



ANNUAL FINANCIAL REPORT

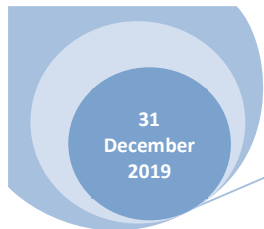
for the period 1 January 2019 - 31 December 2019

(in accordance with Article 4 of Law 3556/2007)

Companies Register No.: 41913/06/B/98/32

General Commercial Reg. No. 58240404000

127 Egnatias St - 54635 Thessaloniki



31
December
2019

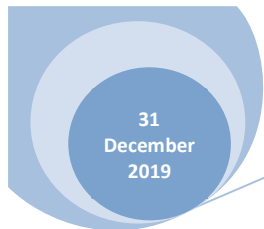
ANNUAL FINANCIAL REPORT
for the period 1 January 2019 - 31 December 2019
(amounts in thousands of euro)

ANNUAL FINANCIAL REPORT
FOR THE PERIOD 1 JANUARY 2019 - 31 DECEMBER 2019
IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

It is confirmed that the attached Annual Financial Report is the one approved by the Board of Directors of "THESSALONIKI WATER SUPPLY AND SEWERAGE CO. S.A." on 21 May 2020 and has been published on the internet at www.eyath.gr.

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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 AND SEWERAGE CO S.A.**", trading as EYATH S.A., whose registered offices are at 127 Egnatias St., Thessaloniki, GR-54635:

1. Agis Papadopoulos, Chairman of the Board
2. Anthimos Amanatidis, CEO
3. Nikos Klitou, Board Member, Chairman of the Audit Committee

in implementation of the provisions of Article 4(2) of Law 3556/2007, 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 1/1/2019 to 31/12/2019 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, and

(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, 21 May 2020

Confirmed by

| | | |
|------------------------------------|-----------------------|---|
| Agis Papadopoulos | Anthimos Amanatidis | Nikos Klitou |
| Chairman of the Board of Directors | CEO | Board member Chairman of the Audit Committee |
| ID Card No. AN 201633 | ID Card No. AE 125155 | ID Card No. AM 674658 |

ANNUAL MANAGEMENT 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 2019 - 31 December 2019)

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 (1/1/2019-31/12/2019).

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 financial 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 financial year.

In addition, the Board of Directors' report includes the explanatory report required by Article 4(7) of Law 3556/2007 and the Corporate Governance Statement.

The amounts in the Board of Directors Annual Report are in euro.

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 A 248/3-11-1998), created from the merger of Societes Anonyme "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 within 1997 and b) subsidiary company EYATH SERVICES S.A. (wholly owned), which engages in the provision of all types of water supply and sewerage services, telecommunications services and the generation and sale of electricity.

It is listed on the Athens Exchange and is governed by the provisions of Codified Law 4548/2018 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. 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.

EYATH is the second largest water supply and sewerage services provider in Greece. It provides water supply services via a 2,700 km long water distribution network within its territorial remit (the wider Thessaloniki urban area and industrial area) and sewerage services via a 1,600 km long sewerage network within its territorial remit (from the river Axios, to the high areas of the Thessaloniki urban area to the tourist areas). The company has over 1,000,000 customers (around 510,000 water connections). EYATH also helps with flood protection in the city of Thessaloniki, even though it is the Greek State, the Region and local government authorities which are responsible for the design, construction, and maintenance of rainwater drainage and flood protection works in general, and for cleaning the drains.

FINANCIAL INFORMATION - COURSE OF BUSINESS

EYATH remains a robust, viable company and has continued to be highly profitable over recent years.

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

Group turnover came from the sale of water supply and sewerage services and stood at € 72,686 thous. compared to € 73,030 thous. during the corresponding period last year, reflecting a drop of € 344 thous. or 0.47%.

The fluctuation in turnover is primarily due to the implementation of the new pricing policy (since 1/5/2019) which follows the logic of reducing the price of water at low consumption levels (the largest volume of consumers) and increasing it at high consumption levels to avoid wastage of natural resources.

The cost of sales was € 43,617 thous. compared to € 42,744 thous. in 2018, down € 873 thous. or 2.04%. The cost of sales rose due to higher public utility (electricity, natural gas) bills, particularly on the water supply network, the pumping stations and the biological treatment plant. Consequently, Gross Profit in 2019 stood at € 29,069 compared to € 30,286 in the previous year, up € 1,216 or 4.02%.

Other operating income stood at € 3,775 thous. compared to € 2,609 thous. in 2018, up € 1,166 thous. or 44.70% primarily due to the reversal of unused provisions from previous years relating to removal of sludge and by-products.

The Group's operating expenses dropped by € 1,555 thous. or 13.35% compared to 2018 primarily due to the provision for bad debt made based on the requirements of IFRS 9 which was down € 935 thous. compared to 2018. A further drop was also due to the reduction in staff salaries and due to the impact of adopting IFRS 16 (Leases) under which depreciation on right-of-use assets and interest on lease liabilities are not included in the EBITDA calculation.

Other operating expenses stood at € 3,339 thous. compared to € 1,874 thous. in 2018, up some 78.24% primarily due to the drop in the construction value of a company property in Toumba (a chemical plant).

As a result of the above, Group EBT was € 20,652 thous. compared to € 20,951 thous. during the corresponding period last year, down € 298 thous. or 1.42% approximately. Finally, Earnings After Tax in 2019 amounted to € 14,658 thous. compared to € 14,001 thous. in 2018, down by € 657 thous. or 4.70%.

The Group's EBITDA, before impairment of the incomplete building in Toumba, stood at € 25,925 during the current period compared to € 25,478, up some € 447 or 1.75%. This financial ratio, including the aforementioned impairment in the construction value of the company's unfinished property, is 23,598.

Finally, Group cash and cash equivalents at the end of the period on 31/12/2019 stood at € 75,844 compared to € 71,634 on 31/12/2018, an increase of € 4,210 or 5.88%.

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 income 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 operating 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 operating 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:

| | 1/1/2019-31/12/2019 | | 1/1/2018-31/12/2018 | | Deviation |
|---|---------------------|--|---------------------|--|-----------|
| PERFORMANCE AND PROFITABILITY RATIOS | | | | | |
| Gross Profit Margin | 39.99% | | 41.47% | | -1.48% |
| EBITDA Margin | 35.67% | | 34.89% | | 0.78% |
| EBIT | 26.71% | | 26.53% | | 0.18% |
| EBT Margin | 28.41% | | 28.69% | | -0.27% |
| EAT Margin | 20.17% | | 19.17% | | 1.00% |
| INVESTMENT RATIOS | | | | | |
| Earnings per share after tax | 0.4038 | | 0.3857 | | 4.70% |
| LIQUIDITY RATIOS | | | | | |
| | 31/12/2019 | | 31/12/2018 | | Deviation |
| General liquidity (Current assets / short-term liabilities) | 11.51 | | 9.84 | | 16.94% |
| CAPITAL STRUCTURE & VIABILITY RATIOS | | | | | |
| Equity / Debt | 518.03% | | 471.34% | | 46.69% |

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. That decision has remained in effect to this day following successive extensions.

Article 33 of Law 4258/2014 on arrangements for setting the tariffs of EYDAP and EYATH, applied from 1.7.2015 to 31.12.2018, according to which tariffs for water supply and sewerage services were to be approved by decisions of the Special Secretary for Water, following consultations with the Minister of Finance and other relevant agencies.

In Special Secretariat for Water decision no. 135275/22.5.2017 (Government Gazette 1751/B) "on general rules for costing and billing water services, methods and procedures for recovering costs of water services for various water uses", general costing and billing rules for water services were laid down. The purpose of the decision is to approve the general costing and billing rules as well as measures to improve water services for various uses of water, and to lay down procedures and methods for recovering the cost of such services, including environmental costs and water resource costs. At the same time, the objective of the Joint Ministerial Decision is to ensure that pricing policy for water offers adequate incentives to users to efficiently use water resources and for the different uses of water to adequately contribute to recovery of the cost of water supply services. Services are charged for based on cost factors, including financial costs, environmental costs and resource costs. Financial costs are worked out by the provider (EYATH S.A. in this instance) whereas environmental and resource costs are calculated and approved by decision of the competent authority, and overall are added to tariffs as an environmental levy per m3 of water used.

Pricing Policy for the 2019-2023 period, which EYATH S.A. recommended to the Special Secretariat for Water, was approved by decision no. 26142/180 of the Special Secretary for Water (Government Gazette 1105/B/3.4.2019) and took effect on 1/5/2019. The new pricing policy follows the logic of a drop in the cost of water for lower levels of consumption, to ensure it has a social focus, and a rise in cost for high consumption to avoid natural resource wastage. At the same time, the social tariff has been retained and improved for groups of consumers who are socially and economically vulnerable; it is tied into the social and income criteria used for the social residential tariffs for electricity (tariffs A and B), which beneficiaries can access automatically without bureaucratic procedures, and without needing to submit supporting documents. An environmental levy is included in the new tariffs, which is paid over to the Green Fund to finance water resource management and protection projects. For 2021-2023 there will be a 2% annual increase in tariffs (apart from household scale one with consumption of up to 10 m3/4-months) to ensure that the company's investment plan can be implemented (which foresees major

water supply and sewerage projects, such as an extension to the Thessaloniki water treatment plant, maintenance of the Aravissos aqueduct, works to improve the water supply and sewerage networks), while the sewerage levy, fixed charges and special water cycle levy will remain firm and fixed over the tariff's 5-year period.

MAJOR EVENTS

Investment projects

In 2019 EYATH launched the tender process to select contractors to implement the following projects:

- Contract for sewerage works to upgrade pumping stations, discharge pipes, a coastal collection pipeline and the Aeneia wastewater facility central pipe, with a budget of € 4.4 million (VAT excl.).
- Contract for first group of urgent sewerage works 2020, with a budget of € 2.5 million (plus VAT).
- Contract for the repair and maintenance of the water supply network in central and eastern Thessaloniki in 2019, with a budget of € 1.5 million (VAT excl.).
- Contract for the repair and maintenance of the water supply network in Western Thessaloniki in 2019, with a budget of € 950,000.00 (VAT excl.).
- Contract for first group of urgent water supply works 2019, with a budget of € 950,000.00 (VAT excl.).
- Contract for the construction of an extension to the Thessaloniki Water Treatment Plant - Phase A2, with a budget of € 21.7 million (VAT excl.).

In addition, in 2019 the following project and design contracts were signed which are included in the company's investment plan:

- Contract for completion of the connection of the Thessaloniki low-lying areas, which includes 7 sewerage sub-projects, with a budget of € 6 million (VAT excl.). The contract with the contractor was signed in April 2019.
- Contract for maintenance of EYATH S.A. facilities in 2018, with a budget of € 700,000.00 (VAT excl.) which will include, among other things, maintenance works for EYATH S.A. facilities needed to install the new water supply SCADA system. The contract for € 350,000.00 (VAT excl.) was signed in April 2019.
- Framework agreement to improve - repair the Aravissos aqueduct, with a budget of € 3.37 million (VAT excl.), and signing of 1st individual (implementing) agreement for the sum of € 858,621.89 (VAT excl.) in December 2019.
- Framework agreement for preparation of supporting designs to meet EYATH S.A.'s needs, with a budget of € 725,806.45, and signing of 1st individual agreement for € 191,129.13 (VAT excl.) in November 2019.
- Framework agreement for the provision of Technical Advisor support services for designs and projects under the EYATH S.A. Strategic & Business Plan, with a budget of € 1.3 million, and signing of a private agreement awarding the Framework agreement in September 2019.

In addition, in 2019 the tender procedure to appoint a contractor for the supply project financed by the Central Macedonia Region entitled "Remote control and automation of water supply systems within EYATH's remit" was completed. The budget is €3.4 million (VAT excl.). The contract with the Contractor was signed in December 2019.

Lastly, during 2019, cases of extending sewerage networks with third parties assuming part of the cost were examined. These related to pipelines around 1.5 km long in various areas. Other cases examined included reconstructions/replacements of sewerage pipelines of around 10 km long.

The subsidiary EYATH SERVICES S.A.

On 31.12.2016 contracts for work entered into by the subsidiary EYATH SERVICES S.A. expired but were extended to 30.6.2017 under Article 46 of Law 4440/2016. All persons engaged under such contracts sought recourse to the courts and obtained an interim order until the final judgment on the petition for injunctive relief is handed down. Athens Single-Member Court of First Instance judgment No. 1353/2018 was handed down on 1.3.2018 which rejected the injunction of the contract staff against the Company and the subsidiary EYATH SERVICES S.A. and since that date those persons have ceased offering their services to the company. EYATH SERVICES S.A. has not provided any water supply and sewerage services in the period from 1.3.2018 to the present day. On 2.4.2019 the main case filed by former contract workers against EYATH S.A. and EYATH SERVICES S.A. was heard and judgment is awaited.

At the Board meeting on 22.4.2019 decision no. 001/2019 was passed which extended the term in office of the Board of EYATH Services S.A., in accordance with Article 18 of its Articles of Association, until the Ordinary General Meeting which will elect the new Board.

At the Board meeting on 22.4.2019 decision no. 002/2019 accepted the resignation of Mrs. Styliani Valani from the post of Vice Chairman of the Board and decided her replacement by Mr. Panagiotis Gogos. Following that, the Board officially met with the line-up below:

- Olympia Latsiou-Chrysafi, daughter of Thomas, ID Card No. AM 660585, Chairman.
- Ioannis Krestenitis, son of Nikolaos, ID Card No. AE 680550, CEO.
- Ioannis Papaioannou, son of Evangelos, ID Card No. AE 183479, Member.
- Panagiotis Gogos, son of Dionysios, ID Card No. AE 680814, Vice Chairman.
- Despina Lemonidou, daughter of Iordanis, ID Card No. AM 265639, Member.
- Petros Nastos, son of Stergios, ID Card No. AB 363357, Member.
- Dimitrios Alexandris, son of Georgios, ID Card No. AZ 683204, Member.

On 24.6.2019 Mr. Ioannis Krestenitis tendered his resignation from the Board of EYATH Services S.A. and the post of CEO. At its meeting on 12.7.2019 the Board of EYATH Services S.A. issued decision no. 006/2019 accepting the letter of resignation dated 24.6.2019 tendered by Mr. Ioannis Krestenitis, from the position of CEO of EYATH Services S.A.

At its meeting on 17.7.2019 the Board of EYATH Services S.A. issued decision no. 007/2019 assigning the duties of CEO to Board Member, Mr. Ioannis Papaioannou, and the Board was officially constituted with the following line-up:

- Olympia Latsiou-Chrysafi, daughter of Thomas, ID Card No. AM 660585, Chairman.
- Ioannis Papaioannou, son of Evangelos, ID Card No. AE 183479, CEO.
- Panagiotis Gogos, son of Dionysios, ID Card No. AE 680814, Vice Chairman.
- Despina Lemonidou, daughter of Iordanis, ID Card No. AM 265639, Member.
- Petros Nastos, son of Stergios, ID Card No. AB 363357, Member.
- Dimitrios Alexandris, son of Georgios, ID Card No. AZ 683204, Member.

At the meeting of the subsidiary's Board on 9.9.2019 decision no. 009/2019 was passed officially constituting the Board in implementation of the decision of the Ordinary General Meeting held on 9.9.2019, as follows:

- Agis Papadopoulos, son of Michail, ID Card No. AE 201633, Chairman, non-executive member. Elected on 9.9.2019. Term in office ends on: 9.9.2022.
- Narkisos Georgiadis, son of Vasilios, ID Card No. AN 199359, CEO, executive member. Elected on 9.9.2019. Term in office ends on: 9.9.2022.
- Olympia Latsiou-Chrysafi, daughter of Thomas, ID Card No. AM 660585, Vice Chairman, non-executive member. Elected on 9.9.2019. Term in office ends on: 9.9.2022.

- Panagiotis Gogos, son of Dionysios, ID Card No. AE 680814, Member, executive member. Elected on 9.9.2019. Term in office ends on: 9.9.2022.
- Petros Nastos, son of Stergios, ID Card No. AB 363357, Member. Elected on 9.9.2019. Term in office ends on: 9.9.2022.
- Despina Lemonidou, daughter of Iordanis, ID Card No. AM 265639, Member. Elected on 9.9.2019. Term in office ends on: 9.9.2022.
- Dimitrios Alexandris, son of Georgios, ID Card No. AZ 683204, Member. Elected on 9.9.2019. Term in office ends on: 9.9.2022.

Annual General Meeting of Shareholders

The Annual Ordinary General Meeting of Shareholders held on 6.6.2019:

- Approved the separate and consolidated annual Financial Statements of EYATH S.A. for the accounting period 1.1.2018 – 31.12.2018 and the relevant Board of Directors' and Auditors' reports and statements.
- Approved the Board's overall management approach during the accounting period 1.1.2018 – 31.12.2018 in accordance with Article 108 of Law 4548/2018 and released the Auditors from liability in accordance with Article 117(1)(c) of Law 4548/2018.
- Approved the distribution of dividends to shareholders from the profits for 2018.
- Approved the fees and remuneration paid to the Board and its secretariat.
- Gave advance approval to the payment of fees and remuneration of members of the Board of Directors for the accounting period 1.1.2019 – 31.12.2019.
- Selected the certified public accountants for the statutory and tax audit for the 2019 accounting period and set their fees.
- Gave permission to the members of the Company's Board and executives in its various Divisions to participate in the Boards or in the Management of other affiliated companies in accordance with IAS 24, as well as in the legal person those companies control.
- Voted against electing a new Board member.
- Provided information about how the 150 new employees hired by EYATH S.A. are being managed and about their duties.
- Also provided information about the waste treatment plant.

Changes to the Board of Directors

The Board decided on 24.1.2019 (decision no. 023/2019) to accept the letter of resignation dated 16.1.2019 tendered by Mrs. Styliani Valani from the post of non-executive member and 2nd Vice-Chairman of the Board of EYATH S.A.

On 21.2.2019 EYATH S.A.'s Extraordinary General Meeting of Shareholders chose Mr. Nikolaos Klitou and Mr. Grigorios Penelis as independent, non-executive members of the Board of Directors of EYATH S.A. to serve for a 5-year term, to 21.2.2024.

Following the resignation of Mrs. Tanimanidou from the Audit Committee and the election of Mr. Nikolaos Klitou and Mr. Grigorios Penelis as independent, non-executive members of the Board of Directors of EYATH S.A., on 5.3.2019 the Board decided (decision no. 054/2019) to officially constitute itself as follows:

- Ioannis Krestenitis, son of Nikolaos, ID Card No. AB680550, Chairman & CEO, executive member. Elected on 11.5.2016. Term in office ends on: 10.5.2021.
- Ioannis Papaioannou, son of Evangelos, ID Card No. AE 183479, 1st Vice Chairman, executive member. Elected on 11.5.2016. Term in office ends on: 10.5.2021.
- Grigorios Penelis, son of Georgios, ID Card No. P 198072, 2nd Vice Chairman, independent non-executive member. Elected on 21.2.2019. Term in office ends on: 21.2.2024.

- Stefania Tanimanidou, daughter of Georgios, ID Card No. AE 655638, independent non-executive member. Elected on 11.5.2016. Term in office ends on: 10.5.2021.
- Panagiotis Gogos, son of Dionysios, ID Card No. AE 680814, Independent non-executive member. Elected on 6.4.2017. Term in office ends on: 10.5.2021.
- Olympia Latsiou-Chrysafi, daughter of Thomas, ID Card No. AM 660585, non-executive member. Elected on 11.5.2016. Term in office ends on: 10.5.2021.
- Petros Samaras, son of Epaminondas, ID Card No. AM 686941, non-executive member. Elected on 12.10.2017. Term in office ends on: 10.5.2021.
- Nikolaos Klitou, son of Konstantinos, ID Card No. AM 674658, independent non-executive member (Chairman of the Audit Committee.). Elected on 21.2.2019. Term in office ends on: 21.2.2024.
- Georgios Archontopoulos, son of Savvas, ID Card No. AI 733814, employee representative, non-executive member. Elected on 11.5.2016. Term in office ends on: 10.5.2021.
- Anastasios Sachinidis, son of Ioannis, ID Card No. AK 906475, employee representative, non-executive member. Elected on 11.5.2016. Term in office ends on: 10.5.2021.

The Board decided on 27.6.2019 (decision no. 260A/2019) to accept the letter of resignation dated 24.6.2019 tendered by Mr. Ioannis Krestenitis from the post of Chairman and CEO of EYATH S.A.

At its meeting on 31.7.2019 the Board accepted the letter of resignation from Mr. Petros Samaras dated 12.7.2019 from his position as non-executive member of the Board of Directors of EYATH S.A. (decision no. 275/2019).

The Company's Extraordinary General Meeting of Shareholders was held on 2.8.2019 at the Stock Exchange Centre, and elected Mr. Agis Papadopoulos as Chairman and non-executive member of the Board of EYATH S.A. The issue of electing a CEO for EYATH S.A. was deferred for discussion to the General Meeting on 27.8.2019 following a recommendation from the shareholder Hellenic Corporation of Assets and Participations S.A.

At its meeting of 5.8.2019, the Company's Board issued decision no. 276/2019 reconstituting the Board of Directors of EYATH S.A. with the following line-up:

- Agis Papadopoulos, son of Michail, ID Card No. AE 201633, Chairman, non-executive member. Elected on 2.8.2019. Term in office ends on: 2.8.2024.
- Ioannis Papaioannou, son of Evangelos, ID Card No. AE 183479, 1st Vice Chairman, executive member. Elected on 11.5.2016. Term in office ends on: 10.5.2021.
- Grigorios Penelis, son of Georgios, ID Card No. P 198072, 2nd Vice Chairman, independent non-executive member. Elected on 21.2.2019. Term in office ends on: 21.2.2024.
- Nikolaos Klitou, son of Konstantinos, ID Card No. AM 674658, independent non-executive member (Chairman of the Audit Committee.). Elected on 21.2.2019. Term in office ends on: 21.2.2024.
- Stefania Tanimanidou, daughter of Georgios, ID Card No. AE 655638, independent non-executive member. Elected on 11.5.2016. Term in office ends on: 10.5.2021.
- Panagiotis Gogos, son of Dionysios, ID Card No. AE 680814, independent non-executive member. Elected on 6.4.2017. Term in office ends on: 10.5.2021.
- Olympia Latsiou-Chrysafi, daughter of Thomas, ID Card No. AM 660585, non-executive member. Elected on 11.5.2016. Term in office ends on: 10.5.2021.
- Georgios Archontopoulos, son of Savvas, ID Card No. AI 733814, employee representative, non-executive member. Elected on 11.5.2016. Term in office ends on: 10.5.2021.
- Anastasios Sachinidis, son of Ioannis, ID Card No. AK 906475, employee representative, non-executive member. Elected on 11.5.2016. Term in office ends on: 10.5.2021.

Shareholders at the Company's Extraordinary General Meeting held on 27.8.2019 decided:

- To elect Mr. Narkisos Georgiadis as CEO of EYATH S.A., executive member of the Board of Directors, with a 5-year term in office to 27.8.2024.

- To elect Mr. Theodoros Koulouris as non-executive member of the Company's Board of Directors and
- To appoint the Company's Audit Committee whose term runs from 27.8.2019 to 10.5.2021, comprised of Mr. Nikolaos Klitou (Chairman) and Messrs. Panagiotis Gogos and Theodoros Koulouris (members).

At its meeting on 29.8.2019, the Board passed decision no. 330/2019 appointing Mr. Ioannis Papaioannou as executive director and executive board member, and conferred the title of CEO on Mr. Narkisos Georgiadis (executive board member) and made Mr. Theodoros Koulouris a non-executive board member.

Following that, the Board was officially constituted with the line-up below:

- Agis Papadopoulos, son of Michail, ID Card No. AN 201633, Chairman, non-executive member. Elected on 2.8.2019. Term in office ends on: 2.8.2024.
- Narkisos Georgiadis, son of Vasilios, ID Card No. AN 199359, CEO, executive member. Elected on 27.8.2019. Term in office ends on: 27.8.2024.
- Ioannis Papaioannou, son of Evangelos, ID Card No. AE 183479, Executive Director Strategic Planning & Investment Programme Management, with executive duties decided on an ad hoc basis by the Board of Directors. Elected on 11.5.2016. Term in office ends on: 10.5.2021.
- Grigorios Penelis, son of Georgios, ID Card No. P 198072, Vice Chairman, independent non-executive member. Elected on 21.2.2019. Term in office ends on: 21.2.2024.
- Nikolaos Klitou, son of Konstantinos, ID Card No. AM 674658, independent non-executive member (Chairman of the Audit Committee). Elected on 21.2.2019. Term in office ends on: 21.2.2024.
- Theodoros Koulouris, son of Nikiforos, ID Card No. AM 705629, non-executive member. Elected on 27.8.2019. Term in office ends on: 27.8.2024.
- Stefania Tanimanidou, daughter of Georgios, ID Card No. AE 655638, independent non-executive member. Elected on 11.5.2016. Term in office ends on: 10.5.2021.
- Panagiotis Gogos, son of Dionysios, ID Card No. AE 680814, independent non-executive member. Elected on 6.4.2017. Term in office ends on: 10.5.2021.
- Olympia Latsiou-Chrysafi, daughter of Thomas, ID Card No. AM 660585, non-executive member. Elected on 11.5.2016. Term in office ends on: 10.5.2021.
- Georgios Archontopoulos, son of Savvas, ID Card No. AI 733814, employee representative, non-executive member. Elected on 11.5.2016. Term in office ends on: 10.5.2021.
- Anastasios Sachinidis, son of Ioannis, ID Card No. AK 906475, employee representative, non-executive member. Elected on 11.5.2016. Term in office ends on: 10.5.2021.

If the CEO (as legal representative of EYATH S.A.) is absent or unable to attend to his duties, he is substituted by the Executive Director, Mr. Giannis Papaioannou in accordance with the provisions of the Articles of Association, the law and decisions of EYATH S.A.'s Board of Directors. If the Chairman of the Board is absent or unable to attend to his duties, he is substituted by the Vice Chairman of the Board Mr. Grigorios Penelis, and likewise the Vice Chairman is substituted by the Chairman of the Board for the same reasons in accordance with Article 17 of the Articles of Association.

Harmonisation of the Articles of Association with Law 4548/2018 and the Board of Directors' Remuneration Policy

At the Extraordinary General Meeting held on 20.12.2019 the shareholders decided:

- to amend the Articles of Association of the company (apart from Articles 12, 41, 53 and 54) in the context of bringing them into line with Law 4548/2018 on reform of the law of societies anonyme.
- to approve the remuneration policy for members of the management and board of directors.

Signing of new collective labour agreement

After the provisions of Article 31(5) and (6) of Law 4024/2011 expired on 1.1.2019, as specified in the provisions of Article 33(a) of Law 4354/2015, the Company and the SEEYATH trade union signed a new collective labour agreement effective from 1.9.2019.

Capital controls lifted

On 26.8.2019 the Hellenic Parliament voted to completely lift the capital controls which had been imposed on 29.6.2015 and from 1.9.2019 capital can be freely moved to/from abroad.

Approval of new organisational chart

In implementation of the provisions of paragraph 4.1.3.1 of the Athens Exchange Rulebook, EYATH S.A.'s management team announced that in decision no. 576/2019 the Board of Directors had put in place a new corporate structure effective from early January 2020.

To be more specific:

- A Water Supply and Sewerage Network Facilities & Operating Division was established.
- Independent Network and Facilities Operations Divisions were established in the water supply and sewerage sectors.
- A Digital Transformation Division was established.
- The Projects Division was bolstered by assuming responsibility for strategic planning and company development.

A Regulatory Compliance and Risk & Crisis Management Unit was set up which reports directly to the CEO.

