

# Fairness Opinion Letter

1 December 2021

Towards the Board of Directors of the  
Athens Water Supply and Sewerage  
Company (EYDAP S.A.)

This report has been prepared solely for  
information purposes of the interested  
parties and is an unofficial translation of  
the original document in Greek language,  
which in any case prevails over the present

Summary evaluation report and opinion regarding the fair  
and reasonable Transaction Consideration in relation to the  
untreated water that EYDAP FA supplied EYDAP during the  
period 12/10/2013-31/12/2020

Towards: **The Board of Directors of the Athens Water Supply and Sewerage Company (EYDAP S.A.)**  
Oropou 156,  
11146, Galatsi

1 December 2021

To:

Ms. Theodora Varvarigou, Chairman of the Board of Directors

**Summary evaluation report and opinion regarding the fair and reasonable Transaction Consideration in relation to the untreated water that EYDAP FA supplied EYDAP during the period 12/10/2013-31/12/2020**

Dear Sirs and Madams,

## 1. Introduction

Since 1999, the water supply of Attica has been conducted through the parallel operation of two bodies, the "EYDAP Assets" (hereinafter "EYDAP FA"), which is a Legal Entity under Public Law and EYDAP S.A. (hereinafter "EYDAP"), which operates as a Societe Anonyme. EYDAP FA is wholly owned by the State, reports to the Ministry of Infrastructure and Transport and owns the infrastructure for the provision of untreated water until its arrival at the treatment plants. EYDAP is responsible for the treatment and distribution of water to consumers (water services) and the provision of sewerage services.

By Law 2744/1999, EYDAP was granted the exclusive right to provide water supply and sewerage services in the geographical area of Attica under a contract that was signed between the Greek State and EYDAP, valid from 25/10/1999 (hereinafter "Contract of 1999"), which stated the details for the exercise of the above exclusive right. This right was inalienable and non-transferable with its duration set at 20 years with possibility of renewal for an additional 20 years. With the lapse of the 20-year period and in order to renew EYDAP's exclusive right, a new contract must be signed between EYDAP and the Greek State for the period 2021-2040.

In order for EYDAP and the Greek State to enter into a new contract, the Contract of 1999 must be concluded, for which a pre-condition is the settlement of the mutual financial obligations between the two parties for the period 12/10/2013 to 31/12/2020. Specifically, a transaction must take place by which EYDAP's financial obligations to EYDAP FA for the provision of untreated water, as well as EYDAP FA's financial obligations to EYDAP for the expenses incurred for the operation and maintenance of the external water supply system (hereinafter "EWSS") during the period 10/10/2013 to 31/12/2020 (hereinafter "period 2013-2020") must be settled.



According to Article 101 of Law 4548/2018, the decision of the Board of Directors or the General Assembly of EYDAP regarding the acceptance or not of this transaction should be reached following a report by a certified public accountant, audit company or another independent third party, which evaluates whether the transaction is fair and reasonable for EYDAP and its non-affiliated shareholders, including the company's minority shareholders. The report should formulate the assumptions on which it is based, as well as the methods utilized.

In this context, the management of EYDAP (hereinafter referred to as "Management" or "Client") requested from ERNST & YOUNG, a Single Member Societe Anonyme (hereinafter "we" or "EY"), the provision of financial advisory services in order to estimate a range of a reasonable net financial obligation of EYDAP to EYDAP FA for the provision of untreated water (after potential offsets) for the period 2013-2020 (hereinafter "Consideration"), as well as to provide opinion on the fairness and reasonableness of the Consideration reflected in the respective Joint Ministerial Decision regarding the settlement of mutual financial obligations between EYDAP and EYDAP FA for the period 2013-2020 ("Transaction Consideration").

This report constitutes the deliverable of the second phase of the overall advisory support provided to the Management of EYDAP, regarding the provision of opinion on the fairness and reasonableness of the Transaction Consideration (hereinafter "Fairness Opinion Letter" or "Report"), which is based on the results and conclusions of the first phase of the overall advisory support, as presented in the respective deliverable "Advisory report for estimating the range of a reasonable Transaction Consideration in relation to the untreated water that EYDAP FA supplied EYDAP during the period 12/10/2013-31/12/2020".

## 2. Project Limitations

EY's work is focused exclusively on the examination of the Transaction Consideration as depicted in the Joint Ministerial Decision regarding the settlement of mutual financial obligations between EYDAP and the Greek State during the period 2013-2020, and the expression of an opinion on the fairness and reasonableness of the Transaction Consideration for EYDAP and its non-affiliated shareholders, including minority shareholders.

