



THESSALONIKI WATER SUPPLY & SEWERAGE Co. S.A.



# 2019

ANNUAL REPORT





THESSALONIKI WATER SUPPLY & SEWERAGE Co. S.A.

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## Message from the President of EYATH S.A., Prof. Agis M. Papadopoulos

We are going through a period where the spread of an unprecedented pandemic overturned the strategic plans of all companies worldwide, resulting in hard to predict impacts on economic and social life. Critical infrastructure companies like ours were called upon to bear the burden of uninterrupted service provision while also safeguarding the health of employees and consumers.

EYATH was quick to respond to this global test over recent months thanks to operational readiness: protecting the health of its employees by adopting flexible forms of remote and rotating work, ensuring the uninterrupted supply of water as an element vital to public health and the quality of life, and putting in place special arrangements for consumers, especially for vulnerable groups, to pay their bills.

With all that under our belt, looking back at 2019, we can now say that major investment projects are now in the process of being implemented; projects which are the product of long-term planning, preparatory work and maturity. The current management team (I took up duties as Chairman in August 2019) considered that they should move forward at a rapid pace since these projects will contribute in the medium-term to a substantive improvement in the quality of life in Thessaloniki and will also bolster the company's growth.

Two of the main parameters in the investment plan are (a) an increase in the quantity of water available to the urban area, by expanding the water treatment plant and (b) a reduction in our environmental footprint, by producing energy from renewable sources, and by making investments to improve the energy efficiency of our facilities. The security of energy supply is another challenge which has emerged from the pandemic, since it is impossible for vital infrastructure in a country to operate without uninterrupted energy supplies.

Another important step which was taken in 2019, which resolved a decades-long problem for the city, is to connect our two main aqueducts, the Aliakmon and Aravissos aqueducts. This project was successfully completed and will offer options for more rational management of available water, especially in emergencies.

In the research sector, in 2019 we focused on managing water demand and consumption in the water supply networks, utilising new ICTs which clearly EYATH could no longer ignore. A first step is to pilot smart metering as part of the so-called smart metering system, which has generated very interesting results so far. The aim is to move towards an integrated digital infrastructure which will utilise remote metering and remote control technologies to smartly manage the water supply network, as well the customer service environment. Another important objective is the research and development of technologies to manage, display and analyse water consumption data so as to immediately identify incidents and send notices and personalised information to consumers, while also automating procedures within the company.

Water supply is always interconnected with sewerage, which is a critical sector for public health, which over time has been related to combating poverty and sustainable development. Major steps were taken in this sector in 2019, the most important being the routing of completion of the sewerage network in the area of the K16 interchange and Dendropotamos. Thanks to this project, what was for a long time an open wound afflicting the Thessaloniki Bay can heal, while also ensuring flood protection in the area. During the past year, major medium-scale projects were also implemented relating to replacement of sewerage networks and maintenance of existing facilities, automation and IT systems.

Recent experience confirms that water management, in addition to the quality of life of our fellow citizens, relates to critical sectors such as the production and processing of food, the safe operation of nursing and educational infrastructure and the problem-free operation of the catering and hospitality sectors.

In 2019 EYATH developed a roadmap of the future for water supply and sewerage in Thessaloniki. During the current year we believe that projects will proceed at a rapid pace, provided that there are no force majeure events. The objective remains to provide top quality services to consumers, ensuring the sustainability of the water ecosystem, to the benefit of the company, its employees and shareholders.

May 2020

## Message from EYATH S.A.'s CEO, Anthimos A. Amanatidis

Thessaloniki Water Supply and Sewerage Co. S.A. manages one of the most valuable assets for the life and economic activity of our homeland. It ensures the uninterrupted supply of top quality water to the Thessaloniki urban area and guarantees the problem-free, continuous operation of environmentally critical infrastructure such as urban waste water networks and treatment facilities.

As CEO, I took over management of EYATH on 30.4.2020, at a time when the company was called upon to demonstrate optimal business capability, in the context of an unprecedented health crisis, with varying impact. Employees responded immediately and excellently and the company showed flexibility and readiness, continuing to offer its services without interruption. Thanks to immediate adaptation and response to the new conditions, we proved that we have a well-organised management and operating mechanism in place. On behalf of the company's management team, I would like to thank all those who worked with dedication and showed themselves to be responsible in the face of current challenges.

The uncertainty caused by the development and duration of the pandemic requires us, as a new management team, to evaluate and optimise the best practices implemented during this time and to move forward with a well-designed action plan. It also requires us to immediately optimise our digital transactions, while continuing to provide top quality water supply and sewerage services, bearing in mind public health, environmental protection and the safeguarding of the health and safety of our own employees.

As part of our Corporate Social Responsibility programme, responding to the social and environmental requirements of the current period, we are focusing on initiatives that emphasise the three key factors: environment, society and corporate governance, while also investing in synergies with all stakeholders and interested parties. EYATH is now required to implement its revised development plan. A programme to improve infrastructure and the company's own productivity bearing in mind rational management of available resources. New investments relate to technology projects, energy cost reductions, resource savings and environmental protection. Major upcoming projects are the repair of the Aravissos aqueduct, the maintenance of large water supply pipes to reduce leaks, the completion of the sewerage network in Western Thessaloniki and above all the extension of the Thessaloniki Water Treatment Plant, which will significantly increase the available quantities of water, will ensure further adequacy and will allow our network to be extended to new areas in the future.

We all hope that mankind will overcome this unprecedented situation as soon as possible, and we will continue to strive for high financials and further growth for the company while respecting the environment, being socially aware and accelerating the digitalisation of our processes.

May 2020

## Information on preparation of the annual report

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

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

All information required by Article 10 of Law 3401/2005 relating to the Company, its shares and the transferable securities market on which its shares are traded, which information the company published and made available to the public during the 2019 financial year in implementation of the applicable legislation, can be found on the company's website: [www.eyath.gr](http://www.eyath.gr) in the 'Investor relations' section. Moreover, the annual financial statements, audit certificates from the certified public accountants and reports from the Board of Directors which are incorporated into the consolidated financial statements have also been posted there. Lastly, the Company declares that all transactions of persons obliged under Article 13(1) of Law 3340/2005 to disclose information, have been disclosed in accordance with the relevant law.

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

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

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

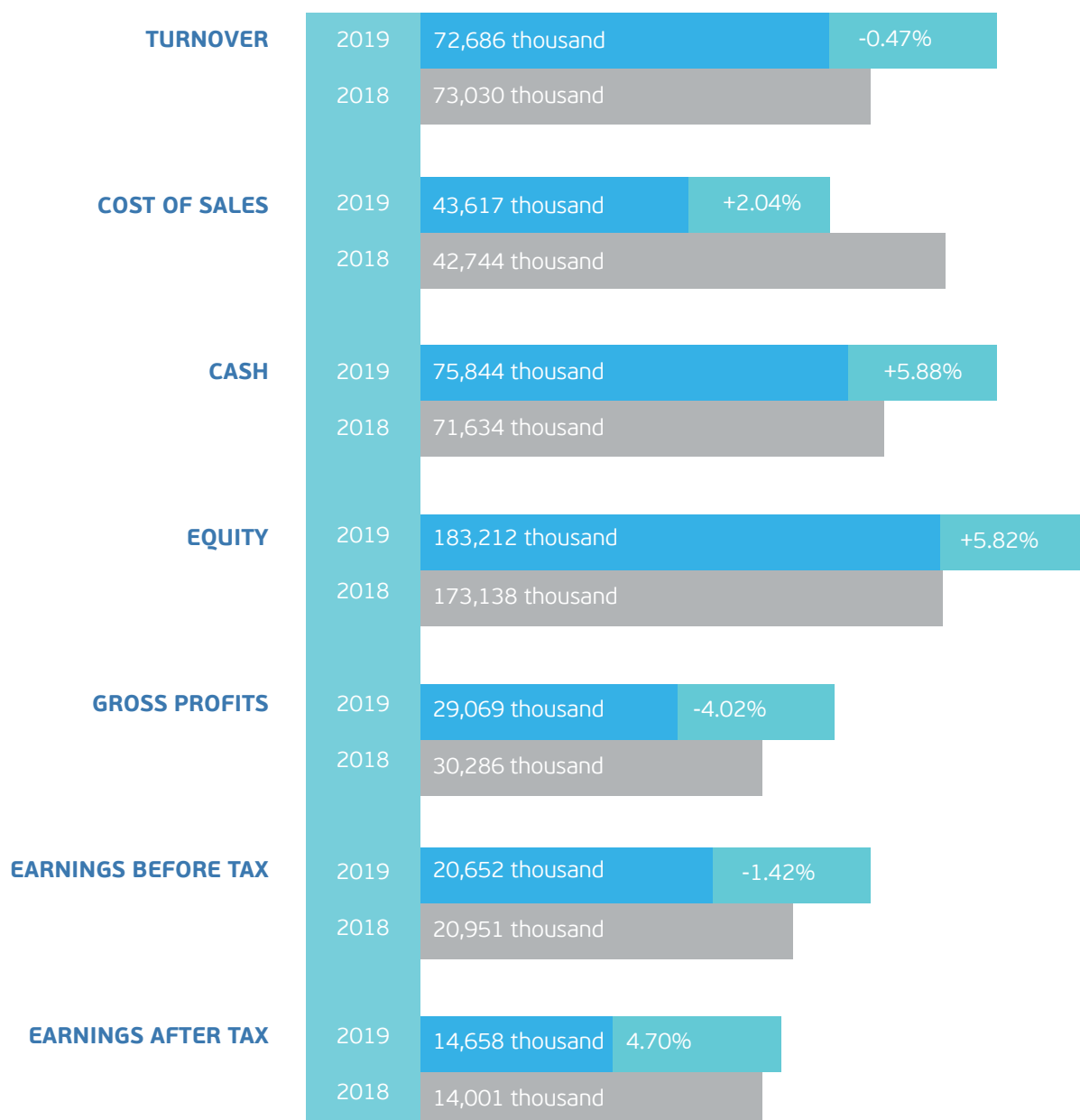
There is no litigation or arbitration pending against EYATH S.A. which could have major impacts on the company's financial status, other than those cited in the Annual Report as at 31.12.2019.

Mr. Dimitrios Alexandris, EYATH S.A.'s Financial Manager, is responsible for the preparation and accuracy of the information in this Report.

# 01 THE COMPANY IN 2019

## 1.1 At a glance

## 1.1 At a glance



## Ratios

PERFORMANCE AND PROFITABILITY RATIOS			
	01/01/2019-31/12/2019	01/01/2018-31/12/2018	Deviation
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%



## 02 THE COMPANY

- 2.1 Background
- 2.2 Objects
- 2.3 Vision – Objective – Implementation
- 2.4 Major investment projects under way
- 2.5 Major events in 2019
- 2.6 Pricing policy
- 2.7 Research, Development & GIS

## 2.1 Background

The company with the corporate name Thessaloniki Water Supply & Sewerage Co. S.A., trading as EYATH (hereinafter the Company or EYATH S.A.) was established in 1998 (Law 2651/2.11.1998 (Government Gazette 248/A/3.11.1998) and came about from the merger of the companies Thessaloniki Water Supply Organisation S.A. (OYTH S.A.) and Thessaloniki Sewerage Organisation S.A. (OATH S.A.), which had been converted from bodies governed by public law into societies anonyme on 25.6.1997. It is listed on the Athens Exchange and is governed by the provisions of Codified Law 2190/1920 on societies anonyme, as that law applies, and also additionally by the provisions of Law 2937/2001, Chapter II (Government Gazette 169/A) and Law 3016/2002, as amended by Article 26 of Law 3091/2002. It is also subject to Chapter II of Law 3429/2009 on public corporations. The company's effective term is 99 years from 3.11.1998, and expires on 3.11.2097. The original Articles of Association were approved by decision no. EFA/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 Egnatia St., Thessaloniki, GR-54635, Tel. 2310209231.

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

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

- a) To increase the Company's share capital by GRD 511,125,000 (€ 1,500,000) by issuing 1,500,000 new ordinary registered shares (the new shares offered) with a nominal value of GRD 340.75 (€ 1) each which accounted for 10% of the company's share capital.
- b) the existing shareholder (the Greek State) would waive its right of pre-emption in the share capital increase.
- c) The new shares would be able to draw a dividend from the profits for 2001.

The new shares offered were sold via a public offering to investors (individuals and institutional investors) in line with the provisions of Presidential Decree 350/1985,

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

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

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

Pursuant to Article 22 of Law 2937/26.7.2001, upon listing ownership of the main part of EYATH S.A.'s assets was transferred to the newly established body governed by public law, EYATH Fixed Assets, free of consideration. Under a 30-year contract signed on 27.7.2001 by the Greek State, EYATH Fixed Assets and EYATH S.A., EYATH S.A. was granted the exclusive right to provide water supply and sewerage services within its territorial remit. Under that same contract EYATH Fixed Assets is obliged to provide EYATH with S.A. with the necessary quantities of water, at a predetermined price, to facilitate its customers (consumers), and at the same time EYATH S.A. was to take measure to rationally use the water sold and to make concerted efforts to reduce leaks and losses as much as possible, by implementing a programme to improve and repair the water supply distribution network.

Following the decision of the Extraordinary General Meeting of Shareholders of 30.12.2002, the share capital was increased by € 1,650,000 by issuing 1,650,000 new ordinary registered shares with a nominal value of € 1 (GRD 340.75) each by:

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

The Extraordinary General Meeting of Shareholders

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

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

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

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

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 No. 206/25.4.2012 (Government Gazette 1363/B/26.4.2012), to the extent that it transferred 3,630,001 shares in EYATH to the company Hellenic Republic Asset Development Fund S.A.

That decision is effective from 1.1.2018.

This decision was published in Government Gazette 614/B/22.2.2018.

Following that, 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 in EYATH S.A. 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.

In light of those transfers and notices on the date this Board of Directors' Report was prepared, the Company's shareholder line-up since 1.1.2018 is as follows:

SHAREHOLDER	Number of shares held	Holding on 31/12/2019
HCAP	18.150.001	50,00% +1
HRADF	8.717.999	24,02%
Other shareholders	9.432.000	25,98%
<b>Total</b>	<b>36.300.000</b>	<b>100,00%</b>

## 2.2 Objects

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

More specifically, its mission is:

- the design, construction, installation, operation, running, management, maintenance, extension and renewal of water supply and sewerage services. Those activities and works include pumping, desalination, treatment, storage, transport, distribution and management of all types of water handed over to it for those purposes, and works and activities to collect, transport, treat, store and manage all manner of waste water (other than toxic waste water) and to treat, distribute, dispose of and manage the products of the sewerage network.

- utilisation of the products generated by treating waste water.
- providing all manner of telecommunications services, especially via water supply and sewerage networks.
- producing electricity especially by exploiting water from springs, dams, aqueducts and pipelines, and selling electricity it generates itself.
- making investments to expand or modify the water supply and sewerage system (networks and facilities) to improve the quantity and/or quality of the services provided to citizens/consumers.

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

- the provision of water supply services to consumers via the water supply network.
- the provision of sewerage services via the sewerage network.
- financial exploitation of those two services and networks.
- the provisions of water supply services includes providing drinking water of suitable quality for consumption to households, municipalities, and for public use (to water public spaces, for example), and providing water for industrial uses and also providing adequate quantities of water to fight fires. This is done via a whole set of hydraulic and other works and operations which fall into three distinct sectors:
- outdoor aqueducts and E/M facilities for transporting untreated water.
- water treatment plants.
- drinking water distribution network facilities.

The provision of sewerage services includes collecting liquid urban waste and industrial waste from the wider

Thessaloniki area via the network of drains, transporting, cleaning it at waste treatment plans and then disposing of it in the natural environment.

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

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

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

WITH REGARD TO WATER SUPPLY: the Municipalities of Thessaloniki, Ampelokipoi, Kalamaria, Neapoli, Sykies, Agios Pavlos, Menemeni, Polichni, 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 areas:

"Region A" includes the Municipalities of Thessaloniki, Ampelokipoi-Menemeni, Kalamaria, Neapoli-Sykies, Pavlos Melas, Delta, Evosmos-Kordelio, Pylea-Hortiatis, Oreokastro.

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

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

"Region D" extends from the Municipalities of Kalamaria and Panorama to the Sedes municipal baths and to the airport of Mikra and includes the Industrial area and the Districts of Thermi, N. Raidestos, N. Rysio and Tagarades of the Municipality of Thermi and the district of Agia Paraskevi of the Municipality of Vasilika.

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

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

## 2.3 Vision – Objective – Implementation

EYATH S.A. manages water, a public commodity. It supplies water to more than one million citizens, business and industries in the wider Thessaloniki area.

It also manages the city's sewage system, through the biological treatment of urban and industrial waste, leaving its own footprint on another public commodity which is under its protection: the environment.

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

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

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

The experience, knowledge and skills of its staff allow EYATH S.A. to expand its activities and contribute to the economic development of the wider area:

- Through the overall development of its networks, namely with a series of technical projects in order to supply water to areas of both the urban area, and beyond it, to regions which currently are lacking good quality water
- By expanding its operation to neighbouring areas facing water supply and sewerage problems, for example tourist areas with water supply problems due to over-abstraction, saline water, etc.
- Through building cooperation relationships in the wider area, even outside the borders, where the high level of

specialisation and know-how of the company and its workforce are appreciated.

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

## 2.3 Vision – Objective – Implementation

### Vision

A robust organisation that develops and operates modern, resilient infrastructure, provides top quality services to consumers and ensures the sustainability of the water ecosystem in the wider Thessaloniki area.

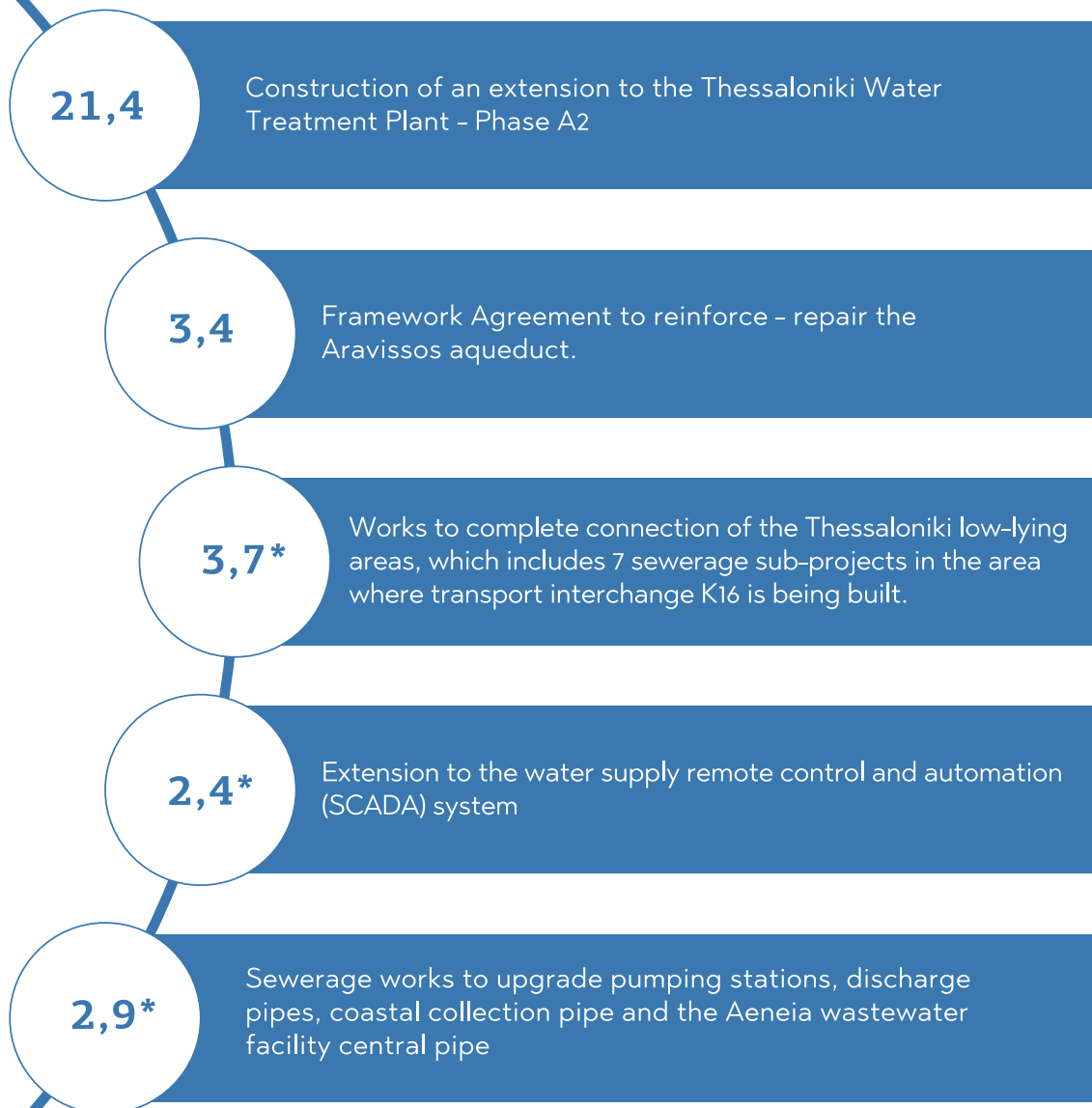
### Objective

The company's mission is to offer quality, comprehensive water supply and sewerage services by utilising, improving and extending its infrastructure, through sustainable environmental management practices.

### Implementation

Through a comprehensive strategy and effective planning, collaboration and utilisation of the company's staff, and through partnership with all the city's stakeholders.

## 2.4 Major investment projects under way



*\*Contractual amount*

*Amounts in € millions*

## 2.5 Major events in 2019

### 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 waste water treatment plant central pipe, with a budget of € 4.4 million (VAT excl.).
- Contract for first group of urgent sewerage works in 2020, with a budget of € 2.5 million (VAT excl.).
- 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 in 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.

Finally, 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.

### HARMONISATION OF THE ARTICLES OF ASSOCIATION WITH LAW 4548/2018 AND APPROVAL OF THE BOD'S REMUNERATION POLICY

At the Extraordinary General Meeting held on 20.12.2019 the shareholders decided to amend the articles of the company's Articles of Association (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 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 man-

agement 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 to appoint the heads of divisions from 1.1.2020.

#### **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 the company planned and gradually implemented further improvements in phone and online customer service via an integrated service for receiving, recording and managing 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.

## 2.6 Pricing policy

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

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.

In National Water Committee 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", the Committee laid down the general costing and billing rules for water services. 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. The decision lays down the framework which EYATH is required to implement when billing its services from the start of 2019.

During 2018 the company prepared and approved a pricing policy for the period 1.1.2019 to 31.12.2023 in accordance with that decision, which was submitted to the Special Secretariat for Water for its approval. That pricing policy has now been approved (Government Gazette 1105/B/3.4.2019) and is effective from 1.5.2019.

New tariffs for 2019/20:	SCALE m <sup>3</sup>	PRICE (€/m <sup>3</sup> )	SEWERAGE IN REL. TO PRICE OF WATER
Residential Tariff	0-10	0.42	80%
	11-40	0.60	80%
	41-60	0.70	80%
	61-120	1.20	80%
	121-160	3.60	80%
	161 - over	4.40	80%
Social Residential Tariff (SRT A)	0-30	Free	80%
	31-80	-70% of the res. tariff	80%
	81-120	-35% of the res. tariff	80%
	121 - over	No discount	80%
Social Residential Tariff (SRT B)	0-30	Free	80%
	31-80	-50% of the res. tariff	80%
	81-120	-25% of the res. tariff	80%
	121 - over	No discount	80%
State - Municipal - Loc. Govt. Auth.	0 - over	0.65	80%
Aid for Loc. Govt. Auth.	0 - over	0.35	0%
Charities	0 - over	0.65	80%
Business tariff	0-200	0.70	80%
	200 - over	0.95	80%
Industrial tariff	0-2,000	0.52	80% outside of the T.I.A.
	2,001 - over	0.87	80% outside of the T.I.A.
Irrigation – Cleaning of private green areas	0-10	2.00	0%
	11-100	2.50	0%
	101 - over	3.60	0%
Boreholes	0 - over	0.30	80%
Fire hydrants	0 - over	5.00	0%
Tanker trucks	0 - over	1.00	0%
Ship provisioning	0 - over	2.00	0%

## 2.7 Research, Development & GIS

The Research, Development & GIS Department within the Planning & Works Division engages in R&D and all processes relevant to improving the availability of documentation about company networks in digital format, and on the GIS background map of the company.

