ANNUAL FINANCIAL REPORT
for the period 1 January 2023 – 31 December 2023

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

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

General Commercial Reg. No. 058240404000

127 Egnatia St., GR- 54 635 Thessaloniki

ANNUAL FINANCIAL REPORT

FOR THE PERIOD 1 JANUARY 2023 - 31 DECEMBER 2023

IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

It is confirmed that the attached annual financial report is the one approved by the Board of Directors of "THESSALONIKI WATER SUPPLY AND SEWERAGE CO. S.A." on 4 April 2024 and has been published on the internet at www.eyath.gr.

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Statements by Board of Directors Members

(in accordance with Article 4(2) of Law 3556/2007)

The members of the Board of Directors of the company with the corporate name "**THESSALONIKI WATER SUPPLY AND SEWERAGE CO S.A.**", trading as EYATH S.A., whose registered offices are at 127 Egnatia St., Thessaloniki (GR-54635):

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

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

(a) the attached annual company and consolidated financial statements of the company EYATH S.A. for the period from 1/1/2023 to 31/12/2023 which were prepared in accordance with the applicable International Financial Reporting Standards (IFRS) accurately reflect the assets and liabilities, equity and results for the period of EYATH S.A. and the enterprises included in the consolidation, taken as a whole, and

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

Thessaloniki, 4 April 2024

Confirmed by

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

ANNUAL MANAGEMENT REPORT OF THE BOARD OF DIRECTORS

(prepared in accordance with the provisions of Article 4 of Law 3556/2007 and the relevant decisions of the BoD of the Hellenic Capital Market Commission for the period 1 January 2023 - 31 December 2023)

Dear shareholders,

In accordance with the provisions of Law 3556/2007 and the relevant decisions of the Hellenic Capital Market Commission, we are submitting to you this Annual Management Report of the Board of Directors for the current period (1/1/2023-31/12/2023).

This report contains financial information about the financial position and results of the Company EYATH S.A. and the EYATH S.A. Group of Companies, a description of the significant events that took place during this financial year, a description of the significant events that took place after the balance sheet date, a description of the projected course of business for the Group and the Company, information about the management of significant financial risks for the Group and the Company, a presentation of the significant transactions concluded between the Company and the Group and related parties, as well as other information with regard to the shares, share capital and significant agreements in force at the end of this financial year.

In addition, the Board of Directors' report includes the explanatory report required by Article 4(7) of Law 3556/2007 and the Corporate Governance Statement.

The amounts in the Board of Directors Annual Management Report are in euro.

FINANCIAL INFORMATION ABOUT THE GROUP AND THE COMPANY

The Group consists of (a) the company under the name "THESSALONIKI WATER SUPPLY & SEWERAGE CO S.A." trading as "EYATH S.A." (hereinafter the "Company" or "EYATH S.A."), that was founded in 1998 [Law 2651/3-11-1998 (Government Gazette A 248/3-11-1998)], created from the merger of the sociétés anonymes "Thessaloniki Water Supply Organisation S.A." (OYTH S.A.) and "Thessaloniki Sewerage Organisation S.A." (OATH S.A.), which had been converted into sociétés anonymes during 1997, and (b) the subsidiary EYATH SERVICES S.A. (wholly owned), which engages in the provision of all types of water supply and sewerage services, telecommunications services and the generation and sale of electricity.

It is listed on the ATHENS EXCHANGE (ATHEX) S.A. and is governed by the provisions of Law 4548/2018 on sociétés anonymes, as well as the provisions of Law 2937/2001, Chapter II (Government Gazette 169/A) and Law 3016/2002, as amended by Article 26 of Law 3091/2002. The Company's effective term is 99 years from 3.11.1998, and expires on 3.11.2097. The original Articles of Association were approved by decision no. ΕΓΑ/606/26-7-2001 (Government Gazette 989/30-7-2001) and the company is entered in the Companies Register (Reg. No. 41913/06/B/98/32) and the General Electronic Commercial Registry (GEMI) No. 058240404000. The Company's registered offices are in a privately owned building at 127 Egnatia St., Thessaloniki.

EYATH is the second largest water supply and sewerage services provider in Greece. It provides water supply services via a 2,758 km long water distribution network within its territorial remit (the wider Thessaloniki urban area and industrial area) and sewerage services via a 1,783 km long sewerage network within its territorial remit (from the river Axios, the Municipalities of Delta and Halkidona, and the high areas of the Thessaloniki urban area to the Municipality of Thermaikos at the tourist areas). The Company has over 1,000,000 household connections (around 518,000 water supply connections and 70,000 sewerage connections). EYATH also helps with flood protection in the city of Thessaloniki following a framework agreement with the Central Macedonia Region, which along with the Municipalities of the urban area is responsible for designing, constructing and maintaining rainwater drainage works and flood protection works in general.

FINANCIAL INFORMATION - COURSE OF BUSINESS

The following financial information concern the EYATH S.A. Group.

Group turnover came from the sale of water supply and sewerage services and stood at € 72,796 compared to € 70,902 during the corresponding period last year, reflecting an increase of € 1,894 or 2.67%. The increase was primarily due to increases planned as part of the company's pricing policy (Government Gazette 1105/3.4.2019) as well as increased consumption.

The cost of sales was € 59,142 compared to € 65,331 in the comparator period, down € 6,189 or 9.47%. This drop was primarily due to the fall in the cost of electricity, which fell by € 7,949 or 26.27% compared to the comparator period, but was limited by the increase in payrolling costs by € 991 or 10.67% as a result of implementation of the current National Collective Bargaining Agreement from 1.9.2022 onwards and permanent recruitments which took place in 2023 in accordance with the relevant tender procedure (Supreme Staff Selection Council competition notice No. 10K/2021). Consequently, gross profit in the period ended stood at € 13,654 compared to € 5,572 in the same period last year, up € 8,082 or 145.05%.

Other operating income stood at € 3,991 compared to € 3,689, up € 302 or 8.18%. This increase was primarily due to provisions for litigation cases worth € 1,010 being reversed thanks to a successful outcome for the Group in litigation, though this increase was limited by the fact that remuneration for managing and maintaining rainwater was down due to zero contractual revenues for the months of May and June for the Central Macedonia Region (€ 310) and also due to reduced roll over of contractual expenses of € 396.

Group operating expenses stood at € 15,146 compared to € 13,123 in the comparator period, up € 2,022 or 15.41% primarily due to the provision for bad debt formed in line with the requirements of IFRS 9, which was up € 1,179 thousand compared to the previous year. A further increase was due to the increase in third party fees and expenses and payrolling costs in implementation of the provisions of the National Collective Bargaining Agreement.

Other operating expenses stood at € 1,219 compared to € 737 in 2022, up € 482 or 65.35% primarily due to recognition of an obligation to the MUNICIPALITY OF PAVLOS MELAS under the private agreement dated 24.1.2023 relating to electricity debts up to 31.12.2019, as well as to increased extraordinary expenses from third party compensation.

Due to these events, Group EBT/(Losses) stood at € 2,629 compared to € 4,242 during the same period last year, up € 6,871 or 161.97%. Finally, Earnings/(Losses) after Tax on 31.12.2023 stood at € 1,242 compared to € (3,993), up € 5,235 or 131.11%.

Group EBITDA during the period ended stood at € 6,724 compared to € 878 in the same period last year, up € 5,846 or 665.83%.

Finally, Group cash and cash equivalents at the end of the period on 31.12.2023 stood at € 65,901 compared to € 71,481 on 31.12.2022, down € 5,580 or 7.81%.

ALTERNATIVE PERFORMANCE MEASURES (“APMs”)

In its management reports and investor disclosures the Group uses Alternative Performance Measures (APMs) in addition to the financials included in its financial statements, which have been prepared in accordance with the current financial reporting framework.

The purpose in providing these measures is so that both Company Management and investors have a fuller picture of the performance, capital structure, activities and liquidity of the Group, but should not under any circumstances be taken into account independently of the measures resulting directly from the financial statements.

The APMs used by the Group are as follows:

Gross Profit Margin (%)

This measure is calculated by dividing the gross margin by turnover, as these exact figures appear in the financial statements.

Group gross profit reconciliation table

Amounts in € '000	**01/01/2023-31/12/2023**	**01/01/2022-31/12/2022**
Sales	72,796	70,902
Cost of sales	(59,142)	(65,331)
Gross Profit	**13,654**	**5,572**

EBITDA Margin (%)

This measure is widely known among the investing community and is a general performance measure, with the advantage that it isolates the impacts of financing-investing results, income tax and the main category of non-cash expenses which is depreciation.

The measure is calculated by deducting from turnover the cost of sales, selling expenses, administrative expenses, and other operating expenses, and adding other operating income and total depreciation, and then dividing by turnover. These figures are used as shown in the financial statements and the notes thereof, without any adjustments.

EBITDA Reconciliation Table - Group

Amounts in € '000	**01/01/2023-31/12/2023**	**01/01/2022-31/12/2022**
Sales	72,796	70,092
Cost of sales	(59,142)	(65,331)
Other operating income	3,991	3,689
Selling and distribution expenses	(7,377)	(6,196)
Administrative expenses	(7,635)	(6,765)
Research and development expenses	(134)	(163)
Other operating expenses	(1,219)	(737)
Depreciation of fixed assets and right-of-use assets	5,597	5,667
Depreciation of grants	(153)	(190)
Earnings / (losses) before interest, taxes, depreciation and amortisation	**6,724**	**878**

EBIT Margin (%)

This measure, like the previous one (EBITDA) is widely known among investors and is a general performance measure, with the advantage that it can isolate the impacts of financing-investing results and income tax.

The measure is calculated by deducting from turnover the cost of sales, selling expenses, administrative expenses, and other operating expenses, and adding other operating income, and then dividing by turnover. These figures are used as shown in the financial statements, without any adjustments.

EBIT reconciliation table - Group

Amounts in € '000	**01/01/2023-31/12/2023**	**01/01/2022-31/12/2022**
Sales	72,796	70,092
Cost of sales	(59,142)	(65,331)
Other operating income	3,991	3,689
Selling and distribution expenses	(7,377)	(6,196)
Administrative expenses	(7,635)	(6,765)
Research and development expenses	(134)	(163)
Other operating expenses	(1,219)	(737)

Earnings / (losses) before taxes, financial and investment results	**1,280**	**(4,599)**

EBT Margin (%)

This measure, like the previous one (EBIT) is widely known among investors and is a general performance measure, with the advantage that it can isolate the impacts of income tax.

The measure is calculated by deducting from turnover the cost of sales, selling expenses, administrative expenses, other operating expenses and financial expenses, and adding other operating income and financial income, and then dividing by turnover. These figures are used as shown in the financial statements, without any adjustments.

EBT reconciliation table - Group

Amounts in € '000	**01/01/2023-31/12/2023**	**01/01/2022-31/12/2022**
Sales	72,796	70,092
Cost of sales	(59,142)	(65,331)
Other operating income	3,991	3,689
Selling and distribution expenses	(7,377)	(6,196)
Administrative expenses	(7,635)	(6,765)
Research and development expenses	(134)	(163)
Other operating expenses	(1,219)	(737)
Net financial income	1,349	357
Earnings / (losses) before tax	**2,629**	**(4,242)**

EAT Margin (%)

This measure is widely known among investors and is a general performance measure, with the advantage that it examines the performance of net earnings /(losses) after tax compared to turnover.

The measure is calculated by deducting from turnover the cost of sales, selling expenses, administrative expenses, other operating expenses, financial expenses, and income tax, and adding other operating income and financial income, and then dividing by turnover. These figures are used as shown in the financial statements, without any adjustments.

EAT reconciliation table - Group

Amounts in € '000	**01/01/2023-31/12/2023**	**01/01/2022-31/12/2022**
Sales	72,796	70,092
Cost of sales	(59,142)	(65,331)
Other operating income	3,991	3,689
Selling and distribution expenses	(7,377)	(6,196)
Administrative expenses	(7,635)	(6,765)
Research and development expenses	(134)	(163)
Other operating expenses	(1,219)	(737)
Net financial income	1,349	357
Income tax	(1,387)	250
Earnings / (losses) after tax	**1,242**	**(3,993)**

Current ratio: Total current assets / total short-term liabilities

This index measures the balance of liquid funds above current liabilities. These figures are used as shown in the financial statements, without any adjustments.

Capital structure ratio

This ratio shows the relationship between a company's equity and debt. These figures are used as shown in the financial statements, without any adjustments.

These measures are shown in the table below:

	01/01/2023-31/12/2023		01/01/2022-31/12/2022		Deviation
PERFORMANCE AND PROFITABILITY RATIOS					
Gross Profit Margin	18.76%		7.86%		10.90%
EBITDA Margin	9.24%		1.24%		8.00%
EBIT	1.76%		-6.49%		8.24%
EBT Margin	3.61%		-5.98%		9.59%
EAT Margin	1.71%		-5.63%		7.33%
INVESTMENT RATIOS					
Earnings / (losses) per share net of tax	0.0342		(0.1100)		-131.04%
LIQUIDITY RATIOS					
	31/12/2023		**31/12/2022**		**Deviation**
General liquidity (Current assets / short-term liabilities)	6.54		6.25		4.54%
CAPITAL STRUCTURE & VIABILITY RATIOS					
Equity / Debt	426.90%		404.48%		22.38%

PRICING POLICY

Pricing Policy for the 2019-2023 period, which EYATH S.A. recommended to the Special Secretariat for Water, was approved by decision no. 26142/180 of the Special Secretary for Water (Government Gazette 1105/B/3.4.2019) and took effect on 1.5.2019. The new pricing policy follows the logic of a drop in the cost of water for lower levels of consumption, to ensure it has a social focus, and a rise in cost for high consumption to avoid natural resource wastage. At the same time, the social tariff has been retained and improved for groups of consumers who are socially and economically vulnerable; it is tied into the social and income criteria used for the social residential tariffs for electricity (tariffs A and B), which beneficiaries can access automatically without bureaucratic procedures, and without needing to submit supporting documents. An environmental levy is included in the new tariffs, which is paid over to the Green Fund to finance water resource management and protection projects. For 2021-2023 there will be a 2% annual increase in tariffs (apart from household scale one with consumption of up to 10 m3/4-months) to ensure that the Company's investment plan can be implemented (which foresees major water supply and sewerage projects, such as an extension to the Thessaloniki Water Treatment Plant, maintenance of the Aravissos aqueduct, works to improve the water supply and sewerage networks), while the sewerage levy, fixed charges and special water cycle levy will remain firm and fixed over the tariff's 5-year period.
Given that the Company's current pricing policy expired on 31.12.2023, the committee appointed by the Board of Directors (Decision No. 072/2023) submitted letter No. ΓΔ 1052/24221 - 24.12.2023 to the Regulatory Authority for Waste, Energy and Water, containing a proposal to adjust the tariffs for water and sewerage services for 2024. By the date this report was prepared, no approval for the Committee's proposal had been issued by the Regulatory Authority for Waste, Energy and Water.

MAJOR EVENTS

Investment projects

During 2023, EYATH S.A. put the following works contracts out to tender via an open tender procedure:

- “Repair and maintenance of water supply network in central and eastern Thessaloniki in 2023” with a budget of € 1.5 million (plus VAT). A contract was signed in September 2023.
- "Maintenance of EYATH S.A. facilities in 2023", with a budget of € 1 million € (plus VAT). A contract was signed in October 2023.
- "Group A of urgent sewerage works for 2023", with a budget of € 3.5 million (plus VAT). The tender procedure is under way.
- "Repair and maintenance of the water supply network in western Thessaloniki in 2024", with a budget of € 1.65 million (plus VAT). The tender procedure is under way.
- Framework Agreement to improve - repair the Aravissos aqueduct. Budget: € 4 million € (plus VAT) with an option of up to € 1 million. The tender procedure is under way.
- "Repair of damage and local replacement of sections of sewerage network pipelines in 2024", with a budget of € 1.2 million (plus VAT). The tender procedure is under way.

In addition, in 2023 the tender procedure to select a contractor was launched for the following works contracts:

- "Group A of urgent water supply works for 2023", with a budget of € 3 million (plus VAT). A contract was signed in December 2023.
- "Repair and maintenance of the water supply network in western Thessaloniki in 2023", with a budget of € 950 thousand (plus VAT). A contract was signed in February 2023.

During 2023 the following contracts were also signed for the preparation of designs and provision of technical services:

- 5th individual contract with a contractual value of € 375,639.17 (VAT excl.) under the Framework Agreement entitled: “Framework Agreement for the provision of Technical Advisor support services for designs and projects under the EYATH S.A. Strategic & Business Plan”, with a budget of € 1.32 million (July 2023).
- "Preparation of a dossier amending the decision approving the environmental terms and conditions for the project entitled "Thessaloniki water supply project from the Aliakmon River and related works" for interventions at the site of the Thessaloniki Water Treatment Plant, with a contractual value of € 3,000.00 (VAT excl.) (May 2023).
- "Provision of Technical Advisor Support Services for projects under the new Aeneia Waste Water Treatment Plant operating and maintenance agreement" with a contractual value of € 39,000.00 (VAT excl.) (March 2023).
- "Preparation of preliminary designs, contract dossier and tender documents for award of a project (design - build) contract to complete construction of the unfinished building owned by EYATH S.A. at the junction of 99 Diagora St. and Tyrolois St. and an unnamed road in the Ano Toumba area of the Municipality of Thessaloniki" with a contractual value of € 45,000 (VAT excl.) (February 2023).

Moreover, in August 2022 the Framework Agreement entitled "Framework Agreement for the supply, installation, commissioning and operation of household water meters in EYATH S.A.'s territorial remit" was put out to tender with a budget of € 21,165,000.00 plus VAT or € 49,565,000.00 including options, plus VAT. This tender procedure is under way.

During the first half of 2023 the open online tender procedure for the service entitled "Provision of services to maintain and manage the sewerage network for 2023" was completed and on 1.6.2023 contract No. 122/2023 worth € 950,000.00 plus VAT was signed. Implementation of the scope of contract commenced immediately upon signing of the contract and its estimated duration is 2 years.

During the 2nd half of 2023 the open online tender procedure for the service entitled "Provision of reception, transport and final management/utilisation services for waste from cleaning sewerage networks in 2023" was completed and on 29.12.2023 contract No. 342/2023 worth € 419,930.00 plus VAT was signed. Implementation of the scope of contract commenced immediately upon signing of the contract and its estimated duration is 2 years.

The following contracts are currently under way:

"Operation of the AINEIA Waste Water Treatment Plant"

A new 5-year service agreement is in place to operate the Aeneia Waste Water Treatment Plant and the 14 pumping stations in the Thessaloniki tourist areas. The contractor is the joint venture AKTOR S.A. - ELLAKTOR S.A. - AENEIA Waste Water Treatment Plant 18/2021. The contract price is € 6,472,607 plus VAT and the effective term is 60 months, with the option to extend it for an additional 24 months.

The scope of services is 24/7 operation for 60 calendar months, efficient operation, maintenance, repair, sanitary monitoring, strict compliance with environmental terms and conditions and H&S rules, and overall responsibility of the AENEIA Waste Water Treatment Plant which includes the Treated Wastewater disposal pipeline, and the Septic Tank Reception and Pre-treatment Facility and the 14 pumping stations in the Thessaloniki tourist areas.

Moreover, the scope of services includes:

- collecting, transporting and utilising - final disposal of dehydrated sludge to licensed recipients;
- the collection, transport and final disposal of processing by-products (materials collected in grates, sand, fats - oils and floats, etc.) to licensed recipients;
- implementing operational and energy improvements to facilities - additional tasks).

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

Contract No. Δ1/2016 on operation and maintenance of the Waste Water Treatment Plant in the Greater Thessaloniki Area continues for a price of € 42,087,089 under which in addition to general efficient operation, maintenance, sanitary monitoring and overall responsibility of the Waste Water Treatment Plant, it also includes: a) major additional maintenance works/repairs/upgrades/replacement/addition of equipment (additional operational interventions) and b) energy optimisation interventions for the facilities to reduce the Thessaloniki Wastewater Treatment Plant’s energy footprint. The power plant comprised of two units with a total capacity of 2.5 MW has been commissioned, exploiting the biogas produced from the anaerobic digestion tanks for dehydrated hydrolysed sludge.

"Restoration of operation of the thermal drying plant at the Waste Water Treatment Plant"

The scope is repair of various problems, wear and tear and malfunctions, including modifying the automation - operating philosophy and to ensure efficient and safe operation of the thermal drying plant at the Waste Water Treatment Plant. The contract price is € 1,752,129.38 plus VAT.

"Operation of the Thessaloniki Water Treatment Plant"

As part of tender procedure 2B/2019 for the framework agreement on operation of the Thessaloniki Water Treatment Plant, on 14.9.2023 the 3rd implementing agreement for Framework Agreement 2B/2019 was signed with a budget of € 1,996,787.00 plus VAT, which will last for 11 months to 13.8.2024.

In 2023 the Thessaloniki Water Treatment Plant treated a total of 52,125,754 m^3 of surface water from the Aliakmon River and 49,151,245 m^3 of drinking water from the facility was given for consumption, with an average daily flow of 134,701 m^3, which meets all the requirements in the new applicable legislation (Government Gazette 3525/B/25.5.2023, Decision No. Δ1(δ)/ΓΠ οικ. 27829 on the quality of water intended for human consumption in compliance with the provisions of Directive (EU) 2020/2184 of the European Parliament and of the Council of 16 December 2020 (OJ L 435/1, 23.12.2020), in relation to drinking water with an average outlet turbidity of 0.071 NTU.