This Report does not constitute a valuation work or legal advice. The Report was prepared for EYDAP in relation to the advisory evaluation and the provision of an opinion on the fairness and reasonableness of the Transaction Consideration from a financial point of view for the shareholders of EYDAP and for the purposes of article 101 of Law 4548/2018. It is noted that we undertake responsibility and duty of care only towards our Client and according to the specific provisions of our



signed contract agreement. This Report has been prepared exclusively for the Board of Directors of EYDAP and should not be used for any other purpose or by any other third party. The Report is not intended for legal use or as a basis for making claims. EY is not responsible for any damage or loss due to decisions or actions based on this Report. For any decision regarding whether EYDAP will proceed with any agreement or transaction, solely responsible is the Management.

As an exception to the above, the Report may be published in accordance with the provisions of article 101 of Law 4548/2018. Specifically, the Report can be published on the official website of the Client so that its shareholders can be duly informed. EY does not accept any responsibility to any third party who may gain access to the Report or knowledge of its contents (including the Client's shareholders). Any use of the Report is at the sole responsibility of the parties who use it.

This report has been prepared solely for information purposes of the interested parties and is an unofficial translation of the original document in Greek language, which in any case prevails over the present.

This Report is an unofficial translation of the original document (in Greek language) that was delivered to the Management on 24/11/2021 based on the data and information that were brought to our attention until 17/11/2021 that are listed below. EY does not have any obligation to update the Report based on data and information that may come to our knowledge after the delivery of the final Report.

We point out that the Report should be used in its entirety and not in fragments.

We assume that all information provided to us by Management (as presented in Section 3.Sources of information

) are accurate and complete. None of the information listed have been audited, verified, or confirmed by us, but EY has relied on a written statement of EYDAP that the information provided to us is accurate, complete and constitutes a reliable basis for our work.

Publication, copying or distribution of this Report in whole or in part in writing, orally, or in any other way, to any third party without the prior written consent of EY, subject to the provisions of the above, is strictly prohibited.

The Report should be considered subject to the limitations and assumptions it contains.

### 3. Sources of information

Our work was based primarily on the information provided to us by the Management of EYDAP, as well as on publicly available sources, including the following:

#### Laws and contractual documents:

- Law 2744, 23/10/1999
- Contract between EYDAP & Greek State, 9/12/1999
- Joint Ministerial Decision of the Official Government Gazette 3065/τ.Β'/3-12-2013 ("JMD 2013"), 3/12/2013
- Special Secretariat for Water (ΕΓΥ) "Opinion on the selling price of untreated water to EYDAP SA", 4/8/2014
- Contract between EYDAP and EYDAP FA, 30/9/2014
- Joint Ministerial Decision 135275/19-05-2017 - of the Official Government Gazette 1751/τ.Β'/22-5-2017 ("JMD 2017"), 22/5/2017
- Law 4548/2018, 13/6/2018
- Law 4812/2021, 30/6/2021
- Final Draft of the Joint Ministerial Decision regarding the settlements of financial obligations between EYDAP and the Greek State for the period 2013-2020 ("JMD 2021"), 17/11/2021

#### Studies performed for EYDAP FA and the Greek State:

- NTUA<sup>1</sup> 2010 "Costing of untreated water for the water supply of Athens", October 2010
- NTUA 2018 "Update on the financial cost of untreated water for the water supply of Athens", May 2018
- Kantor "Calculation of costs of untreated water, period 2013-2019", 25/3/2020
- Proposal of the Greek State - Kantor "Approach for the pricing of untreated water, summary plan for discussion", 16/10/2020

#### Studies performed for EYDAP:

- Jacobs "EYDAP S.A. - Review of untreated water assets", July 2019
- Centrus "Evaluation of the government proposal for the new concession period", 22/10/2018

#### Opinions of EYDAP's legal advisors:

- Bahas, Gramatidis & Partners, 11/5/2020
- N.E Farantouris, 21/5/2020
- N.K Alivizatos, 3/12/2020
- Potamitis-Vekris, 29/1/2021

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<sup>1</sup> National Technical University of Athens (hereinafter "NTUA")



The Management has assured us that all the documents and data provided to us, are accurate and complete.

In addition to the above, during our work, EY obtained data from available sources, which are mentioned in the report "Advisory report for estimating the range of a reasonable Transaction Consideration in relation to the untreated water that EYDAP FA supplied EYDAP during the period 2013-2020". The information of the applicable regulatory framework for selected European markets has been based on the international literature, and a series of studies of recognizable organizations that specialize in monitoring the regulatory environment of water, energy and gas activities. EY assumes the validity of all available data from publicly available and credible sources.

