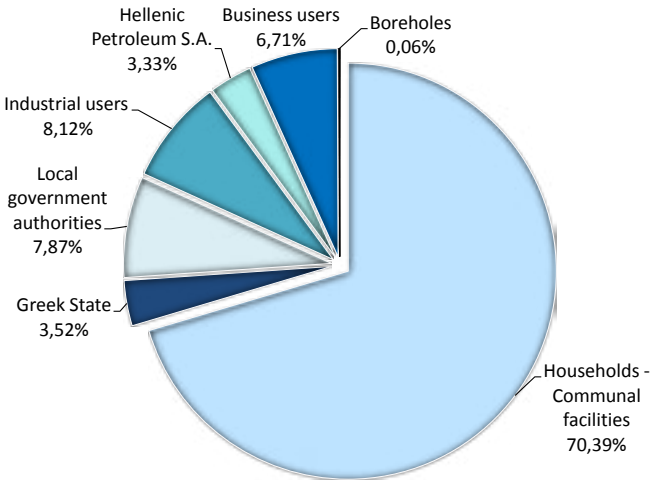
The table below shows the structure of revenues from water sales per category of customer.

Value of water sales						
Consumer category		Water prices 2016		Percentages for 2016	Percentages for 2015	Percentages for 2014
Households - Communal facilities		€24,832,297		69.48%	70.78%	70.39%
State		€1,331,935		3.73%	3.71%	3.52%
Local government authorities	Ordinary meters	€856,202	€2,669,159	2.40%	2.13%	Ordinary meters Network improvement
	Network improvement	€1,812,957		5.07%	5.15%	
Industries		€3,178,973		8.89%	7.80%	8.12%
Hellenic Petroleum		€1,261,897		3.53%	3.55%	3.33%
Businesses, etc.		€2,451,234		6.86%	6.76%	6.71%
Boreholes		€14.107		0.04%	0.12%	0.06%
Total		**€35,739,601**		**100.00%**	**100.00%**	**100.00%**

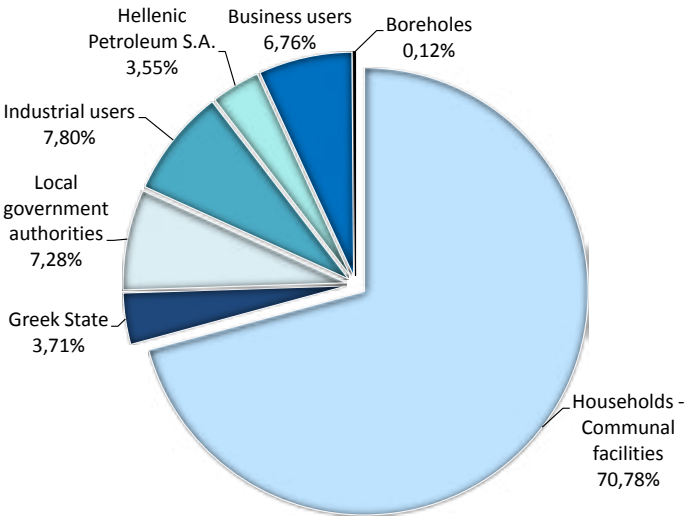
6.2

CONSUMPTION DATA

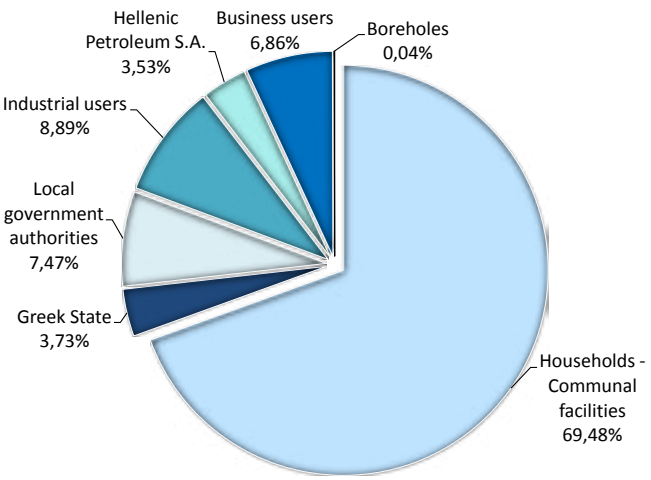
ALLOCATION OF WATER SALES IN 2014



ALLOCATION OF WATER SALES IN 2015



ALLOCATION OF WATER SALES IN 2016



6.2

CONSUMPTION DATA

Average price of water sales per category of customer in 2016

Consumer category	Sales revenues for water (€)	Quantities billed m³	Average price per m³
	(a)	(b)	(a/b)
Household users	€24,832,297	37,997,184 m³	0.6535
State	€1,331,935	2,049,180 m³	0.6500
Local government authorities	€2,669,159	6,502,364 m³	0.4105
Industries	€3,178,973	4,090,518 m³	0.7772
Hellenic Petroleum	€1,261,897	2,103,161 m³	0.6000
Businesses, etc.	€2,451,234	2,989,555 m³	0.8199
Boreholes	€14,107	47,057 m³	0.2998
TOTAL	**€35,739,601**	**55,779,019 m³**	**0.6407**

6.2

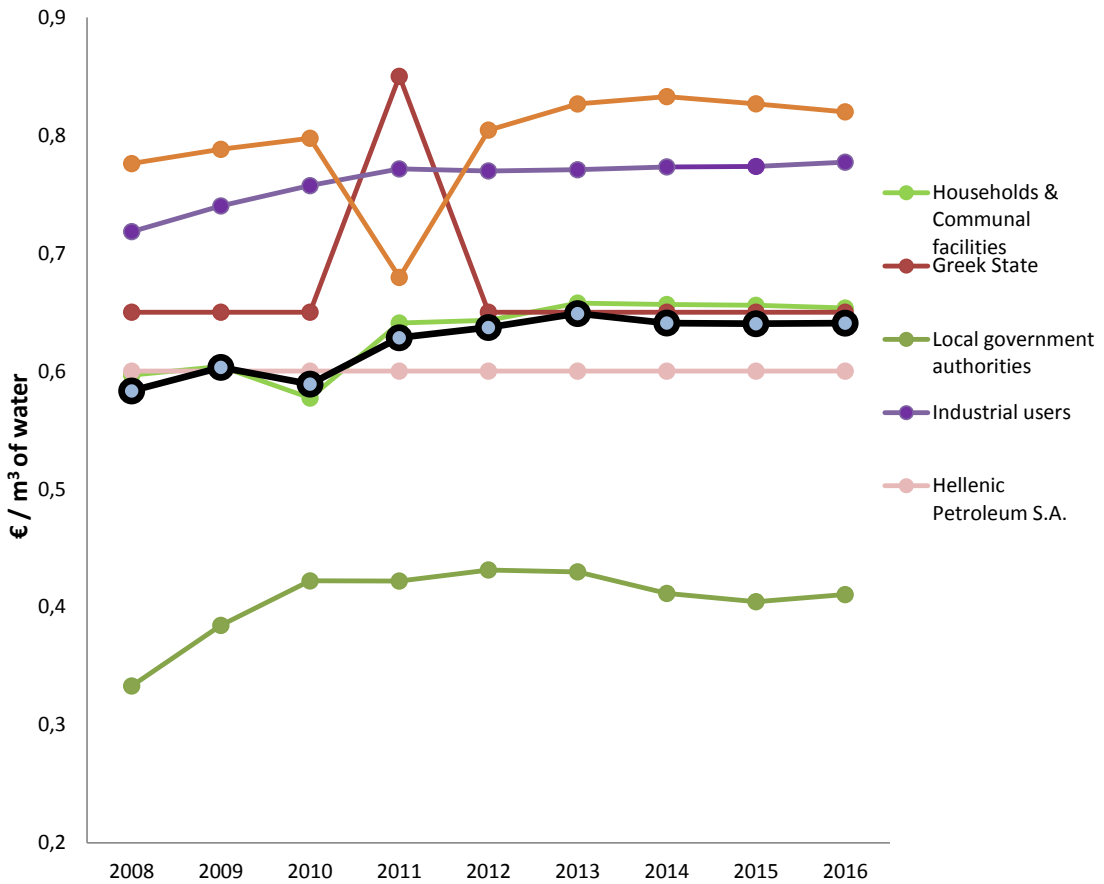
CONSUMPTION DATA

Change in the average price per m³ of water for each category of customer for the years 2008-2016 €/m³

Consumer category	2008	2009	2010	2011	2012	2013	2014	2015	2016
Households & communal facilities	0.5966	0.6040	0.5772	0.6408	0.6431	0.6577	0.6565	0.6558	0.6535
State	0.6500	0.6500	0.6500	0.8500	0.6500	0.6500	0.6500	0.6500	0.6500
Local government authorities	0.3330	0.3844	0.4221	0.4220	0.4314	0.4298	0.4115	0.4045	0.4105
Industries	0.7183	0.7401	0.7573	0.7715	0.7698	0.7708	0.7732	0.7736	0.7772
Hellenic Petroleum	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000
Businesses, etc.	0.7760	0.7881	0.7975	0.6795	0.8044	0.8266	0.8328	0.8267	0.8199
General Average Price	**0.5832**	**0.6032**	**0.5890**	**0.6283**	**0.6370**	**0.6488**	**0.6408**	**0.6402**	**0.6407**
Deviation	**5.46%**	**3.43%**	**-2.35%**	**6.67%**	**1.38%**	**1.85%**	**-1.23%**	**-0.09%**	**0.08%**

The average sale price of water to household consumers almost represents the general average price which applies for all of EYATH S.A.'s consumers.

Change in price per m³ of water over time



6.2

CONSUMPTION DATA

For households on the sliding household tariff, total consumption in 2016 was 37,457,478 m³. This can be broken down for the 6 steps in the sliding scale as follows:

Consumption brackets	Quantities per year (m³)	as a % of total quantity	2016 sub-total	2015 sub-total
0-10 m³ /4-month period (€ 0.46 /m³)	1,372,231	3.66%	3.66%	4.10%
11-30 m³ /4-month period (€0.63 /m³)	9,719,963	25.95%	29.61%	30.22%
31-60 m³ /4-month period (€ 0.72/m³)	18,029,642	48.13%	77.74%	78.06%
61-120 m³ /4-month period (€1.16/m³)	7,086,704	18.92%	96.66%	96.62%
121-180 m³ /4-month period (€2.39/m³)	638,022	1.70%	98.36%	98.24%
181 m³ and over/4-month period (€4.03/m³)	610,916	1.63%	100%	100.00%
TOTAL	**37,457,478**	**100%**		

As is clear from the table, over the last two years the trend for prudent use of water by households has become well-established, given the continuing negative economic situation coupled with the fact that EYATH applies a sliding scale with prices, meaning that the price increases as consumption increases.

Thus 77.74% of total water consumption is billed at between € 0.46 and € 0.72 /m³ , 18.92% is billed at € 1.16 /m³, and just 3.34% is billed at prices of € 2.39 and € 4.03/m³.

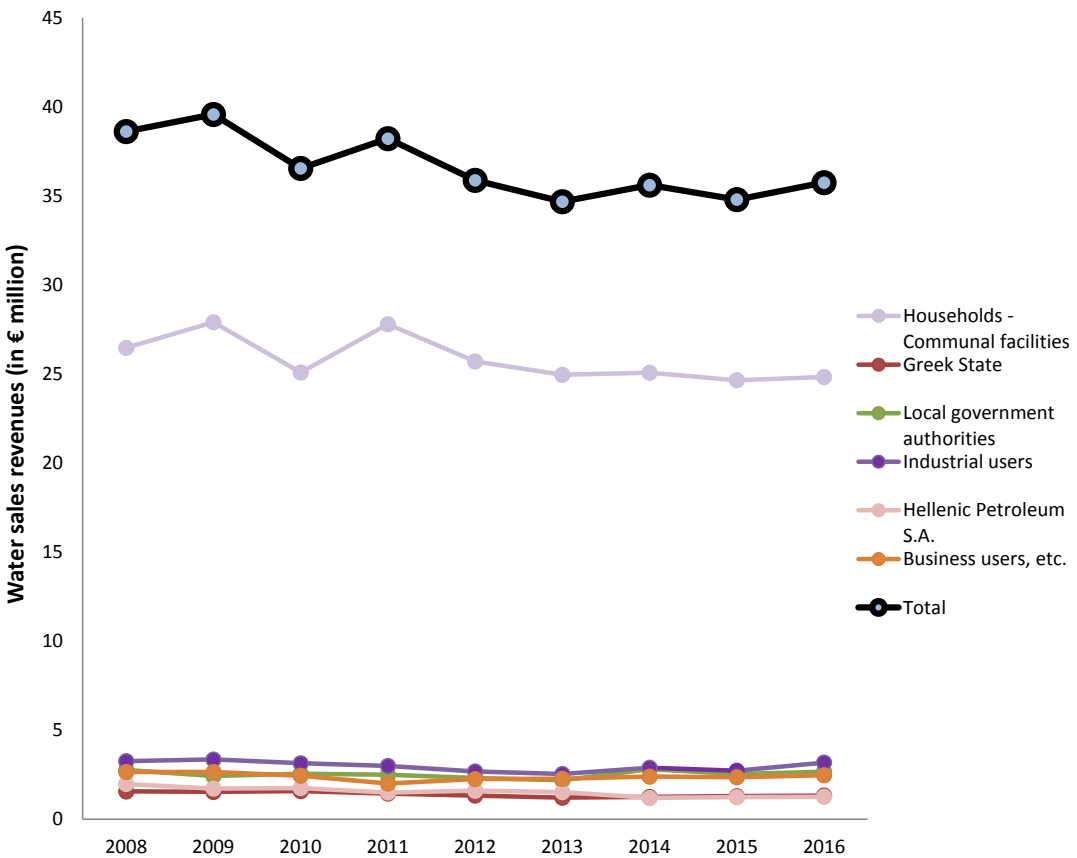
6.2

CONSUMPTION DATA

Change in revenues from sales of water per customer category over time

Consumer category	Revenues from sales of water (in € million)								
	2008	2009	2010	2011	2012	2013	2014	2015	2016
Households - Communal facilities	26.46	27.9	25.08	27.79	25.70	24.95	25.07	24.65	24.83
State	1.56	1.53	1.58	1.44	1.33	1.21	1.25	1.29	1.33
Local government authorities	2.77	2.42	2.55	2.49	2.31	2.18	2.81	2.54	2.67
Industries	3.26	3.35	3.14	2.99	2.68	2.54	2.89	2.72	3.18
Hellenic Petroleum	1.98	1.72	1.75	1.50	1.60	1.52	1.19	1.24	1.26
Businesses, etc.	2.65	2.65	2.44	2.00	2.25	2.27	2.39	2.36	2.47
TOTAL	**38.61**	**39.57**	**36.54**	**38.21**	**35.87**	**34.67**	**35.60**	**34.79**	**35.74**

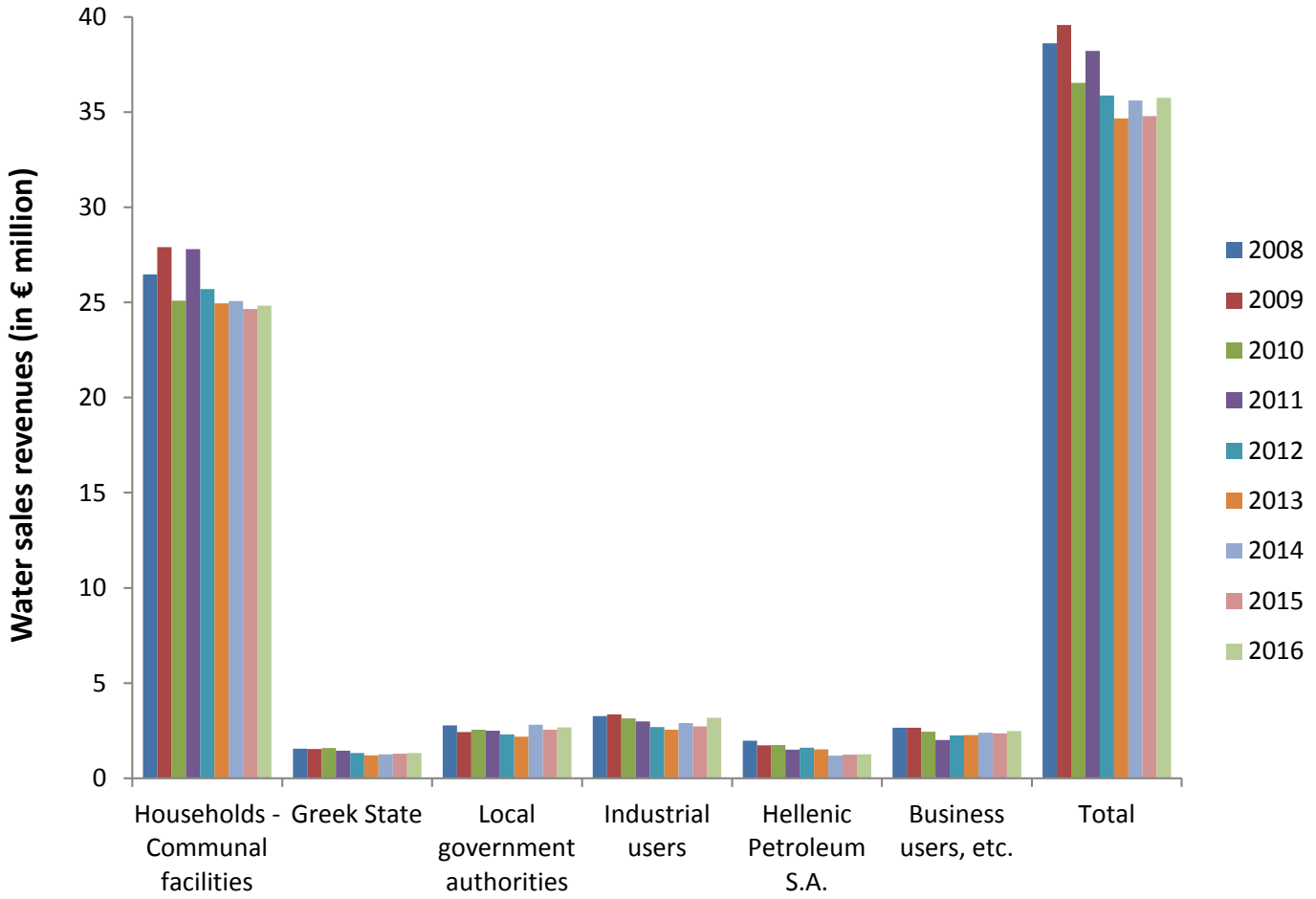
Change in revenues from sales of water over time



6.2

CONSUMPTION DATA ANALYSIS

Change in revenues from sales of water over time



SECTION 7

INVESTMENT PLAN

7

7

INVESTMENT PLAN

Measures taken to achieve the objectives which were previously presented constitute company strategy for the 2017-2023 period and can be divided into operating and investing activities. The first category pertain to the company's operations and involve changes to internal arrangements in terms of staff and company structures. The second category relates to implementation of projects that improve both infrastructure and equipment in terms of machinery and IT systems.

7.1

OPERATING ACTIVITIES

7.1.1. Human capital development
- Training courses and life-long learning for employees
- Programmes to modernise HRM systems

7.1.2. Adapting the company's organisation to reflect new conditions
- Re-engineering the company's organisational structure
- Re-engineering procedures, improving and developing IT systems
- Development of a quality management system in line with the ISO 9001:2008 standard
- Development of a management decision-making tool

7.1.3 CSR - Information - Awareness raising for citizens
- Social policy
- Customer Service
- Environmental awareness
- Information for the local community

7.1.4 Outward-looking approach and development - transfer of know-how

7.1.5 Company commercial policy
- Pricing Policy
- Customer credit policy

7.2

INVESTING ACTIVITIES

7.2.1 Improvement / upgrade of the water supply system and extension to areas outside the company's territorial remit.

One of the key objectives is to upgrade and improve water supply infrastructure and to extend it to areas outside the company's territorial remit, in cooperation with neighbouring municipalities, or local water supply and sewerage companies which operate in the wider Thessaloniki regional unit.

The investment project required to implement this objective was developed after a study the company prepared. The study entitled "Business plan for management - distribution of water supply within EYATH S.A.'s territorial remit" was approved by decision No. 331/2016 of the Board of Directors and is an integral part of this report.

According to the technical report the study's objective was, inter alia:

• to plan all hydraulic works needed to ensure the problem-free transport of an additional 150,000 m^3 of water a day by expanding the Thessaloniki Refinery to new water supply areas, meaning citizens in need of water will be able to get it.

• in parallel with the expansion into new areas, to ensure that existing works are repaired and modernised, meaning better management of the network and a reduction in non revenue water in the system, a reduction in energy currently used to operate the water supply system (it is estimated that after implementing the plan savings of around € 900,000 a year will be made) and a reduction in operating costs and the cost of maintaining the water supply system.

The estimated cost required to implement the plan is € 68 million. Referring to expansion into new areas, taking into account the new projects which will be built to transport water to central aqueducts in those areas (water will be distributed to new consumers and the distribution network will be run and maintained by local water supply and sewerage companies) it is estimated that the total annual revenues from sales of water to new consumers will be around € 4,830,000 after completion of the construction works (in 2023) while in the future (2055) if the charges remain fixed (€0.35/m^3) the figure will be € 9,740,000. If there is an annual increase in the charge by 0.5% or 1% then the revenues in 2055 will be around € 10,920,000 or € 12,850,000 respectively.

7.2.2. Gradual replacement of networks and curtailment of water losses

The company's policy is to gradually replace old water supply networks which have been fully depreciated and also have major problems of corrosion or blockages along their length. This will result in a drop in the actual losses that arise due to the network's age. As part of the investment plan, up to 2023 efforts will continue in this vein.

Reducing the amount of non-reimbursable water in the water supply network has positive environmental and economic impacts. The environmental impacts include protecting water as a natural resource, since smaller quantities will be abstracted, and reducing energy consumption since the reduction in non-reimbursable water will entail less energy used. CO_2 and GHG emissions will also drop.

7.2.3. Improving the Waste Water Treatment Plant facilities and water supply and sewerage pumping stations

As far as improving the Waste Water Treatment Plant facilities and water supply and sewerage pumping stations is concerned, EYATH S.A.'s main concern is to renew existing E/M and electrical equipment when and where necessary in order to improve efficiency and reduce maintenance costs. Moreover, it plans to construct new civil engineering works, when and where feasible, at the sewerage pumping stations to minimise possible leakages of waste water into bodies of water. In addition to this, the Company is planning to do away with water supply and sewerage pumping stations to simplify system operations and reduce operating costs.

Furthermore, in terms of improving Waste Water Treatment Plant facilities, EYATH is exploring how it could re-use water that results from the treatment of urban waste water. Treated waste water may be suitable for irrigating crops or urban green spaces provided that satisfactory levels of quality for the re-used water can be achieved (Joint Ministerial Decision No. 145116/2011).

7.2.4 Power generation using biogas produced by the Thessaloniki and Aeneia Waste Water Treatment Plants

A power generation plant was built under the supervision of the Public Works Special Service of the Ministry of the Environment, Planning & Public Works, as part of Stage II of the project entitled "Extension and completion of biological treatment works for waste water from Thessaloniki" in 2002. The 2.6 MW power generation plant consists of two internal combustion engines fuelled by biogas/natural gas and two 3-phase 1,250 kVA electrical generators. They can also be supplied with a mix of natural gas/biogas or just pure natural gas.

The power generated can be used in various treatment stages at the Thessaloniki Waste Water Treatment Plant.

7.2

INVESTING ACTIVITIES

Under a new contract which is currently being implemented, suitable infrastructure is to be installed and operated to heat the management building using biogas, work will be done to upgrade, modify and commission an additional digester and a desulphurisation unit will be installed to make operation of the power generation plant and electricity - thermal energy co-generation plant safer and more efficient.

7.2.5 Management of sludge produced by the Waste Water Treatment Plants

One key issue that has been debated in recent years has been how to manage the sludge produced; it is a problem primarily because of the high cost involved in disposing of and transporting the sludge produced by the Waste Water Treatment Plants. EYATH faces another problem in that it spends large amounts on removing and disposing of the sludge.

Consequently, it is considered important that EYATH identify ways to use new technically and financially efficient technologies to manage the dehydrated sludge produced by its Waste Water Treatment Plants.

7.2.6 Replacement of conventional water meters with new AMI-MDM meters to electronically record and remotely transmit meter readings to the company's billing and metering data management system.

As part of the drive to modernise the system that reads and checks water meter readings, replacing existing water meters with new high tech ones will improve both the readings taken and checks and moves to prevent theft of water.

Given that the company currently has a round 505,000 active water meters, plans need to cover a 10-year horizon at least and will include gradual replacement of old meters with new high tech ones, which will have an automated data collection and transmission system. Replacing conventional water meters with new automated ones could be completed by sector or area, so that specific areas within EYATH's territorial remit have their meters replaced and ready for use.

7.2.7 Use of RES to generate energy

One of the major issues that water supply and sewerage companies in Greece constantly face is the high energy costs they have to bear, which are then passed on to end users. To make energy savings and reduce operating costs, the company is examining the idea of generating power using a net metering method.

In this model (which has been possible in Greece since 2014) photovoltaic panels installed at sites close to pumping stations at the Waste Water Treatment Plants could supply the power they generate to meet their the energy needs of those stations. A new piece of legislation (Law 4414/2016) also gives water supply companies the ability to use virtual net metering, and to set off the power generated by P/V systems or small wind turbines against the power used at pumping stations, boreholes, Waste Water Treatment Plants, refineries and their overall consumption irrespective of the site where the power is generated.

7.2

INVESTING ACTIVITIES

7.2.8 Upgrade and installation of new IT systems

• Gradual replacement of commercial / accounting systems used by the company with cutting edge ones coupled with parallel re-engineering of all operations.
• Continuous improvements to the pipeline documentation system (mapping and digitisation).
• Automation of facilities and networks by installing advanced automation - control systems and a single operations - management centre for networks and facilities.
• Upgrades to the call centre.
• Further development of web services thereby improving the company's public image and improving the level of services provided and information offered to customers.
• e-water bills
• Development of a consumer portal

7.3

EYATH'S INVESTMENT PLAN (2017-2023)

The 2015-2018 Investment Plant which was approved, updated and extended to 2023, is summarised in the tables below to show actions implemented in each sector of investment, targets to be met, and the timeframe developed.

Updated 2014-2018 investment plan, extended to 2023, per target and investment sector.