Appointment of senior management executives

On 19.12.2019 the Board decided in decision no. 578/2019 the following in relation to heads of divisions from 1.1.2020:

1. To appoint an employee specialised in civil engineering, Parthena Theodoridou, daughter of Antonios, as head of the Operations and Coordination of Networks and Installations Division.
2. To appoint the heads of the EYATH S.A. divisions as follows:

Nikolaos Arabatzis, son of Georgios, employee, as head of the Administration and Operations Division.

Dimitrios Alexandris, son of Georgios, employee, as head of the Finance Division.

Panagiotis Petridis, son of Leonidas, employee specialised in civil engineering, as head of the Customer Service Division.

Georgios Angelos, son of Nikolaos, employee specialised in electrical engineering, as head of the newly-established Digital Transformation and IT Division.

Alexandros Mentis, son of Konstantinos, civil engineer, as head of the Planning and Works Division, which is renamed the Strategic Planning, Works and Development Division.

Pantelis Legbelos, son of Nikolaos, employee specialised in civil engineering, as head of the Water Supply Networks Division.

Georgia Seretoudi, daughter of Rizos, employee in the special scientific staff sector specialised in chemistry, as head of the newly established Water Supply Installations Division.

Christos Traganos, son of Dimosthenis, employee specialised in civil engineering, as head of the Sewerage Networks Division.

Konstantinos Kotoulas, son of Theodoros, employee specialised in chemical engineering, as head of the newly-established Sewerage Installations Division.

Maria Samara, daughter of Paschalis, employee, as head of the Regulatory Compliance & Crisis and Risk Management Unit.

Their term in office is 3 years commencing from 1.1.2020, and will be renewed each year following a recommendation from the CEO to the BoD, based on an evaluation report which will be prepared by 31 March of the following year, taking into account predetermined performance and target achievement indicators per unit.

VISION - MISSION

Management's vision is to develop the company as an efficient manager of water resources, protecting the environment in the wider Thessaloniki and Thermaikos Bay area.

The Company's mission is to offer quality, comprehensive water supply and sewerage services to old and new consumers who are in need of them, by utilising, improving and extending its infrastructure, through sustainable environmental management practices.

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 programme, to upgrade its facilities and to expand its technological infrastructures, and the ICT systems it has.

EYATH SA's special features, such as the natural monopoly it has, its strong cash flow situation, zero borrowing and its business and investment plans ensure that the company grows, remains profitable, and transforms into a robust centre for know-how and entrepreneurship in the wider region.

PROSPECTS

Flood protection works

In March 2019 a framework agreement was signed with the Central Macedonia Region to clean and maintain the rainwater network in the Thessaloniki urban area. The project has a budget of € 4 million and will run for 2 years.

Strategic and Business Plan

An exceptionally ambitious investment plan worth € 175 million was prepared in partnership between Management and specialists within the company and is currently being implemented. It includes tens of projects and designs involving the maintenance, replacement and extension of infrastructure in the city's water supply and sewerage system. The investment plan includes some flagship projects such as: extension of the Thessaloniki Water Treatment Plant (Phase A2), with NSRF Funding of € 21.5 million (plus VAT), sewerage works to complete the connection between low-lying areas of Thessaloniki (works in the Dendropotamos area and interchange K16) with a budget of € 6 million (plus VAT), extension to the water supply network SCADA worth € 3.35 million (plus VAT), the framework agreement to improve and repair the Aravissos water pipeline with a budget of € 3.37 million (plus VAT), sewerage works at

pump houses, discharge pipes and the coastal pipeline, with a budget of € 5.4 million (plus VAT), and replacement of water meters, extension of the water supply network into new areas and others.

To help implement its Strategic Plan, EYATH S.A. has put out to tender technical advisor services for support with and drafting of the supporting designs (geotechnical, geological and environmental designs) with a total pre-estimated fee of € 2.05 million (plus VAT). Those two framework agreements have already been signed. Evaluation of the application in the context of call for tenders No. 108603/15.10.2018 issued by the General Secretariat for Public Investments and NSRF / Ministry of Economy and Development on preparation and maturation of projects to be implemented/co-financed in the 2021-2027 programming period is still pending. EYATH S.A. submitted three technical bulletins for the operation via EYATH Fixed Assets for projects worth a total of € 5.5 million approximately.

Board of Directors' decision no. 414/13-9-2018 approved the updated Strategic and Business Plan for the 2018-2024 period whose objective is to:

- ensure the overall development of its networks and expansion of its operations, 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; and face water supply problems due to over-abstraction, salinization, etc.;
- 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;
- ensure uninterrupted, safe operation of the water supply systems, by supplying top quality water, in line with the rules and requirements laid down by the current regulatory framework;
- increase environmental safety in relation to pollution and protection of water resources;
- improve customer service by offering top class water supply and sewerage services at the least possible cost;
- combine business activity with social responsibility;
- upgrade infrastructure to improve the productivity of existing systems, which will lead to lower operating costs for the company, especially energy costs. In exploring the Company's potential for using renewable energy sources (RES) to reduce its energy costs, during the first half of 2019 it analysed the legal framework and the relevant procedures so that EYATH S.A. could install RES plants (photovoltaic stations) and operate as a self-producer, thereby making good use of its own properties or newly purchased/rented ones and benefiting from net metering and virtual net metering. A preliminary feasibility study was then prepared looking at 3 indicative examples of these options being applied: the Thessaloniki Water Treatment Plant, the Thessaloniki Waste Water Treatment Plant and the Aeneia Waste Water Treatment Plant.
- raise citizen awareness about environmental issues and brief them about the company's contribution to society as a whole, and about its business activities.

Investments in the sewerage sector

A project has been under way during the period entitled "Works to complete the connection to Thessaloniki's low-lying areas," which consists of 5 individual sub-projects within EYATH S.A.'s territorial remit. The 5 individual sub-projects comprising the overall project are as follows:

- An EYATH pipeline relocation study (alternative solution) under the operation entitled "Construction of the K16 interchange at the junction of the PATHE Motorway and the Thessaloniki Inner Ring Road- Phase II.
- Improvement - Upgrading of the A3 wastewater pumping station and construction of a discharge pipe.

- Improvement - Upgrading of the A4 wastewater pumping station.
- Diversion of wastewater from sewerage collection pipes at Agios Nektarios, Dendropotamos.
- Extension of the sewerage collection pipe at pumping station A3 to Kalohoriou St.

Moreover, a new tender procedure is now under way entitled “Sewerage works to upgrade pumping stations, discharge pipes, coastal collection pipe and Aeneia wastewater facility central pipe”, which includes sewerage works to improve - upgrade the wastewater pumping station A5 (at the port) and pumping station A2B (at the Thessaloniki Industrial Area), to replace the sewerage twin discharge pipe at pumping station A5 (at the port), to build a coastal collection pipe at pumping station B3 and a rainwater drainage pipe, to upgrade pumping station A17 at Finikas and to rebuild the central sewerage pipeline for the Aeneia wastewater treatment plant.

Functional and technological modernisation

In 2013 EYATH S.A. prepared a plan for functional and technological modernisation to be implemented in 4 phases, in the areas of retail, support and admin. functions within the company.

Phase 1 of the modernisation plan, which related to financial management, was successfully completed in January 2016, on budget and on schedule despite the project’s scale and complexity.

In that context the company installed a new SAP system in early 2016 which supports the procurement management, warehouse logistics and accounting office functions.

During 2017 Phase 2 was implemented which related to customer service. 3 actions were implemented in this regard:

- A. redesign of billing, CRM and customer service via various improvements relating to (a) modernisation of the bill checking, issuing and management system and (b) development of a comprehensive framework and computerising CRM and customer service.
- B. developing requirements and then running a tender procedure for the supply, configuration, installation and commissioning of a billing and CRM and customer service IT system.
- C. running that tender procedure.

Phase 2 is currently under way, and the plan is to run the tender procedure to procure the new CRM system,

To be more specific, to properly prepare the project entitled “Implementation of a new integrated customer service and billing system” EYATH S.A. launched an open public consultation on the tender procedure’s special terms in May 2018 which was completed in July 2018. The results of the consultation were presented in October 2018 and they formed the basis of the special terms. The tender notice was published on 4.6.2019 and then two clarifications were also published and two extensions were granted meaning that the procedure ended on 13.9.2019. After evaluating one proposal submitted in good time to the National Electronic Public Procurement System (ESIDIS), the company’s Board of Directors decided to cancel the tender process and re-examine the requirements of the tender document.

The company’s new website was also developed and commissioned. In terms of meeting the regulatory requirements for personal data, steps to further develop an integrated company personal data management system were taken and are being implemented in 2020.

In addition, in 2019 steps were taken to develop and implement an integrated Information Security Management System (ISMS) based on international best practices and security standards, to meet new regulatory compliance requirements in the specific field and to ensure the *confidentiality, integrity* and *availability* of information and IT systems.

These actions include developing a system of security policies and related procedures in line with the ISO 27001 standard. Further actions will include the taking and implementation of appropriate **technical** and **organisational** measures on the organisation's network and information systems.

Actions implemented or being implemented since the end of 2019 include the following:

- The Information and Network Security Officer was appointed.
- An IT Systems Security Team was set up within the company to manage the necessary actions to comply with the new regulatory framework and to develop an integrated ISMS.
- Penetration tests to check and evaluate the vulnerabilities of EYATH S.A.'s IT infrastructure (External Security Testing – Penetration Test). Completion in early 2020.
- GAP analysis of the current state of the company's IT infrastructure using the international ISO/IEC 27001:2013 standard. This project is expected to be completed in early 2020.
- Drafting of key security policies to ensure that EYATH S.A. complies with the Network and Information Systems Security Law (NIS Directive). Implementation and approval of the project is expected in early 2020.

Improving customer service

Since 10.6.2019 the Customer Service Division has been operating out of new, cutting edge offices at 6 Angelaki St., handling all day-to-day transactions and requests of EYATH customers. The purpose of relocating is to improve service and communication with consumers inside open-plan, ergonomic, well-designed premises, by applying accelerated procedures.

The Company launched its new website in May 2019 which among other things improves the channels of communication with customers, allowing them to perform certain tasks online.

In addition, during 2019 further improvements to phone services and online customer service are expected thanks to the design and development of an integrated service which will receive, record, and manage customer requests made by phone or electronically via the website or email. To that end, a tender procedure was held to secure telephone and online customer services and the relevant contract was signed.

GIS services to third parties

EYATH S.A. has acquired extensive experience in the field of Geographical Information Systems (GIS) via the GIS, Surveying & Hydraulic Modelling Department and has signed a MoU with EYATH Fixed Assets to set up EYATH Fixed Assets's Assets Register.

As part of that MoU, EYATH S.A. concluded a contract with EYATH Fixed Assets for Phase I of the project entitled "Establishment of a register of assets for EYATH Fixed Assets" which it successfully completed in 2019 by providing GIS services. The purpose of the contract was (a) to set up a GIS to record EYATH Fixed Assets's assets and (b) to register part of the assets comprising compulsory purchase orders and easements over EYATH Fixed Assets 's pipelines and facilities.

In the context of that MoU, a contract is expected to be signed with EYATH Fixed Assets for Phase II of the project to establish a register of assets for EYATH Fixed Assets.

Water supply SCADA

During 2017 following the Central Macedonia Region NSRF funding decision for the remote control and automation system to manage EYATH's water supply system, steps were taken to finalise technical and other requirements in the tender procedure documents for the financed project. The project is designed to ensure automated monitoring and management of the water supply network (pipelines, pumping

stations, reservoirs, etc.) by installing a SCADA system. That system will help identify and check drinking water leaks and safeguard the operational status of all E/M equipment installed, thereby supporting moves being made to optimise operations.

In May 2018 the Central Macedonia Region approved the tender documents for the project entitled "Remote control and automation of water supply systems within EYATH's remit" with a total budget of € 3,347,049.00 + VAT which is being funded by the NSRF. The last date for submitting tenders was 30.7.2018 and tenders were opened on 24.8.2018 at which time the process of having them evaluated by the competent tender committee commenced. The tender process to select a contractor was completed and the relevant contract was signed in December 2019.

Sewerage system SCADA

During 2018 the design and specification of the project to upgrade the sewerage pump station SCADA system was finalised; most of the systems relate to the Thessaloniki Waste Water Treatment Plant's sewerage system.

On 5.6.2019 international tender procedure No. 17/2019 for the design, supply, installation and roll out of a sewerage pumping station integrated remote control system was launched with a budget of € 1,400,000 (plus VAT). The last date for submitting tenders was 3.7.2019 and tenders were opened on 10.7.2019 at which time the process of having them evaluated by the competent tender committee commenced. The tender process to select a contractor and sign the relevant contract is under way and is expected to be completed within the first half of 2020.

Pilot projects

The pilot project to digitise customer records was completed. Technical specifications and other technical requirements for the tender procedure to digitise all customer records were also drafted in full.

The water supply customer database is currently being standardised to allow consumption data to be automatically interconnected to GIS data (hydraulic modelling).

The Company is exploring the adoption of smart meter technologies as part of a pilot project; they offer cutting-edge solutions for recording consumption levels, and the aim is to see how they can be adopted on a large scale. More specifically:

1. A system to remotely monitor consumption at AUTH water meters has been installed, maintained and operated.

The project has been completed. In 2019 trial operation was completed. It relates to the supply, installation, operation and maintenance of a remote monitoring and consumption management system for water meters at the AUTH campus, where average consumption is 26,000 m³ per 4 months. This will:

- allow the information recorded by the water meters to be monitored remotely and in real time.
- allow controlled access to available consumption data.
- prevent overconsumption and leaks, and avoid needless charges thereby helping save water.

2. Creation of integrated infrastructure for 3 EYATH S.A. pilot district metering areas (DMAs) to systematically check, record, monitor and manage water and to measure and manage water consumption. During 2019 work to draft the technical specifications for the project commenced. The project seeks to:

- automate and significantly increase the frequency of consumption sampling per water meter.
- draw technical conclusions about the existence of leaks on the water supply network and quantify unseen losses.
- increase the number of services offered to company customers.

3. Completion of the hydraulic simulation model of how EYATH S.A.'s outdoor aqueducts operate under current conditions and in the event of emergencies. During 2019 the project entitled "Design and development of the EYATH outdoor water supply aqueducts hydraulic model: water supply network emergency and normal operation scenarios" was completed. The contract was signed on 17.9.2018 and deliverables were submitted on 6.6.2019. The project included:

- Hydraulic simulation of the current state of operation of EYATH S.A.'s outdoor aqueducts, where water enters the system at the outlet of the Thessaloniki Refinery and the Kalohori pumping station.
- Designing and simulating alternative network supply and operating scenarios in the event of failure of one of the sources of supply (Aravissos aqueduct / Aliakmonas aqueduct).

Note that this hydraulic simulation model cannot yet be put into operation since its results cannot be checked - settled using real-time measurement data. This is expected to be achieved after completion of the company's water supply SCADA.

EYATH's geographical remit

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, Efkarpiia, 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 Efkarpiia.

"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 Hortiatiss.

"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. 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.

Note that the operations of no operating sector have been discontinued.

GROUP AND COMPANY RESEARCH & DEVELOPMENT OPERATIONS

During the period ended the Group spent € 164 thous. on R&D expenses which related primarily to staff salaries for their participation in research activities and third party fees and expenses for a pilot scheme to use satellites to identify hidden leaks.

Research projects

I. Participation in project proposals for financing

In 2019 the company requested financing by participating in the submission of four research project proposals for the NSRF Action 2014-2020, "RESEARCHING - CREATING - INNOVATING" (Management and Implementation Authority for Research, Technological Development and Innovation Actions) and three proposals for the European R&D Funding Programme Horizon 2020. The total budget requested for these projects was € 617 thous. for EYATH and is allocated as follows:

- 4 proposals for projects which are still in the evaluation phase (€ 387 thous.)
- 3 project proposals which were not approved (€ 230 thous.)

II. Participation in co-financed projects

Smart-water

The Company is participating in a project entitled "Smart infrastructure for remote water consumption and water demand management systems" (known as SMART-WATER) as part of the 2014-2020 NSRF, which is a research partnership between EYATH S.A., the telecom company Apifon, the Information and Communication Technologies Institute of the Centre for Research and Technology Hellas (CERTH), and focuses on the following objectives:

- Designing model integrated infrastructure to smartly manage the water supply network which will utilise remote measuring and remote control technologies to offer innovative services to the water supply company and end consumer.
- R&D on alternative technologies to implement the remote measurement and more control network, via a pilot scheme under real conditions in Thessaloniki's urban environment, to test and evaluate their reliability and efficiency.
- R&D and pilot testing of the water consumption data management, imaging and analysis system to support decision-making, automatically identify incidents thanks to alerts, provide personalised information to consumers and provide the water supply company with automated procedures.
- Evaluation of the infrastructure overall, based on criteria such as business performance, ease-of-use and reliability, cost-benefit for the water supply company, user/consumer satisfaction and financial return on the investment.

The total budget for this project is around € 660 thous., of which around € 490 thous. will be financed with public money. EYATH S.A.'s budget is around € 170 thous., of which around € 87.5 thous. will be financed with public money. During 2019 all preparations were made to install the equipment which began to be implemented by testing the installation of a system. As part of the Smart-Water research

project, EYATH participated in the 11th Eastern European Young Water Professionals Conference held by IWA in Prague, Czech Republic (1-5 October 2019) with three oral presentations (two posters and one talk) and also commenced all the necessary processes to implement three forthcoming publications, two talks at the 6th IAHR2020 Congress in Poland and a scientific article to be published in the MDPI Water magazine.

Aqua 3s

During the first half of the year, steps were successfully taken to sign the Grant Agreement with the EU for the research project entitled: "Enhancing Standardisation strategies to integrate innovative technologies for Safety and Security in existing water networks" (Aqua3S), to utilise innovative technologies and standardise methodologies for the safety and protection of the end product (drinking water). The project's total budget is € 6.9 million and EYATH S.A.'s contribution to the budget is € 188 thous., of which 70% will be financed by the European Union (funding: € 132 thous.). The project commenced in September 2019 in technical and financial terms.

MOREM

In February 2019 funding for the Research Project entitled: "Monitoring and methodologies for removal of suspended pollutants from liquid waste" was approved as part of the programme entitled "Bilateral and Multilateral R&D cooperation between Greece and China - Competitiveness / Entrepreneurship / Innovation" (Competitiveness and Entrepreneurship Operational Programme Managing Authority). The project's overall budget is € 367 thous. and EYATH S.A.'s contribution to the budget is € 39 thous. The project started in November 2019.

III. Implementation of Projects financed by EYATH S.A.

To study the marine environment close to the two submerged waste disposal pipes from the two waste treatment plants, and along the coastline near the White Tower, the company entered into a self-financed agreement with the Aristotle University of Thessaloniki's Special Account for Research Grants and the School of Civil Engineering to implement the "Thermaikos Bay Quality Monitoring Programme" (budget around € 20 thous.). During the first half of the year two seasonal sailings took place (for winter and spring) while during the second half of the year the contract's third and last seasonal sailing took place (for autumn 2019).

The Research and Development Services Agreement with the Aristotle University of Thessaloniki's Special Account for Research Grants and the School of Civil Engineering for a "Study on eco-toxicological parameters in various forms of sludge from the EYATH S.A. wastewater treatment plant" continued to be implemented (the contract was signed in May 2018, with an expected effective term of 15 months and budget of € 16 thous.). This project was completed in August 2019.

CORPORATE SOCIAL RESPONSIBILITY

Issues of top priority on the international agenda are to secure access for all to water supply / sewerage services by 2030, and proper and sustainable management of water resources for future generations, and are in fact the UN's 6th sustainable development target.

EYATH S.A. works daily to achieve that target within the context of corporate responsibility: Its strategy includes highlighting the vital relationship it has with the local community, and ensure it has a positive environmental impact on the area. Through dialogue with stakeholders -staff, customers, investors,

suppliers, the local community in which it operates- mutual targets can be set which can then be implemented as part of the company's CSR strategy.

EYATH S.A.'s undisputed role as a public benefit enterprise is reinforced through societal measures designed to improve the quality of life of citizens, to improve their health and protect the environment, all of which are sectors directly related to the company's business activities.

We have opted to focus our commitments on 4 key aspects and present our performance in those areas: The environment, society, human resources and culture. EYATH S.A.'s values are therefore being turned into reality in the following areas:

1. Natural resources and the environment
2. Society and vulnerable social groups
3. Human Resources and Training
4. Culture and Sport

NATURAL RESOURCES AND THE ENVIRONMENT

Water is our most precious natural resource. That's why for EYATH S.A. ensuring sustainable water management is synonymous with protecting the natural environment; a concept interrelated with sustainable development.

EYATH S.A.'s commitment to environmental protection takes shape through the company's day-to-day practices and all its business activities comply with environmental law.

More specifically:

- it fully implements Community and national environmental law, seeking to minimise the impacts of its activities on the environment;
- it engages in R&D, ever seeking out ways to protect and improve the environment;
- it is planning systematic modernisation of the water supply network to reduce leaks;
- it is working together with like-minded European partners and bodies via research activities on the impact of climate change on aquifers, helping promote solutions for sustainable development in our region and in SE Europe more widely, such as active participation in EUREAU, the European Federation of National Associations of Water and Wastewater Services;
- it invests in improving its facilities to ensure better performance and reduce energy consumption;
- it actively contributes to cleaning the surface of the sea in the bay of Thessaloniki, removing floating objects, oil spills or contaminants;
- it removes urban and industrial wastewater from the urban area via an extensive sewerage network, controlled by remotely controlled and operated systems;
- 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 has significantly reduced the time required to carry out network-related tasks (new connections, relocations, extensions, etc.);
- it also ensures environmentally and socially beneficial management of sewage sludge and seeks 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;
- it is focusing on rationalising business travel and on applying environmental criteria to procurement;
- it has (a) a Sewerage & Environment Quality Control Lab which carries out environmental tests every day at the outlets of the waste water treatment plants and industries (around 1,500 tests which generate over 12,000 quality analyses) and (b) a Drinking Water Testing Lab in

cooperation with the Quality Control Lab at the Water Treatment Plant which receives over 3,000 samples of water and carries out around 50,000 chemical and microbiological tests a year, implementing the relevant legislation. Both labs systematically participate each year in the inter-laboratory tests and now have an ISO 17025 quality management system.

- The Sewerage & Environment Quality Control Lab implements a quality management system that conforms to ISO 17025.
- it shares know-how with other water management bodies such as municipal water supply and sewerage companies, and provides training services to bodies and organisations that lack experience and knowledge about how to manage water resources and waste water;
- it participates in financed research programmes.

Responding to a request from the Ministry of the Interior (Macedonia & Thrace Sector) the Company resolved in June to once again assist in cleaning up Thermaikos Gulf from floating objects and oil spills, and to combating cases of pollution by oil and other substances, and it also carries out unscheduled cleaning operations for pollution phenomena such as red tides. Moreover, on World Environment Day the company ran a volunteer tree planting event and created a vegetable garden at the Lighthouse of the World's new accommodation centre in Dendropotamos; it is a charity doing amazing social work to integrate Roma youth into society in a sensitive run-down area of Thessaloniki.

SOCIETY AND VULNERABLE SOCIAL GROUPS

In this sector:

- it is exploring innovative procedures and automated processes to optimise day-to-day operations at its facilities and ensure better customer service (e-transactions, web-banking, payments via an extensive network of supermarkets, and other similar ideas);
- it offers a social tariff to 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;
- it facilitates customers via improved e-services 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);
- it makes donations on a case-by-case basis in areas which have been declared in a state of civil emergency;
- it runs info-campaigns for the public about the options available to socially and financially vulnerable population groups;
- it offers work and internships to students and pupils at technical schools as part of their work experience requirements;
- it 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);
- it has a long-standing partnership with a magazine sold in the streets to support the unemployed; its head offices are a 'safe haven' for sellers, and also supports unemployed people in Thessaloniki via the Labour Centre;
- it 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.);
- collaborates with the academic community at specialist and general events on environmental issues, attracting audiences comprised of students, experts and ordinary citizens.
- it helps students by providing targeted scholarships. The company has signed an open-ended MoU with the Aristotle University of Thessaloniki and is funding two scholarships: Both are annual and are for postgraduate studies in fields relevant to EYATH S.A., while another one is for 4 years to finance the cost of a PhD.

- it presents a 1-hour programme entitled 'The sewerage cycle in Thessaloniki' approved by the Ministry of Education, to brief primary and secondary school pupils about daily influxes to the sewerage network and raise their awareness;
- it prepares educational programmes for children as part of the Thessaloniki International Fair.
- it cultivates ecological awareness among consumers thanks to info-campaigns and above all via daily visits by tens of primary and secondary school pupils, students, associations, and special groups such as refugees, to the Water Supply Museum;
- it participates in World Water Day celebrations on 22 March and World Environment Day events on 5 June, hosting info-events for the general public.
- it is supporting the activities of local bodies and organisations relating to the environment and water;
- it donates electronic equipment to schools in Thessaloniki.

HUMAN RESOURCES AND TRAINING

In the human resources sector:

- it provides group life and health insurance for employees;
- it invests in developing its employees' skills in life-long learning, offering numerous changes for training both via specialised seminars and post-graduate training;
- it supports the families of staff, covers the costs of kindergartens and summer camps for employees' children;
- it rewards the children of employees who enter university;
- it organises parties for employees' children;
- it implements policies to protect the H&S of all employees;
- it ensures equal opportunities for both genders when it comes to promotions;
- it offers employees a work uniform and personal protection equipment.

CULTURE AND SPORT

In the well-being and cultural advancement sector:

- it runs the Water Supply Museum which is visited every year by around 6,000 children and individual visitors;
- it provides support to sports clubs and associations;
- it supports cultural activities, sports and artistic events in the city, promoting the idea of culture and the good life;
- it 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.

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 practically impossible. Moreover, EYATH's product suffers from inelasticity.

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.

(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.

There were no loan liabilities on 31/12/2019.

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.

None of the financial assets has been secured with a mortgage or other form of credit security.

Liquidity risk

Liquidity risk is kept low, by means of ensuring high 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 Group 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.

SIGNIFICANT TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES

According to the Group, related parties are members of the Board of Directors, members of Management, as well as the shareholders holding a significant percentage of its share capital (including their related persons). Note that in the previous financial year (2018), the Company's financial statements were included in the consolidated financial statements of HCAP S.A. for the first time. Consequently, the Group considers the entities related to HCAP S.A. to be related parties (see note 31).

The Group's trading transactions with these related parties during the 1/1/2019-31/12/2019 period were carried out under market terms and in the framework of its usual business activity. The transactions and the balances of the Group's and Company's related parties, during the 1/1/2019 - 31/12/2019 period and as at 31/12/2019 respectively, as well as during the previous financial year, are broken down in the following tables (see note 31 of the financial statements):

| | THE GROUP | | THE COMPANY | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| | 1/1/2019 - 31/12/2019 | 1/1/2018 - 31/12/2018 | 1/1/2019 - 31/12/2019 | 1/1/2018 - 31/12/2018 |
| Income from subsidiary | - | - | 1 | - |
| Expenses to subsidiary | - | - | - | 371 |
| Income from other related parties consolidated along with HCAP S.A. | 157 | 148 | 157 | 148 |
| Expenses to other related parties consolidated along with HCAP S.A. | 13,219 | 12,273 | 13,219 | 12,273 |
| Transactions with and fees for executives and board members | 518 | 678 | 515 | 674 |
| Transactions with other related parties | 2 | 2 | 2 | 2 |

Transactions with and fees for executives and board members relate to salaries.

Income from other related parties consolidated along with HCAP S.A. relates primarily to water supply and sewerage network service revenues.

