



ANNUAL FINANCIAL REPORT

**For the Period from January 1, 2017 to December 31, 2017
In accordance with IFRS & Law 3556/2007**

Athens Water Supply & Sewerage Company S.A.

G.E.M.I. (GREECE'S GENERAL ELECTRONIC COMMERCIAL REGISTRY) NUMBER 121578960000

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ATHENS, GREECE

Annual Financial Report

For the Period from January 1, 2017 to December 31, 2017

The attached Annual Financial Report has been compiled according to Law 2190/1920 and Law 3556/2007 as amended and currently in force and its relevant decisions of the Board of Directors of Hellenic Capital Market Commission, and includes:

- a) Statements of members of the Board of Directors according to article 4 paragraph 2, L. 3556/2007
- b) Annual Board of Directors Management Report, including the Corporate Governance Statement
- c) Non-Financial Statement Based on Law 4403 / 07.07.2016
- d) Annual Financial Statements for the period from January 1, 2017 to December 31, 2017
- e) Independent Auditors' Report
- f) Information according to article 10 of Law 3401/2005
- g) Financial Data and Information for the period from January 1, 2017 to December 31, 2017

It is declared that the attached Annual Financial Report is the one that has been approved by the Board of Directors of "**Athens Water Supply & Sewerage Company S.A.**" on March 28th, 2018 and is available at company's official website www.eydap.gr.

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STATEMENTS OF MEMBERS OF THE BOARD OF DIRECTORS

(According to the article 4 par.2 of the Law 3556/2007)

The Following Members:

1. Konstantinos Ant. Papadopoulos, Chairman of Board of Directors and
2. Ioannis Emm. Benisis, Chief Executive Officer.
- 3 Michael Ad. Stavroulakis, Independent Board Member, specially designated for this.

According to what is specified in the paragraph 2 of the article 4 of the Law 3556/2007 we hereby declare that from what we know:

- a. The Annual Financial Statements of fiscal year 2017 which were conducted according to the valid International Financial Reporting Standards truly illustrate Assets and Liabilities figures, Net Worth and Income Statement of EYDAP S.A. and all the companies included in the consolidation regarded as total.
- b. The Annual Report of the Board of Directors, truly presents the development, position and performance of EYDAP S.A. and all the companies included in the consolidation regarded as total, together with all risks and uncertainties.

Athens, 28 March 2018

The Chairman of the Board

The Chief Executive Officer

The Board Member

Konstantinos Ant. Papadopoulos
ID No. π 720446

Ioannis Emm. Benisis
ID No. AB 521661

Michael Ad. Stavroulakis
ID No. AK 231180

ANNUAL BOARD OF DIRECTORS MANAGEMENT REPORT

Dear Shareholders,

In accordance with article 4 of Law 3556/2007, as amended and currently in force, the paragraph 3 of the article 107 of the c.l. 2190/1920, and the delegated resolutions of the Hellenic Capital Committee of the same Law, we hereby submit the Annual Report of Board of Directors for the financial year from 01/01/2017 to 31/12/2017.

The report presents the performance, the development, and the position of the Water Supply and Sewerage Company S.A., under the title EYDAP S.A. (hereinafter referred to as the "Company " or " EYDAP ") and the Group, it provides an overview of the significant events that took place during the fiscal year 2017 and their effect on the financial statements of the same period, it describes the potential risks and uncertainties, the significant transactions between the Company, the Group and related parties, according to IAS 24 as well as significant events after the end of fiscal year 2017.

Moreover, the Report of the Board of Directors includes the explanatory report of paragraph 7, of article 4 of the Law 3556/2007, as amended and currently in force and the Corporate Governance Statement. In addition, the Report of the BoD includes the Non – Financial Statement based on Law 4403/07.07.2016.

The fiscal year of 2017 was completed with positive results for the Company, as it confirmed for yet another year, the steady and profitable course of EYDAP. It was characterized by its practical support to the sensitive social groups affected by the financial crisis and the planning of investments and business of the Company through the Business Plan approved by the Board of Directors. The projects planned are expected to provide definitive solutions to major infrastructure problems such as the lack of sewerage in Eastern Attica, but also to support the Greek economy.

The driving force of EYDAP, is its human resources. With their experience, knowledge and the love that they have embraced the Company, they contribute to EYDAP's to growth.

BACKGROUND, INCORPORATIONS AND STRATEGY

The Athens Water Supply and Sewerage Company (EYDAP S.A.) is the largest company in Greece activating in water management and distribution as well as in sewerage services.

EYDAP was founded in 1980 under the "Incorporation of a Single Water Supply and Sewerage Company for Greater Athens" Act 1068/1980, pursuant to a merger of the incumbent water supplier in Athens and Piraeus 'Hellenic Water Company S.A.' (EEY S.A.), and the 'Greater Athens Sewerage Organization' (OAP S.A.).

In 1999, under the "Issues Related to the Athens Water Supply and Sewerage Company and other Provisions" Act 2744/1999, EYDAP S.A. took its present legal form, as all of its major assets were transferred to the company «EYDAP Fixed Assets» (Legal Entity under Public Law), thus remaining the property of the State. «EYDAP Fixed Assets» is the owner of dams, reservoirs, water towers, pumping stations and all other facilities that allow water to be transferred safely to treatment plants. Pursuant to an agreement signed between EYDAP S.A. and the Greek State in December 1999, EYDAP S.A. continues to operate the said facilities on behalf of «EYDAP Fixed Assets».

In January 2000, EYDAP S.A. was listed in the Market of the Athens Stock Exchange. EYDAP has the exclusive right to provide supply and distribution of water and sewerage services in the Attica region for 20 years commencing as of the date on which the L 2744/1999 was published in the Government Gazette. This exclusive right is not transferable and it can be renewed following a written agreement between the Greek State and the Company.

The business activity of EYDAP (according to the amendment of article 68 of Law 4313/2010) is extended into the municipalities of the Attica Periphery, as these are defined in the field h' of paragraph 3 of article 3 of Law 3852/2010, apart from the municipalities of Aigina, Troizinia, Kythira, Spetses, Hydra and Poros of the Peripheral Unity of Islands of the Attica Periphery. EYDAP supplies water to approximately 4,300,000 customers (2,100,000 water meters) through a network of approximately 10.000 km. The sewerage sector serves with sewers spreading at almost 8.300 km serves approximately. It should be noted that under Law 2744/1999, the responsibility for drainage of rainwater and flood protection in the areas of competence of EYDAP was passes to the Ministry of Infrastructure, Transport and Networks, and today according to the legislation in force, responsible for the study, construction, maintenance of drainage works and flood protection works in general, as well as for the cleaning of water catchment wells, is the Region of Attica and Local Authorities.

The new organizational structure of the Company is in force since October 1st 2016. The aim of the new organization chart is the even and efficient operation of the company always aiming towards optimum efficiency for consumers, shareholders and employees. Therefore, six more specialized Executive Divisions were formed against four that existed in the previous organizational structure:

- Water Supply Executive Division
- Waste Water Services Executive Division
- Human Resources Executive Division
- Coordination and Supportive Operations Executive Division
- Financial Executive Division
- Customer Executive Division

EYDAP supplies Attica with one of the highest quality waters in the world. The main raw water sources and reservoirs used, are pure regions, free from agricultural and industrial activities, resulting to the supply of Attica with high quality water, while the transfer is done naturally by gravity, with minimum energy consumption. Our vision is to remain the largest and most reliable company in the management of the water cycle, always oriented towards Man, Society and the Environment. Our mission is to provide quality and affordable water to an increasing number of citizens and to return it pure back to the environment through the effective management of all available resources with social sensitivity and with our contribution to social welfare taken as basis. Our strategy is based on achieving a balanced and sustainable development for the benefit of the society, our customers, employees, shareholders and for parties involved.

PERFORMANCE & FINANCIAL HIGHLIGHTS FOR THE PERIOD OF 2017

I. Review of Operations – Progress of water consumption and billed income of water and sewerage usage

In 2017, the total water consumption (billed and non-billed) decreased by 18.629.470 m³ (-4,3%) compared to 2016, in relation to the 3.552.494 m³ (0,8%) increase, in the period from 2015 to 2016. In 2015, 2016 and 2017 the total water consumption was 427.602.694 m³, 431.155.188 m³ and 412.525.718 m³ respectively.

In 2017, billed consumption decreased by 1.066.401 m³ (-0,3%) compared to 2016 in contrast with the decrease by 1.919.070 m³ (0,6%) displayed in 2016 in relation to 2015. Billed water consumption for the years 2015, 2016 and 2017 was 306.446.238 m³, 308.365.308 m³ and 307.298.907 m³, respectively.

Alongside the reduction in the invoiced consumption and total consumption in 2017, there was a decrease in the non-billed consumption i.e. the difference between the total and billed consumption.

In 2017, the non-billed consumption decreased by 18.071.254 m³ (-16,4%) compared to 2016. The increase of the non-billed consumption in 2016, in comparison to 2015, was 2.521.193 m³ (2,3%).

During the years 2015, 2016 and 2017 the non-billed consumption was 107.853.404 m³, 110.374.597 m³ and 92.303.343 m³, respectively.

Furthermore, the non-billed consumption showed a substantial decrease by 3.22% compared to the total consumption, in 2017. More specifically, in 2015, 2016 and 2017 the non-billed to total consumption ratio was formed at 25,2%, 25,6% and 22,4%, respectively.

Regarding the main consumer classes, the billed consumption of the class of **common consumers** - which represents the majority of customers – the household customers – decreased by 303.801 m³ (-0,2%) compared to 2016 in contrast with the decrease by 1.828.761 m³ (-0,9%) in 2016 compared to 2015. Water consumption of **common consumers** in the years 2015, 2016 and 2017 was 194.629.715 m³, 192.800.954 m³ and 192.497.153 m³, respectively.

Bulk Water Supply to municipal networks, which represents the second biggest customer class, increased by 357.317 m³ (0,5%) in 2017 compared to 2016 versus an increase by 3.514.205 m³ (5,7%) in 2016 compared to 2015.

Billed bulk water supply to municipal networks in the years 2015, 2016 and 2017 was 62.000.704 m³, 65.514.909 m³ και 65.872.226 m³, respectively.

The **industrial consumers'** class billed consumption, decreased by 1.116.063 m³ (-4,9%) compared to 2016, versus an increase by 273.864 m³ (1,2%) in 2016 compared to 2015. The industrial consumers' class billed consumption in the years 2015, 2016 and 2017 was 22.405.052 m³, 22.678.916 m³ and 21.562.853 m³, respectively.

The billed consumption of the **State-Local Authorities** class increased by 94.826 m³ (0,5%) compared to 2016 versus an increase by 468.729 m³ (2,7%) in 2016 compared to 2015. The State-Local Authorities billed consumption in the years 2015, 2016 and 2017 was 17.491.777 m³, 17.960.506 m³ και 18.055.332 m³, respectively.

Lastly, the billed consumption of the **other** consumer classes, decreased by 98.680 m³ (-1,0%) compared to 2016, versus a decrease by 508.967 m³ (5,1%) in 2016 compared to 2015. The billed consumption of other consumer classes in the years 2015, 2016 and 2017 was 9.918.990 m³, 9.410.023 m³ και 9.311.343 m³, respectively.

The impact of billed consumption change in each consumer class to the total decreased billed consumption, which amounts to 1.066.401 m³, is summarized in the following table (Table 1):

1. Change in billed consumption in 2017 compared to 2016

Consumer Class

Common Consumers	-0.2
Industries – Corporate Customers	
State – Local Authorities	
Bulk water supply to local networks	
Other	

Total change in billed consumption

The following table (Table 2) shows the change in billed consumption (in cubic meters) and the ratio to the total billed consumption for the main consumer classes in the years 2015, 2016 and 2017:

2. Billed consumption volume breakdown (in m³)

Consumer Class	2015	2016	2017
Common Consumers	194.629.715	192.800.954	192.497.153
Industries – Corporate Customers	22.405.052	22.678.916	21.562.853
State – Local Authorities	17.491.777	17.960.506	18.055.332
Bulk water supply to local networks	62.000.704	65.514.909	65.872.226
Other	9.918.990	9.410.023	9.311.343
Total	306.446.238	308.365.308	307.298.907

The breakdown of the percentages of billed consumption in relation to the main consumer classes during 2015, 2016 and 2017 is shown below (Table 3):

3. Billed consumption volume percentages

Consumer Class	2015	2016	2017
Common Consumers	64%	63%	63%
Industries – Corporate Customers	7%	7%	7%
State – Local Authorities	6%	6%	6%
Bulk water supply to local networks	20%	21%	21%
Other	3%	3%	3%
Total	100,00%	100,00%	100,00%

The following table (Table 4) shows the evolution of the annual billed water sales revenue for each consumer class for the years 2015, 2016 and 2017:

4. Billed water sales revenue breakdown (€)			
Consumer Class	2015	2016	2017
Common Consumers	151.968.242	150.064.348	149.468.226
Industries – Corporate Customers	17.944.439	18.207.752	17.667.222
State – Local Authorities	17.566.014	18.009.818	18.114.432
Bulk water supply to local networks	30.372.004	32.068.997	32.241.664
Other	3.799.393	3.864.987	3.622.564
Total	221.650.092	222.215.902	221.114.108

The following table (Table 5) presents the nominal annual billed sewerage usage revenue in each consumer class and the proportion in the total revenue from sewerage usage in the years 2015, 2016 and 2017:

5. Billed sewerage usage revenue (€)			
Consumer Class	2015	2016	2017
Common Consumers	83.931.076	84.062.212	83.576.041
Industries – Corporate Customers	7.046.297	7.050.546	7.112.298
State – Local Authorities	6.836.712	6.551.551	6.735.978
Bulk water supply to local networks	0	0	0
Other	41.187	38.899	42.014
Total	97.855.272	97.703.208	97.466.331

The following table (Table 6) presents the nominal annual billed water supply and sewerage usage revenue for each consumer class, in the years 2015, 2016 and 2017:

6. Billed water supply and sewerage services revenue breakdown (€)			
Consumer Class	2015	2016	2017
Common Consumers	235.899.318	234.126.560	233.044.267
Industries – Corporate Customers	24.990.736	25.258.298	24.779.520
State – Local Authorities	24.402.726	24.561.369	24.850.410
Bulk water supply to local networks	30.372.004	32.068.997	32.241.664
Other	3.840.580	3.903.886	3.664.578
Total	319.505.364	319.919.110	318.580.439

The following table (Table 7) presents the tariff breakdown for the common consumers class, in the years 2015, 2016 and 2017:

7. Tariff breakdown for the Common Consumers class (%)			
Billing Scale (Common Consumers class)	2015	2016	2017
1st Billing scale (1-15 m3 / quarter)	49,75%	49,28%	49,69%
2nd Billing scale (16-60 m3 / quarter)	43,70%	43,89%	43,56%
3rd Billing scale (61-81 m3 / quarter)	2,53%	2,74%	2,62%

4th Billing scale (82-105 m3 / quarter)	1,11%	1,16%	1,11%
5th Billing scale (>105 m3 / quarter)	2,92%	2,93%	3,02%

Table 7 represents the percentage of the billed consumption for the common consumers' tariff category through each billing scale.

Table 8 presents the average revenue for water supply services per billed cubic meter for the main consumer classes in the years 2015, 2016 and 2017:

8. Average billed revenue per cubic meter			
Tariff Category	2015	2016	2017
Common Consumers	0,78	0,78	0,78
Industries – Corporate Customers	0,80	0,80	0,82
State – Local Authorities	1,00	1,00	1,00
Bulk water supply to local networks	0,49	0,49	0,49
Other	0,38	0,41	0,39
Total	0,72	0,72	0,72

The following table (Table 9) presents the average revenue from the billed sewerage usage per cubic meter for the main consumer classes in the years 2015, 2016 and 2017:

9. Average billed sewerage usage revenue per cubic meter			
Tariff Category	2015	2016	2017
Common Consumers	0,43	0,44	0,43
Industries – Corporate Customers	0,31	0,31	0,33
State – Local Authorities	0,39	0,36	0,37
Bulk water supply to local networks	0,00	0,00	0,00
Other	0,00	0,00	0,32
Total	0,32	0,32	0,32

Lastly, the following table (Table 10) presents average revenue from the billed water supply and sewerage usage per cubic meter for the main consumer classes in the years 2015, 2016 and 2017:

10. Average Revenue from the billed water supply and sewerage usage per cubic meter			
Tariff Category	2015	2016	2017
Common Consumers	1,21	1,21	1,21
Industries – Corporate Customers	1,12	1,11	1,15
State – Local Authorities	1,40	1,37	1,38
Bulk water supply to local networks	0,49	0,49	0,49
Other	0,39	0,41	0,39
Total	1,04	1,04	1,04

In particular, for the bulk water supply to municipal networks in 2017 it is mentioned that while the 21% of the billed water is billed as Bulk Water Supply to Local Networks, the water sales revenue from this particular consumer class comes up to 15% of the total water sales revenue. This is due to the fact that the average revenue per cubic meter of the bulk water supply tariff (€ 0.49) is 32% lower than the average revenue per cubic meter of water sales (€ 0.72).

II. Presentation of the Company's Major Financial Results

The Company's turnover settled at 327.3 million € from 328.8 million € in 2016 posting a decrease of 0.5% (-1.5 million €). In total, with regard to its main businesses (water supply and sewerage services), the Company posted a decrease of 2.3 million € (-0.7%) in revenues.

Specifically, revenues from water supply and related services posted a decrease of 0.9 million € (-0.4%), whereas revenues from sewerage services dropped by 1.5 million € (-1.4%). Revenues from the sale of electric energy also posted a decrease of 74 thousand € (-3.6%). On the contrary, revenues from construction works for third parties and from sale of inventory increased by 463 thousand € and 452 thousand € respectively.

Total operating expenses of the Company (meaning the sum of Cost of Goods Sold, Administrative Expenses and Distribution Expenses) posted an increase by 1.1% or 3.2 million € and settled at 281.5 million € from 278.3 million € in 2016. Specifically, cost of goods sold posted an increase by 1.8 million € (+1.0%) settling at 184.5 million € from 182.6 million € in 2016 and distribution expenses increased by 2.5 million € (+9.3%). The administrative expenses moved in opposite direction and posted a decrease by 1.2 million € (-1.8%).

The above developments resulted into the decrease of the Gross Profit of the Company by 3.3 million € (-2.3%) which settled at 142.8 million € from 146.2 million € in 2016. The gross profit margin decreased to 43.6% in 2017 from 44.5% in 2016.

The other operating income stabilized at 3.8 million €. The other operating income includes a significant number of other categories of income such as income from legal expenditures, subsidies and grants collected from the Greek Manpower Employment Organization (OAED) for the training of personnel and for internships, forfeitures of guarantees and penalties, grants related to research programs, other extraordinary and non-operating income, previous years' income, profit from the liquidation of materials, income for the provision of services to third parties, etc.

With regard to the course of the total operating expenses of the Company (meaning the sum of Cost of Goods Sold, Administrative Expenses and Distribution Expenses) depending on each category, there were increases in the personnel fees and expenses (+7%), the sundry expenses (+40%), the third party fees and expenses (+4%) and in the materials consumable (+21%), whereas there were declines in all other categories of expenses such as in the various expenses (-30%), the third party provisions (-11%), and in the depreciation/amortization (-2%). Finally the self-construction cost (comprising an item that reduces the total cost) posted an increase of 104%.

Specifically with regard to the personnel fees and expenses, the total increase amounted to 8.5 million € as they settled at 128.2 million € versus 119.7 million € in 2016.

The above increase is due to the significant change in the provisions for employee benefits (apart from the healthcare provision) by 11.5 million € (+83%). The increase is related to the recognition within the year 2017 of an amount 11.8 million € as additional service cost with regard to a one-off personnel indemnity. This recognition concerns previous legal decisions for cases in which pensioners of the Company filed claims for their proportional compensation with regard to past bonuses and were vindicated. As result, there was a revision of the preexisting actuarial estimate concerning the respective provision.

As regards to the sub-categories of the personnel fees and expenses, salaries and wages increased by 265 thousand € (+0.3%) settling at 81.6 million € from 81.3 million € in 2016. Employer contributions posted a decrease by 78 thousand € (-0.4%) and other personnel expenses decreased by 2.7 million € (-31.8%). Provisions for health care declined by 438 thousand € (-7.4%).

With regard to the expense with the second largest change, the sundry expenses, it should be noted that they consist of taxes and duties (apart from income tax), materials for immediate consumption, promotion and advertising expenses, transport expenses, sponsoring expenses, grants and other various expenses. The latter are mainly related to interest charges validated by courts (with regard to litigation cases), costs for deposition of materials from the Waste Management & Treatment Plants toward ESDNA (which is a Special Institutional Body for Waste Management in the County of Attica, Greece) as well as purchases of tangible assets for own projects. The latter increased to 5,216 thousand € from 227 thousand € in 2016 resulting into an increase for the sundry expenses by 5.5 million € (+40%). The other categories of sundry expenses experienced increases in the taxes – duties by 1.2 million € (+18%) and reductions in the promotion and advertising expenses by 759 thousand € (-43%) and in the materials for immediate consumption by 540 thousand € (-21%).

Third party fees and expenses moved upward by 1.8 million € (+4%) and amounted to 47.3 million € from 45.5 million € in 2016 despite the fact of the decrease in expenses of Psyttaleia WTP (-666 thous. € or -2%), of Mornos WTP (-414 thous. € or -20%) and of the Water Supply Network (-954 thous. € or -29%). In the remaining organizational units, there was an increase by 3.9 million € (+33%) with the most important ones concerning the Water Collection Division by 1.3 million €, the Sewage Division by 0.9 million €, the Procurement Division by 0.6 million €, the Legal Services Division by 0.5 million €, as well as the Facility Safety & Security Division by 0.3 million €.

Third party contributions moved downward as they declined to 35.3 million € from 39.8 million € in 2016. All categories of expenses with regard to third party contributions, with the exception of natural gas, posted a decline. Specifically, expenses for electricity dropped by 2 million € (-12%), expenses for repairs and maintenance declined by 1.9 million € (-29%), postal and telecommunication expenses dropped by 410 thous. € (-7%) and other third party provisions declined by 294 thous. € (-14%). Rental expenses remained unchanged whereas the expenses for natural gas in production posted an increase by 60 thous. € (+13%).

Sundry provisions followed the same downward course and settled at 13.1 million in 2017 from 18.9 million € in 2016. Sundry provisions include the provisions for doubtful receivables (5.9 million € in 2017 from 5.4 million € in 2016), the provisions for litigation cases (7 million € in 2017 from 13.5 million € in 2016) and the provisions for obsolete inventories (206 thous. € in 2017 from 1,137 thous. € in 2016).

In thousand €	Provisions for Doubtful Receivables for the Year	Provisions for Litigations for the Year
2013	-59,953	31,025
2014	13,866	3,008
2015	7,708	11,117
2016	6,313	13,515
2017	5,915	6,993

As far as the provisions for doubtful receivables are concerned, the provisions for doubtful customers (expense) accounted for 5.9 million € from 6.3 million € in 2016, whereas provisions for other debtors (expense) amounted to 27,600 thous. € versus -1 million € in 2016.

The share of the balance of doubtful customers over the balance of customers prior to the provision for doubtful receivables increased to 21% versus 20% in 2016. Historically, during the past decade, the above share ranged between 11% and 22%.

In thousand €	Balance of Doubtful Customers	Balance of Customers prior to Provision for Doubtful Receivables	Share
	(1)	(2)	(3)=(1)/(2)
2013	25,710	228,891	11%
2014	37,585	240,699	16%
2015	45,293	269,794	17%
2016	51,606	259,045	20%
2017	57,521	273,476	21%

With regard to the provisions for litigation cases (expense), these settled at 7 million € and as result in the statement of financial position they reached the level of 35.2 million € in 2017 versus 41.7 million € in 2016. During the year 2017, the Company proceeded with the implementation of a conciliation resolution of collective labor disputes concerning the 19105 / 21.12.2016 decision of the Board of Directors to resolve collective labor disputes and disburse approximately 17 million € (in this context the particular amount had been transferred into the other short-term liabilities by the end of 2016) and the 19224 / 24.05.2017 decision of the Board of Directors to disburse approximately 13 million €. At the end of 2017, there was a remaining amount of 1.8 million € with regard to the above mentioned decisions in the other short-term liabilities in order to be paid. In total, the Company formed a new provision for labor cases of 6,951 thousand € and for civil cases of 42 thousand €.

Finally, in the remaining categories of expenses, the consumption of materials increased by 1,326 thousand € (+21%) whereas self-construction cost (item that reduces the expenses) posted an increase of 3,209 thousand € (+104%).

With regard to the other expenses (meaning all expenses which are not allocated into the operations, in other words expenses apart from Cost of Goods Sold, Administrative Expenses and Distribution Expenses), there was a reduction by 2.6 million € (-60%) as they settled at 1.8 million € from 4.3 million € in 2016. These expenses usually include indemnities due to accidents and network damages, various tax charges, other surcharges and penalties, etc. They also include expenses with regard to studies and / or projects of previous periods. During the current fiscal year, the expensing items settled at 0.7 million € versus 2.4 million € in 2016.

The aggregate effect of the above changes was the decrease of the earnings before interest, taxes, depreciation and amortization (EBITDA) of the Company by 2.6 million € (-3.0%) as they settled at 84.7 million € from 87.3 million € in 2016. The EBITDA margin decreased to 25.9% from 26.6% in 2016.

Depreciation charges for the year posted a decrease by -1.6% or -0.6 million € and settled 36.8 million € from 37.4 million € in 2016. The above small decrease was exclusively attributed to the lower depreciation and amortization of assets as the amortization of grants and customer contributions remained essentially unchanged.

The decrease of EBITDA affected the Company's earnings before interest and taxes (EBIT) which posted a drop by 2.1 million € (-4.1%) and settled at 47.9 million € from 49.9 million € in 2016. EBIT margin settled at 14.6% from 15.2% in 2016.

The financial expenses posted a decrease of 89% and settled at 0.5 million € from 4.4 million € in 2016 mostly due to the significantly increased settlements concerning overdue payments of the local authorities (OTA) which materialized in 2016. These settlements when initially occur they result into a financial expense which equals with the difference between the discounted value of the installments agreed with the OTA and their nominal value, according to IAS 39. The difference between the present value and the nominal value is transferred to the financial expenses at the time of the settlement, whereas with the gradual repayment of the installments a financial income is gradually recorded which is equal with the above difference.

The financial income posted an increase by 38% settling at 19.1 million € from 13.9 million € in 2016. The financial income mainly consists of the surcharges of overdue payments from customers and of the interest / financial income generated by the placement of the cash and cash equivalents (cash management account of Bank of Greece and time deposits in credit institutions).

Despite the decrease observed in both the earnings before interest, taxes, depreciation and amortization (EBITDA) and the earnings before interest and taxes (EBIT), the Company's profit before taxes significantly increased to 66.5 million € from 41.3 million € in 2016 thus posting a growth rate of 61%. However, it should be noted that the results of 2016 were affected by the recognition of an impairment loss of 18.1 million € due to the significant depreciation of the Company's investment in the shares of Attica Bank.

The income tax settled at 23 million € from 17.3 million € in 2016 higher by 5.7 million € or 33%. The Company's profit after taxes posted a significant increase of 81% and settled at 43.5 million € from 24.1 million € in 2016. The net profit margin increased notably to 13.3% from 7.3% in 2016.

The Net Operating Cash inflows for the Group increased from the level of 52.4 million € in 2016 to 68.3 million € in 2017. It should be noted however the significant decline of the liabilities by 31 million €, a large part of which relates to the settlement resolution agreement of the above mentioned group-based labor differences.

The Net Investment Cash flows for the Group settled at outflows of 3.8 million € in 2017 from outflows of 410 thousand € in 2016. The acquisition of tangible assets posted an increase from 8.4 million € in 2016 to 15 million € in 2017, accompanied with an increase in the collection of grants and third party contributions from 1.3 million € in 2016 to 4.6 million € in 2017. With regard to the interest received, it posted a small decrease from 7.6 million € in 2016 to 7.3 million € in 2017.

Finally, Free Cash Flows to the Firm¹ settled for the Group at 64.5 million € from 52 million € in 2016.

Analysis of the Return on Equity in 5 factors (for the Group)²			
	2017	2016	2015
ROE	4.70%	2.57%	4.62%
Tax Burden	0.65	0.58	0.78
Interest Burden	1.39	0.83	1.29
EBIT Margin	14.61%	15.18%	13.48%
Asset Turnover	0.21	0.21	0.21
Leverage	1.67	1.67	1.65

Where

$ROE = \text{Profit after taxes} / \text{Average Shareholders' Equity}$

$\text{Tax Burden} = \text{Profit after Taxes} / \text{Profit before Taxes}$

$\text{Interest Burden} = \text{Profit before Taxes} / \text{EBIT}$

$\text{EBIT Margin} = \text{EBIT} / \text{Turnover}$

$\text{Asset Turnover} = \text{Turnover} / \text{Average Assets}$

$\text{Leverage} = \text{Average Assets} / \text{Average Shareholders' Funds}$

The effect of the subsidiary and associate company in the consolidated items is negligible and no further analysis is required.

ALTERNATIVE PERFORMANCE MEASURES (“APM”)

The Group in the Management Report as well as in the disclosures towards the investors' community utilizes Alternative Performance Measures (APM) apart from the financial figures depicted in its financial statements which are prepared according to the framework of financial information currently in effect.

The purpose of the presentation of these measures is that both the Management of the Company and the investors obtain a more complete view of the efficiency, capital structure, business activity and liquidity of the Group and in no case should be taken into consideration independently of the measurement ratios deriving directly from the financial statements.

The Alternative Performance Measures utilized by the Group are the following:

- **Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)**

The particular indicator is widely known within the investors' community and is classified under the general section of profitability ratios, possessing the advantage that it isolates the effect from the financial and investment results, the income tax and the main category of non-cash expenses which concern the depreciation and amortization.

The Indicator is calculated by subtracting the cost of goods sold, the distribution expenses, the administrative expenses and the other expenses from the turnover and also by adding back the other operating income and the total depreciation and amortization. These figures are used without any adjustment made from the financial statements and their notes.

Table of EBITDA Reconciliation

<i>Amounts in EUR thousand</i>	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Turnover	327,343	328,851	327,324	328,821
Cost of goods sold	(184,478)	(182,637)	(184,478)	(182,637)
Administrative expenses	(67,564)	(68,750)	(67,487)	(68,697)

¹* Alternative Performance Measures: For explanations and for the calculation of the indicators see Section, “Alternative Performance Measures”.

²* Alternative Performance Measures: For explanations and for the calculation of the indicators see Section, “Alternative Performance Measures”.

Distribution expenses	(29,510)	(26,991)	(29,510)	(26,991)
Other expenses	(1,753)	(4,348)	(1,753)	(4,348)
Other operating income	3,782	3,783	3,782	3,783
Depreciation and amortization	36,779	37,371	36,779	37,371
Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)	84,599	87,279	84,656	87,302

- **EBITDA Margin**

The EBITDA Margin derives from the above presented table if the EBITDA is divided by the Turnover. It expresses the percentage of Turnover that is possessed by the EBITDA or alternatively it demonstrates “how much” EBITDA earnings correspond to one unit of sales. The Management of the Company utilizes the particular Indicator in the context of the broader evaluation of the enterprise’s operating profitability.

Table of EBITDA Margin Reconciliation

<i>Amounts in EUR thousand</i>	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Turnover	327.343	328.851	327.324	328.821
EBITDA	84.599	87.279	84.656	87.302
EBITDA margin	25,8%	26,5%	25,9%	26,6%

- **Earnings before Taxes, Financial and Investment Results or Earnings before Interest and Taxes (EBIT)**

This indicator, as in the case of the previous one (EBITDA) is widely known within the investors’ community and is classified under the general section of profitability ratios, possessing the advantage that it isolates the effect from the financial and investment results as well as the income tax.

The indicator is calculated by subtracting the cost of goods sold, the distribution expenses, the administrative expenses and the other expenses from the turnover and also by adding back the other operating income. These figures are used without any adjustment made from the financial statements.

Table of EBIT Reconciliation

<i>Amounts in EUR thousand</i>	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Turnover	327,343	328,851	327,324	328,821
Cost of goods sold	(184,478)	(182,637)	(184,478)	(182,637)
Administrative expenses	(67,564)	(68,750)	(67,487)	(68,697)
Distribution expenses	(29,510)	(26,991)	(29,510)	(26,991)
Other expenses	(1,753)	(4,348)	(1,753)	(4,348)
Other operating income	3,782	3,783	3,782	3,783
Earnings before Taxes, Financial and Investment Results or Earnings before Interest and Taxes (EBIT)	47,820	49,908	47,877	49,931

- **EBIT Margin**

The EBIT Margin derives from the above presented table if the EBIT is divided by the Turnover. It expresses the percentage of Turnover possessed by the EBIT. The Management of the Company utilizes the particular Indicator in the context of the broader evaluation of the enterprise's operating profitability.

Table of EBIT Margin Reconciliation

<i>Amounts in EUR thousand</i>	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Turnover	327,343	328,851	327,324	328,821
EBIT	47,820	49,908	47,877	49,931
EBIT margin	14.6%	15.2%	14.6%	15.2%

- **Free Cash Flows to the Firm**

This Indicator is classified under the general section of profitability ratios as it demonstrates the amount of cash that is available for distribution to the shareholders and the debtors of the enterprise. It is also one of the major indicators of financial strength.

The Indicator is calculated by adding the total inflows / (outflows) from Operating Activities to the total inflows / (outflows) from Investment Activities.

Table of Reconciliation of the Free Cash Flows to the Firm - FCFE

<i>Amounts in EUR thousand</i>	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Total inflows / (outflows) from operating activities	68,314	52,379	68,395	52,393
Total inflows / (outflows) from investment activities	-3,805	-400	-3,814	-410
Free Cash Flows to the Firm (FCFF)	64,509	51,979	64,581	51,983

- **Return on Equity / ROE**

In general, the return on equity indicates the part of profit which corresponds to the investment made by the shareholders of a company. It belongs to the group of profitability ratios and is also widely known and used for comparison of similar companies and for the evaluation of a company's management.

The indicator is calculated if the net income (Earnings after taxes) is divided by the average shareholders' funds at the beginning and the end of the period.

It can be also expressed as the product of five factors, with each one corresponding to one separate financial ratio.

The separate financial ratios are the following:

1. Tax Burden: equals with the Net Income (Earnings after Taxes) over the Earnings before taxes
2. Interest Burden: equals with the Earnings before taxes over the Earnings before Taxes, Financial and Investment Results (EBIT)
3. EBIT Margin: equals with EBIT over Turnover

4. Assets Turnover: equals with Turnover over Total Assets (average of total assets at the beginning and the end of period)
5. Leverage: equals with Total Assets (average of total assets at the beginning and the end of period) over Shareholders' Funds (average of shareholders' funds at the beginning and the end of period)

Table of ROE Reconciliation on GROUP Level

<i>Amounts in EUR thousand</i>	31.12.2017	31.12.2016	31.12.2015	31.12.2014
Turnover (a)	327,343	328,851	324,268	326,387
Earnings after Taxes (b)	43,427	24,049	43,657	41,923
Earnings before Taxes (c)	66,473	41,324	56,315	63,497
EBIT (d)	47,820	49,908	43,708	49,383
Total Assets (e)	1,532,621	1,551,840	1,577,096	1,541,945
Average of Assets at beginning and end of period (f)	1,542,231	1,564,468	1,559,521	1,596,525
Total Shareholders' Funds (g)	942,028	904,766	966,940	921,310
Average of Shareholders' Funds at beginning and end of period (h)	923,397	935,853	944,125	935,963
Tax Burden =(b)/(c)	0.65	0.58	0.78	0.66
Interest Burden =(c)/(d)	1.39	0.83	1.29	1.29
EBIT Margin =(d)/(a)	14.61%	15.18%	13.48%	15.13%
Asset Turnover =(a)/(f)	0.21	0.21	0.21	0.20
Leverage =(f)/(h)	1.67	1.67	1.65	1.71
ROE =(b)/(h)	4.70%	2.57%	4.62%	4.48%

With the analysis of the Indicator "Return on Equity" into five separate factors, the Management of the Company as well as any other interested party may possess the knowledge of what part of the net income is affected by taxation (Tax Burden), what part is affected positively or negatively by the financial or investment activity (Interest Burden), which is the contribution of the profit margin of the operating earnings (on EBIT level – the EBIT margin), which is the utilization of the assets (Asset Turnover), and finally which is the contribution of the Leverage.

- **Operating Cost before Depreciation (OPEX)**

The Indicator is used by the Management of the Company in the decision making as well as in the communication with investors as it includes all categories of expenses which are allocated into different operations, meaning the cost of goods sold, the administrative expenses and the distribution expenses after the deduction of the depreciation. Other operating expenses which cannot be allocated into different operations are excluded from this indicator.

Table of Reconciliation of Operating Cost before Depreciation

<i>Amounts in EUR thousand</i>	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Cost of goods sold	184,478	182,637	184,478	182,637
Administrative expenses	67,564	68,750	67,487	68,697
Distribution expenses	29,510	26,991	29,510	26,991
Depreciation	-36,779	(37,371)	-36,779	(37,371)
Operating Cost before Depreciation	244,773	241,007	244,696	240,954

- **Gross Profit Margin (%)**

This Indicator derives from division of the Gross Profit by the Turnover as exactly these two figures are depicted in the financial statements. It is utilized by the Management of the company on complementary basis with the Gross Profit in terms of value.

Table of Gross Profit Margin Reconciliation

<i>Amounts in EUR thousand</i>	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Turnover	327,343	328,851	327,324	328,821
Gross Profit	142,865	146,214	142,846	146,184
Gross Profit Margin %	43.6%	44.5%	43.6%	44.5%

BUSINESS HIGHLIGHTS DURING FISCAL YEAR 2017

Aqua Publica Europea

On 20 January 2017, through the efforts and cooperation of EYDAP's International Relations Department, the Board of Directors of Aqua Publica Europea (APE) welcomed EYDAP to its "family", whose members are the largest European public and municipal water and sewerage companies such as the Eau de Paris, Belgium's Vivaqua and others. APE is an international non-profit association whose members are exclusively public providers whose sole purpose is to address water governance issues and related policy issues from the point of view of public management

Change of Audit Committee

On February 8, 2017, the BoD Member Mr. Alexanter Pouliasis is appointed as a Member in the Audit Committee, in replacement of the resigned Member of the Audit Committee Mr. Nikolaos Sarantis.

Following the same Decision, the BoD approved the composition of the Audit Committee of EYDAP S.A. by Messrs. Michael Stauroulakis as Chairman, Alexanter Pouliasis as Member and Ioannis Kardaras as Member, acting Secretary of the Committee.

Honorary Award for EYDAP

On February 17, 2017, EYDAP was awarded with the 1st Business Award in the category of "Best Public Company Award" at the "Business Money Awards" organized by ETHOS MEDIA SA for the 14th consecutive year and the investment and financial magazine MONEY.

For decades, EYDAP has consistently, responsibly and sensitively assured that it provides excellent water quality along with modern and seamless sewerage and biological cleaning services to the Attica population, while at the same time ensuring the natural environment. The excellent know-how of the human resources, combined with its continuous training, the integration

of new technologies and the effort for continuous improvement, provide the Company with the prospect of its sustainable development and lay the ground for further upward course.

Sustainability Report

In 2017 EYDAP developed, for the first time, company's Sustainable Report, disclosing non-financial data to better understand the development and impact of the company's activities in relation to social, environmental and labor issues - respect for human rights - the fight against corruption and bribery.

The Report was prepared on the basis of the basic choices of the GRI standards and provides information with measurable data on the company's actions and their impact on the above issues. The drafting has taken into account the requirements of the law and the most relevant issues of EYDAP interested parties, as they emerged from a survey in early 2017 that reflects their needs and expectations. The Company's effects have been assessed nationwide in terms of the UNO's Sustainable Development Goals.

The Report describes the relevant policies and procedures of due diligence applied by the Company, the measurable results of these policies, the main risks related to these issues and are related to the Company's activities and which might have a negative impact on the above sectors as well as the way in which EYDAP manages these risks, always on the basis of our social prosperity and Sustainable Development.

General costing and pricing rules for water services

On May 22, 2017, Joint Ministerial Decision was published in Gov. Gaz. B 1751, on topic: "Adoption of general pricing rules and pricing water services. Methods and processes for the cost recovery of water services to the various uses."

Purpose of the aforementioned Joint Ministerial Decision, is the adoption of general pricing rules and pricing water services for various uses and rules and measures to improve these services, as well as the setting processes and the cost of recovery process of these services, including environmental and water resource cost, in order to achieve sustainable use and improvement of the water status and to ensure the constitutionally guaranteed public nature of water as a social necessity for the human living.

In particular, this Common Ministerial Decision has as its main objective to ensure that:

- (a) the pricing policy for water provides adequate incentives for users for the efficient use of water resources and,
- (b) the adequate contribution of water uses differences in cost recovery of water services at a rate determined in the approved river basins management plans taking into account, where appropriate, social, environmental and economic effects of recovery as well as the geographic and climatic conditions.

EYDAP examines the application of general rules and costing and water service billing according the above Joint Ministerial Decision.

Annual General Shareholders' Meeting

The Annual General Shareholders' Meeting took place on June 16th 2017 at Company's Headquarters at Galatsi. Among others, the Meeting approved the election of Mr. Alexandros Pouliasis as a Member of the Audit Committee of EYDAP SA and its appointment as an independent non-executive Member, as well as the Individual and Consolidated Annual Financial Statements of EYDAP SA, according to the I.F.R.S. for the fiscal year 1.1.2016 - 31.12.2016, the Board of Directors' (BoD) Report and the Independent Auditors' Report of the Company, the distribution of a dividend to the shareholders for year 2016, amounting to Euro 0.11 per share and finally selected the Audit Company "SOL S.A., Audit Accountants".

Formation of the BoD into a body

On June 23rd, 2017, the Board of Directors of EYDAP SA after the ratification from the Ordinary General Meeting of June 16th 2017 of Mr. Alexandros Pouliasis appointment as an independent non-executive Member, held its inaugural meeting, consisting of the following members:

Konstantinos Papadopoulos, Chairman of the BoD – Non-Executive Member
Ioannis Benisis, Chief Executive Officer – Executive Member
Konstantinos Vafeiadis - Executive Member
Ioannis Kardaras -Non-Executive Member
Georgios Makrynos -Non-Executive Member
Alexandros Pouliasis - Independent – Non Executive Member
Nikolaos Sarantis- Non-Executive Member
Michail Stavroulakis - Independent – Non Executive Member
Georgios Chalambalakis- Non-Executive Member

Christos Mistriotis - Non-Executive Member
Panayotis Skoularikis - Non-Executive Member
Emmanouel Aggelakis - Non-Executive Member
Evangelos Moutafis - Non-Executive Member

Award for Modernization of Operations – Establishment of Targeting

EYDAP: The First Public Company to Be Awarded for the Modernization of its Operations.

The first prize for original implementation of application management system through objectives was awarded to EYDAP by Award for Business IT Excellence Award (BITE) in June 2017. It is a project to monitor the performance of all organizational units of the company's objectives and thus modernizing and simplifying the company's organizational processes. With a view to improving efficiency and effectiveness, EYDAP SA proceeded dynamically to the implementation of the application management system through objectives. The main pillars of this application are both the definition and implementation of objectives and also the system development efficiency and effectiveness measurement indicators and the preparation of assessment report of actions in each company's organizational unit.

Specifically, following the adoption and preparation of the Targeting at all hierarchical levels, on the ongoing actions and the general planning of each area of responsibility, EYDAP designed and implemented a project to monitor the implementation of the objectives of all organizational units either within the framework of the company's investment plan or as fixed assets.

Apart from the actual implementation of the original objective, namely the effective tracking of actions implemented, the purpose of the project is the use of this mechanism as a means of obtaining information which will contribute to the evaluation of hierarchical structures to more effective management exercise, to identify any malfunctions and general decision making.

Implementation of new Social Tariff

EYDAP offers twice the amount of free water with the New Special Tariff (ST), which extends to the beneficiaries of Social Solidarity Income (SSI).

More specifically, from July 1st 2017, EYDAP offers to those entitled under Law 4389/2016 (beneficiaries of SSI):

1. Free water quantity of 2m³ per month per household's member.
2. Free water quantity of 3m³ per month, for each member with a disability of more than 67%, resulting from a valid disability certification.
3. The implementation of the ST in the water supply of the main (owned or leased) residence in which the beneficiary resides.
4. The implementation of the ST to the beneficiaries who are living permanently in a rent-free or are hosted.
5. The implementation of ST to the customers that are entitled only to sewerage services.
6. The implementation of the ST to the customers that were granted the previous social tariff, given the fact that they meet the criteria for their inclusion in Law 4389/16 and submit a new application to EYDAP SA from 1/7/2017 to 31/7/2017.
7. The implementation of the ST to accounts that will be issued from 1/7/2017 onwards and will concern consumption that will take place from 1/5/2017 and then and in each case from the issue of the next account from the date of submission of the application by the beneficiary.

In addition, beneficiaries who already receive a reduced special tariff from EYDAP (families with many children, elderly) have the right to choose the invoice on the most favorable terms. Beneficiaries of the SI will be checked for compliance with the eligibility criteria at regular intervals. The ST will be in force in the above form, until the implementation of Joint Ministerial Decision 132275 / 19.05.2017 (Government Gazette 1751B ' / 22.05.2017), which deals with pricing and costing rules for water supply services.

Formation of the BoD into a body

On June 2017, after the election results of employees of the Company to appoint two representatives to the Board of Directors elected Messrs.' Emmanuel Agelakis and George Alexandrakis.

Following the election results, the BoD held its inaugural meeting, on July 6th 2017 consisting of the following members:

Konstantinos Papadopoulos, Chairman of the BoD - Non-Executive Member
Ioannis Benissis, Chief Executive Officer - Executive Member
Konstantinos Vafiadis - Executive Member
Ioannis Kardaras - Non-Executive Member

Georgios Makrinos - Non-Executive Member
Alexandros Pouliasis - Independent, Non-Executive Member
Nikolaos Sarantis - Non-Executive Member
Michael Stavroulakis - Independent, Non-Executive Member
Georgios Hallabakakis - Non-Executive Member
Christos Mistriotis - Non-Executive Member
Panagiotis Skoularikis - Non-Executive Member
Emmanouil Angelakis - Non-Executive Member
Georgios Alexandrakis - Non-Executive Member

New Division

On July 20, 2017, following a decision of the Board of Directors of EYDAP, a new “ Digital Information Management” Division was set up, aiming at the modernization of specific operations of the Company. Specifically:

- Collecting the data of all the Company's information systems on a single platform, in the context of data coordination,
- Reporting to management with appropriate visualization techniques,
- Contributing to decision making and problem solving, by analyzing a large amount of data,
- Contribute to the alignment and compliance of the Company with the new General Data Protection Regulation (EU 679/2016).
- Also the new Directorate will deal with:
 - the implementation of the Management Objectives System through the Company,
 - the monitoring the progress of the implementation of the objectives and providing the relevant information to the Management,
 - the processing and presentation of the results of the implementation of the objectives and related reports.

Business Plan

On the 26th July 2017, EYDAP's Board of Directors approved the Company's Business Plan for the period 2017-2021. The adopted methodology is based on recording all current data and on planning the forecasts per Directorate-General, over a period of five years. The capital 5-year investment plan was drafted establishing the parameters that will characterize the EYDAP's environment in the reference period, based on the data and with the synergy of the Directorate-Generals. All actions required for the formation of the business plan are realized with the cooperation of the top management of the Company that determined our vision, mission and strategy.

Our strategy include the:

- Gradual extension of our activities in the Greek Islands territory via EYDAP NISON and in the Municipalities beyond our Area of Service, with the role of external consultant.
- implementation of an energy plan on two axis:
 - energy reduction in our installations
 - energy production

A study of the Macroeconomic environment and analysis of the water industry was conducted.

Characteristics of water industry at European level:

- Water is a renewable but limited resource. The sweet water stocks are renewed through the hydrological cycle, but the available water quantity is limited and its rational management is required.
- The increasing pressure on water environment due to irrational use and pollution, because of human activity, require the implementation of sustainable policies for the protection, development and management of water resources.
- Businesses, that are active in the sector of water supply and sewerage services, operate in a quite rigorous regulatory environment, greatly influenced by environmental and financial factors.

- The regulatory framework for water supply is usually established by more than one ministries. The state members of the European Union are obliged to comply with the European Union's Water Policy (as the urban Wastewater Directive).
- The regulatory framework for water supply mainly includes:
 - determination of invoicing rules
 - approval of invoice increase
 - definition, supervision and imposing of necessary regulations for the quality and protection of the environment.

The challenges in the water sector, at European level, that are taken under consideration in the formation of the 5-year business plan are the following issues:

- Vulnerable recourses assurance
- Job creation
- Management of solid waste (circular economy)
- Water resources monitoring for the detection of minor pollutants
- Adequate water pricing
- Monitoring of the climate change increasing impacts

In the development of the business plan, special forecast is made for the construction and management of the fixed assets, intended for long-term use in a rapid change environment. Due account is taken of the fact that organizations active in the water supply and sewerage sector plan their fixed assets targeting at their long-term use; for example certain infrastructure works have a useful life span of more than 50 years. The development of flexibility in the management and design of fixed assets, easily adaptable to a rapidly changing environment, is a big challenge for the water supply and sewerage companies.

Special emphasis is given to investment forecast and action plans for the rise of environmental awareness and sensitivity. The awareness in regard with the value of water, the mutual priorities and the needs is a big challenge that can be fulfilled with the constant information of the consumers and our stakeholders.

The financing of capital expenditures is expected to be covered through positive operational cash flow, subsidies and existing cash.

- ✓ It is noted that the provisions do not incorporate the impacts of the new tariff policy. The Combined Ministerial Decision, regarding the cost accounting and pricing policy, determines that any cost may arise due to Environmental Cost or Recourse Cost will be incorporated to the tariff.
- ✓ The revenue produced from works for the Greek State corresponds to works that EYDAP will realize estimating the contractual benefit and will be required by the Greek State, in compliance with the relevant contractual framework.
- ✓ The increased revenue produced, due to the sale of electric energy, will result from the further use of the energy production potential via the company's energy renewable sources.
- ✓ As an indication, revenue is predicted to rise by €1.3 million per annum from the operation of the hydroelectric power station at Evinos, the construction of which will be completed in 2019
- ✓ The financial benefits of the business plan will positively affect the Company's assets mainly after 2021, due to long-term (5 years) completion of several works (i.e. East Attica works)
- ✓ The 43% of CAPEX of the forecasted period regards East Attica works, 34.3% water supply works, 14.8 sewerage works and finally 8.3% coordination and supportive operation works.

Cash and cash equivalents are estimated to decrease during the forecasted period as they will be used to fund the investment plan. The strategic key stones of EYDAP's business plan for the period 2017-2021 are the following:

EYDAP's vision is to remain the largest and most reliable company in the water cycle management, always oriented towards People, Society and the Environment.

EYDAP's mission is to provide water of high quality at an affordable price, to an increasing number of citizens and to return it to nature clean, through the sustainable management of all available resources, acting with a sense of social responsibility always oriented to society's welfare.

EYDAP's strategy is based on achieving a balanced and sustainable development for the benefit of:

- ✓ the society
- ✓ the customers
- ✓ the employees
- ✓ the shareholders and
- ✓ the parties involved

Pillar of the Company's strategy is the constant improvement of the quality of the supplied services to its customers in combination with affordable pricing.

In the context of best service, EYDAP has applied a modern method customer oriented system aiming to achieve the optimum customer satisfaction rate and the assurance of the financial strength of the company.

The Completed Modernization Plan includes:

- Increase EYDAP's operational efficiency
- Upgrade of services supplied
- Customer extension – Geographical Expansion of area of service
- New ventures
- Use of our Human Capital
- Use of technology and Innovation
- Settlement of the regulatory and contractual framework with the Greek State
- Strict application & compliance with all the qualitative and operational standards

Main Actions for an Integrated Modernization Program

- Adoption of modern financial planning techniques
- Restructuring & simplification of internal & external procedures
- Application of modern techniques for remote monitoring and remote operation for efficient network operation
- Crucial intervention in the network for the prevention of repeated costly damages
- Implementation of modern techniques & tools of risk management
- Expansion of e-Government in customer service
- Adoption of modern systems for the development and management of human resources
- Implementation of a new cooperation model with the Municipalities
- Enhancement of regulatory compliance and obtaining relevant certificates
- Production of business plans for new ventures and geographical expansion within and out of the Attica region

The SWOT analysis study, on which the strategic planning is based, aims to the full use of all the operational characteristics of the company. It is planned to take advantage of the company's strengths with investments that will add value, while actions are planned to address the weaknesses and to manage the corporate environment risks. The emergence and exploitation of new venture opportunities and expansion of geographical and international appropriate cooperations is a key concern for EYDAP.