#### 4. Approach for estimating the range of a reasonable Transaction Consideration

For the execution of our work, we relied on the sources and information provided to us by the Management, by examining the prevailing international best practices, in order to distinguish the alternative scenarios for the estimation of the Consideration and consequently, the range of a reasonable Transaction Consideration. Specifically, we proceeded in the:

- Review of past transactions, as well as the current legislative and regulatory framework, such as contracts, agreements between EYDAP and the Greek State and the relevant Joint Ministerial Decisions, as well as the opinions of EYDAP's legal advisors on those, which were provided to us by the Management. As a result, the total period (2013-2020) is divided into 2 sub-periods (2013-2017 and 2017-2020) based on the validity period of the JMD 2017<sup>2</sup>, including also the case at which the JMD 2017 is not applicable throughout the whole period 2013-2020.
- Review of the studies of EYDAP's and EYDAP FA's consultants regarding the cost of untreated water and the estimated amount of the net financial obligations, in the context of the negotiations and the interpretation of the JMD 2017. The review of these studies in conjunction with the interpretation of the JMD 2017, led to the distinguishment of the alternative approaches that may be applied on a case-by-case basis for the estimation of the Consideration per each sub-period.
- Review of the prevailing international best practices for the implementation of the regulatory framework in the water sector, as well as other utility sectors, such as energy and gas in Greece and Europe. Based on these, the appropriate methodology for determining the allowed revenue

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<sup>2</sup> JMD 2017 refers to the Joint Ministerial Decision 135275 / 19-05-2017 - Government Gazette 1751 / τ.Β' / 22-5-2017, which set the general rules for costing and pricing of water services for various uses, rules and measures to improve water services, as well as identified the procedures - methods for recovering the costs of these services, including environmental costs and water resource costs



was determined, with the majority of cases applying the methodology of the Regulated Asset Base (hereinafter "RAB"). This step distinguished the use of the RAB methodology as the most prevalent best practice, as well as the method of its implementation.

Given the above and considering the opinions of EYDAP's legal advisors, regarding the validity period of the JMD 2017, in conjunction with our findings regarding the prevailing international best practices, we distinguished the most valid and reasonable prevalent scenarios (see Section 5. Alternative scenarios and Consideration estimation methodology

), which consequently led to the estimation of the proposed range of a reasonable Consideration.

Finally, based on a comparison of the Transaction Consideration, as reflected in the Joint Ministerial Decision for the settlement of mutual financial obligations between EYDAP and the Greek State during the period 2013-2020 (hereinafter "JMD 2021"), with the proposed range of a reasonable Consideration, as estimated by our analysis, we provided an opinion on the fairness and reasonableness of said Transaction Consideration.

## 5. Alternative scenarios and Consideration estimation methodology

Given the above approach, the development of all alternative scenarios was based on a combination of the individual elements considered, based on the synthesis of feasible options regarding the period of validity, the methodology applied on a case-by-case basis, and the prevailing best practices. In this sense, 6 alternative scenarios were initially analyzed for the estimation of the annual unit cost of untreated water and consequently the net financial obligations of EYDAP to the Greek State (see Table 10-1).

Taking into account the limitations arising from the opinions of EYDAP's legal advisors, regarding the validity period of the JMD 2017, as well as our findings regarding the prevailing international best practices, we excluded scenarios that were based on a retroactive application of the JMD 2017, i.e. before its issuance (see Table 10-1, Scenarios 5 & 6), as well as scenarios that did not apply the prevalent best practices during the subperiods of where JMD 2017 is valid and applicable (see Table 10-1, Scenario 2, NTUA 2010 - NTUA 2018), as less feasible and well-founded (given the above limitations), eventually leading to the qualification of the final 3 most prevalent scenarios.

In order to determine the range of a reasonable Consideration on the basis of which we provide an opinion regarding the fairness and reasonableness of the Transaction Consideration, we relied on the results of the following 3 prevalent scenarios (see Table 10-1):

- **Scenario 1, NTUA 2010:** The JMD 2017 is not applied throughout the period 2013-2020, as it cannot be implemented until the expiration of the 1999 contract between EYDAP and the Greek

State (according to the opinion of Potamitis-Vekris). Under this scenario the annual unit cost of untreated water for the whole period is determined on the basis of historically comparable transactions (JMD 2013<sup>3</sup> based on a NTUA study 2010).