Expenses from related parties consolidated along with HCAP S.A. relate primarily to services received (expenses for electricity supplied worth € 12.6 million) and the leasing of properties.

| | THE GROUP | | THE COMPANY | |
|--|------------|------------|-------------|------------|
| | 31/12/2019 | 31/12/2018 | 31/12/2019 | 31/12/2018 |
| Receivables from subsidiary | - | - | 25 | 24 |
| Receivables from other related parties consolidated along with HCAP S.A. | 598 | 533 | 598 | 533 |
| Liabilities from other related parties consolidated along with HCAP S.A. | 2,788 | 2,562 | 2,788 | 2,562 |
| Receivables from management executives and board members | 2 | - | 2 | - |
| Liabilities to management executives and board members | 6 | 7 | 3 | 2 |

The Company's receivable from a subsidiary of € 25 mainly related to receivables in lieu of the approved dividend.

Receivables and liabilities from other related parties consolidated along with HCAP S.A. of € 598 and € 2,788 related to receivables for income from providing water supply and sewerage services both billed and accrued, and services received and prepaid property rents.

Liabilities to management executives and board members related to salaries payable.

The actuarial liability for the company's related parties (management executives) was € 90 on 31/12/2019 (compared to € 110 in 2018).

EXPLANATORY REPORT OF THE BOARD OF DIRECTORS

(in accordance with Article 4(7) of Law 3556/2007)

STRUCTURE OF THE COMPANY'S SHARE CAPITAL (amounts in €)

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. For 2018 distribution of a dividend of € 0.126/share was approved due to the high levels of cash assets. All persons who are shareholders before the dividend cut-off date are entitled to a dividend. The dividend to which each share is entitled shall be paid to the shareholder within two (2) months of the date of approval by the Ordinary General Meeting of the annual financial statements. The place and manner of payment is 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

Shares can be transferred in the manner specified in Article 41 of Law 4548/2018 and there are no restrictions on transfer contained 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 31/12/2019 were as follows:

| SHAREHOLDER | Number of shares held | Holding on 31/12/2019 |
|--------------------|-----------------------|-----------------------|
| HCAP | 18,150,001 | 50.00% |
| HRADF | 8,717,999 | 24.02% |
| SUEZ GROUPE | 1,982,870 | 5.46% |
| Other shareholders | 7,449,130 | 20.52% |
| Total | 36,300,000 | 100.00% |

+1

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 ON 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 Law 4548/2018.

POWERS OF THE BOARD OF DIRECTORS OR SPECIFIC MEMBERS TO ISSUE NEW SHARES OR PURCHASE OWN SHARES

Article 5 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 13 of Law 4548/2018 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 an amount which cannot exceed 3 times the paid-up share capital on the date that the said power was granted to the Board of Directors. The Board of Directors' competence to purchase own shares is no different than that laid down in the provisions of Articles 48, 49 and 52 of Law 4548/2018. There is no provision to the contrary in the Company's Articles of Association.

ANY SIGNIFICANT AGREEMENT CONCLUDED BY THE COMPANY WHICH ENTERS INTO FORCE, IS AMENDED OR ENDS, IN CASE OF CHANGE IN CONTROL OF THE COMPANY 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, beyond the trilateral concession agreement between EYATH SA, EYATH Fixed Assets and the Greek State, which was ratified with Law 2937/2001 Government Gazette 169-A-26.7.2001.

ANY AGREEMENT BETWEEN THE COMPANY AND ITS BOARD MEMBERS OR STAFF 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

On 6.6.2019 the General Meeting approved distribution of a dividend of € 0.126/share, or € 4,574 thous. in total for 2018 for all 36,300,000 bearer shares, compared to € 8,022 thous. in the previous year.

On 21.5.2020 the Board of Directors decided to recommend that the Ordinary General Meeting of Shareholders distribute a dividend of € 0.268 per share for 2019, which corresponds to 70% of the distributable profits. The dividend is subject to approval by the Ordinary General Meeting of Shareholders and is included in the balance of the account "Retained earnings".

The dividend is subject to a 5% 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 152 of Law 4548/2018, acting in accordance with 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 and then amended as part of the first revision by the Hellenic Corporate Governance Council on 28 June 2013.

(http://www.helex.gr/documents/10180/2227277/HCGC_GR_20131022.pdf/e8e7b6da-6dd0-4c30-90e9-79fe9ca8383d)

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. (hereinafter EYATH) 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 Board of Directors consists of 11 members, 4 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 a direct and indirect holding does not allow the staff selection and promotion procedures for public agencies to be bypassed. |

| Special practices in the Hellenic Corporate Governance Code | Explanation/ justification for deviation from the special practice in the Hellenic Corporate Governance Code |
|---|---|
| | 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 were held by the same person up to 30.6.2019. Following a decision of the General Meeting, the powers of the Chairman and CEO were divided between separate persons, with effect from 1.9.2019. 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 were held by the same person up to 30.6.2019. Following a decision of the General Meeting, the powers of the Chairman and CEO were divided between separate persons, with effect from 1.9.2019. |
| 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 was 5 years. Following a decision of the General Meeting on 20.12.2019, in the context of amending the Company's Articles of Association to bring them into line with Law 4548/2018 on reform of the law of societies anonyme, the Board's term in office was set at 4 years. |
| 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 | The internal regulations for EYATH's Board of Directors were approved by Board decision no. 402/2017. |
| 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. |

| Special practices in the Hellenic Corporate Governance Code | Explanation/ justification for deviation from the special practice in the Hellenic Corporate Governance Code |
|---|---|
| | Members of the Board of Directors are evaluated by the General Meeting of Shareholders. |
| Board evaluation: Special practice 7.2 | <p>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.</p> <p>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.</p> |
| System of internal controls: Special practice 1.7 | In decision no. 45/2019 the Board of Directors approved the internal regulations of the Board's Audit Committee. |
| Level and structure of remuneration: Special practice 1.1 and Special practice 1.10 | For the 2019 financial year, all members of the Board of Directors were paid a fixed fee, while for executive members a maximum fee has been set. 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. The General Meeting decided on 20.12.2019 to approve a new remuneration policy effective from 1.1.2020. |
| Level and structure of remuneration: Special practice 1.4 | For the 2019 financial year, the fee of each executive member of the Board is to be approved by the General Meeting. There was no remuneration for executive members of the Board following a proposal made by the remuneration committee. The General Meeting decided on 20.12.2019 to approve a new remuneration policy effective from 1.1.2020. |
| Level and structure of remuneration: Special practice 1.6, Special practice 1.7, Special practice 1.8 and Special practice 1.9 | In decision no. 45/2019 the Board of Directors updated the internal regulations of the Board's Audit Committee. The General Meeting decided on 20.12.2019 to set up a remuneration committee on a proposal which approved the new remuneration policy effective from 1.1.2020. |

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.
 - 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.

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 29 to 39 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 financial year.

The General Meeting convenes where 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 51% of the share capital is present and represented at it, apart from cases where a 2/3 qualified quorum 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 of the meeting.

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

- a) Extension of the Company's effective term, transformation, merger or winding up.
- b) amendment of the Articles of Association.
- 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 Law 4548/2018 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 is 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 13 to 26 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.

In line with Article 13 of the Articles of Association, the Board of Directors is comprised of between 7 and 11 members.

Decisions of the General Meeting and Board of Directors to elect new members

The Board decided at its meeting on 24.1.2019 (decision no. 023/2019) to accept the resignation of the 2nd Vice Chairman (non-executive member), Mrs. Styliani Valani.

On 21.2.2019 an Extraordinary General Meeting of Shareholders in the company was held at the company's seat which decided:

1. To elect Nikos Klitou as an independent non-executive director and Mr. Grigorios Penelis as independent non-executive director, to replace the ones who had resigned, with a 5-year term in office running from 21.2.2019 to 21.2.2024.
2. To elect members of the Audit Committee in accordance with Article 44 of Law 4449/2017, whose line-up is as follows:
 - Nikos Klitou, new member and Chairman of the Company's Audit Committee, whose term in office runs from 21.2.2019 to 10.5.2021.
 - Panagiotis Gogos, member of the Audit Committee, whose term in office runs from 21.2.2019 to 10.5.2021.
 - Petros Samaras, member of the Audit Committee, whose term in office runs from 21.2.2019 to 10.5.2021.

The elected members of the Board and Audit Committee meet the conditions and independence criteria laid down in Law 3016/2002, as in force, and the conditions in Article 44 of Law 4449/2017.

In light of the above, on 5.3.2019 EYATH S.A.'s Board officially re-established itself and allocated the following roles to its members:

- Ioannis Krestenitis, Chairman & CEO, executive member, whose term in office runs to 10.5.2021.
- Ioannis Papaioannou, 1st Vice Chairman, executive member, whose term in office runs of 10.5.2021.
- Grigorios Penelis, 2nd Vice Chairman, independent non-executive member, whose term in office runs to 21.2.2024.
- Nikos Klitou, independent non-executive member, Chairman of the Audit Committee, whose term in office runs to 21.2.2024.
- Stefania Tanimanidou, independent non-executive member, whose term in office runs to 10.5.2021.
- Panagiotis Gogos, independent non-executive member, whose term in office runs to 10.5.2021.
- Olympia Latsiou-Chrysafi, non-executive member, whose term in office runs to 10.5.2021.

- Petros Samaras, non-executive member, whose term in office runs to 10.5.2021.
- Georgios Archontopoulos, employee representative, non-executive member, whose term in office runs to 10.5.2021.
- Anastasios Sachinidis, employee representative, non-executive member, whose term in office runs to 10.5.2021.

The Board decided on 27.6.2019 (decision no. 260A/2019) to accept the letter of resignation dated 24.6.2019 tendered by Mr. Ioannis Krestenitis from the post of Chairman and CEO of EYATH S.A.

At its meeting on 31.7.2019 the Board accepted the letter of resignation from Mr. Petros Samaras dated 12.7.2019 from his position as non-executive member of the Board of Directors of EYATH S.A. (decision no. 275/2019).

The Company's Extraordinary General Meeting of Shareholders was held on 2.8.2019 at the Stock Exchange Centre, and elected Mr. Agis Papadopoulos as Chairman and non-executive member of the Board of EYATH S.A. The issue of electing a CEO for EYATH S.A. was deferred for discussion to the General Meeting on 27.8.2019 following a recommendation from the shareholder Hellenic Corporation of Assets and Participations.

At its meeting of 5.8.2019, the Company's Board issued decision no. 276/2019 reconstituting the Board of Directors of EYATH S.A. with the following line-up:

- Agis Papadopoulos, son of Michail, ID Card No. AN 201633, Chairman, non-executive member. Elected on 2.8.2019. Term in office ends on: 2.8.2024.
- Ioannis Papaioannou, son of Evangelos, ID Card No. AE 183479, 1st Vice Chairman, executive member. Elected on 11.5.2016. Term in office ends on: 10.5.2021.
- Grigorios Penelis, son of Georgios, ID Card No. P 198072, 2nd Vice Chairman, independent non-executive member. Elected on 21.2.2019. Term in office ends on: 21.2.2024.
- Nikolaos Klitou, son of Konstantinos, ID Card No. AM 674658, independent non-executive member (Chairman of the Audit Committee.). Elected on 21.2.2019. Term in office ends on: 21.2.2024.
- Stefania Tanimanidou, daughter of Georgios, ID Card No. AE 655638, independent non-executive member. Elected on 11.5.2016. Term in office ends on: 10.5.2021.
- Panagiotis Gogos, son of Dionysios, ID Card No. AE 680814, independent non-executive member. Elected on 6.4.2017. Term in office ends on: 10.5.2021.
- Olympia Latsiou-Chrysafi, daughter of Thomas, ID Card No. AM 660585, non-executive member. Elected on 11.5.2016. Term in office ends on: 10.5.2021.
- Georgios Archontopoulos, son of Savvas, ID Card No. AI 733814, employee representative, non-executive member. Elected on 11.5.2016. Term in office ends on: 10.5.2021.
- Anastasios Sachinidis, son of Ioannis, ID Card No. AK 906475, employee representative, non-executive member. Elected on 11.5.2016. Term in office ends on: 10.5.2021.

Shareholders at the Company's Extraordinary General Meeting held on 27.8.2019 decided:

- To elect Mr. Narkisos Georgiadis as CEO of EYATH S.A., executive member of the Board of Directors, with a 5-year term in office to 27.8.2024.
- To elect Mr. Theodoros Koulouris as non-executive member of the Company's Board of Directors and
- To appoint the Company's Audit Committee whose term runs from 27.8.2019 to 10.5.2021, comprised of Mr. Nikolaos Klitou (Chairman) and Messrs. Panagiotis Gogos and Theodoros Koulouris (members).

At its meeting on 29.8.2019, the Board passed decision no. 330/2019 appointing Mr. Ioannis Papaioannou as executive director and executive board member, and conferred the title of CEO on Mr. Narkisos Georgiadis (executive board member) and made Mr. Theodoros Koulouris a non-executive board member.

Following that, the Board was officially constituted with the line-up below:

- Agis Papadopoulos, son of Michail, ID Card No. AN 201633, Chairman, non-executive member. Elected on 2.8.2019. Term in office ends on: 2.8.2024.
- Narkisos Georgiadis, son of Vasilios, ID Card No. AN 199359, CEO, executive member. Elected on 27.8.2019. Term in office ends on: 27.8.2024.
- Ioannis Papaioannou, son of Evangelos, ID Card No. AE 183479, Executive Director Strategic Planning & Investment Programme Management, with executive duties decided on an ad hoc basis by the Board of Directors. Elected on 11.5.2016. Term in office ends on: 10.5.2021.
- Grigorios Penelis, son of Georgios, ID Card No. P 198072, Vice Chairman, independent non-executive member. Elected on 21.2.2019. Term in office ends on: 21.2.2024.
- Nikolaos Klitou, son of Konstantinos, ID Card No. AM 674658, independent non-executive member (Chairman of the Audit Committee.). Elected on 21.2.2019. Term in office ends on: 21.2.2024.
- Theodoros Koulouris, son of Nikiforos, ID Card No. AM 705629, non-executive member. Elected on 27.8.2019. Term in office ends on: 27.8.2024.
- Stefania Tanimanidou, daughter of Georgios, ID Card No. AE 655638, independent non-executive member. Elected on 11.5.2016. Term in office ends on: 10.5.2021.
- Panagiotis Gogos, son of Dionysios, ID Card No. AE 680814, independent non-executive member. Elected on 6.4.2017. Term in office ends on: 10.5.2021.
- Olympia Latsiou-Chrysafi, daughter of Thomas, ID Card No. AM 660585, non-executive member. Elected on 11.5.2016. Term in office ends on: 10.5.2021.
- Georgios Archontopoulos, son of Savvas, ID Card No. AI 733814, employee representative, non-executive member. Elected on 11.5.2016. Term in office ends on: 10.5.2021.
- Anastasios Sachinidis, son of Ioannis, ID Card No. AK 906475, employee representative, non-executive member. Elected on 11.5.2016. Term in office ends on: 10.5.2021.

If the CEO (as legal representative of EYATH S.A.) is absent or unable to attend to his duties, he is substituted by the Executive Director, Mr. Giannis Papaioannou in accordance with the provisions of the Articles of Association, the law and decisions of EYATH S.A.'s Board of Directors. If the Chairman of the Board is absent or unable to attend to his duties, he is substituted by the Vice Chairman of the Board Mr. Grigorios Penelis, and likewise the Vice Chairman is substituted by the Chairman of the Board for the same reasons in accordance with Article 17 of the Articles of Association.

Data is set out below about the gender distribution and age of Board members and senior executives:

| Board of Directors | No. of people | % |
|--------------------|---------------|------|
| Men | 9 | 82% |
| Women | 2 | 18% |
| Total | 11 | 100% |

The age range of Board members is from 35 to 65.

| Senior Executives | No. of people | % |
|-------------------|---------------|-----|
| Men | 8 | 73% |

| | | |
|-------|----|------|
| Women | 3 | 27% |
| Total | 11 | 100% |

The age range of senior executives is from 45 to 65.

b) Independence of Board members

The Board's four independent members meet all requirements on relationships of dependence set out in the Code.

c) Board meetings

Between 1.1 and 31.12.2019 the Board of Directors met 34 times over the course of the year.

d) Board Committees

Audit Committee

In the context of corporate governance, evaluation of the internal audit system and implementation of Hellenic Capital Market Commission decision no. 5/204/14.11.2000, Law 3016/2002 of 17.5.2002, and Law 4449/2017 of 24.1.2017, the General Meeting decided to set up a 3-member Audit Committee comprised of members of the Board of Directors which reports to the Board via the Committee Chairman.

The Audit Committee is appointed by the Company's General Meeting of Shareholders and operates in accordance with the provisions of Law 3016/2002 and Law 4449/2017 and its own bylaws approved by the Board of Directors, which set out the purpose, remit, election, line-up, competences and duties of the committee.

Audit Committee line-up from 1.1.2019 to 31.12.2019

The Audit Committee's detailed line-up from 1.1.2019 to the present day is as follows:

Audit Committee line-up from 27.7.2017 to 21.2.2019

- A) Panagiotis Gogos, independent non-executive member and Chairman of the Audit Committee, economist
- B) Stefania Tanimanidou, independent non-executive member, economist
- C) Petros Samaras, independent non-executive member, chemical engineer.

On 21.2.2019 the Company's Extraordinary General Meeting of Shareholders was held at the company's seat which decided to elect Nikos Klitou as a new independent non-executive member of the Board and to appoint him as Chairman of the Audit Committee in place of Mr. Panagiotis Gogos.

Audit Committee line-up from 21.2.2019 to 15.7.2019

- A) Nikos Klitou, independent non-executive member and Chairman of the Audit Committee, economist
- B) Panagiotis Gogos, independent non-executive member, economist
- C) Petros Samaras, independent non-executive member, chemical engineer.

On 15.7.2019 Mr. Petros Samaras resigned from the post of non-executive member of the Company's Board of Directors.

The Extraordinary General Meeting of shareholders decided on 27.8.2019 to elect Theodoros Koulouris as a non-executive member of the Board and member of the Audit Committee to replace Petros Samaras who had resigned and to appoint a committee whose term in office runs from 27.8.2019 to 10.5.2021.

Audit Committee line-up from 27.8.2019 to present day

- A) Nikos Klitou, independent non-executive member and Chairman of the Audit Committee, economist
- B) Panagiotis Gogos, independent non-executive member, economist
- C) Theodoros Koulouris, independent non-executive member

In all 2019 the line-up of the Audit Committee met the conditions in Article 44 of Law 4449/2017 since all members of the Audit Committee have adequate knowledge of the sector in which the audited entity operates, and at the same time at least one member of the Audit Committee who is independent of the audited entity has adequate knowledge and experience in auditing or accounting.

Audit Committee Report

The main competences of the Audit Committee, as defined in the relevant legislation, are to:

- a) inform the Board of Directors of the audited entity about the results of the statutory audit and explain how the statutory audit contributed to the integrity of the financial information and what the audit committee's role was in that process.
- b) monitor the financial reporting process and make recommendations or proposals to safeguard its integrity.
- c) monitor the effectiveness of the internal audit, quality assurance and risk management systems of the undertaking and, where appropriate, its internal audit department, in relation to the financial information of the audited entity, without infringing the independence of that entity.
- d) monitor the statutory audit of the annual and consolidated financial statements and in particular its performance, taking into account any findings and conclusions of the competent authority in accordance with Article 26(6) of Regulation (EU) No 537/2014.
- e) review and monitor the independence of certified public accountants or auditing firms in accordance with Articles 21, 22, 23, 26 and 27 and Article 6 of Regulation (EU) No 537/2014 and in particular the suitability of providing non-audit services to the audited entity in accordance with Article 5 of Regulation (EU) No 537/2014.
- f) be responsible for the process of selecting certified public accountants or auditing firms and propose the certified public accountants or auditing firms to be appointed in accordance with Article 16 of Regulation (EU) No 537/2014, unless Article 16(8) of Regulation (EU) No 537/2014 applies.

With those points in mind, during the period ended the Audit Committee was responsible for:

- The 2019 Internal Audit Plan, Time Schedule and Training Criteria.
- Follow-up of the 2018 Internal Audit Findings and corrective actions taken by management.
- Quarterly Internal Audit Reports - Findings - Follow-up during 2019 and monitoring of Internal Audit Unit activities.
- The procedure for preparing the 2018 financial statements and the interim financial statements dated 30.6.2019 and the completeness and integrity of the relevant financial information.
- The Grant Thornton Audit and Supplementary Report for the separate and consolidated financial statements for 2018 and the Half-Year Financial Statements Review dated 30.6.2019.
- The procedure for obtaining approvals for the assignment of work to certified public accountants, approval for the receipt of non-audit services and evaluation of the independence of the ordinary certified public accountants.
- Approval of the budget for the relevant fees of certified public accountants.
- Submission of recommendation/proposal to the Board of Directors to renew the statutory audit services provided by Grant Thornton which provided the same services in 2018 for 2019.

- Submission of recommendation/proposal to the Board of Directors on "Preparation of anti-corruption and bribery policy, appointment of Regulatory Compliance Officer and briefing programme for EYATH S.A. staff".
- Submission of recommendation/proposal to the Board of Directors to develop a Corporate Risk Management System and to appoint a Risk Manager.
- Implementation of proposals to improve how the Internal Audit Unit operates in line with decisions of the Company's Board of Directors to implement recommendations from the Internal Audit Unit's external evaluation.
- Implementation of proposals from the Unit to run training courses for staff in the Internal Audit Unit and to attend seminars organised by the Hellenic Institute of Internal Auditors in the context of implementing the International Standard for the Professional Practice of Internal Auditing 1230 'Continuous Professional Development' according to which internal auditors must improve their knowledge, capabilities and other skills through continuous professional development.
- Presentation to senior executives charged with managing and administering company business, affairs and activities of the Company's external consultant's project entitled "Mapping, analysing and evaluating EYATH's business model".
- Assignment of special audits to the Internal Audit Unit to ensure the effectiveness of the company's internal audit system and risk management which the Company undertakes in order to implement its objectives in the context of proper corporate governance, transparency and reliability of management activities.

During 2019, in response to the letter from the Hellenic Capital Market Commission dated 24.4.2019 to all listed companies on the Athens Exchange, company management in cooperation with the Audit Committee provided the documentation requested to demonstrate that the members of the Audit Committee meet the conditions laid down in the provisions of Article 44(1) of Law 4449/2017.

No. of Audit Committee meetings from 1.1.2019 to 31.12.2019

The Audit Committee met a total of 18 times during the year.

External auditors

In 2019 the Audit Committee held separate meetings with the external certified public accountants with or without the executive members of the Board of Directors or other company employees being in attendance.

The Audit Committee evaluated the external audit process and monitored its performance. Having assessed the experience and knowledge of the audit team from Grant Thornton S.A., the Committee reached the conclusion that the audit procedure implemented by the external auditors was effective. In addition, the Committee found that the external auditors were objective and independent.

In relation to the statutory audit and financial reporting procedure, the Audit Committee:

- a) was informed about the procedure and time frame for preparing the financial information by Company Management/competent management executives, and the Board of Directors was informed accordingly.
- b) was briefed by the certified public accountant about the annual statutory audit programme and evaluated whether it covered the most important audit areas, taking into account the Company's main business and financial risk sectors.
- c) held meetings with Management, the Company's competent management executives and the certified public accountant and examined the most important issues and risks which could have an impact on the financial statements and then informed the Company's Board of Directors.

d) examined the financial statements and reports of the Board of Directors before they were approved by it, in order to evaluate their completeness and consistency in relation to the information provided to it and the accounting policies applied by the Company and informs the Board of Directors accordingly.

Provision of auditing and non-auditing services by the external auditors:

In 2019 with the Audit Committee's approval, Grant Thornton S.A. provided the Group with the following additional services:

Non-Audit Services:

Support for preparing the Transfer Pricing file for 2018. Grant Thornton S.A.'s fee for providing these services was € 2,500.

In light of the above, Grant Thornton S.A.'s overall fee for providing non-audit services in 2019 was € 2,500, which corresponds to 5.05% of the total fee for the company's statutory audit.

Consequently, the said additional fees do not exceed the limit set by the Audit Committee for the provision of additional services from an external auditor, no non-audit services which are prohibited by Article 5(1) of Regulation (EU) No 537/2014 were provided, and in the view of the Audit Committee the fees do not call into doubt the independence and integrity of the external auditor.

Audit Committee activities for 2020

In 2020 the Audit Committee will focus its attention on risk management, and in particular on making the Company's risk management framework more systematic and on effectively managing the most important risks.

The following steps have already been scheduled for 2020 in that context:

- To prepare an overall framework and to recommend a strategy, policies and procedures for managing and controlling risks which the Company may assume in line with Management guidelines.
- To define, identify and evaluate the risks assumed and to define scientific methods dynamically structured so that they can be successfully managed.
- To develop and implement tools tailored to the pricing risk for the services provided and to train organisational units about how to use them.
- To prepare a crisis management plan.
- To develop a corporate risk management culture at all levels within the Company.

In addition, in order to build trust and ensure that the company complies with the relevant laws and regulations, in 2020 the Company put in place security policies to better manage and utilise all information and data which is now kept segregated so as to look after its own needs and business operations.

The Audit Committee believes that initiatives to highlight areas that need organisational improvements which were identified during the company's risk assessment process, and the accompanying proposals about how to resolve them, put the company in a better position since it has management tools at its disposal such as:

- The findings of the external assessment done by the Internal Audit Unit, which set out the next steps needed to improve the Internal Audit Unit's operations.
- Thanks to the risk assessment, the emphasis on the fact that all employees are responsible for implementing the Internal Audit System within their own remit, and it is not just a matter for the Internal Audit Unit.

- Recording operating procedures, risk management procedures and checks and balances which the Company has put in place to determine the adequacy and effectiveness of the Internal Audit and Risk Management system.

e) Evaluation and remuneration of Members of the Board

Until the Extraordinary General Meeting of 20.12.2019 was convened, no remuneration committee was in operation and there were no evaluation procedures for 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 previous Articles of Association, the Board's pay and remuneration are set by decision of the Ordinary General Meeting of Shareholders.

At the Extraordinary General Meeting on 20.12.2019 the shareholders decided to amend the Articles of Association of the company (apart from Articles 12, 41, 53 and 54) in the context of bringing them into line with Law 4548/2018 on the reform of the law on societies anonyme and approval of the remuneration policy for members of the management team and Board of Directors in accordance with Article 24 of the new Articles of Association, effective from 1.1.2020.

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

At the start of 2020 the coronavirus (Covid-19) appeared and its spread thereafter led the global community -after the initial surprise- to take preventative measures as well as measures to limit the spread of the virus.

Fully aware of its social responsibility, EYATH S.A. launched a series of info-campaigns and has taken preventative measures to:

- provide information to its employees
- raise awareness about the prevention and protection measures
- protect both employees and their families
- protect consumers
- ensure continued problem-free operation.

Some of these measures which have been taken at national and global level include: suspending the operation of training structures, department stores and areas with a high turnout among the public/consumers - it is estimated that they will affect the entire economic system.

It is considered likely that day-to-day operations and consequently the Company's financial data for the 2020 period will also be affected in the context of the above, but their impact is not expected to be significant. At the end of the 2019 financial year, the Company had a significant level of cash assets and a total lack of borrowing, while during the current period the overall picture in terms of total receivables is improved (2020 Q1 compared to the same period in 2019). These will serve as important tools both to ensure the necessary liquidity and that unfavourable conditions which arise in the near future for the economy are managed as smoothly as possible.

Having said that, company management continues to monitor developments carefully so that it can immediately respond to the requirements of the global and domestic environment. In addition, to ensure employee and consumer protection, EYATH S.A. is in constant contact with the National Public Health Organisation (NPHO) on issues relating to coronavirus, so that it can immediately take all instructions and measures relating to the protection and safety of staff and the general public.