Target / Investment sector	Automation - IT	Sewerage network	Water supply network	Thessaloniki Waste Water Treatment Plant	Thessaloniki Refinery	Buildings	Transportation equipment	Grand total
Increase in revenues			3,575,000 €					3,575,000 €
Improvements in water supply & energy savings			7,070,000 €					7,070,000 €
Improvement of functions	1,800,000 €					8,940,000 €	105,000 €	10,845,000
Control of water leaks & energy savings	4,000,000 €		60,000 €					4,060,000 €
Quality control of supplied water					50,000 €			50,000 €
Meeting sewerage needs in areas with shortage & increase in revenues		11,050,000 €						11,050,000 €
Meeting water needs in areas with shortage & increase in revenues			5,437,011 €					5,437,011 €
Environmental protection	500,000 €							500,000 €
Environmental protection	90,000 €	13,081,848 €		50,000 €	130,000 €			13,351,848
Environmental protection &		200,000 €						200,000 €
Environmental protection of the Thermaikos Bay		6,080,000 €						6,080,000 €
Protection of the environment through better management of sludge				3,825,000 €				3,825,000 €
(blank)			120,000 €					120,000 €
Grand total	**6,390,000 €**	**30,411,848 €**	**16,262,011 €**	**3,875,000 €**	**180,000 €**	**8,940,000 €**	**105,000 €**	**66,163,859**

7.3

EYATH'S INVESTMENT PLAN (2017-2023)

Updated 2014-2018 investment plan, extended to 2023, per action and investment sector.

Action / Investment sector	Automation - IT	Sewerage network	Water supply network	Thessaloniki Waste Water Treatment Plant	Thessaloniki Refinery	Buildings	Transportation equipment	Grand total
Upgrading of all company management information systems	1,800,000 €							1,800,000 €
Replacement of old tachymetric-type water meters with new-technology volumetric ones			3,575,000 €					3,575,000 €
Improvement of water supply network infrastructure for better operation			7,070,000 €					7,070,000 €
Improvement of the Thessaloniki Waste Water Treatment Plant infrastructure for better sludge management				3,825,000 €				3,825,000 €
Modernisation of sewerage network infrastructure for better operation	90,000 €	19,361,848 €						19,451,848 €
Modernisation of equipment				50,000 €	130,000 €		105,000 €	285,000 €
Modernisation of equipment					50,000 €			50,000 €
Modernisation of sewerage network equipment	500,000 €							500,000 €
Modernisation of water supply network equipment	4,000,000 €							4,000,000 €
Modernisation of building infrastructure						2,900,000 €		2,900,000 €
Modernisation of building infrastructure						6,040,000 €		6,040,000 €
Expansion of the sewerage network into new areas		11,050,000 €						11,050,000 €
Expansion of the water supply network into new areas			5,437,011 €					5,437,011 €
Systematic improvement of the water supply network imaging			60,000 €					60,000 €
			120,000 €					120,000 €
Grand total	**6,390,000 €**	**30,411,848 €**	**16,262,011 €**	**3,875,000 €**	**180,000 €**	**8,940,000 €**	**105,000 €**	**66,163,859 €**

Updated 2014-2018 investment plan, extended to 2023, per implementation year.

Action	2017	2018	2019	2020	2021	2022	2023	TOTAL
Upgrading of all company management information systems	500,000 €	600,000 €	400,000 €	300,000 €				1,800,000 €
Replacement of old tachymetric-type water meters with new-technology volumetric ones	275,000 €	550,000 €	550,000 €	550,000 €	550,000 €	550,000 €	550,000 €	3,575,000 €
Improvement of water supply network infrastructure for better operation	966,000 €	1,338,000 €	1,766,000 €	1,500,000 €	500,000 €	500,000 €	500,000 €	7,070,000 €
Improvement of the Thessaloniki Waste Water Treatment Plant infrastructure for better sludge management	1,375,000 €	2,325,000 €	25,000 €	25,000 €	25,000 €	25,000 €	25,000 €	3,825,000 €
Modernisation of sewerage network infrastructure for better operation	4,859,348 €	4,767,500 €	1,930,000 €	2,395,000 €	2,000,000 €	2,000,000 €	1,500,000 €	19,451,848 €
Modernisation of equipment	335,000 €							335,000 €
Modernisation of sewerage network equipment	50,000 €	450,000 €						500,000 €
Modernisation of water supply network equipment	800,000 €	3,200,000 €						4,000,000 €
Modernisation of building infrastructure	340,000 €	720,000 €	1,200,000 €	2,300,000 €	3,000,000 €	1,500,000 €		9,060,000 €
Expansion of the sewerage network into new areas	1,050,000 €	2,050,000 €	750,000 €	1,550,000 €	1,550,000 €	1,550,000 €	2,550,000 €	11,050,000 €
Expansion of the water supply network into new areas	1,337,011 €	1,600,000 €	500,000 €	500,000 €	500,000 €	500,000 €	500,000 €	5,437,011 €
Systematic improvement of the water supply network imaging	30,000 €	30,000 €						60,000 €
Grand total	**11,917,359 €**	**17,630,500 €**	**7,121,000 €**	**9,120,000 €**	**8,125,000 €**	**6,625,000 €**	**5,625,000 €**	**66,163,859 €**

As stated above, the company recently completed the Business Plan for the Management - Distribution of water for water supply purposes within EYATH's remit. The budget for the plan (€ 64 million), less the cost of the water supply SCADA, has been added to the existing plan which was described above.

The work to install the water supply SCADA (€ 4 million) will be done under the NSRF for which EYATH has submitted a proposal (via EYATH Fixed Assets). Approval has already been obtained.
The tables below summarise the investment plan to extend the network.

7.3

EYATH'S INVESTMENT PLAN (2017-2023)

Business Plan for the Management - Distribution of water for water supply purposes 2017-2023

Area	Project	Cost (excl. VAT)	Comments
Thermi	Thermi - Phase 1	1,360,000 €	transmission pipeline, Ø500
Thermaikos, Mikra	Thermaikos, Mikra	5,720,000 €	transmission pipeline, Ø800
Thermaikos, Mikra	Thermaikos, Mikra - Phase 2	2,770,000 €	Extension of new pipeline to Kalamaria to secure future supply needs
Oraiokastro		4,500,000 €	
Low Zone		9,120,000 €	Kafkasos & Evangelistria zones, Strempenioti & Forest Theatre (Theatro Dassous) tanks, transmission pipelines and upgrade of Dendropotamos
Medium Zone		3,960,000 €	Neapoli, Vlatades, 40 Eklissies & Toumba zones, Neapoli & Vlatades tanks
High Zone	Polichni	2,450,000 €	Polichni & Meteora zones, Polichni tank
High Zone	Sykies	2,110,000 €	Sykies & Eptapyrgio zones, Kastra tank and pumping station
High Zone	Toumba, Pylaia	3,130,000 €	Toumba & Pylaia high zones, new Toumba tank, upgrade and extension of the Toumba pumping station
Evosmos		1,930,000 €	Improvement and completion of internal main network and of the Efkarpia tank
Pefka, Hortiatis	Pefka, Hortiatis - Phase 1	3,000,000 €	Upgrade and additions to the Vosnaki pumping station, construction of transmission pipeline leading to the Pefka & Filyro tanks, improvement of the internal network at Pefka
Pefka, Hortiatis	Pefka, Hortiatis - Phase 2	6,500,000 €	Additions to and completion of the external water supply network of other settlements
Kalamaria		8,750,000 €	Improvement of the internal network, construction of tanks and pumping station
Panorama		300,000 €	Improvement of and additions to the internal
Survey of the Aravissos pipeline and installation of a system for real-time monitoring of damages.		8,000,000 €	An amount of 2 million EUR is also included for the repair of a small part of major damages.
Technical Consultant for the development and implementation of the Project		400,000 €	
	Total	**64,000,000 €**	

7.3

EYATH'S INVESTMENT PLAN (2017-2023)

Year	Investment amount	Extension of the Thessaloniki Water Treatment Plant (Refinery)	Total of the 2016-2023 investment plan for the expansion of the area of operations
2016	1,481,800 €	0 €	1,481,800 €
2017	8,802,058 €	0 €	8,802,058 €
2018	9,464,139 €	2,940,000 €	12,404,139 €
2019	10,637,669 €	11,760,000 €	22,397,669 €
2020	10,727,581 €	14,700,000 €	25,427,581 €
2021	10,435,658 €	0 €	10,435,658 €
2022	8,616,395 €	0 €	8,616,395 €
2023	3,834,699 €	0 €	3,834,699 €
Total	**64,000,000 €**	**29,400,000 €**	**93,400,000 €**

The figures for the Business Plan for the Management - Distribution of water for water supply purposes can be broken down as follows:

• Investments which will result in an increase in the quantities of water sold (provided that Phase A2 of the Thessaloniki Refinery is built) equal to **€ 22,950,000.00** approximately (VAT excl.) can be broken down as follows:
[7,500,000 (Part of the Pefka project phases A & B + 1,360,000 + 5,720,000 + 2,770,000 + 5,600,000 (part of the Kalamaria project - 8ek)= €22,950,000.00].

• Investments to rationalise and optimise operation of the existing water supply system in the city (new tanks, zoning, internal networks, etc.) equal to **€ 33,050,000**.

• An investment to maintain and monitor damage in real time to the Aravissos pipeline equal to **€ 8,000,000.00.**

Total € 64,000,000.00

One condition for implementing the Plan for the Management - Distribution of water for water supply purposes, which is explained in the report that accompanies the plan, is that Phase A2 of the Thessaloniki Refinery is built, which will add 150,000 m3 of water a day to the network. The budget for that project, based on current data, is approximately **€ 29,400,000.00**(VAT excl.).

Consequently, the total investment project for the company is as follows if one adds up the amounts required for the individual investment plans:

EYATH's Total Investment Plan for 2017-2023

Year	Updated 2014-2018 investment plan, extended to 2023	Investment plan for the expansion of the area of operations for 2016-2023	Phase 2 of the Thessaloniki Water Treatment Plant (Refinery) 2016-2023	Investment for the maintenance and monitoring of damages to the Aravissos pipeline	Investments to rationalize and optimize the operation of the current water supply system	Total 2016 -2023 Investment Plan*
2016	6,384,210 €	1,574,413 €	0 €			7,958,623 €
2017	11,917,359 €	3,353,636 €	0 €		5,998,551 €	21,269,546 €
2018	17,630,500 €	3,247,299 €	2,940,000 €		5,808,349 €	29,626,148 €
2019	7,121,000 €	3,694,420 €	11,760,000 €	1,287,815 €	5,320,287 €	29,183,523 €
2020	9,120,000 €	3,728,678 €	14,700,000 €	1,679,872 €	4,989,506 €	34,218,055 €
Total 2016-2020	**52,173,069 €**	**15,598,445 €**	**29,400,000 €**	**2,967,687 €**	**22,116,693 €**	**122,255,895 €**
2021	8,125,000 €	3,617,453 €	0 €	1,963,746 €	4,506,688 €	18,212,887 €
2022	6,625,000 €	3,282,897 €	0 €	1,945,231 €	3,926,792 €	15,779,920 €
2023	5,625,000 €	1,461,043 €	0 €	1,123,336 €	1,489,989 €	9,699,367 €
Total 2016-2023	**72,548,069 €**	**23,959,838 €**	**29,400,000 €**	**8,000,000 €**	**32,040,161 €**	**165,948,069 €**

7.4

EYATH FIXED ASSETS' INVESTMENT PLAN (2017-2023)

Under the contract specified in Article 20(3) of Law 2937/2001, EYATH S.A. is obliged to prepare investment plans to be submitted in time to the State and EYATH FIXED ASSETS for approval. Having taken into account the investment plans proposed by EYATH S.A., the State and EYATH FIXED ASSETS then finalise the plans and ensure that they secure and provide the resources needed in each case to implement those projects. EYATH S.A.'s investment plan was analysed in the previous sections. Currently EYATH FIXED ASSETS has capital of around € 5.5 million. Given that it collects around € 1.47 million each year from EYATH S.A. as part of the commission for untreated water, by the end of 2022 it will be able to make € 14.3 million available for investments (5.5 + 1.47 x 6).

If one takes into account those points and that:
• Under the agreement between EYATH S.A., EYATH FIXED ASSETS and the Municipality of Oreokastro (Government Gazette 1487/B/2006), EYATH FIXED ASSETS has undertaken to seek out financing to upgrade and extend the water supply network in the Oreokastro Municipal Unit of the Municipality of Oreokastro,
• it is vital to build a second branch of the twin force pipe from the Sindos AY1 water supply pumping station, due to the construction of Phase A2 of the Refinery and the need for a backup.
• The following 5-year investment plan, to be implemented by EYATH FIXED ASSETS covering the 2018-2022 period has been proposed.

EYATH FIXED ASSETS S.A.'S 5-year investment plan

No.	Sector	Project description	2018	2019	2020	2021	2022	Σύνολο
1	Water supply	Internal water supply networks of Oraiokastro Municipal Community.			3,000,000	2,330,000		5.300.000
2	Water supply	Internal water supply networks of expansion areas and areas outside urban planning zones of the Oraiokastro Municipal Community.			1,000,000	1,000,000		2.000.000
3	Water supply	Construction of the second branch of the twin force pipes of the Sindos AY1 water supply pumping station.				3,000,000	6,000,000	9.000.000
4	Water supply/Sewerage	Implementation of water supply/sewerage projects in new areas.			1,000,000	1,000,000	1,000,000	3.000.000
	* Prices are ex VAT.						**Total:**	**19,300,000**

SECTION 8

THE COMPANY'S SHARE

8

8.1

DEVELOPMENT OF SHARE CAPITAL

As mentioned above, EYATH S.A. came about from the merger of the former companies OYTH S.A. and OATH S.A. The share capital of those two former companies, following a valuation of their assets done for the first time in 1997 (Presidential Decrees 156 and 157/25.6.1997) was as follows:

A) OYTH S.A.	**€186,940,572.27**
B) OATH S.A.	**€220,983,125.46**
After they merged into EYATH S.A. under Law 2651/1998, the share capital stood at	**€407,923,697.73**

The founding law (Law 2651/1998) required that the Institute of Certified Public Accountants undertake the task of valuing EYATH S.A.'s assets in order to determine its share capital. During that valuation, the view was taken that the Company was over-valued and using a conservative approach the value of its assets was reduced by around 30%. The new opening balance sheet dated 1.1.1999 showed EYATH S.A.'s share capital at € 278,796,711.83, divided into 95,000,000 shares of € 2.93 each, all of which were owned by the Greek State (Government Gazette 8174/A/5.9.2000).
E) Following the transfer of assets to the body governed by public law, EYATH FIXED ASSETS, under Article 18 of Law 2937/26.7.2001, EYATH S.A.'s share capital stood at € 15,000,000 divided into 15,000,000 shares of € 1.00 each. A special reserve of € 263,796,711.83 (278,796,711.83 - 15,000,000) was created which was then reduced by the value of the assets transferred to EYATH FIXED ASSETS.

On 27.7.2001 the Interministerial Privatisation Committee comprised of the Ministers of Macedonia - Thrace, Economy and Development, issued Decision No. 605/27.7.2001 increasing EYATH S.A.'s share capital by € 1,500,000 (1,500,000 shares of € 1.00 each).

It was also decided to sell 2,700,000 existing shares in the company owned by the Greek State to investors. Of those shares, 200,000 were privately placed with members of the Board and staff.

Thus on 31.12.2001 the Greek state held 74.55% of EYATH S.A.'s 16,500,000 shares (namely 12,300,000 shares) and other private and institutional investors held 25.45% (or 4,200,000 shares).

Then 6 months after EYATH S.A. was listed on the exchange, on 21.3.2002 the retention incentive specified in the listing prospectus took effect. 2 gratis shares for every 10 existing shares were provided to shareholders (other than institutional investors) who retained the shares from the public offering for 6 months and so the Greek State had a 74.016% stake in the share capital and other institutional and private investors had a 25.84% stake.

The share's listing price on 21.9.2001 was € 3.94 but for comparative reasons regard has been had to the adjusted price which emerged following:
A) The share capital increase resulting from capitalising results by creating 1,500,000 new shares, done at the Extraordinary General Meeting of Shareholders on 30.12.2002, when it was decided to issue 1 gratis share for every 10 existing shares. On 29.12.2006 the Extraordinary General Meeting of Shareholders decided to increase the company's share capital by € 2,178,000 by capitalising the premium.
The share capital increase also entailed an increase in the nominal value of each share from € 1.00 to € 1.12 each.
Following this increase, Company share capital stood at € 20,328,000 divided into 18,150,000 ordinary registered shares with a nominal value of € 1.12 each.
B) The share capital increase decided on by the Extraordinary General Meeting of Shareholders on 7.11.2007 done by capitalising taxed and undistributed profits, at a ratio of one new share for every existing share, by issuing 18,150,000 new shares with a nominal value of € 1.12 each, and gratis distribution of those shares to shareholders.

So the listing price taken into account hereinafter is € 1.79 calculated using this formula:
P2 = P1 X M1 / M2 = 3.94 X 16,500,000 / 36,300,000 = € 1.79
Where P1: Listing price
M1: No. of shares when listed on ATHEX
M2: Number of shares today.
So the Company's total share capital following the decision of the Extraordinary General Meeting of Shareholders of 7.11.2007 was € 40,656,000 divided into 36,300,000 ordinary registered shares of € 1.12 each.

8.2

STRUCTURE OF THE COMPANY'S SHARE CAPITAL

The Company's Share Capital amounts to € 40,656,000 divided into 36,300,000 ordinary registered shares with voting rights, of a nominal value of € 1.12 each.

Company shares are listed for trading on the Equities Market of the Athens Exchange on the main market. The Company's shareholders' rights arising from shares depend on the percentage of capital held which corresponds to the share's paid value.

Each share grants all the rights specified by the Law and the Company's Articles of Association and in particular:
• Right to obtain a dividend from the Company's annual profits.
• 35% of the net profits (having deducted the statutory reserve first) are distributed from the profits each fiscal year to shareholders as a first dividend., unless the General Meeting stipulates otherwise. The General Meeting also decides on whether to distribute any additional dividend. **As regards the dividend of 2016, the distribution of a dividend of € 0.114/share was proposed, in order to avoid potential liquidity problems due to the major investment programme which the Company has under way**. All persons who are shareholders as at the holder-of-record date are entitled to a dividend. The dividend will be paid to the shareholders within 2 months from the date of the Ordinary General Meeting that approved the annual financial statements. The place and manner of payment shall be announced in the press. The right to collect a dividend becomes statute-barred and the amount involved devolves to the State if not collected within 5 years from the end of the year in which the General Meeting approved distribution.
• The right to receive the contribution paid, upon liquidation or upon the writing off of capital corresponding to the shares, where this is decided upon by the General Meeting.
• The pre-emptive right in each increase of the Company's share capital with cash and new shares.
• The right to receive a copy of the financial statements and reports of chartered auditors and the Company's Board of Directors.
• The right to participate in the General Meeting which consists of the following specific rights: legal standing, attendance, participation in discussions, submission of proposals on items on the agenda, entry of views in the minutes and voting rights.
• The General Meeting of the Company's shareholders shall retain all its rights during the period of liquidation.
Shareholders' liability is limited to the nominal value of the shares held.

8.3

DIVIDEND POLICY

Given that the Company is profitable, Management proposes that dividends equal to € 0.114 per share be distributed. More specifically, it is proposed that the dividend should amount to € 4.134 for 2016, which is 35% of net profits having deducted the statutory reserve only in accordance with the applicable law.

8.4

SHAREHOLDERS' RIGHTS

A. General

The shares of this company are registered and blocked.
Possession of the share certificate automatically implies acceptance by the owner thereof of the Company's Articles of Association and the lawful decisions of the General Meeting of its shareholders even if shareholders did not take part in those meetings.

Each share incorporates all the rights and obligations established by law and by the Company's Articles of Association, which however do not contain provisions more restrictive than those appointed by the law.

The Company's shares are freely negotiable.
The company's shares are transferred as stipulated by Law 2190/1920, Article 8b, and there are no limitations on transfer set out in its Articles of Association. Company shares are dematerialised and listed on the Athens Exchange. Article 18(8) of Law 2937/2001 (Government Gazette 169/26-7-2001) provided that the "*State can sell to investors shares representing up to* 49% of the Company's share capital in each case".

This paragraph was repealed with Article 2 of Law 4092/2012 which ratified the Legislative Act of 07/09/2012. Then, the extraordinary General Meeting of shareholders of 21/02/2013 also repealed the relevant provision of Article 5 of the Company's Articles of Association.

The shares of this company are dematerialised.
The trading unit is a dematerialised certificate representing ten shares. Each share entitles its holder to one voting right. Company shareholders' liability to creditors is limited to the nominal value of the shares held. Shareholders participate in the management and profits of the Company in accordance with law and the provisions of the Company's Articles of Association. The rights and obligations attached to each share are indivisible and follow it to every general or specific assign.

Other rights
Shareholders exercise their rights in relation to the management of the Company exclusively via their participation in the General Meetings of Shareholders of the Company. Shareholders have an option over any future increase in the Company's share capital, proportional to their holding in the existing share capital, as specified in Article 19(7) of Law 3604/2007.

Neither the shareholder's creditors nor their successors have any right to bring about the seizure or sealing of any Company assets or records, nor to ask for its distribution or liquidation, nor to become involved in any manner in its management or administration.

All shareholders, regardless of where they live, shall be taken for the purposes of their relations with the Company as residents of its registered offices and shall be subject to Greek law. Any disputes between the Company on the one hand and its shareholders or any third party on the other shall be subject to the exclusive jurisdiction of the ordinary courts and actions against the Company may only be brought in the courts of its seat.

8.4

SHAREHOLDER'S RIGHTS

Each share confers the right to a single vote. Joint holders of a share must, in order to be entitled to vote, designate a common representative who shall represent them at all General Meetings and must so inform the Company. Until such appointment has been made the exercise of their rights shall be suspended.

Every shareholder is entitled to attend and take part in the General Meeting of Shareholders.

In order to exercise these rights it is not necessary for shareholders to block their shares or comply with any other similar procedural requirements which limit the ability to sell or transfer those shares in the time period intervening between the Registration Date and the General Meeting.

Shareholder representatives
Shareholders may participate in the General Meeting and vote in person or via representatives. There are no provisions of the Articles of Association which limit exercise of the shareholders' rights via a representative or the eligibility of persons who can be appointed as representatives.

A representative who acts for more than one shareholder may vote differently on behalf of each shareholder. Legal entities shall participate in General Meetings by appointing up to three natural persons as their representatives.

Shareholders may appoint a representative for a single General Meeting or for any meetings which take place within a specific time period. The representative shall vote in accordance with the shareholder's instructions, if available, and shall be obliged to hold the voting instructions on file for at least 1 year from the date of submission of the minutes of the General Meeting to the competent authority or if the decision is published, from the date of entry in the Companies Register and the General Commercial Register. Failure by the representative to comply with the voting instructions provided does not affect the validity of the decisions of the General Meeting even if the vote of the representative was decisive for the decision taken.

Prior to the beginning of the General Meeting, the shareholder's representative shall be obliged to notify to the Company of every specific incident that may be useful for the shareholders to evaluate the risk of having the representative serve other interests than those of the represented shareholder.

Within the meaning of this paragraph, a conflict of interests may arise, especially when the representative:

a) is a shareholder exercising control over the Company or is another legal person or entity controlled by such shareholder;
b) is a member of the Board of Directors or the overall management body of the Company or shareholder exercising control over the Company or other legal person or entity controlled by a shareholder exercising control over the Company;
c)is an employee or certified public accountant of the Company or a shareholder who controls the Company, or another legal person or entity controlled by the shareholder who controls the Company;
d) is spouse or first-degree kin to any of the natural persons set out in cases (a) to (c) above.

Shareholder representatives shall be appointed and removed in writing or by electronic media, such notice being sent to the Company in the same way, at least 3 days before the date set for the General Meeting. A shareholder may appoint up to 3 representatives.

However, if a shareholder holds shares in a company which appear in more than one securities account, this limitation does not prevent the shareholder from appointing different representatives for the shares which appear in each securities account in relation to the General Meeting.

General Meeting and shareholder capacity
Any person who appears as a shareholder in the files of the body which holds the Company's shares (transferable securities) shall be entitled to participate in the General Meeting. The capacity of shareholder shall be proven by furnishing the relevant written attestation of the above agency or alternatively through direct electronic connection of the Company with the records of the said agency.

8.4

SHAREHOLDER'S RIGHTS

The capacity of shareholder must exist on the record date, i.e. at the beginning of the fifth day prior to the date of the General Meeting, and the relevant attestation or electronic certification regarding the shareholder's capacity should be received by the Company no later than the third day before the General Meeting. Shareholders may participate in repeat General Meetings under the same formal conditions outlined above. The capacity of shareholder must exist at the beginning of the fourth day prior to the date of the Repeat General Meeting (the repeat General Meeting registration date) and the relevant attestation or electronic certification regarding the shareholder's capacity should be received by the Company no later than the third day before the General Meeting.

In accordance with Article 27(2), the Board is obliged to enter in the list of persons entitled to vote at the General Meeting all shareholders who have complied with the provisions of that Article.

Only persons who are shareholders on the relevant Registration Date shall be deemed by the Company to be entitled to participate in and vote at the General Meeting. Where shareholders do not comply with the provisions of this Article, they may only participate in the General Meeting with its permission.

Any shareholder may ask for a copy of the Company's annual financial statements and the Directors' and Auditor's Reports 10 days before the Ordinary General Meeting.

B. Special shareholder or third party rights

There are no special shareholder or third party rights other than in Article 13(4) of EYATH S.A.'s codified Articles of Association which state that company employees are entitled to appoint 2 members of the company's Board of Directors.

Minority shareholder rights

Codified Law 2190/1920, as in force, gives certain rights to a shareholder or shareholders who act jointly, provided that they have a certain minimum minority holding in the Company's share capital. These rights of minority shareholders were amended by Articles 47 and 49 of the new Law 3604/2007 and have brought about the following changes:

•If shareholders representing 1/20 of the paid-up share capital so request, the Board of Directors shall be required to call an Extraordinary General Meeting of Shareholders, appointing a day for the same that shall not be more than 45 days after the date upon which the Chairman of the Board received such request.
• On a request from shareholders representing 1/20 of the paid-up share capital the Board of Directors shall be obliged to enter in the agenda of the General Meeting which has already been called additional items if that request arrives with the Board of Directors at least 15 days before the General Meeting. The additional items shall be published or notified by the Board of Directors In line with Article 26 at least 7 days before the General Meeting.
• On a request from any shareholder submitted to the company at least 5 whole days before the General Meeting the Board of Directors shall be obliged to provide the specific information requested to the General Meeting about company affairs to the extent that it is useful for a real assessment of the items on the agenda.

Moreover, on the request of shareholders representing 1/20 of the paid up share capital the Board of Directors shall be obliged to inform the Ordinary General Meeting only of the amounts paid over the last two years to each member of the Board of Directors or managers of the company and all benefits given to those persons on any ground or under any contract between them and the company.

8.4

SHAREHOLDER'S RIGHTS

On a request from shareholders representing 1/5 of the paid-up share capital submitted to the company at last 5 whole days before the General Meeting, the Board of Directors shall be obliged to the provide the General Meeting with information about the progress of company affairs and its asset status.

Shareholders representing 1/20 of the share capital shall have a right to request an audit of the company by the Single- Member Court of First Instance in the region where the company has its seat if it is considered that there are acts which breach the provisions of law or the company's Articles of Association or General Meeting decisions. In this case the application for an audit shall be submitted within 3 years from approval of the financial statements for the period in which the acts complained off were committed.