- **Scenario 3, NTUA 2010 - RAB with total exclusion (RAB €158mn.):** JMD 2017 is applied during 2017-2020, while it is not applied during 2013-2017, as it cannot have retroactive application (according to the opinion of Bahas, Gramatidis & Partners). For the period 2013-2017 the annual unit cost of untreated water is determined based on historically comparable transactions regarding the cost of untreated water (JMD 2013 based on NTUA 2010 study), while for the period 2017-2020 the annual unit cost of untreated water is determined based on the application of the of Regulated Asset Base methodology with prevailing best practices and the exclusion of assets that have been financed by European funds (25% of Mornos and 86% of Evinos), as well as those financed by consumer contributions (excluding 75% of Mornos)
- **Scenario 4, NTUA 2010 - RPB with partial exclusion (RAB €486mn.):** JMD 2017 applies during the period 2017-2020, while it does not apply during the period 2013-2017, as it cannot have retroactive application (according to the opinion of Baha, Gramatidis & Partners). For the period 2013-2017 the annual unit cost of untreated water is determined based on historically comparable transactions regarding the cost of untreated water (JMD 2013 based on NTUA 2010 study), while for the period 2017-2020 the annual unit cost of untreated water is determined based on the application of the of Regulated Asset Base methodology with prevailing best practices and the exclusion only of those assets that have been financed by European funds (25% of Mornos and 86% of Evinos)

## 6. Assumptions, limitations and hypotheses of our analysis

In the context of our work, we requested from EYDAP's Management the necessary information, regarding the basic parameters for the Consideration estimation via the application of RAB methodology with the prevailing best practices.

We understand that the Management requested from EYDAP FA a series of data, regarding the evolution of its RAB during 2013-2020, which however were not provided by EYDAP FA to EYDAP and consequently to us. The occasional lack of specific data designated the specific limitations of our work, the necessary assumptions, as well as the rest hypotheses of our analysis, as described in the following subsections.

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<sup>3</sup> JMD 2013 refers to the Joint Ministerial Decision for the settlement of mutual obligations between EYDAP and the Greek State for the period 2004-2013 (Government Gazette 3065 / Τ.Β ' / 3-12-2013)



## 6.1 Limitations and assumptions

The limitations as well as the necessary assumptions of our work are presented in the following table.

Limitations	Assumptions
We were not provided with information regarding the size of EYDAP FA's regulated asset base for the period 2013-2020	In the absence of information from EYDAP FA concerning the size of its RAB during 2013-2020, we utilized the latest available estimate regarding the value of the regulated asset base, amounting to €887mn. (based on a study for 2017 by the technical advisor Jacobs)
The overcapacity of the water supply system (highlighted in the study of NTUA 2018) has not been incorporated, which could lead to a reduction of the annual unit cost of untreated water, by the corresponding percentage of the estimated overcapacity affecting the rate of recovery of EYDAP FA's total costs	As there is a discrepancy in the interpretation of the concept of overcapacity and given the purely technical nature of the exercise, we did not assess the rationality of the NTUA's calculations, nor did we estimate this parameter in the context of Consideration estimation due to lack of relevant information
Environmental and resource costs have not been included in determining the cost of untreated water	We have not taken into account in our analysis the environmental and resource costs, as they are considered negligible (according to Management's calculations they are estimated at a total of approximately € 0.0001/m <sup>3</sup> )

We draw attention to the above limitations and assumptions, since, if data emerged that would result in a significant discrepancy to the above assumptions, the estimated results and conclusions presented in the Report could be affected.

## 6.2 Other hypothesis

In addition to the above assumptions, the estimation of the Consideration was based on a series of financial, macroeconomic, and other hypotheses, based on information provided to us by the Management and information obtained from credible sources, which were communicated and agreed upon with the Management of EYDAP. Specifically:

1. For the estimation of the opportunity cost (in order to calculate the rate of return) we have considered the costs of new borrowing, as formulated by the Public Debt Management Organization (ODDIH), for the period 2013-2020. Where possible, borrowing costs were adjusted

for annual inflation, thus reflecting real borrowing costs.

2. For the estimation of annual depreciation, a useful life of 50 years has been adopted for dams, which is in line with the Greek State's assumptions, and in agreement with respective data presented by Ofwat (UK water regulator), as well as a useful life of 10-year for Electrical/Mechanical Equipment and 50 years for other assets.
3. The estimation of financial costs takes into account the capital costs, administration costs, operation-maintenance costs and energy costs, based on the data provided to us by the Management for the period 2013-2020.
4. In the scenarios where the RAB methodology was applied, the determination of the annual unit cost of untreated water was based on the estimates of the Management regarding the amount of untreated water supplied by EYDAP FA to EYDAP per year, totaling 2,948 m<sup>3</sup>. during 12/10/2013-31/12/2020 (~ 1,514 million m<sup>3</sup> for the period 12/10/2013-22/5/2017 and ~1,434 million m<sup>3</sup> during 23/5/2017-31/12/2020).
5. The estimation of EYDAP's net financial obligations towards the Greek State was derived by offsetting the amount due of EYDAP FA to EYDAP for the expenses for the external water supply network undertaken by EYDAP during the period under consideration, amounting to € 188mn., based on the Management's estimates.