In 2019 as part of various research programmes, steps were taken to manage and coordinate current and new research plans as part of the long-standing collaboration between various company divisions. In relation to Geographical Information Systems (GIS), efforts continued to be made to improve documentation of the company's networks in digital format and on the GIS background map and new pilot measures were also adopted.

### A. RESEARCH - DEVELOPMENT: RESEARCH PROGRAMMES SECTOR

Over the course of the year 2019 the company was involved in various working groups along with other players from the city and abroad, to ensure that EYATH plays a part in shaping proposals for research projects in the context of co-financed research, technology and innovation programmes run by the European Commission (Horizon 2020) or the Greek General Secretariat for Research and Technology (GSRT-NSRF).

As a result, it took part in 4 European Horizon 2020 research proposals. Of those, the project entitled "Enhancing Standardisation strategies to integrate innovative technologies for Safety and Security in existing water networks" (Aqua3S) was approved in January 2019. It is expected to impact on the safety and protection of the water supply system in the wider Thessaloniki metropolitan area.

Its objective is to highlight the best combination of modern, online instrumentation and optimal water supply network topography to identify a range of pollutants and to prevent accidental and/or deliberate pollution of drinking water. In addition, the outcomes of this project are expected to identify suitable amelioration measures and actions for monitoring water resources, communication procedures amongst competent rapid response inspectorates, information-gathering methods for use of social media, etc. This will showcase the general rules and procedures for incorporation into a fixed, standardised methodology for responding to emergencies. In addition, in 2019 the research project entitled "Development of Monitoring and Removal strategies of Emerging Micropollutants in wastewater" (with the acronym MOREM) was approved as part of the nationwide programme entitled "Bilateral and Multilateral R&D cooperation between Greece and China - Competitiveness / Entrepreneurship / Innovation" (Competitiveness Entrepreneurship and Innova-

tion Operational Programme Managing Authority). The MOREM project officially commenced in November 2019 when the relevant inclusion decision was issued and EYATH S.A. is one of the 4 partners in the project. The scope of the project will be to study the presence of emerging pollutants such as pharmaceuticals and personal care products (PPCPs) and micro-plastics (microplastics -MPs) and urban waste water treatment techniques to remove those pollutants. It will consist of three phases. The first phase includes monitoring Pharmaceuticals and Personal Care Products (PPCPs) at an EYATH Waste Water Treatment Plant using new super-absorbent and molecularly imprinted polymer materials as leaching sorbents. The second phase focuses on the use of advanced oxidising methods to remove PPCPs from liquid waste and the third phase focuses on studying the sampling and monitoring of microplastic pollutants in liquid waste.

Finally, throughout 2019 the research project entitled 'Smart infrastructure for remote measurement systems for water consumption and water demand management' (SMART-WATER) continued to be implemented (co-financed by the 2014-2020 NSRF); it is a research partnership with the telecom company Apifon and the Information and Communication Technologies Institute of the Centre for Research and Technology Hellas (CERTH). The main management of the project was carried out by the IT Systems & Infrastructure Development Unit which in 2019 gave three oral presentations (two posters and one talk) at the 11th Eastern European Young Water Professionals Conference held by IWA in Prague, Czech Republic (1-5 October 2019) 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.

### RESEARCH PROGRAMME FOR THE STUDY OF ECO-TOXICOLOGICAL PARAMETERS FOR VARIOUS FORMS OF SLUDGE

In August 2019 EYATH S.A. continued and completed its research project, financed by EYATH S.A., under contract with the Aristotle University of Thessaloniki's Special Account for Research Grants, to prepare a study on eco-toxicological parameters for various forms of sludge from the EYATH S.A. Waste Water Treatment Plant which lasted 18 months.

### THERMAIKOS BAY QUALITY MONITORING PROGRAMME.

As part of the annual study of the marine environment close to the two submerged waste disposal pipes from

## 2.7. Research, Development & GIS

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".

Boats sailed 3 times (in the winter, spring and summer 2019) to collect samples.

The contract to identify Pharmaceuticals and Personal Care Products (PPCPs) at the two Waste Water Treatment Plants of EYATH S.A. (the Thessaloniki Waste Water Treatment Plant and Aeneia Waste Water Treatment Plant) also fell within the same field of interest, and has been signed with the Environment Pollution Control Lab / Chemistry Department / AUTH. The contract was for one year and was completed in May 2019.

### PARTICIPATION IN OTHER RESEARCH ACTIONS AND PARTNERSHIPS

As a result of close collaboration with the Municipality of Thessaloniki which commenced in the summer of 2018 to allow the city to participate in the City Water Resilience Framework-CWRF, ARUP and 100 Resilient Cities International Programme, the relevant study was completed and the relevant Reference Report was published in April 2019 entitled: City Water Characterization Report Thessaloniki (CWRA-CCR Thessaloniki). Also a relevant article about the city of Thessaloniki and its participation in this Programme was published on the international website ResilienceShift, (<https://www.resilienceshift.org/thessaloniki-water-resilience/>). In October 2019 EYATH launched a new partnership with the Dutch research institute KWR, with its participation in the international survey entitled "City Blueprint Analysis" for the city of Thessaloniki.

This study examines a total of 25 quantitative indicators which primarily relate to the water supply / sewerage sector and some other relevant environmental sectors (such as urban waste management) and in this endeavour once again it is collaborating with the Municipality of Thessaloniki. During 2019, the company participated in the Specialist Consultation Team with bodies from all over Europe to submit a thematic proposal as part of the European Space Agency's R&D strategy, to develop relevant innovative know-how on the issue of developing biofilms in water supply and sewerage systems. During 2019 EYATH scientifically supported, with its presence as key social partner, the BestU - BestwaterUse project as part of the European partnership programme "INTERREGV-A Greece - Bulgaria 2014-2020", and the SuWaNu project entitled "Network for effective knowledge transfer on safe and economic wastewater reuse in agriculture in Europe" / Horizon 2020, following an invitation from Development Agency

of Thessaloniki S.A.

On World Water Day, on 22 March 2019 EYATH was a member of the Organising Committee of the International Forum: "Sustainable Urban Water and Sanitation: Public Goods in the Service of Society" along with other important bodies such as the Ministry of the Environment and Energy, the Central Macedonia Region, the Hellenic Association of Municipal Water and Sewerage Companies and EYDAP, hosted by the Aristotle University of Thessaloniki's Integrated Water Management Centre.

During 2019 EYATH participated in the "Subnational Doing Business" action coordinated by the World Bank and the Ministry of Economy and Development, which resulted in the relevant study being published at sub-national level: "Doing Business in the European Union 2020: Greece, Ireland and Greece" from the World Bank.

### B. GEOGRAPHICAL INFORMATION SYSTEMS (GIS)

In addition to performing its normal duties, during 2019 the GIS sector was also involved in the following pilot projects or unscheduled operations:

#### APP TO RECORD WATER SAMPLING LOCATIONS ON A MAP

An interactive online map was developed by the Drinking Water Testing Lab to record the water sampling locations and the values recorded.

#### UPDATING ROAD NUMBERS

The entire database of road numbers was updated using computerised or on-the-spot checks.

#### GIS & ERP INTERFACE

The GIS database's address data was processed to make it possible for the company's customer database to be fully interconnected to the GIS.





## 03 COMPANY STRUCTURE

- 3.1 Organisational Chart
- 3.2 The Board of Directors
- 3.3 The General Manager and Managers
- 3.4 Corporate Governance Statement
- 3.5 Legislative Framework

## 3.1 Organisational Chart

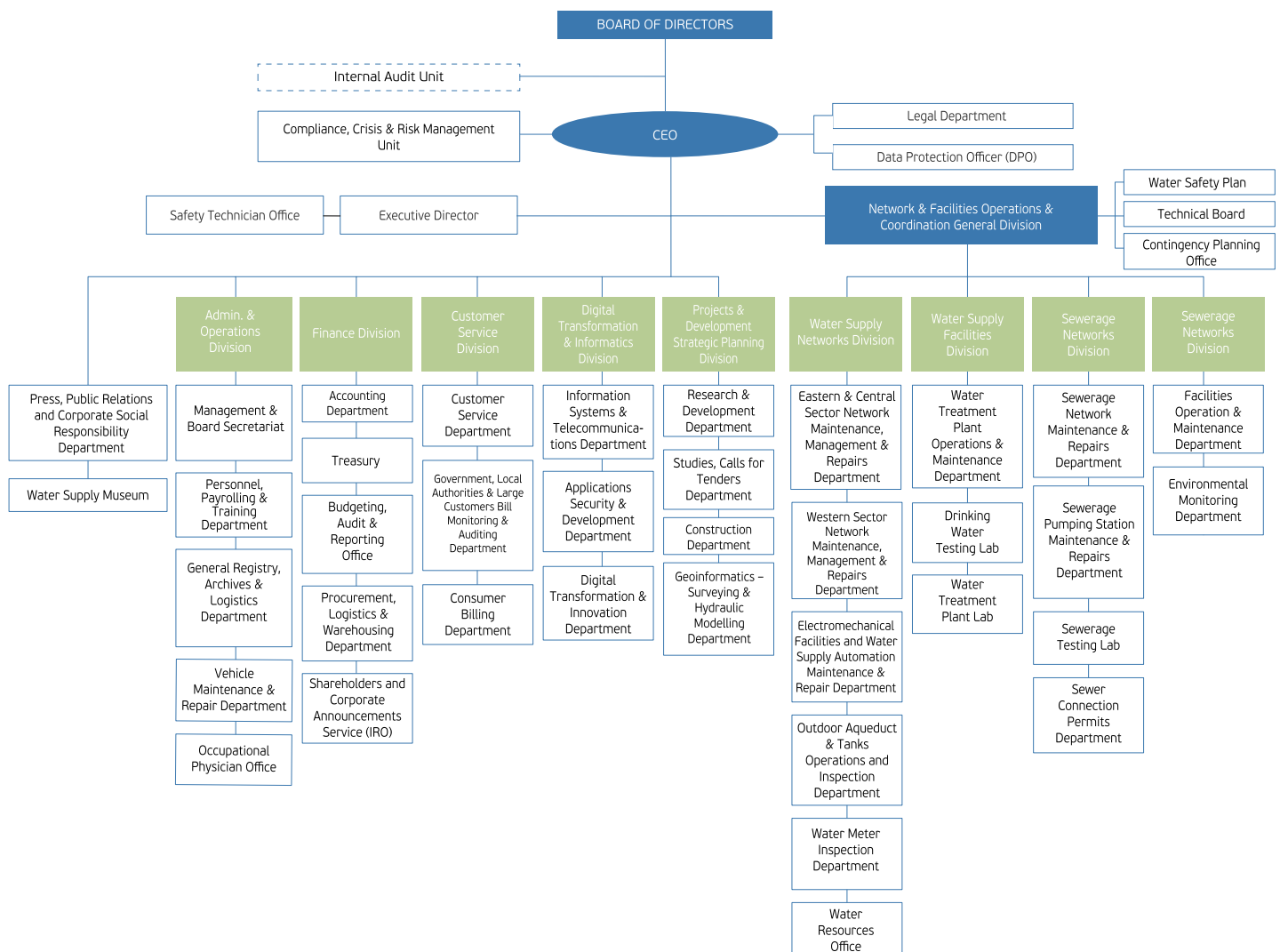
From 2016 to 2019 the organisational structure included a General Manager and 6 Divisions in the manner shown in the relevant diagram (p. 27).

Assessing the performance of this structure, and given the changes in business conditions and company staff, it became necessary to redesign the organisational chart to better meet requirements.

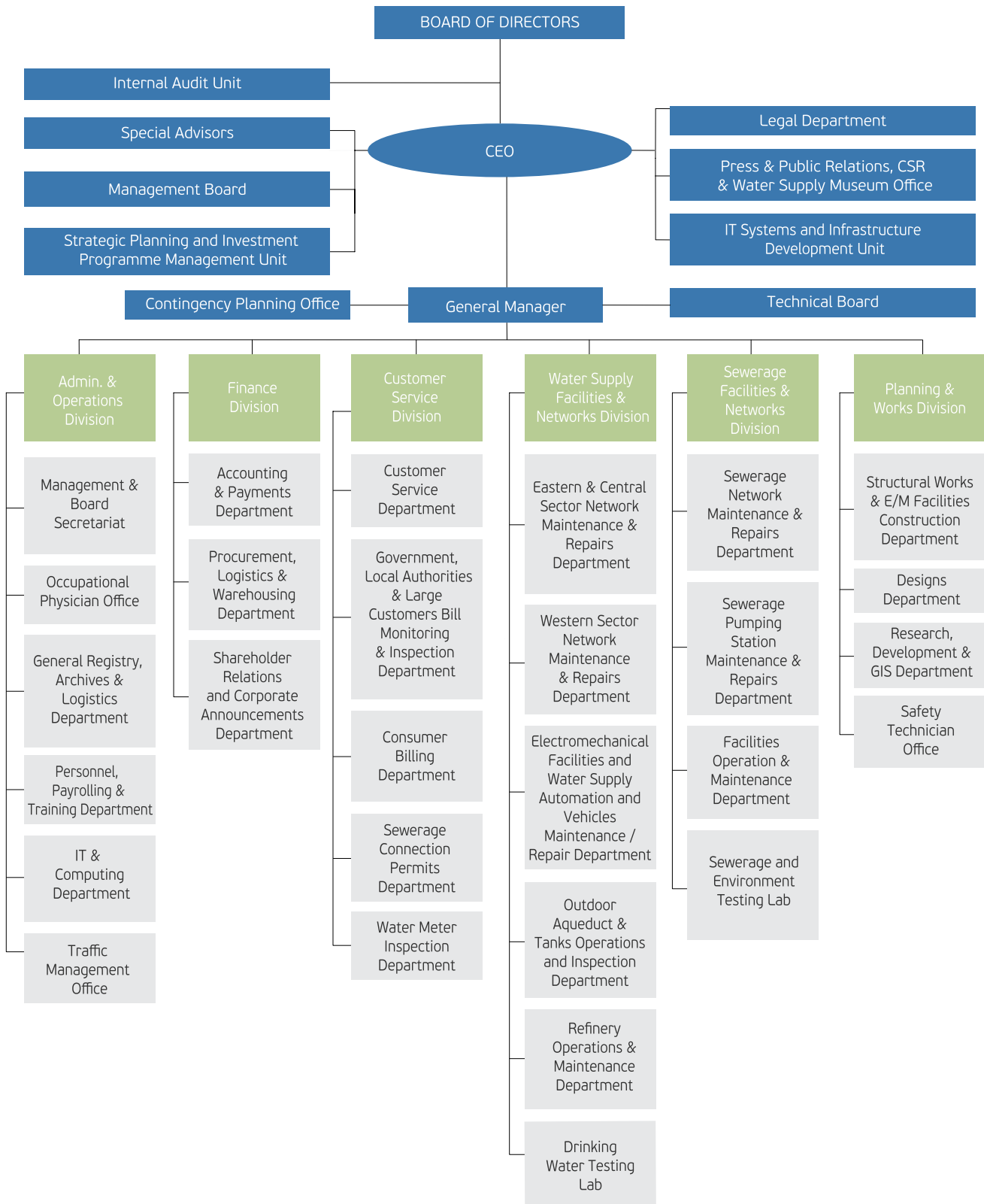
In December 2019 the Board of Directors approved a new organisational chart, which took effect on 1.1.2020, and which captures the emphasis the company places on planning, developing and running water supply and sewerage facilities.

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

### ORGANISATIONAL CHART 2020



## ORGANISATIONAL CHART 2019



## 3.2 The Board of Directors

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

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

Article 17 of the Articles of Association (Establishment of the Board) states that immediately after it is formed

under Article 13 of the Articles of Association, the Board must meet and officially establish itself and elect a Chairman and one or more Vice Chairmen. A CEO can also be elected from among the members. The position of Chairman may be held by the same person holding the position of CEO.

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

### LINE-UP OF THE BOARD OF DIRECTORS IN 2019

During 2019 the Board of Directors' line-up was as follows:

#### BOARD OF DIRECTORS' LINE-UP FROM 01/01/2019 TO 31/12/2019

No.	NAME – SURNAME	POSITION ON BOARD	END OF BOARD MEMBERSHIP	START OF BOARD MEMBERSHIP	ROLE
1	Ioannis Krestenitis	Chairman & CEO	23/6/2019		University Professor
2	Agis Papadopoulos	Chairman, non-executive member		2/8/2019	University Professor
3	Narkisos Georgiadis	CEO		29/8/2019	Economist
4	Papaioannou Ioannis	1. 1st Vice Chairman Executive Member 2. Executive Director	1. 28/8/2019	2. 29/8/2019	Agronomist
5	Stella Valani	2nd Vice Chairman - Non-Executive Member	17/1/2019		Attorney at law
6	Stefania Tanimanidou	Independent non-executive member			Economist
7	Panagiotis Gogos	Independent non-executive member			Economist
8	Nikolaos Klitou	Non-executive member		21/2/2019	Economist
9	Grigorios Penelis	Non-executive member		21/2/2019	Civil Engineer
10	Olympia Latsiou-Chryssafi	Non-executive member			Attorney at law
11	Petros Samaras	Non-executive member	12/7/2019		Chemical Engineer
12	Theodoros Koulouris	Non-executive member		27/9/2019	Lieutenant General (retired), graduate of the Aristotle University of Thessaloniki Law School
13	Georgios Archontopoulos	Non-Executive Member			Employee representative
14	Anastasios Sachinidis	Non-Executive Member			Employee representative

The Board decided at its meeting on 24.1.2019 (Decision No. 023/2019) to accept the resignation of the member, Mrs. Styliani Valani.

The Board decided at its meeting on 31.7.2019 (Decision No. 275/2019) to accept the resignation of the member, Mr. Petros Samaras.

The Board decided at its meeting on 27.6.2019 (Decision No. 260/2019) to accept the resignation of the Chairman and CEO, Mr. Ioannis Krestenitis.

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

The fees paid to members of the Board for Board meetings in 2019 are presented in the table below, for each relevant period.

#### FEES & REMUNERATION FOR BOARD MEMBERS FROM 1.1.2019 TO 31.12.2019

NAME – SURNAME	ROLE	BOARD OF DIRECTORS	ATTENDANCE EXPENSES	EMPLOYER CONTRIBUTIONS	ANNUAL REMUNERATION	TRAVEL EXPENSES	TOTAL COST
IOANNIS KRESTENITIS	CHAIRMAN & CEO - EXECUTIVE MEMBER	1,997.50	0.00	4,208.06	27,391.67	299.82	33,897.05
PAPADOPOULOS AGIS	CHAIRMAN	1,527.50	0.00	1,900.97	7,469.09	0.00	10,897.56
GEORGIADIS NARKISOS	CEO	1,410.00	0.00	5,246.13	19,863.64	0.00	26,519.77
PAPAIIOANNOU IOANNIS	BOARD MEMBER & VICE-CHAIRMAN / EXECUTIVE DIRECTOR	4,230.00	0.00	5,298.47	20,757.78	329.93	30,616.18
VALANI STELLA	BOARD MEMBER & VICE CHAIRMAN	117.50	0.00	149.55	582.00	0.00	849.05
STEFANIA TANIMANIDOU	BOARD MEMBER	2,585.00	4,643.28	1,535.12	0.00	0.00	8,763.40
GOGOS PANAGIOTIS	BOARD MEMBER	4,230.00	4,643.28	1,884.18	0.00	0.00	10,757.46
KLITOU NIKOS	BOARD MEMBER	3,760.00	3,869.40	1,618.24	0.00	0.00	9,247.64
PENELIS GRIGORIOS	BOARD MEMBER	0.00	0.00	0.00	0.00	0.00	0.00
LATSIU-CHRYSAFI OLYMPIA	BOARD MEMBER	4,230.00	4,663.28	1,884.18	0.00	0.00	10,757.46
PETROS SAMARAS	BOARD MEMBER	0.00	0.00	0.00	0.00	0.00	0.00
KOULOURIS THEODOROS	BOARD MEMBER	1,292.50	1,547.76	600.15	0.00	0.00	3,440.41
ARCHONTOPOULOS GEORGIOS	BOARD MEMBER - EMPLOYEE REPRESENTATIVE	4,112.50	0.00	1,879.05	4,643.28	0.00	10,634.83
SACHINIDIS ANASTASIOS	BOARD MEMBER - EMPLOYEE REPRESENTATIVE	3,877.50	0.00	1,809.10	4,643.28	0.00	10,329.88
TOTAL		33,370.00	19,347.00	28,013.20	85,350.74	629.75	166,710.69

The amounts paid to the CEO were for fees, while other members received attendance expenses. Those figures were set in the decision of the Ordinary General Meeting of 31.5.2018.

**€4,230.00** was paid in remuneration for meetings of the Board secretaries in 2019. According to Article 23 of the Articles of Association, the Board's pay and remuneration are set by decision of the Ordinary General Meeting of Shareholders.

The pay, excluding employer contributions, for the General Manager in the period **1.1.2019 – 31.12.2019** stood at **€58,808.36** and for Managers stood at **€332,859.49**.

The current line-up of the Board of Directors is set out in section 9, paragraph 33 “Events occurring after the balance sheet date”.

### 3.3 The General Manager and Managers

#### GENERAL MANAGER'S PAY

No.	NAME – SURNAME	FROM	TO	GROSS PAY	EMPLOYER CONTRIBUTIONS	TOTAL
1	PETROS NASTOS	01/1/2019	31/12/2019	€52,369.52	€6,438.84	€58,808.36

#### PAY FOR MANAGERS FROM 1.1.2019 TO 31.12.2019

No.	NAME – SURNAME	FROM	TO	GROSS PAY	EMPLOYER CONTRIBUTIONS	TOTAL
1	GEORGIOS ANGELOU	15/5/2019	2/10/2019	€34,157.06	€8,693.88	€42,850.94
2	DIMITRIOS ALEXANDRIS	1/1/2019	31/12/2019	€32,919.59	€7,104.12	€40,023.71
3	NIKOLAOS ARAMBATZIS	1/1/2019 4/10/2019	14/5/2019 31/12/2019	€30,009.99	€7,119.26	€37,129.25
4	PARTHENA THEODORIDOU	1/1/2019	31/12/2019	€34,010.60	€8,492.34	€42,502.94
5	IOANNIS KASIOULAS	1/1/2019	31/12/2019	€31,199.04	€7,791.88	€38,990.92
6	KONSTANTINOS PAPADOPOULOS	1/1/2019	31/12/2019	€32,094.19	€8,323.64	€40,417.83
7	MARIA SAMARA	1/1/2019	31/12/2019	€32,559.38	€7,873.57	€40,432.95
8	CHRISTOS TRAGANOS	1/1/2019	31/12/2019	€45,463.63	€5,047.32	€50,510.95
TOTAL				€272,413.48	€60,446.01	€332,859.49

Mr. Petros Nastos remained as Company General Manager from 1.1.2019 to 31.12.2019 and the Company's Managers were:

- Konstantinos Papadopoulos, TEI-educated Mechanical Engineer, heading the Water Supply Facilities & Networks Division
- Christos Traganos, Civil Engineer, heading the Sewerage Facilities & Networks Division.
- Dimitrios Alexandris, university graduate in Economics and TEI graduate in management and economics, heading the Finance Division.
- Parthena Theodoridou, Civil Engineer, heading the Planning & Works Division.
- Maria Samara, graduate of Economic Sciences (Univ.-educ.) heading the Customer Service Division.
- Nikolaos Arambatzis, TEI graduate in admin and accounting, heading the Admin. and Operations Division from 1.1.2019 to 14.5.2019 and 4.10.2019 to 31.12.2019.
- Georgios Angelou, Electrical – Mechanical Engineer Regional Unit, in the Admin. and Operations Division, from 15.5.2019 to 2.10.2019.

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

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

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

The Board's independent non-executive members meet the requirements laid down in Article 4 of Law 3016/2002, as in force.

## 3.4 Corporate Governance Statement

### 1. CORPORATE GOVERNANCE PRINCIPLES

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

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

During the previous year the Company updated the By-laws of the Board of Directors' Audit Committee in line with Law 4419/2017 to bring them into line with modern auditing standards.

### 2. MAIN CHARACTERISTICS OF THE INTERNAL AUDIT AND RISK MANAGEMENT SYSTEMS IN RELATION TO THE PREPARATION OF THE FINANCIAL STATEMENTS

The Internal Audit Unit's mission is:

- To examine and evaluate the adequacy and effectiveness of the Company and Group's system of internal controls and to ascertain to what extent the system provides a reasonable assurance about:
  - Compliance with policies, procedures, guidelines and decisions of Company Management and the legislation governing its operations.
  - Adequate evaluation of the data processing systems, in order to ascertain to what extent such systems achieve their purposes and objectives, and whether 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.
  - Evaluation of steps taken to correct auditing issues which have been identified and notified in the past.