Since September 2023 the Thessaloniki Water Treatment Plant has had an Environmental Management System (EMS) in place based on the requirements of the international standard EN ISO 14001:2015 to improve the overall environmental performance of the Thessaloniki Water Treatment Plant and to create a solid basis for sustainable development initiatives.

"Supply and installation of an integrated security system with a SCADA system interface to protect critical infrastructure at the facilities of the Thessaloniki Water Supply & Sewerage Company (EYATH S.A.)"

This includes installing electronic systems with accessories and providing the necessary infrastructure, and providing implementation and support services for a total of 16 EYATH facilities. The purpose is to protect the said facilities against risks such as vandalism, theft, sabotage, etc. to prevent such risks occurring, to constantly monitor them on round the clock / 365

days a year using electronic systems, to identify and detect incidents in good time, to ensure a greater sense of security, to provide in and out checks during hours when the facilities are not in operation and to save resources, by limiting the number of people employed. The total contractual price is € 1,266,792.00 plus VAT. The overall project implementation deadline is 36 months, 12 months for project implementation (€ 1,184,160.00) and 24 months for technical support and post-implementation subscriptions/benefits (€ 82,632.00).

Moreover, within 2023 the Sewerage Pumping Station Operation and Maintenance - Repair Department, actively participating in the Company's wider effort to save energy and improve its energy footprint in general, completed the installation of a photovoltaic station at the Sofouli Pumping Station as part of the energy Netmetering scheme. In addition, it submitted an application for a permit for a photovoltaic system at each pumping station. If the project receives an offer for connection terms, it is expected to be completed in 2024.

During the first half of 2023 the open online tender procedure was completed and on 2.3.2023 contract No. 58/2023 was signed for the Service to Develop and Implement a plan to protect the EYATH S.A. sewerage network against edible fats and oils and from solid food waste, with a total budget of € 135,000. Implementation of the project commenced in 2023 and will be completed in 2024.

Preparation of the third Sustainability Report

The annual Sustainability Reports we prepare highlight the Company's involvement in international and national strategies (the 2030 Agenda for Sustainable Development, the Paris Agreement 2016, the European Green Deal 2019) and highlight EYATH's performance on all major issues in society, the environment and corporate governance. Demonstrating its intention to adopt ESG criteria and setting sustainable development standards as an integral part of its day-to-day operations, after successfully completing preparation of the 2nd Sustainability Report for 2021, EYATH prepared its 3rd Sustainability Report for 2022.

In October 2023 the company completed the 3rd Sustainability Report for 2022, setting out its performance and initiatives on social, environmental, economic and corporate governance issues, in line with the GRI Standards 2021, the guidelines in the ATHEX Exchange 2022 ESG Disclosure Guide and for the first time followed the Sustainability Accounting Standards Board (SASB) standard, and in particular the methodology and material issues in the Water Utilities and Services sector. Applying this standard in addition to the GRI standard and the Athens Exchange's ESG Disclosure Guide demonstrates EYATH's commitment to transparency and responsibility, offering a comprehensive, multi-faceted presentation of its performance on sustainability issues and bolstering stakeholder trust. The main, ongoing objective remains to increase its positive environmental and social footprint by remaining dedicated to ethical and effective corporate governance.

Athens Exchange ATHEX ESG Index

Based on published data in the Sustainability Report, in November 2023 EYATH obtained a score of “very good” and remains listed on the **Athens Exchange's ATHEX ESG Index**, which ranks businesses that achieve the highest sustainability performance scores in Greece. EYATH's inclusion in the index is proof of the Company's dedication to caring for the environment, social solidarity and sound management, respect for the legislative framework and regulations, and its unwavering pursuit of a safe working environment free of discrimination and prejudice. The adoption of ESG KPIs in action and in the annual reports shows the company's consistent, transparent, coherent strategy of striving for sustainable development, highlighting its cohesive strategic plan to achieve sustainable development and to contribute to national, European and international 'green' transition goals.

ISO certifications

To ensure continuous improvement, in 2023 EYATH received ISO 45001:2018 **certification** for its **Occupational Health and Safety System,** and also took the first step towards obtaining **ISO 14001:2015** certification for its **Environmental Management System** at the Thessaloniki Water Treatment Plant. ISO management systems allow businesses to optimise their performance and expand into new markets, cultivating awareness among employees about safety, environmental protection and customer satisfaction issues, which are key aspects of EYATH S.A.'s day-to-day operations.

The subsidiary EYATH SERVICES S.A.

EYATH SERVICES S.A. has not provided any water supply and sewerage services in the period from 1.3.2018 to the present day.

The Annual Ordinary General Meeting of the subsidiary held on 21.8.2023 approved the following items:

Item 1: Approval of the Company annual financial statements, reports from the Board of Directors and the auditor for the accounting period (1.1.2022 to 31.12.2022) in accordance with the IFRS.

Item 2: Approval of overall management of the Board of Directors for the accounting period 1.1.2022 - 31.12.2022 in accordance with Article 108 of Law 4548/2018 and release of auditors from liability in accordance with Article 117(1)(c) of Law 4548/2018.

Item 3: Approval of fees paid to the members and secretary of the Board of Directors during 2022 and setting of corresponding fees for 2023.

Item 4: Selection of Auditing Firm and approval of its fee for statutory audit of the Annual Financial Statements and tax audit for the period 1.1.2023-31.12.2023.

Item 5: Renewal of the term in office of members of the Board of Directors**.**

The composition of the Board of Directors of the subsidiary EYATH SERVICES S.A., as specified in Board Decision No. 003/2023 of 28.08.2023 is as follows:

- CHAIRMAN: Agis Papadopoulos, son of Michail, elected on 20.10.2022, whose term in office expires on 20.10.2025.
- CEO: Anthimos Amanatidis, son of Anastasios, elected on 21.8.2023, whose term in office expires on 21.8.2026.
- VICE CHAIRMAN: Sofia Ammanatidou, daughter of Ilias, elected on 21.8.2023, whose term in office expires on 21.8.2026.
- (NON-EXECUTIVE) MEMBER: Ekaterini Tsikaloudaki, daughter of Georgios, elected on 21.8.2023, whose term in office expires on 21.8.2026.
- MEMBER: Parthena Theodoridou, daughter of Antonios, elected on 21.8.2023, whose term in office expires on 21.8.2026.
- MEMBER: Dimitrios Alexandris, son of Georgios, elected on 20.10.2022, whose term in office expires on 20.10.2025.
- MEMBER: Panagiotis Hatzissarou, son of Pantelis, elected on 17.6.2022, whose term in office expires on 17.6.2025.

  Article 19 of EYATH SERVICES S.A.'s Articles of Association states that the term in office of members of the Board of Directors is three years which can be extended to the next Ordinary General Meeting until a decision to that effect is taken.

Participation in Public International Tender Procedure

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

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

The project award procedure included two phases (A & B) of which phase B was divided into two stages (B.I & B.II). By the end of 2022, Phase A (including evaluation of the expression of interest files submitted), Phase B.I - DIALOGUE and Phase B.II which involved the submission of tenders (cut-off date: 30/05/2023) were completed.

After Phase B.II was completed, it was found that no tender had been submitted due to undercosting of the entire project and the tender procedure was declared a failure.

Memorandum of understanding

On 11.12.2023 the Board of Directors of EYATH SERVICES S.A. issued Decision No. 005/2024 approving a MoU between EYATH SERVICES S.A. and the Larnaca Sewerage and Drainage Board to provide sewerage support services.

SIGNING OF NEW COLLECTIVE BARGAINING AGREEMENT

Due to the expiry of EYATH S.A.'s Enterprise-Level Collective Bargaining Agreement on 3.10.2019, after negotiations with the trade union were completed, the Company signed a new Enterprise-Level Collective Labour Agreement valid for 3 years from 1.9.2022 to 31.8.2025.

PROCUREMENT OF NEW VEHICLES

In the context of replacing old and polluting service vehicles, in implementation of the relevant decisions of the Board of Directors during 2022 the tender procedure for the supply of a total of 21 environmentally friendly, hybrid and electric vehicles featuring new anti-pollution technology was completed and by February 2024 all those vehicles intended to meet the Company's need had been delivered.

STAFF RECRUITMENT

During 2023 a total of 41 individuals with university, technological and secondary education were recruited under private law open-ended employment contracts on the basis of Hellenic Supreme Staff Selection Council competition notice No. 10K/2021. Another 7 posts remain to be filled but they are expected to be filled in the coming months.

Annual General Meeting of Shareholders

The Annual Ordinary General Meeting of Shareholders held on 4.9.2023 approved the following items by a majority:

- Item 1: Approval of the annual financial report and consolidated financial statements of the Group prepared in accordance with the International Financial Reporting Standards (IFRS) for the 22nd accounting period (1.1.2022 - 31.12.2022) and the management reports of the Board of Directors and the independent certified auditor-public accountant thereon.

- Item 2: Approval of overall management of the Board of Directors for the accounting period 1.1.2022 - 31.12.2022 in accordance with Article 108 of Law 4548/2018 and release of auditors from liability in accordance with Article 117(1)(c) of Law 4548/2018.

- Item 3: Decision to distribute results for the period.

- Item 4: Discussion of the Remuneration Report of the Remuneration and Nominations Committee in accordance with Article 112(3) and approval of the remuneration and compensation paid to members of the Board of Directors for the accounting period 1.1.2022 - 31.12.2022 in accordance with the Company's Remuneration Policy and the Remuneration Report.

- Item 5: Election of new members of the Board of Directors due to expiry of their term in office and/or resignation.

- Item 6: Appointment of the Chairman of the Board of Directors and Vice Chairman of the Board of Directors.

- Item 7: Decision on the type, line-up and term in office of the new Board of Directors Audit Committee established in accordance with Article 44 of Law 4449/2017 given the end of its term in office, and appointment of its members, where an independent committee is approved.

- Item 8: Selection of Auditing Firm and approval of its fee for the statutory audit of the Annual Financial Statements, the Report on Review of the Interim Summary Six-Month Financial Statements and issuing of a Tax Certificate, for the fiscal period 1.1.2023 - 31.12.2023.

- Item 9: Authorising the members of the Board of Directors of the Company and the executives of the Company's Divisions to participate in the Boards of Directors or in the management of other related parties in accordance with IAS 24, and legal persons controlled by them in accordance with IAS 24.

In relation to the 5th item on the agenda, the General Meeting elected the following 5 members due to the end of the term in office of 4 members and the resignation of 1 member, 3 of whom were members of the Board of Directors and 2 were new members:

Agis Papadopoulos, non-executive member

Grigorios Penelis, independent non-executive member

Nikos Klitou, independent non-executive member

Ioannis Tsitsopoulos, independent non-executive member and

Ioanna Dovletoglou, independent non-executive member.

As far as the 6th item is concerned, the General Meeting elected Mr. Agis Papadopoulos as Chairman and Mr. Grigorios Penelis as Vice Chairman.

As far as the 7th item is concerned, the General Meeting decided that the Audit Committee should be a committee of the Board of Directors (in accordance with Article 44(1)(aa) of Law 4449/2017), in other words that it should only consist of members of the Company's Board of Directors, that the Committee should have three members and that all members of the Committee should be Independent Non-Executive Members and the Committee's term in office should be one year commencing from the decision of the Board of Directors appointing its members.

Changes to the Board of Directors

The Board of Directors officially met on 5.9.2023 following decision no. 387/2023 and was officially constituted with the composition below:

- Agis Papadopoulos, son of Michail, Chairman, non-executive member. Elected on 4.9.2023. Term in office ends on: 3.9.2027.

- Anthimos Amanatidis, son of Anastasios, CEO, Executive Member. Elected on 30.4.2020. Term in office ends on: 29.4.2024.

- Grigorios Penelis, son of Georgios, Vice Chairman, independent non-executive member. Elected on 4.9.2023. Term in office ends on: 3.9.2027.

- Nikos Klitou, son of Konstantinos, independent non-executive member. Elected on 4.9.2023. Term in office ends on: 3.9.2027.

- Sofia Ammanatidou, daughter of Ilias, independent non-executive member. Elected on 30.4.2020. Term in office ends on: 29.4.2024.

- Ekaterini Tsikaloudaki, daughter of Georgios, non-executive member. Elected on 30.4.2020. Term in office ends on: 29.4.2024.
- Maria Petala, daughter of Dimitrios, independent non-executive member. Elected on 30.4.2020. Term in office ends on: 29.4.2024.
- Ioannis Tsitsopoulos, son of Konstantinos, independent non-executive member. Elected on 4.9.2023. Term in office ends on: 3.9.2027.
- Ioanna Dovletoglou, daughter of Aristeidis, independent non-executive member. Elected on 4.9.2023. Term in office ends on: 3.9.2027.
- Georgios Archontopoulos, son of Savvas, employee representative, non-executive member. Elected on 19.6.2020. Term in office ends on: 18.6.2024.
- Dimitrios Mavropoulos, son of Prodromos, employee representative, non-executive member. Elected on 2.2.2023. Term in office ends on: 18.6.2024.

Change in address of head offices

On 18.12.2023 the contractor handed over the building at 127 Egnatias St. for administrative use and on 21.12.2023 Board of Directors Decision No. 617/2023 transferred the company's registered offices from the leased building at 91 Tsimiski St. The works carried out resulted in the overall upgrade of the building to enhance its load-bearing capacity, bring it into line with the applicable regulations, provide an energy upgrade in accordance with the specifications of the Building Energy Performance Regulations (EPBR), completely reconfigure the interior spaces and adapt it to the applicable provisions of the Fire Protection Regulations.

EYATH S.A.'s shareholder line-up

Under the provisions of Article 64 of Law 5045/2023 (Government Gazette 136/A/29.7.2023) it was decided that EYATH's shares would be transferred from HCAP S.A. to the Greek State. After the transfer, the rights of the Greek State are to be exercised jointly by the Ministers of Finance, the Interior (Macedonia Thrace Sector) and the Environment and Energy. The Minister of Finance will ensure that this transfer is entered in the Central Securities Depository system referred to in Part I of Law 4569/2018 (Government Gazette 179/A) and the necessary updates are made to Chapter III of Law 3556/2007 (Government Gazette 91/A). EYATH S.A. and EYATH FIXED ASSETS are supervised by the Ministries of the Interior (Macedonia-Thrace Sector) and the Environment and Energy.

VISION - MISSION

Management’s vision is to develop the company as an efficient manager of water resources, protecting the environment in the wider Thessaloniki and Thermaikos Bay area.

The Company’s mission is to offer quality, comprehensive water supply and sewerage services to old and new consumers who are in need of them, by utilising, improving and extending its infrastructure, through sustainable environmental management practices.

The Company's strategy aims at fulfilling its obligations as a Utility Company, in combination with increasing the shareholders' assets. To this end, it seeks to improve the quality of the services it provides through an investment programme, to upgrade its facilities and to expand its technological infrastructures, and the ICT systems it has.

As part of its drive to look outward, EYATH S.A. through its subsidiary EYATH Services S.A., signed a contract in September 2021 to provide technical advice on the techno-economic assessment of various alternative methods for managing wastewater for the Paralimni Sewerage Board and for preparing an assessment report. Last October EYATH signed a MoU with the Romanian water supply and sewerage company RAJA S.A. which foresees joint ventures to undertake projects in SE Europe, transfer know-how and engage in joint action and initiatives on energy and the climate crisis. Contacts were also made in June with the Bulgarian Water Association (BWA) about EYATH's best practices for sustainable development, reducing energy costs and reducing the carbon footprint.

EYATH S.A.'s special features, such as the natural monopoly it has, its strong cash flow basis, zero borrowing, and its business and investment plan, ensure that the Company grows, remains profitable, and transforms into a robust centre for know-how and entrepreneurship in the wider region.

Supply of Electricity through bilateral electricity purchase agreements with cash settlement (Financial / Virtual Corporate Power Purchase Agreement (PPA)) and transfer of Certificates

Decision No. 25/2023 of the Board of Directors of EYATH S.A. approved the tender documents for the two-stage tender procedure for the supply of electricity via bilateral Financial / Virtual Corporate Power Purchase Agreement (PPA) and transfer of certificates.

Call for expressions of interest No 6/2023 was sent for publication in the Official Journal of the European Communities on 3.2.2023 and was published in the Central Online Register of Public Contracts and on the website on 31.1.2023. Two companies (TERNA and EPA) submitted an application to participate in the procedure on the NEPPS portal and qualified for the next phase of the procedure by decision No. 119/2023 of the Board of Directors of EYATH S.A.

On 29.3.2023 an invitation to both companies to submit a binding offer was posted on the NEPPS.

Only TERNA submitted an offer. Following evaluation by the competent committee it was accepted and it was appointed as interim contractor by decision No. 238/2023 of the Board of Directors of EYATH.

After the interim contractor's supporting documents were submitted, TERNA was chosen as the final contractor by decision No. 261/2023 of the Board of Directors of EYATH, and all tender procedure files were sent to the Court of Audit for a pre-contractual audit.

The Court of Audit issued Decision No. 306/2023 requesting that the file be supplemented.

After the procedure is completed and the contract with the contractor is signed, EYATH S.A. hopes to be able to meet all its energy needs from renewable sources and to significantly reduce its carbon footprint.

PROSPECTS

Flood protection works

In March 2019 a framework agreement was signed with the Central Macedonia Region to clean and maintain the rainwater network in the Thessaloniki urban area. The project has a budget of € 4 million and will run for 2 years. The specific contract expired in March 2021 and in April 2021 a new framework contract with a budget of € 3 million was signed, with a duration of 2 years and commencement date of 26.4.2021. The contract ended on 25.4.2023. On 1 February 2024 EYATH and the Central Macedonia Region signed a new framework agreement with a budget of € 3,900,000 and a duration of 5 semesters to protect the safety of life and property of residents of the area from floods.

Strategic and Business Plan

An exceptionally ambitious investment plan worth around € 175 million was prepared by EYATH S.A. in partnership between Management and specialists within the Company and is currently being implemented. It includes, *inter alia*, tens of projects and designs involving the maintenance, replacement and extension of infrastructure in the city's water supply and sewerage system. The investment plan includes some flagship projects such as: extension of the Thessaloniki Water Treatment Plant (Phase A2), with NSRF Funding of € 21.7 million (plus VAT), sewerage works to complete the connection between low-lying areas of Thessaloniki (works in the Dendropotamos area and interchange K16) with a budget of € 6 million (plus VAT), extension to the water supply network SCADA with a budget of € 3.35 million (plus VAT), upgrade of the SCADA system for the sewerage network with a budget of € 1.4 million (plus VAT), the framework agreement to reinforce and repair the Aravissos aqueduct with a budget of € 4 million (plus VAT) and an option for € 1 million (plus VAT) [total value: € 5 million (VAT excl.)], sewerage works at pump houses, discharge pipes and the coastal pipeline, with a budget of € 5.4 million (plus VAT), replacement of water meters, extension of the water supply network into new areas and others. As far as the project to improve and repair the Aravissos aqueduct is concerned, the previous framework agreement has already been successfully completed and the new framework agreement is expected to commence in the first half of 2024.

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

In October 2022 the Company updated its Strategic and Business Plan for the period 2023-2028, an issue on which the CEO issued decision No. 384/2022 and about which members of the BoD were informed accordingly. The number of innovative projects, some of which were not planned, and the change in the initial estimate of the budget for certain projects led to the need to review and update the company's investment plan, which at completion includes fully preparing the company's strategy and recording financial forecasts, setting a series of individual targets, namely to:

- ensure overall development of its networks and expansion of its operations through a series of technical projects in order to supply water to areas of both the urban area, and beyond it, to regions which currently are lacking good quality water; and face water supply problems due to over-abstraction, salinisation, etc.;
- implement the extension of the Thessaloniki Water Treatment Plant (known as the 'refinery') to ensure the necessary extra quantity of water needed to cope with current and mainly future water supply demand for the Thessaloniki urban area;
- ensure uninterrupted, safe operation of the water supply systems, by supplying top quality water, in line with the rules and requirements laid down by the current regulatory framework;
- increase environmental safety in relation to pollution and protection of water resources;
- improve the level of customer service to citizens by offering top class water supply and sewerage services at the least possible cost;
- combine business activity with social responsibility;
- bolster the sense of security by supplying and installing advanced security systems at key company facilities to prevent incidents and unlawful acts;
- ensure legislative compliance on fire safety issues by faithfully implementing fire safety studies at EYATH facilities;
- upgrade infrastructure to improve the productivity of existing systems, which will lead to lower operating costs for the Company, especially energy costs. In exploring the Company's potential for using renewable energy sources (RES) to reduce its energy costs, during the first half of 2019 it analysed the legal framework and the relevant procedures so that EYATH S.A. could install RES plants (photovoltaic stations) and operate as a self-producer, thereby making good use of its own properties or newly purchased/rented ones and benefiting from net metering and virtual net metering. A preliminary technical and economic study was then prepared looking at 3 indicative examples of these options being applied: the Thessaloniki Water Treatment Plant, the Thessaloniki Waste Water Treatment Plant and the Aeneia Waste Water Treatment Plant. Today, the Company is installing PV systems by implementing net metering at the Thessaloniki Waste Water Treatment Plant and the Aeneia Waste Water Treatment Plant;
- raise citizen awareness about environmental issues and brief them about the company's contribution to society as a whole, and about its business activities.