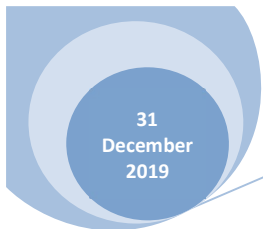
At the meeting of the Board of Directors on 9.3.2020 (decision no. 160/2020) the Board of Directors decided to lay down the competences of members of the Board of Directors by granting permission to the CEO, following a request from him and in order for there to be 2 executive members of the Board of Directors to ensure better operation of the company, and it was decided that in the period up to the forthcoming General Meeting, Mr. Theodoros Koulouris, Board member, would be assigned powers to represent the company in line with Article 22 of the Articles of Association, to exercise supervision over the carrying out of the work of each department and to make recommendations to the Board on the items to be discussed, jointly with the Executive Director.

At the Company's Extraordinary General Meeting held by teleconference on 30.4.2020 the shareholders decided:

- To elect Mr. Anthimos Amanatidis as CEO of EYATH S.A., executive member of the Board of Directors, whose 4-year term in office runs from 30.4.2020 to 29.4.2024.
- To elect Mr. Georgios Satlas as a non-executive member of the Company's Board of Directors, whose 4-year term in office runs from 30.4.2020 to 29.4.2024.
- To elect Ms. Maria Petala as an independent non-executive member of the Company's Board of Directors, whose 4-year term in office runs from 30.4.2020 to 29.4.2024.
- To elect Ms. Sofia Ammanatidou as an independent non-executive member of the Company's Board of Directors, whose 4-year term in office runs from 30.4.2020 to 29.4.2024.
- To elect Ms. Ekaterini Tsikaloudaki as a non-executive member of the Company's Board of Directors, whose 4-year term in office runs from 30.4.2020 to 29.4.2024 and
- To elect the Company's Audit Committee whose term in office commences on 30.4.2020, comprised of Mr. Nikolaos Klitou as Chairman and Ms. Sofia Ammanatidou and Ms. Maria Petala as members.

The Board of Directors officially met on 5.5.2020 following decision no. 289/2020 and was officially constituted with the line-up below:

- Agis Papadopoulos, son of Michail, ID Card No. AN 201633, Chairman, non-executive member. Elected on 2.8.2019. Term in office ends on 1.8.2023.
- Anthimos Amanatidis, son of Anastasios, ID Card No. AN 125155, CEO, executive member. Elected on 30.4.2020. Term in office ends on: 29.4.2024.
- Grigorios Penelis, son of Georgios, ID Card No. P 198072, Vice Chairman, independent non-executive member. Elected on 21.2.2019. Term in office ends on: 20.2.2023.
- Theodoros Koulouris, son of Nikiforos, ID Card No. AM 705629, executive member. Elected on 27.8.2019. Term in office ends on: 26.8.2023.
- Nikolaos Klitou, son of Konstantinos, ID Card No. AM 674658, independent non-executive member (Chairman of the Audit Committee). Elected on 21.2.2019. Term in office ends on: 20.2.2023.
- Georgios Satlas, son of Nikolaos, ID Card No. Ξ 214518, non-executive member. Elected on 30.4.2020. Term in office ends on: 29.4.2024.
- Sofia Ammanatidou, daughter of Ilias, ID Card No. AO 203221, independent non-executive member. Elected on 30.4.2020. Term in office ends on: 29.4.2024.
- Katerina Tsikaloudaki, daughter of Georgios, ID Card No. AM 275051, non-executive member. Elected on 30.4.2020. Term in office ends on: 29.4.2024.
- Maria Petala, daughter of Dimitrios, ID Card No. AN 721834, independent non-executive member. Elected on 30.4.2020. Term in office ends on: 29.4.2024.
- Georgios Archontopoulos, son of Savvas, ID Card No. AI 733814, employee representative, non-executive member. Elected on 11.5.2016. Term in office ends on: 10.5.2020.



- Anastasios Sachinidis, son of Ioannis, ID Card No. AK 906475, employee representative, non-executive member. Elected on 11.5.2016. Term in office ends on: 10.5.2020.

There are no events between 31.12.2019 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, 21 May 2020

ON BEHALF OF THE BOARD OF DIRECTORS

| | | |
|------------------------------------|-----------------------|---|
| Agis Papadopoulos | Anthimos Amanatidis | Nikos Klitou |
| Chairman of the Board of Directors | CEO | Board member Chairman of the Audit Committee |
| ID Card No. AN 201633 | ID Card No. AE 125155 | ID Card No. AM 674658 |

Independent Auditor's Report

To the Shareholders of “THESSALONIKI WATER SUPPLY & SEWERAGE Co. S.A.”

Report on the audit of the Separate and Consolidated Financial Statements

Opinion

We have audited the accompanying separate and consolidated financial statements of “THESSALONIKI WATER SUPPLY & SEWERAGE Co. S.A.” (Company and Group), which comprise the separate and consolidated statement of financial position as at December 31, 2019, the separate and consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended and notes to the separate and consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the separate and consolidated financial position of the Company and the Group as at 31 December 2019, their financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the separate and consolidated financial statements of the current period. These matters, as well as the related risk of significant misstatements, were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters

How our audit addressed the key audit matter

Trade Receivables – Trade Receivables Recoverability Assessment

As at 31/12/2019, the Group's trade receivables had a total of € 99.364 (€ 99.373 as at 31/12/2018), while accumulated provision for bad debt amounted at € 32.001 (€29.757 as at 31/12/2018) as referred to in Notes 14 and 15 of the financial statements.

At the period end, the Management reviews the recoverability of trade receivables, so that they are reflected in their recoverable amount, recognizing the required impairment provisions for expected credit losses. This process includes important judgments and estimations, in relation to the proper application of IFRS 9 "Financial Instruments", which was adopted by the Group on 1/1/2018 by the method of cumulative effect.

Given the significance of trade receivables and the level of judgments and estimations required, we consider the review of the recoverability of trade receivables as an area of particular audit interest.

The disclosures of the Group, regarding the bad debt provision, are included in Notes 5.1, 14 and 15 of the attached financial statements.

Our audit procedures regarding assessment of trade receivables include among others, the following:

- Assessment of assumptions and methodology used by Management in estimating recoverability of trade receivables.
- Examination of the attorney's confirmation letter regarding bad receivables and identification of any indication of doubtful accounts.
- Assessment of provision of bad debt, taking into account specific debtors classifications and factors, such as maturity, substantial debtors and high risk debtors.
- Assessment of recoverability of balances through comparing the year end closing balances with subsequent amounts collected / settlements.
- Assessment of the application of the new methodology, in accordance with IFRS 9, as well as the accuracy and completeness of the data used by the Management in the calculation model.
- Assessment of the adequacy and appropriateness of the disclosures included in Notes 5.1, 14 and 15 of the financial statements.

Contingent liabilities and provisions for litigations

As at 31/12/2019, the Group is engaged in numerous litigation claims and arbitration procedures totaling approximately € 40 million, for which a provision is recognized amounting to approximately €3,19 million. The relative reference is provided in Notes 5.6, 20 and 32 of the financial statements.

Management uses legal advisors who periodically examine all significant legal cases. If the potential loss from litigation is considered probable and the amount can be estimated reliably, Management recognizes the relevant provision in the financial statements.

Management's assessment in respect of the outcome of legal cases involves subjectivity, as it requires significant judgment to include assessments based on the latest available information, determination of potential risk and reliable data on similar court cases. Negative outcome in the course of litigations or on the basis of estimates made by Management and external legal advisors could result in recognizing impairment losses that may have a material impact on the Group's income statement.

Given the above factors, significant Management's estimates and the amount of provisions and contingent liabilities, we consider this issue to be one of the key audit matters.

Our audit procedures regarding contingent liabilities and provisions for litigations include, among others, the following:

- Analysis of provisions that have been made in comparison with the detailed checklist of pending court cases held by the Group's Legal Department.
- Receiving direct external confirmation letter from legal advisors handling pending court cases.
- Discussion with the Group's Legal Department on legal cases and their potential outcome, and assessment of reasonableness of estimates as well as the evidence on which Management's assessment is based.
- Assessment of the adequacy and appropriateness of the disclosures included in Notes 5.6, 20 and 32 of the financial statements.

Other Information

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

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

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

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

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

In preparing the separate and consolidated financial statements, Management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management intends to liquidate the Company and the Group or to cease operations or has no other realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to affect the economic decisions of users taken on the basis of these separate and consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separated and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

1. Board of Directors' Report

Taking into consideration the fact that Management is responsible for the preparation of the Board of Directors' Report under the provisions of Par. 5, Article 2 (part B), Law 4336/2015, we note the following:

1. The Board of Directors' Report includes the Corporate Governance Statement that provides the information required by the article 152, CL 4548/2018.
2. In our opinion, the Board of Directors' Report has been prepared in compliance with the applicable legal requirements of the articles 150 and 153 and paragraph 1 (cases c' and d') of the article 152 of CL 4548/2018 and its content is consistent with the accompanying separate and consolidated financial statements for the year ended as at 31/12/2019.
3. Based on the knowledge we acquired during our audit of "THESSALONIKI WATER SUPPLY & SEWERAGE Co. S.A." and its environment, we have not identified any material inconsistencies in the Board of Directors' Report.

2. Additional Report to the Audit Committee

Our opinion on the accompanying separate and consolidated financial statements is consistent with our Additional Report to the Company's Audit Committee, prepared in compliance with Article 11, Regulation (EU) No 537/2014.

3. Provision of Non-Audit Services

We have not provided to the company and its subsidiary the prohibited non-audit services referred to in Article 5 of Regulation (EU) No 537/2014.

Authorized non-audit services provided by us to the Company during the year ended as at December 31, 2019 are disclosed in Note 26 of the attached separate and consolidated financial statements.

4. Auditor's Appointment

We were first appointed as auditors of the Company by the Annual General Meeting of Shareholders on 4/8/2011. Since then, our appointment has been renewed annually for a total uninterrupted period of 9 years following the decisions of the Annual General Meetings of Shareholders.

Athens, May 21, 2020

The Certified Public Accountants

Athanasia Arabatzi

I.C.P.A. Reg. No 12821

Christos Vargemezis

I.C.P.A. Reg. No 30891

Statement of Financial Position

| | | THE GROUP | | THE COMPANY | |
|--|-------|------------|------------|-------------|------------|
| | Note: | 31/12/2019 | 31/12/2018 | 31/12/2019 | 31/12/2018 |
| ASSETS | | | | | |
| Non-Current Assets | | | | | |
| Tangible assets | 7 | 65,898 | 72,525 | 65,898 | 72,525 |
| Intangible assets | 8 | 217 | 297 | 217 | 297 |
| Participations in subsidiaries | 10 | - | - | 60 | 60 |
| Deferred tax assets | 29 | 3,571 | 3,453 | 3,571 | 3,453 |
| Other long-term assets | 11 | 2,972 | 3,119 | 2,972 | 3,119 |
| Right-of-use assets | 9 | 1,072 | - | 1,072 | - |
| Financial assets measured at fair value through other comprehensive income | 12 | 50 | 50 | 50 | 50 |
| Total non-current assets | | 73,780 | 79,444 | 73,840 | 79,504 |
| Current Assets | | | | | |
| Inventories | 13 | 1,592 | 1,755 | 1,592 | 1,755 |
| Trade receivables and contractual assets | 14 | 63,002 | 55,356 | 62,987 | 55,319 |
| Other receivables | 15 | 4,361 | 1,683 | 4,385 | 1,620 |
| Cash and cash equivalents | 16 | 75,844 | 71,634 | 75,329 | 71,317 |
| Total current assets | | 144,799 | 130,428 | 144,292 | 130,011 |
| TOTAL ASSETS | | 218,579 | 209,871 | 218,132 | 209,515 |
| LIABILITIES | | | | | |
| Equity | | | | | |
| Share capital | 17 | 40,656 | 40,656 | 40,656 | 40,656 |
| Premium on capital stock | 17 | 2,830 | 2,830 | 2,830 | 2,830 |
| Reserves | 18 | 30,346 | 29,620 | 30,323 | 29,596 |
| Results carried forward | | 109,380 | 100,033 | 109,054 | 99,725 |
| Total equity | | 183,212 | 173,138 | 182,863 | 172,807 |
| Non-controlling interests | | - | - | - | - |
| Total equity | | 183,212 | 173,138 | 182,863 | 172,807 |
| Liabilities | | | | | |
| Long-term liabilities | | | | | |
| Long-term borrowing | | | | | |
| Provisions for employee benefits | 19 | 2,044 | 1,909 | 2,044 | 1,909 |
| Provisions for contingencies and expenses | 20 | 3,571 | 5,128 | 3,571 | 5,128 |
| Grants | 21 | 1,291 | 1,642 | 1,291 | 1,642 |
| Long-term lease liabilities | 23 | 469 | - | 469 | - |
| Other long-term liabilities | 22 | 15,411 | 14,801 | 15,411 | 14,801 |
| Total long-term liabilities | | 22,785 | 23,481 | 22,785 | 23,481 |
| Short-term liabilities | | | | | |
| Trade and other liabilities | 24 | 12,188 | 11,946 | 12,099 | 11,920 |
| Short-term lease liabilities | 23 | 342 | - | 342 | - |
| Dividends payable | | 43 | 43 | 43 | 43 |
| Short-term tax liabilities | 25 | 9 | 1,263 | - | 1,263 |
| Total short-term liabilities | | 12,582 | 13,252 | 12,484 | 13,227 |
| Total Liabilities | | 35,367 | 36,733 | 35,269 | 36,708 |
| TOTAL OWNERS' EQUITY AND LIABILITIES | | 218,579 | 209,871 | 218,132 | 209,515 |

Notes:

The disclosures on pages 60 to 109 constitute an integral part of these financial statements.

Statement of Comprehensive Income

| | Note | THE GROUP | | THE COMPANY | |
|--|------|----------------|----------------|----------------|----------------|
| | | 1/1-31/12/2019 | 1/1-31/12/2018 | 1/1-31/12/2019 | 1/1-31/12/2018 |
| Sales | | 72,686 | 73,030 | 72,686 | 73,030 |
| Less: Cost of sales | 26 | (43,617) | (42,744) | (43,617) | (42,650) |
| Gross profit margin | | 29,069 | 30,286 | 29,069 | 30,380 |
| Other operating income | 27 | 3,775 | 2,609 | 3,705 | 2,316 |
| | | 32,844 | 32,895 | 32,774 | 32,696 |
| Selling and distribution expenses | 26 | (5,219) | (6,895) | (5,219) | (7,043) |
| Administrative expenses | 26 | (4,707) | (4,634) | (4,680) | (4,591) |
| Research and development expenses | 26 | (164) | (116) | (164) | (116) |
| Other operating expenses | 27 | (3,339) | (1,874) | (3,324) | (1,914) |
| Operating results | | 19,414 | 19,376 | 19,387 | 19,033 |
| Net financial income | 28 | 1,238 | 1,575 | 1,237 | 1,573 |
| Normal operating results | | 20,652 | 20,951 | 20,624 | 20,606 |
| Results before tax | | 20,652 | 20,951 | 20,624 | 20,606 |
| Income tax | 29 | (5,994) | (6,950) | (5,984) | (6,947) |
| Results net of tax | | 14,658 | 14,001 | 14,641 | 13,659 |
| Allocated among: | | | | | |
| Parent shareholders | | 14,658 | 14,001 | 14,641 | 13,659 |
| Non-controlling interests | | - | - | - | - |
| Other comprehensive income net of tax: | | | | | |
| Data that will not be subsequently classified in the Income Statement: | | | | | |
| Actuarial Results | | (11) | 84 | (11) | 84 |
| Total comprehensive income net of tax | | 14,648 | 14,084 | 14,630 | 13,742 |
| Allocated among: | | | | | |
| Parent shareholders | | 14,648 | 14,084 | 14,630 | 13,742 |
| Non-controlling interests | | - | - | - | - |
| Earnings per share (in euro per share) | 30 | 0.4038 | 0.3857 | 0.4033 | 0.3763 |
| Basic | | | | | |

Notes:

The disclosures on pages 60 to 109 constitute an integral part of these financial statements.

Statement of Changes in Equity

Statement of changes in equity (Group)

| | Share capital | Share premium | Statutory Reserve | Other reserves | Other comprehensive income / results carried forward | TOTAL |
|--|---------------|---------------|-------------------|----------------|--|----------------|
| Balance on 1/1/2019 according to IFRS | 40,656 | 2,830 | 12,583 | 17,035 | 100,034 | 173,138 |
| Total comprehensive income net of tax 1/1 - 31/12/2019 | - | - | 727 | - | 13,932 | 14,658 |
| Other Comprehensive Income for the period 1/1 - 31/12/2019 | - | - | - | - | (11) | (11) |
| Dividends distributed | - | - | - | - | (4,574) | (4,574) |
| Balance on 31/12/2019 according to IFRS | 40,656 | 2,830 | 13,310 | 17,035 | 109,381 | 183,212 |
| Balance on 31/12/2017 according to IFRS | 40,656 | 2,830 | 12,029 | 17,035 | 89,874 | 162,424 |
| Adjustments due to implementation of IFRS 9 | - | - | - | - | (877) | (877) |
| Adjustments due to implementation of IFRS 15 | - | - | - | - | 5,555 | 5,555 |
| Balance on 1/1/2018 according to IFRS | 40,656 | 2,830 | 12,029 | 17,035 | 94,552 | 167,102 |
| Total comprehensive income net of tax 1/1 - 31/12/2018 | - | - | 554 | - | 13,447 | 14,001 |
| Other Comprehensive Income for the period 1/1 - 31/12/2018 | - | - | - | - | 84 | 84 |
| Other changes | - | - | - | - | (26) | (26) |
| Dividends distributed | - | - | - | - | (8,022) | (8,022) |
| Balance on 31/12/2018 according to IFRS | 40,656 | 2,830 | 12,583 | 17,035 | 100,034 | 173,138 |

Statement of changes in equity (Company)

| | Share capital | Share premium | Statutory Reserve | Other reserves | Other comprehensive income / results carried forward | Total |
|--|---------------|---------------|-------------------|----------------|--|----------------|
| Balance on 1/1/2019 according to IFRS | 40,656 | 2,830 | 12,562 | 17,035 | 99,725 | 172,807 |
| Total comprehensive income net of tax 1/1 - 31/12/2019 | - | - | 727 | - | 13,914 | 14,641 |
| Other Comprehensive Income for the period 1/1 - 31/12/2019 | - | - | - | - | (11) | (11) |
| Dividends distributed | - | - | - | - | (4,574) | (4,574) |
| Balance on 31/12/2019 according to IFRS | 40,656 | 2,830 | 13,288 | 17,035 | 109,054 | 182,863 |
| Balance on 31/12/2017 according to IFRS | 40,656 | 2,830 | 12,007 | 17,035 | 89,880 | 162,408 |
| Adjustments due to implementation of IFRS 9 | - | - | - | - | (877) | (877) |
| Adjustments due to implementation of IFRS 15 | - | - | - | - | 5,555 | 5,555 |
| Balance on 01/01/2018 according to IFRS | 40,656 | 2,830 | 12,007 | 17,035 | 94,559 | 167,087 |
| Total comprehensive income net of tax 1/1 - 31/12/2018 | - | - | 554 | - | 13,105 | 13,659 |
| Other Comprehensive Income for the period 1/1 - 31/12/2018 | - | - | - | - | 84 | 84 |
| Dividends distributed | - | - | - | - | (8,022) | (8,022) |
| Balance on 31/12/2018 according to IFRS | 40,656 | 2,830 | 12,562 | 17,035 | 99,725 | 172,807 |

Notes:

The disclosures on pages 60 to 109 constitute an integral part of these financial statements.

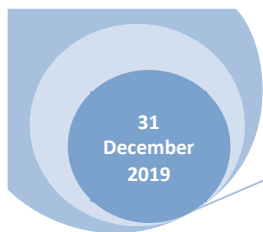
Cash Flow Statement

Indirect method

| Note: | THE GROUP | | THE COMPANY | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 1/1 - 31/12/2019 | 1/1 - 31/12/2018 | 1/1 - 31/12/2019 | 1/1 - 31/12/2018 |
| Cash flow from operating activities | | | | |
| Profit / (loss) before income tax (continuing operations) | 20,652 | 20,951 | 20,624 | 20,606 |
| Plus/(Minus) adjustments for: | | | | |
| Depreciation | 7.8 6,509 | 6,454 | 6,509 | 6,454 |
| Depreciation of rights-of-use | 9 353 | 353 | 353 | 353 |
| Depreciation of fixed asset investment subsidies | 21 (351) | (351) | (351) | (351) |
| Tangible asset impairment | 7 2,327 | - | 2,327 | - |
| Provisions | 2,997 | 4,590 | 2,997 | 4,892 |
| Offsetting of prior period provisions | 20 (1,601) | (1,480) | (1,601) | (1,205) |
| Interest and related (income) / expenses | (1,238) | (1,575) | (1,237) | (1,875) |
| | 29,648 | 28,588 | 29,621 | 28,520 |
| Decrease/ (increase) in inventories | 163 | (135) | 163 | (136) |
| Decrease/(increase) in trade and other receivables | (9,696) | (4,804) | (9,803) | (5,274) |
| Increase/(decrease) of trade and other liabilities (except loans) | 1,076 | (1,393) | 1,013 | 1,132 |
| Decrease/(increase) in other long-term receivables | (925) | 795 | (925) | 795 |
| (Less): | | | | |
| Interest charges and related expenses paid | (124) | (133) | (124) | 169 |
| Tax paid | (10,233) | (8,350) | (10,233) | (8,259) |
| Total inflow/(outflow) from operating activities (a) | 9,908 | 14,568 | 9,711 | 16,948 |
| Cash Flows from Investing Activities | | | | |
| Purchases of tangible assets | 7 (2,113) | (2,005) | (2,113) | (2,005) |
| Purchase of intangible assets | 8 (16) | (51) | (16) | (51) |
| Increase in investment in subsidiaries | - | - | - | (2,400) |
| Other investments | 12 - | (50) | - | (50) |
| Interest received | 1,403 | 1,708 | 1,401 | 1,706 |
| Total inflow/(outflow) from investing activities (b) | (726) | (397) | (728) | (2,799) |
| Cash flows from financing activities | | | | |
| Leasing arrangement liabilities paid | 23 (502) | (502) | (502) | (502) |
| Dividends paid | (4,470) | (7,746) | (4,470) | (7,746) |
| Total inflow/(outflow) from financing activities (c) | (4,972) | (7,746) | (4,972) | (7,746) |
| Net increase/(decrease) in cash and cash equivalents for the period (a) + (b) + (c) | 4,210 | 6,424 | 4,012 | 6,403 |
| Cash assets and equivalents at start of year | 71,634 | 65,210 | 71,317 | 64,914 |
| Cash assets and equivalents at end of period | 75,844 | 71,634 | 75,329 | 71,317 |

Notes:

The disclosures on pages 60 to 109 constitute an integral part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION ABOUT THE COMPANY AND THE GROUP

The **THESSALONIKI WATER SUPPLY AND SEWERAGE CO. S.A.**, trading as EYATH S.A. (hereinafter the Company) has its registered offices at 127 Egnatias St., Thessaloniki GR-54635, and has been listed since 2001 with its shares traded in the high cap category on the Athens Exchange. It provides water supply and sewerage services to more than 1 million citizens in the wider Thessaloniki urban area.

Thessaloniki Water Supply and Sewerage Co. S.A. (EYATH) is a societe anonyme which was established by Article 20 of Law 2651/1998 (Government Gazette 248/A) following the merger of the companies "Thessaloniki Water Supply Organisation S.A." (OYTH S.A.) and "Thessaloniki Sewerage Organisation S.A." (OATH S.A.). Article 18 of Law 2937/2001 states that EYATH S.A. is governed by the provisions of Law 4548/2018, Article 22 of Law 2733/1999 which applies to EYATH S.A. from publication of that law, and also by the provisions of Emergency Law 1563/1939, Legislative Decree 787/1970, Presidential Decrees 156/1997 and 157/1997 and Article 20 of Law 2651/1998, and is under the supervision of the Ministers of Finance and Macedonia-Thrace.

Decision no. ΕΓΑ/606/26-7-2001 of the Ministers of Economy-Finance-Macedonia-Thrace was issued pursuant to Article 18(9) of Law 2937/2001 (Government Gazette 989/B/30.7.2001), and the Company's Articles of Association were drawn up. These Articles of Association, as amended and codified on 20.12.2019, were lawfully entered in the GCR on 9.3.2020 with entry number 2099211 (notice no. 1919394).

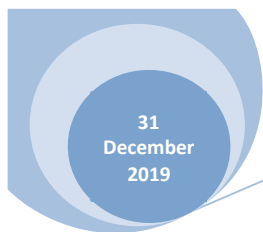
Article 18(2) of Law 2937/2001 and Article 4(1)(a) of its Articles of Association expressly state that EYATH S.A.'s objects include the provision of water supply and sewerage services, the design, construction, installation, operation, running, management, maintenance, extension and renewal of water supply and sewerage systems. To achieve its objects, the company can (among other things) enter into all manner of contracts.

Moreover, under Article 20 of Law 2937/2001 and the tripartite agreement of 27.7.2001 signed by the Greek State, EYATH S.A. Fixed Assets and EYATH S.A., an exclusive right to provide water supply and sewerage services in the geographical areas within its remit, as defined in Article 26(1) of that same Law was conferred on EYATH S.A.

Moreover, via the subsidiary EYATH SERVICES S.A., the group seeks to provide telecom services via the water supply and sewerage networks and is also involved in the generation and sale of electricity, which is primarily generated by utilising water from springs, dams, aqueducts and pipelines.

Board of Directors:

1. Agis Papadopoulos, Chairman, non-executive member
2. Anthimos Amanatidis, CEO, executive member
3. Grigorios Penelis, Vice Chairman, independent non-executive member.
4. Theodoros Koulouris, executive member
5. Nikos Klitou, independent non-executive member, Chairman of the Audit Committee.



6. Georgios Satlas, non-executive member
7. Sofia Ammanatidou, independent non-executive member
8. Katerina Tsikaloudaki, non-executive member
9. Maria Petala, independent non-executive member
10. Georgios Archontopoulos, employee representative, non-executive member
11. Anastasios Sachinidis, employee representative, non-executive member

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

2. 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 2019. The key accounting policies implemented for drawing up the financial statements for the period that ended on 31 December 2019 are the same as those followed when drawing up the annual financial statements of the year ended on 31 December 2018, 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's data. 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 historical cost and the going concern principle, as disclosed below in the company's accounting policies, have been approved by the BoD on 22/5/2020 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.

These financial statements are presented in Euro, which is the currency of the primary economic environment in which the company operates.

2.2. Standards and interpretations mandatory for the financial year ended

Specific new standards, amendments to standards and interpretations have been issued which are mandatory for accounting periods which commence on or after 1.1.2019. In 2019 the company and Group adopted IFRS 16. Where not otherwise stated, other amendments and interpretations which applied for the first time in 2019 have no impact on the consolidated financial statements. The Company and Group did not engage in early adoption of standards, interpretations or amendments which have been issued by the IASB and adopted by the EU, which are not mandatorily applicable in the 2019 period.

Standards and interpretations mandatory for the current financial year

IFRS 16 "Leases"

In January 2016 the IASB issued a new standard, IFRS 16. IFRS 16 supersedes IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement Contains a Lease", SIC 15 "Operating Leases - Incentives" and SIC 27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease". The Standard introduces principles for recognising, measuring, presenting and disclosing leases and requires the lessee to recognise all leases under a single model in the financial statements.

The impact of applying the Standard on the Group and Company is described in Note 2.4.

IFRS 9 (Amendments) "Prepayment Features with Negative Compensation"

If a specific condition is met the amendments allow companies to measure financial assets with prepayment features with negative compensation at amortised cost or fair value through comprehensive

income, instead of at fair value through profit and loss. These amendments have no impact on the consolidated and separate Financial Statements.

IFRIC 23 "Uncertainty over income tax treatments"

The interpretation provides explanations about how to recognise and measure current and deferred income tax when there is uncertainty about the tax treatment of certain assets. IFRIC 23 applies to all aspects of income tax accounting when there is such uncertainty, including taxable profits/losses, the tax base of assets and liabilities, tax profits and losses and tax rates.