The 2017-2021 business plan targets the use of the company's available cash and will examine the alternative versions, based on the assumptions for its development.

Local Authorities (OTA)

During 2017, EYDAP intensively continued its efforts to adjust the overdue debts of the Local Authorities. On December 31 2017, the overdue debts from OTA to EYDAP, amounted to 39,728,859.14 euros. From this amount, 12,191,874.7 euros have been settled via payment of installments. Respectively, on December 31 2016 the overdue debts of Local Authorities amounted to 35,715,978.56 euros. From the above overdue payments, 3 municipalities (Megara, Marathon and Salamina) owe 20,177,860.11 euro, a 50.79% percentage of the overall dept. Total receipts from Local Authorities in 2017 amounted to 47,760,518.78 € compared to 46,101,122.98 € in 2016.

Within 2017, four (4) Municipalities (Egaleo, N. Philadelphia-N. Chalkidona, Alimos and Kessariani) fully settled the overdue debts with EYDAP. Some of them have made use of funds from the Ministry of Finance. Internal Revenue Service to repay their outstanding debt to Third Parties.

As part of the expansion of activities, on 29/12/2017, the Water Supply Network of the Municipality of Salamina signed a contract of "Transfer and Concession of water supply network to EYDAP" along with a "Recognition of Debt to EYDAP SA" according to the relevant Decision of the BoD no. 19487 / 27-12-2017.

During 2017, EYDAP carried out a relevant financial study for the ownership of the water supply network of Magoula region of the Municipality of Elefsina. As far as the Municipality of Megara is concerned, efforts have been made to claim debts at Administration level.

E –Government

EYDAP reaffirms its commitment to achieve the objectives set out in the e-Government Framework. These objectives concern the use of Information and Communication Technologies, for the upgrade of services and internal operations in order to obtain:

- Customer satisfaction and community satisfaction in general
- Equal opportunities for everyone that transacts with EYDAP
- Transparency in corporate procedures
- Effective management
- Employee satisfaction via active participation

EYDAP endorses the view that e-Government is primarily in an institutionalization processes. For this reason, the Company proceeds to the establishment of a task-approach regarding e-Government by instituting study practices of the relevant procedures. The beginning is made by recording and documenting them, while the ultimate goal is the complete measurement analysis and improvement of business processes especially those related to the objectives of e-Government.

Within this framework, we continue the development and improvement of applications related to:

- Company's website
Within the framework of the modernization of the corporate website for the creation of an electronic customer service center, a Committee for Redesign and Organization of Corporate Website Management was formed. Some of the new settings are:
 - Ability to register customer requests that previously required a visit to Customer Service Centers (Arrangements, Service Invoice, Laboratory Audit, Charity and Business Invoice)
 - Ability of credit or debit card payment via partner banks (e-pos)
 - Click to call: the ability of the customer to record his contact information, to select the subject and the desired contact time, and the employee of the call center will contact him / her
- Invoice in pdf form. Since November 2017, the creation and display of pdfs of pilot accounts for employees of EYDAP has begun and since February 17, 2018 for all users of the site. The identification process through the taxisnet, which will be applied soon, will simplify the registration of the site user.
- Customer service information systems. The Company continuously provides 24/7 and efficiently its services through information systems
- ERP Projects
- Internal production and distribution of corporate documents

The internal communication of organizational units is reorganized, aiming at their effective cooperation as well as at an efficient administration. On this purpose the internal website (portal) which operates within the EYDAP corporate data network, will be implemented and developed. The organizational structure is based on logic of "internal services" and the corresponding procedures so that there is communication immediacy, transparency and minimization of duplication in corporate processes.

EYDAP, with particular emphasis on the utilization of Information and Communications Technologies for providing high quality services to customers and citizens in general, is committed to the continuous improvement of services provided online and in ongoing research to develop new innovative services by monitoring and using modern technology trends.

EYDAP NISSON DEVELOPMENT SA

In July 2011 the company "EYDAP NISSON SA" was established. EYDAP participates in the share capital of EYDAP NISSON SA with 100% percentage. The purpose of the Company is to provide water, sewerage services as well as a number of activities related to the above, to the greek island territory.

In January 2013, an amendment voted by the Parliament created the legal framework, according to which, EYDAP or its subsidiaries can undertake the preparation or assignment of studies for the construction of projects related to the Company's activities, as well as the assignment and the administration of these projects in island regions.

In March 2013 EYDAP NISSON SA, proceeded to an increase in its share capital of 30.000 euros, while as in the 7th of February 2014, in the extraordinary general meeting of EYDAP NISSON SA, a new share capital increase of 150,000.00 euros was validated.

On the 22th of October 2014, EYDAP SA (18460 / 22.10.14), approved the increase of the share capital of EYDAP NISSON SA by 1.000.000 euros, with payment of two equal installments of 500 euros, on the 1st of November and the 1st of July 2015.

At the Extraordinary General Meeting of 21st of September 2017, the modification of the article 1 was decided, which changed the name to «EYDAP NISSON DEVELOPMENT SA» and of the article 2 (purpose), according to which, the activities will be undertaken within the Greek territory and outside the area defined in the article 8 of the Law 2744/1999, as the responsibility of EYDAP SA.

The board of directors consists of the following people:

Ioannis Emmanouil Benisis, Chairman of the Board and the company's CEO,

Konstantinos Vafeiadis, Member,

Konstantinos Vougiouklakis, Member,

Georgios Karagiannis, Member,

Petros Matsoukis, Member,

Glenis Georgios, Member,

Makrynos Georgios, Member.

The purpose of EYDAP NISSON DEVELOPMENT SA is to utilize the know-how, the experienced personnel and the modern tools of EYDAP SA for the provision of high quality services in the sectors of water supply and sewerage and waste water treatment in the Greek islands, as well as in all the areas of Greece that might need them.

Our strategy is to transfer to the local water and sewerage organisations the experience of decades of EYDAP SA in the rational management of water resources, in the application of new technologies, in the utilisation of national and european funds in order to ensure with them the proper operation of their facilities and the protection of the environment, with the disposal of well-treated wastewater so that they can be re-used to meet irrigation needs with minimal cost to the citizen and the local community.

In addition, cooperation with broader institutions and organizations is promoted, in the development of an integrated framework for the financing of water supply and sewerage projects, mainly in the greek islands.

The main purpose is the energy upgrade of the electromechanical facilities of water and wastewater in the island territory. The objectives of the energy upgrade are to be finalized by designing a joint action program for the use of the corresponding funds for Environment and Climate Change.

Recognizing the fact that hybrid RES systems with an emphasis on jointly serving the sewerage and power generation needs are a key tool in designing projects in non-interconnected islands, EYDAP NISSON DEVELOPMENT SA and PPC Renewables SA from 2017 are in the process of planning joint actions.

From 2017 EYDAP NISSON DEVELOPMENT SA cooperates with the Deposits & Loans Fund as part of the Fund's action to finance projects in municipalities. The cooperation concerns the evaluation and technical assistance process for studies of water, sewerage and waste water treatment projects, where our Company has proven experience and leadership, and participates in the campaign of notification of the action to the beneficiary Municipalities. In this context there is ongoing cooperation with municipalities in the planning of actions and projects.

Board of Directors of 'EYDAP NISON' SA

1. Ioannis Emmanouil Benisis, Chairman of the Board and the company's CEO,
2. Konstantinos Vafeiadis, Member,
3. Konstantinos Vougiouklakis, Member,
4. Georgios Karagiannis, Member,
5. Petros Matsoukis, Member.

Mr. Petros Matsoukis acts also as Director General of "EYDAP NISON" SA while Mr. Konstantinos Papadakis, acts as Deputy General Director of "EYDAP NISON" SA.

FUTURE OUTLOOK

EYDAP's strategy is based on the achievement of a balanced and continuous growth in favor of the community, the customers, the employees, the shareholders and all those that have legitimate interest in the Company. EYDAP, the largest water services and sewerage provider in Greece and one of the largest in Europe, ensures consistently with responsibility and sensitivity the delivery of the highest quality water alongside with a contemporary and seamless sewerage and biological treatment services to the population served in Attica, while respecting the natural environment.

A primary objective remains the further rationalization of expenditure and the reduction in operating costs through continuous improvement and simplification of corporate processes that enhance the operational efficiency of the Company.

During 2018, the company is expected to implement part of the investment plan that was approved in the context of the Business Plan 2017-2021. The development of the business plan provides for the construction and management of fixed assets intended for long-term use in a rapidly changing environment. It is taken into account that water and sewerage companies, plan and build their fixed assets for long-term use, for example, some infrastructure projects have a useful life span of over 50 years. The challenge lies in the fact that organizations in the water and sewerage sector have to develop a level of flexibility in the management and design of their fixed assets so that they adapt to the rapidly changing environment. Eastern Attica sewerage projects, which will solve the decade-long problem of the region, will absorb approximately 43% of the budget. Funding for capital investment is projected to be covered through positive operating cash flows, grants and existing cash holdings.

EYDAP will take all necessary actions for total access to safe and affordable drinking water in its area of responsibility, while continuing to support our fellow citizens in need by applying social tariffs. At the same time, pressure will be put on Municipalities, in order to increase further the collectability rate of receivables from local authorities.

The utilization of the know-how of the employees and the constant modernization through the new technologies, constantly improve the productivity and thus the competitiveness of the Company. Along with the monopoly nature of the offered product, EYDAP will continue to have high cash flows, without borrowing, and will achieve sustainable growth, safeguarding the interests of the community as well as the shareholders.

RISKS AND UNCERTAINTIES

The Company manages its capital in such way in order to meet its objectives as these are mentioned in paragraph 4a of article 1 of Law 2744/99. In addition, according to paragraph 8 of the same article the placement of its fixed real estate assets used for water supply and sewerage purposes as collateral is prohibited. It is noted that according to article 5 of the same law there is no provision for compulsory administration of the assets of EYDAP used for water supply and sewerage purposes.

In the current period, the Company did not proceed with the signing of any bank liability either long-term or short-term. Following its listing on the Athens Exchange in 2000 and until 2013, the Company held mainly short-term debt, in order to meet its operating needs due to the fact that it had not collected payments for water supply bills from certain municipalities and other public entities.

The Company maintains sufficient capital in order to serve its business objectives and to apply the appropriate dividend policy.

Leverage ratio

<i>Amounts in € thousand</i>	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Borrowings	-	-	-	-
Cash and cash equivalents	(294,921)	(280,544)	(293,920)	(279,471)
Total Equity	942,028	904,766	942,191	904,879
Net Debt to Equity Ratio	0	0	0	0

Financial Risk Management

Risk management is processed by the Company's pertinent Departments which operate under certain rules which have been approved by the Board of Directors.

The Board of Directors sets the objectives, defines the policy, and selects the risk management framework, the implementation of which is assigned to the Company's executives. The existence of a risk management framework is of central importance and the monitoring process is structured, continuous and consistent.

(a) Credit Risk

The Company's exposure with respect to the credit risk it is eliminated to the financial assets which at the reporting date of the Financial Statements are analyzed as follows:

Financial Assets categories	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Available for sale financial assets	3,659	2,855	3,659	2,855
Cash and cash equivalents	294,921	280,544	293,920	279,471
Trade and other receivables	237,299	224,766	237,252	224,742
Long-term receivables	19,034	22,598	19,034	22,598
Investments in subsidiaries	-	-	1,210	1,210
Total	554,913	530,763	555,075	530,876

Cash and cash equivalents bear credit risk. The management of credit risk is conducted with the aggregation of the largest part of the Company's cash reserves in the Bank of Greece and via the containment of the Company's exposure to domestic banking institutions.

Trade and other receivables include receivables from private customers which carry a relatively low level of loss risk mainly because of the extensive dispersion of claims, while for the receivables from Local Governments (OTA), the Company examines the possibility of collecting the respective due amounts through contract agreements (management of networks and settlements) or based on legislative arrangements.

Trade and other receivables are included in receivables from private clients for which there is a relative risk, which is limited by measures and actions taken by the competent directorates. The actions concern the assumption of measures in order to deal with the arrears of due liabilities and the provision of facilities for their repayment.

For the category of local government liabilities, the Company examines the possibility of collecting arrears through the signing of contracts (network management or settlements) or through regulatory arrangements.

The provision regarding the trade receivables refers to overdue liabilities of individual customers the collection of which is delayed for more than two years and they have not been settled. Also, the provision includes a portion of arrears of individual clients of less than two years that meet certain criteria and have not been settled.

Below the analysis of the Company's receivables based on their maturity is displayed:

Amounts in € thousand

TIME ANALYSIS OF OVERDUE CLAIMS									
2017	Non due	0-1 month	1-6 months	6 months years	-2	2 years years	-5	> 5 years	Total
PRIVATE CUSTOMERS	30,029	9,548	30,352	45,046		33,458		33,422	181,855
STATE	3,483	736	1,806	3,671		5,369		3,367	18,432
LOCAL GOVERNMENT	6,411	2,450	8,139	10,901		16,743		860	45,503
Total	39,923	12,734	40,297	59,617		55,569		37,649	245,789

2016	Non due	0-1 month	1-6 months	6 months years	-2	2 years years	-5	> 5 years	Total
PRIVATE CUSTOMERS	29,133	10,680	30,976	45,590		30,947		27,615	174,940
STATE	2,615	970	2,110	1,754		4,884		3,177	15,509
LOCAL GOVERNMENT	7,215	2,093	5,479	17,256		10,067		928	43,038
Total	38,963	13,742	38,564	64,599		45,899		31,270	233,487

It is noted that the paid amount of the installments, of the individuals' settlements on 31.12.2017 amounts to Euro 13,069 thousand against the amount of Euro 10,035 thousand of the previous year and it is not included in the balance of the private customers in the table of time analysis.

The Department of Revenue & Trade Receivables Management, as well as the Department of Special Customers Management, continuously monitor the claims of the Company, either separately or based on groups (invoice codes, customer categories) and incorporate this information into the credit risk control procedure.

With regard to credit risk management, the Department of Collection Enforcement of the Legal Services Division reviews on constant basis and settles via judicial procedures (LD 356/1974 «Code for the Collection of Public Revenues») overdue receivables concerning water supply, utilization rights and property connection rights from retail customers and local government authorities (OTA).

None of the financial assets has been placed as collateral or in any other form of credit insurance.

Correspondingly, the Company has not ceded any financial instruments of the Assets in the form of guarantee to any third parties.

(b) Liquidity Risk

The liquidity risk is being managed by the preservation of sufficient cash available and by the assurance of bank credits for use. There is no liquidity risk due to the existence of sufficient cash reserves which can cover the current operating and investment needs.

The following table analyses the Company's financial liabilities which are classified in groups according to their expiration date which are calculated according to the time balance from the balance sheet date until the contractual arrangement expiration date in non-discounted figures.

Amounts in € thousand

TIME ANALYSIS OF LIABILITIES									
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2017	0-1 Month	2-3 Months	3-6 Months	6-12 Months	1- 5 years	> 5 years	Total
Debt liabilities	-	-	-	-	-	-	-
Suppliers and other liabilities	15,908	27,819	4,594	4,464	39,042	315,576	407,403
Total	15,908	27,819	4,594	4,464	39,042	315,576	407,403

2016	0-1 Month	2-3 Months	3-6 Months	6-12 Months	1- 5 years	> 5 years	Total
Debt liabilities	-	-	-	-	-	-	-
Suppliers and other liabilities	65,529	27,527	13,220	4,734	41,136	308,191	460,337
Total	65,529	27,527	13,220	4,734	41,136	308,191	460,337

c) Market Risk

Market risk is related to the Company's equity portfolio, which is a long-term, strategic investment and as a result is limited to pre-defined Position Limits.

(d) Risks due to capital controls in Greece

With the Act of Legislative Content on 28th June 2015, Greek banks were placed in a holiday status and capital controls were imposed. The bank holiday ended on 20th July 2015. The capital controls have been gradually relaxed, but on the other hand a significant part of these controls remains in effect. Due to the special nature and inelasticity of the product, its demand is not affected by the imposed capital controls, therefore the relevant financial developments in Greece have not affected the cash collections, payments and turnover of the Company.

(e) Regulatory risk

On May 22, 2017, the Joint Ministerial Decision published in GG B 1751, had as its subject: "Approval of general rules for the costing and pricing of water services. Method and procedures for recovering the cost of water services in its various uses". EYDAP SA examines the application of the general rules for the costing and pricing of water services in accordance with the aforementioned Joint Ministerial Decision.

From the preliminary examination of the Joint Ministerial Decision by the Company, issues have emerged for clarification concerning:

- The price of raw water, as a basic cost element,
- The environmental costs and the resource costs per cubic meter of water as this will be communicated to the Company by 31 October 2018 by the Directorate of Waters of Decentralized Management,
- The opportunity cost of the invested capital and, in particular, the reasonable annual return on the private venture capital used,

By a Joint Ministerial Decision, issued on 03.12.2013, it was decided that the Greek State's obligations to the Company from subsidized investment project expenditures for the period 2000-2010, resulting from the Greek Government's agreement with the Company of 09.12.1999, approximately of 294 million, are amortized with the Company's non-tax liabilities of equal value towards the Greek State, which relate to the cost of the non-refined water supplied to the Company for the period 25.10.2004-30.06.2013.

However, it is still pending from 2004 the conclusion of a written agreement as defined in article 15 of the contract of 09.12.1999 between the Greek State and the Company, which will determine the price of the collected crude water. In the absence of a written agreement, the Company continues to offset, even after 30.06.2013, the price of the collected crude water with the maintenance and operation services that it provides for the fixed assets that belong to the company " EYDAP L.E.P.L.", burdening its results.

Until the date 31.12.2018, when the invoice approved by GG 3188B / 16.12.2013 will be effective, no issue arises regarding the Company's burden with any price for the collected crude water. Such a fact would lead to an increase of the price of water and create an additional charge for citizens.

(f) Relations with the Greek State

With a joint ministerial decision of 03.12.2013 which was issued according to the above law provisions, it was defined that the overdue amounts payable to the Company from the Greek State concerning investment plan's subsidized expenditures of € 294 million for the decade 2000 – 2010 as stipulated from the agreement of 09.12.1999 between the Greek State and the Company, were offset with equivalent in value non tax related amounts payable to the Greek State from the Company, until 30.6.2013, concerning the cost of the collected crude water for the period 25.10.2004 – 30.6.2013. With the same joint ministerial decision, the other claims until 30.06.2013 between the Greek State and EYDAP SA were also amortized. With the decision of the Extraordinary General Shareholders' Meeting on 27th December 2013, the above ministerial decision was accepted.

On the other hand, the signing of a written agreement - as it is defined in the article 15 of the agreement on 9.12.1999 between the Greek State and the Company - which will determine the price paid to "L.E.P.L. EYDAP Fixed Assets" for the crude water collected from 1.7.2013 is pending from the year 2004 (Note 36). In absence of a written agreement, the Company continues, after 30/06/2013, to offset the cost of the collected crude water with the maintenance and operation services it provides for the fixed assets owned by "L.E.P.L. EYDAP Fixed Assets", affecting accordingly its financial results.

Changes in the pricing of water and sewerage services will stem from the application of JMD 135275 (No. 3, par. 9), GG 1751 / 22.05.2017 "Approval of general Costing and Pricing Rules of water services. Method and procedures for recovering the cost of water services in its various uses". At the current phase it is not possible to estimate any potential impact stemming from this process on the up to now applied policy by the Company.

RELATED PARTY TRANSACTIONS (GROUP & COMPANY)

A) Transactions with Members of the Board

<i>Amounts in € thousand</i>	31.12.2017	31.12.2016
Fees (Chairman & CEO, and Executive Directors)	114	114
Fees & attendance expenses of BoD members	138	81
Total	252	195

B) Transactions and amounts outstanding with the Greek State and the Municipalities

<i>Amounts in € thousand</i>	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
1) Transactions				
- Income	61,512	58,459	61,512	58,459
- Cost of Goods Sold (cost of construction works)	529	66	529	66
- Income from non utilized provisions / (Various provisions)	-	-	-	-
2) Outstanding amounts				
- Long-term receivables (Projects for the Greek State)	4,297	3,769	4,297	3,769
- Long-term trade receivables (settlements with Municipalities)	12,961	21,038	12,961	21,038
- Trade receivables (Local authorities, Greek State)	53,286	38,964	53,286	38,964
- Trade receivable ISLANDS' EYDAP DEVELOPMENT	-	-	24	24

- Other receivables (from the Greek State for coverage of deficit concerning staff indemnities)	258	258	258	258
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The transactions with the Greek State and Local Government Authorities concern revenues of water supply, invoiced and accrued, as well as accrued income from the construction cost for the account of Ministry of Economy, Infrastructure and Transport, and of "EYDAP Fixed Assets".

DIVIDEND POLICY

The Ordinary General Shareholders Meeting in its convection on June 16th 2017 approved a dividend of 0.11 euro per share gross, from the profits of 2016 fiscal year (total distributed amount 11,715 million euro).

The Board of Directors of the Company in its convection on March 28th 2018 approved the submitting of the proposal to the Annual Ordinary General Shareholders Meeting, of a dividend, of the amount of twenty cents (€ 0.20 gross) per share (a total gross amount of Euro 21.3 million) for the fiscal year 2017. The dividend is subject to approval by the Annual General Meeting of Shareholders and is included in the account "Retained earnings".

POST BALANCE SHEET EVENTS

Passing of L. 4512/2018

On January 17, 2018, Law 4512/2018 was passed, by which the majority of EYDAP shares, between others, were transferred to the Hellenic Corporation of Assets and Participations S.A." (HCAP S.A.). The objective of the HCAP is to reform the management framework in the interest of the public interest so that the country can capitalize on its national wealth.

Proposal for a revision of the EU Water Directive

On 1 February 2018, the European Commission proposed a revision of the European legislation about water, that will improve the quality of drinking water and access to it and will provide better information to citizens. The right of access to basic services of good quality, including water, is one of the principles of the European Social Rights Pillar, adopted unanimously by the Heads of State and Government at the Gothenburg Summit. This legislative proposal aims to guarantee this right and therefore to respond to the first successful European Citizens' Initiative "Right2Water", which has collected 1.6 million signatures to support improved access to safe drinking water for all Europeans. In addition, the proposal seeks to enable consumers to ensure that water suppliers provide consumers with clearer information on water consumption, cost structure and price per liter, allowing for comparison with the value of bottled water. This will contribute to the environmental objectives of reducing the unnecessary use of plastics and limiting the EU carbon footprint, as well as achieving the goals of sustainable development. The rules the Commission intends to update will improve the quality and safety of water by adding new and emerging substances to the list of criteria for determining the safety of water.

Change of shareholder's percentage of voting rights

EYDAP received a notification from the Ministry of Finance on March 2nd, 2018 that the total number of voting rights (indirectly and directly) controlled by the Greek State amounts to 65.319.740 (61.33%), of which the direct voting rights refer to 53.250.001 (50%+1 share) common registered shares and the indirect voting rights refer to 12.069.739 (11.33 %) common registered shares.

This change in the direct and indirect shareholding of the Greek State in EYDAP S.A. is due to the transfer of 17,004,761 shares (15.97%) from HRADF directly to the Greek State, following the execution of an over-the-counter transaction, free of charge, according to decision 262 of the Interministerial Committee for Restructuring and Privatizations (GG tB / 614/22.02.2018), and the correction of the error (GG B 697/1.3.2018) which partially revoked the decision 195/27.10.2011 (GG B 759) of the Interministerial Committee for Restructuring and Privatization, following the decision 1906/2014 of the Council of State.

The total participation percentage (direct and indirect) of the Greek State has not changed.

On March 21st 2018, EYDAP received a notification from the Ministry of Finance, that the total number of indirect voting rights controlled by the Greek State amounts to 65.319.740 (61.33%). This change in the voting rights is due to the transfer of 53,250,001 shares of EYDAP S.A., from the Greek State to the "Hellenic Corporation of Assets and Participations S.A." (HCAP

S.A.) following the execution of an over-the-counter transaction on March 20th 2018, free of charge, according to paragraph 20, article 380 of L. 4512/2018, which replaced paragraph 1, article 197 of L. 4389/2016, as in force from 1/1/2018.

The total (100%) of the shares of HRADF is held by the "Hellenic Corporation of Assets and Participations S.A." (HCAP S.A.), which now controls directly the voting rights of 53.250.001 shares (50%+1 share) and indirectly the voting rights of 12.069.739 shares (11.33%) via HRADF. Consequently, to total percentage of voting rights (indirect and direct) of HCAP S.A. amounts to 61.33%. The Greek State controls HCAP S.A. by 100%.

STATEMENT OF CORPORATE GOVERNANCE

This Statement covers all of the principles and practices adopted by the Company in order to ensure its efficiency, the interests of shareholders and all other interested parties.

The structure of this Statement of Corporate Governance focuses on the following topics:

Code of Corporate Governance

- i. Internal Rules of Corporate Governance and Operation
- ii. Board of Directors and Audit Committee
- iii. Shareholders' Meeting and Rights
- iv. Internal Audit and Risk Management
- v. Other managerial, supervisory bodies or Committees of the Company

A. Code of Corporate Governance

EYDAP has compiled a Corporate Governance Code, which has been embedded in the Internal Rules of Operation, forming from 23/10/2013 a unified text named as Internal Rules of Corporate Governance and Operation of EYDAP S.A. This text, is available to the public at the Company's Headquarters, at Shareholder's Department and at the Corporate Announcements Department at 156 Oropou str Galatsi.

The Company does not apply any practices beyond the provision of the Law.

B. Board of Directors & Audit Committee

The Company is managed by the Board of Directors, having an odd number of members which may not exceed thirteen (13) members or be less than seven (7) members. The Board of Directors comprises executive, non-executive and independent non-executive members as per the provisions of articles 3 and 4 of Law 3016/2002 as applicable from time to time.

The General Meeting of Shareholders has authority to determine the number of members of the Board of Directors as well as to increase or decrease such number, always within the limits specified in the Company's Articles of Association.

The Board of Directors is composed of:

- a. Two (2) representatives of Company employees elected (along with an equal number of alternate representatives) by direct and universal vote;
- b. Two (2) members representing minority shareholders, elected as provided for in article 36 of the Company's Articles of Association;
- c. Shareholder representatives, elected by the General Meeting.

The term of office of the Board of Directors' members is five years and is extended until the nomination or election of new directors. Such term extension may not be longer than one year. The members of the Board of Directors can be freely recalled. Such recall and substitution is done by those having the right to elect or nominate. The General Meeting may substitute any of the members of the Board of Directors elected before the end of their term of office. The members of the Board of Directors may be appointed anew or reelected without limitation and may be recalled without limitation. The members of the Board of Directors may not be related by blood or marriage, up to the third degree of relation, and may not be contractors or suppliers of the Company or members of the Board of Directors or employees of an undertaking doing business with the Company. The members of the Board of Directors may, however, be members of the Board of Directors or employees of an undertaking associated with the Company, as per the provisions of article 42e of C.L. 2190/1920.

Convocation of the Board of Directors

The Board of Directors is called by its Chairman or the Chairman's legal deputy, pursuant to the provisions of the Company's Articles of Association, and holds its meetings at the registered office of the Company. The agenda is presented to the Board of Directors by the Managing Director.

The Board of Directors holds ordinary meetings twice each calendar month, and also holds extraordinary meetings if so deemed necessary by the Chairman. The agenda of the Board of Directors' meetings is established by the Chairman and the agenda items are included in the notice to the meeting sent to the directors.

The notice to the meeting is advised to the members of the Board of Directors at least two (2) business days prior to the day of the meeting and shall clearly indicate the agenda items; otherwise, decisions may be adopted only if all members are present or represented at the meeting and no one objects to the passing of decisions. As to the rest, the provisions of article 20 of C.L. 2190/1920, as applicable, shall apply.

Quorum - Majority – Representation of Members

The Board of Directors is in quorum and may validly transact its business when one half plus one director are present, subject to the provisions of paragraphs 4, 4a and 5 of article 11 of the Company's Articles of Association. To find the number constituting a quorum, any resulting fraction is omitted. At no time can the number of directors attending in person be less than three. The decisions of the Board of Directors are passed by absolute majority of the members present. In case of a tie, the Chairman of the Board of Directors does not have a casting vote. In case the Chairman is absent or prevented from acting, the meeting is presided over by the Chairman's deputy. The meetings of the Board of Directors may be attended by scientific advisors, legal or otherwise, and experts, without the right to vote, as well as by the Director of the Legal Department of the Company, if invited to attend by the Chairman or the Board of Directors, and if the Director of the Legal Department is absent or prevented from acting by another lawyer as instructed by the Chairman of the Board of Directors. All the directors have the right to be advised in writing, by the Chairman and the Managing Director, on the management of the Company and the course of the corporate affairs in general. A director who is absent may be represented by another director, by means of written authorization to this effect. Each director may represent only one absent director.

Minutes are kept for each meeting of the Board of Directors; such minutes are ratified at the same or the next meeting. Copies or extracts of the Minutes are attested by the Chairman or his deputy or by another member of the Board of Directors authorized to this effect under a decision of the Board of Directors. The Minutes of the Board of Directors are entered in a dedicated book kept in a manual or computerized system and are signed by the Chairman and the directors who attended the meeting. Any refusal by a director to sign the Minutes is entered in the minutes. All directors have the right to have their opinion entered in the Minutes.

Authority and powers of the Board of Directors

The Board of Directors is the supreme administrative body of the Company that primarily formulates the corporate growth policy and strategy while supervising and overseeing the management of the corporate property.

The Board of Directors has authority to decide on all matters with respect to the management of the corporate property, the administration and representation of the Company and the corporate business in general, and proceeds with all action and decisions aimed at the fulfillment of the Corporate object; the Board of Directors also monitors the course of the Company and the implementation of its activities. Excepted are those issues and matters which, under the provisions of the Law or the present Articles of Association, fall within the exclusive authority of the General Meeting.

Delegation of power by the Board of Directors

The Board of Directors, under the restrictions stipulated by Law and the Articles of Association, may decide to delegate the exercise of its powers or authorities in part to the Chairman or the Managing Director or a member or members of the Board of Directors or Company Managers or employees or third parties.

Information concerning the members of the Board of Directors

The members of the Board of Directors for the period from 01/01/2017 to 31/12/2017 were as follows:

Members of the BoD from 01/01/2017 έως 22/06/2017

Konstantinos Papadopoulos	Chairman of the BoD , Executive Member
Ioannis Benisis	Chief Executive Officer, Executive Member
Konstantinos Vafeiadis	Executive Member
Ioannis Kardaras	Non-Executive Member
Georgios Makrinos	Non-Executive Member
Nikolaos Sarantis	Non-Executive Member
Michail Stavroulakis	Independent, Non-Executive Member
Georgios Chalabalakis	Non-Executive Member
Panagiotis Skoularikis	Non-Executive Member
Christos Mistriotis	Non-Executive Member
Emmanuel Aggelakis	Non-Executive Member
Evangelos Moutafis	Non-Executive Member

Members of the BoD from 23/06/2017 έως 06/07/2017

Konstantinos Papadopoulos	Chairman of the BoD , Executive Member
Ioannis Benisis	Chief Executive Officer, Executive Member
Konstantinos Vafeiadis	Executive Member
Ioannis Kardaras	Non-Executive Member
Georgios Makrinos	Non-Executive Member
Nikolaos Sarantis	Non-Executive Member
Michail Stavroulakis	Independent, Non-Executive Member
Georgios Chalabalakis	Non-Executive Member
Panagiotis Skoularikis	Non-Executive Member
Christos Mistriotis	Non-Executive Member
Emmanuel Aggelakis	Non-Executive Member
Evangelos Moutafis	Non-Executive Member

Members of the BoD from 06/07/2017 έως 31/12/2017

Konstantinos Papadopoulos	Chairman of the BoD , Non-Executive Member
Ioannis Benisis	Chief Executive Officer, Executive Member
Konstantinos Vafeiadis	Executive Member
Ioannis Kardaras	Non-Executive Member
Georgios Makrinos	Non-Executive Member
Alexandros Pouliasis	Non-Executive Member
Nikolaos Sarantis	Non-Executive Member
Michail Stavroulakis	Independent, Non-Executive Member
Georgios Chalabalakis	Non-Executive Member
Panagiotis Skoularikis	Non-Executive Member
Christos Mistriotis	Non-Executive Member
Emmanuel Aggelakis	Non-Executive Member
Georgios Alexandrakis	Non-Executive Member

CVs of Bod

Konstantinos Papadopoulos, Chairman, Non-Executive Member

Konstantinos Papadopoulos is Dr. Hydrogeologist, who was born in Thessaloniki in 1952 with the following studies:1978: Degree in Geology (Laurea in Scienze Geologiche) from the Physics & Mathematics School of the University of Parma (Universita degli Studi di Parma - Italia)1982: Diploma in Advanced studies [Diplôme d 'Études Approfondies (DEA)] in Water Science [(Sciences de L'Eau) with specialization in Hydrology - Hydrogeology - Hydrochemistry and in Management of Water

Resources] from Pierre et Marie Curie University in Paris (Paris VI), 2004: PhD in Hydrogeology from the University of Patra. In 1983, he worked as a Research Consultant at the Agricultural University of Athens. From 1984 to 1997, he worked at the Institute of Geology and Mineral Exploration (I.G.M.E.). From 1997 to 2004, he worked as an Expert in Water Resources Management in the Ministry of Development. From 2004 to 2011, he worked in project management of the Management Organization Unit of Development Programs and from 2011 to 2014, he worked at the National Center for the Environment & Sustainable Development - Institute of Geology and Mineral Exploration.

Ioannis Benisis, CEO, Executive Member

Ioannis Benisis was admitted with a scholarship to the Department of Mathematics of National and Kapodistrian University of Athens, during which he maintained the scholarship. From 1978 to 2000, he worked as a professors and partner in several educational institutions and for several years he was CEO of one of them. Since 2000, he was managerially involved with several small business enterprises focusing on food and beverage and he also owned an energy consulting company. During his professional career he was CEO of an S.A. company, administrator in four Ltd companies and partner in about fifteen General Partnership companies of educational institutions, catering services, constructions and energy systems. Since July 2015, he is CEO of EYDAP.

Konstantinos Vafeiadis, Executive Member

Konstantinos Vafeiadis graduated from the School of Chemical Engineering of the National Technical University of Athens (NTUA) in 1997. He holds a M.Sc. in Advanced Chemical Engineering from Imperial College (1998) and a Ph.D. in Control Engineering from City University London (2003). He specializes in the design & implementation of complex software, IT & consulting projects with an emphasis in the financial sector as well as in the design and implementation of large investment, research and development projects. Since July 2015, he is Deputy Mayor responsible for Human and Financial Resources.

Ioannis Kardaras, Non-Executive Member

Ioannis Kardaras graduated from the law school of Athens (1974), and have postgraduate studies in the University of London with specialization in European Union Law and in «Comparative European Law» (1976). He works as a lawyer in Piraeus since 1977 and he is a lawyer in the Supreme Court.

Georgios Makrinos, Non-Executive Member

Georgios Makrinos graduated from the department of Public Hygiene from the School of Health Care Professionals of Technological Educational Institute of Athens , with retraining in «Management and Enviromental Technology» and Master's thesis in Public Health (2007-09) from the National School of Public Health. He is alderman in Koridalos since 2010 and president of sports and cultural organization of the municipality of Koridalos.

Alexandros Pouliasis, Non-Executive Member

Alexandros Pouliasis accomplished his studies following the direction of Accounting and Financial Management. At the present time he works as a consultant in the Ministry of Finance.

Nikolaos Sarantis, Non-Executive Member

Nikolaos Sarantis is the Mayor of Municipality Agioi Anargyroi – Kamatero. He is a graphic designer, professor at the Graphic Design Department of Technological Educational Institute of Athens. . He holds a Master entitled "European Union and Developing Countries" by the Department of International Relations at Panteion University of Social and Political Sciences. Since October 2014 he has been General Secretary Regional Association of Municipalities of Attica (PEDA).

Michail Stavroulakis, Independent Non-Executive Member

Michail Stavroulakis is an economist, accountant-tax consultant and graduated from the Accounting department from the Business School of Technological Educational Institute of Heraklion Crete and from the Higher Industrial School of Piraeus. He has worked as accountant and economic advisor to various companies and he is experienced in international financial transactions.

Georgios Halambalakis, Non-Executive Member

Georgios Halambalakis received his BSc (Hons) degree in Physics of Laser Science from Heriot-Watt University of Edinburgh in Scotland in 2000 and his Ph.D. degree in Condensed Matter Physics & Nanotechnology from University of Montpellier in France, in 2005. Since 2013, he is co-founder of "ETEO" G.P. Company, which is specialized in production and exportation of Organic Extra Virgin Olive Oil Premium Category.

Christos Mistriotis, Non-Executive Member

Christos Mistriotis received a BA in Economics specializing in Econometrics from the University of Kent, Canterbury and Master's degree in Finance from Imperial College in London. He has been employed in brokerage - investment companies and since 2004 he is the Director of Treasury and Financial Risk Management (Treasurer) of a large group.

Panayiotis Skoularikis, Non-Executive Member

Panayiotis Skoularikis graduated from Athens College in 1989 and in 1992 he received a degree in economics from the University of Athens, followed by graduate studies at the London School of Economics from where he received a M.Sc. Economics / Operations Research and M.Phil. Economics / European Studies. By February 2013 he was appointed Assistant General Manager of Piraeus Bank Group.

Emmanouel Aggelakis, Non-Executive Member

Emmanouel Aggelakis is a graduate of the Kapodistrian University of Athens, and works for EYDAP, as Scientific Personnel since May 1993.

Georgios Alexandrakis

Georgios Alexandrakis is a Mechanical Engineer who took his degree from the Technological Educational Institute of Patras. He has been working in EYDAP since 2003. His position is head Engineer in the Engineering Department of the Electric-Mechanical Facilities of the Sewerage Network Administration.

Resignation dates of BoD Members and Decisions of General Assembly and BoD for the election of new Members.

Resignation dates of BoD Members

17/10/2015 resignation of Eleftherios Magiakis

Resolutions of General Meetings

1. Repeat after Postponement 33rd Ordinary General Meeting June 2nd 2015: election of Konstantinos Vafeiadis, Michail Stavroulakis (Independent Member), Nikolaos Sarantis, Ioannis Kardaras, Georgios Makrynos, Georgios Chalambalakis and Eleftherios Magiakis.
2. Extraordinary General Meeting January 15th 2016: ratification election of Messrs Konstantinos Papadopoulos and Ioannis Mpenisis and election of Mr. Alexander Pouliassis following the resignation of Board Member Mr. Eleftheriou Magiaki.

- * Election of EYDAP employees June 2012: election of Evangelos Moutafis and Emmanouil Aggelakis
- 3. Special General Meeting 28th/06/16, election of Panagiotis Skoularikis and Christos Mistriotis
- 4. Ordinary General Meeting 16th of June 2017: ratification of Mr. Alexandros Pouliasis as independent, non-executive Member
- * Election of EYDAP employees June 2017: election of Georgios Alexandrakis and Emmanouil Aggelakis

Resolutions of BoD

1. 18646/08.07.2015: election of Konstantinos Papadopoulos and Ioannis Benisis as Chairman and CEO respectively and their designation as the only executive Members. of the Board
2. 18648/22.07.2015: designation of Konstantinos Vafeiadis as executive Member of the Board.
3. 18790/19.01.2016: designation of Ioannis Benisis and Konstantinos Vafeiadis as the only executive Members of the Board

Number of BoD meetings from 01/01/2017 to 31/12/2017

During the above mentioned time period the BoD held thirty eight (38) meetings (1207th /17.01.2017 to 1244th /27.12.2017).

C. Shareholders' General Meeting & Rights

Operation and Powers of the General Meeting

The General Meeting of the Company's shareholders is the supreme body of the Company, being entitled to decide on any matter concerning the Company; its resolutions, passed as prescribed by law, are binding on all shareholders, even the absent or dissenting ones. Only the General Meeting has the authority to decide on the following:

- a. On any amendment of the Articles of Association; the increase or decrease of the corporate fund is considered to be an amendment subject to para. 4 of article 8 and para. 5 of article 9 of the Articles of Association;
- b. On the election of the members of the Board of Directors and the auditors subject to articles 11 and 13 of the Articles of Association;
- c. On the approval of the annual financial statements of the Company;
- d. On the allocation of the annual profits and the approval of the emoluments to members of the Board of Directors;
- e. On the discharge of the members of the Board of Directors and Auditors from any personal liability;
- f. On the issue of bond loans of any type, subject to para. 4 of article 9 of the Articles of Association;
- g. On the merger, division, conversion, revival, extension of the term and dissolution of the Company;
- h. On the appointment of liquidators.

As to the rest, the provisions of article 34, para. 2, of C.L. 2190/20, as applicable, shall apply.

Convocation of the General Meeting

The General Meeting of shareholders, convened by the Board of Directors, holds its ordinary sessions at the place where the registered office of the Company is located, at least once a year. However, according to the article 25 of Law 2190/1920 in effect, the General Meeting convenes at the Company's headquarters or another municipality's region within the headquarters' district or another municipality bordering to the headquarters, at least once every corporate period, until the tenth (10th) calendar day of the ninth month after the end of the corporate period, at the latest.

Exceptionally, the General Meeting may be held at another place located in Greece, upon authorization to this effect by the supervising Authority specifying also the conditions under which such authorization is granted. Such authorization is not required when shareholders representing the entire share capital are present or represented at the Meeting and no one objects to the holding of the General Meeting session and the adoption of resolutions.

The Board of Directors may also call an extraordinary session of the General Meeting of shareholders if it so deems advisable.

The Board of Directors is required to convene the General Meeting upon the requisition of the auditors, within ten (10) days as of the day the requisition was delivered to the Chairman of the Board of Directors, its agenda being as specified in the requisition. The Board of Directors is also required to convene the General Meeting upon the requisition of the (Hellenic) State. In case of refusal by the Board of Directors, the State can convene the General Meeting via the supervising Minister, by a written statement communicated to the Company.

When no Board of Directors exists, the General Meeting a) is called by an interim Board of Directors appointed by the competent Court pursuant to article 69 of the Civil Code, or b) is self-called provided all shareholders representing the entire share capital of the Company are present or represented at the relevant session of the General Meeting.

The Company does not provide for shareholders' participation and voting in the General Assembly via electronic or correspondence.

General Meeting Notice - Agenda

The notice to the General Meeting shall include as a minimum the date and time and the building where the meeting is to be held, as well as the agenda items clearly defined. The General Meeting shall be convened by publication of the relevant notice to the shareholders of the Company, pursuant to the provisions of the Articles of Association and pursuant to the provisions on publication contained in articles 26, para. 2, and 26a of Codified Law 2190/1920 as currently applicable. The notice shall be posted at a conspicuous place in the Company's headquarters, and shall be published as imposed by any applicable provision:

The said notice is published twenty (20) clear days in advance in the expected daily or weekly political and financial newspapers and in General Electronic Commercial Registry (G.E.M.I.) . In the case of a repeat General Meeting the above time periods set for the publication of the notice are shortened by half and the notice is to be published as above specified. It is noted that non business days are counted in the above stipulated time periods, however the day of publication of the notice to the General Meeting and the day on which the General Meeting session is held are not counted.

Within the same twenty-day (20-day) period the notice is communicated to the Ministry of Finance (General Secretariat of Public Property, Privatization Unit and management of securities) and the Ministry of Infrastructure, Transport and Networks. Ten (10) days before the date set for the Ordinary General Meeting, any shareholder may obtain from the Company the annual financial statements, as well as the relevant reports by the Board of Directors and the Auditors.

Shareholders rights and method of their exercise

Each share affords its owner the right to one vote at the General Meeting.

In the Shareholders General Meeting anyone who appears as a shareholder in the Dematerialized Securities System, which is managed by Athens Stock Exchange S.A., where the transferrable securities (shares) that appear in every account, concerning the General Meeting, has a right to participate. The proof of shareholders identity is established by the relevant written assurance of the above mentioned organization or by direct electronic connection of the Company with the organization's archives. The person must be a shareholder five (5) days before the General Assembly (record date), and the relevant release or the electronic certification concerning the shareholding capacity must come to the company the third (3) day before the General Assembly at the latest.

The shareholder participates in the General Meeting and votes either in person or via proxies. Each shareholder may appoint up to three (3) proxies. Legal entities may participate in the General Meeting appointing as proxies up to three natural entities. However, if the shareholder owns shares of the company that appear in more than one accounts, such restriction doesn't prevent the said shareholder to appoint different proxies for the shares that appear in every account, concerning the General Meeting. A proxy that acts on behalf of different shareholders may vote differently for each shareholder. The proxy holder is obliged to disclose to the Company, before the commencement of the General Meeting, any fact which might be useful to the shareholders in assessing the danger of whether the proxy holder might pursue any interest other than the interest of the represented shareholder. A conflict of interest within this context may in particular arise where the proxy holder:

a. Is a controlling shareholder of the Company, or is another legal person or entity controlled by such shareholder;

- b. Is a member of the Board of Directors or the management of the Company, or of a controlling shareholder or a legal person or entity controlled by such shareholder;
- c. Is an employee or an auditor of the company, or of a Controlling shareholder or a legal person or entity controlled by such shareholder;
- d. Is a spouse or close relative (of 1st degree) with a natural person referred to the above points (a) to (c).

The appointment and reverse of a proxy takes place in writing and is announced to the company according to the same forms at least three (3) days before the date of the General Meeting.

The forms for the appointment of a proxy holder, which the shareholder is obliged to use, are available on the Company's website. The appointment form of a proxy holder, completed and signed by the shareholder must be submitted to the Company at least 3 days before the date of the General Meeting. The shareholders are requested to ensure the successful dispatch of such forms and receipt thereof by the Company.

The (Hellenic) State attends the General Meeting represented by the Minister of Finance or his representative authorized in writing by the Minister of Finance. The General Meeting may also be attended, without voting right, by the Minister supervising the Company or his representative authorized in writing by the said supervising Minister. Specifically for the election of the members of the Board of Directors, the State, as a shareholder, is represented at the General Meeting by the Ministers of Economy and the supervising Minister or the official authorized by them.

The exercise of the above mentioned rights (attendance and voting) does not require the prior bound of the shareholders' shares or any other procedure that limits the possibility of selling or transferring shares in the time between the record date and the date of the General Meeting.

In the General Meeting only those who are shareholders in the respective record date have a right to participate and vote in the General Meeting. In case of non-compliance to article 28a of the law 2190/1920, the said shareholder participates in the General Meeting only after its authorisation.

Regarding the other rights of shareholders and minority shareholders and how to exercise them, the respective provisions of Law 2190/1920 are applied.

Ordinary quorum and majority vote at the General Meeting

A quorum shall be present and the General Meeting may validly transact the business contained in its agenda, when at least fifty one per cent (51%) of the paid-in share capital is represented thereat.

If no such quorum is present at the first meeting, a reiterative meeting shall be held within twenty (20) days as of the day of the cancelled meeting, upon a prior notice of at least ten (10) days, whatever the part of the paid-in share capital represented thereat.

All resolutions of the General Meeting are passed by absolute majority of the votes represented at the Meeting.

Qualified quorum and majority vote at the General Meeting

Exceptionally, a quorum shall be present and the General Meeting may validly transact the business contained in the following agenda when at least two thirds (2/3) of the paid-in share capital are represented thereat, in the case of resolutions regarding:

- a) Change of the nationality of the Company;
- b) Change of the object of the corporate business;
- c) Increase of the shareholders' obligations;
- d) Share capital increase, except for increases under article 8 (paragraphs 2 and 3), of the Articles of Association or those imposed under provisions of Law or effected by means of capitalization of reserves;
- e) Share capital reduction;
- f) Issuance of a bond loan, subject to the provisions of article 9, para. 4, of the Articles of Association;
- g) Change of the manner of allocation of profits;
- h) Merger, division, conversion, revival, term extension or dissolution of the Company;

- i) Delegation or renewal of power to the Board of Directors for Share Capital increase or issuance of a bond loan pursuant to article 8, para. 2 and 3, and article 9, para. 4, of the Articles of Association;
- j) In any other case for which the Law and the present Articles of Association stipulate that, for the adoption of a certain resolution by the General Meeting the special qualified quorum provided for in this paragraph is required.

If the quorum specified in the preceding paragraph is not present in the first meeting, a reiterative meeting shall be held within twenty (20) days as of the cancelled meeting, upon a notice of a minimum of ten (10) days in advance; such meeting shall form a quorum and may validly transact the business contained in the original agenda if at least one half (1/2) of the paid-in share capital is represented thereat.

If again no such quorum is present, then a second reiterative Meeting shall be held according to paragraph 2 of Article 31 of the Articles of Association; such meeting shall form a quorum and may validly transact the business of the original agenda if at least one third (1/3) of the paid-in share capital is represented thereat.

All resolutions under paragraph 1 of this article are passed by a majority of two thirds (2/3) of the share capital represented in the General Meeting.

Other Information

The information of article 27 paragraph 3 of C.L. 2190/1920 including the invitation, the forms of appointment and revocation of a proxy holder, the procedure of voting by proxy, the draft resolutions for the agenda items, as well as further information regarding the exercise of minority rights of article 39 of C.L. 2190/1920 are available in electronic form on the Company's website (www.eydap.gr).

D. Internal Audit System & Risk Management

The internal audit system of EYDAP SA is a set of processes, policies, principles, regulations, safeguards and organizational structures that are designed to provide reasonable assurance as to the accuracy and reliability of accounting and operational data, the protection and efficient use of Company's resources, the achievement of strategic objectives and the overall efficiency and performance of all operations.

EYDAP SA, within the framework of Corporate Governance and Best Business Practices, has made a series of organizational changes that ensure corporate transparency and the defense of shareholders and employees' interests.

Audit Committee

In the framework of the Corporate Governance of the Company, the evaluation of the Internal Audit System and the implementation of the Decisions of the Supervisory Authorities (Decision of the Hellenic Capital Market Commission 5/204/14.11.2000, Law 3016/17.05.2002, Law 4449/ 24.01.2017), the Company has established an Audit Committee, which consists of at least three (3) non-executive members of the Board of Directors.

Appointed by the General Meeting of Company's Shareholders and operates in accordance with the provisions of 3016/2002 Law and 4449/2017 Law and approved by the Operations Regulation of the Board of Directors, which specified the purpose, jurisdiction, the election, the composition, powers and responsibilities.

Composition of the Audit Committee from 01/01/2017 to 07/01/2017

From 01/01/2017 to 8/02/2017

Michail Stavroulakis, Chairman
Ioannis Kardaras, Member
Nikolaos Sarantis, Member

From 08/02/2017 to 31/12/2017

Michail Stavroulakis, Chairman
Ioannis Kardaras, Member
Alexander Pouliassis, Member

Resolutions of General Meeting and BoD for the election of Audit Committee Members

The composition of the above mentioned Audit Committee of the Company resulted from the following resolutions of General Meetings and Board of Directors Meetings:

Resolutions of General Meetings

- 1) Repeat following the postponement 33rd Ordinary Shareholders' General Meeting 2nd /06/2015: appointment of the Audit Committee by Messrs. Michael Stavroulakis as President and Ioannis Kardaras and Eleftherios Magyakis as Members.
- 2) Extraordinary General Meeting 15th /01.2016: ratification of the election of Mr. Nikolaos Sarantis in place of the resigning Member of the Audit Committee Mr. Eleftherios Magyakis.
- 3) 35th General Meeting of 16th /06/2017 for the appointment of another Independent Member of the Board of Directors of EYDAP for its participation in the Audit Committee by article 44 of 4449/2017 Law, Alexandros Pouliassis in place of the resigned Member of the Audit Committee. Nicholas Sarantis

Resolution of BoD

18712/11.11.2015: appointment of Mr. Nicholas Sarantis to replace the resigned Member Mr. Eleftherios Magiadis.
19124/08.02.2017: appointment of Mr. Alexanter Poyliassis to replace the resigned Member Mr. Nikolaos Sarantis.

Number of Audit Committee meetings from 01/01/2017 to 31/12/2017

During the above mentioned time period the Audit Committee held eighteen (18) meetings.

The Audit Committee, for the implementation of its work, meets at regular intervals and extraordinarily when required. The frequency and timing of meetings of the Audit Committee is proportional to the extent of its responsibilities, taking into account, among other things, the activity, size, business environment and the Business Model of the Company.

The Commission, for each meeting, keep minutes of meetings in which its actions and results are reflected in the implementation of its work and, as appropriate, submit reports to the Governing Council, if necessary.