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

Investments in the sewerage sector

The following contracts are currently under way:

A) "Works to complete connection of the Thessaloniki low-lying areas" which consists of 5 individual sub-projects within the area in which EYATH S.A. operates. The five (5) individual sub-projects comprising the overall project are as follows:

- An EYATH pipeline relocation study (alternative solution) under the operation entitled "Construction of the K16 grade-separated interchange at the junction of the PATHE Motorway and the Thessaloniki Inner Ring Road - Phase II".
- Improvement - Upgrading of the A3 wastewater pumping station and construction of a discharge pipe.
- Improvement - Upgrading of the A4 wastewater pumping station.
- Diversion of waste from sewerage collection pipes at Agios Nektarios, Dendropotamos.
- Extension of the sewerage collection pipe at pumping station A3 to Kalohoriou St.

B) Sewerage works to upgrade pumping stations, discharge pipes, the coastal collection pipeline and the Aeneia wastewater treatment facility central pipe, which includes sewerage works to improve - upgrade the A5 wastewater pumping station (Port) and the A2B pumping station (Thessaloniki Industrial Area), and replacement of a twin discharge pipe for sewerage at the A5 wastewater pumping station at the port. Work to rebuild the central sewerage pipeline for the Aeneia Waste Water Treatment Plant has already been completed, as has construction of the coastal collection pipeline for pumping station B3 and the rainwater drainage pipeline, and pumping station A17 at Finikas has been upgraded.

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

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

E) Drainage of wastewater in the Neokastro area, southeast of the village of Galini in the Municipality of Oreokastro, which is connected to EYATH's central sewerage network.

Investments in the water supply sector

The following contracts are currently under way:

A) 5th & 6th Individual (implementing) agreements for the Framework Agreement entitled: "FRAMEWORK AGREEMENT TO REINFORCE - REPAIR THE ARAVISSOS AQUEDUCT" which includes works to improve and repair the Aravissos aqueduct comprised of pre-fabricated concrete pipes Φ165cm and 6.0 m long. Sub-contract 4 (implementation completed in May 2023)

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

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

D) “Repair of damage to the load-bearing structure and reinforcement of the foundations of the eastern chamber of water supply tank D5”, which seeks to reinforce the foundations of the eastern chamber of water supply tank D5 in Evosmos, to avoid future subsidence, repair damage to the load-bearing structure, seal the said chamber using a special membrane and carry out work to improve the surrounding area.

Other Investments

The following contract is currently under way:

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

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

(f) Preparing a Final Design and implementation design and all manner of supplementary designs and studies for construction of the said projects.

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

Functional and technological modernisation

During the first half of 2023 a new customer e-service portal was launched which interfaces with EYATH S.A.'s existing ERP and upgrades the company's payment system. MyEyathPortal (https://portal.eyath.gr/ allows for the creation of an individual, electronic dossier for each consumer, and provides e-services that come with an improved user experience in terms of interaction and communication, personalised information, the option for modern electronic payments and all this under the authentication 'umbrella' of the TAXIS authentication system to reduce bureaucracy by submitting fewer supporting documents and less paperwork to be submitted. During the second half of the year, the myEyath mobile application was released. It is available for both Android and iOS environments.

Using these applications, consumers can update their water bill account, pay their bill and access their payment history which shows payments they have already made via any channel (at EYATH's cashiers' desks, via the portal, bank, supermarket, etc.). Consumers can also access to tabs/meters relevant to them, with additional available data such as the type of connection tariff they have (social, business, industrial or household tariff), their connection status (normal, pending removal, removed, pending cancellation), meter readings and bills. Consumers also have access to information materials and consumption statistics, receive reminders about upcoming appointments, bills which are about to expire, water meters which will be removed or cancelled due to debts, and have access to recommendations about debt repayment plans.

The new portal allows consumers to report all water supply / sewerage faults, monitor the progress of reports filed by them, access their history and –of course– view water supply interruptions (scheduled - unscheduled) in the urban area.

At present, applications to update data, stop and transfer water supplies, select how to bills are to be sent and enter a water meter reading can be submitted via the portal, and additional applications will be added gradually; when added to the app they will also be removed from the relevant list on the EYATH website. Personalised information and the option to book an appointment will also be added. During the second half of the year, the application also began sending personalised notices to portal users about impending water supply interruptions which will affect them. Work also began to design and implement procedures that will allow customers to communicate with EYATH via the portal, offering enhanced options such as traceability of a communication request from the moment of submission until it is completed (who undertook it, where it was sent, what steps were taken, who replied and what they said, along with all communication with the customer and the relevant attachments). These applications are expected to be rolled out in early 2024.

EYATH S.A.'s digital transformation

EYATH S.A.'s digital transformation is vital for improving its efficiency and competitiveness in a constantly changing technological environment.

During 2023, the following actions were taken:

- Operation of the MyEyathPortal was extended and improved to immediately upgrade e-services to consumers to ensure more direct service, modernising the Company's e-payment system and developing an online centralised customer application platform to remotely service them, while retaining the existing central customer IT system, while also allowing users to perform authentication via taxisnet.
- The relevant myEyath mobile app was launched.
- A new application to register a water meter readings was developed on MyEyathPortal and a) additional applications have been designed and are under way, b) an application to send notices about impending water supply interruptions to anyone affected was developed, and c) a system to communicate with customers via MyEyathPortal was also developed.
- Further improvements to and extension of the employee app for managing customer requests submitted to MyEyathPortal to make it easier for EYATH S.A.'s employees who handle such requests.
- Further improvement of e-services provided on the Company's website (new reconnection application)
- The Company ran two communication campaigns via the Viber, SMS and email channels to brief citizens about how to save water and to send out holiday wishes.

- Digitisation of the water supply and sewerage customer file was completed and the digitised file was integrated into EYATH S.A.'s Papyros document management IT system for registering / managing internal correspondence and distributing documents within the company.
- Requirements were recorded, a project was designed and a contract was assigned that will see the financial file as well as additional folders in the sewerage file digitised. The related new project will start in early 2024.
- The requirements for a business blueprint to develop a business intelligence system to generate targeted reports about EYATH S.A. customer service and financial requirements indicators were recorded. The relevant project is expected to commence in early 2024.
- Requirements for implementing a smart customer service chatbot were recorded and a market survey was carried out.
- The majority of the sewerage customer file (sewerage permit folders) held by the Sewerage Connection Permits Department was digitised and during 2024 suitable actions are expected to be taken to complete digitisation and to electronically generate and update EYATH S.A. customer sewerage files.
- Requirements for a fault repair task management IT system for the water supply network and sewerage network sectors, as well as the sewerage pumping stations were examined and a feasibility study about adopting such a system was prepared.

Information System Security and Personal Data Protection

The following steps were taken in 2023 in the field of IT system security and personal data protection:

- Installation and use of a cloud solution to monitor factory networks and IT systems (OT and IT) and provide information about vulnerabilities and cyber threats.
- Completion of a data classification study for the commercial accounting software ERP used for accounting management and commercial accounting software ERP as a prerequisite for hosting them on the G-cloud.
- Penetration tests relating to the myEyath mobile app for the Customer Portal were carried out.
- Extension of the systems being monitored to the company's IT and OT environments based on the project to provide cybersecurity upgrade services and to bolster the resilience of EYATH S.A.'s IT systems and infrastructure.
- Installation of an advanced security solution for the majority of users' computer systems and extension to mobile devices (laptops, tablets, mobile phones).
- Interviews with all Company business units to record and evaluate the current situation in terms of information security and to prepare a risk management plan.
- Launch of a pilot Governance, Risk and Compliance Management (GRC) application to electronically manage the Information Security Management System.
- Provision of an IT infrastructure support service for vulnerabilities, cyberattacks and malfunctions. Self-assessment on cybersecurity issues in line with guidelines from the National Cybersecurity Authority and steps taken to increase EYATH S.A.'s resilience to cyber threats.
- Participation in the national cyber defence exercise "Panoptis 2023".
- Continuous actions to raise staff awareness about cybersecurity and cyber threats.
- Staff briefing on the GDPR.

IT actions

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

- Use of interfaces between EYATH S.A. and external third party systems to improve customer service. Commencement of migration of EYATH S.A.'s three central IT systems (Solution II, Sap, HCM) to the G-Cloud run by the General Secretariat for Information Systems - Public Administration (GSIS-PA). Roll out of SAP on the G-cloud and implementation of final checks on the Solution II and HCM systems. Note that the move to Azure for our three central IT systems (SAP, Solution, HCM) has been financed by Microsoft to the sum of € 20,000.
- Upgrade of Microsoft 365 services for EYATH users (premium licensing application).
- Completion of migration of digitised EYATH documents to the Papyros document management IT system.
- Increase in user licences and the Papyros system hosting site.
- Extension of the firewall system to EYATH S.A.'s local locations. (Large facilities).
- Decommissioning of computer systems not capable of upgrading the operating system from Windows 7 to Windows 10 and 11.

- Installation of new computers with the Windows 11 operating system at EYATH's facilities.
- Redistribution and rationalisation of software usage by EYATH S.A. users.
- Support for the EYATH S.A. portal user helpdesk
- Study to procure services to interconnect EYATH's IT systems with the biological treatment facilities at Michaniona.
- Installation and configuration of IT equipment at EYATH's new building at 127 Egnatias St. and at local locations at EYATH's facilities.

Water supply SCADA

During 2017, following the Central Macedonia Region NSRF funding decision for the remote control and automation system to manage EYATH's water supply system, steps were taken to finalise technical and other requirements in the tender procedure documents for the financed project. The project is designed to ensure automated monitoring and management of the water supply network (pipelines, pumping stations, reservoirs, etc.) by installing a remote control/remote operation system (SCADA). That system will help identify and check drinking water leaks and safeguard the operational status of all E/M equipment installed, thereby supporting moves being made to optimise operations.

In May 2018, the Central Macedonia Region approved the tender documents for the project entitled "Remote control and automation of water supply system within EYATH's remit" with a total budget of € 3,347,049.00 + VAT which is being funded by the NSRF. The last date for submitting tenders was 30.7.2018 and tenders were opened on 24.8.2018 at which time the process of having them evaluated by the competent tender committee commenced. The tender procedure to select a contractor and sign the relevant contract was completed in 2019 with the relevant contract being signed on 17.12.2019, for a total award of € 2,434,777.00 plus VAT. The expenditure is covered by the relevant NSRF programme of the Central Macedonia Region. Projects are progressing based on the time frame prepared. On 16.12.2021 the contract implementation schedule was amended and the project was completed on 31.5.2023 and delivered to the Water Supply Networks Division for use.

Sewerage system SCADA

During 2018 the design and specification of the project to upgrade the sewerage pump station SCADA system was finalised; most of the systems relate to the Thessaloniki Waste Water Treatment Plant's sewerage system.

On 5.6.2019 international tender procedure No. 17/2019 for the "design, supply, installation and roll out of a sewerage pumping station integrated remote control system" was launched with a budget of € 1,400,000 (plus VAT). The tender procedure to select a contractor was completed and the contract was signed on 25.7.2022 with a total award of € 911,571.00 plus VAT. The project is under way with the gradual roll over of the pumping stations to the new SCADA system.

Pilot projects

- The contract to maintain and operate a remote monitoring system for water meter consumption continued at the AUTH campus.

  Implementing its scope will:

  - allow the information recorded by the water meters to be monitored remotely and in real time.
  - allow controlled access to available consumption data.
  - prevent overconsumption and leaks, and avoid needless charges thereby helping save water.

The Company has implemented a pilot programme to implement the SIWA Blockage Predictor technical solution to forecast and deal with overflows on EYATH S.A.'s combined network. On 7.10.2022, EYATH S.A. and SIEMENS signed a contract for the supply of materials and services to implement and commission the SIWA Blockage Predictor solution (as a pilot application) to address overflows in the EYATH S.A. combined network, worth € 28,284.00 plus VAT. During the first half 2023 equipment installation was completed and during the second half of 2023 training for the smart system was completed and it is now fully operational. At the same time, there are plans to expand the system to more overflow points to better monitor the network.

EXTENSION OF GIS & ERP IT SYSTEM INTEROPERABILITY

After the technical data (GIS) and customer base (ERP) databases are interconnected, the Geoinformatics, Surveying & Hydraulic Modelling Department introduced new mapping functionalities into the ERP environment (e.g. display of water meters and customers on a map in the ERP environment), optimising the services provided and customer service provided by the Consumers Division to end customers. Data from water meters in the GIS environment is also mass corrected to optimise the interconnectivity of IT systems.

ACTIVE FAULTS GEOGRAPHICAL DISPLAY APP

The Geoinformatics, Surveying and Hydraulic Modelling Department has developed a dashboard application to dynamically display active faults reported by customers on a map. The dashboard enables holistic monitoring of active faults, providing overall statistical data, allocation per fault handling department, and detailed data on each fault on the map.

GIS DATABASE INTERFACE WITH SCADA

To disseminate technical information within the company to employees involved, coupled with completion and delivery of the SCADA project entitled "Remote control and automation of the water supply system within EYATH's remit", the Geoinformatics, Surveying & Hydraulic Modelling Department is in the process of interconnecting the Technical Data Warehouse (GIS) database with the SCADA database to ensure the safe and uninterrupted provision of telemetry data between IT systems to enable:
a) live telemetry data (SCADA) to be displayed properly sorted within the GIS environment, thereby integrating that technical information into the relevant employees' existing work environment (GIS applications).
b) historical telemetry data to be used for hydraulic modelling of networks.

PREPARATION OF FACILITIES REGISTER

Survey diagrams were prepared for almost all company facilities, including diagrams of the wastewater treatment facilities (Thessaloniki Wastewater Treatment Facility and Aeneia facility), the water treatment plant and the Aravissos springs. Moreover, a geospatial database is currently being prepared which will include information about the ownership regime of properties based on data available from the Cadastre.

DIGITISATION OF THE ARCHIVE

The process of digitising the Geoinformatics, Surveying & Hydraulic Modelling Department's in-house archive commenced, which among other things includes maps, diagrams, aerial photographs, documents (e.g. Government Gazette issue on expropriations, building permits, etc.), data about our facilities, folders to monitor court cases (on ownership issues). In addition to the technical aspect, which has special requirements, the procedure also includes evaluating available data to generate an archive which can be functional and accessible. In conjunction with the facilities register, it seeks to create a digital library where all available information about company networks and facilities will be recorded over time.

EYATH's territorial remit

According to Article 26 of Law 2937/2001, the Company's territorial remit, within which it may provide its services and conduct its business, is the following:

WITH REGARD TO WATER SUPPLY: the Municipalities of Thessaloniki, Ambelokipi - Menemeni, Kalamaria, Neapoli - Sykies, Pavlos Melas, Kordelio - Evosmos, Panorama, Pylea - Hortiatis, Oreokastro and the Thessaloniki Industrial Area.

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

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

"**Region B**" includes the area surrounded by the rivers Gallikos and Axios, up to the sea, including the industrial zone of the major Thessaloniki area, the district of Sindos of the Municipality of Delta, the districts of Agios Athanasios, Anchialos, Gefyra of the Municipality of Halkidona and the districts of Halastra and Anatoliko of the Municipality of Delta.

"**Region C**" includes the hill zone of the Thessaloniki urban area and includes the community of Pefka and the Districts of Asvestochori, Exochi, Filyro of the Municipality of Pylea-Hortiatis.

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

"**Region E**" extends from the airport of Mikra and the districts of N. Rysio and Tagarades of Agia Paraskevi to the sea and includes the Districts of Agia Triada, Perea, N. Epivates, Nea Michaniona, Emvolo and Angelohori in the Municipality of Thermaikos.

The Company, under a contract signed with the corresponding Municipality and EYATH Fixed Assets can undertake the existing network of local government authorities in one of the above regions and the obligation to provide water supply or sewerage services to the corresponding Municipality. The Company, under a contract signed with the corresponding Municipality, EYATH Fixed Assets, and approved by a joint decision of the co-competent ministers, can extend its activity to the territory of local government authorities that are outside the above regions.

Note that the operations of no operating sector have been discontinued.

GROUP AND COMPANY RESEARCH & DEVELOPMENT OPERATIONS

During the period ended the Group spent a total amount of € 134 thousand on R&D expenditure which primarily related to staff fees for participation in research activities, the procurement of fixed equipment and third party fees.

In 2023 the Company continued to participate in its three current research projects under the same R&D Funding Programme, Horizon 2020:

- "Copernicus Assisted Lake Water Quality Emergency Monitoring Service" (WQeMS) whose general objective is to provide an operational Emergency Water Quality Monitoring Service in the Water Sector and in particular for surface waters from lakes/reservoirs intended to produce drinking water, using Copernicus satellite services. The project's total budget is € 1,499,506 and EYATH S.A.'s budget is € 56,250, 100% of which will be financed by the EU. The project was successfully completed on 30.6.2023.
- "Pathogen Contamination Emergency Response Technologies" (PathoCERT), and its general objective is to strengthen the coordination capability of all First Responders in dealing with cases of water contamination caused by pathogens. The project's total budget is € 7.2 million and EYATH S.A.'s contribution to the budget is € 154 thousand, of which 100% will be financed by the European Union.
- "Net-Zero Energy Future through the Identification of Innovative Technologies under a Circular, Sustainable, and Inclusive just Transition" (Neutron), launched on 1 January 2023, lasting two years, in the context of the Net Zero Cities Programme and the European Research and Innovation Programme: "Horizon Europe - the Framework Programme for Research and Innovation (2021-2027)" coordinated by the Municipality of Kozani. The project's total budget is € 999 thousand and EYATH S.A.'s budget is € 30 thousand.

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

CORPORATE SOCIAL RESPONSIBILITY

Issues of top priority on the international agenda are to secure access for all to water supply and sanitary services by 2030, and proper and sustainable management of water resources for future generations, and are in fact the UN's 6th sustainable development target. In fact, in addition to the UN, in line with the provisions of national climate law and the national strategy on climate change adaptation, EYATH seeks to reduce its water footprint by 20% and its carbon footprint by 50% by 2030.

EYATH S.A. works daily with this orientation within its corporate responsibility framework. Its strategy includes highlighting the vital relationship it has with the local community, and ensure it has a positive environmental impact on the area. Through

dialogue with stakeholders—staff, customers, investors, suppliers, the local community in which it operates—mutual targets can be set which are then implemented as part of the company's CSR strategy.

EYATH S.A.'s undisputed role as a public benefit enterprise is reinforced through societal measures designed to improve the quality of life of citizens, to improve their health and protect the environment, all of which are sectors directly related to the Company's business activities.

We chose to build our commitments and performance around four main themes: The environment, society, human resources and culture. EYATH S.A.'s values are therefore being turned into reality in the following areas:

1. Natural resources and the environment
2. Society and vulnerable social groups
3. Human Resources and Training
4. Culture and Sport

Now fully operational after the pandemic, the company has dynamically returned to CSR activities on these topics. In 2023 it was particularly active in communicating issues relating to sewerage and network protection. At the same time, following its contacts with Romania, EYATH began a series of contacts with Cyprus and similar water supply and sewerage companies, seeking to become a model of good sustainability practices in Greece and the wider SE Mediterranean region.

NATURAL RESOURCES AND THE ENVIRONMENT

Water is our most precious natural resource. That's why for EYATH S.A. ensuring sustainable water management is synonymous with protecting the natural environment; a concept interrelated with sustainable development.

EYATH S.A.'s commitment to ensure the uninterrupted and safe operation of its water supply systems, by providing top quality water, in accordance with the rules and requirements laid down in the existing regulatory framework and to protect the environment, is expressed in the company's day-to-day practices, and all its business activities are in accordance with environmental law.