IAS 19 (Amendments) "Plan amendment, curtailment or settlement"

The amendments lay down how entities must define pension costs when changes are made to defined benefit pension plans.

IAS 28 (Amendments) "Long-term interests in associates and joint ventures"

The amendments make it clear that entities must account for long-term holdings in an associate or joint venture to which the equity method does not apply, using IFRS 9.

Annual improvements to the IFRS (2015-2017 Cycle)

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

In December 2017 the IASB issued the "Annual Improvements to IFRS 2015-2017 Cycle", which consists in a series of adjustments to certain Standards and forms part of the annual IFRS improvement project. The amendments included in the cycle relate to: IFRS 3 - IFRS 11: Equity rights previously held by the acquirer in a joint operation, IAS 12: Impact on income tax from payments for financial instruments classified as equity items.

These amendments have no impact on the consolidated and separate Financial Statements.

Standards and Interpretations mandatory for later accounting periods

IFRS 3 (Amendments) "Definition of business combination" (effective for annual accounting periods commencing on or after 1.1.2020)

The new definition focuses on the concept of an enterprise's return in the form of providing goods and services to customers, as opposed to the previous definition that focused on returns in the form of dividends, lower costs or other economic benefits to investors and other parties. These amendments have not yet been adopted by the European Union.

IAS 1 and IAS 8 (Amendments) "Definition of materiality" (effective for annual accounting periods commencing on or after 1.1.2020)

The amendments clarify the definition of materiality, and how it should be used, supplementing the definition with guidelines that have been provided so far in other parts of the IFRSs. In addition, the clarifications accompanying the definition have been improved. Finally, the amendments ensure that the definition of materiality is consistently applied to all IFRSs. These amendments have not yet been adopted by the European Union.

Revision of the Financial Reporting Conceptual Framework (applicable to companies in periods commencing on or after 1.1.2020)

In March 2018 the IASB revised the Financial Reporting Conceptual Framework, the objective being to integrate key issues not covered up to then and to update and provide clarifications about specific guidance. The revised Financial Reporting Conceptual Framework includes a new chapter about

measurement which analyses the concept of measurement, including factors which must be taken into account in selecting a basis for measurement, issues relating to presentation and disclosure in the Financial Statements and guidance about derecognition of assets as well as guidance about derecognition of assets and liabilities from the Financial Statements. Moreover, the revised Financial Reporting Conceptual Framework includes improved definitions of assets and liabilities, guidance to help apply those definitions, updating of criteria for recognition of assets and liabilities, as well as clarifications in key sectors such as the roles of management, conservatism and uncertainty in measurement in financial reporting. The Group will examine the impact of all these changes on its financial statements but no impact is actually expected. The above have not yet been adopted by the European Union.

IFRS 17 "Insurance contracts" (effective for annual accounting periods commencing on or after 1.1.2021)

IFRS 17 was published in May 2017 and replaces IAS 4. IFRS 17 establishes the principles of recognition, measurement and presentation of insurance contracts which fall within the standard's scope and the relevant disclosures. The purpose of the standard is to ensure that an entity provides relevant information that presents a reasonable picture of these contracts. The new standard resolves comparability problems which existed under IFRS 4 since it requires all insurance contracts to be accounted for in a consistent manner. Insurance liabilities must be measured at current cost and not at historical cost. The standard has not yet been adopted by the European Union.

IFRS 3 (Amendments) "Definition of business combination" (effective for annual accounting periods commencing on or after 1.1.2020)

The new definition focuses on the concept of an enterprise's return in the form of providing goods and services to customers, as opposed to the previous definition that focused on returns in the form of dividends, lower costs or other economic benefits to investors and other parties. These amendments have not yet been adopted by the European Union.

IAS 1 and IAS 8 (Amendments) "Definition of materiality" (effective for annual accounting periods commencing on or after 1.1.2020)

The amendments clarify the definition of materiality, and how it should be used, supplementing the definition with guidelines that have been provided so far in other parts of the IFRSs. In addition, the clarifications accompanying the definition have been improved. Finally, the amendments ensure that the definition of materiality is consistently applied to all IFRSs. These amendments have not yet been adopted by the European Union.

2.3 Reclassifications

| | THE GROUP | | | | THE COMPANY | | | |
|---|----------------|--|--------------------------------|------------------------|----------------|--|--------------------------------|---------------------------|
| | 31/12/2018 | IFRS 16 - Transition adjustments | IFRS 16 - Reclassifications | 1.1.2019 - adjusted | 31/12/2018 | IFRS 16 - Transition adjustments | IFRS 16 - Reclassifications | 1.1.2019 - adjusted |
| ASSETS | | | | | | | | |
| Non-current assets | | | | | | | | |
| Tangible assets | 72,525 | - | - | 72,525 | 72,525 | - | - | 72,525 |
| Intangible assets | 297 | - | - | 297 | 297 | - | - | 297 |
| Participations in subsidiaries | - | - | - | - | 60 | - | - | 60 |
| Deferred tax assets | 3,453 | - | - | 3,453 | 3,453 | - | - | 3,453 |
| Other long-term assets | 3,119 | - | (80) | 3,039 | 3,119 | - | (80) | 3,039 |
| Right-of-use assets | - | 1,283 | 142 | 1,425 | - | 1,283 | 142 | 1,425 |
| Financial assets measured at fair value through other comprehensive income | 50 | - | - | 50 | 50 | - | - | 50 |
| Total non-current assets | 79,444 | 1,283 | 62 | 80,789 | 79,504 | 1,283 | 62 | 80,849 |
| Current Assets | | | | | | | | |
| Inventories | 1,755 | - | - | 1,755 | 1,755 | - | - | 1,755 |
| Trade receivables and contractual assets | 56,140 | - | - | 56,140 | 56,103 | - | - | 56,103 |
| Other receivables | 899 | - | (62) | 837 | 835 | - | (62) | 773 |
| Cash and cash equivalents | 71,634 | - | - | 71,634 | 71,317 | - | - | 71,317 |
| Total current assets | 130,428 | - | (62) | 130,366 | 130,011 | - | (62) | 129,949 |
| Total assets | 209,871 | 1,283 | - | 211,154 | 209,515 | 1,283 | - | 210,798 |
| EQUITY & LIABILITIES | | | | | | | | |
| Equity | | | | | | | | |
| Share capital | 40,656 | - | - | 40,656 | 40,656 | - | - | 40,656 |
| Premium on capital stock | 2,830 | - | - | 2,830 | 2,830 | - | - | 2,830 |

| | | | | | | | | |
|---|----------------|--------------|---|----------------|----------------|--------------|---|----------------|
| Reserves | 29,620 | - | - | 29,620 | 29,596 | - | - | 29,596 |
| Results carried forward | 100,033 | - | - | 100,033 | 99,725 | - | - | 99,725 |
| Total equity | 173,138 | - | - | 173,138 | 172,807 | - | - | 172,807 |
| Non-controlling interests | - | - | - | - | - | - | - | - |
| Total equity | 173,138 | - | - | 173,138 | 172,807 | - | - | 172,807 |
| Long-term liabilities | | | | | | | | |
| Provisions for employee benefits | 1,909 | - | - | 1,909 | 1,909 | - | - | 1,909 |
| Deferred tax liabilities | - | - | - | - | - | - | - | 0 |
| Provisions for contingencies and expenses | 5,128 | - | - | 5,128 | 5,128 | - | - | 5,128 |
| Grants | 1,642 | - | - | 1,642 | 1,642 | - | - | 1,642 |
| Long-term lease liabilities | - | 814 | - | 814 | - | 814 | - | 814 |
| Other long-term liabilities | 14,801 | - | - | 14,801 | 14,801 | - | - | 14,801 |
| Total long-term liabilities | 23,481 | 814 | - | 24,295 | 23,481 | 814 | - | 24,295 |
| Short-term liabilities | | | | | | | | |
| Trade and other liabilities | 11,946 | - | - | 11,946 | 11,920 | - | - | 11,920 |
| Short-term lease liabilities | - | 469 | - | 469 | - | 469 | - | 469 |
| Dividends payable | 43 | - | - | 43 | 43 | - | - | 43 |
| Short-term tax liabilities | 1,263 | - | - | 1,263 | 1,263 | - | - | 1,263 |
| Total short-term liabilities | 13,252 | 469 | - | 13,721 | 13,227 | 469 | - | 13,696 |
| Total Liabilities | 36,733 | 1,283 | - | 38,016 | 36,708 | 1,283 | - | 37,991 |
| Total Equity and Liabilities | 209,871 | 1,283 | - | 211,154 | 209,515 | 1,283 | - | 210,798 |

Amounts in € '000

Commitments from operating leases as at 31.12.2018

Short-term leases

Liabilities as at 1.1.2019 prior to discounting

Weighted average discounting rate on 1.1.2019

Lease liabilities as at 1.1.2019

Of which:

Long-term lease liabilities

Short-term lease liabilities

Lease liabilities as at 1.1.2019

| THE GROUP | THE COMPANY |
|-----------|-------------|
| 1,557 | 1,557 |
| (23) | (23) |
| 1,534 | 1,534 |
| 4% | 4% |
| 1,283 | 1,283 |
| 814 | 814 |
| 469 | 469 |
| 1,283 | 1,283 |

2.4 Changes to accounting policies

The Group has been applying the new IFRS 16 since 1.1.2019. IFRS 16 introduces a single model for recognising leases in financial statements. By adopting the standard the Group, as lessee, recognises right-of-use assets and lease liabilities in its statement of financial position, on the date on which the leased assets become available for use. Accounting for leases remains by lessors remains the same as under IAS 17.

The Group applied the standard using the modified retrospective approach. Under that method, the standard is applied retrospectively with the cumulative impact of applying it being recognised on 1.1.2019, without the comparative amounts from previous periods being recast.

The changes to accounting policies for leases which were applied for the first time in 2019 and the impact of adopting them are explained below:

A. The group/company as lessee

Under the previous standard (IAS 17), the group and company as lessees classified leases as either operating or finance leases based on an assessment of whether all risks and rewards relating to ownership of an asset were transferred, irrespective of the final transfer or otherwise of ownership of the asset. Under IFRS 16, right-of-use assets and lease liabilities are recognised for most of the leases entered into as a lessee, apart from low value leases, payments for which are recorded using a straight line method in the income statement over the entire term of the lease.

In particular, leases are recognised in the statement of financial position as right-of-use assets and lease liabilities, on the date the leased asset becomes available for use. Each lease is allocated between the

lease liability and interest, which is imputed to the results over the entire term of the lease, to achieve a fixed interest rate for the remainder of the financial liability in each period.

The right-of-use assets are initially measured at cost, and are then reduced by the amount of accumulated depreciation and any impairment. The right-of-use asset is depreciated over its entire useful life or over the term of the lease, whichever is shorter, using a straight line method. The initial measurement of right-of-use assets consists of:

- the amount the lease liability is initially measured at,
- lease payments made on the start date or prior to it, less the amount of any discounts or other incentives offered,
- the initial expenses directly associated with the leased property,
- restoration costs.

Lastly, the lease liability is adjusted when remeasured specifically.

Lease liabilities are initially calculated at the present value of rents which were not paid at the start of the lease. They are discounted using a deemed interest rate for the lease or, if that rate cannot be identified from the contract, using the incremental borrowing rate (IBR). The IBR is the cost which the lessee would be obliged to pay to borrow the necessary capital to acquire an asset similar in value to the leased asset, in a similar economic environment and under similar terms and conditions. The lease obligations include the net present value of:

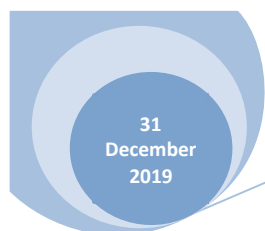
- fixed rents (including any “substantively” fixed rents),
- variable rents, which are tied into some index,
- the residual value which remains to be paid,
- the price for exercising any right of purchase if the lessor is almost certain that the right will be exercised,
- sanctions for terminating a lease, if the lessor opts to use that right.

After initial measurement, lease liabilities are increased by the financial cost thereof and reduced by lease payments made. Lastly, they are re-assessed when there is a change: a) in rents due to a change in an index, b) in the estimate of the size of the residual value, expected to be paid, or c) in the assessment of the right to purchase or extend, which is relatively certain to be exercised or a right to terminate the agreement which is relatively certain to be exercised.

B. The group/company as lessor

When tangible assets are leased under a finance lease, the present value of the rents is recorded as a receivable. The difference between the gross amount of the receivable and the present value of the receivable is recorded as deferred financial income. The income from the lease is recognised in the income statement over the term of the lease using the net investment method, which represents a fixed periodic yield. The Group and Company do not enter into leases as lessors.

C. Impact on the financial statements



When IFRS 16 was adopted the Group and Company applied the following rules:

Leases previously classed as finance leases:

Neither the Group nor the Company had leases classed as finance leases based on the previous standard.

Leases previously classed as operating leases:

The Group and Company recognised rights to use fixed assets and liabilities for those leases which were previously classed as operating leases, apart from the exceptions under the standard for lease agreements whose remaining terms is less than 12 months on the date of initial adoption of the standard, leases where the value of the leased assets is low, and short-term leases. The Group and Company applied the modified retrospective approach and recognised:

- a) a liability for leases measured at present value by discounting future rents using the incremental borrowing rate which applied on the date the standard was first adopted and
- b) a right-of-use asset which was recognised as a figure equal to the corresponding lease liability, adjusted for advance payments and accrued payments of rents which had been recognised in the statement of financial position as at 31.12.2018.

For those leases that allow the Group and Company a right to extend the lease or terminate it, Management estimated whether there was certainty that the rights would be exercised or not, based on past experience and the Group and Company's business plan.

The recognised right-of-use assets which are presented in the assets in the Group and Company's statement of financial position are right-of-use buildings.

As a result of the first time adoption of IFRS 16, insofar as leases previously classed as operating leases are concerned, on 1.1.2019 the Group and Company recognised rights of use worth € 1,425 thous. and lease liabilities of € 1,283 thous.

In addition, for those leases the Group recognised depreciation and financial expenses for the period 1.1.2019 - 31.12.2019, instead of lease expenses. For the period ended on 31.12.2019 the Group and Company recognised € 353 thous. depreciation from right-of-use assets and € 30 thous. interest from lease liabilities. Rent expenses under short-term leases and low value assets stood at € 50 thous.

Lastly, in 2019 the positive impact on Group and Company EBITDA was around € 383 thous. since under IAS 17 payments from operating leases were included in EBITDA but after applying IFRS 16 depreciation on right-of-use assets and interest on lease liabilities will not be included in the EBITDA calculation. Lastly, the Group and Company's cash flows from operating activities increased in 2019 and likewise cash flows from financing activities dropped by around € 501 thous. since payments of the capital of lease liabilities are classified as cash flows from financing activities.

The impacts on recognised leases and other accounts in the statement of financial position from the application of IFRS 16 on 1.1.2019 are presented in more detail in the tables in note 2.3 above.

3. 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) | 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.

Fixed assets under construction include assets being constructed presented at cost. Fixed assets under construction are not depreciated until the asset is completed and available for the purpose for which it is intended.

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 | 9 to 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 Financial assets

a) Classification, recognition and measurement

To a large extent IFRS 9 retains the existing requirements in IAS 39 on classification and measurement of financial liabilities. However, it removes the previous IAS 39 categories on financial assets: assets held to maturity, loans and receivables, and assets available for sale.

In accordance with IFRS 9, the Group and Company's financial instruments are measured at fair value through profit and loss, at amortised cost or at fair value through other comprehensive income.

Classification is based on two criteria:

- the business model within which the financial asset is held, namely whether the objective is to hold it to collect contractual cash flows or collect contractual cash flows and sale financial assets and
- whether the contractual cash flows form a financial asset which consists Solely of Payments of Principal and Interest on the outstanding capital balance (the SPPI criterion).

Normal purchases and sales of investments are recognised on the date the transaction takes place, which is the date the Group and Company undertake to purchase or sell the asset.

Upon initial recognition, the Group and the Company measure a financial asset at fair value plus, in the case of a financial asset not measured at fair value through profit or loss, transaction costs directly attributable to the acquisition of the financial asset. Transaction costs of financial assets measured at fair value through profit or loss are recognised directly in profit or loss.

Investments cease to be recognised when the rights to receive cash flows from financial assets expire or are transferred and the Group and the Company have transferred substantially all the risks and rewards of ownership.

The Group and Company use the following categories to classify and measure financial assets:

Financial assets at amortised cost

Financial assets are measured at amortised cost if held in the context of a business model for the purpose of retaining them and collecting contractual cash flows which meet the SPPI criterion. Interest earned from those assets is included in financial income and recognised using the effective interest rate. Any profit or loss arising from deletion is recognised immediately in the Income Statement.

The Financial assets classified in this category are “trade and other receivables”. Trade and other receivables are initially recognised at fair value and are subsequently valued at amortised cost using the effective interest rate method, unless the results of discounting, less any impairment losses, are not significant.

Financial assets measured at fair value through other comprehensive income

According to the relevant requirements of IFRS 9, upon initial recognition, the Group and Company may irrevocably opt to present subsequent changes in the fair value of an equity investment not intended for commercial exploitation, in other results directly in equity.

Gains and losses from those financial assets are never recycled in the results for the period. Dividends are recognised as other income in the income statement when the payment entitlement has been established unless the Group and the Company benefit from such income as recovery of part of the cost of the financial asset, in which case those profits are recognised in the statement of comprehensive income. Equity instruments designated at fair value through comprehensive income are not subject to impairment testing. This is done for each individual equity instrument.

The Group and the Company have chosen to classify investments in this category (see note 12).

(b) Impairment

The Group and Company recognise provisions for impairment for expected credit losses for all financial assets apart from those measured at fair value through profit and loss. The relevant methodology depends on whether there is a significant increase in credit risk.

For contractual assets and customer receivables, the Group and the Company apply the simplified approach permitted by IFRS 9. Based on this approach, the Group and the Company recognise the credit losses that are expected over the lifetime of these receivables.

3.6 Trade receivables

Trade receivables are the balances owed by customers from the sale of goods or provision of services in the context of the Group’s normal operations. If it is expected that these balances will be collected within a year or less (or more if this is part of the normal business cycle) then the receivables are classified as current assets. If not, they are classified as non-current assets.

Trade receivables are posted initially at fair value and subsequently valued at amortised cost using the effective interest rate less impairment losses.

3.7 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.

3.8 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 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 impacts 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 balance sheet 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.

3.11 Dividends

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

3.12 Provisions for employee benefits

The Company's and Group's obligation to staff employed by them 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.

3.13 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.

3.14 Grants

Grants are initially recognised at their nominal value when there is a reasonable assurance that the grant will be received and that the Company will comply with all specified terms and conditions laid down for payment. 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.

3.15 Revenue recognition

Revenue is defined as the amount which an economic entity expects to be entitled to as consideration for the goods or services which were transferred to a customer, apart from amounts collected on behalf of third parties (VAT, other sales taxes).

An economic entity recognises revenues when (or as) it fulfils the contract performance obligations, by transferring the goods or services it has promised to the customer. The customer acquires control of the goods or services where he can direct how they are to be used and in effect enjoys all the financial benefits from the goods or services. Control is transferred over a period or at a specific point in time.

3.15.1. Revenue from the supply of water and sewerage services and related services

The Group and Company are involved in providing water supply and sewerage services. Revenue for each of the two performance obligations mentioned above is recognised over time as the customer receives -and at the same time uses- the benefits of water consumption and usage of the sewerage network. Revenue is measured on the basis of the quantities of water consumed and the current price lists. The Group and the Company bill customers for water and sewerage services mainly on a quarterly basis, based on relevant meter readings.

The customer receivable is recognised when there is an unconditional right for the entity to receive the price for the contractual obligations performed for the customer. A contract asset is recognised when the Group (or Company) has satisfied its performance obligations before the customer makes payment or before the payment is due, for example when the goods or services are transferred to the customer before the Group's (or Company's) right to issue a bill.

The contractual obligation is recognised when the Group (or the Company) receives a consideration from the client (prepayment) or when it reserves the right to a price that is unconditional (deferred income) before the performance of the obligations of the contract and the transfer of the goods or services. The

contractual obligation is de-recognised when the contractual obligations are performed and the revenue is recorded in the income statement

For the Group and Company, liabilities from contracts with customers arise from down payments made in lieu of water consumption and water supply services, which customers pay when they sign the water supply and sewerage services agreement. Those liabilities are accounted for and included in the "Other long-term liabilities" lines in the statement of financial position.

Down payments for water consumption and the provision of water supply services are returned to customers when the contract is terminated. The Group reached the conclusion that the best approach is to present the above liabilities from contracts with customers as long-term liabilities since they can be expected to be settled at a period more than 12 months hence.

3.15.2. Income from interest

Income from interest is recognised based on the accrual principle.

3.15.3. Income from dividends

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

3.16 Cost of financing

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

3.17 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.

3.18 Leases

3.18.1 The Group and Company as lessee

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.

3.18.2 The Group and Company as a lessor

Leases where the Group and Company do not in effect transfer all risks and rewards of ownership are characterised as operating leases. Income generated by operating leases, including advances received, is recognised in the income statement using the straight line method pro rata over the term of the lease. The initial direct costs incurred by lessors when negotiating an operating lease are added to the book value of the leased asset and are recognised during the term of the lease on the same basis as the lease income.

3.19 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.

3.20 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.

3.21 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.

4. 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.

4.1 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 31/12/2019.

(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.

4.2 Credit risk

The Group applies the expected credit loss model to trade receivables and non-current receivables from currently earned income. The Group applies the simplified approach permitted under IFRS 9 to these

receivables, under which the Group recognises the credit losses expected over the lifetime of the receivables.

To calculate expected credit losses, trade receivables and non-current receivables from currently earned income were grouped together based on common credit risk characteristics and days past due. Non-current receivables from currently earned income have the same risk features as trade receivables and so the same methodology was followed to calculate the expected credit losses.

For trade receivables and non-current receivables from currently earned income from the public sector, the expected credit losses were calculated as the difference between the contractual cash flows and the present value of the expected cash flows, taking into account the possibility of default by the State over the lifetime of the those receivables.

4.3. Liquidity risk

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

The maturity of Group and Company financial assets on 31.12.2019 can be broken down as follows:

| FINANCIAL LIABILITIES MATURITY AS AT 31.12.2019 | | | | | | | | |
|---|---------------|--------------|--------------|--------|---------------|--------------|--------------|--------|
| | THE GROUP | | | | THE 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 |
| Long-term lease liabilities | - | 459 | 10 | 469 | - | 459 | 10 | 469 |
| Other long-term liabilities | - | - | 15,411 | 15,411 | - | - | 15,411 | 15,411 |
| Short-term lease liabilities | 342 | - | - | 342 | 342 | - | - | 342 |
| Suppliers and other liabilities | 12,231 | - | - | 12,231 | 12,142 | - | - | 12,142 |
| Short-term tax liabilities | 9 | - | - | 9 | 0 | - | - | 0 |
| Total | 12,582 | 459 | 15,421 | 28,461 | 12,484 | 459 | 15,421 | 28,363 |

The maturity of Group and Company financial assets on 31.12.2018 can be broken down as follows:

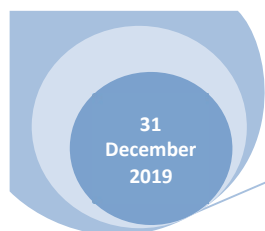
| FINANCIAL LIABILITIES MATURITY AS AT 31.12.2018 | | | | | | | | |
|---|---------------|--------------|--------------|--------|---------------|--------------|--------------|--------|
| | THE GROUP | | | | THE COMPANY | | | |
| | SHORT-TERM | LONG-TERM | | | SHORT-TERM | LONG-TERM | | |
| | Within 1 year | 1 to 5 years | Over 5 years | Total | Within 1 year | 1 to 5 years | Over 5 years | Total |
| Other long-term liabilities | - | - | 14,801 | 14,801 | - | - | 14,801 | 14,801 |
| Suppliers and other liabilities | 11,989 | - | - | 11,989 | 11,963 | - | - | 11,963 |
| Short-term tax liabilities | 1,263 | - | - | 1,263 | 1,263 | - | - | 1,263 |
| Total | 13,252 | - | 14,801 | 28,052 | 13,227 | - | 14,801 | 28,026 |

4.4 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 | |
|-------------------|------------|------------|-------------|------------|
| | 31/12/2019 | 31/12/2018 | 31/12/2019 | 31/12/2018 |
| Total borrowing | - | - | - | - |
| Less: Cash assets | (75,844) | (71,634) | (75,329) | (71,317) |



| | | | | |
|---------------|----------|----------|----------|----------|
| Net debt | (75,844) | (71,634) | (75,329) | (71,317) |
| Total equity | 183,212 | 173,138 | 182,863 | 172,807 |
| Total capital | 107,368 | 101,504 | 107,535 | 101,490 |
| Gearing ratio | -70.64% | -70.57% | -70.05% | -70.27% |

4.5 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.

5. MAJOR ACCOUNTING ESTIMATES AND ASSUMPTIONS

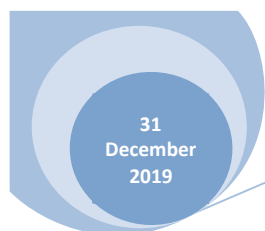
Preparation of the financial statements in accordance with the IFRS requires the use of certain important accounting estimates, which may affect the book balances in the balance sheet with the disclosures required, and the exercise of judgement by Management in applying and implementing accounting policies. 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 apply the simplified approach in IFRS 9 to calculate expected credit losses, according to which the impairment provision is always measured at the amount of expected lifetime losses of customer receivables and contractual assets. The Group and Company have formed provisions for bad debt to adequately cover the loss which can be reliably assessed as coming from those receivables. The provision formed is adjusted in each reporting period, with changes in it being recognised in the results for the period (more information in Notes 14 and 15).

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 financial 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. Impairment of tangible assets and holdings

Tangible assets are tested for impairment in case events or changes in the circumstances suggest that the accounting value may not be recoverable. In order to estimate the current value, Management estimates future cash flows arising from the asset or cash generating unit and chooses the suitable discount rate in order to estimate the future cash flows present value. Alternatively, it selects another reasonable method which it considers reflects the recoverable value of tangible assets at the end of the period in a reliable manner.

The book value of holdings is re-assessed for possible need for impairment when events or conditions indicate that their reported value may not be recovered.

5.6. Pending litigation

The Group is involved in legal proceedings and claims for compensation in the normal course of its operations. Calculating the contingent liabilities associated with pending litigation and claims is a complex process which includes value judgements about the likely consequences and also interpretations of laws and regulations. If a contingent loss from court cases is considered to be likely and the amount can be reliably assessed Management recognises the relevant provisions in the financial statements.

Assessing court cases entails subjectivity, since it requires major judgments to be made which include estimates based on the most recently available information, determining the likelihood of the risk and reliable information from relates court cases.

Changes in judgements or estimates may lead to the Group's contingent liabilities decreasing or increasing in the future.

5.7. Provision for accrued but not yet invoiced supply of water and sewerage services

Revenues are recognised in accordance with the accounting policy in paragraph 3.15. In cases where the Group and Company have not measured the quantities consumed by the reporting date, they estimate the quantities consumed based on historical data and recognise the relevant revenue. The actual amounts which are eventually invoiced may differ from those forecast.