Shareholders representing 1/5 of paid-up share capital are entitled to ask the Single-Member Court of First Instance to order an audit of the Company, when the general state of the Company's affairs warrants the belief that the Company Management is not, as required, exercising prudent and effective management.

Payment of Dividends

Provided a decision has been taken to distribute a dividend, it is to be paid to shareholders within two months from the date of the Ordinary General Meeting that approved the annual financial statements and the profit distribution, in compliance with articles 5.2 & 5.5 of the new revised ATHEX Rules. The method and date of payment must be notified to shareholders by notices or publications in the daily press. Dividends may be claimed within a period of 5 years from the end of the year in which the dividends became payable.

Taxation of Dividends

Under the provisions of Article 112(7), (8) and (11) of Law 4387/2016 (Government Gazette 85/A/12.5.2016) which amended the provisions of Law 4172/2013 on the tax rate for dividends from distributed profits approved by General Meetings, a withholding tax of 15% is applied to dividends which are distributed.

8.5

SHARE'S STOCK MARKET PERFORMANCE

The Company's share has performed as followed since it was listed on the Athens Exchange:

- On 10.4.2007 it was upgraded to the High Cap category. (for companies whose valuation is over € 100 million).
- Since 2.6.2008 it has been listed on the ATHEX General Index.
- On 26.9.2008 it was included in the Mid40 Index.
- On 29.5.2009 it was included in the MSCISmallCap Index.
- On 31.12.2016 the company's share formed part of the following indexes:

i. GI Athens Exchange General Index
ii. DKO FTSE ATHEX UTILITIES
iii. FTSEA: FTSE/ATHEX Market index
iv. FTSEM: FTSE ATHEX MID CAP
v. HELMSI: Hellenic MID & SMALL CAP Index
vi. GIOP General Index Overall Performance

8.6

SHAREHOLDER LINE-UP

SHAREHOLDINGS AT 31.12.2016

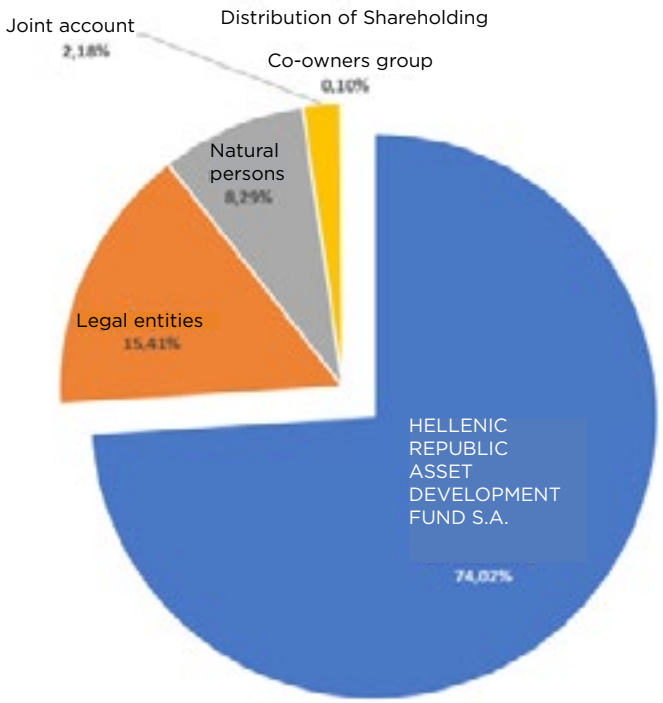
Shareholding brackets	NO. OF SHAREHOLDERS	NO. OF SHARES	%
0<Shares<=500	1,228	256,268	0.706%
500<Shares<=1000	425	352,448	0.971%
1000<Shares<=10000	684	2,098,400	5.781%
10000<Shares<=50000	77	1,664,724	4.586%
50000<Shares<=1000000	15	3,077,290	8.477%
1000000<Shares	2	28,850,870	79.479%
TOTAL	**2,431**	**36,300,000**	**100.00%**

Shareholder line-up at 31-12-2016

Shareholders	as a % of shares	No. of shareholders	No. of shares
HELLENIC REPUBLIC ASSETS DEVELOPMENT FUND S.A.	74.02%	1	26,868,000
Legal persons	15.41%	88	5,595,070
Natural persons	8.29%	2,055	3,010,534
Joint investment accounts	2.18%	286	791,704
Joint owners	0.10%	1	34,692
Total	**100.00%**	**2,431**	**36,300,000**

8.6

SHAREHOLDER LINE-UP



If one compares EYATH S.A's shareholder line-up on 31.12.2016 with that on 31.12.2015 the following points can be made:

i. HRADF S.A. continues to be the main shareholder, with a 74.02% stake.
ii. Changes have occurred with the other legal persons category, whose number has dropped to 88, though their stake has risen by 0.49% from 14.92% to 15.41%.
iii. The holdings of individuals have fallen from 8.83% to 8.29% (0.54%) and their number has dropped by 57 from 2,112 shareholders on 31.12.2015 to 2,055 shareholders on 31.12.2016.
iv. On 31.12.2015 there were 286 joint investment accounts accounting for 2.13% of the capital and 774,238 shares, while on 31.12.2016 there were 286 of them accounting for 2.18% of the capital and 791,704 shares.
v. Finally the joint owners category remained unchanged, with 1 shareholder holding 0.10% of the capital and 34,692 shares.

Shareholders with more than 5% of the capital

Other than the Greek State which has a 74.02% stake, the French firm "SUEZ ENVIRONNEMENT" (www.suez-environnement.com) has a strategic holding of 1,982,870 shares or a 5.46% stake.

8.7

SHARE TECHNICAL DATA

TECHNICAL DATA FORM

	2015	2016
Number of shares	36,300,000	36,300,000
Free float	9,432,000	9,432,000
Share nominal value	€1.12	€1.12
Listing price	€1.79	€1.79
Highest price for year	€3.35	€3.86
Lowest price for year	€2.22	€2.65
Closing price on 31/12	€3.00	€3.48
EYATH S.A.'s stock exchange value on 31/12	€108,900,000	€126,324,000
Dividends	€0.225	€0.114*

The figure of 0.114 is the Board's recommendation to the General Meeting.
The General Meeting of Shareholders is entitled to take a different decision.

The change in share prices at stock exchange sessions in 2016 is presented in the table below which shows the highs and lows:

MONTHS	VOLUME OF TRANSACTIONS	MAX. PRICE	MIN. PRICE	CLOSING PRICE
January	€309,785	€3.05	€2.74	€2.80
February	€565,901	€2.98	€2.65	€2.97
March	€159,857	€3.00	€2.73	€2.94
April	€1,156,281	€3.54	€3.00	€3.30
May	€1,241,265	€3.70	€3.27	€3.55
June	€676,931	€3.86	€2.91	€3.12
July	€212,771	€3.20	€2.98	€3.15
August	€162,208	€3.30	€3.01	€3.29
September	€390,318	€3.34	€3.05	€3.22
October	€277,486	€3.64	€3.22	€3.48
November	€221,222	€3.55	€3.36	€3.40
December	€301,361	€3.50	€3.30	€3.48
TOTAL FOR YEAR	€5,675,386			

8.7

SHARE TECHNICAL DATA

The chart showing the share's performance during 2016 is presented below:

8.8

SHAREHOLDER RELATIONS

Shareholders and investors interested in more information can contact the Shareholders Relations and Corporate Announcements Dept. (98 Tsimiski St., Thessaloniki GR-54622) (contact Mr. Vasilios Margaris)
Tel. 2310 286613 & Fax 2310 250642, during normal business hours.

SECTION 9

THE COMPANY'S SHARE

Quality in Life!

THESSALONIKI WATER SUPPLY & SEWERAGE Co. S.A.

ANNUAL FINANCIAL REPORT

for the period 1 January 2016 -
31 December 2016
IN ACCORDANCE WITH INTERNATIONAL
FINANCIAL REPORTING STANDARDS

ΑΡ.Μ.Α.Ε.: 41913/06/Β/98/32
ΑΡ.Γ.Ε.ΜΗ.: 58240404000
Egnatias 127- 54635 Thessalonikis

ANNUAL FINANCIAL REPORT
FOR THE PERIOD 1 JANUARY 2016 - 31 DECEMBER 2016
IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

It is confirmed that the attached Annual Financial Statements are those approved by the Board of Directors of **"THESSALONIKI WATER SUPPLY & SEWERAGE CO. S.A."** on 27 April 2017 and have been published on the internet at www.eyath.gr. Note that the summary financial data published in the press seeks to provide the reader with certain general financial information but does not provide a complete picture of the financial position and results of the Company and Group in accordance with the International Financial Reporting Standards. Moreover, it should be noted that the condensed financial data published in the press contains certain abridgements of accounts for the purpose of simplification.

STATEMENTS BY BOARD OF DIRECTORS MEMBERS (in accordance with Article 4(2) of Law 3556/2007)

The members of the Board of Directors of the company with the corporate name **"THESSALONIKI WATER SUPPLY & SEWERAGE CO S.A.",** trading as EYATH S.A., whose registered offices are at 127 Egnatias St., Thessaloniki, GR-54635:
1. Ioannis Krestenitis, Chairman of the BoD & CEO
2. Ioannis Papaioannou, Vice Chairman of the BoD
3. Styliani Valani, Vice Chairman of the BoD

in implementation of the provisions of Article 4(2) of Law 3556/2007, we hereby state and confirm, that to the best of our knowledge:
(a) the attached annual company and consolidated financial statements for the company EYATH S.A. for the period from 1/1/2016 to 31/12/2016 which were prepared in accordance with the applicable IFRS accurately reflect the assets and liabilities, equity and results of EYATH S.A. and the enterprises included in the consolidation, taken as a whole.
(b) the attached annual report of the Board of Directors of EYATH S.A. accurately reflects the developments, performance and position of EYATH S.A. and the enterprises included in the consolidation, taken as a whole, including a description of the main risks and uncertainties they face.

Thessaloniki, 27 April 2017

Confirmed by

Ioannis Krestenitis	**Ioannis Papaioannou**	**Styliani Valani**
Chairman of the Board of Directors & CEO	Vice Chairman	Vice Chairman
ID Card No. AB 680550	ID Card No. AE 183479	ID Card No. Π 880772

ANNUAL REPORT OF THE BOARD OF DIRECTORS

(prepared in accordance with the provisions of Article 4 of Law 3556/2007 and the relevant decisions of the BoD of the Hellenic Capital Market Commission for the period 1 January 2016 - 31 December 2016)

Dear Shareholders,
In accordance with the provisions of Law 3556/2007 and the relevant decisions of the Hellenic Capital Market Commission, we are submitting to you this Annual Report of the Board of Directors for the current period (1/1/2016-31/12/2016).

This report contains summary financial data about the financial position and results of the company EYATH S.A. and the EYATH Group of companies, a description of the significant events that took place during this fiscal year, a description of the significant events that took place after the balance sheet date, a description of the projected course of business for the Group and the Company, information about the management of significant financial risks for the Group and the Company, a presentation of the significant transactions concluded between the Company and the Group and related parties, as well as other information with regard to the shares, share capital and significant agreements in force at the end of this fiscal year.

CONDENSED FINANCIAL INFORMATION ABOUT THE GROUP AND THE COMPANY

The Group consists of a) the company under the name "THESSALONIKI WATER SUPPLY & SEWERAGE CO S.A." trading as "EYATH S.A." (hereinafter the "COMPANY" or "EYATH S.A."), that was founded in 1998 (Law 2651/3-11-1998 (Government Gazette 248/A/3-11-1998), created from the merger of the companies "Thessaloniki Water Supply Organisation S.A." (OYTH S.A.) and "Thessaloniki Sewerage Organisation S.A." (OATH S.A.), which had been converted into societes anonyme during 1997 and b) the totally owned subsidiary EYATH SERVICES S.A., which engages in the provision of all types of Water Supply & Sewerage Services, telecommunications services and the generation and sale of electricity.

FINANCIAL INFORMATION - COURSE OF BUSINESS

The following financial information concern the EYATH S.A. Group.

Turnover was € 73,278 compared to € 73,048 during the corresponding period last year, reflecting an increase of € 230 or 0.31%. The cost of sales was € 43,782 compared to € 46,980 in 2015, down € 3,198 or -6.81%. Group EBT was € 21,769 compared to € 20,701 during the corresponding period last year, up € 1,068 or 5.16% approximately. Finally, Earnings After Tax in 2016 amounted to € 12,457 compared to €13,485 in 2015, down by € 1,028 or -7.62%.

The Group's turnover was the result of the sale of water supply and sewerage services. The increase in turnover was primarily due to the rise in water consumption and the corresponding sewerage charges, while it should be noted that the extension of the social tariff (i.e. a reduced tariff for supplying water to financially and socially vulnerable population groups) had no negative impact on the company's current income.

Gross Profit in 2016 stood at € 29,496 compared to € 26,068 in the previous year, up € 3,428 or 13.15%.

EBITDA for EYATH S.A. during the current period amounted to € 26,501 compared to € 25,338, up € 1,163 or 4.59%.

Finally cash and cash equivalents as at 31/12/2016 stood at € 56,697 compared to € 50,956 as at 31/12/2015, up some € 5,741 or 11.27%.

ALTERNATIVE PERFORMANCE MEASURES ("APMS")

In its management reports and investor disclosures the Group uses Alternative Performance Measures (APMs) in addition to the financials included in its financial statements, which have been prepared in accordance with the current financial reporting framework.
The purpose in providing these measures is so that both Company Management and investors have a fuller picture of the performance, capital structure, activities and liquidity of the Group, but should not under any circumstances be taken into account independently of the measures resulting directly from the financial statements.

The APMs used by the Group are as follows:

Gross profit margin (%)
This measure is calculated by dividing the Gross Profit by Turnover, using the exact figures which appear in the financial statements.

EBITDA Margin (%)
This measure is widely known among the investing community and is a general performance measure, with the advantage that it isolates the impacts of financing-investing results, income tax and the main category of non-cash expenses which is depreciation.
The measure is calculated by deducting from turnover the cost of sales, selling expenses, administrative expenses, and other expenses and adding operating expenses and total depreciation, and then dividing by turnover. These figures are used as shown in the financial statements and notes thereto, without any adjustments.

EBIT Margin (%)
This measure, like the previous one (EBITDA) is widely known among investors and is a general performance measure, with the advantage that it can isolate the impacts of financing-investing results and income tax.
The measure is calculated by deducting from turnover the cost of sales, selling expenses, administrative expenses, and other expenses and adding operating income, and then dividing by turnover. These figures are used as shown in the financial statements, without any adjustments.

Earnings before tax / turnover (EBT Margin) (%)
This measure, like the previous one (EBIT) is widely known among investors and is a general performance measure, with the advantage that it can isolate the impacts of income tax.
The measure is calculated by deducting from turnover the cost of sales, selling expenses, administrative expenses, other expenses and financial expenses, and adding other operating income and financial income, and then dividing by turnover. These figures are used as shown in the financial statements, without any adjustments.

Earnings after tax / turnover (EAT Margin) (%)
This measure is widely known among investors and is a general performance indicator, with the advantage that it examines the performance of net earnings after tax compared to turnover.
The measure is calculated by deducting from turnover the cost of sales, selling expenses, administrative expenses, other expenses, financial expenses, and income tax and adding other operating income and financial income, and then dividing by turnover. These figures are used as shown in the financial statements, without any adjustments.

Current ratio: total current assets / total short-term liabilities
This ratio shows the relationship between a company's equity and debt. These figures are used as shown in the financial statements, without any adjustments.

These measures are shown in the table below:

	1/1/2016-31/12/2016		1/1/2015-30/12/2015		Deviation
Performance and profitability ratios					
Gross Profit Margin	40.25%		35.69%		4.57%
EBITDA Margin	36.17%		34.69%		1.48%
EBIT	27.97%		26.80%		1.17%
EBT Margin	29.71%		28.34%		1.37%
EAT Margin	17.00%		18.46%		-1.46%
INVESTMENT RATIOS					
Earnings per share after tax	0.3432		0.3715		-7.61%
LIQUIDITY RATIOS					
	31/12/2016		31/12/2015		Deviation
General liquidity (Current assets / short-term liabilities)	10.31		5.99		72.05%
CAPITAL STRUCTURE & VIABILITY RATIOS					
Equity / Debt	407.36%		338.07%		69.29%

PRICING POLICY

Decision No. 416/2011 of the Board of Directors set the company's pricing policy for the 2012-2013 period, which was ratified with Joint Ministerial Decision No. 4799/19-12-2012 (Government Gazette 3450/B/27-12-2012) of the Ministers of Finance and Macedonia-Thrace. This decision remains in force to date, and there has been no change to the Company's pricing policy.

Currently, Article 33 of Law 4258/2014 on arrangements for setting the tariffs of EYDAP and EYATH is in force, under which as of 1.7.2015 tariffs for water supply and sewerage services are to be approved by decisions of the Special Secretary for Water, following consultations with the Minister of Finance and other relevant agencies.

The Ministry of Environment and Energy had put up for public consultation the Joint Ministerial Decision on the "Approval of general rules for costing and pricing water services. Cost-recovery method and procedures for water services in its various uses", which will determine the procedure for costing water supply and sewerage services, and may change the pricing of the water as of the day of its implementation in early 2018.

MAJOR EVENTS

On 11/5/2016, during the Ordinary General Meeting of the Company's shareholders, the Company's new Board of Directors was elected, its term ending on 10/5/2021. The new management of EYATH S.A., in a spirit of transparency and fairness, will seek to "invest" its profits in projects for the Thessaloniki public, ensuring a balance between the Company's growth and the protection of the environment, which in the case of the Thessaloniki urban centre, is synonymous with protection of the Thermaikos Bay.

EYATH S.A. combines its business operations with social responsibility, providing a high level of water supply and sewerage services, at the lowest possible cost. At the same time, serving as the manager and provider of a public commodity, such as water, it makes sure that it is accessible to sensitive (vulnerable or special) groups of citizens, ensuring that they can cover their basic needs, having established a social water supply tariff.

Following steps taken by Company management, procedures have been launched through the Central Staff Recruitment Board (ASEP) to increase the company's workforce, with 150 employees to be added within the current fiscal year, to allow EYATH S.A. to expand its activities and contribute towards the economic growth of the wider region. The process of submitting applications and supporting documents has already been completed for 80 university or technical college employees and the final tables remain to be published, while procedures to recruit 70 secondary education employees is under way.

During the previous year, the Company's new Management team restructured the Company in administrative terms, preparing a new organisational chart, which reduced the number of Divisions from 8 to 6 through the reallocation of departments and competences, and also appointing a new General Manager and new heads of divisions and departments after an evaluation process. The Company's Management Board was also launched, which operates on the basis of updated internal regulations.

In September 2016, the Board of Directors approved the Business Plan for the Management - Distribution of water for water supply purposes within EYATH's remit. The budget for the plan (excluding the water supply SCADA which will be financed by a Central Macedonia Region NSRF Programme with a budget of € 4.4 million) is € 64 million and will be implemented by the Company over the next 5 years.

The Board of Directors also recently approved a new company investment and business programme for the 2017-2023 period, aiming to:

- ensure the overall development of its networks, namely a series of technical projects in order to supply water to areas of both the urban area, and beyond it, to regions which currently are lacking good quality water;
- implement the extension of the Thessaloniki Water Treatment Plant (known as the 'refinery') to ensure the necessary extra quantity of water needed to cope with current and future water supply demand for the Thessaloniki urban area;
- expand its operation to neighbouring areas facing water supply and sewerage problems, for example tourist areas with water supply problems due to over-abstraction, saline water, etc.

On 26/4/2016 the Board of Directors of the Hellenic Republic Asset Development Fund (HRADF) approved the updated Asset Development Plan (ADP), which on 25/5/2016 was approved by the Government Economic Policy Council (Government Gazette 1472/B). According to the above plan, alternative options for sale of 23% of the Company's shares will be evaluated.

Article 2 of Law 4425/2016 (Government Gazette 185/A/30.9.2016) amended Article 197(6) of Law 4389/2016 and it was decided that 51% of shares in the Company would be transferred to the Public Holdings Company S.A. when it is established. So far, that transfer has not taken place and HRADF is still the main shareholder in the Company, with a 74.02% stake.

PROSPECTS - RISKS

PROSPECTS

The Company's strategy aims at fulfilling its obligations as a Utility Company, in combination with increasing the shareholders' assets. To this end, it seeks to improve the quality of the services it provides through an investment program, to improve its facilities, expand its technological infrastructures by using advanced software packages and developing specialised IT applications. In this context, the company installed in early 2016 a new information system (SAP) for its economic management (purchasing, warehouses, accounting department) and is currently planning the next stage which focuses on trade management (Billing & CRM).

According to Article 26 of Law 2937/2001, the Company's territorial remit, within which it may provide its services and conduct its business, is the following:

WITH REGARD TO WATER SUPPLY: the Municipalities of Thessaloniki, Ampelokipi, Kalamaria, Neapoli, Sykies, Agios Pavlos, Menemeni, Polichni, Efkarpia, Triandria, Eleftherio Kordelio, Evosmos, Stavroupoli, Panorama, Pylea, Oreokastro, Pefka, as well as the industrial area of Thessaloniki.

WITH REGARD TO SEWERAGE: the territorial remit of EYATH S.A. is divided into five regions:

"**Region A**" includes the Municipalities of Thessaloniki, Ampelokipi, Kalamaria, Neapoli, Sykies, Agios Pavlos, Menemeni, Polichni, Triandria, Diavata, Eleftherio Kordelio, Evosmos, Stavroupoli, Pylea, Panorama, Oreokastro, the districts of Ionia and Kalohori of the Municipality of Echedoros and the Community of Efkarpia.

"**Region B**" includes the area surrounded by the rivers Gallikos and Axios, up to the sea, including the industrial zone of the major Thessaloniki area, the district of Sindos of the Municipality of Echedoros, the districts of Agios Athanasios, Anchialos, Gefyra of the Municipality of Ag. Athanasios and the districts of Halastra and Anatoliko of the Municipality of Halastra.

"**Region C**" includes the hill zone of the Thessaloniki urban area and includes the community of Pefka and the District of Asvestochori, Exochi, Filyro of the Municipality of Hortiatis.

"**Region D**" extends to the Municipalities of Kalamaria and Panorama, to the Sedes public baths and the airport of Mikra and includes the Industrial area and the Districts of Thermi, N. Redestos, N. Rysio and Tagarades of the Municipality of Thermi and District of Agia Paraskevi of the Municipality of Vassilika.

"**Region E**" extends from the airport of Mikra and the districts of N. Rysio and Tagarades of Agia Paraskevi to the sea and includes the Districts of Agia Triada, Perea, N. Epivates of the Municipality of Thermaikos and the districts of Nea Michaniona, Emvolo, Angelohori of the Municipality of Michaniona.

The Company, under a contract signed with the corresponding Municipality and EYATH Fixed Assets can undertake the existing network of local government authorities in one of the above regions and the obligation to provide water supply or sewerage services to the corresponding Municipality. The Company, under a contract signed with the corresponding Municipality, EYATH Fixed Assets, and approved by a joint decision of the co-competent ministers, can extend its activity to the territory of local government authorities that are outside the above regions.

The Company has undertaken initiatives for inclusion of the Nikopoli area in the network.
Note that the operations of no operating sector have been discontinued.

GROUP AND COMPANY RESEARCH & DEVELOPMENT OPERATIONS

During the current year, the Group's total expenses for research & development were € 491 for the development of new research programmes relating to the protection of water resources, the conditions of climate change and the protection of the environment, and the control of the overflows of the combined systems.

CORPORATE SOCIAL RESPONSIBILITY

As part of its Corporate Governance strategy to ensure the long-term, balanced development of the company for the benefit of employees, consumers and shareholders, EYATH S.A. is implementing Corporate Social Responsibility (CSR) activities, considering CSR as a key Corporate Governance tool.

EYATH S.A.'s CSR programme primarily relates to **employees**, who benefit from a creative, rewarding work environment; **consumers**, who have shown increasing interest in the social and environmental credentials of the companies they do business with; and **local communities** that wish to share the same principles and values with local companies, especially in hard financial times, like those Greece has had to endure in recent years. However, it also relates to **shareholders**, who reward responsible corporate behaviour and attitudes, just as they do with similar businesses in Europe which seek to operate and run under a common European and international framework of principles. Above all, it relates to future generations who seek to take possession of a world which respects man and the environment.

In line with European practice in this area, which in effect is voluntary for businesses while contributing to the goals of sustainable development, EYATH:

- encourages and provides financial support for employee involvement in educational programmes (seminars, conferences, workshops, postgraduate degrees), to bolster their skills, personal development and job satisfaction, and to improve their day-to-day dealings with consumers
- encourages staff to get involved in volunteering (by collecting food or other items for the poor, participating in running events that share a social cause, etc.)
- organises events and distributes gifts to employees' children and provides cash rewards to school pupils with the highest scores in the university entrance exams every year;
- runs camping schemes for employees' children
- ensures the safety of its staff
- has been offering a social tariff since early 2014, with a 50% discount to assist vulnerable groups of citizens and in particular those with large families, the elderly, those on low incomes or the long-term unemployed, and also offers a broad spectrum of repayment plans for overdue debts for all debtors and the financially disadvantaged
- runs info-campaigns for the public about the options available to socially and financially vulnerable population groups
- provides service to citizens via new and improved e-services and an extensive network of partners
- ensures that it is in line with the applicable environmental legislation, by constantly monitoring, consolidating and complying with the terms of environmental guidelines and directives at national and European level. EYATH is actively involved in EUREAU (the European Federation of National Associations of Water and Wastewater Services) through working groups and participates in the preparation of environmental guidelines at European level
- invests in improving its facilities to ensure better performance and reduce energy consumption
- contributes actively to surface cleaning of the Thessaloniki seafront, removing floating objects and spills or cleaning up pollution incidents
- removes urban and industrial wastewater from the urban area via an extensive sewerage network, controlled by remotely controlled and operated systems;
- plans for the systematic modernisation of the water supply network to reduce leaks
- operates a state-of-the-art GIS system for preventative maintenance and rapid response to emergencies
- implements a programme to re-use water treated at the Thessaloniki Wastewater Treatment Facility to irrigate areas of land in the Halastra - Kalohori plains during droughts;
- ensures that sludge is managed in an environmentally and socially beneficial manner: one of the most appropriate solutions is to use it as a fertiliser. It also aims to improve the biogas production unit running on sewage sludge which is already in operation at the Sindos Biological Treatment Plant, and to utilise its heat generating capacity
- systematically recycles at the workplace and uses environmentally-friendly materials;
- collaborates with the academic community at specialist and general events on environmental issues, attracting audiences comprised of students, experts and ordinary citizens

- participates in World Water Day celebrations on 22 March and World Environment Day events on 5 June, hosting info-events for the general public
- supports sporting and artistic events in the city, promoting the idea of well-being and culture, and also supports the activities of bodies with a strong reputation for social action
- runs an hour-long programme entitled "The sewerage cycle in Thessaloniki" to inform and increase awareness among primary and secondary school pupils
- prepares educational programmes for children as part of the Thessaloniki International Fair
- offers students at universities, technological education institutes and OAED academies the chance to do an internship and acquire valuable work experience in a decent working environment
- helps improve the life of refugees in hosting centres in the area around Thessaloniki
- welcomes thousands of primary and secondary school pupils, as well as associations and other stakeholder groups, at the Water Supply Museum in operation since 2001 and open for the duration of the school year
- keeps an archive of maps, letters and other documents at the Water Supply Museum which cover the history of water supply in Thessaloniki and are available to any interested parties.