The main responsibilities of the Audit Committee, as defined by the relevant legislation, concern the monitoring of the financial information process, the effective operation of the internal control system and the risk management system, as well as the proper functioning of the entity's internal auditor's unit of the audited entity.

They also concern the monitoring of the course of the statutory audit of financial statements and the review and monitoring of issues related to the existence and maintenance of the objectivity and independence of the statutory auditor or audit firm, especially when it regards to the provision to the so-called entity of other services by the statutory auditor or the audit firm. He is also responsible for the process of selecting a statutory auditor or auditor.

In 2017, the Operating Committee of the Audit Committee was updated to incorporate the requirements of Law 4449/2017 and the relevant recommendations of the Capital Market Commission and the European Directives regarding the operation of the Audit Committees. The new Regulation was approved by virtue of the Decision of the 1236th BoD Meeting No 19412 / 08.11.2017.

The Audit Committee has frequent contact with the Internal Audit Department in the performance of its duties. In this context, the Head of the Internal Audit Department is invited to participate in most of the Audit Committee meetings and to provide information on the progress of the audits carried out and to monitor the implementation of the corrective actions decided upon in the context of the audits. The Audit Committee also has frequent communications and meetings with the auditors to review the financial statements and evaluate the financial information provided.

The Chairman of the Audit Committee informs the Shareholders, at their Annual General Meeting, of the Commission's activities, in accordance with its responsibilities.

The Audit Committee in 2017 handled issues, the most important of which are categorized as follows:

- Approval of the audit program of 2017 of the Internal Audit Division and monitoring of the implementation process.
- Review of the work and operation of the Internal Audit Division.
- Evaluation of the financial statements in terms of their plentitude and consistency.
- Opinion on the choice of Audit Firm.
- Ensure the independence of statutory auditors.
- Support to Management for the introduction of best corporate governance practices on transparency and the fight against corruption in business operations.
- Overview of business risk assessment and management processes.

Division of Internal Audit

The internal audit of the Company is conducted by the Internal Audit Division, which is an independent organization unit referring to the BoD of the Company. The internal audit division is supervised by the audit committee of the BoD and provides security and advisory services. The Division operates according to Greek legislation, to Regulations of Operations approved by the Company's BoD, the international audit standards for the professional implementation of internal of the Audit Institute of Internal Auditors, as well as the ethical rules dictated by the basic principles of the Audit.

The Internal Audit Division aims to assist the Management, the Board of Directors, the Company's executives and employees in general, to perform their tasks more efficiently and to achieve the Company's objectives through an assessment of the operation of internal control systems, risk management and corporate governance, through data analysis and advisory services.

The Internal Audit Division's object is:

- To examine and evaluate the adequacy and efficiency of the company's Internal Audit System and to ascertain whether this system provides logical assurance regarding:
 - Compliance with the general functions of the Company and current legislation,
 - The security of the company's assets,
 - The economical and effective use of resources,
 - The reliability of the financial statements,
 - The reliability and integrity of the information used in decision-making
 - Recognizing and properly managing risks
 - Achieving the objectives of the operational functions
- To inform the Management for the results of the audit, the corrective actions required
- Monitoring the implementation of the agreed actions
- Performing special and extraordinary audits given by the Management.
- The cooperation of the Internal Audit with the External Audit, aiming to covering areas with high risks, threatening the Company, as well as avoiding duplicate audits.

The main actions of the Internal Audit Division in 2017 can be summarized in the following categories:

- Aiming to continuously improve the operation and efficiency of the Internal Audit Division and in accordance with the international auditing standards that foresee the obligation to periodically evaluate the adequacy of the Internal Audit

Operation Regulations, the Company's Operating Regulation has been updated. It was approved by 19412/08.11.2017 decision of the BoD. on the 1236th meeting.

- The number of completed audits was almost tripled comparing to the previous years, providing a large coverage of the annual audit program. Regarding their quality characteristics, the majority of the audits concern operational, risk based audits and focus on a wide range of Company activities, along with audit following Corporate Governance legislation. In addition to the planned audits, a significant number of extraordinary audits was completed.
- The Internal Audit Division administratively supported and coordinated actions undertaken by the Management to enhance sustainable business development. In the framework of good Corporate Governance and Corporate Social Responsibility and in line with the OOSA Guidelines, the European Policy and the Greek Action Plan to Combat Corruption, a policy against corruption and corruption was drafted and two-day information events were organized in which employees from the Company's Administrative Pyramid participated.
- By paying particular attention to continuous professional training and updating on developments in the Internal Auditor's profession, auditors attended training seminars and thematic nights and participated in conferences. Some of the auditors gained after passing a test, certification in DLP.
- Indicators of self-evaluation of the Division work were established, which are presented in the Annual Report of its activities to the Board of Directors of the Company.
- Supported the promotion of the concept of Corporate Risk Management by organizing a relevant informative presentation to the Company's executives and supporting the Company's Risk Management project in order to establish a single framework for the Company's principles-procedures-methods for Risk Management.

Risk management

The existence of a risk management framework is crucial to the implementation of Corporate Governance. Operational risk management is a structured, continuous and ongoing process that addresses to all levels of the organization in order to identify, record and assess risks, select appropriate responses, plan and implement safeguards, assess the adequacy and their effectiveness and the continuous monitoring and reporting of opportunities and threats that affect the organization's goals.

The Company gives particular attention to the effective monitoring and management of potential risks in order to maintain the stability and continuity of its operations, specifically:

- The formation of an overall framework and the recommendation of strategy, policies and procedures for managing and controlling the risks that the Company may undertake in accordance with the Management's directions.
- Defining, recognizing and assessing the risks incurred.
- Developing and implementing tools adjusted to the risk of pricing services provided and training of organizational units for their use.
- Developing a Crisis Response Scheme.
- Developing a corporate risk management culture at each hierarchical level of the Company.

Although each member of the Company plays his / her own role - within his / her responsibilities - to ensure sufficient risk management, the Board of Directors bears the overall responsibility. It sets goals, defines politics, and decides how to respond and whether or not to accept the remaining risk. Selects the risk management framework, the implementation of which is assigned to the Company's executives.

The Internal Audit Department, through the audits carried out, is responsible for providing objective management assurance for the effectiveness of the Risk Management System.

In 2017, a Risk Register was established for all the Company's activities and a relevant report was prepared to inform the Board of Directors.

An information event was also organized for EYDAP executives regarding types of risks, risk assessment and management as well as the concepts of controls and the three lines of defense of organizations.

E. Other managerial or supervisory bodies or committees of the Company

Within the framework of the Internal Rules of Corporate Governance and Operation and the rest of the regulatory framework, the following Committees operate:

- Committee on Health and Safety of Workers
- Procurement and Service Committees
- Third Party Litigation Committee
- Upgrade Service and Customer Request Management
- Settlement Committee of the Customer's Executive Division
- Security Intelligence and Information Systems Monitoring Committee
- Committee for the Assessment of Claims for Settlement of Debts
- Medical Council
- Administrative Council
- Promotion Boards
- Disciplinary Councils
- Management Board
- Technical Council

EXPLANATORY REPORT

Information pursuant to article 4, paragraph 7 of Law 3556/2007

Pursuant to article 4, par. 7 of Law 3556/2007, the company is obliged to disclose in the Board of Directors' Report information on the following matters:

Share Capital Structure

The Share Capital of the Company currently amounts to sixty-three million nine-hundred thousand euros (63,900,000) and is divided into 106,500,000 shares with a nominal value of sixty eurocents each (€ 0.60).

The Company's shares are all common shares with voting rights and there are no special classes of shares. Each share incorporates all rights and obligations arising from the Law 2190/1920 (hereinafter Law). The Company's shares are listed for trading on the Athens Stock Exchange.

The ownership of each share automatically implies rightfully the owners' acceptance of the terms of the Articles of Association and the legal resolutions of the General Meetings of shareholders, even if the shareholders did not participate in these. The liability of shareholders is limited to the nominal value of their shares. Shareholders participate in the management and profits of the company in accordance with the Law and the Articles of Association.

Restrictions on the Transfer of the Company's Shares

The transfer of the Company's shares is carried out as provided by the effective legal framework without restrictions imposed by the articles of incorporation.

According to Article 4 of Law 3016/2002, as applicable, the independent non-executive Members of the BoD cannot, among other things, own shares by more than 0.5% of the paid up share capital.

Major Direct or Indirect participations, as provided in Articles 9 to 11 of Law 3556/2007

Significant direct and indirect shareholdings of persons (natural and legal) on the total voting rights of the Company as provided in articles 9 to 11 of Law 3556/2007, presented below:

EYDAP received a notification from the Ministry of Finance on March 2nd, 2018 that the total number of voting rights (indirectly and directly) controlled by the Greek State amounts to 65.319.740 (61.33%), of which the direct voting rights refer to 53.250.001 (50%+1 share) common registered shares and the indirect voting rights refer to 12.069.739 (11.33 %) common registered shares.

This change in the direct and indirect shareholding of the Greek State in EYDAP S.A. is due to the transfer of 17,004,761 shares (15.97%) from HRADF directly to the Greek State, following the execution of an over-the-counter transaction, free of charge, according to decision 262 of the Interministerial Committee for Restructuring and Privatizations (GG tB / 614/22.02.2018), and the correction of the error (GG B 697/1.3.2018) which partially revoked the decision 195/27.10.2011 (GG B 759) of the Interministerial Committee for Restructuring and Privatization, following the decision 1906/2014 of the Council of State.

The total participation percentage (direct and indirect) of the Greek State has not changed.

On March 21st 2018, EYDAP received a notification from the Ministry of Finance, that the total number of indirect voting rights controlled by the Greek State amounts to 65.319.740 (61.33%). This change in the voting rights is due to the transfer of 53,250,001 shares of EYDAP S.A., from the Greek State to the "Hellenic Corporation of Assets and Participations S.A." (HCAP S.A.) following the execution of an over-the-counter transaction on March 20th 2018, free of charge, according to paragraph 20, article 380 of L. 4512/2018, which replaced paragraph 1, article 197 of L. 4389/2016, as in force from 1/1/2018.

The total (100%) of the shares of HRADF is held by the "Hellenic Corporation of Assets and Participations S.A." (HCAP S.A.), which now controls directly the voting rights of 53.250.001 shares (50%+1 share) and indirectly the voting rights of 12.069.739 shares (11.33%) via HRADF. Consequently, to total percentage of voting rights (indirect and direct) of HCAP S.A. amounts to 61.33%. The Greek State controls HCAP S.A. by 100%.

Paulson & Co. Inc. holds (indirectly) 10.648.800 voting rights corresponding to 9.99% of the total voting rights of the Company. John Paulson holds (indirectly) 10.648.800 voting rights corresponding to 9.99% of the total voting rights of the Company.

*John Paulson controls Paulson & Co. Inc. which manages investment funds. In this role it exercises the voting rights in the Company.

Shares Conferring Special Control Rights

There are no shares that confer to their holders' special control rights, except the right of the minority shareholders to elect in accordance with Articles 11 and 36 of the Company's Articles of Association two Board members through a special meeting convened specifically for this purpose. For convocation and decision on this meeting, the articles of the Articles of Association of the Company and the Law apply according for the convening and deciding on General Meetings. Every shareholder present and voting legally, is entitled to propose and pass a single Board Member regardless of the number of shares held.

Restrictions on Voting Rights

At the special meeting of minority shareholders (Articles 11 and 36 of the Company's Articles of Association) the majority shareholder is excluded from attending (former Greek State) and in the General Assembly that elects the remaining members of the Board the participation of minority shareholders is excluded respectively (Article 11 paragraph .2 section c).

The Company's Articles of Incorporation do not include any other restrictions on voting rights.

Agreements between Shareholders

The Company is not aware of any agreements between its shareholders, which entail restrictions on the transfer of its shares or on the exercise of voting rights associated with its shares.

Provisions Concerning the Appointment and Replacement of the Members of the Board of Directors and the Amendment of the Articles of Incorporation

According to Article 11 paragraph 1 & 2 of the Articles of Association, the Company is managed by the Board, with an odd number of Board Members and cannot exceed thirteen (13) or be less than seven (7) members.

The Board of Directors consists of:

Two (2) representatives of the Company's employees, elected (along with their alternate members) by direct universal suffrage, in accordance with article 17, par.1, of Law 2469/ (Government Gazette A' 38), as in force whenever.

Two (2) members representing minority shareholders, in accordance with the provisions of article 18, paragraphs 3 and 5 of Codified Law 2190/1920, elected as per the provisions of article 36 hereof.

Representatives of the shareholders, elected by the General Meeting; shareholders who participated in the Special Meeting provided for in article 36 hereof (concerning the election of the remaining members of the Board) may not participate in the said General Meeting.

According to paragraph 4 of Article 11, the elected from the employees two (2) Members, are appointed within two (2) months of their election. Until those employee representatives are appointed, the Board is lawfully constituted and operating without these members. As of their appointment, the said members are included ipso jure in the Board of Directors; if the Board of Directors has already held its inaugural meeting, it convenes again to include the said members.

According to paragraph 4 section (a) of Article 11, non-election, non-appointment or non completion on behalf of minority shareholders, for any reason whatsoever, to nominate their representatives may not prevent the Board of Directors from

holding its inaugural meeting, nor from validly convening and resolving; the number of the said representatives is not taken into account in the calculation of majority and quorum.

According to paragraph 5 of Article 11, In any event, the Board of Directors may convene and resolve validly without the representatives of employees, if the deadline specified in article 11, par. 4 hereof expires. In such case, their number is not taken into account in the calculation of majority and quorum.

Apart from the above differentiations, the other rules provided by the Articles of Association regarding the appointment and replacement of members of the Board of Directors of the Company, as well as the amendment of the Articles of Association, are no different from the provisions of Law 2190 / 1920, as in force.

Authority of the Board of Directors or Designated Members with Regard to the Issuance of New Shares or Share Repurchase (article 16 , Law 2190/1920)

The authority of the Board of Directors with regard to the issuance of new shares is laid down in article 8 of the Articles of Incorporation, which provides for the increase, reduction and amortization of share capital. Paragraphs 1 to 4 of article 8 state the following:

1. In order for the Company to increase its share capital, a resolution of the General Meeting of shareholders which provides for the amendment of the relevant article of the Company's Articles of Incorporation is required; such resolution may only be passed by qualified quorum and majority vote, as per article 31 hereof.
2. (a) Without prejudice to par. 4 of this article, it is expressly stated that by resolution of the General Meeting, subject to the publication formalities stipulated in article 7b of Law 2190/1920, as currently in force, the Board of Directors may be authorized to decide by majority of at least 2/3 of its entire membership, to increase the Company's share capital in whole or in part, through the issuance of new shares, up to the amount of the paid-up capital at the date on which such authority was granted to the Board of Directors.
(b) The General Meeting may renew such authority to the Board of Directors for a period that does not exceed five years per renewal; every renewal is effected upon completion of the previous renewal. Such resolution of the General Meeting is subject to the publication formalities stipulated in article 7b of Law 2190/1920, as currently in force.
3. A share capital increase resolved as per the provisions of paragraph 2 of this article shall not constitute an amendment of the Articles of Incorporation.
4. As an exception to the provisions of paragraph 2 of this article, when the Company's reserves exceed 1/4 of the paid-up capital, in order for the Company to increase its share capital, a resolution of the General Meeting reached in accordance with the provisions of article 31 hereof ("Special Quorum and Majority Vote in General Meetings") is always required, pursuant to which the relevant article of the Company's Articles of Incorporation is amended.

With regard to share repurchase, the provisions of Law 2190/1920 apply without modifications.

Important Agreements Effected, Amended or Terminated in Case of Change of Management

There are no important Agreements effected, amended or terminated in case of change of management, pursuant to public offering.

Agreements with Members of the Board of Directors or with Employees

There are no agreements between the Company and members of the Board of Directors or employees concerning severance pay in case of resignation, unjustified dismissal or termination of tenure or employment due to public offering.

NON-FINANCIAL INFORMATION

The content of the non-financial statement has been prepared in accordance with the requirements of the Law 4403 - Circular Economy 62784/2017 and the GRI Standards (version 2016). In this context, the following non-financial statement is based on the materiality analysis of the Sustainable Development issues related to EYDAP's activities and aims to prioritise the issues with the most significant economic, social and environmental impact as well as the issues that significantly affect the company's stakeholders. Furthermore, the statement includes performance indicators based on the GRI Standards.

A Business Model

Within the texts of the 2017 Annual Financial Report and the Notes in the Annual Financial Statements of December 31st 2017, EYDAP's business model is mentioned and the activities of EYDAP NISSON SA are described in-detail. Additionally, information and data are provided regarding the company's operation, the business environment, the organization and structure, the markets where it operates, its objectives and strategies as well as the trends and factors likely to affect the company's future growth.

B Risk Policy & Risk Management

In addition to the financial risks discussed in the relevant section, EYDAP focuses on the monitoring of specific issues recognized as essential in the context of Sustainable Development. These issues concern the broader thematic subjects of the Environment, Society (labour, social and human rights issues) and the Market, the Supply Chain as well as the Fight against Corruption and Bribery. The effects related to the following areas and their management are presented in more detail in the sections following.

- Human Resource Management deals with employment, training and education, talent retention, health and safety, issues that EYDAP manages through the use of relevant policies and procedures. The risks associated with these issues are further discussed in the corresponding sections.
- Respect in Human Rights within EYDAP's working environment as well as throughout the supply chain by using relevant policies and procedures. EYDAP SA is a company which, based on its corporate social responsibility and its obligations, pays great attention at safeguarding human rights in the workplace and to the elimination of discriminations.
- Environmental Compliance and avoidance of environmental impact caused by operations: an issue EYDAP manages with regard to the Protection of the Marine Environment, the Environmental Compliance, the Solid Waste and Wastewater Management, the responsible choice of appliances and products as well as through actions with regard to the reduction of energy consumption, carbon dioxide emissions and water consumption.
- Health and Safety of Consumers – Quality of Water Supplied: concerns the uninterrupted supply of healthy and clean drinking water of excellent quality and the avoidance of risks related to the health of the consumers.
- Health and Safety of Consumers - Sewerage Services: proper and uninterrupted operation, maintenance and upgrade of the collection, transport and wastewater treatment system within the Attica Basin.
- Access to Clean Water, Water Supply Resource Assurance & Water Supply Network Coverage: Continuous assurance of the necessary water resources and their sufficient treatment in order to produce drinking water of excellent quality as well as continuous assurance of the ability to distribute it through the water supply network to its customers.
- Reliable Water Supply and Water Efficiency: supply of drinking water in sufficient quantity, high-quality within acceptable pressure levels throughout the water supply system.
- Affordable pricing: access to clean water and hygiene for all the citizens by maintaining a ranking tariff.
- Fighting against Corruption, bribery and fraud: in order for such occurrences to be prevented and eventually avoided, relevant procedures and policies are applied.

C ENVIRONMENT

C1 Protection of the Marine Environment

Main non-financial risks

The protection of the marine environment through the responsible treatment of wastewater has always been an issue of high priority to EYDAP and its stakeholders. The issue is considered as material as it also relates to Sustainable Development. The protection of marine ecosystems is an issue of high importance and for the international community, while it is an important requirement in the area of our competence and specifically in Eastern Attica. EYDAP, being aware of the potential impacts of

its activities on the citizens' health and the environment, collects and treats the effluents targeting to the minimization of these effects. The Company, always in compliance with the required specifications, invests in the upgrading of the used technology and applies Circular Economy practices.

Through these practices and the responsible management of effluents, the Company is contributing to the accomplishment of Sustainable Development Goals: 6 "Clean Water and Sanitation", 12 "Responsible Consumption and Production", and 14 "Life Below Water", as defined by the United Nations Organization.

The three Waste Water Treatment Plants and more specifically the WWTP at Psyttalia, the WWTP at Metamorphosi and the WWTP at Thrasio with their central collectors, the extensive sewerage network and the serving pumping stations consist the principal environmental infrastructure for the collection and treatment of urban wastewater for the protection of the health of the citizens and the water recipients.

Company policy and Dew Diligence

Through the technically advanced treatment of urban wastewater in EYDAP's Wastewater Treatment Plants, clean water returns to aquatic ecosystems, while a part of it is being reused within the facilities. The solid residue from the treatment of the wastewater is the sludge, which is dehydrated, dried and used as solid fuel in cement manufacturing.

EYDAP's Wastewater Treatment Plants are playing an important role in the integrated water management and serve Athens' wider area population, Attica, among other areas.

Among the key lines of action of EYDAP's Business Plan, environmental protection holds a predominant position through the improvement of water and wastewater management infrastructure, including the management and disposal of wastewater treatment products.

The effective operation and treatment of effluents in the WWTPs, the compliance with the Environmental Conditions are documented by the continuous and systematic sampling of those specific outflows (according to Directives EU 91/271 etc and the approved Environmental Conditions).

The basic qualitative objectives for the preservation of the ecosystem's good state is the compliance with Terms for the treated outflows from the WWTPs, as determined by the Study for Environmental Impacts and the Decision for the Approval of Installations' Environmental Terms and Conditions.

The degree of achievement of our targets is validated through the continuous monitoring of the quality of the treated outflows from the WWTP's and of the water recipient in cooperation with the Hellenic Centre for Marine Research (HCMR).

As in previous years, in 2017 all WWTPs operated in full compliance with the terms and conditions for the treated outflows.

To the minimization of the indirect outflows into the water recipients greatly contributes the effective operation, the monitoring, the continuous maintenance by means of high technology and the development of the sewerage network.

The preservation of the Saronic Gulf's good ecological state, to the degree that depends on **the effective operation of the WWTP's and the achievement of the qualitative targets, safeguards the reputation and image of the Company from the risk of negative impact**, while in parallel protects it from financial and operation risks, as the imposition of fines.

The negative reputation may refer to the overall image of the Company but also to the trust of the stakeholders to the adopted environmental technologies, as for example the ones used at the Wastewater Treatment Plants.

On the contrary, the effective operation of the Psyttalia WWTP, as proved by the improvement of the ecological state of the Saronic Gulf, strengthens the trust of the stakeholders, while it contributes positively to the acceptance of new technologies and the development of new WWTP's.

It is worth mentioning that the preservation of the good ecological state of the Saronic Gulf does not depend solely on the competent operation of the Psyttalia WWTP and the sewerage network. A long series of factors that unfortunately are beyond EYDAP's responsibility, as for example the illegal waste disposal, marine casualties, rainwaters runoffs etc, influence the quality of the water recipients.

Outcome of these policies and key non-financial performance indicators

The Psyttalia WWTP, from its initial phase of operation in 1994, signaled the improvement of the Saronic marine ecosystem that had been significantly downgraded due to the uncontrolled disposal of untreated effluents. The operation of the Psyttalia

WWTP has contributed immensely to the preservation of the good environmental state of the Saronic aquatic ecosystem, the quality of which is highly important for a series of activities as fishing, tourism, sports, etc.

The improvement of the quality of coastal waters for recreation is proved by the fact that almost all the Saronic Coasts have been merited with blue flags, a symbol of environmental quality awarded with strict criteria to organized beaches managed by the coastal municipalities.

Psyttalia's Wastewater Treatment Plant has allowed Saronic Gulf's unique marine ecosystem to recover from its former critical condition. Following the operation of Psyttalia's WWTP for more than 22 years and the operation of the secondary biological treatment for 14 years the Saronic Gulf is in a very good ecological state (Directive 2000/60).

The results of the tests on the samples taken from the WWTPs outflows are uploaded to the Ministry of Environment and Energy National Database (<http://astikalimata.ypeka.gr>), accessible to the public.

The results, regarding the achievement of the treated outflows quality terms, per controlled parameter, for each one of EYDAP's WWTPs, are depicted in table below:

Achievement of the treated outflows quality terms				
	BOD5 Biochemically required oxygen (of the first 5 days)	COD Chemically required oxygen	TSS Total suspended Solids	T-N Total Nitrogen
2017				
Psyttalia WWTP	✓	✓	✓	✓
Metamorphosis WWTP	✓	✓	✓	✓
Thrasio WWTP	✓	✓	✓	✓

The improvement of the Saronic Gulf's ecological state and the absence of any negative impacts from the WTPs' outflows are documented by the multiannual monitoring of the marine ecosystem by independent research and state entities.

EYDAP has assigned the Hellenic Center for Marine Research the systematic monitoring of Saronic Gulf and Elefsina Bay, both characterized as sensitive recipients (Common Ministerial Decisions 19661/1982/1999 and 48392/939/2002). Monitoring includes all the essential indicators and parameters for the evaluation of environmental and ecological state of the marine ecosystem and more specifically: natural parameters such as temperature, salinity, density, dissolved oxygen, fluorescence, clarity/opacity, nutritive salts, chlorophyll. Saronic's ecological evaluation includes the study of biocoenoses, phytoplankton, benthic biocoenoses and sediments for the identification of active carbon, total nitrogen, total carbon and heavy metals.

According to the most recent data from the ongoing monitoring programme of **the Hellenic Center for Marine Research, recently completed (2017), certifies the preservation of the good state of the Saronic.**

The improvement of those systematically tested characteristics of the marine ecosystem of the Inner Saronic Gulf, along with the general public's acceptance and use of the beaches by the citizens of Attica, confirm the catalytic role of the effective operation of WTPs, especially that of Psyttalia since it is the largest of the 3 WTPs and with a direct effect to the Saronic Gulf.

Today the beaches of Saronic Gulf around Psyttalia present qualitative features that comply with the high prerequisites for bathing waters- fact which is proved by the environmental monitoring, with frequent tests realized by the competent state entities like Special Secretariat for Water, the Ministry of Environment and Energy and the programme Blue Flags.

C2 ENVIRONMENTAL COMPLIANCE

Main non-financial risks

Environmental compliance is an essential commitment in the application of an environmental policy within the Company's activities, as they are formed by the national environmental legislation.

EYDAP is in full compliance with the environmental legislation and its activities are in harmony with the National and European Policy and Targets, in the field of water resource and effluent management.

It is our aim the preservation and the responsible management of water as a precious natural resource, so the environmental compliance is essential but also the minimum requirement given the fact in many cases EYDAP takes initiatives beyond the fulfillment of the minimum legislative requirements for environmental compliance.

EYDAP, as a Public Utility Company, recognizes the particular importance of the issue of environmental compliance, while in case of failure this may provoke the imposing of high fines with significant financial consequences for the Company, as a result of the particularly rigorous National and European Legislation. Non environmental compliance may in addition cause substantial harm to corporate reputation regarding EYDAP's responsible environmental operation, considering that water management is a primal environmental activity.

Environmental compliance consists for EYDAP an essential factor of Sustainable Development, contributing at the same time to the achievement of Sustainable Development Goal 16 "Peace, Justice and Strong Institutions" as set by the United Nations. Environmental compliance is of high-priority to the Company's stakeholders, as shown by the Materiality Analysis, conducted in early 2017.

Company Policy and Due Diligence

EYDAP is committed to supporting and encouraging:

- a preventive approach towards environmental challenges.
- initiatives towards the promotion of environmental responsibility
- development and dissemination of environment-friendly technologies.

The implementation of the principles of prevention and protection in EYDAP's works and activities is applied through:

- studies on environmental impact assessment
- monitoring the effective operation of the wastewater treatment plants
- the collection of urban wastes with continuous on the spot samples and real time operation controls.

More specifically, environmental compliance is based on the development and consistency to the procedures of environmental authorization and refers to the following:

- environmental authorization for installations and activities
- compliance with environmental terms and conditions
- monitoring the compliance with environmental terms

Furthermore, the Company is active in research and development of environmental technologies in the fields of water and sewage treatment in collaboration with national and European research institutions.

In accordance to the principles of **prevention** and **protection**, the Company systematically evaluates the possible environmental impacts of its works and activities. The approved environmental conditions (by ministerial decisions) define the necessary measures, conditions and restrictions which ensure that the Company's works/activities or installations will operate within the principles of Sustainable Development.

This procedure, which aims at evaluating timely the environmental impacts when planning the Company's operations, includes the Drawing up of Environmental Impact Assessment (EIA), the consultation with the competent bodies and the stakeholders and the integration of compliance terms in the construction and operation of the works.

During the construction and operation of the works, there is constant monitoring for the implementation of the approved Environmental Terms. It is through this procedure that the environmental policies, for the protection of the environment and the Sustainable development, are integrated into the works study. These policies are expressed via the current National and European Legislation and the International Treaties and Specifications. Individual Company regulations and specifications may be integrated in the initial design phase of the works, through the environmental authorization procedure, if this is part of the preliminary design phase that prescribes the next phases of the technical studies.

Beyond the procedure followed for the drawing up of the environmental impact assessment and the environmental authorization, the principles of prevention and protection are integrated into the technical design of water supply and sewerage projects via rigid environmental specifications in the following fields:

- choice of appropriate materials and machinery
- appropriate study of the works, with effective back-up systems
- safeguard mechanism to deal with environmental casualties (casualties causing environmental pollution)

The operation and maintenance of infrastructure is of major importance for the achievement of environmental compliance. In EYDAP, we do have the organized units, at all times ready; to face effectively any problem may occur in our network or installations both in the water supply and in the sewerage sector.

At Institutional level, the principles of prevention and protection are incorporated into the Company's operations through a series of protective regulations that refer not only to the operation of the network and the installations but to the protection of the reservoirs and the basins areas too.

Outcome of these Policies and key non-financial performance indicators

The Company is in full compliance with the environmental legislation and adopts approved environmental specifications for all its facilities (WasteWater Treatment Plants and Water Treatment Plants).

Every WasteWater Treatment Plant and every Water Treatment Plant, and their additional works, operates under the Decision of Approved Environmental Terms. The same applies to every new work or modification of an existing one.

Compliance with environmental Legislation and Regulations

During the reference period there was not one incident of non-compliance with the environmental legislation and regulations

with the

C3 Wastewater and Solid Waste Management (Circular Economy)

Main non-financial risks

EYDAP, as a public utility company operating in the field of water services, has as its main activities the production and distribution of drinking water as well as the collection, management and treatment of urban wastewater.

In this context, EYDAP's operations regarding the solid waste and wastewater management are of particular importance for both the protection of the environment and the rational management of the available natural resources.

The international environmental awareness is directly related to the resource economy. The reuse of materials which were formerly regarded as "waste", is gradually being incorporated into the responsible business activity of the Company.

Through the responsible management of these wastewater and solid waste as well as through the implementation of the circular economy practices, the Company contributes to the achievement of the Sustainable Development Objectives as they have been defined by the United Nations and more specifically the objectives 3 'GOOD HEALTH AND WELBEING', 7 'AFFORDABLE AND CLEAN ENERGY', 12 'RESPONSIBLE CONSUMPTION AND PRODUCTION', 14: 'LIFE BELOW WATER' and 15 'LIFE ON LAND'.

Moreover, EYDAP, through its effort to contribute to the responsible management of recyclable materials and in order to actively contribute to the global effort for the exploitation of raw materials and their reintegration into the economic cycle, promotes the collection and recycling of paper and batteries.

In the situation of non-rational management of solid byproducts and of the improper wastewater treatment in EYDAP's facilities, institutional and financial risks may arise due to the possible imposition of fines and penalties. Moreover, such case would have a negative impact on the Company's image, which as a utility company should show that its highest priority is the protection of the environment and natural resources.

Company policies and due diligence

Following the wastewater treatment in the **Wastewater Treatment Plants (WWTPs)**, the produced water (processed outflow) is free from pollutant load by approximately 95% and ends up in the sea without adverse effects on the ecological balance of the marine ecosystem, whereas a part of it is reused in activities within the premises. The solid residue of municipal wastewater treatment is the sludge, which is being dehydrated and dried and it is utilised as fuel in the cement industry.

The processed outflow from all the three wastewater treatment plants end up in the wider marine area of the Saronic Gulf through proper disposal pipelines. In particular, the outflow of the Psyttalia WWTP ends up in the southern part of the Psyttalia island, the outflow of the Thriassio WWTP ends up in the Gulf of Elefsina and the outflow of the Metamorphosis WWTP ends up in the Saronic Gulf through the Kifissos river.

During the wastewater treatment process, **solid wastes** are generated, which mainly consist of sludge and of byproducts produced throughout the wastewater pre-treatment. These are non-hazardous waste, the responsible disposal and management of which is a priority for the EYDAP's stakeholders such as the local communities of WWTPs, taking at the same time into particular consideration their large annual quantities.

The sludge created by the sedimentation and the filter washing in the **Water Treatment Plants** is transferred through a special pipeline to existing premises, where a part of the recovered water is led through a pumping station to the water treatment tanks. Then, having acquired an aqueous form is led to the Psittalia Wastewater Treatment Plant through the sewage system of EYDAP.

In the refineries of Aspropyrgos and Polydendri, this sludge is dehydrated and the solid product due to its composition is suitable for a range of alternative uses in areas such as:

- Cement industry
- Ceramics
- Horticultural
- Soil improvement

The solid wastes derived from the wastewater pre-treatment production process at the Waste Water Treatment Plants (screenings, sand and heavy solids) and the primary sludge (fine sludge scrubbing) are led to landfill.

Average daily quantity of screenings per Wastewater Treatment Plant (WWTP) (Psyttalia, Metamorphosis and Thriassio) 2017			
Screenings and sand (tn/d)			
2017	Psyttalia WWTP	Metamorphosis WWTP	Thriassio WWTP
	26,69	1,84	0.03

Total 2017 (screenings and sands to Landfills): 10.282,1 tn

The drying of the dewatered sludge produced by all the three Wastewater Treatment Plants is carried out at the Psyttalia Wastewater Treatment Plant.

The total amount of the dried product produced is thermally exploited by the cement industry as an alternative fuel, applying this way a sustainable management solution as well as a technologically modern and environmentally acceptable solution.

Dried sludge from the Psyttalia WWTP drying unit for 2017: 56,710 tn

In addition to the above, during the digestion process the sludge produces biogas, both in Psyttalia WWTP and in Metamorphosis WWTP. The produced biogas is utilized for the production of energy. In particular, in the Psyttalia WWTP the total quantity of biogas produced is used for the premise's needs whereas in Metamorphosis WWTP approximately 70% of the amount of the biogas produced is used.

The total amount of biogas produced in the WWTPs of EYDAP: 28.321.979 Nm3

EYDAP, within the context of sustainable water resources management and the implementation of the best available techniques, invests in the upgrade of the facilities **in the Water Treatment Plants** of Menidi and Galatsi, by constructing the necessary additional works for the treatment and management of the sludge produced during the process of water refining.

Similarly with the Aspropyrgos and Polydendri refineries, the sludge produced from the water treatment, will be utilized as soil improver for various crops or for soil improvement in case of tree planting, for the cement industry and the pottery industry. The necessary studies for the above projects have been conducted and the projects will be auctioned promptly.

Paper and battery recycling

A material recycling system has been set up in the office buildings as well as in the other facilities of EYDAP.

Since July 2017 and in collaboration with the Green Angels, recycling paper bins have been placed in all of the EYDAP's main buildings. Used office paper is not thrown in the garbage, but it is collected in the buildings "produced" and then it is distributed to recycling companies.

Results of these policies and non-financial key performance indicators

Reuse of Outflows of the Wastewater Treatment Plants

Part of the outflow of the Wastewater Treatment Plants (Psyttalia and Metamorphosis) is used for both the green irrigation as well as for various uses, such as washings and other water needs of the premises (industrial water). This quantity is used in the facilities of EYDAP and is not yet available to third parties.

Volume of recovered water (from the processed outflow) which was reused in 2017	
Total Quantity (m ³)	5.255.630
Daily reuse (Industrial water m ³ /day)	14.598

The integrated wastewater management of Attica is a strategic objective for the EYDAP Company. (this topic is analyzed further in the chapter 'Health and Safety of Consumers: Sewerage Services')

All the planned projects will terminate the uncontrolled disposal of the untreated effluents and they will ensure the quality and sustainability of the groundwater resources. In this way, EYDAP further contributes to the achievement of the Sustainable Development Goal 14: LIFE BELOW WATER.

Through the use of recovering water for irrigation of crops and urban green areas, valuable natural resource is being saved. Furthermore, the conditions for the regeneration of primary activity in the area are created as well as for the regeneration of further related activities directly dependent on the availability of water, thus contributing to the achievement of the Sustainable Development Goal 15: LIFE ON EARTH.

Re-use with sewer mining

EYDAP implements a reuse strategy in its existing WWTPs whereas at the same it further develops relevant research programmes aimed at the decentralized reuse through the exploitation of wastewater directly from the sewerage network.

More specifically, under the DESSIN European Research Programme, the unit established in EYDAP's Environmental Research and Development (R & D) Service in Metamorphosis, is investigating a new technique known as **sewer mining**, which is being implemented for the first time in Greece and it has been implemented so far only in Australia.

A sewer mining unit **receives sewage directly from the sewerage network**, processes it on site and consequently **produces recycled water for reuse**.

"Sewer mining" can decrease pressure on the water and sewerage network from the increase received due to the population growth and aging of the infrastructure. It also reduces energy consumption due to the lack of wastewater transport to the central processing plant and due to the lack of the recycled water transport to the point of use, as it achieves decentralized treatment and reuse in the area where the water is required.

The social and environmental benefits of the sewer mining technology are important as it achieves:

- Reduction in the quantities of treated effluents led to water recipients.
- Reduction in the water demand from surface and groundwater aquifers and conservation of their water reserves.
- Possibility of enrichment of underground aquifers.
- Cost reduction of effluent transfer.
- Possibility to create and maintain urban green areas that are very important for the quality of city life, without utilizing drinking water for their irrigation.
- Possibility to provide recovered water for irrigation uses in areas with water scarcity, such as the islands.

EYDAP, continuing the utilization of the sewer-mining technology, participates in the funded European research project **NEXTGEN**, with a similar reuse unit, as part of the redevelopment of the Elaionas area and in collaboration with the Municipality of Athens.

DESSIN and EYDAP were being awarded in the "Products and Services" and "Biodiversity" categories, during the 6th "Business Awards for the Environment".

Paper and battery recycling

Regarding paper recycling, 9,377 kg was collected in 2017.

Similarly, used batteries are gathered in special bins in the company's buildings and facilities and they are collected from there by AFIS (recycling of portable batteries and accumulators). According to AFIS and EYDAP data, 227 kg of batteries had been collected from the buildings of EYDAP in 2017.

C4 Energy saving

Production of energy from renewable and alternative sources

EYDAP, in order to exploit the renewable and alternative energy sources and with a view to optimize its energy balance, has developed energy production facilities from **small hydropower projects installed in its aqueducts** as well as heat and electric energy cogeneration plants by using the biogas produced from the sludge treatment in the Wastewater Treatment Plants (as it has been described above).

Moreover, energy saving actions are carried out at the Company's premises and buildings, aiming at reducing the energy consumed.

Specifically:

1. A tender is currently in place regarding the supply and installation of LED lamps in five (5) buildings of EYDAP in order for the existing old technology with high energy consumption to be replaced. Furthermore, the immediate next stage is for this to be expanded in the other privately-owned buildings of the Company as well as in the exterior / all around lighting at the large plots of EYDAP (e.g. in the Water Treatment Plants, in Marathon, etc.)
2. Energy audits have been carried out in five (5) buildings of EYDAP with proposals for their energy upgrade, whereas the relevant audits for six (6) more buildings are in progress. This activity will continue until all EYDAP building are covered. Based on these proposals / suggestions, energy-saving actions will be undertaken.
3. With the assistance of an external energy consultant, the possibility of installing **photovoltaic power stations** through the use of the net metering system at EYDAP's facilities is investigated aiming at the achievement of significant energy savings.
4. Lastly, the potential of installing **wind power plants** is investigated with the contribution of the aforementioned energy consultant.

The energy production from small hydropower plants (SHPP) along the external aqueducts reaches 22,903,948 KWh / year. In detail, the energy output from each Small Hydropower Plants (SHPP) is given in the following table:

SHPP	Energy Consumption (KWh) 2017
Kirfi	4.443.839
Elikonas	3.902.862
Mandra	3.445.952
Evinos	5.371.420
Kithaironas	5.739.875
TOTAL	22.903.948

Total electrical energy produced from Biogas in the WWTPs (KWh/y)	24.173.510
Total thermal energy produced from Biogas in the WWTPs (KWh/y)	113.900.833

The exploitation of the Biogas in the WWTPs and the energy production from Small Hydroelectric Plants contributes to the achievement of the National objective regarding the increase of energy production from Renewable Energy Sources whereas at the same time it contributes to the achievement of the Sustainable Development Objective 7: Affordable and Clean Energy.

Total Energy Produced from Renewable Energy Sources	160.978.291	KWh
Total Energy Consumed	341.945.568,8	KWh

Social and Employment Issues and Respect to the human rights

D1 Employment

Main non-financial risks, policies and due diligence

Our human resources consist of the powerful and constantly evolving intellectual capital of our business. The staffing of the Company with specialized personnel takes place through the recruitment of both permanent and under temporary contract staff. This helps us to ensure that our needs are always met and that we are able to respond in a timely manner to the vital needs of the water supply and sanitation of the inhabitants of the wider Attica region.

The Company has repeatedly highlighted the importance and necessity of the recruitment of both permanent and contractual workers in multiple of its operational fields (water supply, sewerage, meter reading) in order to ensure the proper operation of its Departments and the supply of its social work.

In this context, it has occasionally proclaimed 8-month job vacancies in order to avoid the risk of failing to respond to the imperative requirements for clean water supply, sewerage services, etc., especially in periods of increased demand.

The employment needs of the company are met through a recruitment process which is always carried out under a relevant legal framework and through ASEP, which ensures the objectivity and transparency of the process.

The purpose of EYDAP when it comes to the employment field is the recruitment of both permanent and contractual workers in order to ensure its proper operations as well as the proper implementation of its work.

The hitherto restrictions in recruitment due to the Law 3833/2010 have led to the number of employees constantly decreasing and to the aging of the staff. Meanwhile, the growing needs of the Company and the expansion its activities (new geographical areas are integrated in the water and sewerage network) have led to the imperative need of recruiting more permanent staff. The recruitment shall give life, further development and a creative flair to EYDAP. For this reason, in 2017, a tender for the recruitment of permanent staff was prepared and two competitions for fixed term (of 8 and 18 months) contractual staff were launched.

Results of policies and non-financial key performance indicators

The Human Resources Department and its Services (Personnel, Payroll Service, General Secretariat Service, Medical Healthcare Service and Administrative Health Care Service) are certified with ISO, which has been fully renewed since May 2017 and has been conformed to the requirements of the latest version of the ISO 9001: 2015 standard.

HUMAN RESOURCE FACTS [GRI 102-8]						
	Men		Women		Total	
	2017	2016	2017	2016	2017	2016
Attica						
Permanent	1.518	1.526	631	635	2.149	2.161
Contract	164	97	111	60	275	157

Total	1.682	1.623	742	695	2.424	2.318
Boeotia	2017	2016	2017	2016	2017	2016
Permanent	75	85	4	4	79	89
Contract	5	3	0	0	5	3
Total	80	88	4	4	84	92
Phocis	2017	2016	2017	2016	2017	2016
Permanent	25	27	6	6	31	33
Contract	4	3	1	0	5	3
Total	29	30	7	6	36	36
Aitoloakarnania	2017	2016	2017	2016	2017	2016
Permanent	11	11	0	0	11	11
Contract	0	0	0	0	0	0
Total	11	11	0	0	11	11
TOTAL	2017	2016	2017	2016	2017	2016
Permanent	1.629	1.649	641	645	2.270	2.294
Contract	173	103	112	60	285	163
Total	1.802	1.752	753	705	2.555	2.457

Notes:

- Data with effective date as of 31.12.2017
- The number of contract employees concerns: 8months contracts and contractual cleaners
- Students and trainee lawyers are not taken into account as they are not considered employees of the Company

The 88.85% of EYDAP's employees are under Business Collective Labor Agreements. It is only the 11.15% of the fixed-term contractors which is not covered by the above Collective Agreements but instead it is covered by the General Labor Legislation. Due to the distinctiveness, undeniable difficulty and risk of the Company's business, the necessity for the recruitment of highly educated staff is apparent. EYDAP, in order to meet this need and to respond to the contemporary requirements of a modern company, employs a large number of personnel who have a university background and hold a 2nd degree or a postgraduate diploma or a PhD. More specifically, 618 employees are graduates of higher education schools whereas 7 of them hold a second higher education qualification, 131 hold a postgraduate degree and 33 hold a PhD.

The hierarchical and salary promotion of staff depends to a large extent on the evaluation of employees through the Crisis Leafs, which takes place every year and it is provided for by the Staff Regulations of EYDAP. However, as of 14/2/2012 and according to the Law 4046/2012 no salary promotions (maturations) are made due to their suspension.

In 2017, EYDAP, in order to meet its emergent and periodic demands, proclaimed the demand of filling vacancies of a) duration of 8 months (GMO 1/2017) for 220 contractual workers, drivers, counters, electricians and mechanics b) 18-month duration / 2017) for 57 contractual cleaners.

RECRUITMENT OF CONTRACTORS [GRI 401-1]	
Recruitment in 2017	
Men	167
Women	107
TOTAL	274
Recruitment in 2017 per age distribution	
<30 years old	15
30 - 50 years old	174
>50 years old	85
TOTAL	274
Recruitment in 2017	
Attica Region	264
Boeotia Region	5

Phocis Region	5	
Aitoloakarnania Region	0	
TOTAL	274	
WITHDRAWALS **		
Distribution per gender		
Men	22	
Women	5	
Total	27	
Age Distribution		
<30 years old	A	C
	0	0
30 - 50 years old	1	1
>50 years old	21	4
TOTAL	22	5

Notes:

* Data with effective data as of 31.12.2017, concerning the contractual employees

* New recruitments concern only contractors with contract duration of 8months as well as for contractual cleaners

* Students and trainee lawyers are not taken into account as they are not considered employees of the Company

** Withdrawals concern only the permanent employees

** From the total number of withdrawals (permanent employees), 3 men were employed in the Company's facilities in the Municipality of Boeotia whereas the rest of the total number of withdrawals was employed in the Municipality of Attica

The Company offers significant supporting benefits to permanent workers. Such benefits include the Health Service, which manages the medical and pharmaceutical insurance of the employees, their insurance with a private insurance policy and the provision of lump sum compensation upon their retirement.

The benefits to permanent workers in all areas of activity are :

- Insurance
- Private insurance for employees and their children
- Provision of compensation to employees by the insurance company in case of partial or total disability to work caused by workplace accident or in case of retirement with a disability
- Provision of a nine-month parental leave permit to either a mother or a father
- Pension Insurance Contract for doctors (upon request)
- Pension Insurance Contract for engineers and lawyers (upon request)
- One-off allowance for any employee on retirement
- Payroll every fortnight
- Ownership of shares
- Funding for learning one foreign language
- Funding for children summer camps
- Funding to employees for undertaking undergraduate or postgraduate studies
- Provision of school and university loans for employees' children

More specifically, in 2017, 16 employees of the Company (12 Men and 4 Women) were being approved and granted a 9-month child-raising permit under the Law 4342 / 23-12-2015 [GRI 401-3].

CULTURAL CENTER OF EMPLOYEES

At the same time, the Company strives to the development of meaningful relations between its employees and the enhancement of team spirit and collaboration, through the existence and operation of its Cultural Center. For this reason, activities which promote culture and good interaction of people take place throughout the year. Such activities include the participation in groups such as mountaineering, theatrical or chorus, the opportunity to watch theater performances or the arrangement of guided tours in exhibitions and archaeological sites or even the possibility of blood and platelet donation which takes place 3 times per year at the company's premises.

THE RIGHT TO SYNDICALISM

The constitutional right of syndicalism is exercised by the employees of EYDAP through the EYDAP Employees' Federation, which was founded in 1979. It is a Secondary Trade Union and represents the employees of the company.

The aim of OME – EYDAP is to study, protect and promote the union, economic, professional, moral, insurance and social interests of its members, to protect the environment, to implement the principle of gender equality and to ensure corporate responsibility.

The objective is to claim the improvement of the employee working conditions through dialogue and cooperation with the Company's management, always within the framework of corporate social responsibility rules.

In order to achieve its objectives, the Federation negotiates with each competent body or person so as to resolve the problems of its members whereas it ensures the establishment of the Business Collective Labor Agreements. Furthermore, the Federation actively participates in the Service Councils, the Disciplinary Councils and any other body or entity where it is represented. Lastly, the Federation is represented by two members who have the right to vote on the Company's Board of Directors.

SUPPORT TO YOUNG PEOPLE

EYDAP supports young people in their efforts to improve their education, to familiarize themselves with the working environment as well as to gain experience in a real workplace environment. In this context, 360 students of tertiary education (undergraduate or postgraduate) were employed during the summer months of July and August of 2017, following a decision of the Board of Directors of the Company.

During 2017, 245 students of Technological Education (A.T.E.I.) have either begun or have completed their internship at the Company's facilities and services within the framework of the compulsory internship suggested in their curriculum and thus acquiring substantial knowledge and training in their educational fields. EYDAP materializes this for years and the students' preference for the Company continues to be great. This success is the result of the good collaboration between the Educational Institutions and the executives of the Company and of course of the trainee students themselves.

Lastly, in 2017, following the decision of the EYDAP's Board of Directors and within the framework of its affiliation with the "Workplace Education Program", 28 apprentices of professional high schools (EPAL) were recruited.

EYDAP, as the largest company in its field, aims to contribute to the successful implementation of apprenticeships for the benefit of both the apprentices and the local community. The apprentices are trained in the workplace for 9 months and this, in combination with the educational programme at University, can certify their knowledge and thus enable them to get easier into the job market. Apprentices are employed in the areas of their expertise i.e. in both technical and management fields. Furthermore, they are insured with full insurance coverage with EFKA and they shall receive 12 days of annual leave, as required by the law.

D2 Worker's Health and Safety

Ensuring health and safety conditions for employees is an indisputable right of employees and at the same time an obligation of the company. EYDAP acknowledging that its activity (Water Supply – Sewerage Services - Wastewater Treatment) involves many and serious risks to its employees' Health and Safety, is taking measures to prevent and avoid any work-related accidents.

Due to the large volume of its activities, EYDAP has concluded contracts with partners to get assistance in various technical activities, with the absolute condition that they will be observing security measures, as required by current legislation. Control is carried out by supervising engineers.

By managing responsibly the issue of Health and Safety in the workplace, EYDAP's contributing to the achievement of Sustainable Development Objectives 3 "GOOD HEALTH AND Prosperity" and 8 "DECENT WORK AND ECONOMIC DEVELOPMENT" as defined by the United Nations.

1. Worker's Health and Safety Risks

- i. Misuse of Personal Protective Equipment and failure to apply security measures.
- ii. Insufficient staff training.
- iii. Little experience (workers with short-term contracts)
- iv. Use of non-certified tools.
- v. Non-implementation of Occupational Risk Assessment.

vi. Failure to comply with the Traffic Code when transporting workers.

Beyond the obvious risk to workers' health and the economic impact of accidents in the workplace (lost labor hours, damages etc), there is also a risk of a possible loss of confidence of the workforce to the employer, and also a loss of credibility of the company from the part of consumers and partners.

Company policies and due diligence

Within the framework of managing this substantive issue, EYDAP has IPPS (Internal Protection & Prevention Service) staffed by Security Technicians (ST) and Occupational Physicians (OP) conducting hundreds of inspections (per year) in the places of work. IPPS is consulting the administration and they are both working intensively towards the reduction of occupational hazards.

The Security Technicians and the Occupational Physicians are responsible for preparing Health and Safety directives, upgrading standards for PPE (Personal Protective Equipment), WAOH (Written Assessments of Occupational Hazard), the pilot implementation of the OHSAS 1800001 Health & Safety System, measurement of harmful factors, publication of brochures.

Furthermore, EYDAP implementing Law 3850/2010 (Codification of the entire Labor Legislation) has established a Health and Safety Commission for Workers (HSCW) composed of elected representatives, whose objective is to identify hazards, highlighting any problems (related to Health & Safety) in places of work etc.

Additionally, EYDAP by acknowledging the fact that Safety and Health in the Workplace and the prevention of occupational hazard are not only a legal and moral obligation but a business necessity for the safeguarding of the Health and the Safety of its Workers as well as its Sustainable Development, it updated its Health & Safety Policy Statement. The Company in 2017 started the development and implementation of a Health & Safety in the Workplace Management System, in accordance with GSO (Greek Standardization Organization) 1801 and OHSAS 18001, which will be completed in 2018.