6. 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 - 31/12/2019 | | | |
|--|------------------------------------|--------------------------------|---------------|
| | Provision of Water Supply Services | Provision of Sewerage Services | Group Total |
| Sales to third parties | 47,771 | 24,915 | 72,686 |
| Less: Total cost of sales | (23,912) | (19,705) | (43,617) |
| Gross profit (losses) | 23,859 | 5,210 | 29,069 |
| Other operating income | 1,889 | 1,885 | 3,775 |
| Selling and distribution expenses | (3,220) | (1,999) | (5,219) |
| Administrative expenses | (2,688) | (2,019) | (4,707) |
| Research and development expenses | (90) | (75) | (164) |
| Other operating expenses | (2,195) | (1,145) | (3,339) |
| Earnings / (losses) before taxes, financial and investment results | 17,556 | 1,858 | 19,414 |
| Net Financial Income | 840 | 399 | 1,238 |
| Normal operating results | 18,396 | 2,257 | 20,652 |
| Results before tax | 18,396 | 2,257 | 20,652 |
| Income tax | (5,343) | (651) | (5,994) |
| Results net of tax | 13,052 | 1,606 | 14,658 |
| Earnings / (losses) before taxes, financial and investment results and depreciation | 23,046 | 2,879 | 25,925 |
| Other income statement information | | | |
| Depreciation of fixed assets | 5,490 | 1,372 | 6,862 |
| Depreciation of grants | - | (351) | (351) |

| Group data for the period 1/1 - 31/12/2018 | | | |
|--|------------------------------------|--------------------------------|---------------|
| | Provision of Water Supply Services | Provision of Sewerage Services | Group Total |
| Sales to third parties | 47,562 | 25,468 | 73,030 |
| Less: Total cost of sales | (22,910) | (19,834) | (42,744) |
| Gross profit (losses) | 24,652 | 5,634 | 30,286 |
| Other operating income | 1,699 | 910 | 2,609 |
| Selling and distribution expenses | (4,335) | (2,560) | (6,895) |
| Administrative expenses | (2,893) | (1,742) | (4,634) |
| Research & Development expenses | (71) | (45) | (116) |
| Other operating expenses | (1,220) | (653) | (1,874) |
| Earnings / (losses) before taxes, financial and investment results | 17,833 | 1,543 | 19,376 |
| Net Financial Income | 1,046 | 529 | 1,575 |
| Normal operating results | 18,879 | 2,072 | 20,951 |
| Results before tax | 18,879 | 2,072 | 20,951 |
| Income tax | (6,289) | (661) | (6,950) |
| Results net of tax | 12,590 | 1,411 | 14,001 |
| Earnings / (losses) before taxes, financial and investment results and depreciation | 22,996 | 2,482 | 25,479 |
| Other income statement information | | | |
| Depreciation of fixed assets and right-of-use assets | 5,163 | 1,291 | 6,454 |
| Depreciation of grants | - | (351) | (351) |

6.1.2 Distribution of Assets and Liabilities per business segment

| Group data | Group data as at 31/12/2019 | | |
|---|------------------------------------|--------------------------------|----------------|
| | Provision of Water Supply Services | Provision of Sewerage Services | Group Total |
| Fixed Assets | 38,217 | 28,970 | 67,187 |
| Trade receivables, contractual assets and other receivables | 43,786 | 23,577 | 67,363 |
| Non-allocated assets | - | - | 84,030 |
| Total assets | 82,002 | 52,547 | 218,579 |
| Future subsidy income | - | 1,291 | 1,291 |
| Liabilities | 8,477 | 4,564 | 13,041 |
| Non-allocated liabilities | - | - | 204,247 |
| Total Liabilities | 8,477 | 5,856 | 218,579 |
| Additions of Tangible and Intangible Assets | 909 | 2,106 | 2,114 |

| Group data | Group data as at 31/12/2018 | | |
|---|------------------------------------|--------------------------------|----------------|
| | Provision of Water Supply Services | Provision of Sewerage Services | Group Total |
| Fixed assets and rights to use assets | 41,422 | 31,400 | 72,822 |
| Trade receivables, contractual assets and other receivables | 37,075 | 19,963 | 57,038 |
| Non-allocated assets | - | - | 80,011 |
| Total assets | 78,497 | 51,363 | 209,871 |
| Future subsidy income | - | 1,642 | 1,642 |
| Liabilities | 7,793 | 4,196 | 11,989 |
| Non-allocated liabilities | - | - | 196,240 |
| Total Liabilities | 7,793 | 5,839 | 209,871 |
| Additions of Tangible and Intangible Assets | 884 | 1,173 | 2,057 |

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.

7. TANGIBLE ASSETS

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

| | THE GROUP | | | | | | |
|---|---------------|-----------------------------------|--------------------------------------|--------------------------|-------------------------------|---------------------------------|----------------|
| | Plots – lots | Buildings and building facilities | Machinery & Mechanical Installations | Transportation equipment | Furniture and other equipment | Fixed assets under construction | Total |
| Acquisition or valuation value | | | | | | | |
| Balance on 1/1/2019 | 18,896 | 5,899 | 118,543 | 1,881 | 3,987 | 4,445 | 153,651 |
| Additions 1/1 - 31/12/2019 | - | 42 | 140 | - | 406 | 1,526 | 2,113 |
| Settlements 1/1 - 31/12/2019 | - | - | - | - | - | (2,327) | (2,327) |
| Total on 31/12/2019 | 18,896 | 5,940 | 118,683 | 1,881 | 4,393 | 3,644 | 153,437 |
| | | | | | | | |
| Accumulated depreciation | | | | | | | |
| Balance on 1/1/2019 | - | 2,194 | 74,593 | 1,221 | 3,118 | - | 81,126 |
| Depreciation of period 1/1 - 31/12/2019 | - | 158 | 5,959 | 86 | 211 | - | 6,413 |
| Total on 31/12/2019 | - | 2,352 | 80,552 | 1,307 | 3,328 | - | 87,539 |
| | | | | | | | |
| Net carried value on 31/12/2018 | 18,896 | 3,705 | 43,950 | 660 | 869 | 4,445 | 72,525 |
| Net carried value on 31/12/2019 | 18,896 | 3,589 | 38,131 | 574 | 1,064 | 3,644 | 65,899 |

| | THE GROUP | | | | | | |
|---------------------------------------|-----------------|---|--|-----------------------------|-------------------------------------|---------------------------------------|---------|
| | Plots – lots | Buildings and building facilities | Machinery & Mechanical Installations | Transportation equipment | Furniture and other equipment | Fixed assets under construction | Total |
| <u>Acquisition or valuation value</u> | | | | | | | |
| Balance on 1/1/2018 | 18,896 | 5,871 | 116,613 | 1,940 | 3,606 | 4,779 | 151,705 |

| | | | | | | | |
|---|---------------|--------------|----------------|--------------|--------------|--------------|----------------|
| Additions 1/1 - 31/12/2018 | - | 28 | 384 | - | 381 | 1,212 | 2,005 |
| Redistributions 1/1 - 31/12/2018 | - | - | 1,546 | - | - | (1,546) | - |
| Settlements 1/1 - 31/12/2018 | - | - | - | (59) | - | - | (59) |
| Total on 31/12/2018 | 18,896 | 5,899 | 118,543 | 1,881 | 3,987 | 4,445 | 153,651 |
| Accumulated depreciation | | | | | | | |
| Balance on 1/1/2018 | - | 2,039 | 68,644 | 1,195 | 2,950 | - | 74,827 |
| Depreciation of period 1/1 - 31/12/2018 | - | 153 | 5,950 | 86 | 170 | - | 6,358 |
| Settlements 1/1 - 31/12/2018 | - | - | - | (59) | - | - | (59) |
| Total on 31/12/2018 | - | 2,192 | 74,594 | 1,222 | 3,120 | - | 81,126 |
| Net carried value on 31/12/2017 | 18,896 | 3,832 | 47,969 | 745 | 656 | 4,779 | 76,878 |
| Net carried value on 31/12/2018 | 18,896 | 3,706 | 43,950 | 659 | 867 | 4,445 | 72,524 |

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

| | THE COMPANY | | | | | | |
|---|--------------|-----------------------------------|--------------------------------------|--------------------------|-------------------------------|---------------------------------|---------|
| | Plots – lots | Buildings and building facilities | Machinery & Mechanical Installations | Transportation equipment | Furniture and other equipment | Fixed assets under construction | Total |
| <u>Acquisition or valuation value</u> | | | | | | | |
| Balance on 1/1/2019 | 18,896 | 5,899 | 118,543 | 1,881 | 3,987 | 4,445 | 153,651 |
| Additions 1/1 - 31/12/2019 | - | 42 | 140 | - | 406 | 1,526 | 2,113 |
| Settlements 1/1 - 31/12/2019 | - | - | - | - | - | (2,327) | (2,327) |
| Total on 31/12/2019 | 18,896 | 5,940 | 118,683 | 1,881 | 4,393 | 3,644 | 153,437 |
| | | | | | | | |
| <u>Accumulated depreciation</u> | | | | | | | |
| Balance on 1/1/2019 | - | 2,194 | 74,593 | 1,221 | 3,118 | - | 81,126 |
| Depreciation of period 1/1 - 31/12/2019 | - | 158 | 5,959 | 86 | 211 | - | 6,413 |
| Total on 31/12/2019 | - | 2,352 | 80,552 | 1,307 | 3,328 | - | 87,539 |
| | | | | | | | |
| Net carried value on 31/12/2018 | 18,896 | 3,705 | 43,950 | 660 | 869 | 4,445 | 72,525 |
| Net carried value on 31/12/2019 | 18,896 | 3,589 | 38,131 | 574 | 1,064 | 3,644 | 65,898 |

| | THE COMPANY | | | | | | |
|---|-----------------|---|--|-----------------------------|-------------------------------------|---------------------------------------|----------------|
| | Plots – lots | Buildings and building facilities | Machinery & Mechanical Installations | Transportation equipment | Furniture and other equipment | Fixed assets under construction | Total |
| Acquisition or valuation value | | | | | | | |
| Balance on 1/1/2018 | 18,896 | 5,871 | 116,613 | 1,940 | 3,606 | 4,779 | 151,705 |
| Additions 1/1 - 31/12/2018 | - | 28 | 384 | - | 381 | 1,212 | 2,005 |
| Redistributions 1/1 - 31/12/2018 | - | - | 1,546 | - | - | (1,546) | - |
| Settlements 1/1 - 31/12/2018 | - | - | - | (59) | - | - | (59) |
| Total on 31/12/2018 | 18,896 | 5,899 | 118,543 | 1,881 | 3,987 | 4,445 | 153,651 |
| | | | | | | | |
| Accumulated depreciation | | | | | | | |
| Balance on 1/1/2018 | - | 2,039 | 68,644 | 1,195 | 2,950 | - | 74,827 |
| Depreciation of period 1/1 - 31/12/2018 | - | 153 | 5,950 | 86 | 170 | - | 6,358 |
| Settlements 1/1 - 31/12/2018 | - | - | - | (59) | - | - | (59) |
| Total on 31/12/2018 | - | 2,192 | 74,594 | 1,222 | 3,120 | - | 81,126 |
| | | | | | | | |
| Net carried value on 31/12/2017 | 18,896 | 3,832 | 47,969 | 745 | 656 | 4,779 | 76,878 |
| Net carried value on 31/12/2018 | 18,896 | 3,707 | 43,950 | 660 | 868 | 4,445 | 72,525 |

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

Additions to assets under construction worth € 1,526 relate to works to extend and improve water supply and sewerage networks.

Settlements for assets under construction worth €(2,327) relate to total impairment of the incomplete building in the Toumba area. Impairment was applied due to the elapse of consecutive years without construction work having been completed, with the result that the existing unfinished structure was rendered obsolete.

8. INTANGIBLE ASSETS

The intangible assets of the Company and the Group can be broken down as follows:

| | THE GROUP | | THE COMPANY | |
|---|-----------------------|--------------|-----------------------|--------------|
| | Software Applications | Total | Software Applications | Total |
| Acquisition or valuation value | | | | |
| Balance on 1/1/2019 | 1,634 | 1,634 | 1,634 | 1,634 |
| Additions 1/1 - 31/12/2019 | 16 | 16 | 16 | 16 |
| Total on 31/12/2019 | 1,650 | 1,650 | 1,650 | 1,650 |
| Accumulated depreciation | | | | |
| Balance on 1/1/2019 | 1,337 | 1,337 | 1,337 | 1,337 |
| Depreciation of period 1/1 - 31/12/2019 | 96 | 96 | 96 | 96 |
| Total on 31/12/2019 | 1,433 | 1,433 | 1,433 | 1,433 |
| Net carried value on 31/12/2018 | 297 | 297 | 297 | 297 |
| Net carried value on 31/12/2019 | 217 | 217 | 217 | 217 |

| | THE GROUP | | THE COMPANY | |
|---|-----------------------|--------------|-----------------------|--------------|
| | Software Applications | Total | Software Applications | Total |
| Acquisition or valuation value | | | | |
| Balance on 1/1/2018 | 1,121 | 1,121 | 1,121 | 1,121 |
| Additions 1/1 - 31/12/2018 | 51 | 51 | 51 | 51 |
| Total on 31/12/2018 | 1,172 | 1,172 | 1,172 | 1,172 |
| Accumulated depreciation | | | | |
| Balance on 1/1/2018 | 780 | 780 | 780 | 780 |
| Depreciation of period 1/1 - 31/12/2018 | 95 | 95 | 95 | 95 |
| Total on 31/12/2018 | 875 | 875 | 875 | 875 |
| Net carried value on 31/12/2017 | 342 | 342 | 342 | 342 |
| Net carried value on 31/12/2018 | 297 | 297 | 297 | 297 |

9. RIGHT-OF-USE ASSETS

The recognised right-of-use assets which are presented in the assets in the Group and Company's statement of financial position are right-of-use buildings. The right-of-use assets of the Company and the Group can be broken down as follows:

| | THE GROUP | | THE COMPANY | |
|---|-----------------------------------|--------------|-----------------------------------|--------------|
| | Buildings and building facilities | Total | Buildings and building facilities | Total |
| Recognition value | | | | |
| Balance on 1/1/2019 | 1,425 | 1,425 | 1,425 | 1,425 |
| Additions 1/1 - 31/12/2019 | - | - | - | - |
| Redistributions 1/1 - 31/12/2019 | - | - | - | - |
| Settlements 1/1 - 31/12/2019 | - | - | - | - |
| Total on 31/12/2019 | 1,425 | 1,425 | 1,425 | 1,425 |
| Accumulated depreciation | | | | |
| Balance on 1/1/2019 | - | - | - | - |
| Depreciation of period 1/1 - 31/12/2019 | 353 | 353 | 353 | 353 |
| Redistributions 1/1 - 31/12/2019 | - | - | - | - |
| Settlements 1/1 - 31/12/2019 | - | - | - | - |
| Total on 31/12/2019 | 353 | 353 | 353 | 353 |
| Net carried value on 31/12/2019 | 1,072 | 1,072 | 1,072 | 1,072 |

10. PARTICIPATIONS IN SUBSIDIARIES

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

| 31.12.2019 | 31.12.2018 |
|------------|------------|
|------------|------------|

| | | |
|------------------------------------|----|---------|
| Opening balance | 60 | 60 |
| Share capital increase in holdings | - | 2,400 |
| Impairment of holdings | - | (2,400) |
| Closing balance | 60 | 60 |

Decision no. 270/2018 of EYATH S.A.'s Board of Directors approved a € 2,400,000 increase in the share capital of the wholly owned subsidiary EYATH Services S.A. in May 2018 paid in cash. Following completion of that share capital increase, the subsidiary's share capital stood at € 2,460,000 divided into 4,920,000 registered shares with a nominal value of € 0.50 each. Then based on its accounting policies and the requirements of IAS 36, the Company formed an impairment provision equal to the increase in the subsidiary's share capital increase based on the present value of future cash flows which are expected to flow from the subsidiary.

11. LONG-TERM RECEIVABLES

Long-term receivables on 31.12.2019 primarily represented guarantees provided to PPC worth € 395 (2018: € 474) and long-term trade receivables after arrangements made to pay them, worth € 2,577 (2018: € 2,645).

12. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

| | 31.12.2019 | 31.12.2018 |
|-----------------|------------|------------|
| Opening balance | 50 | - |
| Additions | - | 50 |
| Closing balance | 50 | 50 |

The financial assets measured at fair value through other comprehensive income include the purchase of 1,783 shares in the Metropolitan Development Agency of Thessaloniki acquired during 2018.

Fair value was measured in accordance with Level 3: Prices from valuation models not based on observable market data" and there was no change in fair value.

| | Group | | THE COMPANY | | Fair value scale |
|--|------------|------------|-------------|------------|------------------|
| | 31.12.2019 | 31.12.2018 | 31.12.2019 | 31.12.2018 | |
| Assets | | | | | |
| Financial assets measured at fair value through other comprehensive income | 50 | 50 | 50 | 50 | Level 3 |

13. INVENTORIES

Group and Company inventories can be broken down as follows:

| | THE GROUP | | THE COMPANY | |
|---|------------|------------|-------------|------------|
| | 31.12.2019 | 31.12.2018 | 31.12.2019 | 31.12.2018 |
| Raw direct and indirect materials - consumables - spare parts | 1,628 | 1,791 | 1,628 | 1,791 |
| Impairment of inventories | (35) | (35) | (35) | (35) |
| Total after impairment | 1,592 | 1,755 | 1,592 | 1,755 |

There is an impairment provision of € 35 on the Group's inventories (2018: €35).

There are no pledges on the Group's inventories.

14. TRADE RECEIVABLES AND CONTRACTUAL ASSETS

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

| | THE GROUP | | THE COMPANY | |
|---|---------------|---------------|---------------|---------------|
| | 31.12.2019 | 31.12.2018 | 31.12.2019 | 31.12.2018 |
| Trade receivables | 49,358 | 42,096 | 49,342 | 42,078 |
| Doubtful – disputed customers and debtors | 31,150 | 28,906 | 31,150 | 28,906 |
| Contractual assets | 13,290 | 13,242 | 13,290 | 13,242 |
| Non-current receivables from currently earned income | 355 | 18 | 355 | 0 |
| | 94,153 | 84,261 | 94,137 | 84,225 |
| Less: Provision for bad debt | (31,150) | (28,906) | (31,150) | (28,906) |
| Total trade receivables and contractual assets | 63,002 | 55,356 | 62,987 | 55,319 |

The “contractual assets” account worth € 13,290 relates to accrued, uninvoiced income from customers from supplying water and sewerage services, which will be invoiced for in the subsequent period.

The “Non-current receivables from currently earned income” account includes a provision for uninvoiced revenues for 2019 from the Central Macedonia Region for the part of the relevant bilateral agreement which was implemented.

The book values of the above receivables represent their fair value and no discounting is required on the Balance sheet date.

On the balance sheet date 15% of the value of trade receivables comes from one customer, however, since it is a Greek state agency, the company considers that there is no question of it not being able to pay the amounts owed to the Company, nor any concentration risk from providing credit to the specific customer.

As far as the rest of the trade receivables portfolio is concerned, there is no concentration of credit risk since the Company has a large number of customers and the credit risk is spread.

The change in bad debts (trade and other receivables) and the provision formed can be broken down as follows:

| | THE GROUP | | THE COMPANY | |
|---|---------------|---------------|---------------|---------------|
| | 31.12.2019 | 31.12.2018 | 31.12.2019 | 31.12.2018 |
| Balance on 1 January in accordance with IFRS 39 | | 25,700 | | 25,700 |
| Forecast adjusted via retained earnings | | 877 | | 877 |
| Balance on 1 January in accordance with IFRS 9 | 29,757 | 26,577 | 29,757 | 26,577 |
| Provisions (expenses) for current period | 2,838 | 3,732 | 2,838 | 3,732 |
| Provisions used in current period | (593) | (552) | (593) | (552) |
| Balance on 31 December 2019 / 31 December 2018 | 32,001 | 29,757 | 32,001 | 29,757 |

To measure expected future credit losses, the Group and Company divide up receivables based on maturity. The loss rates for each category of receivables were estimated based on historical data and taking into account current conditions.

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.

15. OTHER RECEIVABLES

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

| THE GROUP | | THE COMPANY | |
|------------|------------|-------------|------------|
| 31.12.2019 | 31.12.2018 | 31.12.2019 | 31.12.2018 |

| | | | | |
|--|--------------|--------------|--------------|--------------|
| Loans and other receivables from staff | 378 | 401 | 378 | 401 |
| Short-term receivables from related parties | - | - | 25 | 24 |
| Sundry debtors | 817 | 979 | 816 | 892 |
| Advances and credit control account | 111 | 112 | 111 | 112 |
| Prepaid expenses | 110 | 193 | 110 | 193 |
| Non-current receivables from currently earned income | 684 | 784 | 684 | 784 |
| Greek State - Other Receivables | 3,112 | 64 | 3,112 | 64 |
| | 5,211 | 2,534 | 5,236 | 2,470 |
| Less: Provision for bad debt | (851) | (851) | (851) | (851) |
| Total other receivables | 4,361 | 1,683 | 4,385 | 1,620 |

The "Loans and other receivables from staff" account includes interest-free short-term payrolling advances, cash assistance and short-term interest-bearing loans to staff.

The advances and credit management account on 31/12/2019 mainly included receivables-bills for payment of the Company's collectors and other associates.

The "Greek State - Other Receivables" account consists of the balance of the tax advance for the year ended, other tax withholdings for the current period and trade and other receivables from the Greek State.

16. CASH AND CASH EQUIVALENTS

Cash assets can be broken down as follows:

| | THE GROUP | | THE COMPANY | |
|----------------|---------------|---------------|---------------|---------------|
| | 31.12.2019 | 31.12.2018 | 31.12.2019 | 31.12.2018 |
| Cash | 14 | 124 | 14 | 124 |
| Sight deposits | 43,830 | 34,510 | 43,314 | 34,192 |
| Time deposits | 32,000 | 37,000 | 32,000 | 37,000 |
| Total | 75,844 | 71,634 | 75,329 | 71,317 |

Cash assets include cash in hand for the Company and its subsidiary, and bank deposits available upon demand.

The rating of cash assets based on the credit ratings of FITCH is:

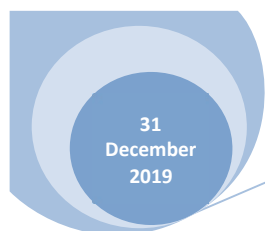
| (Fitch) | THE GROUP | | THE COMPANY | |
|---|---------------|---------------|---------------|---------------|
| | 31.12.2019 | 31.12.2018 | 31.12.2019 | 31.12.2018 |
| CCC+ | 34,945 | 16,856 | 34,945 | 16,856 |
| CCC | 11,513 | 27,666 | 10,997 | 27,349 |
| Sight and time deposits in banks not rated by Fitch | 29,372 | 26,988 | 29,372 | 26,988 |
| Total | 75,830 | 71,510 | 75,314 | 71,192 |

The total sight and time deposits are deposited in Greek banks which are subject to capital controls.

17. SHARE CAPITAL

The Company/Group's share capital can be broken down as follows (figures are in € and are not rounded off):

| 31.12.2019 | 31.12.2018 |
|------------|------------|
|------------|------------|



ANNUAL FINANCIAL REPORT
for the period 1 January 2019 - 31 December 2019
(amounts in thousands of euro)

| | | |
|-----------------------------------|-------------------|-------------------|
| 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 31/12/2019, shareholders with a significant participation percentage in the Company were:

| SHAREHOLDER | Number of shares held | Holding on 31/12/2019 | |
|--------------------|-----------------------|-----------------------|----|
| HCAP | 18,150,001 | 50.00% | +1 |
| HRADF | 8,717,999 | 24.02% | |
| SUEZ GROUPE | 1,982,870 | 5.46% | |
| Other shareholders | 7,449,130 | 20.52% | |
| Total | 36,300,000 | 100.00% | |

At its meeting on 21.2.2018, the Interministerial Committee for Restructuring and Privatisation decided to:

1. Revoke Interministerial Committee for Restructuring and Privatisation decision no. 195/27.10.2011 (Government Gazette 754/B) to the extent that it transferred 14,520,000 shares in EYATH to the company Hellenic Republic Asset Development Fund S.A. That decision is effective from 1.1.2018.
2. Revoke Interministerial Committee for Restructuring and Privatisation Decision 206/25.4.2012 (Government Gazette 1363/B/26.4.2012), to the extent that it transferred 3,630,001 shares in EYATH of the Hellenic Republic to the company Hellenic Republic Asset Development Fund S.A. That decision is effective from 1.1.2018.

The decision was published in Government Gazette 614/B/22.2.2018. In light of that 18,150,001 shares of EYATH S.A. belong to the State (50% + 1 share) and 8,717,999 shares (24.017%) belong to HRADF.

According to the notice submitted by the Ministry of Finance, which the company received by email on 21.3.2018, on 20.3.2018 following an OTC trade on that date the Hellenic Republic transferred free of charge 18,150,001 shares in EYATH S.A. to HCAP, in accordance with Article 380(20) of Law 4512/2018 as amended by Article 197(1) of Law 4389/2016. That transfer is effective from 1.1.2018. HCAP directly holds 50% + 1 share in EYATH and via HRADF indirectly holds 24.02%, which directly holds 24.02%. HCAP's voting rights account for 74.02% of the capital.

The total voting rights controlled by the Greek State remain at 74.02%. The Greek State owns all voting rights in Hellenic Corporation of Assets and Participations (HCAP) which in turn holds all voting rights in HRADF.

The Greek State's total direct and indirect holding in those companies has not changed.

18. RESERVES

The company's reserves can be broken down as follows:

| | THE GROUP | | THE COMPANY | |
|------------------------------------|---------------|---------------|---------------|---------------|
| | 31.12.2019 | 31.12.2018 | 31.12.2019 | 31.12.2018 |
| Statutory Reserve | 13,311 | 12,585 | 13,288 | 12,562 |
| Special law untaxed reserves | 399 | 399 | 399 | 399 |
| Reserves for own share acquisition | 1 | 1 | 1 | 1 |
| Other reserves | 16,635 | 16,635 | 16,635 | 16,635 |
| Balance | 30,346 | 29,620 | 30,323 | 29,596 |

Under Greek company law, the establishment of a statutory reserve (by transferring 5% of the annual earnings net of tax to it 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.

The figure of € 16,635 (Other reserves) was created in accordance with Law 2937/2001 amending and supplementing the provisions on the adequacy of equity of investment firms and credit institutions, reforms relating to EYATH S.A. and other provisions".

19. 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 | |
|---|---------------|---------------|---------------|---------------|
| | 31/12/2019 | 31/12/2018 | 31/12/2019 | 31/12/2018 |
| Payroll expenses | 9,726 | 9,918 | 9,726 | 9,918 |
| Employer contributions | 2,462 | 2,545 | 2,462 | 2,545 |
| Other benefits and staff expenses | 364 | 303 | 364 | 303 |
| Personnel dismissal and retirement compensation provision | 90 | 142 | 90 | 142 |
| Total cost | 12,642 | 12,908 | 12,642 | 12,908 |
| No. of employees | 344 | 361 | 344 | 361 |

The change in the number of employees is due to the fact that in 2019 the fixed-term employment relationship with 11 employees came to an end. The company now has no employees on a fixed-term employment contract.