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 it

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.
- In addition to scheduled audits, the Internal Audit Unit also undertakes to carry out special or unscheduled audits which may be assigned by Company Management.
- 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 Ethics 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 the Internal Audit Unit, 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 Audit Reports issued by the Internal Audit Unit. 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 agreed corrective measures is done by the Internal Audit Unit at regular intervals depending on their seriousness.
- The Audit Committee periodically briefs Company Management about issues which come to the attention of auditors while carrying out audits, or from other sources which require further investigation by expert investigators.

## 3.5 Legislative Framework

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



## 04 CORPORATE SOCIAL RESPONSIBILITY

- 4.1 Employee education - support
- 4.2 Customer service
- 4.3 Ecological practices
- 4.4 Relations with the local community
- 4.5 Human Resources

## CORPORATE SOCIAL RESPONSIBILITY

As part of its Corporate Governance strategy to ensure the long-term, balanced development of the company for the benefit of employees, consumers and shareholders, EYATH S.A. is implementing a series of Corporate Social Responsibility (CSR) activities. CSR is intimately bound up as a company activity with the reputation and brand equity of every business, can improve its economic, environmental and social performance, and has assumed greater importance in recent years thanks to the rise in social needs. The company's CSR programme primarily relates to employees, who benefit from a creative, rewarding work environment; consumers, who have shown increasing interest in the social and environmental credentials of the companies they do business with; and local communities that want to share the principles and values of local companies. However, the CSR programme also relates to shareholders, who reward responsible corporate behaviour and attitudes, just as they do with similar businesses in Europe which seek to operate and run under a common European and international framework of principles. Finally, it relates to future generations who seek to take possession of a world which respects man and the environment.

As a business model and body implementing CSR, EYATH seeks to create a strong corporate culture and to create an environmental awareness in the local community of Thessaloniki (value creating business model). Corporate culture issues, which are already high on the agenda even on international exchanges, have a major impact on employee dedication and affect the company's branding, to the benefit of its corporate social responsibility: greater attention is given to issues which are important for employees, consumers and the entire local community (because CSR is considered an 'investment' to promote important social messages and even activist initiatives).

Within EYATH, corporate culture has a dual focus: the environment and society. As is well known, over recent years large companies worldwide have used environmental and social indicators in addition to corporate governance criteria (Environmental, Social and Governance Criteria - ESG) to attract investments. The first

indicators are cited to highlight their performance in terms of environmental protection and the social indicators to highlight their relationship with employees, suppliers, consumers, local communities and collective bodies. EYATH is moving in this direction in its day-to-day operations, in its corporate responsibility activities and in shaping its corporate culture.

Why do we place the environment and society as priorities? High environmental and social performance entails lower risk for the company itself and its investors. Environmental performance is related to the company's behaviour in matters of energy, conservation of natural resources, pollution and waste management, and to assessing the risk that this behaviour may cause. Moreover, social performance is related to business relations, relations with suppliers and their choice, rewards for the local community, volunteering and working conditions. EYATH's long-term relationship with the local community follows precisely these standards: from support for the printing done by the addict centre's printworks, support in the form of buying business gifts from the organisation behind or placing and advertising entries in the street-sold magazine for the unemployed, and the purchase of environmentally-friendly promotional products (green marketing), to support for small associations who work to assist those in need.

In line with European practice in the CSR sector, which in effect is voluntary for businesses, EYATH is doing a lot of work in the following sectors:

### 4.1. Education - Health programmes- Financial support for employees

#### EYATH:

- Encourages and provides financial support for employee involvement in educational programmes (seminars, conferences, workshops, postgraduate degrees), to bolster their skills, personal development and job satisfaction, and to improve their day-to-day dealings with consumers.

- Encourages staff to get involved in volunteering (by collecting food or other items for the poor, collecting cooking oil for recycling, participating in running events that share a social cause, etc.);

- Organises events and distributes gifts to employees' children and provides cash rewards to school pupils

with the highest scores in the university entrance exams every year.

- Runs camping and summer activities schemes for employees' children.
- Provides a private outpatient and inpatient insurance plan to employees. In 2019 300 employees took part in 80 seminars, conferences and one-day events which related to their area of specialisation and the unit they were employed in. They were held both in-house in the special seminar

room at the Company's central offices and at the premises of the organisations running the training courses.

## 4.2 Customer service - Special arrangements for debtors

### THE COMPANY:

- has been offering a social tariff since early 2014 to provide relief to vulnerable groups, as well as an extensive programme to settle overdue debts for all debtors without exception and for financially disadvantaged groups. Since May 2019 vulnerable groups have been included in the social residential tariff for PPC (SRT A and SRT B) and other electricity providers. EYATH S.A. receives a relevant file from e-Government Centre for Social Security/HEDNO and without requiring the submission of supporting documents from consumers, places beneficiaries on the tariff or automatically removes them when they do not meet the criteria. Pricing policy follows the logic of reducing the price of water at low levels of consumption to ensure its social character and increasing it at high levels of consumption to discourage wastage (just 0.6% of household consumers are on this higher tariff). Prices were also reduced for business tariffs for lower levels of consumption and increased for higher levels of consumption as an incentive to avoid wasting this precious natural resource and for 83% of industries the charges remain fixed.
- has a new, cutting-edge service centre in the west part of the city right opposite the Thessaloniki courts, to make things easier for the public and to ensure better processing of its transactions in western areas, as well as new ergonomic customer service offices at 6 Angelaki St., next to the Citizen Service Centre which has been operational since June 2019 onwards. Workers and consumers enjoy a modern, pleasant environment at a central location in the city directly accessible by bus, as well as parking facilities (within the Thessaloniki International Fair site).
- has easy-to-understand printed bills showing an overview of the user's last three bills to help consumers save this precious natural resource. Moreover, bills also feature a summary and itemised presentation of charges, as well as information about how users can take care of private facilities, how they can make

payments and the special treatment offered to special groups of consumers. Moreover, every envelope and bill includes a QRCode so that consumers can directly view the company's website.

- operates a special platform at [www.eyath.gr](http://www.eyath.gr) to directly inform consumers about interruptions to water supply in their area, and the scheduled restoration time, and to allow them to report water supply / sewerage problems online.

- systematically runs info-campaigns for the public about the quality of water, options available to socially and financially vulnerable population groups, about updating their water cards and the advantage of the card, and about measures that can be taken by consumers to safeguard their installations against the frost. During 2019 campaigns were run about the relocation to Angelaki St. and about the option to pay locally or online without physically visiting our store counters (Pay Everywhere Campaign).

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

## 4.3. Reducing the Environmental Footprint - Innovation and Research - Ecological Practices

EYATH is ensuring that it is in line with the applicable environmental legislation, by constantly monitoring, consolidating and complying with the terms of environmental guidelines and directives at national and European level.

Moreover:

- it invests in improving its facilities to ensure better performance and reduce energy consumption;
- it actively contributes to surface cleaning of the Thessaloniki seafront, removing floating objects and spills or pollution incidents, and intervenes in emergencies when there is a social need (e.g. pollution during a major event in Thessaloniki such as the Film Festival);
- it removes urban and industrial wastewater from the urban area via an extensive sewerage network, whose pumping stations are controlled by remotely controlled and operated systems;
- it is planning systematic modernisation of the water supply network to reduce leaks;
- it operates a state-of-the-art GIS system for preventative maintenance and rapid response to emergencies;
- it implements a programme to re-use water treated at the Thessaloniki Waste Water Treatment Plant to irrigate areas of land in the Halastra - Kalohori plains during droughts;
- it ensures that sludge is managed in an environmentally and socially beneficial manner, by using it as a fertiliser, to promote it as one of the most appropriate solutions. It also aims to improve the biogas production unit running on sewage sludge which is already in operation at the Sindos Biological Treatment Plant, and to utilise its heat generating capacity;
- it systematically recycles at the workplace with the most recent being recycling of cooking oil to produce biodiesel and uses environmentally-friendly materials. Likewise, procurement for company promotional products is governed by green marketing principles (selecting environmentally-friendly materials, bamboo or recyclable cotton, and selecting suppliers who adhere to the same principles).

## 4.4 Relations with the local community

EYATH:

- collaborates with the academic community at specialist and general events on environmental issues, attracting audiences comprised of students, experts and ordinary citizens.
- has signed a MoU with the Aristotle University of Thessaloniki, Greece's largest university, to provide scholarships to postgraduate (2 a year) and doctoral (1 every 4 years) students on the issues of water supply and sewerage, offering the option for real time research in the EYATH working environment;
- participates in World Water Day celebrations on 22 March and World Environment Day events on 5 June, hosting info-events for the general public. In June 2019, in cooperation with the American Farm School and the Aristotle University of Thessaloniki, it built a vegetable garden and planted trees around the perimeter of the new youth accommodation centre 'The Lighthouse of

the World' in Dendropotamos, as part of a voluntary action which also involved company employees.

- supports sporting and artistic events in the city, promoting the idea of well-being and culture, and also supports the activities of bodies with a strong reputation for social action either by purchasing equipment for them or carrying out works within its remit;
- is implementing, for a third year, with the approval of the Ministry of Education a 1-hour programme entitled 'The sewerage cycle in Thessaloniki', to brief primary and secondary school pupils about daily influxes to the sewerage network and raise their awareness; Over the last school year around 1,000 children benefited from this free scheme of visits by our scientific staff to various schools in the urban area, and very good evaluations and feedback from pupils were received;
- prepares educational programmes for children on

water savings and proper use of water as part of the Thessaloniki International Fair;

- offers students at technological education institutes and OAED academies the chance to do an internship and acquire valuable work experience in a decent working environment;
- assists, whenever necessary, in improving the lives of refugees who are located in reception centres in the wider area of Thessaloniki, by offering material support (purchase of radiators) and infrastructure projects (water supply – sewerage facilities at refugee camps, repair of damage);
- has a long-standing partnership with a magazine sold on the street to support the unemployed (purchase of business gifts from the organisation behind the magazine, placement of advertising spreads, etc.) while its head offices are a 'protected position' for the persons selling the magazine. It also supports unemployed people in Thessaloniki via the Labour Centre;
- has welcomed thousands of primary and secondary school pupils, as well as associations and adult associations, special stakeholder or refugee groups (International Organisation for Migration or other such bodies), at the Water Supply Museum which has been in operation since 2001 and is open for the duration of the school year. Visitors are taken on a tour of the old Thessaloniki Main Pumping Station in the Sfia area by experienced staff trained in providing museum-based education, and experience the history of

water supply in the city up close. The museum was also involved in the annual Open House event to promote and showcase architecture, welcoming visitors to its premises and offering guided tours over 2 days. The Water Supply Museum also hosts major company events (New Year Pie cutting ceremonies, Christmas parties for employees' children, celebrations for World Water Day and World Environment Day) and also hosts periodic exhibitions in partnership with prestigious local organisations;

- keeps an archive of maps, letters and other documents at the Water Supply Museum which cover the history of water supply in Thessaloniki and are available to any interested parties.

Through these actions, EYATH S.A. is bolstering and highlighting its long-term, vital relationship with the local community.



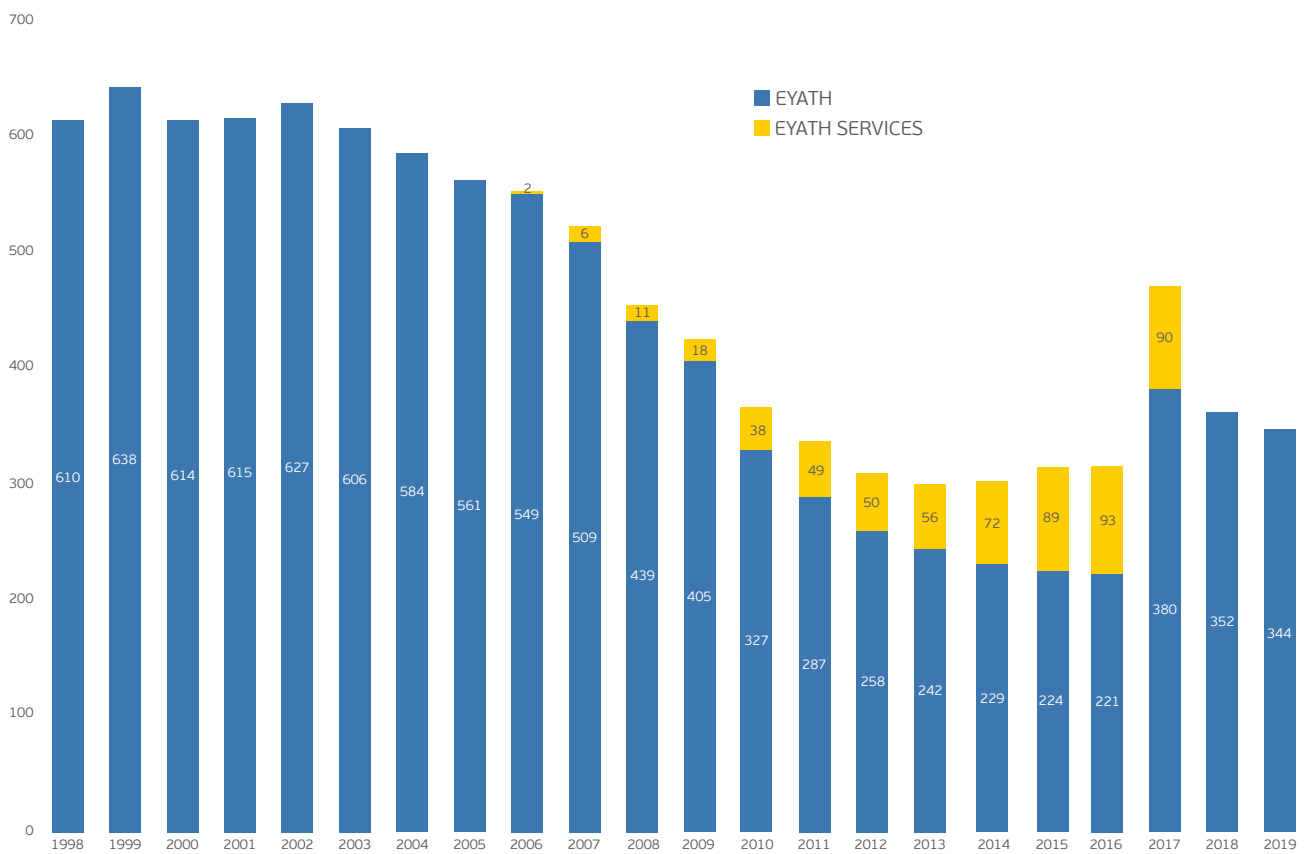
## 4.5 Human Resources

On 31.12.2019 the Company employed 344 people.  
The table below shows the change in employee figures over the last 5 years.

### SPECIALISATIONS

Staff category	2015	2016	2017	2018	2019
Expert staff	3	3	3	3	3
University-educated Admin-Finance staff	8	9	17	16	15
University-educated Lawyers	1	1	1	1	1
University-educated Engineers	20	19	51	54	55
University-educated Chemists	4	4	6	7	7
University-educated Environmental Scientists	2	2	3	4	4
University-educated Computer Scientists	-	-	4	4	4
University-educated Doctors	1	1	-	-	-
University-educated Communications & Media experts	1	1	1	1	1
TEI-educated Admin-Accounting staff	13	12	11	10	10
TEI-educated Tech. apps staff	22	24	38	38	36
TEI-educated Computer engineers	-	-	6	7	7
TEI-educated Public health inspectors / food technicians	2	2	5	5	5
Secondary-educ. Collectors - note-takers	-	-	-	-	-
Secondary-educ. Management secretaries	43	43	49	50	49
Secondary-educ. Typists	1	1	1	1	1
Secondary-educ. Technicians	62	61	106	112	108
Secondary-educ. Receptionists	1	1	1	1	1
Secondary-educ. Nurses	1	1	1	1	1
Secondary-educ. IT staff	-	-	2	2	1
Secondary-educ. Foremen (temporary)	11	10	10	10	12
General-educ. Cleaners	1	1	1	1	1
General-educ. Guards	3	3	3	3	3
General-educ. Process agents	1	1	1	1	1
General-educ. Labourers	22	20	18	18	18
General-educ. Collectors	1	1	-	-	-
<b>Total</b>	<b>224</b>	<b>221</b>	<b>339</b>	<b>350</b>	<b>344</b>

## GROWTH IN STAFF FIGURES





## 05 INFRASTRUCTURE

- 5.1 Water supply
- 5.2 Quality control
- 5.3 Sewerage
- 5.4 Waste water treatment
- 5.5 Caring for the environment
- 5.6 Permits
- 5.7 Technical Works
- 5.8 Health and Safety

## 5.1 Water supply

### WATER SUPPLY SECTOR

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

### AQUIFERS SUPPLYING WATER TO THE WIDER THESSALONIKI AREA

#### Paiko Aquifer

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

#### Aliakmon River

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

From there, it is pumped via a 4.7 km long pipeline to the Thessaloniki Water Treatment Plant (known as the Refinery). A cutting-edge treatment procedure is followed at the Thessaloniki Water Treatment Plant involving sedimentation beds, sand, carbon filters, ozonisation, chlorination, etc. to ensure its high quality.

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

### AQUIFERS WEST OF THESSALONIKI

#### Kalohori Aquifer

The Kalohori Aquifer was a major source of water for the city in the past. Today the Kalohori aquifer springs and boreholes are no longer used due to adequate water, apart from two boreholes which have been used to supply water to the local community of Kalohori in the

Municipality of Echedoros. Around 5,500 m<sup>3</sup> of water is abstracted every day.

#### Sindos Aquifer

The Sindos Aquifer consists of a series of pressurised water-rich layers of rock with a high water potential. The quantity of water which can be abstracted from the aquifer via 10 boreholes is around 19,000 m<sup>3</sup>/day. Water reaches the Kalohori pumping station along the Sindos aqueduct having first passed through a sedimentation tank. Due to the Refinery being in operation, the boreholes are not in use all year round and are systematically maintained and ready to cope with emergencies.

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

#### Axios Aquifer

In the wider Axios River area (Gefyra, Nea Halkidona, Eleousa, and Agios Athanasios) there are important aquifers with a total of 21 boreholes currently in use producing around 41,000 m<sup>3</sup> of water a day. Of those, 4 supply water to the local communities in the Municipality of Halkidona (Mikro Monastiri, Adendro, Valtohori and Eleousa).

#### Narres Aquifer on the Gallikos River

The Narres Aquifer is within the bed of the Gallikos River and was exploited via 3 water collection shafts and radial pipes, as well as 6 vertical, shallow boreholes.

The quantity that can be collected at Narres varies from 5,000 m<sup>3</sup> to 25,000 m<sup>3</sup> a day depending on rainfall and snowfall recorded each year. The aqueduct is currently out of use.

### AQUIFERS EAST OF THESSALONIKI

#### Water abstraction from the Agia Paraskevi Springs, Hortiatis

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

#### Plains east of Thessaloniki

In the plains to the east of Thessaloniki (in the areas of Mikra Kalamaria) there are 6 boreholes producing 4,500 m<sup>3</sup> a day overall. This quantity is used to top up the Ka-

Iamaria tank. These boreholes are currently not in use.

## EXTERNAL AQUEDUCTS - BOREHOLES

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

### Aravissos – Axios aqueduct

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

- a. The process of primary preventative maintenance was launched with partial excavation and uncovering of sections of the Aravissos pipeline, over a total length of 800 m, in order to check its conditions and make any reinforcements needed. This project will focus on the section of the pipe with the most problems in the past.
- b. 10 inspection boreholes were sunk along the length of the Aravissos pipeline's route to monitor the level of ground waters and that data is obtained and checked each month.

Moreover, preparatory steps were taken to ensure that the following checks can be performed:

- a. specialist checks using spectral analysis of satellite images of the pipeline's entire route (around 52 km) to reveal any underground, and hidden leaks;
- b. internal acoustic inspection of the pipeline to identify leaks and air bubbles.

During 2018, Prof. Emeritus G. Penelis, updated the Aravissos pipeline repair study he had prepared in early 2000, which he submitted to EYATH S.A. in August 2018. Then as part of EYATH S.A.'s activities in relation to this matter, which have been included in the company's Strategic and Businesses Plan, tender documents were prepared for a framework agreement to improve - repair the Aravissos pipeline, with a budget of € 3,367,997.89 and an option for up to an additional €1,000,000. The framework agreement relates to work to improve and repair the Aravissos aqueduct which has become necessary according to the aforementioned study.

In December 2019 the 1st individual implementing agreement for the Framework Agreement was signed

for € 858,621.66 (VAT excl.).

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

### Narres aqueduct

The external Narres aqueduct became operational in 1968 and its water abstraction facilities have been built in the bed of the Gallikos River. The aqueduct is 11 km long approximately and consists of steel pipes. Water is collected into the aqueduct from 3 radial shafts and 6 boreholes.

### Sindos – Kalohori aqueduct

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

## PUMPING STATIONS AND TANKS

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

During the year a tender procedure was launched to procure and install a remote control system for the water supply facilities, and it is nearing completion.

Moreover, certification of the remaining hoisting devices at the water supply pumping stations was completed.

### A. Dendropotamos Pumping Station

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

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

### Areas in Eastern Thessaloniki

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

### Areas in Western Thessaloniki

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

### B. Sindos Pumping Station - Ionia Pumping Station

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

## EXPANSION OF OPERATIONS INTO NEW AREAS

EYATH S.A.'s expansion, involving the supply of water to new areas, is part of a wide-ranging development policy the Company has adopted, and plans will see it cover other areas such as Nikopoli (in Stavroupoli), Anthokipoi (in Polichni) and Echedoros.

During 2019 cases of water supply pipelines covering a total length of around 9 km that need to be relocated or built were examined.

## WATER CHLORINATION

With the exception of water collected from the Sindos area boreholes, treatment is limited to chlorination before water is introduced to the distribution system. There are chlorination plants at the Dendropotamos and Diavata pumping stations. There are also chlorination plants at the treatment facilities for water from the Aliakmon River at Nea Ionia.

Pre-chlorination is also carried out at the Sindos sedimentation tank and at the Kalohori central pumping station, post-chlorination is carried out at the Polichni tank (D8), at the transmission pipeline at the Agia Kyriaki pumping station and chlorination is also carried out at the Kalirachi borehole (Panorama).

## WATER SUPPLY - TREATMENT OF WATER

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

The Thessaloniki Water Treatment Plant treats surface water using cutting edge methods that render the water hygienic and fit for drinking. The facility can at present treat 150,000 m<sup>3</sup> a day.

A tender procedure is under way to conclude a contract for the project entitled "Construction of an extension to the Thessaloniki Water Treatment Plant - Phase A2" with an estimated value of € 21,703,562.15 so that the facility's capacity will be increased from 150,000 m<sup>3</sup> a day, which it is today, to 300,000 m<sup>3</sup> a day. A study by the Public Works Special Service of the Ministry of the Environment, Planning & Public Works is currently underway regarding the expansion of water treatment by an additional 150,000 m<sup>3</sup> a day (Phase A2).

Water is transported from the Aliakmon Dam (at Agia Varvara near Veria) to the Thessaloniki Water Treatment Plant in an open canal, twin siphon and sealed pipes.

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

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

The main stages in treating drinking water are as follows:

- initial pH adjustment with added CO<sub>2</sub>
- pre-ozonisation,
- rapid stirring by adding flocculants,
- flocculation - sedimentation in special round tanks,
- filtering through sand beds using gravity,
- ozonisation and simultaneous addition of Hydrogen peroxide
- absorption and biodegrading of organic materials in carbon beds,
- final pH adjustment by adding slaked lime
- final decontamination of water using chlorine gas upstream from the water storage tank.

The production process is automated to a very high degree and includes a large number of on-line instruments which constantly record operational parameters and water characteristics in various stages (supply meters, pH meters, conductivity meters, turbidity meters, residual chlorine meters, etc.).

Signals from these instruments are sent to the facility's control centre where a mimic diagram of all functions is installed. The same facilities also house the SCADA for the Sindos pumping station.

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

Using the SCADA employees:

- record and constantly check water characteristics in various stages of treatment.
- check that individual units and pieces of equipment are operating properly.
- make changes to operational parameters to optimise the procedure.
- ensure that the water leaving the Thessaloniki Water Treatment Plant is of excellent quality.

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

The installed capacity is around 1400KW and power comes from the PPC network via two independent lines, and there is also a 450 KW backup generator installed.