Safeguarding the Health and Safety of employees is a long-standing policy in all of its activities and it is linked to the observance of the following principles:

- **Compliance** of EYDAP with all current laws and regulations and application of programs to ensure it, creating additionally its own Health & Safety Guidelines.
- **Prevention** of accidents at work by applying procedures. Furthermore present Policy Statement covers EYDAP's facilities and equipment against deterioration, failure or destruction, as well as third parties and the environment from its activities.
- **Communication** with employees through training using in-depth seminars on health and safety at work, posting instructions and sound workflows, monthly Health & Safety messages, and endlessly monitoring, documenting and assessing the safety level to continually improve it.
- **Commitment** to continuously recognize occupational hazards, assessment of these risks and implementation of necessary control, protection and prevention measures for a safe working environment, prevention of injuries, elimination of accidents at work and occupational diseases.

Results of these policies and non-financial key performance indicators

Types of injuries and injury rates, occupational diseases, lost working days and unauthorized absences from work, and total number of work-related deaths [GRI 403-2]			
Number of work-related deaths	Male	Female	Total
Number of work-related deaths during the period considered	0	0	0
Injury Rate (IR)	Male	Female	Total
Total number of work-related injuries during the period considered	14	4	18
Total working hours during the period considered	3.114.504	1.287.216	4.401.720
Injury Rate (IR)	0,89901955	0,62149631	0,81786211

Occupational Diseases rate (ODR)	Male	Female	Total
Total cases of occupational diseases during the period considered	0	0	0
Total work hours during the period considered	3.114.504	1.287.216	4.401.720
Occupational Diseases Rate (ODR)	0	0	0
Lost work days rate (LDR)	Male	Female	Total
Total number of lost work days during the period considered	665	176	841
Total work days during the period considered	475.329	198.290	673619
Lost days rate (LDR)	0,00017488	0,0001	
Absence rate (AR)	Male	Female	Total
Total number of days of absence during the considered period.	1.850	423	2.273
Total number of workdays during the period considered	475.329	198.290	673.619
Unauthorized absences rate (AR)	0,39%	0,21%	0,34%

Clarifications:

1. The Company's Health and Safety Policy applies to all employees, regardless of their type of contract. For this reason only the "Employees" field has been filled in the chart above. IPPD does not discriminate between EYDAP's employees based on the type of their contract.
2. All of the Workplace Accidents (WA) reported to IPPD through a workplace accident report, irrespective of severity and degree of injury.
3. WA statistical data are collected from:
 - The report and the investigation of a Workplace Accident.
 - The «Accidents Record» kept by the IPPD in which the main elements of the WA are recorded (date, hour, worker's number, place, type of injury, victim's department, sex, days of sick leave).
 - The Health Services (days of recovery) and the (hours of work, leaves of absence and so on).

This statistical processing of data (WA number, recovery days, victim's sex, accident site, etc.) through the use of excel software is being incorporated into the "Annual Activity Report" sent by IPPD to EYDAP's management at the beginning of the year and it concern employees of the Company (as mentioned above) not partners.

4. "Lost days" begin from the day of the accident, if this happened near the beginning of the workday, or the next day, if this happened near the end of the workday.

For workers' groups who run an occupational disease risk, such as workers in Sewage Sectors, IPPD / EYDAP has proposed and EYDAP's Management have taken, the necessary preventive and precautionary measures:

- preventive vaccination against hepatitis B
- distribution personal protective equipment
- annual preventive medical checks.

Furthermore, the whole of the personnel, depending on their position get:

- equipment necessary for the prevention of workplace accidents (Management Bulletin 22/15).
- STs carry out annual seminars in the places of work, (at least one seminar per Department depending on the needs) in which they highlight workplace risks and ways to avoid them, the necessity and proper use of MPPs, the proper application of protection means, instructions for the use of fire extinguishers, instructions in case of an earthquake, instructions on proper manual labor etc. IPPD's aim is to cooperate with the Directorate of Training for the establishment of a Health and Safety ETC.

In EYDAP, in 2017 there was no incident of occupational disease and no loss of human life (worker death) from occupational disease was recorded

D3 Training & Education

Main non-financial risks, policies and due diligence and results of these policy and non-financial key performance indicators.

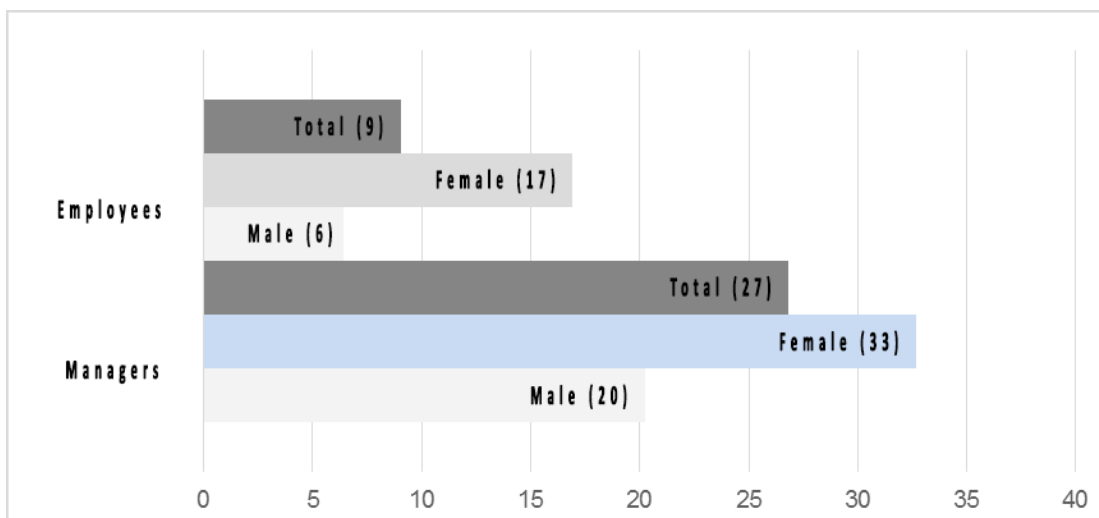
Continuous training of EYDAP's employees in new technologies and innovative knowledge in general is a prerequisite for the Company itself, as the knowledge gained is utilized for its better functioning, more efficient management of its operations, its staff, its customer service, communication, etc., which strengthens the Company's strategy of creating shared value, through the way it operates and the services it offers.

The Company has a Human Resources Training and Development Directorate, which in 2017 offered 82 training courses (technical, administration, finance, computer systems, etc.), which were implemented in 131 training seminars, training 887 employees, who put their knowledge into immediate use.

EYDAP additionally gives an opportunity to its employees to obtain a bachelor's or postgraduate degree or a specialization from Higher Education Institutions, covering tuition fees, provided the subject matter is related to the main or supporting activities of the Company. It also encourages the participation of its employees in seminars, conferences, training in new technologies, tactics of self-defense and security (armed guards). In 2017, 10 employees applied for and received part or all of the tuition fees to study.

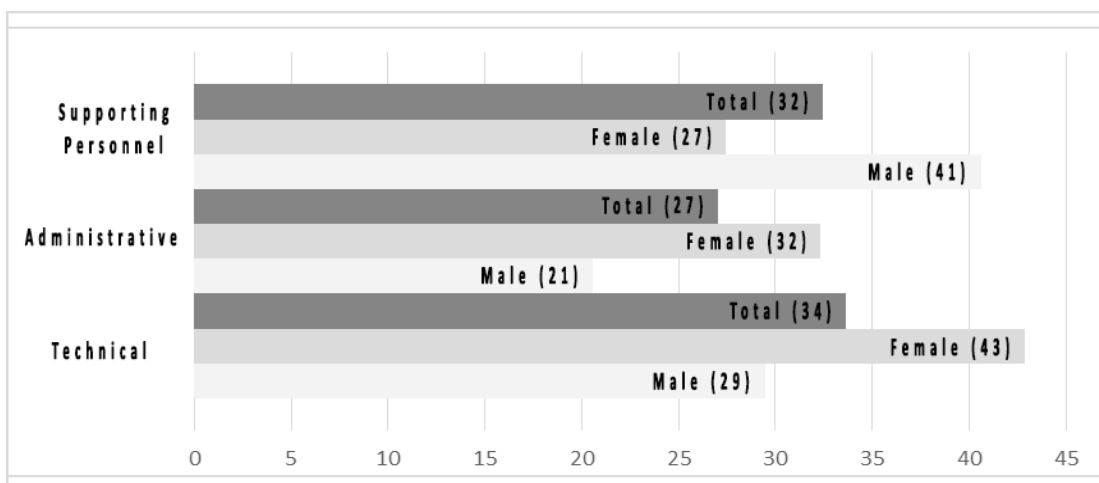
The Human Resources Training and Development Directorate and its Services (Educational Programs Evaluation & Assessment of Educational Programs Service and Training and Educating Support Service) are ISO 9001:2015 certified.

Average Hours of training Human Resources per Level*



* The average hours of training has been calculated per trainee of each level.

Average of hours of training employees per Function*



* The average hours of training has been calculated per trainee of each function.

D4 Human Rights at Work

Major non-financial risks, policies and due diligence

EYDAP, in the context of social responsibility and its obligations, attaches great importance to the safeguarding of human rights at work and the elimination of discrimination.

This attitude is reinforced by the fact that in EYDAP's Internal Staff Regulations it is stipulated in Article 5, regarding Personnel Behavior, that "employees of the Company must respect their colleagues, cooperate with them for the promotion of its mission and the achievement of the Company's goals, to behave to all with courtesy and to have the proper behavior."

Workers' rights are safeguarded through Collective Agreements and compliance with legislation, such as respect for leaves, consistent and uninterrupted pay, health insurance and hospital care coverage for workers and their insured members, good facilities, pleasing work areas with ergonomic furniture and sufficient technical equipment to ensure good employee performance.

At the same time, EYDAP has incorporated into its staff 232 people, in accordance with the provisions of Law 1648/1986 (Law 2643/98) concerning the disabled, children, children of war invalids, etc.

Results of these policies and non-financial key performance indicators

MANAGEMENT BOARD COMPOSITION AND EMPLOYEES ANALYSIS			
Board of Directors [2017] *			
MALES	<30 years	30-50 years	>50 years
13	0	6	7
FEMALES	<30 years	30-50 years	>50 years
0	0	0	0
TOTAL	<30 years	30-50 years	>50 years
13	0	6	7
Managers [2017]			
MALES	<30 years	30-50 years	>50 years
124	0	46	78
FEMALES	<30 years	30-50 years	>50 years
138	0	74	64
TOTAL	<30 years	30-50 years	>50 years
262	0	124	138
REMAINING EMPLOYEES [2017] **			
MALES	<30 years	30-50 years	>50 years
1.503	0	566	937
FEMALES	<30 years	30-50 years	>50 years
502	0	252	250
TOTAL	<30 years	30-50 years	>50 years
2.005	0	818	1.437

TOTAL [2017]			
MALES	<30 years	30-50 years	>50 years
1.640	0	618	1022
FEMALES	<30 years	30-50 years	>50 years
640	0	326	314
TOTAL	<30 years	30-50 years	>50 years
2.280	0	944	1336

Note:

* The Board of Directors of the Company consists of 13 persons, as provided for in paragraph 1 of Article 11 of the Charter. All members of the Board of Directors are men over 30 and up to 69 years of age.

** The percentages of the table for the remaining employees in 2017 have been calculated on the total number of permanent employees.

For all the Company's permanent staff, the minimum wages as well as the allowances are defined by the Collective Agreement which applies to all Company's permanent employees and there is no distinction in terms of gender or age.

The treatment of all workers is equal, without discrimination, regardless of sex, with pay determined by the Collective Agreement above. Everyone has the right, is encouraged to participate in educational and training programs provided mainly by EYDAP's Human Resources Education and Development Directorate.

There has never been an issue of unequal treatment and discrimination towards an employee due to gender, age, religion, sexual orientation, disability, etc. [GRI 406-1].

D 5 Consumers' Health & Safety : Quality of the Water Supply

Main non-financial risks

Water is a fundamental good, essential for the preservation of life and well-being of the society. The access to safe and clean drinking water has been identified by the international community as a fundamental human right and has been characterized as one of the Developmental Goals of the Millennium. EYDAP identifies the clean drinking water as an indisputable factor of well-being and sustainability, according to Goals 3 "GOOD HEALTH AND WELL-BEING" and 6 "CLEAN WATER AND SANITATION", as defined by the United Nations.

EYDAP, being the largest water services provider, and being aware of its responsibility towards millions of consumers, cares for the excellent quality of drinking water. Through constant investments in infrastructure projects, in technology and training of its human capital, EYDAP ensures the quality of drinking water, which is one of the highest in Europe, always in harmony with the current legislation. According to Urban Water Atlas for Europe 2017, that is published by EU and presents the best practices in European cities, EYDAP was graded with 10 (excellent) with regard to the quality of drinking water for the city of Athens (Urban Water Atlas for Europe 2017, European Commission, Publications Office of the European Union, Luxembourg, p.54-55).

The excellent quality already begins from the main supply reservoirs Evinos and Mornos. The danger for the gradual degradation of the quality of supply water due to pressuring of human activities is limited because of their location – are situated at a large height, in rugged, under populated areas with very limited activities – as well as due to their protection through legislation.

The danger for the sudden burden of the quality of water that is provided to the consumers can however be resulted either from a natural disaster, or an involuntary inflow of improper substances in the water network, or a malicious or terrorist act, or inexpediency in the function of the facilities.

Preventive dealing of such dangers, apart from strengthening the good reputation of the Company, guarantees the consumers' and the resource's safety. Furthermore, it prevents the penalty infliction due to the non-observance of the current legislation.

For all the above reasons, and in order to constantly ensure the quality of water supply for the consumers, EYDAP has proceeded in analyzing and evaluating the dangers that might face in this sector. For none of these the possibility of appearance is characterized high. For every occasion of danger there is a relevant plan of preventive acts that has been planned and implemented.

In conclusion, EYDAP ensures that all the dangers that might possibly disrupt the quality of the water that enters in its facilities, but especially the quality of the water that reaches the tap of the consumer, are identified and sufficiently inspected through:

- Surveillance of the activities in the Water Basins
- Maintenance, monitoring and operation of the dams/ reservoirs/ aqueduct, through which water is collected and the region is supplied.
- Maintenance and operation of the distribution network of drinking water
- Constant quality controls of unprocessed and drinking water that is provided to the consumers.

Company policies and due diligence

EYDAP's Administration cares for the implementation of the appropriate procedures of the quality of water controls, in order to:

- Satisfy the requirements of the Legislation and its Interested Parts
- Implement correct laboratory practices and appropriate methods, in order to ensure the credibility of the measurements
- Provide suitable and sufficient resources (workforce, equipment, information) for the implementation of the quality operations, and these resources to be used in such way to ensure the credibility and the overall effectiveness of all the measures that are planned and implemented.
- The quality, impartiality and integrity of measurements that are realized during quality monitoring are not to be influenced by any commercial, economic, or other forms of pressure.
- All the involved staff is to be trained and evaluated, in order to know and exactly execute the assigned project.

Framework Control

EYDAP has formed the appropriate control framework, in order to ensure that the water distributed to consumers is safe.

The quality controls refer to:

- **The raw materials that are used for the water processing and**
- **The construction materials of the drinking water distribution network**

The chemical substances that are destined for the human consumption water processing and the materials that are used in the drinking water distribution networks that EYDAP is supplied with, are specified in order to be in agreement with the internationally formed standards, such as i.e. ELOT EN 878 *Chemical substances used in processing drinking water-sulphuric aluminium*, ELOT EN 937 *Chemical substances used in processing drinking water- chlorine*, ELOT EN 12201 *Plastic pipelines systems for the provision of water*, and for the drainage and sewage under pressure- polyethylene (PE). For every substance and for every material there is a quality plan according to which the appropriateness of its use is ensured.

- **The unprocessed supply water, in the reservoirs and in the entrance of the Water Treatment Plants and**
- **The drinking water that is provided to the consumers**

The daily quality controls of unprocessed and drinking water, that are realised 7 days a week at EYDAP's chemical and microbiological laboratories, intend to ensure and certify the excellent quality of the water that the Company provides to the citizens of Athens. For this reason, the quality of water of the four reservoirs, Marathon, Iliki, Mornos and Evinos, is closely monitored, with on-the-spot visits, sampling and analyses at least eight (8) times per year, as well as the quality of drinking water in the water supply network, with daily sampling and analyses, in order to perceive immediately and confront in time whichever problem possibly appears.

For the control of the quality of water, EYDAP disposes laboratories in Galatsi and Acharnes. In these laboratories, samples of unprocessed water from the lakes-reservoirs, from EYDAP's boreholes, and samples of drinking water from the Company's Water Treatment Plants and water supply network are analyzed.

The Water Treatment Plants (WTP) have an absolutely definitive importance for the water we drink, that make it drinkable with an excellent quality. These 4 WTPs are situated at Galatsi, Acharnes (Menidi), Polidendri (Kiourka) and Mandra of Aspropyrgos, and have a cumulative maximum refining capability of 1,900,000 m³ per day. The water arrives raw at the WTPs and is submitted in 5 processing stages, which make it drinkable.

1st stage: chlorine addition (disinfection)

With pro-chlorination, an important number of microbes that exist in the water is neutralized, and its processing is facilitated.

2nd stage: sulphuric aluminium addition (flocculation)

The addition of sulphuric aluminium helps the solid particles that are inside the water to be merged and to settle. The whole procedure is known as flocculation.

3rd stage: subsidence

After flocculation, the incorporated solids settle in the bottom of the subsidence tank. In this way the water is cleaned in a percentage of about 80%.

4th stage: filtration

The very light particles that don't settle (20%), are retained in special sand filters, from which the water is extracted clean and clear, in order to be given to consumption.

5th stage: after-chlorination

As long as pre-chlorination is found non-satisfactory to the Sanitary Regulations, supplementary chlorine is added during the entrance of the water to the WTP's closed storage tanks, before its distribution to the city network.

In EYDAP's laboratories cutting edge analysis methods are applied, in order to define the required elements in water samples so as to achieve high sensitivity, accuracy and measurement repeatability. Among the applied analysis techniques are the automatic photometric analysis, the ion chromatography, the gas chromatography with MS/MS "triple quadrupole" sensors, ECD, FID and olfactometry, HPLC liquid chromatography with fluorescence and UV sensors, the plasma spectroscopy with emission detector, toxicity control with Daphnia organisms and ELISA method.

In addition, critical qualitative parameters, such as residual chlorine, are monitored on-line, in selected tanks of the drinking water distribution network. In 2017, state-of-the-art systems for the on-line monitoring of critical qualitative parameters were additionally installed in crucial positions and in external aqueducts, which send results in real time with telemetry and timely notifications in case of extreme rates.

Projects and initiatives

In the context of constant improvement of the quality control mechanisms used, EYDAP has started from 2017 and is expected to have completed within 2018, the update and the enrichment of the sampling spots. In addition, the expansion of the equipment network for the constant monitoring of the drinking water quality has been initiated, through the supply and installation of 29 new on-line tools (in addition to the existing). The new tools will be installed in chosen spots until the end of 2019.

EYDAP is regularly monitoring and recording, in archives that are kept in the Water Quality Control Service and according to the Quality Assurance System, not only the current Legislation but also the international trends in regulative issues, which might possibly constitute future legislative or stakeholder's requirements. As a result, the list of the substances that are being monitored is appropriately enriched. In this context, contracts with Greek Educational and Research Institutes (NKUA , Dimokritos) were made during 2017, that are located among the pioneers in their field throughout Europe, in order to cooperate for the experience acquisition in the most state-of-the-art chemical analysis techniques. Moreover, the supply of edge technology analytical equipment has already been initiated and is expected to be completed around the end of 2018.

Results of policies and non-financial key performance indicators

Certifications

The Chemical Laboratories at Galatsi and Acharnes, as well as the Microbiological Laboratory are accredited with ELOT ISO EN 17025 since 2005 by the Hellenic Accreditation System (ESYD) for carrying out tests in order to specify 60 chemical and 5 microbiological parameters in raw and drinking water (Certificate No. 192). EYDAP's laboratories systematically monitor the international progresses and trends in the field of water analyses. There is a constant development and improvement of their operation, which is reflected upon the continuous expansion of the accreditation scope of the laboratories, that is the constant increase of the number of substances detected with the use of accredited methods. More extensively, during the period 2005-2017, the accredited methods of EYDAP's water quality control laboratories were increased from 25 to 65, whereas there is a planning for a further enrichment of the accreditation scope with even more methods.

Complaint management

EYDAP gives absolute priority to ensure a high-level satisfaction for all the consumers. It has established a four-digit hotline (1022) in order to record and promptly deal with any quality issues that might possibly be reported by the consumers.

All quality issues reported are immediately forwarded through the appropriate software to the Water Quality Control Department, which takes over the investigation of each case. At the 100% of the cases, phone contact with the consumer is made. If any relevant necessity arises, sampling on the spot of the complaint and analyses of the respective samples are being made.

For 2017, 49% of the expressed complaints was examined in this way. If a need of applying technical measures arises from examining the complaints, the Technical Service in charge is activated and relevant re-tests are made until it is ensured that the matter has been restored. For 2017, technical measures were required for the 8% of the quality complaints that were reported to 1022. The 100% of the complaints for which a need of interference from EYDAP S.A. had been arisen was resolved.

Performance

As it is proved by the results of about 185,000 definitions in about 10,000 samples of drinking water and 2,000 samples of raw water annually, EYDAP constantly certifies that the water of Athens is of excellent quality and one of the best in Europe.

The results of the analyses certify that the quality of drinking water of EYDAP meets the legislative requirements of Joint Ministerial Decision (JMD) 67322/2017, which is the amendment to the European Directive 2015/17/87 “Quality of Water for human consumption” complying with the Directive 98/83/EC of the European Council (as amended and is in force) and in accordance . The average of all the parameters specified by EYDAP’s laboratories is reported on an annual basis. This is announced on the Company’s website, so that each interested part can have access to it. In addition, every year, EYDAP is obliged by recent Law to share to the Ministry of Health the drinking water quality data that was collected.

Furthermore, internal self-evaluation inspections of the individual procedures of the Water Quality Control Department are conducted on an annual basis, and all functions related to the Quality Control Department are reviewed. In this way, any deviations from established procedures are detected, and opportunities for improvement are recorded, which are then planned and implemented.

Compliance with regulations and voluntary rules

During the reference period, there were no incidents of non-compliance to the regulations and the voluntary rules that are related to the quality of the water supply and the negative effects upon the HEALTH and the CONSUMER SAFETY.

The drinking water quality control data from EYDAP’s water supply network are available below:

DRINKING WATER QUALITY CONTROL DATA FROM EYDAP’S

WATER SUPPLY NETWORK FOR THE YEAR 2017

Parameter	Unit	Average #	Parametric Value (Based on current national legislation JMD 67322/2017)
Hydrogen Ion Concentration	pH	7,7	6,5-9,5
Conductivity, 25°C	μS/cm	295	2764, 25°C (2500, 20°C)
Alkalinity (Total)	mg CaCO ₃ /l	114	
Ammonium	mg NH ₄ ⁺ /l	0,01	0,50

Parameter	Unit	Average #	Parametric Value (Based on current national legislation JMD 67322/2017)
Aluminium	µg Al/l	75	200
Calcium	mg Ca/l	46	
Taste *		1 (acceptable)	Acceptable to consumers and no abnormal change
Sulphate	mg SO ₄ ²⁻ /l	25	250
Turbidity	NTU	0,21	Acceptable to consumers and no abnormal change
Cyanide	µg CN ⁻ /l	M.A.	50
Magnesium	mg Mg/l	5	
Nitrate	mg NO ₃ ⁻ /l	0,59	50
Nitrite	mg NO ₂ ⁻ /l	0	0,1
NITRITE/3 + NITRATE/50	mg/l	0,01	1
Odour *		2 (δέκτρή)	Acceptable to consumers and no abnormal change
Hardness (Calculated)	mg CaCO ₃ /l	136	
Residual Chlorine	mg Cl ₂ /l	0,36	≥ 0,20
Fluoride	mg F ⁻ /l	0,09	1,5
Phosphate	mg PO ₄ ³⁻ /l	0,012	5 mg/l P ₂ O ₅
Chloride	mg Cl ⁻ /l	7,0	250
Colour	mg Pt/l	1	Acceptable to consumers and no abnormal change
Bromate	µg BrO ₃ ⁻ /l	M.A.	10
Sodium	mg Na/l	5,2	200
Potassium	mg K/l	0,98	
Silver	µg Ag/l	0,33	
Arsenic	µg As/l	1,1	10

Parameter	Unit	Average #	Parametric Value (Based on current national legislation JMD 67322/2017)
Barium	µg Ba/l	30	
Boron	µg B/l	10	1000
Cadmium	µg Cd/l	0,074	5
Total Chromium	µg Cr/l	0,30	50
Copper	µg Cu/l	0,62	2000
Iron	µg Fe/l	4,1	200
Mercury	µg Hg/l	0,028	1
Manganese	µg Mn/l	0,51	50
Nickel	µg Ni/l	0,37	20
Lead	µg Pb/l	1,7	10
Antimony	µg Sb/l	0,021	5
Selenium	µg Se/l	1,1	10
Tin	µg Sn/l	0,62	
Zinc	µg Zn/l	4,1	
Dissolved Organic Carbon (DOC)	mg/l	1,0	No abnormal change
Dibromochloromethane (CHBr ₂ Cl)	µg/l	0,9	
Dichlorobromomethane (CHBrCl ₂)	µg/l	4,5	
Chloroform (CHCl ₃)	µg/l	15,5	
Bromoform (CHBr ₃)	µg/l	0,5	
Total Trihalomethanes (TAM)	µg/l	20,8	100
Trichloroethylene	µg/l	N.D.	10 (Άθροισμα δύο ουσιών)
Tetrachloroethylene	µg/l	N.D.	
Benzene	µg/l	N.D.	1

Parameter	Unit	Average #	Parametric Value (Based on current national legislation JMD 67322/2017)
Bromobenzene	µg/l	N.D.	
Chlorobenzene	µg/l	N.D.	
Ethylbenzene	µg/l	N.D.	
n-butylbenzene	µg/l	N.D.	
sec-butylbenzene	µg/l	N.D.	
tert-butylbenzene	µg/l	N.D.	
n-propylbenzene	µg/l	N.D.	
1,2-dichloroethane	µg/l	N.D.	3
1,1-dichloroethane	µg/l	N.D.	
1,2-dibromoethane	µg/l	N.D.	
1,1-dichloroethene	µg/l	N.D.	
1,1,2-trichloroethane	µg/l	N.D.	
1,1,2,2-tetrachloroethane	µg/l	N.D.	
Naphthalene	µg/l	N.D.	
Styrene	µg/l	N.D.	
Toluene	µg/l	N.D.	
o-xylene	µg/l	N.D.	
p- and m- xylene	µg/l	N.D.	
Dibromomethane	µg/l	N.D.	
Dichloromethane	µg/l	N.D.	
Hexachlorobutadiene	µg/l	N.D.	
Bromochloromethane	µg/l	N.D.	
1,2,3-trichlorobenzene	µg/l	N.D.	

Parameter	Unit	Average #	Parametric Value (Based on current national legislation JMD 67322/2017)
1,2,4-trichlorobenzene	µg/l	N.D.	
1,2-dibromo-3-chloropropane	µg/l	N.D.	
1,2-dichloropropane	µg/l	N.D.	
1,3-dichloropropane	µg/l	N.D.	
2-ethoxy-2-methyl-propane	µg/l	N.D.	
2-methoxy-2-methyl-butane	µg/l	N.D.	
TRIFLURALIN	µg/l	N.D.	0,100
α-BHC	µg/l	N.D.	0,100
β-BHC	µg/l	N.D..	0,100
LINDANE	µg/l	N.D.	0,100
δ-BHC	µg/l	N.D.	0,100
HEPTACHLOR	µg/l	N.D.	0,030
HEPTACHLOR EPOXIDE	µg/l	N.D.	0,030
α-ENDOSULFAN	µg/l	N.D.	0,100
β-ENDOSULFAN	µg/l	N.D.	0,100
DIELDRIN	µg/l	N.D.	0,030
ENDRIN	µg/l	N.D.	0,100
op'-DDD	µg/l	N.D.	0,100
pp'-DDD	µg/l	N.D.	0,100
op'-DDE	µg/l	N.D.	0,100
pp'-DDE	µg/l	N.D.	0,100
op'-DDT	µg/l	N.D.	0,100
pp'-DDT	µg/l	N.D.	0,100

Parameter	Unit	Average #	Parametric Value (Based on current national legislation JMD 67322/2017)
Total biocides/pesticides	µg/l	N.D.	0,500
1,12 Benzoperylene	µg/l	N.D.	
Benzo(b)fluoranthene	µg/l	N.D.	
Benzo(k)fluoranthene	µg/l	N.D.	
Indeno(1,2,3-cd) pyrene	µg/l	N.D.	
Total PAH except for Benzo(a)pyrene	µg/l	N.D.	0,100
Benzo(a) pyrene	µg/l	N.D.	0,010
Vinyl chloride	µg/l	N.D.	0,50
Acrylamide	µg/l	N.D.	0,10
Epichlorohydrin	µg/l	N.D.	0,10
Isotope of Uranium U-238	mBq/l	1,3	
Isotope of Uranium U-234	mBq/l	2,7	
Total Uranium	µg/l	0,1	
Total alpha radiation	Bq/l	N.D.	
Total beta radiation	Bq/l	N.D.	
Radioactivity (total indicative dose)	mSv/year	<0,10	0,10
Total concentration of asbestos fibers	Asbestos fibers/l	N.D..	
Concentration of asbestos fibers with length >10µm	Asbestos fibers /l	N.D.	
Total Coliforms	cfu/100ml	0	0
<i>Escherichia coli</i> (<i>E. coli</i>)	cfu/100ml	0	0
Enterococci	cfu/100ml	0	0
Colony count in 22° C	cfu/ml	0	No abnormal change

Parameter	Unit	Average #	Parametric Value (Based on current national legislation JMD 67322/2017)
Colony count in 36° C	cfu/ml	0	No abnormal change
<i>Clostridium perfringens</i> (including spores)	cfu/100ml	0	0

*For the parameters taste and odour, which were organoleptically tested, the numbers mean: 1=threshold, 2=mild

For microbiological parameters, the median is used as a measure of central tendency.

N.D.: not detected.

The data above resulted from sampling and analyses carried out in order to monitor the compliance of EYDAP's S.A. water supply quality of the water with current legislation. Based on this monitoring, EYDAP certifies that the quality of the water supply is inspected and meets the requirements and terms of the Ministerial Decision JMD 67322/2017 "Quality of Water for Human Consumption" in compliance with the European Council Directive 98/83/EC of 3 November 1998, as it was amended and currently in force.

D6 Consumer Health and Safety: Sewerage Services of EYDAP

Main non-financial risks

The existence of a sewerage system, its proper operation and the effective effluent treatment aims at the avoidance of polluting the soil, the aquifer and the surface waters. Effluent led to the environment without prior treatment; carry a series of harmful for our health substances to the natural water recipients resulting to serious threat for public health and to serious environmental degradation. Consequently the sewerage projects, where large public and social resources are invested, consist basic infrastructure at state level and are an undeniable indicator of social and cultural development, ensuring at the same time both public health and improvement of the living standards.

EYDAP is always committed to both the protection of the environment and consumers' health and safety. For this reason, it constantly aims at ensuring the effective and uninterrupted operation, maintenance and upgrading of the wastewater collection, transport and treatment of effluents within the Attica Basin, thus contributing to the achievement of the Sustainable Development goals 3 'Good Health and Well-being' and 6 'Clean Water and Hygiene', as they have been defined by the United Nations.

Given the above, the sewerage system management is of major importance to EYDAP due to the fact that the proper and timely response to the problems encountered in the operation of the network or in the operation of the Wastewater Treatment Plants, have a direct impact on the customers of the company and a strong influence on the social profile and the value of EYDAP.

Moreover, the Hellenic Republic as a Member State of the European Union is obliged to comply with the Directive 91/271 / EEC of May, 21st 1991 regarding urban wastewater treatment. This Directive concerns the collection, the treatment and the disposal of urban wastewater as well as the treatment and the discharge of effluents from certain industrial sectors. In particular, the Directive provides that 'state members care that all residential areas should provide urban wastewater sewerage systems by December the 31st, 2000 at the latest, for the residential areas of more than 15,000 population, etc. ". Failure to comply with this directive results to penalties (fines imposed by the European Commission on the Greek State).

Serious threats for the health and safety of consumers also include:

- the illegal connection of storm water in the sewerage network, as in case of heavy rainstorms it is likely to provoke overflow and wastewater influx into properties,
- the disposal of solids in the sewerage network (such as paper, rubble, construction materials), that are likely to cause blockages and consequently wastewater influx into properties.

EYDAP addresses the above risks in accordance to the Sewerage Network Regulation (SNR), which provides the right to the Company to suspend water supply in the relevant property until the owner of it complies with the terms of the SNR. In case that overflows in the sewerage system cause damage to any property and a compensation request follows, EYDAP proceeds with the surveillance and if responsible grants compensation.

- The disposal of unsuitable, according to the Specific Sewerage System Regulation, effluents that are likely to cause damage to the network or affect the operations of the Wastewater Treatment Plants (WWTPs).

EYDAP monitors the liquid waste disposals of the licensed industries, through random sampling. Samples are taken from a specific shaft or from the liquid discharge point of the industry or from any other point of the industry – at EYDAP's discretion. Samples are analyzed and specific parameters are examined, determined according to the nature of the organization's production. If the results of the analysis exceed the acceptable limits set by the Specific Sewerage System Regulation, penalties are applied as foreseen by the Specific Regulation such as: suspension of water supply, suspension of the industry's connection to the network, imposition of a fine for exceeding set quality levels, restoration of damages caused by the illegal disposal in the network or the WWTPs. The restoration cost is charged to the company via its water bill.

Corporate policies and due diligence

The sewerage of the Attica Basin is realized with storm water and wastewater pipelines. The storm water pipelines end up in the sea with natural flow.

The Region of Attica and the local Municipalities are accountable for the study, construction and maintenance of the storm water sewerage projects, the flood protection projects in general and the cleaning of the catchment shafts. The wastewater pipelines operate with gravity. However, there are pipelines that operate under pressure (force mains) and for this reason there are 44 pumping stations across the Attica Basin, mainly along the coastal collector of the Saronic Gulf.

The sewage collection of served areas is carried out through the secondary sewerage network, through connection of each property to these pipelines. The secondary network ends up to the transfer network (primary network) and eventually to the main sewage collectors (Parakifisios, SKAA, KPS, CSF, collectors D and A at Thriassio, etc.) through which the effluents end up in the Wastewater Treatment Plants.

The total length of the sewerage network is approximately 8,300 kilometers. The network is separate (wastewater pipelines – storm water pipelines), except for the center of Athens, where the network is combined (common pipelines for wastewater and storm water).

Wastewater Treatment

EYDAP has designed and implemented an integrated wastewater treatment network with Wastewater Treatment Plants (WWTPs) located: at Metamorphosis, Attica (Metamorphosis Wastewater Treatment Plant), in the Psyttalia island (Psyttalia Wastewater Treatment Plant) and at Thriassio (Thriassio Wastewater Treatment Plant).

Psyttalia Wastewater Treatment Plant (Psyttalia WWTP)

Psyttalia WWTP is one of the largest Wastewater Treatment Plants in Europe and internationally. The average inflow of effluents is approximately 730,000 m³/day.

It is in the Psyttalia WWTP where urban and industrial effluents of the following areas end up (after having being pre-treated):

- The wider area of the Attica Basin, except for particular areas whose effluents end up in the Wastewater Treatment Plant of Metamorphosis.
- The wider area of the Saronic Gulf (major city area)
- The Salamina island

Moreover, the Psyttalia Wastewater Treatment Plant receives the effluent from:

- The area of Pallini, Anthousa, Geraka (remaining) of the Municipality of Pallini
- The area of Kapandriti, Polydendri, Mikrochori of the Municipality of Oropos
- The area of Varnavas of the Municipality of Marathonas

The Wastewater Treatment in Psyttalia's WWTP includes:

- Pre-treatment, which begins at the Akrokeramos installations and includes the removal of heavy solids, the screening, the desanding and the deodorization. Pre-treated effluents are transported by underwater pipelines to Psyttalia
- Primary treatment, during which the primary sludge is collected
- Advanced secondary biological treatment during which, with the use of the activated sludge method, the organic material is removed and the nitrogen is subtracted.
- Sludge treatment i.e. thickening, anaerobic digestion, dehydration and eventually thermal drying of the sludge.

In Psyttalia WWTP there are units for the co-production of electricity and thermal energy. These units operate with biogas and natural gas. The produced electricity is consumed in-house and the surplus is exported to the Hellenic Electricity Distribution Network Operator (EDNO).

The Psyttalia WWTP treated outflow is dispersed into the Saronic Gulf with deep dispersion pipes free from the organic load at a rate of 93% and from nitrogen at a rate of 80% approximately.

Metamorphosis Wastewater Treatment Plant (Metamorphosis WWTP)

Metamorphosis WWTP receives and co-processes urban wastewater (from the North Suburbs) and domestic sewage (from areas lacking sewerage network).

The average flow rate of incoming sewage is approximately 10,000 m³ / day and of septage approximately 10,000 m³ / day, as well.

At Metamorphosis WWTP end up - through the sewerage network -the effluent from the areas of: Kryoneri, Agios Stefanos, Anixi, Drosia, Ekali, Dionisos, Kastri, Nea Erythrea and Nea Kifissia

The wastewater treatment at the Metamorphosis WWTP includes:

- Pretreatment, with separate screening - desanding for urban wastewater and degreasing for septage.
- Primary treatment - in different tanks - of urban wastewater and septage.
- Secondary treatment of primary treated urban wastewater and septage in a ventilation tank and in the final settling tanks.
- Disinfection with the use of sodium hypochlorite solution
- Sludge processing i.e. anaerobic digestion, dehydration. Dehydrated sludge is transferred by trucks for final disposal either to a licensed unit or at the Psyttalia WWTP for thermal drying.

Thriassio Wastewater Treatment Plant (Thriassio WWTP)

The Thriassio WWTP operates since 2012 and offers an integrated solution to a chronic problem of the residents and businesses of the area. The Thriassio WWTP contributes to the restoration of Elefsina's Gulf ecosystem balance, which has been classified as a sensitive recipient.

The TWWP serves the areas of Elefsina, Aspropyrgos, Mandras, Magoulas.

Today, the average supply of incoming sewage ranks at 4,600 m³ / day.

The wastewater treatment at Thriassio WWTP includes:

- Pre-treatment (screening, desanding) for the removal of solids and sand.
- Primary sedimentation for the removal and collection of the primary sludge.
- Biological treatment with the use of the activated sludge method (nitrification, biological removal of nitrogen and phosphorus), with the possibility of strengthening the phosphorus removal by adding.
- Treatment of the entire produced sludge (thickening, digestion, dehydration). The dehydrated sludge is then transferred for heat drying to the Psyttalia WWTP.
- Refining with the use of sand filters for the final filtration of treated wastewater.
- Disinfection of treated sewage before being discharged into the sea via a submarine pipeline, free from its pollutant load at a rate of 95% .

EYDAP has designed and implemented an integrated sewerage system and the Wastewater Treatment Plants. The objective is to ensure their effective and uninterrupted operation with the ultimate goal to protect public health.

According to the sewerage system's central planning, EYDAP ensures the avoidance of any kind of risk for public health due to the absence of sewage network in certain areas or in the process of sewage collection or transport (either because of blocked

pipes or branches or of malfunctioning of the pumping stations) or during the wastewater treatment procedure due to improper operation and maintenance of the Wastewater Treatment Plants (WWTPs).

The company's objective is to serve the community and to ensure the proper operation of the sewerage network. Within this frame the Company:

- plans the design and construction of further sewerage networks in order to serve areas deprived of sewage
- has designed and implemented an integrated sewerage management system in order to ensure its continuous and uninterrupted operation
- owns equipment for the control, tracking and restoration of damages in the sewerage network
- concerns for the effective and uninterrupted operation and maintenance of the Wastewater Treatment Plants
- complies with all the rules regarding the sample analysis process which take place in its certified laboratories at Akrokeramos and Metamorphosis
- cares for the continuous training of its personnel in order to ensure their efficiency.

New sewerage projects and initiatives

EYDAP, in collaboration with the municipalities, proceeds to the design and study of sewerage projects and Wastewater Treatment Plants, in order to ensure the existence of a sewerage in all the areas of its competence.

In this context the following activities take place:

- the final study is being drafted for the sewerage of Kalamos and Kapandriti-Mikrochori-Polydendri.
- the study for the sewerage network of the Municipality of Pallini has been completed (construction of the primary, secondary and tertiary network) and the tender documents are being drafted in order to proceed with the bidding of the project, of total budget planned 60,000 Euros. The project has been included for financing in the OPERATIONAL PROGRAMME 'Transport Infrastructure, Environment & Sustainable Development' 2014-2020, PRIORITY AXIS 14 'Preservation and Protection of the Environment – Promotion of the Efficient Use of Resources (Cohesion Fund)'.
- The project of sewerage collectors for the areas Dionysos, Rodopolis, Anoiksi and Stamata (municipality of Dionysos), has been auctioned of total budget planned 1,844,445 Euros, which will be financed by 92%. The project is under construction and it is estimated to be completed by the end of the first semester of 2019. The project has been included in the Operational Programme "Attica 2014-2020", in the Priority Axis "Improving Quality of Life in the Urban Environment" and is co-funded by the European Regional Development Fund.

In order to optimize the management of treated effluents, an application has been designed and it is to be implemented soon, which will permit the on the spot treatment– in a compact unit – part of the incoming sewage in the pump station of the Central Coastal Collector and the reuse of the treated outflow for the irrigation of adjacent areas.

EYDAP plans, develops and implements methods for monitoring the disposal of liquid industrial effluents in the wastewater network. In this context, the company plans to increase the sampling points in the network for the monitoring of the quality of incoming effluents and the identification of any unsuitable for the network inflow with the use of innovative instruments.

The company cares for the constant maintenance and upgrade of the equipment used for chemical analysis, in order to ensure the credibility of the procedure, through the acquisition of the necessary spare parts and the most reliable instruments.

Sewerage Network and Wastewater Treatment Plants

EYDAP, with its trained staff and appropriate equipment, maintains and upgrades the wastewater network in line with the contemporary trend in technology, aiming at:

- the constant and uninterrupted operation of the sewerage network, on a 24 hour basis
- the resolution and mitigation of any malfunction that may occur by taking the relevant appropriate measures (drain obstruction or pipelines cleaning using high-pressure tank-vehicles, reconstruction of pipeline sections, reconstruction of the network's branches, effective maintenance of the pumping stations' electromechanical equipment).

For the maintenance of the sewerage network, there are used:

- High-pressure recycling tank-vehicles for pipe cleaning
- High pressure tank-vehicles for pipe unblocking

High-tech telemonitoring mobile units are used for the accurate positioning and detection of the network's malfunctions. These units are Inspection Vehicles equipped with robotic systems that permit the repair of damages with the use of No Dig Technology.

EYDAP manages the optimal operation of the WWTPs, through a continuous maintenance and upgrading process. The Company, in compliance with the approved environmental terms, aims at succeeding outflows of quality within the determined limits, to the water recipients.

More specifically EYDAP has designed and plans :

- (a) to upgrade and further develop the existing installations at Metamorphosis WWTP. This project includes the creation of more discharge points at the Tanker-Trucks Discharge Area, the implementation of deodorizing procedures which will mostly merit the local inhabitants and of the liquid industrial effluents treatment.
- (b) to upgrade – improve the existing installations of Psyttalia WWTP.

EYDAP's Design for the sewerage in areas of East Attica

The Eastern Attica Project Division manages the implementation of the sewerage system project in the Eastern Attica region. More specifically, the programming of the following projects is underway:

- Collection – Treatment of urban wastewater of the Municipalities of Rafina-Pikermi and Spata-Artemida , and the Reuse – Disposal of treated outflows.
- Collection – Treatment of urban wastewater of the Municipality of Marathonas, and Disposal – Reuse of treated outflows.
- Collection – Treatment of urban wastewater of the Municipality of Saronic and Disposal – Reuse of treated outflows.
- Construction of the wastewater network at Glyka Nera, Municipality Paiania. The collected wastewaters will be led for treatment at the Koropi-Paiania WWTP.

These projects will provide a definite solution to the management of urban wastewater in the aforementioned areas.

The Wastewater Treatment Plant (WWTP) of the Municipalities of Rafina-Pikermi and Spata-Artemida and the Wastewater Treatment Plant (WWTP) of the Municipality of Marathon are designed to operate with state-of-the-art technology, thus ensuring the environmentally optimal wastewater management process. The design of the WWTPs enable the reuse of the treated outflows in order to cover the area's irrigation need of the Municipalities above in summer and urban and suburban use in winter. (Municipalities of Rafina-Pikermi and Spata-Artemida) in compliance with the current Institutional Framework for reuse (Joint Ministerial Decision 142116/2011 & Ministerial Order No. 191002/2013).

Within the area of the WWTPs of the Municipalities of Rafina-Pikermi and Spata-Artemida there is provision for a Center for Environmental Awareness and Information, where pilot programmes will be presented for the optimal use of the treated outflows, along with environmental educational activities. For the full integration of the installations into the natural environment, recreational and leisure facilities will be developed, whilst extended green areas and multiple bioclimatic elements are planned, such as roof garden, solar panel shelter, bioclimatic shelters along interactive walkways and bicycle paths, geothermal exchangers etc.

With the completion and operation of the sewerage projects in the eastern Attica region, compliance with National and European legislation will be achieved, and environmental and coastal protection will be ensured. Moreover, the activities for environmental awareness will constitute a pole of attraction for the public, thus enhancing the growth prospects of the wider region.

EYDAP is in constant collaboration with the local Municipal Authorities for their information, but also in order to ensure their active contribution to the progress and completion of the project, for the benefit of the residents and visitors of the area.

In 2017, a significant progress was made in the maturing of the projects in Eastern Attica as authorization, financing (NSRF 2014-2020), required studies and planning of the construction is concerned.

With the objective of the optimal co-ordination of the parties involved and the swiftest implementation of the sewerage project in the Municipalities of Rafina-Pikermi and Spata-Artemida, a Programmatic Contract was signed between the above Municipalities and EYDAP. Under this Contract EYDAP was assigned the responsibility for the construction of the secondary wastewater network, for this part of the network that is to be financed by the Cohesion Fund.

Moreover, through the Programmatic Agreement between EYDAP and the Municipality of Paiania, the construction of the wastewater network of the Glyka Nera, Municipality of Peania, was incorporated in the East Attica Projects. Furthermore, the funding approval of the project was completed through its integration with the Operational Programme "Attica 2014-2020".

EYDAP, committed to the implementation of innovative sewerage projects, ensures social consensus in the areas where it invests in new infrastructure whilst at the same time it contributes to the achievement of Objective 9 'Industry, Innovation and Infrastructure' as it has been defined by the United Nations.

Outcome of those policies and key non-financial indicators

EYDAP, in compliance with the Directive 91/271/EOK, constructed **the sewerage projects of Thriassio** (130 km of Pipes, 3 pumping stations and the WWTP), which operate since 2012. However, due to the reluctance of the inhabitants to connect to the sewerage network for financial reasons, given the economic crisis, not all inhabitants of the areas where the relevant network exists are served. As a result, the European Commission asks for a fine imposition to the Greek State (Action brought by the European Commission against the Hellenic Republic (Case C-328/16), due to its failure to comply with the WEU Decision of June 24th, 2004 Case C-119/02 'Biological Treatment at Thriassio').

EYDAP in an attempt to mitigate the risk of fine imposition in the Thriassio case and to increase the number of properties' connections and subsequently the percentage of served residents proceeded to the following actions:

- Decided the implementation of a programme regarding the provision of financial incentives to the residents of the Thriassio Pedio area and more specifically to properties exclusively for residential use, with the scope to urge those residents to connect to the sewerage network. The programme involved the allocation of up to € 2,500 plus VAT per property and the settlement of that amount by EYDAP (within a maximum period of six years) and with the exemption from the sewage connection fees for a period of 2 years for those who proceed with the connection. This programme has been put into action since mid-2014 and is still in force. By the end of 2017, 565 applications had been submitted by residents of the Thriassio.
- Enhanced its ability for more sewerage connections in the Municipalities of Elefsina, Mandra-Eidylia and Aspropyrgos through two contractors, for the construction of 850 network connections during 2017.

As a result of the aforementioned actions, in 2017 there is a significant increase in the Wastewater Treatment Plant inflow, and in comparison to previous years, is constantly increasing. In 2015, the average daily inflow was 2,100 m³ / day whereas in 2016 and the last quarter of 2017 was 2,400 m³ / day and 4.000 m³/day, respectively.

The sewerage system management efficiency is evaluated through the development of the following applications and practices, some of which consist of important innovations for the sewerage system operation:

1. Use of Sewerage Information Systems

EYDAP's high requirements for information systems so as to cover the Sewerage Divisions needs for:

- the acquisition of reliable digital information,
- the use of specific and specialised applications,
- the acquisition of powerful information systems aiming not only facilitates the day-to- day business but company's growth, as well

led the Company to install new Sewerage Information Applications and to upgrade the existing ones.

Information Systems used and Actions developed:

- Trucks Fleet Management Information System (e-TRACK).
- Sewer Portal application- Insertion and processing of data resulting from the intervention in the network
- Pilot online Application, for the recording of maintenance data in the relevant section of Sewer Portal
- Two-way Interconnection of e-TRACK and Sewer Portal for direct signaling to all vehicles of all Sectors.
- Insertion, processing and analysis of spatial data in a GIS environment.
- Compilation and study of statistical analysis, based on the above data and on data from our Hot Line (1022) in Portal application.
- Monitoring the operation of the pumping stations with Remote Controlled – Telemetry (SCADA) systems.

2. Monitoring of the inflow and outflow of WWTPs through sampling and microbiological analysis in the laboratories of the General Directorate of Sewage.

Wastewater sampling is realized according to the needs and existing legislation and it is carried out at the points of inflow and outflow at the WWTP. Samples are also taken at middle stages of treatment. Subsequently, the samples undergo

microbiological analysis so as to ascertain the quality of incoming and treated effluents, aiming at the evaluation of the facilities' operation and the compliance with environmental conditions.

3. Monitoring of liquid industrial effluents through sampling and chemical analysis in the laboratories of the Sewage General Directorate

The Competent Department of EYDAP proceeds to constant monitoring of inflows from industries and craft businesses, to which EYDAP has granted the permission to discharge their industrial effluents in the sewerage network. The quality of the inflows is monitored through sampling and analysis.

Laboratories of the General Directorate for Drainage

The General Sewerage Directorate's laboratories are accredited by the Hellenic Accreditation System (NAS- ΕΣΥΔ). In these laboratories specification tests are carried out on samples of wastes, sludge and effluents, as outflows from the WWTPs, the sewer pipes and the industries that undergo tests for the quality of their discharges into the network. The analysis (BOD, COD, FAT & OIL, NH₃, Hexavalent CHROMIUM, COLOUR, SULFUR, METAL, TP, TN, etc.) is carried out in compliance with the chemical analysis procedures.

4. Publishing of the wastewater treatment results in the National Database of the Ministry of Infrastructure and Transport.

In the electronic Database of the Special Secretariat of Waters quantitative and qualitative characteristics of inflows and outflows of the Wastewater Treatment Plants (WWTPs) are published. The disclosed chemical characteristics are as follows:

- Inflow
- Incoming load
- Amount of sludge produced
- BOD₅, COD, SS, T-N, NH₄-N, T-P (at the input)
- BOD₅, COD, SS, T-N, NH₄-N, NO₃-N, T-P (at the point of outflow)

All citizens have free access to this database.

5. Monitoring of the marine ecosystem of the Saronic Gulf and the Gulf of Elefsina and evaluation of the results in collaboration with independent research body (HCMR).

The evolution of the ecological state of the Inner Saronic Gulf and the Gulf of Elefsina, under the effect of the Wastewater Treatment Plants of Psytalia and Thriassio Pedio (as defined by the current environmental terms of WWTPs), is monitored by the Hellenic Center for Marine Research (HCMR) through the implementation of relevant programmes, which take place under a contractual agreement with EYDAP (seven consecutive programmes have been funded since September 2005 by EYDAP for this purpose).

During this Programme, HCMR proceeds with measurements, samplings and analysis of various parameters of the water column. Based on the data collected, the ecological status of the Inner Saronic Gulf, the Gulf of Elefsina and the Keratsini Bay is depicted, potential changes in certain parameters of the ecosystem compared to the past are investigated and the effect of the discharged outflows along with the nutritional and ecological state of the area are assessed.

The results show a continuous, gradual improvement in the ecological status of the Saronic Gulf, in the Gulf of Elefsina, especially at the estuary areas of the WWTPs.

Compliance with the regulations and voluntary codes

During the report period, there was no incident of non-compliance with regulations and voluntary codes, regarding the impact of EYDAP's services on the health and safety of consumers.