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 | |
|------------------------------------|--------------|--------------|--------------|--------------|
| | 31.12.2019 | 31.12.2018 | 31.12.2019 | 31.12.2018 |
| Provisions for retirement benefits | 2,044 | 1,910 | 2,044 | 1,910 |
| | 2,044 | 1,910 | 2,044 | 1,910 |

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 | |
|--|--------------|--------------|--------------|--------------|
| | 31.12.2019 | 31.12.2018 | 31.12.2019 | 31.12.2018 |
| Current value of non-financed liabilities | 2,044 | 1,910 | 2,044 | 1,910 |
| Fair value of plan assets | | | | |
| | 2,044 | 1,910 | 2,044 | 1,910 |
| Net liability recognised in balance sheet | 2,044 | 1,910 | 2,044 | 1,910 |

Amounts recognised in income statement

| | THE GROUP | | THE COMPANY | |
|---|------------|------------|-------------|------------|
| | 31.12.2019 | 31.12.2018 | 31.12.2019 | 31.12.2018 |
| Cost of current employment | 87 | 130 | 87 | 130 |
| Interest on liability | 40 | 38 | 40 | 38 |
| Normal expenses in income statement | 127 | 168 | 127 | 168 |
| Cost of cutbacks / settlements / termination of service | 3 | 12 | 3 | 12 |
| Total expense in income statement | 130 | 180 | 130 | 180 |

Changes in net liability recognised in the balance sheet

| | THE GROUP | | THE COMPANY | |
|--|--------------|--------------|--------------|--------------|
| | 31.12.2019 | 31.12.2018 | 31.12.2019 | 31.12.2018 |
| Net liability at start of period | 1,909 | 1,892 | 1,909 | 1,892 |
| Benefits paid by employer | (15) | (66) | (15) | (66) |
| Total expense recognised in income statement | 130 | 180 | 130 | 180 |
| Amount recognised directly in comprehensive income statement | 19 | (97) | 19 | (97) |
| Net liability at end of period | 2,044 | 1,910 | 2,044 | 1,910 |
| Adjustment | | | | |
| Net liability at end of period | 2,044 | 1,910 | 2,044 | 1,910 |
| Change in net value of liability | | | | |
| Present value of liability at start of period | 1,909 | 1,892 | 1,909 | 1,892 |
| Cost of current employment | 87 | 130 | 87 | 130 |
| Interest cost | 40 | 38 | 40 | 38 |
| Benefits paid by employer | (15) | (66) | (15) | (66) |
| Cost of cutbacks / settlements / termination of service | 3 | 12 | 3.30 | 12 |
| Past service cost during previous period | - | - | - | - |
| Amounts recognised in other comprehensive income | 19 | (97) | 19 | (97) |
| Present value of liability at end of period | 2,044 | 1,910 | 2,044 | 1,910 |

Actuarial assumptions

| | | | | |
|------------------------------|-------|--|-------|--|
| Discount Rate | 1.70% | 2.00% | 1.70% | 2.00% |
| Inflation | 2.00% | 2.00% | 2.00% | 2.00% |
| Future increases of salaries | 2.30% | 0% up to 2020 and 2.3% thereafter | 2.30% | 0% up to 2020 and 2.3% thereafter |
| Retirement Increase Rate | 0.00% | 0.00% | 0.00% | 0.00% |

On the value date (31.12.2019) use of a 0.5% higher discount rate would result in the present value of the actuarial obligation being 5% lower while, the exact opposite, use of a 0.5% lower discount rate would result in the present value of the actuarial obligation being 5% higher.

The relevant sensitivity tests for the expected pay rise, in other words use of a 0.5% higher than expected pay rise and the exact counterbalance, in other words use of an expected pay rise of 0.5% less, would result in the actuarial obligation remaining almost unchanged.

Based on the actuarial study, the gross value of the amount recognised in other comprehensive income is € 19 million, of which the net amount is € 11 and the corresponding deferred tax is € 8.

20. PROVISIONS FOR CONTINGENCIES AND EXPENSES

A provision of € 3,191 covers contingent liabilities that may arise during the settlement of litigation with third parties and Company staff.

Revenues from unused provisions relate to existing provisions on the cost of removing an accumulated quantity of sludge worth € 1,189, and by-products worth € 73 from the Thessaloniki Wastewater Treatment Facility.

For the period ended on 31.12.2019 the change in the provisions account for the Group and Company was as follows:

| | GROUP | | |
|---|--------------------|---|---------|
| | Pending litigation | Provisions for contingencies & expenses | Total |
| Long-term provisions | | | |
| 1 January 2019 | 3,487 | 1,642 | 5,129 |
| Additional provisions for year | 662 | | 662 |
| Income from unused provisions | (339) | (1,262) | (1,601) |
| Provisions used/reversal of provisions for the period | (619) | - | (619) |
| 31 December 2019 | 3,191 | 380 | 3,571 |

| | THE COMPANY | | |
|---|--------------------|---|---------|
| | Pending litigation | Provisions for contingencies & expenses | Total |
| Long-term provisions | | | |
| 1 January 2019 | 3,487 | 1,642 | 5,128 |
| Additional provisions for year | 662 | - | 662 |
| Income from unused provisions | (339) | (1,262) | (1,601) |
| Provisions used/reversal of provisions for the period | (619) | - | (619) |
| 31 December 2019 | 3,191 | 380 | 3,571 |

For the period ended on 31.12.2018 the change in the provisions account for the Group and Company was as follows:

| | THE GROUP | | |
|---|--------------------|---|---------|
| | Pending litigation | Provisions for contingencies & expenses | Total |
| Long-term provisions | | | |
| 1 January 2018 | 6,036 | 2,210 | 8,246 |
| Additional provisions for year | 1,268 | - | 1,268 |
| Provisions used/reversal of provisions for the period | (3,817) | (568) | (4,385) |
| 31 December 2018 | 3,487 | 1,642 | 5,129 |

| | THE COMPANY | | |
|---|--------------------|---|---------|
| | Pending litigation | Provisions for contingencies & expenses | Total |
| Long-term provisions | | | |
| 1 January 2018 | 5,505 | 2,210 | 7,715 |
| Additional provisions for year | 1,268 | - | 1,268 |
| Provisions used/reversal of provisions for the period | (3,286) | (568) | (3,854) |
| 31 December 2018 | 3,487 | 1,642 | 5,128 |

21. GRANTS

| | THE GROUP | | THE COMPANY | |
|---|------------|------------|-------------|------------|
| | 31.12.2019 | 31.12.2018 | 31.12.2019 | 31.12.2018 |
| Opening balance | 1,643 | 1,994 | 1,643 | 1,994 |
| Depreciation of grants carried forward to results | (351) | (351) | (351) | (351) |
| End of period balance | 1,291 | 1,643 | 1,291 | 1,643 |

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.

22. OTHER LONG-TERM LIABILITIES

The sum of €15,411 on 31/12/2019 and € 14,801 on 31/12/2018 related to guarantees from customers for use of meters and for bills, which were 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.

23. LEASE LIABILITIES

Group and Company lease liabilities can be broken down as follows:

Adjusted balance of lease liabilities as at 1.1.2019

Of which:

Long-term lease liabilities
Short-term lease liabilities

Lease liabilities as at 1.1.2019

Lease repayments

Financial cost for period

Lease liabilities as at 31.12.2019

Of which:

Long-term lease liabilities
Short-term lease liabilities

Lease liabilities as at 31.12.2019

| THE GROUP | THE COMPANY |
|-----------|-------------|
| 1,283 | 1,283 |
| 813 | 813 |
| 469 | 469 |
| 1,283 | 1,283 |
| (502) | (502) |
| 30 | 30 |
| 811 | 811 |
| 469 | 469 |
| 342 | 342 |
| 811 | 811 |

24. 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 | |
|---------------------------------|---------------|---------------|---------------|---------------|
| | 31.12.2019 | 31.12.2018 | 31.12.2019 | 31.12.2018 |
| Suppliers | 7,590 | 7,572 | 7,577 | 7,559 |
| Cheques payable | 2 | 10 | 2 | 10 |
| Other Taxes - Duties | 1,571 | 1,016 | 1,558 | 1,016 |
| Insurance and pension fund dues | 631 | 569 | 630 | 569 |
| Liabilities to related parties | 3 | 5 | - | - |
| Accrued expenses | 1,547 | 1,470 | 1,488 | 1,464 |
| Sundry creditors | 844 | 1,304 | 843 | 1,302 |
| Total | 12,188 | 11,946 | 12,099 | 11,920 |

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

| | THE GROUP | | THE COMPANY | |
|---------------------------------|-----------------|---------------------|-----------------|---------------------|
| | SHORT-TERM 2019 | | SHORT-TERM 2019 | |
| | WITHIN 6 MONTHS | FROM 6 TO 12 MONTHS | WITHIN 6 MONTHS | FROM 6 TO 12 MONTHS |
| Suppliers | 7,590 | - | 7,577 | - |
| Cheques payable | 2 | - | 2 | - |
| Insurance and pension fund dues | 631 | - | 630 | - |

| | | | | |
|------------------------|---------------|----------|---------------|----------|
| Sundry creditors | 847 | - | 843 | - |
| Accrued expenses | 1,547 | - | 1,488 | - |
| Other taxes and duties | 1,571 | - | 1,558 | - |
| Total | 12,188 | - | 12,099 | - |

| | THE GROUP | | THE COMPANY | |
|---------------------------------|-----------------|---------------------|-----------------|---------------------|
| | SHORT-TERM 2018 | | SHORT-TERM 2018 | |
| | WITHIN 6 MONTHS | FROM 6 TO 12 MONTHS | WITHIN 6 MONTHS | FROM 6 TO 12 MONTHS |
| Suppliers | 7,572 | - | 7,559 | - |
| Cheques payable | 10 | - | 10 | - |
| Insurance and pension fund dues | 569 | - | 569 | - |
| Sundry creditors | 1,308 | - | 1,302 | - |
| Accrued expenses | 1,470 | - | 1,464 | - |
| Other taxes and duties | 1,016 | - | 1,016 | - |
| Total | 11,946 | - | 11,920 | - |

25. SHORT-TERM TAX LIABILITIES

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

| | THE GROUP | | THE COMPANY | |
|------------|------------|--------------|-------------|--------------|
| | 31.12.2019 | 31.12.2018 | 31.12.2019 | 31.12.2018 |
| Income tax | 9 | 1,263 | - | 1,263 |
| | 9 | 1,263 | - | 1,263 |

26. EXPENSES PER CATEGORY

Expenses per category for the Group and Company in 2019 can be broken down as follows:

| THE GROUP | | | | | |
|--|--------------------|---------------------------------|-------------------------|---------------------------------|---------------|
| for the period ended on 31/12/2019 | Cost of Goods Sold | Selling & distribution expenses | Administrative expenses | Research & Development expenses | Total |
| Cost of goods used | 1,981 | - | - | - | 1,981 |
| Self-supplied fixed assets | (136) | - | - | - | (136) |
| Staff salaries and expenses | 8,478 | 1,507 | 2,575 | 82 | 12,642 |
| Third party fees and expenses | 408 | 977 | 954 | 71 | 2,410 |
| Electricity | 12,616 | 16 | 21 | - | 12,653 |
| Rent | 49 | 2 | - | - | 51 |
| Maintenance - Repair expenses | 10,940 | 27 | 53 | - | 11,020 |
| Other charges for outside services | 1,245 | 61 | 243 | - | 1,549 |
| Expenses from tax and duties | 257 | 106 | 218 | - | 581 |
| Various expenses | 1,192 | 279 | 368 | 11 | 1,850 |
| Depreciation of tangible & intangible assets | 6,588 | - | 275 | - | 6,863 |
| Provisions for bad debt | - | 2,245 | - | - | 2,245 |
| Total | 43,617 | 5,219 | 4,707 | 164 | 53,707 |

| THE COMPANY | | | | | |
|------------------------------------|--------------------|---------------------------------|-------------------------|---------------------------------|--------|
| for the period ended on 31/12/2019 | Cost of Goods Sold | Selling & distribution expenses | Administrative expenses | Research & Development expenses | Total |
| Cost of goods used | 1,981 | - | - | - | 1,981 |
| Self-supplied fixed assets | (136) | - | - | - | (136) |
| Staff salaries and expenses | 8,478 | 1,507 | 2,575 | 82 | 12,642 |
| Third party fees and expenses | 408 | 977 | 928 | 71 | 2,384 |
| Electricity | 12,616 | 16 | 21 | - | 12,653 |
| Rent | 49 | 2 | - | - | 51 |
| Maintenance - Repair expenses | 10,940 | 27 | 52 | - | 11,019 |

| | | | | | |
|--|---------------|--------------|--------------|------------|---------------|
| Other charges for outside services | 1,245 | 61 | 243 | - | 1,549 |
| Expenses from tax and duties | 257 | 106 | 217 | - | 581 |
| Various expenses | 1,192 | 279 | 368 | 11 | 1,850 |
| Depreciation of tangible & intangible assets | 6,588 | - | 274 | - | 6,862 |
| Provisions for bad debt | - | 2,245 | - | - | 2,245 |
| Total | 43,617 | 5,219 | 4,680 | 164 | 53,680 |

For the 2019 annual period, management expenses included fees for the auditing firm of € 2.5 which relates to permissible non-auditing tasks.

The corresponding expenses for 2018 can be broken down per category for the Group and company as follows:

| THE GROUP | | | | | |
|--|--------------------|---------------------------------|-------------------------|---------------------------------|---------------|
| for the period ended on 31/12/2018 | Cost of Goods Sold | Selling & distribution expenses | Administrative expenses | Research & Development expenses | Total |
| Cost of goods used | 2,044 | - | - | - | 2,044 |
| Self-supplied fixed assets | (132) | - | - | - | (132) |
| Staff salaries and expenses | 8,134 | 2,097 | 2,581 | 96 | 12,908 |
| Third party fees and expenses | 1,057 | 761 | 872 | 20 | 2,711 |
| Electricity | 11,237 | 16 | 21 | - | 11,274 |
| Rent | 234 | 83 | 49 | - | 366 |
| Maintenance - Repair expenses | 11,549 | 55 | 16 | - | 11,620 |
| Other charges for outside services | 1,143 | 84 | 261 | - | 1,488 |
| Expenses from tax and duties | 253 | 106 | 248 | - | 607 |
| Various expenses | 1,029 | 514 | 329 | - | 1,871 |
| Depreciation of tangible & intangible assets | 6,196 | - | 258 | - | 6,454 |
| Provisions for bad debt | - | 3,179 | - | - | 3,179 |
| Total | 42,744 | 6,895 | 4,634 | 116 | 54,389 |

| THE COMPANY | | | | | |
|--|--------------------|---------------------------------|-------------------------|---------------------------------|---------------|
| for the period ended on 31/12/2018 | Cost of Goods Sold | Selling & distribution expenses | Administrative expenses | Research & Development expenses | Total |
| Cost of goods used | 2,044 | - | - | - | 2,044 |
| Self-supplied fixed assets | (132) | - | - | - | (132) |
| Staff salaries and expenses | 8,134 | 2,097 | 2,581 | 96 | 12,908 |
| Third party fees and expenses | 963 | 909 | 837 | 20 | 2,729 |
| Electricity | 11,237 | 16 | 21 | - | 11,274 |
| Rent | 234 | 83 | 49 | - | 366 |
| Maintenance - Repair expenses | 11,549 | 55 | 16 | - | 11,620 |
| Other charges for outside services | 1,143 | 84 | 257 | - | 1,484 |
| Expenses from tax and duties | 253 | 106 | 246 | - | 605 |
| Various expenses | 1,029 | 514 | 325 | - | 1,868 |
| Depreciation of tangible & intangible assets | 6,196 | - | 258 | - | 6,454 |
| Provisions for bad debt | - | 3,179 | - | - | 3,179 |
| Total | 42,650 | 7,027 | 4,570 | 116 | 54,400 |

27. OTHER OPERATING EXPENSES - OTHER OPERATING INCOME

Other operating income can be broken down as follows:

| | THE GROUP | | THE COMPANY | |
|---|-----------------|-----------------|-----------------|-----------------|
| | 1/1 -31/12/2019 | 1/1 -31/12/2018 | 1/1 -31/12/2019 | 1/1 -31/12/2018 |
| Income from Subsidies | 158 | 130 | 158 | 130 |
| Rainwater network management & maintenance compensation | 1,231 | | 1,231 | |
| Income from services provided | 30 | 125 | 31 | 125 |
| Rent | 71 | 20 | 1 | 3 |
| Depreciation on subsidies | 351 | 351 | 351 | 351 |
| Other prior period income | 8 | 64 | 8 | 64 |
| Other income | 324 | 439 | 324 | 439 |
| Income from prior period provisions | 1,601 | 1,480 | 1,601 | 1,205 |
| Total other operating income | 3,775 | 2,609 | 3,705 | 2,316 |

Other operating expenses can be broken down as follows:

| | THE GROUP | | THE COMPANY | |
|---|-----------------|-----------------|-----------------|-----------------|
| | 1/1 -31/12/2019 | 1/1 -31/12/2018 | 1/1 -31/12/2019 | 1/1 -31/12/2018 |
| Tax and other fines and surcharges | 4 | 99 | 3 | 99 |
| Compensation to third parties for damage to the water supply and sewerage network | 102 | 96 | 102 | 96 |
| Compensation under court rulings | 213 | 53 | 213 | 53 |
| Other expenses, provisions and losses | 675 | 1,268 | 662 | 1,570 |
| Losses from replacement of water meters and Other losses | 2,334 | 28 | 2,334 | 28 |
| Other prior period expenses | 12 | 329 | 9 | 67 |
| Total other expenses | 3,339 | 1,874 | 3,324 | 1,914 |

Other expenses, provisions and losses on 31/12/2019 stood at € 675 (2018: € 1,268) and include provisions for pending litigation.

28. FINANCIAL INCOME/(EXPENSES)

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

| | THE GROUP | | THE COMPANY | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 1/1 -31/12/2019 | 1/1 -31/12/2018 | 1/1 -31/12/2019 | 1/1 -31/12/2018 |
| Other financial expenses | 134 | 133 | 134 | 133 |
| Interest from lease liabilities | 30 | | 30 | |
| Total financial expenses | 164 | 133 | 164 | 133 |
| Interest and related income | 1,403 | 1,708 | 1,401 | 1,706 |
| Total financial income | 1,403 | 1,708 | 1,401 | 1,706 |
| Net financial income/(expenses) | 1,238 | 1,575 | 1,237 | 1,573 |

Note that the balance in the Group account "Interest and related income" as at 31/12/2019 of €1,403 includes default interest on customer bills of €171 and other interest of € 1,232 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.

The "other financial expenses" account primarily records bank commissions for bank transactions and issuing guarantee letters.

29. INCOME TAX

The provisions of Law 4646/2019 (Government Gazette 201/A/12.12.2019) amended Article 58 of the Hellenic Income Tax Code (Law 4172/2013).

The new provisions set a fixed tax rate for profits from business activity acquired by legal persons and legal entities at 24%, with the reduction starting for income acquired during the 2019 tax year.

The tax burden on the results was as follows:

| | THE GROUP | | THE COMPANY | |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|
| | 1/1 -31/12/2019 | 1/1 -31/12/2018 | 1/1 -31/12/2019 | 1/1 -31/12/2018 |
| Income tax | 6,104 | 9,527 | 6,093 | 9,524 |
| Income tax settlement differences | - | 25 | - | 25 |
| Deferred tax | (110) | (2,602) | (110) | (2,602) |
| Total | 5,994 | 6,950 | 5,984 | 6,947 |

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 -31/12/2019 | 1/1 -31/12/2018 | 1/1 -31/12/2019 | 1/1 -31/12/2018 |
| Earnings before tax | 20,652 | 19,376 | 20,624 | 20,606 |
| Tax calculated at the corporate tax rate (24% and 29%). | 4,957 | 5,619 | 4,950 | 5,976 |
| Expenditure not exempted from income tax | 152 | 148 | 148 | 148 |
| Income tax settlement differences | - | 25 | - | 25 |
| Untaxed income | (482) | (489) | (482) | (487) |
| Impact of change in tax rates | (172) | (396) | (172) | (396) |
| Permanent differences | 1,540 | 2,043 | 1,540 | 1,682 |
| Total taxes in Comprehensive Income Statement | 5,994 | 6,950 | 5,984 | 6,947 |

As far as the rates used to calculate deferred tax are concerned, note that paragraph of IAS 12 "Income Tax" states that:

"Deferred tax assets and liabilities are measured using the tax rates that are expected to apply to the period when the asset is realised or the liability is settled taking into account the tax rates (and tax laws) which have been enacted or substantively enacted by the balance sheet date".

Consequently, deferred tax was calculated using the new tax rates which apply in the year in which the asset or liability is expected to be settled.

The impact on the reduction in tax rates made by Article 23 of Law 4579/2018 was € 172 for the Group and Company.

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 | |
|--|--------------|--------------|--------------|--------------|
| | 31.12.2019 | 31.12.2018 | 31.12.2019 | 31.12.2018 |
| Deferred tax assets | 5,165 | 4,896 | 5,165 | 4,896 |
| Deferred tax liabilities | (1,594) | (1,443) | (1,594) | (1,443) |
| Total deferred tax in the Statement of Financial Position | 3,571 | 3,453 | 3,571 | 3,453 |

| | THE GROUP | | THE COMPANY | |
|----------------------|------------|------------|-------------|------------|
| | 31.12.2019 | 31.12.2018 | 31.12.2019 | 31.12.2018 |
| Opening balance | 3,453 | 3,133 | 3,453 | 3,133 |
| Tax on income/equity | 118 | 320 | 118 | 320 |
| Closing balance | 3,571 | 3,453 | 3,571 | 3,453 |

| | THE GROUP / THE COMPANY | | | |
|--|-------------------------|-----------------------------|----------------------------|------------------|
| | As at 31/12/2018 | Credits (Debits) in results | Credits (Debits) in equity | As at 31/12/2019 |
| Deferred tax liabilities | | | | |
| Adjustment of fixed asset subsidies | (1,443) | (151) | - | (1,594) |
| | (1,443) | (151) | - | (1,594) |
| Deferred tax assets | | | | |
| Depreciation on tangible assets | 3,344 | (148) | - | 3,197 |
| De-recognition of depreciation on capital expenditure and adjustment in depreciation for intangible assets | 127 | 524 | - | 651 |
| Adjustment of value of receivable accounts | 606 | (24) | - | 582 |
| Provisions for contingencies - other provisions | 330 | (330) | - | (0) |
| Personnel dismissal and retirement compensation provision | 489 | (7) | 8 | 490 |
| Impact of adopting IFRS 16 | - | 245 | - | 245 |
| | 4,896 | 260 | 8 | 5,165 |
| Net deferred tax assets in the statement of financial position | 3,453 | 110 | 8 | 3,571 |
| Presentation in statement of financial position | | | | |
| Deferred tax liabilities (net) | - | | | - |
| Deferred tax assets (net) | 3,453 | | | 3,571 |
| | 3,453 | | | 3,571 |

| | THE GROUP / THE COMPANY | | | | | |
|--|-------------------------|------------------------------|---|-----------------------------|----------------------------|------------------|
| | As at 31/12/2017 | Credits / (Debits) in equity | Opening balance at 1/1/2018 after impact of IFRS 15 | Credits (Debits) in results | Credits (Debits) in equity | As at 31/12/2018 |
| Deferred tax liabilities | | | | | | |
| Adjustment of fixed asset subsidies | (2,078) | - | (2,078) | 635 | - | (1,443) |
| Adjustment for IFRS 15 | - | (2,269) | (2,269) | 2,269 | - | - |
| | (2,078) | (2,269) | (4,347) | 2,904 | - | (1,443) |
| Deferred tax assets | | | | | | |
| Depreciation on tangible assets | 3,686 | - | 3,686 | (342) | - | 3,344 |
| De-recognition of depreciation on capital expenditure and adjustment in depreciation for intangible assets | 170 | - | 170 | (43) | - | 127 |
| Adjustment of value of receivable accounts | 703 | - | 703 | (97) | - | 606 |
| Provisions for contingencies - other provisions | 104 | - | 104 | 225 | - | 329 |
| Personnel dismissal and retirement compensation provision | 555 | - | 555 | (47) | (13) | 491 |
| | 5,217 | - | 5,217 | (302) | (13) | 4,897 |
| Net deferred tax assets in the statement of financial position | 3,133 | (2,269) | 864 | 2,602 | (13) | 3,453 |
| Presentation in statement of financial position | | | | | | |
| Deferred tax liabilities (net) | - | | - | | | - |
| Deferred tax assets (net) | 3,133 | | 864 | | | 3,453 |
| | 3,133 | | 864 | | | 3,453 |

Deferred income tax is calculated using the expected applicable tax rate at the time the tax asset/liability matures.

30. 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 financial 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 -31/12/2019 | 1/1 -31/12/2018 | 1/1 -31/12/2019 | 1/1 -31/12/2018 |
| Net profits payable to the Company's ordinary shareholders | 14,658 | 14,001 | 14,641 | 13,659 |
| 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) | 0.4038 | 0.3857 | 0.4033 | 0.3763 |

At its meeting on 21.5.2020 the Company's Board of Directors approved submission of a proposal to the Ordinary General Meeting of Shareholders to distribute a dividend under Article 160 of Law 4548/2018 of € 0.268 per share (total gross amount at € 9,739,814) for 2019. The dividend is subject to approval by the Ordinary General Meeting of Shareholders and is included in the balance of the account "Retained earnings".

31. TRANSACTIONS WITH RELATED PARTIES

According to the Group, related parties are members of the Board of Directors, members of Management, as well as the shareholders holding a significant percentage of its share capital (including their related persons). Note that the Company's financial statements are included in the consolidated financial statements of Hellenic Corporation of Assets and Participations S.A. (HCAP S.A.). Consequently, the Group considers the entities related to HCAP S.A. to be related parties. The Group's trading transactions with these related parties during the 1/1/2019-31/12/2019 period were carried out under market terms and in the framework of its usual business activity. The transactions and the balances of the Group's and Company's related parties, during the 1/1/2019 - 31/12/2019 period and on 31/12/2019 respectively, are broken down in the following tables:

| | THE GROUP | | THE COMPANY | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 1/1/2019 - 31/12/2019 | 1/1/2018 - 31/12/2018 | 1/1/2019 - 31/12/2019 | 1/1/2018 - 31/12/2018 |
| Income from subsidiary | - | - | 1 | - |
| Expenses to subsidiary | - | - | - | 371 |
| Income from other related parties consolidated along with HCAP S.A. | 157 | 148 | 157 | 148 |
| Expenses to other related parties consolidated along with HCAP S.A. | 13,219 | 12,273 | 13,219 | 12,273 |
| Transactions with and fees for executives and board members | 518 | 678 | 515 | 674 |
| Transactions with other related parties | 2 | 2 | 2 | 2 |

Transactions with and fees for executives and board members relate to salaries.

Income from other related parties consolidated along with HCAP S.A. relates primarily to water supply and sewerage network service revenues.

Expenses from related parties consolidated along with HCAP S.A. relate primarily to services received (expenses for electricity supplied worth € 12.6 million) and the leasing of properties.

| | THE GROUP | | THE COMPANY | |
|--|------------|------------|-------------|------------|
| | 31/12/2019 | 31/12/2018 | 31/12/2019 | 31/12/2018 |
| Receivables from subsidiary | - | - | 25 | 24 |
| Receivables from other related parties consolidated along with HCAP S.A. | 598 | 533 | 598 | 533 |
| Liabilities from other related parties consolidated along with HCAP S.A. | 2,788 | 2,562 | 2,788 | 2,562 |
| Receivables from management executives and board members | 2 | - | 2 | - |
| Liabilities to management executives and board members | 6 | 7 | 3 | 2 |

The Company's receivable from a subsidiary of € 25 mainly related to receivables in lieu of the approved dividend.

Receivables and liabilities from other related parties consolidated along with HCAP S.A. of € 598 and € 2,788 related to receivables for income from providing water supply and sewerage services both billed and accrued, and services received and prepaid property rents.

Liabilities to management executives and board members related to salaries payable.

The actuarial liability for the company's related parties (management executives) was € 90 on 31/12/2019 (compared to € 110 in 2018).

32. COMMITMENTS FROM CONTINGENT LIABILITIES

32.1 Contingent liabilities from disputes in litigation or arbitration (amounts in €)

On 31/12/2019 there were lawsuits, extrajudicial invitations and in general future claims of a total amount of €40 million approximately against the Company and Group, for which a provision of €3.19 million in total had been formed, which is included in the long-term liabilities account "Provisions for contingencies and expenses" (see Note 19).

Of those lawsuits, the sum of € 10 million relates to compensation for damage done by flooding or actions from various counterparties/suppliers and contractors for breach of contractual terms and € 30 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.

32.2. Other contingent liabilities

The Group on 31/12/2019 had granted performance bonds for project contracts of a total amount of €417 (2018: € 526).