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

The trial period and 18-month pilot operation period for the facility were managed by the designer-builder under the supervision of the Project Construction Inspection Directorate and came to an end on 25.2.2005 (when final acceptance of the whole project took place). EYATH S.A. formally acquired the Refinery upon administrative acceptance of the project for use from the Project Construction Inspection Directorate / Ministry of the Environment, Planning & Public Works on 7.3.2005.

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

Design, Build and Operation of Phase 1 of the Refinery".

Running and maintenance of the Refinery was assigned by decision of the Board of Directors of EYATH S.A. to the technical firm C. D. Konstantinidis S.A., for the period 8.11.2005 - 29.6.2007 for a monthly fee of € 180,000

and € 16/1000 m<sup>3</sup> of treated water. Between 30.6.2007 and 31.3.2010 the Thessaloniki Water Treatment Plant was run by I. Papailiopoulos S.A. for a monthly fee of € 158,000 and €8.65/1000 m<sup>3</sup> of treated water for quantities outside the agreed figures. On 1.4.2010 the Board decided on the signing of 2.5 month-long service agreements to run the Thessaloniki Water Treatment Plant choosing AKTOR S.A. as the service provider while from 14.3.2012 to 1.8.2013 the service provider was C. D. Konstantinidis S.A.

Decision No. 151/2013 of the Court of Audit approved the contract for the running of the Thessaloniki Refinery from 2.8.2013 for a period of 36 calendar months by the service provider AKTOR S.A. - CONSTRUCTION COMPANY CHRISTOPHER D. CONSTANTINIDIS S.A. Joint Venture, which was chosen after an open international tender procedure to choose service providers,

with a budget of €7,638,882 (plus VAT) with an option for a total of 18 months (ending on 1/2/2018) of up to € 11,458,323.

Decision No. 6/2018 of the Court of Audit approved the contract for the running of the Thessaloniki Water Treatment Plant from 2.2.2018 for a period of 8 calendar months by the service provider AKTOR S.A. - CONSTRUCTION COMPANY CHRISTOPHER D. CONSTANTINIDIS S.A. Joint Venture, which was chosen after an open international tender procedure with a budget of € 1,568,130 plus VAT, with an option for 8 months (from 3.10.2018 to 1.6.2019) with a budget of € 1,568,130 (Board Decision No. 418/2018 and amendment thereof with a 48-day extension from 2.6.2019 to 19.7.2018, for a total of € 307,353.48 (Board Decision No. 135/2019).

Decision No. 135/2019 of the Board of Directors of EYATH S.A. approved amendments to the initial contract of 1.2.2018 and the extension (option) agreement of 3.10.2018 with the AKTOR S.A. - CONSTRUCTION COMPANY CHRISTOPHER D. CONSTANTINIDIS S.A. Joint Venture for operation of the Thessaloniki Water Treatment Plant, which was extended by 48 days from 2.6.2019 to 19.7.2019 for a total price of € 307,353.48.

Decision No. 265/2019 of the Board of Directors of EYATH S.A. appointed the AKTOR S.A. - CONSTRUCTION COMPANY CHRISTOPHER D. CONSTANTINIDIS S.A. Joint Venture as final contractor for running of the Thessaloniki Water Treatment Plant for a period of 71 days commencing from 20.7.2019 for a total price of € 439,348.00 and amendment thereof from 29.9.2019 to 5.10.2019 (a total of 7 days) for a total price of € 43,316.00 (Board Decision No. 342/2019).

Decision No. 342/2019 of the Board of Directors of EYATH S.A. approved amendments to the existing contract of 19.7.2019 (No139/2019) with the AKTOR S.A. - CONSTRUCTION COMPANY CHRISTOPHER D. CONSTANTINIDIS S.A. Joint Venture dated 19.7.2019 for running of the Thessaloniki Water Treatment Plant, which was extended from 29.9.2019 to 5.10.2019 (7 days in total) for a total price of € 43,316.00.

Decision No. ΓΔ 606/20642 of the CEO of EYATH S.A. approved continuation of the service agreement for running of the Thessaloniki Water Treatment Plant by AKTOR S.A. – CONSTRUCTION COMPANY CHRISTOPHER D. CONSTANTINIDIS S.A. Joint Venture as existing contractor for the relevant contract in force for an additional period of 9 days for a total price of € 55,692.00 commencing on 6.10.2019.

Decision No. 389/2019 of the Board of Directors of EYATH S.A. appointed the AKTOR S.A. - CONSTRUCTION COMPANY CHRISTOPHER D. CONSTANTINIDIS S.A. Joint Venture as the final contractor for the period of 71 days commencing from 15.10.2019 for a total price of € 434,954.52 and Board Decision No. 528/2019 approved an amendment covering the period 25.12.2019 to 31.12.2019 (7 days in total) for a total price of € 42,882.84.

From 02/02/2018 onwards the refinery's laboratory has not been included in the contract since it is wholly operated by EYATH.

Lab tests on the water produced and the operation of all intermediate production stages are carried out at the Refinery Laboratory where in 2019 more than 9,000 samples were examined in accordance with the applicable legislation for drinking water contained in Joint Ministerial Decision No. Γ1(δ)/ΓΠ οικ.67322/2017 (Government Gazette 3282/10-09-2017) and for surface water contained in Joint Ministerial Decision No. 46399/4352/86 (Government Gazette 438/B/3-07-1986).

All analyses of organic parameters (pesticides, polycyclic aromatic hydrocarbons, volatile organic compounds) were carried out and validation of those methods was carried out to obtain 17025 accreditation.

The Laboratory also monitors the parameters arising from compliance with the obligations in the decisions approving the environmental terms and conditions for the Thessaloniki Refinery, such as disposal in the Gallikos River and disposal of waste to the Waste Treatment Plant.

In 2019 a total of 51,677,508 m<sup>3</sup> of surface water from the Aliakmon River was treated at the Refinery and 48,309,498 m<sup>3</sup> of drinking water was released from the Facility for consumption at an average daily rate of 132,355 m<sup>3</sup>, which meets all the requirements of the applicable legislation (Joint Ministerial Decision No. Υ2/οικ.2600/2001 and Joint Ministerial Decision No. Γ1(δ)/ΓΠ οικ. 67322/2017 (Government Gazette 3282/19-09-2017))

for drinking water with an average turbidity at the outlet of 0.07 NTU.

In December 2019 the contract for construction of an extension to the Thessaloniki Water Treatment Plant (Phase A2) with a budget of € 21,703,562.15 (VAT excl.) was announced. That project has been included in the Central Macedonia 2014-2020 Operational Programme (MIS Code: 5028173) by means of decision No. 4391/02.08.2018 of the Central Macedonia Regional Governor.

## 5.2 Quality control

### Drinking Water Testing Lab

EYATH S.A.'s Drinking Water Testing Lab carries out daily checks, takes samples and performs analyses on drinking water from the EYATH S.A. distribution network and water from abstraction springs, complying with the company's legislative obligations at the very least.

It monitors national and European legislation on issues relating to the quality of drinking water and briefs other Divisions which have a remit in this area.

It holds the necessary records and reports to the competent public authorities about drinking water quality issues.

In this context it:

#### 1. Carries out checks on the quality of drinking water

Drinking water quality is monitored in accordance with the applicable Joint Ministerial Decision No. Γ1(δ)/ΓΠ οικ. 67322/2017 (Government Gazette 3282/19.9.2017) on the quality of water for human consumption, in compliance with the provisions of Council Directive 98/83/EC of 3 November 1998 as amended by Directive (EU) 2015/1787 (OJ L 260, 7.10.2015).

In line with the applicable sanitary provisions, to effectively protect public health, the parameters in Group A of the legislation were monitored daily on samples from the distribution network (over 1,500 samples during 2019).

Samples were also taken on all days of the year from the central pumping stations where water enters the city (Dendropotamos and Diavata pumping stations). Likewise, 365 samples were taken from the Refinery's outlet - D3.

Moreover, checks were carried out 16 times throughout the year to monitor the parameters in group B as per the applicable legislation including parameters relating to toxic substances, heavy metals and organic compound analyses (agrochemicals, polycyclic aromatic hydrocarbons, VOCs). In 2019 38 samples overall, representative of the water supply system, underwent checks at regular intervals. Separate monitoring was carried out on EYATH S.A.'s springs and all boreholes which are in operation (12 samples from the Aravissos springs, 52 samples from the Sedimentation Tanks, 14 samples from the Kalirachi Tank, 52 samples from boreholes).

#### 2. Hygiene - microbiological checks

To ensure that drinking water is suitable, systematic checks are carried out at water abstraction springs and the distribution network.

The lab performs microbiological tests for Total Coliforms, Escherichia Coli, Enterococci, Clostridium perfringens and total bacteria at 37°C and 22°C, on samples taken from the distribution network and locations where water is made available for consumption.

#### 3. Decontamination of drinking water

To more effectively safeguard the quality of drinking water from a microbiological viewpoint:

- A sodium hypochlorite solution (NaOCl) is used for decontamination at central pumping stations round the clock throughout the year. During 2019 at the Dendropotamos pumping station a well-planned transition from chlorination using anhydrous liquid chlorine to chlorination using sodium hypochlorite solution was scheduled and took place.
- Disinfection is carried out using anhydrous liquid chlorine at the Thessaloniki Refinery.

Free chlorine residual content is continuously present and is detected at the very end points of the distribution network with a minimum concentration limit of 0.2 mg/l of free chlorine residual content in accordance with Sanitary Decree YM 5673 (Government Gazette 5/B/9.1.1958) on disinfection of the water in the water supply.

The Drinking Water Testing Lab carries out residual decontaminating action tests on the distribution network.

#### 4. Certification - accreditation

During 2019 the Drinking Water Testing Lab took steps to extend the special scope of accreditation No. 17025:2005 (Hellenic National Accreditation System certificate No. 1139) to an additional 11 physico-chemical parameters and 3 microbiological ones, covering a very significant part of the physico-chemical parameters and all microbiological parameters set out in the legislation. A further expansion of the special scope of accreditation for physico-chemical parameters is planned in 2020.

## 5.3 Sewerage

The network includes:

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

The total length of pure sewage and combined sewerage/rain water pipes is:

around 1,800 km of which around 35% is of the combined type.

Total length of rainwater pipes: around 315 km. Pipeline overflows: 140 items

No. of water collection shafts: 25,000 items

No. of access shafts: 42,000 items

No. of private junctions: 60,000 items

Cross-sections of the Main Sewerage Pipeline 2,000mm–2,400mm and extension of the Main Sewerage Pipeline

from 600mm to 1600mm

Main collectors: 600 –1.200mm

Primary pipelines: 400 –600mm

Secondary pipelines: 250 –355mm

No. of people covered: 1,100,000 people Sewerage collected from an area of: 9,000 ha.

The quantity of waste transported to the Thessaloniki Waste Water Treatment Plant located on the Echedoros (Gallikos) River is on average 155–160,000 m<sup>3</sup>/day approximately.

The quantity of sewage taken to the Waste Water Treatment Plant at Aeneia is approximately 8,000 m<sup>3</sup> a day, but up to 15,000 m<sup>3</sup> a day can be handled. There is no overflow though.

60 sewerage pumping stations are in operation round the clock in the Thessaloniki urban area, covering areas of the Municipality of Thessaloniki (Municipal district of N. Michaniona).

- City centre – Kalamaria: 11 pumping stations
- Finikas – Themi: 2 pumping stations.
- Western areas – Kalohori: 11 pumping stations.
- Pefka: 3 pumping stations
- Triandria: 1 pumping station.
- Pylea: 1 pumping station.
- Sykies: 1 pumping station.

- Panorama: 6 pumping stations.
- Filyro: 1 pumping station.
- Oreokastro– Paleokastro: 4 pumping stations.
- Sindos Industrial Area: 2 pumping stations.
- Sindos: 2 pumping stations.
- Plagiari: 3 pumping stations.
- Polichni: 1 pumping station.
- Tourist areas in the Municipality of Thessaloniki: 11 pumping stations.

165 pump arrays are installed at those pumping stations.

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

The total quantity of wastewater transported by the pumping stations to the main sewerage pipeline is around 90,000 m<sup>3</sup>, in periods without rainfall.

Those pumping stations operate to provide sewerage services to the above areas either in groups or in a chain, or individually. In the first case, the waste water from several local pumping stations is sent to a main pumping station and from there is sent on to the main sewerage pipeline.

In the second case the waste water is pumped in succession from one pumping station to the next using twin force pipes until it reaches the main sewerage pipeline. In the third case, the waste water from the area is sent to the pumping station and then pumped on to the main sewerage pipeline via force pipes.

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

Operations are controlled by four remote control – remote operation systems. Those systems operate using PLCs at the local pumping stations, which control the overall process. PLCs from TOSHIBA support the operation of 24 pumping stations. PLCs from TELEMECANIQUE support the operation of 6 pumping stations. PLCs from MOTOROLA support the operation of 15 pumping stations. PLCs from SIEMENS support the operation of 4 pumping stations and PLCs from MITSUBISHI support the operation of 11 pumping stations in the tourist areas. All automated systems at the pumping stations are wirelessly connected to two control centres, the first of which controls the operation of 46

pumping stations in the wider urban area which ends up via the main sewerage pipeline at the Thessaloniki Wastewater Treatment Plant, and the second controls the operation of 14 pumping stations in the area of the Plagiari Municipal Unit in the Municipality of Thermi and the tourist area of the Municipality of Thermaikos and reaches the Aeneia Wastewater Treatment Plant in Angelohori, and which also receive all necessary information for their supervision. The control centres have computers with suitable hardware (transceivers, modems, antennas, etc.) and software to control operations and breakdowns and to remotely ensure uninterrupted operation of the pumping stations round the clock.

Full technical specifications and a technical description have been prepared to procure and install a new, cutting-edge remote control and remote monitoring system for the control centre that controls 46 pumping stations, offering more functionality and upgrading the existing ones, such as:

- Installation of a comprehensive SCADA system with higher availability and redundant capacity.
- Replacement of old automation panels at local pumping station control stations.
- Extension of the system for communicating between the local pumping station control stations and the control centre.
- Installation of a local server to keep a log for statistical, financial and other purposes.

Just some of the advantages this offers are listed below:

- Operations are consolidated, resulting in a drop in operating costs (fewer computers and less hardware in general, etc.).
- Two alternative means of communication (GPRS and RF) can be used and there is an automatic switch over system to ensure accurate, uninterrupted communication.
- Data can be safely stored on the Control Centre server that is being built.
- Information can be better managed, processed and presented, meaning it is easier to schedule preventative maintenance, fix problems and generate financial data.
- Open source software is used so that in the future modifications and upgrades can be made by EYATH S.A.'s own staff depending on operational needs.
- Generic types of spare parts are used which EYATH

can procure from numerous suppliers at low cost.

- EYATH staff are trained in how to use, programme and configure the systems to acquire know-how and free the company from the need to have the supplier / manufacturer intervene.

The tender process was conducted in 2019.

In addition, in the first months of 2019 the international tender procedure for award of the contract for implementation of the project entitled "Projects to complete connection of the Thessaloniki low-lying areas" was completed, which includes sewerage sub-projects in the area where the K16 interchange is being built. The contract began to be implemented in April 2019.

Moreover, in addition to the regular contracts EYATH S.A. carries out for sewerage works to extend, reconstruct or replace pipes, at the end of 2019 the tender procedure for award of the project which includes sewerage works to improve - upgrade the A5 wastewater pumping station (Port) and the A2B pumping station (Thessaloniki Industrial Area), replacement of a twin discharge pipe for the A5 port pumping station, construction of a coastal collection pipe for the A9 pumping station (B3) and upgrading of the A17 pumping station (Foinikas), was also in its final stage.

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.

## 5.4 Waste water treatment

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

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

### a. Thessaloniki Waste Water Treatment Plant

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

Stage II works commenced at the end of 1996 with a budget of € 34 million and were completed in early 2000, achieving a treatment rate of over 95% of urban waste water from the city of Thessaloniki using a conventional biological treatment system and simultaneous nitrogen removal.

Each day the Thessaloniki Waste Water Treatment Plant receives around 160,000 m<sup>3</sup> of waste water but the specifications for the facility allow it to accept average waste water flows of up to 296,000 m<sup>3</sup>/day and pollutant loads of BOD<sub>5</sub>, SS and Total N, of 80, 76 and 16 ton/day respectively.

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

The Thessaloniki Waste Water Treatment Plant out-

flow is directed via the twin Sewage Waste Disposal Pipeline out into Thermaikos Bay. The project, with a budget of € 19 million, was completed in mid-2001 and runs for 10.5 km on land and 2.5 km out to sea to a depth of 23 m.

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

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

### Dehydrated Sludge Thermal Drying Plant:

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

The Dehydrated Sludge Thermal Drying Plant at the Waste Water Treatment Plant receives quantities of dehydrated sludge produced daily by the Thessaloniki Waste Water Treatment Plant in order to thermally treat it, evaporate any water in the sludge and produce a dry end product which is more than 92% solid. The quantity produced daily (up to 21-22t/day of dry product with 5-8% humidity compared to 150 t/day of dehydrated sludge with 77-78% humidity) can by its very nature be used in a wider variety of ways than dehydrated or limed sludge. The dry product is suitable for the following applications:

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

In light of that, throughout 2019 the total quantity of daily dry product was taken away by contractors chosen following a tender procedure (total quantity of dried sludge in 2019 is 7,665 tons).

**Thessaloniki Waste Water Treatment Plant - summary data for 2019**

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

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

Population covered (planned population) 1,333,000

Flow data for 2019 Average daily flow (m<sup>3</sup>): 155,505

Type of waste water - quantities (m<sup>3</sup>/day):

a. Urban waste water: 154,857

b. Industrial waste water: -

c. Waste from septic tanks: 648

Annual dried sludge production: 7,665 tons

Volume of waste water treated in 2019 (m<sup>3</sup>): 54,202,600

Annual average outlet quality for 2019 (mg/L)	BOD5	COD	SS	N-NH4	Total N	Total P
	15.10	58.80	20.40	0.73	7.50	4.10

## 5.4 Waste water treatment

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

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

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

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

Since the spring of 2017 the new ozonisation plant to decontaminate treated waste water and remove pathogenic microorganisms before it is disposed of in Thessaloniki Bay has been in full operation. The sludge produced daily is disposed of as a raw material for the production of soil improvers for crops using aerobic composting to promote sustainable development and ensure a cyclical economy,

During 2019 tender documents were drawn up for a tender procedure for a project which includes, among other things, reconstruction of the central sewerage pipeline for the Aeneia Waste Water Treatment Plant. Waste water treatment capacity (in population equivalent / PE units)

Organic load capacity (planned):  
87,000m<sup>3</sup>

(based on design, Directive 91/271/EEC)

No. of people covered:  
(associated population): 29,200

### Thessaloniki Waste Water Treatment Plant - summary data for 2019

Annual average outlet quality for 2019 (mg/L)	BOD5	COD	SS	N-NH4	Total N	Total P
	3.5	33.1	12.1	0.78	8.1	5.2

(based on average flow and organic load)

Flow data for 2019

Average daily flow (m<sup>3</sup>): 8,843

Type of waste water - quantities (m<sup>3</sup>/day):

a. Urban waste water: 8,228

b. Industrial waste water: -

c. Waste from septic tanks: 615

Annual dehydrated sludge production (tons, approximately): 3,044

Volume of waste water treated in 2019 (m<sup>3</sup>):  
3,260,300

c. Thessaloniki Industrial Area Waste Treatment Plant (WTP)

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

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

In 2012 preliminary works financed by ETVA VIPE S.A. were carried out which were incorporated into the overall project to upgrade and improve WTP operations. When the preliminary works were completed, around 70% of the organic load in the waste was removed and when technical upgrades are completed the performance rate will be over 90%. Additional works are also needed to optimise the plant's operations and to bring it fully into line with requirements. During 2018 trial operation of the technical upgrades was completed. This is being implemented by ETVA VIPE S.A.

Flow data for 2019: Average daily flow (m<sup>3</sup>): 11,521  
Annual dehydrated sludge production (m<sup>3</sup>): 840

## 5.5 Caring for the environment

### Sewerage and Environment Testing Lab

During 2019 the Sewerage and Environment Testing Lab was engaged in the following activities:

It carried out systematic checks on around 1,300 field and sample collection visits and 8,750 physico-chemical analyses were performed over the course of the year at:

- production facilities located within EYATH's territorial remit (at least once a year)
- food businesses and professional facilities, connected to the EYATH network or networks managed by EYATH;
- Waste Water Treatment Plants (Thessaloniki Waste Water Treatment Plant and Aeneia Waste Water Treatment Plant) on the EYATH network of sewerage pipelines and at the Waste Treatment Plant located in the Thessaloniki Industrial Area;
- water leaks;
- emergencies;

It also participated in inter-laboratory tests which checked for 26 parameters. According to the results the success rate for the evaluation was 96%.

It successfully completed the audit (9 & 10-9-2019) to maintain accreditation and extended to two new test methods in line with ELOT EN ISO/IEC 17025 (Certificate No. 1139).

It developed and implemented an integrated IT system for all procedures related to tests and lab analyses [customer register, recording of tests (field visits – sampling), posting of lab test results, issuing reports].

It also supported the work of the Waste Water and Liquid Industrial Waste Treatment and Disposal Designs Inspection Committee (established by EYATH Board decisions No. 10/2005 & 173/2007 and amended by decisions No. 251/2007, 498/2010 & 063/2013, 22/2018, 76/2018, 458/2018 & 530/2019), carrying out field visits, taking samples, and analysing samples, and receiving and forwarding documentation needed to issue disposal permits and handling documents for licensing after the Committee issues its opinion (around 300 cases were examined in 2019).

It systematically briefed staff about professional activities within EYATH S.A.'s remit concerning the requirements of the Sewerage Network Special Bylaws - EWC (Joint Ministerial Decision No. 1836/2018, Government Gazette 1793/B/21.5.2018) via letters and attended the workshop entitled "Good practices in the use of water in industry" (11/7/2019). It monitored implementation of the EWC and recommended that the Board of Directors of EYATH impose sanctions in cases where its terms are not complied with. It was actively involved in the process of revising the EWC, having consulted with bodies such as the Central Macedonia Region, the Federation of Industries of Northern Greece, the Trade Association, the Chamber of Commerce and Industry, and the Greek Exporters Association). The text of the revised EWC was sent to the Ministry of Macedonia - Thrace in June 2019.

In collaboration with other departments of EYATH S.A., it participated in completing the folder amending the environmental terms and conditions for the Thessaloniki Waste Water Treatment Plant after it was initially submitted in October 2018 and comments had been received from agencies in the context of the opinion they provided. The text of the decision amending the Waste Water Treatment Plant's environmental terms and conditions is currently in the process of being signed by the competent directorate of the Ministry of the Environment & Energy.

It participated in EYATH S.A.'s educational programme on sewerage in schools entitled 'The sewerage cycle in Thessaloniki'.

It oversaw students doing their internship.

## 5.6 Permits

EYATH S.A. has the following licences/permits.

### a. Thessaloniki Water Treatment Plant on the Aliakmon River

- A single open-ended installation and operating permit was issued for this facility on 10.5.2004 by DG Development – Industry & Mineral Wealth of the Thessaloniki Prefectural Authority in the name of EYATH S.A.
- Decision No. 197256/17.3.2011 approving the environmental terms and conditions and decision No. 13587/15.3.2016 on renewal and amendment were issued by the Environmental Licensing Directorate of the Ministry of the Environment and Energy.
- A fire protection certificate was issued after an on-site visit by the local Fire Service (May 2008-2016) and decision No. 3157/Φ.701.4/25.02.2016 on exemption from the obligation to hold a fire protection certificate was obtained.
- Permit No. 83494/30.11.2016 for EYATH S.A. to use water from the Aliakmon River was issued by the Water Directorate.
- The Regulatory Authority for Energy has granted exemption from the need to obtain a power generation permit for the backup generator (Decision No. 33/2008 in accordance with Article 10 of Law 2773/1999).