D7 Access to clean water, Sustainability of Water Resources, Supply & Water Network Coverage

Main non-financial risks

EYDAP, in order to ensure reasonable levels of water consumption by its customers and meet the obligations of water supply services, is supplied with the required raw water entirely by the Greek State at the entrance of its Water Treatment Plants (WTP). The only exception is the Mavrosouvala's boreholes, which are EYDAP's property. The Company, manages water as a valuable natural resource and a vital good for the residents of Attica (and other areas as well). The Company in 2017 delivered daily, at an average annual rate, 1,066.150 m³ of drinking water to the area of its service, to certain islands in the South Aegean Region (Cyclades) and the Argosaronic (municipality of Aegina and Agistri), from specific water meters with the use of

water tankers, but also to cruise ships and boats at various ports of Attica etc. In the Water Treatment Plants raw water is rendered potable with the use of the most environmentally friendly methods with respect to the natural resources.

The constant safeguarding of the necessary water resources, the reassurance of the adequate water treatment so as to produce drinking water of the highest quality and the ability to distribute it to the customers via its water network, constitute the main activity of EYDAP.

Beyond doubt, any malfunction with a negative impact on the quantitative safeguarding of the water resources and the transfer and distribution capability of water (external Aqueduct System – header feeding System of drinking water etc) will significantly affect our customers (lack of water) and the Company itself (damage to its public image, reduction of revenues etc.) in proportion to the problem extent.

According to Law 2744/1999 and the 20-year-Contract between the Greek State and EYDAP, as occurred in implementation of this Law and is valid since 25.10.1999 while its renewal is expected in 2019, the Greek State maintains the responsibility for research and collection of raw water as well as for the realization of any necessary works that will ensure the necessary quantity of raw water for water supply to EYDAP. The Company bears the exclusive responsibility –a non-transferable right- for processing and distributing this water, as well as for the operation and maintenance of the proprietary water supply network, so as to cover both qualitative and quantitative water supply needs of all consumers in its area of competence.

In the context of the above Contract, EYDAP has undertaken (in return for a payment) the operation and maintenance of all the raw water collection and transfer facilities, which remain under the ownership of the Greek State, as well as the preparation of studies that will ensure the safety of the installations and the alternative water supply methods of the WTPs, in case of malfunction. In this way the Company is in position to control, primarily and completely, the technical works for the transfer of raw water, from the sources to the Water Treatment Plants (WTPs).

Moreover, EYDAP has assumed responsibility for the preparation and drafting of the Management Plan regarding the availability of raw water supply systems, as well as for the continuous update of the Greek State authorities on the untreated water supply data, on outflows from water sources and inflows to the WTPs.

By managing the issue with major responsibility, the Company also contributes to the implementation of the 6th Global Goal for Sustainable Development, as this has been defined by the United Nations.

Company policy and due diligence

EYDAP acquires raw waters mainly from surface water resources, from the basins of Marathonas, Yliki, Mornos and Evinos that are ranked in A2 category, according to the Directive 75/440/EEC for surface water quality standards intended for the production of drinking water. From the reservoirs in these basins, only the one in Yliki is natural (lake) whereas the others are the result of the construction of dams at adequate spots on the riverbeds of the Charadros (Marathon dam), Evinos and Mornos rivers. In the water sources used by EYDAP, underground water resources are included, which can be exploited with the operation of approximately 100 boreholes, with an annual total pumping capacity of 70 - 125 m³ of water, depending on the disposal of underground resources and proper use policy.

Under the current operation conditions, the water supply sources of EYDAP can be distinguished into:

- **Main water sources:** Mornos, Evinos.
- **Auxiliary water sources:** Marathonas (for the supply of Galatsi WTP) and Yliki (in case of emergency).
- **Backup water source:** underground water resources – boreholes.

The transfer of raw water, from the sources to the Water Treatment Plants, is done via the following aqueducts with a total length of 495 km.

Despite the long distance between the main reservoirs (Mornos, Evinos) and Attica, the biggest amount of water is transferred via the aqueducts, by the force of gravity, thus avoiding the economic and environmental impact of energy-intensive pumping, which come into use only in case of emergency.

EYDAP ensures the protection of the reservoirs by complying with strict legislation (Healthcare Provision A5/2280/1983 for the protection of waters, used for water supply of the capital area, from contamination and pollution), by monitoring the works and the activities in the protection zones of the reservoir basins and by random checks of the water quality in the reservoirs.

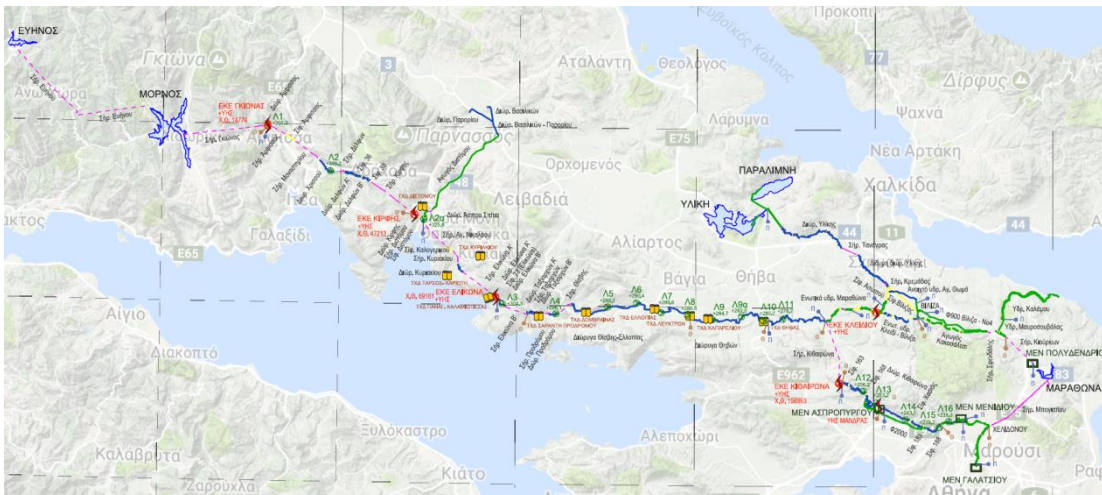
The management methods of the water supply network are arranged by order of importance into the operation of the existing water supply system, the regulation of the flow downstream of the reservoirs, the water abstraction breakdown per primary, auxiliary or backup source and water transfer via the external aqueduct system. These methods may also refer to additional works for the reinforcement and safety of the water supply system, if needed.

Object of the Management Plan is the study of reasonable, efficient and sustainable ways and methods for the management of the External Water Supply System (EWSS), aiming at the quantitatively reliable, qualitatively and environmentally safe and

cost-effective coverage of water demand in the area of EYDAP’s competence, through the efficient use of the available water resources.

The management of the water resources system refers to the determination of the extracted quantity from the reservoirs and the aquifers, its distribution (breakdown) into the network of the external aqueducts, so as to ensure the long-term efficiency of the resources in the area of EYDAP’s competence, at minimum cost. It also refers to additional projects for the reinforcement of the water supply system, if required. The external aqueducts network is actually the entire pipeline system and its additional works (as pumping stations etc.), extending from the exit of the reservoirs up to the Water Treatment Plants (WTPs).

The external water supply system is depicted below:



The Decision Support System, used operationally on a daily basis by EYDAP for the monitoring and management of the water supply system, includes the following components (subsystems):

- a) Geographical Information System, for pictorial representation and monitoring of the water supply system,
- b) Monitoring System of Water Resources , intended for the supply of Athens,
- c) Evaluation and Prediction System of Water resources, intended for the supply of Athens,
- d) Support system for managing water resources, intended for the supply of Athens,

All water supply network facilities ensure the adequate coverage of the demand for drinking water. The water network consists of approximately 10,000 km of pipelines. Out of these, 1,300 km constitute the main supply network, with pipelines of diameter bigger than 300 mm up to 2,000 mm, while the remaining kilometers of pipelines constitute the distribution network, which transfers the drinking water to the consumers, with pipelines of diameter less than 300 mm. Across the area of our competence are spread 55 aqueducts of total capacity 885,000 m³, 81 pumping stations of total combined installed power 30,000 HP, 618 pressure reducing valves of diameter from 80 mm up to 600 mm, about 90,000 isolation valves, 100 telemonitoring points (SCADA), 783 points of data recording and teletransmission (SMS) and about 850 quality control points (600 for chlorine measurement and 250 for chlorine measurement and other parameters in compliance with legislation). All above installations ensure the uninterrupted and continuous supply of drinking water along with the successful coverage of regular and seasonal daily consumers demands. The total number of water meters in full service is close to 2,100,000. The average daily water consumption for 2017 was 1,066,150 m³ (minimum daily consumption: 895,025 m³ in December 2017 and maximum daily consumption 1,272,423 m³ in July 2017). Further technical, quantitative and qualitative data can be drawn from our website under the tab named “WATER SUPPLY”.

Outcome of these policies and key non-financial performance indicators

The implemented management methods of water resources are characterized by:

- Scientifically grounded rationality
- Efficiency: optimal use of water resources
- Sustainability: we cover today’s needs avoiding depletion of water resources in the future.

Demand is covered with enhanced credibility, reducing to extremely low and acceptable levels the probability of failing to provide the required water quantity. The term “credibility” mainly refers to the reduction of the uncertainty factor created by the variability of water resources natural supply (drought). It also refers to other factors such as the adverse emergency

situations (damages) occurring during works across the water supply network, which EYDAP cares to handle efficiently. Supply demand is covered with safe water and respect to the environment (to the ecosystems) avoiding the extraction of excessive amounts of water. Finally, the demand is covered at the most cost-effective way.

EYDAP manages water demand developing projects that minimize leakage rate (pressure management –water supply zones, immediate damage restoration –broken pipes restoration and replacement across the Water Supply Network) focusing not only on its customers’ satisfaction but on the prevention of wastage of this precious natural resource.

Nowadays, EYDAP provides drinking water of excellent quality, at adequate quantity and pressure levels, to all its area of service regardless the fact that in specific areas the management of the network lies with Local Government Organizations (LGO).

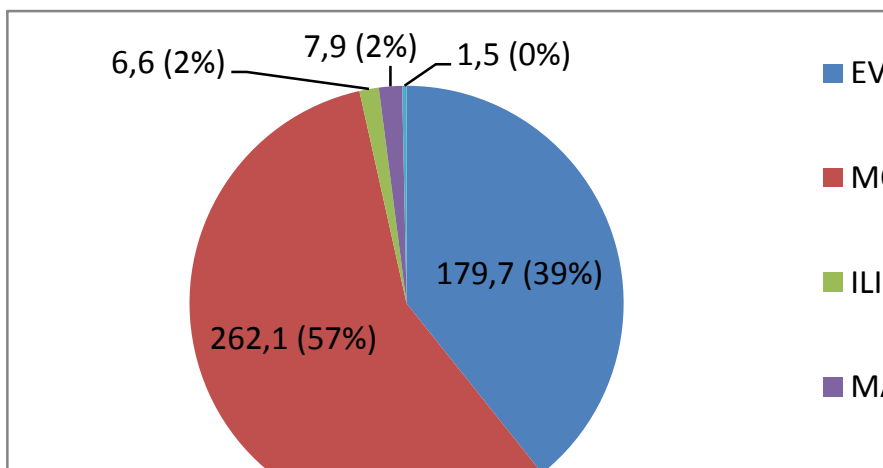
For those few areas, situated mainly in West Attica, that are not supplied with water from EYDAP but from boreholes, the Company has adopted a series of interventions and actions in cooperation with the Local Governments. EYDAP’s intention is, in near future, these areas to be included in the area of its service. Within this prospect, the Company initiated the construction of a steel pipeline of diameter 500mm and approximately 15 km long to supply with EYDAP water the area of Kinetta. At the same time, EYDAP in collaboration with the Municipality of Megara is preparing the studies for supplying with drinking water the town of Alepoxori and the surrounding areas within the Municipality. Under construction is also the submarine pipeline that will connect the island of Salamina with the island of Aigina for the supply of water to the latter. The works are under the jurisdiction of the Attica Prefecture.

The company’s 5-year Business Plan foresees the incorporation of water supply networks that operate under the management of Local Governments, but also the incorporation of the management of Local Government networks located outside the company’s jurisdiction area. In 2017 EYDAP’s BoD decided the transfer of ownership of the remaining water supply network of Island of Salamina to the Company (the island at present is supplied with EYDAP’s water by 50%), thus adding to its customers approximately 20,000 water meters and 300 km of network. At an advanced stage of incorporation is the municipal water supply network of Magoula.of the Municipality of Elefsina and that of the Municipality of Megara. The incorporation is expected within 2018.

The water resources abstraction breakdown for the coverage of the total water supply demand (EYDAP SA, Local Governments, Organizations, etc) in accordance to the 2017 data is as follows:

WATER RESOURCES BREAKDOWN

Annual Abstraction (mil. Cubical meters- percentage %)



The above breakdown refers to the optimal management of the water resources for the specific year. The quantities abstracted are measured at the water resources with the use of flow meters and time series are recorded in a relational database.

D8 Reliable Water Network and Water Efficiency

Main non-financial risks

The safeguarding of the adequate quantity, acceptable pressure level and high quality of drinking water throughout the water supply network is EYDAP’s first priority.

The responsible management of the water supply network and water efficiency responds to the satisfaction of the needs and expectation of our stakeholders, and to the increase of trust to the Company. In this way EYDAP contributes positively to the Sustainable Development and in particular to the achievement of the Sustainable Development Goals 6 “Clean Water and Sanitation”, 8 “Decent Work and Economic Growth” and 12 “Responsible Consumption and Production” as defined by the United Nations. These Goals contribute globally to efficient water resources management as long as consumption, production and distinction between economic development and environmental degradation are concerned.

A region’s water supply system, which secures its provision with drinking water, includes a system of aqueducts, main supply pipelines, distribution pipes and water meters. So, by the term “water supply network” we refer to system of pipelines that transfer refined water, from the local Water Treatment Plants to the consumers’ water meters. The pipelines are considered as the basic section of our installations and the biggest part is underground. The water supply network provides all our consumer with pressurized water that is potable in compliance with the current Greek standards.

EYDAP’s area of competence is the greater area of the Capital, as defined is the Founding Law 1068/1980, while with the Law 2744/1999 EYDAP was given the possibility to expand its activities, under certain conditions, both inside and outside the Attica Basin. Further information on the subject is available in the relevant section where there is a detailed reference to EYDAP’s Area of Service and the administrative boundaries of Municipalities and Communities that are directly supplied with water by EYDAP, where the network is also managed by the Company or via bulk supply where the network management is the Local Authorities’ responsibility.

Our ultimate goal is the sustainable management of water and the optimization of the quality of drinking water. EYDAP’s strategic aim is the gradual incorporation of the water supply networks of all the Municipalities of Attica.

EYDAP’s objective is the effective functioning, the maintenance and the improvement of the drinking water distribution network (main supply pipelines, distribution pipelines, meters, tanks, aqueducts, pumping stations and their equipment) across the geographical area of its competence.

Company policy, due diligence and results of these policies and key non-financial indicators

To achieve this goal the following categories of activities are required:

- Monitoring and improvement of the water supply network operation (demand monitoring, pressure level monitoring, pressure zones modifications etc.)

Attica is characterized by an intense topographic arrangement. EYDAP supplies with water areas at an elevation from 0 to 600 meters from the sea level. For the best control of the pipe pressure level, pressure zones were created every 30 to 40 meters difference in altitude. Each zone operates under specific pressure. The network is remotely monitored and controlled on a 24-hour basis (SCADA system). In 2017, for the more effective management of the network, the Company installed 20 new flow meters on the supply network and 40 telemonitoring stations, in addition to the existing, thus increasing the number of telemonitoring stations to 783, the SCADA stations to 100 and the number of flow meters to approximately 100.

- Network maintenance – for prevention or on emergency (pumping stations maintenance, valves - fire hydrants, tanks cleaning, pipe leakage or meter repair etc.).
The preventive maintenance of the pipes comes as a result of the statistical analysis of occurring damages. On the same grounds similar actions with modern intervention methods, are taken for the maintenance of the main pipeline supply system and the supportive infrastructure network (pumping stations, tanks, shafts for bulk water supply and big valves, hydrants for fire-fighting use etc.).

Apart from the above, daily failures in the water supply system, that cause leakages or ruptures, are encountered. EYDAP’s call center (1022) collects damage reports and informs our Technical Services for immediate intervention so as to minimize the discomfort caused to the consumers- customers.

It is worth mentioning that in 2017, the total number of leakages – ruptures raised to 6,000 approximately. These damages were fully and immediately repaired by the General Water Directorate.

- Replacement of existing pipelines and water meters

The existing water supply network consists of pipelines of different dimension and material. These pipelines have been installed over the years for the supply of Athens with drinking water. Many of these pipelines have been subjected to heavy stresses over their long years of operation that consequently lead to frequent fractures. As main stress factors we could consider the original installation conditions, the development of the city along with a continuous reconfiguration of public roads and spaces in combination with the vehicles circulation and other external factors. The same applies to the water meters for property use, served from these pipelines. These water connections suffer the same stresses as the water pipes. EYDAP

evaluates the operation conditions of the above, marks out the operation area and applies a replacement project with new pipelines and water meters of advanced technology.

In 2017, EYDAP replaced 50,000 meters of pipelines of diameter 110 mm, 160 mm, 200 mm etc., repaired approximately 1,500 water meters and proceeded to a mass replacement of approximately 90,000 water meters for domestic use.

In addition to the above, EYDAP installs new water connection for property use and for bulk supply. The relevant petitions (submitted by individual consumers, the Municipalities, industries, etc.) are examined by the Company for compliance with the Water Supply Network Regulation. If approved, the water meters are installed at the premises.

The water connections that are connected to the water supply pipelines are distinguished into:

Household use, fire-fighting use, common property use, irrigation of public or municipal areas, temporary for construction or other use.

In 2017, EYDAP installed approximately 3,500 connections for domestic and fire-fighting use.

Incorporation of water networks

EYDAP, within its area of service, incorporates Water Supply Networks managed till then by local Municipalities. EYDAP's strategic target is the incorporation of these local networks, mainly situated in the area of East and West Attica. This target is directly linked to the expansion of our activities, to the supply of water of high quality to all the Attica Basin residents and to the provision of best service to the citizens of the above mentioned areas.

The incorporation of local networks to EYDAP's property is not done unilaterally. A basic prerequisite for this is the positive decision of the City Council wishing to deliver the network to EYDAP.

In 2017 there was an important process with the Municipality of Western mainly, but Eastern Attica too, towards the delivering on behalf of the Municipalities and reception on behalf of EYDAP of the local water networks. As a characteristic example, we could mention the 19487/27.12.2017 Decision of the BoD of EYDAP, for the incorporation of the remaining water network of the Island of Salamina.

On the 29.12.2017, the Municipality of Salamina and EYDAP signed the Contract for the delivery and reception of the local network and the recognition of the Municipality's debts to EYDAP. The signing of the Delivery-Reception Protocol is expected after the completion of the envisaged procedures.

With this Contract and after the signing of the relevant Delivery-Reception Protocol that is expected within the first trimester of 2018, the entire network of the island will be incorporated into the Company, adding approximately 20,000 water meters to its existing clientele.

Alongside the above, consultations at the final stage are held with:

- the Municipality of Megara for the Delivery and Reception of the entire local water network (Megara, the rest of the network of N.Peramo, Kineta, etc),
- the Municipality of Elefsina for the Delivery and Reception by EYDAP of the municipal water network of Magoula,
- the Municipality of Penteli, for the municipal water network of the area of Ag.

Dimitrios

Under certain conditions, EYDAP may undertake the supply and management of networks outside its area of service.

In 2009, the new Water Supply Network Regulation was approved, that actually regulates in detail the most significant operational issues of the Company. The consumer accepts the Regulation automatically upon signing the Water Supply Contract with EYDAP.

Finally, the BoD of EYDAP, with the Decision 15858/4-4-2007 and in compliance with the article 7 par. 3 of Law 3429/2005, which is obligatory for all Public Entities and Organizations, approved the Charter of Consumers' Responsibilities (CCR). This document includes the main responsibilities of the Company towards Consumers, the time to meet these obligations and the way these rights are claimed. The text of EYDAP's CCR is brief, comprehensive and clear and it is available on EYDAP's website in the relevant section: <https://www.eydap.gr/CustomerSupport/ServicePoints/>

The rapid international advances in the business sector, the responsibility of supplying with drinking water more than 40% of the Greek population, the urban expansion and certainly the obligation towards the Company's customers make EYDAP's growth imperative, in order to implement projects of major significance and high efficiency.

For EYDAP's success, as essential preconditions we consider focusing on customer satisfaction, the efficient management and protection of water resources, the maintenance of a constructive two-way relationship between the Company and the Customer. Our target is the improvement of the Company's services. To this reason, the Company has included in its strategic actions for the optimal management of its network, the following:

- The application of modern technology for the management of pressure in the water network, with a positive result to unnecessary stresses on the grid pipes due to excessive pressure. That consequently leads to the avoidance of ruptures in the network and to an increase of its life span with significant financial benefits.
- An essential precondition for the above is the reliable and organized collection of data of malfunctions, operation etc. so as through well-structured and collaborative applications to achieve further processing and meaningful use of the collected data.
- Main objective in the maintenance process is the identification of the frequency of the deficiencies, the speed and the quality of repairs, the cause of occurrence etc. in order to draft an integrated and systematic maintenance program of the water supply network.
- Part of the five-year Business Plan of our Company is the implementation of a targeted, well documented on priority needs plan for the annual replacement of approximately 450 km of pipelines, which corresponds to around the 1,5% of the total length of the network, in compliance with global best practices.

All above measures and in combination with other, that have already been put into effect (mass replacements of water meters, interference in main supply pipelines, maintenance and renovation of existing infrastructure, such as pumping stations, meter shafts and valves, operational interference in the network with the use of modern software and modernization of existing operating structures), we estimate we will achieve an efficient operation of the water supply network, a consistent, reliable and continuous water supply thus improving the customers' service and the upgrading of the Company's image.

D9 Affordable Pricing

Main non-financial risks

The Company gives special emphasis on the efficient monitoring and managing of potential risks, in order to maintain the consistency of its projects. It specifically forms a framework and proposes policy strategies, and risk control policies and procedures. It defines, identifies and evaluates the assumed risks. It develops and implements tools, and educates the organisational units for their use. It designs a Crisis Situation Confrontation Plan. It forms a risk management corporate culture in every hierarchical level of the Company.

Although every member of the Company plays its own part – in the context of its responsibility – for ensuring adequate risk management, the Board of Directors bears the overall responsibility. It establishes the goals, defines the policy, decides how to respond and whether to accept or not the remaining risk. It chooses the risk management framework, whose implementation is assigned to the Company's executives. The Internal Control Directorate is responsible for providing objective assurance to management, for achieving the goals of the Risk Management System, through their recording and classifying and through the adequacy and effectiveness control of the safety measures.

- Contract with the Greek State

Since 2004 is pending the conclusion of a written agreement as defined in article 15 of the contract (9.12.1999) between the Greek State and the Company, which will determine the price of the unprocessed water received. Due to a lack of a written agreement, the Company continues after 30.06.2013 to offset the price of the unrefined water it draws, against the maintenance and operation services it offers for the fixed assets belonging to the Fixed Assets Company "EYDAP PE". Changes in the pricing of water and sewerage services will result in the implementation of CMD 135275 (Article 3 Paragraph 9), Gov. 1751/22.05.2017 "Approval of general costing and pricing Rules of water services . Method and procedures for water services cost retrieval in its various uses".

- Expansion of Client debt

In the framework of the general economic crisis striking the households, there's an increase of overall debt, that through the systematic and persistent effort of the Services is contained in about the same levels, but with the risk of their expansion lurking.

The provision of an affordable tariff for water and sanitation services to consumers is an essential issue of sustainable development for EYDAP, as it allows it to meet the basic needs and expectations of citizens for clean and cheap water and reliable sewerage services. At the same time, the ranking tariff prevents the waste of the resource and contributes to achieving

the UN's Sixth Sustainable Development Goal "Clean Water and Hygiene", which refers to access to clean water and sanitation for all citizens.

The customer base of EYDAP includes 2,122,799 connections, of which 91,983 concern water only, 36,737 relate to sewerage and 1,994,079 are water and sanitation services both.

The annual total priced water consumption for 2017 amounts to 307,298,907 KM. Of these, 192,497,153 K.M. (62,64%) refer to the General Tariff, which is the main tariff of EYDAP and it mainly pertains to domestic use. Also, EYDAP charges 9,646,019 m³. mandatory consumption with a general tariff and 1,025,279 m³. mandatory consumption with Industrial - Professional tariff.

From 16/12/2013 the company's water supply and sewerage services tariff is determined based on Gov. 3188B/16.12.2013 as follows:

WATER AND SEWERAGE SERVICES RATES:

TARIFF CATEGORIES	MONTHLY CONSUMPTION (m ³)	€/ m ³
WATER SUPPLY SERVICES (effective since 16.12.2013- Gov.gaz.3188B/16.12.2013)		
Category I.		
DOMESTIC	0 - 5	0.3500
	5-20	0.6400
	20 - 27	1.8300
	27 - 35	2.5600
	over 35	3.2000
	* Implementation of minimum consumption 2 m ³ / month, suspension in case of water meter removal	
Category II.		
INDUSTRIAL	up to 1,000	0.8300
	over 1,000	0.9800
	* Mandatory minimum consumption 100 m ³ / month	
Category III.		
GOVERNMENT BUILDINGS	Regardless of consumption	0.9800
Category IV.		
CHARITY	Regardless of consumption	0.2300
Category V.		

SUPPORT FOR MUNICIPALITIES - ISLANDS	Regardless of consumption for the areas outside the city plan until the completion of the Urban Restructuring Program (U.R.P.) and for islands water supply after agreement with the competent Ministry.	0.4880	
Category VI.			
SHIP SUPPLY	Regardless of consumption	2.4000	
Category VII.			
FIRE INSTALLATIONS	Regardless of building size (m ³) and tariff category	11.0100	
Category VIII.			
UNREFINED WATER	for the entire consumption by the customers of this category	0.1804	
STANDING CHARGE		€/month	
water meter up to 5/8" and 3/4"	up to 30 m ³ / Q	1.00	
	30 to 60 m ³ / Q	1.00	
	over 60 m ³ / Q	1.00	
water meter up to 1"	monthly - mainly for industrial and local authority	4.50	
water meter up to 1 ^{1/2} "		4.50	
water meter up to 2"		13.00	
water meter up to 3"		13.00	
water meter up to 4"		35.00	
water meter up to 6"		35.00	
SEWERAGE CHARGE			
Households	75% x water price (52.5% for gardens exceeding 200m ²)		
Government	75% x water price		

Charity	75% x water price		
Industrial	75% x water price		
	37.5% over the water price for distillery, ice industry, paper making industry, artificial silk industry, construction sites		
VAT			
VAT 13%	Since 17.12.2010 13% over the water price (L.E.3899/2010 Gov. gaz. 212A/17.12.2010)		
VAT 24%	Since 01.06.2016 24% over standing charge + Sewerage charge (L.E. 4389/2016 Gov. gaz. 94A/27.05.2016)		

Up until 2014, the pricing for water supply and sewerage services was determined by a Common Ministerial Decision, after taking into consideration the BoD's recommendations. Article 33 of Law 4258/2014 amended the article 3 of Law 2744/1999 referring to EYDAP's pricing policy, and defines that from July 1st of 2015 the tariffs for water and sewerage services are approved by decisions of the Special Secretary of Water after consultation with the Minister of Finance and other stakeholders, which are published in the Government Gazette.

Following the Framework Directive for Water (2000/60/EC, Article 9) and national legislation (Law 3199/2003 as amended by Law 4117/2013 and Law 4315/2014 and applies, the Presidential Decree 51/2007 and the J.M.D 322/2013), the Special Secretariat for Water (SSW) of the Ministry of Environment, Energy and Climate Change is responsible for the strategic planning, the formulation and evaluation of the policy applied for the rational and sustainable management of water services.

In 22/05/2017 Gov. 1751B/22.05.2017, Water Resources Committee, which consists of the Deputy Minister Of Environment & Energy, the Minister for the Interior, the Minister of Finance, the Minister of Health, the Minister For Infrastructure, Transport and Networks, and the Minister of Development, published the Decision 135275 for the "adoption of general Pricing Rules and Water services Pricing. Method and procedures for recovering the cost of water services in its various uses ". This decision defines the procedures, methods and levels of cost recovery of water services to boost the economy and the general rules for the costing and pricing of water services to ensure the provision of affordable water of appropriate quality and quantity to consumers.

From 2018 onwards, water service providers shall specify their tariffs and relay this decision to the Directorate of Waters of the Decentralized Administration, which issues recommendations and, if necessary, informs the Special Secretariat for Water. According to the above Law, for the determination of tariffs to end-users beyond the environmental cost, the resource costs are also included, and the environmental fee is shown in a distinct, transparent and comprehensible manner.

Corporate practices and due diligence

EYDAP, acknowledging the adverse economic circumstances that the Greek society is living under, and in the context of its longstanding contribution to society, has already taken on initiative in order to relieve those groups in need. Such as:

SPECIAL TARIFF

EYDAP, based on the legislative provision (Gov. 552B/26-3-2009, Article 3.2.3, Gov. 3188B'/16-12-2013, Gov. 2221B'/9-9-2013), grants a tariff for specific categories of the consumers (businesses, charities, Hellenic Petroleum, service providers of ship supplies). It is also noted that the Charity tariff is provided, not only to foundations and unions in the sense of LD. 1111 of 8 / 11.2.72 and the ML. 2039/1939, but by decision of the Board of Directors to other charitable organizations. In the year 2017 a charity tariff was granted to 154 applicants. Specifically with the 19158 / 08.03.2017 decision of the Board of Directors it was decided to grant exceptionally until 31.12.2018 a Charitable Invoice to 144 connections that supply the charitable

structures of the Church of Greece, operated by the Archdiocese of Athens and the Holy Metropolises of the Region of Attica, in order to strengthen their multidimensional charity work. In addition to the above structures, a charity tariff was issued to Anemos Ananeosis and to the Silogos Merimnis Anilikon.

EMERGENCY SPECIAL TARIFF

From 01.02.2016 until 30.06.2017, the Emergency Special Tariff (EST) was granted to the beneficiaries of Law 4320/2015, with which a free (100% discount) provision was provided for a total of 6 m³ of water per quarter for each household with one or two members, and for each additional member, 3 m³ of free water will be provided. From 01.07.2017 grants Special Invoice Extraordinary Fees to Social Solidarity Income Entitlement beneficiaries of Law 4389/16, granting a 100% discount on water value of 2 m³ per month per household member, starting with the first scale of the General Invoice and a quantity of 3 m³ per month for each household member with a disability exceeding 67%.

DISCOUNTS

Discount for the connections whose bills are supplying large families and seniors, with relevant BoD decisions.

Discounts, through specific procedures based on relevant BoD decisions, for bills of increased consumption and for clandestine water abstraction bills, taking into consideration social and income criteria.

DEBT PAYOFF SETTLEMENTS

EYDAP S.A. has established specific payoff/settlements of debt procedures in monthly instalments based on a BoD decision, granting payment facilities in consumers' connections that belong to financially weak groups (beneficiaries of EST, Social Residential Tariff). Specifically, according to the BoD decisions 19102/21-12-2016 and 19184/05.04.2017, the surcharge and interest exemption and the inhibition of mandatory execution measure taking were abolished, but the interest-free settlements for the beneficiaries of EST and SRT were maintained.

DEBT IMPAIRMENT

In the context of its social sensitivity policies, except for the actions above, EYDAP has undertaken an initiative to relieve financially weak groups by 100% of the total outstanding debt (amounting to € 564,986.65) existing on 07.09.2017, beneficiaries under Law 4389/2016 "Emergency Provisions for Implementation Agreement on Budgetary Targets and Structural Reforms and Other Provisions, (Government Gazette 94 / A / 2016)".

ANTHROPOCENTRIC ORIENTATION

During 2017, the company continued the implementation of acts taken over during previous years, regarding the improvement of the quality of client support. It specifically provides:

Possibilities of settlement payments in external stations outside the counters.

Electronic notification to customers by e-mail and sms about account statements, increased consumption, imminent water supply outage due to outstanding debt, informing the owner of a leased property about the existence of an overdue debt of the tenant, etc.

Installation and operation of POS in all counters.

24-hour support call center through 1022 hotline that collects dynamic data from consumers, technical departments and regional centres. Phone client support, notifying of the technical service, statistics production, complaint recording, notifying of third party carriers-Services.

The www.eydap.gr website through which the electronic support regarding requests, electronic payment, debt settlements, electronic billing, is carried out.

Results of the aforementioned policies and non-financial basic performance indicators

49.69% of the General Tariff is charged with the first rank, and 43.56% with the second. Finally, it is worth mentioning that the average annual price per m³ of water consumption by the General Tariff is 0.78€, whereas the respective average annual price of the water consumption and sewer usage is 1.21€.

For the evaluation of the consumer satisfaction, the indicator “request satisfaction for bill reductions” is used, which has the quantity of requests for bill reductions that were annually submitted as a denominator, and the quantity of the respective requests that were satisfied from the Company as a numerator.

REQUEST SATISFACTION INDICATOR		
Request satisfaction for bill reductions indicator		
	2016	2017
Quantity of satisfied requests	7.269	8.764
Quantity of submitted requests for bill reductions	7.481	9.157

In 2017, 96% of the submitted requests for bill reductions was satisfied, contrary to the 97% in 2016. During 2017, an increase of the number of the examined requests by 1495 requests in relation to the previous year is noted. The bills under examination were of a total value of 12,273,500.27€, on which a discount of 6,490,181€ was granted.

D10 Development of Environmental Awareness & Sensitivity

Main non-financial risks

Nowadays, an effort to preserve the balance in nature and the protection of the natural resources is being made in a global level, since the human activity is disrupting and destroying the natural environment with unpredictable consequences to the future of humanity. The awakening of the worldwide community for the water protection and preservation is integrated in this context, since, according to estimations, in 2025, one out of three residents of the planet will live in a regime of drought.

EYDAP, being the largest company in Greece that operates in the managing sector of the water cycle, identifying its responsibility mostly towards the forthcoming generations, focuses on the constant education and awareness of the citizens for the meaning of the rational use of the water and by extension, of the resource. Its target is also their information about the huge project that is “concealed” behind the water supply and sewerage provision of services, in a technical and scientific concept, as well as about the excellent quality of the drinking water of Athens.

With the conviction that the development of critic and holistic thinking for the environment is indissolubly connected to the education – in any form, EYDAP has integrated in its activities educational programmes for students of all ranks and citizens associations.

In this way, EYDAP contributes to the achievement of the Goal 4 “QUALITY EDUCATION” and 12 “RESPONSIBLE CONSUMPTION AND PRODUCTION”, as defined by the United Nations.

Corporate politics and due diligence

A consistent goal of EYDAP is its contribution to the formulation of environmentally conscious and responsible citizens, implementing and supporting actions and initiatives which promote the cultivation of environmental consciousness and Sustainability. In this context, EYDAP attends to:

- Make sure that the environmental section exists in the corporate website, in order to inform the citizens about the importance and the protection of the natural resource.
- Regularly send informative documents to the citizens, along with the water consumption bills, with directions for the rational use of water.
- Make sure that audiovisual material exists in its website, especially for children, based on 3D technology, in order to raise awareness to them for the rational use of water, the protection of the natural resources and the environment.
- Make sure that electronic games that explain to children, in an interactive way, the procedure that EYDAP follows for the water purification, in order to make it drinking water, as well as for the biological waste processing, in order for it to return clean to the nature, exists in its website.

- Cooperate with environmental organisations and NGOs for the development of mutual acts and initiatives in order to inform the public and the student community regarding the rational use of water.
- Grant, in the context of the active participation in the development of environmental consciousness, Organisational acts, which aim to the environmental awakening.
- Participate in funded research programmes and in conferences which refer to the water resources' availability and sustainability.
- Organise informative seminars, meetings and events inside and outside of the Company. Indeed, on the occasion of the **World Water Day in 22nd of March**, EYDAP organises formal events every year, which address to a wide public, in order to inform and raise awareness. Specifically, in 22nd of March 2017, EYDAP honoured the World Water Day with festive events that were launched with the second concert of the cycle "New Greek Soloists- Sundays at Parnassus", and the presentation of the already improved environmental educational programme that is held in the Water Treatment Plants at Galatsi.
- Implement educational programmes that address to interested sectors and students of all the educational ranks, in order to develop environmental culture. About 16,000 interested sectors and students attend every year for free the educational programmes and receive plentiful informative material.

Environmental Educational Programmes

EYDAP plans and implements Environmental Educational Programmes, which are provided for free and address to all the educational ranks, with the corresponding modifications, as well as to associations and unions. The programmes are implemented from specialised executives of the Company and are conducted in EYDAP's premises. Specifically:

- In **EYDAP's Water Treatments Plants at Galatsi**, the already renewed educational program "Stagonoulis's trip" (meaning "Droplet") is presented in a new hall, with modern audiovisual system, and specially designed to cover this need. The programme provides valuable knowledge to the children for the whole water cycle and its important role in the nature. Through a plentiful audiovisual material, children follow "**Stagonoulis**" at all the stages of the water's natural cycle: its processing, distribution and use, as well its biological cleaning. Children learn about the water pollution, as well as its saving.

Meanwhile, the little visitors are guided through the travel of the drop via educational activities and games, that combine fun with knowledge. Their aim is for the children to comprehend the whole cycle of the most valuable resource, which is water, and to learn to consume it without harming the environment, contributing in this way in the planet's protection.

- **The Marathon Dam**, a work of historical meaning, colossal for its age of construction by technical means, and of huge importance for Attica's sustainability, constitutes a centrepiece for visits of school, universities, associations and other sectors. It's the only dam in the world, which is lined with pentelikon marble, the same marble with which Parthenon was built.

Its shape is arched, its length is 285 m. and its height is 54 m. Its construction began in October 1926 and was completed in October 1929 by the company ULEN & CO. Near the dam, in one of the old stone buildings (constructed in 1926 for the accommodation of the workers), which is renovated and specially formed, the presentation of the main historical elements that concern the water supply of the city of Athens is hosted. Meanwhile, there happens the projection of a perfectly maintained audiovisual material of 1920, with a duration of 22 minutes, which was saved by EYDAP's executives and was maintained with the cooperation of Greek Film Archive and specialists from Bologna, Italy.

The presentation refers to the construction of the Marathon Dam and the companion projects of the period 1926-1929. The visit includes a guided tour to the venue of the Water Museum, where tools and work objects from the age of the Dam's construction are exposed, a visit to the dam's crowning and on a-case-by-case basis to the temple-like monument, which is situated in the dam's lower side and is a replica of the Athenian Thesaurus at Delphi, in honour of their historical victory at the Battle of Marathon in 490 b.C.

Before the projection of the audiovisual material, an introductory oral briefing is made to the children from the responsible employees for the guided tour, in order to raise environmental awareness to them, to make them conceive the importance of the dam project, which gave life and quality in the living of the Attica citizens during these difficult years.

The visitors, children and adults, always leave the guided tour programme and the surrounding site excited .

- **The Psytalia Wastewater Treatment Plant (WWTP)** is one of the largest wastewater treatment plants in European level. EYDAP, in order to contribute to the development of environmental awareness and sensitivity, especially of young people, and to point out the beneficial function of WWTP for the Saronic Gulf, receives to the Plant visitors of almost all educational ranks, as well as other interested parts, from Greece and abroad. Visitors browse the WWTP

installations, escorted by EYDAP's staff, and watch a program which is customised, in order to be equivalent to the visitors' educational level and interests.

- The **Water Treatment Plants at Aspropirgos** are one most contemporary wastewater treatment plants in our country and one out of four that function in EYDAP. Guided tours to students and university students, as well as to various educational sectors from Greece and abroad, are realized in the Plant.

Results of the aforementioned politics and non-financial basic performance indicators

Approximately 16,000 people attended EYDAP's educational program.

More analytically:

- In **EYDAP's Water Treatment Plants at Galatsi**, the educational programme "Stagonoulis's trip" was attended by 9,750 students from 150 schools (8% increase in the student number in relation to last year).
- EYDAP's premises in the Marathon Dam were visited by 4,956 students and 950 people from other various sectors (the same number as 2016).
- The following visits were realised at WWTP of Psyttaleia:
 - 4 visits of national institutes of higher education (about 160 people),
 - 2 visits of schools of secondary education (about 40 people),
 - 4 visits of EYDAP's Services staff and students in internship (about 50 people),
 - 1 visit of a special scientific interest team (about 40 people), and
 - 8 visits of foreign and cooperating sectors (about 80 people).
- About 180 were guided at the **WTP of Aspropirgos in 2017**, 150 of which were students of the Technical University.

With reference to the educational programme "Stagonoulis's trip", as results from the analysis and processing of the questionnaires that are given to the teachers for the evaluation of the programme for 2017, 99% of the people questioned answered that was fully satisfied with the programme, and 99% answered that EYDAP's educational programme significantly contributed to the enrichment of the children's knowledge.

D11 Social Solidarity Acts and Cultural Heritage Preservation

EYDAP'S HISTORICAL ARCHIVE

EYDAP, having a long history in the water management and one of the biggest networks in Europe, possesses evidence which is rescued from the beginnings of the 20th century.

- The issuing of the Album and the Historical Research project "Aquatic Historiography: A chronicle of the Water Management in the Attica Region".
- The enrichment of its archival material of historical meaning through its cooperation with exogenous Archival entities, such as the bestowal of Dimitrios P. Sinadinos' archive, of the Stavropoulos Foundation, mainly for the promotion of the project of the Athens Sewerage Organization (ASO) during the 70's.
- The utilization of the archival material for the Company's promotion to international exhibitions, such as the International Exhibition "2017 Seoul Biennale of Urbanism and Architecture", which was held in Seoul, South Korea.

The rescue, management and dispersion of EYDAP's material of historical meaning is integrated to the wider effort to develop cultural conscience in its internal force, an effort which is defined by EYDAP's Culture Network significant enterprise. The Network expects to integrate actions which are widely developed in the cultural field, through the adoption and development of an undivided policy and identity, such as creation, planning and management of EYDAP's Historical Archive, the Editions that originate from and connect to it, EYDAP's Water Museum, as well as other projects under planning.

HISTORICAL MAP ARCHIVE

The construction of the first contemporary water supply projects in the Capital region started in 1925, by signing the contract between the Greek State, the American Company ULEN and the Bank of Athens. The most known project of this era was the construction of the Marathon dam (1926-1929). EYDAP was founded in 1980, after the merger of the Public **Hellenic Water Company (EEY)** and the **Greater Athens Sewerage Organization (OAP)**.

Nowadays, EYDAP maintains an archive of water supply and sewerage researches from 1925 and on, both in paper and electronic form, as well as a Historical archive of blueprints, which is about to complete a century of life.

In spite of the relevantly good condition in which this historical archive is, the need for its maintenance and digitization according to the right practices was judged as crucial in 2017. At a first stage, EYDAP cooperates with special scientists, regarding the maintenance and preservation methods of the Blueprints Archive, both of the paper and the later digitized.

EYDAP's Historical Archive of Maps includes:

- ULEN's blueprints that refer to the construction of the Marathon dam and all the complementary projects for the irrigation of the city of Athens.
- Blueprints of pipes for transferring seawater for the pre-war cleaning and fire safety needs of the city.
- Ancient Hadrian's Aqueduct's blueprints
- Blueprints of the land-improvement/irrigating projects of the Serres-Drama plains, which were assigned to the Joint Venture of American Companies Monks-ULEN in 1929.

This attempt aims to not only extend the life of the historical blueprints in paper and digitised form, but also to make them famous to the public, inside and outside of EYDAP, through a digital museum.

Our target for 2018 is the assignment of the research of the archive maintenance, in order to conduct the corresponding competition for the project implementation in 2019.

Recently, EYDAP, in the context of bringing out its social role and deploying its Historical archive, gave as a donation a leather bound blueprint series to the General State Archives of Serres Region, as well as a marquette of the draining projects of 1935 to the TEI of Central Macedonia.

PRESERVATION OF THE HISTORY OF THE CONSTRUCTION OF THE MARATHON DAM

Up until 1924, Athens mainly supplied water from Parnitha's water sources, through the ancient Hadrian's Aqueduct and the underground aquifer. However, the abrupt increase of the population of Athens, after the Asia Minor Catastrophe, created new needs, intensifying the Capital's water supply problem. The construction of the first contemporary water supply projects in the Capital region started in 1925.

In 2017, EYDAP, in its effort to preserve and bring out the oral testimony of the people who worked in the large water supplying and sewerage projects of the Capital, and meanwhile to resurrect the work conditions of these times, founded an Oral History Group of EYDAP's Employees and started its training. This Group will operate in a voluntary basis and will be supported from the cooperation with the EYDAP's Employees Cultural Association. Their purpose is to detect the historical and cultural wealth of the capital's water supply and sewerage premises and its utilization, through a specific methodology, with the society as the ultimate receiver.

EYDAP, through this procedure, lays the foundations for a contemporary guided tour experience to the Dam's visitor, which will depend on an oral archive, an innovative trend in museology, that will meanwhile contribute to the acquisition of valuable knowledge, which is in danger of extinction before having been corroborated.

Our aim for 2018 is the preservation of the employees' (or their direct descendants) oral testimonies in the construction of the Marathon Dam, in order to "bring to life" the project with evidence for the atmosphere and their work conditions, completing in this way our historical knowledge for this internationally unique monument.

HADRIAN'S AQUEDUCT

EYDAP, in the context of its cultural offer, in cooperation with the National Technological University of Athens and under the authorization and supervision of the responsible Ephorates of Prehistoric and Classical Antiquities Services, realizes for the first time an extensive investigation of the Hadrian Aqueduct. With the help of special machinery and equipment, EYDAP's crew and NTUA's scientists plunge into the Aqueduct's tunnels, in order to map and detect its cultural and hydraulic value. In 2017, the group's projects brought to light an ancient settling tank in the junction of Hadrian's with the aqueduct's branch at Halandri.

At the same time with the project's cultural promotion, EYDAP strives to evaluate the flow capacity of the ancient project and the quality of water that transfers, in order to deploy it for the irrigation of the public areas in Athens. The works started in July of 2016 and a water pumping test took place in October of 2017 and the first results are truly impressive.

Hadrian's Aqueduct, whose function responsibility today belongs to EYDAP, is a great technical project which was created by the command of the emperor Andrianos and functioned in 140 b.C. Its tunnels start from Parnitha's and Pendeli's foothills and end up to the slope of Mount Lycabettus, in Dexameni square at Kolonaki. Hadrian's Aqueduct and Hadrian's Tank functioned,

supplying with water the region of Athens until the age of Ottoman. Then, the Aqueduct was abandoned, resulting in the falling of its rotten walls.

The ancient Hadrian Tank was reconstructed in the 1870's and today EYDAP has initiated projects to bring out its interior and exterior with lighting within 2018. Near Hadrian's tank is a newer tank that was constructed in the beginnings of the 20th century, which EYDAP is aiming to convert in a space of free access- open museum.

EYDAP's Employees Cultural Association programmes the implementation of cultural acts with the topic "Tank's literary company", in the context of the Association's participation to the event "Athens World Book Capital 2018".

ONLINE APPLICATION "From Antiquity to Tomorrow: The People's Water Project"

EYDAP was chosen to represent Athens in the International Exhibition "2017 Seoul Biennale of Urbanism and Architecture", in Seoul, South Korea (02.09.2017-05.11.2017), participating in the theme exhibition "Four resources: Water, wind, energy and earth", with the project "From Antiquity to Tomorrow: The People's Water Project".

For this project, EYDAP developed an interactive map that engraves the traces of historical water sites and contemporary hydrologic networks, both of Athens and of the wider Attica region. Randomly touching two spots in the satellite map of Athens, typical photos of water usage which connect among them through the city's historic networks that are still in function appear in the screen. In this way, the user connects the city's historical moments which cause them to think about the water in the modern city.

This digital application (http://www.eydap.gr/gis_files/index.htm) that deploys the Company's historical photos and blueprints archive, is accessible to everybody online and constitutes an innovative educational tool, raising awareness to the users about the problems of the modern cities.

SOCIAL SOLIDARITY ACTS

EYDAP systematically reinforces actions and initiatives aiming to create quality, reliable, sustainable and resistant infrastructures for the support of the economic development and the human prosperity, focusing on the reachable and equal access to them for everybody and promoting the sustainable management. In this context, the Company supports the fragile social groups, the education, the research, the culture, the sports and the local societies through sponsorships and donations, and at the same time expanding its cooperation with entities that produce an important social work.

The implementation of social solidarity acts is connected to UN's Goal 1 for the elimination of poverty and the insurance of sustainable living conditions, to Goal 3 for good Health and Prosperity, to Goal 4 for Quality Education, to Goal 6 for clean Water and Sewerage, to Goal 9 for Industry and Innovative Infrastructures, to Goal 11 for Sustainable Cities and Communities, to Goal 13 for the Action for the Climate, to Goal 14 for the Life in the Water and to Goal 15 for the Life in the Land.

EYDAP constantly provides on an annual basis:

- Support to the fragile social groups
- Assistance to the educational structures through sponsoring electronic material and sponsorships to schools and universities and economic support for the organising of scientific conferences.
- Sponsorships to sports and cultural clubs
- Assistance to the social and cultural work of municipalities, inside and outside of Attica
- Economic assistance and know-how provision to entities and infrastructure projects which have social extensions.

The total amount that EYDAP spent for the forementioned acts during 2017 amounted to 323,000€. The allotment of the said amount is as follows: 17% concerns the economic support of schools, universities and scientific conferences, 31% concerns the economic support of sports and cultural clubs, 25% concerns the assistance to local and wider societies and 27% concerns the assistance to projects and infrastructures that promote the social prosperity and development.

Factual support of the vulnerable social groups

EYDAP, showing respect to the goals of the Sustainable Development and meanwhile identifying the adverse economic situation under which the Greek society lives, has taken on important initiatives, beyond the defined ones from the relevant Regulatory Framework, for the relief of the weaker financially groups through its applied pricing policy, in order to not be deprived of the access to clean water. In this way, the reductions of the water bills, which are issued under specific prerequisites and procedures, should be counted as an EYDAP's donation to society, absorbing the loss of income (this topic is further developed in the section Affordable Pricing).

Material assistance to the educational structures and donations to schools and universities and economic support for the organizing of scientific conferences

Aiming to familiarize the children with technology and knowledge advancements, EYDAP, responding to the requests of the schools of Attica, proceeded to the purchase of new electronic equipment in 2017, satisfying their needs.

Furthermore, EYDAP proceeded to the donation of used computer equipment to nursery, elementary and high schools, and to other entities. Responding to the needs of Higher Education Institutions and scientific associations proceeded to sponsorships for the promotion of research and knowledge.

Specifically, the Company sponsored:

- the Faculty of Geology and Geoenvironment of National & Kapodistrian University of Athens for the reinforcement of the research activity,
- the Faculty of Health Sciences- Laboratory of Physiology of National & Kapodistrian University of Athens for the implementation of the students' outdoor activities in the context of implementing the programme "Physiology days at Mani",
- the Faculty of Geology of National & Kapodistrian University of Athens for organising the 11th International Hydrogeological Congress of Greece,
- the School of Civil Engineering- Field of Hydraulics of Aristotle University Of Thessaloniki,
- the Agricultural University of Athens,
- the Association of Greek Geologists,
- the Panhellenic Association of Engineers

EYDAP also economically assisted to the organizing of scientific conferences, aiming to develop and disperse the scientific knowledge. It specifically sponsored:

- the organizing of Delphi Economic Forum,
- the Smart Cities Conference,
- the conduct of the Conference for Red Loans,
- the international conference that was conducted in Athens "Water Conference 2017",
- the conduct of the 3rd Hellenic Conference on Dams And Reservoirs,
- the "Social Security- Work Relations" conference, which was organised by the American-Hellenic Chamber of Commerce.

Sponsorships to sports and cultural clubs

Aiming to develop the culture and the sports, EYDAP sponsored sports and cultural clubs.

This specific sponsorship programme has been very carefully examined and structured, in order to provide help to entities which provide worthwhile work and contribute in the social prosperity.

We have to especially mention, among others:

- EYDAP's initiative in 2017 to give the chance to **new Greek Soloists** to acquire a step of creation and recognition. Thus, in 22nd of March, the World Water Day, EYDAP presented the series: "New Greek Soloists- Sundays at Parnassus ",cooperating with the internationally famous soprano Sonia Theodoridou, the conductor Theodoros Orfanidis, and the prominent orchestra Mobile,
- The sponsorship for the mission of the **Hellenic Federation of the Deaf** to the **Paralympic Games**.