32.3 Open tax periods

Tax Compliance Report

For the years 2011 to 2019, the Company and its subsidiary EYATH Services S.A. have undergone a tax audit carried out by certified public accountants, as provided for in Article 82(5) of Law 2238/1994 (for the years 2011 to 2013) and Article 65a of Law 4172/2013 (Income Tax Code) (for the years from 2014 onwards). Upon completion of the tax audit by the certified public accountants for the periods 2011-2018, 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 the 2019 financial year, 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.

Open tax periods

Note that based on their judgments in similar cases (see Council of State Judgments No. 1738/2017, 675/2017 and Athens 3-member Administrative Court of Appeal Judgment No. 1490/2016) the administrative courts have ruled that 2013 has been statute-barred for tax purposes (with a 5-year statute-barring period). In light of this, it is clear that audits can only be carried out for the years 2014-2019 for which the provisions on tax certificates and 18-month deadlines for carrying out random tax audits have been repealed.

33. NUMBER OF STAFF EMPLOYED

On 31.12.2019 the Group employed 344 people on a permanent basis compared to 350 employed in 2018, while there were no staff on fixed-term contracts (2018: 11).

34. MAJOR EVENTS

Investment projects

In 2019 EYATH launched the tender process to select contractors to implement the following projects:

- Contract for sewerage works to upgrade pumping stations, discharge pipes, a coastal collection pipeline and the Aeneia wastewater facility central pipe, with a budget of € 4.4 million (VAT excl.).
- Contract for first group of urgent sewerage works 2020, with a budget of € 2.5 million (plus VAT).
- Contract for the repair and maintenance of the water supply network in central and eastern Thessaloniki in 2019, with a budget of € 1.5 million (VAT excl.).
- Contract for the repair and maintenance of the water supply network in Western Thessaloniki in 2019, with a budget of € 950,000.00 (VAT excl.).
- Contract for first group of urgent water supply works 2019, with a budget of € 950,000.00 (VAT excl.).
- Contract for the construction of an extension to the Thessaloniki Water Treatment Plant - Phase A2, with a budget of € 21.7 million (VAT excl.).

In addition, in 2019 the following project and design contracts were signed which are included in the company's investment plan:

- Contract for completion of the connection of the Thessaloniki low-lying areas, which includes 7 sewerage sub-projects, with a budget of € 6 million (VAT excl.). The contract with the contractor was signed in April 2019.
- Contract for maintenance of EYATH S.A. facilities in 2018, with a budget of € 700,000.00 (VAT excl.) which will include, among other things, maintenance works for EYATH S.A. facilities needed to install the new water supply SCADA system. The contract for € 350,000.00 (VAT excl.) was signed in April 2019.
- Framework agreement to improve - repair the Aravissos aqueduct, with a budget of € 3.37 million (VAT excl.), and signing of 1st individual (implementing) agreement for the sum of € 858,621.89 (VAT excl.) in December 2019.
- Framework agreement for preparation of supporting designs to meet EYATH S.A.'s needs, with a budget of € 725,806.45, and signing of 1st individual agreement for € 191,129.13 (VAT excl.) in November 2019.
- Framework agreement for the provision of Technical Advisor support services for designs and projects under the EYATH S.A. Strategic & Business Plan, with a budget of € 1.3 million, and signing of a private agreement awarding the Framework agreement in September 2019.

In addition, in 2019 the tender procedure to appoint a contractor for the supply project financed by the Central Macedonia Region entitled "Remote control and automation of water supply systems

within EYATH's remit" was completed. The budget is €3.4 million (VAT excl.). The contract with the Contractor was signed in December 2019.

Lastly, during 2019, cases of extending sewerage networks with third parties assuming part of the cost were examined. These related to pipelines around 1.5 km long in various areas. Other cases examined included repairs/replacements of sewerage pipelines of around 10 km long.

The subsidiary EYATH SERVICES S.A.

On 31.12.2016 contracts for work entered into by the subsidiary EYATH SERVICES S.A. expired but were extended to 30.6.2017 under Article 46 of Law 4440/2016. All persons engaged under such contracts sought recourse to the courts and obtained an interim order until the final judgment on the petition for injunctive relief is handed down. Athens Single-Member Court of First Instance judgment No. 1353/2018 was handed down on 1.3.2018 which rejected the injunction of the contract staff against the Company and the subsidiary EYATH SERVICES S.A. and since that date those persons have ceased offering their services to the company. EYATH SERVICES S.A. has not provided any water supply and sewerage services in the period from 1.3.2018 to the present day. On 2.4.2019 the main case filed by former contract workers against EYATH S.A. and EYATH SERVICES S.A. was heard and judgment is awaited.

At the Board meeting on 22.4.2019 decision no. 001/2019 was passed which extended the term in office of the Board of EYATH Services S.A., in accordance with Article 18 of its Articles of Association, until the Ordinary General Meeting which will elect the new Board.

At the Board meeting on 22.4.2019 decision no. 002/2019 accepted the resignation of Mrs. Styliani Valani from the post of Vice Chairman of the Board and decided her replacement by Mr. Panagiotis Gogos. Following that, the Board officially met with the line-up below:

- Olympia Latsiou-Chrysafi, daughter of Thomas, ID Card No. AM 660585, Chairman.
- Ioannis Krestenitis, son of Nikolaos, ID Card No. AE 680550, CEO.
- Ioannis Papaioannou, son of Evangelos, ID Card No. AE 183479, Member.
- Panagiotis Gogos, son of Dionysios, ID Card No. AE 680814, Vice Chairman.
- Despina Lemonidou, daughter of Iordanis, ID Card No. AM 265639, Member.
- Petros Nastos, son of Stergios, ID Card No. AB 363357, Member.
- Dimitrios Alexandris, son of Georgios, ID Card No. AZ 683204, Member.

On 24.6.2019 Mr. Ioannis Krestenitis tendered his resignation from the Board of EYATH Services S.A. and the post of CEO. At its meeting on 12.7.2019 the Board of EYATH Services S.A. issued decision no. 006/2019 accepting the letter of resignation dated 24.6.2019 tendered by Mr. Ioannis Krestenitis, from the position of CEO of EYATH Services S.A.

At its meeting on 17.7.2019 the Board of EYATH Services S.A. issued decision no. 007/2019 assigning the duties of CEO to Board Member, Mr. Ioannis Papaioannou, and the Board was officially constituted with the following line-up:

- Olympia Latsiou-Chrysafi, daughter of Thomas, ID Card No. AM 660585, Chairman.
- Ioannis Papaioannou, son of Evangelos, ID Card No. AE 183479, CEO.
- Panagiotis Gogos, son of Dionysios, ID Card No. AE 680814, Vice Chairman.
- Despina Lemonidou, daughter of Iordanis, ID Card No. AM 265639, Member.
- Petros Nastos, son of Stergios, ID Card No. AB 363357, Member.
- Dimitrios Alexandris, son of Georgios, ID Card No. AZ 683204, Member.

At the meeting of the subsidiary's Board on 9.9.2019 decision no. 009/2019 was passed officially constituting the Board in implementation of the decision of the Ordinary General Meeting held on 9.9.2019, as follows:

- Agis Papadopoulos, son of Michail, ID Card No. AN 201633, Chairman, non-executive member. Elected on 9.9.2019. Term in office ends on: 9.9.2022.
- Narkisos Georgiadis, son of Vasilios, ID Card No. AN 199359, CEO, executive member. Elected on 9.9.2019. Term in office ends on: 9.9.2022.
- Olympia Latsiou-Chrysafi, daughter of Thomas, ID Card No. AM 660585, Vice Chairman, non-executive member. Elected on 9.9.2019. Term in office ends on: 9.9.2022.
- Panagiotis Gogos, son of Dionysios, ID Card No. AE 680814, Member, executive member. Elected on 9.9.2019. Term in office ends on: 9.9.2022.
- Petros Nastos, son of Stergios, ID Card No. AB 363357, Member. Elected on 9.9.2019. Term in office ends on: 9.9.2022.
- Despina Lemonidou, daughter of Iordanis, ID Card No. AM 265639, Member. Elected on 9.9.2019. Term in office ends on: 9.9.2022.
- Dimitrios Alexandris, son of Georgios, ID Card No. AZ 683204, Member. Elected on 9.9.2019. Term in office ends on: 9.9.2022.

Annual General Meeting of Shareholders

The Annual Ordinary General Meeting of Shareholders held on 6.6.2019:

- Approved the separate and consolidated annual Financial Statements of EYATH S.A. for the accounting period 1.1.2018 – 31.12.2018 and the relevant Board of Directors' and Auditors' reports and statements.
- Approved the Board's overall management approach during the accounting period 1.1.2018 – 31.12.2018 in accordance with Article 108 of Law 4548/2018 and released the Auditors from liability in accordance with Article 117(1)(c) of Law 4548/2018.
- Approved the distribution of dividends to shareholders from the profits for 2018.
- Approved the fees and remuneration paid to the Board and its secretariat.
- Gave advance approval to the payment of fees and remuneration of members of the Board of Directors for the accounting period 1.1.2019 – 31.12.2019.
- Selected the certified public accountants for the statutory and tax audit for the 2019 accounting period and set their fees.
- Gave permission to the members of the Company's Board and executives in its various Divisions to participate in the Boards or in the Management of other affiliated companies in accordance with IAS 24, as well as in the legal person those companies control.
- Voted against electing a new Board member.
- Provided information about how the 150 new employees hired by EYATH S.A. are being managed and about their duties.
- Also provided information about the waste treatment plant.

Changes to the Board of Directors

The Board decided on 24.1.2019 (decision no. 023/2019) to accept the letter of resignation dated 16.1.2019 tendered by Mrs. Styliani Valani from the post of non-executive member and 2nd Vice-Chairman of the Board of EYATH S.A.

On 21.2.2019 EYATH S.A.'s Extraordinary General Meeting of Shareholders chose Mr. Nikolaos Klitou and Mr. Grigorios Penelis as independent, non-executive members of the Board of Directors of EYATH S.A. to serve for a 5-year term, to 21.2.2024.

Following the resignation of Mrs. Tanimanidou from the Audit Committee and the election of Mr. Nikolaos Klitou and Mr. Grigorios Penelis as independent, non-executive members of the Board of Directors of EYATH S.A., on 5.3.2019 the Board decided (decision no. 054/2019) to officially constitute itself as follows:

- Ioannis Krestenitis, son of Nikolaos, ID Card No. AB680550, Chairman & CEO, executive member. Elected on 11.5.2016. Term in office ends on: 10.5.2021.
- Ioannis Papaioannou, son of Evangelos, ID Card No. AE 183479, 1st Vice Chairman, executive member. Elected on 11.5.2016. Term in office ends on: 10.5.2021.
- Grigorios Penelis, son of Georgios, ID Card No. P 198072, 2nd Vice Chairman, independent non-executive member. Elected on 21.2.2019. Term in office ends on: 21.2.2024.
- Stefania Tanimanidou, daughter of Georgios, ID Card No. AE 655638, independent non-executive member. Elected on 11.5.2016. Term in office ends on: 10.5.2021.
- Panagiotis Gogos, son of Dionysios, ID Card No. AE 680814, independent non-executive member. Elected on 6.4.2017. Term in office ends on: 10.5.2021.
- Olympia Latsiou-Chrysafi, daughter of Thomas, ID Card No. AM 660585, non-executive member. Elected on 11.5.2016. Term in office ends on: 10.5.2021.
- Petros Samaras, son of Epaminondas, ID Card No. AM 686941, non-executive member. Elected on 12.10.2017. Term in office ends on: 10.5.2021.
- Nikolaos Klitou, son of Konstantinos, ID Card No. AM 674658, independent non-executive member (Chairman of the Audit Committee.). Elected on 21.2.2019. Term in office ends on: 21.2.2024.
- Georgios Archontopoulos, son of Savvas, ID Card No. AI 733814, employee representative, non-executive member. Elected on 11.5.2016. Term in office ends on: 10.5.2021.
- Anastasios Sachinidis, son of Ioannis, ID Card No. AK 906475, employee representative, non-executive member. Elected on 11.5.2016. Term in office ends on: 10.5.2021.

The Board decided on 27.6.2019 (decision no. 260A/2019) to accept the letter of resignation dated 24.6.2019 tendered by Mr. Ioannis Krestenitis from the post of Chairman and CEO of EYATH S.A.

At its meeting on 31.7.2019 the Board accepted the letter of resignation from Mr. Petros Samaras dated 12.7.2019 from his position as non-executive member of the Board of Directors of EYATH S.A. (decision no. 275/2019).

The Company's Extraordinary General Meeting of Shareholders was held on 2.8.2019 at the Stock Exchange Centre, and elected Mr. Agis Papadopoulos as Chairman and non-executive member of the Board of EYATH S.A. The issue of electing a CEO for EYATH S.A. was deferred for discussion to the General Meeting on 27.8.2019 following a recommendation from the shareholder Hellenic Corporation of Assets and Participations.

At its meeting of 5.8.2019, the Company's Board issued decision no. 276/2019 reconstituting the Board of Directors of EYATH S.A. with the following line-up:

- Agis Papadopoulos, son of Michail, ID Card No. AN 201633, Chairman, non-executive member. Elected on 2.8.2019. Term in office ends on: 2.8.2024.
- Ioannis Papaioannou, son of Evangelos, ID Card No. AE 183479, 1st Vice Chairman, executive member. Elected on 11.5.2016. Term in office ends on: 10.5.2021.
- Grigorios Penelis, son of Georgios, ID Card No. P 198072, 2nd Vice Chairman, independent non-executive member. Elected on 21.2.2019. Term in office ends on: 21.2.2024.

- Nikolaos Klitou, son of Konstantinos, ID Card No. AM 674658, independent non-executive member (Chairman of the Audit Committee). Elected on 21.2.2019. Term in office ends on: 21.2.2024.
- Stefania Tanimanidou, daughter of Georgios, ID Card No. AE 655638, independent non-executive member. Elected on 11.5.2016. Term in office ends on: 10.5.2021.
- Panagiotis Gogos, son of Dionysios, ID Card No. AE 680814, independent non-executive member. Elected on 6.4.2017. Term in office ends on: 10.5.2021.
- Olympia Latsiou-Chrysafi, daughter of Thomas, ID Card No. AM 660585, non-executive member. Elected on 11.5.2016. Term in office ends on: 10.5.2021.
- Georgios Archontopoulos, son of Savvas, ID Card No. AI 733814, employee representative, non-executive member. Elected on 11.5.2016. Term in office ends on: 10.5.2021.
- Anastasios Sachinidis, son of Ioannis, ID Card No. AK 906475, employee representative, non-executive member. Elected on 11.5.2016. Term in office ends on: 10.5.2021.

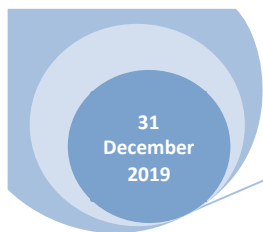
Shareholders at the Company's Extraordinary General Meeting held on 27.8.2019 decided:

- To elect Mr. Narkisos Georgiadis as CEO of EYATH S.A., executive member of the Board of Directors, with a 5-year term in office to 27.8.2024.
- To elect Mr. Theodoros Koulouris as non-executive member of the Company's Board of Directors and
- To appoint the Company's Audit Committee whose term runs from 27.8.2019 to 10.5.2021, comprised of Mr. Nikolaos Klitou (Chairman) and Messrs. Panagiotis Gogos and Theodoros Koulouris (members).

At its meeting on 29.8.2019, the Board passed decision no. 330/2019 appointing Mr. Ioannis Papaioannou as executive director and executive board member, and conferred the title of CEO on Mr. Narkisos Georgiadis (executive board member) and made Mr. Theodoros Koulouris a non-executive board member.

Following that, the Board was officially constituted with the line-up below:

- Agis Papadopoulos, son of Michail, ID Card No. AN 201633, Chairman, non-executive member. Elected on 2.8.2019. Term in office ends on: 2.8.2024.
- Narkisos Georgiadis, son of Vasilios, ID Card No. AN 199359, CEO, executive member. Elected on 27.8.2019. Term in office ends on: 27.8.2024.
- Ioannis Papaioannou, son of Evangelos, ID Card No. AE 183479, Executive Director Strategic Planning & Investment Programme Management, with executive duties decided on an ad hoc basis by the Board of Directors. Elected on 11.5.2016. Term in office ends on: 10.5.2021.
- Grigorios Penelis, son of Georgios, ID Card No. P 198072, Vice Chairman, independent non-executive member. Elected on 21.2.2019. Term in office ends on: 21.2.2024.
- Nikolaos Klitou, son of Konstantinos, ID Card No. AM 674658, independent non-executive member (Chairman of the Audit Committee). Elected on 21.2.2019. Term in office ends on: 21.2.2024.
- Theodoros Koulouris, son of Nikiforos, ID Card No. AM 705629, non-executive member. Elected on 27.8.2019. Term in office ends on: 27.8.2024.
- Stefania Tanimanidou, daughter of Georgios, ID Card No. AE 655638, independent non-executive member. Elected on 11.5.2016. Term in office ends on: 10.5.2021.
- Panagiotis Gogos, son of Dionysios, ID Card No. AE 680814, independent non-executive member. Elected on 6.4.2017. Term in office ends on: 10.5.2021.
- Olympia Latsiou-Chrysafi, daughter of Thomas, ID Card No. AM 660585, non-executive member. Elected on 11.5.2016. Term in office ends on: 10.5.2021.
- Georgios Archontopoulos, son of Savvas, ID Card No. AI 733814, employee representative, non-executive member. Elected on 11.5.2016. Term in office ends on: 10.5.2021.
- Anastasios Sachinidis, son of Ioannis, ID Card No. AK 906475, employee representative, non-executive member. Elected on 11.5.2016. Term in office ends on: 10.5.2021.



If the CEO (as legal representative of EYATH S.A.) is absent or unable to attend to his duties, he is substituted by the Executive Director, Mr. Giannis Papaioannou in accordance with the provisions of the Articles of Association, the law and decisions of EYATH S.A.'s Board of Directors. If the Chairman of the Board is absent or unable to attend to his duties, he is substituted by the Vice Chairman of the Board Mr. Grigorios Penelis, and likewise the Vice Chairman is substituted by the Chairman of the Board for the same reasons in accordance with Article 17 of the Articles of Association.

Harmonisation of the Articles of Association with Law 4548/2018 and the Board of Directors' Remuneration Policy

At the Extraordinary General Meeting held on 20.12.2019 the shareholders decided:

- to amend the Articles of Association of the company (apart from Articles 12, 41, 53 and 54) in the context of bringing them into line with Law 4548/2018 on reform of the law of societies anonyme.
- to approve the remuneration policy for members of the management and board of directors.

Signing of new collective labour agreement

After the provisions of Article 31(5) and (6) of Law 4024/2011 expired on 1.1.2019, as specified in the provisions of Article 33(a) of Law 4354/2015, the Company and the SEEYATH trade union signed a new collective labour agreement effective from 1.9.2019.

Capital controls lifted

On 26.8.2019 the Hellenic Parliament voted to completely lift the capital controls which had been imposed on 29.6.2015 and from 1.9.2019 capital can be freely moved to/from abroad.

Approval of new organisational chart

In implementation of the provisions of paragraph 4.1.3.1 of the Athens Exchange Rulebook, EYATH S.A.'s management team announced that in decision no. 576/2019 the Board of Directors had put in place a new corporate structure effective from early January 2020.

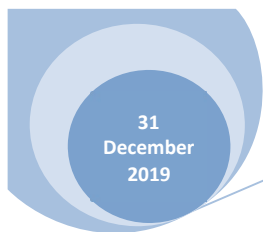
To be more specific:

- A Water Supply and Sewerage Network Facilities & Operating Division was established.
- Independent Network and Facilities Operations Divisions were established in the water supply and sewerage sectors.
- A Digital Transformation Division was established.
- The Projects Division was bolstered by assuming responsibility for strategic planning and company development.

A Regulatory Compliance and Risk & Crisis Management Unit was set up which reports directly to the CEO.

Appointment of senior management executives

On 19.12.2019 the Board decided in decision no. 578/2019 the following in relation to heads of divisions from 1.1.2020:



3. To appoint an employee specialised in civil engineering, Parthena Theodoridou, daughter of Antonios, as head of the Operations and Coordination of Networks and Installations Division.
4. To appoint the heads of the EYATH S.A. divisions as follows:

Nikolaos Arabatzis, son of Georgios, employee, as head of the Administration and Operations Division.

Dimitrios Alexandris, son of Georgios, employee, as head of the Finance Division.

Panagiotis Petridis, son of Leonidas, employee specialised in civil engineering, as head of the Customer Service Division.

Georgios Angelos, son of Nikolaos, employee specialised in electrical engineering, as head of the newly-established Digital Transformation and IT Division.

Alexandros Mentis, son of Konstantinos, civil engineer, as head of the Planning and Works Division, which is renamed the Strategic Planning, Works and Development Division.

Pantelis Legbelos, son of Nikolaos, employee specialised in civil engineering, as head of the Water Supply Networks Division.

Georgia Seretoudi, daughter of Rizos, employee in the special scientific staff sector specialised in chemistry, as head of the newly established Water Supply Installations Division.

Christos Traganos, son of Dimosthenis, employee specialised in civil engineering, as head of the Sewerage Networks Division.

Konstantinos Kotoulas, son of Theodoros, employee specialised in chemical engineering, as head of the newly-established Sewerage Installations Division.

Maria Samara, daughter of Paschalis, employee, as head of the Regulatory Compliance & Crisis and Risk Management Unit.

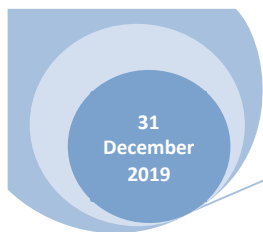
Their term in office is 3 years commencing from 1.1.2020, and will be renewed each year following a recommendation from the CEO to the BoD, based on an evaluation report which will be prepared by 31 March of the following year, taking into account predetermined performance and target achievement indicators per unit.

35. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

At the start of 2020 the coronavirus (Covid-19) appeared and its spread thereafter led the global community -after the initial surprise- to take preventative measures as well as measures to limit the spread of the virus.

Fully aware of its social responsibility, EYATH S.A. launched a series of info-campaigns and has taken preventative measures to:

- provide information to its employees
- raise awareness about the prevention and protection measures
- protect both employees and their families
- protect consumers



- ensure continued problem-free operation.

Some of these measures which have been taken at national and global level include: suspending the operation of training structures, department stores and areas with a high turnout among the public/consumers - it is estimated that they will affect the entire economic system.

It is considered likely that day-to-day operations and consequently the Company's financial data for the 2020 period will also be affected in the context of the above, but their impact is not expected to be significant. At the end of the 2019 financial year, the Company had a significant level of cash assets and a total lack of borrowing, while during the current period the overall picture in terms of total receivables is improved (2020 Q1 compared to the same period in 2019). These will serve as important tools both to ensure the necessary liquidity and that unfavourable conditions which arise in the near future for the economy are managed as smoothly as possible.

Having said that, company management continues to monitor developments carefully so that it can immediately respond to the requirements of the global and domestic environment. In addition, to ensure employee and consumer protection, EYATH S.A. is in constant contact with the National Public Health Organisation (NPHO) on issues relating to coronavirus, so that it can immediately take all instructions and measures relating to the protection and safety of staff and the general public.

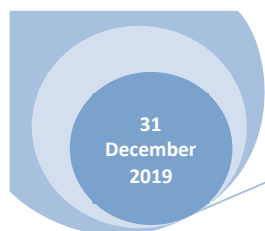
At the meeting of the Board of Directors on 9.3.2020 (decision no. 160/2020) the Board of Directors decided to lay down the competences of members of the Board of Directors by granting permission to the CEO, following a request from him and in order for there to be 2 executive members of the Board of Directors to ensure better operation of the company, and it was decided that in the period up to the forthcoming General Meeting, Mr. Theodoros Koulouris, Board member, would be assigned powers to represent the company in line with Article 22 of the Articles of Association, to exercise supervision over the carrying out of the work of each department and to make recommendations to the Board on the items to be discussed, jointly with the Executive Director.

At the Company's Extraordinary General Meeting held by teleconference on 30.4.2020 the shareholders decided:

- To elect Mr. Anthimos Amanatidis as CEO of EYATH S.A., executive member of the Board of Directors, whose 4-year term in office runs from 30.4.2020 to 29.4.2024.
- To elect Mr. Georgios Satlas as a non-executive member of the Company's Board of Directors, whose 4-year term in office runs from 30.4.2020 to 29.4.2024.
- To elect Ms. Maria Petala as an independent non-executive member of the Company's Board of Directors, whose 4-year term in office runs from 30.4.2020 to 29.4.2024.
- To elect Ms. Sofia Ammanatidou as an independent non-executive member of the Company's Board of Directors, whose 4-year term in office runs from 30.4.2020 to 29.4.2024.
- To elect Ms. Ekaterini Tsikaloudaki as a non-executive member of the Company's Board of Directors, whose 4-year term in office runs from 30.4.2020 to 29.4.2024 and
- To elect the Company's Audit Committee whose term in office commences on 30.4.2020, comprised of Mr. Nikolaos Klitou as Chairman and Ms. Sofia Ammanatidou and Ms. Maria Petala as members.

The Board of Directors officially met on 5.5.2020 following decision no. 289/2020 and was officially constituted with the line-up below:

- Agis Papadopoulos, son of Michail, ID Card No. AN 201633, Chairman, non-executive member. Elected on 2.8.2019. Term in office ends on 1.8.2023.
- Anthimos Amanatidis, son of Anastasios, ID Card No. AN 125155, CEO, executive member. Elected on 30.4.2020. Term in office ends on: 29.4.2024.

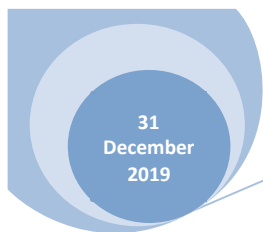


- Grigorios Penelis, son of Georgios, ID Card No. P 198072, Vice Chairman, independent non-executive member. Elected on 21.2.2019. Term in office ends on: 20.2.2023.
- Theodoros Koulouris, son of Nikiforos, ID Card No. AM 705629, executive member. Elected on 27.8.2019. Term in office ends on: 26.8.2023.
- Nikolaos Klitou, son of Konstantinos, ID Card No. AM 674658, independent non-executive member (Chairman of the Audit Committee). Elected on 21.2.2019. Term in office ends on: 20.2.2023.
- Georgios Satlas, son of Nikolaos, ID Card No. Ξ 214518, non-executive member. Elected on 30.4.2020. Term in office ends on: 29.4.2024.
- Sofia Ammanatidou, daughter of Ilias, ID Card No. AO 203221, independent non-executive member. Elected on 30.4.2020. Term in office ends on: 29.4.2024.
- Katerina Tsikaloudaki, daughter of Georgios, ID Card No. AM 275051, non-executive member. Elected on 30.4.2020. Term in office ends on: 29.4.2024.
- Maria Petala, daughter of Dimitrios, ID Card No. AN 721834, independent non-executive member. Elected on 30.4.2020. Term in office ends on: 29.4.2024.
- Georgios Archontopoulos, son of Savvas, ID Card No. AI 733814, employee representative, non-executive member. Elected on 11.5.2016. Term in office ends on: 10.5.2020.
- Anastasios Sachinidis, son of Ioannis, ID Card No. AK 906475, employee representative, non-executive member. Elected on 11.5.2016. Term in office ends on: 10.5.2020.

There are no events between 31.12.2019 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, 21 May 2020

| | | |
|------------------------------------|-----------------------|---|
| Agis Papadopoulos | Anthimos Amanatidis | Dimitrios Alexandris |
| Chairman of the Board of Directors | CEO | CFO |
| ID Card No. AN 201633 | ID Card No. AE 125155 | ID Card No. AZ 683204 Econ. Chamber of Greece Licence No. 0105601 (1st class) |



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).