

MEMORANDUM OF UNDERSTANDING

(I) In Athens today on 27/04/2022, this Memorandum of Understanding is drawn up and signed:

Between:

(II) the legal entity under public law with the name EYDAP Fixed Assets, Tax ID number 999961677, Tax office Psychikou which is based in Athens (Kifisias Avenue 124 and Iatridou 2,) and is legally represented by George Petrainas

(III) the public company EYDAP S.A. which is based in Galatsi Attica (156, Oropou street, P.O. 11146) with G.E.MI. number 121578960000 and VAT number 094079101, Tax office FAE of Athens, legally represented, for the signature hereof, by Charalambos Sahinis.

ON

A. the Convention of Law 4812/2021 on raw water supply and

B. the Contract of Law 4812/2021 on the assignment of operation and maintenance services of the external water supply system.

PREAMBLE

With paragraphs 1 and 2 of article one hundred and fourteen (114) of Law 4812/2021 (A' 110) it was provided that the exclusive right to provide water supply and sewerage services granted to the private company Water and Sewerage of the Capital is renewed until 31.12.2040 (EYDAP S.A.) with par. 1 of article 2 of Law 2744/1999 (A' 222). The terms and conditions for the exercise of said exclusive, special and intangible asset (right of exclusive supply) are determined by a contract signed between the Hellenic State, EYDAP S.A. and as a third party of the legal entity under public law "EYDAP Fixed Assets ", (EYDAPFA).

With paragraph 4 of the same article, the conditions under which EYDAP is obliged to maintain and operate the External Water Supply System (EPS) of the greater area of Capital City for a time period of three (3) years, which may be extended for a further six months .

In execution of the above, the following were signed between the Greek State, the public law legal entity EPEYDAP and EYDAP S.A.:

(1) the relevant contract of Law 4812/2021 (Contract for the Sale of Water and Exclusive Right) by which, for twenty years (1.1.2021 – 31.12.2040), in exchange for the State – EPEYDAP and to EYDAP: on the one hand grants the intangible asset provided for by Law 4812/2021 of a special nature asset (right to exclusive supply of raw water) and on the other hand sells raw water, as specifically defined in article 10 of this contract,

(2) the relevant contract of Law 4812/2021, by which EYDAP was entrusted with the operation and maintenance of the EYS with an initial duration of three years and with the possibility of an extension for another six months. Any extension of the duration for six months will be confirmed by a written unilateral declaration from EPEYDAP to EYDAP in accordance with article 11 paragraph 2 of the Agreement.

In particular, in implementation of the aforementioned legislative provision, with article 10 of the Exclusive Right Agreement, a special intangible asset (the right to exclusive supply of Raw Water) is provided in return for the entire twenty-year period provided for in the Law and in the contract (1.1. 21 – 31.12.2040) and the sale price of raw water is agreed upon, determined based on a price per cubic meter valid for each reference year according to a table included in the Contract. The price paid for the intangible asset and that for the annual raw water supply is attributed by EYDAP to EYDAP Fixed Assets and is further allocated by the State for the financing of the operation, maintenance and upgrading of the External Water Supply System (EPS) of the greater area of Capital City.

Accordingly, in article 9 (Contractor's Fee) of the EWSS contract, it is provided that for the services of normal operation and normal maintenance, a fixed annual lump-sum fee of twenty-five million euros (€25,000,000) plus the corresponding VAT is agreed for the three-year validity period and in case of extension, for six additional months, the price will be twelve million five hundred thousand € 12,500,000. For the period of 3 years and six months, EYDAP Fixed Assets will not pay EYDAP this fixed fee in cash and will not withhold income tax in accordance with article 64 paragraph 2 subparagraph two letter bb of Law 4172/2013. In the event that the return of withholding tax is nevertheless required, EYDAP S.A. undertakes the obligation to pay this to EYDAP Fixed Assets in order for the latter to return it to the State. This claim for cash flow purposes (collection) will be matched with the corresponding claim of EYDAP Fixed Assets from the granting of the aforementioned intangible exclusive right. The two above agreements specify the provisions defined in article 114 of Law 4812/2021 and are functionally interconnected.

