

Athens, April 29th, 2022

Financial Results 2021

New Contract with the Greek State and significant profits for 2021 Acceleration of the transformation and the investment plan in 2022

Fiscal year 2021 was a milestone year for the Company, with the renewal of the exclusive right of water supply and sewerage until 2040, in the context of the final settlement of chronic outstanding issues with the Greek State, **ensuring the viability of the Company and the bases for its further development**. The Company in 2022, responding to the new conditions created by the increased energy costs and the current geopolitical crisis, and in order to restrain its tariffs, will proceed to actions to streamline its operating costs, while advancing its transformation projects and **accelerating its investment plan, focusing on the digital and green transition**.

The signing of the new contract with the Greek State, which has retroactive effect from 1/1/2021, places the Company in a new regulatory framework under J.M.D. 135275/2017, Government Gazette 1751 / B / 22-5-2017 "*Approval of general water service costing and pricing rules. Method and procedures for recovering the cost of water services in its various uses*".

The purpose of this J.M.D. is the approval of general rules for costing and pricing of water services for various uses and rules and measures for the improvement of these services, as well as the definition of procedures and methods for recovering the costs of these services, including environmental costs and water resource costs.

Via a letter, the Ministry of Environment and Energy, as the competent authority for the implementation of the general rules of costing and pricing of water services, informed the Company that an independent regulatory authority will be established for this purpose. It is a reform with a timeframe for the adoption of the relevant legislative framework at the end of 2022. The operation of the Authority will be based on Directive 2000/60/EC, as incorporated into national law.

The same letter states that the validity of EYDAP tariffs is extended until the approval of new tariffs under the new contract and any issues of over-recovery and / or under-recovery in each regulatory period will be addressed in accordance with article 114 of law 4812/2021 and the provisions of J.M.D. 135275/2017, with the approval of the new tariffs.

Regarding the financial results, **the turnover of the Company amounted to € 360.8 million from € 330.3 million in 2020, showing an increase of 9.2% (+ € 30.4 million)**. The € 25 million from this increase are due to the income from the Contract for Operation and Maintenance of the External Water Supply System (owned by EYDAP Fixed Assets LEPL) according to the relevant contract that has been concluded. Excluding this revenue, turnover would have increased by € 5.4 million (+ 1.6%) to € 335.8 million.

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In total, from the main activities (water supply and sewerage) the Company presented an increase of revenues by € 6.1 million (+ 1.9%). The total water consumption was 406.8 million cubic meters compared to 399.8 million cubic meters in 2020, increased by 1.8%.

The total operating costs of the Company (i.e. the sum of Costs of Sales, Administrative Expenses, Distribution Expenses and Impairment of Financial Assets) increased by 10.1% or +29 million € and amounted to €317.6 million from € 288.6 million in 2020. The main factor of the increase was the 19% increase in third party benefits from € 37.6 million in 2020 to € 44.9 million in 2021 mainly due to the increase in energy costs.

The Company's efficiency indicators were affected by the formation of the forecast for the additional cost of raw water for the period 2013-2019, amounting to € 135.3 million, which burdened the results of the previous year.

Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA *) of the Company amounted to € 85.5 million from -57.1 million in 2020. The EBITDA margin was 23.7% from -17.3% in 2020.

The increase of EBITDA affected the Earnings Before Interest and Taxes (EBIT *) of the Company, which showed an increase of +138.5 million € and amounted to 46.3 million € from -92.2 million € in 2020. The EBIT margin stood at 12.8% from -27.9% in 2020.

The Company's earnings before taxes amounted to € 59.4 million from -80.4 million € in 2020. The Company's earnings after taxes amounted to € 30.7 million from losses of -66.1 million € in 2020. The net profit margin stood at 8.5% from -20% in 2020.

Net Operating Cash inflows for the group decreased from € 93.2 million in 2020 to € 38.2 million in 2021, down € -55 million. The increase in the balance of receivables from customers contributed to this decrease as a result of the suspension of distribution of bills, due to the Company's obligation to comply with Law 4412/2016 "Public Procurement of Works, Supplies and Services", which led to time delays in appointing a postal contractor. EYDAP has already given a final solution to the issue and the collection of bills has been normalized. The Net Investment Cash Flows for the group amounted to an outflow of € 18.7 million, while in 2020 there was an outflow of € 18.6 million.