Assistance to the social and cultural work of municipalities, inside and outside of Attica

Aiming to implement acts of social, cultural and environmental nature, which concern the local societies, EYDAP:

- Economically assisted to the Swimming meeting for people with special needs, that was organized by the Municipality of Nikaia-Rentis,
- Sponsored the required amount for the purchase of sports material, which was distributed in 27 schools of the Municipality of Marathon,
- Sponsored an amount for the purchase of material equipment of the Municipality of Thermos,
- Proceeded to a donation to the Sports and Culture Organization of the Municipality of Koridallou,
- Sponsored an amount for organizing the sports and cultural event "Kallithea Run" of the Municipality of Kallithea,
- Sponsored the required amount for the construction of 2 sheds in the Municipality of Rafina-Pikerimi,

- Economically assisted to the organizing of cultural events in the Municipality of Marathon,
- Sponsored in full the amount for the purchase of necessary equipment for the nursery school of the Municipal Community of Grammatiko.

Economic assistance and know-how provision to entities and infrastructure projects with social work, aiming to develop acts to fight poverty and inequality, to develop health, security and work structures, as well as to raise awareness for environmental issues to the local and wider society.

For these purposes, EYDAP proceeded to donations to the following entities:

“The Smile of the Child”, Non-Governmental Organisation “Be Strong”, “Multi-Child Parents Union”, “Best Buddies Greece”, “Floga”, “Blood Donor Volunteer Association of Arcadia”, “National Nursery School”, “Panhellenic Paraplegic Association”, “SOS Villages”, “Ark of the World”, “Solidarity Network of Vironas”, Center for Individuals with Special Needs “Hara”, Therapy Centre for Depended Individuals “KETHEA”, “Hellenic Children’s Museum” and “Panhellenic Centre for Ecological Research”.

EYDAP granted a **charity tariff** to the following entities within 2017:

- “The Smile of the Child”
- Church of Greece, 144 connections to 124 institutions
- Kosmeteio Foundation - "House of Constantinopolitans", 7 connections
- “Medecins du Monde”, 2 connections
- “Wind of Renewal: Social Cooperative Enterprise for Social and Green Economy, Innovation and Culture”, 2 connections
- “KETHEA”, 2 connections
- “Society for the Care of Minors”, 3 connections.

Moreover, in the context of its social politics, EYDAP:

- Decided the full erasure of the overdue debts, at 07.09.2017, for the bills of connections of beneficiaries who were integrated to the regulations of Law 4389/2016 (Beneficiaries of the Social Solidarity Income),
- Actively contributed to the restoration of the water supply network at Mandra, Attica, even though it is not in its possession, as well as at the Municipality of Mandra-Eidillia, from the first moment that the aforementioned areas were struck by the bad weather, by sending technical teams, material and machinery, substantially assisting the project for the damage restoration that these Municipalities endured,
- Assisted, cooperating with the Lighthouse for the Blind of Greece, to the supply of specially designed services of widespread accessibility for consumers with vision problems (mailing of special readable bills in braille form, large fonts, sending sms and mails). The implementation was mutually examined and planned, in order to respond to the needs of the citizens of this category, aiming to facilitate them and creating autonomy conditions,
- Economically assisted to the Church of St. Vissarion in Kehrinia, Valtos, in order to support its social work,
- Economically assisted to the Church of the Holy Trinity, in order to support its social work,
- Provided school supplies in a hospitality structure for the refugees at Schistos.

E Fighting against Corruption and issues regarding Bribery

Main non-financial risks

In EYDAP we are consistently focused on conducting our business with integrity, honesty, transparency and respect towards the society and the environment.

The issue of Fighting Corruption and Bribery, as a basic precondition for sustainable development and corporate responsibility, is always of very high priority, as the existence of such incidents would seriously damage the Company’s reputation, the citizens’ trust, it causes legal liability and financial damage, it increases operating cost, it forms a negative corporate culture, and turns away business opportunity.

The Company by responsibly managing this issue, complying with all current laws, implementing relative EU policy targets, Greek Anti-corruption Strategy and Action Plan, best OECD practices and directives, contributes towards the achievement of the 16th Sustainable Development Goal “PEACE, JUSTICE AND STRONG INSTITUTIONS”, as defined by the United Nations. Corruption and Bribery are extremely serious offences undermining the rule of law, are a threat to sound Corporate Government, sustainable development, democratic process and the legality of transactions.

The main risks related to issues of Corruption and Bribery, concerning EYDAP's activities are:

1. Bribing an employee, to accelerate a procedure or process a case, to advance a collaboration with our Company.
2. Misappropriation of funds by Employees working at Company's cashiers, or fraud.
3. Abuse of power.
4. Abuse of authority for personal gain.
5. Dereliction of duty of a Company's employee to harm a citizen or the State, for personal gain or for other illegal reasons.
6. Overlooking illegal conducts or activities.
7. In particular, public contracts for the supply of goods, the provision of services and the execution of projects involve the following corruption risks:
 - *drafting contractual obligations in a way that favors specific economic operators,*
 - *conflict of interest affecting various stages of competitive processes,*
 - *recourse to direct award of contracts in order to avoid the obligations of the tender procedure,*
 - *cooperation with unreliable or untrustworthy economic operators.*

Company policy and due diligence

EYDAP is implementing preventive action against corruption within the framework of developing policies aiming at achieving sound Corporate Governance and Sustainable Development, in order to increase the Company's credibility and good reputation, transparency and efficiency of its corporate activities and the fulfillment of all stakeholders needs.

EYDAP is implementing a policy of zero tolerance towards Corruption and Bribery, committed to conduct business transparently, showing ethos and integrity, always ensuring a level of excellence in the services it provides, while focusing on the citizen. In this context, the relative regulatory and legislative framework is being followed along with the appropriate practices described below:

- Enhance transparency by applying the relevant procedures arising from the current institutional framework, in particular from stock exchange legislation, such as disclosure of regulated information, valid and timely information to investors, disclosure of transactions by persons exercising managerial responsibilities to the Company, procedure to prevent abuse of privileged information and publication of important corporate information on the Company's website, disclosure of financial information statements to the Hellenic Capital Market Commission web portal, submission and publication of asset declarations by liable persons.
- Publishing and distributing corporate literature reinforcing the dissemination of information relative to Company's activities, strategy, targets and performance.
- Drafting an Internal Rules of Corporate Governance and Operation, in line with current legislation that facilitates the formulation of corporate governance policy and practices. The Regulation is structured to meet the needs of the Company. It clearly shows the elements of corporate governance, the internal control system, and the assessment and management of operational risks.
- Drafting of the Internal Staff Regulations, which establishes rights and obligations of its staff, especially when dealing with citizens. Among other things, it is expressly forbidden for the Company's employees to demand or receive from citizens, directly or indirectly, any gifts or fees or other benefits or related promises to themselves or to third parties.
- In the area of public contracts, the Procurement Division and its responsible Services fully implement the procedures of the new Law 4412/2016 "on public contracts of works, supplies and services", under which contracting entities are required to deal with economic operators equally, non-discriminatively, act transparently, respecting the principles of proportionality, protection of public interest, protection of the rights of individuals, freedom of competition, environmental protection and sustainable development. Provisions are made to meet the obligation to effectively prevent, identify and remedy a conflict of interest, the obligation to disclose public contracts and the procedures and elements prior to their conclusion. In addition contracting is being set up digitally to provide additional guarantees regarding the prevention and detection of corruption practices as they help to increase transparency and facilitate control mechanisms. Furthermore, contracting entities exclude economic operators who are not trustworthy, especially if there is a final conviction against them for bribery or fraud or money laundering. Moreover it is noted that the personnel of the Procurement and Services Division has been trained, through seminars, to fully respect and apply the above.

- In 11.1.2017, the Company issued the special "Anti-Corruption and Bribery Policy", which was compiled according to the best business practices internationally, and EYDAP's special needs and corporate culture. The Company is committed to operate with professionalism, legality and integrity in all its professional transactions, as well as establishing anti-corruption measures, in order to maintain high levels of ethics and protect its reputation. The planning of anti-corruption preventive actions reduces the risk of fraud and strengthens the Company's stock market value as it is a demonstration to stakeholders of the commitment to good Corporate Governance and Corporate Social Responsibility.

Adopting a framework of anti-corruption procedures strengthens the company's reputation, the transparency and efficiency of its business activities and moreover it motivates and empowers employees allowing them to operate in a context in which efficiency is combined with respect for rules. This Policy applies to all Company personnel, irrespective of the level at which they work and the title / grade they carry, including top executives, senior officers, directors, Board members and Board of Directors, employees (permanent, with a fixed-term or temporary contract), consultants, contractors, students and trainees.

Failure to comply with this Policy, whether intentional or unintentional, may result in disciplinary proceedings, which may result in dismissal, due to serious misconduct and the prosecution of the person involved under Greek law.

Personnel is encouraged to report concerns about any matter or suspicion regarding an offense as soon as possible. No employee will suffer consequences because of raising serious concerns regarding bribery, corruption, inappropriate donations and payments for facilitation.

Also, for the first time in the period 7-9 June 2017, on the initiative of the Administration through the Control Committee and the organizing support of the Internal Control Department, information events were organized on corruption and bribery issues, the purpose of which were to inform the executives about the "Company Policy Against Corruption and Bribery" and to comprehend the dimensions and aspects of such a serious risk, affecting not only businesses but also the country in general.

- Recording and evaluating the risks that the Company's every organizational structure faces, so as corruption and bribery to be prevented.

EYDAP's objective is to implement a process of perpetual improvement and development in order to strengthen its position and credibility, and this is what its policies and strategies are aimed at.

Results of these policies and key non-financial indicators

Within the framework of the Company's Corporate Governance, the evaluation of the Internal Control System and the implementation of the Decisions of the Supervisory Authorities (Hellenic Capital Market Commission Decision 5/204/14.11.2000, Law 3016/17.05.2002, Law 4449/24.01.2017) a three-member Control Committee has been formed by members of the Board of Directors, which operates in accordance with Rules of Procedure approved by Company's Board of Directors. The Control Committee's Rules of Procedure was updated in 2017 to include the requirements of Law 4449/2017 and 1302/28-4-2017 Hellenic Capital Market Commission Bulletin. Control Committee's main responsibilities as defined by relevant legislation, regard the monitoring of financial information, the effective operation of the internal control system and the risk management system, as well as the proper functioning of the unit of internal inspectors of the Company.

Furthermore, under the provisions of the Corporate Governance Act (Law 3016/17.05.2002 and Decision of the Hellenic Capital Market Commission 5/204/14.11.2000) the Internal Control Department aims at providing assistance to the Administration, the Board of Directors, the Company's executives and the employees in general, to perform their duties more effectively, by assessing the operation of internal control systems, data analysis and advisory services. The Internal Control Department's Rules of Procedure, which was updated in 2017, has been prepared in accordance with the International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors (IEE) of the current Greek legislation on Corporate Governance (Law 3016/17.05.2002, No 5/204/14.11.2000, Law 449/2017) and the particularities of EYDAP's operational environment.

In addition, the Company is regularly audited by certified public accountants. For cases of disciplinary offenses related to the violation of the Staff Regulations (PD 597/1985) and the Internal Staff Regulations, the Company's Disciplinary Board takes control of the proceedings.

Regulations and Policies are updated regularly to ensure constant compliance with current legislation and best international practices.

Verified incidents of corruption 2017	
A. Total number and nature of verified incidents of corruption	Workers implicated in a case of a misappropriation of funds from a Company Regional Center's Cashier's Desk, due to a legal technicality the process is pending.
B. Total number and nature of verified incidents of corruption resulting to disciplinary action against Company employees, during the aforementioned period	<p>A worker who has used a certificate whose authenticity has not been authenticated, the disciplinary proceedings have been completed in the year 2017 and received the corresponding penalty in accordance with Staff Regulations EYDAP (PD 597/1985).</p> <p>For the year 2017, there are no other identified cases of corruption</p>
C. Total number and nature of verified incidents of corruption resulting in partner contract termination of contract or non-renewal due to incident of corruption, during the aforementioned period	0
D. Public legal cases related to corruption filed against the Company or its employees, during the aforementioned period	0

COMMUNICATION AND INFORMATION REGARDING COMPANY POLICIES AGAINST CORRUPTION

A. Number of Management members informed on the company policy against corruption	Management (President, CEO, 13 board members, Management Board (6 General Managers) percentage of coverage 100%)
B. Number of employees notified on the Company's policies against corruption	All employees (2.270 percentage 100%) via the Company's website
C. Number of partners notified on anti-corruption policies.	During 2017, the Company published its anti-corruption policies in newspapers and websites to inform the general public. In addition, those policies are posted on EYDAP's intranet, and in 2018 they were also posted on its corporate website www.eydap.gr .
D. Number of Administration members who attended seminars on the prevention of corruption and bribery.	President of the Board of Directors, CEO, 6 General Managers, 7 Assistant General Managers, 3 members of the Control Committee.
E. Number of employees participating in seminars relating to the prevention of corruption and bribery.	Organizing information sessions (June 7-9, 2017) for 234 employees from all General Divisions, Independent Divisions and Offices in relation to the "Company's Policy Against Corruption and Bribery" aiming at comprehending the dimensions and aspects of such a serious risk concerning not only all businesses but the country in general.

F. Supply chain issues

EYDAP, in order to meet its needs in materials and services, as well as implement technical projects, awards public contracts, operating responsibly and in accordance with Law 4412/2016 on Public Contracts pertaining to Works, Supplies and Services.

The development and operation of a supply chain that creates added value for the Company, with economically, environmentally and socially responsible management methods and practices, is a constant challenge for the Company, which reflects to its stakeholders as well as to society as a whole.

Affiliated suppliers are important partners for achieving the Company's business goals while responsible supply chain management ensures the competitiveness and sustainable development of EYDAP, affecting not only its economic performance but also its relations with other social partners. In this way EYDAP contributes to the achievement of the Sustainable Development Objectives 8 "Decent Work & Economic Development", 12 "Responsible Consumption & Production" and 16 "Peace, Justice & Strong Institutions" as defined by the United Nations.

Adherence to public contracts pertaining to works, supply and services legislation ensures the maximization of the value of the Company and safeguards the interests of its shareholders and its employees as well as its other stakeholders as this ensures the uninterrupted flow of productive activity, with minimum cost, as well as compliance with the environmental conditions as described in the relevant legislation.

To enhance the transparency of public procurement, the Company will post to the Electronic Online Depository of Administrative Procedures ("DIAVGEIA") the notices of all electronic tenders publicized.

The Company, in addressing the risks that may arise from the non-implementation of the law and its amendments, has taken a number of actions to avoid this possibility.

At this point, it should be stressed that during 2017, EYDAP cooperated with approximately 200 suppliers and 198 contracts with a total value of approximately € 50 million were signed. Of these contracts 61 concerned Supplies, 128 Services and 9 Supplies and Services (Mixed Contracts).

The main objective of all the Company's procurement activities is to meet the needs of different business units in materials and services from the domestic and international markets in the following ways:

- timely,
- of high quality, according to the requirements as described in the individual technical specifications and
- according to the best financial terms (cost, payment terms, guarantees, etc.) for all parties involved.

In this way the Company is protected from stoppages thus ensuring the continuous flow of its productive activity.

Additionally, with regard to suppliers, care is taken to ensure full understanding of the relevant requirements from the outset, and then be able to be informed in detail through special meetings at bilateral level.

The exclusion of suppliers against whom an irrevocable court decision has been issued for any of the above categories is prescribed by existing legislation (Law 4412/2016, Article 73). Furthermore, the legal and contractual obligations and EYDAP's ethical principles require the respect of the confidentiality of sensitive information concerning the Company and its suppliers, in accordance with the provisions of Article 21 of the Law 4412/2016 on Privacy.

EYDAP's executives directly or indirectly involved in tendering procedures, are prohibited from disclosing information between suppliers and contacting participating suppliers prior to the award of the contract, except in cases of clarification, strictly on issues of technical nature relating to competitive tendering while respecting the principles of equal treatment and non-circumvention of competition. In particular, the list of candidate suppliers, prices offered, payment terms etc. are considered confidential information, not to be disclosed to third parties (Law 4412/2016, Article 257).

Conducting competitive tendering is done under strict rules guaranteeing free competition, equal treatment of suppliers and a healthy relationship between EYDAP and its suppliers. According to Law 4412/2016, EYDAP proceeds with the conclusion of public contracts with suppliers taking into account:

- the ability of exercising business activity,
- their economic and financial capacity

- their technical and professional ability and
- their compliance to the quality and environmental management standards.

In particular, with regard to long-term agreements, we emphasize that they are compatible to the principles of free competition, subject to the following conditions:

- to have been awarded following competitive procedures,
- technical specifications of products or services are clear and detailed,
- are governed by reciprocal obligations and rights between the contractual parties and are periodically inspected as to whether they remain competitive.

The Company's obligation to fulfill its contractual obligations to suppliers, with particular emphasis on payments and the availability of the equipment, the means and materials that the contract provides, is a major priority, as this promotes the corporate image of EYDAP, as an integral and reliable member of the business community.

Accordingly, EYDAP expects suppliers to meet their contractual obligations. In order to monitor compliance with suppliers' contractual obligations as well as to receive the goods and services provided, Monitoring and Receiving Committees comprised of three or five members, are set up to ensure the proper and lawful execution of the contracts.

Suppliers of materials, equipment & services selected as EYDAP partners in fulfilling their contractual obligations are required to:

- comply with national and European Community law, decrees & regulations,
- meet their contractual obligations,
- meet their obligations regarding the Health and the Safety of their employees and subcontractors,
- comply with environmental legislation,
- refrain from any action that can be interpreted as a bribe or an act of corruption or fraud. The Monitoring and Acceptance Committee systematically monitors the performance of contracts in terms of meeting their contractual obligations. In the event of failure to comply with the conditions, the competent Committee for Monitoring & Acceptance may, in accordance with Law 4412/2016:

- disqualify the Supplier (article 203),
- impose contractual penalties to the Supplier (article 218), if the contracts relate to services,
- reject the material provided and impose penalties on the Supplier for late delivery of goods (article 208), when contracts relate to supply of goods.

EYDAP, in the context of monitoring all legal changes, keeps constantly training, through specialized seminars, all its executives involved directly or indirectly in the competitive procedures in the current regulatory framework.

In 2017, 9 seminars took place on Law 4412/2016 on the subject of:

- Institutional Framework for Public Contracts for Procurement and Services
- Attachment of a Standardized Document of Formal Declaration (SDFD) / of a Standard European Contractual Document (SECD).
- NEPPS (National Electronic Public Procurement System)
- Drafting of Tender Documents for Studies-Works
- Conducting Electronic Tendering Procedures for Works, Studies & other related Technical Services through the NEPPS Platform.

A total of 95 people (44 employees 51 executives) participated in these seminars

With respect to compliance with legislation by suppliers in 2017, no incidents of violation of the Law were found relating to:

- child labor,
- forced labor,
- participation in a criminal organisation,
- bribery,
- fraud,
- committing acts of terrorism or committing crimes associated with terrorist organizations,
- money laundering by suppliers.

Galatsi, March 28th 2018

The Members of the Board of Directors

Name	Position
Konstantinos Papadopoulos	Chairman of the BoD, Member
Ioannis Benisis	Chief Executive Officer, Executive Member
Konstantinos Vafeiadis	Executive Member
Ioannis Kardaras	Member
Georgios Makrynos	Member
Alexandros Pouliasis	Independent Member
Nikolaos Sarantis	Member
Michail Stavroulakis	Independent Member
Georgios Chalambalakis	Member
Christos Mistriotis	Member
Panayotis Skoularikis	Member
Emmanouel Aggelakis	Member
Georgios Alexandrakis	Member

Exact Copy of No 1257
Minutes of the Board of Directors of 28th of March 2018

The Chief Executive Officer

Ioannis Benisis

1. ANNUAL FINANCIAL STATEMENTS

**OF THE FINANCIAL YEAR 1 JANUARY 2017 TO 31 DECEMBER 2017
IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)
OF THE GROUP AND EYDAP SA (THE COMPANY)**

DOMICILE: 156 OROPOU ST., GALATSI
SOCIETE ANONYME REGISTRATION NUMBER 44724/06/B/99/52
G.E.MI. (GREECE'S GENERAL ELECTRONIC COMMERCIAL REGISTRY) NUMBER 121578960000

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- Statement of Income for the Financial Years ended on 31st December 2017 & 2016
- Statement of Total Comprehensive Income for the Financial Years ended on 31st December 2017 & 2016
- Statement of Financial Position of 31st December 2017 & 2016
- Statements of Changes in Shareholders' Equity of 1st January – 31st December 2017 & 2016
- Cash Flow Statements of 1st January – 31st December 2017 & 2016
- Notes on the Annual Financial Statements for the period ended on 31st December 2017

The present Financial Statements of the Company, pages 102 - 159, were approved by the Board of Directors on 28 March 2018 and are under the approval of the Annual Shareholders Meeting. The following officers signed the Financial Statements under the permission of the Board of Directors:

Athens, 28 March 2018

The Chairman of the Board of
Directors

The Chief Executive Officer

The Director of Financial Services

The Head of Accounting
Department

Konstantinos Ant. Papadopoulos
ID No. P 720446

Ioannis Emm. Benisis
ID No. AB 521661

Lemonia Mark. Skylaki
ID NO. Ξ 971227
Economic Chamber of Greece
Accounting License Reg. No.
A/17806

Dimitra Vas. Zarkadoula
ID NO. AB 253061
Economic Chamber of Greece
Accounting License Reg. No.
A/112285

GENERAL INFORMATION FOR THE COMPANY

Company Name:	Athens Water Supply and Sewerage Company S.A.
Distinctive Title:	EYDAP S.A.
Domiciliation:	156 Oropou St. – Galatsi, Athens, Greece
Date of Establishment:	25/10/1999
Company Duration:	100 years
Main Activity:	Water Supply - Sewerage
G.E.MI. (Greece's General Electronic Commercial Registry) Number:	121578960000
Pertinent Ministry:	Infrastructure and Transport
Tax Registration Number:	094079101
Members of the Board of Directors:	K. Papadopoulos, I. Benisis, K. Vafeiadis, I. Kardaras, G. Makrinos, G. Charalambakis, M. Stavroulakis, N. Sarantis, P. Skoularikis, Ch. Mistriotis, A. Pouliasis, Emman. Aggelakis, G. Alexandrakis
Ending Date of the Current Period:	31 December 2017
Duration of the Period:	12 months
Type of Financial Statements (which have been the basis in compiling the condensed financial statements):	Annual
Date of Approval of Financial Statements (which have been the basis in compiling the condensed financial statements):	28 March 2018
Chartered Auditors Accountants:	Efstratios Paparidis SOEL Reg. No. 14351 Dimitrios Stavrou SOEL Reg. No. 14791
Auditing Firm:	«S.O.L.» S.A. CERTIFIED PUBLIC ACCOUNTANTS SOCIETE ANONYME, SOEL REG. NUMBER 125
Audit Report on the Annual Financial Statements from Chartered Auditors Accountants:	In agreement – Matter of Emphasis
Internet address where the Financial Statements are registered:	www.eydap.gr

STATEMENT OF INCOME FOR THE FINANCIAL YEARS ENDED ON 31ST DECEMBER 2017 & 2016

<i>Amounts in € thousand</i>	NOTE	GROUP		COMPANY	
		31.12.2017	31.12.2016	31.12.2017	31.12.2016
Turnover	5	327,343	328,851	327,324	328,821
Cost of Goods Sold	6	(184,478)	(182,637)	(184,478)	(182,637)
Gross Profit		142,865	146,214	142,846	146,184
Other Operating Income	5	3,782	3,783	3,782	3,783
General and Administration Expenses	6	(67,564)	(68,750)	(67,487)	(68,697)
Distribution and Selling Expenses	6	(29,510)	(26,991)	(29,510)	(26,991)
Operating Profit		49,573	54,256	49,631	54,279
Other Expenses		(1,753)	(4,348)	(1,753)	(4,348)
Financial Income	9	19,156	13,914	19,148	13,904
Financial Expenses	10	(503)	(4,431)	(503)	(4,431)
Impairment of Securities	17	-	(18,067)	-	(18,067)
Profit before Taxes		66,473	41,324	66,523	41,337
Income Tax	11	(23,046)	(17,275)	(23,046)	(17,275)
Net Profit after Taxes		43,427	24,049	43,477	24,062
Earnings per Share (in €)	12	0.41	0.23		
Proposed Dividend (in €)				0.20	0.11

STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR FINANCIAL YEARS ENDED ON 31ST DECEMBER 2017 & 2016

<i>Amounts in € thousand</i>	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Net Profit for the Year	43,427	24,049	43,477	24,062
Reclassification of impairment losses from investments available for sales in the Statement of Income	-	994	-	994
Valuation at fair of financial assets available for sale – Other income transferrable to following years' results	649	127	649	127
Actuarial profit-losses of defined benefit plans – Other income non transferrable to following years' results	4,901	(13,859)	4,901	(13,859)
Total Comprehensive Income after Taxes	48,977	11,311	49,027	11,324

The accompanying notes that are presented in an integral part of the present Financial Statements

STATEMENT OF FINANCIAL POSITION OF 31ST DECEMBER 2017 & 2016

Amounts in € thousand	NOTES	GROUP		COMPANY	
		31.12.2017	31.12.2016	31.12.2017	31.12.2016
ASSETS					
NON-CURRENT ASSETS					
Goodwill	13	3,357	3,357	3,357	3,357
Other Intangible Assets	14	1,026	1,284	1,026	1,284
Tangible Assets	15	852,522	881,337	852,520	881,337
Investments in Subsidiaries	16	-	-	1,210	1,210
Investments Available for Sale	17	3,659	2,855	3,659	2,855
Long-term Receivables	18	19,034	22,598	19,034	22,598
Deferred Tax Assets	19	104,685	107,588	104,685	107,588
Total Non-Current Assets		984,283	1,019,019	985,491	1,020,229
CURRENT ASSETS					
Materials and Spare Parts	20	10,940	12,387	10,940	12,387
Trade Receivables	21	215,971	207,437	215,955	207,439
Other Receivables	22	21,328	17,329	21,297	17,303
Current tax receivables	11	5,178	15,124	5,178	15,124
Cash and Cash Equivalents	23	294,921	280,544	293,920	279,471
Total Current Assets		548,388	532,821	547,290	531,724
Total Assets		1,532,621	1,551,840	1,532,781	1,551,953
LIABILITIES					
SHAREHOLDERS' EQUITY					
Share Capital	24	63,900	63,900	63,900	63,900
Share Premium		40,502	40,502	40,502	40,502
Reserves	25	379,123	378,474	379,123	378,474
Retained Earnings (earnings carried forward)	26	458,503	421,890	458,666	422,003
Total Shareholders' Equity		942,028	904,766	942,191	904,879
LONG TERM LIABILITIES					
Liabilities for Employee Benefits	27	301,006	291,214	301,006	291,214
Provisions	28	35,245	41,701	35,245	41,701
Investment Subsidies and Customer Contributions	29	183,187	186,737	183,187	186,737
Consumers' Guarantees	30	18,387	18,297	18,387	18,297
Total Long-Term Liabilities		537,825	537,949	537,825	537,949
SHORT-TERM LIABILITIES					
Operating Short Term Liabilities	31	38,889	78,190	38,882	78,182
Current Tax Liabilities	11	-	-	-	-
Other Short Term Liabilities	31	13,879	30,935	13,883	30,943
Total Short-Term Liabilities		52,768	109,125	52,765	109,125
Total Liabilities		1,532,621	1,551,840	1,532,781	1,551,953

The accompanying notes that are presented in pages 102 -159 form an integral part of the present Financial Statements

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY 1ST JANUARY – 31ST DECEMBER 2017 & 2016

GROUP

2017	Share Capital	Share Premium	Legal Reserve	Other Reserves	Securities' Reserves	Results (profit) carried forward	Total Equity
<i>Amounts in € thousand</i>							
Equity Balance at 1st January 2017	63,900	40,502	22,207	355,765	502	421,890	904,766
Net Profit for the Year						43,427	43,427
Other changes through the statement of total comprehensive income					649	4,901	5,550
Dividends						(11,715)	(11,715)
Equity Balance at 31st December 2017	63,900	40,502	22,207	355,765	1,151	458,503	942,028
2016	Share Capital	Share Premium	Legal Reserve	Other Reserves	Securities' Reserves	Results (profit) carried forward	Total Equity
<i>Amounts in € thousand</i>							
Equity Balance at 1st January 2016	63,900	40,502	22,207	355,765	(619)	485,185	966,940
Net Profit for the Year						24,049	24,049
Other changes through the statement of total comprehensive income					1,121	(13,859)	(12,738)
Dividends						(73,485)	(73,485)
Equity Balance at 31st December 2016	63,900	40,502	22,207	355,765	502	421,890	904,766

COMPANY

2017	Share Capital	Share Premium	Legal Reserve	Other Reserves	Securities' Reserves	Results (profit) carried forward	Total Equity
<i>Amounts in € thousand</i>							
Equity Balance at 1st January 2017	63,900	40,502	22,207	355,765	502	422,003	904,879
Net Profit for the Year						43,477	43,477
Other changes through the statement of total comprehensive income					649	4,901	5,550
Dividends						(11,715)	(11,715)
Equity Balance at 31st December 2017	63,900	40,502	22,207	355,765	1,151	458,666	942,191
2016	Share Capital	Share Premium	Legal Reserve	Other Reserves	Securities' Reserves	Results (profit) carried forward	Total Equity
<i>Amounts in € thousand</i>							
Equity Balance at 1st January 2016	63,900	40,502	22,207	355,765	(619)	485,285	967,040
Net Profit for the Year						24,062	24,062
Other changes through the statement of total comprehensive income					1,121	(13,859)	(12,738)
Dividends						(73,485)	(73,485)
Equity Balance at 31st December 2016	63,900	40,502	22,207	355,765	502	422,003	904,879

The accompanying notes that are presented in pages 102-159 form an integral part of the present Financial Statements

CASH FLOW STATEMENTS OF 1ST JANUARY - 31ST DECEMBER 2017 & 2016

<i>Amounts in € thousand</i>	GROUP		COMPANY	
	1.1-31.12.2017	1.1-31.12.2016	1.1-31.12.2017	1.1-31.12.2016
Cash Flows from operating activities				
Profit before tax	66,473	41,324	66,523	41,337
Plus / minus adjustments for:				
Depreciation and amortization	44,963	45,539	44,963	45,539
Amortization of customer contributions and investment subsidies	(8,184)	(8,168)	(8,184)	(8,168)
Reductions / transfers of tangible and intangible assets	(55)	(935)	(55)	(935)
Income from securities	(60)	(66)	(60)	(66)
Provisions for personnel indemnities	14,838	2,944	14,838	2,944
Other provisions	(308)	1,900	(308)	1,900
Interest and related income	(19,096)	(13,848)	(19,089)	(13,838)
Interest and related expense	503	4,431	503	4,431
Impairment of securities	-	18,067	-	18,067
Plus / minus adjustments for changes in working capital accounts or related to operating activities:				
(Increase) Decrease				
Trade receivables	3,215	5,843	3,240	5,835
Materials and spare parts	1,241	121	1,241	121
Increase (Decrease)				
Operating short term liabilities	(17,293)	2,056	(17,294)	2,055
Customers' guarantees	90	85	90	85
Employees' contributions for compensation	1,857	1,911	1,857	1,911
<i>Plus:</i>				
<i>Surcharges of customers received</i>	5,010	3,857	5,010	3,857
<i>Minus:</i>				
Interest and related expenses paid	(130)	(36)	(130)	(36)
Income tax paid	(24,750)	(52,646)	(24,750)	(52,646)
Net Cash Flows from Operating Activities (a)	68,314	52,379	68,395	52,393
Cash flows from investing activities				
Purchases of tangible assets	(14,992)	(8,442)	(14,991)	(8,442)
Purchases of intangible assets	(842)	(901)	(842)	(901)
Proceeds from customer contributions and subsidies	4,633	1,253	4,633	1,253
Interest and related income received	7,336	7,624	7,326	7,614
Dividends received	60	66	60	66
Total inflows / (outflows) from Investing Activities (b)	(3,805)	(400)	(3,814)	(410)
Cash flows from financing activities				
Dividends paid	(50,132)	(31,854)	(50,132)	(31,854)
Total inflows / (outflows) from Financing Activities (c)	(50,132)	(31,854)	(50,132)	(31,854)
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	14,377	20,125	14,449	20,129
Cash and Cash Equivalents at the beginning of period	280,544	260,419	279,471	259,342
Cash and Cash Equivalents at the end of period	294,921	280,544	293,920	279,471

The accompanying notes that are presented in pages 102-159 form an integral part of the present Financial Statements

NOTES ON THE ANNUAL FINANCIAL STATEMENTS OF 31ST DECEMBER 2017

1. ESTABLISHMENT, BUSINESS ACTIVITY AND LEGAL FRAMEWORK OF THE COMPANY

The company “Athens Water Supply and Sewerage Company S.A.” with distinctive title EYDAP SA (“EYDAP”, or the “Company”) was established in 1980 (L.1068/80) following the merger between the Hellenic Water Company of the cities of Athens – Piraeus and peripheral areas, and the Sewerage Organization of Athens.

The Company’s Headquarters are located at 156 Oropou Street, Galatsi, postal code 111 46, Athens, Greece.

The Company operates in the sector of supply and refinement of water, providing as well sewerage services and waste management in region of Attica. In accordance with its Articles of Association, where the operation clauses are referred, EYDAP is responsible for the analysis, construction, establishment, operation, exploitation, maintenance, expansion and modernization/renewal of water supply and sewerage installation and networks, within its area of responsibility. The activities of EYDAP also include the ability to use water supply and sewage networks in addition to the development of telecommunication and energy activities.

The business activity of EYDAP, as amended by the article 68 of Law 4313/2014, is extended into the municipalities of the Attica Periphery, as these are defined in the field h’ of paragraph 3 of article 3 of Law 3852/2010, apart from the municipalities of Aigina, Troizinia, Kythira, Spetses, Hydra and Poros of the Peripheral Unity of Islands of the Attica Periphery.

EYDAP provides its water supply services through its 8,500 kilometers water distribution network. The Company also operates four Units of Water Refining with a total daily capacity of 1.8 million cubic water meters.

The sewerage network has a total length of 6,000 kilometers and it is consisted of the main collectors system and the secondary sewerage network.

With regard to the waste management, EYDAP SA possesses three waste management centers (WMC), one in Psitalia (capacity for 5,630,000 equivalent residents), one in Metamorphosi (500,000) and one in Thrasio (117,000).

The Waste Management Center (WMC) in Psitalia also operates three Electrical and Thermal Energy Co-production units (ETEC). The one ETEC unit operates with the combustion of natural gas of electrical power 12.9 MWe and thermal power of 17.3 MWth respectively. The other two ETEC units operate with the combustion of biogas of total electrical power of 11.4 MWe (7.14 MWe & 4.25 MWe) and thermal power of 17.2 MWth, as well as a small-scale hydroelectric station of 489 KW capacity for the recovery of the contained energy in the wave of processed outflows prior to their disposition in Saronikos Golf.

Through the operation of the Waste Management Center (WMC) in Psitalia, EYDAP has been incorporated in the System of Greenhouse Gas Emission Allowance Trading (December 2012).

EYDAP has also installed and operates five small hydroelectric stations in the locations Kirphi, Eliconas, Kithaironas, Mandra of Mornos Aqueduct, and the small hydroelectric power station in Evinos.

The Company’s revenues are cyclical (increased water consumption in summer months) having as a consequence the occurrence of substantial variances from quarter to quarter in its revenues and financial results. Thus, the interim financial results cannot be characterized as indicative for the trend of the whole year but they are indicative provided that they are compared with the respective results of the previous periods.

The Company operates under the authority of the Ministry of Infrastructure and Transport and in accordance with the clauses of the Corporate Law 2190/1920 and establishment Law 1068/1980 as amended by Law 2744/1999.

In 1999 the Hellenic State decided to list the Company's shares on the Athens Stock Exchange, Greece. The main clauses of Law 2744/1999 Law are as follows:

The legal duration of EYDAP is set to 100 years commencing as of 25th of October 1999, date at which the Law 2744/1999 was published. The aforementioned period can be expanded by an individual resolution of the General Assembly.

EYDAP has the exclusive right to provide supply and distribution of water and sewerage services in the Attica region for 20 years commencing as of the date on which the L 2744/1999 was published in the Government Gazette. This exclusive right is not transferable and it can be renewed following a written agreement between the Greek State and the Company. The signing process of a new Agreement is under progress, so that the above right is renewed for another 20-year period.

According to article 4 of the L 2744/1999, the Legal Entity of Public Law (L.E.P.L.) under the name "EYDAP Fixed Assets L.E.P.L." ("EYDAP L.E.P.L.") has been established with its objective concerning mainly the management of the operation and maintenance of the dams, the reservoirs and the main water transmission and distribution channels. In October 1999, the main infrastructure installations for the water supply of the Attica region, meaning the dams, the reservoirs of Evinos, Mornos, Marathon, Iliki lake and the transmission and distribution channels of crude water were transferred to EYDAP L.E.P.L..

The Greek State through the EYDAP L.E.P.L. is obliged to provide adequate quantities of crude water to the Company in order to be able to meet the demands for water supply.

The company "EYDAP Fixed Assets L.E.P.L." ("EYDAP L.E.P.L.") is responsible for the proper operation and maintenance of the dams, the watering channels that have been transferred to it. The daily maintenance of the External Water-Supply System (EWSS) is carried out by EYDAP. The relations between the Greek State, the company EYDAP L.E.P.L. and EYDAP SA are governed by the Agreement between them since the 12th of year 1999. This agreement provides for arrangements for the pricing of the services offered by EYDAP for the operation and daily maintenance of EWSS. The annual cost of the daily maintenance and operation of these facilities is offset against the cost of raw water provided by EYDAP L.E.P.L.. The mutual receivables of EYDAP and the Greek State until 30/06/2013 have been amortized with the Joint Ministerial Decision No. D6 / 2476/3/12/2013.

In addition to the amendment made by article 68 of Law 4313/1414, the following legislative changes have also been made in Law 2744/1999:

By the article 35 par.2 of the Law 4053/2012, EYDAP is enabled through its subsidiaries to undertake as well activities outside of its jurisdiction (according to Law 1068/80) as it is in effect through programmatic contracts of the article 100 of Law 3852/2010. At this case the subsidiaries are governed by the same legal and regulatory framework as effective for EYDAP with the exception of the tariffs policy which is defined by the programmatic contracts. EYDAP SA established on July 2011, (GG 6773/19.07.2011 BoD decision 17241/13.05.2011) a company under the name "ISLANDS WATER SUPPLY AND SEWERAGE S.A." with distinctive title "ISLANDS' EYDAP SA", into the share capital of which participates by 100%. Consequently since 2011, the Group compiles Consolidated Financial Statements. By the decision on 21/09/2017 of the shareholders' Extraordinary General Assembly of the societe anonyme, the company name has been changed to "ISLANDS WATER SUPPLY AND SEWERAGE S.A. DEVELOPMENT" and with the distinctive title "ISLANDS' EYDAP DEVELOPMENT SA".

With the paragraph 2, of article 1 of legislative act, Gov. Gaz. A 175/07.09.2012, which was ratified with the article 1st of L. 4092/2012, Gov. Gaz. A 220/08.11.2012, it is stipulated that the paragraph 10 of article 1 of L. 2744/1999 (A 222) is abolished. Transfers of shares of EYDAP S.A. from the Greek State to Hellenic Republic Asset Development Fund are valid even if they occurred prior to the enactment of the current Law. In accordance with the aforementioned legislation, the Articles of Association of the Company were also amended.

With the article 64 of L. 4150/2013 Gov. Gaz. A 102/29.4.2013, the paragraph 5A was added to the article 1 of L. 2744/1999, according to which the following are stipulated: "With joint decision of the Ministers of Development & Competitiveness, of Infrastructure, Transport & Networks, of Shipping & Aegean and of the other pertinent Ministers, EYDAP SA or subsidiary companies can be assigned with the study or with the assignment of a study with regard to the construction in island areas of

projects related to the companies' activities, as well as with the assignment and the execution management of such projects. The decision stipulates special issues, such as the obligations of the Company (EYDAP S.A.) or its subsidiaries, the principal of the project, the financing scheme of the studies and the projects, the pertinent and responsible bodies, and any issue relevant to the application of this paragraph."

With the article 33 of Law 4258/2014, the paragraphs 1 and 2 of article 3 of Law 2744/1999 were replaced. In synopsis, until the end of June 2015, the pricing policy with regard to the water supply and sewerage services are under the approval of the Minister of Finance following a relevant proposal from the Special Secretariat for Water. From 1st July 2015, the pricing policy with regard to water supply and sewerage services are placed under the decisions of the Special Secretariat for Water in consultation with the Minister of Finance and other pertinent bodies. Moreover, the decisions related to the above pricing policy for the different categories of consumers and users are in effect for five years and are issued at the end of each period for the following five-year period. With the decision of the Board of Directors of EYDAP S.A., which is approved by the Minister of Finance following a relevant proposal from the Special Secretariat for Water, special pricing rates for water supply or sewerage services can be defined, addressing the needs of inhabitants, companies and general users that are serviced by their own water supply or sewage network, independently of the Company's unified water supply and sewage network.

On May 22, 2017, the Joint Ministerial Decision was published in GG B 1751, which had as its subject: "Adoption of general rules for the costing and pricing of water services. Method and procedures for recovering the cost of water services in its various uses."

The purpose of the aforementioned JMD is the approval of the general costing and pricing rules of water services for various uses and rules and measures of those services' improvement as well as the definition of procedures and the method of recovering the cost of such services, including the environmental costs and water resource costs, in order to achieve sustainable use and improvement of the state of water and to ensure the constitutionally guaranteed public character of water as a social good absolutely necessary for the human living.

EYDAP examines the application of the general rules for the costing and pricing of water services in accordance with the above JMD.

Finally, pursuant to Law 4389/2016 article 184, the societe anonyme under the name "Hellenic Holding and Property Company SA" (EESYP SA) was incorporated, governed by the provisions of this law and in addition by the provisions of c.l. 2190/1920. EESYP SA does not belong to the state or to the wider public sector, as it is defined each time.

EESYP SA serves a specific public purpose (for "the public interest in accordance with the rules of the private economy"). Within the framework of its purpose is to hold State-owned participation in companies under Law 3429/2005, which it manages professionally and to increase their value as well as to exploit them in accordance with best international practices and the guidelines of the Organization for Economic Co-operation and Development (OECD) on corporate governance, corporate compliance, supervision and transparency of procedures, and in line with best practices on socially and environmentally responsible businesses and consultation with the public enterprises interested parties.

Pursuant to article 197 of Law 4389/2016 and Annex E, which is an integral part of the law, the total shares of the Hellenic State's ownership in EYDAP SA are transferred automatically and without consideration to EESYP.

In particular, on March 21, 2018, (50% + 1 shares) of EYDAP SA were transferred from the Greek State to the "Hellenic Holding and Property Company SA" (EESYP SA) pursuant to paragraph 20 Article 380 of Law 4512/2018, replacing paragraph 1 of Article 197 of Law 4389/2016 with effect from 01.01.2018. The Greek State fully controls (by 100%) the company EESYP SA.

2. NEW STANDARDS, INTERPRETATIONS AND AMENDMENT OF EXISTING STANDARDS

Adoption of New and Revised International Standards

New standards, amendments to existing standards and interpretations have been issued and their application is mandatory for annual periods beginning on or after 1 January 2017. The impact of the application of these new standards, amendments and interpretations is set out below.

Standards and Interpretations mandatory for the current financial year 2017

IAS 12 (Amendment) “Recognition of Deferred Tax Assets for Unrealised Losses”

The amendment clarifies the accounting concerning the recognition of deferred tax assets for unrealised losses incurring from debt instruments measured at fair value. The amendment is applicable for annual periods beginning on or after 1 January 2017. The amendment does not have material impact on the financial statements of the Company and the Group.

IAS 7 Statement of Cash Flows (Amendment) “Disclosures”

The amendment introduces mandatory disclosures that enable users of financial statements to evaluate the changes in liabilities arising from financing activities. The amendments shall require entities to provide disclosures that permit investors to evaluate changes in liabilities arising from financial activities, including changes arising from cash flows and non-cash changes. The amendment is applicable for annual periods beginning on or after 1 January 2017.

The amendment does not have material impact on the financial statements of the Company and the Group.

Standards and Interpretations mandatory for subsequent periods that have not been earlier applied by the Company and the Group

IFRS 9 “Financial Instruments” and subsequent amendments to IFRS 9 and IFRS 7 (applicable for annual periods beginning on or after 1 January 2018)

IFRS 9 replaces the IAS 39 and establishes a more principles-based approach with respect to the classification of financial assets. Based on this, financial assets are classified based on the business model in which they are held and the characteristics of their contractual cash flows.

In addition, it replaces the impairment model of incurred credit losses applied with IAS 39 and introduces a new single model of impairment based on the expected credit losses.

The Group will adopt the new standard on 1 January 2018 and will not restate the comparative information.

The main areas on which the new standard applies are the following:

- The Company and the Group has assessed the business model in which its trade and other receivables are held. Based on this assessment, its trade and other receivables are held within a business model whose objective is to hold the assets in order to collect contractual cash flows and their contractual cash flow characteristics are nothing else than payment of principal and interest on principal outstanding. As a result, the classification and measurement of the trade and other receivables of the Group will not be significantly affected by the transition to IFRS 9.

- The investments of the Group in equity instruments must be measured at fair value and relevant fair value changes to be recognized through profit or loss, except for investments in equity instruments for which the Group has made an irrevocable election at their initial recognition to be classified in fair value through other comprehensive income.
- The new impairment model of financial assets requires the recognition of impairment losses based on expected credit losses. Based on the analysis carried out, the Group concluded that the adoption of the new standard will result in an increase of impairment losses of its trade receivables. The Group's management is in the final stage of its assessment concerning the impact from the adoption of the new standard on the impairment losses of financial assets that needs to be recognized based on expected credit losses.
- The new standard also provides for further disclosure requirements for financial instruments as well as changes in the presentation of relevant information in the Group's Financial Statements.

IFRS 15 “Revenue from Contracts with Customers”

On 28 May 2014 the IASB issued IFRS 15 “Revenue from Contracts with Customers”. IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 is effective for annual periods beginning on or after 1 January 2018 and supersedes IAS 18 “Revenue”, IAS 11 “Construction Contracts” and the interpretations IFRIC 13 “Customer Loyalty Programmes”, IFRIC 15 “Agreements for the Construction of Real Estate”, IFRIC 18 “Transfers of Assets from Customers” and SIC 31 “Revenue – Barter Transactions Involving Advertising Services”.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer.

Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

In April 2016, the IASB issued Clarifications to IFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The Group will apply IFRS 15 using the modified retrospective method and will record the cumulative effect adjustment to the opening balance of retained earnings on January 1, 2018.

Water supply and sewerage services are the major sources of revenue for the Group and the Company. Based on a preliminary assessment performed by the management of the Group, water supply and sewerage services represent two separate

performance obligations. This is similar to the current identification of separate revenue components under IAS 18. According to the provisions of IFRS 15, revenue for each of the above-mentioned two performance obligations will be recognised over time, since the customer simultaneously receives and consumes the benefits arising from both the water consumption and the utilization of the sewerage network. The timing of revenue recognition for water supply and sewerage services (i.e. over time by measuring the progress towards complete satisfaction of the performance obligations based on the quantities of water consumed and the effective pricelists) is also expected to be consistent with current practice. Furthermore, even though IFRS 15 requires the transaction price to be allocated to the different performance obligations on a relative stand-alone selling prices basis, the Group does not expect that the allocation will be different from that currently determined, given that no bundle discounts are provided to customers.

Similarly, as regards the sale of electric power, the Group has assessed that represents a single performance obligation and revenue should be recognised over time by measuring the progress towards complete satisfaction of the performance obligation based on the kWh sold and the effective pricelists, which is consistent with current practice.

The Group is still in the process of assessing the impact of IFRS 15 on its financial statements by further analyzing mainly the fulfilment of the criteria for contract identification for certain transactions and the accounting treatment for customers' contributions.

IFRS 16 "Leases"

On 13 January 2016 the International Accounting Standards Board (IASB) issued the IFRS 16 which supersedes the IAS 17. Purpose of the standard is to ensure that lessors and lessees provide useful information that presents fairly the substance of the transactions concerning leases. The IFRS 16 introduces a single lessee accounting model on lessee's side, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. For the accounting, on the lessor's side, the IFRS 16 substantially incorporates the requirements of the IAS 17. Consequently, lessors continue to classify leases as operating or finance, and follow different lessor accounting for each type of contract. The new standard is applicable for annual periods beginning on or after 1 January 2019 and was approved by the European Union on 31 October 2017 and is under examination.

Standards and Amendments to existing Standards that have not been approved by the E.U.:

IFRS 10 (Amendment) "Consolidated Financial Statements" and IAS 28 (Amendment) "Investments in Associates and Joint Ventures" - Sales or Contributions of Items of Assets between an Investor and the Associate or the Joint-Venture

Main consequence of this amendment issued by the IASB on 11 September 2014, is that full gain or loss is recognised when a transaction includes an entity (either housed in a subsidiary or not). Partial gain or loss is recognised when a transaction includes items of assets that do not constitute an entity, even if these assets are housed in a subsidiary. The amendment is applicable for annual periods beginning on or after 1 January 2016 and has not yet been approved by the European Union.

IFRS 2 Share-based Payment (Amendment) "Classification and Measurement of Share-based Payment"

The amendment to IFRS 2 "Share-based Payment" clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged

to withhold an amount for employee's tax obligation associated with a share-based payment and pay that amount to the tax authority. The amendment is applicable for annual periods beginning on or after 1 January 2018 and has not yet been approved by the European Union.

Annual Improvements to IFRSs 2014-2016 Cycle

The amendments below of the 2014 - 2016 Cycle were issued by the IASB on 8 December 2016, are applicable for annual periods beginning on or after 1 January 2018 and have not yet been approved by the European Union. The amendments below are not expected to have a material impact on the financial statements of the Company and the Group.

IFRS 12 Disclosures of Interests in Other Entities: Clarification of the scope of the Standard

The amendments clarify the disclosure requirements in IFRS 12, except for the disclosures for condensed financial information, regarding subsidiaries, joint ventures and associates apply for an entity's interests in a subsidiary, joint venture or associate classified as held for sale, as held for distribution or as discontinued operations in accordance with IFRS 5. The amendment is applicable for annual periods beginning on or after 1 January 2017.

IAS 28 (Amendment) "Measuring an Associate or Joint Venture at fair value"

The amendment clarifies that the election to measure at fair value through profit or loss investments in an associate or a joint venture that are held by an entity that is an investment capital management, or other qualifying entity, is available for each investment in an associate or joint venture on an investment -by- investment basis, upon initial recognition.

IAS 40 "Investment Property" Transfer of Investment Property

The amendments to IAS 40 issued by the IASB on 8 December 2016 clarify that an entity can transfer a property to, or from investment properties, when and only when, there is evidence of a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition. A change in management's intentions for the use of a property, in isolation, is not evidence of a change in use to support a transfer.

The amendment is applicable for annual periods beginning on or after 1 January 2018 and has not yet been approved by the European Union.

IFRIC 22 Interpretation "Foreign currency transactions and Advance consideration"

The Interpretation 22 clarifies the accounting for foreign currency transactions including the receipt or the payment of consideration in advance. Specifically, it applies for the foreign currency transactions where an entity recognises a non-monetary asset or liability arising from the payment or the receipt of consideration in advance before the entity recognise the related item as expense or revenue. The interpretation states that the date of the transaction, for the purpose of determining the exchange rate to use on initial recognition of the related item, should be the date on which an entity initially recognises the

non-monetary asset or liability arising from the advance consideration. If there are multiple payments or receipts in advance, the date of transaction is determined for each payment or receipt.

The interpretation is applicable for annual periods beginning on or after 1 January 2018 and has not yet been approved by the European Union.

IFRIC 23 Interpretation “Uncertainty over Income Tax Treatments”

Interpretation 23 is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. In such case should be considered:

- whether tax treatments should be considered collectively or independently and on the assumption that the examinations will be done by the taxation authorities having full knowledge of all relevant information:
 - it is probable that the taxation Authorities will accept the entity’s determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates and
 - an entity has to reassess its judgements and estimates if facts and circumstances change.

IFRIC 23 is applicable for annual periods beginning on or after 1 January 2019 but has not yet been approved by the European Union.

