



## **ANNUAL FINANCIAL REPORT**

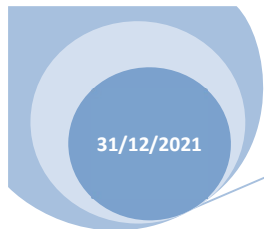
for the period 1 January 2021 - 31 December 2021

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

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

**General Commercial Reg. No. 58240404000**

**91, Tsimiski St - 54635 Thessaloniki**



31/12/2021

**ANNUAL FINANCIAL REPORT**  
for the period 1 January 2021 - 31 December 2021  
*(amounts in thousands of euro)*

**ANNUAL FINANCIAL REPORT**  
**FOR THE PERIOD 1 JANUARY 2021 - 31 DECEMBER 2021**  
**IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS**

It is confirmed that the attached annual financial report is the one approved by the Board of Directors of "THESSALONIKI WATER SUPPLY AND SEWERAGE CO. S.A." on 14 April 2022 and has been published on the internet at [www.eyath.gr](http://www.eyath.gr).

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**Statements by Board of Directors Members**  
[in accordance with Article 4(2) of Law 3556/2007]

The members of the Board of Directors of the company with the corporate name "**THESSALONIKI WATER SUPPLY AND SEWERAGE CO S.A.**", trading as EYATH S.A., whose registered offices are at 91 Tsimiski St., Thessaloniki, GR- 54635:

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

in implementation of the provisions of Article 4(2) of Law 3556/2007, hereby state and confirm, that to the best of our knowledge:

(a) the attached annual company and consolidated Financial statements for the company EYATH S.A. for the period from 1/1/2021 to 31/12/2021 which were prepared in accordance with the applicable IFRS accurately reflect the assets and liabilities, equity and results of EYATH S.A. and the enterprises included in the consolidation, taken as a whole, and

(b) the attached annual Report of the Board of Directors of the Company EYATH S.A. accurately reflects the developments, performance and position of the Company and the enterprises included in the consolidation, taken as a whole, including a description of the main risks and uncertainties they face.

Thessaloniki, 14 April 2022

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 2021 - 31 December 2021)

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 Management Report of the Board of Directors for the current period (1/1/2021-31/12/2021).

This report contains summary financial data about the financial position and results of the Company EYATH S.A. and the EYATH S.A. 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 Management 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 the companies "Thessaloniki Water Supply Organisation S.A." (OYTH S.A.) and "Thessaloniki Sewerage Organisation S.A." (OATH S.A.), which had been converted into societies anonyme during 1997, and (b) the subsidiary 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 Law 4548/2018 on societies anonyme, as well as the provisions of Law 2937/2001, Chapter II (Government Gazette 169/A) and Law 3016/2002, as amended by Article 26 of Law 3091/2002. The Company's effective term is 99 years from 3.11.1998, and expires on 3.11.2097. The original Articles of Association were approved by decision no. ΕΓΑ/606/26-7-2001 (Government Gazette 989/30-7-2001) and the company is entered in the Companies Register (Reg. No. 41913/06/B/98/32) and the General Electronic Commercial Registry (GCR) No. 58240404000. The Company's registered offices are in a leased building at 91 Tsimiski 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 1,750 km long sewerage network within its territorial remit (from the river Axios, the Municipalities of Delta and Halkidona, and the high areas of the Thessaloniki urban area to the Municipality of Thermaikos at the tourist areas). The Company has over 1,000,000 household connections (around 510,000 water supply connections and 60,000 sewerage connections). EYATH also helps with flood protection in the city of Thessaloniki following a framework agreement with the Central Macedonia Region, which along with the Municipalities of the urban area is responsible for designing, constructing and maintaining rainwater drainage works and flood protection works in general.

#### **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 € 73,626 thousand compared to € 71,911 thousand during the corresponding period last year, reflecting an increase of € 1,715 thousand or 2.38%. The increase in turnover was due both to the increase in revenues from providing sewerage services (+4.52%) and from providing water supply services (+1.28%).

The cost of sales was € 50,549 thousand compared to € 44,289 thousand in 2020, up € 6,260 thousand or 14.13%. The increase in the cost of sales is primarily due to the increased expenses from the contract to operate and maintain the Thessaloniki Waste Water Treatment Plant and secondarily to the increased cost of electricity. Consequently, Gross Profit in 2021 stood at € 23,077 thousand compared to € 27,622 thousand in the previous year, down € 4,545 thousand or 16.46%.

Other operating income stood at € 7,156 thousand compared to € 2,748 thousand in 2020, up by € 4,408 thousand or 160.42%, mainly due to the passing on of part of the output (electricity and natural gas) to the contractor of the above contract as well as due to the reduction of the provision for the pending litigation, resulting from the finalisation of a significant part of the cases in favour of the Group.

Group operating expenses stood at € 13,486 thousand compared to € 11,293 thousand in the comparator period, up € 2,193 thousand or 19.42% primarily due to the provision for bad debt made based on the requirements of IFRS 9, which was up € 912 thousand compared to the previous year. A further increase was due to the increase in the cost of electricity, third party fees and expenses and various other expenses.

Other operating expenses stood at € 1,383 thousand compared to € 2,715 thousand in 2020, down 49.06%, primarily due to the formation of significantly lower provisions for the Group's open litigation, and the absence of any provision for the removal of materials collected in grates compared to the comparator period.

As a result of the above, Group EBT was € 15,753 thousand compared to € 16,725 thousand during the corresponding period last year, down € 972 thousand or 5.81% approximately. Earnings After Tax in 2021 amounted to € 11,335 thousand compared to € 11,881 thousand in 2020, down € 545 thousand or 4.59%.

Group EBITDA during the current period amounted to € 20,971 thousand compared to € 22,607 thousand, a drop of € 1,636 thousand or 7.24%.

Finally, Group cash and cash equivalents at the end of the period on 31.12.2021 stood at € 91,305 thousand compared to € 81,916 thousand on 31.12.2020, an increase of € 9,388 thousand or 11.46%.

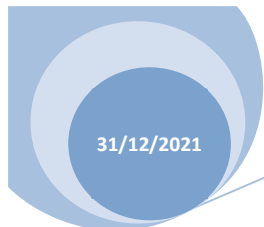
#### **ALTERNATIVE PERFORMANCE MEASURES ("APMs")**

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 operating expenses, and adding other operating income and total depreciation, and then dividing by turnover. These figures are used as shown in the financial statements, 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 operating expenses, and adding other 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 measure, 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:

	01/01/2021-31/12/2021	01/01/2020-31/12/2020	Deviation
PERFORMANCE AND PROFITABILITY RATIOS			
Gross Profit Margin	31.34%	38.41%	-7.07%

EBITDA Margin	28.48%	31.44%	-2.95%
EBIT	20.87%	22.75%	-1.89%
EBT Margin	21.40%	23.26%	-1.86%
EAT Margin	15.40%	16.52%	-1.13%
<b>INVESTMENT RATIOS</b>			
Earnings per share after tax	0.3123	0.3273	-4.59%
<b>LIQUIDITY RATIOS</b>			
	<b>31/12/2021</b>	<b>31/12/2020</b>	<b>Deviation</b>
General liquidity (Current assets / short-term liabilities)	8.30	11.13	-25.43%
<b>CAPITAL STRUCTURE &amp; VIABILITY RATIOS</b>			
Equity / Debt	482.40%	526.05%	-43.65%

## PRICING POLICY

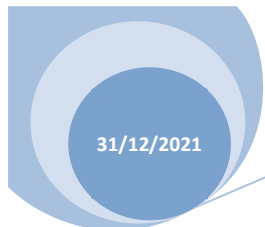
Decision no. 416/2011 of the Board of Directors set the Company's pricing policy for the 2012-2013 period, which was ratified with Joint Ministerial decision no. 4799/19-12-2012 (Government Gazette 3450/B/27-12-2012) of the Ministers of Finance and Macedonia-Thrace. That decision has remained in effect to this day following successive extensions.

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

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

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





## MAJOR EVENTS

### *Investment projects*

- During 2021 EYATH S.A. put the following works and design contracts out to tender via an open tender procedure:
- Contract entitled “First group of urgent sewerage works 2021”, with a budget of € 3.5 million (plus VAT).
- Contract entitled “First group of urgent water supply works 2021”, with a budget of € 3.0 million (plus VAT).
- Contract entitled “Maintenance of EYATH S.A. facilities in 2021” with a budget of € 900 thousand (plus VAT).
- Contract entitled “Repair of water supply network in the Rizia area of the Thessaloniki Industrial Area” with a budget of € 287.5 thousand (plus VAT).
- Study entitled “Final Design for Tanks D2a and D3a and the New Lime Saturation Sedimentation Tank at the Thessaloniki Water Treatment Plant” with a budget of € 1.4 million (plus VAT).

Moreover, in 2021 the tender procedure to select a contractor for the following works contracts was launched:

- Contract entitled “Repair and maintenance of the water supply network in Western Thessaloniki in 2020”, with a budget of € 2 million (plus VAT). The contract was signed on 23.3.2021.
- Contract entitled “Cancellation– Reconnection of water abstraction sites and replacement of water meters within EYATH S.A.'s territorial remit in 2020” with a budget of € 500 thousand. (plus VAT). The contract was signed on 14.5.2021.
- Contract entitled “Sewage treatment for wastewater in the Neokastro area, southeast of the village of Galini in the Municipality of Oreokastro”, with a budget of € 1.2. million (plus VAT). The contract was signed on 1.6.2021.
- Contract entitled “Upgrade of the EYATH S.A. Management Building at 127 Egnatias St.”, with a budget of € 5 million (plus VAT). The contract was signed on 15.6.2021.
- Contract entitled “Installation of the central control station for the new water supply SCADA” with a budget of € 185 thousand. (plus VAT). The contract was signed on 14.07.2021.
- Contract entitled "Construction of extension to the Thessaloniki Water Treatment Plant - Phase A2, with a budget of € 21.7 million (plus VAT). The validity of the tender procedure is currently being examined by the Council of State following applications for annulment filed by participants in the procedure. The contract is expected to be signed in 2022.

In November 2021, EYATH S.A. awarded a project contract entitled "Installation of central infrastructure works to install the security system for EYATH S.A.'s new water supply SCADA" with a budget of € 150 thousand (plus VAT).

In relation to contracts for the preparation of designs and provision of technical services:

- In January 2021, an additional 3rd Individual Agreement was signed with a contractual value of € 315,216.64 (VAT excl.) under the Framework Agreement entitled: "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 1.32 million €.
- During 2021 EYATH S.A. commenced the process of restoring operation of tank D5 located in the Municipality of Evosmos above the ring road. In the context of this procedure, companies with specialisation and years of experience in geotechnical surveys and reinforcement of reinforced concrete structures were assigned the task of preparing the following designs via the direct award procedure:
  - "Geotechnical survey and design to improve the foundations of tank D5" with a budget of € 27,500.00 (plus VAT). The contract was signed on 24.5.2021.
  - "Provision of Technical Advisor services for repair of damage to the load-bearing structure and reinforcement of foundations of water supply tank D5" with a budget of € 10,500.00 (plus VAT). The contract was signed on 24.5.2021.

The following contracts are currently under way:

"Operation and Maintenance of the Waste Water Treatment Plant in the Wider Thessaloniki Area"

During December 2020 the tender procedure No. Δ1/2016 for the "Operation and Maintenance of the Thessaloniki Wider Area Waste Water Treatment Plant" ended and a 5-year contract was signed with the contractor for the sum of € 42,087,089 which stated that in addition to more general effective operation, maintenance, sanitary monitoring and overall responsibility of the Thessaloniki Waste Water Treatment Plant, it also included: a) major additional maintenance works/repairs/upgrades/replacement/addition of equipment (additional operational interventions) and b) energy optimisation interventions for the facilities to reduce the Thessaloniki Wastewater Treatment Plant's energy footprint. It also includes the design, supply, installation and operation of a 1MW photovoltaic park.

"Operation of the Thessaloniki Water Treatment Plant"

As part of tender procedure No. 2B/2019 for the framework agreement on the "Operation of the Thessaloniki Water Treatment Plant", the procedure for concluding the 1st implementing agreement was completed and signed on 12.4.2021. A 10-month contract with contractor for a price of € 1,925,321 plus VAT was signed which states that in addition to general efficient operation, maintenance and overall responsibility of the Thessaloniki Water Treatment Plant, it also includes: a) a training course for EYATH staff and b) an upgrade to the Thessaloniki Water Treatment Plant's SCADA system.

In addition, in 2021 EYATH S.A. signed a MoU with HEDNO S.A. to collect and transfer high density data (in real time) via new HEDNO electrometers which will be generated using smart water meters which EYATH S.A. will install on the water supply network. EYATH S.A. has already signed a contract to supply eighty (80) smart water meters.

Lastly, in 2021, cases of extending sewerage networks with third parties assuming part of the cost were examined. These related to pipelines around 1.0 km long in various areas. Sewerage pipelines around 6 km long were rebuilt/replaced. New water supply pipelines around 12 km long were also relocated and built.

### ***Preparation of the first Sustainability Report***

The company drafted its 2019-2020 Sustainability Report, the first in its history. The report showcases its performance and initiatives on social, environmental, economic and corporate governance issues, in line with the guidelines for preparing GRI sustainability reports.

### ***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. Judgment No. 2623/2020 of the Thessaloniki Single-Member Court of First Instance and irrevocable judgment No. 1248/2021 of the Single-Member Court of Appeal rejected the main action which was heard on 2.4.2019 and accepted it on its alternative basis, and obliged the parent company, EYATH S.A., to pay dismissal compensation to contract staff.

The Annual Ordinary General Meeting of Shareholders of the subsidiary EYATH SERVICES S.A. was held on 14.7.2021 and approved the following items:

- Approval of the annual financial statements prepared in accordance with the IFRS, reports from the Board of Directors and the auditor for the accounting period (1.1.2020 to 31.12.2020).
- Approval of overall management of the Board of Directors for the accounting period 1.1.2020 - 31.12.2020 in accordance with Article 108 of Law 4548/2018 and release of auditors from liability in accordance with Article 117(1)(c) of Law 4548/2018.
- Approval of fees paid to the Chairman, CEO, members and secretary of the Board of Directors during 2020 and setting of fees for 2021.
- Selection of Auditing Firm and approval of its fee for statutory audit of the Annual Financial Statements and tax audit for the period 1.1.2021-31.12.2021.
- Amendment of Article 3 of the Articles of Association relating to the company's registered offices.

On 22.7.2021, the Board of Directors issued decision No. 004/21 in which it decided to change the address of the company's head offices from 127 Egnatias St. to the building at 91 Tsimiski St. and to conclude a private agreement relating to concession of areas on the 5<sup>th</sup> floor of that building by the parent company EYATH S.A.

The line-up of the Board of Directors of the subsidiary EYATH SERVICES S.A., as specified in Board Decision No. 001/2020 of 30.6.2020 is as follows:

- CHAIRMAN: Agis Papadopoulos, son of Michail, elected on 9.9.2019, whose term in office expires on 9.9.2022.
- CEO: Anthimos Amanatidis, son of Anastasios, elected on 26.6.2020, whose term in office expires on 26.6.2023.
- VICE CHAIRMAN: Sofia Ammanatidou, daughter of Ilias, elected on 26.6.2020, whose term in office expires on 26.6.2023.

- MEMBER: Katerina Tsikaloudaki, daughter of Georgios, elected on 26.6.2020, whose term in office expires on 26.6.2023.
- MEMBER: Parthena Theodoridou, daughter of Antonios, elected on 26.6.2020, whose term in office expires on 26.6.2023.
- MEMBER: Dimitris Alexandris, son of Georgios, elected on 9.9.2019, whose term in office expires on 9.9.2022.
- MEMBER: Despina Lemonidou, daughter of Iordanis, elected on 9.9.2019, whose term in office expires on 9.9.2022.

#### ***Participation in Public International Tender Procedure***

Decision No. 003/2020 of the Board of Directors taken on 6.8.2020 decided that EYATH Services S.A. would participate as a member of the grouping "INTRAKAT - SUEZ EAU FRANCE S.A.S - EYATH SERVICES S.A." in the public international tender procedure via the National Electronic Public Procurement System (ESIDIS) to award a public-private partnership agreement relating to: "IMPLEMENTATION OF THE HAVRIA HALKIDIKI DAM WATER TREATMENT PLANTS AND NETWORKS THROUGH PUBLIC-PRIVATE PARTNERSHIP - Phase I" announced by the MINISTRY OF INFRASTRUCTURE & TRANSPORT / GENERAL SECRETARIAT FOR INFRASTRUCTURE / DG HYDRAULIC, PORT AND BUILDING INFRASTRUCTURE / WATER SUPPLY, SEWERAGE & WASTEWATER TREATMENT PROJECTS DIRECTORATE (D18).

The total contractual duration of the project is 30 years and its budget is €86,321,000.00 (3 years) for construction and €80,496,000.00 for operation and maintenance (27 years).

The project award procedure includes two phases (A & B) of which phase B is divided into two stages (B.I & B.II). At present, having completed Phase I and in particular evaluation of the expression of interest dossiers submitted for the project to prequalify candidates, Phase II of the tender procedure is under way (since 7.12.2021) and in particular Stage B. I. - DIALOGUE.

#### ***Recruitment of new staff***

In implementation of Decision No. 794/2021 of the Board of Directors, in the context of tender notice No. ΣΟΧ1/2021, 10 successful secondary-education vehicle drivers were recruited on the basis of a fixed-term private law employment contract of 8 months.

By means of ASEP tender notice No. 10K/2021 (Government Gazette 60/ASEP Bulletin/27.11.2021) procedures were launched to fill forty-eight (48) posts with a private law open-ended employment contract for staff with university, technological and secondary educations in accordance with Article 28 of Law 4765/2021.

#### ***Annual General Meeting of Shareholders***

The Annual Ordinary General Meeting of Shareholders held on 1.6.2021 approved the following items by a majority:

- Approval of the Annual Financial Statements of the Company and the Consolidated Financial Statements of the Group prepared in accordance with International Financial Reporting Standards (IFRS) for 20<sup>th</sup> accounting period (1.1.2020 - 31.12.2020), the Annual Management Report of the Board of Directors and the Report of the Independent Certified Public Accountants thereon.

- Approval of overall management of the Board of Directors for the accounting period 1.1.2020 - 31.12.2020 in accordance with Article 108 of Law 4548/2018 and release of auditors from liability in accordance with Article 117(1)(c) of Law 4548/2018.
- Approval of distribution of dividends from profits for the 2020 accounting period to Company shareholders.
- Approval of the remuneration and compensation paid to the Board members for the accounting period 1.1.2020 - 31.12.2020, pursuant to the company's remuneration policy and the Report of the Remuneration Committee.
- Selection of Auditing Firm and approval of its fee for the auditing of the Annual Financial Statements, the Report on Review of the Interim Condensed Six-Month Financial Statements and issuing of a Tax Certificate, for the accounting period 1.1.2021 - 31.12.2021.
- Approval of the suitability policy for prospective Board members.
- Approval of the amendments to the Company's Articles of Association.
- Authorising the members of the Board of Directors of the Company and the executives of the Company's Divisions to participate in the Boards of Directors or in the management of other related parties in accordance with IAS 24, and legal persons controlled by them in accordance with IAS 24.

### ***Changes to the Board of Directors***

The Board of Directors officially met on 23.6.2020 following decision no. 367/2020 and was officially constituted with the line-up below:

- Agis Papadopoulos, son of Michail, Chairman, non-executive member. Elected on 2.8.2019. Term in office ends on: 1.8.2023.
- Anthimos Amanatidis, son of Anastasios, CEO, Executive Member. Elected on 30.4.2020. Term in office ends on: 29.4.2024.
- Grigorios Penelis, son of Georgios, Vice Chairman, independent non-executive member. Elected on 21.2.2019. Term in office ends on: 20.2.2023.
- Theodoros Koulouris, son of Nikiforos, Executive Member. Elected on: 27.8.2019. Term in office ends on: 26.8.2023.
- Nikos Klitou, son of Konstantinos, 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, non-executive member. Elected on 30.4.2020. Term in office ends on: 29.4.2024.
- Sofia Ammanatidou, daughter of Ilias (independent) non-executive member. Elected on 30.4.2020. Term in office ends on: 29.4.2024.
- Katerina Tsikaloudaki, daughter of Georgios, non-executive member. Elected on 30.4.2020. Term in office ends on: 29.4.2024.
- Maria Petala, daughter of Dimitrios, (independent) non-executive member. Elected on 30.4.2020. Term in office ends on: 29.4.2024.
- Georgios Archontopoulos, son of Savvas, employee representative, non-executive member. Elected on 19.6.2020. Term in office ends on: 18.6.2024.
- Ioannis Mitziias, son of Konstantinos, employee representative, non-executive member. Elected on 19.6.2020. Term in office ends on: 18.6.2024.
- The Board of Directors had the same line-up on 1.1.2021.
- By means of Decision No. 501/2021, the Board of Directors accepted the resignation of Mr. Georgios Satlas from his position as a member of the Board of EYATH S.A.
- By means of Decision No. 681/2021, the Board of Directors decided to appoint Mr. Dimitrios Konstantakopoulos as a non-executive member of the Board of Directors of EYATH S.A.

Consequently, on 31.12.2021, the line-up of the Board of Directors was as follows:

- Agis Papadopoulos, son of Michail, Chairman, non-executive member. Elected on 2.8.2019. Term in office ends on: 1.8.2023.
- Anthimos Amanatidis, son of Anastasios, CEO, Executive Member. Elected on 30.4.2020. Term in office ends on: 29.4.2024.
- Grigorios Penelis, son of Georgios, Vice Chairman, independent non-executive member. Elected on 21.2.2019. Term in office ends on: 20.2.2023.
- Theodoros Koulouris, son of Nikiforos, Executive Member. Elected on: 27.8.2019. Term in office ends on: 26.8.2023.
- Nikolaos Klitou, son of Konstantinos, independent non-executive member, Chairman of the Audit Committee. Elected on 21.2.2019. Term in office ends on: 20.2.2023.
- Dimitrios Konstantakopoulos, son of Grigorios, non-executive member. Elected on 16.12.2021. Term in office ends on: 29.4.2024.
- Sofia Ammanatidou, daughter of Ilias (independent) non-executive member. Elected on 30.4.2020. Term in office ends on: 29.4.2024.
- Katerina Tsikaloudaki, daughter of Georgios, non-executive member. Elected on 30.4.2020. Term in office ends on: 29.4.2024.
- Maria Petala, daughter of Dimitrios, (independent) non-executive member. Elected on 30.4.2020. Term in office ends on: 29.4.2024.
- Georgios Archontopoulos, son of Savvas, employee representative, non-executive member. Elected on 19.6.2020. Term in office ends on: 18.6.2024.
- Ioannis Mitziias, son of Konstantinos, employee representative, non-executive member. Elected on 19.6.2020. Term in office ends on: 18.6.2024.

#### ***Change in address of head offices***

Due to the necessary upgrade works, Decision No. 348/2021 of the Board of Directors issued on 24.6.2021 decided to transfer the company's registered offices from the building at 127 Egnatias St. in the Municipality of Thessaloniki to the leased building at 91 Tsimiski St. in the Municipality of Thessaloniki.

#### ***Coronavirus (COVID-19)***

The outbreak of coronavirus (Covid-19) at the start of 2020 and the spread of the pandemic to date have brought major changes in how global supply and demand fluctuates, making the macroeconomic environment more difficult at both global and local level.

EYATH S.A.'s financial data, after a series of estimates and analyses during the reporting period, only appears to have fluctuated slightly, without there being any major impact from the public health crisis on the company's business activities and liquidity. Despite that, Management continues to monitor developments carefully so that it can immediately respond to the requirements of the global and domestic environment, based on the major checks and balances it has in place, such as the significant level of cash assets and the general lack of borrowing.

In addition, building on its initial focus on combating the health crisis, motivated by its desire to safeguard its employees and consumers, EYATH S.A. is in constant contact with the National Public Health Organisation (EODY) on issues relating to coronavirus, so that it can immediately receive all instructions and take measures relating to the protection and safety of staff and the general public.

#### **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.

As part of its drive to look outward, EYATH S.A. through its subsidiary EYATH Services S.A., signed a contract in September 2021 to provide technical advice on the techno-economic assessment of various alternative methods for managing wastewater for the Paralimni Sewerage Council (SAP) and for preparing an assessment report.

EYATH S.A.'s special features, such as the natural monopoly it has, its strong cash flow situation, zero borrowing, and its business and investment plan, 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. This contract expired in March 2021 and a new contract with a budget of € 3 million was signed with a duration of 2 years starting on 1.5.2021. It is currently being implemented.

### ***Strategic and Business Plan***

An exceptionally ambitious investment plan worth around € 175 million was prepared by EYATH S.A. in partnership between Management and specialists within the Company and is currently being implemented. It includes, *inter alia*, 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 € 21.7 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 with a budget of € 3.35 million (plus VAT), upgrade of the SCADA system for the sewerage network with a budget of € 1.4 million (plus VAT), the framework agreement to improve and repair the Aravissos aqueduct 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), replacement of water meters, extension of the water supply network into new areas and others. As far as the project to improve and repair the Aravissos aqueduct is concerned, implementation of the project commenced in June 2020 and will continue in line with the schedule which has been prepared.

To help implement its Strategic Plan, framework agreements are in place relating to the provision of technical advisor support services and the preparation of support studies (geological, geotechnical and environmental studies) for a total estimated fee of € 2.05 million (plus VAT).



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, through 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 mainly 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 technical and economic 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. Today, the Company is installing PV systems by implementing net metering at 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.

The Company's Strategic and Business Plan is being implemented gradually.

### ***Investments in the sewerage sector***

The following contracts are currently under way:

A) "Works to complete connection of the Thessaloniki low-lying areas" which consists of 5 individual sub-projects within the area in which EYATH S.A. operates. The five (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 grade-separated 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.

B) "Sewerage works to upgrade pumping stations, discharge pipes, a coastal collection pipeline and the Aeneia Waste Water Treatment Plant 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, and to upgrade pumping station



A17 at Finikas, while the reconstruction of the central sewerage pipeline for the Aeneia Waste Water Treatment Plant has already been completed.

C) "Sewerage treatment for wastewater in the Neokastro area, southeast of the village of Galini in the Municipality of Oreokastro", relating to implementation of the sewerage works in the Neokastro area, southeast of the village of Galini in the Municipality of Oreokastro.