### b. Thessaloniki Waste Water Treatment Plant

- The plant has a permit (No. 30/οικ 6604/18.11.2003) to dispose of waste water into the Thermaikos Bay in line with Decision No. ΔΥ/22374/91/11.1.94 of the Prefect of Thessaloniki which was amended by his decision No. 30/οικ4439/13.6.2006.
- It also has approval for its environmental terms and conditions from the Special Environmental Service of the Ministry of the Environment, Planning & Public Works (Joint Ministerial Decision No. 106129/25.10.2006) valid for 9 years, which was amended by Joint Ministerial Decision No. 198531/20.4.2011, valid until 31.12.2015) and then by Joint Ministerial Decision No. 171602/20.03.14, which is valid for 10 years.
- A fire safety certificate (No. 1495/Φ.701.4/6986/27.2.13) was issued by the Thessaloniki Fire Department.
- There is a single installation and operating permit for the Thessaloniki Waste Water Treatment Plant (No.15/Φ.14.2.22243/2/10664/28.11.2003) from the Prefect of Thessaloniki which is of unlimited duration.
- There is also approval for the environmental terms and conditions from the Special Environmental Service of the Ministry of the Environment, Planning & Public Works for the disposal of treated waste water for irrigation purposes (Joint Ministerial Decision No. 141937/7.3.2005, which was extended by Joint Ministerial Decision No. 198531/20.4.2011 to 31.12.2015).
- 2.5 MWee biogas power generation plant at the Thes-

saloniki Waste Water Treatment Plant. The operating permit for that plant was granted by decision of the General Secretary of the Central Macedonia Region (No. 8253/12.12.2003), valid for 10 years.

### c. Aeneia Waste Water Treatment Plant

The Aeneia Waste Water Treatment Plant has:

- Approval under decision No. 23665/15.5.2017 amending Joint Ministerial Decision No. 85222/15.7.2002, as renewed and amended by Joint Ministerial Decision No. 133119/6.12.2010 and Decision No. 100622/29.1.2016 of the Director General for Environmental Policy, relating to the waste water treatment plant in the tourist areas of Thessaloniki, located in the Aeneia area in the Michaniona Municipal Unit of the Prefecture of Thessaloniki, and the sewerage works for the Thermaikos, Michaniona and Epanomi Municipal Units of the Municipality of Thermaikos and the Mikra Municipal Unit of the Municipality of Thermi (Web Ref. No. 71ΕΔ4653Π8-0AZ).
- Approval for its environmental terms and conditions from the Special Environmental Service of DG Environment / Ministry of the Environment, Energy & Climate Change (Joint Ministerial Decision No. 133119/06.12.2010) valid for 10 years, renewing and amending the environmental terms and conditions for the waste water treatment and cleaning plant in the tourist areas of Thessaloniki, which is located in the Aeneia area of the Municipality of Nea Michaniona / Pref. of Thessaloniki, and for construction and operation of main sewerage pipelines, pumping stations and networks in the Municipalities of Thermaikos, Nea Michaniona, Epanomi and Mikra, which amended the initial Joint Ministerial Decision No. 85222/15.7.2002.

**Note: New environmental terms and conditions were issued in 2017 (Decision No. 23665/15-5-17).**

- It holds a final permit to dispose of waste water – industrial waste from the Aeneia Waste Water Treatment Plant (Prefect of Thessaloniki Decision No. 30/3748/29.7.2002 which was amended by Decision No. 30/οικ.1096/8.02.2007).
- It also has a fire protection certificate (No. 14937 Φ.701.4/7642/7.10.2010) from the Regional Fire Services Directorate of the Central Macedonia Region.
- EYATH S.A. also holds a single installation and operating permit for the Waste Water Treatment Plant (Prefect of Thessaloniki Decision No. 15/Φ.14.2.24558/2/5978/15.5.2007).
- Ministerial Decision No. ΔΥΓ2/Γ.Π. 102784/19.9.2008 on approval of the method for decontaminating treated waste water from the Aeneia Waste Water Treatment Plant for the tourist areas of Thessaloniki.

## 5.7 Technical Works

### WORKS COMPLETED DURING 2019

NO.	Project	Completion date	Contractual amount (VAT excl.) €
1.	Maintenance of EYATH facilities in 2017	6.6.2019	36,000.00
TOTAL			36,000.00

### WORKS UNDER WAY DURING 2019

NO.	Project	Budget (VAT excl.) €	Contractual amount (VAT excl.) €
1.	Group I of urgent water supply works 2018	2,000,000.00	1,659,399.99
2.	Group I of urgent sewerage works 2018	2,500,000.00	1,939,669.38
3.	Works to improve operation of the water supply and sewerage networks and facilities within EYATH S.A.'s territorial remit	2,682,000.00	1,636,019.98
4.	Repair of damage to water supply network in central and eastern Thessaloniki in 2018	1,500,000.00	915,000.00
5.	Repair of damage to the water supply network in Western Thessaloniki in 2018	2,000,000.00	738,683.77
6.	Repair of damage to the sewerage network in 2018	1,200,000.00	732,000.00
7.	Project to complete the connection of Thessaloniki's low-lying areas	6,015,000.00	3,720,151.58
8.	Maintenance of EYATH facilities in 2018	700,000.00	350,000.00
TOTAL			€11,690,924.70

## 5.7 Technical Works

### ABSORPTION IN 2019

NO.	Project	1st half of €2019	2nd half of €2019	Total (VAT excl.) €
1.	Group I of urgent WATER SUPPLY works 2018	73,075.41	114,676.04	187,751.45
2.	Group I of urgent SEWERAGE works 2018	310,102.28	605,437.98	915,540.26
3.	Works to improve operation of the water supply and sewerage networks and facilities within EYATH S.A.'s territorial remit	209,532.19	51,161.72	260,693.91
4.	Repair of damage to water supply network in central and eastern Thessaloniki in 2018	177,780.88	242,089.82	419,870.70
5.	Repair of damage to the water supply network in Western Thessaloniki in 2018	145,297.13	247,304.33	392,601.46
6.	Repair of damage to the sewerage network in 2018	124,578.78	47,420.62	171,999.40
7.	Project to complete the connection of Thessaloniki's low-lying areas	0	0	0
8.	Maintenance of EYATH facilities in 2018	0	14,536.76	14,536.76
9.	Maintenance of EYATH facilities in 2017	19,283.96	10,036.25	29,320.21
TOTAL				€2,392,314.15

### TENDER PROCEDURES TO AWARD PUBLIC CONTRACTS (WORKS/DESIGNS OR TECHNICAL SERVICES) IN 2019

No.	Subject	Budget (VAT excl.)	Discount	Contractor	Remarks
DESIGNS/ TECHNICAL SERVICES					
1.	Sewerage works to upgrade pumping stations, discharge pipes, coastal collection pipe and the Aeneia waste water treatment plant central pipe	€ 4,400,000.00	35.09%	CANDIA ERGA S.A. – DYNAMIKI ER- GON S.A. BIDDING CONSORTIUM	Contract signing stage
2.	Group I of urgent sewerage works 2020	€ 2,500,000.00			The appointment of the contractor is still pending
3.	Contract for the repair and maintenance of the water supply network in central and eastern Thessaloniki in 2019	€ 1,500,000.00			The appointment of the contractor is still pending
4.	Repair and maintenance of the water supply network in Western Thessaloniki in 2019	€ 950,000.00			The appointment of the contractor is still pending
5.	Group I of urgent water supply works 2019	€ 950,000.00			The appointment of the contractor is still pending
6.	Phase A2 - extension to the Thessaloniki Water Treatment Plant	€21,703,562.15	-	-	The appointment of the contractor is still pending
TOTAL		€32,003,562.15			

## STUDIES/DESIGNS UNDER WAY DURING 2019

No.	Design	Budget (VAT excl.) €	Contractual amount (VAT excl.) €	Contractor	Remarks
1.	Framework Agreement for preparation of supporting designs to meet EYATH S.A.'s needs	€ 725,806.45	€ 191,129.13 (1st Individual Implementing Agreement)	NIKOLAOS MARAGKOS- ATHANASIOS NAGOULIS- NIKOLAOS PANAGIOTIS HATZIGOGOS ATHANASIOS MARAGOS DIMITRIOS KAPOLLAS	The 1st Individual Agreement is under way.
2.	Framework agreements for the provision of Technical Advisor services for studies and projects under the EYATH S.A. Strategic & Business Plan	€1,322,500.00	€ 95,130.22 (1st Individual Implementing Agreement)	HYDRODIACHEIRISI LTD. – YETOS S.A. – AKMI – CONSULTANT ENGINEERS – ILIDA CONSULTANT ENGINEERS S.A. – THEO- DOROS MAKRIDIS – ZOI VADRATSIKA	The 1st Individual Agreement is currently at the signature stage.
3.	Framework Agreement for preparation of Hydraulic Designs to meet EYATH S.A.'s needs	€ 350,000.00	€ 172,716.69 (3rd Individual Implementing Agreement)	DELCO INVESTMENTS - DE- LIGIANNIDIS & PARTNERS GENERAL AND SPECIAL DESIGNS LTD. – GAIA DE- SIGNS S.A. - D. MAMOUNIS & PARTNERS	The 3rd Individual Agreement is under way.

## 5.8 Health and Safety

Health and Safety is a primary concern for EYATH S.A. reflected in how it is recording and rationalising the relevant control procedures and in the fact that the Safety Technician's Office has been enhanced and upgraded. With that in mind, the office held frequent meetings with the Company's Audit Committee to provide information and discuss new targets.

Since 2017 when it became part of the company's structures, the Safety Technician Office, with a full time EYATH employee, has been actively involved in handling all health and safety issues in collaboration with an external associate.

In its endeavour to minimise the likelihood of accidents at work, EYATH S.A. is constantly striving to modernise its control systems and has set training, information and supply targets for suitable personal protection equipment for its employees.

During 2019 further steps were taken to organise the company on health and safety issues and improve the situation. The constant collaboration between the Safety Technician's Office and company Divisions seeks to ensure that proper procedures are implemented to protect both company employees and facilities. Particular attention is paid to disseminating knowledge via discussions with and briefings of competent officers for facilities within their remit.

As a corollary of the meticulous implementation of staff health and safety rules, we are happy and proud to have completed a year with zero accidents.



## 06 CONSUMPTION

6.1 Customer service

6.2 Consumption data analysis

## 6.1 Customer service

The Customer Service Division's main task is customer service. The Division's staff serve company customers on a daily basis, covering issues relating to new water supply contracts, transfers and disconnections of supply, repayment plans and debt settlements, bill payments, water meter checks and in general anything customers may request. EYATH S.A. issues bills every 4 months based on the quantities of water consumed and offers refunds/discounts only in cases where there was a proven leak due to damage to the customer's plumbing facilities.

To achieve its target of better customer service, EYATH is open to the public from 07:30 to 14:00 hours at its head offices at 127 Egnatias St., at the offices at 98 Tsimiski St. (only for sewerage issues) and its branch at 26 26is Oktovriou St., where it offers improved services to consumers.

Bills can be paid:

- at the branch at 6 Angelaki St. in the centre and at the branch at No. 26, 26is Oktovriou St. opposite the court building.
- at DIAMANTIS MASOUTIS S.A. stores in the Prefecture of Thessaloniki and neighbouring prefectures of Halkidiki, Pieria, Imathia, Pella and Kilkis at no additional cost.
- at the Hellenic Post office branches and agencies in the wider area of Thessaloniki and at all Hellenic Post branches nationwide.
- at OPAP agencies nationwide.
- by standing order from any bank account or at bank

cashiers' desks by debiting any account.

- online via the EYATH website ([www.eyath.gr](http://www.eyath.gr)) by debit or credit card and
- via any bank using web-banking.

EYATH's objectives are:

- to meet rising customer demand for minimal bureaucracy and faster service.
- to safeguard its revenues by monitoring the process of meter readings – billing – debt management.
- to examine alternative methods for settling payments and granting discounts, to see how these impact on revenues, taking account of the economic crisis and EYATH's sensitivity about the need to supply water as a public commodity.
- to improve the company's image by adopting a multi-channel service model by utilising cutting edge e-services.
- to effectively utilise its available resources.

## 6.2 Consumption data analysis

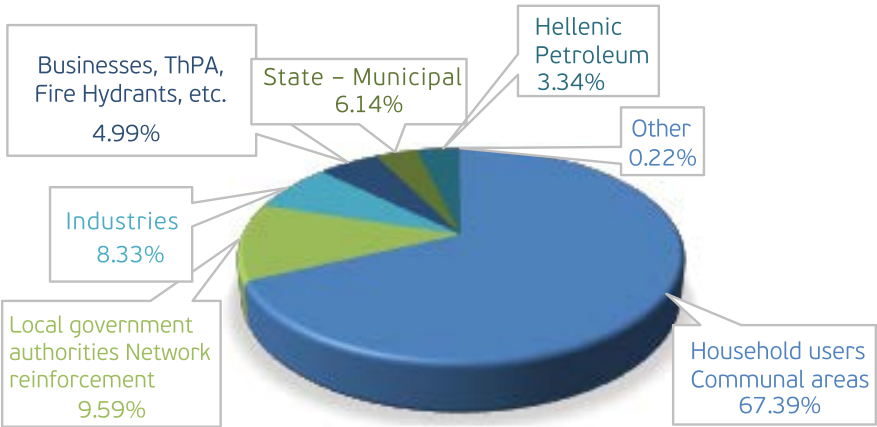
Consumption category (in m <sup>3</sup> )	Consumption in 2019	Consumption in 2018	Consumption in 2017
Household use	38,178,047	36,818,183	38,280,206
Local government authorities - network reinforcement	5,433,609	6,653,840	6,749,384
Industrial use	4,716,673	4,352,291	4,120,922
Businesses/Fire Hydrants	2,827,185	2,625,425	3,078,072
State – Municipal	3,477,767	2,322,171	2,090,413
Hellenic Petroleum	1,890,192	1,756,248	2,238,550
Other	124,900	98,410	153,445
<b>TOTAL</b>	<b>56,648,373</b>	<b>54,626,568</b>	<b>56,710,992</b>

Distribution of consumption per consumer category 2019-2017			
Consumer category	% 2019	% 2018	% 2017
Households - Communal facilities	67.39%	67.40%	67.50%
Local government authorities - network reinforcement	9.59%	12.18%	11.90%
Industries	8.33%	7.97%	7.27%
Businesses, ThPA, Fire Hydrants, etc.	4.99%	4.81%	5.43%
State – Municipal	6.14%	4.25%	3.69%
Hellenic Petroleum	3.34%	3.22%	3.95%
Other	0.22%	0.18%	0.27%
<b>TOTAL</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

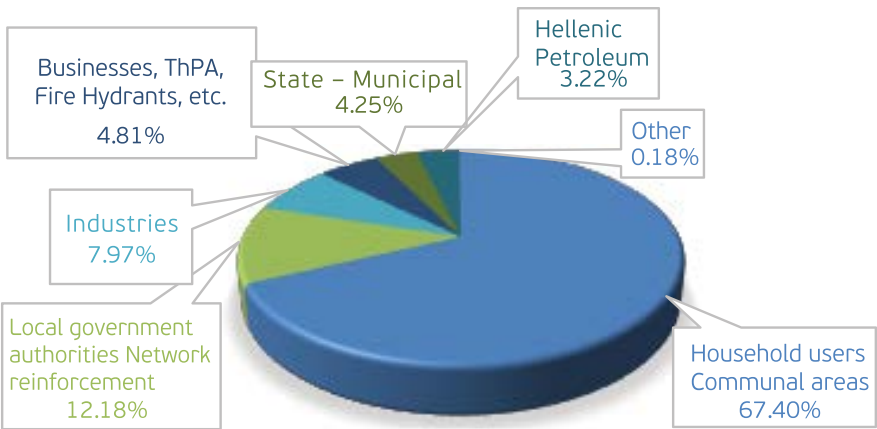
According to the table, households continue to consume over 2/3 of all the water supplied.

## 6.2 Consumption data analysis

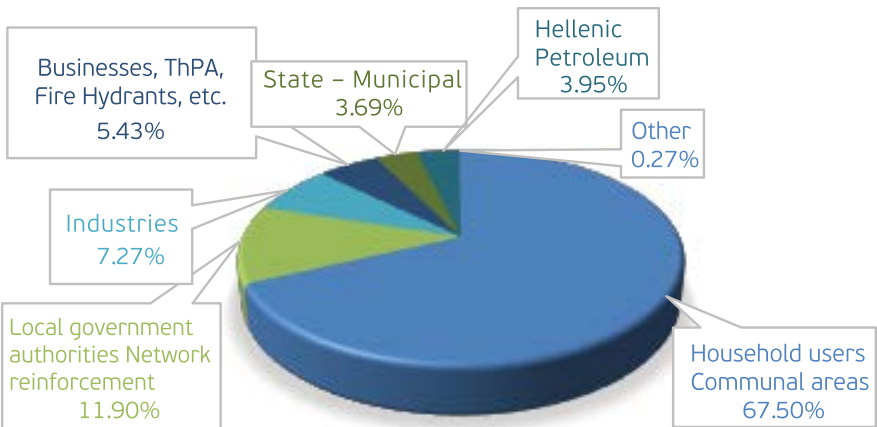
ALLOCATION OF WATER CONSUMPTION IN 2018



ALLOCATION OF WATER CONSUMPTION IN 2018



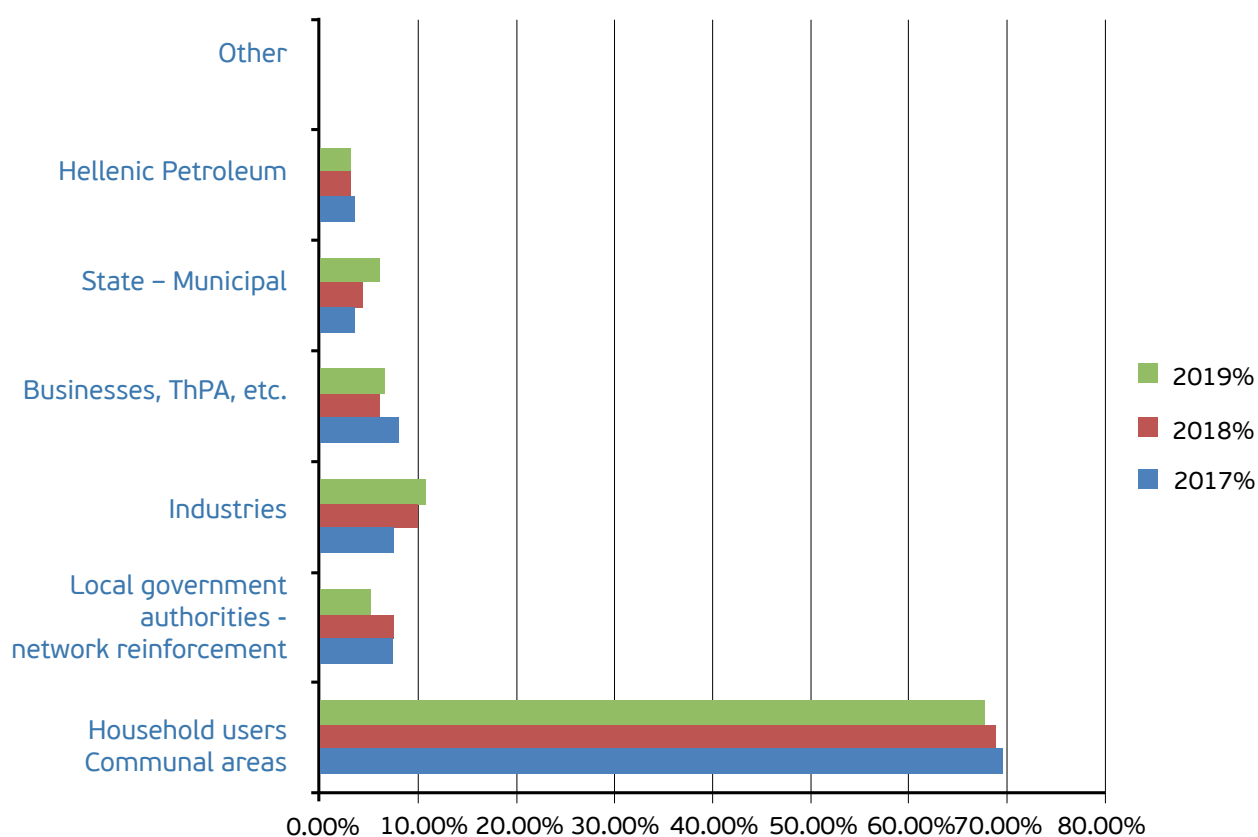
ALLOCATION OF WATER CONSUMPTION IN 2017



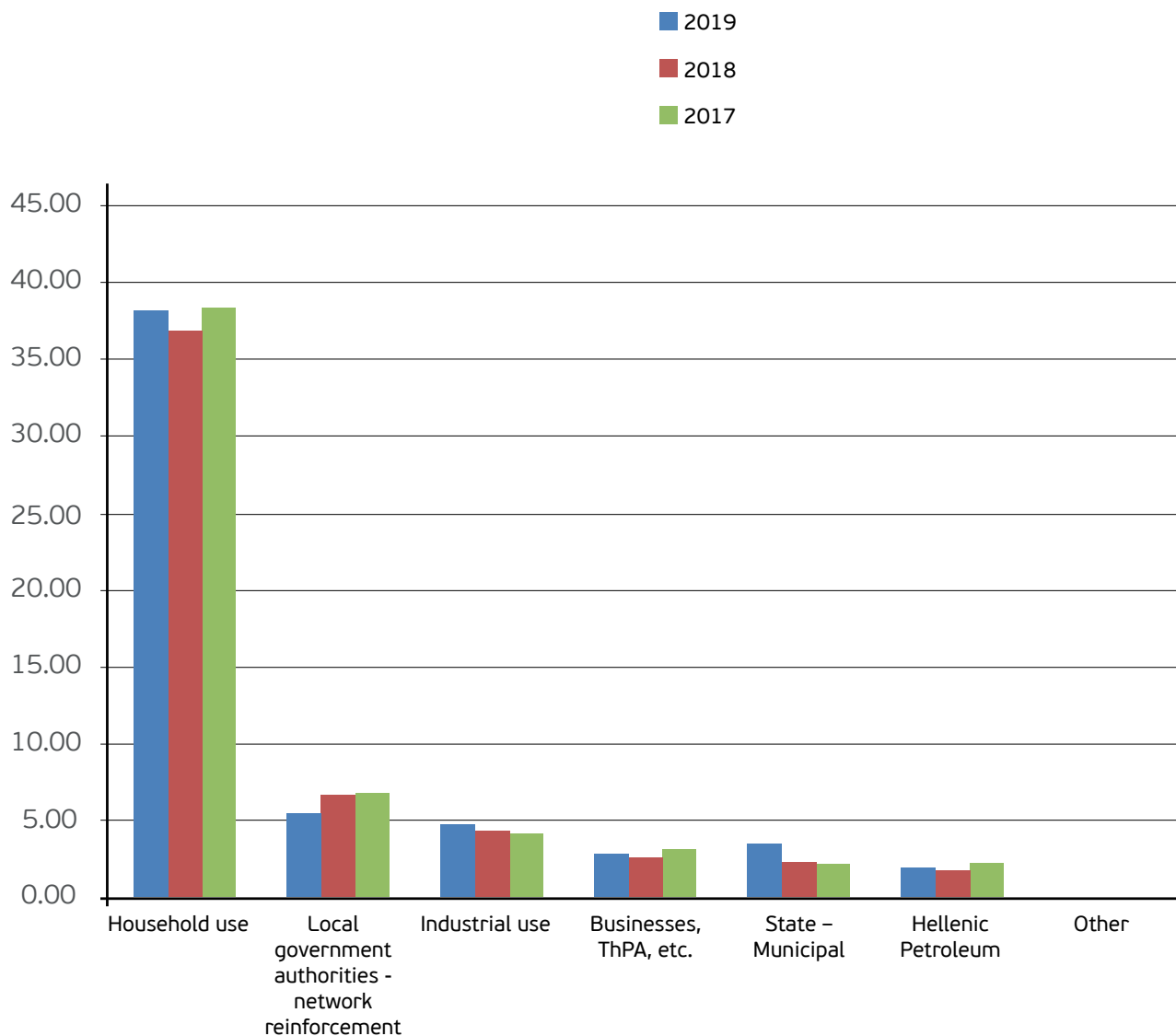
## REVENUES FROM SALE OF WATER PER CONSUMER CATEGORY 2019-2017

Consumer category	Income	% 2019	% 2018	% 2017
Households - Communal facilities	€ 24,675,365	67.83%	68.76%	69.46%
Local government authorities - network reinforcement	€ 1,901,736	5.23%	7.64%	7.45%
Industries	€ 3,912,526	10.75%	9.94%	7.53%
Businesses, ThPA, Fire Hydrants, etc.	€2,451,004	6.74%	6.12%	8.13%
State – Municipal	€ 2,260,549	6.21%	4.39%	3.69%
Hellenic Petroleum	€ 1,134,115	3.12%	3.06%	3.66%
Other	€ 45,521	0.13%	0.09%	0.09%
<b>TOTAL</b>	<b>€36,380,843</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