It is noted that we have not confirmed, or audited the information and data provided to us by the Management, nor those obtained from the aforementioned sources. Any substantial future change in the information or data on which the above assumptions depend may affect the estimated results and conclusions presented in the Report.

## 7. Proposed range of a fair and reasonable Consideration

Having distinguished the 3 prevailing scenarios (see 5. Alternative scenarios and Consideration estimation methodology

) based on the current legal framework, the relevant legal opinions and studies of the advisors, we proceeded with the estimation of the annual unit cost of untreated water (see Table 10-2) and consequently the Consideration per scenario (see Table 10-3).

It is noted that in the above calculations, sensitivity analysis was performed on specific parameters, such as the reasonable rate of return and the useful life of assets, in order to evaluate the possible effects of any variation on the estimation of the Consideration. Sensitivity analysis was conducted only in the scenarios where the RAB methodology is applied, since the annual unit cost in all other scenarios is determined by either historical comparable transactions (JMD 2013 - NTUA 2010), or by

the estimated annual unit cost of untreated water from the study of NTUA 2018.

By taking into account the results of all the 3 prevailing scenarios (see 5. Alternative scenarios and Consideration estimation methodology

), the proposed range of a reasonable Consideration regarding the net financial obligation of EYDAP towards the Greek State for the period 2013-2020, ranges between **€152.3mn.** and **€256.7mn.** (see Graph 10-1).

## 8. Transaction Consideration

The Transaction Consideration is determined based on the Joint Ministerial Decision for the settlement of mutual financial obligations between EYDAP and the Greek State for the period 2013-2020 (JMD 2021), i.e. EYDAP's financial obligation towards EYDAP FA for the provision of untreated water, as well as EYDAP FA's financial obligation towards EYDAP for the expenses incurred for the maintenance and operation of the EWSS during the said period. Specifically. The calculation is based on the following points:

- The financial obligation of EYDAP towards the Greek State for the provision of untreated water from 12/10/2013 to 31/12/2020 were determined at a total amount of € 346.7mn. (for a quantity of 2,948mn.m<sup>3</sup> of untreated water), consisting of:
  - €171.5mn. for the provision of 1,514mn.m<sup>3</sup> untreated water during the period 12/10/2013-31/05/2017, and
  - €175.3mn. for the provision of 1,434mn.m<sup>3</sup> untreated water during the period 01/06/2017-31/12/2020
- The financial obligation of the Greek State towards EYDAP from 12/10/2013 to 31/12/2020 were determined at a total amount of €189.5mn., consisting of:
  - a receivable amount of €1.1mn. by EYDAP for the execution of projects for the EWSS by special order of the Ministry of Infrastructure and Transport during the years 2019 and 2020, and
  - a receivable of €188.4mn. by EYDAP for the expenses incurred regarding the maintenance and operation of the EWSS during the period 12/10/2013 - 31/12/2020.

Based on the above, the net financial obligation of EYDAP towards the Greek State, i.e. the Transaction Consideration, was calculated at €157.2mn. for the period 2013-2020. Comparing the Transaction Consideration with the proposed range of a reasonable Consideration, it appears that the

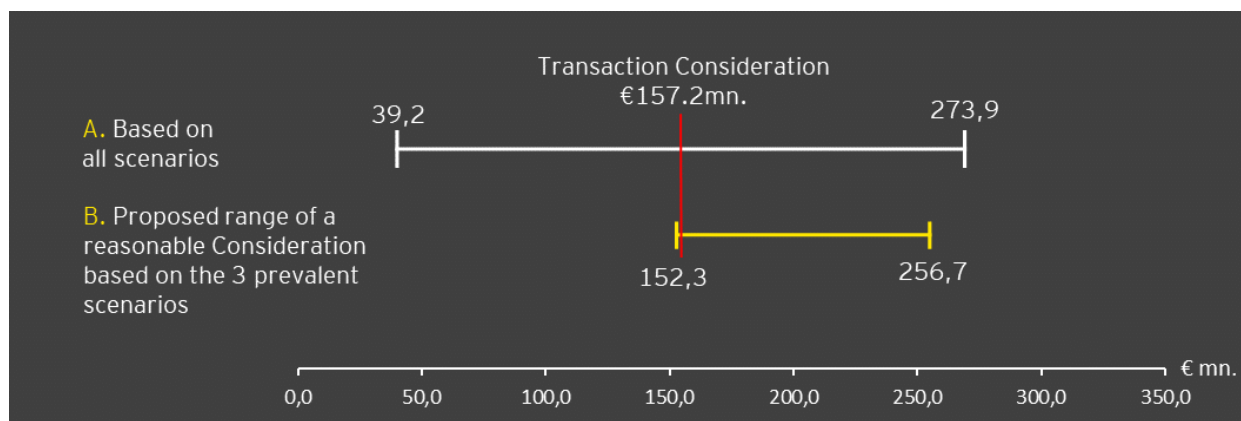
Transaction Consideration falls within the range of a reasonable Consideration and is even situated closer towards the lower limit of the range (see Graph 10-1).