D) "First group of urgent sewerage works 2020" which relates to the carrying out of emergency sewerage works (construction of sections of open or closed pipes, construction of access and water collection shafts, etc.), construction of private branch lines to connect properties to the network of sewers, and construction of extensions to the sewerage network including and involving third parties in the cost of such works.

E) "First group of urgent sewerage works 2021" which relates to the carrying out of emergency sewerage works (construction of sections of open or closed pipes, construction of access and water collection shafts, etc.), construction of private branch lines to connect properties to the network of sewers, and construction of extensions to the sewerage network including and involving third parties in the cost of such works.

Moreover, amendments to the Special Sewerage Regulations were completed in 2021.

#### ***Investments in the water supply sector***

The following contracts are currently under way:

A) 2<sup>nd</sup> & 3<sup>rd</sup> Individual (implementing) agreements for the Framework Agreement entitled: "FRAMEWORK AGREEMENT TO REINFORCE - REPAIR THE ARAVISSOS AQUEDUCT" which includes works to improve and repair the Aravissos aqueduct comprised of pre-fabricated concrete pipes Ø165cm and 6.0 m long,

B) "First group of urgent water supply works 2018" whose scope was to carry out urgent water supply works (replacement of pipes and valves, renovations and repairs to the network, lowering and relocation of pipes, removal of old pipes, construction of technical works in the network and on external aqueducts, etc.), construction of branches - extensions to the water supply network and work to add more - replace valves in areas where EYATH S.A. operates.

C) "First group of urgent water supply works 2019" whose scope was to replace / reinstall water supply pipes and valves, renovate and repair the water supply network, lower and relocate pipes, remove old pipes, build pumping stations, water supply shafts and other works (such as PPC meter posts to implement the new SCADA) using reinforced concrete, technical works in the network area and on external aqueducts and to build extensions and junctions which are necessary to supply water to properties in the city.

D) "First group of urgent water supply works 2021" whose scope is to install water supply pipes in areas where EYATH S.A. operates. It also includes replacing, reinstalling water supply pipes and valves, renovating and repairing the water supply network, lowering and relocating pipes, removing old pipes, building pumping stations, huts, water supply shafts and other technical works made of reinforced concrete (e.g. PPC meter posts, etc.) in the area of the network and external aqueducts and construction of extensions and branches which are necessary to supply water to city properties. Moreover, the works also include construction of around 150 shafts and huts made of reinforced concrete to install devices and equipment necessary to remotely control and automate the water supply system within EYATH S.A.'s remit. The shafts and huts will be built at the local control stations for the new remote control and automation system for the water supply network, which is currently being installed and financed by the Central Macedonia Region as part of the 2014-2020 NSRF programme.

E) Rehabilitation of part of the drinking water network at the Thessaloniki Industrial Area using non-excavation technology which seeks to rehabilitate part of the EYATH S.A. drinking water network, namely a water supply pipe around 250 m long, which has constant leaks in the Rizia area of the Thessaloniki Industrial Area. This will be done by using non-excavation technology.

### ***Other Investments***

The following contracts are currently under way:

A) "Upgrade of EYATH S.A.'s management building at 127 Egnatias St." which relates to the overall upgrade of EYATH S.A.'s management building. More specifically:

- (a) Improvement of the building's load-bearing capacity and harmonisation with the applicable regulations (on earthquake protection, reinforced concrete, etc.).
- (b) Energy improvements to the building in line with the specifications in the Building Energy Performance Regulations. Full refurbishment of building façades.
- (c) Full reconfiguration of indoor areas in line with new circumstances in terms of staff allocation and the type of uses.
- (d) Adaptation of the building to bring it into line with the applicable provisions of the Building Fire Protection Regulations (Presidential Decree 41/2018, Government Gazette 80/A/7.5.2018).
- (e) Full renovation so that the building can be upgraded to a state-of-the-art high-spec office building. All building and electromechanical elements in the building will be fully removed and rebuilt.
- (f) Preparing a Final Design and implementation design and all manner of supplementary designs and studies for construction of the said projects.

Moreover, the scope of this contract also includes all works or supplies and installation of equipment which are necessary for integrated construction, and flawless and efficient operation of the Project.

### ***Functional and technological modernisation***

During 2021 steps were taken to evaluate and update the tender documents to implement a new integrated customer service and billing information system. Since the end of 2021 to the present day steps have been taken to explore extending the scope of the tender procedure to cover additional company business sectors.

In the meantime, until EYATH S.A.'s new IT system has been implemented. During 2021 a project was launched to develop a customer e-service portal which interfaces with EYATH S.A.'s existing ERP (solution II), and to upgrade the company's payment system, which is expected to be completed in the autumn of 2022.

### ***EYATH S.A.'s digital transformation***

EYATH S.A.'s digital transformation is vital for improving its efficiency and competitiveness in a constantly changing technological environment. In order to achieve the goal of digital transformation, a digital strategy with clear priorities and milestones is needed, based on current developments and looking to tomorrow, and taking into account the overriding objective of providing better services to citizens. To that end, a recommendation was submitted to prepare a Digital Strategy.

At the same time, the following actions were taken:

- The technical specifications and budget for the project to implement a new Integrated Customer Service and Pricing System for EYATH S.A. were re-evaluated by examining the SaaS, IaaS and PaaS models.
- A tender procedure was launched and the project initiated at once to immediately improve and upgrade e-services to consumers to ensure more direct service, to modernise the Company's e-payment system, and to develop a web-based centralised customer application platform to remotely service them, while maintaining the existing central customer IT system (the customer portal project).
- A digital strategy plan and digital transformation project plan were prepared.
- Technical specifications were prepared and a tender procedure was launched to digitise the entire Company customer file taking into account the needs of the Customer Service Division.
- Further improvement of e-services provided on the Company's website.
- Four (4) communications campaigns were run by the Company using new digital communication channels (Viber, SMS, email) and collection / utilisation of conclusions.
- A tender procedure was held and then a project was launched to redesign internal correspondence management and document dispatch procedures and to procure and design the installation and commissioning of an IT system to that end.
- Technical specifications were drawn up and a tender procedure was launched to improve the level of phone and online customer service (switchboard) by incorporating new digital tools.
- The approved digital signature application for Company management and other executives was extended.
- Steps were taken to ensure central printing services at EYATH S.A.'s customer service facilities at Angelaki St. and Vardaris.

#### ***Information System Security and Personal Data Protection***

Acknowledging the criticality of the security of its IT systems and the even more urgent requirements brought by the Ministerial Decision (1027, 8/10/2019) on the security of network and information systems for critical infrastructures [NIS Directive (EU) 2016/1148], the Company has taken a number of steps from October 2019 to date to protect the organisation from possible cyber threats: During 2021 the following steps were taken:

- Renewal of cybersecurity contract until June 2022.
- In April 2021 the distance learning course about the NIS Directive and the Company's security policies for all staff was completed.
- Internal security control services were performed and completed via internal penetration testing conducted in January 2021.
- A 24/7 service to monitor and handle cybersecurity incidents was activated in February 2021.
- The project "Evaluation of the security of the Company's existing SCADA and IT systems and development of a Roadmap to fill identified gaps" was completed in December 2021.
- Preparation and distribution of documents entitled "Update and acceptance of the Company's Security Policy" and "Confidentiality Agreement" which were distributed in December 2021 by the HR Department to all employees to be signed.

At the same time, the GDPR compliance system was further improved/updated by preparing 11 new policies to protect the personal data of both customers and employees of EYATH S.A. In addition, the Company's GDPR compliance coordination team was updated, and the personal data protection coordinators team (who are the points of contact in each Division in relation to GDPR) was trained remotely.

### ***IT actions***

The following steps were taken to support these actions in the IT sector:

- Implementing web applications to meet the Company's internal needs.
- Use of interfaces between EYATH S.A. and external third party systems to improve customer service.
- Extended application of the remote work model (teleworking -- tele-training) using modern methods:
  - Procuring the relevant IT terminal equipment for users
  - Ensuring the necessary web-based secure access services
  - Procurement of relevant teleconferencing software d) User support
  - Improving central internet access to the EYATH S.A. Management Building
- Coordination and organisation of transportation of IT infrastructure for the administration building from 127 Egnatias St. to 91 Tsimiski St.  
Design and implementation of a paperless office digital document management project.
- Upgrading backup systems.
- Upgrading network infrastructure (wireless network in decentralised areas of the company, upgrading and ensuring top class network services.
- Ensuring a fibre optic network ring at the company's head offices to further improve network interconnection services for the company's IT systems.
- Provision of collocation services for the company's central servers and integration into the central fibre optic ring as part of the renovation of the management building at 127 Egnatias St. and the adoption of modern server business models.
- Ensuring the supply and installation of an electronic signature system for consumers and face-to-face service.
- Implementation of the e-books service based on instructions from the Independent Authority for Public Revenue.
- Procurement of equipment, infrastructure and application for controlling the physical access of tankers to the Waste Water Treatment Facilities.

### ***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. During 2021 we added many additional application forms that customers can submit online without having to visit EYATH S.A.'s offices. Development of EYATH's new IT System will also include an e-services platform which will allow all user requests to be handled electronically using login credentials.

In addition, after a tender procedure during 2021 further improvements were made to the phone and online customer service provided by the Company by implementing an integrated service for receiving,

recording and managing customer phone and online requests via the website or email by ensuring a relevant service.

A contract is under way to procure, configure and commission a web customer portal application which is intended to:

1. Modernise the company's e-payments system by redesigning and re-deploying it.
2. Develop a web platform for customer applications to enable them to do things remotely.
3. Develop a mobile application.

### ***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 remote control/remote operation system (SCADA). 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 system 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 procedure to select a contractor and sign the relevant contract was completed in 2019 with the relevant contract being signed on 17.12.2019, for a total award of € 2,434,777.00 plus VAT. The expenditure is covered by the relevant NSRF programme of the Central Macedonia Region. Projects are progressing based on the time frame prepared. Installation of the remote control and automation system at EYATH's water supply facilities continues as normal to this day. When the implementation schedule for the contract entered into on 16.12.2021 is amended, the project is expected to be completed on 31.5.2023.

### ***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 tender procedure to select a contractor was completed in 2021 and the contract is expected to be signed in 2022.

### ***Pilot projects***

- Pilot digitisation of the customer archives was completed. Moreover, the preparation of technical specifications and other technical requirements for a tender procedure to digitise the overall customer archives was completed and a recommendation on this matter was submitted in July 2020 by the Digital Transformation & IT Division. following a previous recommendation made in September 2019 by the team established for this purpose, taking into account the more recent discussions which took place in the meantime with the new Consumers Division.

- 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.
- A system to remotely monitor consumption at Aristotle University of Thessaloniki (AUTH) water meters has been installed, maintained and operated.

It relates to the 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. Installation of that system was completed in 2019. In March 2020, the contract to maintain and operate the AUTH Water Meters Remote Monitoring and Consumption Management System was renewed for 2 years. This contract has a budget of around € 12,000 and will be completed in March 2022.

Implementing its scope 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.

#### ***Interconnection of technical information (GIS) and commercial information (ERP) systems***

The water supply customer database is being corrected based on the standardisation provided by the GIS database to allow consumption to be automatically interconnected to the GIS (hydraulic modelling).

#### ***EYATH S.A. pilot fleet management application***

The Geoinformatics, Surveying & Hydraulic Modelling Department undertook in-house pilot development and operation of company vehicle monitoring technology. The project included configuring hardware devices (servers, gps devices, sim cards), their interface software and developing a vehicle management platform by the competent employees of the company.

The objective of the project is to more effectively manage vehicles and works done by company employees, by integrating and combining vehicle monitoring with existing GIS technologies implemented by the company (monitoring network and fault management) based exclusively on the know-how of its staff (implementation using in-house technology).

By implementing the project the company optimises times, costs and procedures with the overriding benefit of providing more efficient services, reduced response times and costs.

#### ***Hydraulic Modelling***

- Creation of integrated infrastructure for 3 EYATH S.A. pilot district metering areas (DMAs) (PANORAMA GYMNASIUM, EFKARPIA & EVANGELISTRIA) to systematically check, record, monitor and manage water, and to measure and manage water consumption.
- Preliminary processes are still under way with project technical specifications currently being prepared.
- A hydraulic simulation of the three (3) sub-zones has been carried out (without adjusting/calibrating them to actual data).

Implementation of an integrated hydraulic simulation study for a pilot basin for EYATH S.A.'s sewerage system in the Panorama Municipal Unit area, which includes:

- hydraulic simulation of the existing sewerage network in dry and wet weather;

- adjusting/calibrating the hydraulic model with reliable rainfall and flow data. To this end, two rain meters and a flowmeter with suitable technical characteristics have been installed in the selected pilot basin.

### ***Preparing a Property Register***

To ensure optimal management and utilisation of the Company's water supply and sewerage facilities, a comprehensive property register is being prepared, reviewed and updated.

To ensure that the register is as up-to-date as possible, the first and second sets of diagrams have been prepared or updated, primarily for water supply SCADA purposes and for work at sewerage pumping stations in tourist areas. The third set of diagrams is currently in preparation.

Lastly, after the ownership regime audit was completed in the context of first posting of the National Cadastre's KT1-19 study (Sindos, Kalohori, Gefyra, etc.) which investigated the ownership regime of 149 company facilities, the necessary steps were taken to EYATH Fixed Assets to correct and supplement errors and omissions.

### ***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, Ambelokipi - Menemeni, Kalamaria, Neapoli - Sykies, Pavlos Melas, Kordelio - Evosmos, Panorama, Pylea - Hortiati, Oreokastro and the Thessaloniki Industrial Area.

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

"**Region A**" includes the Municipalities of Thessaloniki, Ambelokipi - Menemeni, Kalamaria, Neapoli - Sykies, Pavlos Melas, Kordelio - Evosmos, Pylea - Hortiati, Oreokastro in the districts of Ionia and Kalohori of the Municipality of Delta.

"**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 Delta, the districts of Agios Athanasios, Anchialos, Gefyra of the Municipality of Halkidona and the districts of Halastra and Anatoliko of the Municipality of Delta.

"**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 Pylea-Hortiatis.

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

"**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, Nea Michaniona, Emvolo and Angelohori in the Municipality of Thermaikos.

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 € 177 thousand on R&D expenses which related primarily to staff salaries for their participation in research activities and third party fees and expenses for a research programme to use satellites to detect hydrocarbons.

On 1.1.2021 a third research project was launched as part of the European R&D Funding Programme, Horizon 2020, for EYATH entitled: "Copernicus Assisted Lake Water Quality Emergency Monitoring Service" (abbreviated as WQeMS). The project's total budget is € 1,499,506 and EYATH S.A.'s budget is € 56,250, 100% of which will be financed by the EU (EU funding: € 56,250).

Moreover, in 2021 the Company continued to participate in two current research projects under the same R&D Funding Programme, Horizon 2020:

- "Pathogen Contamination Emergency Response Technologies" (PathoCERT), and its general objective is to strengthen the coordination capability of all First Responders in dealing with cases of water contamination caused by pathogens. The project's total budget is € 7.2 million and EYATH S.A.'s contribution to the budget is € 154 thousand, of which 70% will be financed by the European Union (funding: € 154 thousand).
- "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 thousand, of which 70% will be financed by the European Union (funding: € 132 thousand).

At the same time, the research project (funded under the NSRF 2014-2020) entitled: "Smart infrastructure for remote metering of water consumption and management of water demand" (abbreviated as SMART-WATER) which was a research partnership between EYATH S.A., the telecom company Apifon and the IT and Telecommunications Institute of the Centre for Research and Technological Development (CERTH), has continued. The physical and financial scope of the specific project was successfully completed in December 2021 and an imminent publication will take place (presentation at the 39th IAHR 2022 Congress, in Granada).

As part of the nationwide action entitled "Bilateral and Multilateral R&D Cooperation between Greece and China - Competitiveness, Entrepreneurship and Innovation" (Competitiveness, Entrepreneurship and Innovation Operational Programme Managing Authority) continued to implement the project entitled "Monitoring and methodologies for removing emerging pollutants from liquid waste" (abbreviated as MOREM), with a total budget of € 50,000 for EYATH and funding of € 39,000.

Finally, during 2021 the implementation of the research project entitled: "Development and installation of a system for valid and timely detection and information about the presence of hydrocarbons at Polyfyto Reservoir, using satellite surveying methods" also continued. The project is being implemented in the context of a service contract, in collaboration with the Research and Development Department of EYATH S.A. and Infalia Private Company, and has a total budget of € 29,900.

## 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

With the same philosophy, from the moment the pandemic broke out EYATH took measures to focus on its employees so that staff are and feel safe and active during the crisis. It prepared a business plan for the employment of staff which involved a skeleton staff, tele-working and rotating work depending on staff duties, and closed offices providing services to the public in the spring and only allowed people in by appointment. Immediate implementation of all circulars from ministries to safeguard personal health and hygiene allowed services to be provided as normal to consumers in Thessaloniki over the entire period. In 2021 it also continued to comply with sanitary measures that year, adapting to epidemiological data (teleworking, provision of protection equipment, regular disinfection, etc.).

At the same time, the Company continues to treat new water supply connections as a matter of priority, given the vital importance of water for citizens' hygiene, while groups and events which contribute to social cohesion and to maintaining normality in the midst of a pandemic are being bolstered. Examples of this include: Assisting homeless persons through "Schedia" street press, completion of an experiential garden at the "Lighthouse of the World" at Dendropotamos, support for the Smile of the Child and an eco-initiative at the Axios Delta, cleaning of the Thermaikos Gulf during the tourist season, installation of signs with useful information in Braille format about disability accessibility to our services, re-publication of a book with the "History of Water Supply", which is distributed free of charge, as well as assistance in the population census project in cooperation with the Hellenic Statistical Authority (ELSTAT).

In addition, the company held an innovation and entrepreneurialism competition in partnership with HCAP and MITEF Greece on capturing part of the pollutant load of wastewater at the entrance to the Thessaloniki Wastewater Treatment Facility, using it for green applications and, ultimately, discharging cleaner wastewater into the Thermaic Gulf.

EYATH S.A. continued its valuable public health partnership with the Aristotle University of Thessaloniki to trace coronavirus molecules in wastewater, and made a financial contribution to installing a multi-sensor at the entrance to the Thessaloniki Wastewater Treatment Plant to analyse even more pandemic data. There are also plans to expand collaboration with the University on other topics so that wastewater can serve as "window into the state of public health" for the entire Thessaloniki urban area. It also assisted the work of the local academic community by purchasing air purifiers for university amphitheatres and by ensuring that classes were conducted more safely.

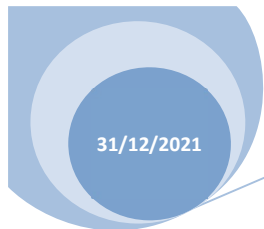
## **NATURAL RESOURCES AND THE ENVIRONMENT**

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 in partnership with similar European companies and bodies as part of research activities on the impact of climate change on aquifers, helping promote solutions to stimulate sustainable development in our area and the wider SE Europe region. One example is its 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 has a Water Treatment Plant Lab which has been housed in the Drinking Water Testing Lab since November 2020 and is now fully run by EYATH and co-located at the Water Treatment Plant; It carries out lab tests at the entrance to the Thessaloniki Water Treatment Plant at intermediate processing stages in line with the specific programme, at the outlet of the water supply plant (D3) from EYATH's distribution network and on water from water abstraction sources, complying as a minimum with the company's legislative obligations before the water is released for consumption; More than 7,000 samples of water are taken each year and at least 50,000 chemical and microbiological tests are carried out in line with the relevant legislation. It systematically participates in inter-laboratory tests and has a quality management system in line with ISO 17025/2017 (Hellenic Accreditation System Certificate No.: 1217) with a special scope of accreditation which includes all chemical and microbiological tests and the organic parameters required by the legislation on drinking water (319 pesticides, polycyclic aromatic hydrocarbons, volatile organic compounds);
- 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, when necessary, 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 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 Sewerage & Environment Quality Control Lab which carries out environmental tests every day at the outflows from the wastewater treatment facilities and industries (around 700 test which result in more than 5,000 quality analyses);
- 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.

## **SOCIETY AND VULNERABLE SOCIAL GROUPS**

In this sector:

- it is exploring innovative procedures and automated processes to optimise day-to-day operations at its facilities and ensure better customer service (e-transactions, web-banking, payments via an extensive network of supermarkets, and other similar ideas);
- it offers a social tariff to vulnerable groups of citizens using the same criteria applied by PPC for its social household tariff, and also offers a broad spectrum of repayment plans for overdue debts for all debtors as well as more favourable terms for 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, all OPAP agencies, and Hellenic Post Office branches and Banks);
- 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 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 7,000 children, associations, disabled persons, refugees and other groups of visitors. The museum remained closed for a long time due to a pandemic and successive lockdowns but during that period digital materials (tours) freely accessible to the public were created.
- it supports sports clubs, associations and social actors;
- 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. During the pandemic in particular, the task of recording and digitising the archive was accelerated and extended due to the suspension of the museum's normal operations.

## **COMPANY BRANCHES**

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

## **OWN SHARES HELD BY THE GROUP AND THE COMPANY**

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

## **RISKS**

### ***Risk related to the sector in which the Group operates***

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

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

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

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

### **Financial risk factors**

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

#### **Market risk**

##### *(i) Exchange rate risk*

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

##### *(ii) Price risk*

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

##### *(iii) Cash flows and fair value of risk rate*

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

There were no loan liabilities on 31/12/2021.

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. 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 2018 accounting period the Company's financial statements were included in the consolidated Financial statements of Hellenic Corporation of Assets and Participations S.A. (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 1/1/2021-31/12/2021 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 1/1/2021 - 31/12/2021 period and as at 31/12/2020 respectively, as well as during the previous financial year, are broken down in the following tables (see note 31 of the financial statements):

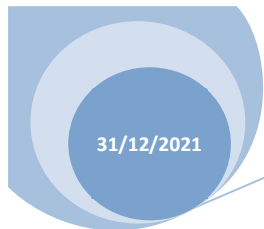
	THE GROUP		THE COMPANY	
	01/01/2021 - 31/12/2021	01/01/2020 - 31/12/2020	01/01/2021 - 31/12/2021	01/01/2020 - 31/12/2020
Income from subsidiary	-	-	1	-
Income from other related parties consolidated along with HCAP S.A.	168	143	168	143
Expenses to other related parties consolidated along with HCAP S.A.	17,801	13,704	17,801	13,704
Transactions with and fees for executives and board members	998	995	994	995
Transactions with other related parties	-	6	-	6

Transactions with and fees for senior executives and board members relate to salaries and other benefits specified in the Company's remuneration policy.

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

Expenses to other related parties consolidated along with HCAP S.A. relate primarily to services received (expenses for electricity supplied worth € 17,675 thousand) and the leasing of properties.

	THE GROUP		THE COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Receivables from subsidiary	-	-	25	24
Receivables from other related parties consolidated along with HCAP S.A.	610	601	610	601
Liabilities to other related parties consolidated along with HCAP S.A.	4,578	2,550	4,578	2,550
Receivables from management executives and board members	8	12	8	12



Liabilities to management executives and board members	7	4	5	4
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The Company's receivable from a subsidiary of € 25 thousand mainly related to receivables in lieu of the approved dividend.

Receivables and liabilities from other related parties consolidated along with HCAP S.A. worth € 610 thousand and € 4,578 thousand. Receivables primarily relate to invoiced income from providing water supply and sewerage services and prepaid property rents, while liabilities relate to accrued expenses from receiving services.

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

The actuarial liability for the Company's related parties (Management Executives) was € 123 thousand on 31.12.2021.

**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. Distribution of a dividend of € 0.223/share was approved for 2020. 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 method and place of payment is announced on the Athens Exchange and EYATH S.A. websites. 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 31/12/2021 were as follows:



SHAREHOLDER	Number of shares held	Holding on 31/12/2021	
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 8 of the Company's Articles of Association states that the General Meeting may reach a decision, to be published in the manner required by Articles 12, 13, 14 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**

The General Meeting of 1.6.2021 approved the distribution of a dividend of € 0.223/share, amounting to € 8,095 thousand for 2020, compared to € 9,728 thousand for the previous year, and applicable to all 36,300,000 shares.

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.

## **CORPORATE GOVERNANCE STATEMENT**

The Company has prepared this Corporate Governance Statement (hereinafter the Statement) since its shares are traded on the main market of the Athens Exchange.

This Statement is a special section of the Annual Management Report of the Board of Directors and has been prepared in accordance with the provisions of Article 152 of Law 4548/2018 on reform of the law of societies anonymes, as in force (hereinafter the Law) and Article 18 of Law 4706/2020, as in force, and the provisions of the Hellenic Corporate Governance Code, as in force, published in 2021. This Corporate Governance Statement presents how the Company has applied the key principles of the Code during the year ended on 31 December 2021 and on the date of the Statement.

### **1. Introduction**

Law 4706/2020 ["Corporate governance of societies anonymes, modern capital market, transposition into Greek law of Directive (EU) 2017/828 of the European Parliament and of the Council, measures implementing Regulation [(EU) 2017/1131 and other provisions"] was published on 17.7.2020 (Government Gazette 136/A/17.7.2020). As a societe anonyme whose shares are listed on the Athens Stock Exchange, the Company complies with the requirements of that Law on corporate governance.

In response to the new legislative framework, while at the same time complying with the existing one, as specified in Law 4449/2017 and Law 4548/2018, the Company proceeded, pursuant to the Decision No. 674/16.12.2021 of the Board of Directors with updating, revising, amending and replacing its (internal) Bylaws to bring them into line with the provisions of Article 14 of Law 4706/2020. A summary of the bylaws has been published on the Company's website: [https://www.eyath.gr/wpcontent/uploads/2021/11/kanonismos\\_esoterikis\\_leitourgias2021](https://www.eyath.gr/wpcontent/uploads/2021/11/kanonismos_esoterikis_leitourgias2021)

### **2. Statement of compliance with the Corporate Governance Code**

Pursuant to the decision of its Board of Director of 22.7.2021, the Company adopted and implemented the Hellenic Corporate Governance Code, which was issued in June 2021 by the Hellenic Corporate Governance Council as a national body of recognised repute for issuing a Corporate Governance Code (hereinafter the "Code") which is available on the Hellenic Corporate Governance Council website at the following link: <https://www.esed.org.gr/web/guest/code-listed>.

The Company hereby confirms that it implements the mandatory provisions of Greek law, which as a minimum are included in the Corporate Governance Statement and Special Practices, as self-regulatory provisions introduced by the Code and governed by the "Comply or Explain" principle.