Through such activities, EYATH S.A. is fostering and showcasing its long, vibrant relationship with the local community.

COMPANY BRANCHES

During the year ended, as well as during the previous one, the Company had no branches through which it engages in its business activities, outside the Thessaloniki urban area.

OWN SHARES HELD BY THE GROUP AND THE COMPANY

At year-end no shares of the parent Company were held by the same or another company included in the consolidation.

RISKS

Risk related to the sector in which the Group operates

As regards the possibility of the future deregulation of the market, in relation to EU law and its possible impact on the Group, we note that due to the nature of the installed infrastructure (mainly underground networks and tanks), the water supply - sewerage sector is a typical example of a physical monopoly, where the development of alternative networks and the creation of competition conditions, where customers could choose between different suppliers of processed drinking water, is extremely difficult.

We further note that in all countries of the European Union, as well as the rest of the world, water supply-sewerage services are provided by private or state companies (or local government authorities) without any capability of developing competition within the specific geographical boundaries where these companies provide their services.

The specific characteristics of the water supply and sewerage sector (that differentiate this utility sector), are recognised by the European Union, and never to this date has an issue ever been raised regarding the abolition of the monopoly of the sector, and the development of competition, as for example was the case in the telecommunication services sector.

Therefore, we do not consider possible, at least in the foreseeable future, the possibility of development of competition in this sector.

Financial risk factors

The Group's main financial tools are cash, bank deposits, trade and other receivables and liabilities. Management examines and periodically reviews the policies and procedures related to financial risk management, such as credit risk and liquidity risk, which are described below:

Market risk

i) Exchange rate risk

The Group and the Company do not face exchange rate risks, because throughout the year ended they did not carry out transactions in foreign currency and all assets and liabilities were in euro.

ii) Price risk

As regards price risk, the Group is not exposed to significant risk of fluctuation of the variables that determine both revenues and cost.

There were no loan liabilities on 31/12/2016.

(iii) Cash flows and fair value of risk rate

The Group has a limited interest rate risk in interest-bearing assets (time deposits) and therefore the income and the operating cash flows depend, to a point, on the changes to the interest rate market.

Management is monitoring interest rate fluctuations on an ongoing basis, and evaluates in each case the duration and the type of time deposits.

Credit risk

Credit risk is managed on a group basis. Credit risk arises from cash at hand and cash in banks, as well as credit exposure to customers, including significant receivables and transactions made.

The Company is constantly monitoring its receivables, either separately or per group (customer categories) and incorporates this information into its credit control processes. Cash and cash equivalents do not entail significant credit risk. Trade and other receivables include receivables from private customers, with a relatively limited degree of risk of losses, mainly due to the broad dispersion of the receivables, whereas for receivables from the State and the broader public sector, the company examines the possibility of collecting due debts by drawing up contracts or through legislative regulations.

At the end of the period, Management deemed that there is no significant credit risk that is not covered by some collateral or an adequate provision for bad debt. The Company forms no provision for due receivables from the State because it anticipates that it will collect them in their entirety. None of the financial assets has been secured with a mortgage or other form of credit security.

The Company forms no provision for due receivables from the State because it anticipates that it will collect them in their entirety.

Liquidity risk

Liquidity risk is kept low, by means of ensuring adequate cash assets.

As regards the Company's and the Group's cash, note that it is deposited in sight and time accounts in Greek banks and at the Bank of Greece, which are subject to capital controls. On the other hand, the Group operates in the domestic market and is not affected by potential adversities, because it does not have any significant transactions with foreign suppliers, which might have affected its smooth operation.

The Company continues to follow-up these developments carefully, taking any measure needed to ensure the unhindered continuation of its business activity and will inform investors immediately about any effect which the unfolding events may have on its operation, financial position and results.

	THE GROUP		THE COMPANY	
	1/1/2016 - 31/12/2016	1/1/2015 - 31/12/2015	1/1/2016 - 31/12/2016	1/1/2015 - 31/12/2015
Income				-51
Expenses			1.969	1.668
Transactions with and fees for executives and Board members	783	820	783	819

	THE GROUP		THE COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Receivables			120	131
Liabilities			275	231
Receivables from management executives and board members	4	5	4	5
Liabilities to management executives and Board members	20	329	20	327

SIGNIFICANT TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES

According to the Group, related parties are members of the Board of Directors, management executives, as well as the shareholders holding a significant percentage of its share capital (including their related parties). The transactions and the balances of the Group's and Company's related parties, during the 1/1/2016 - 31/12/2016 period and as at 31/12/2016 respectively, as well as during the previous fiscal year, are broken down in the following tables (see note 27 of the financial statements):

The Company's expenses of € 1,969 are related to meter reading services and distribution of receipts, as well as other services provided by subsidiary "EYATH SERVICES S.A.". The Company's receivable of € 120 mainly relates to receivables from the approved dividend. The Company's liability of € 275 relates to meter reading services and distribution of receipts to the subsidiary EYATH SERVICES S.A.
The actuarial liability for the Company's related parties (management executives) was € 260 on 31.12.2016 (compared to € 241 in 2015).

STRUCTURE OF THE COMPANY'S SHARE CAPITAL

The Company's Share Capital amounts to forty million six hundred and fifty six thousand euro (€ 40,656,000) divided into thirty six million three hundred thousand (€ 36,300,000) ordinary bearer shares with voting rights, of a nominal value of one euro and twelve cents (€ 1.12) each.
Company shares are listed for trading on the Equities Market of the Athens Exchange (Category: Large Capitalisation). The Company's shareholders rights arising from shares depend on the percentage of capital held which corresponds to the share's paid value.
Each share grants all the rights specified by law and the Company's Articles of Association and in particular:

Right to obtain a dividend from the Company's annual profits;

- 35% of the net profits (having deducted the statutory reserve first) are distributed from the profits each fiscal year to shareholders as a first dividend, unless the General Meeting stipulates otherwise. The General Meeting also decides on whether to distribute any additional dividend. As regards the dividend of 2016, the distribution of a dividend of € 0.114/share was approved, in order to avoid potential liquidity problems due to the major investment programme which the Company has under way. All persons who are shareholders as at the holder-of-record date are entitled to a dividend. The dividend will be paid to the shareholders within 2 months from the date of the Ordinary General Meeting that approved the annual financial statements. The place and manner of payment shall be announced in the press. The right to collect a dividend becomes statute-barred and the amount involved devolves to the State if not collected within 5 years from the end of the year in which the General Meeting approved distribution.
- The right to receive the contribution paid, upon liquidation or upon the writing off of capital corresponding to the shares, where this is decided upon by the General Meeting.
- The pre-emptive right in each increase of the Company's share capital with cash and new shares.
- The right to receive a copy of the financial statements and reports of chartered auditors and the Company's Board of Directors.
- The right to participate in the General Meeting which consists of the following specific rights: legal standing, attendance, participation in discussions, submission of proposals on items on the agenda, entry of views in the minutes and voting rights.
- The General Meeting of the Company's shareholders shall retain all its rights during the period of liquidation.
- Shareholders' liability is limited to the nominal value of the shares held.

LIMITATIONS TO THE TRANSFER OF THE COMPANY'S SHARES
The company's shares are transferred as stipulated by Law 2190/1920, Article 8b, and there are no limitations on transfer set out in its Articles of Association. Company shares are dematerialised and listed on the Athens Exchange.

SIGNIFICANT DIRECT OR INDIRECT HOLDINGS WITHIN THE MEANING OF ARTICLES 9 TO 11 OF LAW 3556/2007.
Shareholders with a significant holding in the Company's share capital on 31/12/2016 were as follows:

SHAREHOLDER	Number of shares held	Holding on 31/12/2016
Hellenic Republic Asset Development Fund		
S.A.	26,868,000	74.02%
Other shareholders	9,432,000	25.98%
Total	36,300,000	100.00%

Article 2 of Law 4425/2016 (Government Gazette 185/A/30.9.2016) amended Article 197(6) of Law 4389/2016 and it was decided that 51% of shares in the Company would be transferred to the Public Holdings Company S.A. when it is established. So far, that transfer has not taken place and HRADF is still the main shareholder in the Company, with a 74.02% stake.

HOLDERS OF ALL CLASSES OF SHARES ENTITLING THEM TO SPECIAL RIGHTS OF CONTROL
There are no shares in the Company granting their holders special rights of control.

LIMITATIONS TO THE VOTING RIGHT - DEADLINES FOR EXERCISING RELEVANT RIGHTS
The Company's Articles of Association contain no restrictions on voting rights deriving from its shares.

AGREEMENTS BETWEEN COMPANY SHAREHOLDERS
The Company is not aware of the existence of agreements between its shareholders which entail restrictions on the transfer of its shares or the exercise of voting rights deriving from its shares.

RULES ON THE APPOINTMENT AND REPLACEMENT OF BOARD MEMBERS AND AMENDMENTS OF THE ARTICLES OF ASSOCIATION
The rules contained in the Company's Articles of Association on appointment and replacement of members of the Board of Directors and amendment of the provisions of the Articles of Association are not different from those contained in Codified Law 2190/1920.

POWERS OF THE BOARD OF DIRECTORS OR SPECIFIC MEMBERS TO ISSUE NEW SHARES OR PURCHASE OWN SHARES
Article 5(3) of the Company's Articles of Association states that the General Meeting may reach a decision, to be published in the manner required by Article 7b of Codified Law 2190/1920 as in force, granting the Board of Directors the right to make a decision by a 2/3 majority at least of its members to increase the share capital in whole or in part by issuing new shares up to the paid-up share capital on the date that the said power was granted to the Board of Directors. To purchase own shares, the competence of the Board of Directors does not change, according to the provisions of Article 16 of Codified Law 2190/1920. There is no provision to the contrary in the Company's Articles of Association.

ANY SIGNIFICANT AGREEMENT CONCLUDED BY THE COMPANY AND WHICH ENTERS INTO FORCE, IS AMENDED OR ENDS, IN CASE OF CHANGE IN THE COMPANY'S CONTROL FOLLOWING A TAKEOVER BID
There are no other agreements that enter into force, are amended or end in case of a change in the Company's control, following a takeover bid, other than the trilateral concession agreement between EYATH S.A., EYATH Fixed Assets and the Greek State, which was ratified by Law 2937/2001, Government Gazette 169/A/26.7.2001.

ANY AGREEMENT BETWEEN THE COMPANY AND ITS BOARD MEMBERS PROVIDING FOR COMPENSATION IF THEY RESIGN OR ARE REDUNDANT WITHOUT VALID REASON OR IF THEIR EMPLOYMENT CEASES BECAUSE OF A TAKEOVER BID
There are no agreements between the Company and members of the Board of Directors or staff which provide for the payment of remuneration specifically in the case of resignation or dismissal without just cause or termination of service or employment due to a takeover bid.

DIVIDEND POLICY
Given that the Company is profitable, Management proposes that a dividend equal to € 0.114 per share be distributed. More specifically, it is proposed that the dividend should amount to € 4.138 for 2016, which is 35% of net profits having deducted the statutory reserve only in accordance with the applicable law, for all 36,300,000 bearer shares. The dividend is subject to a 15% withholding tax. The net amount of dividends (after the withholding) cannot be assessed before the dividend is paid and the Hellenic Central Securities Depository is notified because some investors receive special tax breaks and are exempt from the withholding tax.

STATEMENT OF CORPORATE GOVERNANCE

Section: I. Principles of Corporate Governance

In making this statement, and following the provisions of Article 43a(3)(d) of Codified Law 2190/1920, and Article 2(2) of Law 3873/2010, the Board of Directors declares that it has decided of its own initiative to implement the Hellenic Corporate Governance Code which was prepared by the Hellenic Federation of Enterprises (SEV) and then amended as part of the first revision by the Hellenic Corporate Governance Council on 28 June 2013.
(http://www.ecgi.org/codes/documents/hellenic_cg_code_oct2013_en.pdf)

The Hellenic Corporate Governance Code includes provisions of two types: "general principles" which are aimed at all companies, whether listed or not, and "special practices" which only relate to listed companies. The Code follows the "comply or explain" approach and requires listed companies which adopt it to publish their intention in this regard and either comply with all special practices in the Code or explain the reasons for non-compliance with specific special practices. The Code incorporates all applicable legislative requirements on corporate governance, and also includes special practices that go beyond those requirements. EYATH S.A. fully complies with all legislative requirements on corporate governance, while for the time being, at least, does not apply any of the special practices in the Code which go beyond the legislative requirements.

The deviations from the Hellenic Corporate Governance Code are presented and justified in the table below:

Special practices in the Hellenic Corporate Governance Code	Explanation/ justification for deviation from the special practice in the Hellenic Corporate Governance Code
Size and composition of the Board: Special practice 2.3	EYATH S.A.'s Board of Directors consists of 11 members, 2 of whom are independent, non-executive members. The independent members provide the Board with independent, impartial viewpoints.
Size and composition of the Board: Special practice 2.8	For the time being, EYATH has not adopted this specific diversity policy on the composition of the Board of Directors. The fact that it is a company in which the Greek State has an indirect holding does not allow the staff selection and promotion procedures for public agencies to be bypassed. However, the Company publishes the line-up of its Board in the Corporate Governance Statement, giving information about diversity (gender, experience, etc.).
Role and profile of the Chairman of the Board: Special practice 3.1	At EYATH, the posts of Chairman of the Board and CEO are held by the same person. Generally speaking, the Chairman and CEO's competences are set out in the Company's codified Articles of Association and in other internal documents (internal regulations).
Role and profile of the Chairman of the Board: Special practice 3.3	At EYATH, the posts of Chairman of the Board and CEO are held by the same person and no independent, non-executive member of the Board has been appointed as Vice Chairman.
Role and profile of the Chairman of the Board: Special practice 3.4	No independent Vice Chairman has been appointed at EYATH and consequently such person cannot lead the evaluation of the Chairman of the Board, or meetings of the non-executive members.
Nomination of Board members: Special practice 5.1 / Term in office	According to EYATH's Articles of Association, the Board's term in office is 5 years. The specific term in office facilitates the Company's development and strategic planning objectives and is not expected to be reduced.
Nomination of Board members: Special practice 5.4, Special practice 5.5, Special practice 5.6 and Special practice 5.7	EYATH has not set up a board nomination committee. Due to EYATH's special situation and the legislation governing how it operates, the practice can only be applied to a limited extent.
Functioning of the Board: Special practice 6.1	EYATH's Board of Directors does not have internal regulations. However, the Company's Board recognises the value of internal regulations in the performance of its duties, and is expected to draft such internal regulations during 2017.
Board evaluation: Special practice 7.1 and Special practice 7.3	By the date this statement was drawn up, there were no evaluation procedures for the Board of Directors and its Committees, which are chaired by the Chairman. Moreover, the Board does not evaluate the Chairman's performance, which is a procedure that an independent Vice Chairman or other non-executive member (if there is no Vice Chairman) would have to oversee. Members of the Board of Directors are evaluated by the General Meeting of Shareholders.
Board evaluation: Special practice 7.2	Non-executive members do not convene periodically without the executive members being present in order to evaluate the performance of the executive members and discuss their remuneration. The remuneration of members of the Board of Directors is set by the General Meeting of Shareholders. The Board is evaluated by the General Meeting, however the Company will examine the possibility of developing procedures to enable the Board's operations to be evaluated. The design of that evaluation process will be examined after the Board's internal regulations have been prepared.

Special practices in the Hellenic Corporate Governance Code	Explanation/ justification for deviation from the special practice in the Hellenic Corporate Governance Code
System of internal controls: Special practice 1.7	In Decision No. 67/2017 the Board of Directors approved the internal regulations of the Board's Internal Audit Committee.
Level and structure of remuneration: Special practice 1.1 and Special practice 1.10	All Board members receive a fixed fee and a maximum cap has been set for executive members. Consequently, there is no possibility of remuneration being linked to the corporate strategy and the company's objectives, nor with remuneration being linked to how executive members perform.
Level and structure of remuneration: Special practice 1.4	The remuneration for each executive member of the Board is approved by the General Meeting. The remuneration for executive members of the Board is not based on a recommendation from the remuneration committee since at present no remuneration committee has been set up by EYATH (the reasons for this were mentioned above).
Level and structure of remuneration: Special practice 1.6, Special practice 1.7, Special practice 1.8 and Special practice 1.9	No remuneration committee has been set up by EYATH (the reasons for this were mentioned above).

Section: II. Main characteristics of the Internal Controls and Risk Management Systems in relation to the preparation of the Financial Statements

The Internal Audit Unit's mission is:

- to examine and evaluate the adequacy and effectiveness of the Company and Group's system of internal controls and to ascertain to what extent the system provides a reasonable assurance about
- compliance with policies, procedures, guidelines and decisions of Company Management and the legislation governing its operations
- adequate evaluation of the data processing systems, in order to ascertain to what extent such systems achieve their purposes and objectives, and adequate auditing procedures have been incorporated into them
- efficient and effective utilisation of the Company's available resources, and an overview of the means of safeguarding assets and an assurance per se of the existence of such assets (via inventories, counts, etc.)
- reliability of the financial statements
- reliability and completeness of data, information and means used for decision-making.
- Management is briefed by the Audit Committee about the results of scheduled and unscheduled audits.
- Steps taken to correct auditing issues which have been identified and notified in the past are evaluated.

Internal auditing, as a function, is performed in an independent, objective manner and consequently has no power or other form of responsibility for the activities its oversees. The key principles guiding how internal audits are carried out are set out below:

- Each year an Audit Plan is drawn up, which includes areas to be audited during the year, the subject matter and timeframe for carrying out all auditing work. The annual Audit Plan is prepared based on risk assessment and is approved by the Audit Committee.
- Auditing work is carried out by 1st and 2nd class auditors with the required degree of professional diligence, conduct, confidentiality, objectivity and integrity, in compliance with the International Standards for the Professional Practice of Internal Auditing (Standards) and the Code of Conduct of the international Institute of Internal Auditors (IIA).
- When carrying out audits, Company auditors collaborate as necessary with staff and executives who are directly or indirectly involved in the activity being audited.
- The practices and detailed procedures implemented by Internal Auditing, and the operating framework for internal audits are outlined in detail in the Internal Audit Manual.
- The scope of audits and the findings which emerge from each auditing task are recorded in detail in internal Audit Reports. These are prepared by the class 1 and 2 auditors who were involved in the auditing task and are reviewed by the head of the Internal Audit Unit.
- Follow-up of corrective measures is done by the Internal Audit Unit at regular intervals depending on their seriousness.
- The Audit Committee periodically briefs Company Management about issues which come to the attention of auditors while carrying out audits, or from other sources which require further investigation by expert investigators.

Section: III. Modus operandi of the General Meeting of Shareholders, key powers and description of shareholder rights and how they can be exercised.

a) Modus operandi and powers of the General Meeting of Shareholders

The modus operandi and powers of the General Meeting of Shareholders and the rights of shareholders and how they exercise them are set out in detail in Articles 27 to 38 of the Company's Articles of Association, which are available to the public in hard copy at the Company's head offices.

According to the Articles of Association, the General Meeting of Shareholders is the supreme management body which decides on all corporate affairs and its lawful decisions are binding on all shareholders.

The General Meeting of Shareholders is convened by the Board of Directors and meets regularly at the place and time specified by the Board of Directors within the first six months from the end of each fiscal year.

The General Meeting convenes where at least 20 whole days before the meeting an invitation was published which clearly sets out the place and time of the meeting, the items on the agenda, and the procedure to be followed by shareholders to participate and exercise their voting rights.

The General Meeting meets and has a quorum where 1/5 of the share capital is represented at it, apart from cases where a larger quorum of 2/3 of the share capital is required by the Articles of Association.

Shareholders who participate in the General Meeting and have voting rights elect the Chairman and Secretary. The items on the agenda are then discussed and decisions are taken on those matters by absolute majority.

Minutes are kept of the items discussed and decided on by the General Meeting signed by the
Chairman and Secretary.

The General Meeting is the sole body competent to decide on:

a) Extension of the Company's effective term, merger or winding up.

b) Amendment of the Articles of Association, after permission is obtained from the HCMC.

c) Share capital increases or decreases.

d) The election of members of the Board, auditors and valuers.

e) Approval of the annual financial statements.

f) Profit distribution.

b) Rights of Company shareholders
The rights of shareholders and the rights of shareholders with non-controlling interests are set out in the aforementioned articles of the Articles of Association.
The rights of Company shareholders deriving from its shares depend on their holding in the capital which corresponds to the paid-up value of each share. Each share grants all the rights specified by Codified Law 2190/1920 as amended and in force, and the Company's Articles of Association and in particular:
• Right to obtain a dividend from the Company's annual profits. 35% of the net profits (having deducted the statutory reserve first) are distributed from the profits each fiscal year to shareholders as a first dividend. The General Meeting decides on whether to distribute any additional dividend. Each shareholder entered in the register of shareholders maintained by the Company on the holder-of-record date are entitled to a dividend. The dividend will be paid to the shareholders within 2 months from the date of the Ordinary General Meeting that approved the annual financial statements. The place and manner of payment shall be announced in the press. The right to collect a dividend becomes statute-barred and the amount involved devolves to the State if not collected within 5 years from the end of the year in which the General Meeting approved distribution.
• Pre-emptive right for each Company share capital increase with cash and the right to subscribe new shares.
• The right to receive a copy of the financial statements and reports of chartered auditors and the Company's Board of Directors.
• The right to participate in the General Meeting which consists of the following specific rights: legal standing, attendance, participation in discussions, submission of proposals on items on the agenda, entry of views in the minutes and voting rights.
• The right to receive the contribution paid, upon liquidation or upon the writing off of capital corresponding to the shares, where this is decided upon by the General Meeting.
• The General Meeting of the Company's shareholders shall retain all its rights during the period of liquidation.
Company shareholders' liability is limited to the nominal value of the shares held.

Section: IV. Composition and modus operandi of the Board of Directors and other administrative, management and supervisory bodies or committees.

a) Composition and modus operandi of the Board

The composition and modus operandi as well as assignable and non-assignable competences of the Company's Board of Directors are set out in detail in Articles 12 to 25 of its Articles of Association and in the Company's internal regulations, which are available to the public in hard copy at the Company's head offices.
By the time this statement was prepared, there was no nomination committee.
On 11 May 2016, the Ordinary General Meeting of Shareholders elected a new Board of Directors for a 5-year term in office which ends on 10 May 2021 comprised of the following 11 members, following BoD decision No. 179/11.5.2016 and elections held by the company's trade union:

1. Ioannis Krestenitis, Chairman & CEO, executive member
2. Ioannis Papaioannou, Vice Chairman, executive member
3. Styliani Valani, Vice Chairman, executive member
4. Stefania Tanimanidou, Member, independent non-executive member
5. Ioannis Antoniadis, Member, independent non-executive member
6. Evdoxos Petridis, Member, non-executive member
7. Olympia Latsiou - Chrysafi, Member, non-executive member
8. Ioannis Tsionas, Member, non-executive member
9. Eleftheria Karahaliou, Member, non-executive member
10. Georgios Archontopoulos, Member, non-executive member, representative of employees
11. Anastasios Sachinidis, Member, non-executive member, representative of employees

In line with Article 13 of the Articles of Association, the Board of Directors is comprised of between 7 and 11 members. At the Board meeting of 6 April 2017, Panagiotis Gogos was elected as an independent non-executive member, to replace Ioannis Antoniadis who had resigned.
Data is set out below about the gender distribution and age of Board members and senior executives:

Board of Directors	No. of people	%
Men	7	64%
Women	4	36%
Total	11	100%

The age range of Board members is from 32 to 69.

Senior Executives	No. of people	%
Men	6	86%
Women	1	14%
Total	7	100%

The age range of senior executives is from 48 to 67.
b) Independence of Board members
The Board's two independent members meet all requirements on relationships of dependence set out in the Code.
c) Board meetings

In the period 1/1-31/12/2016 the Board of Directors met 29 times, and all members of the Board were presented in person or via a lawful representative at 12 of those meetings. 1 non-executive member was absent from 6 meetings and 2 non-executive members were absent from 2 meetings.

d) Board Committees
Audit Committee
According to the Company's internal regulations, the Board of Directors runs an Audit Committee whose members in the period 1/1/2016 - 10/5/2016 were as follows:

- Mr. Dimitrios Zakalkas, non-executive member, attorney at law.
- Mr. Apostolos Apostolou, independent non-executive member, economist.
- Mr. Sotirios Karahalios, independent non-executive member, mechanical engineer.

Mr. Dimitrios Zakalkas served as Chairman of the Audit Committee.

In the period from 11/5/2016 to 31/12/2016 the Audit Committee consisted of:

- Mr. Ioannis Antoniadis, independent non-executive member, attorney at law.
- Mrs. Evanthia Tanimanidou, independent non-executive member, economist.
- Mr. Evdoxos Petridis, non-executive member, engineer.

Mr. Ioannis Antoniadis served as Chairman of the Audit Committee.

All members attended the regular meetings of that committee held in the period 1/1-31/12/2016 in person (the relevant minutes were kept), which addressed the following matters:
i) monitoring of the financial reporting process in the first half of 2016;
ii) updating and briefing the Board of Directors about the internal audit rules and manual for the Internal Audit Unit;
iii) approving the remuneration of staff in the Internal Audit Unit;
iv) monitoring the progress of the mandatory audit of the financial statements by the auditors Athanasia Arabatzi (ICPA (GR) Reg. No. 12821) and Christos Vargiemezis (ICPA (GR) Reg. No. 30891, iv) reviewing and monitoring issues related to the existence and preservation of the objectivity and independence of both the auditors and the auditing firm GRANT THORNTON S.A., especially in relation to the provision of other services by them to the Company;

v) presenting the quarterly reports for 2015 Q4 and 2016 Q1, Q2 and Q3 prepared by the Internal Audit Unit to the Board of Directors;
vi) giving the Internal Audit Unit special audit instructions.
The Audit Committee met a total of 4 times during the year.
e) Evaluation and remuneration of Members of the Board
By the date this statement was prepared there was no remuneration committee and there were no procedures for evaluating the Board of Directors and its committees.
Members of the Board are evaluated, and their remuneration and that of the Chairman and CEO are set by the General Meeting.
Board members do not receive additional remuneration from the Company, except for the 2 non-executive members of the Board who are employee representatives.
According to Article 23 of the Articles of Association, the Board's pay and remuneration are set by decision of the Ordinary General Meeting of Shareholders.
g) Conduct of Board members and Company executives
All Board members and Company executives are obliged to comply at all times with the Company's ethics and professional conduct rules, which are set out in its internal regulations.