It is also noted that according to paragraph 6 of the JMD 2021, EYDAP is foreseen to be able to recover the above payable amount (€157.2mn.) in the form of recoverable operating costs that are fall under financial costs in accordance with the terms of articles 4 and 9 of the JMD 2017, during the validity period of the contract of paragraph 2 of article one hundred and fourteenth of Law 4812/2021 (110 A').

## 9. Conclusions

Based on our analysis, subject to the limitations and assumptions of our work as reflected in the above paragraphs (see 6.Assumptions, limitations and hypotheses of our analysis ), it appears that the Transaction Consideration regarding EYDAP's net financial obligation towards the Greek State for the period 2013-2020, amounting to **€157.2mn.**, fall within the proposed range of a reasonable Consideration, as estimated by our analysis, and in fact it is situated closer to the lower end of the range (see Graph 10-1). Given this, we consider that the Transaction Consideration is fair and reasonable for EYDAP's shareholders, from a financial perspective. In addition, considering that, according to paragraph 6 of JMD 2021, EYDAP has the ability to recover the payable amount of €157.2mn. during the validity period of the contract of article 114 of Law 4812/2021, we consider that this fact further contributes towards the positive evaluation of the Transaction Consideration, from a financial point of view, for the shareholders of EYDAP.

### **Graph 9-1: Comparison of the Transaction Consideration with the proposed range of a reasonable Consideration**





Respectfully,

A handwritten signature in black ink, appearing to read 'Tassos Iossiphides', with a long, sweeping underline.

Tassos Iossiphides  
Legal Representative

## 10. Appendix - Detailed tables and calculations

**Table 10-1: Scenarios for the estimation for the estimation of the Consideration and assumptions**

Scenarios	2013-2017	2017-2020	Description of assumptions/hypothesis	Selection
Scenario 1, NTUA 2010	Methodology Equivalent Annual Costs ("EAC"): NTUA 2010 - Price €0.151/m <sup>3</sup>	Methodology EAC: NTUA 2010 - Price €0.151/m <sup>3</sup>	<ul style="list-style-type: none"> <li>▶ The JMD 2017 is not applied throughout the period 2013-2020</li> <li>▶ The price for the entire 2013-2020 period is determined based on the latest historical comparable transaction (JMD 2013: NTUA 2010)</li> </ul>	Yes
Scenario 2, NTUA 2010 - NTUA 2018	Methodology EAC: NTUA 2010 - Price €0.151/m <sup>3</sup>	Methodology EAC: NTUA 2018 - Price €0.163/m <sup>3</sup>	<ul style="list-style-type: none"> <li>▶ JMD 2017 is not applied throughout the period 2013-2020</li> <li>▶ 2013-2017: the price of untreated water is determined based on the latest historical comparable transaction (JMD 2013: NTUA 2010)</li> <li>▶ 2017-2020: the price of untreated water is determined based on the updated study of NTUA (2018)</li> </ul>	No
Scenario 3, NTUA 2010 - RAB with total exclusion (€158mn.)	Methodology EAC: NTUA 2010 - Price €0.151/m <sup>3</sup>	Methodology RAB: with prevailing best practices (RAB €158mn., excluding assets financed by European grants and consumers)	<ul style="list-style-type: none"> <li>▶ JMD 2017 is applied during 2017-2020 while it is not applied during 2013-2017</li> <li>▶ 2013-2017: the price of untreated water is determined based on the latest historical comparable transaction (JMD 2013: NTUA 2010)</li> <li>▶ 2017-2020: the estimation of the price of untreated water is based on the guidelines of the JMD 2017 and the application of the RAB methodology according to the prevailing best practices, and the exclusion of assets that have been financed by European funds (25% of Mornos and 86% of Evinos), as well as those financed by consumer contributions (excluding 75% of Mornos)</li> </ul>	Yes