## REVENUES PER CATEGORY 2019-2017

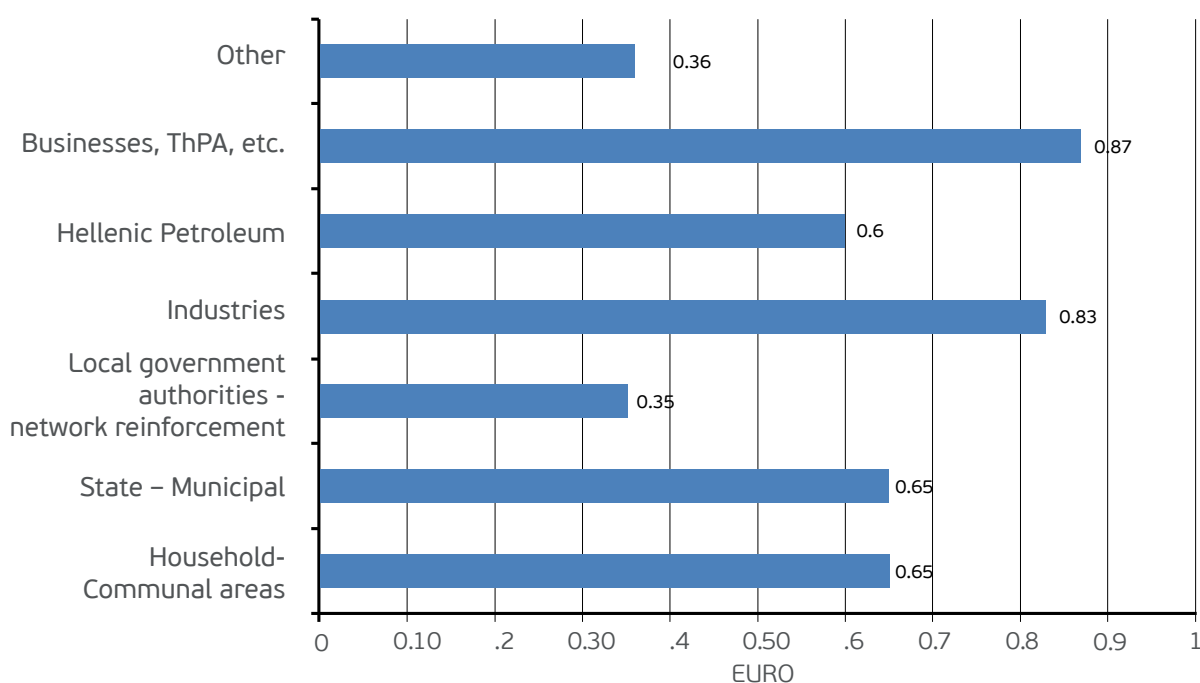


## 6.2 Consumption data analysis

CONSUMPTION PER CATEGORY 2019-2017 (m<sup>3</sup> X 10<sup>6</sup>)

## AVERAGE PRICE OF WATER SALES PER CATEGORY OF CUSTOMER IN 2019

Consumer category	Revenues from sales of water (in €)	Quantities billed m <sup>3</sup>	Average price per m <sup>3</sup>
	(a)	(b)	(a/b)
Household - communal areas	€ 24,675,365	38,178,047m <sup>3</sup>	0.65
State – Municipal	€ 2,260,549	3,477,767m <sup>3</sup>	0.65
Local government authorities - network reinforcement	€ 1,901,763	5,433,609 m <sup>3</sup>	0.35
Industries	€3,912,526	4,716,673m <sup>3</sup>	0.83
Hellenic Petroleum	€ 1,134,115	1,890,192m <sup>3</sup>	0.60
Businesses, ThPA, etc.	€2,451,004	2,827,185m <sup>3</sup>	0.87
Boreholes	€45,521	124,900 m <sup>3</sup>	0.36
Total	€ 36,380,843	56,648,373m <sup>3</sup>	0.64

AVERAGE WATER SALE PRICE PER CATEGORY 2019 (€/M<sup>3</sup>)

## 6.2 Consumption data analysis

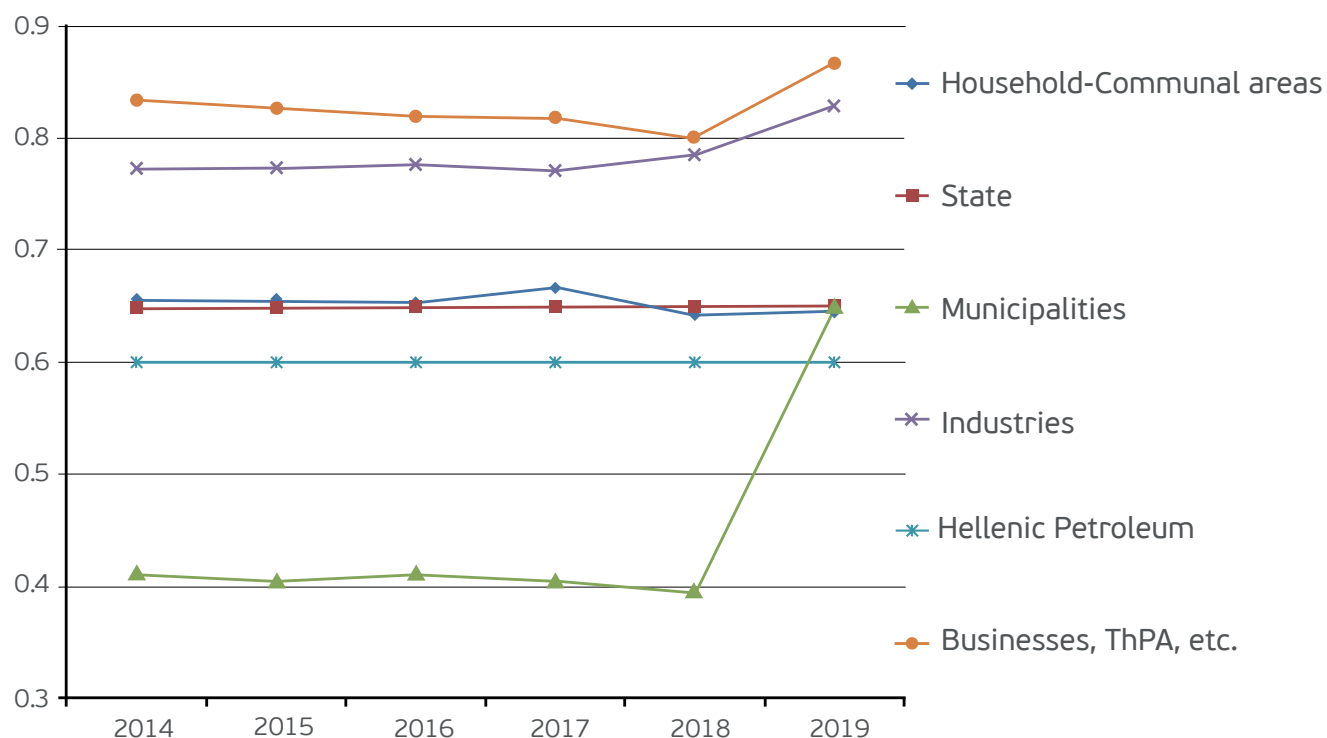
Change in the average price per m<sup>3</sup> of water for each category of customer for the years 2014 -2019 €/m<sup>3</sup>

Consumer category	2014	2015	2016	2017	2018	2019
Household - communal areas	0.6565	0.6558	0.6535	0.6670	0.6424	0.6460
State	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500
Municipalities	0.4115	0.4045	0.4105	0.4053	0.3952	0.6500
Industries	0.7732	0.7736	0.7772	0.7713	0.7858	0.8295
Hellenic Petroleum	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000
Businesses, ThPA, etc.	0.8328	0.8267	0.8199	0.8184	0.8016	0.8669
General Average Price	0.6408	0.6402	0.6407	0.6482	0.6298	0.6422
Deviation	-1.23%	-0.09%	0.08%	1.17%	-2.83%	1.97%

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

\* The charge for municipal consumption (€ 0.65/m<sup>3</sup>) in relation to the table above was set over previous years in conjunction with the network reinforcement price (€ 0.35/m<sup>3</sup>).

CHANGE IN AVERAGE PRICE PER CATEGORY OF CONSUMER (€/m<sup>3</sup>)



Especially for households on the sliding household tariff, total consumption in 2019 was 38,178,047m<sup>3</sup> which was as follows per billing category (which from 2019 was different from previous years) based on the 6-step sliding scale:

## 2019

Consumption scales	Quantities per year (m <sup>3</sup> )	as a % of total quantity	2019 sub-total		
0-10 m <sup>3</sup> /4-month period (€ 0.46 /m <sup>3</sup> )	1,546,385	4.05	4.00%		
11-40 m <sup>3</sup> /4-month period(€ 0.63 /m <sup>3</sup> )	17,107,021	44.81	48.86%		
41-60 m <sup>3</sup> /4-month period(€ 0.72/m <sup>3</sup> )	10,943,760	28.67	77.52%		
61-120 m <sup>3</sup> /4-month period(€ 1.16/m <sup>3</sup> )	7,022,081	18.39	95.92%		
121-160 m <sup>3</sup> /4-month period(€ 2.39/m <sup>3</sup> )	545,335	1.43	97.35%		
161 m <sup>3</sup> and over/4-month period(€ 4.03/m <sup>3</sup> )	1,013,465	2.65	100.00%		
Total	38,178,047	100.00			

## 2018

Consumption scales	Quantities per year (m <sup>3</sup> )	as a % of total quantity	2018 sub-total	2017 sub-total	2016 sub-total
0-10 m <sup>3</sup> /4-month period (€ 0.46 /m <sup>3</sup> )	1,439,110	4.00	4.00	3.84	3.66%
11-30 m <sup>3</sup> /4-month period(€ 0.63 /m <sup>3</sup> )	9,851,135	27.42	31.42	29.95	29.61%
31-60 m <sup>3</sup> /4-month period(€ 0.72/m <sup>3</sup> )	17,061,264	47.50	78.92	77.27	77.74%
61-120 m <sup>3</sup> /4-month period(€ 1.16/m <sup>3</sup> )	6,338,855	17.64	96.56	96.05	96.66%
121-180 m <sup>3</sup> /4-month period(€ 2.39/m <sup>3</sup> )	597,320	1.67	98.23	97.77	98.36%
181 m <sup>3</sup> and over/4-month period(€ 4.03/m <sup>3</sup> )	633,994	1.77	100.00	100.00	100%
Total	35,921,678	100.00			

As is clear from the table, over recent years households have become well-used to the prudent use of water amid the continuing negative economic situation coupled with the progressive pricing scheme imposed by EYATH S.A. for each level in the 6-step sliding scale, as well as thanks to awareness raising campaigns about the need to protect natural resources.

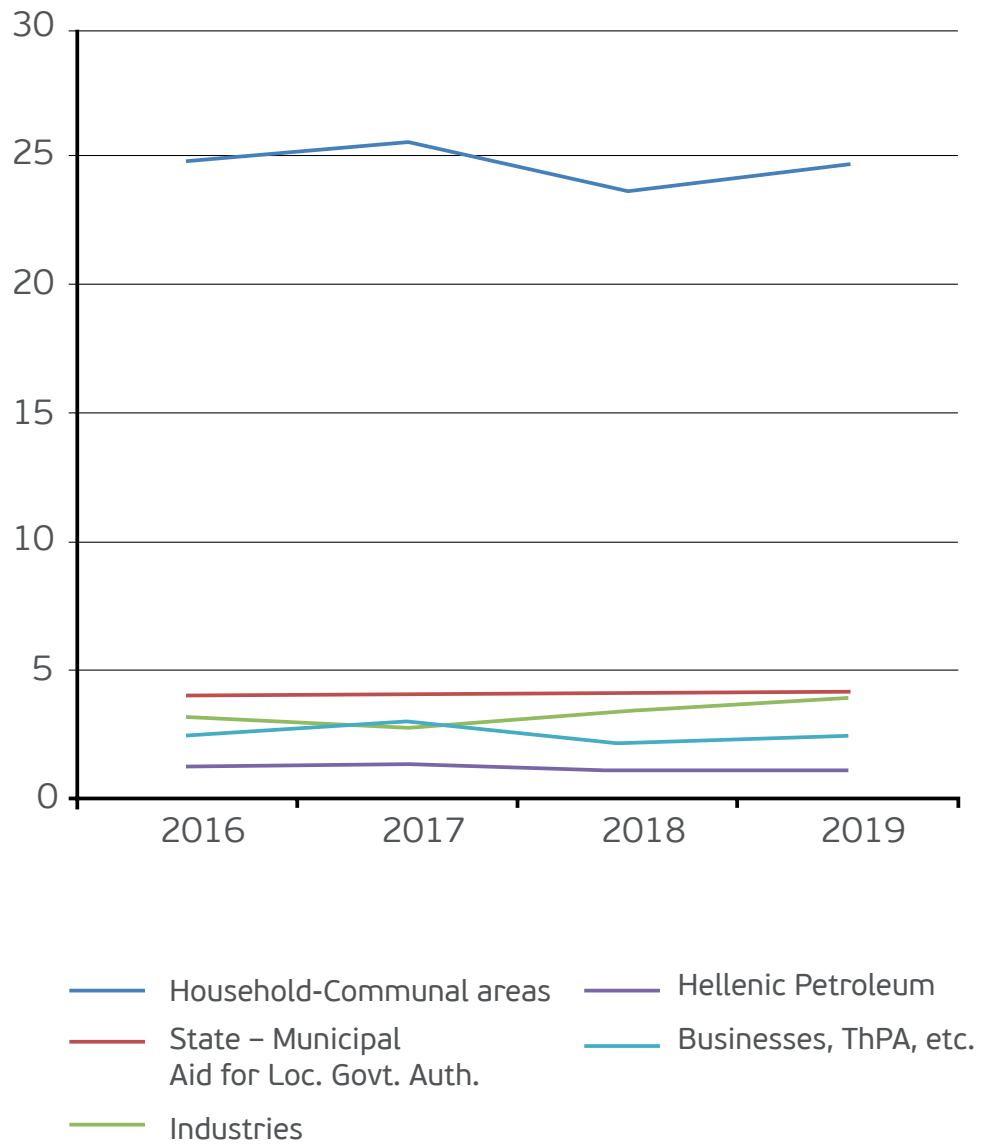
## 6.2 Consumption data analysis

CHANGE IN REVENUES FROM SALES OF WATER PER CUSTOMER CATEGORY OVER TIME

Consumer category	2016	2017	2018	Consumer category	2019
Household - communal areas	24.83	25.53	23.65	Household - communal areas	24.68
State	1.33	1.35	1.51	State – Municipal	2.26
Municipalities	2.67	2.73	2.63	Local government authorities - network reinforcement	1.90
Industries	3.18	2.76	3.42	Industries	3.91
Hellenic Petroleum	1.26	1.34	1.05	Hellenic Petroleum	1.13
Businesses, ThPA, etc.	2.47	2.99	2.14	Businesses, ThPA, etc.	2.45
Deviation	35.74	36.76	34.40		36.33



CHANGE IN REVENUES FROM SALES OF WATER € 10<sup>6</sup>

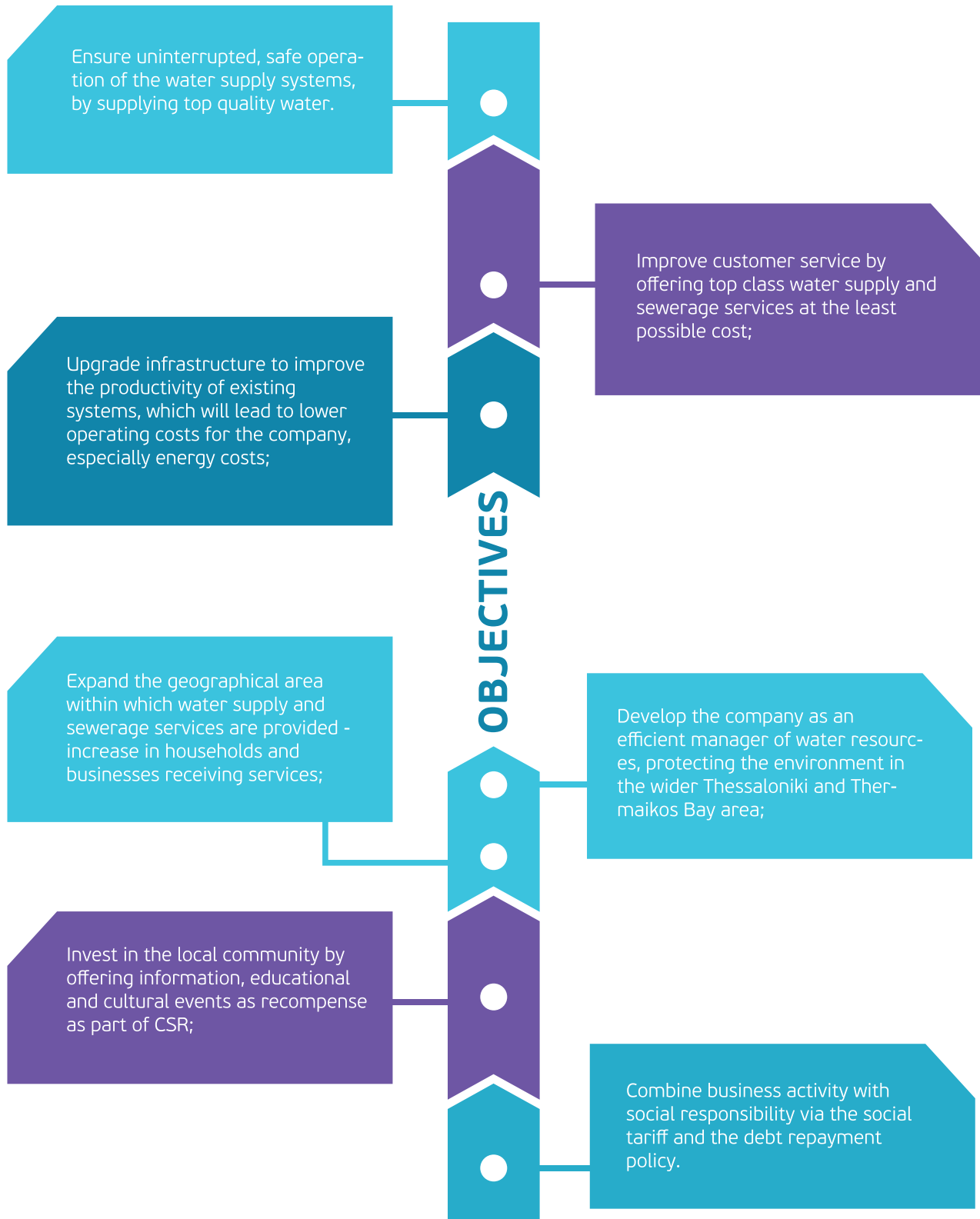




## 07 INVESTMENT PLAN

- 7.1 Operating activities
- 7.2 Investing activities
- 7.3 EYATH's 2018-2024 Investment Plan
- 7.4 IT Systems & Infrastructure Development Unit

## STRATEGIC GOALS



# INVESTMENT PLAN

Measures taken to achieve the objectives which were previously presented constitute company strategy for the 2018-2024 period and can be divided into operating and investing activities. The first category pertains to the company's operation and involve changes to internal arrangements in terms of staff and re-engineering of company structures. The second category relates to implementation of projects that improve both infrastructure and equipment in terms of machinery and IT systems. In 2018 the Company updated its Strategic and Business Plan.

## 7.1 Operating activities

### 7.1.1. Human capital development

- Training courses and life-long learning for employees
- Programmes to modernise HRM systems

### 7.1.2. Adapting the company's organisation to reflect new conditions

- Re-engineering the company's organisational structure
- Re-engineering procedures, improving and developing IT systems
- Development of a quality management system
- Development of a management decision-making tool

### 7.1.3 CSR - Information - Awareness raising for citizens

- Social policy
- Customer Service
- Environmental awareness
- Information for the local community

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

### 7.1.5 Company commercial policy

- Pricing Policy
- Customer credit policy

## 7.2 Investing activities

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

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

The investment project required to implement this objective was developed after a study the company prepared.

This study entitled "Business Plan for the Management - Distribution of water for water supply purposes

within EYATH S.A.'s remit" was approved by decision No. 331/2016 of the Board of Directors and constitutes an integral part hereof. Key elements of the plan are set out below.

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

- to plan all hydraulic works needed to ensure the problem-free transport of an additional 150,000.00m<sup>3</sup> of water a day by expanding the Thessaloniki Water Treatment Plant to new water supply areas, meaning citizens in need of water will be able to get it.
- to ensure that along with water supply projects in new areas, existing projects are restored and modernised, with the direct result that the network is better

managed, non-reimbursable water is reduced in the water supply system, the energy currently consumed by running the water supply system is reduced (it is estimated that after implementation of the plan annual savings of € 900,000 will be achieved) and the operating costs and maintenance costs of the water supply system are reduced.

The estimated cost required to implement the plan is € 68.8 million. As far as new areas are concerned, taking into account that the new projects will only be built to transport water to central locations in aqueducts in those areas (water will be distributed to new consumers

and the distribution network will be run and maintained by local water supply and sewerage companies) it is estimated that the annual revenues from the sale of water to new consumers will be € 4,830,000 after the completion of project construction (in 2024) while in the future (2055) if the charge remains fixed (€ 0.35/m<sup>3</sup>) they will be € 9,740,000. If there is an annual increase in the charge by 0.5% or 1% then the revenues in 2055 will be around € 10,920,000 or € 12,850,000 respectively.

During 2019:

- The first individual contract was signed as part of the framework agreement on the preparation of support studies for the needs of the company's investment activities, primarily relating to geotechnical surveys and lab tests.
- The framework agreement for the provision of technical advisor services was signed for the purposes of the company's investment activities and the technical scope of the first individual agreement was drawn up / approved, which will be signed in 2020.
- As mentioned above, the contract was put out to tender to build the extension to the Thessaloniki Water Treatment Plant (Phase A2).
- Contacts were kept up to ensure the areas where the new reservoir facilities will be installed which are included in the Investment Plan.
- Work to prepare the designs for key water supply projects included in the company's business plan continued.

### 7.2.2. Gradual replacement of networks and curtailment of water losses

The company's policy is to gradually replace old water supply networks which have been fully depreciated and also have major problems of corrosion or blockages along their length.

This will result in a drop in the actual losses that arise due to the network's age. As part of the investment plan, up to 2024 efforts will continue in this vein.

Reducing the amount of non-reimbursable water in the water supply network has positive environmental and economic impacts. The environmental impacts include

protecting water as a natural resource, since smaller quantities will be abstracted, and reducing energy consumption since the reduction in non-reimbursable water will entail less energy used. CO<sub>2</sub> and GHG emissions will also drop.

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

As far as improving the Waste Water Treatment Plant facilities and water supply and sewerage pumping stations is concerned, EYATH S.A.'s main concern is to renew existing E/M and electrical equipment when and where necessary in order to improve efficiency and reduce maintenance costs.

Moreover, it plans to construct new civil engineering works, when and where feasible, at the sewerage pumping stations to minimise possible leakages of waste water into bodies of water. In addition to this, the Company is planning to do away with water supply and sewerage pumping stations to simplify system operations and reduce operating costs.

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

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

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

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

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

### 7.2.5 Management of sludge produced by the Waste Water Treatment Plants

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

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

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

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

Given that the company currently has a round 510,000 active water meters, plans need to cover a 10-year horizon at least and will include gradual replacement of old meters with new high tech ones, which will have an automated data collection and transmission system. Replacing conventional water meters with new automated ones could be completed by sector or area, so that specific areas within EYATH's territorial remit have their meters replaced and ready for use.

During 2019 the tender documents for replacement of old company water meters with new smart water meters were prepared and tender documents were prepared to create three pilot water control zones (district metered areas / DMAs) within the city's wider urban area.

### 7.2.7 Use of RES to generate energy

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

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

and their overall consumption irrespective of the site where the power is generated.

### 7.2.8 Upgrade and installation of new IT systems

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

## 7.3 EYATH's 2018-2024 Investment Plan

The 2018-2024 Investment Plan which was approved, is summarised in the tables below to show actions implemented in each sector of investment, targets to be met, and the timeframe developed.