#### **2.1. Deviations from the Special Practices in the Code and reasons for them**

In accordance with the above, the Company decided to comply with the Code with deviations from the following Special Practices which are governed by the "Comply or Explain" principle. These deviations are as follows:

- As regards the Special Practice regarding the calendar of meetings and the annual action plan of the Board of Directors (Part I, Section 1, paragraph **1.17**), the Company's Board of Directors, following a relevant meeting that took place at the 1st 4-month period, approved the adoption of a calendar of meetings of the BoD and annual action plan for the current year 2022 and consequently from 2022 it will comply with that Special Practice and there will be no deviation in relation to it. Moreover, in the first quarter of 2022 the Board examined all relevant issues in order to ensure full and timely discharge of its duties, and to examine all issues on which it takes decisions.

- As regards the Special Practice regarding the framework for filling positions and the succession plan of the members of the Board of Directors, including the CEO (Part A, Section 2, paragraph **2.3.1, 2.3.2, 2.3.3, 2.3.4**), the Company is already in the process of preparing and planning a framework/plan for filling positions and succession of Board members, which is expected to be completed within the current year. With regard to the succession of independent members of the Board of Directors in particular, and members of the Committees of the Board most of whom are independent members, the Remuneration and Nominations Committee ensures that persons are identified and evaluated in accordance with the principles in the Company's approved Fit-and-Proper Policy as potentially available and suitable candidates for the Board of Directors whenever there is an issue of replacing members, in conjunction with the periodic evaluation of whether the suitability requirements -and above all the independence requirements- are met. It is estimated that there is no risk from this deviation for such time as it exists in accordance with the above. The procedure for selecting and evaluating members of the Board of Directors and the CEO was conducted in accordance with the procedures followed by HCAP, which is the majority shareholder in the Company. Consequently, there is no issue of deviation for 2021. The Company's Remuneration and Nominations Committee prepares the succession plan for the CEO and members of the Board of Directors. More specifically, the Committee ensures with the support of the Company's competent executives and informs the Board of Directors to plan and schedule the problem-free succession and continuity of the Board of Directors, taking into account the limitation in Article 9 of the Law on the term in office of independent non-executive members of the Board of Directors to retain independence (namely a total of 9 financial years overall).
- The following points can be made regarding the special practice relating to the evaluation of the Board of Directors, Chairman, CEO and other members Part I, Section III, paragraphs **3.3.3, 3.3.4, 3.3.5, 3.3.8, 3.3.9, 3.3.10, 3.3.12 and 3.3.15**): The Company constantly monitors the suitability of Directors to identify cases where it is considered necessary to re-evaluate their suitability. Due to the entry into effect of the Code, the Company has not implemented these relevant practices and is in the process of developing a structured framework under which the Board of Directors, Chairman, CEO and other members will be evaluated for 2022.

Note that the Company undertakes to comply with these Special Practices and will take suitable steps this year (2022).

### **3. Key features of the Internal Audit System in relation to the procedure for preparing financial statements and financial reports.**

#### **3.1. A description of the key features and elements of the Internal Audit System (IAS) (internal audit, risk management, regulatory compliance).**

The Company has adopted and implements a corporate governance system in line with the applicable legislation, taking into account the size, nature, extent and complexity of its activities. Among the other elements included in the Corporate Governance System is an adequate and effective Internal Audit System (IAS), including risk management, regulatory compliance systems and the Internal Audit Unit.

The Company has an adequate and effective IAS which covers its activities and contributes to its safe and effective operation. The relevant IAS, which consists of all internal audit mechanisms and procedures, including risk management, internal audit and regulatory compliance, continuously covers all Company activities and contributes to its safe and effective operation.

The Company's IAS seeks to achieve the following objectives:

- a) Consistent implementation of business strategy by effectively using available resources.
- b) Effective operation of the Internal Audit Unit, whose organisation, operation and competences are laid down by law and its Bylaws.
- c) Effective risk management by identifying and managing material risks associated with the Company's business activity and operations.
- d) Ensuring the completeness and reliability of the data and information required for the accurate and timely determination of the Company's financial status and the preparation of reliable financial statements, as well as its non-financial status, in accordance with Article 151 of Law 4548/2018.
- e) Effective compliance by the Company with the regulatory and legislative framework and the bylaws governing Company operations (regulatory compliance).

As far as the procedure for preparing the financial statements is concerned, the Company states that the Issuer's financial reporting system uses an accounting system which is adequate for reporting to Management and external users. The financial statements and other analyses reported to Management on a quarterly basis are prepared on a simple and consolidated basis in accordance with the International Financial Reporting Standards as adopted by the European Union for reporting purposes to Management and for disclosure purposes in accordance with the applicable regulations on a half-yearly and annual basis. Both the management information and the financial information to be published include all necessary information about an updated internal audit system which includes analyses of sales, costs/expenses, operating profits and other data and indicators. All reports to Management include data for the current period which is compared with the corresponding budget approved by the Board of Directors and data for the corresponding period in the year before the report.

All published interim and annual financial statements include all necessary information and disclosures about the financial statements in accordance with the International Financial Reporting Standards as adopted by the European Union, are reviewed by the Audit Committee and approved in their entirety by the Board of Directors.

Checks and balances are in place relating to:

- a) identifying and evaluating risks to the reliability of the financial statements;
- b) administrative planning and monitoring of financials;
- c) fraud prevention and detection;
- d) the roles/responsibilities of the executives,
- e) the year end procedure including consolidation (e.g. recorded procedures, accesses, approvals, agreements, etc.) and
- f) safeguarding the data provided by the IT systems.

Preparation of the internal reports for Management and the reports required by Law 4548/2018, the International Financial Reporting Standards and the supervisory authorities is done by the Financial Services Division, which has suitable and experienced executives for this purpose. Management ensures that these executives are suitably briefed about changes in accounting and tax issues relating to the Company and Group.

The Company has put in place separate procedures to collect the necessary data from subsidiaries and ensures that individual transactions are reconciled and the same accounting policies are applied by companies in the Group.

The Board of Directors ensures that the functions comprising the IAS are independent of the business sectors they audit and that they have suitable financial and human resources, and the powers to effectively operate them, in accordance with the requirements of their role. The reporting lines and the allocation of responsibilities are clear, enforceable and duly documented.

### **3.1.1. Internal Audit Unit**

**The Internal Audit Unit** checks proper implementation of each internal audit procedure and system irrespective of their accounting or other content and evaluates the business by reviewing its activities, acting as a service to Management. Its key mission is to monitor and improve the operations and policies of the Company and its subsidiaries (hereinafter the Group) and to provide advice and support by submitting proposals to the Board of Directors about the Internal Audit System.

The Internal Audit Unit is an independent organisational unit within the Company which seeks to provide reasonable assurance to shareholders about achievement of the Group's objectives and targets.

The head of the Internal Audit Unit has been appointed by the Company's Board of Directors upon proposal by the Audit Committee and is a full-time, exclusive employee who is personally and functionally independent and objective when performing his/her duties and has suitable knowledge and relevant professional experience. In administrative terms, he/she reports to the CEO and in operational terms to the Audit Committee. The head of the Internal Audit Unit meets all formal and substantive selection criteria laid down by law.

Among other things, the Internal Audit System seeks to ensure the completeness and reliability of the data and information required to precisely determine the Company's financial status in good time and to generate reliable financial statements.

### **3.1.2. Regulatory Compliance and Crisis and Risk Management Unit**

**Regulatory Compliance** seeks to assist the Board of Directors in ensuring full, ongoing compliance by the Company (a) with the legislative and regulatory framework applicable from time to time governing its operations and (b) with best corporate governance practices, to achieve continuous compliance by the Company and to have a full picture at all times of the degree to which that objective is achieved. Regulatory Compliance's main mission is to put in place policies and procedures that promote business ethics and transparency as a model of corporate culture and a measure to bolster corporate identity, thereby contributing to minimising risks and legal consequences for the company.

**Risk Management** seeks, via suitable and effective policies, procedures and tools, to assist the Board in identifying, evaluating and managing material risks associated with the business activity and operation of the Company and Group in an adequate and effective manner.

The Board of Directors is briefed about major risks such as financial, operational, environmental, compliance and human resources, and the likelihood and impact of those on its business activities, its financial results and achievement of its objectives.

In line with the Risk Management Policy, the Company has laid down specific, comprehensive management procedures and all senior executives are involved in the process of identifying and primarily assessing risks, to make it easier for the Board of Directors to plan actions and take further decisions to reduce them.

On 22.7.2021 the Company's Board of Directors decided to approve the Risk Management Policy and the Risk Assessment Methodology and at the meeting on 4.11.2021 approved the Risk Register which sets out all forms of risk entailed by the Company's operations, in order to constantly monitor them, as well as the control mechanisms which help reduce them.

At its meetings on 13.1.2022 and 10.03.2022 the Company's Board of Directors approved the Code of Ethics and Professional Conduct, the Communication Policy, the Anti-Corruption & Anti-Bribery and Gifts Policy, and Hospitality & Entertainment Policy, while the Policy against Violence and Harassment in the Workplace and the Whistleblowing Policy and Procedure are in the final stages of preparation.

### **3.2. Evaluating company strategy, main business risks and Internal Audit Systems**

The Company's Board of Directors declares that it has examined the main business risks the Group faces and the Internal Audit Systems. Each year the Board of Directors reviews company strategy, main business risks and internal audit systems based on a recommendation from the Audit Committee.

In accordance with Article 14(3)(j) of Law 4706/2020 and decision No. 1/891/30.9.2020 of the Board of Directors of the Hellenic Capital Market Commission, as amended by decision No. 2/917/17.6.2021 of the Board of Directors of the Hellenic Capital Market Commission, the Internal Audit System is periodically evaluated, particularly in relation to the adequacy and effectiveness of financial information, on an individual and consolidated basis, in relation to risk management and regulatory compliance, in accordance with recognised evaluation and internal audit standards, and implementing the provisions on corporate governance set out in Law 4706/2020. This assessment is carried out by an independent assessor who meets the requirements of the above provision of Law 4706/2020 and the above decision of the Board of Directors of the Hellenic Capital Market Commission, in accordance with the relevant policy / procedure of the Company's Internal Audit System. According to that decision of the Board of Directors of the Hellenic Capital Market Commission, as amended and in force, the first evaluation of the Internal Audit System must be completed by 31.3.2023, with a reference date of 31.12.2022 and reference period from the entry into force of Article 14 of Law 4706/2020 (17.07.2021).

Using a reference date of 31.12.2022, the Company will have an independent assessor evaluate the IAS.

### **3.3. Provision of non-audit services to the Company by its statutory auditors and evaluation of the impact this fact may have on the objectivity and effectiveness of the mandatory audit, taking into account the provisions of Law 4449/2017.**

In accordance with the approved procedure, the Audit Committee took into account the certified public accountant's annual declaration of independence and discussed with him/her threats which could put his independence at risk, and the ways in which he ensured that those threats were addressed. The Committee also examined to what extent the relations, taking into account the views of the certified public accountant, management and internal audit, as appropriate, appear to be capable of affecting the certified public accountant's independence and objectivity.

The Audit Committee confirmed that the auditing firm has not provided services other than the services required to carry out mandatory accounting and tax audits, with the exception of assurance tasks (a) and (b) below and the permissible non-audit services (c) below:

a) checking the completeness of the information referred to in Article 112 of Law 4548/2018 in the remuneration reports for 2019 and 2020 of €4,000.00 and €3,000.00 respectively.

b) audit procedures to place the Company in categories of reduced charges for the Special Greenhouse Gas Emission Reduction Charge in accordance with Government Gazette issue No. ΥΠΕΝ/ΔΗΕ/74949/926 for the period from 2016 to 2018 amounting to €2,000.00.

c) consultancy services for the AQUA 3S and MOREM research programmes worth € 3,900.00 of which € 900 was invoiced in 2021.



These additional fees do not exceed the limit set by the Audit Committee for the provision of additional services by an external auditor [70% of the average fees paid in the last 3 consecutive financial years for the statutory audit of the audited entity in accordance with Regulation (EU) No 537/2014 on statutory audits of public interest entities and Law 4449/2017] and, in the opinion of the Audit Committee, do not call into doubt the independence and integrity of the external auditor.

### **3.4 Adoption of Code recommendations in the context of the Internal Audit System**

As part of its Internal Audit System, the Company has also adopted the following recommendations in **paragraph 6.10** of the Corporate Governance Code:

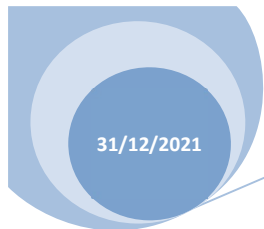
- ✓ Code of Ethics and Professional Conduct and procedures for monitoring its implementation.
- ✓ An approved organisational chart in full detail for all hierarchical levels, with a description of the duties of divisions and departments, clearly identifying the area of responsibility per sector/department.
- ✓ Line-up and operation of the Audit Committee.
- ✓ Organisational structure and operation of the Internal Audit function.
- ✓ Full and up-to-date Articles of Association which clearly set out and identify the scope of operations, work and main objectives of the economic operator.
- ✓ Recording policies and procedures for major company operations and identifying checks and balances or major omissions.
- ✓ Procedures for compliance with the applicable legal and regulatory framework (Regulatory Compliance).
- ✓ Risk assessment and management procedures.
- ✓ Procedures for the completeness and reliability of financial information.
- ✓ Staff recruitment, training, assignment of duties and performance evaluation procedures.
- ✓ Procedures for the security, adequacy and reliability of information systems.
- ✓ Procedures for safeguarding personnel and assets.
- ✓ A description of reporting lines and communication channels inside and outside the organisation.
- ✓ A mechanism for monitoring and evaluating the efficiency and effectiveness of procedures.
- ✓ Periodic evaluation of the adequacy and effectiveness of the IAS by an independent assessor, communication of results and preparation of a rectification plan.
- ✓ Policy on the environmental management system and other environmental, social and governance-related issues (ESG factors).

## **4. Board of Directors**

### **4.1 Line-up and operation of the Board**

#### **4.1.1 Roles and responsibilities of the Board of Directors**





The Company's Board of Directors manages the Company and is responsible for the Company's long-term strategy and operational objectives and in general for control and decision-making in the context of the provisions of Law 4548/2018 and the Articles of Association, as well as compliance with corporate governance principles.

The Board of Directors convenes at the necessary intervals so as to perform its duties effectively. More specifically, the Board has the following indicative powers:

- It determines the Company's long-term strategy and operational objectives.
- It is responsible for checking and making decisions in the context of the provisions of the relevant legislation and the Articles of Association, and for complying with corporate governance principles.
- It lays down the corporate governance system referred to in Articles 1 to 24 of Law 4706/2020, oversees implementation and monitors and periodically evaluates implementation and effectiveness at least every three (3) financial years.
- It ensures adequate and effective operation of the Company's Internal Audit System which seeks to achieve the following objectives in particular:
  - a) Consistent implementation of business strategy by effectively using available resources;
  - b) recognition and management of the material risks associated with its business activity and operations;
  - c) effective operation of the Internal Audit Unit and the Regulatory Compliance and Crisis and Risk Management Unit;
  - d) Ensuring the completeness and reliability of the data and information required for the accurate and timely determination of the Company's financial status and the preparation of reliable financial statements, as well as its non-financial status, in accordance with Article 151 of Law 4548/2018;
  - e) compliance with the regulatory and legislative framework and the internal regulations and policies governing Company operations.

#### **4.1.2. Line-up - term in office of the Board of Directors**

The Company's Board of Directors consists of between seven (7) and eleven (11) members in accordance with Article 13 of its Articles of Association and its term in office is 4 years. The General Meeting may decide on gradual renewal of the Board of Directors and/or successive expiry of the term in office of its members.

The Company's current Board of Directors consists of 11 members, two of whom are executive members (CEO & one other member), five are non-executive members (Chairman & four members) and four are independent non-executive members (Vice Chairman and three other members). Of the Board members, eight are men and three are women.

The table below shows the members of the Board of Directors from 1.1.2021 to 31.12.2021 and the capacity of each member (executive, non-executive or independent) appointed by the General Meeting or the Board of Directors:

The line-up of the Board of Directors from 1.1.2021 to 31.12.2021 was as follows:

Name-surname of member	Capacity	Term in office
Agis Papadopoulos	Chairman- non-executive member	From 2.8.2019 to 1.8.2023
Anthimos Amanatidis	CEO, Executive Director	From 30.4.2020 to 29.4.2024
Grigorios Penelis	Vice-Chairman, Independent Non executive Director	From 21.2.2019 to 20.2.2023
Nikolaos Klitou	Independent, non-executive member	From 21.2.2019 to 20.2.2023
Theodoros Koulouris	Executive member	From 27.8.2019 to 26.8.2023
Ekaterini Tsikaloudaki	Non-executive member	From 30.4.2020 to 29.4.2024
Maria Petala	Independent, non-executive member	From 30.4.2020 to 29.4.2024
Sofia Ammanatidou	Independent, non-executive member	From 30.4.2020 to 29.4.2024
Georgios Satlas	Non-executive member	From 30.4.2020 to 24.9.2021
Dimitrios Konstantakopoulos(*)	Non-executive member	From 16.12.2021 to the annual General Meeting
Georgios Archontopoulos	Non-executive member - employee representative	From 19.6.2020 to 18.6.2024
Ioannis Mitziias	Non-executive member - employee representative	From 19.6.2020 to 18.6.2024

(\*) On 16.12.2021 the Board of Directors elected Mr. Dimitrios Konstantakopoulos as its new non-executive member to replace the member Mr. Georgios Satlas who had resigned.

#### 4.2. Board of Directors meetings

The Board of Directors shall meet each time the law, the Articles of Association or the Company's needs so require.

The attendance of Board members at meetings in 2021 is shown in the table below:

Line-up of the Board of Directors	No. of meetings held during the members' term in office	No. of meetings held with representatives	% of attendance at meetings
Agis Papadopoulos	40	1	100%
Anthimos Amanatidis	40	-	100%
Grigorios Penelis	40	2	100%
Nikolaos Klitou	40	1	100%
Theodoros Koulouris	40	-	100%
Ekaterini Tsikaloudaki	40	2	100%
Maria Petala	40	1	100%
Sofia Ammanatidou	40	1	100%
Georgios Satlas	27	2	100%
Dimitrios Konstantakopoulos	1	-	100%
Georgios Archontopoulos	40	3	100%
Ioannis Mitzias	40	4	100%

#### 4.3. CVs of members of the Board of Directors

The CVs of the members of the Company's Board of Directors (which show that the composition of the Board of Directors reflects the knowledge, skills and experience required to exercise its competences, in accordance with the Fit-and-Proper Policy and the Company's business model and strategy) are set out in summary form below and in detail on the Company's website.

**Agis Papadopoulos:** He holds a degree in Mechanical Engineering and a graduate of the Aristotle University of Thessaloniki, an MSc in Energy Saving and Environmental Protection (Cranfield University, 1991) and a PhD in Mechanical Engineering (AUTH, 1994). Since 1998 he has been Professor of Energy Systems at the Department of Mechanical Engineering at AUTH and since 2013 Director of the Process Device Manufacturing Lab. He was a member of the Regulatory Authority for Energy (2003-2005) and the Board of Directors Thessaloniki AHEPA Hospital (2005-2007). He has been a visiting professor at the University of Cyprus (2012-2013), the International University of Greece (2011-2019) and from 2015 to the present day at the Technische Universität Hamburg in Germany. From 2014 to 2018 he was Vice President Academic Affairs of the Management Board of the Open University of Cyprus.

**Anthimos Amanatidis:** He holds a degree in mechanical engineering from AUTH and two postgraduate degrees in Sustainable Development and Energy Production and Management. Since 2010 he has been an executive of ERGOSE S.A. Responsible for announcing project tender procedures and for overseeing

construction management of large infrastructure projects and E/M facilities. In 2008 he served as Director of ETAD S.A. in tender procedures for projects, concession and operation of its branches in Northern Greece. He served as Advisor to the Central Macedonia Region on environmental rehabilitation issues and Vice President of the Thessaloniki-Thessaly Gas Distribution Company as representative of DEPA, participating in the planning of the company's development programme for the period 2019-2024.

**Grigorios Penelis:** He is a qualified civil engineer, graduate of the Aristotle University of Thessaloniki, with postgraduate studies in Seismic Engineering at Imperial College London, and a PhD from the Faculty of Engineering of the Aristotle University of Thessaloniki, managing director of Penelis Consulting Engineers S. A. and 3pi Software Ltd. He is the author of the first and second editions of the book "Concrete Buildings in Seismic Regions" by Taylor and Francis (CRC Press), as well as the book "Structural Restoration of Masonry Monuments" by Taylor and Francis (CRC Press 2019). In his professional life he has been involved in the design of new buildings in his capacity as a structural engineer and has twice been awarded the gold medal of the Patriarchate of Alexandria for his contribution.

**Nikolaos Klitou:** He is a graduate of the Department of Accounting and Finance of the University of Macedonia and holds a postgraduate degree in Strategic Financial Accounting and Financial Management from the same University. He has acquired the professional title of certified public accountant (ACCA) and is also certified by the Institute of Certified Public Accountants in Greece (ICPA). Between 2005 and 2015 she worked at Ernst & Young's office in Thessaloniki and at public agencies and non-profit organisations. Since 2015 he has been Deputy CFO of Diamantis Masoutis S.A. as head of financial planning, analysis and monitoring of deviations, and also participates in preparing the annual financial statements. He also sits on the Boards of companies as an independent member and member of audit committees.

**Theodoros Koulouris:** He graduated from the Evelpidon Higher Military School (1984), the Interdisciplinary War School and the NATO Defence College at Rome (NADEFCOL). He also holds a degree in law from the Faculty of Law and Economics of the Aristotle University of Thessaloniki (1996) and a Master of Arts in International Politics from the Centre Européen de Recherche Internationales et Strategiques (CERIS) in Brussels, with his dissertation topic being water management. He speaks English and French. During his career as an officer he has held various positions of responsibility in Greece and abroad, reaching the rank of senior officer (lieutenant general).

**Ekaterini Tsikaloudaki:** She holds a degree in civil engineering and works as an associate professor in the Civil Engineering Department of the Aristotle University of Thessaloniki. She has extensive academic experience and significant scientific and research work. She was actively involved in preparing the Building Energy Performance Regulations, in preparing technical guidelines for the Technical Chamber of Greece on how to implement them, and in preparing manuals to train energy inspectors. She was a member of the national coordination committee to update the legislation on the energy performance of buildings. the relevant committees of the Technical Chamber of Greece and the team which prepared the draft regulatory framework for buildings with almost zero energy consumption.

**Maria Petala:** She holds a degree in Chemical Engineering from the Aristotle University of Thessaloniki and a PhD from the AUTH Faculty of Engineering. Since 2000 she has been engaged in research on environmental engineering and since 2013 has been a permanent member of the teaching staff at the Laboratory of Environmental Engineering and Design / AUTH School of Civil Engineering. Her scientific work has been published in respected international scientific journals and has been presented at international scientific conferences. She also serves as Technical Advisor to national and local public bodies on issues of managing water resources, improving water supply networks and water quality. She has served as assistant scientific officer in research programmes and is the co-author of a book on environmental engineering.

**Sofia Ammanatidou:** She is a graduate of the Department of Business Administration and holds a postgraduate degree in Information Systems Management from the University of Macedonia. She works as a grade A insolvency administrator and grade A economist/accountant. She has been involved in liquidation - resolution procedures for companies such as ELVO S.A. , Hellenic Sugar Industry S.A. , AXON HOLDINGS S.A., among others. Since 2017 she has been an accredited mediator and member of the Insolvency Management Committee of the Ministry of Finance. She has obtained certification in Financial Accounting from the Harvard Business School and International Accounting Standards from the Association of International Accountants and ESG EXECUTIVE from the ATHEX Academy.

**Dimitrios Konstantakopoulos:** He is a graduate of the Athens University School of Economics and holds a Master of Arts in Finance and Investments from Exeter University, Devon UK. He has worked in the banking sector for more than 30 years. Since 1994 he has worked for the National Bank of Greece Group (ETEVA & NBG) both in providing consultancy services on major infrastructure projects (Athens International Airport, Rio-Antirrio Bridge, Attiki Odos, intercity motorway concession projects) and PPP projects and in financing long-term concession projects and PPPs, working as Deputy Director of the Special Project Finance Division of NBG. Since 2018 he has been working for HCAP as Investments & Concessions Manager, as portfolio manager for the HCAP-owned companies, EYDAP, EYATH and HRADF.

**Georgios Archontopoulos:** He is a car technician. He has worked for EYATH since 1999 and has sat on the Board of Directors of EYATH as an elected employee representative since May 2009.

**Ioannis Mitziias:** He is a surveyor engineer. He has worked for EYATH since 2017 and has sat on the of Directors of EYATH as an elected employee representative since May 2020.

#### 4.4. Other professional commitments of Board members

Members of the Board of Directors have notified the Company of the following other professional commitments (including major non-executive commitments to companies and non-profit institutions) as shown in the table below:

Name-surname of member	Name	Professional commitment
<b>Agis Papadopoulos</b>	EYATH SERVICES S.A.	Chairman of the Board of Directors
	Aristotle University of Thessaloniki	Professor
<b>Anthimos Amanatidis</b>	EYATH SERVICES S.A.	CEO and member of the Board of Directors
<b>Grigorios Penelis</b>	PENELIS CONSULTANT ENGINEERS S.A.	CEO
	3PI-PENELIS SOFTWARE LTD	CEO
<b>Nikolaos Klitou</b>	ALUMIL S.A.	Chairman of the Audit Committee

	D. MASOUTIS S.A.	Deputy CFO
<b>Ekaterini Tsikaloudaki</b>	EYATH SERVICES S.A.	Non-executive board member
	Aristotle University of Thessaloniki	Asst. Professor
<b>Maria Petala</b>	Aristotle University of Thessaloniki	Member of the teaching staff of the School of Civil Engineering
<b>Sofia Ammanatidou</b>	EYATH SERVICES S.A.	Vice-Chairman and executive member of the Board of Directors
<b>Dimitrios Konstantakopoulos</b>	Hellenic Corporation of Assets and Participations S.A. (HCAP)	Investments & Concessions Manager
	Athens Water Supply and Sewerage Co. S.A. (EYDAP)	Non-executive board member
<b>Georgios Archontopoulos</b>	EYATH S.A.	President of the Trade Union
<b>Ioannis Mitziias</b>	EYATH S.A.	Secretary of the Trade Union

Note that:

**a) Members of the Board of Directors do not hold shares in the Company** and in all events are obliged to notify transactions in accordance with Regulation (EU) No 596/2014 and the transaction notification procedure laid down by the Company.