Scenarios	2013-2017	2017-2020	Description of assumptions/hypothesis	Selection
Scenario 4, NTUA 2010 - RAB with partial exclusion (€486mn.)	Methodology EAC: NTUA 2010 - Price €0.151/m <sup>3</sup>	Methodology RAB: with prevailing best practices (RAB €486mn., excluding assets financed by European grants only)	<ul style="list-style-type: none"> <li>▶ The above applies (Scenario 3) with the only difference being the value of the assets, which amounts to €486mn, taking into account the assets of EYDAP FA, with the exclusion only of fixed assets financed by European funds (the 25% of Mornos and 86% of Evinos)</li> </ul>	Yes
Scenario 5, RAB with total exclusion (€158mn.)	Methodology RAB: with prevailing best practices (RAB €158mn., excluding financed by European grants and consumers)	Methodology RAB: with prevailing best practices (RAB €158mn., excluding financed by European grants and consumers)	<ul style="list-style-type: none"> <li>▶ JMD 2017 is applied throughout the whole 2013-2020 period</li> <li>▶ The estimation of the price of untreated water is based on the guidelines of the JMD 2017 and the application of the RAB methodology according to the prevailing best practices, and the exclusion of assets that have been financed by European funds (25% of Mornos and 86% of Evinos), as well as those financed by consumer contributions (excluding 75% of Mornos)</li> </ul>	No
Scenario 6, RAB with partial exclusion (€486mn.)	Methodology RAB: with prevailing best practices (RAB €486mn., excluding assets financed by European grants only)	Methodology RAB: with prevailing best practices (RAB €486mn., excluding assets financed by European grants only)	<ul style="list-style-type: none"> <li>▶ The above applies (Scenario 5) with the only difference being the value of the assets, which amount to €486mn, taking into account the assets of EYDAP FA, with the exclusion only of fixed assets financed by European funds (the 25% of Mornos and 86% of Evinos)</li> </ul>	No

**Table 10-2: Estimated unit cost of untreated water per scenario (€/m<sup>3</sup>)**

Period (from...)	12/10/2013	1/1/2014	1/1/2015	1/1/2016	1/1/2017	23/5/2017	1/1/2018	1/1/2019	1/1/2020	12/10/2013	23/5/2017	min	mean	max
Period (...until)	31/12/2013	31/12/2014	31/12/2015	31/12/2016	22/5/2017	31/12/2017	31/12/2018	31/12/2019	31/12/2020	22/5/2017	31/12/2020			
Scenario 1, NTUA 2010	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151		0.151	
Scenario 2, NTUA 2010 – NTUA 2018	0.151	0.151	0.151	0.151	0.151	0.163	0.163	0.163	0.163	0.151	0.163		0.157	
Scenario 3, NTUA 2010 – RAB with total exclusion (€158mn.)	0.151	0.151	0.151	0.151	0.151	0.079	0.076	0.083	0.082	0.151	0.080	0.116	0.116	0.116
Scenario 4, NTUA 2010 – RAB with partial exclusion (€486mn.)	0.151	0.151	0.151	0.151	0.151	0.104	0.099	0.111	0.106	0.151	0.105	0.129	0.129	0.129
Scenario 5, RAB with total exclusion (€158mn.)	0.090	0.078	0.075	0.076	0.083	0.079	0.076	0.083	0.082	0.078	0.080	0.077	0.079	0.079
Scenario 6, RAB with partial exclusion (€486mn.)	0.129	0.115	0.101	0.107	0.108	0.104	0.099	0.111	0.106	0.109	0.105	0.107	0.107	0.107