Annual Improvements to IFRSs 2015-2017 Cycle

The following amendments of the 2015 - 2017 Cycle were issued by the IASB on 8 December 2017, are applicable for annual periods beginning on or after 1 January 2019 and have not yet been approved by the European Union. The amendments below are not expected to have a material impact on the financial statements of the Company and the Group.

IFRS 3 Business Combinations and IFRS 11 Joint Arrangements

The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business.

The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

IAS 12 Income Taxes

The IASB by the amendments to IAS 12 clarified that an entity shall recognise all the income tax consequences of dividends distribution in profit or loss, in other comprehensive income or in equity, depending on where the transactions or events that generated distributable profits are initially recognised.

IAS 23 Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

IAS 28 (Amendment) “Long-term Interests in Associates and Joint Ventures”

In October 2017, the IASB issued amendments to IAS 28 “Investments in Associates and Joint Ventures”. In this amendment, the IASB clarified that the exclusion in IFRS 9 applies only to interests a company accounts for using the equity method. Entities shall apply IFRS 9 to other interests in associates and joint ventures, including long-term interests to which the equity method is not applied and that, in substance, form part of the net investment in those associates and joint ventures.

The amendment is applicable for annual periods beginning on or after 1 January 2019 and has not yet been approved by the European Union.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS).

Basis of Consolidation

The Consolidated financial Statements of the current as well as of the previous period, include the parent company and its subsidiary “ISLANDS’ EYDAP DEVELOPMENT SA.”.

Subsidiaries are all the companies which are managed and controlled directly or indirectly by the parent Company either through the majority holding of the companies’ shares to which the investment has been made or through their dependence on the know-how which is provided to them by the Group. Subsidiaries’ financial statements are included in the consolidated financial statements from the date of control accession until the date that the control ceases to exist.

During the acquisition of the subsidiary the respective receivables, liabilities as well as any potential liabilities are assessed at their fair value. In case that the cost value is greater than the fair value, the respective difference is recognized as goodwill. At the opposite case, where the cost value is lower than the fair value, the respective difference is credited in the financial results of the acquisition year. Minority interests are displayed at the proportion of the minority at the fair value of the assets and liabilities at which they have been recognized.

Subsidiaries’ acquisitions are recognized under the purchase method. The subsidiaries’ financial results which are either acquired or sold during the fiscal year, they are included in the respective consolidated statements respectively from their acquisition date or the date of their disposal.

When is deemed necessary, subsidiaries’ financial statements are restated in order for the data to be homogeneous and comparable with the respective data of the remaining companies of the Group. During the consolidation all the intra-group transactions and balances as well as the losses and the gains between the companies of the Group are eliminated.

In the Company’s financial statements participations in subsidiaries and affiliates are displayed at their cost value deducted by any impairment of their value. The company examines on a yearly basis or whenever there is any indication for impairment occurrence the accounting value of the aforementioned participations compared to the retrieval value on the basis of the higher value between fair value less cost to sell and the value in use.

Investments in associates

Associates are those companies on which the Group exercises significant influence but they do not meet the requirements to be treated as subsidiaries. The consolidated financial statements include the Group's share in the profits and losses of the associates, based on the equity consolidation method from the date that the Group obtains significant influence until the date that it ceases to exist such influence. When the Group's share in the losses of an associate exceeds the displayed book value of the investment, the carrying value of the investment is reduced to nil and the recognition of further losses stops, unless the Group has undertaken liabilities or contingent liabilities of the associate, beyond that arising from its shareholder state. The results stemming from transactions between the companies of the Group and the associates are eliminated to the extent of the investment of the Group in the associates.

In the separate financial statements of the Company, associates are valued at cost and they are subject to impairment audit annually or in interim periods when there are serious indications of impairment occurrence.

Goodwill

Goodwill arising from the acquisition of a subsidiary or a jointly controlled entity or other business activity represents the difference between the acquisition cost and the participation of the Company in the net fair value of the identified assets, liabilities and contingent liabilities of the subsidiary or that of the jointly controlled entity or other business activity recognized at the date of acquisition.

Goodwill is initially recognized as an asset at cost and subsequently is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each cash-generating unit of the company. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit proportional based on the carrying amount of the unit's assets. An impairment loss recognized for goodwill is not reversed in a subsequent period.

During the disposal of a subsidiary or a jointly controlled entity or other business activity the defined amount of goodwill is included in the determination of the profit or loss that stems from disposal.

The Company's policy for goodwill arising on the acquisition of an associate is described under 'Investments in associates' above.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced by the estimated adjustments of customers' bills, the price reductions and other relevant downward adjustments.

The water supply and sewerage services are the major sources of income for the Company. Income from water supply are calculated on the basis of the consumed quantities and the price list in effect. Income from sewerage services are calculated as percentage on the value of the consumed water. The Company invoices the water consumption mainly on quarterly basis, via measurements, whereas with regard to the non invoiced consumption up to the ending date of the period of the financial statements, the Company proceeds with an accounting record of an accrued income, which is based on historical consumption data of the Company's customers for the non invoiced period.

Provision of services

Revenue stemming from service provision they are recorded based on the stage of the contract's completion.

Income from dividend and interest

The income stemming from participations' dividends are recorded when it has been finalized the right for their receipt by the shareholders. Interest revenue is recorded based on proportional timing with respect to the unpaid capital and the effective real interest rate which is the interest rate at which they are discounted the future cash receipts which are expected to be received throughout the usable life of the asset in order to be offset with the net book value of the asset.

Rental income

Rental income from investment properties is recognized on a straight-line basis over the term of the relevant lease. (see also "Leasing" below)

Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognized based on the stage of the contract's completion by the reporting date of the financial statements, measured based on the proportion of the real conventional for the executed project until the timing of the financial position over the total conventional costs which are estimated at the respective date for the completion of the project, except in the case where this is not representative of the completion stage.

Variations from the initial contract, claims and incentive payments are included to the extent that they have been agreed with the client.

In case where the outcome of a contract for projects' construction cannot be estimated reliably, the conventional revenue are recognized to the extent where the realized conventional cost are estimated to be retrieved. The conventional costs are recognized at the financial results of the fiscal year during which they occur. When it is probable that the total conventional cost will exceed the total conventional revenue, the expected loss is recognized immediately at the results.

Leasing

Leases are classified as finance leases whenever according to the terms of the lease they are transferred substantially all the risks and benefits stemming from the ownership of the lease to the lessee. All the other leases are classified as operating leases.

The Company as lessor

The amounts that are due from the lessees under finance leases are recorded as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to the fiscal periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease agreement. Initial direct costs which incur during the negotiation and the arrangement of the operating lease are added to the carrying amount of the leased asset and they are recognized on a straight-line basis over the lease term.

The Company as lessee

Assets held under finance leases are recognized as assets of the Company at their fair value at the inception of the lease or, if it is lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the financial position report as a liability from the financial leasing.

Lease payments are apportioned between financing charges and reduction of the lease obligation so as to achieve a constant rate of interest burden on the remaining balance of the liability. Finance charges are charged directly on the financial results, unless this specific cost can be attributed directly to an individual asset, case where this is capitalized in accordance with the Company's general policy governing the borrowing costs (see below). Contingent rentals are recognized as expenses in the periods in which they incur.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they incur.

In case that lease incentives are received within the context of the lease agreement, the respective incentives should be recorded as a liability. The aggregate benefits of incentives are recorded as a reduction of the lease expense according to the straight-line basis, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Foreign currencies

The financial statements of the Company are presented in the currency of the economic environment in which the entity operates (its operating currency), which is the Euro.

During the compiling of the financial statements of the company, transactions in currencies other than the entity's operating currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. On each financial statements report date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the financial statements report date .

Non-monetary items which are estimated at fair value and they are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognized in the financial result of the period in which they arise except for:

- exchange differences which are related to assets under construction for future use in the production, which are included in the cost of those assets and they are regarded as an adjustment to the interest costs on foreign currency borrowings;
- exchange differences in hedging transactions of certain foreign currency risks and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognized in the foreign currency translation reserve and recognized in profit or loss on disposal of the net investment.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Borrowing costs

The borrowing costs at all cases burden the financial results of the fiscal year during which they occur.

Subsidies

Subsidies are not recognized until there is reasonable assurance that the Company will comply with the clauses that govern them and that the subsidy will be received.

State subsidies whose primary condition is the purchase or the construction, or by any other way the acquisition of non-current assets are recognized as deferred income in the balance sheet and they are transferred to the operating result on a systematic and rational basis during the useful life of the related asset.

Other subsidies are recorded on a systematic basis at the income of the respective periods during which there has to be made the matching of these subsidies with the respective costs. State subsidies which are received as compensation for expenses or losses which have already incurred or for the purpose of providing immediate financial support to the Company with no future related costs are recognized in the results of the period during which they become receivable.

The Company receives subsidies from the European Union (E.U.) the Greek State and the Organization of Local Government for the financing of specific projects. Furthermore EYDAP's customers are required to participate in the initial network connection cost (supply, distribution network, connections pipes, etc) or in the upgrade/expansion of the Company's networks. Subsidies and customers' contributions are deferred and amortized into income, over the period necessary to match them with the related costs that they are provided to compensate, with the amortizing rate equal to the depreciation rate of the respective assets. The aforementioned income is presented as a subtraction from the depreciation expense at the financial statements.

State subsidies for the training of the personnel are recognized in the financial results within the periods that are required for the matching with the related expenses and they are presented as a deduction from them.

Retirement benefit costs

Contributions to defined staff indemnities benefit schemes are recognized as an expense when employees have provided services entitling them to the contributions.

For defined benefit retirement plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation studies being carried out on each financial position statement's date. Actuarial gains or losses are directly recognized in the total comprehensive income for the period during which they occur, and are not transferred to the income statement of a following period. Prior service cost is recognized immediately to the extent that the benefits are already vested, otherwise are amortized on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognized in the financial position statement at the time of the indemnity represents the present value of the defined benefit obligation after taking into account the adjustments for the unrecognized actuarial gains and losses and unrecognized past work experience cost reduced by the fair value of scheme's assets.

Any asset resulting from this calculation is limited to unrecognized actuarial losses and past working experience cost, plus the present value of available refunds and reductions in future contributions to the scheme.

Taxation

Income tax expense represents the sum of the current tax payable and the deferred tax.

Current tax

The current tax payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and in addition it further excludes items that are will never be taxed or exempted . The Company's liability for the current tax is calculated using the effective tax rates or those who have been enacted by the financial statements report date.

Deferred tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities of the financial statements and the corresponding tax bases which are used for the calculation of the taxable profit. Differed tax is recorded by applying the balance sheet liability method. Liabilities from deferred tax are generally recognized for all the taxable temporary differences and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that does not affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for all the taxable temporary differences associated which arise from investments in subsidiaries and associates, and participations in joint ventures, with the exception of the cases where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not be reversed in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and participations are only recognized to the extent that it is probable that there will be sufficient taxable profits against which they could be utilized the benefits of the temporary differences and they are expected to be reversed in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is been reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured according to the tax rates that are expected to be effective in the period at which the asset will be liquidized or the liability will be settled, based on effective tax rates or are effective by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax results that will follow based on the way that the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they are related to income taxes levied by the same taxation authority and furthermore the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognized as an expense or income in the financial results, except when they are related to items credited or debited directly to equity, case where the tax is also recognized directly in equity, or where they arise from the initial recognition of a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or in determining the excess between the acquirer's interest in the net fair value of the acquired business identifiable assets, liabilities and contingent liabilities over cost of the company.

Property, plant and equipment

Land and buildings held for use in the production or sale of goods or services, or for administrative purposes, are displayed on the financial statement report at their acquisition cost less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Properties under construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes the compensation of professionals.

Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Land owned by the Company is not depreciated.

The water supply and sewerage networks as well as the antipollution projects, waste processing centers, fixtures and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged against the results so as to decrease the cost or the value of the assets, with the exception of the land and properties under construction, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at end of each year, with the effect of any changes on the estimates to be calculated on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as the owned assets or, based on the term of the relevant lease term in case it is shorter.

The gain or loss arising from the disposal or the retirement of a property, plant and equipment item is determined as the difference between the sales proceeds and the net book value of the asset and it is recognized in the profit and loss account.

Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately are reported at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over their estimated useful lives of the tangible assets. The estimated useful life and the amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimates being accounted on a future basis.

Internally-generated intangible assets – research and development expenses

Expenditure on research activities is recognized as an expense in the period in which it incurs.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following can be proven:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset
- the intangible asset to be able to generate probable future economic benefits.

- the availability of adequate technical, financial and other resources for the completion of the development and the utilization or sale of the intangible asset and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure which arise from the date when the intangible asset first meets the recognition of the criteria listed above. Where it is not possible to recognize internally-generated intangible asset, development expenditure is charged to the profit and loss statement in the period in which it incurs.

Subsequent to the initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognized separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Impairment of tangible and intangible assets excluding goodwill

On the financial statements reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication occurs, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash flow-generating unit to which the asset belongs.

When a reasonable and consistent basis of allocation can be identified, corporate assets can also be allocated to individual cash flow-generating units, or otherwise they are allocated to the smaller group of cash flow-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher between the fair value deducted by the sale costs and the value in use. In assessing value in use (of the asset), the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks related to the asset.

If the recoverable amount of an asset (or cash flow-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash flow-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the profit and loss account.

Where an impairment loss subsequently is reversed, the carrying amount of the asset (cash flow-generating unit) is increased to the revised estimate of its recoverable amount, so as the increased carrying amount does not exceed the carrying amount that would have been determined if there had not been recognized any impairment loss for the asset (or a cash flow-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the profit and loss account.

Inventories

Inventories are recorded at the lower value between acquisition cost and net liquidation value. The acquisition cost is calculated via the weighted average cost method. The cost incorporates all respective materials and whenever is required it also includes direct labor costs and the respective general industrial expenses incurred for the processing of inventories to their final condition. The net liquidation value represents the estimated selling price less the estimated costs necessary for the completion of the sale.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation on the financial statements reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When part or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset when it is practically certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognized and measured as a provision. An onerous contract is considered to occur where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Restructurings

A restructuring provision is recognized when the Company has developed a detailed formal plan for the restructuring and has raised a valid expectation, to those been affected, that it will carry out the restructuring by starting the implementation of the plan or announcing its main features to those been affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which necessarily stem from the restructuring and simultaneously are not associated with the ongoing activities of the entity.

Warranties

Provisions for warranty costs are recognized at the date of the sale of the relevant products, according to the management's best estimates for the expenditure required to settle the Company's obligation.

Financial assets

Investments are recognized and written off on the date of the trade where the purchase or sale of an investment is performed based on a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and they are initially measured at the fair value, net of transaction costs.

Financial assets are classified into the following specified categories: financial assets as 'at fair value through profit or loss' (FVTPL), 'held-to-maturity investments', 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and it is determined at the time of the initial recognition.

Method of Effective interest rate

The effective interest rate method is a method based on which it is calculated the amortized cost of a financial asset and it is allocated the interest income over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts (including all the commissions paid or received as they are an inextricable part of the effective interest, transactions costs plus other additional fees or discounts) through the expected life of the financial asset, or a shorter period where it is deemed as appropriate.

Income is recorded on the profit and loss account by utilizing the effective interest rate basis except from those financial assets which have been identified as "at the fair value through the profit and loss" (FVTPL).

Financial assets at FVTPL

Financial assets are classified as at FVTPL where the financial asset is either held for sale or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Company manages jointly and for that there is a recent actual pattern of short-term profit-taking; or it is a derivative that is not designated and effective hedging instrument.

A financial asset other than a financial asset held for sale can be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces an inconsistency which refers to the measurement or the recognition that would otherwise arise; or
- the financial asset forms a part of a group of financial assets or financial liabilities or both, which is under management and its performance is evaluated based on its fair value, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits to the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value and any resultant gain or loss is recognized in the profit and loss statement. The net gain or loss recognized in the profit and loss statement incorporates any dividend or interest earned on the financial asset. The fair value is determined in the manner described in note 39.

Held-to-maturity investments

Bills of exchange and debentures with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and the ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortized cost using the effective interest rate method less impairment, with revenue recognized at the profit and loss account on an effective yield basis.

Available for sale (AFS) financial assets

Listed shares and listed redeemable bonds held by the Company and traded in an active market are classified as being AFS and are stated at fair value. Fair value is determined in the manner described in note 39. Gains and losses arising from changes in the fair value are recognized directly in equity in the investments revaluation reserve with the exception of the impairment losses, the interest calculated using the effective interest rate method and the foreign exchange gains and losses on monetary assets, which are recognized directly in profit the loss account. When the investment is disposed or it is identified as impaired, the cumulative gain or loss previously recognized in the investments revaluation reserve is included in the profit and loss account of the period.

Dividends on AFS equity instruments are recognized in profit or loss when it is finalized the Company's right to receive payments from the shareholders.

The fair value of AFS monetary assets denominated in a foreign currency is determined in the respective foreign currency and it is translated at the spot rate at the financial statements report date. The change in fair value attributable to translation differences that result from a change in the amortized cost of the asset is recognized in profit or loss while other changes are recognized in the equity.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that they are not traded in an active market are classified as 'loans and receivables'. Loans and receivables are measured at their initial recognition at fair value and subsequently at amortized cost using the effective interest rate method less any impairment.

Interest income is recognized by applying the effective interest rate method, except for short-term receivables where the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indications of impairment on each financial statements date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the initial effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all the financial assets with the exception of trade receivables where the carrying amount is reduced through the use of a provision account. When a trade receivable is uncollectible, it is written off against the provision account. Subsequent recoveries of amounts previously written off are transferred in benefit of income statement. Changes in the carrying amount of the provision account are recognized in the profit and loss account.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment it was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date that the impairment is reversed does not exceed the amortized cost that would have been estimated if the impairment was not recognized.

In respect of AFS equity securities, any increase in the fair value subsequent to an impairment loss it is recognized directly in the equity.

Financial liabilities and equity instruments issued by the Company

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recorded with the product of the receipts, net of direct issuance costs.

Compound Financial instruments

The component parts of compound instruments are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the issuance date, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortized cost basis until it is eliminated through its conversion or until its maturity date. The equity component is determined after the deduction of the liability component from the fair value of the compound instrument as a whole. This amount is recognized and included in equity, net of income tax effects, and it is not re-measured at a subsequent date.

Financial guarantee contract liabilities

Financial guarantee contract liabilities are measured initially at their fair values and subsequently they are measured at the higher between:

- the amount of the obligation under the contract, as determined in accordance with IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”.
- the amount initially recognized deductible by, when it is deemed necessary, the cumulative amortization recognized in accordance with the revenue recognition policies.

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or as other financial liabilities.

Financial liabilities at Fair Value Through Profit and Loss Account (FVTPL)

Financial liabilities are classified as at FVTPL when the financial liability is either held for sale or if it is designated as a FVTPL.

A financial liability is classified as held for sale if:

- it has been incurred principally for the purpose of repurchasing in the near future; or
- it is a part of an identified portfolio of special financial instruments that the Company manages jointly and for this there is a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for sale may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces an inconsistency which refers to the measurement or recognition that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits to the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, and any resultant gain or loss is recognized in the profit and loss account. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability. Fair value is determined based on the way described in note 39.

Other financial liabilities

Other financial liabilities, which includes as well borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method, with interest expenses recognized on an effective yield basis.

The effective interest rate method is a method based on which is been calculated the amortized cost of a financial liability and the interest expense is been allocated over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash payments through the expected life of the financial liability, or, in a shorter when deemed necessary.

Deletion-Cease-Discontinuance of recognition

The Company deletes a financial liability only when it has been paid, cancelled or expired.

Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and deposits, and other short-term highly liquid investments that are easily converted to a known amount of cash and subject to an insignificant risk of changes in their value.

Sectors of Operations

The basic operations of the Company (water supply, sewerage services and others) are not subject to different risks and returns. As a result the company did not proceed into the presentation of notifications with respect to the sectors of operations. It is clarified that the Company operates in one geographical region (Attiki Metropolitan area). The policy and the decision making is common for the operating sectors of the Company.

4. CRITICAL ACCOUNTING TREATMENTS AND IMPORTANT SOURCES OF ESTIMATION OF UNCERTAINTIES

During the preparation of the financial statements in accordance with the accounting policies of the Group, as they are presented in note 3, it is essential for the management to proceed with judgments, estimations and assumptions with regard to the book value of the assets and the liabilities, which are not obvious from other sources of information. The estimations and the relevant assumptions, are based on the past empirical evidence, estimations of specialized external advisors as well as other related factors. The actual results may differ from these estimates.

The estimates and the subjective assumptions are reviewed on constant basis. The revisions of accounting estimates are recognized in the period of occurrence, if such affect only the particular period or in future periods as well.

The accounting judgments which have been made by the management during the application of the Group's accounting policies and which significantly affect the financial statements of the company and the group are the following:

1. The provision for contingent doubtful customer receivables (retail customers, Greek State, public utilities).
2. Contingent obligations of the Company toward the Greek State (maintenance cost of the assets of LEPL "EYDAP Fixed Assets", cost price of the crude water).
3. Provisions concerning four defined benefit plans for the personnel.

4. Provisions for pending judicial cases relating to labor issues.

Furthermore the management reviews annually, in terms of assumptions and estimations, the following:

1. Economic life and repurchase values of the depreciated tangible assets and the amortized intangible assets.
2. Income tax which incorporates the provision for the current income tax and the provision for additional taxes and incremental charges for tax unaudited years.
3. Recoverability of deferred tax receivables.

5. REVENUES

The Company's revenues are analyzed as follows:

<i>Amounts in € thousand</i>	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
REVENUES				
Revenues from water supply and related services	223,259	224,125	223,240	224,095
Revenues from sewerage services	101,093	102,577	101,093	102,577
Revenues from constructions for the Greek State	529	65	529	65
Revenues from electric power sale	1,999	2,073	1,999	2,073
Inventory Sales	463	11	463	11
Total Turnover	327,343	328,851	327,324	328,821
Other Operating Revenues	3,782	3,783	3,782	3,783
Financial Income	19,156	13,914	19,148	13,904
Total Revenues	350,281	346,548	350,254	346,508

The decrease in turnover by 1.5 million Euro approximately is mainly due to the lower revenues from water consumption and also due to the lower income from sewerage services.

The other operating revenues increased by 5.2 million Euro approximately mainly due to the repayment of the installments according to the settlement of overdue amounts from the municipalities to the Company.

6. ALLOCATION OF EXPENSES INTO THE OPERATIONS AND OTHER EXPENSES

The expenses accounts (by nature) have been allocated in the cost of goods sold and in the operations of administration and distribution as follows:

GROUP				
31.12.2017	Cost of Goods Sold	Distribution Expenses	Administration Expenses	Total
<i>Amounts in € thousand</i>				
Third-party expenses and fees	40,978	2,260	8,289	51,527
Cost of Self-Constructed Assets	(4,141)	-	-	(4,141)
Total A	36,837	2,260	8,289	47,386
Personnel Fees & Expenses (note 8)	70,751	18,642	38,845	128,238
Third-party contributions	20,170	5,656	9,492	35,318
Depreciation and amortization (note 7)	32,601	1,181	2,997	36,779
Various Provisions (note 20, 21, 28)	13,141	-	-	13,141
Various Expenses	10,470	1,485	7,245	19,200
Raw materials and consumables	6,804	286	696	7,786

Cost of Self-Constructed Assets	(6,296)	-	-	(6,296)
Total B	147,641	27,250	59,275	234,166
Total (A + B)	184,478	29,510	67,564	281,552
31.12.2016				
<i>Amounts in € thousand</i>	Cost of Goods Sold	Distribution Expenses	Administration Expenses	Total
Third-party expenses and fees	39,288	1,061	7,586	47,935
Cost of Self-Constructed Assets	(2,405)	-	-	(2,405)
Total A	36,883	1,061	7,586	45,530
Personnel Fees & Expenses	64,230	17,537	37,927	119,694
Third-party contributions	22,503	4,802	12,483	39,788
Depreciation and amortization	32,670	1,191	3,510	37,371
Various Provisions	18,878	-	-	18,878
Various Expenses	4,945	2,215	6,584	13,744
Raw materials and consumables	5,615	185	660	6,460
Cost of Self-Constructed Assets	(3,087)	-	-	(3,087)
Total B	145,754	25,930	61,164	232,848
Total (A + B)	182,637	26,991	68,750	278,378

COMPANY

31.12.2017				
<i>Amounts in € thousand</i>	Cost of Goods Sold	Distribution Expenses	Administration Expenses	Total
Third-party expenses and fees	40,978	2,260	8,226	51,464
Cost of Self-Constructed Assets	(4,141)	-	-	(4,141)
Total A	36,837	2,260	8,226	47,323
Personnel Fees & Expenses (note 8)	70,751	18,642	38,842	128,235
Third-party contributions	20,170	5,656	9,492	35,318
Depreciation and amortization (note 7)	32,601	1,181	2,997	36,779
Various Provisions (note 6.d)	13,141	-	-	13,141
Various Expenses	10,470	1,485	7,234	19,189
Raw materials and consumables	6,804	286	696	7,786
Cost of Self-Constructed Assets	(6,296)	-	-	(6,296)
Total B	147,641	27,250	59,261	234,152
Total (A + B)	184,478	29,510	67,487	281,475
31.12.2016				
<i>Amounts in € thousand</i>	Cost of Goods Sold	Distribution Expenses	Administration Expenses	Total
Third-party expenses and fees	39,288	1,061	7,543	47,892
Cost of Self-Constructed Assets	(2,405)	-	-	(2,405)
Total A	36,883	1,061	7,543	45,487
Personnel Fees & Expenses	64,230	17,537	37,927	119,694
Third-party contributions	22,503	4,802	12,483	39,788
Depreciation and amortization	32,670	1,191	3,510	37,371
Various Provisions	18,878	-	-	18,878
Various Expenses	4,945	2,215	6,574	13,734
Raw materials and consumables	5,615	185	660	6,460
Cost of Self-Constructed Assets	(3,087)	-	-	(3,087)
Total B	145,754	25,930	61,154	232,838
Total (A + B)	182,637	26,991	68,697	278,325

The fluctuation of expenses compared to the previous year is due to the following categories of expenses:

a. THIRD PARTY CONTRIBUTIONS (GROUP & COMPANY)

The account is analyzed as follows:

<i>Amounts in € thousand</i>	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016

Electric Power	15,155	17,133	15,155	17,133
Natural Gas	522	461	522	461
Leases	8,101	8,104	8,101	8,104
Telecommunication – Postal Expenses	5,308	5,718	5,308	5,718
Maintenance and Repairs	4,431	6,277	4,431	6,277
Other Third Party Contributions	1,801	2,095	1,801	2,095
Total (Note 6)	35,318	39,788	35,318	39,788

b. VARIOUS EXPENSES (GROUP & COMPANY)

The account is analyzed as follows:

<i>Amounts in € thousand</i>	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Taxes - Duties	7,567	6,402	7,564	6,392
Materials for Immediate Consumption	2,013	2,553	2,013	2,553
Promotion and Advertising Expenses	988	1,747	988	1,747
Transport Expenses	646	595	646	595
Sponsoring Expenses - Grants	387	482	387	482
Other Expenses	7,599	1,965	7,591	1,965
Total (Note 6)	19,200	13,744	19,189	13,734

The significant increase in other expenses is mainly due to the increased activity of the Company in construction works and is included in the self-construction cost.

c. THIRD PARTY FEES & EXPENSES (GROUP & COMPANY)

The account, after the deduction of the cost of self-constructed assets (Total A), is analyzed as follows:

<i>Amounts in € thousand</i>	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Fees of Sub-contractors of Psyttaleia WTP	27,734	28,400	27,734	28,400
Fees of Sub-contractors of Mornos WTP	1,640	2,054	1,640	2,054
Fees of Water Supply Network Sub-contractors	2,295	3,249	2,295	3,249
Other Third Party Fees	15,717	11,827	15,654	11,784
Total (Note 6)	47,386	45,530	47,323	45,487

d. VARIOUS PROVISIONS (GROUP & COMPANY)

The account is analyzed as follows:

<i>Amounts in € thousand</i>	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Provisions for Doubtful Receivables	5,942	5,362	5,942	5,362

Provisions for Litigations Cases	6,993	13,515	6,993	13,515
Provisions for Obsolete Inventories	206	1	206	1
Total (Note 6)	13,141	18,878	13,141	18,878

7. DEPRECIATION EXPENSES

Depreciation expenses of fixed assets are recorded on the basis of fixed assets' economic life, via the straight line depreciation method as follows:

I. WATER SUPPLY NETWORKS	
Primary Water Supply Pipelines	33-35 years
Secondary Water Supply Pipelines	25-50 years
Distribution Networks, External and Internal Pumping Stations	10-50 years
Storage tanks – Water Treatment Plants	17-50 years
II. SEWERAGE NETWORKS	
Heavy Infrastructure and Primary Collection Units	25-50 years
Secondary Pipelines	25-50 years
External Branches	25-50 years
Electromechanical Installations	20-50 years
III. ANTI-POLLUTION PROJECTS AND WASTE WATER TREATMENT PLANTS	
Waste Water Treatment R&D Centers	10-40 years
Waste Water Treatment Plants	10-40 years
IV. OTHER	
Furniture & Fixture	5 years
Computer Hardware	3-4 years
Transportation Vehicles	5-20 years
Mechanical Equipment	7-10 years
Buildings	20-50 years

The amounts recorded in the financial statements are analyzed as follows:

<i>Amounts in € thousand</i>	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Depreciation of tangible assets	43,863	44,594	43,863	44,594
Amortization of intangible assets	1,100	945	1,100	945
Amortization of customer contributions and investment subsidies	(8,184)	(8,168)	(8,184)	(8,168)
Total (Note 6)	36,779	37,371	36,779	37,371

8. PERSONNEL FEES & EXPENSES (GROUP & COMPANY)

Amounts in € thousand

31.12.2017

31.12.2016

Salaries and Wages	81,576	81,311
Social Security Contributions	19,266	19,344
Provision for staff indemnity L. 2112 (note 27a)	1,780	1,859
Provision for Special One-Off Indemnity for employees hired up to the date 25/10/1999 (note 27.d)	13,453	2,665
Provision for Special One-Off Indemnity for employees hired after the date 25/10/1999 (note 27.c)	923	164
Provisions for Healthcare Beneficiaries (note 27.b)	5,502	5,940
Other Provisions	5,735	8,411
Total (Note 6)	128,235	119,694

The Company, applying the clauses of Law 4024/2011, aligns accordingly the personnel fees with the requirements of the above mentioned law.

9. FINANCIAL INCOME (GROUP & COMPANY)

<i>Amounts in € thousand</i>	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Interest from Customers	8,910	6,224	8,910	6,224
Dividends	60	66	60	66
Interest earned on times deposits	7,100	7,427	7,092	7,417
Other Income	3,086	197	3,086	197
Total (Note 5)	19,156	13,914	19,148	13,904

The item "Other Income" includes income from the settlement of overdue amounts payable to the Company for an amount of 2.9 million approximately.

10. FINANCIAL EXPENSES (GROUP & COMPANY)

The Company's financial expenses of € 503 thous. and € 4,431 thous. on 31 December 2017 and 2016 respectively, moved lower due to the decreasing number of settlements with regard to overdue amounts payable to the Company from the municipalities.

11. INCOME TAX

a. Income Tax in the Statement of Income

The income tax of the current year represents the sum of the current income tax, the deferred taxation, the tax provision for the unaudited financial years as well as the tax audit differences, and is analyzed as follows:

<i>Amounts in € thousand</i>	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Corresponding Income Tax	21,404	26,932	21,404	26,932
Provision for additional tax for the year	-	463	-	463
Tax audit differences	895	-	895	-

Deferred Taxation	747	(10,120)	747	(10,120)
Total	23,046	17,275	23,046	17,275

The income tax during the current period derived as follows:

<i>Amounts in € thousand</i>	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Earnings before taxes	66,473	41,324	66,523	41,337
Income tax calculated with the tax rate in effect (29%)	19,277	11,984	19,292	11,988
Provision for additional tax for the year	-	463	-	463
Tax audit differences	895	-	895	-
Tax on permanent differences and non tax-deductible expenses	2,574	4,828	2,859	4,824
Total	23,046	17,275	23,046	17,275

The liability concerning the income tax has been calculated against the earnings of the financial year in accordance with the tax legislation based on the tax rate of 29% currently in effect.

b. Income Tax in the Statement of Financial Position

Current Tax Receivable

The amount of the income tax receivable as it is analyzed below, settled at 5.3 million Euro approximately:

<i>Amounts in € thousand</i>	31.12.2017	31.12.2016
Income Tax	(21,404)	(26,932)
Income tax receivable from tax audit of year 2014		13,569
Withheld tax / tax prepayment	26,582	28,487
Total	5,178	15,124

It is also noted:

The company has been audited by the tax authorities until the fiscal year 2010. The fiscal years 2011 until 2013 and 2014 until 2016 are subject to the tax audit of the Certified Auditors Accountants according to the clauses of the article 82, paragraph 5 of Law 2238/1994 (as it was amended by the article 21, paragraph 10 of Law 3943/2011) and of the article 65A of Law 4174/2013 respectively. For the fiscal years 2011 and until 2015, tax compliance certificates have been issued without any reservation. With regard to the fiscal year 2016, a tax compliance certificate was issued without reservation and with a matter of emphasis, mainly referring to a question made to the Independent Authority for Public Revenue (IAPR) concerning the Company's obligation of recording ownership rights in its Asset Registry Statement (E9).

The financial statements incorporate provisions of € 2.4 million approximately.

ISLANDS' EYDAP DEVELOPMENT SA has not been audited for tax purposes from the fiscal year 2011 and going forward and in addition it has not formed any relevant provision due to its limited business transactions.

12. EARNINGS PER SHARE

The basic earnings per share are calculated by dividing the net profit of the period attributable to ordinary shareholders with the weighted average number of ordinary shares in issue during the period. Profits are defined as profits/losses from continuing operations of the Company. It is noted that in the current year, as well as in the previous one, there were no discontinued operations. There were no convertible bonds or other potentially dilutive convertible securities during the periods reported in the accompanying financial statements, so there is no calculation of any diluted earnings per share.

	GROUP	
	31.12.2017	31.12.2016
Earnings attributable to ordinary shareholders (<i>in € '000</i>)	43,427	24,049
Weighted Average of outstanding shares	106,500,000	106,500,000
Earnings per share – Basic in €	0.41	0.23

The Company's Board of Directors in its meeting on 28.03.2018 decided to submit a proposal to the Annual Ordinary Shareholders' Meeting with regard to the distribution of dividend, according to article 45 of Codified Law 2190/1920, amounting to twenty cents of Euro (or € 0.20) per share (total gross amount of € 21.3 million) for the financial year 2017.

The dividend is subject to approval from the Ordinary General Shareholders' Meeting and is included in the balance of the account "Retained Earnings (earnings carried forward)".

13. GOODWILL

The goodwill of € 3,357 thous. on 31st December 2017 concerns the amount paid in excess for the acquisition of Elefsina, Aspropyrgos and Lykovrisi networks as compared to the networks' net replacement cost, which was valued at the time of the acquisition. The cash generating units and consequently the goodwill of the networks, are under review for possible impairment in their values on annual basis, or periodically, provided that the events or the changes of conditions indicate that such impairment could be justified. The valuation audit of the goodwill from the acquisition of networks derived no loss due to impairment. The impairment audit was performed by the Financial Analysis Department of the Company in December 2017.

More specifically:

In order to settle its claims against certain local government authorities (OTA), the Company signed contracts with three municipalities (Aspropyrgos and Elefsina during the 2nd half of 2003 and Likovrisi in 2nd half 2006) for the transfer of ownership of their water supply networks. In the context of the above contracts, water supply networks of 327 kilometers were transferred to EYDAP. The networks service, via 26,786 connections, 65,000 inhabitants approximately of the particular municipalities, which are now added to the Company's customer base.

The acquisition of the network of Aspropyrgos Municipality accounted for € 2,749 thous. and was settled by offsetting an equal debt to the Company. The appraisal of the network in replacement cost, which was performed by the Company's technical department and was in agreement with the corresponding estimates of the Municipality's technical department, amounts to € 2,192 thous.

The acquisition of the network of Elefsina Municipality accounted for € 1,800 thous. and was settled by offsetting a debt of € 1,500 thous. to the Company and via a payment of € 300 thous. from the Company to the municipality. The appraisal of the network in replacement cost, which was performed by the Company's technical department and was in agreement with the corresponding estimates of the Municipality's technical department, amounts to € 681 thous.

The acquisition of the network of Likovrisi Municipality accounted for € 2,271 thous. and was settled by offsetting an equal debt to the Company. The appraisal of the network in replacement cost, which was performed by the Company's technical department and was in agreement with the corresponding estimates of the Municipality's technical department, amounts to € 590 thous.

14. OTHER INTANGIBLES ASSETS (GROUP & COMPANYY)

Acquisition Cost on 31 st December 2016	30,417
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Additions	842
Balance on 31 st December 2017	31,259
DEPRECIATION	
31 st December 2016	(29,133)
Depreciation for the Year	(1,100)
Total Depreciation on 31 st December 2017	(30,233)
Net Value	
31 st December 2016	1,284
31 st December 2017	1,026

Other intangible assets concern expenses for the purchase of software and other intangible fixed assets, which are expected to generate future benefits to the Company. These expenses are recorded as intangible assets. Software assets are mainly depreciated over a three-year period whereas with regard to the other intangible fixed assets, the Company reviews their economic life on regular basis.

15. TANGIBLE ASSETS

The Company, applying the provisions of IFRS 1 “First-time adoption of IFRS”, utilized the exception concerning the recording and valuation of property assets during the compilation of the Transitional Balance Sheet to the IFRS on 1 January 2004. In this context, the Company considered the adjusted value of its property assets as deemed (implied) cost for the purposes of the compilation of the Transitional Balance Sheet to the IFRS on 1 January 2004. Specifically for the transition to IFRS, the Company recorded the self-utilized property assets at fair values based on studies performed by independent valuers. These fair values constituted the deemed cost for the compilation of the Balance Sheet.

The changes in fixed assets of the Group and the Company for the financial years 2017 and 2016 are presented in the table below:

2017	Land & Buildings	Machinery & Mechanical Equipment	Water Supply Network & consumption meters	Sewerage Networks & Biological Treatment	Motor Vehicles & Furniture	Prepayments & Constructions in Progress	Total
<i>Amounts in € thousand</i>							
Non-Depreciated Value on 1st January 2017	269,916	4,527	236,753	355,559	9,772	4,810	881,337
Additions	542	348	6,458	3,437	716	3,491	14,991
Reductions/Transfers	-	-	-	-	(55)	55	-
Depreciation Reverse Entry	-	-	-	-	55	-	55
Depreciation of the Year	(3,627)	(1,048)	(16,843)	(18,774)	(3,572)	-	(43,863)
Non-Depreciated Value on 31.12.2017	266,831	3,827	226,368	340,222	6,916	8,356	852,520
01.01.2017:							
Cost	303,180	24,149	484,698	554,425	62,057	4,810	1,433,319
Accumulated Depreciation	(33,264)	(19,622)	(247,945)	(198,866)	(52,285)	-	(551,982)
Net Non-Depreciated Value	269,916	4,527	236,753	355,559	9,772	4,810	881,337
31.12.2017							
Cost	303,722	24,497	491,156	557,862	62,718	8,356	1,448,311
Accumulated Depreciation	(36,891)	(20,670)	(264,788)	(217,640)	(55,802)	-	(595,791)
Net Non-Depreciated Value	266,831	3,827	226,368	340,222	6,916	8,356	852,520

2016	Land & Buildings	Machinery & Mechanical Equipment	Water Supply Network & consumption meters	Sewerage Networks & Biological Treatment	Motor Vehicles & Furniture	Prepayments & Constructions in Progress	Total
<i>Amounts in € thousand</i>							
Non-Depreciated Value on 1st January 2016	273,328	1,826	252,086	373,689	9,361	6,265	916,555
Additions	215	3,730	2,474	705	3,943	1,700	12,767
Reductions/Transfers	-	-	-	-	(1,169)	(3,155)	(4,324)
Depreciation Reverse Entry	-	-	-	-	934	-	934
Depreciation of the Year	(3,627)	(1,029)	(17,807)	(18,835)	(3,297)	-	(44,595)
Non-Depreciated Value on 31.12.2016	269,916	4,527	236,753	355,559	9,772	4,810	881,337
01.01.2016:							
Cost	302,965	20,419	482,224	553,720	59,283	6,265	1,424,876
Accumulated Depreciation	(29,637)	(18,593)	(230,138)	(180,031)	(49,922)	-	(508,320)
Net Non-Depreciated Value	273,328	1,826	252,086	373,689	9,361	6,265	916,555
31.12.2016							
Cost	303,180	24,149	484,698	554,425	62,057	4,810	1,433,319
Accumulated Depreciation	(33,264)	(19,622)	(247,945)	(198,866)	(52,285)	-	(551,982)
Net Non-Depreciated Value	269,916	4,527	236,753	355,559	9,772	4,810	881,337

16. INVESTMENTS IN SUBSIDIARIES

On 18th July 2011, with the BoD decision 17241/13.05.2011, EYDAP SA established a company under the name "ISLANDS WATER SUPPLY AND SEWERAGE S.A." with distinctive title "ISLANDS' EYDAP SA", which is fully owned (100% via capital deposit of 1,210 thousand Euro) by EYDAP SA. With the decision of the Extraordinary General Assembly of shareholders of the societe anonyme dated 21/09/2017, the name changed to "ISLANDS' WATER SUPPLY AND SEWERAGE S.A. DEVELOPMENT" with the distinctive title "ISLANDS' EYDAP DEVELOPMENT SA".

"ISLANDS' EYDAP DEVELOPMENT SA" activates in the areas of water supply, sewerage, irrigation, and rain water collection in Greece's islands. The subsidiary possesses limited business activity until today.

17. INVESTMENTS AVAILABLE FOR SALE

The investments available for sale include the following:

- Interest in EYATH SA, a company listed on the Athens Exchange, which provides the company with the option to generate income from dividends and potentially from capital gains. The company was valued at fair according to the official price quote of the Athens Exchange on 31.12.2017 and the difference that emerged due to the change of fair value was recorded in the net worth through the Statement of Total Comprehensive Income.
- Acquisition of shares in Attica Bank. EYDAP SA, with the decision no. 18770/18.12.2015 of the Board of Directors approved its participation in the share capital increase of Attica Bank Societe Anonyme, based on an amount of € 20 million. The above decision was verified by the Extraordinary General Meeting of shareholders on 15/01/2016.

The investment of the Company in the shares of Attica Bank is considered as strategic one and therefore it has been recorded under the category of financial assets available for sale. The particular investment was valued at fair based on the official price quote of the Athens Exchange on 31.12.2017, and the difference (profit) that emerged due to the change in the fair value according to the paragraph 55 of IAS 39 was recognized in the net worth through the Statement of Total Comprehensive Income.

In view of the above, the Company's portfolio was formed as follows:

<i>Amounts in € thousand</i>	Number of Shares	Acq. Cost	Valuation on 31.12.2017	Valuation on 31.12.2016
Thessaloniki Water Supply & Sewerage Co. (EYATH)	264,880	485	1,192	922
Attica Bank SA	66,666,666	20,000	2,467	1,933
Total			3,659	2,855

18. LONG-TERM RECEIVABLES (GROUP & COMPANY)

The account is analyzed in the attached financial statements as follows:

<i>Amounts in € thousand</i>	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Personnel Loans (Note 22)	6,088	6,573	6,088	6,573
Settlement of overdue amounts from Municipalities	8,106	11,693	8,106	11,693
Third Party Works	4,297	3,769	4,297	3,769
Guarantees (Public Power Corp., Real Estate)	543	563	543	563
Total	19,034	22,598	19,034	22,598

Municipality Debt Settlements:

The Company, in the context of its business activity, supplies with water (refined or decapitated) various Local Authorities (OTA) which manage their own distribution networks and price their citizens. In the course of settlement of the Greek State's liabilities by Local Authorities, Legal Entities and General Government bodies to the Company, the due liabilities were paid in 2013. The Company since 2014, in order to deal with delays in the collection of the relevant receivables by the Local Authorities, proceeded with the formation of contracts with specific Local Authorities, on the basis of which the remaining amounts of these Local Authorities are settled in interest-free monthly installments. These long-term receivables are presented in the financial statements at amortized cost.

The discount rate applicable to due receivables by Municipalities is set 8.76% and the amount recognized in the financial income for the aforementioned receivables amounts to approximately 2.9 million Euro.

Construction Works for Third Parties (Group and Company)

The account in the attached financial statements is analyzed as follows:

<i>Amounts in € thousand</i>	31.12.2017	31.12.2016
Ministry of Infrastructure, Transport and Networks	2,766	2,238
"EYDAP Fixed Assets" L.E.P.L.	1,531	1,531
Total	4,297	3,769

The Company, in accordance with its foundation law 2744/1999, signed a contract with the Greek State in 1999 to undertake the construction of flood protection infrastructure for the account of the former Ministry for the Environment, Planning and Public Works (currently named as Ministry of Infrastructure and Transport) as well as to undertake projects for the upgrade and expansion of water supply technical installations, which have been transferred to the L.E.P.L. "EYDAP Fixed Assets". Until 31/12/2012, the entire claims with regard to the above entities had been invoiced and collected.

19. DEFERRED TAX RECEIVABLE (GROUP & COMPANY)

The deferred tax receivables are offset against the deferred tax liabilities whenever there is legal right for such offsetting, whereas they are both subject to the same tax authority.

Deferred tax assets (liabilities) at 31.12.2017 and 2016, respectively, have been calculated based on the applicable tax rate of 29%.

Deferred tax assets (liabilities) are analyzed below:

Description	2016				2017		
	Opening Balance 01.01.2016	(Burden)/ Benefit in Period's Results	Burden)/ Benefit in Equity	Ending Balance 31.12.2016	(Burden)/ Benefit in Period's Results	(Burden)/ Benefit in Equity	Ending Balance 31.12.2017
Expensing of intangible assets	39	-	-	39	-	-	39
Inventory impairment	562	-	-	562	60	-	622
Obligation for employee benefits	50,450	45	5,661	56,156	3,078	(2,002)	57,232
Provisions for doubtful receivables	5,340	-	-	5,340	-	-	5,340
Other provisions for risks and expenses	10,246	3,919	-	14,166	(6,288)	-	7,878
Customer and municipalities contributions	16,981	668	-	17,649	(1,279)	-	16,370
Depreciation differences due to adjustment of economic life	(6,275)	173	-	(6,102)	(323)	-	(6,425)
Income and expenses accrued	(80)	(1)	-	(81)	(9)	-	(90)
Deferred tax in Tax Reserve due to revaluation of real estate assets	9,001	-	-	9,001	-	-	9,001
Impairment of securities	406	5,239	(406)	5,239	-	(154)	5,085
Other deferred taxation items	5,543	76	-	5,619	4,014	-	9,633
	92,213	10,120	5,255	107,588	(747)	(2,156)	104,685

The debit entry of deferred income taxes (expenses for the year – deferred tax liability) into the accounts of results, includes the fulfillment of temporary tax differences deriving from accounting expenses that were recorded in previous years. The credit entry of deferred income taxes (income for the year – deferred tax receivable), mainly includes temporary tax differences deriving from provisions, which are tax deductible at the time of the realization of the corresponding expenditure in subsequent time periods.

20. MATERIALS, SPARE PARTS & CONCUMABLES (GROUP & COMPANY)

The account in the financial statements is analyzed as follows:

Amounts in € thousand	31.12.2017	31.12.2016
Consumables and Spare Parts	13,087	14,328
Provision for Impairment	(2,147)	(1,941)
Total	10,940	12,387

Inventories are utilized in the Company's networks (maintenance and expansion). Inventories amounting to € 5 million approximately are expected to be recovered after 12 months (versus an amount of € 7.8 million in the previous year).

The provision for impairment of consumables and spare parts that has been formed for estimated non-recoverable amounts is analyzed as follows:

Amounts in € thousand	31.12.2017	31.12.2016
Opening Balance	1,941	1,940

Provision for the Year	206	1
Ending Balance	2,147	1,941

21. RECEIVABLES FROM CUSTOMERS, CONSUMERS (GROUP & COMPANY)

The account in the financial statements is analyzed as follows:

<i>Amounts in € thousand</i>	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Retail customers and users	165,889	161,625	165,889	161,625
Municipalities, Greek State, Public Utilities	52,602	41,571	52,587	41,573
	218,491	203,196	218,475	203,198
Accrued, Non-Invoiced, Income	55,001	55,847	55,001	55,847
	273,492	259,043	273,476	259,045
<i>Minus: Provision for doubtful receivables</i>	(57,521)	(51,606)	(57,521)	(51,606)
	215,971	207,437	215,955	207,439

The majority of retail customers (household users) are charged every three months based on indications provided by water meters. Non-invoiced income concerns water supply and sewerage services between the date of the last measurement and the ending date of the financial year, which have not been invoiced until 31/12/2017.

The statement of the provision for doubtful receivables which have been recorded for estimated non-recoverable amounts from water supply and sewerage services, is analyzed as follows:

<i>Amounts in € thousand</i>	31.12.2017	31.12.2016
Opening Balance	51,606	45,293
Provisions for the Period	5,915	6,313
Ending Balance	57,521	51,606

The provision for doubtful receivables is monitored by the Department of Revenues and Trade Receivables Management, which continuously audits the Company's receivables, either separately or based on groups (invoice codes, customer categories) and incorporates this information into the creation of the relevant provision.

In the context of procedures provided by the Public Revenue Collection Code (Law 356/1974), as it was amended with the law provisions 4174/2013, 4224/2013, 4337/2015 & 4517/2018, the Company calculates the relevant interest charged on the overdue amounts upon the payment of the amounts due.

22. OTHER RECEIVABLES (GROUP & COMPANY)

The account is analyzed as follows:

<i>Amounts in € thousand</i>	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Loans and advances to Personnel	4,972	4,196	4,972	4,196
Advances to subcontractors and suppliers	-	401	-	401

Receivable concerning Greek State's participation in the mandatory coverage of the deficit of the special lump sum account	258	258	258	258
Various advances	2,198	2,160	2,198	2,160
Receivable concerning income from Bank of Greece	2,751	2,905	2,751	2,905
Receivables due to Personnel's Training Programs	1,367	1,476	1,367	1,476
Receivables from the Greek State concerning property tax return / taxes	-	1,010	-	1,010
Receivables from employees according to the BoD decision 19389/25.10.2017	3,682	-	3,682	-
Receivables from the Greek State concerning healthcare contributions from new-entry employees (from 1/1/1993) to the Social Security Fund (IKA)	2,549	2,240	2,549	2,240
Other receivables	3,440	2,683	3,409	2,657
Receivables concerning retention amounts from pensioners' health care contributions	111	-	111	-
Total	21,328	17,329	21,297	17,303

The outstanding amounts of other receivables have been reduced with the formed provision for doubtful other receivables for an amount of € 5,305 thous. on 31/12/2017 and € 5,277 thous. on 31/12/2016.

A small group of employees claimed their salary through interim proceedings without the cut of Law 4024/2011. Pursuant to the decision of the Court of First Instance of Athens, EYDAP SA with the decision of the Board of Directors No. 19389/25.10.2017, provisionally paid the relevant amounts, forming a receivable amounting to Euro 3.7 million.

Loans and Advances to Personnel:

The Company provides the personnel with zero interest loans, short-term payroll advances free of interest, cash facilities and long-term interest bearing loans. The amount of € 4,972 thousand concerns the short-term part of the loans granted to personnel. The long-term part which as of 31 December 2017 amounted to € 6,088 thousand is included in the balance of the long-term receivables (Note 18).

Greek State's participation in the mandatory coverage of the deficit of the special lump sum account:

The amount concerns Greek State's obligation based on L. 2939/6.8.2001 to cover the deficit of the special lump sum account for end of service indemnity, concerning employees who retired and employees who worked for the Company until 25th October 1999.

The Balance of € 258 thousand resulted as follows:

Accumulated deficit opening balance	68,844
Compensation settlements	1,922
Employees' retentions	(769)
Receipt for the Greek State (article 52, L. 4186/2013)	(58,351)
Offsetting entry / Greek State's dividend with the Account (decision issued by the Greek State)	(11,388)
Accumulated deficit receivable from the Greek State closing balance	258

With the voting of article 52, L. 4186/17.9.2013, the Company received € 58.4 million approximately on 25.09.2013, concerning the coverage obligation of the account from the Greek State, until 30.06.2013. The obligation in effect concerns an overdue amount payable from the Greek State from 01.07.2013 - 08.08.2013 (publication date of L. 4179/2013).