More specifically:

- it fully implements Community and national environmental law, seeking to minimise the impacts of its activities on the environment;
- it engages in R&D, ever seeking out ways to protect and improve the environment;
- it is planning systematic modernisation of the water supply network to reduce leaks;
- it is working in partnership with similar European companies and bodies as part of research activities on the impact of climate change on aquifers, helping promote solutions to stimulate sustainable development in our area and the wider SE Europe region. One example is its active participation in EUREAU, the European Federation of National Associations of Water and Wastewater Services. The company has recently consolidated its involvement in the informal body comprised of EUREAU communication managers, closely monitoring and participating in the communication management of EU water and environment policies.
- it invests in improving its facilities to ensure better performance and reduce energy consumption;
- it has a sewerage control lab which carries out daily environmental checks at the outflows of wastewater treatment facilities and industries (around 1,000 checks which result in more than 7,000 physico-chemical analyses a year), supports the work of the Waste Water and Liquid Industrial Waste Treatment and Disposal Designs Inspection Committee via on-site inspections and acceptance of facilities, carries out random checks and analyses of samples from waste treatment facilities, stays in continuous contact with engineers and customers and briefs them, receiving and distributing supporting documents for the issuing of sewerage permits and the permitting documents after the committee has issued an opinion (around 200 issues were examined), and monitors compliance with the special sewerage regulations (Joint Ministerial Decision No. 3594/2021, Government Gazette 4252/B/15.9.2021), systematically participates in inter-laboratory tests and has/implements a quality management system in accordance with ELOT ISO 17025/2017 standard (Hellenic Accreditation System certificate 1139-4); it also implements a CRM system for all procedures related to departmental operations;
- it actively contributes to cleaning the surface of the sea in the bay of Thessaloniki, removing floating objects, oil spills or contaminants, whenever necessary;

- it removes urban and industrial wastewater from the urban area via an extensive sewerage network, controlled by remotely controlled and operated systems;
- it operates a state-of-the-art GIS system for preventative maintenance and rapid response to emergencies;
- it implements, when necessary, a programme to re-use water treated at the Thessaloniki Waste Water Treatment Plant to irrigate areas of land in the Halastra - Kalohori plains during droughts;
- it has significantly reduced the time required to carry out network-related tasks (new connections, relocations, extensions, etc.);
- it also ensures environmentally and socially beneficial management of sewage sludge and seeks to improve the biogas production unit running on sewage sludge which is already in operation at the Sindos Biological Treatment Plant, and to utilise its heat generating capacity;
- it systematically runs a workplace recycling scheme, selects associates committed to the principles of sustainability and minimum environmental impact in their work, and uses environmentally-friendly materials;
- it is focusing on rationalising business travel and on applying environmental criteria to procurement;
- it has a sewerage control lab which carries out daily environmental checks at the outflows of wastewater treatment facilities and industries (around 700 checks which result in more than 5,000 quality analyses), supports the work of the Waste Water and Liquid Industrial Waste Treatment and Disposal Designs Inspection Committee via on-site inspections and acceptance of facilities, carries out random checks and analyses of samples from waste treatment facilities, receiving and distributing supporting documents for the issuing of sewerage permits and the permitting documents after the committee has issued an opinion (around 200 issues were examined), and monitors compliance with the special sewerage regulations (Joint Ministerial Decision No. 3594/2021, Government Gazette 4252/B/15.9.2021), systematically participates in inter-laboratory tests and has/implements a quality management system in accordance with ELOT ISO 17025/2017 (Hellenic Accreditation System certificate 1139-3); it also implements a CRM system for all procedures related to departmental operations;
- it shares know-how with other water management bodies such as municipal water supply and sewerage companies, and provides training services to bodies and organisations that lack experience and knowledge about how to manage water resources and waste water;
- it participates in financed research programmes.

SOCIETY AND VULNERABLE SOCIAL GROUPS

In this sector:

- it is exploring innovative procedures and automated processes to optimise day-to-day operations at its facilities and ensure better customer service (e-transactions, web-banking, payments via an extensive network of supermarkets etc.).
- it offers a social tariff to vulnerable groups of citizens using the same criteria applied by PPC for its social household tariff, and also offers a broad spectrum of repayment plans for overdue debts for any and all debtors as well as more favourable terms for the financially disadvantaged;
- it facilitates customers via improved e-services and a wide network of partners and associated businesses (more 150 super markets in the prefecture of Thessaloniki and neighbouring prefectures of Halkidiki, Pieria, Imathia, Pella and Kilkis at no extra charge, all OPAP agencies, and Hellenic Post Office branches and Banks);
- it makes donations in areas declared in a state of civil protection emergency, as appropriate, and monitors international developments by intervening when necessary. In September 2023 it provided technical support and other assistance to the flood victims in Thessaly.
- it runs info-campaigns for the public on issues of protecting water resources and the environment in general, pricing policy issues and above all policy on vulnerable social and economic groups in the population.
- it offers work and internships to students and pupils at technical schools as part of their work experience requirements;
- it helps improve the life of refugees in refugee camps in the wider area of Thessaloniki, providing radiators and carrying out infrastructure works (water supply and sewerage facilities at those camps, and repairs to damaged facilities);
- it has a long-standing partnership with the magazine "DROMOS" to support the unemployed; its head offices are a 'safe haven' for sellers, and also supports unemployed people in Thessaloniki via the Labour Centre;
- it encourages staff to get involved in volunteering (by collecting food or other items for the poor, participating in running events that share a social cause, etc.) and urban games. In April 2023 it participated in the second "Thess

Truth" event, a city-wide game under the aegis of the Municipality of Thessaloniki, with entertainment, cultural and educational content.

- it collaborates with the academic community at specialist and general events on environmental issues, attracting audiences comprised of students, experts and ordinary citizens;
- following an invitation from schools, it presents an hourly programme entitled 'The sewerage cycle in Thessaloniki' to brief primary school pupils about daily influxes to the sewerage network and raise their awareness. The programme was updated for the next school year and will be voluntarily supported by company employees with a relevant academic background, and received new approval from the Ministry of Education, was enriched with new data and is continuing with great success at primary schools in the urban area;
- it helps students by providing targeted scholarships. The Company has signed an open-ended MoU with the Aristotle University of Thessaloniki and is funding scholarships: two of them are annual and are for postgraduate studies in fields relevant to EYATH S.A., while another one is for 4 years to finance the cost of a PhD;
- it prepares educational programmes for children as part of the Thessaloniki International Fair, which promote environmental awareness and make young citizens aware of the history of water in Thessaloniki;
- it cultivates ecological awareness among consumers thanks to info-campaigns and above all via daily visits by tens of primary and secondary school pupils, students, associations, and special groups such as refugees, to the Water Supply Museum;
- it participates in World Water Day celebrations on 22 March and World Environment Day events on 5 June, hosting info-events for the general public. In March 2023 with the slogan "The solution is on tap. Clean water, clean seas" celebrated World Water Day in partnership with Aegean Rebreath, which works to protect the marine environment. The public was informed via various communication channels about the importance of drinking high quality tap water (a) for our body and (b) for decontaminating the seas from disposable plastic bottles. Likewise, on World Environment Day (June 2023) the company's info-campaign related to the importance of protecting the sewerage network from uncontrolled dumping, as another individual move to look after the natural environment and public health. The slogan was 'Disposing of oils? Forget about it!" and was communicated via digital and physical channels to our fellow citizens; it is supporting the activities of local bodies and organisations relating to the environment and water;
- it donates electronic equipment to schools in Thessaloniki. At the end of this school year it delivered 15 computers to a primary school in Toumba for the school's IT lab.

HUMAN RESOURCES AND TRAINING

In the human resources sector:

- it implements group life and health insurance for its employees;
- it invests in developing its employees' skills in life-long learning, offering numerous changes for training both via specialised seminars and post-graduate training;
- it supports the families of staff, covers the costs of kindergartens and summer camps for employees' children;
- it rewards the children of employees who enter university;
- it organises parties for employees' children;
- it implements policies to protect the H&S of all employees;
- it ensures equal opportunities for both genders when it comes to promotions;
- it offers employees a work uniform and personal protection equipment.

CULTURE AND SPORT

In the well-being and cultural advancement sector:

- it runs the Water Supply Museum which is visited every year by thousands of children, associations, disabled persons, refugees and other groups of visitors. The museum also has a digital tour when it is not possible to be physically present, as well as its own social networking account. In the last months of 2023 digital materials were also produced for online tours for school pupils who cannot visit the museum in person.
- it supports sports clubs, associations and social actors. In fact, in the spring of 2023 our company received an award for its contribution to workplace sport at the closing ceremony of the 4th Workplace Sport Games for Northern Greece organised by the Hellenic Organization for Company Sport and Health.
- it supports cultural activities, sports and artistic events in the city, promoting the idea of culture and welfare.

- it keeps an archive of maps, letters and other documents at the Water Supply Museum which cover the history of water supply in Thessaloniki and are available to any interested parties. During the year, along with school visits, documents and paperwork continued to be archived and additional space was created to store them. The file is kept on an in-house electronic platform and additional areas are created for its physical storage.

CLIMATE & SUSTAINABLE DEVELOPMENT ISSUES

It is widely accepted that climate change significantly affects the water cycle since increased temperatures and intense weather phenomena affect the quantity of water available in water abstraction sources.

EYATH understands the critical nature of the situation on the issue of the climate crisis and in particular the global problems of degradation of the quality and quantity of water and consequently due to its role as manager of a vital commodity such as water, it makes a major contribution to addressing the problem, while respecting and protecting the environment are integral priorities for it.

EYATH implements a programme to rationally and sustainably manage water resources, implements actions to protect the aquifer and monitors hydrological data in areas where it has springs. Note that EYATH's main water abstraction sources are located in areas less affected by the impacts of climate change and consequently are at lower risk of water scarcity. At the same time, thanks to continuous monitoring systems for the water supply network installed by EYATH, water losses are being reduced.

However, in addition to risks, the climate crisis also creates opportunities which shape the Company's strategy and financial planning. To that end, it refers to an increase in investments in actions and projects which promote sustainability, lead to a reduction in the carbon footprint and incorporate the principles of the circular economy. Shaping company strategy based on changing climate, social and market conditions ensures sustainable development while respecting the environment and man.

Climate change & climate risks

To ensure continuous development and to be able to face risks and opportunities, EYATH has set up a Risk Register. The main risk is a reduction in use of the aquifer in the wider area and for that reason the company is attempting to keep the aquifer in excellent condition so that it can be used in the case of intense climate change.

EYATH is targeting surface waters from Western Macedonia as the main source of supply for the future since under all scenarios the specific area will not face water shortages since it is expected to maintain its water balance at a good level.

Actions being taken to address potential natural risks in the future are:

- Upgrading the network and installing a SCADA system which seeks to reduce water management losses;
- Reducing non-billed water and consequently to rationally use water resources.

EYATH takes the impacts of its activities on the natural environment seriously and via a dynamic, constantly developing process seeks to reduce its negative footprint. Through actions and functions, an effort is being made to help raise awareness among members of society about issues relating to rational use of water resources, sustainable management of liquid waste, reduction of the environmental footprint and environmental protection in general.

Carbon Footprint Report

After collecting all data needed and calculating its direct and indirect emissions (Categories 1 & 2) EYATH prepared and published a Carbon Footprint Report for 2022. The annual total carbon footprint for 2022 for categories 1 and 2 was 65,448.38 tn CO_2eq (GHG emission factor = 533.23 gr/KWh, DAPEEP, June 2023). Examining the values recorded by the EU's EuropeEau initiative for water supply services in quite a few European countries, one can see that EYATH S.A.'s carbon footprint is clearly lower than the relevant average. Total Category 2 emissions contribute 91.68% to the overall carbon balance indicating electricity consumption is a primary source of EYATH's greenhouse gases (GHG).

In addition, complying with National Climate Law 4936/2022 and in particular Article 20 which relates to measures to reduce emissions from businesses, taking into account calculations and updated and measurable data for 2022, EYATH successfully completed the **verification procedure** for the carbon footprint by an external accredited certification body by submitting the necessary *emissions report to the* special platform of the Natural Environment and Climate Change Agency in good time (October 2023).

Energy management

The Company focuses on energy savings across its entire range of activities. Replacement of equipment (such as pumps, inverters) due to damage or age with modern, more energy-efficient equipment, energy upgrade works at the Thessaloniki Waste Water Treatment Plant, photovoltaic systems on the roofs of pumping stations, SCADA systems for operation, remote control and telemetry of water supply - sewerage facilities, developing a business intelligence system to generate targeted reports about energy consumption at EYATH's facilities, and imposing an obligation to carry out energy inspections at its facilities in accordance with the relevant legislation, all contribute to the objective of energy savings. In addition, the company also procures electricity via 'green' bilateral power purchase agreements (PPAs), which will lead to a noteworthy reduction in the Company's carbon footprint.
Based on energy consumption data for the years 2022-2023, there was a reduction in energy consumption. More specifically, in 2022 energy consumption was 118,290.46MWh while in 2023 it dropped to 107,050.65MWh.

According to the **Strategic and Business Plan for the period 2023-2028**, the Company has an **organised set of targets up to 2030**, which it has categorised into short, medium and long-term, seeking:

- To improve its corporate governance practices
- A 50% reduction in the carbon footprint by 2030 via investments in renewable energy sources
- A 20% reduction in the water footprint by 2030
- A 50% reduction in non-billed water by 2030

EYATH's key strategic planning priorities can be summarised as follows:

- Protecting the environment
- Improving the quality of life by improving the services provided
- ensuring the company's economic growth

The potential of the updated business plan is reflected in the large project contracts which have been scheduled and are being implemented gradually. More specifically:

1. Extension of the network to new areas and extension of the Thessaloniki Water Treatment Department with a first stage extension to Asvestohori, Exochi, Hortiati and Oreokastro, while also upgrading infrastructure (up to 2025).

2. Upgrading the Thessaloniki Waste Water Treatment Plant with an environmental and energy aspect to bring it into line with the stricter regulatory framework which applies.

3. Operation of the 2.5 MW biogas cogeneration plant which will generate energy savings in the order of 20%-30%, where treated waste water is used in irrigation and commercial sludge as part of the circular economy.

4. Improving and repairing the Aravissos aqueduct. Sections of the pipeline damaged in the past have been almost fully repaired. Work is carried out without affecting the day-to-day life of citizens since any intervention is made with the pipeline remaining fully operational. Note that the Aravissos - Aliakmon aqueducts are interconnected so that there are alternative ways to supply water to the city.

5. Completion of the water supply SCADA, namely the telemetry and remote control system for the water supply network to forecast its operation and manage water reserves daily and in crisis situations, by installing new local water supply control stations at pumping stations, tanks and boreholes.

6. Renovation, energy improvement and operational upgrade of the Aeneia Waste Water Treatment Plant which also includes an 800 kW photovoltaic system.

7. A modern work ecosystem for employees in an energy-efficient, earthquake-proof, functionally redesigned flagship green HQ for the company.

8. Replacing 200,000 conventional water meters with smart water meters. Priority has been given to large consumers. This allows consumption from pumping stations to consumers to be monitored in real time, the cost of recording and billing to be reduced and the quantity of non-billed water to be significantly reduced.

9. Design, supply, installation and commissioning of an integrated remote control - remote surveillance system for sewerage pumping stations.

10. Connection to the sewerage network in low-lying areas of Western Thessaloniki to the Wastewater Treatment Plant (via transport hub K16) so that all urban wastewater ends up at the Wastewater Treatment Plant. It is an environmental protection project and a long-standing demand from residents of Western Thessaloniki (the project is currently under way).

11. Construction of new tanks at the Thessaloniki Water Treatment Plant to increase the storage capacity of refined and untreated water.

12. Implementing a new integrated EYATH customer service and billing system to accelerate digital transformation.

Application of internationally recognised standards

The company's non-financial information and its performance on sustainable development issues and the environmental, social and corporate governance pillars will be presented in detail in the 2023 Sustainability Report. The Report for 2023 will follow internationally recognised standards to capture its non-financial data. More specifically, the company will use the GRI, SASB standards and the Athens Exchange ESG 2022 Information Disclosure Guide. At the same time, for yet another year the company will carry out a materiality study to accurately and in detail capture all material issues relating to the company itself and its stakeholders.

COMPANY BRANCHES

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

OWN SHARES HELD BY THE GROUP AND THE COMPANY

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

RISKS

Risk related to the sector in which the Group operates

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

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

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

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

Financial risk factors

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

Market risk

(i) Exchange rate risk

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

(ii) Price risk

As regards price risk, the Group is not exposed to significant risk of fluctuation of the variables that determine both revenues and cost. Management considers that the impact of the electricity supply price is a cyclical event and is not due to the Group's general exposure to market risk.

(iii) Cash flows and fair value of risk rate

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

There were no loan liabilities in both the current and comparator period.

Management is monitoring interest rate fluctuations on an ongoing basis, and evaluates in each case the duration and the type of time deposits.

Credit risk

Credit risk is managed on a group basis. Credit risk arises from cash at hand and cash in banks, as well as credit exposure to customers, including significant receivables and transactions made.

The Company is constantly monitoring its receivables, either separately or per group (customer categories) and incorporates this information into its credit control processes.

Cash and cash equivalents do not entail significant credit risk. Trade and other receivables include receivables from private customers, with a relatively limited degree of risk of losses, mainly due to the broad dispersion of the receivables, whereas for receivables from the State and the broader public sector, the Company examines the possibility of collecting due debts by drawing up contracts or through legislative regulations.

At the end of the period, Management deemed that there is no significant credit risk that is not covered by some collateral or an adequate provision for bad debt.

None of the financial assets has been secured with a mortgage or other form of credit security.

Liquidity risk

Liquidity risk is kept low, by means of ensuring high cash assets.

As regards the Company's and the Group's cash, note that it is deposited in sight and time accounts in Greek banks. On the other hand, the Group operates in the domestic market and is not affected by potential adversities, because it does not have any significant transactions with foreign suppliers, which would potentially affect its smooth operation.

The Group continues to follow-up these developments carefully, taking any measure needed to ensure the unhindered continuation of its business activity and will inform investors immediately about any effect which the unfolding events may have on its operation, financial position and results.

SIGNIFICANT TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES

According to the Group, related parties are members of the Board of Directors, members of Management, as well as the shareholders holding a significant percentage of its share capital (including their related persons).

Note that for the 2018-2022 periods and for the period 1.1.2023-30.6.2023 the Company's financial statements are included in the consolidated financial statements of Hellenic Corporation of Assets and Participations S.A. (HCAP S.A.).

Under the provisions of Article 64 of Law 5045/2023 (Government Gazette 136/A/29.7.2023) shares in EYATH were transferred by HCAP S.A. to the Greek State on 3.8.2023. In accordance with paragraph 25 of IAS 24 'Related Party Disclosures', a reporting entity is exempt from the disclosure requirements in relation to the amount of the transactions, outstanding balances, including commitments, and provisions for doubtful debts, when transactions with related parties relate to:

1. a government that has control or joint control of, or significant influence over, the reporting entity;

2. another entity that is a related party because the same government has control or joint control of, or significant influence over, both the reporting entity and the other entity.

While according to paragraph 26 of the same standard, if a reporting entity applies the exemption in the above paragraph, it shall disclose the following about transactions and outstanding balances:

1. the name of the government and the nature of its relationship with the reporting entity (i.e. control, joint control or significant influence);

2. the following information in sufficient detail to enable users of the entity's financial statements to understand the effect of related party transactions on its financial statements:

    1. the nature and amount of each individually significant transaction; and
    2. for other transactions that are collectively, but not individually, significant, a qualitative or quantitative indication of their extent.

Applying this exemption, the Group presents transfer pricing transactions with entities associated with HCAP S.A. for the period 1.1.2023-2.8.2023 in its current financial report.

On 31.12.2023 the total number of voting rights (direct and indirect) controlled by the Greek State was 26,868,000 (74.02%), of which direct voting rights related to 18,150,001 (50% plus 1 share) ordinary registered shares and indirect voting rights related to 8,717,999 (24.02%) ordinary registered shares held directly by the Hellenic Republic Asset Development Fund S.A. (HRADF S.A.) in EYATH S.A. On that date there were no individual major transactions and during the year overall the transactions which need to be reported overall were sales to the Greek State which accounted for 9% of total turnover.

The Group's trading transactions with related parties during the 1/1/2023-31/12/2023 period were carried out under market terms and in the framework of its usual business activity. The transactions and the balances of the Group's and Company's related parties, during the 1/1/2023 - 31/12/2023 period and as at 31/12/2023 respectively, as well as during the previous financial year, are broken down in the following tables (see also note 20 of the financial statements):

	THE GROUP		THE COMPANY	
	1/1-31/12/2023	1/1-31/12/2022	1/1-31/12/2023	1/1-31/12/2022
Income from subsidiary	-	-	1	1
Income from other HCAP S.A. related parties	77	170	77	170
Expenses to other HCAP S.A. related parties	14,640	31,523	14,640	31,523
Transactions with and fees for executives and board members	1,190	1,084	1,188	1,080

Transactions with and fees for senior executives and board members relate to salaries and other benefits specified in the Company's remuneration policy. Note that after submitting an application to that effect the Vice Chairman of the Board of Directors, Mr. Grigorios Penelis, opted not to receive the fees specified in the remuneration policy.

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

Expenses to other HCAP S.A. related parties relate primarily to services received (expenses for electricity supplied worth € 14,557 thousand) and the leasing of properties.

	THE GROUP		THE COMPANY	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Receivables from subsidiary	-	-	1	25
Receivables from other HCAP S.A. related parties	-	626	-	626
Liabilities to other HCAP S.A. related parties	-	7,174	-	7,174
Receivables from management executives and board members	6	5	6	5
Liabilities to management executives and board members	13	35	13	35

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

EXPLANATORY REPORT OF THE BOARD OF DIRECTORS

(in accordance with Article 4(7) of Law 3556/2007)

STRUCTURE OF THE COMPANY'S SHARE CAPITAL (amounts in €)

The Company's Share Capital amounts to forty million six hundred and fifty six thousand euro (€ 40,656,000) divided into thirty six million three hundred thousand (36,300,000) ordinary bearer shares with voting rights, of a nominal value of one euro and twelve cents (€ 1.12) each.

Company shares are listed for trading on the Equities Market of the Athens Exchange (Category: Large Capitalisation). The Company's shareholders rights arising from shares depend on the percentage of capital held which corresponds to the share's paid value.

Each share grants all the rights specified by law and the Company's Articles of Association and in particular:

- Right to obtain a dividend from the Company's annual profits;

35% of the net profits (having deducted the statutory reserve first) are distributed from the profits each fiscal year to shareholders as a first dividend, unless the General Meeting stipulates otherwise. The General Meeting also decides on whether to distribute any additional dividend.