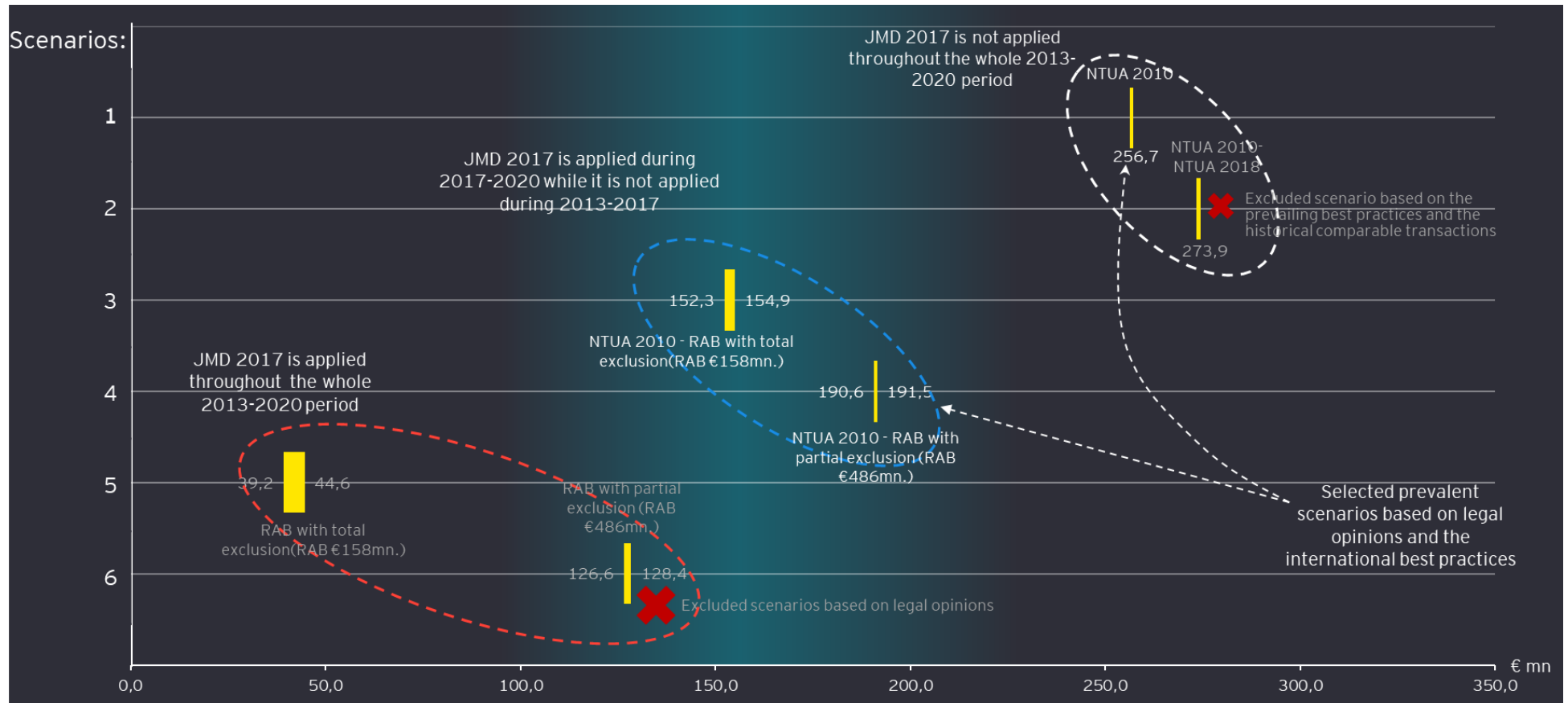


**Table 10-3: Estimated net financial obligation of EYDAP towards the Greek State (€ mn.)**

Period (from...)	12/10/2013	1/1/2014	1/1/2015	1/1/2016	1/1/2017	23/5/2017	1/1/2018	1/1/2019	1/1/2020	12/10/2013	23/5/2017	min	mean	max
Period (...until)	31/12/2013	31/12/2014	31/12/2015	31/12/2016	22/5/2017	31/12/2017	31/12/2018	31/12/2019	31/12/2020	22/5/2017	31/12/2020			
Scenario 1, NTUA 2010	7.7	37.7	36.8	38.0	13.2	21.2	34.9	33.4	33.8	133.4	123.3		256.7	
Scenario 2, NTUA 2010 – NTUA 2018	7.7	37.7	36.8	38.0	13.2	24.1	39.5	38.2	38.6	133.4	140.5		273.9	
Scenario 3, NTUA 2010 – RAB with total exclusion (€158mn.)	7.7	37.7	36.8	38.0	13.2	3.6	5.4	6.5	5.8	133.4	21.4	152.3	154.8	154.9
Scenario 4, NTUA 2010 – RAB with partial exclusion (€486mn.)	7.7	37.7	36.8	38.0	13.2	9.8	14.5	17.8	15.6	133.4	57.7	190.6	191.1	191.5
Scenario 5, RAB with total exclusion (€158mn.)	1.8	7.4	5.2	6.3	2.3	3.6	5.4	6.5	5.8	22.9	21.4	39.2	44.3	44.6
Scenario 6, RAB with partial exclusion (€486mn.)	5.5	22.8	16.0	19.4	6.2	9.8	14.5	17.8	15.6	69.8	57.7	126.6	127.5	128.4

The net financial obligation is determined if the operating costs of EYDAP for the maintenance of EWSS for the period under review 12/10/2013- 31/12/2020 are deducted (offset) from the estimated cumulative cost for the supply of untreated water by EYDAP FA.

**Graph 10-1 Estimated net financial obligation of EYDAP towards the Greek State for the period 2013-2020**





End of fairness opinion letter