**b) Independent non-executive members** of the Board of Directors and persons closely associated with them shall notify any relationship of dependence in accordance with Article 9 of Law 4706/2020 and **the procedure laid down by the Company** in decision No. 111/2022 of the Board of Directors **to ensure compliance with the conditions of independence and to verify compliance with those conditions on an annual basis** and before publication of the annual financial report, which includes the relevant finding.

The conditions for independence were ascertained by examining the following conditions and via questions / answers submitted to and received by the Regulatory Compliance and Crisis and Risk Management Unit, the Shareholders Service, the Finance Division and shareholders with a holding of more than 10%.

Moreover, members submitted solemn declarations declaring the points made in paragraph 1 and all the sub-cases of paragraph 2 Article 9 of Law 4706/20.

In implementation of the above, the Regulatory Compliance and Crisis and Risk Management Unit investigated whether the independent non-executive members, both during their appointment and during their term in office:

- did not directly or indirectly hold more than 0.5% of the Company's share capital
- did not receive any fee or benefit from the Company or an affiliated company apart from the fee for participating in the Board of Directors or its committees in accordance with the Company's Remuneration Policy.

- did not have (directly or indirectly through participation in another entity) a business relationship during the last three (3) financial years prior to their appointment with the Company, or a person related to the Company, or a shareholder who directly or indirectly holds a holding equal to or greater than ten percent (10%) of the Company's share capital, provided that this relationship affects or could affect the business activity of either the Company or a member of the Board or a person closely associated with it. Such a relationship exists, in particular, when the person is an important supplier or important customer of the Company.

These points were also checked for the natural and legal persons with whom members are considered to have "close ties" and it was ascertained that they were met upon appointment and the conditions of independence continue to be met.

Moreover, members submitted solemn declarations to support fulfilment of the independence requirements.

**c)** The Company has adopted and **implements a policy and procedure for preventing and handling conflicts of interest** which was approved by decision No. 674/2021 of its Board of Directors.

This Policy identifies cases which constitute or could lead to a conflict of interest and sets out the procedures to be followed and measures to be taken in the case where such a situation arises.

The procedure states that before taking up an administrative or management post which is controlled in terms of conflict of interest in accordance with the Policy, the relevant person must disclose business or other activities or posts he holds in other organisations which could give rise to a conflict of interest. In addition, it provides for ways to manage such a situation where it exists, such as for example for that person to refrain from any procedure or action of the Company relating to that situation.

**d)** The Company has adopted and **applies a procedure to comply with the obligations in Articles 99 to 101 of Law 4548/2018 on transactions with related parties** which was approved by decision No. 112/2022 of its Board of Directors, approved More specifically, in the context of implementing the International Accounting Standards and in accordance with International Accounting Standard (IAS) 24 "Related Party Disclosures", the Company is obliged to disclose its transactions with related parties and the legal persons controlled by them in accordance with International Accounting Standard 27 in its periodic financial statements.

Moreover, according to the provisions of Articles 99-101 of Law 4548/2018, contracts between the Company and related parties, as well as the provision of collateral and guarantees to third parties in favour of these persons, are only permitted with the approval of the Board of Directors or the General Meeting.

Information about these transactions is included in the report accompanying the Company's financial statements.

**e) Training policy**

The Company's Board of Directors has decided to adopt a training policy for members of the Board of Directors, senior executives and other executives, especially those involved in internal audit, risk management, regulatory compliance and IT systems. The relevant policy lays down the procedure followed by the Company to provide introductory briefings to members of its Board of Directors and other executives referred to above, and to meet their training needs.

#### **4.5. CVs of senior executives and company secretary**



**NOPI THEODORIDOU:** General Manager She is a Civil Engineer (Democritus University of Thrace). She has worked for EYATH since 2002 and has held managerial posts since 2017 and has held general management posts since 2020.

**NIKOLAOS ARAMBATZIS:** Admin. and Operations Manager. He is a Graduate of the Dept. of Business Administration (Alexandrio Technological Educational Institute). He has worked for EYATH since 1995 and for the Admin. and Operations Division since 2017.

**DIMITRIOS ALEXANDRIS:** CFO. He is a graduate of Economics (University of Macedonia) and Business Administration (Alexandrio Technological Educational Institute). He has worked for EYATH since 1996 and for the Finance Division since 2017.

**PANAGIOTIS PETRIDIS:** Consumer Director He is a Civil Engineer. He has worked for EYATH since 1986 and has held managerial posts since 2007 and Consumer Director posts since 2020.

**GEORGIOS ANGELOU:** Digital Transformation & IT Director. He is an Electrical & Computer Engineer (Democritus University of Thrace) with a postgraduate degree in Management of Technological Systems and Radio-Telecommunication Engineering and a PhD in Information Systems (Decision-Making-Investments). He has worked for EYATH since 2002 and has held managerial posts since 2007 and has held posts in the Digital Transformation & IT Division since 2020.

**ALEXANDROS MENTES:** Director of Strategic Planning, Projects and Development. He is a Civil Engineer (AUTH) with a postgraduate degree in Business Administration for executives (IHU) and a PhD from the School of Civil Engineering from the Faculty of Engineering (AUTH). He has worked for EYATH since 2006. He has held managerial posts since 2017 and posts in the Strategic Planning, Projects and Development Division since 2020.

**CHRISTOS TRAGANOS:** Sewerage Networks Manager. He is a Civil Engineer (AUTH). He has worked for EYATH since 1995. He has held managerial posts since 2017 and posts in the Sewerage Network Division since 2020.

**SPYRIDON LAZARIDIS:** Water Supply Networks Manager. He is a Civil Engineer (AUTH) with a postgraduate degree in INTERNATIONAL CONSTRUCTION MANAGEMENT AND ENGINEERING. He has worked for EYATH since 2007 and for the Water supply network Division since 2021.

**KONSTANTINOS KOTOULAS:** Sewerage Facilities Manager. He is a chemical engineer (AUTH) with a postgraduate degree in Health Sciences from the National Centre for Public Administration and Local Government (EKDDA). He has worked for EYATH since 2002 and for the Water Sewerage Facilities Division since 2020.

**GEORGIA SERETOUDI:** Water Supply Facilities Manager. She is a chemist (AUTH) with a PhD from the Department of Chemistry, Faculty of Sciences, AUTH. She has worked for EYATH since 2002 and for the Water Supply Facilities Division since 2020.

**GEORGIOS KAFETZIS:** Head of the Internal Audit Unit. He is a graduate of Business Administration (University of Macedonia) with a postgraduate degree in INTERNATIONAL BANKING AND FINANCIAL SERVICES. He has worked for EYATH since 2017 and as head of the Internal Audit Unit since 2022.

**MARIA SAMARA:** Head of the Regulatory Compliance and Crisis and Risk Management Unit. She is a graduate of the School of Economics (AUTH). She has worked for EYATH since 1995 and has held managerial posts since 2010. She has been head of the unit since 2020.

**CHRYSOULA PAPADOPOULOU:** Secretary of the Board of Directors. She is a Graduate of the Dept. of Business Administration (Alexandrio Technological Educational Institute). She has worked for EYATH since 1996 and has been company secretary since 2001.

Management executives do not hold shares in the Company with the exception of the head of the Regulatory Compliance and Risk Management Unit, which holds 800 shares, and in all events are obliged to notify their transactions in accordance with Regulation (EU) No 596/2014 and the transaction notification procedure laid down by the Company.

#### **4.6. Remuneration for members of the Board of Directors and pay for executive members of the Board**

The executive members of the Board of Directors receive pay based on a contract with the Company and additional benefits (company expenses / group insurance policy / company car, etc.). In particular, the executive members of the Board of Directors, namely the CEO and Executive Director do not receive a fee for their participation in the Board of Directors, since that is part of their duties.

For the CEO, the fee is gross and annual, at 75% of the average market price reported in an independent consultant's survey. For the Executive Director, the fee is gross and annual at 90% of the average market price mentioned in the independent consultant's survey. Both of them will have additional attendance fees of 12% of their gross pay, which is paid *ex post* after submitting expense invoices. Payments are equal to 12 salaries.

The Chairman of the Board of Directors is paid a fixed and annual fee which is around 60% of the average market price, gross, which reflects the increased obligations from his role and the time required to perform his duties. There are additional attendance fees of 12% of the gross fee which are paid *ex post* after submitting expense invoices.

Other non-executive members of the Board of Directors are paid fees per meeting of the Board of Directors. These fees are paid at the maximum for two (2) meetings per month or twenty-four (24) per year and in calculating them, the total length of employment and the duties and responsibility of each member for participating in meetings of the Board of Directors are taken into account. The maximum annual remuneration for Board members is around 70% of the average market price. Fees take into account the number of meetings and the total length of employment, duties and responsibility for each member's participation in Board meetings.

The annual maximum (gross) amount for Board meetings is € 8,000 and for up to 24 meetings a year. Any meetings after the 24th are not remunerated.

The participation fee for members participating in the Audit Committee has the same structure as that for participation in the Board of Directors' meetings (fixed and per meeting). The fee is assessed based on duties and competences, it is the same irrespective of whether the member is executive or not and no other benefits are provided. Regarding the participation of members of the Board of Directors in Board committees and in particular the role of Chairman of the Committee, there is a fixed fee to cover the time required by the Chairman of the Committee to coordinate and organise the work of each Committee and to prepare meetings. In this context and in accordance with HCAP's principles, the remuneration of Committee members is lower than that of the Chairmen and is calculated per meeting, with a maximum limit of 12 meetings per year for the Audit Committee and the technical committees and 4 meetings per year for the Remuneration and Nominations Committee.

In principle, fees are paid per meeting irrespective of whether each Member participates or not. However, breach of the attendance requirements set out in detail in the Board/committee attendance policy results in a pay adjustment depending on the attendance rate at the end of the year.

Moreover, the pay for members of the Audit Committee is higher due to the increased responsibilities of members of the specific committees.

In addition to the above fees, the Board of Directors of the Company also receive additional benefits which may change, such as:

- Use of the company management car when representing the Company
- Mobile telephony handsets for the Chairman the Board of Directors, the CEO and Executive Director and inclusion in the relevant tariff plan (airtime, data volume, number of SMSs).
- Travel expenses for work-related reasons (travel - accommodation - meals) which are not deemed to be remuneration.

## **5. Audit Committee**

### **5.1. Line-up, operation, work, competences and description of issues discussed at Audit Committee meetings**

Under its current Bylaws, the Audit Committee which consists of at least three (3) members, may be (a) a committee of the Board of Directors comprised of non-executive members or (b) an independent committee comprised of non-executive members of the Board of Directors and third parties or (c) an independent committee comprised only of third parties. Third party means any person who is not a Board Member. The type of Audit Committee, its term in office, the number and posts of its members is decided on by the Company's General Meeting of Shareholders. The term in office of members of the Audit Committee is the same as that of members of the Board of Directors. The members of the Audit Committee may be re-elected. The members of the Audit Committee are appointed by the Board of Directors when it is its committee or by the Company's General Meeting of Shareholders when it is an independent committee and they are in their majority independent of the Company, in accordance with the provisions on independence in force from time to time (Article 9 of Law 4706/2020). The Chairman of the Audit Committee is appointed by its members at its meeting to officially establish it and he is independent of the Company.

All members of the Audit Committee have adequate knowledge of the sector in which the Company operates. At least one (1) member of the Audit Committee who is independent of the Company, with adequate knowledge and experience in auditing or accounting, must attend the Audit Committee meetings relating to approval of the annual separate and consolidated financial statements.

The Company's Extraordinary General Meeting of Shareholders decided on 30.4.2020 to appoint the Audit Committee as a Board of Directors committee comprised of three (3) independent non-executive members of the Company's Board of Directors in accordance with Article 44 of Law 4449/2017, as in force. The members appointed as members of the Audit Committee are as follows:

**Nikolaos Klitou:** Independent non-executive member of the Board of Directors

**Sofia Ammanatidou:** Independent non-executive member of the Board of Directors and

**Maria Petala:** Independent non-executive member of the Board of Directors

EYATH S.A. Board of Directors' Decision No. 291/2020 specified the line-up of the Board's Audit Committee and appointed Mr. Nikolaos Klitou, an independent non-executive member of the Board of Directors, as Chairman. He has adequate knowledge and experience in auditing and accounting.

The key mission of the Audit Committee is to assist the Board of Directors in performing its duties by overseeing financial reporting procedures, the completeness and correctness of the annual separate and consolidated financial statements, the Company's policies and internal audit system [Article 2(7) of Law 4706/2020] and evaluating the adequacy, effectiveness and efficiency of internal control systems [Article 44(3)(c) of Law 4449/2017], the audit function of the internal audit unit and external auditors, to ensure the independence, quality, formal qualifications and performance of auditors.

The Audit Committee examines and ensures the independence of the Company's External Auditors and takes cognisance of their findings and the Audit Reports on the annual or interim financial statements of the Company. At the same time, it recommends corrective actions and procedures so as to deal with any findings or failures in areas of Financial Reports or other important functions of the of the company.

The Chairman of the Audit Committee submits the Committee's Annual Report to the Annual Ordinary General Meeting of Shareholders based on its competences.

The Audit Committee meets at the Company's seat or, wherever provided for in its Articles of Association, in accordance with Article 90 of Law 4548/2018, as in force. The Audit Committee meets regularly to examine and take decisions on all issues within its remit.

## 5.2. No. of Audit Committee meetings and frequency of each member participating in meetings

The Audit Committee met 13 times in 2021. The frequency at which members of the Audit Committee participated in its meetings in 2021 was as follows:

Name-surname of member	No. of meetings	Participation	Percentage
Nikolaos Klitou	13	13	100.00%
Sofia Ammanatidou	13	13	100.00%
Maria Petala	13	13	100.00%

## 5.3. Audit Committee activities

In the context of its powers under the relevant legislation and its Bylaws, the Audit Committee meets at least four times a year. The final number of meetings during the year is determined by the requirements for performing its duties. In that context, during 2021 (1.1.2021-31.12.2021) the Committee held thirteen (13) meetings.

All members of the Committee were present at all meetings and depending on the item on the agenda either members of the Internal Audit Unit or senior executives charged with managing and administering company business, affairs and activities or members of the team of certified public accountants were present.

The relevant minutes were prepared at all Committee meetings in 2021. The following specific issues were examined:

- The internal audit plan for 2021, the timeframe and the Training Criteria.
- Repeat examination of Internal Audit Findings from 2020 and corrective actions taken by management.
- Quarterly Internal Audit Reports and the corresponding Findings - Follow-up during 2021 and monitoring of the Internal Audit unit's activities.
- The procedure for preparing the financial statements for 2020, the interim financial statements as at 30.6.2021 and the completeness and integrity of the relevant financial information.
- Grant Thornton's audit and Supplementary Report on the separate and consolidated financial statements for 2020 and the review of the Half-Yearly Financial Statements as at 30.6.2021.

- 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 a recommendation/proposal to the Board of Directors to renew the statutory audit services provided by Grant Thornton which provided the same services in 2020 for 2021.
- Submission of a recommendation/proposal to the Board of Directors to "adopt an Enterprise Risk Management (E.R.M) Plan" in accordance with Hellenic Capital Market Commission Decision No. 1/891/30-9-2020 which includes a review of the risk assessment procedure, the company's risk response procedures and the risk monitoring procedures. Based on that, a) a Register was prepared to identify and evaluate innate risks based on likelihood and impact on the Company's activities and objectives, b) Risk Management Policy and Guidelines on how to implement the methodology for evaluating them, c) a Brief presentation of risk management and graphs per Division and d) an Action Plan to continue the process of checking and monitoring risks.
- Submission of a recommendation/proposal to the Board of Directors to update the Bylaws of the Internal Audit Unit and the Audit Committee in accordance with the provisions of Law 4706/2020.
- Implementation of proposals from the Internal Audit 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.
- Monitoring the Company's Sustainability Policy, which reflects Management's approach to and commitment to sustainability and responsible operations.

## **6. Remuneration and Nominations Committee**

### **6.1. Line-up, operation, work and competences of the Remuneration and Nominations Committee**

Under its current Bylaws, the Remuneration and Nominations Committee, as a single committee, exercises the competences of both the Remuneration Committee (under Article 11 of Law 4706/2020) and the Nominations Committee (under Article 12 of Law 4706/2020) which have been assigned to the Committee in accordance with paragraph Article 10(2) of Law 4706/2020, pursuant to a relevant decision of the Company's Board of Directors. The Remuneration and Nominations Committee has three members and consists in its entirety of non-executive members of the Company's Board of Directors, at least two (2) of whom are independent. The Committee's term in office is the same as that of the Board of Directors.

At its meeting on 4.3.2021 the Company's Board of Directors issued decision No. 124 appointing the following persons as members of the Remuneration and Nominations Committee: Grigorios Penelis, independent non-executive member, as Chairman of the Committee, Nikolaos Klitou, independent non-executive member and Georgios Satlas, non-executive member. At its meeting on 30.9.2021 the Board of Directors decided in decision No. 514 to replace the member Georgios Satlas who had resigned, with Ekaterini Tsikaloudaki, as a member of the Committee.

The committee's main duties are listed below:

- submitting proposals to the Board about the fee of each executive member;
- examining and submitting proposals to the Board of Directors about the total size of annual variable remuneration (other than salary) for the Company;
- submitting proposed performance targets;
- regularly re-examining the salary of executive members of the Board and other terms of their contracts with the Company;
- submitting proposals to the BoD on any remuneration-related business policy;
- evaluation of executive member performance targets.

In performing its task the Committee takes serious account of the size of the public undertaking, the spread and complexity of the Company's activities, the regulatory and statutory environment (e.g. monopolistic compared to competitive undertakings) and the financial situation, as well as challenges (e.g. financial, regulatory, technological, etc.) and other important parameters as appropriate which may apply.

- Remuneration: Transparency and objectivity in determining remuneration (namely pay and benefits) for members of the Board of Directors are factors which make a substantive contribution to the Company's successful performance and to promoting and preserving its value over time. Determination and supervision of proper compliance with this procedure was assigned to the Remuneration and Nominations Committee.

The fees of members of the Board of Directors are determined taking into account the following:

- i) the statutory framework covering the Company;
- ii) the market survey prepared by the independent consultant firm of the Remuneration and Nominations Committee which set the maximum and minimum pay thresholds in the market for companies of similar size and scope listed on ATHEX;
- iii) fees were weighted based on EYATH's registered offices in Thessaloniki where there is a lag in remuneration levels compared to Athens.

The fees were weighted based on EYATH's monopolistic nature.

- Nominations:
  - it monitors effectiveness and re-examines the planning and implementation of the Company's Fit-and-Proper Policy and periodically evaluates it at regular intervals or when major events or changes occur;
  - it identifies and proposes persons suitable for membership of the Board of Directors and Board committees to the Board of Directors, taking into account factors and criteria of individual and collective suitability;
  - it evaluates the performance of members of the Board of Directors and Company committees, evaluating the skills, knowledge and experience of members of the Board of Directors and Company committees and informs the Board of Directors accordingly;

- it evaluates the structure, line-up and size of the Company's Board of Directors and submits proposals about appropriate changes;
- it constantly monitors the suitability of members of the Board of Directors, and in particular to identify cases in light of any relevant new event where it is considered necessary to re-evaluate their suitability in accordance with the relevant definitions in the Fit-and-Proper Policy;
- it examines the independence of independent non-executive members of the Board of Directors periodically, at least once a year, and in the case where a new Board of Directors is elected or a member is elected to replace a deceased independent member thereof, and on an extraordinary basis whenever required, and submits proposals to the Board of Directors about the appropriate steps and/or changes to the line-up;
- it examines the policy for selecting senior management executives (within the meaning of Article 2(13) of Law 4706/2020).

## **6.2. No. of meetings of the Remuneration and Nominations Committee and frequency of each member participating in meetings**

The Remuneration and Nominations Committee meets at the Company's seat or, where provided for in its Articles of Association, as in force, in accordance with Article 90 of Law 4548/2018, as in force, at regular intervals and on an extraordinary basis whenever deemed necessary by the Chairman or any member thereof.

The Committee met 10 times in 2021. The main issues addressed by the Remuneration and Nominations Committee at its meetings were as follows:

- The 2020 remuneration report and approval thereof based on the remuneration policy.
- Preparation and recommendation for approval by the Board of Directors on the Remuneration and Nominations Committee's Bylaws.
- Preparation and recommendation for approval by the Board of Directors on the Company's nominations policy.
- Recommendation to the CEO to complete deliverables from the Committee's Independent External Consultant.
- Evaluation of prospective members of the Board of Directors for a post on the Board of Directors of the Company.
- Recommendation to the Company's Board of Directors to elect an interim non-executive member to replace a non-executive member who had resigned.

The frequency at which members of the Committee participated in its meetings in 2021 was as follows:

Name-surname of member	No. of meetings	Participation	Percentage
Grigorios Penelis	10	10	100.00%
Nikolaos Klitou	10	10	100.00%



<b>Georgios Satlas</b>	8	8	100.00%
<b>Ekaterini Tsikaloudaki</b>	2	2	100.00%

## 7. Fit-and-Proper Policy

The current Fit-and-Proper Policy for members of the Company's Board of Directors (in accordance with Article 3 of Law 4706/2020, hereinafter the "Fit-and-Proper Policy") was approved by the Ordinary General Meeting of Shareholders on 1.6.2021.

The Fit-and-Proper Policy is an essential part of the Company's Corporate Governance System. It seeks to ensure quality staffing, effective operation and performance of the role of the Board of Directors based on the Company's general strategy and medium to long-term business objectives to promote the company's interests. Implementation ensures the acquisition and retention of persons with abilities, knowledge, skills, experience, independence of judgement, guarantees of morality and good reputation which ensure sound and effective management for the benefit of the Company, shareholders and all parties involved.

The Company evaluates both individual suitability criteria which include the adequacy of knowledge and skills, the guarantees of morality and reputation, independence of judgement, the allocation of adequate time, incompatibilities relevant to members of the Board of Directors and collective suitability criteria which mean the suitability of all members of the Board of Directors so that it can effectively exercise its leading role in corporate issues, managing corporate affairs for the benefit of the Company, shareholders and all stakeholders, and ensure sound and effective corporate governance and implementation of corporate strategy by executive management.

The Fit-and-Proper Policy and all material amendments to it are proposed to the Company's Board of Directors by the Company's Remuneration and Nominations Committee in cooperation with the Internal Audit Unit and the Company's Legal Department, and are then approved by the Company's Board of Directors and submitted to the Company's General Meeting for approval.

The Company has and implements a diversity policy (within the Fit-and-Proper Policy) to promote a suitable level of diversity within the Board of Directors and a diverse group of members. By collecting a wide range of qualifications and skills when selecting members of the Board of Directors, a range of views and experiences are ensured so that proper decisions can be taken. The Fit-and-Proper Policy includes/refers to the diversity policy to ensure that this issue has been taken into account when appointing new members of the Board of Directors. There is an express provision for adequate representation per gender with at least 25% of all members of the Board of Directors being from one gender, based on the current 11-member Board of Directors, there being a minimum of three (3) women or men and no exclusion on grounds of sex, race, colour, ethnic or social origin, religion or belief, assets, birth, disability, age or sexual orientation. The Company's diversity policy also includes employee representation on the Board of Directors in order to enrich knowledge and experience about the Company's internal operations on a daily basis.

The Fit-and-Proper Policy is available on the Company's website at the following link:  
<https://www.eyath.gr/>

The line-up of the Company's existing Board of Directors (since its election on 1.6.2021 Ordinary General Meeting of the Company's shareholders and thereafter the meeting of 23.12.2021 as stated above) meets the requirements and suitability and diversity criteria (individual and collective) laid down in Law 4706/2020 and the Fit-and-Proper Policy, as ascertained by the Company's Remuneration and Nominations Committee at the level of prospective members, before the election of the Board of

Directors and each member to replace a missing member, and by the Board of Directors during the corresponding election.

Moreover, at the Board of Directors meeting on 15.4.2021, following a recommendation to that effect by the Company's Remuneration and Nominations Committee, the Board re-examined and ascertained that the conditions for independence in Article 9(1) and (2) of Law 4706/2020 were met for the existing independent non-executive members of the Board of Directors.

## **8. Sustainability policy**

In accordance with the provisions of Article 44(1) of Law 4449/2017, as replaced by the provisions of Article 74(4)(9) of Law 4706/2020, the Audit Committee is required to include in the annual activity report to the Ordinary General Meeting a description of the sustainability policy followed by the Company.

The Company's strategy focuses on optimising the quality of services provided via the investment plan, improving facilities, expanding technological infrastructure using cutting-edge software packages, implementing best practices for managing water resources (automation, new technologies, digital transformation, etc.), making investments to upgrade the network and developing specialised computer applications.

The Company implements a Sustainability Policy and over time has sought to generate value for stakeholders, namely shareholders, customers, employees and society as a whole.

This policy is an integral part of corporate governance, since it summarises the commitment to and approach to sustainability issues and is geared towards preparing specialised policies relating to HR training and development, occupational health and safety and environmental protection. The policy focuses on the important issues related to the company's activities and seeks to ensure its continuous development, always as a responsible corporate citizen, focusing on four pillars: Environment, Market, People, Society.

To achieve that goal, the Company places particular emphasis, among other things, on training and developing human resources, on occupational health and safety and on respecting the environment, by following the principles of sustainable operation and development.

The Company's Sustainability Policy reflects the Management's approach and commitment to sustainability and responsible operations. Responsible operation is an ongoing commitment to substantive actions that aim to generate value for all stakeholders who respond to society's modern needs and contribute to its prosperity in general. The Company has a specific strategy which focuses on the important issues relating to its operations and seeks to ensure continuous, responsible growth by focusing on the critical pillars of business responsibility: Economy, Society, Environment. The sustainability policy is an integral part of the Company's business practices and corporate culture.

The Company has recognised that it is obliged to operate its business in a sustainable manner and Management is committed to implementing the Sustainability Policy at all levels of the Company and in all sectors in which it operates. In this context, even though there is no legal obligation, modern sustainability requirements have been adopted in all aspects of its operations. To that end, it is a key strategic choice to adopt the UN 2030 agenda, as expressed in the 17 Sustainable Development Goals, and to integrate the ESG criteria into both the Company's investment and business planning. In addition, a Sustainability Report is prepared to fully and comprehensively brief Company stakeholders about responsible operating practices. The report is prepared in accordance with the GRI-G4 guidelines and the provisions of the Hellenic Sustainability Code and the Athens Exchange ESG Reporting Guide.

Integrated management of Company operations in line with the Sustainability Policy contributes both to responsibly addressing environmental and social issues and to bolstering the Company's economic value.