EVENTS OCCURRING AFTER THE BALANCE SHEET DATE
During 2017, the parent company EYATH S.A. received an interim tax audit report for the audit for fiscal years 2009 and 2010 which is under way. That report was accepted by Company Management in Board of Directors' Decision No. 137/2017 and the final audit report is expected to be issued soon. The surtaxes which were computed amounting to approximately € 500 are fully covered by existing provisions in the Company's books.
There are no events between 31 December 2016 and the date on which the financial statements were approved by the Company's Board of Directors which could materially affect the financial position or the Company's results for the period that ended on this date, or other events which should be disclosed in the financial statements.

Thessaloniki, 27 April 2017

ON BEHALF OF THE BOARD OF DIRECTORS

Ioannis Krestenitis	Ioannis Papaioannou	Styliani Valani
Chairman of the Board of Directors & CEO	Vice Chairman	Vice Chairman
ID Card No. AB 680550	ID Card No. AE 183479	ID Card No. AZ 880772

AUDIT REPORT

(To the shareholders of company THESSALONIKI WATER SUPPLY & SEWERAGE CO S.A.)

Audit Report on the separate and consolidated financial statements

We have audited the accompanying separate and consolidated financial statements of THESSALONIKI WATER SUPPLY & SEWERAGE CO S.A., which consist of the separate and consolidated statement of financial position as at 31 December 2016, and the separate and consolidated statements of comprehensive income, changes in equity and cash flows for the year which ended on that date, and a summary of significant accounting policies and methods, and other explanatory information.

Management 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 the International Financial Reporting Standards as adopted by the European Union, and for such internal controls that management considers necessary for the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
It is our responsibility to express an opinion on those separate and consolidated financial statements on the basis of our audit. We carried out our audit in accordance with the International Standards of Auditing, which have been incorporated into Greek law (Government Gazette 2848/B/23.10.2012). These standards require that we comply with the code of conduct and that we design and carry out our audit so as to provide a fair assurance as to what extent the separate and consolidated financial statements are free of material misstatements.

The audit includes the conduct of procedures for the collection of audit data, relating to the amounts and disclosures included in the separate and consolidated financial statements. The procedures selected are at the auditor's discretion, including an assessment of the risk of material misstatements in the separate and consolidated financial statements whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the separate and consolidated financial statements 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 entity's internal controls. The audit also includes an evaluation of the suitability of the accounting policies applied and the fairness of the assessments made by Management and an evaluation of the overall presentation of the separate and consolidated financial statements.

We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the accompanying separate and consolidated financial statements fairly present, in all material respects, the financial position of THESSALONIKI WATER SUPPLY & SEWERAGE CO S.A. and its subsidiary as at 31 December 2016, and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as these were adopted by the European Union.

Reference to other legal and regulatory issues

Taking into consideration that Management is responsible for preparing the Board of Directors' Management Report and the Corporate Governance Statement which is part of this report, in implementation of the provisions of Article (5) (of Part B) of Law 4336/2015, we note that:

a) The Management Report prepared by the Board of Directors includes a corporate governance statement which provides the information required by Article 43bb of Codified Law 2190/1920.

b) In our opinion, the Management Report of the Board of Directors has been prepared in accordance with the applicable legal requirements in Articles 43a and 107A, and Article 43bb(1)(c) and (d) of Codified Law 2190/1920 and its content corresponds to the attached separate and consolidated financial statements for the period which ended on 31/12/2016.

c) In light of the opinion we formed during our audit about the company THESSALONIKI WATER SUPPLY & SEWERAGE CO S.A. and its environment, we have not identified any material inaccuracies in the Management Report of the Board of Directors.

Athens, 28 April 2017

The Certified Public Accountants

Athanasia Arabatziq

ICPA (GR) Reg. No. 12821

Christos Vargiemezis

ICPA (GR) Reg. No. 30891

Statement of Financial Position

		THE GROUP		THE COMPANY	
		31/12/2016	31/12/2015	31/12/2016	31/12/2015
ASSETS					
Non-Current Assets					
Tangible assets	**7**	80,275	81,418	80,275	81,418
Intangible assets	**8**	401	153	401	153
Participations in subsidiaries	**9**			60	60
Deferred tax assets	**25**	3,376	4,467	3,376	4,467
Other long-term assets	**10**	1,880	1,933	1,880	1,933
Total non-current assets		**85,933**	**87,971**	**85,992**	**88,030**
Current Assets					
Inventories	**11**	1,636	1,045	1,636	1,045
Trade and other receivables	**12**	47,732	48,059	47,783	48,077
Cash and Cash Equivalents	**13**	56,697	50,956	56,302	50,776
Total current assets		**106,065**	**100,061**	**105,721**	**99,898**
TOTAL ASSETS		**191,998**	**188,032**	**191,713**	**187,928**
EQUITY					
Share capital and reserves					
Share capital	**14**	40,656	40,656	40,656	40,656
Premium on capital stock	**14**	2,830	2,830	2,830	2,830
Reserves	**15**	28,221	27,549	28,198	27,525
Results carried forward		82,448	79,634	82,111	79,423
Total equity		**154,155**	**150,668**	**153,795**	**150,435**
Non-controlling interests					
Total equity		**154,155**	**150,668**	**153,795**	**150,435**
LIABILITIES					
Long-term liabilities					
Long-term borrowing					
Provisions for employee benefits	**16**	1,998	3,783	1,998	3,783
Provisions for contingencies and expenses	**17**	9,188	6,489	9,188	6,489
Grants	**18**	2,345	2,742	2,345	2,742
Other long-term liabilities	**19**	14,024	13,637	14,024	13,637
Total long-term liabilities		**27,554**	**26,651**	**27,554**	**26,651**
Short-term liabilities					
Trade and other liabilities	**20**	9,712	10,205	9,863	10,351
Short-term borrowing					
Short-term tax liabilities	**21**	576	508	501	492
Total short-term liabilities		**10,288**	**10,713**	**10,364**	**10,843**
Total Liabilities		**37,842**	**37,364**	**37,918**	**37,494**
TOTAL EQUITY AND LIABILITIES		**191,998**	**188,032**	**191,713**	**187,928**

The disclosures on pages 32 to 70 constitute an integral part of these financial statements.

Statement of Comprehensive Income

	Note:	THE GROUP		THE COMPANY	
		1/1-31/12/2016	1/1-31/12/2015	1/1-31/12/2016	1/1-31/12/2015
Sales		73,278	73,048	73,278	73,048
Less: Cost of sales	22	(43,782)	(46,980)	(43,037)	(46,146)
Gross profit margin		29,496	26,068	30,241	26,902
Other operating income	23	4,553	4,397	4,462	4,333
		34,049	30,465	34,703	31,236
Selling and distribution expenses	22	(4,417)	(4,824)	(5,082)	(5,497)
Administrative expenses	22	(4,213)	(4,461)	(4,306)	(4,483)
Research & Development Expenses	22	(491)	(239)	(621)	(339)
Other operating expenses	23	(4,432)	(1,365)	(4,396)	(1,323)
Results of operations		20,496	19,575	20,298	19,594
Net Financial Income	24	1,272	1,126	1,270	1,110
Result from usual business		21,769	20,701	21,568	20,703
Income from investments					51
Results before tax		21,769	20,701	21,568	20,754
Income tax	25	(9,311)	(7,217)	(9,237)	(7,201)
Results net of tax		12,457	13,485	12,331	13,553
Allocated among:					
Parent shareholders		12,457	13,485	12,331	13,553
Non-controlling interests					
Other comprehensive income net of tax:					
Data that will not be classified later in the Income Statement:					
Actuarial Results		105	111	105	111
Total comprehensive income net of tax		12,562	13,596	12,436	13,664
Allocated among:					
Parent shareholders		12,562	13,596	12,436	13,664
Non-controlling interests					
Earnings per share (in euro per share) Basic	26	0.3432	0.3715	0.3397	0.3734

The disclosures on pages 32 to 70 constitute an integral part of these financial statements.

Statement of Changes in Equity

	Share Capital	Premium on capital stock	Statutory reserves	Other reserves	Other total income / Retained earnings	TOTAL
Balance on 1/1/2016 according to IFRS	40,656	2,830	10,563	16,984	79,635	150,669
Total comprehensive income net of tax 1/1/2016 - 31/12/2016			621		11,836	12,457
Other Total Income of period 1/1/2016 - 31/12/2016					105	105
Other changes				51	(51)	
Dividends distributed					(9,075)	(9,075)
Balance on 31/12/2016 according to IFRS	40,656	2,830	11,184	17,035	82,449	154,155
Balance on 1/1/2015 according to IFRS	40,656	2,830	9,880	16,984	75,434	145,785
Total comprehensive income net of tax 1/1/2016 - 31/12/2015			683		12,801	13,484
Other Total Income of period 1/1 - 31/12/2015					111	111
Other changes						
Dividends distributed					(8,712)	(8,712)
Balance on 31/12/2015 according to IFRS	40,656	2,830	10,563	16,984	79,635	150,668

	Share capital	Premium on capital stock	Statutory reserves	Other reserves	Other total income / Retained earnings	Total
Balance on 1/1/2016 according to IFRS	40,656	2,830	10,541	16,984	79,425	150,435
Total comprehensive income net of tax 1/1/2016 - 31/12/2016			621		11,710	12,331
Other Total Income of period 1/1/2016 - 31/12/2016					105	105
Other changes				51	(51)	
Dividends distributed					(9,075)	(9,075)
Balance on 31/12/2016 according to IFRS	40,656	2,830	11,162	17,035	82,112	153,795
Balance on 1/1/2015 according to IFRS	40,656	2,830	9,858	16,984	75,155	145,482
Total comprehensive income net of tax 1/1/2016 - 31/12/2015			683		12,870	13,553
Other Total Income of period 1/1 - 31/12/2015					111	111
Other changes						
Dividends distributed					(8,712)	(8,712)
Balance on 31/12/2015 according to IFRS	40,656	2,830	10,541	16,984	79,425	150,435

The disclosures on pages 32 to 70 constitute an integral part of these financial statements.

Cash Flow Statement

Indirect method

	Note:	THE GROUP		THE COMPANY	
		1/1-31/12/2016	1/131/12/2015	1/1-31/12/2016	1/131/12/2015
Cash flow from operating activities					
Profit / (loss) before income tax (continuing operations)		21,769	20,701	21,568	20,754
Plus (Minus) adjustments for:					
Depreciation	7&8	6,402	6,184	6,401	6,157
Fixed asset investment subsidies	18	(397)	(420)	(397)	(420)
Provisions		4,583	2,551	4,583	2,551
Income from Participations					(51)
Interest and related (income) / expenses		(1,272)	(1,127)	(1,270)	(1,111)
		31,084	27,889	30,884	27,880
Decrease/ (increase) in inventories		591	(284)	591	(284)
Decrease/(increase) in trade and other receivables		3,094	(4,756)	3,080	(4,726)
Increase / (Decrease) of trade and other liabilities (except loans)		(7,632)	55	(7,627)	98
Decrease/ (increase) in other long-term receivables		53	(401)	53	(401)
(Less):					
Interest charges and related expenses paid		(50)	(50)	(57)	(50)
Tax paid		(8,330)	(7,807)	(8,330)	(7,708)
Total inflow/(outflow) from operating activities (a)		18,809	14,645	18,594	14,810
Cash Flows from Operating Activities					
Purchases of tangible assets	7	(5,181)	(6,910)	(5,181)	(6,908)
Purchase of intangible assets	8	(330)	(51)	(330)	(51)
Sales of fixed assets			27		27
Dividends collected					63
Collected interest		1,312	1,414	1,312	1,398
Total inflow/(outflow) from investing activities (b)		(4,199)	(5,520)	(4,200)	(5,471)
Cash flows from financing activities					
Collections from subsidies			45		45
Dividends paid		(8,869)	(8,519)	(8,869)	(8,519)
Total input/ (output) from financing activities (c)		(8,869)	(8,474)	(8,869)	(8,474)
Net increase / (decrease) in cash and cash equivalents (a)+(b)+(c)		5,741	652	5,526	865
Cash assets and equivalents at start of year		50,956	50,305	50,776	49,911
Cash assets and equivalents at end of period	13	56,697	50,956	56,302	50,776

The disclosures on pages 32 to 70 constitute an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

GENERAL INFORMATION ABOUT THE COMPANY AND THE GROUP

THESSALONIKI WATER SUPPLY & SEWERAGE CO S.A. trading as EYATH S.A. (or the "Company") provides water supply and sewerage services. Also, the "Group", through subsidiary EYATH Services S.A., has the purpose of providing all types of telecommunication services and engage in the production and sale of electricity, in addition to the parent operations.
Board of Directors:

1. Ioannis Krestenitis, Chairman & CEO, executive member
2. Ioannis Papaioannou, Vice Chairman, executive member
3. Styliani Valani, Vice Chairman, executive member
4. Stefania Tanimanidou, Member, independent non-executive member
5. Panagiotis Gogos, Member, independent non-executive member
6. Evdoxos Petridis, Member, non-executive member
7. Olympia Latsiou - Chrysafi, Member, non-executive member
8. Ioannis Tsionas, Member, non-executive member
9. Eleftheria Karahaliou, Member, non-executive member
10. Georgios Archontopoulos, Member, non-executive member, representative of employees
11. Anastasios Sachinidis, Member, non-executive member, representative of employees

Company registered office:
127 Egnatias St.

GR-54635 Thessaloniki
Greece
Companies Reg. No.: 41913/06/B/98/32
General Commercial Reg. No.: 58240404000

Auditing Company: GRANT THORNTON SA

56 Zefyrou St.

Paleo Faliro GR-17564

Athens, Greece

ICPA (GR) Reg. No. 127

The Company's shares are traded in the Large Capitalisation category on the Athens Stock Exchange.

BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis of preparation of the financial statements
These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), including the International Accounting Standards (IAS) and the interpretations issued by the IFRIC Committee, as adopted by the European Union up to 31 December 2016. The key accounting policies implemented for drawing up the financial statements for the period that ended on 31 December 2016 are the same as those followed when drawing up the annual financial statements of the year ended on 31 December 2015, and are described in them. Where necessary, the comparable data have been reclassified to reconcile with any changes to the presentation of the current period data (see note 21). Any differences between the amounts reported in the financial statements and the respective amounts in the notes are due to rounding.
The financial statements have been prepared based on the historical cost conventions, as disclosed in the company's accounting policies below, which were approved by the BoD on 27/4/2017 and are subject to approval by the General Meeting.
Preparing the financial statements in accordance with the IFRS requires the adoption of certain estimates and assumptions. It also requires Management to use its discretion when implementing the Company's accounting policies. Areas entailing a high degree of subjectivity or which are complex or where assumptions and estimates are significant for the financial statements are cited in Note 5 below.

2.2. Standards and interpretations mandatory for the fiscal year ended

New standards, amendments to standards and interpretations: Specific new standards, amendments to standards and interpretations have been issued which are mandatory for accounting periods which commence during the current fiscal year or at a later date. The Group examined the impact of the following on the financial statements and found that the impact is insignificant or zero.

Standards and interpretations mandatory for the current fiscal year

IAS 19 Revised (Amendment) "Employee benefits"

This amendment applies to employee or third party contributions to defined benefit plans and simplifies accounting for those contributions when they are independent of the number of years for which work was provided, such as employee contributions calculated as a fixed % of the salary.

IFRS 11 (Amendment) "Joint Arrangements"

This amendment requires an investor to use the acquisition method when he acquires an interest in a joint operation which is a 'business'.

IAS 16 and IAS 38 (Amendments) "Clarification of acceptable methods of depreciation and amortisation"

This amendment clarifies that use of revenue-based methods to calculate depreciation of an asset are not suitable and also clarifies that revenues are not considered a suitable basis for measuring consumption of the economic benefits incorporated into an intangible asset.

IAS 27 (Amendment) "Separate financial statements"

This amendment allows economic entities to use the equity method to account for investments in subsidiaries, joint arrangements and associates in their separate financial statements and also clarifies the definition of separate financial statements.

IAS 1 (Amendments) "Disclosures"

The amendments clarify the guidance of IAS 1 on the concepts of materiality and aggregation, presentation of sub-totals, structure of financial statements and disclosures of accounting policies.

IFRS 10, IFRS 12 and IAS 28 (Amendments) - "Investment entities: Application of the exemption from mandatory consolidation"

The amendments specify how the exemption of investment entities and their subsidiaries from mandatory consolidation is implemented.

IFRS 2012 Annual improvements
The following amendments outline the most important changes to certain IFRS as a consequence of the results of the 2010-12 IASB annual improvements plan.

IFRS 2 "Share-based payments"

The amendment clarifies the definition of the "vesting condition" and distinctly defines the "performance condition" and the "service condition".

IFRS 3 "Business Combinations"

The amendment clarifies that the obligation for a potential price which meets the definition of a financial asset is classified as a financial liability or an equity instrument based on the definitions of IAS 32 "Financial instruments: Presentation". It also clarifies that each potential price, financial and non-financial, which is not an equity instrument is measured at the fair value through profit or loss.

IFRS 8 "Operating Segments"

This amendment requires the disclosure of the management's estimates as regards the aggregation of its operating segments.

IFRS 13 "Fair Value Measurement"

The amendment clarifies that the standard does not exclude the possibility of the measurement of short-term receivables and liabilities at the amounts of the invoices, in cases where the effect of discounting is immaterial.

IAS 16 "Tangible assets" and IAS 38 "Intangible assets"

Both standards were amended in order to clarify the manner in which the book value of the asset before depreciation and the accumulated depreciations are handled, when an economic entity follows the adjustment method.

IAS 24 "Related Party Disclosures"

The standard was amended in order to include as a related party a company that provides key management personnel services to the economic entity or the parent company of the economic entity.

Annual improvements to IFRS 2014

The amendments presented below describe the basic changes to four IFRSs.

IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations"

The amendment clarifies that when an asset or group of assets is reclassified from 'held for sale' to 'held for distribution' or vice versa that is not a change in the sale or distribution plan and not must be accounted for as a change.

IFRS 7 "Financial instruments: Disclosures"

The amendment adds specific instructions in order to help management determine whether the terms of an agreement serving a financial asset which has been transferred constitute ongoing involvement and clarifies that the additional disclosures required based on the amendment of IFRS 7 "Disclosures - Offsetting Financial Assets and Financial Liabilities", are not required for all interim periods, unless required by IAS 34.

IAS 19 "Employee Benefits"

The amendment clarifies that when the discount rate is being identified for post-employment benefits, the important thing is the currency in which the liabilities are denominated and not the country in which they arise.

IAS 34 "Interim Financial Reporting"
The amendment clarifies the meaning of "disclosure of information elsewhere in the interim financial report", referred to in the original.

Standards and Interpretations mandatory for later accounting periods
IFRS 9 "Financial instruments" and later amendments to IFRS 9 and IFRS 7 (applicable to annual accounting periods commencing on or after 1 January 2018).

IFRS 9 replaces the provisions of IAS 39 pertaining to the classification and measurement of the financial assets and liabilities, and also includes a model of expected credit loss that replaces the model of incurred credit losses that is currently implemented. IFRS 9 establishes a principle-based approach of hedge accounting and addresses inconsistencies and weaknesses in the current model of the IAS 39. The Group is in the process of estimating the impact of IFRS 9 on its financial statements.

IFRS 15 "Revenue from Contracts with Customers" (applicable to annual accounting periods commencing on or after 1 January 2018)

IFRS 15 was issued in May 2014. The purpose of the standard

is to provide a single, easy to understand model recognising revenue from contracts with customers in order to improve comparability between companies of the same industry, across industries and different capital markets. It includes the principles which an economic entity must implement to determine the measurement of the revenue and the time of its recognition. The basic principle is that an economic entity will recognise the revenue in a manner that reflects the transfer of goods or services to customers at the amount which it anticipates to be entitled to in exchange for these goods or services. The Group is in the process of estimating the impact of IFRS 15 on its financial statements.

IFRS 16 "Leases" (Applicable to annual accounting periods commencing on or after 1 January 2019)

IFRS 16 was published in January of 2016, to replace IAS 17. The purpose of the standard is to ensure that lessees and lessors provide useful information that fairly presents the essence of the transactions related to leases. IFRS 16 introduces a single accounting model from the lessee's side, which requires the lessee to recognise assets and liabilities for all lease contracts with a term of more than 12 months, unless the underlying asset is of low value. As regards the accounting handling by the lessor, IFRS 16 essentially incorporates the requirements of IAS 17. Therefore, the lessor continues to classify lease contracts into operating and financial leases, and handle each type of contract differently in the accounts. The Group is in the process of estimating the impact of IFRS 16 on its financial statements. The standard has not yet been adopted by the European Union.

IAS 12 (Amendments) "Recognition of Deferred Tax Assets for Unrealised Losses"(applicable for annual accounting periods commencing on or after 1 January 2017)

The amendments clarify the accounting handling related to the recognition of deferred tax assets on unrealised losses related to debt instruments measured at fair value. These amendments have not yet been adopted by the European Union.

IAS 7 (Amendments) "Disclosures" (applicable to annual accounting periods commencing on or after 1 January 2017)

The amendments introduce mandatory disclosures that provide the capability to users of financial statements to evaluate the changes to liabilities from financing activities. These amendments have not yet been adopted by the European Union.

IFRS 2 (Amendments) "Classification and Measurement of Share-based Payment Transactions" (applicable to annual accounting periods that commence on or after 1 January 2018).

The amendment provides clarifications in relation to the measurement base as regards cash settled share-based payment transactions and the accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. They further introduce an exception as regards the principles of IFRS 2 based on which a payment transaction must be handled as if it were to be settled entirely in equity instruments, in the cases where the employer is required to withhold an amount for covering the tax obligations of employees arising from share-based payment transactions and paying it to the tax authorities. These amendments have not yet been adopted by the European Union.

IFRS 4 (Amendments) "Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts" (applicable to annual accounting periods that commence on or after 1 January 2018)

The amendments introduce two approaches: The amended standard will (a) give entities which issue insurance contracts the option to recognise in their other comprehensive income and not in their income statement, any discrepancies that arise from applying IFRS 9 before the new standard on insurance contracts is issued, and (b) give entities whose activities primarily relate to the insurance sector the option to temporarily defer application of IFRS 9 to 2021. Entities which defer applying IFRS 9 will continue to apply the existing standard (IAS 39) on financial instruments. These amendments have not yet been adopted by the European Union.

IAS 40 (Amendments) "Transfers of investment property" (Applicable to annual accounting periods commencing on or after 1 January 2018)

The amendments clarify that in order to transfer to/from the investment property category, there must have been a change in use. In order for there to have been a change in the property's use, it is essential to evaluate to what extent the property meets the definition and that the change in use can be documented with evidence. These amendments have not yet been adopted by the European Union.

IFRIC 22 "Foreign currency transactions and advance consideration" (Applicable to annual accounting periods commencing on or after 1 January 2018)

The Interpretation provides guidance about how to identify the transaction date when the Standard relevant to foreign current transactions (IAS 21) applies. This Interpretation applies when an entity either pays or collects in advance the price of contracts expressed in a foreign currency. This Interpretation has not yet been adopted by the European Union.

Annual improvements to the IFRS 2014 (2014 – 2016 Cycle) (Applicable to annual accounting periods commencing on or after 1 January 2017)
The amendments presented below describe the basic changes to two IFRSs. These amendments have not yet been adopted by the European Union.
IFRS 12 "Disclosure of interests in other economic entities"
This amendment provides clarifications about the fact that the obligation to provide disclosures under IFRS 12 applies to interests in entities which have been classified as held for sale, in addition to the obligation to provide condensed financial information.
IAS 28 "Investments in Associates and Joint Ventures"

The amendments provide clarifications about the fact that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organisation, mutual fund or entities with similar activities, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

MAIN ACCOUNTING POLICIES

3.1 Investments in subsidiaries
Subsidiaries are businesses over which the Group exerts control. The parent company acquires and exercises control via voting rights. The existence of any potential voting rights which are exercisable at the time the financial statements are prepared is taken into account in order to determine whether the parent company exercises control over subsidiaries. Subsidiaries are fully consolidated from the date on which control of them is acquired and they cease to be consolidated from the date on which such control no longer exists.
The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of acquiring a subsidiary is the fair value of the assets given, the shares issued and the liabilities assumed on the transaction date plus any cost directly associated with the transaction. Individual assets, liabilities and contingent liabilities acquired in a business combination are measured at acquisition at fair value regardless of the holding. The cost of acquisition above fair value of the specific assets acquired is posted as goodwill. If the total acquisition cost is lower than the fair value of the individual assets acquired, the difference is directly recorded in the profit and loss account.
Intra-group transactions, balances and unrealised profits from transactions between companies in the group are crossed out. Unrealised losses are also crossed out but are taken into account as indications of impairment of the asset transferred. The subsidiary's accounting policies have been

changed, where necessary, so that they are identical with those adopted by the Group.
Investments in subsidiaries in the parent company's separate financial statements are valued at acquisition cost less any accumulated impairment losses.

3.2 Basis of consolidation:

The consolidated financial statements consist of the financial statements of the parent company and the subsidiary of the Group. The following table presents the parent and the subsidiary included in the consolidation, together with the corresponding participation percentages, the country where they are registered as well as their activity.

COMPANIES	% GROUP	COUNTRY	ACTIVITY
THESSALONIKI WATER SUPPLY AND SEWERAGE CO. S.A. (EYATH S.A.)	PARENT COMPANY	GREECE	Water supply & Sewerage Services
EYATH SERVICES S.A.	100%	GREECE	Provision of all types of Water supply & Sewerage Services, telecommunication services & production / sale of electricity

3.3 Tangible fixed assets

Tangible assets are measured at acquisition cost less accumulated depreciation and impairment. The cost of acquisition includes all directly payable expenses for acquiring assets. Subsequent expenses are recorded as an increase to the book value of the fixed assets or as a separate asset only where it is likely that the future financial benefits accruing to the Group and the cost can be reliably measured. The cost of repair and maintenance works is recognised in profit and loss when the said works are carried out.
Plots – lots are not depreciated. Depreciation of other tangible assets is calculated using the straight line method, charged in equal amounts over the asset's expected useful life, so as to write off the cost at residual value, as follows:

Buildings and technical works	40 years
Machinery and installations	10 -25 years
Transportation equipment	10 -15 years
Furniture and other equipment	6 -15 years

Residual value and the useful life of tangible assets are subject to re-examination on each balance sheet date. When the book value of tangible assets exceeds the recoverable value the differences (impairment) are posted as expenses to the results.
When the tangible assets are sold, differences between the price received and the book value are posted as profits or losses in the income statement. Financial expenses which relate to the construction of assets are capitalised for the time required to complete construction. All other financial expenses are recognised in the income statement.

3.4 Intangible assets

3.4.1 Software

Software here means the cost of purchasing or developing such software, such as payrolling, materials and services, as well as all expenses incurred to develop software in order for it to be put into service. Costs which improve or extend the performance of software beyond initial specifications are recognised as capital expenditure and added to the initial cost of the software.