23. CASH AND CASH EQUIVALENTS

The account is analyzed as follows:

<i>Amounts in € thousand</i>	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Cash at hand	408	498	408	498
Sight and time deposits	294,513	280,046	293,512	278,973
Total	294,921	280,544	293,920	279,471

The sight and time deposits carry floating interest rates based on the level of the deposit and the interest charged period. The current value of the above sight and time deposits approaches their accounting value due to the floating interest rates and their short-term maturities. The sight deposits' balance does not include amounts of € 785 thous. and € 869 thous. of overdue check payables on 31.12.2017 and 2016 respectively, which have been recorded in the account of other short-term liabilities (Note 31). Interest income from bank deposits is recognized via the principle of accrued income and is included in the financial income.

24. SHARE CAPITAL

EYDAP was established in 1980 pursuant to Law 1068/1980 and following the merger of the two water and sewerage utilities of Athens at the time, with the company names Hellenic Water Supply Company and the Sewerage Organization of Athens.

The initial share capital of the Company settled at € 130,502 thous. and was based on the valuation of assets and liabilities of the merged entities according to the clauses of Law 1068/1980.

In 1992, the share capital amounted to € 1,253,507 thous. consisting of 213,566,282 common shares with a nominal value of € 5.87 per share. The share capital increase took place pursuant to Law 1914/1990 following a new valuation of the Company's net worth in view of significant number installations, which were contributed by the Greek State to the Company at the time, and following the capitalization of liabilities towards the State.

The Shareholders General Meeting on 30 June 1998 approved an additional increase of the Company's share capital by € 6,845 thous. via the capitalization of investment subsidies that had been collected up to 31 December 1997. Following the above increase, the Company's share capital amounted to € 1,260,352 thous. consisting of 214,732,544 common shares with a nominal value of €5.87 (two thousands drachmas) per share.

In 1999, due to the Company's listing on the Athens Exchange and according to Law 2744/1999, its share capital was set at € 58,694 thousand consisting of 100,000,000 common shares with a nominal value of € 0.59 (two hundred drachmas) per share. According to the same Law, the remaining amount of € 1,201,658 thous. of the share capital was converted to a "Special Non Taxable Reserve", which was among others decreased by the net amount of fixed assets, which were transferred to «EYDAP Fixed Assets» at no cost. In December 1999, 6,500,000 new ordinary shares were issued at a nominal value of € 0.59 (two hundred drachmas) per share and were allocated through an initial public offering for the Company's listing on the Athens Exchange.

As a result, the Company's share capital as of December 31, 2000 had amounted to € 62,509 thousand consisting of 106,500,000 common shares with a nominal value of € 0.59 (two hundred drachmas) per share.

In May 2001, EYDAP decided to denominate its share capital into Euro, through the increase of the nominal value per share from € 0.59 to € 0.60, and the amount of € 1,391 thous. of the above share capital increase was transferred from the "Share

Premium Account". Thus, the share capital of the Company on 31 December 2012 and 31 December 2011 was equivalent to € 63,900 thousand consisting of 106,500,000 common shares with a nominal value of € 0.60 per share.

No change occurred in the Company's share capital during the current as well as the previous financial year.

25. RESERVES

The account in the financial statements is analyzed as follows:

<i>Amounts in € thousand</i>	31.12.2017	31.12.2016
Legal reserve	22,207	22,207
Special Non-Taxable Reserve of Law 2744/99	352,078	352,078
Reserve from Non-Taxable Income	-	-
Reserve from Specially Taxed Income	3,687	3,687
Other reserves	1,152	502
Total	379,123	378,474

Legal reserve:

According to the Greek commercial law (Article 44, L. 2190/1920), companies are required to transfer at least 5% of their annual net profits to a legal reserve until this reserve becomes equivalent with the 1/3 of the paid up share capital. The particular reserve is not distributable and the purpose of its creation is to cover future losses. On 31.12.2011, the Company covered the required by law legal reserve as percentage of its total paid up share capital. During the year 2015, the Company arranged a reserve formed due to revaluation of shares amounting to € 660 thousand approximately according to article 72 of Law 4172/2013.

Special Non-Taxable Reserve of Law 2744/99:

The Special Non-Taxable Reserve was formed with the Company's listing on the Athens Stock Exchange (ASE) in financial year 1999, from the denomination of the Company's share capital at the time to the euro equivalent of € 1,201,658.

Based on the clauses of L. 2744/99, the initial balance of the reserve:

- Was reduced with the net, non-depreciated, value of the facilities which were granted to "EYDAP LEPL" at no consideration.
- Was decreased with the various amounts of provisions which were recorded in the Company's accounting books during its listing on ASE.
- Was increased with the surplus value deriving from the revaluation of the installations and networks that remained in the possession of the Company.
- And was increased with the transfer of the account "Profit/loss carried forward" which was recorded in the Balance Sheet of 31 December 1998.

In accordance with the L. 2744/99, the reserve was classified as "Special Non-Taxable Reserve".

Other Reserves:

On 31.12.2015, the revaluation difference was reclassified from the Net Worth and specifically from the account "Other Reserves" into the result for the year (see note 17) resulting to the increase of the balance of the above account.

26. RETAINED EARNINGS

The account in the financial statements is analyzed as follows:

<i>Amounts in € thousand</i>	GROUP	COMPANY
Balance at 01.01.2016	485,185	485,285
Dividends Paid	(73,485)	(73,485)
Net Income directly recorded in Equity	(13,859)	(13,859)
Net Profit for the Year 2016	24,049	24,062
Reserve due to the revaluation of equities		
Balance at 01.01.2017	421,890	422,003
Dividends Paid	(11,715)	(11,715)
Net earnings of fiscal year 2017	43,427	43,477
Net Income directly recorded in Equity	4,901	4,901
Balance at 31.12.2017	458,503	458,666

27. LIABILITIES FOR EMPLOYEE BENEFITS (GROUP & COMPANY)

The Company and the Group apply from 01.01.2013 the revised IAS 19 “Employee Benefits” with retroactive application from 01.01.2012 in accordance with the IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”. The fundamental change emanating from the new standard, thus implying a change in accounting principle, is the direct recognition of the actuarial gains and losses as well as of the prior service cost deriving from defined benefit plans. No transfer of the above items, based on the margin principle, is allowed, as it was the case with the previous IAS 19.

The account in the financial statements is analyzed as follows:

<i>Amounts in € thousand</i>	31.12.2017	31.12.2016
Provision for staff indemnity due to retirement	34,135	33,105
Healthcare coverage of personnel	155,325	168,168
Special one-off indemnity (personnel hired prior to and after 25-10-1999)	111,546	89,941
Total	301,006	291,214

The Company has the obligation to cover the respective healthcare benefits for its entire personnel, pensioners and their protected members. In addition, the Company retains an account for staff indemnity due to retirement and two plans of special one-off compensation for personnel hired prior to or after 25/10/1999.

The actuarial valuation of the liabilities was compiled by independent valuers in accordance with the requirements of the revised IAS 19.

The change is due to the amendment in the economic assumptions, but the significant impact on the accounts of employees’ special one-off compensation (recruited before and after 25.10.1999) is mainly due to the surcharge in the benefit allowance proportionally for the years 2009 to 2012.

In particular, the surcharge in the compensation for the recruited employees before 25.10.1999 causes an increase in the actuarial liability on 31.12.2017, equal to Euro 11,172 thous. and for the employees recruited after 25.10.1999, equal to Euro 639 thous.. In accordance with IAS 19, the above actuarial surcharge is considered a past service cost recognized directly in the income statement.

It is noted that within the framework of Laws 3833/2010 and 3845/2010 implementation, EYDAP has applied their clauses as a public company according to article 1 par.2 of Law 3429/2005. By virtue of the relevant clauses of the aforementioned legislation, EYDAP cut off 30% of the Christmas, Easter and holiday benefits to those who left between 01.01.2010 and

31.05.2010 and whose total gross monthly fees exceeded the amount of 3,000 Euro, while to those who left since 01.06.2010 and hereafter it cut off the corresponding allowances.

The abovementioned cuts were also applied to the payment of the lump sum compensation due to the ESSE 1991 framework, having as a result as from 2010 and onwards to be pursued massive lawsuits by former employees against the Company demanding payment to them of the reduced proportion of Christmas, Easter and Holiday benefits in the above lump sum compensation.

On this legal issue, court decisions were issued justifying former employees, having as a result the Company, with the no. 19224 / 24.05.2017 decision of the Board of Directors, to make a conciliation resolution of the collective labor dispute (note 28).

a. Provision for employees' end of service indemnity

The statement of the provision for employees' end of service indemnity for the years ending on 31 December 2017 and 2016 is the following:

PERIOD	01.01 - 31.12.2017	01.01 - 31.12.2016
Amounts recognized in the balance sheet		
Present value of liabilities	34,135	33,105
Fair value of the plan's assets	-	-
Net liability recognized in the balance sheet	34,135	33,105
Amounts recognized in the results		
Cost of current employment	1,354	1,261
Net interest on the liability / (asset)	426	598
Total admin. cost recognized in the account of results	-	-
Ordinary expense in the account of results	1,780	1,859
Recognition of prior service cost		
Cost of curtailment / settlements / service termination	-	-
Total expense in the account of results	1,780	1,859
Change in the present value of the liability		
Present value of liability at the beginning of period	33,105	29,373
Cost of current employment	1,354	1,261
Interest cost	426	598
Employee contributions	-	-
Benefits paid from the plan	-	-
Benefits paid from the employer	(529)	(767)
Cost of curtailment / settlements / service termination	-	-
Cost of prior service at the period	-	-
Actuarial loss / (profit) – financial assumptions	175	2,389
Actuarial loss / (profit) – demographic assumptions	-	-
Actuarial loss / (profit) – evidence from the period	(396)	251
Present value of liability at the end of period	34,135	33,105
Adjustments		
Adjustments in liabilities due to change of assumptions	(175)	(2,389)
Empirical adjustments in liabilities	396	(251)

Empirical adjustments in assets	-	-
Total actuarial gain / (loss) in the Equity	221	(2,640)
Changes in the Net Liability recognized in Balance Sheet		
Net Liability at beginning of period	33,105	29,373
Contributions from Employer	-	-
Benefits paid by the employer	(529)	(767)
Total expenditure recognized in the results	1,780	1,859
Change in Equity	(221)	2,640
Net Liability at the end of year	34,135	33,105

The expected benefits (not discounted) from the plan over the following year are estimated at € 2,101 thous.
The major actuarial assumptions utilized for the calculation of the relevant provisions for employees' end of service indemnity are the following:

Actuarial assumptions	2017	2016
Discount rate	1.29%	1.35%
Inflation	2018-22: ~1.50%. 2023+: 1.80%	2017-21: ~1.26%. 2022+: 1.80%
Future salary increases	2018-22: ~ 1.24%. 2023+: 1.80%	2017-21: ~ 0.94%. 2022+: 1.80%
Duration of obligations	9.47	9.26

b. Medical and Healthcare Plan

The Company covers the medical and healthcare expenses of its employees, pensioners and their protected members based on the provisions of its internal regulation which is in effect. The plan is financed, in part, from the employees' and pensioners' contributions. The relevant liabilities of the Company arising from the medical and healthcare plan were estimated through an actuarial studies which were performed for the years 2017 and 2016.

The statement of the provision for medical and healthcare benefits during the financial years 2017 and 2016 is the following:

PERIOD	01.01 - 31.12.2017	01.01 - 31.12.2016
Amounts recognized in the balance sheet		
Present value of liabilities	155,325	168,168
Fair value of the plan's assets	-	-
Net liability recognized in the balance sheet	155,325	168,168
Amounts recognized in the results		
Cost of current employment	2,627	2,080
Net interest on the liability / (asset)	2,875	3,860
Total admin. cost recognized in the account of results	-	-
Ordinary expense in the account of results	5,502	5,940
Recognition of prior service cost	-	-
Cost of curtailment / settlements / service termination	-	-

Total expense in the account of results	5,502	5,940
Change in the present value of the liability		
Present value of liability at the beginning of period	168,168	157,053
Cost of current employment	2,627	2,080
Interest cost	2,875	3,860
Employee contributions	-	-
Benefits paid from the plan	-	-
Benefits paid from the employer	(5,165)	(5,737)
Cost of curtailment / settlements / service termination	-	-
Cost of prior service at the period	-	-
Actuarial loss / (profit) – financial assumptions	2,154	22,058
Actuarial loss / (profit) – demographic assumptions	-	-
Actuarial loss / (profit) – evidence from the period	(15,333)	(11,146)
Present value of liability at the end of period	155,326	168,168
Adjustments		
Adjustments in liabilities due to change of assumptions	(2,154)	(22,058)
Empirical adjustments in liabilities	15,333	11,146
Empirical adjustments in assets	-	-
Total actuarial gain / (loss) in the Equity	13,179	(10,912)
Changes in the Net Liability recognized in Balance Sheet		
Net Liability at beginning of period	168,168	157,053
Contributions from Employer	-	-
Benefits paid by the employer	(5,165)	(5,737)
Total expenditure recognized in the results	5,502	5,940
Change in Equity	(13,179)	10,912
Net Liability at the end of year	155,326	168,168

The expected benefits (not discounted) from the plan over the following year are estimated at € 5,239 thousand.

The major actuarial assumptions utilized for the calculation of the relevant provisions for the medical and healthcare benefits are the following:

Actuarial assumptions	2017	2016
Discount rate	1.66%	1.74%
Medical Care Inflation	2018-22: ~ 1.50%. 2023+: 1.80%	2017-21: ~ 1.26%. 2022+: 1.80%
Future salary increases	2018-22: ~ 1.24%. 2023+: 1.80%	2017-21: ~ 0.94%. 2022+: 1.80%
Duration of obligations	17.12	17.08

c. Special lump sum account for employees hired after 26.10.1999

With regard to the employees hired after October 25th, 1999, the Company has the obligation to fully repay the relevant indemnities, in accordance with the employment law and the collective employment agreement.

PERIOD	01.01 - 31.12.2017	01.01 - 31.12.2016
Amounts recognized in the balance sheet		
Present value of liabilities	10,920	8,502
Fair value of the plan's assets	(7,039)	(6,485)
Net liability recognized in the balance sheet	3,881	2,017
Amounts recognized in the results		
Cost of current employment	254	147
Net interest on the liability / (asset)	30	17
Total admin. cost recognized in the account of results	-	-
Ordinary expense in the account of results	284	164
Recognition of prior service cost	639	-
Cost of curtailment / settlements / service termination	-	-
Total expense in the account of results	923	164
Change in the present value of the liability		
Present value of liability at the beginning of period	8,502	6,796
Cost of current employment	254	147
Interest cost	137	165
Employee contributions	355	367
Benefits paid from the plan	(17)	(101)
Benefits paid from the employer	-	-
Cost of curtailment / settlements / service termination	-	-
Cost of prior service at the period	639	-
Actuarial loss / (profit) – financial assumptions	78	899
Actuarial loss / (profit) – demographic assumptions	-	-
Actuarial loss / (profit) – evidence from the period	972	230
Present value of liability at the end of period	10,920	8,502
Change in the value of assets		
Value of plan's assets at beginning of period	6,485	5,914
Expected return on assets	107	148
Contributions from the employer	2	88
Contributions from employees	355	367
Benefits paid from the plan	(17)	(101)
Expenses	-	-
Asset adjustment (via Equity)	-	-
Actuarial (loss) / gain	107	70
Value of plan's assets at the end of the period	7,039	6,485

It is noted that the fair value of the plan's assets noted above, amounted to € 7,039 thousand and € 6,485 thousand on 31/12/2017 and 31/12/2016 respectively.

PERIOD	01.01 - 31.12.2017	01.01 - 31.12.2016
Adjustments		
Adjustments in liabilities due to change of assumptions	(78)	(899)
Empirical adjustments in liabilities	(972)	(230)
Empirical adjustments in assets	107	70
Total actuarial gain / (loss) in the Equity	(943)	(1,060)
Changes in the Net Liability recognized in Balance Sheet		
Net Liability at beginning of period	2,017	882
Contributions from Employer	(2)	(88)
Benefits paid by the employer	-	-
Total expenditure recognized in the results	923	164
Change in Equity	943	1,060
Net Liability at the end of year	3,881	2,017

The expected contributions and benefits (not discounted) from the plan over the following year are estimated at € 414 thous. and € 219 thousand respectively.

The major actuarial assumptions utilized for the calculation of the relevant provisions for the special lump sum account for employees hired after 26.10.1999, are the following:

Actuarial assumptions	2017	2016
Discount rate	1.54%	1.63%
Inflation	2018-22: ~ 1.50%. 2023+: 1.80%	2017-21: ~ 1.26%. 2022+: 1.80%
Future salary increases	2018-22: ~ 1.24%. 2023+: 1.80%	2017-21: ~ 0.94%. 2022+: 1.80%
Duration of obligations	14.07	14.24

d. Special lump sum account for employees hired until 25.10.1999

With the voting of article 45 of L. 4179/2013, which abolished the clauses of article 26 of L. 2939/2001 concerning the mandatory coverage of the account's deficit from the Greek State, the Company's Management proceeded with an actuarial study in order to estimate for the first time the relevant provision for employees' indemnity.

PERIOD	01.01 - 31.12.2017	01.01 - 31.12.2016
Amounts recognized in the balance sheet		
Present value of liabilities	100,627	81,440
Fair value of the plan's assets	(5,702)	(4,399)
Net liability recognized in the balance sheet	94,925	77,041
Amounts recognized in the results		
Cost of current employment	1,399	1,358

Net interest on the liability / (asset)	882	1,307
Total admin. cost recognized in the account of results	-	-
Ordinary expense in the account of results	2,281	2,665
Recognition of prior service cost	11,172	-
Cost of curtailment / settlements / service termination	-	-
Total expense in the account of results	13,453	2,665
Change in the present value of the liability		
Present value of liability at the beginning of period	81,440	73,618
Cost of current employment	1,399	1,358
Interest cost	944	1,380
Employee contributions	1,210	1,275
Benefits paid from the plan	(1,190)	(1,154)
Benefits paid from the employer	-	-
Cost of curtailment / settlements / service termination	-	-
Cost of prior service at the period	11,172	-
Actuarial loss / (profit) – financial assumptions	(4)	4,513
Actuarial loss / (profit) – demographic assumptions	-	-
Actuarial loss / (profit) – evidence from the period	5,656	450
Present value of liability at the end of period	100,627	81,440
Change in the value of assets		
	01.01 - 31.12.2017	01.01 - 31.12.2016
Value of plan's assets at beginning of period	4,399	3,059
Expected return on assets	62	74
Benefits from the employer	1,125	1,091
Contributions from employees	1,210	1,275
Benefits paid from the plan	(1,190)	(1,154)
Expense	-	-
Asset adjustment (via Equity)	-	-
Actuarial (loss) / gain	97	54
Value of plan's assets at the end of the period	5,702	4,399

It is noted that the fair value of the plan's assets noted above, amounted to € 5,702 thousand and € 4,399 thousand on 31/12/2017 and 31/12/2016 respectively.

PERIOD	01.01 - 31.12.2017	01.01 - 31.12.2016
Adjustments		
Adjustments in liabilities due to change of assumptions	4	(4,513)
Empirical adjustments in liabilities	(5,656)	(450)
Empirical adjustments in assets	97	54
Total actuarial gain / (loss) in the Equity	(5,555)	(4,909)
Changes in the Net Liability recognized in Balance Sheet		
Net Liability at beginning of period	77,041	70,558

Contributions from Employer	(1,125)	(1,091)
Benefits paid by the employer	-	-
Total expenditure recognized in the results	13,453	2,665
Change in Equity	5,555	4,909
Net Liability at the end of year	94,924	77,041

The expected contributions and benefits (not discounted) from the plan over the following year are estimated at € 8,227 thousand and € 7,277 thousand respectively.

The major actuarial assumptions utilized for the calculation of the relevant provisions for the special lump sum account for employees hired until 25/10/1999, are the following:

Actuarial assumptions	2017	2016
Discount rate	1.16%	1.22%
Inflation	2018-22: ~ 1.50%. 2023+: 1.80%	2017-21: ~ 1.26%. 2022+: 1.80%
Future salary increases	2018-22: ~ 1.24%. 2023+: 1.80%	2017-21: ~ 0.94%. 2022+: 1.80%
Duration of obligations	8.10	8.13

Sensitivity analysis of results

The results of the valuation are dependent on the assumptions (financial and demographic) of the actuarial study. The actuarial liability (BDO) as of 31/12/2017 for each plan based on the following sensitivity analysis scenarios is presented below:

Actuarial liability (in €)

Scenario	L. 2112/20	Special Account	Health Care	Special Provision
Discount rate +0.5%	32,600,126	10,203,841	143,333,449	96,722,924
Discount rate -0.5%	35,778,278	11,701,093	168,933,168	104,773,226
Inflation +0.5%	35,639,570	10,651,056	168,963,563	99,391,377
Inflation -0.5%	32,665,080	11,194,416	143,196,204	101,822,507
Remuneration increase +0.5%	34,203,507	11,944,698	155,120,571	105,555,236
Remuneration increase -0.5%	34,024,140	9,994,527	155,524,080	95,968,546
Life expectancy +1 year	34,187,662	10,927,174	161,005,699	100,806,276
Life expectancy -1 year	34,077,947	10,912,320	149,879,661	100,430,706

Actuarial liability (change)

Scenario	L. 2112/20	Special Account	Health Care	Special Provision
Discount rate +0.5%	-4.5%	-6.6%	-7.7%	-3.9%
Discount rate -0.5%	4.8%	7.2%	8.8%	4.1%
Inflation +0.5%	4.4%	-2.5%	8.8%	-1.2%
Inflation -0.5%	-4.3%	2.5%	-7.8%	1.2%
Remuneration increase +0.5%	0.2%	9.4%	-0.1%	4.9%
Remuneration increase -0.5%	-0.3%	-8.5%	0.1%	-4.6%

Life expectancy +1 year	0.2%	0.1%	3.7%	0.2%
Life expectancy -1 year	-0.2%	-0.1%	-3.5%	-0.2%

28. PROVISIONS FOR PENDING LITIGATIONS (GROUP & COMPANY)

The account in the financial statements is analyzed as follows:

<i>Amounts in € thousand</i>	31.12.2017	31.12.2016
Provisions for pending litigations with employees - pensioners	12,376	18,874
Provisions for civil litigations	22,869	22,827
Total	35,245	41,701

As of 31.12.2017, the lawsuits for civil cases against the Company accounted for € 74.7 million. The lawsuits concerned indemnities for damages from flooding (due to pipeline fractures or rainfalls), or cases involving various counterparty suppliers and sub-contractors with regard to violation of contractual terms. Furthermore, there are pending legal cases for employment differences of € 137.3 million approximately.

During the year 2017, the Company proceeded with the implementation of a conciliation resolution of collective labor disputes of the following number:

- 19105 / 21.12.2016 decision of the Board of Directors to resolve collective labor disputes and disburse approximately Euro 17 million and
- 19224 / 24.05.2017 decision of the Board of Directors, concerning the calculation of the special one-off compensation with the surcharge of benefits and to disburse approximately Euro 13 million.

The total amount of the provisions that the Company has formed accounts for approximately Euro 37 million at 31.12.2017 (amount of Euro 58.7 million approximately as at 31.12.2016), of which approximately Euro 1.7 million, of the compromise solution of the above mentioned decisions' remaining amount is presented in the short-term liabilities (the corresponding amount in the previous year had settled at Euro 17 million approximately).

The provision of disputed cases is based on management's estimates in conjunction with the Legal Services Division for the amount that is likely to be disbursed.

29. INVESTMENT SUBSIDIES AND CUSTOMER CONTRIBUTIONS (GROUP AND COMPANY)

The account in the financial statements is analyzed as follows:

<i>Amounts in € thousand</i>	31.12.2017	31.12.2016
Opening Value:		
Investment Subsidies	234,081	230,523
Customer Contributions	105,237	104,163
	339,318	334,686
Accumulated Depreciation		
Investment Subsidies	(104,917)	(99,365)
Customer Contributions	(51,214)	(48,584)

	(156,131)	(147,949)
Net (Non Depreciated) Value		
Investment Subsidies	129,164	131,158
Customer Contributions	54,023	55,579
	183,187	186,737

The Company receives subsidies from the European Union, through the Greek State, in order to finance certain projects. Furthermore, the Company's customers (including the public sector and the local government authorities) are required to participate in the financing scheme of the initial network development cost (meters, network connections, etc.) or its upgrade.

The above subsidies and customer contributions are accounted at the time of receipt and are recorded in the Statement of Financial Position in the long-term liabilities. These amounts constitute deferred income and are depreciated on the basis of the economic life of the relevant assets, at the time their operation commences. The amortization of subsidies and customer contributions are deducted from the depreciation of fixed assets in the statement of income.

Apart from the above, the Company has also received other type of state subsidies such as the granting of a concession to Psyttaleia island.

30. CONSUMERS' GUARANTEES

The amounts of € 18,387 thousand on 31.12.2017 and of 18,297 thousand on 31.12.2016 concern customer guarantees for the use of the water meter, paid at the time of water supply connection. The above guarantees are paid back (free of interest) upon request from the customer for termination of the water supply connection. The above guarantees have been recorded in nominal value, and not at fair value, initially, and in a following stage in their net (amortized) cost, since they can be claimed from the customers at any time.

31. OPERATING AND OTHER CURRENT LIABILITIES

The account in the financial statements is analyzed as follows:

a. Operating Short-Term Liabilities

<i>Amounts in € thousand</i>	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Suppliers	24,956	22,276	24,949	22,268
Withheld Taxes Payable	8,061	7,937	8,061	7,937
Social Security Contributions and Other Items	2,955	4,867	2,955	4,867
Customer Advances	2,449	2,309	2,449	2,309
Dividends Payable	468	40,801	468	40,801
Operating Short-Term Liabilities	38,889	78,190	38,882	78,182

Operating current liabilities decreased by € 39.3 million approximately mainly due to the decision of the Extraordinary General Meeting of shareholders on 23.12.2016 for the distribution of a dividend amounting to 40,470 thousand Euro, from the earnings of the previous years.

b. Other Current Liabilities

<i>Amounts in € thousand</i>	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Pending litigations with employees - pensioners	1,753	16,978	1,753	16,978
Checks Payable	785	869	785	869
Collections for Third Parties	896	912	896	912
Provision for Non-Utilized Vacation Leave	436	909	436	909
Personnel Compensation	91	292	91	292
Other Short-Term Liabilities	4,339	5,462	4,343	5,460
Short-Term Customer Guarantees	5,579	5,523	5,579	5,523
Other Short-Term Liabilities	13,879	30,935	13,883	30,943

Other current liabilities decreased by € 17,1 million approximately due to the implementation of the settlement concerning labor differences.

32. EVENTS AFTER THE BALANCE SHEET DATE

No event has occurred which may significantly affect the financial structure or the business performance of the Company and the Group from 31.12.2017 and until the approval date of the financial statements by the Board of Directors.

33. COMMITMENTS AND CONTINGENT LIABILITIES – ASSETS

Contingent liabilities are not recorded in the financial statements but they are disclosed, provided that the possibility of an outflow of resources incorporating financial benefits is minimal.

1. Relations with the Greek State

With a joint ministerial decision of 03.12.2013 which was issued according to the above law provisions, it was defined that the overdue amounts payable to the Company from the Greek State concerning investment plan's subsidized expenditures of € 294 million for the decade 2000 – 2010 as stipulated from the agreement of 09.12.1999 between the Greek State and the Company, were offset with equivalent in value non tax related amounts payable to the Greek State from the Company, until 30.6.2013, concerning the cost of the collected crude water for the period 25.10.2004 – 30.6.2013. With the same joint ministerial decision, the other claims until 30.06.2013 between the Greek State and EYDAP SA were also amortized. With the decision of the Extraordinary General Shareholders' Meeting on 27th December 2013, the above ministerial decision was accepted.

On the other hand, the signing of a written agreement - as it is defined in the article 15 of the agreement on 9.12.1999 between the Greek State and the Company - which will determine the price paid to "L.E.P.L. EYDAP Fixed Assets" for the crude water collected from 1.7.2013 is pending from the year 2004 (Note 36). In absence of a written agreement, the Company continues, after 30/06/2013, to offset the cost of the collected crude water with the maintenance and operation services it provides for the fixed assets owned by "L.E.P.L. EYDAP Fixed Assets", affecting accordingly its financial results.

Changes in the pricing of water and sewerage services will stem from the application of JMD 135275 (No. 3, par. 9), GG 1751 / 22.05.2017 "Approval of general Costing and Pricing Rules of water services. Method and procedures for recovering the cost of water services in its various uses". At the current phase it is not possible to estimate any potential impact stemming from this process on the up to now applied policy by the Company.

2. Commitments concerning Non Executed Contracts

The Company's commitments which concern expansions, improvements and maintenance of networks and installations, electrical and thermal energy production unit installations, etc., accounted for € 84 million approximately on 31.12.2017 (versus € 69 million on 31.12.2016).

3. Letters of Guarantee

The Company has issued letters of guarantee for liability insurance of € 230 thousand on 31.12.2017.

34. RELATED PARTY TRANSACTIONS (GROUP & COMPANY)

A) Transactions with Members of the Board

<i>Amounts in € thousand</i>	31.12.2017	31.12.2016
Fees (Chairman & CEO, and Executive Directors)	114	114
Fees & attendance expenses of BoD members	138	81
Total	252	195

B) Transactions and amounts outstanding with the Greek State and the Municipalities

<i>Amounts in € thousand</i>	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
1) Transactions				
- Income	61,512	58,459	61,512	58,459
- Cost of Goods Sold (cost of construction works)	529	66	529	66
- Income from non utilized provisions / (Various provisions)	-	-	-	-
2) Outstanding amounts				
- Long-term receivables (Projects for the Greek State)	4,297	3,769	4,297	3,769
- Long-term trade receivables (settlements with Municipalities)	12,961	21,038	12,961	21,038
- Trade receivables (Local authorities, Greek State)	53,286	38,964	53,286	38,964
- Trade receivable ISLANDS' EYDAP DEVELOPMENT	-	-	24	24
- Other receivables (from the Greek State for coverage of deficit concerning staff indemnities)	258	258	258	258

The transactions with the Greek State and Local Government Authorities concern revenues of water supply, invoiced and accrued, as well as accrued income from the construction cost for the account of Ministry of Economy, Infrastructure and Transport, and of "EYDAP Fixed Assets".

35. AUDITORS' REMUNERATION

<i>Amounts in € thousand</i>	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Auditors remuneration for auditing the annual accounts	50	51	47	48
Other fees	15	25	15	25

Total fees	65	76	62	73
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36. EYDAP FIXED ASSETS «EYDAP L.E.P.L.»

- “EYDAP Fixed Assets Legal Entity of Public Law L.E.P.L.” was established at the time of the Company’s public listing (IPO) aiming at transferring the ownership of the water dams and basins of Marathon, Mornos, Yliki and Evinos. Apart from the constructions and the expansions of the facilities which are connected to the above dams and basins, the Greek State through “EYDAP Fixed Assets L.E.P.L.” supplies the Company with crude water so that the Company is in position to fulfill its obligations with regard to the provision of water supply services.
- It is noted that:
 - the Aqueduct of Yliki until the Viliza in Thiva was transcribed to the competent Land Registry of Thiva and Oropos.
 - The construction sites of Amfissa and Chrissos in Delphi have already been incorporated into the competent office of Amfissa which operates as Land Registry.
- The Board of Directors of “EYDAP S.A.” with the decision 18448/ 24.09.2014 approved the signing of an agreement between “EYDAP Fixed Assets Legal Entity of Public Law L.E.P.L.” and “EYDAP S.A.” concerning the water supply and invoicing, since 1/10/2014, of the local government authorities and other legal entities of public law from “EYDAP Fixed Assets L.E.P.L.” along the External Water Supply System which concerns geographic areas beyond the jurisdiction of “EYDAP S.A.”. Particularly, the above decision concerned the following Municipalities:
 - Delfoi
 - Leivadia (and of DEYAL)
 - Thiva (and of DEYATH)
 - Tanagra
 - Chalkida (and of DEYACH)
 - Distomo – Arachova

37. MANAGEMENT OF CAPITAL

The Company manages its capital in such way in order to meet its objectives as these are mentioned in paragraph 4a of article 1 of Law 2744/99. In addition, according to paragraph 8 of the same article the placement of its fixed real estate assets used for water supply and sewerage purposes as collateral is prohibited. It is noted that according to article 5 of the same law there is no provision for compulsory administration of the assets of EYDAP used for water supply and sewerage purposes.

In the current period, the Company did not proceed with the signing of any bank liability either long-term or short-term. Following its listing on the Athens Exchange in 2000 and until 2013, the Company held mainly short-term debt, in order to meet its operating needs due to the fact that it had not collected payments for water supply bills from certain municipalities and other public entities.

The Company maintains sufficient capital in order to serve its business objectives and to apply the appropriate dividend policy.

Leverage ratio

Amounts in € thousand	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Borrowings	-	-	-	-
Cash and cash equivalents	(294,921)	(280,544)	(293,920)	(279,471)
Total Equity	942,028	904,766	942,191	904,879

<i>Net Debt to Equity Ratio</i>	0	0	0	0
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Therefore, there is no risk associated with any changes of the interest rates of banks.

38. FINANCIAL RISK MANAGEMENT

Risk management is processed by the Company's pertinent Departments which operate under certain rules which have been approved by the Board of Directors.

The Board of Directors sets the objectives, defines the policy, and selects the risk management framework, the implementation of which is assigned to the Company's executives. The existence of a risk management framework is of central importance and the monitoring process is structured, continuous and consistent.

(a) Credit Risk

The Company's exposure with respect to the credit risk it is eliminated to the financial assets which at the reporting date of the Financial Statements are analyzed as follows:

Financial Assets categories	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Available for sale financial assets	3,659	2,855	3,659	2,855
Cash and cash equivalents	294,921	280,544	293,920	279,471
Trade and other receivables	237,299	224,766	237,252	224,742
Long-term receivables	19,034	22,598	19,034	22,598
Investments in subsidiaries	-	-	1,210	1,210
Total	554,913	530,763	555,075	530,876

Cash and cash equivalents bear credit risk. The management of credit risk is conducted with the aggregation of the largest part of the Company's cash reserves in the Bank of Greece and via the containment of the Company's exposure to domestic banking institutions.

Trade and other receivables include receivables from private customers which carry a relatively low level of loss risk mainly because of the extensive dispersion of claims, while for the receivables from Local Governments (OTA), the Company examines the possibility of collecting the respective due amounts through contract agreements (management of networks and settlements) or based on legislative arrangements.

Trade and other receivables are included in receivables from private clients for which there is a relative risk, which is limited by measures and actions taken by the competent directorates. The actions concern the assumption of measures in order to deal with the arrears of due liabilities and the provision of facilities for their repayment.

For the category of local government liabilities, the Company examines the possibility of collecting arrears through the signing of contracts (network management or settlements) or through regulatory arrangements.

The provision regarding the trade receivables refers to overdue liabilities of individual customers the collection of which is delayed for more than two years and they have not been settled. Also, the provision includes a portion of arrears of individual clients of less than two years that meet certain criteria and have not been settled.

Below the analysis of the Company's receivables based on their maturity is displayed:

Amounts in € thousand

TIME ANALYSIS OF OVERDUE CLAIMS							
2017	Non due	0-1 month	1-6 months	6 months -2 years	2 years -5 years	> 5 years	Total
PRIVATE CUSTOMERS	30,029	9,548	30,352	45,046	33,458	33,422	181,855
STATE	3,483	736	1,806	3,671	5,369	3,367	18,432
LOCAL GOVERNMENT	6,411	2,450	8,139	10,901	16,743	860	45,503
Total	39,923	12,734	40,297	59,617	55,569	37,649	245,789

2016	Non due	0-1 month	1-6 months	6 months -2 years	2 years -5 years	> 5 years	Total
PRIVATE CUSTOMERS	29,133	10,680	30,976	45,590	30,947	27,615	174,940
STATE	2,615	970	2,110	1,754	4,884	3,177	15,509
LOCAL GOVERNMENT	7,215	2,093	5,479	17,256	10,067	928	43,038
Total	38,963	13,742	38,564	64,599	45,899	31,270	233,487

It is noted that the paid amount of the installments, of the individuals' settlements on 31.12.2017 amounts to Euro 13,069 thousand against the amount of Euro 10,035 thousand of the previous year and it is not included in the balance of the private customers in the table of time analysis.

The Department of Revenue & Trade Receivables Management, as well as the Department of Special Customers Management, continuously monitor the claims of the Company, either separately or based on groups (invoice codes, customer categories) and incorporate this information into the credit risk control procedure.

With regard to credit risk management, the Department of Collection Enforcement of the Legal Services Division reviews on constant basis and settles via judicial procedures (LD 356/1974 «Code for the Collection of Public Revenues») overdue receivables concerning water supply, utilization rights and property connection rights from retail customers and local government authorities (OTA).

None of the financial assets has been placed as collateral or in any other form of credit insurance.

Correspondingly, the Company has not ceded any financial instruments of the Assets in the form of guarantee to any third parties.

(b) Liquidity Risk

The liquidity risk is being managed by the preservation of sufficient cash available and by the assurance of bank credits for use. There is no liquidity risk due to the existence of sufficient cash reserves which can cover the current operating and investment needs.

The following table analyses the Company's financial liabilities which are classified in groups according to their expiration date which are calculated according to the time balance from the balance sheet date until the contractual arrangement expiration date in non-discounted figures.

Amounts in € thousand

TIME ANALYSIS OF LIABILITIES							
2017	0-1 Month	2-3 Months	3-6 Months	6-12 Months	1- 5 years	> 5 years	Total
Debt liabilities	-	-	-	-	-	-	-

Suppliers and other liabilities	15,908	27,819	4,594	4,464	39,042	315,576	407,403
Total	15,908	27,819	4,594	4,464	39,042	315,576	407,403

2016	0-1 Month	2-3 Months	3-6 Months	6-12 Months	1- 5 years	> 5 years	Total
Debt liabilities	-	-	-	-	-	-	-
Suppliers and other liabilities	65,529	27,527	13,220	4,734	41,136	308,191	460,337
Total	65,529	27,527	13,220	4,734	41,136	308,191	460,337

c) Market Risk

Market risk is related to the Company's equity portfolio, which is a long-term, strategic investment and as a result is limited to pre-defined Position Limits.

(d) Risks due to capital controls in Greece

With the Act of Legislative Content on 28th June 2015, Greek banks were placed in a holiday status and capital controls were imposed. The bank holiday ended on 20th July 2015. The capital controls have been gradually relaxed, but on the other hand a significant part of these controls remains in effect. Due to the special nature and inelasticity of the product, its demand is not affected by the imposed capital controls, therefore the relevant financial developments in Greece have not affected the cash collections, payments and turnover of the Company.

(e) Regulatory risk

On May 22, 2017, the Joint Ministerial Decision published in GG B 1751, had as its subject: "Approval of general rules for the costing and pricing of water services. Method and procedures for recovering the cost of water services in its various uses". EYDAP SA examines the application of the general rules for the costing and pricing of water services in accordance with the aforementioned Joint Ministerial Decision.

From the preliminary examination of the Joint Ministerial Decision by the Company, issues have emerged for clarification concerning:

- The price of raw water, as a basic cost element,
- The environmental costs and the resource costs per cubic meter of water as this will be communicated to the Company by 31 October 2018 by the Directorate of Waters of Decentralized Management,
- The opportunity cost of the invested capital and, in particular, the reasonable annual return on the private venture capital used,

By a Joint Ministerial Decision, issued on 03.12.2013, it was decided that the Greek State's obligations to the Company from subsidized investment project expenditures for the period 2000-2010, resulting from the Greek Government's agreement with the Company of 09.12.1999, approximately of 294 million, are amortized with the Company's non-tax liabilities of equal value towards the Greek State, which relate to the cost of the non-refined water supplied to the Company for the period 25.10.2004-30.06.2013.

However, it is still pending from 2004 the conclusion of a written agreement as defined in article 15 of the contract of 09.12.1999 between the Greek State and the Company, which will determine the price of the collected crude water. In the absence of a written agreement, the Company continues to offset, even after 30.06.2013, the price of the collected crude water with the maintenance and operation services that it provides for the fixed assets that belong to the company " EYDAP L.E.P.L.", burdening its results.

Until the date 31.12.2018, when the invoice approved by GG 3188B / 16.12.2013 will be effective, no issue arises regarding the Company's burden with any price for the collected crude water. Such a fact would lead to an increase of the price of water and create an additional charge for citizens.

39. FAIR VALUE ASSESEMENT

The fair value of the financial items which are traded in active markets (stock exchanges) (i.e. derivatives, stocks, bonds, mutual funds) is assessed based on their published prices which are effective on the financial statements' reporting date. The available for sale financial assets are valued at fair, which is their market capitalization and therefore are classified under level 1, according to the provisions of IFRS 7, par. 27B.

The fair value of financial items which are not traded in active markets is assessed by the utilization of valuation techniques and assumptions which are based on market data on the Financial Statements reporting date.

The nominal value minus provisions of bad debts is estimated that approximates their real value. The real values of the financial liabilities for presentation purposes in the financial statements are calculated based on the present value of their future cash flows, applying the effective interest rate which is available for the Company for utilization of similar financial instruments.

40. RECLASSIFICATION OF ACCOUNTS

In order to more effectively depict the inflows - outflows from investment activities, it was selected the reclassification of the item "interest received" for the part that it concerns the "customer surcharges" from the investment activities in the operating activities. In order to become similar and comparable the items of the financial year 2016 with those for the year 2017, the published items of the Cash Flow Statement for the period 01.01.2016 - 31.12.2016 were reclassified as follows:

<i>Amounts in € thousands</i>	GROUP		COMPANY	
	31.12.2016 As published	31.12.2016 As reclassified	31.12.2016 As published	31.12.2016 As reclassified
Cash Flows from operating activities				
Profit before tax	41,324	41,324	41,324	41,337
Plus / minus adjustments for:				
Depreciation and amortization	45,539	45,539	45,539	45,539
Amortization of customer contributions and investment subsidies	(8,168)	(8,168)	(8,168)	(8,168)
Reductions / transfers of tangible and intangible assets	(935)	(935)	(935)	(935)
Income from securities	(66)	(66)	(66)	(66)
Provisions for personnel compensation	2,944	2,944	2,944	2,944
Other provisions	1,900	1,900	1,900	1,900
Interest and related income	(13,848)	(13,848)	(13,848)	(13,838)
Interest and related expense	4,431	4,431	4,431	4,431
Impairment of securities	18,067	18,067	18,067	18,067
Plus / minus adjustments for changes in working capital accounts or related to operating activities:				
(Increase) Decrease				
Trade receivables	5,843	5,843	5,843	5,835
Materials and spare parts	121	121	121	121
Increase (Decrease)				
Operating short term liabilities	2,056	2,056	2,056	2,055

Customers' guarantees	85	85	85	85
Employee contribution for indemnity	1,911	1,911	1,911	1,911
<i>Plus:</i>				
Surcharges of customers received	-	3,857	-	3,857
<i>Minus:</i>				
Interest and related expenses paid	(36)	(36)	(36)	(36)
Income tax paid	(52,646)	(52,646)	(52,646)	(52,646)
Net Cash Inflows / (Outflows) from Operating Activities (a)	48,522	52,379	48,536	52,393
<u>Cash flows from investing activities</u>				
Purchases of tangible assets	(8,442)	(8,442)	(8,442)	(8,442)
Purchases of intangible assets	(901)	(901)	(901)	(901)
Proceeds from customer contributions and subsidies	1,253	1,253	1,253	1,253
Interest and related income received	11,481	7,624	11,471	7,614
Dividends received	66	66	66	66
Purchase of securities	0	0	0	0
Share capital increase in subsidiary / Receipt from liquidation of affiliated company	0	0	0	0
Net Cash Inflows / (Outflows) from Investing Activities (b)	3,457	(400)	3,447	(410)
<u>Cash flows from financing activities</u>				
Dividends paid	(31,854)	(31,854)	(31,854)	(31,854)
Net Cash Inflows / (Outflows) from Financing Activities (c)	(31,854)	(31,854)	(31,854)	(31,854)
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	20,125	20,125	20,129	20,129
Cash and Cash Equivalents at the beginning of period	260,419	260,419	259,342	259,342
Cash and Cash Equivalents at the end of period	280,544	280,544	279,471	279,471

2. INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report

To the Shareholders of the Athens Water Supply and Sewerage Company (EYDAP 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 the Athens Water Supply and Sewerage Company (EYDAP S.A.) (the Company), which comprise the separate and consolidated statement of financial position as at 31 December 2017, and the separate and consolidated statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and notes to the 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 Athens Water Supply and Sewerage Company (EYDAP S.A.) and its subsidiary (the Group) as at 31 December 2017, and their financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as 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 its consolidated subsidiary throughout our appointment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as incorporated into the Greek Legislation and the ethical requirements that are relevant to the audit of the separate and consolidated financial statements in Greece, and we have fulfilled our other ethical responsibilities in accordance with the requirements of the current legislation and the above-mentioned IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 33.1 to the financial statements, which describes the matter regarding the determination of cost, for the raw water that the Company is supplied from the Greek State. In the absence of a written agreement for determining the above cost, the Company continues also after 30.6.2013, date when was settled the total of outstanding debts to the Greek State, to set off the raw water cost against the cost of services incurred for the maintenance and operation of the assets used for saving and transferring water that belong to the Legal Entity under Public Law "EYDAP Assets" as provided for by article 15 of the dated 9.12.1999 contract with the Greek State.

Changes in the pricing for water and sewerage services will result from the implementation of the Joint Ministerial Decision 135275 (G.G. 1751/22.05.2017) "Approval of General rules for Costing and Pricing of water services. Methods and procedures for cost recovery of water services in its various uses". At the present phase, it is not possible to forecast any consequences from the implementation of the above Joint Ministerial Decision on the company's policy until now. Our opinion is not qualified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and consolidated financial statements of the current period. These matters 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.

Accuracy of revenue due to complex pricing systems	
Key audit matter	Addressing the audit matter
<p>The turnover of the company amounted for the year ended 31.12.2017 to € 327,3 mil., (€ 328,8 mil. for the year ended 31.12.2016).</p> <p>Relevant reference for revenue is made in note 3 (Accounting policies and methods) and note 5 (Turnover) to the financial statements.</p> <p>For the recognition of the company's revenue is required the periodic counting and invoicing based on the current consumption invoices of around 2.1 mil. supplies.</p> <p>Due to the complex pricing systems and the required processing of large amount of data, the accuracy of revenue was considered to be one of most significance matter.</p>	<p>Our audit approach included, among others, the following main procedures:</p> <ul style="list-style-type: none"> - Understanding of the applied policies and procedures for revenue recognition, in conjunction with the established corporate governance and operation internal rules of procedure, with respect to measurement, pricing and issue of bills process. - Assessment with the assistance of a specialized technical advisor of the IT systems used by the company, the effectiveness of the controls and the revenue recognition accounting. - Assessment of the completeness and accuracy of correct separation of accounting years, by examining whether the revenue invoiced after the end of the reporting period is recognized in the year it concerns.
Recoverability of trade receivables	
Key audit matter	Addressing the audit matter
<p>At 31.12.2017 the trade receivables of the Company amount to € 273 mil. (€ 259 mil. at 31.12.2016) while the related accumulated impairment amounts to € 57,5 mil. (€ 51,6 mil. at 31.12.2016).</p> <p>The disclosures of the Company regarding the trade receivables, the Municipal debt arrangements, the aging analysis of overdue receivables and the determination of impairment, are included in the notes 21, 18 and 38 to the financial statements.</p> <p>Taking into account the amount of receivables, the number of customers and the economic environment we assessed the recoverability of trade receivables to be one of most significance matter.</p>	<p>Our audit approach included, among other the following procedures:</p> <ul style="list-style-type: none"> - Understanding and examining of the processes with respect to monitoring the trade receivables and the possibility of their collection through relevant law provisions (cutting off of water, implementation of Code for the Collection of Public Revenue, responsibility of general or special property owners). - Assessment of the assumptions and the methodology used by the Company for the determination of impairment. - Assessment of private customer balances included in the aging analysis of receivables due and the estimate of impairment based on the criteria consistently applied. - Assessment of the related disclosures in the company's financial statements.
Contingent liabilities due to labour claims	
Key audit matter	Addressing the audit matter
<p>In the years 2017 and 2016 the company proceeded to</p>	<p>Our audit approach included, among other, the following</p>

<p>compromise labour dispute solutions totaling around € 13 mil. and € 17 mil. respectively.</p> <p>At 31.12.2017 is pending the labour claims litigation of total claimed amount € 137 mil. The management of the company in cooperation with the Legal Department, has set up provision of total amount € 14 mil. for the amount that is likely to be disbursed.</p> <p>Provided that it is not possible to be predicted with absolute certainty a judicial outcome because of the importance of the amount claimed we considered the labour disputes to be one of most significance matter.</p> <p>The above matter is described in note 28 to the financial statements.</p>	<p>procedures:</p> <ul style="list-style-type: none"> - In the context of the confirmation letter of pending court cases, we received from the company's Legal Department a detailed statement of pending court cases for labour disputes and their alleged outcome. - For the most important cases, we received further clarifications-opinions from the Legal Department and from a collaborating with the EYDAP Law Firm. - With the assistance of specialized officials, we assessed the above opinions of the company's lawyers. - We assessed the adequacy of the disclosures in the company's financial statements with respect to the above-mentioned matter.
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Other Information

Management is responsible for the other information. The other information comprises the information included in the Board of Directors' Report for which reference is made to the "Report on Other Legal and Regulatory Requirements", to the 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 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 of this other information, 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 IFRSs, as 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 either intends to liquidate the Company and the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee (art. 44 L. 4449/2017) of the Company 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 incorporated into the Greek Legislation, 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 influence 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 incorporated into the Greek Legislation, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting 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 separate 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 the 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 of its subsidiary 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 that management is responsible for the preparation of the Board of Directors' Report and the Corporate Governance Statement included in this report, according to the provisions of paragraph 5 of article 2 (part B') of L. 4336/2015, we note that:

- a) The Board of Directors' Report includes the Corporate Governance Statement that provides the data and information defined under article 43bb of cod. L. 2190/1920.
- b) In our opinion the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of the articles 43a and 107A and the paragraph 1 (cases c' and d') of the article 43bb of cod. L. 2190/1920 and its content corresponds with the accompanying financial statements for the year ended 31/12/2017.
- c) Based on the knowledge we obtained during our audit of the Athens Water Supply and Sewerage Company (EYDAP S.A.) and its environment, we have not identified any material misstatements in the Board of Directors' Report.

2. Additional Report to the Audit Committee

Our audit opinion on the accompanying separate and consolidated financial statements is consistent with the Additional Report to the Company's Audit Committee referred to in Article 11 of European Union (EU) Regulation 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 EU Regulation 537/2014.

4. Auditor's Appointment

We have been appointed for the first time statutory auditors of the Company by the dated 29/4/2015 decision of the annual ordinary general meeting of shareholders. Since then, our appointment has been constantly renewed for a total period of 3 years based on the annual decisions of the Annual General Meetings of the Company Shareholders.

Athens, 29 March 2018

Efstratios G. Paparidis

Certified Public Accountant Auditor
Institute of CPA (SOEL) Reg. No. 14351

Dimitrios Ch. Stavrou

Certified Public Accountant Auditor
Institute of CPA (SOEL) Reg. No. 14791



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3. CORPORATE ANNOUNCEMENTS – RELEASES 2017

The following announcements/releases have been sent to the Daily Bulletin of Prices and are presented in the website of the Athens Exchange as well as in the Company's website www.eydap.gr.

08/02/2017	FINANCIAL CALENDAR 2017
09/02/2017	CHANGE OF AUDIT COMMITTEE
07/04/2017	COMPANY PRESENTATION TO THE REPRESENTATIVES OF THE CAPITAL MARKET
07/04/2017	FISCAL YEAR 2016 FINANCIAL RESULTS
16/06/2017	DIVIDEND OF 2016 YEAR PROFIT
16/06/2017	RESOLUTIONS OF THE ORDINARY SHAREHOLDERS' GENERAL MEETING JUNE 2017
23/06/2017	BOARD OF DIRECTORS INAUGURAL MEETING
07/07/2017	BOD INAUGURAL MEETING
13/09/2017	APPOITMENT OF EXECUTIVES
29/09/2017	FIRST HALF 2017 FINANCIAL RESULTS
01/11/2017	CONCLUSION OF ORDINARY TAX AUDIT FOR FISCAL YEAR 2016 AND TAX CERTIFICATE ISSUANCE