For a Company that operates the critical water supply and sewerage infrastructure of the wider Thessaloniki Urban Area, sustainability is not only a strategic objective but also a tool for addressing climate change in the medium term and protecting sensitive aquatic ecosystems.

The Company implements the principles of corporate responsibility with particular emphasis on environmental protection, through investments and actions aimed at reducing its water and energy footprint, as it moves towards sustainability and the transition from a linear to a circular economy.

Each individual stakeholder group has a specific channel and frequency of communication based on needs and requirements to achieve the best possible interaction. Moreover, as far as the ability to record views and comments on sustainability issues is concerned, a special online form is available to be filled out by anyone interested.

Each year during the preparatory phase of the Sustainability Report, a materiality analysis is carried out to constantly improve the Group's approach to sustainability and social responsibility issues, to rank Group issues which have the most important economic, social and environmental impacts and those which significantly affect stakeholders. The material issues are set out in the report and are associated with achieving the Sustainable Development Goals via responsible operations, programmes and the relevant results.

Communication and dialogue with stakeholders via the channels established for each joint venture is supervised in its entirety by Company Management and has an impact on operations and decision-making and also contributes to improved trust-based relationships.

Stakeholders are informed about the work being carried out in the Sustainability sector via a report published in accordance with internationally accepted Sustainable Development standards. To facilitate Company stakeholders, the Corporate Responsibility Report is posted on EYATH's official website [www.eyath.gr](http://www.eyath.gr). The Company's Investment Programme Office is responsible for providing more information and clarifications about the content of the Report.

## **9. Other management and administrative bodies**

### **9.1. Management Board**

The Management Board is a coordinating body for Management and consists of the CEO as Chairman, the General Manager and the Managers. Its operation and competences are governed by special regulations, the Management Board's Bylaws, which are attached as an Annex. All decisions of the Management Board are subject to approval by the Board of Directors.

#### Competences of the Management Board

1. The Management Board coordinates and contributes to the consistency of Company operations, prevents cases of overlaps and resolves issues that require collaboration between various Divisions.
2. It handles requests from citizens relating to water supply or sewerage issues, water supply or sewerage charges, exemptions from or reductions in them. The relevant decisions shall be approved by the Board of Directors.
3. It schedules overtime and on call work or work on holidays or non-working days based on the work schedule presented to the Management Board by the competent Director. It evaluates and makes recommendations to the Board of Directors about exceedance in the planned overtime work of staff.

4. It evaluates strategic planning and programming proposals, suggestions and ideas for research programmes relating to company business, proposals on IT and development issues and staff training as well as communication policy issues.

## **9.2. Staff Boards**

The Staff Boards are divided into First and Second Instance boards and operate with the same composition as Disciplinary Boards (at First and Second Instance). The establishment, competences and running of such boards are regulated by the relevant article of the Company's Staff Regulations.

## **9.3. Technical Council**

It is an advisory body to Management on issues of project, design and service assignments. It reports to the General Manager. The establishment and operation of the Technical Council is governed by a special regulation, the Technical Council's Bylaws, which are attached as an Annex and constitute an integral part thereof, subject to any amendment or supplementation by decision of the Board of Directors.

## **10. Public takeover offers - Information**

- There are no binding takeover bids and/or rules of mandatory assignment and mandatory takeover of the Company's shares or any statutory provision on takeover.
- There are no third-party public offers to take over the Company's share capital during the last and current year.
- In case the Company decides to take part in such a procedure, this will take place in the context of European laws and applicable Greek laws.

## **11. General Meeting of shareholders and rights of shareholders**

The General Meeting of Shareholders is the Company's supreme body in law and is entitled to decide on all corporate affairs. It is convened and operates in accordance with the provisions of the Articles of Association and the relevant provisions of Law 4548/2018, as in force.

The Company makes the requisite publications and in general takes the necessary measures to inform shareholders in good time about how to exercise their rights. The latter is ensured by publishing the invitations to General Meetings and uploading them on the Company's website, the text of which contains a detailed description of shareholders rights and how these are exercised.

As part of its corporate governance system, the Company has developed adequate and effective communication mechanisms with shareholders to make it easier for them to exercise their rights and engage in active dialogue with them. The Company has a Shareholder Relations and Corporate Announcements Department to provide information directly to all shareholders on an equal footing, to support them in exercising their rights and to brief them by publicising all corporate events.

### **11.1 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 can be exercised are set out in detail in Articles 29 to 39 of the Company's Articles of Association which are available on the Company's website at the following link: <https://www.evath.gr/>

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.

The results of voting are announced by the Chairman of the Meeting once ascertained and published on the Company's website within five (5) days from the General Meeting.

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

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

- a) Extension of the Company's effective term, transformation, merger or winding up.
- b) Amendment of the Articles of Association.
- c) Share capital increases or decreases.
- d) The election of members of the Board, auditors and valuers.
- e) Approval of the annual financial statements.
- f) Profit distribution.

### **11.2 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.
- 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 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.

## EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

### ***Decision of the CoS on the Shareholding Composition of EYATH S.A.***

Judgment No. 191/2022 of the Plenary Session of the Council of State, published on 4.2.2022, held that the transfer under Law 4389/2016 by the State to HCAP S.A. of more than 50% of the share capital of EYATH S.A. is contrary to the provisions of Article 5(5) and 21(3) of the Constitution which state that the provision of water supply and sewerage services to the population of the wider Thessaloniki area is not an activity integral to the core of state power and that under current conditions, namely under conditions where those services are provided on a monopolistic basis, it is constitutionally necessary for EYATH S.A. to be controlled by the Greek State, not simply by the exercising supervision over it but via its share capital. Although the State is the sole shareholder of HCAP S.A. (the shareholder hereinafter of EYATH S.A.) it does not exercise control over the Board of Directors of HCAP and consequently the constitutional condition which requires EYATH S.A. to be controlled by the Greek State, not just by exercising supervision over it but also via its share capital, is not met, and in addition HCAP S.A., a body governed by private law which intervenes between the State and EYATH S.A., seeks above all to achieve cash flow and money saving objectives and has been organised and is run in such a way as to achieve those objectives.

### ***EYATH SERVICES S.A.'s share capital increase***

At the Extraordinary General Meeting of EYATH Services S.A. held on 11.2.2022 it was decided to increase the share capital by payment of cash and to amend Article 5 of the Articles of Association. More specifically, it was decided to increase the share capital by € one million (1,000,000) paid in cash by issuing two million (2,000,000) registered shares of € fifty cents (0.50) each. The share capital increase was made to cover losses and the medium-term cash flow needs of the company in order to finance its investment programme.

At the meeting of the Board of Directors of EYATH Services S.A. on 10.3.2022, Decision No. 002/2022 of the Board of Directors confirmed payment of the share capital increase for EYATH SERVICES S.A.

Thessaloniki, 14 April 2022

## ON BEHALF OF THE BOARD OF DIRECTORS

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



## Independent Certified Public Accountant

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.” (the Company), which comprise the separate and consolidated statement of financial position as at December 31, 2021, 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 financial position of the Company and its subsidiary (the Group) as at 31 December 2021, 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 Company and the subsidiaries included in the consolidation throughout our entire appointment, 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 that are 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 31.12.2021, the Group and Company's trade and other receivables stood at € 99,399 thousand and € 102,251 thousand respectively, whereas the relevant accumulated impairment referred to in Notes 14 and 15 of the attached financial statements stood at € 38,967 thousand for the Group and Company.

At the period end, the Management reviews the recoverability of the Group and Company's trade and other receivables, so that they are reflected in their recoverable amount, recognizing the required impairment provisions for expected credit losses. This process includes important judgements and estimates, 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 and other receivables and the level of judgement and estimates required, we consider the review of the recoverability of trade and other receivables as an area of particular audit interest.

The Group and Company disclosures about recognition of impairment of trade and other receivables are included in Notes 5.1, 14 and 15 of the attached financial statements.

Our audit procedures to assess the recoverability of trade and other receivables included:

- Assessment of the assumptions and methodology used by Management to identify the recoverability of trade and other receivables or characterise them as bad debt.
- Examination of the attorney's confirmation letter regarding bad receivables handled during the year and identification of any indication of doubtful accounts.
- Assessment of the level of impairment of trade and other receivables, 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 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 Company and Group's disclosures in Notes 5.1, 14 and 15 of the attached financial statements.

### Contingent liabilities and provisions for litigation

As at 31.12.2021, the Group is engaged in numerous litigation claims and arbitration procedures totalling approximately € 46 million, for which a provision is recognized amounting to approximately €1.4 million. The relative reference is provided in Notes 5.6, 20 and 32 of the attached financial statements.

Management uses legal advisors who periodically examine all significant legal cases. If the potential loss from litigation is considered probable and the

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 Company's Legal Department.

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.

- 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 Company and Group's disclosures in Notes 5.6, 20 and 32 of the attached financial statements.

## Other Information

Management is responsible for the other information. The other information comprises the information included in 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 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, as transposed into Greek law, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to 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, as transposed into Greek law, we exercise professional judgment and maintain professional scepticism 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 and the Corporate Governance Statement included in this report, under the provisions of Article 2(5) (Part B) of Law 4336/2015, we note the following:

1. The Board of Director's Report includes the Corporate Governance Statement that provides the information required by Article 152 of Law 4548/2018.
2. In our opinion, the Board of Directors' Report has been prepared in compliance with the applicable legal requirements of Articles 150 and 153, and Article 152(1)(c) and (d) of Law 4548/2018 and its content is consistent with the accompanying separate and consolidated financial statements for the year ended as at 31/12/2021.

3. Based on the knowledge we acquired during our audit of "THESSALONIKI WATER SUPPLY & SEWERAGE Co. S.A." and its environment, we have not identified any material inconsistencies in the Board of Directors' Report.

## **2. Additional Report to the Audit Committee**

Our opinion on the accompanying separate and consolidated financial statements is consistent with our Additional Report to the Company's Audit Committee, prepared in compliance with Article 11 of 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, 2021 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 11 years following the decisions of the Annual General Meetings of Shareholders.

## **5. Bylaws**

The Company has Bylaws in line with the content specified in the provisions of Article 14 of Law 4706/2020.

## **6. Assurance Report on the European Single Electronic Format**

We examined the digital files of the company THESSALONIKI WATER SUPPLY SEWERAGE CO S.A. (hereinafter the Company) which were prepared in accordance with the European Single Electronic Format (ESEF) laid down in Commission Delegated Regulation (EU) 2019/815 as amended by Regulation (EU) 2020/1989 (hereinafter the ESEF Regulation) which include the separate and consolidated financial statements of the Company and Group for the period ended on 31.12.2021 in XHTML format (21380054CNOGH2BJQJ59-2021-12-31-el.xhtml) and the required XBRL file (21380054CNOGH2BJQJ59-2021-12-31-el.zip), suitable indications being provided on the aforementioned consolidated financial statements.

### **Regulatory framework**

Digital files in the European Single Electronic Format are prepared in accordance with the ESEF Regulation and Commission Interpretative Communication 2020/C 379/01 of 10 November 2020, as specified in Law 3556/2007 and the relevant announcements of the Hellenic Capital Market Commission and the Athens Exchange (hereinafter the "ESEF Regulatory Framework"). In short, this Framework includes the following requirements, among others:

- All annual financial reports should be prepared in XHTML format.
- As far as the consolidated financial statements prepared in line with the International Financial Reporting Standards are concerned, the financial information included in the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the Cash Flow Statement must be marked with XBRL tags in line with the ESEF Taxonomy, as in force. The technical specifications for ESEF, including the relevant taxonomy, are set out in the ESEF Regulatory Technical Standards.

The requirements laid down in the applicable ESEF Regulatory Framework are suitable criteria for expressing conclusions that provide a reasonable assurance.

### Management and governance responsibilities

Management is responsible for preparing and submitting the separate and consolidated financial statements of the Company and Group for the period ended on 31.12.2021, in accordance with the requirements laid down in the ESEF Regulatory Framework, and for such internal checks and balances as Management considers necessary to make it possible to prepare the digital files free of material misstatement due to fraud or error.

### Auditor's responsibilities

Our responsibility is to plan and carry out this assurance work in accordance with decision No. 214/4/11-02-2022 of the Board of Directors of the Accounting Standardisation and Auditing Committee (ELTE) and the "Guidelines on the work and assurance report of certified public accountants in the European single electronic reporting format (ESEF) for issuers with transferable securities listed on a regulated market in Greece", as issued by the Institute of Certified Public Accountants on 14/02/2022 (hereinafter the "ESEF Guidelines"), in order to obtain reasonable assurance that the separate and consolidated financial statements of the Company and the Group prepared by management in accordance with ESEF comply in all material respects with the applicable ESEF Regulatory Framework.

Our work was carried out in accordance with the Code of Ethics for Professional Auditors issued by the International Ethics Standards Board for Accountants (IESBA Code) which has been transposed into Greek law and we have also performed our ethical independence obligations in accordance with Law 4449/2017 and Regulation (EU) No 537/2014.

The assurance work we carried out only covers the items included in the ESEF Guidelines and was carried out in accordance with the International Standard on Assurance Engagements 3000, "Assurance Projects Beyond Control or Review of Historical Financial Information". Reasonable assurances are high level assurances but are not a guarantee that this work will always identify a material error in relation to non-compliance with the requirements of the ESEF Regulatory Framework.

### Conclusion

Based on the work carried out and the evidence obtained, we can draw the conclusion that the separate and consolidated financial statements of the Company and Group for the period ended on 31.12.2021 in XHTML file format (21380054CNOGH2BJQJ59-2021-12-31-el.xhtml) and the requisite XBRL file (21380054CNOGH2BJQJ59-2021-12-31-el.zip) with suitable indications in the aforementioned consolidated financial statements have been prepared in all material respects in accordance with the requirements of the ESEF Regulatory Framework.

Athens, 15 April 2022

The Certified Public Accountant

Andreas Sofis



31/12/2021

**ANNUAL FINANCIAL REPORT**  
for the period 1 January 2021 - 31 December 2021  
*(amounts in thousands of euro)*

ICPA (GR) Reg. No. 47771



**Grant Thornton**

Οργανισμός Ελεγκτών Στεγαστικών Επιχειρήσεων  
Α. Καραγιάννη 55, 115 25 Αθήνα  
Α.Μ. ΣΟΕΑ 127

## **Annual Financial Statements**

*For the period 1/1 – 31/12/2021*

*In accordance with the International Financial Reporting Standards (IFRS)*

## Statement of Financial Position

		THE GROUP		THE COMPANY	
		31/12/2021	31/12/2020 Adjusted*	31/12/2021	31/12/2020 Adjusted*
Note:					
ASSETS					
Non-Current Assets					
Tangible assets	7	66,806	62,813	66,806	62,813
Intangible assets	8	88	155	88	155
Participations in subsidiaries	10	-	-	60	60
Deferred tax assets	29	3,377	3,831	3,377	3,831
Other long-term assets	11	2,863	3,126	2,863	3,126
Right-of-use assets	9	1,743	690	1,743	690
Financial assets measured at fair value through other comprehensive income	12	50	50	50	50
Total non-current assets		74,928	70,666	74,988	70,726
Current Assets					
Inventories	13	1,820	1,542	1,820	1,542
Trade receivables and contractual assets	14	57,095	65,033	57,050	65,017
Other receivables	15	3,337	2,190	3,300	2,214
Cash and cash equivalents	16	91,305	81,916	91,019	81,358
Total current assets		153,557	150,681	153,189	150,130
TOTAL ASSETS		228,485	221,347	228,177	220,856
LIABILITIES					
Equity					
Share capital	17	40,656	40,656	40,656	40,656
Premium on capital stock	17	2,830	2,830	2,830	2,830
Reserves	18	30,610	30,610	30,587	30,587
Results carried forward		115,157	111,895	114,999	111,528
Total equity		189,253	185,991	189,072	185,601
Non-controlling interests		-	-	-	-
Total equity		189,253	185,991	189,072	185,601
Liabilities					
Long-term liabilities					
Provisions for employee benefits	19	1,265	1,208	1,265	1,208
Provisions for contingencies and expenses	20	1,603	3,564	1,603	3,564
Grants	21	695	943	695	943
Long-term lease liabilities	23	859	266	859	266
Other long-term liabilities	22	16,303	15,833	16,303	15,833
Total long-term liabilities		20,725	21,814	20,725	21,814
Short-term liabilities					
Trade and other liabilities	24	17,533	12,590	17,407	12,503
Short-term lease liabilities	23	628	172	628	172
Dividends payable		40	42	40	42
Short-term tax liabilities	25	307	738	306	724
Total short-term liabilities		18,507	13,542	18,381	13,441
Total Liabilities		39,232	35,356	39,105	35,255
TOTAL OWNERS' EQUITY AND LIABILITIES		228,485	221,347	228,177	220,856

The comparative amounts in the Statement of Financial Position have been adjusted due to the change in accounting policy for retirement benefit liabilities in accordance with IAS 19. A relevant analysis is provided in note 2.3.

### Notes:

The disclosures on pages 80 to 131 constitute an integral part of these financial statements.

## Statement of Comprehensive Income

	Note:	THE GROUP		THE COMPANY	
		1/1- 31/12/2021	01/01-31/12/2020 Adjusted*	1/1- 31/12/2021	01/01-31/12/2020 Adjusted*
-					
<b>Sales</b>		73,626	71,911	73,626	71,911
Less: Cost of sales	26	(50,549)	(44,289)	(50,549)	(44,289)
<b>Gross profit margin</b>		<b>23,077</b>	<b>27,622</b>	<b>23,077</b>	<b>27,622</b>
Other operating income	27	7,156	2,748	7,099	2,676
		<b>30,233</b>	<b>30,370</b>	<b>30,176</b>	<b>30,298</b>
Selling and distribution expenses	26	(7,252)	(5,798)	(7,252)	(5,798)
Administrative expenses	26	(6,056)	(5,226)	(5,791)	(5,208)
Research and development expenses	26	(177)	(269)	(177)	(269)
Other operating expenses	27	(1,383)	(2,715)	(1,383)	(2,715)
<b>Operating results</b>		<b>15,364</b>	<b>16,362</b>	<b>15,572</b>	<b>16,308</b>
Net financial income	28	389	364	389	363
<b>Normal operating results</b>		<b>15,753</b>	<b>16,725</b>	<b>15,961</b>	<b>16,671</b>
Income from investments		-	-	-	-
<b>Results before tax</b>		<b>15,753</b>	<b>16,725</b>	<b>15,961</b>	<b>16,671</b>
Income tax	29	(4,417)	(4,845)	(4,417)	(4,831)
<b>Results net of tax</b>		<b>11,335</b>	<b>11,881</b>	<b>11,543</b>	<b>11,840</b>
<b>Allocated among:</b>					
Parent shareholders		11,335	11,881	11,543	11,840
Non-controlling interests		-	-	-	-
<b>Other comprehensive income net of tax:</b>					
Data that will not be subsequently classified in the Income Statement:					
Actuarial Results		22	(34)	22	(34)
<b>Total comprehensive income net of tax</b>		<b>11,357</b>	<b>11,847</b>	<b>11,565</b>	<b>11,806</b>
<b>Allocated among:</b>					
Parent shareholders		11,357	11,847	11,565	11,806
Non-controlling interests		-	-	-	-
<b>Earnings per share (in euro per share)</b>	30	<b>0.3123</b>	<b>0.3273</b>	<b>0.3180</b>	<b>0.3262</b>
Basic					

The comparative amounts in the Statement of Comprehensive Income have been adjusted due to the change in accounting policy for retirement benefit liabilities in accordance with IAS 19. A relevant analysis is provided in note 2.3.

### Notes:

The disclosures on pages 80 to 131 constitute an integral part of these financial statements.

## Statement of Changes in Equity

### Statement of changes in equity (Group)

	Share capital	Share premium	Statutory Reserve	Other reserves	Other comprehensive income / results carried forward	Total
<b>Balance on 1/1/2021 according to IFRS</b>	<b>40,656</b>	<b>2,830</b>	<b>13,574</b>	<b>17,035</b>	<b>111,897</b>	<b>185,991</b>
Earnings after tax 01/01 - 31/12/2021	-	-	-	-	11,335	11,335
Other Comprehensive Income for the period 1/1 - 31/12/2021	-	-	-	-	22	22
Dividends distributed	-	-	-	-	(8,095)	(8,095)
<b>Balance on 31/12/2021 according to IFRS</b>	<b>40,656</b>	<b>2,830</b>	<b>13,574</b>	<b>17,035</b>	<b>115,158</b>	<b>189,253</b>
<b>Balance on 31/12/2019 according to IFRS</b>	<b>40,656</b>	<b>2,830</b>	<b>13,310</b>	<b>17,035</b>	<b>109,381</b>	<b>183,212</b>
Adjustment due to application of IAS 19	-	-	-	-	661	661
<b>Balance on 1/1/2020 according to IFRS</b>	<b>40,656</b>	<b>2,830</b>	<b>13,310</b>	<b>17,035</b>	<b>110,042</b>	<b>183,873</b>
Earnings after tax 01/01 - 31/12/2020	-	-	264	-	11,617	11,881
Other Comprehensive Income for the period 1/1 - 31/12/2020	-	-	-	-	(34)	(34)
Dividends distributed	-	-	-	-	(9,728)	(9,728)
<b>Balance on 31/12/2020 according to IFRS</b>	<b>40,656</b>	<b>2,830</b>	<b>13,574</b>	<b>17,035</b>	<b>111,897</b>	<b>185,991</b>

### Statement of changes in equity (Company)

	Share capital	Share premium	Statutory Reserve	Other reserves	Other comprehensive income / results carried forward	Total
<b>Balance on 1/1/2021 according to IFRS</b>	<b>40,656</b>	<b>2,830</b>	<b>13,552</b>	<b>17,035</b>	<b>111,528</b>	<b>185,601</b>
Earnings after tax 01/01 - 31/12/2021	-	-	-	-	11,543	11,543
Other Comprehensive Income for the period 1/1 - 31/12/2021	-	-	-	-	22	22
Dividends distributed	-	-	-	-	(8,095)	(8,095)
<b>Balance on 31/12/2021 according to IFRS</b>	<b>40,656</b>	<b>2,830</b>	<b>13,552</b>	<b>17,035</b>	<b>114,999</b>	<b>189,072</b>
<b>Balance on 31/12/2019 according to IFRS</b>	<b>40,656</b>	<b>2,830</b>	<b>13,288</b>	<b>17,035</b>	<b>109,054</b>	<b>182,863</b>
Adjustment due to application of IAS 19	-	-	-	-	661	661
<b>Balance on 1/1/2020 according to IFRS</b>	<b>40,656</b>	<b>2,830</b>	<b>13,288</b>	<b>17,035</b>	<b>109,715</b>	<b>183,524</b>
Earnings after tax 01/01 - 31/12/2020	-	-	264	-	11,576	11,840
Other Comprehensive Income for the period 1/1 - 31/12/2020	-	-	-	-	(34)	(34)
Dividends distributed	-	-	-	-	(9,728)	(9,728)
<b>Balance on 31/12/2020 according to IFRS</b>	<b>40,656</b>	<b>2,830</b>	<b>13,552</b>	<b>17,035</b>	<b>111,528</b>	<b>185,601</b>

The comparative amounts in the Statement of Financial Position have been adjusted due to the change in accounting policy for retirement benefit liabilities in accordance with IAS 19.

**Notes:** The disclosures on pages 80 to 131 constitute an integral part of these financial statements.

## Cash Flow Statement

### Indirect method

	Note:	THE GROUP		THE COMPANY	
		1/1- 31/12/2021	01/01-31/12/2020 Adjusted*	1/1- 31/12/2021	01/01-31/12/2020 Adjusted*
<b>Cash flow from operating activities</b>					
Profit / (loss) before income tax (continuing operations)		15,753	16,725	15,961	16,671
<b>Plus/(Minus) adjustments for:</b>					
Depreciation	7.8	5,300	6,241	5,300	6,241
Depreciation of rights-of-use	9	555	353	555	353
Depreciation of fixed asset investment subsidies	21	(248)	(348)	(248)	(348)
Provisions		4,267	5,261	4,282	5,261
Offsetting of prior period provisions	20	(2,224)	(355)	(2,224)	(355)
Interest and related (income) / expenses		(389)	(364)	(389)	(363)
		<b>23,014</b>	<b>27,513</b>	<b>23,237</b>	<b>27,459</b>
Decrease/ (increase) in inventories		(278)	50	(278)	50
Decrease/(increase) in trade and other receivables		6,484	(5,343)	6,559	(5,343)
Increase/(decrease) of trade and other liabilities (except loans)		899	(1,207)	874	(1,196)
Decrease/(increase) in other long-term receivables		263	(389)	263	(389)
(Less):					
Interest charges and related expenses paid		(120)	(107)	(120)	(107)
Tax paid		(3,540)	(2,173)	(3,540)	(2,173)
<b>Total inflow/(outflow) from operating activities (a)</b>		<b>26,722</b>	<b>18,345</b>	<b>26,995</b>	<b>18,302</b>
<b>Cash Flows from Investing Activities</b>					
Purchases of tangible assets	7	(9,211)	(3,035)	(9,211)	(3,035)
Purchase of intangible assets	8	(16)	(73)	(16)	(73)
Sales of fixed assets		0	14	0	14
Interest received		512	818	512	818
<b>Total inflow/(outflow) from investing activities (b)</b>		<b>(8,714)</b>	<b>(2,276)</b>	<b>(8,714)</b>	<b>(2,276)</b>
<b>Cash flows from financing activities</b>					
Leasing arrangement liabilities paid	23	(607)	(372)	(607)	(372)
Dividends paid		(8,012)	(9,625)	(8,012)	(9,625)
<b>Total inflow/(outflow) from financing activities (c)</b>		<b>(8,620)</b>	<b>(9,996)</b>	<b>(8,620)</b>	<b>(9,996)</b>
<b>Net increase/(decrease) in cash and cash equivalents for the period (a) + (b) + (c)</b>		<b>9,388</b>	<b>6,072</b>	<b>9,661</b>	<b>6,029</b>
Cash assets and equivalents at start of year		81,916	75,844	81,358	75,329
<b>Cash assets and equivalents at end of period</b>	16	<b>91,305</b>	<b>81,916</b>	<b>91,019</b>	<b>81,358</b>

The comparative amounts in the Cash Flow Statement have been adjusted due to the change in accounting policy for retirement benefit liabilities in accordance with IAS 19.