Depreciation on software is imputed to the income statement using straight line depreciation over the entire useful life of the asset. The estimated useful life is 6 years.

3.4.2 Product Research and Development (R&D) cost

The R&D cost is recognised in the Income Statement when incurred. Development costs are incurred mainly for the development of new products and production methods. The costs incurred for developing a separate program are recognised as intangible assets only when the requirements of IAS 38 "Intangible assets" are met.

3.5 Asset impairment

Tangible and intangible assets as well as other non-current assets are examined for possible impairment loss whenever events or changes in circumstances indicate that their book value may not be recoverable. Whenever the book value of a fixed asset exceeds its recoverable amount, its corresponding impairment loss is presented in the results. The recoverable value of an asset is either the estimated net sale value or the value in use, whichever is higher. The net sale price is the amount which could be obtained from selling an asset in a two-way transaction where the parties are fully cognisant and which they enter into freely, having deducted any additional direct cost of selling the asset. The value in use is the current value of the estimated future cash flows anticipated to flow into the enterprise from asset usage and disposal at the end of its anticipated useful life. If it is not possible to estimate the recoverable amount of an asset, for which there is an indication of impairment, the recoverable amount of cash-generating unit to which the asset belongs must be calculated.
Impairment losses for assets booked in previous years may only be reversed where there are satisfactory indications that such impairment no longer exists or has reduced. In such cases the reversal is recognised as income.

3.6 Inventories

Inventories are valued at acquisition cost or net realisable value, whichever is lower. The cost is calculated using the average weighted cost method. The financial cost is not included in the acquisition cost of inventories. Net realisable value is assessed based on current sale prices of inventories in the context of normal activities less any sales expenses which apply in the case.

More specifically, inventories/stocks consisting of specialist spare parts for machinery purchased when the machinery is purchased are considered to be an integral part of the machinery's value and are depreciated along with the machinery, while replacements for used spare parts are expensed at the time of purchase. On the contrary though, consumables for machinery maintenance and spare parts for general use are included in inventories and are expensed at the time of consumption.

3.7 Trade and other receivables

Receivables from customers are posted initially at fair value and subsequently valued at carried cost using the effective interest rate less impairment losses. Impairment losses (losses from bad debt) are recognised when there are objective indications that the Group and the Company are not in a position to collect the amounts due based on contractual terms. The amount of impairment loss is the difference between the book value of receivables and the present value of estimated future cash flows, discounted at the effective interest rate. The impairment loss is recorded as an expense in the results for the period, in the Selling Expenses account in the Statement of Comprehensive Income. Every write-off of bad debt is performed by debiting the provision for bad debts. Write-offs of bad debt which go above the provision that has been formed affect the results for the year. If bad debt that was written off is then collected, the amount is entered as income in the results for the period in which it is collected.

3.8 Cash assets

Cash also includes cash equivalents such as sight deposits and short-term time deposits. Overdrafts payable upon first demand, which are an integral part of managing the Group and Company's cash are included as an integral part of cash for the purpose of preparing the cash flow statement.

3.9 Share capital

Expenditure paid to third parties related directly to the issuing of new shares is recorded in equity, less the corresponding tax, as a reduction in the premium on capital stock.

When acquiring own shares, the price paid including relevant expenses are presented as reducing equity.

3.10 Loans

All loans are initially recorded at fair value, less loan acquisition costs. Loans are subsequently valued at the depreciated acquisition value using the discount rate method. Any difference between the benefit (other than acquisition costs) and discount value is recognised in the results over the term of the loans.

On 31/12/2016 and 31/12/2015 there were no loan liabilities.

3.11 Income tax Current and deferred income tax is calculated based on the relevant financial statement accounts, in accordance with taxation laws which apply in Greece. Current income tax relates to tax on the taxable profits of the Group and Company adjusted in accordance with tax law requirements and calculated based on the current tax rate.

Deferred taxation is calculated using the liability method on all interim differences on the balance sheet date between the taxation basis and the book value of the assets and liabilities.

Expected tax discounts from interim tax adjustments are determined and presented either as future (deferred) tax liabilities or as deferred tax assets.
Deferred tax assets are posted for all tax deductible interim difference and tax losses carried forward to the extent that this is likely that there will be taxable profits available in respect of which the interim difference can be utilised.
The book value of deferred tax assets is revised on each BS date and reduced to the extent that it is not considered likely that there will be sufficient taxable profits for which all or part of the deferred tax assets can be used.
Current tax assets and liabilities for the current and past accounting periods are valued at the figure expected to be paid to the tax authorities (or recovered from them) using tax rates (and tax laws) which have been adopted or substantively adopted by the balance sheet date.

3.12 Dividends
Dividends payable are presented as a liability at the time they are approved by the General Meeting of Shareholders.

3.13 Provisions for employee benefits
The Company's and Group's obligation to staff employed in Greece for future payment of benefits depending on their length of previous service is measured and presented based on the accrued right expected to be paid to each employee, on the balance sheet date, discounted at present value, compared to the expected time of payment.

The relevant obligation is calculated based on the financial and actuarial assumptions and is specified using the actuarial valuation method called the projected unit method. The net cost of retirement in the period is included in payrolling cost in the attached statement of comprehensive income and consists of the present value of benefits which became accrued during the year, interest on the benefit obligation, the cost of past service, actuarial profits or losses, and any other additional pension costs.

Water Benefit

Up to 31/12/2015, the Group supplied its employees with water during the course of their employment and after they left service and retired.
According to BoD Decision 154/2016 dated 19/4/2016, the free supply of water to EYATH S.A. pensioners was stopped, and therefore part of the relevant liability was reversed on 31/12/2016.

3.14 Provisions for contingencies and expenses

Provisions are formed when the Group has a legal or presumed obligation as a result of some past event and it is considered likely that an outflow of resources will be required to settle the liability, and that amount can be reliably estimated.

The Company re-examines the need to form provisions at the end of each year and adjusts them so that they reflect the best possible assessments and in the case where this is considered necessary discounts them based on a reasonable pre-tax discount rate. Contingent liabilities are not posted to the financial statements but are disclosed unless the likelihood of a resource output incorporating financial benefits is minimal. Contingent assets are not posted to the financial statements but are disclosed where the inflow of financial benefits is likely.

3.15 Grants

Grants are initially recognised at their nominal value where there is a reasonable assurance that the grant will be received and the Company will comply with all relevant conditions. Grants for current expenditure are recognised in the results during the period when the grant is needed, in order to be matched to the expenditure it is intended to offset. Grants for the purchase of tangible (fixed) assets are included in long-term liabilities as deferred income and are recognised as income and transferred to the income statement over the useful life of the subsidised asset.

3.16 Financial instruments
The Group's main financial instruments are cash, bank deposits, short-term receivables and liabilities. Given the short-term nature of these instruments, Group Management considers that their fair value in effect is identical to the value shown in the accounting books. In addition, Management considers that the interest rates paid in relation to the loans taken out are equivalent to the current, reasonable market rates and thus the conditions for making any change to the value shown under these circumstances are not met. The Group does not use financial derivatives.

3.17 Revenue recognition

3.17.1 Sales of goods
Revenues from the sale of goods are recognised when the material risks and rewards of ownership of the goods are transferred to the buyer. Revenues from the provision of services are based on the stage of completion which is set by reference to the services provided so far, as a percentage of the overall services being provided.

3.17.2. Income from interest
Interest earned is recognised pro rata with time, taking into account balance of the initial amount and the current rate in the period to maturity, when it is specified that such income will be payable to the Group.

3.17.3. Income from dividends
Income from dividends is recognised as revenue on the date distribution is approved.

3.18 Cost of financing
The net cost of financing consists of accrued interest on loans taken out, calculated using the effective interest rate method.

3.19 Earnings per share
The basic earnings per share are calculated by dividing net profits for the period by the average weighted number of shares in circulation during the specific period, apart from the average number of ordinary shares acquired by the Group as own shares.

3.20 Leases
Asset leases where the Group or Company substantially retains all risks and rewards of ownership are classed as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the assets and the present value of the minimum lease payments. The corresponding liabilities from lease payments net of financial charges are presented as liabilities. That part of financial expenses relating to finance leases is recognised in the income statement over the term of the lease.
Leases where in effect the risk and rights of ownership remain with the lessor are posted as operating leases. Payments made under operating leases are recognised in the income statement on a straight line basis over the term of the lease.

3.21 Group operations by segment
A Group's sector or segment of activity is each distinct business activity with special features in terms of the nature of the activity and the business risks entailed (business segment). A similar distinction can be drawn based on the business environment within which it carries on activity (geographical segment).
The Group primarily operates in the water supply - sewerage segments in the wider area of the Prefecture of Thessaloniki, in order to rationally manage water resources on the one hand, and collect and process waste water so as to provide top level services to society as a whole, to safeguard hygiene and a clean environment.

3.22 Set-off
Financial assets and liabilities are set off and the net amount is shown in the balance sheet when there is an applicable legal right to set off and the intention is for them to be paid by set-off.

3.23 Rounding off
The amounts in these financial statements have been rounded off to thousands of euro. Due to that, discrepancies which may arise are due to such rounding off.

FINANCIAL RISK MANAGEMENT

The Group is exposed to various financial risks, the most important of which are price risk and credit risk. The Group's risk management policies aim to minimise the negative impacts that those risks could have on the Group's financial position and performance. Risk management is primarily done by the Company's general management and the relevant policies are approved by the Board of Directors. Financial risk management includes recognition, calculation and hedging of financial risks in close collaboration with the Group's operating units.

A. Market risk

(i) Exchange rate risk
The Group and the Company do not face exchange rate risks, because throughout the year ended they did not carry out transactions in foreign currency and all assets and liabilities were in euro.

ii) Price risk

As regards price risk, the Group is not exposed to significant risk of fluctuation of the variables that determine both revenues and cost. Decision No. 416/2011 of the Board of Directors set the company's pricing policy for the 2012-2013 period, which was ratified with Joint Ministerial Decision No. 4799/19-12-2012 (Government Gazette 3450/B/27-12-2012) of the Ministers of Finance and Macedonia-Thrace. This decision remains in force to date, and there has been no change to the Company's pricing policy.

Currently, Article 33 of Law 4258/2014 on arrangements for setting the tariffs of EYDAP and EYATH is in force, under which as of 1.7.2015 tariffs for water supply and sewerage services are to be approved by decisions of the Special Secretary for Water, following consultations with the Minister of Finance and other relevant agencies.

The Ministry of Environment and Energy had put up for public consultation the Joint Ministerial Decision on the "Approval of general rules for costing and pricing water services. Cost-recovery method and procedures for water services in its various uses", which will determine the procedure for costing water supply and sewerage services, and may change the pricing of the water as of the day of its implementation in early 2018.

(iii) Cash flows and fair value of risk rate

The Group has a limited interest rate risk in interest-bearing assets (time deposits) and therefore the income and the operating cash flows depend, to a point, on the changes to the interest rate market.
Management monitors interest rate fluctuations on an ongoing basis, and evaluates in each case the duration and the type of time deposits.

B. Credit risk

Credit risk is managed on a group basis. Credit risk arises from cash at hand and cash in banks, as well as credit exposure to customers, including significant receivables and transactions made.
At the end of the period, Management deemed that there is no significant credit risk that is not covered by some collateral or an adequate provision for bad debt. The maximum exposure to credit risk is reflected by the size of each asset.
The Company is constantly monitoring its receivables, either separately or per group (customer categories) and incorporates this information into its credit control processes.
Cash and cash equivalents have no credit risk because they mainly relate to deposits in Banks with sufficient credit rating.
Trade and other receivables include receivables from private customers, with a relatively limited degree of risk of losses, mainly due to the broad dispersion of the receivables, whereas for receivables from the State and the broader public sector, the company examines the possibility of collecting due debts by drawing up contracts or through legislative regulations.
At the end of the period, Management deemed that there is no significant credit risk that is not covered by some collateral or an adequate provision for bad debt. The company forms no provision for due receivables from the State because it anticipates that it will collect them in their entirety.
None of the financial assets has been secured with a mortgage or other form of credit security.

C. Liquidity risk

Liquidity risk is kept low, by means of ensuring adequate cash assets.
The maturity of Group and Company financial assets on 31/12/2016 can be broken down as follows:

FINANCIAL LIABILITIES MATURITY AS AT 31/12/2016									
	Group					Company			
	SHORT-TERM	LONG-TERM				SHORT-TERM	LONG-TERM		
	Within 1 year	1 to 5 years	Over 5 years	Total		Within 1 year	1 to 5 years	Over 5 years	Total
Public borrowing	-	-	-	-		-	-	-	-
Other long-term liabilities			14,024	14,024				14,024	14,024
Suppliers and other liabilities	9,712			9,712		9,863			9,863
Short-term tax liabilities	576			576		501			501
Total	10,288		14,024	24,311		10,364		14,024	24,387

The maturity of Group and Company financial assets on 31/12/2015 can be broken down as follows:

FINANCIAL LIABILITIES MATURITY AS AT 31/12/2015									
	Group					Company			
	SHORT-TERM	LONG-TERM				SHORT-TERM	LONG-TERM		
	Within 1 year	1 to 5 years	Over 5 years	Total		Within 1 year	1 to 5 years	Over 5 years	Total
Public borrowing	-	-	-	-		-	-	-	-
Other long-term liabilities			13,637	13,637				13,637	13,637
Suppliers and other liabilities	10,205			10,205		10,351			10,351
Short-term tax liabilities	508			508		492			492
Total	10,713		13,637	24,350		10,843		13,637	24,480

D. Capital risk management

The Group's aim when managing capital is to ensure the ability to continue operating, to generate profits for shareholders and benefits for other stakeholders and to maintain its capital structure which will reduce the cost of capital.
Capital is reviewed based on the gearing ratio. This ratio is calculated as net debt / total capital. Net debt is calculated as total borrowing (including short- and long-term loans presented in the balance sheet) less cash assets. Total capital is calculated as equity presented in the balance sheet plus net debt.
More specifically,

	THE GROUP		THE COMPANY	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Total borrowing	-	-	-	-
Less: Cash assets	(56,697)	(50,956)	(56,302)	(50,776)
Net debt	**(56,697)**	**(50,956)**	**(56,302)**	**(50,776)**
Total equity	154,155	150,668	153,795	150,434
Total capital	**97,458**	**99,713**	**97,493**	**99,658**
Gearing ratio	**-58.18%**	**-51.10%**	**-57.75%**	**-50.95%**

Determination of fair value

The fair value of financial instruments traded on active markets (Stock Exchanges) (e.g. derivatives, shares, bonds, mutual funds) is determined by the published prices which apply on the financial statements reference date.

The fair value of financial instruments not traded on active markets is determined using valuation techniques and the use of valuation methods and assumptions based on market data on the financial statements reference date.

The amounts shown in the balance sheets for cash, short-term receivables and liabilities are close to the relevant fair values due to their short-term maturity. The nominal value less provisions for bad trade debts is deemed to be close to the actual value.

MAJOR ACCOUNTING ESTIMATES AND ASSUMPTIONS

Preparation of the financial statements in accordance with the IFRS requires the use of certain important accounting estimates, which may affect the book balances in the balance sheet with the disclosures required, and the exercise of judgement by Management in applying and implementing accounting policies. Moreover, it requires the use of certain calculations and assumptions which affect the value of assets and liabilities mentioned, the disclosure of contingent receivables and liabilities on the date of preparation of the financial statements and the income and expenses for the duration of year being reported on. Despite the fact that these calculations are based on Management's best possible knowledge of current conditions and activities, the actual future results may in fact differ from those calculations. The estimates and judgements made by Management are re-examined continuously and are based on historical data and expectations about future events which are considered reasonable in light of current circumstances. The basic estimates and evaluations referring to data whose development could affect the financial statements' accounts in the upcoming 12 months are as follows:

5.1 Bad debt

The Group and Company impair the value of trade receivables when data or indications show that it is likely that all or part of a receivable will not be collected. The Group and Company Management periodically re-examine the adequacy of the bad debt provision which was formed based on the credit policy and taking into account information from the Legal Department derived from analysing historical data and recent developments in cases it is handling.

5.2 Provision for income tax

The provision for income tax is calculated by estimating the taxes to be paid to the tax authorities and includes the current income tax for every fiscal year and a provision for surtaxes that may emerge in future tax audits. In order to determine the size of the Group and Company's provision for income tax, a proper understanding of these matters is required. The final statement of income tax payable may differ from the amounts entered in the Group and Company's financial statements and those differences may affect income tax and provisions for deferred tax.

5.3 Provisions for employee benefits

Employee benefit obligations are calculated based on a study prepared by independent actuaries. The final obligation may differ from the actuarial figure due to various facts related to the discount rate, inflation, pay rises, as well as demographic and other data.

5.4 Depreciation of tangible and intangible assets

The Group calculates depreciation on tangible and intangible assets based on estimates of their useful life. The residual value and useful life of those assets are re-examined and determined on each balance sheet date if that is considered necessary.

5.5 Pending litigation

The Group has formed a provision for pending litigation based on information from the Group's Legal Department.

SEGMENTAL REPORTING

The Group's Management (Chief Operating Decision Maker) responsible for taking financial decisions, after evaluating the Group's activity, has designated the Provision of Water Supply Services and the Provision of Sewerage Services as its operating segments. The break-down per segment of activity is as follows:

6.1 Break-down per Business Segment (primary reporting type)

6.1.1 Distribution of income statement per business segment

	Group data for the period 1/1 - 31/12/2016		
	Provision of Water Supply Services	Provision of Sewerage Services	Group Total
Sales to third parties	47,288	25,990	73,278
Less: Total cost of sales	(23,214)	(20,568)	(43,782)
Gross Profit (losses)	24,075	5,421	29,496
Earnings / (losses) before taxes, financial and investment results	18,267	2,230	20,496
Net Financial Income	858	414	1,272
Result from usual business	19,125	2,644	21,769
Results before tax	19,125	2,644	21,769
Income tax	(8,180)	(1,131)	(9,311)
Results net of tax	10,944	1,513	12,457
Earnings / (losses) before taxes, financial and investment results and depreciation	23,389	3,113	26,501

	Group data for the period 1/1 - 31/12/2015		
	Provision of Water Supply Services	Provision of Sewerage Services	Group Total
Sales to third parties	47,351	25,698	73,048
Less: Total cost of sales	(26,890)	(20,090)	(46,980)
Gross Profit (losses)	20,461	5,608	26,068
Earnings / (losses) before taxes, financial and investment results	16,252	3,323	19,575
Net Financial Income	762	364	1,126
Result from usual business	17,014	3,687	20,701
Results before tax	17,014	3,687	20,701
Income tax	(5,931)	(1,285)	(7,217)
Results net of tax	11,083	2,402	13,485
Earnings / (losses) before taxes, financial and investment results and depreciation	21,198	4,140	25,338

6.1.2 Distribution of Assets and Liabilities per business segment

	Group data as at 31/12/2016		
Group data	**Provision of Water Supply Services**	**Provision of Sewerage Services**	**Group Total**
Fixed Assets	48,826	31,850	80,677
Customers and other receivables	30,803	16,929	47,732
Non-allocated assets	-	-	63,589
Total assets	**79,629**	**48,780**	**191,998**
Future subsidy income		2,345	2,345
Liabilities	5,646	5,119	9,712
Non-allocated liabilities		-	179,941
Total Liabilities	**5,646**	**7,464**	**191,998**
Additions of Tangible and Intangible Assets	3,459	2,047	5,506

Group data	Group data as at 31/12/2015		
	Provision of Water Supply Services	Provision of Sewerage Services	Group Total
Fixed Assets	49,746	31,825	81,572
Customers and other receivables	31,152	16,907	48,059
Non-allocated assets	-	-	58,401
Total assets	**85,568**	**51,266**	**188,032**
Future subsidy income	-	2,742	2,742
Liabilities	5,893	5,366	10,205
Non-allocated liabilities	-	-	175,085
Total Liabilities	**5,893**	**8,108**	**188,032**
Additions of Tangible and Intangible Assets	2,708	4,270	6,978

6.2 Break-down per Geographical Segment (secondary reporting type)

The Group's registered offices are in Greece and all the activities take place in Greece.

TANGIBLE ASSETS

The Group's tangible assets can be broken down as follows:

	THE GROUP						
	Lots - Plots	Buildings and building facilities	Machinery & Mechanical Installations	Transport equipment	Furniture and other equipment	Fixed assets under construction	Total
Acquisition or valuation value on 1/1/2016	**18,896**	**5,826**	**104,921**	**1,828**	**3,423**	**8,568**	**143,462**
Additions 1/1 - 31/12/2016			982	127	110	4.286	**5.505**
Redistributions 1/1 - 31/12/2016			6,014			(6,338)	**(324)**
Sales 1/1 - 31/12/2016							
Total on 31/12/2016	**18,896**	**5,826**	**111,917**	**1,955**	**3,533**	**6,516**	**148,643**
Accumulated depreciation on 1/1/2016		**-1,748**	**-56,626**	**-1,057**	**-2,613**		**-62,045**
Depreciation of period 1/1 - 31/12/2016		-146	-5,926	-75	-174		**-6,322**
Sales 1/1 - 31/12/2016							
Total on 31/12/2016		**-1,894**	**-62,552**	**-1,133**	**-2,788**		**-68,366**
Net carried value on 31/12/2015	**18,896**	**4,078**	**48,295**	**771**	**811**	**8,568**	**81,418**
Net carried value on 31/12/2016	**18,896**	**3,932**	**49,365**	**822**	**745**	**6,516**	**80,275**

	THE GROUP						
	Lots - Plots	Buildings and building facilities	Machinery & Mechanical Installations	Transport equipment	Furniture and other equipment	Fixed assets under construction	Total
Acquisition or valuation value							
Balance on 1/1/2015	**18,896**	**5,826**	**101,387**	**1,497**	**3,200**	**5,779**	**136,585**
Additions 1/1 - 31/12/2015			1,122	359	228	5,201	**6,910**
Redistributions 1/1 - 31/12/2015			2,413			(2,413)	
Sales 1/1 - 31/12/2015				(27)			**(27)**

Total on 31/12/2015	**18,896**	**5,826**	**104,921**	**1,828**	**3,428**	**8,568**	**143,467**
Accumulated depreciation							
Balance on 1/1/2015		**1,603**	**50,861**	**1,023**	**2,445**		**55,931**
Depreciation of period 1/1 - 31/12/2015		146	5,766	62	171		**6,144**
Sales 1/1 - 31/12/2015				(27)			**(27)**
Total on 31/12/2015		**1,748**	**56,626**	**1,057**	**2,617**		**62,048**
Net carried value on 31/12/2014	**18,896**	**4,223**	**50,525**	**473**	**755**	**5,779**	**80,652**
Net carried value on 31/12/2015	**18,896**	**4,078**	**48,295**	**771**	**811**	**8,568**	**81,418**

The Company's tangible assets can be broken down as follows:

	THE COMPANY						
	Lots - Plots	Buildings and building facilities	Machinery & Mechanical Installations	Transport equipment	Furniture and other equipment	Fixed assets under construction	Total
Acquisition or valuation value							
Balance on 1/1/2016	**18,896**	**5,826**	**104,921**	**1,828**	**3,423**	**8,568**	**143,462**
Additions 1/1 - 31/12/2016			982	127	110	4,286	**5,505**
Redistributions 1/1 - 31/12/2016			6,014			(6,338)	**(324)**
Sales 1/1 - 31/12/2016							
Total on 31/12/2016	**18,896**	**5,826**	**111,917**	**1,955**	**3,533**	**6,516**	**148,643**
Accumulated depreciation							
Balance on 1/1/2016		**-1,748**	**-56,626**	**-1,057**	**-2,613**		**-62,045**
Depreciation of period 1/1 - 31/12/2016		-146	-5,926	-75	-174		**-6,322**
Sales 1/1 - 31/12/2016							
Total on 31/12/2016		**-1,894**	**-62,552**	**-1,133**	**-2,788**		**-68,366**
Net carried value on 31/12/2015	**18,896**	**4,078**	**48,295**	**771**	**811**	**8,568**	**81,418**
Net carried value on 31/12/2016	**18,896**	**3,932**	**49,365**	**822**	**745**	**6,516**	**80,275**

	THE COMPANY						
	Lots - Plots	Buildings and building facilities	Machinery & Mechanical Installations	Transport equipment	Furniture and other equipment	Fixed assets under construction	Total
Acquisition or valuation value on 1/1/2015	**18,896**	**5,826**	**101,387**	**1,497**	**3,197**	**5,779**	**136,582**
Additions 1/1 - 31/12/2015			1,122	359	225	5,201	**6,908**
Redistributions 1/1 - 31/12/2015			2,413			(2,413)	
Sales 1/1 - 31/12/2015				(27)			**(27)**
Total on 31/12/2015	**18,896**	**5,826**	**104,925**	**1,832**	**3,423**	**8,568**	**143,462**
Accumulated depreciation Balance on 1/1/2015		**1,603**	**50,861**	**1,023**		**2,444 -**	**55,930**
Depreciation for period 1/1 - 31/12/2015		146	5,766	62		173 -	**6,146**
Sales 1/1 - 31/12/2015				(27)			**(27)**
Total on 31/12/2015		**1,748**	**56,626**	**1,057**		**2,618 -**	**62,049**
Net carried value on 31/12/2014	**18,896**	**4,223**	**50,525**	**473**	**756**	**5,779**	**80,652**
Net carried value on 31/12/2015	**18,896**	**4,078**	**48,299**	**775**	**806**	**8,568**	**81,415**

No encumbrances have been registered on the Company's and the Group's assets.

8. INTANGIBLE ASSETS

	THE GROUP		THE COMPANY	
	Software Programs	Total	Software Programs	Total
Acquisition or valuation value				
Balance on 1/1/2016	758	758	758	758
Additions 1/1 - 31/12/2016	6	6	6	6
Redistributions 1/1 - 31/12/2016	324	324	324	324
Sales 1/1 - 31/12/2016	-	-	-	-
Total on 31/12/2016	**1,088**	**1,088**	**1,088**	**1,088**
Accumulated depreciation				
Balance on 01/01/2015	606	606	606	606
Depreciation of period 1/1 - 31/12/2016	82	82	82	82
Total on 31/12/2016	**688**	**688**	**688**	**688**
Net carried value on 31/12/2015	**153**	**153**	**153**	**153**
Net carried value on 31/12/2016	**401**	**401**	**401**	**401**

	THE GROUP		THE COMPANY	
	Software Programs	Software Programs	Software Programs	
Acquisition or valuation value on 1/1/2015				
	711	711	707	707
Additions 1/1 - 31/12/2015	51	51	51	51
Total on 31/12/2015	**763**	**763**	**758**	**758**
Accumulated depreciation on 1/1/2015				
	570	570	566	566
Depreciation of period 1/1 - 31/12/2015	40	40	40	40
Total on 31/12/2015	**610**	**610**	**606**	**606**
Net carried value on 31/12/2014	**146**	**146**	**146**	**146**
Net carried value on 31/12/2015	**153**	**153**	**153**	**153**

9. PARTICIPATIONS IN SUBSIDIARIES

Company participations in subsidiaries and the relevant transactions for the year can be broken down as follows:

	31/12/2016	31/12/2015
Balance at start of period	**60**	**60**
Provision for impairment		
	60	60
Sale of subsidiary	-	-
Balance at end of period	**60**	**60**

Long-term receivables as at 31/12/2016 primarily relate to the guarantees provided to PPC (€ 403, compared to € 400 in 2015) and long-term trade receivables after arrangements made for their repayment (€ 1,476, compared to € 1,532 in 2015).