### Updated 2018-2024 investment plan, per target and investment sector.

Objective	Automation - Computerisation	Sewerage network	Water supply network	Thessaloniki Waste Water Treatment Plant	Thessaloniki Water Treatment Plant	Buildings	Grand total
Increase revenues			€ 17,000,000				€ 17,000,000
Improvement of basic water flow rate and energy savings			€ 10,900,000				€ 10,900,000
Improve operations	€ 2,000,000					€ 14,916,300	€ 16,916,300
Check for water leaks and save energy			€ 300,000				€ 300,000
Check of quality of water supplied					€ 150,000		€ 150,000
Meet sewerage needs in areas where it is lacking and increase revenues		€ 6,050,000					€ 6,050,000
Environmental protection	€ 1,100,000	€ 20,390,000		€ 300,000	€ 200,000		€ 21,990,000
Environmental protection via better management of sludge				€ 4,800,000			€ 4,800,000
Meet water needs in areas with shortages - increase revenues and improve water supply infrastructure			€ 98,837,600				€ 98,837,600
Grand total	€ 3,100,000	€ 26,440,000	€ 127,037,600	€ 5,100,000	€ 350,000	14,916,300	€ 176,943,900

### Updated 2018-2024 investment plan, per action and investment sector.

Action	Automation - Computerisation	Sewerage network	Water supply network	Thessaloniki Waste Water Treatment Plant	Thessaloniki Water Treatment Plant	Buildings	Grand total
Upgrades to all company management IT systems	€ 2,000,000						€ 2,000,000
Replacement of old tachymetric type water meters with modern volumetric ones			€ 17,000,000				€ 17,000,000
Improvement of water supply network infrastructure to ensure better operation			€ 11,200,000				€ 11,200,000
Improvement of Thessaloniki Waste Water Treatment Plant infrastructure to ensure better management of sludge				€ 4,800,000			€ 4,800,000
Modernisation of sewerage network infrastructure to ensure better operation	€ 500,000	€ 20,390,000		€ 230,000			€ 21,120,000
Modernisation of equipment				€ 70,000	€ 350,000		€ 420,000
Modernisation of the sewerage network control equipment	€ 600,000						€ 600,000
Modernisation of building infrastructure						€ 14,916,300	€ 14,916,300
Extension of the sewerage network into new areas		€ 6,050,000					€ 6,050,000
Extension of the water supply network into new areas and improvements to water supply network infrastructure			€ 98,837,600				€ 98,837,600
Grand total	€ 3,100,000	€ 26,440,000	€ 127,037,600	€ 5,100,000	€ 350,000	€ 14,916,300	€ 176,943,900

## Updated 2018-2024 investment plan, per implementation year.

Action / Investment sector	Sum of 2018	Sum of 2019	Sum of 2020	Sum of 2021	Sum of 2022	Sum of 2023	Sum of 2024	Grand total
Upgrades to all company management IT systems	€ 300,000	€ 700,000	€ 500,000	€ 500,000				€ 2,000,000
Replacement of old tachymetric type water meters with modern volumetric ones			€ 3,400,000	€ 3,400,000	€ 3,400,000	€ 3,400,000	€ 3,400,000	€ 17,000,000
Improvement of water supply network infrastructure to ensure better operation	€ 680,000	€ 1,650,000	€ 1,670,000	€ 2,150,000	€ 2,350,000	€ 1,350,000	€ 1,350,000	€ 11,200,000
Improvement of waste water treatment plant infrastructure to ensure better management of sludge		€ 625,000	€ 725,000	€ 875,000	€ 2,025,000	€ 525,000	€ 25,000	€ 4,800,000
Modernisation of sewerage network infrastructure to ensure better operation	€ 540,000	€ 4,830,000	€ 5,310,000	€ 3,440,000	€ 2,400,000	€ 2,200,000	€ 2,400,000	€ 21,120,000
Modernisation of equipment	€ 10,000	€ 60,000	€ 60,000	€ 90,000	€ 100,000	€ 50,000	€ 50,000	€ 420,000
Modernisation of the sewerage network control equipment		€ 100,000	€ 100,000	€ 100,000	€ 100,000	€ 100,000	€ 100,000	€ 600,000
Modernisation of building infrastructure	€ 131,300	€ 685,000	€ 1,450,000	€ 4,350,000	€ 5,100,000	€ 2,300,000	€ 900,000	€ 14,916,300
Extension of the sewerage network into new areas	€ 450,000	€ 850,000	€ 950,000	€ 950,000	€ 950,000	€ 950,000	€ 950,000	€ 6,050,000
Extension of the water supply network into new areas and improvements to water supply network infrastructure	€ 1,263,093	€ 16,318,221	€ 33,101,690	€ 22,200,031	€ 14,286,396	€ 9,103,108	€ 2,565,061	€ 98,837,600
Grand total	€ 3,374,393	€ 25,812,221	€ 47,266,690	€ 38,055,031	€ 30,711,396	€ 19,978,108	€ 11,740,061	€ 176,943,900

These investments include an estimated figure of € 68.8 million approximately for the Business Plan for the Management - Distribution of water for water supply purposes within EYATH's remit. A condition for implementing this plan is the construction of phase A2 of the Thessaloniki Water Treatment Plant which will add 150,000 m3 of water a day to the water supply system. The budget for that project, based on current data, is € 27,900,000.00(VAT excl.). That amount is included in the tables above. Note that today the project has obtained financing from the Central Macedonia Region Operational Programme.

The key aspects of the Business Plan for the Management - Distribution of water for water supply purposes within EYATH's remit will result in (1) an improvement of the existing water supply system in the city, (2) adaptation to changing circumstances (social, technological climate-related, etc.) thereby ensuring that society's water needs can be met and (3) an amelioration of the risk of water shortages due to extreme weather conditions. These aspects are as follows:

1. An increase in the capacity of the city's main water supply tanks.
2. Construction of 27,000 m of new large diameter pipelines to transfer water for water supply purposes.
3. Replacement of old and construction of new internal water distribution networks for consumers in all city water supply zones.
4. Improvement of existing and removal of old pumping station facilities.
5. An increase in the ability to interconnect aqueducts (for ground and surface water) increasing the quantities of water from one aqueduct to another, to create additional backup methods / alternative supplies of water to various areas of the city.
6. Analysis of the approved River Catchment Basin water resource management plans, promotion of the plans and implementation of key and additional measures included in them (water safety plans, etc.).
7. Bolstering the supply of drinking water in new areas outside the company's traditional geographical remit.

This plan fosters the company's vision and mission of ensuring the long-term resilience of the water supply system, helping safeguard the environment for the benefit of society and the economy.

The table below shows the key projects which are included in the Business Plan for the Management - Distribution of water for water supply purposes within EYATH's remit and their estimated cost.

## 7.3 EYATH's 2018-2024 Investment Plan

Key projects in the Business Plan for the Management - Distribution of water for water supply purposes within EYATH's remit.

Area	Project	Cost (VAT excl.)	Remarks
Thermaikos, Mikra	Thermaikos, Mikra Phase A	€ 5,720,000	Φ800 transfer pipe
	Thermaikos, Mikra Phase B	€ 2,770,000	New pipe to Kalamaria to ensure future supply needs
Oreokastro	Oreokastro	€ 4,500,000	Oreokastro external water supply network
Low-lying zone	Low-lying water supply zone	€ 9,120,000	Kafkasos & Evangelistria zones, Strempeniotsi & Forest Theatre (Theatro Dassous) tanks, transmission pipelines and upgrade of Dendropotamos
	Construction of new central water transfer pipeline	€ 4,000,000	New Φ1300 transfer pipeline to replace existing one at 26th Oktovriou St.
Middle zone	Middle zone	€ 3,910,000	Neapoli, Vlatades, Saranda Ekklisies and Toumba zones, Neapoli and Vlatades tanks
Upper zone	Polichni	€ 2,460,000	Polichni and Meteora zones, Polichni tank
	Sykies	€ 2,120,000	Sykies and Eptapyrgio zones, Kastrá tank and pumping station
	Toumba, Pylea	€ 3,130,000	Toumba hill and Pylea zones, new Toumba tank, upgrade and extension to Toumba pumping station
Evosmos	Evosmos internal pipeline	€ 653,000	Improvement and addition to central internal pipeline
	Efkarpia tank	€ 800,000	
	Internal pipeline for the Nikopoli area etc. in the Municipality of Pavlos Melas	€ 1,000,000	Improvement and addition to central internal pipeline
Pefka, Hortiatís	Pefka, Asvestohori, Filyro, Exochi, Hortiatís	€ 4,300,000	Upgrade - construction of Vosnaki pumping station, construction of transfer pipelines to the Pefka and Filyro tanks
	Pefka internal pipeline	€ 250,000	Improvement of the Pefka internal pipeline
Kalamaria		€ 8,750,000	Improvement of the internal network - construction of tanks and pumping station
Panorama		€ 300,000	Improvement and additions to internal network
Maintenance of external aqueducts (Aravissos, etc.)		€ 8,000,000	This includes an estimate for repair of a small part of the major damage.
Preparation of designs		€ 2,361,320	
Supporting designs		€ 725,800	
Technical advisor for the development and implementation of the Plan		€ 1,000,000	
New tanks at the Thessaloniki water treatment plant		€ 3,000,000	Tanks 2 and 3
Total		€ 68,870,120	

## 7.4 IT Systems & Infrastructure Development Unit

To be able to comprehensively coordinate operational and technological modernisation of the company using ICT systems, an IT Systems & Infrastructure Development Unit was set up in 2017.

In October 2019 the Company's Board of Directors decided to change the Executive Unit's name to the Digital Transformation and IT Executive Unit, which was attached to the IT & Computing Department, to cover issues of digital transformation (design, implementation, monitoring) and innovation (monitoring developments in the sector and the market and implementing innovative solutions within EYATH's structures).

During 2019 the Unit oversaw and coordinated the following actions:

1. Coordinating the project to implement an integrated customer service and billing system: Finalising the special terms, publication and holding of the tender procedure.
2. Completing the project to develop the company's new website and introduce new online customer requests.
3. Planning and activating the call center project via a tender procedure.
4. Overseeing and managing actions to meet the requirements of the new EU GDPR.
5. Developing a personal data management system which includes, inter alia, a personal data protection policy, a website privacy policy, a customer information leaflet about the GDPR, personal data processing agreements with suppliers, etc.
6. Securing DPO services via a tender procedure.
7. Setting up and coordinating GDPR compliance teams within the company.
8. Finalising the special terms and tender procedure to replace / upgrade portable meter reading devices.
9. Participating in designing the project to digitise the entire company customer file.
10. Participating in the project design for the fault reporting centre - preparation of special terms and conditions.
11. Planning the project to secure EYATH's telecom services - preparation of special terms and conditions.
12. Planning, activating and managing actions to develop an integrated IT system and company infrastructure security system.
13. Exploring the potential for connecting EYATH systems to third party external systems to ensure
  - a) updates to customer data and
  - b) improvements in customer service.
14. Participating in planning and implementing actions to upgrade the company's water supply SCADA systems and sewerage SCADA systems.

In addition, in 2019 the action plan for preparation of the company's digital strategy and to identify digital transformation actions was examined and drawn up.



## 08 SHARES

- 8.1 Change in share capital
- 8.2 Share Capital Structure
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## 8.1 Change in Share Capital

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

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

The founding law (Law 2651/1998) required that the Institute of Certified Public Accountants undertake the task of valuing EYATH S.A.'s assets in order to determine its assets. In making that assessment it was considered that the Company was overvalued and in the interests of the prudence concept there was a 30% reduction in the value of fixed assets.

The new opening balance sheet dated 1.1.1999 showed EYATH S.A.'s share capital at €278,796,771.83, divided into 95,000,000 shares of €2.93 each, all of which were owned by the Greek State (Government Gazette 8174/A/5.9.2000, Societes Anonyms Bulletin). Following the transfer of assets to the body governed by public law, EYATH FIXED ASSETS, under Article 18 of Law 2937/26.7.2001, EYATH S.A.'s share capital stood at € 15,000,000 divided into 15,000,000 shares of € 1.00 each. A special reserve of € 263,796,771.83 (278,796,771.83 - -15,000,000) was created which was then reduced by the value of the assets transferred to EYATH FIXED ASSETS.

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

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

On 31-12-2001 the Greek State held 74.55% of EYATH S.A.'s 16,500,000 shares (or 12,300,000 shares) and other private and institutional investors held 25.45% (or 4,200,000 shares).

Then 6 months after EYATH S.A. was listed on the exchange, on 21.3.2002 the retention incentive specified in the listing prospectus took effect. 2 gratis shares for every 10 existing shares were provided to shareholders (other than institutional investors) who retained the

shares from the public offering for 6 months and so the Greek State had a 74.016% stake in the share capital and other institutional and private investors had a 25.84% stake.

The share's listing price on 21.9.2001 was € 3.94 but for comparative reasons regard has been had to the adjusted price which emerged following:

A) An increase in share capital due to capitalisation of reserves by introducing 1,500,000 new shares at the Extraordinary General Meeting on 30.12.2002 when it was decided to issue 1 gratis share for every 10 old shares.

On 29.12.2006 the Extraordinary General Meeting of Shareholders decided to increase the company's share capital by € 2,178,000 by capitalising the goodwill.

The share capital increase also entailed an increase in the nominal value of each share from € 1.00 to € 1.12 each.

Following this increase, Company share capital stood at € 20,328,000 divided into 18,150,000 ordinary registered shares with a nominal value of € 1.12 each.

B) The share capital increase decided on by the Extraordinary General Meeting of Shareholders held on 7.11.2007 done by capitalising taxed and undistributed profits, at a ratio of one new share for every existing share, by issuing 18,150,000 new shares with a nominal value of € 1.12 each, and gratis distribution of those shares to shareholders.

So the listing price taken into account hereinafter is €1.79 calculated using this formula:  $P_2 = P_1 \times M_1 / M_2 = 3.94 \times 16,500,000 / 36,300,000 = €1.79$   
Where P1: Listing price  
M1: No. of shares when listed on ATHEX

M2: Number of shares today.

So the Company's total share capital following the decision of the Extraordinary General Meeting of Shareholders of 7.11.2007 was € 40,656,000 divided into 36,300,000 ordinary registered shares of € 1.12 each.

## 8.2 Structure of the Company's Share Capital

The Company's Share Capital amounts to forty million six hundred and fifty six thousand euro (€40,656,000) divided into thirty six million three hundred thousand (36,300,000) ordinary registered 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 on the main market. The Company's shareholders rights arising from shares depend on the percentage of capital held which corresponds to the share's paid value.

Each share grants all the rights specified by law and the Company's Articles of Association and in particular:

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

35% of the net profits (having deducted the statutory reserve first) are distributed from the profits each fiscal year to shareholders as a first dividend, unless the General Meeting stipulates otherwise. The General Meeting also decides on whether to distribute any additional dividend. As regards the dividend of 2019, the distribution of a dividend of € 0.134/share was proposed, in order to avoid potential liquidity problems due to the major investment programme which the Company has under way. All persons who are shareholders 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 subscription of new shares.

- The right to receive a copy of the financial statements and reports of chartered auditors and the Company's Board of Directors.

- The right to participate in the General Meeting which consists of the following specific rights: legal standing, attendance, participation in discussions, submission of proposals on items on the agenda, entry of views in the minutes and voting rights.

- The General Meeting of the Company's shareholders shall retain all its rights during the period of liquidation.

Shareholders' liability is limited to the nominal value of the shares held.

## 8.3 Dividend Policy

Given that the Company is profitable, Management proposes that dividends equal to € 0.268 per share be distributed. More specifically, it is proposed that the dividend should amount to € 9.728 thous. for 2019, which is 70% of net profits having deducted the statutory reserve only, in accordance with the applicable law.

## 8.4 Shareholder's Rights

### A. General

The shares of this company are registered and blocked.

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

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

The Company's shares are freely negotiable.

The company's shares are transferred as stipulated by Law 4548/2018 and there are no limitations on transfer set out in its Articles of Association. Company shares are dematerialised and listed on the Athens Exchange. Article 18(8) of Law 2937/2001 (Government Gazette 169/26.7.2001) stated that, "the State may sell to investors shares representing up to 49% of the Company's share capital from time to time".

This paragraph was repealed with Article 2 of Law 4092/2012 which ratified the Legislative Act of 07.09.2012. The Extraordinary General Meeting of shareholders on 21.2.2013 then repealed the relevant provisions of Article 5 of the Company's Articles of Association.

The shares of this company are dematerialised.

The trading unit is a dematerialised certificate representing one share. Each share entitles its holder to one voting right. Company shareholders' liability to creditors is limited to the nominal value of the shares held. Shareholders participate in the management and

profits of the Company in accordance with law and the provisions of the Company's Articles of Association. The rights and obligations attached to each share are indivisible and are transferred to any successors or assigns of the shareholder.

### Other rights

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

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

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

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

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

#### Shareholder representatives

Shareholders may participate in the General Meeting and vote in person or via representatives. Any provisions of the Articles of Association which limit exercise of the shareholders' rights via a representative or the eligibility of persons who can be appointed as representatives are invalid.

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

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

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

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

- a) is a shareholder exercising control over the Company or is another legal person or entity controlled by such shareholder;

- b) is a member of the Board of Directors or the overall management body of the Company or shareholder exercising control over the Company or other legal person or entity controlled by a shareholder exercising control over the Company;

- c) is an employee or certified public accountant of the Company or a shareholder who controls the Company, or another legal person or entity controlled by the shareholder who controls the Company;

- d) is a spouse or first-degree relative to any of the natural persons set out in cases (a) to (c) above.

Shareholder representatives shall be appointed and removed in writing, such notice being sent to the Company in the same way, at least 48 hours before the date set for the General Meeting. A shareholder may appoint up to 3 representatives.

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

#### General Meeting and shareholder capacity

Any person who appears as a shareholder in the records of the body which holds the Company's shares (transferable securities) shall be entitled to participate in the General Meeting.

The capacity of shareholder shall be proven by furnishing the relevant written attestation of the above body or alternatively through direct electronic connection of the Company with the records of the said body.

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

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

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

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

#### B. Special shareholder or third party rights

## 8.4 Shareholder's Rights

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

### Minority shareholder rights

Codified Law 2190/1920, the amendments to Articles 47 and 49 of Law 3604/2017 and the new companies law (Law 4548/2018 on reform of the law of societies anonyme) grant a shareholder or shareholders acting jointly certain rights provided they constitute a minimum minority holding in the company's share capital.

The rights of minority shareholders are as follows:

1. If shareholders representing 1/20 of the paid-up share capital so request, the Board of Directors shall be required to call an Extraordinary General Meeting of shareholders, appointing a day for the same that shall not be more than 45 days after the date upon which the Chairman of the Board received such request.

The items on the agenda must be cited in the request. Where the General Meeting is not convened by the Board of Directors within 20 days from service of the request, it shall be convened by the applicant shareholders at the Company's expense by decision of a court whose judgment is handed down in line with the injunctive relief procedure. Such decision shall specify the place and time of the meeting and the items on the agenda. That decision may not be contested using judicial remedies. The Board of Directors shall convene the General Meeting in accordance with the general provisions.

2. On a request from shareholders representing 1/20 of the paid-up share capital the Board of Directors shall enter in the agenda of the General Meeting which has already been called additional items if that request arrives with the Board of Directors at least 15 days before the General Meeting.

The additional items shall be published or notified by the Board of Directors in line with Article 122 of Law 4548/2018 at least 7 days before the General Meeting. That application to have additional items included in the agenda shall be accompanied by the reasons for such inclusion or a draft decision for approval by the General Meeting and the revised agenda shall be published in the same manner as the previous agenda 13 days before the date of the General Meeting, and shall also be made available to shareholders on the Company's website, along with the reasoning or draft decision submitted by the shareholders, in accordance with the provisions of Article 123(4) of Law 4548/2018. If these

items are not published, the requesting shareholders may request postponement of the General Meeting in accordance with paragraph (5) and may proceed to publication themselves at company's cost, in line with the provisions of the second section of this paragraph.

3. Shareholders representing 1/20 of the paid-up share capital are entitled to submit draft decisions on items included in the original or any revised version of the agenda for the General Meeting.

The request must arrive with the Board of Directors at least 7 days before the date of the General Meeting and the drafts of decisions must be made available to shareholders at least 6 days before the date of the General Meeting.

4. The Board of Directors is not obliged to include items in the agenda or publish or disclose them along with the reasoning and drafts of decisions submitted to shareholders in accordance with the paragraphs above if the content thereof is obviously contrary to the law and moral conventions.

5. At the request of any shareholder(s) representing 1/20 of the paid-up share capital, the Chairman of the General Meeting shall postpone only once the adoption of decisions by the Ordinary or Extraordinary General Meeting for all or part of the agenda, setting as the date the meeting shall be resumed the one set out in the shareholders' request, which may not be more than 30 days from the date of the postponement. A postponed General Meeting which reconvenes shall be a continuation of the previous one and for this reason no repetition of the publication requirements is required and new shareholders may participate on condition that they comply with the participation formalities. In all other respects the provisions of Article 30(4) hereof shall apply.

6. On a request from any shareholder submitted to the company at least 5 whole days before the General Meeting the Board of Directors shall be obliged to provide the specific information requested to the General Meeting about company affairs to the extent that it is useful for a real assessment of the items on the agenda. The Board of Directors may provide a single reply to any shareholder requests having the same content. The obligation to provide information does not exist when the information requested is already available on the Company's website, especially in the form of questions and answers.

7. Moreover, on the request of shareholders representing 1/20 of the paid-up share capital the Board

of Directors shall be obliged to inform the Ordinary General Meeting only of the amounts paid over the last two years to each member of the Board of Directors or managers of the company and all benefits given to those persons on any ground or under any contract between them and the company. The Board of Directors may provide a single reply to any shareholder requests having the same content. In all the above cases the Board of Directors is entitled to refuse to provide such information on a serious, substantive ground which is cited in the minutes. Such ground may, under the circumstances, be representation of the applicant shareholders on the Board of Directors in line with Articles 79 or 80 of Law 4548/2018. 8. On a request from shareholders representing 1/10 of the paid-up share capital submitted to the company within the deadline specified in paragraph 6 hereof, the Board of Directors shall be obliged to provide the General Meeting with information about the progress of company affairs and its asset status. The Board of Directors may refuse to provide such information on a serious, substantive ground which shall be cited in the minutes. Such ground may, under the circumstances, be representation of the applicant shareholders on the Board of Directors in line with Articles 79 or 80 of Law 4548/2018, where the relevant members of the Board of Directors have taken adequate cognisance of these matters.

9. In the cases set out in paragraph 6, 7, and 8 of this Article, any dispute as to the validity of the Board's explanation of their refusal to provide the information requested shall be referred to the Single-Member Court of First Instance at the Company's seat and tried in line with the injunctive relief procedure. In the same judgement the court shall oblige the company to provide the information it refused to provide. That decision may not be contested using judicial remedies.

10. At the request of shareholders representing one twentieth (1/20) of paid up share capital, a vote on any matter(s) on the agenda of the General Meeting shall be carried out by roll call.

11. In all the above cases in this Article the applicant shareholders shall prove that they are shareholders and, apart from the cases in the first subparagraph of paragraph 6, the number of shares they hold when exercising their right. Shareholder status may be proven using all lawful means and in all events based on a notice the company receives from the central securities depository, where it provides registry services, or via participating and registered brokers at the central securities depository in all other cases.

#### Payment of Dividends

Provided a decision has been taken to distribute a dividend, it is to be paid to shareholders within two months from the date of the Ordinary General Meeting that approved the annual financial statements, in compliance with articles 5.2 & 5.5 of the new revised

ATHEX Rules. The method and date of payment must be notified to shareholders by notices or publications in the daily press. Dividends may be claimed within a period of 5 years from the end of the year in which the dividends became payable.

#### Taxation of dividends

Under the provisions of Article 24(1) of Law 4646/2019 (Government Gazette 201/A) which amend the provisions of Law 4172/2013 on the tax rate for dividends from distributed profits approved by General Meetings, a withholding tax at a rate of 5% is imposed on dividends distributed in tax years commencing from 1.1.2020. Under Article 65 of Law 4603/2019 (Government Gazette 48/A/19.3.2019) which amended the provisions of Law 4172/2013 on the tax rate for dividends from distributed profits approved by General Meetings, a withholding tax at a rate of 10% is imposed on dividends distributed in tax years commencing from 1.1.2019 onwards, and for tax years up to 2018 the provisions of Article 112(7), (8) and (11) of Law 4387/2016 (Government Gazette 85/A/12.5.2016) apply, which imposed a 15% withholding on dividends distributed.

## 8.5 Share's stock market performance

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

On 10.4.2007 it was upgraded to the high cap category (worth over € 100 million).

Since 2.6.2008 it has been included on the ATHEX General Index.

On 26.9.2008 it was included in the Mid40 Index.