All persons who are shareholders before the dividend cut-off date are entitled to a dividend. The dividend to which each share is entitled shall be paid to the shareholder within two (2) months of the date of approval by the Ordinary General Meeting of the Annual Financial Statements. The method and place of payment is announced on the Athens Exchange and EYATH S.A. websites. The right to collect a dividend becomes statute-barred and the amount involved devolves to the State if not collected within 5 years from the end of the year in which the General Meeting approved distribution.

- The right to receive the contribution paid, upon liquidation or upon the writing off of capital corresponding to the shares, where this is decided upon by the General Meeting.
- The pre-emptive right in each increase of the Company's share capital with cash and new shares.
- The right to receive a copy of the financial statements and reports of chartered auditors and the Company's Board of Directors.
- The right to participate in the General Meeting which consists of the following specific rights: legal standing, attendance, participation in discussions, submission of proposals on items on the agenda, entry of views in the minutes and voting rights.
- The General Meeting of the Company's shareholders shall retain all its rights during the period of liquidation.

Shareholders' liability is limited to the nominal value of the shares held.

LIMITATIONS TO THE TRANSFER OF THE COMPANY'S SHARES

Shares can be transferred in the manner specified in Article 41 of Law 4548/2018 and no restrictions on transfer are contained in its Articles of Association. Company shares are dematerialised and listed on the Athens Exchange.

SIGNIFICANT DIRECT OR INDIRECT HOLDINGS WITHIN THE MEANING OF THE PROVISIONS OF ARTICLES 9 TO 11 OF LAW 3556/2007

Under the provisions of Article 64 of Law 5045/2023 (Government Gazette 136/A/29.7.2023) it was decided that EYATH's shares would be transferred from HCAP S.A. to the Greek State. The Hellenic Republic's total direct and indirect holding has not changed compared to the comparator period.

Shareholders with a significant holding in the Company's share capital on 31/12/2023 were as follows:

SHAREHOLDER	Number of shares held	Holding on 31/12/2023	
Hellenic Republic	18,150,001	50.00%	+1
HRADF	8,717,999	24.02%	
VIGIE GROUPE	1,982,870	5.46%	
Other shareholders	7,449,130	20.52%	
Total	**36,300,000**	**100.00%**	

HOLDERS OF ALL CLASSES OF SHARES ENTITLING THEM TO SPECIAL RIGHTS OF CONTROL

There are no shares in the Company granting their holders special rights of control.

LIMITATIONS ON THE VOTING RIGHT - DEADLINES FOR EXERCISING RELEVANT RIGHTS

The Company's Articles of Association contain no restrictions on voting rights deriving from its shares.

AGREEMENTS BETWEEN COMPANY SHAREHOLDERS

The Company is not aware of the existence of agreements between its shareholders which entail restrictions on the transfer of its shares or the exercise of voting rights deriving from its shares.

RULES ON THE APPOINTMENT AND REPLACEMENT OF BOARD MEMBERS AND AMENDMENTS OF THE ARTICLES OF ASSOCIATION

The rules contained in the Company's Articles of Association on appointment and replacement of members of the Board of Directors and amendment of the provisions of the Articles of Association are not different from those contained in Law 4548/2018.

POWERS OF THE BOARD OF DIRECTORS OR SPECIFIC MEMBERS TO ISSUE NEW SHARES OR PURCHASE OWN SHARES

Article 8 of the Company's Articles of Association states that the General Meeting may reach a decision, to be published in the manner required by Articles 12, 13, 14 of Law 4548/2018 as in force, granting the Board of Directors the right to make a decision by a two-thirds (2/3) majority at least of its members to increase the share capital in whole or in part by issuing new shares by an amount which cannot exceed 3 times the paid-up share capital on the date that the said power was granted to the Board of Directors. The Board of Directors' competence to purchase own shares is no different than that laid down in the provisions of Articles 48, 49 and 52 of Law 4548/2018. There is no provision to the contrary in the Company's Articles of Association.

ANY SIGNIFICANT AGREEMENT CONCLUDED BY THE COMPANY WHICH ENTERS INTO FORCE, IS AMENDED OR ENDS, IN CASE OF CHANGE IN CONTROL OF THE COMPANY FOLLOWING A TAKEOVER BID

There are no other agreements that enter into force, are amended or end in case of a change in the Company's control, following a takeover bid, beyond the trilateral concession agreement between EYATH SA, EYATH Fixed Assets and the Hellenic Republic, which was ratified with Law 2937/2001 Government Gazette 169-A-26.7.2001.

ANY AGREEMENT BETWEEN THE COMPANY AND ITS BOARD MEMBERS OR STAFF PROVIDING FOR COMPENSATION IF THEY RESIGN OR ARE REDUNDANT WITHOUT VALID REASON OR IF THEIR EMPLOYMENT CEASES BECAUSE OF A TAKEOVER BID

There are no agreements between the Company and members of the Board of Directors or staff which provide for the payment of remuneration specifically in the case of resignation or dismissal without just cause or termination of service or employment due to a takeover bid.

DIVIDEND POLICY

The Annual Ordinary General Meeting of Shareholders on 4.9.2023 decided not to distribute a dividend to shareholders for the period 1.1.2022 - 31.12.2022 in relation to the 3rd item on the agenda since there were no distributable operating profits.

CORPORATE GOVERNANCE STATEMENT

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

This Statement is a special section of the Annual Management Report of the Board of Directors (Annual Report) and has been prepared in accordance with the provisions of Article 152 of Law 4548/2018 on reform of the law of societes anonymes, as in force (hereinafter the Law) and Article 18(3) of Law 4706/2020 on Corporate Governance of Societes Anonymes, as in force, and the provisions of the Hellenic Corporate Governance Code, as published in 2021. This Corporate Governance Statement presents how the Company has applied the key principles of the Code during the year ended on 31 December 2023 and on the date of the Statement.

1. Introduction

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

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

2. Statement of compliance with the Corporate Governance Code

Pursuant to decision No. 391/22.7.2021 of its Board of Directors, the Company adopted and implemented the Hellenic Corporate Governance Code, which was issued in June 2021 by the Hellenic Corporate Governance Council as a national body recognized by the Hellenic Capital Market Commission Board of Directors, of recognised repute for issuing a Corporate Governance Code (hereinafter the "Code") which is available on the Hellenic Corporate Governance Council website at the following link: https://www.esed.org.gr/web/guest/code-listed and on the Company's website.

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

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

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

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

Checks and balances are in place relating to:

a) identifying and evaluating risks to the reliability of the financial statements;

b) administrative planning and monitoring of financials;

c) fraud prevention and detection;

d) the roles/responsibilities of the executives,

e) the year end procedure including consolidation (e.g. recorded procedures, accesses, approvals, agreements, etc.) and

f) safeguarding the data provided by the IT systems.

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

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

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

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

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

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

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

a) Consistent implementation of business strategy by effectively using available resources.

b) Effective operation of the Internal Audit Unit, whose organisation, operation and competences are laid out in the Law and its Bylaws.

c) Effective risk management by identifying and managing material risks associated with the Company's business activity and operations.

d) Ensuring the completeness and reliability of the data and information required for the accurate and timely determination of the Company's financial status and the preparation of reliable financial statements, as well as its non-financial status, in accordance with Article 151 of Law 4548/2018.

e) Effective compliance by the Company with the regulatory and legislative framework and the bylaws governing Company operations (regulatory compliance).

3.1.1. Internal Audit Unit

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

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

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

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

3.1.2. Regulatory Compliance and Crisis and Risk Management Unit

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

The Unit has prepared and approved the Code of Ethics and Professional Conduct, the Communication Policy, the Anti-Corruption & Bribery Policy, the Gifts, Hospitality & Entertainment Policy, the Human Rights Policy, the Sponsorship - Donation Policy, the Policy against Violence and Harassment at Work and the Whistleblowing Policy.

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

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

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

The Unit has prepared and approved the Company's Board of Directors' Risk Management Policy and Methodology for Evaluating Risks, the Risk Register which sets out the risks per category and evaluates them on a structured fourth-level scale so the company can constantly monitor them, as well as control mechanisms which help reduce those risks.

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

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

In accordance with Article 14(3)(j) of Law 4706/2020 and decision No. 1/891/30.9.2020 of the Board of Directors of the Hellenic Capital Market Commission, as amended by decision No. 2/917/17.6.2021 of the Board of Directors of the Hellenic Capital Market Commission, the Internal Audit System is periodically evaluated, particularly in relation to the adequacy and effectiveness of financial reporting, on an individual and consolidated basis, in relation to risk management and regulatory compliance, in accordance with recognised evaluation and internal audit standards, and implementing the provisions on

corporate governance set out in Law 4706/2020. This evaluation is carried out by an independent evaluator who meets the conditions laid down in the above provision of Law 4706/2020 and Decision No. 1/89130.9.2020 of the Board of Directors of the Hellenic Capital Market Commission and the relevant Company Internal Audit System Evaluation Policy and Procedure. The first evaluation of the Internal Audit System was completed on 29.3.2023 with a reference date of 31.12.2022 and a reference period from the entry into force of Law 4706/2020 (17.7.2021).

The Company assigned the task of evaluating the Internal Audit System to Grant Thornton Certified Public Accountants - Business Consultants S.A. to verify the adequacy and effectiveness of EYATH's internal audit system and identify any material weaknesses. The work of the Independent Assessor was carried out in accordance with the International Standard on Assurance Engagements 3000 "Assurance Projects beyond the Audit or Review of Historical Financial Information".

This assessment covered the following topics: the Audit Environment, Risk Management, Audit Mechanisms and Checks and Balances, the Information and Communication System and Monitoring of the Company's Internal Audit System.

The project was successfully completed in March 2023 and the conclusion of the independent evaluator, Mrs. Athina Moustaki, certified public accountant (Reg. No. 28871) and partner of Grant Thornton, which is included in the final evaluation report on the adequacy and effectiveness of the Internal Audit System dated 29.3.2023 **was as follows: .Based on the work carried out as described above in the paragraph entitled "Scope of Work Carried out" and the evidence obtained about evaluation of the adequacy and effectiveness of the Company's Internal Audit System, whose reference date is 31.12.2022, we have not become aware of anything which could be considered as material weakness of the Company's Internal Audit System in accordance with the Regulatory Framework".**

This result confirms that the Company is making any reasonable efforts to ensure compliance with the legislative and regulatory framework governing the Internal Audit System, to ensure the lawful and problem-free operation of the Company.

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

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

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

(a) a completeness check of the information referred to in Article 112 of Law 4548/2018 in the remuneration reports for 2022 of € 2,500 + VAT.

(b) audit procedures to place the Company in categories of reduced charges for the Special Greenhouse Gas Emission Reduction Charge in accordance with Government Gazette issue No. ΥΠΕΝ/ΔΗΕ/74949/926 for the period from 2018 to 2020 amounting to €1,500 + VAT.

c) evaluation of the company's Corporate Governance System in accordance with the applicable regulatory framework (Law 4706/2020) and the guidelines and decisions of the Hellenic Capital Market Commission in accordance with the International Standard on Assurance Engagements 3000 "Assurance engagements other than audits or reviews of historical financial information" for the period from 17.7.2021 to 31.12.2022 for a fee of € 24,500 + VAT.

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

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

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

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

4. Board of Directors

4.1 Composition and operation of the Board

The Board operates effectively to serve the Company's long-term interests and sustainability, implementing its vision and mission as part of its strategy. The Board's bylaws set out in detail, among other things, the general principles governing its operation, the competences and duties of its members and its *modus operandi*.

Its activities comply with the principles of sound management, transparency and best corporate governance practices which seek to bolster the Company's long-term commitment to creating value for all three pillars of Sustainability.

The Board is diverse, including adequate gender representation, and its members have the appropriate level of knowledge, skills and experience required to achieve the expected result.

4.1.1 Roles and responsibilities of the Board of Directors

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

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

- It determines the Company's long-term strategy and operational objectives.
- It is responsible for checking and making decisions in the context of the provisions of the relevant legislation and the Articles of Association, and for complying with corporate governance principles.
- It lays down the corporate governance system referred to in Articles 1 to 24 of Law 4706/2020, oversees implementation and monitors and periodically evaluates implementation and effectiveness at least every three (3) financial years.
- It ensures adequate and effective operation of the Company's Internal Audit System which seeks to achieve the following objectives in particular:

a) Consistent implementation of business strategy by effectively using available resources;

b) recognition and management of the material risks associated with its business activity and operations;

c) effective operation of the Internal Audit Unit and the Regulatory Compliance and Crisis and Risk Management Unit;

d) Ensuring the completeness and reliability of the data and information required for the accurate and timely determination of the Company's financial status and the preparation of reliable financial statements, as well as its non-financial status, in accordance with Article 151 of Law 4548/2018;

e) compliance with the regulatory and legislative framework and the internal regulations and policies governing Company operations.

Each Board member has a duty of loyalty to the Company. Board members act with integrity and in the Company's interests, avoiding any position or activity which creates or appears to create a conflict between their personal interests and those of the Company, in accordance with the legislative framework and the Company's Articles of Association, and the approved policy and procedure for preventing and handling situations of conflicts with the Company’s interests. Board members are obliged to dedicate the necessary time and attention to their duties, to safeguard the confidentiality of non-publicly available information and to notify the Board before being appointed of other professional commitments and any changes which may arise in those commitments.

Non-executive members have no executive powers in managing the Company other than the duties assigned to them and general duties as members of the Board and have been charged with the role of systematic supervision and monitoring of decision-making by Management.

More specifically, non-executive members of the Board, including independent non-executive members, provide support to improve Board operations based on their knowledge and experience. In particular, they have the following obligations: a) to monitor and examine the Company's strategy and implementation thereof, and achievement of its objectives, b) to ensure effective supervision of Executive Members, including monitoring and checking their performance at individual and collective level, c) to examine and express views about proposals submitted by Executive Members based on existing information and participate constructively and critically in Board decision-making.

Depending on their area of responsibility, they also participate in the Audit Committee and the Remuneration and Nominations Committee and in any other committee specified by law or considered necessary.

Independent non-executive members of the Board submit reports and proposals jointly or individually to the Company's General Meeting (ordinary or extraordinary) irrespective of the reports submitted by the Board.

4.1.2. Composition - term in office of the Board of Directors

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

The Company's current Board of Directors (following General Meeting dated 4.9.2023) consists of (11) members, one of whom is an executive member (CEO), four are non-executive members (Chairman & three members) and six are independent non-executive members (Vice Chairman and five members). Of the Board members, seven are men and four are women.

The table below shows **the members of the Board of Directors from 1.1.2023 to 31.12.2023, their term in office and each member's position** as independent or not, as specified by the General Meeting, and as executive or non-executive, as specified in a decision of the Board setting it up as body:

Name-surname of member	Capacity	Term in office
Agis Papadopoulos	Chairman - non-executive member	From 2.8.2019 to 4.9.2023 & from 4.9.2023 to 3.9.2027
Anthimos Amanatidis	CEO, Executive Director	From 30.4.2020 to 29.4.2024
Grigorios Penelis	Vice-Chairman, Independent Non-executive Member	From 21.2.2019 to 4.9.2023 & from 4.9.2023 to 3.9.2027
Nikos Klitou	Independent, non-executive member	From 21.2.2019 to 4.9.2023 & from 4.9.2023 to 3.9.2027
Theodoros Koulouris	Executive member	From 27.8.2019 to 4.9.2023
Ekaterini Tsikaloudaki	Non-executive member	From 30.4.2020 to 29.4.2024
Maria Petala	Independent, non-executive member	From 30.4.2020 to 29.4.2024
Sofia Ammanatidou	Independent, non-executive member	From 30.4.2020 to 29.4.2024
Dimitrios Konstantakopoulos	Non-executive member	From 16.12.2021 to 23.8.2023
Ioannis Tsitsopoulos	Independent, non-executive member	From 4.9.2023 to 3.9.2027
Ioanna Dovletoglou	Independent, non-executive member	From 4.9.2023 to 3.9.2027
Georgios Archontopoulos	Non-executive member/Employee representative	From 19.6.2020 to 18.6.2024
Ioannis Mitzias	Non-executive member/Employee representative	From 19.6.2020 to 24.1.2023
Dimitrios Mavropoulos	Non-executive member/Employee representative	From 2.2.2023 to 18.6.2024

4.2. Board of Directors meetings

The Board of Directors shall meet each time the law, the Articles of Association or the Company's needs so require. By virtue of decisions 164/2023 and 165/2023 respectively, the Board of Directors approved the schedule of meetings and the action plan of the BoD for the year 2023, with at least 24 regular meetings per year and actions proportionate to the scope and complexity of the company.

The attendance of Board members at meetings in 2023 is shown in the table below:

Board Member	No. of meetings held during the members' term in office	No. of meetings held with representatives	% of attendance at meetings
Agis Papadopoulos	32	-	100%
Anthimos Amanatidis	32	-	100%
Grigorios Penelis	32	1	100%
Nikos Klitou	32	2	100%
Theodoros Koulouris	22	2	100%
Ekaterini Tsikaloudaki	32	3	100%
Maria Petala	32	3	100%
Sofia Ammanatidou	32	5	100%
Dimitrios Konstantakopoulos	21	2	100%
Ioannis Tsitsopoulos	10	2	100%
Ioanna Dovletoglou	10	3	100%
Georgios Archontopoulos	32	4	100%
Ioannis Mitzias	2	-	100%
Dimitrios Mavropoulos	28	1	100%

4.3. CVs of members of the Board of Directors

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

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

Anthimos Amanatidis: He holds a degree in mechanical engineering from AUTH and two postgraduate degrees in Sustainable Development and Energy Production and Management. Since 2010 he has been an executive of ERGOSE S.A. Responsible for announcing project tender procedures and for overseeing construction management of large infrastructure projects and E/M facilities. In 2008 he served as Director of ETAD S.A. in tender procedures for projects, concession and operation of its branches in Northern Greece. He served as Advisor to the Central Macedonia Region on environmental rehabilitation issues and Vice President of the Thessaloniki-Thessaly Gas Distribution Company as representative of DEPA, participating in the planning of the company's development programme for the period 2019-2024.

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

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

Theodoros Koulouris (up to 4.9.2023) He graduated from the Evelpidon Higher Military School (1984), the Interdisciplinary War School and the NATO Defence College at Rome (NADEFCOL). He also holds a degree in law from the Faculty of Law and Economics of the Aristotle University of Thessaloniki (1996) and a Master of Arts in International Politics from the Centre Européen de Recherché Internationales et Strategiques (CERIS) in Brussels, with his dissertation topic being water management. He speaks English and French. During his career as an officer he has held various positions of responsibility in Greece and abroad, reaching the rank of senior officer (lieutenant general).

Ekaterini Tsikaloudaki: She holds a degree in civil engineering (1997) and a PhD (2003) from the Dept. of Civil Engineering / Aristotle University of Thessaloniki. She works as a professor in the Civil Engineering Department of the Aristotle University of Thessaloniki. She has many years of academic experience and a significant corpus of scientific and research work in the field of sustainability in the built environment. She was actively involved in preparing the Building Energy Performance Regulations, in preparing technical guidelines for the Technical Chamber of Greece on how to implement them, and in preparing manuals to train energy inspectors. She was a member of the national coordination committee to update the legislation on the energy performance of buildings, the relevant committees of the Technical Chamber of Greece and the team which prepared the draft regulatory framework for buildings with almost zero energy consumption.

Maria Petala: She holds a degree in Chemical Engineering from the Aristotle University of Thessaloniki and a PhD from the AUTH Faculty of Engineering. Since 2000 she has been engaged in research on environmental engineering and since 2013 has been a permanent member of the teaching staff at the Laboratory of Environmental Engineering and Design / AUTH School of Civil Engineering. Her scientific work has been published in respected international scientific journals and has been

presented at international scientific conferences. She also serves as Technical Advisor to national and local public bodies on issues of managing water resources, improving water supply networks and water quality. She has served as assistant scientific officer in research programmes and is the co-author of a book on environmental engineering.

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

Dimitrios Konstantakopoulos (up to 23.8.2023): He is a graduate of the Athens University School of Economics and holds a Master of Arts in Finance and Investments from Exeter University, Devon UK. He has worked in the banking sector for more than 30 years. Since 1994 he has worked for the National Bank of Greece Group (ETEVA & NBG) both in providing consultancy services on major infrastructure projects (Athens International Airport, Rio-Antirrio Bridge, Attiki Odos, intercity motorway concession projects) and PPP projects and in financing long-term concession projects and PPPs, working as Deputy Director of the Special Project Finance Division of NBG. Since 2018 he has worked for HCAP as Investments & Concessions Manager and as Portfolio Manager for companies in the Fund's portfolio.

Ioanna Dovletoglou (from 4.9.2023): She is a lawyer with rights of audience before the Hellenic Supreme Court and has a law firm in Thessaloniki. She is a graduate of the Aristotle University of Thessaloniki Law School, holder of a postgraduate degree in Private International Law from the Department of International Studies and member of the Thessaloniki Bar Association. She has more than 28 years of professional experience in court litigation and the provision of legal advice, specialising in property transactions, company law, intellectual property and civil disputes. She is a certified mediator in civil and commercial law by the ADR Group Accredited Civil & Commercial Mediator (ADR) and the International Academy of Dispute Resolution (Chicago, Illinois USA) and has been appointed to the list of certified mediators of the Ministry of Justice in civil, commercial, family law matters and cadastral disputes.