#### Notes:

The disclosures on pages 80 to 131 constitute an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS****1. GENERAL INFORMATION ABOUT THE COMPANY AND THE GROUP**

The **THESSALONIKI WATER SUPPLY AND SEWERAGE CO. S.A.**, trading as EYATH S.A. (hereinafter the Company) has its registered offices at 91 Tsimiski 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/30.07.2001), 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. Nikolaos Klitou, independent non-executive member, Chairman of the Audit Committee.
6. Dimitrios Konstantakopoulos, 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. Ioannis Mitziias, employee representative, non-executive member

Companies Reg. No. 41913/ 06/ B/ 98/ 32

General Commercial Reg. No. 58240404000

Auditing Company: GRANT THORNTON SA  
58 Katehaki Ave., GR-  
11525  
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 2021. The key accounting policies implemented for drawing up the financial statements for the period that ended on 31 December 2021 are the same as those followed when drawing up the annual financial statements of the year ended on 31 December 2020, 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 14/04/2022 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 1.1.2021. Where not otherwise stated, other amendments and interpretations which applied for the first time in 2021 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 2021 period.

#### Standards and interpretations mandatory for the current financial year

##### **IFRS 4 (Amendment) "Extension of the Temporary Exemption from Applying IFRS 9"**

In June 2020, the IASB issued amendments which postponed the date of initial application of IFRS 17 for two years, in other words it will apply to annual periods beginning on or after 1.1.2023. As a result of this, the IASB also extended the set end date for the temporary exemption from the application of IFRS 9 "Financial Instruments" included in IFRS 4 "Insurance Contracts", meaning that economic entities are required to apply IFRS 9 for annual periods beginning on or after 1.1.2023.

##### **IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments) "Interest Rate Benchmark Reform - Phase 2"**

In August 2020, the IASB completed the process of evaluating and responding to the change in interbank interest rates and other interest rate benchmarks by issuing a series of amendments to five Standards. The amendments complement those issued in 2019 and focus on the effects on financial statements when a

company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the reform. More specifically, the amendments relate to how a company will account for changes in the contractual cash flows of financial instruments, how it will account for changes in its hedging relationships, and the information which must be disclosed.

#### **IFRS 16 (Amendment): Covid-19 Related Rent Concessions after 30.6.2021**

In March 2021, the IASB issued amendments regarding the practical application of IFRS 16, which extends the implementation period by one year to include Covid-19-related rent concessions that reduce lease payments that become payable on or before 30.6.2022.

#### **IAS 19 (Employee Benefits) "Attributing Benefits to Periods of Service"**

In May 2021, IFRIC issued a decision about IAS 19 "Employee Benefits" and in particular about how the accounting principles and requirements in the International Accounting Standards apply to the allocation of benefits to periods of service. The Group and Company have fully implemented this decision as of 31.12.2021. The impact of this decision on the Company's Financial Statements is outlined in Note 2.3.

#### **Standards and Interpretations mandatory for later accounting periods**

**IFRS 17 "Insurance contracts" and Amendments to IFRS 17** (effective for annual accounting periods beginning on or after 1.1.2023)

IFRS 17 was issued in May 2017 and along with amendments to IFRS 17 issued in June 2020, it replaces IFRS 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 objective of the standard is to ensure that an entity provides relevant information that faithfully represents those contracts. The new standard solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. Insurance obligations will be accounted for using current values – instead of historical cost. The standard has not yet been adopted by the European Union.

**IAS 16 (Amendment) "Property Plant and Equipment – Proceeds before intended use"** (effective for annual accounting periods beginning on or after 1.1.2022)

The amendment prohibits an entity from deducting from the cost of property plant and equipment any proceeds received from the sale of items produced while the entity is readying the asset for its intended use. It also requires entities to disclose separately the amounts of income and expenses related to such items produced which are not the result of the entity's normal activities. This amendment has not yet been adopted by the European Union.

**IAS 37 (Amendment) "Onerous Contracts — Cost of Fulfilling a Contract"** (effective for annual accounting periods beginning on or after 1.1.2022)

The amendment clarifies that "the cost of fulfilling a contract" comprises the costs that relate directly to the contract and the allocation of other costs that relate directly to fulfilling the contract. The amendment also clarifies that, before recognising a separate provision for an onerous contract, an entity must recognise any impairment losses on the assets used to fulfil the contract, and not on assets dedicated only to the specific contract. This amendment has not yet been adopted by the European Union.

**IFRS 3 (Amendment) "Reference to the Conceptual Framework"** (effective for annual accounting periods beginning on or after 1.1.2022)

The amendment updated the standard to refer to the Conceptual Framework for Financial Reporting issued in 2018 when it is necessary to determine what constitutes an asset or liability in a business combination. In addition, an exception was added for certain types of liabilities and contingent liabilities acquired in a business combination. Lastly, it should be clarified that the acquirer must not recognise contingent assets as defined in IAS 37 on the acquisition date. This amendment has not yet been adopted by the European Union.

**IAS 1 (Amendment) "Classification of liabilities as current or non-current"** (effective for annual accounting periods beginning on or after 1.1.2023)

This amendment clarifies that liabilities are classified as current or non-current based on the rights in force at the end of the reporting period. Classification is not affected by the entity's expectations or by events after the reporting date. Moreover, the amendment clarifies the meaning of the term 'settlement' of an obligation under IAS 1. This amendment has not yet been adopted by the European Union.

**IAS 1 (Amendments) "Presentation of Financial Statements" and IFRS Practice Statement 2 "Disclosure of Accounting Policies"** (effective for annual accounting periods beginning on or after 1.1.2023)

The amendments require companies to provide information about their accounting policies when they are material, and provide guidance about the concept of materiality when applied to accounting policy disclosures. These amendments have not yet been adopted by the European Union.

**IAS 8 (Amendments) "Accounting Policies, Changes in Accounting Estimates and Errors: "Definition of Accounting Estimates"** (effective for annual accounting periods beginning on or after 1.1.2023)

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. This distinction is important since a change in an accounting valuation is applied without retroactive effect and only for future transactions and other future events, compared to a change in an accounting policy which has retroactive effect and applies to transactions and other past events. These amendments have not yet been adopted by the European Union.

**IAS 12 (Amendments) "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"** (effective for annual accounting periods beginning on or after 1.1.2023)

The amendments require companies to recognise deferred tax in specific transactions which, upon initial recognition, leads to equal amounts of taxable and deductible interim differences. This usually applies to transactions such as leases for lessees and decommissioning obligations. These amendments have not yet been adopted by the European Union.

**IFRS 17 (Amendments) "Insurance Contracts: First-time adoption of IFRS 17 and IFRS 9 - Comparative Period Information"** (effective for annual accounting periods commencing on or after 1.1.2023)

In December 2021, the IASB issued a narrow-scope amendment to the transition requirements in IFRS 17 to address a major issue related to temporary accounting mismatches between insurance contract liabilities and financial assets in comparative reporting in the context of first-time adoption. IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments". This amendment seeks to improve the utility of financial information presented in the comparator period for users of Financial Statements.

These amendments have not yet been adopted by the European Union.

**Annual improvements to the IFRS 2018-2020** (effective for annual accounting periods beginning on or after 1.1.2022)

The amendments presented below describe the basic changes to four IFRSs. These amendments have not yet been adopted by the European Union.

*IFRS 1 "First-time adoption of International Financial Reporting Standards"*

This amendment allows the subsidiary to apply paragraph D16(a) of the Appendix to IFRS 1 to measure cumulative foreign exchange differences using the amounts reported by the parent company which are based on the parent company's transition date to IFRS.

*IFRS 9 "Financial instruments"*

The amendment examines which costs should be included in the ten per cent test for derecognition of financial liabilities. The relevant costs or fees could be paid either to third parties or to the creditor. Under the amendment, the cost or fees paid to third parties will not be included in the ten per cent test.

*IFRS 16 "Leases"*

The amendment removed the example for payments by the lessor relating to lease improvements in explanatory example 13 of the standard in order to remove any possible confusion about how lease incentives are handled.

*IAS 41 "Agriculture"*

This amendment has abolished the requirement for entities to exclude tax cash flows when measuring fair value in accordance with IAS 41.

**2.3 Change in accounting policy on the allocation of defined employee benefits to periods of service in accordance with IAS 19 "Employee Benefits"**

In May 2021, the IFRS Interpretations Committee issued a final agenda decision entitled "Attributing benefits to periods of service in accordance with International Accounting Standard (IAS) 19" which includes explanatory material about how benefits are to be allocated to periods of service in a specific defined benefit plan similar to that specified in Article 8 of Law 3198/1955 on the provision of retirement compensation (the "Defined Benefit Plan under Labour Law").

This Decision differentiates the way in which the basic principles of IAS 19 were applied in Greece in the past in this regard, and consequently, in accordance with the provisions of the IASB Due Process Handbook (para. 8.6)" entities preparing their financial statements in accordance with the IFRS must amend their accounting policy accordingly in this regard.

Until the agenda decision was issued, the Group and Company applied IAS 19 by allocating the benefits specified in Article 8 of Law 3198/1955, Law 2112/1920 and its amendment by Law 4093/2012 to the period from recruitment to the employee retirement date.

Application of this final Decision to the attached financial statements results in benefits being allocated over the last 16 years up to the date on which employees retire using the scale set out in Law 4093/2012.

In light of the above, application of the final Decision has been treated as a change in accounting policy, applying the change retroactively from the start of the first comparator period in accordance with paragraphs 19 to 22 of IAS 8.

The adjusted accounts in the statement of financial position as at 31.12.2020 and 31.12.2019 and the adjusted statement of comprehensive income for the comparator period 1.1-31.12.2020 are set out below:

**i. Statement of Financial Position as at 1.1.2020 and 31.12.2020:**

	THE GROUP			THE GROUP		
	Published on 31/12/2020	Impact of Change IAS 19	Adjusted on 31/12/2020	Published on 31/12/2019	Impact of Change IAS 19	Adjusted on 1/1/2020
<b>ASSETS</b>						
<b>Non-Current Assets</b>						
Deferred tax assets	4,019	(188)	3,831	3,571	(209)	3,362
<b>Total non-current assets</b>	<b>70,854</b>	<b>(188)</b>	<b>70,666</b>	<b>73,780</b>	<b>(209)</b>	<b>73,571</b>
<b>TOTAL ASSETS</b>	<b>221,535</b>	<b>(188)</b>	<b>221,347</b>	<b>218,579</b>	<b>(209)</b>	<b>218,370</b>
<b>LIABILITIES</b>						
<b>Equity</b>						
Results carried forward	111,298	596	111,895	109,380	661	110,041
<b>Total equity</b>	<b>185,394</b>	<b>596</b>	<b>185,991</b>	<b>183,212</b>	<b>661</b>	<b>183,873</b>
<b>Total equity</b>	<b>185,394</b>	<b>596</b>	<b>185,991</b>	<b>183,212</b>	<b>661</b>	<b>183,873</b>
<b>Liabilities</b>						
<b>Long-term liabilities</b>						
Provisions for employee benefits	1,993	(784)	1,208	2,044	(870)	1,174
<b>Total long-term liabilities</b>	<b>22,598</b>	<b>(784)</b>	<b>21,814</b>	<b>22,785</b>	<b>(870)</b>	<b>21,916</b>
<b>Total Liabilities</b>	<b>36,140</b>	<b>(784)</b>	<b>35,356</b>	<b>35,367</b>	<b>(870)</b>	<b>34,497</b>
<b>TOTAL OWNERS' EQUITY AND LIABILITIES</b>	<b>221,535</b>	<b>(188)</b>	<b>221,347</b>	<b>218,579</b>	<b>(209)</b>	<b>218,370</b>

	THE COMPANY			THE COMPANY		
	Published on 31/12/2020	Impact of Change IAS 19	Adjusted on 31/12/2020	Published on 31/12/2019	Impact of Change IAS 19	Adjusted on 1/1/2020
<b>ASSETS</b>						
<b>Non-Current Assets</b>						
Deferred tax assets	4,019	(188)	3,831	3,571	(209)	3,362
<b>Total non-current assets</b>	<b>70,914</b>	<b>(188)</b>	<b>70,726</b>	<b>73,840</b>	<b>(209)</b>	<b>73,631</b>
<b>TOTAL ASSETS</b>	<b>221,044</b>	<b>(188)</b>	<b>220,856</b>	<b>218,132</b>	<b>(209)</b>	<b>217,924</b>
<b>LIABILITIES</b>						
<b>Equity</b>						
Results carried forward	110,932	596	111,528	109,054	661	109,715
<b>Total equity</b>	<b>185,005</b>	<b>596</b>	<b>185,601</b>	<b>182,863</b>	<b>661</b>	<b>183,524</b>
<b>Total equity</b>	<b>185,005</b>	<b>596</b>	<b>185,601</b>	<b>182,863</b>	<b>661</b>	<b>183,524</b>
<b>Liabilities</b>						
<b>Long-term liabilities</b>						
Provisions for employee benefits	1,993	(784)	1,208	2,044	(870)	1,174
<b>Total long-term liabilities</b>	<b>22,598</b>	<b>(784)</b>	<b>21,814</b>	<b>22,785</b>	<b>(870)</b>	<b>21,916</b>
<b>Total Liabilities</b>	<b>36,039</b>	<b>(784)</b>	<b>35,255</b>	<b>35,269</b>	<b>(870)</b>	<b>34,400</b>
<b>TOTAL OWNERS' EQUITY AND LIABILITIES</b>	<b>221,044</b>	<b>(188)</b>	<b>220,856</b>	<b>218,132</b>	<b>(209)</b>	<b>217,924</b>

**ii. Statement of Comprehensive Income as at 31.12.2020:**

	THE GROUP		
	Published 1/1-31/12/2020	Impact of Change IAS 19	Adjusted 1/1-31/12/2020
<b>Sales</b>	71,911		71,911
Less: Cost of sales	(44,290)	1	(44,289)
<b>Gross profit margin</b>	<b>27,621</b>	<b>1</b>	<b>27,622</b>
Selling and distribution expenses	(5,798)	0	(5,798)
Administrative expenses	(5,227)	0	(5,226)
<b>Operating results</b>	<b>16,360</b>	<b>1</b>	<b>16,362</b>
Net financial income	349	15	364
<b>Normal operating results</b>	<b>16,709</b>	<b>16</b>	<b>16,725</b>
<b>Results before tax</b>	<b>16,709</b>	<b>16</b>	<b>16,725</b>
Income tax	(4,841)	(4)	(4,845)
<b>Results net of tax</b>	<b>11,868</b>	<b>12</b>	<b>11,881</b>
<b>Allocated among:</b>			
Parent shareholders	11,868	12	11,881
<b>Other comprehensive income net of tax:</b>			
Data that will not be subsequently classified in the Income Statement:			
Actuarial Results	43	(77)	(34)
<b>Total comprehensive income net of tax</b>	<b>11,911</b>	<b>(65)</b>	<b>11,847</b>
<b>Allocated among:</b>			
Parent shareholders	11,911	(65)	11,847

	THE COMPANY		
	Published 1/1-31/12/2020	Impact of Change IAS 19	Adjusted 1/1-31/12/2020
<b>Sales</b>	71,911		71,911
Less: Cost of sales	(44,290)	1	(44,289)
<b>Gross profit margin</b>	<b>27,621</b>	<b>1</b>	<b>27,622</b>
Selling and distribution expenses	(5,798)	0	(5,798)
Administrative expenses	(5,208)	0	(5,208)
<b>Operating results</b>	<b>16,307</b>	<b>1</b>	<b>16,308</b>
Net financial income	348	15	363
<b>Normal operating results</b>	<b>16,655</b>	<b>16</b>	<b>16,671</b>
<b>Results before tax</b>	<b>16,655</b>	<b>16</b>	<b>16,671</b>
Income tax	(4,828)	(4)	(4,831)
<b>Results net of tax</b>	<b>11,827</b>	<b>12</b>	<b>11,840</b>
<b>Allocated among:</b>			
Parent shareholders	11,827	12	11,840
<b>Other comprehensive income net of tax:</b>			
Data that will not be subsequently classified in the Income Statement:			
Actuarial Results	43	(77)	(34)
<b>Total comprehensive income net of tax</b>	<b>11,870</b>	<b>(65)</b>	<b>11,806</b>
<b>Allocated among:</b>			
Parent shareholders	11,870	(65)	11,806



### 3. MAIN ACCOUNTING POLICIES

#### 3.1 Investments in subsidiaries

Subsidiaries are businesses over which the Group exerts control. The parent company acquires and exercises control via voting rights. The existence of any potential voting rights which are exercisable at the time the financial statements are prepared is taken into account in order to determine whether the parent company exercises control over subsidiaries. Subsidiaries are fully consolidated from the date on which control of them is acquired and they cease to be consolidated from the date on which such control no longer exists.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of acquiring a subsidiary is the fair value of the assets given, the shares issued and the liabilities assumed on the transaction date plus any cost directly associated with the transaction. Individual assets, liabilities and contingent liabilities acquired in a business combination are measured at acquisition at fair value regardless of the holding. The cost of acquisition above fair value of the specific assets acquired is posted as goodwill. If the total acquisition cost is lower than the fair value of the individual assets acquired, the difference is directly recorded in the profit and loss account.

Intra-group transactions, balances and unrealised profits from transactions between companies in the group are crossed out. Unrealised losses are also crossed out but are taken into account as indications of impairment of the asset transferred. The subsidiary's accounting policies have been changed, where necessary, so that they are identical with those adopted by the Group.

Investments in subsidiaries in the parent company's separate financial statements are valued at acquisition cost less any accumulated impairment losses.

#### 3.2 Basis of consolidation:

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

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

#### 3.3 Tangible fixed assets

Tangible assets are measured at acquisition cost less accumulated depreciation and impairment. The cost of acquisition includes all directly payable expenses for acquiring assets. Subsequent expenses are recorded as an increase to the book value of the fixed assets or as a separate asset only where it is likely that the future financial benefits accruing to the Group and the cost can be reliably measured. The cost of repair and maintenance works is recognised in profit and loss when the said works are carried out.

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

Plots – lots are not depreciated. Depreciation of other tangible assets is calculated using the straight line method, charged in equal amounts over the asset's expected useful life, so as to write off the cost at residual value, as follows:

Buildings and technical works	9 to 40 years
Machinery and installations	10-25 years
Transportation equipment	10-15 years
Furniture and other equipment	5-15 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 31/12/2021.

#### ***(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 31.12.2021 can be broken down as follows:

FINANCIAL LIABILITIES MATURITY AS AT 31.12.2021

	THE GROUP				THE COMPANY			
	SHORT-TERM	LONG-TERM			SHORT-TERM	LONG-TERM		
	Within 1 year	1 to 5 years	Over 5 years	Total	Within 1 year	1 to 5 years	Over 5 years	Total
Long-term lease liabilities	-	859	-	859	-	859	-	859
Other long-term liabilities	-	-	16,303	16,303	-	-	16,303	16,303
Short-term lease liabilities	628	-	-	628	628	-	-	628
Suppliers and other liabilities	17,572	-	-	17,572	17,447	-	-	17,447
Short-term tax liabilities	307	-	-	307	306	-	-	306
<b>Total</b>	<b>18,507</b>	<b>859</b>	<b>16,303</b>	<b>35,669</b>	<b>18,381</b>	<b>859</b>	<b>16,303</b>	<b>35,543</b>

The maturity of Group and Company financial assets on 31.12.2020 can be broken down as follows:

FINANCIAL LIABILITIES MATURITY AS AT 31.12.2020

	THE GROUP				THE COMPANY			
	SHORT-TERM	LONG-TERM			SHORT-TERM	LONG-TERM		
	Within 1 year	1 to 5 years	Over 5 years	Total	Within 1 year	1 to 5 years	Over 5 years	Total
Long-term lease liabilities	-	256	10	266	-	256	10	266
Other long-term liabilities	-	-	15,833	15,833	-	-	15,833	15,833
Short-term lease liabilities	172	-	-	172	172	-	-	172
Suppliers and other liabilities	12,632	-	-	12,632	12,545	-	-	12,545
Short-term tax liabilities	738	-	-	738	724	-	-	724
<b>Total</b>	<b>13,542</b>	<b>256</b>	<b>15,843</b>	<b>29,641</b>	<b>13,441</b>	<b>256</b>	<b>15,843</b>	<b>29,540</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	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Total borrowing	-	-	-	-
Less: Cash assets	(91,305)	(81,916)	(91,019)	(81,358)
<b>Net debt</b>	<b>(91,305)</b>	<b>(81,916)</b>	<b>(91,019)</b>	<b>(81,358)</b>
Total equity	189,253	185,991	189,072	185,601
<b>Total capital</b>	<b>97,948</b>	<b>104,074</b>	<b>98,053</b>	<b>104,244</b>
<b>Gearing ratio</b>	<b>-93.22%</b>	<b>-78.71%</b>	<b>-92.83%</b>	<b>-78.05%</b>

#### 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 the potential loss from litigation is considered probable and the amount can be estimated reliably, Management recognizes the relevant provision in the financial statements.

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

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

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

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

## 6. SEGMENTAL REPORTING

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

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

#### 6.1.1 Distribution of income statement per business segment

	Group data for the period 1/1 - 31/12/2021		
	Provision of Water Supply Services	Provision of Sewerage Services	GROUP TOTAL
Sales to third parties	47,928	25,698	73,626
Less: Total cost of sales	(27,051)	(23,498)	(50,549)
<b>Gross Profit</b>	<b>20,877</b>	<b>2,200</b>	<b>23,077</b>
Other operating income	3,781	3,375	7,156
Selling and distribution expenses	(4,528)	(2,725)	(7,252)
Administrative expenses	(3,375)	(2,681)	(6,056)
Research and development expenses	(116)	(62)	(177)
Other operating expenses	(829)	(554)	(1,383)
<b>Earnings / (losses) before taxes, financial and investment results</b>	<b>15,810</b>	<b>(446)</b>	<b>15,364</b>
Net Financial Income	281	108	389
Normal operating results	16,091	(338)	15,753
<b>Results before tax</b>	<b>16,091</b>	<b>(338)</b>	<b>15,753</b>
Income tax	(4,486)	69	(4,417)
<b>Results net of tax</b>	<b>11,605</b>	<b>(270)</b>	<b>11,335</b>
<b>Earnings before taxes, financial and investment results and depreciation</b>	<b>20,494</b>	<b>477</b>	<b>20,971</b>
<b>Other income statement information</b>			
Depreciation of fixed assets	4,684	1,171	5,855
Depreciation of grants	-	(248)	(248)

	Group data for the period 1/1 - 31/12/2020		
	Provision of Water Supply Services	Provision of Sewerage Services	GROUP TOTAL
Sales to third parties	47,324	24,587	71,911
Less: Total cost of sales	(24,492)	(19,797)	(44,289)
<b>Gross Profit</b>	<b>22,833</b>	<b>4,789</b>	<b>27,622</b>

Other operating income	1,331	1,417	2,748
Selling and distribution expenses	(3,657)	(2,141)	(5,798)
Administrative expenses	(2,981)	(2,246)	(5,226)
Research and development expenses	(153)	(116)	(269)
Other operating expenses	(1,671)	(1,045)	(2,715)
<b>Earnings / (losses) before taxes, financial and investment results</b>	<b>15,703</b>	<b>659</b>	<b>16,362</b>
Net Financial Income	311	52	364
Normal operating results	16,014	711	16,725
<b>Results before tax</b>	<b>16,014</b>	<b>711</b>	<b>16,725</b>
Income tax	(4,647)	(198)	(4,845)
<b>Results net of tax</b>	<b>11,367</b>	<b>513</b>	<b>11,881</b>
<b>Earnings before taxes, financial and investment results and depreciation</b>	<b>20,978</b>	<b>1,630</b>	<b>22,607</b>
<b>Other income statement information</b>			
Depreciation of fixed assets	5,275	1,319	6,594
Depreciation of grants	-	(348)	(348)

### 6.1.2 Distribution of Assets and Liabilities per business segment

Group data	Group data as at 31/12/2021		
	Provision of Water Supply Services	Provision of Sewerage Services	GROUP TOTAL
Fixed Assets	39,042	29,596	68,638
Trade receivables, contractual assets and other receivables	39,339	21,093	60,432
Non-allocated assets	-	-	99,415
<b>Total Assets</b>	<b>78,381</b>	<b>50,689</b>	<b>228,485</b>
Future subsidy income	-	695	695
Liabilities	12,407	6,652	19,059
Non-allocated Liabilities	-	-	208,730
<b>Total Liabilities</b>	<b>12,407</b>	<b>7,347</b>	<b>228,485</b>

Group data	Group data as at 31/12/2020		
	Provision of Water Supply Services	Provision of Sewerage Services	GROUP TOTAL
Fixed Assets	36,210	27,449	63,658
Trade receivables, contractual assets and other receivables	43,695	23,528	67,223
Non-allocated assets	-	-	90,465
<b>Total Assets</b>	<b>79,904</b>	<b>50,977</b>	<b>221,347</b>
Future subsidy income	-	943	943
Liabilities	8,495	4,574	13,070
Non-allocated Liabilities	-	-	207,334
<b>Total Liabilities</b>	<b>8,495</b>	<b>5,517</b>	<b>221,347</b>

### 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:

**Acquisition or valuation value****Balance on 1/1/2021**

Additions 1/1 - 31/12/2021

Redistributions 1/1 - 31/12/2021

Sales 1/1 - 31/12/2021

**Total on 31/12/2021**

THE GROUP						
Plots – lots	Buildings and building facilities	Machinery & Mechanical Installations	Transportation equipment	Furniture and other equipment	Fixed assets under construction	Total
18,896	5,940	121,613	1,853	4,790	3,352	156,444
-	122	1,930	-	155	7,003	9,211
-	44	2,094	-	-	(2,138)	-
-	-	-	(17)	-	-	(17)
18,896	6,107	125,637	1,836	4,945	8,217	165,638

**Accumulated depreciation****Balance on 1/1/2021**

Depreciation of period 1/1 - 31/12/2021

Sales 1/1 - 31/12/2021

**Total on 31/12/2021**

-	2,511	86,183	1,378	3,559	-	93,631
-	178	4,693	83	264	-	5,218
-	-	-	(17)	-	-	(17)
-	2,689	90,876	1,444	3,823	-	98,832

Net carried value on 31/12/2020

Net carried value on 31/12/2021

18,896	3,429	35,430	475	1,230	3,352	62,813
18,896	3,418	34,761	392	1,122	8,217	66,806

**Acquisition or valuation value****Balance on 1/1/2020**

Additions 1/1 - 31/12/2020

Redistributions 1/1 - 31/12/2020

Sales 1/1 - 31/12/2020

**Total on 31/12/2020**

THE GROUP						
Plots – lots	Buildings and building facilities	Machinery & Mechanical Installations	Transportation equipment	Furniture and other equipment	Fixed assets under construction	Total
18,896	5,940	118,683	1,881	4,393	3,644	153,437
-	-	368	-	397	2,270	3,035
-	-	2,562	-	-	(2,562)	-
-	-	-	(28)	-	-	(28)
18,896	5,940	121,613	1,853	4,790	3,352	156,444

**Accumulated depreciation****Balance on 1/1/2020**

Depreciation of period 1/1 - 31/12/2020

Sales 1/1 - 31/12/2020

**Total on 31/12/2020**

-	2,352	80,552	1,307	3,328	-	87,539
-	159	5,631	85	231	-	6,106
-	-	-	(14)	-	-	(14)
-	2,511	86,183	1,378	3,559	-	93,631

Net carried value on 31/12/2019

Net carried value on 31/12/2020

18,896	3,589	38,131	574	1,064	3,644	65,898
18,896	3,429	35,430	475	1,230	3,352	62,813

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

**Acquisition or valuation value****Balance on 1/1/2021**

Additions 1/1 - 31/12/2021

Redistributions 1/1 - 31/12/2021

Sales 1/1 - 31/12/2021

**Total on 31/12/2021**

THE COMPANY						
Plots – lots	Buildings and building facilities	Machinery & Mechanical Installations	Transportation equipment	Furniture and other equipment	Fixed assets under construction	Total
18,896	5,940	121,613	1,853	4,790	3,352	156,444
-	122	1,930	-	155	7,003	9,211
-	44	2,094	-	-	(2,138)	-
-	-	-	(17)	-	-	(17)
18,896	6,107	125,637	1,836	4,945	8,217	165,638

**Accumulated depreciation****Balance on 1/1/2021**

Depreciation of period 1/1 - 31/12/2021

Sales 1/1 - 31/12/2021

**Total on 31/12/2021**

-	2,511	86,183	1,378	3,559	-	93,631
-	178	4,693	83	264	-	5,218
-	-	-	(17)	-	-	(17)
-	2,689	90,876	1,444	3,823	-	98,832

Net carried value on 31/12/2020

Net carried value on 31/12/2021

18,896	3,429	35,430	475	1,230	3,352	62,813
18,896	3,418	34,761	392	1,122	8,217	66,806

**Acquisition or valuation value****Balance on 1/1/2020**

Additions 1/1 - 31/12/2020

Redistributions 1/1 - 31/12/2020

Sales 1/1 - 31/12/2020

**Total on 31/12/2020**

THE COMPANY						
Plots – lots	Buildings and building facilities	Machinery & Mechanical Installations	Transportation equipment	Furniture and other equipment	Fixed assets under construction	Total
18,896	5,940	118,683	1,881	4,393	3,644	153,437
-	-	368	-	397	2,270	3,035
-	-	2,562	-	-	(2,562)	-
-	-	-	(28)	-	-	(28)
18,896	5,940	121,613	1,853	4,790	3,352	156,444

**Accumulated depreciation****Balance on 1/1/2020**

Depreciation of period 1/1 - 31/12/2020

Sales 1/1 - 31/12/2020

**Total on 31/12/2020**

-	2,352	80,552	1,307	3,328	-	87,539
-	159	5,631	85	231	-	6,106
-	-	-	(14)	-	-	(14)
-	2,511	86,183	1,378	3,559	-	93,631

Net carried value on 31/12/2019

Net carried value on 31/12/2020

18,896	3,589	38,131	574	1,064	3,644	65,898
18,896	3,429	35,430	475	1,230	3,352	62,813

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

Additions to assets under construction worth € 7,003 thousand relate to works to extend and improve water supply and sewerage networks.