The Board of Directors of the Company approved the submission of a proposal to the Ordinary General Meeting of Shareholders, for the distribution of a dividend of twenty-eight cents (Euro 0.28) per share, (total gross amount of Euro 29,820 thousand euros) for the year 2021. Based on the closing price on 31/12/2021, the dividend yield stands at 3.6%. The possibility of further dividend distribution from past profits will also be considered.

Impact of Geopolitical Crisis and Energy Costs

Regarding the effects of the geopolitical crisis in Ukraine, EYDAP is not directly exposed in these areas, therefore there is no direct impact on its activities. Nevertheless, unfavorable developments in the energy sector and raw material prices, which have been exacerbated by the situation in Ukraine

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and the wider macroeconomic impact, are expected to influence market trends and increase the risk of inflationary pressures.

The inelasticity of the product is expected to be a bulwark against these pressures, while the most vulnerable invoice category is the Industrial/Corporate one due to greater market exposure.

In addition, the geopolitical crisis is likely to negatively affect the course of construction projects of the investment program due to the inability of contractors to meet the increased prices of fuel, materials and raw materials.

The Company takes care of the adequacy of raw materials and is not expected to have a problem in the basic water supply and sewerage operations but also in general in its supply chain. Due to the volatility of the situation in Ukraine, it is not possible to accurately assess the economic impact. The management of the Company monitors the developments and evaluates possible further effects on its operation and results.

The ongoing energy crisis combined with the geopolitical crisis in Ukraine has created an unfavorable situation regarding the increase in costs along the production chain. Based on current prices and state subsidies, energy costs for 2022 are projected to reach 43.4 million euros, increased by 69.5%. After the continuous price increases of electricity prices, and to reduce operating costs, EYDAP SA hurries:

- The studies and competitions in its energy-intensive facilities for the replacement of old machines, e.g. pumps, with more energy efficient ones.
- The installment of energy control systems (monitoring) of the facilities to improve their energy performance.
- The tender procedures for the creation of Photovoltaic Power stations with energy offset, to reduce the total consumption of electricity.
- The replacement of the vehicle fleet with electric vehicles.
- Achieving the zero carbon water target in 2030
- The reduction of natural gas consumption in WMC Psitalia by 80% in 2023.

It is noted that **the contribution of Renewable Energy Sources (RES) to the total consumption is at 47.5%.**

Impact of the Covid-19 Pandemic

Regarding the management of the pandemic, the Management of the company from the beginning of the pandemic, monitors the developments, evaluates the risks and takes the necessary actions to continue its smooth operation, the service of its customers and the protection of its human resources. With the exception of the temporary reduction of revenues during the first months of the pandemic, EYDAP did not face any particular problems in the management while there were no overall effects on the Company's activities and the supply of materials from the spread of covid-19.

EYDAP also proceeded to donation of equipment worth 2 million euros, to the "Attikon" and "Sotiria" hospitals.



"2021 was a milestone year for the Company", says in a statement the CEO of EYDAP Mr. Charalampos Sachinis, during the announcement of the financial results of 2021. The statement is as follows:

«The 20-year exclusive right to provide water supply and sewerage services in combination with the large transformation and investment program that is being implemented, place EYDAP on a new growth trajectory, a fact that will benefit consumers, employees and shareholders.

We managed to settle long-standing issues that bound EYDAP and were a brake on its development. The signing of the two contracts for the renewal of the exclusive right and operation of the External Water Supply System, gives the opportunity to implement the demanding strategic plan that we have prepared.

For 2022, we are focusing on streamlining operating costs, accelerating the implementation of the investment program, improving the services provided, expanding the activities and the customer base, and we will consider participating in activities outside the area of competence if relevant legislation is made. All this contributes to an overall dynamic course for EYDAP».

The Annual Financial Report and the Data and Information for the Year 2021 are posted on the corporate website www.eydap.gr

* Alternative performance measurement indicator. See section Alternative performance measurement indicators in the annual financial report 2021 which is posted on the corporate website www.eydap.gr. The financial figures mentioned in the announcement concern the Company unless otherwise stated.