Ioannis Tsitsopoulos (from 4.9.2023): He holds an Integrated Masters' degree in Surveying and has been a member of the Technical Chamber of Greece since 1991, with postgraduate studies in Water Resource Management and Agricultural-Environmental Engineering (MSc), Business Administration (MBA) and Management (CMI Dip.) and recently received Circular Economy certification. From 1998 to the present day he has worked with the Programme Management Bodies, Business and Cultural Development Centre (KEPA) and KEPA-ANEM (a partnership of the said Centre with the Development Union of Macedonia)/Intermediary Body of the Operational Programme "Competitiveness and Entrepreneurship", as a Programme Manager for SME actions and programmes in the fields of environmental management, innovation, extroversion, development and modernisation of businesses, and is responsible for publicity and information. From 1992 to 2016 he carried on the profession of Surveyor preparing survey studies for development, hydraulic and environmental projects and participated in water resource management research programmes. He has served as Chairman, independent non-executive member of Thessaloniki Gas Distribution Company and a member of the Board of Directors of the Thessaloniki bus company OASTH, representing the Hellenic Republic.

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

Ioannis Mitzias (up to 24.1.2023): He is a surveyor engineer. He has worked for EYATH since 2017 and has sat on the Board of Directors of EYATH as an elected employee representative from June 2020 to January 2023.

Dimitrios Mavropoulos: He graduated from the Department of Business Administration of the Open University. He has worked for EYATH since 1998 and has sat on the Board of Directors of EYATH as an elected employee representative since February 2023.

4.4. Nomination of prospective members and succession plan

As regards the Special Practices of the Code concerning the Succession of the Board of Directors under points 2.3.1, 2.3.2, 2.3.3, 2.3.4 (framework for filling positions and succession plan for members of the Board of Directors, including the CEO),

the Company's Corporate Governance Statement of 20.4.2023 for the period 1.1.2022-31.12.2022 stated that after the publication of Law 4964/2022 (Government Gazette 150/A/30.7.2022), effective as of 30.7.2022, the election of the members of the Board of Directors was regulated by the special provision of Article 197A(4) of Law 4389/2016, as inserted by Article 114 of Law 4964/2022, which provided for their election following a proposal from HCAP S.A. As majority shareholder.

Law 5045/2023 (Government Gazette 136/A/29.7.2023) was then subsequently published. Article 64 of that Law provided for the transfer of all shares owned by HCAP in the Company to the Greek State. The transfer took place on 3.8.2023. In light of this transfer, coupled with the Company's strong public and social mission, both the members of the Board of Directors to be elected by the General Meeting and the CEO are chosen on a proposal from the Hellenic Republic, the Company's main shareholder. Lastly, it should be noted that compliance with Special Practice 2.3.2. of the Code is ensured through the provision of Article 13(1) of the Company's Articles of Association, read in conjunction with Article 85(2) of Law 4548/2018, on the possibility of gradual renewal of the Board of Directors and/or successive expiry of the term of office of its members.

4.5. Other professional commitments of Board members

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

Name-surname of member	Name	Professional commitment
Agis Papadopoulos	EYATH SERVICES S.A.	Chairman of the Board of Directors
	Aristotle University of Thessaloniki	Professor
Anthimos Amanatidis	EYATH SERVICES S.A.	CEO
Grigorios Penelis	PENELIS CONSULTANT ENGINEERS S.A.	CEO
	3PI-PENELIS SOFTWARE LTD	CEO
Nikos Klitou	ALUMIL S.A.	Chairman of the Audit Committee
	D. MASOUTIS S.A.	Deputy CFO
Ekaterini Tsikaloudaki	EYATH SERVICES S.A.	Non-executive board member
	Aristotle University of Thessaloniki	Professor
Maria Petala	Aristotle University of Thessaloniki	Member of the teaching staff of the School of Civil Engineering
Sofia Ammanatidou	EYATH SERVICES S.A.	Vice-Chairman, Executive Member
	MINISTRY OF FINANCE	Member of the Insolvency Management Committee
	GREEK SUGAR INDUSTRY	Special nominee

	ICA FINANCIAL CONSULTANCY PC	Administrator
Dimitrios Konstantakopoulos (up to 23.8.2023)	HELLENIC CORPORATION OF ASSETS AND PARTICIPATIONS S.A. (HCAP)	Portfolio Manager
	ATHENS WATER SUPPLY AND SEWERAGE CO. S.A. (EYDAP)	Non-executive board member
Ioannis Tsitsopoulos	KEPA-ANEM / Intermediary Body of the Operational Programme "Competitiveness and Entrepreneurship"	Programme Manager for SME Actions & Programmes - Publicity & Information Officer
Ioanna Dovletoglou	IOANNA DOVLETOGLOU LAW FIRM	Attorney at law at the bar of the Hellenic Supreme Court
	MINISTRY OF JUSTICE	Certified mediator
Georgios Archontopoulos	EYATH S.A.	President of the Trade Union
Dimitrios Mavropoulos	EYATH S.A.	Employee Trade Union Treasurer
Ioannis Mitzias (up to 24.1.2023)	EYATH S.A.	Secretary of the Trade Union

4.6. Evaluation of the Board of Directors and its Committees

During 2022 the company developed a structured framework for evaluating the Board of Directors and its members.

During 2023 the Board of Directors was evaluated with the assistance of an independent external consultant using 31.12.2022 as the reference date. The evaluation prepared covers all members of the Board of Directors (executive, non-executive and independent non-executive members). Emphasis was placed on evaluating and meeting the minimum conditions and criteria (individual and collective) for members, to ensure the operation of a highly effective Board of Directors, with a well-formed team, which cooperates well and in a coordinated manner, with a collective conscience and a consistent commitment to protecting and enhancing shareholder value through sustainable development of the Company.

As far as individual suitability is concerned, the adequacy of knowledge, skills, experience, independence of judgement, willingness to commit adequate time, moral safeguards and good reputation of members were evaluated.

As far as collective suitability is concerned, regard was had to whether the line-up of the Board of Directors reflects the knowledge, skills and experience required to perform its duties as a collective body, the suitable ratio between executive, non-executive and independent members in accordance with the applicable legislation, as well as adequate representation per gender. The final conclusions of the evaluation can be summarised as follows:

"*The overall evaluation showed a very high level of training, operational continuity, time commitment by Board members.* There is a strong sense of development policy and awareness among members about environmental protection, social responsibility, corporate governance and ESG Policy combined with the honesty, integrity and good reputation of members. *As far as individual criteria are concerned, very high scores were achieved for the complementarity of members in terms of their specialisation in setting up a team capable of effectively supervising and deciding on individual issues and special features*

of company operations on a comprehensive vision being positively noteworthy. The diversity and experience of members has an impact on achieving targets and on more efficient company operations.

As far as collective criteria are concerned, there is full compliance with the pillars examined and a high degree of receptivity and ability to manage issues of strategic importance and the company's development policy."

For 2023 the Board of Directors' annual evaluation procedure is under way, again with the assistance of an independent external consultant.

Moreover, the evaluation of the Board of Directors' committees, namely the Audit Committee and the Remuneration & Nominations Committee, was carried out by their Chairmen using the self-assessment procedure and the reference date was 31.12.2023.

The compliance of each member individually with the requirements of his role was evaluated, identifying any deviations and the discharge of duties as a collective body was also examined, in accordance with Article 44 of Law 4449/2017 on the Audit Committee and Articles 11 and 12 of Law 4706/20 on the Remuneration and Nominations Committee.

The final conclusions of the self-assessment of the EYATH S.A. Board of Directors' committees can be summarised as follows:

"Committee members have a very high level of training and dedicate adequate time to dealing with issues within their remit. The Committees comply with the terms of their bylaws and perform their obligations to a satisfactory degree in accordance with the legal and regulatory framework governing them, to safeguard the interests of the Company and shareholders".

It should also be noted that:

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

b) Independent non-executive members of the Board of Directors and persons closely associated with them must notify any relationships of dependence in accordance with Article 9 of Law 4706/2020 and **the procedure laid down by the Company** in Board of Directors Decision No. 111/2022 **to ensure compliance when the conditions for characterising a member as independent are met and ascertain compliance with the said conditions,** per financial year and before the annual financial report is published, which includes the relevant finding.

Review of whether the conditions for characterising a member as independent for 2023 were met, ascertained that:

- did not directly or indirectly hold more than 0.5% of the Company's share capital
- did not receive any fee or benefit from the Company or an affiliated company apart from the fee for participating in the Board of Directors or its committees in accordance with the Company's Remuneration Policy.
- did not have (directly or indirectly through participation in another entity) a business relationship during the last three (3) financial years prior to their appointment with the Company, or a person related to the Company, or a shareholder who directly or indirectly holds a holding equal to or greater than ten percent (10%) of the Company's share capital, provided that this relationship affects or could affect the business activity of either the Company or a member of the Board or a person closely associated with it. Such a relationship exists, in particular, when the person is an important supplier or important customer of the Company.

These points were also checked for the natural and legal persons with whom members are considered to be 'closely associated' and it was ascertained that the conditions for independence continue to be met.

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

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

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

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

The Regulatory Compliance Unit is responsible for collecting and filing solemn declarations submitted each year by members of the Board about conflicts of interest, and for keeping a register of such lists and the measures taken to address them.

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

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

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

(e) The Company's Board of Directors has decided to **adopt a Training Policy for members of the Board of Directors, senior executives and other executives**, especially those involved in internal audit, risk management, regulatory compliance and IT systems. The relevant Policy lays down the procedure followed by the Company to provide induction to members of its Board of Directors and other executives referred to above, and to meet their training needs. The company ensures that all members of the Board constantly update their skills and knowledge to effectively perform their duties, while new members attend an induction briefing programme to provide information about how to effectively perform their duties. Board members who are also members of Board committees receive training on programmes relating to the scope of those committees.

As part of the training of Board members, during 2023 an asynchronous training course on Sustainability and ESG issues was completed (via an online platform). New executives and Board members were briefed about regulatory compliance issues such as the Code of Ethics and Professional Conduct, policies to avoid conflicts of interest, to combat corruption and bribery, to manage confidential information and to protect personal data (GDPR).

The Board members attended conferences either as delegates or as speakers on the circular economy and sustainable resource management, sustainable investments and production infrastructure, the climate crisis and ESG, energy security and green development, energy efficiency investments, etc.

4.7. Remuneration for members of the Board of Directors and pay for executive members of the Board

The fees of executive and non-executive members of the Board of Directors are set out in the Company's approved Remuneration Policy. The policy was approved by the Extraordinary General Meeting of Shareholders on 20.12.2019 and is valid for 4 years from approval. The stipulated fees are based on a market survey carried out by an independent consultant at the end of 2019. The Remuneration and Nominations Committee estimates that they are now below the weighted limits set in 2019.

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

For the CEO, the fee is gross and annually at 75% of the average market figure reported in an independent consultant survey conducted in 2019. For the executive consultant, the gross annual fee is 90% of the average market figure mentioned in the independent consultant's survey conducted in 2019. Both of them will have additional attendance fees of 12% of their gross pay, which is paid *ex post* after submitting expense invoices. Payments are equal to 12 salaries.

The Chairman of the Board of Directors is paid a fixed and annual fee which is around 60% of the average market figure (2019 figures), gross, which reflects the increased obligations from his role and the time required to perform his duties. There are additional attendance fees of 12% of the gross fee which are paid *ex post* after submitting expense invoices.

After submitting an application to that effect, the Vice-Chairman of the Board of Directors, Mr. Grigorios Penelis, opted not collect the fees specified in the remuneration policy.

Other non-executive members of the Board of Directors are paid fees per meeting of the Board of Directors. These fees are paid at the maximum for two (2) meetings per month or twenty-four (24) per year and in calculating them, the total length of employment and the duties and responsibility of each member for participating in meetings of the Board of Directors are taken into account. The maximum annual remuneration for Board members is around 70% of the average market figure (2019 figures). Fees take into account the number of meetings and the total length of employment, duties and responsibility for each member's participation in Board meetings.

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

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

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

Moreover, the pay for members of the Audit Committee is higher due to the increased responsibilities of members of the specific committees. In addition to the above fees, the Board of Directors of the Company also receive additional benefits which may change, such as:

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

The Remuneration Policy will be updated during the current year (2024) and will be submitted to the Ordinary General Meeting of Shareholders for approval.

4.8. CVs of senior executives and company secretary

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

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

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

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

MARIA GRIGORASKOU: Consumer Service Manager Graduate of the School of Management and Economics, Accounting Department. She has worked for EYATH since 1996 and for the Customer Service Division since 2023.

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

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

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

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

KONSTANTINOS BELLOS: Sewerage Networks Manager. Civil Engineer (Thessaloniki Technological Educational Institute). He has worked for EYATH since 2005 and as Sewerage Networks Manager since 2023.

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

MARIA SAMARA: Head of the Regulatory Compliance and Crisis and Risk Management Unit. She holds a degree in Economics from the Aristotle University of Thessaloniki (former School of Law and Economics). She has worked for EYATH since 1995 and has held managerial posts since 2010. She has been head of the unit since 2020.

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

Management executives do not hold shares in the Company with the exception of the head of the Consumer Division who holds 528 shares and the head of the Regulatory Compliance and Risk Management Unit who holds 800 shares, and in all cases where shares are acquired or sold, they are obliged to notify their transactions in accordance with Regulation (EU) No 596/2014 and the relevant transaction notification procedure.

5. Audit Committee

The Audit Committee is a Board of Directors Committee (in accordance with Article 44(1)(aa) of Law 4449/2017) comprised of 3 members, all of whom are independent non-executive members, whose term in office is 1 year, in accordance with the decision of the Ordinary General Meeting of 8 September 2023.

5.1. Composition, operation, work, competences and description of issues discussed at Audit Committee meetings

Under its current Bylaws, the Audit Committee which consists of at least three (3) members, may be (a) a committee of the Board of Directors comprised of non-executive members or (b) an independent committee comprised of non-executive members of the Board of Directors and third parties or (c) an independent committee comprised only of third parties. Third party means any person who is not a Board Member. The type of Audit Committee, its term in office, the number and posts

of its members is decided on by the Company's General Meeting of Shareholders. The term in office of members of the Audit Committee is the same as that of members of the Board of Directors. The members of the Audit Committee may be re-elected. The members of the Audit Committee are appointed by the Board of Directors when it is its committee or by the Company's General Meeting of Shareholders when it is an independent committee and they are in their majority independent of the Company, in accordance with the provisions on independence in force from time to time (Article 9 of Law 4706/2020). The Chairman of the Audit Committee is appointed by its members at its meeting to officially establish it and he is independent of the Company.

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

Due to the expiry of the one-year term in office of the Company's Audit Committee, as appointed by the General Meeting of Shareholders on 8.9.2022, the General Meeting on 4.9.2023 took a new decision about the type, line-up and term in office of the Company's new Audit Committee, following a proposal from the majority shareholder - the Greek State, that the type, line-up and term in office of the new Audit Committee as appointed by decision of the Company's General Meeting of Shareholders of 8.9.2022, should remain the same namely:

1. It should be a committee of the Board of Directors, in other words be comprised only of members of the Company's Board of Directors.

2. It should have 3 members.

3. All members of the Committee must be independent non-executive members.

4. The Committee's term in office shall be 1 year commencing from the decision of the Board of Directors appointing its members.

It was decided that the following persons would be members of the Audit Committee who had been appointed by decision of the Ordinary General Meeting of 8.9.2022:

Nikos Klitou: Independent non-executive member, Chairman of the Audit Committee

Sofia Ammanatidou: Independent non-executive member and

Maria Petala: Independent, non-executive member.

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

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

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

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

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

The Audit Committee met 16 times in 2023. The frequency at which members of the Audit Committee participated in its meetings in 2023 was as follows:

Name-surname of member	No. of meetings	Participation	Percentage
Nikos Klitou	**16**	**16**	100.00%
Sofia Ammanatidou	**16**	**16**	100.00%
Maria Petala	**16**	**16**	100.00%

5.3. Audit Committee activities

In the context of its powers under the relevant legislation and its Bylaws, the Audit Committee meets at least four times a year. The final number of meetings during the year is determined by the requirements for performing its duties. In that context, during 2023 (1.1.2023-31.12.2023) the Committee held sixteen (16) meetings.

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

The relevant minutes were prepared at all Committee meetings in 2023. The following specific issues were examined:

- The internal audit plan for 2023, the timeframe and the Training Criteria.
- Repeat examination of Internal Audit Findings from 2023 and corrective actions taken by management.
- Quarterly Internal Audit Reports and the corresponding Findings - Follow-up during 2023 and monitoring of the Internal Audit unit's activities.
- The procedure for preparing the Annual Financial Statements for 2022, the interim financial statements as at 30.6.2023 and the completeness and integrity of the relevant financial information.
- Grant Thornton's audit and Supplementary Report on the separate and consolidated financial statements for 2022 and the review of the Half-Yearly Financial Statements as at 30.6.2023.
- The procedure for obtaining approvals for the assignment of work to certified public accountants, approval for the receipt of non-audit services and evaluation of the independence of the ordinary certified public accountants.
- Approval of the budget for the relevant fees of certified public accountants.
- Submission of a recommendation/proposal to the Board of Directors to renew the statutory audit services provided by Grant Thornton which provided the same services in 2022 for 2023.
- Submission of recommendations / proposals to the Company's Board of Directors about further improvements to the Internal Audit System in line with recommendations from the independent evaluator.
- The procedure for preparing financial information based on information provided by the CFO.
- Submission of a proposal to the Company's Board of Directors to commence the process of self-assessment of the Corporate Governance System and implementation of the project by the Internal Audit and Regulatory Compliance Units under the supervision of the Internal Auditor.
- Implementation of proposals from the Internal Audit Unit to run training courses for staff in the Internal Audit Unit and to attend seminars organised by the Hellenic Institute of Internal Auditors in the context of implementing the International

Standard for the Professional Practice of Internal Auditing 1230 "Continuous Professional Development" according to which internal auditors must improve their knowledge, capabilities and other skills through continuous professional development.

6. Remuneration and Nominations Committee

6.1. Composition, operation, work and competences of the Remuneration and Nominations Committee

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

At its 24th meeting in 2023 the Company's Board of Directors appointed members of the Remuneration and Nominations Committee which officially met comprised of:

Grigorios Penelis, independent non-executive member, as Chairman of the Committee

Nikos Klitou, independent non-executive member and

Ekaterini Tsikaloudaki, non-executive member

The committee's main duties are listed below:

- submitting proposals to the Board about the fee of each executive member;
- examining and submitting proposals to the Board of Directors about the total size of annual variable remuneration (other than salary) for the Company;
- submitting proposed performance targets;
- regularly re-examining the salary of executive members of the Board and other terms of their contracts with the Company;
- submitting proposals to the BoD on any remuneration-related business policy;
- evaluating of executive member performance targets.
- evaluating the suitability of existing members of the Board of Directors each year in accordance with the Company's approved Fit-and-Proper Policy and providing assistance in the Board's annual evaluation.
- evaluating the suitability of prospective members of the Board of Directors in accordance with the Fit-and-Proper Policy for members of the Company's Board of Directors.
- ensuring that new members of the Board receive induction training and information before taking up their duties, to clearly understand the company's structure and business model, and the role of each member as a member of the Board or its committees.

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

Determination and supervision of proper compliance with the following Policies has been assigned to the Remuneration and Nominations Committee.

- **The Fit-and-Proper Policy** lays down the general principles for selecting, renewing and proposing prospective Board members and the criteria for evaluating the suitability of the Board of Directors and its members individually and collectively (size, line-up, independence criteria, knowledge/skills) to ensure quality staffing of the Board of Directors, to safeguard the company's interests as a public utility and to successfully run the company and maintain its value over time.
- **The Remuneration Policy** seeks to ensure that the remuneration paid is reasonable and adequate to attract capable Board members to develop and implement the company's business plan, while also ensuring reliability and transparency to generate long-term value for the company and its shareholders.

- <u>As far as evaluation of the Board and members is concerned:</u>

✓ it monitors effectiveness and re-examines the planning and implementation of the Company's Fit-and-Proper Policy and periodically evaluates it at regular intervals or when major events or changes occur;
✓ It evaluates the Board of Directors and its committees and the proposed members as to their suitability for membership, taking into account factors and individual and collective suitability criteria.
✓ it evaluates the performance of members of the Board of Directors and Company committees, evaluating the skills, knowledge and experience of members of the Board of Directors and Company committees and informs the Board of Directors accordingly;
✓ it evaluates the structure, composition and size of the Company's Board of Directors and submits proposals about appropriate changes;
✓ it constantly monitors the suitability of members of the Board of Directors, and in particular to identify cases in light of any relevant new event where it is considered necessary to re-evaluate their suitability in accordance with the relevant definitions in the Fit-and-Proper Policy;
✓ it examines the independence of independent non-executive members of the Board of Directors periodically, at least once a year, and in the case where a new Board of Directors is elected or a member is elected to replace a deceased independent member thereof, and on an extraordinary basis whenever required, and submits proposals to the Board of Directors about the appropriate steps and/or changes to the composition;
✓ it examines the policy for selecting senior management executives (within the meaning of Article 2(13) of Law 4706/2020).