On 29.5.2009 it was included in the MSCISmallCap Index.

On 23.3.2020 it was included in the FTSE/ATHEX High Dividend Yield Index.

On 23.3.2020 it was included in the ATHEX Select Plus Index.

On 31.12.2019 the company's share formed part of the following indexes:

i. General Index: Athens Exchange General Index

ii. DKO: FTSEX A PUBLIC UTILITIES

iii. DOM: Index featuring all shares on ATHEX

iv. HELMSI: Greek MID & SMALLCAP Index

v. GIOP General Index Overall Performance

## 8.6 Shareholder line-up

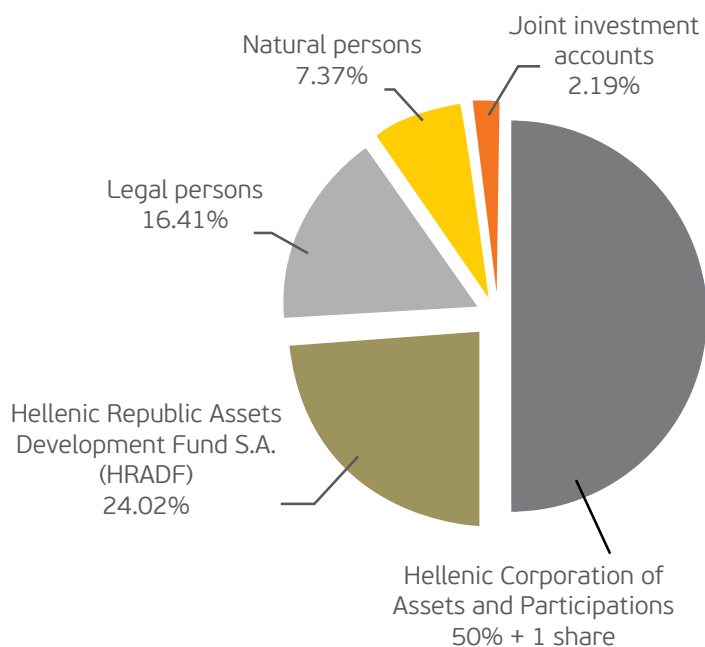
### SHAREHOLDINGS AT 31.12.2019

SHAREHOLDING BRACKETS	NO. OF SHAREHOLDERS	"NO. OF SHARES"	%
0<Shares<=100	462	23,389	0.06%
100<Shares<=1,000	1,238	584,005	1.61%
1,000<Shares<=10,000	600	1,764,626	4.86%
10,000<Shares<=100,000	83	2,229,944	6.14%
100,000<Shares<=1,000,000	14	2,847,166	7.84%
1,000,000<Shares	3	28,850,870	79.48%
<b>TOTAL:</b>	<b>2,400</b>	<b>36,300,000</b>	<b>100.00%</b>

### Shareholder line-up at 31-12-2019

Shareholders	as a % of shareholders	No. of shareholders	No. of shares
HELLENIC CORPORATION OF ASSETS AND PARTICIPATIONS (HCAP)	50% + 1 Share	1	18,150,001
HELLENIC REPUBLIC ASSETS DEVELOPMENT FUND S.A. (HRADF)	24.02%	1	8,717,999
Legal persons	16.41%	89	5,959,562
Natural persons	7.37%	1956	2,676,123
Joint investment accounts	2.19%	353	796,315
<b>Total:</b>	<b>100%</b>	<b>2,400</b>	<b>36,300,000</b>

## 8.6 Shareholder line-up



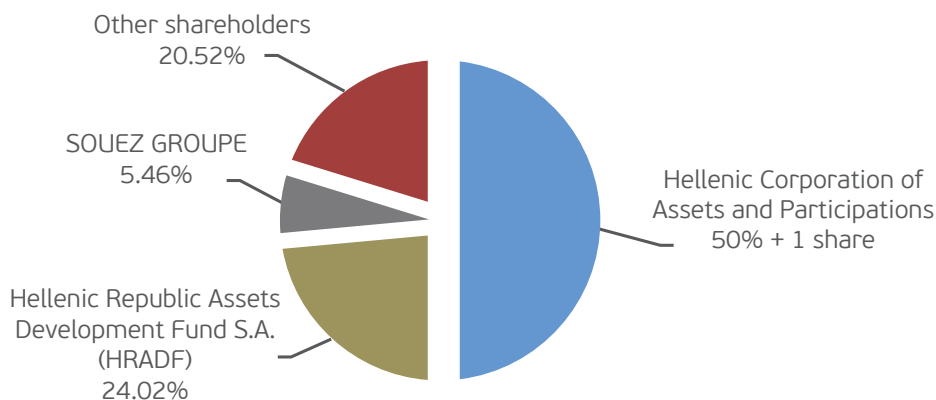
### Shareholder distribution

When one looks at the shareholder line-up of EYATH S.A. on 31.12.2019 and compares it with that on 31.12.2018, one can see that:

- HCAP is the main shareholder with 50% + 1 share.
- Hellenic Republic Asset Development Fund S.A. now holds 24.02%.
- The following are different: Changes have occurred with the other legal persons category, who are now 89, and their stake is now 16.41%.
- The holdings of individuals have risen from 7.25% to 7.37% (0.12%) and their number has risen by 38 from 1,918 shareholders on 31.12.2018 to 1,956 shareholders on 31.12.2019.
- On 31.12.2018 there were 304 joint investment accounts accounting for 2.41% of the capital and 874,134 shares, while on 31.12.2019 there were 353 of them accounting for 2.19% of the capital and 796,315 shares.

### Shareholders with more than 5% of the capital

Other than the Greek State which holds 74.02%, the French firm "SUEZ ENVIRONNEMENT" ([www.suez.com](http://www.suez.com)) holds 1,982,870 shares or a 5.46% stake.



## 8.7 Share technical data

TECHNICAL DATA CHART

	2019	2018
Number of shares	36,300,000	36,300,000
Free float	9,432,000	9,432,000
Share nominal value	€ 1.12	€ 1.12
Listing price	€ 1.79	€ 1.79
Highest price for year	€ 5.70	€5.22
Lowest price for year	€ 4.14	€4.00
Closing price on 31/12	€ 4.79	€ 4.44
EYATH S.A.'s stock exchange value on 31/12	€173,877,000	€ 161,172,000
Dividends	0.268*	€ 0.126

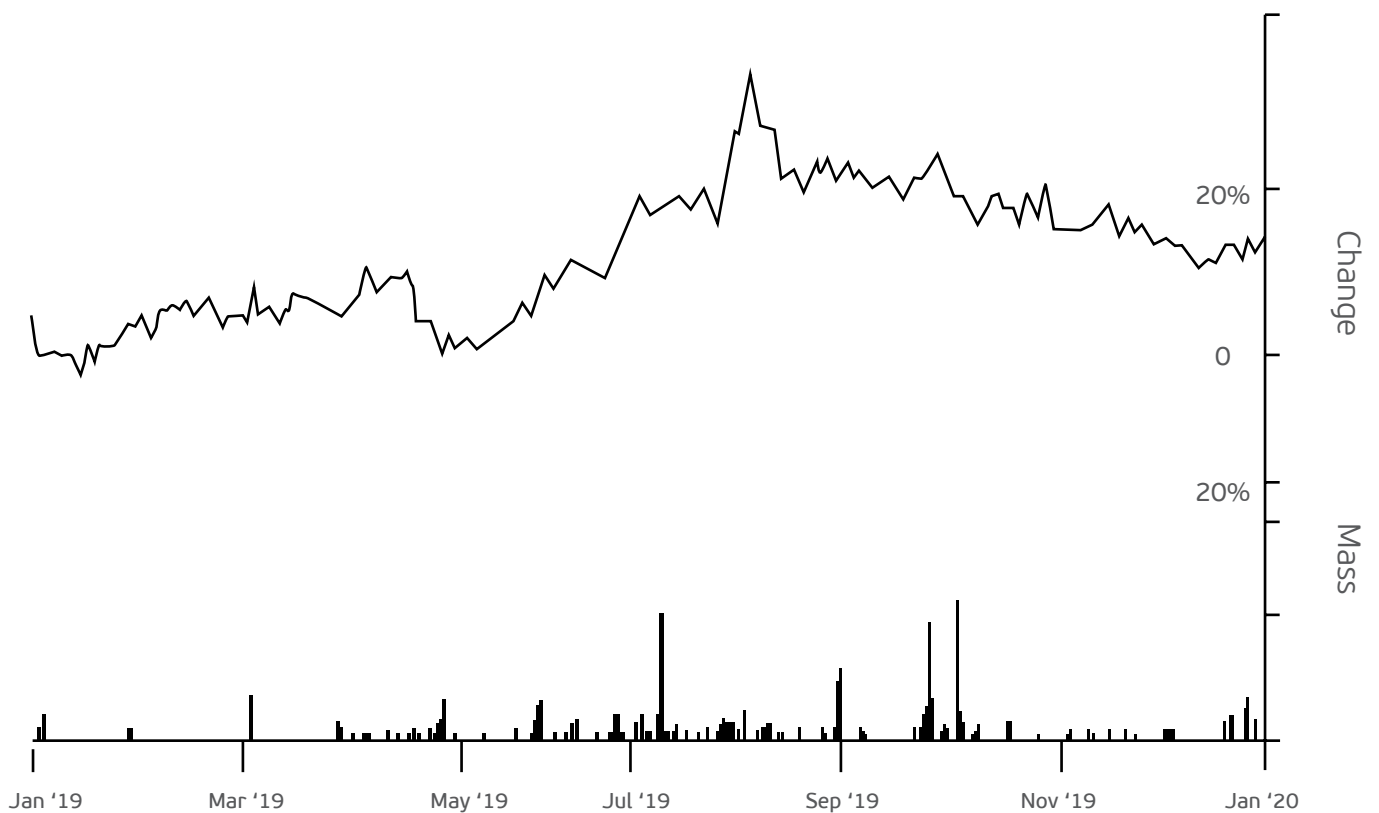
\* The figure of € 0.268 is the Board's recommendation to the General Meeting. The General Meeting of Shareholders is entitled to take a different decision.

The change in share prices at stock exchange sessions in 2019 is presented in the table below which shows the highs and lows:

months	"Value of Volume of Transactions"	"Max. price"	"Min. price"	"Closing price"
January	311,734.00	4.47	4.14	4.46
February	145,146.00	4.55	4.28	4.46
March	320,228.00	4.60	4.40	4.49
April	470,778.00	4.78	4.37	4.40
May	552,661.00	4.59	4.20	4.59
June	728,172.00	4.96	4.50	4.89
July	1,453,328.00	5.70	4.70	5.62
August	975,833.00	5.66	4.96	5.20
September	941,262.00	5.30	5.00	5.14
October	908,731.00	5.20	4.88	4.90
November	335,754.00	5.00	4.80	4.84
December	523,150.00	4.87	4.60	4.79
Total for year	7,666,777.00			

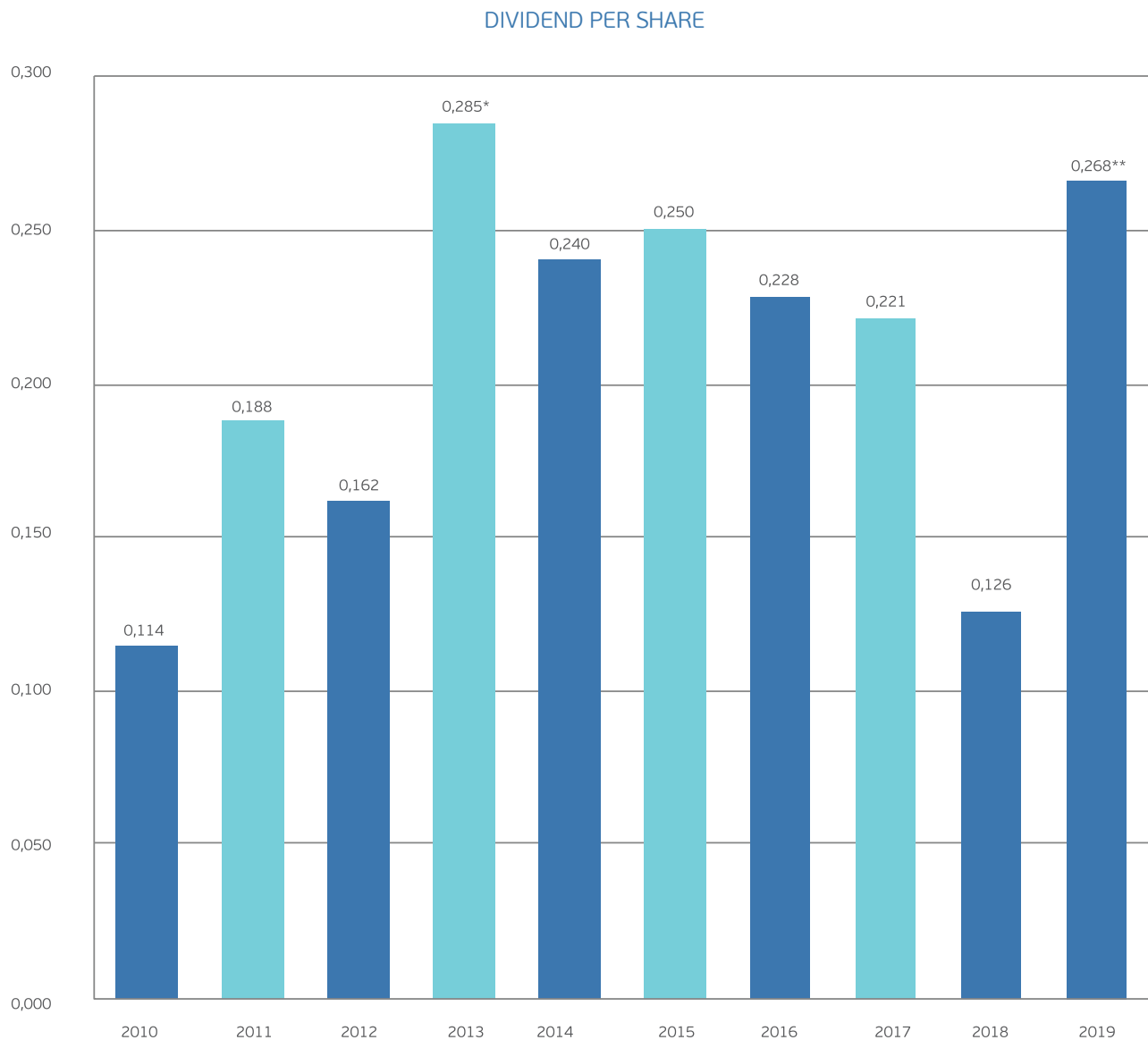
## 8.7 Share technical data

The chart showing the share's performance during 2019 is presented below:



Shareholders and investors interested in more information can contact the Shareholder Relations & Corporate Announcements Department at 127 Egnatia St., Thessaloniki, GR-54635 during working days and hours (contact Ms. Maria Samara, tel. 2310-966720).

## 8.8 Shareholder relations



Shares

\* The dividend includes:

- a dividend of €0.285/share for 2013,
- distribution of the untaxed reserve of €0.065/share,
- handing back of the unused part of funds raised (€ 0.10/share)

\*\* Proposed dividend, subject to approval by the General Meeting on 19.6.2020.



09

## ANNUAL FINANCIAL REPORT

ANNUAL FINANCIAL REPORT

for the period 1 January 2019 - 31 December 2019

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

General Commercial Reg. No. 58240404000

127 Egnatias St - 54635 Thessaloniki



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 “THES-SALONIKI WATER SUPPLY AND SEWERAGE CO. S.A.” on 21 May 2020 and has been published on the internet at [www.eyath.gr](http://www.eyath.gr).

**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:

Agis Papadopoulos, Chairman of the Board

Anthimos Amanatidis, CEO

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:

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

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. EΓA/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 m<sup>3</sup> 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 m<sup>3</sup>/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 m<sup>3</sup> 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, Efkarpia, Triandria, Eleftherio Kordelio, Evosmos, Stavroupoli, Panorama, Pylea, Oreokastro, Pefka, as well as the industrial area of Thessaloniki.

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

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

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

“**Region C**” includes the hill zone of the Thessaloniki urban area and includes the community of Pefka and the Districts of Asvestochori, Exochi, Filyro of the Municipality of 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

### 1.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.)

### 2.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.

### 3. 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 combatting 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 super-markets, 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

### 1. 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.

### 2. 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.

### 3. 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	
	01/01/2019 – 31/12/2019	01/01/2018 – 31/12/2018	01/01/2019 – 31/12/2019	01/01/2018 – 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.

	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%	+1
HRADF	8,717,999	24.02%	
SUEZ GROUPE	1,982,870	5.46%	
Other shareholders	7,449,130	20.52%	
<b>Total</b>	<b>36,300,000</b>	<b>100.00%</b>	

## 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](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. 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.

<b>Functioning of the Board: Special practice 6.1</b>	The internal regulations for EYATH's Board of Directors were approved by Board decision no. 402/2017.
<b>Board evaluation: Special practice 7.1 and Special practice 7.3</b>	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
<b>Board evaluation: Special practice 7.2</b>	Non-executive members do not convene periodically without the executive members being present in order to evaluate the performance of the executive members and discuss their remuneration. The remuneration of members of the Board of Directors is set by the General Meeting of Shareholders. The Board is evaluated by the General Meeting, however the Company will examine the possibility of developing procedures to enable the Board's operations to be evaluated.
<b>System of internal controls: Special practice 1.7</b>	In decision no. 45/2019 the Board of Directors approved the internal regulations of the Board's Audit Committee.
<b>Level and structure of remuneration: Special practice 1.1 and Special practice 1.10</b>	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.
<b>Level and structure of remuneration: Special practice 1.4</b>	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.
<b>Level and structure of remuneration: Special practice 1.6, Special practice 1.7, Special practice 1.8 and Special practice 1.9</b>	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:

1. Extension of the Company's effective term, transformation, merger or winding up.
2. amendment of the Articles of Association.
3. Share capital increases or decreases.

1. The election of members of the Board, auditors and valuers.
2. Approval of the annual financial statements.

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 to 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%
<b>Total</b>	<b>11</b>	<b>100%</b>

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

Senior Executives	No. of people	%
Men	8	73%
Women	3	27%
<b>Total</b>	<b>11</b>	<b>100%</b>

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

- Panagiotis Gogos, independent non-executive member and Chairman of the Audit Committee, economist

- Stefania Tanimanidou, independent non-executive member, economist
- 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

- Nikos Klitou, independent non-executive member and Chairman of the Audit Committee, economist
- Panagiotis Gogos, independent non-executive member, economist
- 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

- Nikos Klitou, independent non-executive member and Chairman of the Audit Committee, economist
- Panagiotis Gogos, independent non-executive member, economist
- 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:

1. 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.
2. monitor the financial reporting process and make recommendations or proposals to safeguard its integrity.
3. 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.
4. 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.
5. 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.
6. 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:

1. 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.
2. 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.
3. 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.
4. 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 anonyms 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.

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:

- The Board of Directors' Report includes the Corporate Governance Statement that provides the information required by the article 152, CL 4548/2018.
- 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.
- 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

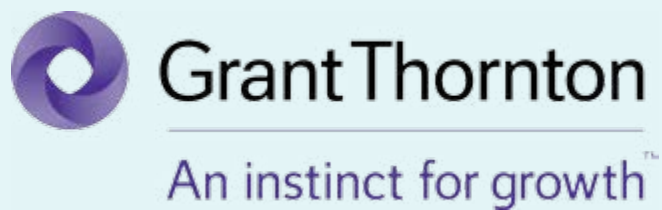
The Certified Public Accountants

Athanasia Arabatzi

Christos Vargemezis

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

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
<b>ASSETS</b>					
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
<b>TOTAL ASSETS</b>		<b>218,579</b>	<b>209,871</b>	<b>218,132</b>	<b>209,515</b>
<b>LIABILITIES</b>					
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
<b>TOTAL OWNERS' EQUITY AND LIABILITIES</b>		<b>218,579</b>	<b>209,871</b>	<b>218,132</b>	<b>209,515</b>

## 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 interest:		-	-	-	-
Earnings per share (in euro per share)	30	0.4038	0.3857	0.4033	0.3763
Basic					

## 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

## 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	
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)	
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	16	75,844	71,634	75,329	71,317

## 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. EFA/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
<b>ASSETS</b>								
Non-current assets								
Tangible assets	72,525	-	-	72,525	72,525	-	-	72,525
Intangible asse	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 as	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
<b>EQUITY &amp; LIABILITIES</b>								
Equity								
Share capit.	40,656	-	-	40,656	40,656	-	-	40,656
Premium on capital stock	2,830	-	-	2,830	2,830	-	-	2,830

Reserve:	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
Grant:	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	THE GROUP	THE COMPANY
Commitments from operating leases as at 31.12.2018	1,557	1,557
Short-term leases	(23)	(23)
Liabilities as at 1.1.2019 prior to discounting	1,534	1,534
Weighted average discounting rate on 1.1.2019	4%	4%
Lease liabilities as at 1.1.2019	1,283	1,283
Of which:		
Long-term lease liabilities	814	814
Short-term lease liabilities	469	469
Lease liabilities as at 1.1.2019	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 COMPANY S.A. (EYATH)	PARENT	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		Total	SHORT-TERM	LONG-TERM		Total
	Within 1 year	1 to 5 years	Over 5 years		Within 1 year	1 to 5 years	Over 5 years	
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
<b>Total</b>	<b>12,582</b>	<b>459</b>	<b>15,421</b>	<b>28,461</b>	<b>12,484</b>	<b>459</b>	<b>15,421</b>	<b>28,363</b>

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		Total	SHORT-TERM	LONG-TERM		Total
	Within 1 year	1 to 5 years	Over 5 years		Within 1 year	1 to 5 years	Over 5 years	
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
<b>Total</b>	<b>13,252</b>	<b>-</b>	<b>14,801</b>	<b>28,052</b>	<b>13,227</b>	<b>-</b>	<b>14,801</b>	<b>28,026</b>

### 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 11.3.5, 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		Group Total
	Provision of Water Supply Services	Provision of Sewerage Services	
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		Group Total
	Provision of Water Supply Services	Provision of Sewerage Services	
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		Group Total
	Provision of Water Supply Services	Provision of Sewerage Services	
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	1,206	2,114

Group data	Group data as at 31/12/2018		Group Total
	Provision of Water Supply Services	Provision of Sewerage Services	
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						Total
	Plots – lots	Buildings and building facilities	Machinery & Mechanical Installations	Transportation equipment	Furniture and other equipment	Fixed assets under construction	
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	65,898

	THE GROUP						Total
	Plots – lots	Buildings and building facilities	Machinery & Mechanical Installations	Transportation equipment	Furniture and other equipment	Fixed assets under construction	
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	3,706	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
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	65,898

	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.

Assets	Group		Fair value	THE COMPANY		Fair value scale
	31.12.2019	31.12.2018		31.12.2019	31.12.2018	
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
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 expense:	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

	THE GROUP		THE COMPANY	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Discount Rate	1.70%	2.00%	1.70%	2.00%
Inflation	2.00%	2.00%	2.00%	2.00%
		0% up to 2020		0% up to
Future increases of salaries	2.30%	and	2.30%	2020 and
		2.3%		2.3%
		thereafter		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:

Long-term provisions	Pending litigation	GROUP Provisions for contingencies & expenses	Total
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

Long-term provisions	Pending litigation	THE COMPANY Provisions for contingencies & expenses	Total
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:

Long-term provisions	Pending litigation	THE GROUP Provisions for contingencies & expenses	Total
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

Long-term provisions	Pending litigation	THE COMPANY Provisions for contingencies & expenses	Total
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:

	THE GROUP	THE COMPANY
Adjusted balance of lease liabilities as at 1.1.2019	1,283	1,283
Of which:		
Long-term lease liabilities	813	813
Short-term lease liabilities	469	469
Lease liabilities as at 1.1.2019	1,283	1,283
Lease repayments	(502)	(502)
Financial cost for period	30	30
Lease liabilities as at 31.12.2019	811	811
Of which:		
Long-term lease liabilities	469	469
Short-term lease liabilities	342	342
Lease liabilities as at 31.12.2019	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 SHORT-TERM 2019			THE COMPANY 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 SHORT-TERM 2018			THE COMPANY 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				
	Cost of Goods Sold	Selling & distribution expenses	Administrative expenses	Research & Development expenses	Total
for the period ended on 31/12/2019					
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 contingenci- other provision	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](http://www.eyath.gr)).





THESSALONIKI WATER SUPPLY & SEWERAGE Co. S.A.

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