The reallocations to assets under construction amounting to € (2,138 thousand) pertain to the consolidation of new investments made ready for use during the 2021 financial year in the categories of "Buildings and building facilities" and "Machinery and mechanical facilities".

## 8. INTANGIBLE ASSETS

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

**Acquisition or valuation value****Balance on 1/1/2021**

Additions 1/1 - 31/12/2021

**Total on 31/12/2020**

THE GROUP	
Software Applications	Total
1,723	1,723
16	16
1,739	1,739

THE COMPANY	
Software Applications	Total
1,723	1,723
16	16
1,739	1,739

**Accumulated depreciation****Balance on 1/1/2021**

Depreciation of period 1/1 - 31/12/2021

**Total on 31/12/2021**

1,568	1,568
82	82
1,651	1,651

1,568	1,568
82	82
1,651	1,651

Net carried value on 31/12/2020

Net carried value on 31/12/2021

155	155
88	88

155	155
88	88

**Acquisition or valuation value****Balance on 1/1/2020**

Additions 1/1 - 31/12/2020

**Total on 31/12/2020**

THE GROUP	
Software Applications	Total
1,650	1,650
73	73
1,723	1,723

THE COMPANY	
Software Applications	Total
1,650	1,650
73	73
1,723	1,723

**Accumulated depreciation****Balance on 1/1/2020**

Depreciation of period 1/1 - 31/12/2020

1,433	1,433
135	135

1,433	1,433
135	135

Total on 31/12/2020	1,568	1,568	1,568	1,568
Net carried value on 31/12/2019	217	217	217	217
Net carried value on 31/12/2020	155	155	155	155

## 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
<b>Recognition value</b>		
Balance on 1/1/2021	1,396	1,396
Additions 1/1 - 31/12/2021	1,605	1,605
Settlements 1/1 - 31/12/2021	4	4
<b>Total on 31/12/2021</b>	<b>3,004</b>	<b>3,004</b>
<b>Accumulated depreciation</b>		
Balance on 1/1/2021	706	706
Depreciation of period 1/1 - 31/12/2021	555	555
<b>Total on 31/12/2021</b>	<b>1,261</b>	<b>1,261</b>
<b>Net carried value on 31/12/2021</b>	<b>1,743</b>	<b>1,743</b>

The additions to the Group's rights-of-use (€ 1,605 thousand) relate to the new lease agreement for 91 Tsimiski St. and the renewal of the lease agreement for 98 Tsimiski St. Settlements in the value of right-of-use assets of € 4 thousand relate to adjustments due to the re-measurement of the Group's leases as at 1.1.2021 to more accurately reflect them.

## 10. PARTICIPATIONS IN SUBSIDIARIES

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

	31.12.2021	31.12.2020
Opening balance	60	60
Share capital increase / (decrease) in holdings	-	(2,000)
Decrease / (Increase) in impairment provisions	-	2,000
<b>Closing balance</b>	<b>60</b>	<b>60</b>

## 11. LONG-TERM RECEIVABLES

Long-term receivables on 31.12.2021 primarily represented guarantees provided to PPC worth € 426 thousand (2020: € 395 thousand ) and long-term trade receivables after arrangements made to pay them, worth € 2,437 thousand (2020: € 2,731 thousand).



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

	31.12.2021	31.12.2020
Opening balance	50	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.

	THE GROUP/THE COMPANY		Fair value scale
	31.12.2021	31.12.2020	
<b>Assets</b>			
Financial assets measured at fair value through other comprehensive income	50	50	Level 3

## 13. INVENTORIES

Group and Company inventories can be broken down as follows:

	THE GROUP/THE COMPANY	
	31.12.2021	31.12.2020
Raw direct and indirect materials - consumables - spare parts	1,855	1,549
Advances for stocks/inventories	-	28
Impairment of inventories	(35)	(35)
<b>Total after impairment</b>	<b>1,820</b>	<b>1,542</b>

There is an impairment provision of € 35 thousand on the Group's inventories (2020: € 35 thousand). Moreover, 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	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Trade receivables	42,980	51,080	42,935	51,064
Doubtful – disputed customers and debtors	38,116	34,178	38,100	34,178
Contractual assets	13,309	12,716	13,309	12,716
Non-current receivables from currently earned income	806	1,237	806	1,237
	<b>95,211</b>	<b>99,210</b>	<b>95,151</b>	<b>99,195</b>
Less: Provision for bad debt	(38,116)	(34,178)	(38,100)	(34,178)
<b>Total trade receivables and contractual assets</b>	<b>57,095</b>	<b>65,033</b>	<b>57,050</b>	<b>65,017</b>

The "contractual assets" account worth € 13,309 thousand 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 2021 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	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Balance on 1 January in accordance with IFRS 9	35,028	32,001	35,028	32,001
Provisions (expenses) for current period	4,920	3,640	4,905	3,640
Provisions used in current period	(982)	(613)	(982)	(613)
Balance on 31 December 2021 / 31 December 2020	38,967	35,028	38,951	35,028

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.

## 15. OTHER RECEIVABLES

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

	THE GROUP		THE COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Loans and other receivables from staff	478	393	478	393
Short-term receivables from related parties	-	-	25	24
Sundry debtors	2,416	973	2,415	972
Advances and credit control account	110	109	110	109
Prepaid expenses	105	98	105	98
Non-current receivables from currently earned income	932	620	932	620
Greek State - Other Receivables	147	847	86	847
	<b>4,188</b>	<b>3,041</b>	<b>4,151</b>	<b>3,065</b>
Less: Provision for bad debt	(851)	(851)	(851)	(851)

Total other receivables	3,337	2,190	3,300	2,214
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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 31/12/2021 mainly included receivables-bills for payment of the Company's collectors and other associates.

The "Greek State - Other Receivables" account consists of other tax withholdings for the current period and trade and other receivables from the Greek State. The reduction in this account is due to payment of income tax for 2020 in 2021.

## 16. CASH AND CASH EQUIVALENTS

Cash assets can be broken down as follows:

	THE GROUP		THE COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Cash	2	3	2	3
Sight deposits	80,302	46,413	80,017	45,855
Time deposits	11,000	35,500	11,000	35,500
<b>Total</b>	<b>91,305</b>	<b>81,916</b>	<b>91,019</b>	<b>81,358</b>

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:

Credit rating in cash assets  
(Fitch)

	THE GROUP		THE COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
B-	46,902	42,101	46,902	42,101
CCC+	2,329	2,728	2,329	2,728
CCC	285	3,163	-	2,604
Sight and time deposits in banks not rated by Fitch	41,787	33,921	41,787	33,921
<b>Total</b>	<b>91,302</b>	<b>81,913</b>	<b>91,017</b>	<b>81,355</b>

All sight and time deposits are deposited with Greek banks.

## 17. SHARE CAPITAL

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

	31.12.2021	31.12.2020
Number of registered shares	36,300,000	36,300,000
Nominal value per share (in Euro)	1.12	1.12
<b>Nominal value</b>	<b>40,656,000</b>	<b>40,656,000</b>
<b>Premium on capital stock</b>	<b>2,829,985</b>	<b>2,829,985</b>

Company shares are listed for trading on the Large Capitalisation category of the Athens Exchange.

According to the Company's Shareholder Registry, on 31/12/2021, shareholders with a significant participation percentage in the Company were:

SHAREHOLDER	Number of shares held	Holding on 31/12/2021
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>

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 owned by the Greek State 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 owned by the Greek State 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 S.A. (HCAP S.A.) 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 and Group's reserves can be broken down as follows:

	THE GROUP		THE COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Statutory Reserve	13,575	13,575	13,552	13,552
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
<b>Balance</b>	<b>30,610</b>	<b>30,610</b>	<b>30,587</b>	<b>30,587</b>

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 an amount accounting for 1/3 of the share capital has been reached. The "statutory reserve" is distributed only upon the final winding up and liquidation 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.

Since on 31.12.2021 the balance of the statutory reserve formed was equal to 1/3 of the Group's share capital, there was no statutory reserve from profits after tax for the current financial year.

## 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	
	31/12/2021	31/12/2020
Payroll expenses	10,120	10,292
Employer contributions	2,352	2,586
Other benefits and staff expenses	389	340
Personnel dismissal and retirement compensation provision	119	106
<b>Total cost</b>	<b>12,980</b>	<b>13,324</b>
<b>No. of employees</b>	<b>333</b>	<b>346</b>

During 2021 a total of ten (10) employees were recruited under a private law fixed-term employment contract of 8 months. Since then, the Company has not engaged any more employees under fixed-term employment relationships.

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	
	31.12.2021	31.12.2020
Provisions for retirement benefits	1,265	1,208
	<b>1,265</b>	<b>1,208</b>

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

	THE GROUP/ THE COMPANY	
	31.12.2021	31.12.2020
Current value of non-financed liabilities	1,265	1,208
Fair value of plan assets		
	<b>1,265</b>	<b>1,208</b>
<b>Net liability recognised in balance sheet</b>	<b>1,265</b>	<b>1,208</b>

**Amounts recognised in income statement**

	THE GROUP/ THE COMPANY	
	31.12.2021	31.12.2020
Cost of current employment	101	94
Interest on liability	16	22
<b>Normal expenses in income statement</b>	<b>117</b>	<b>115</b>
Cost of cutbacks / settlements / termination of service	18	12
<b>Total expense in income statement</b>	<b>135</b>	<b>127</b>

**Changes in net liability recognised in the balance sheet**

	THE GROUP/ THE COMPANY	
	31.12.2021	31.12.2020
Net liability at start of period	1,208	1,174
Benefits paid by employer	(49)	(138)
Total expense recognised in income statement	135	127
Amount recognised directly in comprehensive income statement	(29)	45
<b>Net liability at end of period</b>	<b>1,265</b>	<b>1,208</b>
Adjustment		
<b>Net liability at end of period</b>	<b>1,265</b>	<b>1,208</b>

**Change in net value of liability**

Present value of liability at start of period	1,208	1,174
Cost of current employment	101	94
Interest cost	16	22
Benefits paid by employer	(49)	(138)
Cost of cutbacks / settlements / termination of service	18	12
Amounts recognised in other comprehensive income	(29)	45
<b>Present value of liability at end of period</b>	<b>1,265</b>	<b>1,208</b>

**Actuarial assumptions**

Discount Rate	0.70%	1.20%
Inflation	2.00%	2.00%
Future increases of salaries	2.30%	2.30%
Retirement Increase Rate	0.00%	0.00%

On the value date (31.12.2021) 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 € 22 thousand, of which the net amount is € 29 thousand and the corresponding deferred tax is € (7) thousand.

## 20. PROVISIONS FOR CONTINGENCIES AND EXPENSES

A provision of € 130 thousand covers contingent liabilities that may arise during the settlement of litigation with third parties and Company staff. The provision of € 110 thousand relates to the estimated cost of removing an accumulated quantity of sludge from EYATH S.A. facilities.

Income from unused provisions of € (1,194) thousand relates to the reversal of existing provisions for litigation either due to the cancellation of cases or due to a positive outcome thereof based on court rulings.

The provisions used relate to reversal of existing provisions relating to contested cases where the final judgment was negative for the Group and Company worth € (572) thousand and also the reversal of the provision already formed to remove sludge and materials collected in grates from the previous year, which was implemented during the year ended and was worth € (435) thousand.

For the period ended on 31.12.2021 the change in the provisions account for the Group and Company was as follows:

Long-term provisions	THE GROUP/THE COMPANY		
	Pending litigation	Provisions for contingencies & expenses	Total
01/01/2021	3,075	489	3,564
Additional provisions for year	130	110	240
Income from unused provisions	(1,194)	-	(1,194)
Provisions used/reversal of provisions for the period	(572)	(435)	(1,007)
31/12/2021	1,439	164	1,603

For the period ended on 31.12.2020 the change in the provisions account for the Group and Company was as follows:

Long-term provisions	THE GROUP/ THE COMPANY		
	Pending litigation	Provisions for contingencies & expenses	Total
01/01/2020	3,191	380	3,571
Additional provisions for year	1,173	489	1,662
Income from unused provisions	(355)	-	(355)
Provisions used/reversal of provisions for the period	(934)	(380)	(1,314)
31 December 2020	3,075	489	3,564

## 21. GRANTS

	THE GROUP/THE COMPANY	
	31.12.2021	31.12.2020
Opening balance	943	1,291
Depreciation of grants carried forward to results	(248)	(348)
End of period balance	695	943

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 €16,303 thousand on 31/12/2021 and € 15,833 thousand on 31/12/2020 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 1.1.2021	438
Of which:	
Long-term lease liabilities	266
Short-term lease liabilities	172
<b>Lease liabilities as at 1.1.2021</b>	<b>438</b>
Liabilities from new contracts	1,304
Conversions / remeasurements	4
Lease repayments	(307)
Financial cost for period	49
<b>Lease liabilities as at 31.12.2021</b>	<b>1,487</b>
Of which:	
Long-term lease liabilities	859
Short-term lease liabilities	628
<b>Lease liabilities as at 31.12.2021</b>	<b>1,487</b>

## 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	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Suppliers	11,145	6,956	11,055	6,941
Cheques payable	23	11	23	11
Other Taxes - Duties	863	1,154	862	1,141
Insurance and pension fund dues	564	637	563	637
Liabilities to related parties	2	1	-	-
Accrued expenses	3,982	2,498	3,949	2,440
Sundry creditors	954	1,333	954	1,332
<b>Total</b>	<b>17,533</b>	<b>12,590</b>	<b>17,407</b>	<b>12,503</b>

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

THE GROUP

THE COMPANY



	SHORT-TERM 2021		SHORT-TERM 2021	
	WITHIN 6 MONTHS	FROM 6 TO 12 MONTHS	WITHIN 6 MONTHS	FROM 6 TO 12 MONTHS
Suppliers	11,145	-	11,055	-
Cheques payable	23	-	23	-
Insurance and pension fund dues	564	-	563	-
Sundry creditors	956	-	954	-
Accrued expenses	3,982	-	3,949	-
Other taxes and duties	863	-	862	-
<b>Total</b>	<b>17,533</b>	<b>-</b>	<b>17,407</b>	<b>-</b>

	THE GROUP		THE COMPANY	
	WITHIN 6 MONTHS	FROM 6 TO 12 MONTHS	WITHIN 6 MONTHS	FROM 6 TO 12 MONTHS
Suppliers	6,956	-	6,941	-
Cheques payable	11	-	11	-
Insurance and pension fund dues	637	-	637	-
Sundry creditors	1,334	-	1,332	-
Accrued expenses	2,498	-	2,440	-
Other taxes and duties	1,154	-	1,141	-
<b>Total</b>	<b>12,590</b>	<b>-</b>	<b>12,503</b>	<b>-</b>

## 25. SHORT-TERM TAX LIABILITIES

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

	THE GROUP		THE COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Income tax	307	738	306	724
	<b>307</b>	<b>738</b>	<b>306</b>	<b>724</b>

## 26. EXPENSES PER CATEGORY

Expenses per category for the Group and Company in 2021 can be broken down as follows:

For the 2021 annual period, administrative expenses include fees of the auditing company of € 1 thousand for permissible non-audit work and fees of € 9 thousand relating to other assurance activities.

THE GROUP					
for the period ended on 31/12/2021	Cost of Goods Sold	Selling & distribution expenses	Administrative expenses	Research & Development expenses	Total
Cost of goods used	2,009	-	-	-	2,009
Self-supplied fixed assets	(143)	-	-	-	(143)
Staff salaries and expenses	8,333	1,640	2,941	109	13,024
Third party fees and expenses	794	1,036	1,556	51	3,437
Electricity	16,789	198	256	-	17,244
Rent	65	3	11	-	79
Maintenance - Repair expenses	15,615	1	234	-	15,850
Other charges for outside services	174	17	291	-	482
Expenses from tax and duties	270	110	207	-	587
Various expenses	1,024	324	318	8	1,674
Depreciation of tangible & intangible assets	5,620	-	226	9	5,855
Provisions for bad debt	-	3,923	16	-	3,938

<b>Total</b>	<b>50,549</b>	<b>7,252</b>	<b>6,056</b>	<b>177</b>	<b>64,035</b>
<b>THE COMPANY</b>					
<b>for the period ended on 31/12/2021</b>	<b>Cost of Goods Sold</b>	<b>Selling &amp; distribution expenses</b>	<b>Administrative expenses</b>	<b>Research &amp; Development expenses</b>	<b>Total</b>
Cost of goods used	2,009	-	-	-	2,009
Self-supplied fixed assets	(143)	-	-	-	(143)
Staff salaries and expenses	8,333	1,640	2,941	109	13,024
Third party fees and expenses	794	1,036	1,308	51	3,189
Electricity	16,789	198	256	-	17,244
Rent	65	3	11	-	79
Maintenance - Repair expenses	15,615	1	234	-	15,850
Other charges for outside services	174	17	291	-	482
Expenses from tax and duties	270	110	206	-	586
Various expenses	1,024	324	317	8	1,673
Depreciation of tangible & intangible assets	5,620	-	226	9	5,855
Provisions for bad debt	-	3,923	-	-	3,923
<b>Total</b>	<b>50,549</b>	<b>7,252</b>	<b>5,791</b>	<b>177</b>	<b>63,770</b>

The corresponding – revised expenses for 2020 can be broken down per category for the Group and Company as follows:

<b>THE GROUP</b>					
<b>for the period ended on 31/12/2020</b>	<b>Cost of Goods Sold</b>	<b>Selling &amp; distribution expenses</b>	<b>Administrative expenses</b>	<b>Research &amp; Development expenses</b>	<b>Total</b>
Cost of goods used	2,192	-	-	-	2,192
Self-supplied fixed assets	(149)	-	-	-	(149)
Staff salaries and expenses	8,811	1,558	2,827	135	13,332
Third party fees and expenses	578	896	1,170	82	2,727
Electricity	13,105	15	19	-	13,139
Rent	80	3	-	-	84
Maintenance - Repair expenses	11,245	3	155	1	11,403
Other charges for outside services	928	50	240	-	1,217
Expenses from tax and duties	257	105	234	-	595
Various expenses	953	142	319	7	1,421
Depreciation of tangible & intangible assets	6,288	-	262	44	6,594
Provisions for bad debt	-	3,027	-	-	3,027
<b>Total</b>	<b>44,289</b>	<b>5,798</b>	<b>5,226</b>	<b>269</b>	<b>55,582</b>

THE COMPANY					
for the period ended on 31/12/2020	Cost of Goods Sold	Selling & distribution expenses	Administrative expenses	Research & Development expenses	Total
Cost of goods used	2,192	-	-	-	2,192
Self-supplied fixed assets	(149)	-	-	-	(149)
Staff salaries and expenses	8,811	1,558	2,827	135	13,332
Third party fees and expenses	578	896	1,154	82	2,710
Electricity	13,105	15	19	-	13,139
Rent	80	3	-	-	84
Maintenance - Repair expenses	11,245	3	154	1	11,402
Other charges for outside services	928	50	240	-	1,217
Expenses from tax and duties	257	105	233	-	595
Various expenses	953	142	320	7	1,421
Depreciation of tangible & intangible assets	6,288	-	262	44	6,594
Provisions for bad debt	-	3,027	-	-	3,027
<b>Total</b>	<b>44,289</b>	<b>5,798</b>	<b>5,208</b>	<b>269</b>	<b>55,563</b>

## 27. OTHER OPERATING EXPENSES - OTHER OPERATING INCOME

Other operating income can be broken down as follows:

	THE GROUP		THE COMPANY	
	1/1-31/12/2021	1/1-31/12/2020	1/1-31/12/2021	1/1-31/12/2020
Income from Subsidies	98	83	98	83
Rainwater network management & maintenance compensation	1,681	1,589	1,681	1,589
Income from services provided	2,257	46	2,258	46
Rent	58	72	-	-
Depreciation on subsidies	191	348	191	348
Other prior period income	273	-	273	-
Other income	233	251	233	251
Income from prior period provisions	2,224	355	2,224	355
<b>Total other operating income</b>	<b>7,156</b>	<b>2,748</b>	<b>7,099</b>	<b>2,676</b>

Other operating expenses can be broken down as follows:

	THE GROUP		THE COMPANY	
	1/1-31/12/2021	1/1-31/12/2020	1/1-31/12/2021	1/1-31/12/2020
Tax and other fines and surcharges	18	120	18	120
Compensation to third parties for damage to the water supply and sewerage network	77	55	77	55
Compensation under court rulings	825	234	825	234
Other expenses, provisions and losses	240	2,128	240	2,128
Losses from replacement of water meters and				
Other losses	180	45	180	45
Other prior period expenses	43	134	43	134
<b>Total other expenses</b>	<b>1,383</b>	<b>2,715</b>	<b>1,383</b>	<b>2,715</b>

Other expenses, provisions and losses on 31/12/2021 stood at € 240 thousand (2020: € 2,128 thousand) and include provisions for pending litigation amounting to € 130 thousand as well as provisions for sludge management amounting to € 110 thousand.

## 28. FINANCIAL INCOME/(EXPENSES)

Financial income (expenses) (revised for the comparator period 1.1-31.12.2020) can be broken down as follows:

	THE GROUP		THE COMPANY	
	1/1-31/12/2021	1/1-31/12/2020	1/1-31/12/2021	1/1-31/12/2020
Financial expenses for discounting receivables	-	297	-	297
Financial expenses for finance leases	49	30	49	30
Financial cost of actuarial study	16	22	16	22
Other financial expenses	120	107	120	107
<b>Total financial expenses</b>	<b>184</b>	<b>455</b>	<b>184</b>	<b>455</b>
Interest and related income	512	818	512	818
Other financial income	61		61	
<b>Total financial income</b>	<b>573</b>	<b>818</b>	<b>573</b>	<b>818</b>
<b>Net financial income/(expenses)</b>	<b>389</b>	<b>364</b>	<b>389</b>	<b>363</b>

Note that the balance in the Group account "Interest and related income" as at 31/12/2021 of €512 thousand included default interest on customer bills of €33 thousand and other interest of € 479 thousand which primarily relates to interest from deposits. "Other financial income" relates to financial income from discounting the long-term settlement entered into with the Municipality of Pylea - Hortiatitis for € 61 thousand.

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

## 29. INCOME TAX

Income tax for the period is calculated based on the local tax rates applicable.

Under the provisions of Article 120 of Law 4799/2021 (Government Gazette 78/A/18.5.2021) which amended Article 58 of the Hellenic Income Tax Code (Law 4172/2013) the tax rate for profits from business activity acquired by legal persons and legal entities is reduced from 24% to 22% for income acquired in the 2021 tax year and thereafter. Consequently, during the current period income tax and deferred tax have been calculated using the income tax rate of 22%. Income tax and deferred tax for the comparator period were calculated using the 24% income tax rate under Law 4646/2019 (Government Gazette 201/A/12.12.2019) which applied at that time.