- <u>Remuneration:</u>

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

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

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

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

The Committee met 6 times in 2023. The main issues addressed by the Remuneration and Nominations Committee at its meetings were as follows:

- Preparation of a schedule of meetings and actions for 2023.

- Approval of fees and remuneration paid to members of the Board in 2022 and preparation of the relevant remuneration report.
- Evaluation of new Board members.
- Official establishment of the Committee.
- Annual evaluation of members of the Audit Committee
- Preparation of the Committee's report for 2023.

The frequency at which members of the Committee participated in its meetings in 2023 was as follows:

Name-surname of member	No. of meetings	Participation	Percentage
Grigorios Penelis	6	6	100.00%
Nikos Klitou	6	6	100.00%
Ekaterini Tsikaloudaki	6	6	100.00%

7. Fit-and-Proper Policy

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

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

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

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

The Company has and implements a diversity policy (within the Fit-and-Proper Policy) to promote a suitable level of diversity within the Board of Directors and a diverse group of members. By collecting a wide range of qualifications and skills when selecting members of the Board of Directors, a range of views and experiences are ensured so that proper decisions can be taken. The Fit-and-Proper Policy includes/refers to the diversity policy to ensure that this issue has been taken into account when appointing new members of the Board of Directors. There is an express provision for adequate representation per gender with at least 25% of all members of the Board of Directors being from one gender, based on the current 11-member

Board of Directors, there being a minimum of three (3) women or men and no exclusion on grounds of sex, race, colour, ethnic or social origin, religion or belief, assets, birth, disability, age or sexual orientation. The Company's diversity policy also includes employee representation on the Board of Directors in order to enrich knowledge and experience about the Company's internal operations on a daily basis.
The Fit-and-Proper Policy is available on the Company's website at the following link: https://www.eyath.gr/

The line-up of the Company's existing Board of Directors by decision of the Company's General Meeting of Shareholders dated 4.9.2023 meets the requirements and suitability (individual and collective) and diversity criteria specified in Law 4706/2020 and the Fit-and-Proper Policy as ascertained by the Remuneration and Nominations Committee at the level of prospective members before they are elected and each member during the relevant election.

Moreover, each year the Board of Directors re-examines whether the independence requirements in Article 9(1) and (2) of Law 4706/2020 for independent non-executive members are met, following a recommendation from the Remuneration and Nominations Committee and the corresponding report from the Regulatory Compliance Unit.

8. Sustainability policy

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

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

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

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

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

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

The Company has recognised that it is obliged to operate its business in a sustainable manner and Management is committed to implementing the Sustainability Policy at all levels of the Company and in all sectors in which it operates. In this context, even though there is no legal obligation, modern sustainability requirements have been adopted in all aspects of its operations. To that end, it is a key strategic choice to adopt the UN 2030 agenda, as expressed in the 17 Sustainable Development Goals, and to integrate the ESG criteria into both the Company's investment and business planning. In addition, a Sustainability Report is prepared in accordance with international standards such as the benchmark standards of the internationally recognised GRI initiative, the Athens Exchange ESG Information Disclosure Guide, the Sustainability Accounting Standards Board (SASB) standard and in particular the methodology and material issues in the Water Utilities and Services sector and all points contained in the Greek Sustainability Code. In doing so, the Company briefs stakeholders about

the responsible operating practices it implements, demonstrating in practical terms its commitment to operating based on the principles of sustainability and thereby bolstering stakeholder trust.

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

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

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

Each year a materiality analysis is carried out during the preparatory phase of the Sustainability Report. The materiality analysis process is an integral tool for EYATH since it contributes to its responsible operation and to effectively shaping its Sustainability strategy. It is a dynamic process which is constantly developing and promotes dialogue with stakeholder groups. The material topics are set out in the Sustainability Report on an annual basis and are associated with achieving the Sustainable Development Goals via responsible operations, programmes and the relevant results.

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

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

9. Other management and administrative bodies

9.1. Management Board

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

Competences of the Management Board

1. The Management Board coordinates and contributes to the consistency of Company operations, prevents cases of overlaps and resolves issues that require collaboration between various Divisions.

2. It handles requests from citizens relating to water supply or sewerage issues, water supply or sewerage charges, exemptions from or reductions in them. The relevant decisions shall be approved by the Board of Directors.

3. It schedules overtime and on call work or work on holidays or non-working days based on the work schedule presented to the Management Board by the competent Director. It evaluates and makes recommendations to the Board of Directors about exceedance in the planned overtime work of staff.

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

9.2. Staff Boards

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

9.3. Technical Council

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

10. Public takeover offers - Information

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

11. General Meeting of shareholders and rights of shareholders

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

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

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

11.1 Modus operandi and powers of the General Meeting of Shareholders

The modus operandi and powers of the General Meeting of Shareholders and the rights of shareholders and how they can be exercised are set out in detail in Articles 29 to 39 of the Company's Articles of Association which are available on the Company's website at the following link: https://www.eyath.gr/

According to the Articles of Association, the General Meeting of Shareholders is the supreme management body which decides on all corporate affairs and its lawful decisions are binding on all shareholders.

The General Meeting of Shareholders is convened by the Board of Directors and meets regularly at the place and time specified by the Board of Directors within the first six months from the end of each financial year.

The General Meeting convenes where 20 whole days before the meeting an invitation was published which clearly sets out the place and time of the meeting, the items on the agenda, and the procedure to be followed by shareholders to participate and exercise their voting rights.

The General Meeting meets and has a quorum where 51% of the share capital is present and represented at it, apart from cases where a 2/3 qualified quorum is required by the Articles of Association.

Shareholders who participate in the General Meeting and have voting rights elect the Chairman and Secretary. The items on the agenda are then discussed and decisions are taken on those matters by absolute majority.

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

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

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

a) Extension of the Company's effective term, transformation, merger or winding up.

b) Amendment of the Articles of Association.

c) Share capital increases or decreases.

d) The election of members of the Board, auditors and valuers.

e) Approval of the annual Financial statements.

f) Profit distribution.

11.2 Rights of Company shareholders

The rights of shareholders and the rights of shareholders with non-controlling interests are set out in the aforementioned articles of the Articles of Association.

The rights of Company shareholders deriving from its shares depend on their holding in the capital which corresponds to the paid-up value of each share. Each share grants all the rights specified by Law 4548/2018 as amended and in force, and the Company's Articles of Association and in particular:

- Right to obtain a dividend from the Company's annual profits. 35% of the net profits (having deducted the statutory reserve first) are distributed from the profits each fiscal year to shareholders as a first dividend. The General Meeting decides on whether to distribute any additional dividend. Each shareholder entered in the register of shareholders maintained by the Company on the holder-of-record date are entitled to a dividend. The dividend will be paid to the shareholders within two (2) months from the date of the Ordinary General Meeting that approved the annual financial statements. The place and manner of payment is announced in the press. The right to collect a dividend becomes statute-barred and the amount involved devolves to the State if not collected within 5 years from the end of the year in which the General Meeting approved distribution.
- The pre-emptive right in each increase of the Company's share capital with cash and new shares.
- The right to receive a copy of the financial statements and reports of chartered auditors and the Company's Board of Directors.
- The right to participate in the General Meeting which consists of the following specific rights: legal standing, attendance, participation in discussions, submission of proposals on items on the agenda, entry of views in the minutes and voting rights.
- The right to receive the contribution paid, upon liquidation or upon the writing off of capital corresponding to the shares, where this is decided upon by the General Meeting.

EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

On 1.2.2024, EYATH and the Central Macedonia Region signed a framework agreement to implement the project entitled "Interventions and maintenance of the rainwater network in the Greater Thessaloniki Area for the years 2023-2025" with a budget of € 3,900,000 to protect the safety of life and property of residents of that area from floods.

On 7.3.2024, the first “green” bilateral power purchase agreement (PPA) with a public sector company was signed by EYATH S.A. and TERNA ENERGY S.A. Seeking to reduce its carbon footprint and energy costs, EYATH S.A. is the first company in the public and wider public sector to enter into such a contract under Law 4412/2016 following a tender procedure launched for the "Supply of electricity under a Financial/Virtual Corporate Power Purchase Agreement (PPA) with cash settlement, and transfer of certificates". As part of the contract, EYATH will procure electricity from TERNA ENERGY, a subsidiary of the GEK TERNA Group, of up to 100 GWh per year for a period of 8 years with an option for an additional 4 years. This energy will come from both wind and photovoltaic plants. More specifically, EYATH will procure energy from TERNA at an average price of less than € 80/MWh, 75 GWh from a wind farm already in operation and 25 GWh from a photovoltaic plant which is under construction. In addition to reducing energy costs for the company, an additional benefit will also arise from transferring the Green Certificates for this 'green' energy to EYATH.

Thessaloniki, 4 April 2024

ON BEHALF OF THE BOARD OF DIRECTORS

Confirmed by

Agis Papadopoulos	Anthimos Amanatidis	Nikos Klitou
Chairman of the Board of Directors	CEO	Board member Chairman of the Audit Committee

Independent Certified Public Accountant

To the Shareholders of “THESSALONIKI WATER SUPPLY & SEWERAGE Co. S.A.”

Report on the audit of the Separate and Consolidated Financial Statements

Opinion

We have audited the accompanying separate and consolidated financial statements of “THESSALONIKI WATER SUPPLY & SEWERAGE Co. S.A.” (the Company), which comprise the separate and consolidated statement of financial position as at 31 December 2023, the separate and consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of “THESSALONIKI WATER SUPPLY & SEWERAGE Co. S.A.” and its subsidiary (the Group) as at 31 December 2023, their financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as they have been incorporated into the Greek Legislation. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Separate and Consolidated Financial Statements” section of our report. We are independent of the Company and the subsidiaries included in the consolidation throughout our entire appointment, in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) incorporated into the Greek Legislation and ethical requirements that are relevant to the audit of separate and consolidated financial statements in Greece, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the separate and consolidated financial statements of the audited period. These matters, as well as the related risk of significant misstatements, were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addressed the key audit matter
Trade Receivables – Trade Receivables Recoverability Assessment	

As at 31.12.2023, the Group and Company's trade and other receivables stood at € 104,031 thousand and € 103,940 thousand respectively, whereas the relevant accumulated impairment referred to in Notes 14 and 15 of the accompanying financial statements stood at € 45,481 thousand for the Group and € 45,466 thousand for the Company.

At the period end, the Management reviews the recoverability of the Group and Company's trade and other receivables, so that they are reflected in their recoverable amount, recognizing the required impairment provisions for expected credit losses. This process includes important judgements and estimates, in relation to the proper application of IFRS 9 "Financial Instruments", which was adopted by the Group on 1/1/2018 by the method of cumulative effect.

Given the significance of trade and other receivables and the level of judgement and estimates required, we consider the review of the recoverability of trade and other receivables as an area of particular audit interest.

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

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

- Assessment of the assumptions and methodology used by Management to identify the recoverability of trade and other receivables or characterise them as bad debt.
- Examination of the attorney's confirmation letter regarding bad receivables handled during the year and identification of any indication of doubtful accounts.
- Assessment of the level of impairment of trade and other receivables, taking into account specific debtors classifications and factors, such as maturity, substantial debtors and high risk debtors.
- Assessment of recoverability of balances through comparing the year end closing balances with subsequent amounts collected / settlements.
- Assessment of the application of the methodology, in accordance with IFRS 9, as well as the accuracy and completeness of the data used by the Management in the calculation model.
- Assessment of the adequacy and appropriateness of the Company and Group's disclosures in Notes 5.1, 14 and 15 of the accompanying financial statements.

Contingent liabilities and provisions for litigation

As at 31.12.2023, the Group is engaged in numerous active lawsuits, out-of-court notice and future claims from court cases totalling approximately € 13 million, for which a provision is recognized amounting to approximately €1,113 thousand. The relative reference is provided in Notes 5.6, 20 and 32 of the accompanying financial statements.

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

Our audit procedures regarding contingent liabilities and provisions for litigations include, among others, the following:

- Analysis of provisions that have been made in comparison with the detailed checklist of pending court cases held by the Company's Legal Department.
- Receiving direct external confirmation letter from legal advisors handling pending court cases.

be estimated reliably, Management recognizes the relevant provision in the financial statements.

Management's assessment in respect of the outcome of legal cases involves subjectivity, as it requires significant judgment to include assessments based on the latest available information, determination of potential risk and reliable data on similar court cases. Negative outcome in the course of litigations or on the basis of estimates made by Management and external legal advisors could result in recognizing impairment losses that may have a material impact on the Group's income statement.

Given the above factors, significant Management's estimates and the amount of provisions and contingent liabilities, we consider this issue to be one of the key audit matters.

- Discussion with the Group's Legal Department on legal cases and their potential outcome, and assessment of reasonableness of estimates as well as the evidence on which Management's assessment is based.
- Assessment of the adequacy and appropriateness of the Company and Group's disclosures in Notes 5.6, 20 and 32 of the accompanying financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Board of Director's Report, the reference to which is made in the "Report on Other Legal and Regulatory Requirements" section of our Report, and Statements of the Members of the Board of Directors, but does not include the financial statements and our auditor's report thereon.

Our opinion on the separate and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information identified above and doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement therein, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with International Financial Reporting Standards that have been adopted by the European Union and for such internal control checks and balances as Management determines are necessary to enable the preparation of separate and consolidated financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, Management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management intends to liquidate the Company and the Group or to cease operations or has no other realistic alternative but to do so.

The Company's Audit Committee (Article 44, Law 4449/2017) is responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole, are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, as transposed into Greek law, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to affect the economic decisions of users taken on the basis of these separate and consolidated financial statements.

As part of an audit in accordance with ISAs, as transposed into Greek law, we exercise professional judgment and maintain professional 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, designing and performing 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 checks and balances

- Evaluate the appropriateness of accounting policies and methods used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the 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 financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control checks and balances 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 audited period and are therefore the key audit matters.

Grant Thornton

Report on other Legal and Regulatory Requirements

1. Board of Directors' Report

Taking into account that Management is responsible for the preparation of the Board of Directors' Report and the Corporate Governance Statement included in this report, under the provisions of Article 2(5) (Part B) of Law 4336/2015, we note the following:

1. The Board of Director's Report includes the Corporate Governance Statement that provides the information required by Article 152 of Law 4548/2018.
2. In our opinion, the Board of Directors' Report has been prepared in compliance with the applicable legal requirements of Articles 150 and 153, and Article 152(1)(c) and (d) of Law 4548/2018 and its content is consistent with the accompanying separate and consolidated financial statements for the year ended as at 31/12/2023.
3. Based on the knowledge we acquired during our audit of "THESSALONIKI WATER SUPPLY & SEWERAGE Co. S.A." and its environment, we have not identified any material inconsistencies in the Board of Directors' Report.

2. Additional Report to the Audit Committee

Our opinion on the accompanying separate and consolidated financial statements is consistent with our Additional Report to the Company's Audit Committee, prepared in compliance with Article 11 of Regulation (EU) No 537/2014.

3. Provision of Non-Audit Services

We have not provided to the Company and its subsidiary the prohibited non-audit services referred to in Article 5 of Regulation (EU) No 537/2014.

4. Auditor's Appointment

We were first appointed as auditors of the Company by the Annual General Meeting of Shareholders on 4.8.2011. Since then, our appointment has been renewed annually for a total uninterrupted period of 13 years following the decisions of the Annual General Meetings of Shareholders.

5. Bylaws

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

6. Assurance Report on the European Single Electronic Format

We examined the digital files of the company THESSALONIKI WATER SUPPLY AND SEWERAGE CO S.A. (hereinafter the Company and Group) which were prepared in accordance with the European Single Electronic Format (ESEF) laid down in Commission Delegated Regulation (EU) 2019/815 as amended by Regulation (EU) 2020/1989 (hereinafter the ESEF Regulation) and which include the separate and consolidated financial statements of the Company and Group for the period ended on 31.12.2023 in XHTML format (21380054CNOGH2BJQJ59-2023-12-31-el.xhtml) and the required XBRL file (21380054CNOGH2BJQJ59-2023-12-31-el.zip) suitably marked on the aforementioned consolidated financial statements, also including the other explanatory information (notes to the financial statements).

Regulatory framework

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

- All annual financial reports should be prepared in XHTML format.

- As far as the consolidated financial statements prepared in line with the International Financial Reporting Standards are concerned, the financial information included in the statement of comprehensive income, statement of financial position, statement of changes in equity and cash flow statement and the financial information included in other

explanatory information must be marked with XBRL tags (XBRL 'tags' and 'block tag') in accordance with the ESEF Taxonomy, as in force. The technical specifications for ESEF, including the relevant taxonomy, are set out in the ESEF Regulatory Technical Standards.

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

Management and governance responsibilities

Management is responsible for preparing and submitting the separate and consolidated financial statements of the Company and Group for the period ended on 31.12.2023, in accordance with the requirements laid down in the ESEF Regulatory Framework, and for such internal checks and balances as Management considers necessary to make it possible to prepare the digital files free of material misstatement due to fraud or error.

Auditor's responsibilities

Our responsibility is to plan and carry out this assurance work in accordance with decision No. 214/4/11.2.2022 of the Board of Directors of the Accounting Standardisation and Auditing Committee (ELTE) and the "Guidelines on the work and assurance report of certified public accountants in the European single electronic reporting format (ESEF) for issuers with transferable securities listed on a regulated market in Greece", as issued by the Institute of Certified Public Accountants on 14.2.2022 (hereinafter the "ESEF Guidelines"), in order to obtain reasonable assurance that the separate and consolidated financial statements of the Company and the Group prepared by management in accordance with ESEF comply in all material respects with the applicable ESEF Regulatory Framework.

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

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

Conclusion

Based on the work carried out and the evidence obtained, we can draw the conclusion that the separate and consolidated financial statements of the Company and Group for the period ended on 31.12.2023 in XHTML file format (21380054CNOGH2BJQJ59-2023-12-31-el.xhtml) and the required XBRL file (21380054CNOGH2BJQJ59-2023-12-31-el.zip) with suitable indications in the aforementioned consolidated financial statements, including the other explanatory information, that have been prepared in all material respects in accordance with the requirements of the ESEF Regulatory Framework.

Athens, 4 April 2024

The Certified Public Accountant

Andreas Sofis

ICPA (GR) Reg. No. 47771

Grant Thornton
Ορκωτοί Ελεγκτές Σύμβουλοι Επιχειρήσεων
Λ. Κατεχάκη 58, 115 25 Αθήνα
Α.Μ. ΣΟΕΛ 127

Annual Financial Statements

For the period 1/1 – 31/12/2023

In accordance with the International Financial Reporting Standards (IFRS)

Statement of Financial Position

	Note:	THE GROUP 31/12/2023	THE GROUP 31/12/2022	THE COMPANY 31/12/2023	THE COMPANY 31/12/2022
ASSETS					
Non-Current Assets					
Tangible assets	7	84,842	76,553	84,842	76,553
Intangible assets	8	647	98	647	98
Participations in subsidiaries	10	-	-	1,060	1,060
Deferred tax assets		3,422	3,615	3,422	3,615
Other long-term assets	11	4,449	3,054	4,449	3,054
Right-of-use assets	9	417	1,115	417	1,115
Financial assets measured at fair value through other comprehensive income	12	-	50	-	50
Total non-current assets		**93,777**	**84,485**	**94,837**	**85,545**
Current Assets					
Inventories	13	1,470	1,837	1,470	1,837
Trade receivables and contractual assets	14	54,962	57,093	54,962	57,058
Other receivables	15	4,384	6,387	4,309	6,340
Cash and cash equivalents	16	65,901	71,481	64,763	70,331
Total current assets		**126,716**	**136,798**	**125,503**	**135,566**
TOTAL ASSETS		**220,493**	**221,284**	**220,340**	**221,111**
LIABILITIES					
Equity					
Share capital	17	40,656	40,656	40,656	40,656
Premium on capital stock	17	2,830	2,830	2,830	2,830
Reserves	18	30,610	30,610	30,587	30,587
Results carried forward		104,550	103,324	104,441	103,226
Total equity		**178,646**	**177,420**	**178,514**	**177,299**
Non-controlling interests		-	-	-	-
Total equity		**178,646**	**177,420**	**178,514**	**177,299**
Liabilities					
Long-term liabilities					
Provisions for employee benefits	19	1,371	1,128	1,371	1,128
Provisions for contingencies and expenses	20	1,113	1,829	1,113	1,829
Grants	21	353	505	353	505
Long-term lease liabilities	23	46	211	46	211
Other long-term liabilities	22	19,575	18,305	19,575	18,305
Total long-term liabilities		**22,458**	**21,978**	**22,458**	**21,978**
Short-term liabilities					
Trade and other liabilities	24	18,061	21,192	18,041	21,142
Short-term lease liabilities	23	131	655	131	655
Dividends payable		31	37	31	37
Short-term tax liabilities	25	1,167	1	1,166	-
Total short-term liabilities		**19,389**	**21,886**	**19,368**	**21,834**
Total Liabilities		**41,847**	**43,864**	**41,826**	**43,812**
TOTAL OWNERS' EQUITY AND LIABILITIES		**220,493**	**221,284**	**220,340**	**221,111**

Notes:
The disclosures on pages 79 to 123 constitute an integral part of these Financial Statements.