INVENTORIES

Group and Company inventories can be broken down as follows:

	THE GROUP		THE COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Raw direct and indirect materials - consumables - spare parts	1,671	1,081	1,671	1,081
Impairment of inventories	(35)	(35)	(35)	(35)
Total after impairment	1,636	1,045	1,636	1,045

There is an impairment provision of €35 on the Group's inventories (2015: € 35).
There are no pledges on the Group's inventories.

TRADE AND OTHER RECEIVABLES

Group and Company other receivables can be broken down as follows:

	THE GROUP		THE COMPANY	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Trade receivables	41,360	41,758	41,338	41,729
Short-term receivables from related parties			120	131
Doubtful – disputed customers and debtors	23,210	20,429	23,210	20,429
Sundry debtors	506	1,041	459	956
Advances and credit control account	160	114	160	114
Prepaid expenses	263	298	263	298
Years' receivable income	5,442	4,848	5,442	4,848
	70,942	**68,488**	**70,993**	**68,506**
Less: Provision for bad debt	(23,210)	(20,429)	(23,210)	(20,429)
Total of trade and other receivables	**47,732**	**48,059**	**47,783**	**48,077**

The book values of the above receivables represent their fair value and no discounting is required on the Balance sheet date. There is no credit risk concentration related to receivables, as the Company has a large number of customers and the credit risk is dispersed.
It should be noted that the balance of account "Receivable Income of period" on 31/12/2016 amounting to €5,442, pertains to incurred income of EYATH S.A. for the 1/1/2016-31/12/2016 period (when they were recorded) amounting to €4,520 which will be invoiced in a subsequent period, and other receivable income of € 922.
The advances and credit management account on 31/12/2016 mainly included receivables-bills for payment of the Company's collectors and other associates.
The change in bad debts and the provision formed can be broken down as follows:

	THE GROUP		THE COMPANY	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Balance on 1/1/2016 / 1/1/2015	**20,429**	**17,692**	**20,429**	**17,692**
Increase	2,782	2,736	2,782	2,736
Balance on 31/12/2016 / 31/12/2015	**23,210**	**20,429**	**23,210**	**20,429**

Trade receivable maturity dates were as follows:

TURNAROUND TIME FOR RECEIVABLES BALANCE ON 31/12/2016

	THE GROUP		THE COMPANY	
	WITHIN 12 MONTHS	OVER 12 MONTHS	WITHIN 12 MONTHS	OVER 12 MONTHS
Customers and other receivables	26,028	15,333	26,005	15,333
Receivables from related enterprises			120	
Doubtful – disputed customers and debtors		23,210		23,210
Less: Provisions		(23,210)		(23,210)
Total	**26,028**	**15,333**	**26,125**	**15,333**

TURNAROUND TIME FOR RECEIVABLES BALANCE ON 31/12/2015

	THE GROUP		THE COMPANY	
	WITHIN 12 MONTHS	MORE THAN 12 MONTHS	WITHIN 12 MONTHS	MORE THAN 12 MONTHS
Customers and other receivables	25,163	16,595	25,134	16,595
Receivables from related enterprises			131	
Doubtful – disputed customers and debtors		20,429		20,429
Less: Provisions		(20,429)		(20,429)
Total	**25,163**	**16,595**	**25,265**	**16,595**

BREAKDOWN OF BAD DEBT OVER 12 MONTHS

	THE GROUP		THE COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Receivables from state and wider public sector	7,561	3	7,561	3
Other bad debt from individuals	7,772	16,592	7,772	16,592
Total	**15,333**	**16,595**	**15,333**	**16,595**

The parent company sends bills to customers - consumers of water three times a year. Each bill is for the consumption of water of a calendar quarter. In 2007, the Company's management decided to charge default interest to those customers who were late at least one month in paying their bill.
Group receivables from customers payable within 12 months amounted to € 26,028 on 31/12/2016 (2015: € 25,163). Customer receivables to be collected after 12 months from the date on which the period closed were € 38,543 (2015: € 37.024) of which: i) receivables of € 23,210 (2015: € 20,429) have been characterised as bad debt and ii) receivables of € 15,333 (2015: € 16,595) have not been characterised as bad debt. Bad debt collectible in more than 12 months from now includes receivables from the state and wider public sector of € 7,561 (2015: € 3) and receivables from individuals of € 7,772 (2015: € 16,592) which Company management has good grounds to believe will be collected.

CASH AND CASH EQUIVALENTS

	THE GROUP		THE COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Cash	153	132	153	132
Sight and time deposit	56,544	50,824	56,149	50,644
Total	**56,697**	**50,956**	**56,302**	**50,776**

Cash assets include cash in the Group and company treasury and bank deposits available upon demand.
The rating of cash assets based on the credit ratings of FITCH is:

Credit rating in cash assets	THE GROUP		**THE COMPANY**	
(Fitch)	31/12/2016	31/12/2015	**31/12/2016**	**31/12/2015**
RD	28,471	47,604	28,076	47,424
Sight and time deposits in banks not rated by Fitch	28,072	3,220	28,073	3,220
Total	56,543	50,824	**56,149**	**50,644**

The total sight and time deposits are deposited in Greek banks which are subject to capital controls.
In implementation of the Act of Legislative Content of 20/4/2015 (Government Gazette 41/A), on 22/4/2016 EYATH S.A. requested that a cash management account be opened at the Bank of Greece in which € 25,000 was deposited.

SHARE CAPITAL

	31/12/2016	31/12/2015
Number of registered shares	36,300,000	36,300,000
Nominal value per share (in Euro)	1.12	1.12
Nominal value	40,656,000	40,656,000
Premium on capital stock	2,829,985	2,829,985

Company shares are listed for trading on the Large Capitalisation category of the Athens Exchange.
According to the Company's Shareholder Registry, on 31/12/2016, shareholders with a significant participation percentage in the Company were:

SHAREHOLDER	Number of shares held	Holding on 31/12/2016
Hellenic Republic Asset Development Fund S.A.	26,868,000	74.02%
Other shareholders	9,432,000	25.98%
Total	36,300,000	100.00%

RESERVES

	THE GROUP		THE COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Statutory Reserve	11,186	10,564	11,163	10,541
Special law untaxed reserves	399	399	399	399
Reserves for own share acquisition	1	1	1	1
Other reserves	16,635	16,584	16,635	16,584
Balance	28,221	27,549	28,198	27,525

Under Greek company law, the establishment of a statutory reserve (by transferring 5% of the annual earnings net of tax to it to each year) is mandatory until that reserve accounts for 1/3 of the share capital. The "statutory reserve" is distributed only upon the winding up of the Company; it may though be set off against accumulated losses.

The tax law reserves were established under the provisions of tax laws which either entitle the taxation of certain income to be rolled forward to the time at which that income is distributed to shareholders or grant certain tax breaks as incentives for making investments.

The own shares reserve consists of fractional rights in shares from share capital increases in which gratis shares were distributed on 17/1/2003.

PROVISIONS FOR EMPLOYEE BENEFITS / PROVISIONS FOR THE SUPPLY OF WATER

The Company's and Group's obligation to staff employed in Greece for future payment of benefits depending on their length of previous service is measured and presented based on the accrued right expected to be paid to each employee, on the balance sheet date, discounted at present value, compared to the expected time of payment. The accrued benefits of each period are charged in profit or loss with corresponding increase of the pension liability. The payment of benefits to employees leaving due to retirement correspondingly decrease the pension liability.

The present value is an estimate made at a specific point in time (the present). That estimate calculates an amount which is considered to express the economic equivalent (at the present time) of one or more amounts which will be paid at future points in time. The need to calculate the present value rises from the established principle that amounts which refer to different points in time are not comparable. To be able to compare the two or more amounts, they must be 'extrapolated' to the current date.

The obligation arising from currently completed service is equal to the present value of benefits accrued up to the valuation date (i.e. those which correspond to completed service by members on the valuation date) and is based on estimated final pensionable pay for active members.

Contributions are the present value of the increase for benefits due to one year's service, which will be added during the year after the valuation date, relate to service during that year and are based on estimated final pensionable pay for active members. That is done by calculating present value, which is the only method acceptable under IAS 19.

The number of staff employed in the Company and the corresponding payroll cost are as follows:

	THE GROUP		THE COMPANY	
	1/1-31/12/2016	1/1-31/12/2015	1/1-31/12/2016	1/131/12/2015
Payroll expenses	6,646	6,750	6,646	6,750
Employer contributions	1,668	1,694	1,668	1,694
Other benefits and staff expenses	107	189	107	189
Personnel dismissal and retirement compensation provision	145	851	145	851
Total cost	8,566	9,484	8,566	9,484
Number of permanent employees	221	224	221	224

The Group and Company obligation to pay compensation to its staff leaving due to retirement was reduced based on an actuarial study which was prepared by an independent company of certified actuaries. The key figures and assumptions of the actuarial study are as follows:

	THE GROUP		THE COMPANY	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Provisions for retirement benefits	1,998	2,223	1,998	2,223
Provisions for water supply	0	1,560	0	1,560
	1,998	**3,783**	**1,998**	**3,783**

The key financials and assumptions of the actuarial study for compensation benefits are as follows:

Changes in net liability recognised in the balance sheet

	THE GROUP		THE COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Current value of non-financed liabilities	1,998	2,223	1,998	2,223
Net liability recognised in balance sheet	**1,998**	**2,223**	**1,998**	**2,223**

Amounts recognised in income statement

	THE GROUP		THE COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Cost of current employment	46	100	46	100
Interest on liability	52	86	52	86
Normal expenses in income statement	**97**	**186**	**97**	**186**

Changes in net liability recognised in the balance sheet

	THE GROUP		THE COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Net liability at start of period	**2,223**	**2,398**	**2,223**	**2,398**
Benefits paid by employer	(175)	(208)	(175)	(208)
Total expense recognised in income statement	97	186	97	186
Amount recognised directly in comprehensive income statement	(148)	(154)	(148)	(154)
Net liability at end of period	**1,998**	**2,223**	**1,998**	**2,223**
Re-measurements				
(Profit)/Loss from change in assumptions	(42)	(182)	(42)	(182)
(Profit)/Loss from the current period	189	27	189	27
Total charges to other comprehensive income	**148**	**(154)**	**148**	**(154)**
Change in net value of liability				
Present value of liability at start of period	**2,223**	**2,398**	**2,223**	**2,398**
Cost of current employment	46	100	46	100
Interest cost	52	86	52	86
Benefits paid by employer	(175)	(208)	(175)	(208)
Amounts recognised in other comprehensive income	(148)	(154)	(148)	(154)
Present value of liability at end of period	**1,998**	**2,223**	**1,998**	**2,223**
Actuarial assumptions				
Discount Rate	2.00%	2.32%	2.00%	2.32%
Inflation	2.00%	2.00%	2.00%	2.00%
Future increases of salaries	0% up to 2019 and 2.3% thereafter	0.00% (for 2016-2018) 2.5% (thereafter)	0% up to 2019 and 2.3% thereafter	0.00% (for 2016-2018) 2.5% (thereafter)
Retirement Increase Rate	0.00%	0.00%	0.00%	0.00%

The key figures and assumptions of the actuarial study for the water supply benefit are as follows:

Changes in net liability recognised in the balance sheet

	THE GROUP		THE COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Current value of non-financed liabilities	0	1,560	0	1,560
Net liability recognised in balance sheet	0	1,560	0	1,560

Amounts recognised in income statement

	THE GROUP		THE COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Cost of current employment	13	8	13	8
Interest on liability	35	17	35	17
Additional payments or expenses / (income)	(1,608)		(1,608)	
Normal expenses in income statement	(1,560)	25	(1,560)	25
Recognition of past service cost		640		640
Total expense in income statement	(1,560)	664	(1,560)	664

Changes in net liability recognised in the balance sheet

	THE GROUP		THE COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Net liability at start of period	1,560	946	1,560	946
Benefits paid by employer		(48)		(48)
Total expense recognised in income statement	(1,560)	664	(1,560)	664
Amount recognised directly in comprehensive income statement		(3)		(3)
Net liability at end of period	0	1,560	0	1,560

Re-measurements

(Profit)/Loss from change in assumptions		52		52
(Profit)/Loss from the current period		(49)		(49)
Total charges to other comprehensive income		3		3
Change in net value of liability				
Present value of liability at start of period	1,560	946	1,560	946
Cost of current employment	13	8	13	8
Interest cost	35	17	35	17
Benefits paid by employer		(48)		(48)
Cost of cutbacks / settlements / termination of service	(1,608)		(1,608)	
Additional payments or expenses / (income)				
Past service cost during previous period		640		640
Amounts recognised in other comprehensive income		(3)		(3)
Present value of liability at end of period	0	1,560	0	1,560

Actuarial assumptions

Discount Rate	2.00%	2.32%	2.00%	2.32%
Inflation	2.00%	2.00%	2.00%	2.00%
Future increases of salaries	0% up to 2019 and	0.00% (for 2016-2018)	0% up to 2019	0.00% (for 2016-2018)
	2.3% ther after	2.5% (thereafter)	2.3% thereafter	2.5% (thereafter)
Retirement Increase Rate	0.00%	0.00%	0.00%	0.00%

According to BoD Decision 154/2016 dated 19/4/2016, the free supply of water to EYATH S.A. pensioners was stopped, and therefore part of the relevant liability was reversed on 31/12/2016.

On the valuation date (31/12/2016), if an annual discount rate of 1.5% had been used instead of 2%, then the total obligation would have been around 6% lower. Moreover, if an annual discount rate of 2.5% had been used instead of 2%, then the total obligation would have been around 5% higher.

Based on the actuarial study, the gross value of the amount recognised in other comprehensive income is € 147, of which the net amount is € 105 and the corresponding deferred tax is € 33.

PROVISIONS FOR CONTINGENCIES AND EXPENSES

A provision of € 6,488 covers contingent liabilities that may arise during the settlement of litigation with third parties and Group staff.
A provision of € 2,200 relates to the provision for the cost of removing an accumulated mass of sludge at the Thessaloniki Wastewater Treatment Facility.
For fiscal years 2009 and 2010, which have not been audited by the tax authorities, the relevant provision formed was € 500. (see note 28)

	GROUP AND COMPANY			
Long-term provisions	**Pending litigation**	**Provision for tax**	**Provisions for contingencies & expenses**	**Total**
1/1/2016	**3,252**	**1,037**	**2,200**	**6,489**
Additional provisions for year	3,586			**3,586**
Provisions used/reversal of provisions for the period	350	537		**887**
31 December 2016	**6,488**	**500**	**2,200**	**9,188**

	GROUP AND COMPANY			
Long-term provisions	**Pending litigation**	**Provision for tax**	**Provisions for contingencies & expenses**	**Total**
01 January 2015	**2,321**	**1,037**	**3,700**	**7,058**
Additional provisions for year	932			**932**
Provisions used/reversal of provisions for the period			(1,500)	**(1,500)**
31 December 2015	**3,252**	**1,037**	**2,200**	**6,489**

GRANTS

	THE GROUP		THE COMPANY	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Opening balance	**2,742**	**3,117**	**2,742**	**3,117**
New grants collected		**45**		**45**
Depreciation of grants carried forward to results	**(397)**	**(420)**	**(397)**	**(420)**
End of period balance	**2,345**	**2,742**	**2,345**	**2,742**

Grants primarily relate to the construction of the company's water supply and sewerage network. The company has complied with all obligations required in order to receive the grants and so there is no issue of the grants being returned.

OTHER LONG-TERM LIABILITIES

The sum of € 14,024 on 31/12/2016 and € 13,637 on 31/12/2015 related to guarantees from customers for use of meters which was collected when the initial supply connection was made. Those guarantees are returned (without interest) when the customer terminates the connection. The guarantees have been recorded at nominal value, and not at fair value when initially recorded and then subsequently at carried cost because customers may request those amounts back at any time.

TRADE AND OTHER LIABILITIES

The total liabilities of the Group and the Company to suppliers and other third parties are broken down as follows:

	THE GROUP		THE COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Suppliers			5,630	6,263
Cheques payable	5,663	6,283	14	2
Other Taxes - Duties	17	2	1,057	1,194
Insurance and pension fund dues	1,057	1,194	312	306
Liabilities to related parties	312	306	275	231
Accrued expenses	1,467	1,538	1,461	1,531
Dividends payable	118	111	118	111
Sundry creditors	1,079	771	996	713
Total	9,712	10,205	9,863	10,351

The maturity of the Group and Company suppliers and other liabilities accounts can be broken down as follows:

	THE GROUP		THE COMPANY	
	SHORT-TERM 2016		SHORT-TERM 2016	
	WITHIN 6 MONTHS	FROM 6 TO 12 MONTHS	WITHIN 6 MONTHS	FROM 6 TO 12 MONTHS
Suppliers	5,663		5,630	
Cheques payable	17		14	
Insurance and pension fund dues	312		312	
Dividends payable	118		118	
Liabilities to related enterprises/joint ventures			275	
Sundry creditors	332	747	249	747
Accrued expenses	1,467		1,461	
Other taxes and duties	1,057		1,057	
Total	8,965	747	9,116	747

	THE GROUP		THE COMPANY	
	SHORT-TERM 2015		SHORT-TERM 2015	
	WITHIN 6 MONTHS	FROM 6 TO 12 MONTHS	WITHIN 6 MONTHS	FROM 6 TO 12 MONTHS
Suppliers	6,283		6,263	
Cheques payable	2		2	
Insurance and pension fund dues	306		306	
Dividends payable	111		111	
Liabilities to related enterprises/joint ventures			231	
Sundry creditors	371	400	312	400
Accrued expenses	1,538		1,531	
Other taxes and duties	1,194		1,194	
Total	9,805	400	9,951	400

21. SHORT-TERM TAX LIABILITIES

Group and Company other short-term liabilities can be broken down as follows:

	THE GROUP		THE COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Income tax	576	508	501	492
	576	508	501	492

1 THE GROUP

In the comparator period, amounts from the short-term tax liabilities and other trade receivables accounts were reclassified for the purposes of comparability.

22. EXPENSES PER CATEGORY

Expenses per category for the Group and Company in 2016 can be broken down as follows:

for the period ended on 31/12/2016	Cost of production	Selling & distribution expenses	Administrative expenses	Research & Development expenses	Total
Cost of goods used	1,753				1,753
Self-supplied fixed assets	(350)				(350)
Staff salaries and expenses	6,226	962	1,294	84	8,566
Third party fees and expenses	2,216	230	894	50	3,390
Electricity	11,729	13	51		11,792
Rent	131	31	191		352
Maintenance - Repair expenses	13,880	38	79	3	14,000
Other charges for outside services	1,056	98	267		1,421
Expenses from tax and duties	447	80	103	1	630
Miscellaneous Expenses	1,017	24	890	232	2,163
Depreciation of tangible & intangible assets	5,678	160	445	122	6,404
Provisions for bad debt		2,782			2,782
Total	**43,782**	**4,417**	**4,213**	**491**	**52,903**

for the period ended on 31/12/2016	Cost of production	Selling & distribution expenses	Administrative expenses	Research & Development expenses	Total
Cost of goods used	1,753				1,753
Self-supplied fixed assets	(350)				(350)
Staff salaries and expenses	6,226	962	1,294	84	8,566
Third party fees and expenses	1,471	894	1,047	180	3,592
Electricity	11,729	13	51		11,792
Rent	131	31	191		352
Maintenance - Repair expenses	13,880	38	79	3	14,000
Other charges for outside services	1,056	98	259		1,413
Expenses from tax and duties	447	80	99	1	626
Miscellaneous Expenses	1,017	24	843	232	2,116
Depreciation of tangible & intangible assets	5,678	160	445	122	6,404
Provisions for bad debt		2,782			2,782
Total	**43,037**	**5,082**	**4,306**	**621**	**53,046**

Expenses per category for the Group and Company in 2015 can be broken down as follows:

THE GROUP

For the period ended on 31/12/2015	Cost of production	Selling & distribution expenses	Administrative expenses	Research & Development expenses	Total
Cost of goods used	2,224				2,224
Self-supplied fixed assets	(359)				(359)
Staff salaries and expenses	6,873	945	1,572	94	9,484
Third party fees and expenses	1,992	229	875	48	3,146
Electricity	12,764	13	54		12,831
Rent	147	31	190		369
Maintenance - Repair expenses	15,614	33	115	3	15,765
Other charges for outside services	1,456	65	107		1,628
Expenses from tax and duties	403	48	92	46	589
Miscellaneous Expenses	1,331	18	555	3	1,907
Depreciation of tangible & intangible assets	4,535	705	901	46	6,186
Provisions for bad debt		2,736			2,736
Total	46,980	4,824	4,461	239	56,505

THE COMPANY

for the period ended on 31/12/2015	Cost of production	Selling & distribution expenses	Administrative expenses	Research & Development expenses	Total
Cost of goods used	2,224				2,224
Self-supplied fixed assets	(359)				(359)
Staff salaries and expenses	6,873	945	1,572	94	9,484
Third party fees and expenses	1,158	902	961	147	3,169
Electricity	12,764	13	54		12,831
Rent	147	31	190		368
Maintenance - Repair expenses	15,614	33	115	3	15,765
Other charges for outside services	1,456	65	98		1,619
Expenses from tax and duties	403	48	91	46	588
Miscellaneous Expenses	1,331	18	502	3	1,853
Depreciation of tangible & intangible assets	4,535	705	901	46	6,186
Provisions for bad debt		2,736			2,736
Total	46,146	5,497	4,483	339	56,465

OTHER OPERATING EXPENSES - OTHER OPERATING INCOME

Other operating income can be broken down as follows:

	THE GROUP		THE COMPANY	
	1/1 -31/12/2016	1/1 -31/12/2015	1/1 -31/12/2016	1/1 -31/12/2015
Income from Subsidies	213	267	213	267
Compensation for management & maintenance of				
rainwater network	0	1,500	0	1,500
Income from services provided	1,048	281	1,048	281
Rent	94	67	3	4
Depreciation on subsidies	397	375	397	375
Other income	2,801	1,907	2,801	1,907
Total other operating income	**4,553**	**4,397**	**4,462**	**4,334**

Other operating income as at 31/12/2016 which stood at € 2,801 (2015: € 1,907) includes the figure of € 1,560 which is related to termination of free water supplies to the company's pensioners.

Other operating expenses can be broken down as follows:

Tax and other fines and				
surcharges	667	65	667	65
Compensation to third parties for damage to the				
water supply & sewerage network	60	53	60	53
Compensation under court rulings	288	199	288	199
Other expenses, provisions and losses	3,170	935	3,170	935
Losses from replacement of water meters and				
Other losses		25		25
Other prior period expenses	247	88	211	45
Total other expenses	**4,432**	**1,365**	**4,396**	**1,323**

FINANCIAL INCOME/(EXPENSES)

Financial income (expenses) can be broken down as follows:

Other expenses, provisions and losses as at 31/12/2016 which stood at € 3,170 (2015: € 935) include provisions equal in size to the amounts requested in pending litigation, which did not exist during the previous period (see note 17).

	THE GROUP		THE COMPANY	
	1/1-31/12/2016	1/1-31/12/2015	1/1-31/12/2016	1/1-31/12/2015
Interest charges on bank liabilities	1	1		
Other financial expenses	57	50	57	50
Total financial expenses	57	50	57	50
Interest and related income	1,329	1,177	1,327	1,160
Total financial income	1,329	1,177	1,327	1,160
Net financial income/(expenses)	1,272	1,127	1,270	1,111

Note that the balance in the Group account "Interest and related income" as at 31/12/2016 of € 1,329 includes default interest on customer bills of € 405 and other interest of € 924 which primarily relates to interest from deposits. The policy of charging default interest on customer bills has been implemented since 16/5/2007 by decision of the Company's Board of Directors.

INCOME TAX

Under Law 4334/2015 which was published on 16/7/2015 and Law 4336/2015 which was published on 14/8/2015, the income tax rate for legal persons in Greece was increased from 26% to 29% and the advance on income tax was increased from 80% to 100%, effective from 1/1/2015.
The tax burden on the results was as follows:

	THE GROUP		**THE COMPANY**	
	1/1 -31/12/2016	**1/1 -31/12/2015**	**1/1 -30/12/2016**	**1/1 -30/12/2015**
Income tax	8,264	6,973	8,189	6,957
Deferred tax	1,048	244	1,048	244
Total	**9,312**	**7,217**	**9,237**	**7,201**

The tax amount in the "Income tax" line of the comprehensive income statement is different from the theoretical amount that would arise by applying the current tax rate to the Company's profits. This difference is as follows:

	THE GROUP		**THE COMPANY**	
	1/1 -31/12/2016	**1/1 -31/12/2015**	**1/1 -31/12/2016**	**1/1 -31/12/2015**
Earnings before tax	**21,769**	**20,701**	**21,568**	**20,754**
Tax calculated at the Company's tax rate (2016: 29%, 2015: 26%)	6,313	6,003	6,255	6,019
Expenditure not exempted from income tax	458	559	441	542
Other taxes	400		400	
Untaxed income		(446)		(446)
Impact of change in tax rates		549		549
Permanent differences	2,141	552	2,141	537
Total taxes in Comprehensive Income Statement	**9,312**	**7,217**	**9,237**	**7,201**

The fact that in some cases income and expenses are booked at a time other than the time at which income is taxed or expenses deducted for the purpose of determining taxable income gives rise to the need to recognise deferred tax assets or deferred tax liabilities.
The deferred tax asset/liability recognised by the Group and the Company can be broken down as follows:

	THE GROUP		THE COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Balance at start of period	**4,467**	**4,756**	**4,467**	**4,756**
Income/equity tax	(1,091)	(289)	(1,091)	(289)
Balance at end of period	**3,376**	**4,467**	**3,376**	**4,467**

	THE GROUP			
	As at 31/12/2015	Credits (Debits) in results	Credits (Debits) in equity	As at 31/12/2016
Deferred tax liabilities				
Adjustment of fixed asset subsidies	(2,214)	61		(2,153)
	(2,214)	61		(2,153)
Deferred tax assets				
Depreciation on tangible assets	3,253	235		3,488
De-recognition of depreciation on capital expenditure and adjustment in depreciation for intangible assets	225	(26)		199
Adjustment of value of receivable accounts	1,483	(780)		703
Provisions for contingencies - other provisions	638	(109)		529
Personnel dismissal and retirement compensation provision	1,082	(505)	33	611
	6,681	(1,185)	33	5,529
Net deferred tax assets in the statement of financial position	**4,467**	**(1,123)**	**33**	**3,377**
Presentation in statement of financial position				
Deferred tax liabilities (net)				
Deferred tax assets (net)	4,467			3,377
	4,467			**3,377**

	THE COMPANY			
	As at 31/12/2015	**Credits (Debits) in results**	**Credits (Debits) in equity**	**As at 31/12/2016**
Deferred tax liabilities				
Adjustment of fixed asset subsidies	(2,214)	61		(2,153)
	(2,214)	61		(2,153)
Deferred tax assets				
Depreciation on tangible assets	3,253	235		3,488
De-recognition of depreciation on capital expenditure and adjustment in depreciation for intangible assets				
	225	(26)		199
Adjustment of value of receivable accounts	1,483	(780)		703
Provisions for contingencies - other provisions	638	(109)		529
Personnel dismissal and retirement compensation provision	1,082	(505)	33	611
	6,681	(1,185)	33	5,529
Net deferred tax assets in the statement of financial position	**4,467**	**(1,123)**	**33**	**3,377**
Presentation in statement of financial position				
Deferred tax liabilities (net)	4,467			3,377
Deferred tax assets (net)	4,467			3,377

26. EARNINGS PER SHARE

The basic earnings per share are calculated by dividing the net profits for the period by the average weighted number of shares in circulation during the period. Earnings are defined as profits or losses from the Group's continuing operations. It should be clearly understood that during the current and previous fiscal year there were no discontinued operations. There are no debentures convertible to shares or other potential instruments convertible to shares which would reduce profits during the periods to which the financial statements relate and consequently reduced earnings per share have not been calculated.