The tax burden on the results (revised for the comparator period 1.1-31.12.2020) was as follows:

	THE GROUP		THE COMPANY	
	1/1-31/12/2021	1/1-31/12/2020	1/1-31/12/2021	1/1-31/12/2020
Income tax	3,971	5,303	3,971	5,290
Deferred tax	447	(458)	447	(458)
<b>Total</b>	<b>4,417</b>	<b>4,845</b>	<b>4,417</b>	<b>4,831</b>

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	
	1/1-31/12/2021	1/1-31/12/2020	1/1-31/12/2021	1/1-31/12/2020
<b>Earnings before tax</b>	<b>15,753</b>	<b>16,725</b>	<b>15,961</b>	<b>16,671</b>
Tax calculated at the corporation tax rate (22%)	3,511	4,014	3,511	4,001
Expenditure not exempted from income tax	112	601	112	601
Untaxed income	(6)	(227)	(6)	(227)
Impact of change in tax rates	(319)	-	(319)	-
Other differences in accounting/taxation base	1,119	456	1,119	456
<b>Total taxes in Comprehensive Income Statement</b>	<b>4,417</b>	<b>4,845</b>	<b>4,417</b>	<b>4,831</b>

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 shall be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that 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 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 Company (revised for the comparator period 31.12.2020) can be broken down as follows:

	THE GROUP/THE COMPANY	
	31.12.2021	31.12.2020
Deferred tax assets	4,700	5,362
Deferred tax liabilities	(1,323)	(1,531)
<b>Total deferred tax in the Statement of Financial Position</b>	<b>3,377</b>	<b>3,831</b>

	THE GROUP/THE COMPANY	
	31.12.2021	31.12.2020
<b>Opening balance</b>	<b>3,831</b>	<b>3,362</b>
Tax on income/equity	(454)	469
<b>Closing balance</b>	<b>3,377</b>	<b>3,831</b>

	THE GROUP / THE COMPANY			
	As at 31/12/2021	Credits (Debits) in results	Credits (Debits) in equity	As at 31/12/2020
<b>Deferred tax liabilities</b>				
Adjustment of fixed asset subsidies	(1,531)	208	-	(1,323)
	(1,531)	208	-	(1,323)

**Deferred tax assets**

Depreciation on tangible assets	3,442	(571)	-	2,871
De-recognition of depreciation on capital expenditure and adjustment in depreciation for intangible assets	636	(21)	-	615
Adjustment of value of receivable accounts	653	(48)	-	604
Provisions for contingencies - other provisions	186	(231)	-	(45)
Personnel dismissal and retirement compensation provision	290	(5)	(7)	278
Impact of adopting IFRS 16	155	222	-	378
	5,362	(654)	(7)	4,700
<b>Net deferred tax assets in the statement of financial position</b>	<b>3,831</b>	<b>(447)</b>	<b>(7)</b>	<b>3,377</b>

**Presentation in statement of financial position**

Deferred tax liabilities (net)	-	-
Deferred tax assets (net)	3,831	3,377
	<b>3,831</b>	<b>3,377</b>

**Deferred tax liabilities**

Adjustment of fixed asset subsidies

THE GROUP / THE COMPANY			
As at 31/12/2019	Credits (Debits) in results	Credits (Debits) in equity	As at 31/12/2020
(1,594)	63	-	(1,531)
(1,594)	63	-	(1,531)
<b>Deferred tax assets</b>			
Depreciation on tangible assets	3,197	246	3,442
De-recognition of depreciation on capital expenditure and adjustment in depreciation for intangible assets	651	(15)	636
Adjustment of value of receivable accounts	582	71	653
Provisions for contingencies - other provisions	-	185	186
Personnel dismissal and retirement compensation provision	282	(3)	290
Impact of adopting IFRS 16	245	(90)	155
	4,956	395	5,362
<b>Net deferred tax assets in the statement of financial position</b>	<b>3,362</b>	<b>458</b>	<b>3,831</b>
<b>Presentation in statement of financial position</b>			
Deferred tax liabilities (net)	-	-	-
Deferred tax assets (net)	3,362		3,831
	<b>3,362</b>		<b>3,831</b>

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- 31/12/2021	1/1- 31/12/2020	1/1- 31/12/2021	1/1- 31/12/2020
Net profits payable to the Company's ordinary shareholders	11,335	11,881	11,543	11,840
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)	0.3123	0.3273	0.3180	0.3262

At its meeting on 14.4.2022 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 € 0.2186 per share (total gross amount at € 7,934,783) for 2021. 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 1/1/2021-31/12/2021 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 1/1/2021 - 31/12/2021 period and on 31/12/2021 respectively, are broken down in the following tables:

	THE GROUP		THE COMPANY	
	01/01/2021 - 31/12/2021	01/01/2020 - 31/12/2020	01/01/2021 - 31/12/2021	01/01/2020 - 31/12/2020
Income from subsidiary	-	-	1	-
Income from other related parties consolidated along with HCAP S.A.	168	143	168	143
Expenses to other related parties consolidated along with HCAP S.A.	17,801	13,704	17,801	13,704
Transactions with and fees for executives and board members	998	995	994	995
Transactions with other related parties	-	6	-	6

Transactions with and fees for senior executives and board members relate to salaries and other benefits specified in the Company's remuneration policy.

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

Expenses to other related parties consolidated along with HCAP S.A. relate primarily to services received (expenses for electricity supplied worth € 17,675 thousand) and the leasing of properties.

	THE GROUP		THE COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Receivables from subsidiary	-	-	25	24
Receivables from other related parties consolidated along with HCAP S.A.	610	601	610	601
Liabilities to other related parties consolidated along with HCAP S.A.	4,578	2,550	4,578	2,550
Receivables from management executives and board members	8	12	8	12
Liabilities to management executives and board members	7	4	5	4

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

Receivables and liabilities from other related parties consolidated along with HCAP S.A. worth € 610 thousand and € 4,578 thousand. Receivables primarily relate to invoiced income from providing water supply and sewerage services and prepaid property rents, while liabilities relate to accrued expenses from receiving services. Liabilities to management executives and board members related to salaries payable.

The actuarial liability for the Company's related parties (Management Executives) was € 123 thousand on 31.12.2021.

## 32. COMMITMENTS FROM CONTINGENT LIABILITIES

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

On 31/12/2021 there were lawsuits, extrajudicial invitations and in general future claims of a total amount of €46 million approximately against the Company and Group, for which a provision of €1.4 million in total had been formed, which is included in the long-term liabilities account "Provisions for contingencies and expenses" (see Note 20).

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 € 36 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

On 31.12.2021 the Group had provided performance bonds for project contracts worth a total of € 514 (2020: € 511) which primarily related to guarantee letters for the Strategic Planning, Works and Development Division.

### 32.3 Open tax periods

#### Tax Compliance Report

For the years 2011 to 2021, 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 2011-2020, 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 2021 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 2015 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 2016-2021 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 31.12.2021 the Group employed 333 people on a permanent basis compared to 346 in 2020. On 31.12.2021, EYATH S.A. employed 10 people on fixed-term contracts and on 31.12.2020 it employed 20 people on fixed-term contracts.

## **34. SEASONALITY OF OPERATIONS**

Company revenues are cyclical (with higher water consumption during summer months) meaning that there are major fluctuations from quarter to quarter in turnover and results. Consequently, results per quarter cannot *per se* be indicative of the trend for results which will arise by the end of the period, but are indicative only if compared to the corresponding results for previous periods. During the second half of each year a rise in consumption over the summer is recorded, which bolsters Company turnover compared to the first half of the year.

## **35. MAJOR EVENTS**

### ***Investment projects***

- During 2021, EYATH S.A. put the following works and design contracts out to tender via an open tender procedure:
- Contract entitled “First group of urgent sewerage works 2021”, with a budget of € 3.5 million (plus VAT).
- Contract entitled “First group of urgent water supply works 2021”, with a budget of € 3.0 million (plus VAT).
- Contract entitled “Maintenance of EYATH S.A. facilities in 2021” with a budget of € 900 thousand (plus VAT).
- Contract entitled “Repair of water supply network in the Rizia area of the Thessaloniki Industrial Area” with a budget of € 287.5 thousand (plus VAT).
- Study entitled “Final Design for Tanks D2a and D3a and the New Lime Saturation Sedimentation Tank at the Thessaloniki Water Treatment Plant” with a budget of € 1.4 million (plus VAT).

Moreover, in 2021 the tender procedure to select a contractor for the following works contracts was launched:

- Contract entitled “Repair and maintenance of the water supply network in Western Thessaloniki in 2020”, with a budget of € 2 million (plus VAT). The contract was signed on 23.3.2021.
- Contract entitled “Cancellation– Reconnection of water abstraction sites and replacement of water meters within EYATH S.A.'s territorial remit in 2020” with a budget of € 500 thousand. (plus VAT). The contract was signed on 14.5.2021.
- Contract entitled “Sewage treatment for wastewater in the Neokastro area, southeast of the village of Galini in the Municipality of Oreokastro”, with a budget of € 1.2. million (plus VAT). The contract was signed on 1.6.2021.
- Contract entitled “Upgrade of the EYATH S.A. Management Building at 127 Egnatias St.”, with a budget of € 5 million (plus VAT). The contract was signed on 15.6.2021.
- Contract entitled “Installation of the central control station for the new water supply SCADA” with a budget of € 185 thousand. (plus VAT). The contract was signed on 14.07.2021.
- Contract entitled “Construction of extension to the Thessaloniki Water Treatment Plant - Phase A2”, with a budget of € 21.7 million (plus VAT). The validity of the tender procedure is currently being examined by the Council of State following applications for annulment filed by participants in the procedure. The contract is expected to be signed in 2022.

In November 2021, EYATH S.A. awarded a project contract entitled "Installation of central infrastructure works to install the security system for EYATH S.A.'s new water supply SCADA" with a budget of € 150 thousand (plus VAT).

In relation to contracts for the preparation of designs and provision of technical services:

- In January 2021, an additional 3rd Individual Agreement was signed with a contractual value of € 315,216.64 (VAT excl.) under the Framework Agreement entitled: “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 1.32 million €.
- During 2021, EYATH S.A. commenced the process of restoring operation of tank D5 located in the Municipality of Evosmos above the ring road. In the context of this procedure, companies with specialisation and years of experience in geotechnical surveys and reinforcement of reinforced concrete structures were assigned the task of preparing the following designs via the direct award procedure:
  - “Geotechnical survey and design to improve the foundations of tank D5” with a budget of € 27,500.00 (plus VAT). The contract was signed on 24.5.2021.
  - “Provision of Technical Advisor services for repair of damage to the load-bearing structure and reinforcement of foundations of water supply tank D5” with a budget of € 10,500.00 (plus VAT). The contract was signed on 24.5.2021.

The following contracts are currently under way:

“Operation and Maintenance of the Waste Water Treatment Plant in the Wider Thessaloniki Area”

During December 2020 the tender procedure No. Δ1/2016 for the “Operation and Maintenance of the Thessaloniki Wider Area Waste Water Treatment Plant” ended and a 5-year contract was signed with the contractor for the sum of € 42,087,089 which stated that in addition to more general effective operation, maintenance, sanitary monitoring and overall responsibility of the Thessaloniki Waste Water Treatment Plant, it also included: a) major additional maintenance works / repairs / upgrades / replacement / addition

of equipment (additional operational interventions) and b) energy optimisation interventions for the facilities to reduce the Thessaloniki Wastewater Treatment Plant's energy footprint. It also includes the design, supply, installation and operation of a 1MW photovoltaic park.

**"Operation of the Thessaloniki Water Treatment Plant"**

As part of tender procedure No. 2B/2019 for the framework agreement on operation of the Thessaloniki Water Treatment Plant, the procedure for concluding the 1st implementing agreement was completed and signed on 12.4.2021. A 10-month contract with contractor for a price of € 1,925,321 plus VAT was signed which states that in addition to general efficient operation, maintenance and overall responsibility of the Thessaloniki Water Treatment Plant, it also includes: a) a training course for EYATH staff and b) an upgrade to the Thessaloniki Water Treatment Plant's SCADA system.

In addition, in 2021 EYATH S.A. signed a MoU with HEDNO S.A. to collect and transfer high density data (in real time) via new HEDNO electrometers which will be generated using smart water meters which EYATH S.A. will install on the water supply network. EYATH S.A. has already signed a contract to supply eighty (80) smart water meters.

Lastly, in 2021, cases of extending sewerage networks with third parties assuming part of the cost were examined. These related to pipelines around 1.0 km long in various areas. Sewerage pipelines around 6 km long were rebuilt/replaced. New water supply pipelines around 12 km long were also relocated and built.

***Preparation of the first Sustainability Report***

The company drafted the 2019-2020 Sustainability Report, the first in its history. The report showcases its performance and initiatives on social, environmental, economic and corporate governance issues, in line with the guidelines for preparing GRI sustainability reports.

***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. Judgment No. 2623/2020 of the Thessaloniki Single-Member Court of First Instance and irrevocable judgment No. 1248/2021 of the Single-Member Court of Appeal rejected the main action which was heard on 2.4.2019 and accepted it on its alternative basis, and obliged the parent company, EYATH S.A., to pay compensation to contract staff.

The Annual Ordinary General Meeting of Shareholders of the subsidiary EYATH SERVICES S.A. was held on 14.7.2021 and approved the following items:

- Approval of the annual financial statements prepared in accordance with the IFRS, reports from the Board of Directors and the auditor for the accounting period (1.1.2020 to 31.12.2020).
- Approval of overall management of the Board of Directors for the accounting period 1.1.2020 - 31.12.2020 in accordance with Article 108 of Law 4548/2018 and release of auditors from liability in accordance with Article 117(1)(c) of Law 4548/2018.

- Approval of fees paid to the Chairman, CEO, members and secretary of the Board of Directors during 2020 and setting of fees for 2021.
- Selection of Auditing Firm and approval of its fee for statutory audit of the Annual Financial Statements and tax audit for the period 1.1.2021-31.12.2021.
- Amendment of Article 3 of the Articles of Association relating to the company's registered offices.

On 22.7.2021, the Board of Directors issued decision No. 004/21 in which it decided to change the address of the company's head offices from 127 Egnatias St. to the building at 91 Tsimiski St. and to conclude a private agreement relating to concession of areas on the 5<sup>th</sup> floor of that building by the parent company EYATH S.A.

The line-up of the Board of Directors of the subsidiary EYATH SERVICES S.A., as specified in Decision No. 001/2020 of the Board of Directors on 30.6.2020 was as follows:

- CHAIRMAN: Agis Papadopoulos, son of Michail, elected on 9.9.2019, whose term in office expires on 9.9.2022.
- CEO: Anthimos Amanatidis, son of Anastasios, elected on 26.6.2020, whose term in office expires on 26.6.2023.
- VICE CHAIRMAN: Sofia Ammanatidou, daughter of Ilias, elected on 26.6.2020, whose term in office expires on 26.6.2023.
- MEMBER: Katerina Tsikaloudaki, daughter of Georgios, elected on 26.6.2020, whose term in office expires on 26.6.2023.
- MEMBER: Parthena Theodoridou, daughter of Antonios, elected on 26.6.2020, whose term in office expires on 26.6.2023.
- MEMBER: Dimitris Alexandris, son of Georgios, elected on 9.9.2019, whose term in office expires on 9.9.2022.
- MEMBER: Despina Lemonidou, daughter of Iordanis, elected on 9.9.2019, whose term in office expires on 9.9.2022.

#### ***Participation in Public International Tender Procedure***

Decision No. 003/2020 of the Board of Directors taken on 6.8.2020 decided that EYATH Services S.A. would participate as a member of the grouping "INTRAKAT - SUEZ EAU FRANCE S.A.S - EYATH SERVICES S.A." in the public international tender procedure via the National Electronic Public Procurement System (ESIDIS) to award a public-private partnership agreement relating to: "IMPLEMENTATION OF THE HAVRIA HALKIDIKI DAM WATER TREATMENT PLANTS AND NETWORKS THROUGH PUBLIC-PRIVATE PARTNERSHIP - Phase I" announced by the MINISTRY OF INFRASTRUCTURE & TRANSPORT / GENERAL SECRETARIAT FOR INFRASTRUCTURE / DG HYDRAULIC, PORT AND BUILDING INFRASTRUCTURE / WATER SUPPLY, SEWERAGE & WASTEWATER TREATMENT PROJECTS DIRECTORATE (D18).

The total contractual duration of the project is 30 years and its budget is €86,321,000.00 (3 years) for construction and €80,496,000.00 for operation and maintenance (27 years).

The project award procedure includes two phases (A & B) of which phase B is divided into two stages (B.I & B.II). At present, having completed Phase I and in particular evaluation of the declaration of interest files submitted for the project to prequalify candidates, Phase II of the tender procedure is under way (since 7.12.2021) and in particular Stage B. I. - DIALOGUE.

#### ***Recruitment of new staff***

In implementation of Decision No. 794/2021 of the Board of Directors, in the context of tender notice No. ΣΟΧ1/2021, 10 successful secondary-education vehicle drivers were recruited on the basis of a fixed-term private law employment contract of 8 months.

By means of ASEP tender notice No. 10K/2021 (Government Gazette 60/ASEP Bulletin/27.11.2021) procedures were launched to fill 48 posts with a private law open-ended employment contract for staff with university, technological and secondary educations in accordance with Article 28 of Law 4765/2021.

### ***Annual General Meeting of Shareholders***

The Annual Ordinary General Meeting of Shareholders held on 1.6.2021 approved the following items by a majority:

- Approval of the Annual Financial Statements of the Company and the Consolidated Financial Statements of the Group prepared in accordance with International Financial Reporting Standards (IFRS) for 20<sup>th</sup> accounting period (1.1.2020 - 31.12.2020), the Annual Management Report of the Board of Directors and the Report of the Independent Certified Public Accountants thereon.
- Approval of overall management of the Board of Directors for the accounting period 1.1.2020 - 31.12.2020 in accordance with Article 108 of Law 4548/2018 and release of auditors from liability in accordance with Article 117(1)(c) of Law 4548/2018.
- Approval of distribution of dividends from profits for the 2020 accounting period to Company shareholders.
- Approval of the remuneration and compensation paid to the Board members for the accounting period 1.1.2020 - 31.12.2020, pursuant to the company's remuneration policy and the Report of the Remuneration Committee.
- Selection of Auditing Firm and approval of its fee for the auditing of the Annual Financial Statements, the Report on Review of the Interim Condensed Six-Month Financial Statements and issuing of a Tax Certificate, for the accounting period 1.1.2021 - 31.12.2021.
- Approval of the suitability policy for prospective Board members.
- Approval of the amendments to the Company's Articles of Association.
- Authorising the members of the Board of Directors of the Company and the executives of the Company's Divisions to participate in the Boards of Directors or in the management of other related parties in accordance with IAS 24, and legal persons controlled by them in accordance with IAS 24.

### ***Changes to the Board of Directors***

The Board of Directors officially met on 23.6.2020 following decision no. 367/2020 and was officially constituted with the line-up below:

- Agis Papadopoulos, son of Michail, Chairman, non-executive member. Elected on 2.8.2019. Term in office ends on: 1.8.2023.
- Anthimos Amanatidis, son of Anastasios, CEO, Executive Member. Elected on 30.4.2020. Term in office ends on: 29.4.2024.
- Grigorios Penelis, son of Georgios, Vice Chairman, independent non-executive member. Elected on 21.2.2019. Term in office ends on: 20.2.2023.
- Theodoros Koulouris, son of Nikiforos, Executive Member. Elected on: 27.8.2019. Term in office ends on: 26.8.2023.
- Nikolaos Klitou, son of Konstantinos, 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, non-executive member. Elected on 30.4.2020. Term in office ends on: 29.4.2024.

- Sofia Ammanatidou, daughter of Ilias (independent) non-executive member. Elected on 30.4.2020. Term in office ends on: 29.4.2024.
- Katerina Tsikaloudaki, daughter of Georgios, non-executive member. Elected on 30.4.2020. Term in office ends on: 29.4.2024.
- Maria Petala, daughter of Dimitrios, (independent) non-executive member. Elected on 30.4.2020. Term in office ends on: 29.4.2024.
- Georgios Archontopoulos, son of Savvas, employee representative, non-executive member. Elected on 19.6.2020. Term in office ends on: 18.6.2024.
- Ioannis Mitzias, son of Konstantinos, employee representative, non-executive member. Elected on 19.6.2020. Term in office ends on: 18.6.2024.
- The Board of Directors had the same line-up on 1.1.2021.
- By means of Decision No. 501/2021, the Board of Directors accepted the resignation of EYATH S.A. Board Member, Mr. Georgios Satlas.
- By means of Decision No. 681/2021, the Board of Directors decided to appoint Mr. Dimitrios Konstantakopoulos as a non-executive member of the Board of Directors of EYATH S.A.

Consequently, on 31.12.2021, the line-up of the Board of Directors was as follows:

- Agis Papadopoulos, son of Michail, Chairman, non-executive member. Elected on 2.8.2019. Term in office ends on: 1.8.2023.
- Anthimos Amanatidis, son of Anastasios, CEO, Executive Member. Elected on 30.4.2020. Term in office ends on: 29.4.2024.
- Grigorios Penelis, son of Georgios, Vice Chairman, independent non-executive member. Elected on 21.2.2019. Term in office ends on: 20.2.2023.
- Theodoros Koulouris, son of Nikiforos, Executive Member. Elected on: 27.8.2019. Term in office ends on: 26.8.2023.
- Nikolaos Klitou, son of Konstantinos, independent non-executive member, Chairman of the Audit Committee. Elected on 21.2.2019. Term in office ends on: 20.2.2023.
- Dimitrios Konstantakopoulos, son of Grigorios, non-executive member. Elected on 16.12.2021. Term in office ends on: 29.4.2024.
- Sofia Ammanatidou, daughter of Ilias (independent) non-executive member. Elected on 30.4.2020. Term in office ends on: 29.4.2024.
- Katerina Tsikaloudaki, daughter of Georgios, non-executive member. Elected on 30.4.2020. Term in office ends on: 29.4.2024.
- Maria Petala, daughter of Dimitrios, (independent) non-executive member. Elected on 30.4.2020. Term in office ends on: 29.4.2024.
- Georgios Archontopoulos, son of Savvas, employee representative, non-executive member. Elected on 19.6.2020. Term in office ends on: 18.6.2024.
- Ioannis Mitzias, son of Konstantinos, employee representative, non-executive member. Elected on 19.6.2020. Term in office ends on: 18.6.2024.

### ***Change in address of head offices***

Due to the necessary upgrade works, Decision No. 348/2021 of the Board of Directors issued on 24.6.2021 decided to transfer the company's registered offices from the building at 127 Egnatias St. in the Municipality of Thessaloniki to the leased building at 91 Tsimiski St. in the Municipality of Thessaloniki.

### ***Coronavirus (COVID-19)***

The start of the COVID-19 pandemic in mid-February 2020 in Greece and the subsequent lockdown of the domestic market from the end of March 2020 to mid-May 2020, and from early November 2020 to the present day has brought major changes in the fluctuation in domestic supply and demand, making the macroeconomic environment difficult at both local and global level. Given the current situation both globally and in Greece where the pandemic is in its third wave, there is still an inability to safely assess the duration of the public health crisis, which to a large extent is expected to depend on the progress of vaccination programmes.

EYATH S.A.'s financial data, after a series of estimates and analyses during the reporting period, only appears to have fluctuated slightly, without there being any major impact from the healthcare crisis on the Company's business activities and liquidity. Despite that, Management continues to monitor developments carefully so that it can immediately respond to the requirements of the global and domestic environment, based on the major checks and balances it has in place, such as the significant level of cash assets and the general lack of borrowing.

As part of the pandemic public health crisis Greece is undergoing to this day, the role of responsibility of companies like EYATH in managing vital public health infrastructure is crucial for social cohesion. In this context, Company Management has developed a web of actions which have already been implemented in all sectors of its operations.

Since April 2020, the Company's scientific staff have worked closely with the Aristotle University of Thessaloniki to support research into the detection of viral loads in the city's wastewater. This research significantly contributes to the national effort to address the pandemic and is also expected to expand into new fields in the near future.

EYATH also contributed to bolstering the National Health System, and in particular in the sector of care for vulnerable groups, both by providing healthcare equipment and by offering direct financial support. Some characteristic examples include: 1. The delivery of special diagnostic equipment to the Thessaloniki University Hospital (AHEPA) to detect COVID cases in September 2020 and 2. 5,000 pieces of personal protective equipment (masks) were made available to schools in Thessaloniki at the start of the 2020-21 school year.

In addition, building on its initial focus on combating the health crisis, motivated by its desire to safeguard its employees and consumers, EYATH S.A. is in constant contact with the National Public Health Organisation (EODY) on issues relating to coronavirus, so that it can immediately receive all instructions and take measures relating to the protection and safety of staff and the general public.

## **36. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE**

### ***Decision of the CoS on the Shareholding Composition of EYATH S.A.***

Judgment No. 191/2022 of the Plenary Session of the Council of State, published on 4.2.2022, held that the transfer under Law 4389/2016 by the State to HCAP S.A. of more than 50% of the share capital of EYATH S.A. is contrary to the provisions of Article 5(5) and 21(3) of the Constitution which state that the provision of water supply and sewerage services to the population of the wider Thessaloniki area is not an activity integral to the core of state power and that under current conditions, namely under conditions where those services are provided on a monopolistic basis, it is constitutionally necessary for EYATH S.A. to be controlled by the Greek State, not simply by the exercising supervision over it but via its share capital. Although the State is the sole shareholder of HCAP S.A. (the shareholder hereinafter of EYATH S.A.) it does not exercise



control over the Board of Directors of HCAP and consequently the constitutional condition which requires EYATH S.A. to be controlled by the Greek State, not just by exercising supervision over it but also via its share capital, is not met, and in addition HCAP S.A., a body governed by private law which intervenes between the State and EYATH S.A., seeks above all to achieve cash flow and money saving objectives and has been organised and is run in such a way as to achieve those objectives.

***EYATH SERVICES S.A.'s share capital increase***

At the Extraordinary General Meeting of EYATH Services S.A. held on 11.2.2022 it was decided to increase the share capital by payment of cash and to amend Article 5 of the Articles of Association. More specifically, it was decided to increase the share capital by € one million (1,000,000) paid in cash by issuing two million (2,000,000) registered shares of € fifty cents (0.50) each. The share capital increase was made to cover losses and the medium-term cash flow needs of the company in order to finance its investment programme.

At the meeting of the Board of Directors of EYATH Services S.A. on 10.3.2022, Decision No. 002/2022 of the Board of Directors confirmed payment of the share capital increase for EYATH SERVICES S.A.

**Thessaloniki, 14 April 2022**

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)).