TAKING INTO CONSIDERATION THE ABOVE AS ALSO:

As reflected in the aforementioned contractual documents, which were drawn up in implementation and execution of the above Law 4812/2021, EYDAP undertakes the provision of maintenance services of the water supply system to EYDAP Fixed Assets (provision) and EYDAP Fixed Assets on the one hand grants the intangible right of exclusivity and on the other hand, in execution of this right, it supplies EYDAP with raw water at a price determined per cubic meter unit and included in the table included in the contractual texts (consideration).

Therefore, based on the Contracts and the Law, EYDAP SA has assumed the following obligations towards EYDAP Fixed Assets:

- the consideration for the water supplied by EYDAP SA at the unit price provided in the table and also
- a lump sum of 87,500,000 euros which constitutes the consideration for the right to exclusive supply of raw water (intangible asset) for the contractual term of twenty years, starting on 1.1.2021 and ending on 31.12.2040 and at the prices as defined in the table above, for the formation of which the above lump sum and the provision of maintenance services have been taken into account.

NOW and in order to implement the contractual provisions, pursuant to and in execution of Law 4812/2021, with this implementing Memorandum, the following are specified by the Parties:

1. EYDAP Fixed Assets to EYDAP and plus the relevant VAT will invoice on credit and with the signature of this one-off the cost of the intangible right of exclusive supply, 87,500,000 euros plus 24% VAT amounting to 21,000,000 euros, which will be registered by EYDAP in the management year 2021. In addition, EYDAP Fixed Assets will also invoice annually the price of raw water, based on the unit price provided for in the table included in the relevant contract and taking into account the cost of the above right and the cost of maintaining the network. The invoice for the year 2021 will be issued with the signature hereof.

2. EYDAP to EYDAP Fixed Assets plus the relevant VAT, for the provision of network maintenance services and against the amount of the fixed fee provided for in the Operation and Maintenance Services Assignment Agreement of the EYS, will invoice with two separate invoices and with the signature of this, the maintenance costs of the first two years (2021 and 2022), i.e. a total of fifty million euros (€25,000,000 for each year). During the fiscal year 2023, an amount of twenty-five million euros (€25,000,000) plus VAT will be invoiced respectively, and for the first semester of the fiscal year 2024, an amount of twelve million five hundred thousand euros (€12,500,000) plus VAT will be invoiced.

3. EYDAP will proceed to amortize the cost of acquiring the aforementioned intangible right, from 1.1.2021 and within twenty years, a period of time that corresponds to the duration of commitment of EYDAP specifically provided for in the Law and in the contracts. EPEYDAP will not collect in cash the credited amount for three years and 6 months, as this claim will be matched with its corresponding obligation towards the network maintenance service received. Thus, EYDAP Fixed Assets will not suffer a cash burden (payment) as defined in article 9 of the EYS contract. The invoiced annual cost of raw water, based on the prices included in the relevant table, will be paid in cash by EYDAP to EYDAP Fixed Assets. The VAT obligations for the two companies will be paid on both sides and any credit balances of the companies will be searched out by the Greek government.

4. The display of these transactions will take place for public accounting purposes in the budget of the year 2022 of EYDAP Fixed Assets with the issuance of the corresponding collection letters and the relevant clearing orders. A similar procedure with the issuance of collection letters and offsetting orders will be followed in the following years 2023 and 2024. However, for double-entry book purposes the relevant entries for the income from the intangible right of the exclusive supply of raw water as well as that of the water sold in the year 2021 will take place in the year 2021. The entries of the maintenance expense of the network relating to 2021 will take place the same year.

IN WITNESS WHEREOF, this memorandum was drawn up, which is signed on the date indicated at the beginning of it and which refers to and is valid from the first administrative year of implementation of the above two contracts, i.e. from the year 2021.

Charalambos Sahinis

Georgios Petrainas

Chief Executive Officer of EYDAP

Chairman of the BD Fixed Assets Company