Basic earnings (losses) per share were calculated as follows:

	THE GROUP		THE COMPANY	
	1/1 -31/12/2016	1/1 -31/12/2015	1/1 -31/12/2016	1/1 -31/12/2015
Net profits payable to the Company's ordinary shareholders	**12,457**	**13,485**	**12,331**	**13,553**
Average weighted number of shares in circulation	36,300,000	36,300,000	36,300,000	36,300,000
Less: Weighted average number of own shares				
Average weighted number of shares in circulation	**36,300,000**	**36,300,000**	**36,300,000**	**36,300,000**
Basic earnings (losses) per share (in euro)	**0.3432**	**0.3715**	**0.3397**	**0.3734**

At its meeting on 27/4/2017 the Company's Board of Directors approved submission of a proposal to the Ordinary General Meeting of Shareholders to distribute a dividend under Article 45 of Codified Law 2190/1920 of € 0.114 per share (or a total gross sum of € 4,138) for 2016. The dividend is subject to approval by the Ordinary General Meeting of Shareholders and is included in the balance of the account "Retained earnings".

27. TRANSACTIONS WITH RELATED PARTIES

According to the Group, related parties are members of the Board of Directors, management executives, as well as the shareholders holding a significant percentage of its share capital (including their related parties). The transactions and the balances of the Group's and Company's related parties, during the 1/1/2016 - 31/12/2016 period and on 31/12/2016 respectively, are broken down in the following tables:

	THE GROUP		THE COMPANY		
	1/1/2016 - 31/12/2016	1/1/2015 - 31/12/2015	1/1/2016 - 31/12/2016	1/1/2015	31/12/2015
Income					51
Expenses			1,969		1,668
Transactions and fees of management executives and Board members	783	820	783		819

	THE GROUP		THE COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Receivables			120	131
Liabilities			275	231
Receivables from management executives and Board members	4	5	4	5
Liabilities to from management executives and Board members	20	329	20	327

The company's expenses of € 1,969 are related to meter reading services and distribution of receipts, as well as other services provided by subsidiary "EYATH SERVICES S.A.". The Company's receivable of € 120 mainly relates to receivables from the approved dividend. The Company's liability of € 275 relates to meter reading services and distribution of receipts to the subsidiary EYATH SERVICES S.A.
The actuarial liability for the company's related parties (management executives) was € 260 on 31/12/2016 (compared to € 241 in 2015).

28. COMMITMENTS FROM CONTINGENT LIABILITIES

28.1 Contingent liabilities from differences in litigation or arbitration

As at 31/12/2016, there were lawsuits, extrajudicial invitations and in general future claims of a total amount of € 30 million approximately against the Company and Group, for which a provision of € 6,488 in total had been formed, which is included in the long-term liabilities account "Provisions for contingencies and expenses" (see Note 28).
Of those lawsuits, the sum of € 12.8 million relates to compensation for damage done by flooding or actions from various counterparties/suppliers and contractors for breach of contractual terms and € 17.2 million relates to labour disputes, retirement compensation and fines imposed by insurance funds.

The Group's Legal Department estimates that other than the provision formed there will be no other cases whose outcome in court will significantly affect the Group's assets and operations.

28.2 Commitments from operating leases

As at 31/12/2016, the Group had entered into contracts for the operating lease of properties, which will gradually come to an end by 2019. The operating lease rent expenses which were recorded in the income statement of the current period were € 352 (31/12/2015: € 368).
The future minimum payments of operating lease rents based on a non-voidable operating lease contract for the group and the company are as follows:

	31/12/2016	**31/12/2015**
0 – 1 years	270	304
2 – 5 years	68	348
Over 5 years	-	-
	338	**652**

28.3. Other contingent liabilities

As at 31/12/2016, the Group had granted performance bonds for project contracts of a total amount of € 522 (31/12/2015: € 734).

28.4 Open tax periods

Tax Compliance Report

From the 2011 fiscal year onwards, Greek societes anonyme and limited liability companies whose annual financial statements are audited of necessity and whose taxable income is over € 0.15 million are obliged to also obtain an annual tax certificate in accordance with Article 82(5) of Law 2238/1994 and Article 65a of Law 4174/2013. That annual tax certificate must be issued by the same statutory auditor or auditing firm which audits the annual financial statements. After completing the tax audit, the statutory auditor or auditing firm issues a Tax Compliance Report to the company and then the statutory auditor or auditing firm submits it online to the Ministry of Finance.
The Tax Compliance Report for the Company for FYs 2011 to 2015 inclusive has been issued without substantive adjustments in the tax cost and the corresponding tax provision, as reflected in the annual financial statements. The tax audit for FY 2016 is currently being carried out by Grant Thornton S.A. When the tax audit is completed, Management does not expect there to be major tax liabilities other than those entered into and presented in the financial statements.

Open tax periods

In October 2015, the Large Enterprises Audit Centre of the Secretariat General for Public Revenues, issued tax audit instruction No. 628/5/1118 for the 2009-2010 fiscal years. In February 2017, an interim table of taxes was sent and the Company, making use of the beneficial provisions contained in Law 4446/2016, submitted amended income tax declarations for the 2009-2010 fiscal years. On the basis of those amended declarations the Company paid € 371k and based on the interim auditing reports issued, the main tax balance is € 112k.
Consequently, the total burden is € 484k. The provision for open periods (2009-2010) formed by the Company as at 31/12/2015 was € 1,037 and in light of the above was reduced to € 500k and the difference was entered in the "Other operating income" account.

The subsidiary has not been audited by the competent tax authorities for years 2010 and up to this year. No additional taxes and surcharges are expected to be imposed, and therefore no relevant provision was formed.

For the fiscal years 2011 to 2015, the Company and its subsidiary EYATH Services S.A. have undergone a tax audit carried out by the certified public accountants in accordance with the provisions of Article 82(5) of Law 2238/1994 (for FYs 2011 to 2013) and Article 65a of Law 4172/2013 (Hellenic Income Tax Code) as amended by Law 4262/2015 (for FYs from 2014 onwards). For fiscal years 2011 to 2015, the audit was carried out by Grant Thornton S.A. Upon completion of the tax audit, audit reports were issued with an unqualified opinion for the Company and its subsidiary, while there were no tax liabilities other than those recorded and presented in the separate and consolidated financial statements.
For fiscal year 2016, the Tax Compliance Reports are expected to be issued after the publication of the annual financial statements.
After the completion of the tax audit, the Management of the Company and the Group does not anticipate any additional tax liabilities that will have a material effect, other than those recorded in the separate and consolidated financial statements.

2. NUMBER OF STAFF EMPLOYED

The number of staff employed by the Group on 31/12/2016 was 221 (31/12/2015: 224).

3. MAJOR EVENTS

On 11/5/2016, during the Ordinary General Meeting of the Company's shareholders, the Company's new Board of Directors was elected, its term ending on 10/5/2021. The new management of EYATH S.A., in a spirit of transparency and fairness, will seek to "invest" its profits in projects for the Thessaloniki public, ensuring a balance between the Company's growth and the protection of the environment, which in the case of the Thessaloniki urban centre, is synonymous with protection of the Thermaikos Bay.

EYATH S.A. combines its business operations with social responsibility, providing a high level of water supply and sewerage services, at the lowest possible cost. At the same time, serving as the manager and provider of a public commodity, such as water, it makes sure that it is accessible to sensitive (vulnerable or special) groups of citizens, ensuring that they can cover their basic needs, having established a social water supply tariff.

Following steps taken by Company management, procedures have been launched through the Central Staff Recruitment Board (ASEP) to increase the company's workforce, with 150 employees to be added within the current fiscal year, to allow EYATH S.A. to expand its activities and contribute towards the economic growth of the wider region. The process of submitting applications and supporting documents has already been completed for 80 university or technical college employees and the final tables remain to be published, while procedures to recruit 70 secondary education employees is under way.
During the previous year, the Company's new Management team restructured the Company in administrative terms, preparing a new organisational chart, which reduced the number of Divisions from 8 to 6 through the reallocation of departments and competences, and also appointing a new General Manager and new heads of divisions and departments after an evaluation process. The Company's Management Board was also launched, which operates on the basis of updated internal regulations.
In September 2016, the Board of Directors approved the Business Plan for the Management - Distribution of water for water supply purposes within EYATH's remit. The budget for the plan (excluding the water supply SCADA which will be financed by a Central Macedonia Region NSRF Programme with a budget of € 4.4 million) is € 64 million and will be implemented by the Company over the next 5 years.

The Board of Directors also recently approved a new company investment and business programme for the 2017-2023 period, aiming to:

- ensure the overall development of its networks, namely a series of technical projects in order to supply water to areas of both the urban area, and beyond it, to regions which currently are lacking good quality water;

- implement the extension of the Thessaloniki Water Treatment Plant (known as the 'refinery') to ensure the necessary extra quantity of water needed to cope with current and future water supply demand for the Thessaloniki urban area;

- expand its operation to neighbouring areas facing water supply and sewerage problems, for example tourist areas with water supply problems due to over-abstraction, saline water, etc.

On 26/4/2016 the Board of Directors of the Hellenic Republic Asset Development Fund (HRADF) approved the updated Asset Development Plan (ADP), which on 25/5/2016 was approved by the Government Economic Policy Council (Government Gazette 1472/B). According to the above plan, 23% of the Company's shares will be sold.

Article 2 of Law 4425/2016 (Government Gazette 185/A/30.9.2016) amended Article 197(6) of Law 4389/2016 and it was decided that 51% of shares in the Company would be transferred to the Public Holdings Company S.A. when it is established. So far, that transfer has not taken place and HRADF is still the main shareholder in the Company, with a 74.02% stake.

EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

During 2017, the parent company EYATH S.A. received an interim tax audit report for the audit for 2009 and 2010 which is under way. That report was accepted by Company Management in Board of Directors' Decision No. 137/2017 and the final audit report is expected to be issued soon. The surtaxes which were computed amounting to approximately € 500 are fully covered by existing provisions in the Company's books.

There are no events between 31 December 2016 and the date on which the financial statements were approved by the Company's Board of Directors which could materially affect the financial position or the Company's results for the period that ended on this date, or other events which should be disclosed in the financial statements.

Thessaloniki, 27 April 2017

Ioannis Krestenitis	Ioannis Papaioannou	Dimitrios Alexandris
Chairman of the Board of Directors & CEO	Vice Chairman	CFO
ID Card No. AB 680550	ID Card No. AE 183479	ID Card No. AZ 683204 Econ. Chamber of Greece Licen. No. 1st Class 0105601

THESSALONIKI WATER SUPPLY & SEWERAGE CO. S.A.

GENERAL COMMERCIAL REGISTER NO.: 58240404000 (Companies Register No.: 41913/06/B/98/32)
REGISTERED OFFICE: 127 Egnatias St., Thessaloniki GR-54635
DATA AND INFORMATION FOR THE PERIOD from 1/1/2016 to 31/12/2016
(Published in accordance with Article 135 of Codified Law 2190/1920 on businesses preparing annual financial reports, consolidated or otherwise, in conformity with the IAS)

This data and information based on the financial statements seeks to provide a general overview of the financial status and results of THESSALONIKI WATER SUPPLY & SEWERAGE CO. S.A. Consequently, we recommend that before making any investment decision or engaging in any transaction with the issuer, readers should consult the company's website where the financial statements as well as the audit report prepared by the statutory auditor have been posted.

The competent Ministry: Ministry of Economy, Infrastructure, Shipping & Tourism
Website: www.eyath.gr
Line-up of Board of Directors:

Ioannis Krestenitis, Chairman of the BoD & CEO, executive member - Ioannis Papaioannou, Vice Chairman, executive member - Styliani Valani, Vice Chairman, executive member - Stefania Tanimanidou, independent non-executive member - Panagiotis Gogos, independent non-executive member - Evdoxos Petridis, non-executive member - Olympia Latsiou, non-executive member - Ioannis Tsionas, non-executive member - Eleftheria Karahaliou, non-executive member - Giorgos Archontopoulos, employee representative, non-executive member - Anastasios Sachinidis, employee representative non-executive member.

Date of approval of periodic financial statements by Board of Directors: 27 April 2017
Statutory auditor: Athanasia Arabatzi (Reg. No. 12821), Christos Vargiemezis (Reg. No. 30891)
Auditing Company: Grant Thornton S.A. (Companies Register No. 127)
Type of audit report: Unqualified opinion

STATEMENT OF FINANCIAL POSITION
(amounts expressed in € '000)

	THE GROUP		THE COMPANY	
ASSETS	**31/12/16**	**31/12/15**	**31/12/16**	**31/12/15**
Property, plant and equipment	80.275	81.418	80.275	81.418
Intangible assets	401	153	401	153
Other non-current assets	5.256	6.400	5.316	6.460
Inventories	1.636	1.045	1.636	1.045
Trade receivables	41.360	41.758	41.338	41.729
Other current assets	63.070	57.258	62.747	57.123
TOTAL ASSETS	**191.998**	**188.032**	**191.713**	**187.928**
EQUITY AND LIABILITIES				
Share capital	40.656	40.656	40.656	40.656
Other reserves of equity	113.499	110.013	113.139	109.778
Total equity attributable to owners of parent company (a)	**154.155**	**150.668**	**153.795**	**150.435**
Non-controlling interests **(b)**	0	0	0	0
Total equity (c) = (a) + (b)	**154.155**	**150.668**	**153.795**	**150.435**
Provisions / Other long-term liabilities	27.554	26.651	27.554	26.651
Trade and other short-term payables	10.288	10.713	10.364	10.843
Total liabilities (d)	**37.842**	**37.364**	**37.918**	**37.494**
TOTAL EQUITY AND LIABILITIES	**191.998**	**188.032**	**191.713**	**187.928**

STATEMENT OF COMPREHENSIVE INCOME
(amounts expressed in € '000)

	THE GROUP		THE COMPANY	
	1/1-31/12/2016	1/1-31/12/2015	1/1-31/12/2016	1/1-31/12/2015
	Continuing Operations		Continuing Operations	
Turnover	73.278	73.048	73.278	73.048
Gross Profit / (losses)	29.496	26.068	30.241	26.902
Earnings / (losses) before taxes, financial and investment results	20.496	19.575	20.298	19.594
Earnings / (losses) before tax	21.769	20.701	21.568	20.754
Less taxes	(9.311)	(7.217)	(9.237)	(7.201)
Earnings / (losses) net of tax (A)	**12.457**	**13.485**	**12.331**	**13.553**
- Parent company shareholders	12.457	13.485	12.331	13.553
- Non-controlling interests	0	0	0	0
Other total income net of tax (B)	105	111	105	111
Total comprehensive income net of tax (A)+(B)	12.562	13.596	12.436	13.664
- Parent company shareholders	12.562	13.596	12.436	13.664
- Non-controlling interests	0	0	0	0
Basic earnings (losses) per share after taxes (in €)	0,3432	0,3715	0,3397	0,3734
Dividend proposed per share (in euro)			0,1140	0,1250
Earnings / (losses) before taxes, financial and investment results and total depreciation	26.501	25.338	26.302	25.331

CASH FLOW STATEMENT

Indirect method (amounts expressed in € '000)	THE GROUP		THE COMPANY	
	1/1-31/12/2016	1/1-31/12/2015	1/1-31/12/2016	1/1-31/12/2015
Operating activities:				
Earnings / (losses) before tax (continuing operations)	21.769	20.701	21.568	20.754
Plus/(Minus) adjustments for:				
Depreciation	6.402	6.184	6.401	6.157
Provisions	4.583	2.551	4.583	2.551
Income from participations	-	-	-	(51)
Fixed asset investment subsidies	(397)	(420)	(397)	(420)
Interest and related (income) / expenses	(1.272)	(1.127)	(1.270)	(1.111)
Plus / minus adjustments for changes in working capital	**31.084**	**27.889**	**30.884**	**27.880**
or related to operating activities:				
Decrease / (increase) in inventories	591	(284)	591	(284)
Decrease / (increase) in receivables	3.094	(4.756)	3.080	(4.726)
Decrease/ (increase) in long-term receivables	53	(401)	53	(401)
(Decrease) /increase in liabilities (excl. loans)	(7.632)	55	(7.627)	98
(Less):				
Interest charges and related expenses paid	(50)	(50)	(57)	(50)
Tax paid	(8.330)	(7.807)	(8.330)	(7.708)
Total inflow/(outflow) from operating activities (a)	**18.809**	**14.645**	**18.594**	**14.810**
Investing activities:				
Purchase of intangible and tangible assets	(5.511)	(6.961)	(5.511)	(6.959)
Sale of intangible and tangible assets	-	27	-	27
Dividends received	-	-	-	63
Interest received	1.312	1.414	1.312	1.398
Total inflow/(outflow) from investing activities (b)	**(4.199)**	**(5.520)**	**(4.200)**	**(5.471)**
Financing activities:				
Collections from subsidies	-	45	-	45
Dividends paid	(8.869)	(8.519)	(8.869)	(8.519)
Total inflow / (outflow) from financing activities (c)	**(8.869)**	**(8.474)**	**(8.869)**	**(8.474)**
Net increase/ (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	**5.741**	**652**	**5.526**	**865**
Cash and cash equivalents at beginning of period	**50.956**	**50.305**	**50.776**	**49.911**
Cash and cash equivalents at end of period	**56.697**	**50.956**	**56.302**	**50.776**

STATEMENT OF CHANGES IN EQUITY

(amounts expressed in € '000)	THE GROUP		THE COMPANY	
	1/1-31/12/2016	1/1-31/12/2015	1/1-31/12/2016	1/1-31/12/2015
Total equity at start of period (1/1/2016 and 1/1/2015 respectively)	**150.668**	**145.785**	**150.435**	**145.482**
Total comprehensive income net of tax	12.562	13.596	12.436	13.664
Share capital increase / (decrease)	0	0	0	0
Dividends distributed	(9.075)	(8.712)	(9.075)	(8.712)
Own share purchase / (sale)	0	0	0	0
Total equity at end of period (31/12/2016 and 31/12/2015 respectively)	**154.155**	**150.668**	**153.795**	**150.435**

ADDITIONAL DATA AND INFORMATION

1. The companies included in the consolidated financial statements for the current period are presented below. Up until 31/12/2016 there has been no change to the consolidated companies and/or the % of participation and their consolidation method.

Company	Country	% holding	Consolidation method
EYATH S.A.	Greece	Parent company	Full consolidation
EYATH SERVICES S.A.	Greece	100%	Full consolidation

2. During 2017, the parent company EYATH S.A. received an interim tax audit report for the audit for fiscal years 2009 and 2010 which is under way. That report was accepted by Company Management in Board of Directors' Decision No. 137/2017 and the final audit report is expected to be issued soon. The subsidiary, EYATH Services S.A., has the following fiscal years which still need to be audited:

Company	Country	% holding	OPEN TAX YEARS
EYATH SERVICES S.A.	Greece	100,00%	2010

An audit is already being carried out for fiscal year 2016 by the auditing firm Grant Thornton which will issue a tax certificate (note 28.4 of the Annual Financial Report).

3. The provisions formed for contingencies are in each case the following:
i) A provision of € 6,488 thousand has been formed for disputes in litigation or arbitration of the Group and the Company, as well as decisions of court or arbitration bodies. Other than the provision, there are no other disputes that may have a significant effect on the Group's financial position or operations (note 28.1 of the Annual Financial Report).
ii) An accumulated provision has been formed for bad debts of € 23,210 thousand (note: 12 of the Annual Financial Report).
iii) An accumulated provision has been formed for open tax years of € 500 thousand (note: 17 of the Annual Financial Report).
iv) An accumulated provision has been formed for impairment of inventories of € 35 thousand (note: 11 of the Annual Financial Report).
v) An accumulated provision has been formed for retirement compensation to staff of € 1,998 thousand (note: 16)
vi) An accumulated provision has been formed for the removal of dehydrated sludge of € 2,200 thousand (note: 17 of the Annual Financial Report).
vii) No other provisions have been formed.

4. There are no real encumbrances on Group and Company properties.

5. The number of staff employed at the end of the current period was: Group: 221, Company: 221, whereas for the corresponding previous period it was 224 for the Group and the Company.

6. The Group and Company investments in fixed assets for the current period amounted to € 5,511 thousand. For the corresponding previous period they amounted to € 6,961 thousand and € 6,959 thousand for the Group and the Company respectively. (note: 7 & 8 of the Annual Financial Report).

7. Other comprehensive income net of tax during the current period amounted to € 105 thousand, whereas in the previous period it amounted to € 111 thousand and related to actuarial results.

8. The income and expenses amounts, cumulatively from the start of the financial period and the balances of the Group and Company receivables and liabilities at the end of the current period, resulting from transactions with related parties, as such are defined in IAS 24, are as follows:

	Group	Company
a) Income	0	0
b) Expenses	0	1.969
c) Receivables	0	120
d) Liabilities	0	275
e) Transactions with and fees for management executives and Board members	783	783
f) Receivables from management executives and Board members	4	4
g) Payables to management executives and Board members	20	20

9. The Group does not hold own shares.
10. No event has occurred which significantly affects the financial structure or business course of the Company and the Group from 31/12/2016 to the date of approval of the financial statements by the Company's Board of Directors.
11. The annual Financial Statements were prepared based on the accounting policies used to prepare the Financial Statements for the year ended on 31/12/2015, other than the changes to the Standards and Interpretations which apply since 1/1/2016, which are explained in note 2 to the Financial Statements.

12. No sector of operations or company in the Group has discontinued its operations.

Thessaloniki, 27 April 2017

THE CHAIRMAN OF THE BOARD & CEO	THE VICE CHAIRMAN OF THE BOARD	THE CFO
Ioannis Krestenitis ID Card No. AB 680550	**Ioannis Papaioannou** ID Card No. AE 183479	**Dimitrios Alexandris** No. Econ. Chamber of Greece Licence No. 0105601 (1st Class) ID Card No. AZ 683204

INFORMATION REQUIRED UNDER ARTICLE 10 OF LAW 3401/2005

Over the period 1/1/2016-31/12/2016, EYATH S.A. made the following information available to the public in implementation of legislative requirements to that effect. That information was posted to its website (www.eyath.gr) and the website of the Athens Securities Exchange (www.helex.gr).

EYATH S.A. **NOTIFICATION OF CHANGES IN SENIOR MANAGEMENT EXECUTIVES**
09:30 30 Dec 2016
EYATH S.A.: **CHANGES IN ORGANISATIONAL STRUCTURE OF EYATH S.A.**
12:01 29 Dec 2016
EYATH S.A.: **Notice No. 10132/2016 (Greek translation not available)**
13:28 10 Oct 2016
EYATH S.A.: **NOTICE: COMMENTS ON THE FINANCIAL STATEMENTS FOR THE 1ST HALF OF 2016**
18:13 29 Sep 2016
EYATH S.A.: **NOTIFICATION OF CHANGE OF INTERNAL AUDITOR**
15:39 11 Aug 2016
EYATH S.A.: **NOTIFICATION OF CHANGES IN SENIOR MANAGEMENT EXECUTIVES**
09:46 27 Jul 2016
EYATH S.A.: **CUT-OFF DATE FOR DIVIDENDS – PAYMENT OF DIVIDENDS / ADVANCE DIVIDEND**
12:55 13 Jun 2016
EYATH S.A.: **CHANGE TO EYATH S.A.'S FINANCIAL CALENDAR**
13:26 27 May 2016
EYATH S.A.: **NOTIFICATION OF EYATH S.A.'S COUNTRY OF ORIGIN**
13:21 27 May 2016
EYATH S.A.: **ANNOUNCEMENT OF THE RESULTS OF VOTING AT EYATH S.A.'S ORDINARY GENERAL MEETING**
13:30 25 May 2016
EYATH S.A.: **ANNOUNCEMENT OF THE RESULTS OF VOTING AT EYATH S.A.'S ORDINARY GENERAL MEETING (errata corrected)**
10:23 13 May 2016
EYATH S.A.: **NOTICE OF CHANGE IN COMPOSITION OF BOARD OF DIRECTORS**
13:25 12 May 2016
EYATH S.A.: **Notice No. 4755/2016 (Greek translation not available)**
13:25 12 May 2016
EYATH S.A.: **ANNOUNCEMENT OF THE RESULTS OF VOTING AT EYATH S.A.'S ORDINARY GENERAL MEETING**
12:28 12 May 2016
EYATH S.A.: **ANNOUNCEMENT OF THE ORDINARY GENERAL MEETING DECISIONS**
14:48 11 May 2016
EYATH S.A.: **ANNUAL ANALYSTS PRESENTATION 2016**
11:33 21 Apr 2016
EYATH S.A.: **Notice No. 4089/2016 (Greek translation not available)**
09:34 20 Apr 2016
EYATH S.A.: **ADVANCE NOTICE OF GENERAL MEETING**
09:31 20 Apr 2016
EYATH S.A.: **Notice No. 3527/2016 (Greek translation not available)**
13:34 01 Apr 2016
EYATH S.A.: **(ERRATA CORRECTED) COMMENTS ON EYATH S.A.'S 2015 FINANCIAL STATEMENTS**
13:20 30 Mar 2016
EYATH S.A.: **COMMENTS ON EYATH S.A.'S 2015 FINANCIAL STATEMENTS**
12:52 30 Mar 2016
EYATH S.A.: **Notice No. 2645/2016 (Greek translation not available)**
15:28 29 Mar 2016
EYATH S.A.: **ANNOUNCEMENT OF FINANCIAL CALENDAR**
15:26 29 Mar 2016

AVAILABILITY OF FINANCIAL STATEMENTS

The annual and interim financial statements of the Group and Company, the Audit Report, and the Board of Directors' Management Report to the Annual Ordinary General Meeting have been posted to the company's website (www.eyath.gr).