Statement of Comprehensive Income

THE GROUP	THE COMPANY

	Note	1/1-31/12/2023	1/1-31/12/2022	1/1-31/12/2023	1/1-31/12/2022
Sales		72,796	70,902	72,796	70,902
Less: Cost of sales	26	(59,142)	(65,331)	(59,142)	(65,331)
Gross profit margin		**13,654**	**5,572**	**13,654**	**5,572**
Other operating income	27	3,991	3,689	3,960	3,654
		17,645	**9,261**	**17,614**	**9,225**
Selling and distribution expenses	26	(7,377)	(6,196)	(7,377)	(6,196)
Administrative expenses	26	(7,635)	(6,765)	(7,616)	(6,675)
Research and development expenses	26	(134)	(163)	(134)	(163)
Other operating expenses	27	(1,219)	(737)	(1,219)	(737)
Operating results		**1,280**	**(4,599)**	**1,269**	**(4,545)**
Net financial income	28	1,349	357	1,349	357
Normal operating results		**2,629**	**(4,242)**	**2,618**	**(4,188)**
Results before tax		**2,629**	**(4,242)**	**2,618**	**(4,188)**
Income tax	29	(1,387)	250	(1,387)	250
Results net of tax		**1,242**	**(3,993)**	**1,231**	**(3,938)**
Allocated among:					
Parent shareholders		1,242	(3,993)	1,231	(3,938)
Non-controlling interests		-	-	-	-
Other comprehensive income net of tax:					
Items which will not be classified subsequently in the income statement:					
Actuarial Results		(16)	101	(16)	101
Total comprehensive income net of tax		**1,226**	**(3,892)**	**1,215**	**(3,838)**
Allocated among:					
Parent shareholders		1,226	(3,892)	1,215	(3,838)
Non-controlling interests		-	-	-	-
Earnings / (losses) per share (€ per share)	30				**(0.1085)**
Basic		**0.0342**	**(0.1100)**	**0.0339**	

Notes:

The disclosures on pages 79 to 123 constitute an integral part of these Financial Statements.

Statement of Changes in Equity

Statement of changes in equity (Group)

	Share capital	Share premium	Statutory Reserve	Other reserves	Other comprehensive income / results carried forward	TOTAL
Balance on 1/1/2023 according to IFRS	**40,656**	**2,830**	**13,574**	**17,035**	**103,325**	**177,420**
Earnings after tax 01/01 - 31/12/2023	-	-	-	-	1,242	1,242
Other Comprehensive Income for the period 1/1 - 31/12/2023	-	-	-	-	(16)	(16)
Balance on 31/12/2023 according to IFRS	**40,656**	**2,830**	**13,574**	**17,035**	**104,551**	**178,646**
Balance on 1/1/2022 according to IFRS	**40,656**	**2,830**	**13,574**	**17,035**	**115,158**	**189,253**
Earnings after tax 01/01 - 31/12/2022	-	-	-	-	(3,993)	(3,993)
Other Comprehensive Income for the period 1/1 - 31/12/2022	-	-	-	-	101	101
Share capital increase expenses	-	-	-	-	(6)	(6)
Dividends distributed	-	-	-	-	(7,935)	(7,935)
Balance on 31/12/2022 according to IFRS	**40,656**	**2,830**	**13,574**	**17,035**	**103,325**	**177,420**

Statement of changes in equity (Company)

	Share capital	Share premium	Statutory Reserve	Other reserves	Other comprehensive income / results carried forward	TOTAL
Balance on 1/1/2023 according to IFRS	**40,656**	**2,830**	**13,552**	**17,035**	**103,226**	**177,299**
Earnings after tax 01/01 - 31/12/2023	-	-	-	-	1,231	1,231
Other Comprehensive Income for the period 1/1 - 31/12/2023	-	-	-	-	(16)	(16)
Balance on 31/12/2023 according to IFRS	**40,656**	**2,830**	**13,552**	**17,035**	**104,441**	**178,514**
Balance on 1/1/2022 according to IFRS	**40,656**	**2,830**	**13,552**	**17,035**	**114,999**	**189,072**
Earnings after tax 01/01 - 31/12/2022	-	-	-	-	(3,938)	(3,938)
Other Comprehensive Income for the period 1/1 - 31/12/2022	-	-	-	-	101	101
Dividends distributed	-	-	-	-	(7,935)	(7,935)
Balance on 31/12/2022 according to IFRS	**40,656**	**2,830**	**13,552**	**17,035**	**103,226**	**177,299**

Notes:

The disclosures on pages 79 to 123 constitute an integral part of these Financial Statements.

Cash Flow Statement

Indirect method

	Note:	THE GROUP		THE COMPANY	
		1/1-31/12/2023	1/1-31/12/2022	1/1-31/12/2023	1/1-31/12/2022
Cash flow from operating activities					
Profit / (loss) before income tax (continuing operations)		2,629	(4,242)	2,618	(4,188)
Plus/(less) adjustments for:					
Depreciation	**7.8**	4,938	5,029	4,938	5,029
Depreciation of rights-of-use assets	**9**	659	638	659	638
Depreciation of fixed asset investment subsidies	**21**	(153)	(190)	(153)	(190)
Provisions		4,248	2,895	4,248	2,895
Offsetting of prior period provisions	**20**	(1,100)	(304)	(1,100)	(304)
Interest and related (income) / expenses		(1,349)	(357)	(1,349)	(357)
		9,872	**3,469**	**9,861**	**3,523**
Decrease/ (increase) in inventories		368	(17)	368	(17)
Decrease/(increase) in trade and other receivables		1,290	(5,231)	1,259	(5,231)
Increase/(decrease) in trade and other liabilities (except loans)		(5,442)	8,512	(5,387)	8,587
Decrease/(increase) in other long-term receivables		(1,395)	(191)	(1,395)	(191)
(Less):					
Interest charges and related expenses paid		(100)	(99)	(100)	(99)
Taxes (Paid) / Collected		3,360	(3,398)	3,360	(3,398)
Total inflow/(outflow) from operating activities (a)		**7,954**	**3,044**	**7,966**	**3,173**
Cash Flows from Investing Activities					
Purchases of tangible assets	**7**	(13,169)	(14,734)	(13,169)	(14,734)
Purchase of intangible assets	**8**	(608)	(51)	(608)	(51)
Increase in holding in subsidiaries		-	-	-	(1,000)
Other investments		50	-	50	-
Interest received		895	449	895	449
Total inflow/(outflow) from investing activities (b)		**(12,832)**	**(14,336)**	**(12,832)**	**(15,336)**
Cash flows from financing activities					
Capital increase expenses payments		-	(6)	-	-
Leasing arrangement liabilities paid	**23**	(695)	(674)	(695)	(674)
Dividends paid		(6)	(7,852)	(6)	(7,852)
Total inflow/(outflow) from financing activities (c)		(702)	(8,532)	(702)	(8,526)
Net increase/(decrease) in cash and cash equivalents for the period (a) + (b) + (c)		**(5,580)**	**(19,824)**	**(5,568)**	**(20,689)**
Cash and cash equivalents at start of year		71,481	91,305	70,331	91,019
Cash and cash equivalents at end of period	**16**	**65,901**	**71,481**	**64,763**	**70,331**

Notes:
The disclosures on pages 79 to 123 constitute an integral part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION ABOUT THE COMPANY AND THE GROUP

The **THESSALONIKI WATER SUPPLY AND SEWERAGE CO. S.A.**, trading as EYATH S.A. (hereinafter the Company) has its registered offices at 127 Egnatia St., Thessaloniki GR-54635, and has been listed since 2001 with its shares being traded in the High Cap category on the Athens Exchange. It provides water supply and sewerage services to more than 1 million citizens in the wider Thessaloniki urban area.

Thessaloniki Water Supply and Sewerage Co. S.A. (EYATH) is a societe anonyme which was established by Article 20 of Law 2651/1998 (Government Gazette 248/A) following the merger of the companies "Thessaloniki Water Supply Organisation S.A." (OYTH S.A.) and "Thessaloniki Sewerage Organisation S.A." (OATH S.A.). Article 18 of Law 2937/2001 states that EYATH S.A. is governed by the provisions of Law 4548/2018, Article 22 of Law 2733/1999 which applies to EYATH S.A. from publication of that law, and also by the provisions of Emergency Law 1563/1939, Legislative Decree 787/1970, Presidential Decrees 156/1997 and 157/1997 and Article 20 of Law 2651/1998, and is under the supervision of the Ministers of Finance and Macedonia-Thrace.

Decision no. ΕΓΑ/606/26-7-2001 of the Ministers of Economy-Finance-Macedonia-Thrace was issued by delegation of Article 18(9) of Law 2937/2001 (Government Gazette 989/B/30.7.2001), and the Company's Articles of Association were drawn up. These Articles of Association, as amended and codified on 20.12.2019, were lawfully entered in the General Commercial Registry (GEMI) on 9.3.2021 with entry number 2099211 (notice no. 1919394).

Article 18(2) of Law 2937/2001 and Article 4(1)(a) of its Articles of Association expressly state that EYATH S.A.'s objects include the provision of water supply and sewerage services, the design, construction, installation, operation, running, management, maintenance, extension and renewal of water supply and sewerage systems. To achieve its objects, the Company can (among other things) enter into all manner of contracts.

Moreover, under Article 20 of Law 2937/2001 and the tripartite agreement of 27.7.2001 signed by the Hellenic Republic, EYATH S.A. Fixed Assets and EYATH S.A., an exclusive right to provide water supply and sewerage services in the geographical areas within its remit, as defined in Article 26(1) of that same Law was conferred on EYATH S.A.

Moreover, via the subsidiary EYATH SERVICES S.A., the Group seeks to provide telecom services via the water supply and sewerage networks and is also involved in the generation and sale of electricity, which is primarily generated by utilising water from springs, dams, aqueducts and pipelines.

Board of Directors:

1. Agis Papadopoulos, Chairman, non-executive member
2. Anthimos Amanatidis, CEO, executive member
3. Grigorios Penelis, Vice Chairman, independent non-executive member
4. Nikos Klitou, independent non-executive member, Chairman of the Audit Committee
5. Sofia Ammanatidou, independent non-executive member
6. Ekaterini Tsikaloudaki, non-executive member
7. Maria Petala, independent non-executive member
8. Georgios Archontopoulos, employee representative, non-executive member
9. Ioannis Tsitsopoulos, independent non-executive member
10. Ioanna Dovletoglou, independent non-executive member
11. Dimitrios Mavropoulos, employee representative, non-executive member

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

General Commercial Reg. No. 058240404000

Auditing Company: GRANT THORNTON SA
58 Katehaki Ave., GR-11525
Athens, Greece
ICPA (GR) Reg. No. 127

2. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis of preparation of the financial statements

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), including the International Accounting Standards (IAS) and the interpretations issued by the IFRIC Committee, as adopted by the European Union up to 31 December 2023. The key accounting policies implemented for drawing up the Financial statements for the period that ended on 31 December 2023 are the same as those followed when drawing up the annual financial statements of the year ended on 31 December 2022, and are described in them. Where necessary, the comparable data have been reclassified to reconcile with any changes to the presentation of the current period's data. Any differences between the amounts reported in the financial statements and the respective amounts in the notes are due to rounding.

The financial statements have been prepared based on historical cost and the going concern principle, as disclosed below in the Company's accounting policies, have been approved by the BoD on 4.4.2024 and are subject to approval by the General Meeting.

Preparing the Financial statements in accordance with the IFRS requires the adoption of certain estimates and assumptions. It also requires Management to use its discretion when implementing the Company's accounting policies. Areas entailing a high degree of subjectivity or which are complex or where assumptions and estimates are significant for the financial statements are cited in Note 5 below.

These financial statements are presented in Euro (€), which is the currency of the primary economic environment in which the company operates.

The Group and Company's annual separate and consolidated financial statements, the audit report of the certified public accountant and the management report of the Board of Directors for the period ended on 31 December 2023 are posted to the Company's website www.eyath.gr.

2.2 Standards and Interpretations mandatory for the financial year ended

Specific new standards, amendments to standards and interpretations have been issued which are mandatory for accounting periods which commence on or after 1.1.2023. Where not otherwise stated, other amendments and interpretations which applied for the first time in 2023 have no impact on the consolidated financial statements. The Company and Group did not engage in early adoption of standards, interpretations or amendments which have been issued by the IASB and adopted by the EU, which are not mandatorily applicable in the 2023 period.

Standards and interpretations mandatory for the current financial year

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

The amendments require companies to provide information about their accounting policies when they are material, and provide guidance about the concept of materiality when applied to accounting policy disclosures.

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

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. This distinction is important since a change in an accounting valuation is applied without retroactive effect and only for future transactions and other future events, compared to a change in an accounting policy which has retroactive effect and applies to transactions and other past events.

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

The amendments require companies to recognise deferred tax in specific transactions which, upon initial recognition, leads to equal amounts of taxable and deductible interim differences. This usually applies to transactions such as leases for lessees and decommissioning obligations.

IAS 12 (Amendments) "International Tax Reform — Pillar Two Model Rules" (effective for annual accounting periods beginning on or after 1.1.2023)

The amendments introduce a mandatory temporary exemption from accounting for deferred taxes arising from the international tax reform of the Organisation for Economic Cooperation and Development (OECD). The amendments also introduce targeted disclosure requirements.

The temporary exemption applies directly and retroactively in accordance with IAS 8, while the targeted disclosure requirements will apply to annual reporting periods commencing on or after 1.1.2023.

Standards and Interpretations mandatory for later accounting periods

IAS 1 (Amendments) "Classification of liabilities as current or non-current" (effective for annual accounting periods beginning on or after 1.1.2024)

In January 2020 the IASB issued amendments to IAS 1 which affect the requirements for presenting liabilities. In particular, the amendments clarify one of the criteria for classifying a liability as long-term, as being the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments include: a) clarification that an entity's right to defer settlement should exist at the reporting date, b) a clarification that the classification of the liability is not affected by the management's intentions or expectations regarding the exercise of the right to defer settlement, c) an explanation of how the borrowing conditions affect the classification, and d) a clarification of the requirements regarding the classification of liabilities of an entity that will or may settle through the issue of own equity instruments. Moreover, in July 2020 the IASB issued an amendment to postpone by one year the effective date of the initially issued amendment to IAS 1 as a result of the spread of the COVID-19 pandemic. However, in October 2022 the IASB issued an additional amendment which seeks to improve the information companies provide about long-term loan commitments. IAS 1 requires a company to classify the loan as long-term only if the company can avoid settling the loan within 12 months from the reporting date. However, a company's ability to do so often depends on compliance with its commitments. The amendments to IAS 1 specify that commitments to be complied with after the reporting date do not affect the classification of the loan as short-term or long-term on the reporting date. On the contrary, the amendments to the standard require a company to disclose information about those commitments in the notes to the financial statements. The amendments apply to annual periods commencing on or after 1.1.2024, with early adoption being permitted. The Group and Company will examine the impact of all the above on the Financial Statements.

Amendments to IFRS 16 "Leases: Lease Liability in a Sale and Leaseback" (effective for annual accounting periods commencing on or after 1.1.2024)

In September 2022, the IASB issued narrow-scope amendments to IFRS 16 "Leases" which add requirements on how a company accounts for a sale and leaseback after the transaction date. Sale and leaseback is a transaction where a company sells an asset and leases the same asset back for a period of time from the new owner. IFRS 16 includes requirements on how to account for a sale and leaseback on the date the transaction is entered into. However, the Standard had not specified how the transaction would be measured after that date. The amendments issued are in addition to the requirements in IFRS 16 on sale and leaseback, thereby supporting consistent application of the accounting standard. These amendments will not change the accounting for leases apart from those arising from a sale and leaseback transaction. The Group and Company will examine the impact of all the above on the Financial Statements.

IAS 7 and IFRS 7 (Amendments) "Disclosures: Supplier Finance Arrangements" (effective for annual accounting periods beginning on or after 1.1.2024)

The amendments require companies to disclose information about their Supplier Finance Arrangements, such as terms and conditions, the book value of financial liabilities which are part of such arrangements, the range of payment expiry dates and liquidity risk information. The Group and Company will examine the impact of all the above on the Financial Statements. The above amendments have not been adopted by the European Union.

IAS 21 (Amendments) "Lack of Exchangeability" (effective for annual accounting periods beginning on or after 1.1.2025)

The amendments require entities to apply a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide The Group and Company will examine the impact of all the above on the Financial Statements. The above amendments have not been adopted by the European Union.

3. MAIN ACCOUNTING POLICIES

3.1 Investments in subsidiaries

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

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

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

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

3.2 Basis of consolidation

The consolidated financial statements consist of the financial statements of the parent Company and the subsidiary of the Group.

The following table presents the parent and the subsidiary included in the consolidation, together with the corresponding participation percentages, the country where they are registered as well as their activity.

COMPANIES	% GROUP	COUNTRY	ACTIVITY
THESSALONIKI WATER SUPPLY AND SEWERAGE CO. S.A. (EYATH)	PARENT COMPANY	GREECE	Water supply & Sewerage Services Construction and operation of power and thermal power plants

			Acquisition and trade in electricity produced from RES Geothermics exploration and utilisation Sea/brackish water treatment Management, processing, recycling and trade in solid and liquid waste and biomass
EYATH SERVICES S.A.	100%	GREECE	Provision of all types of Water supply & Sewerage Services, telecommunication services & production / sale of electricity Work to build and maintain water management facilities (dams, aqueducts) and manage water resources.

In the Company's financial statements, the holding in the subsidiary is valued at acquisition cost less any subsequent impairment provisions. Each year and/or whenever there is an indication of impairment, the Company examines the book value of that holding compared to its recoverable value based on the fair value less cost to sell and the value in use.

3.3 Tangible fixed assets

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

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

Plots, works of art and other fixed assets which are not subject to wear and tear and obsolescence due to age are not depreciated. Depreciation of other tangible assets is calculated using the straight line method, charged in equal amounts over the asset's expected useful life, so as to write off the cost at residual value, as follows:

Buildings and technical works	9 to 40 years
Machinery and installations	10-25 years
Transportation equipment	5-15 years
Furniture and other equipment	5-15 years

Residual value and the useful life of tangible assets are subject to re-examination on each balance sheet date. When the book value of tangible assets exceeds the recoverable value the differences (impairment) are posted as expenses to the results.

When the tangible assets are sold, differences between the price received and the book value are posted as profits or losses in the income statement. Financial expenses which relate to the construction of assets are capitalised for the time required to complete construction. All other financial expenses are recognised in the income statement.

3.4 Intangible assets

3.4.1. Intangible assets acquired separately

This category includes studies carried out on the possible construction of fixed assets and software and relates to the cost of purchasing /self-production of software such as payrolling, materials, services and all expenditure incurred when developing software in order for it to become operational. Costs which improve or extend the performance of software beyond initial specifications are recognised as capital expenditure and added to the initial cost of the software. Expenses incurred in a supplementary manner for designs for the possible construction of fixed assets also increase the cost of initial recognition.

Depreciation on designs and software is imputed to the income statement using straight line depreciation over the entire useful life of the asset. The estimated useful life is 10 and 6 years respectively.

3.4.2 Product Research and Development (R&D) cost

The R&D cost is recognised in the Income Statement when incurred. Development costs are incurred mainly for the development of new products and production methods. The costs incurred for developing a separate program are recognised as intangible assets only when the requirements of IAS 38 "Intangible assets" are met. There was no such case in 2023.

3.5 Financial assets

a) Classification, recognition and measurement

To a large extent IFRS 9 retains the existing requirements in IAS 39 on classification and measurement of financial liabilities. However, it removes the previous IAS 39 categories on financial assets: assets held to maturity, loans and receivables, and assets available for sale.

In accordance with IFRS 9, the Group and Company's financial instruments are measured at fair value through profit and loss, at amortised cost or at fair value through other comprehensive income.

Classification is based on two criteria:

- the business model within which the financial asset is held, namely whether the objective is to hold it to collect contractual cash flows or collect contractual cash flows and sale financial assets and
- whether the contractual cash flows form a financial asset which consists Solely of Payments of Principal and Interest on the outstanding capital balance (the SPPI criterion).

Normal purchases and sales of investments are recognised on the date the transaction takes place, which is the date the Group and Company undertake to purchase or sell the asset.

Upon initial recognition, the Group and the Company measure a financial asset at fair value plus, in the case of a financial asset not measured at fair value through profit or loss, transaction costs directly attributable to the acquisition of the financial asset. Transaction costs of financial assets measured at fair value through profit or loss are recognised directly in profit or loss.

Investments cease to be recognised when the rights to receive cash flows from financial assets expire or are transferred and the Group and the Company have transferred substantially all the risks and rewards of ownership.

The Group and Company use the following categories to classify and measure financial assets:

<u>Financial assets at amortised cost</u>

Financial assets are measured at amortised cost if held in the context of a business model for the purpose of retaining them and collecting contractual cash flows which meet the SPPI criterion. Interest earned from those assets is included in financial income and recognised using the effective interest rate. Any profit or loss arising from deletion is recognised immediately in the Income Statement.

The Financial assets classified in this category are "trade and other receivables". Trade and other receivables are initially recognised at fair value and are subsequently valued at amortised cost using the effective interest rate method, unless the results of discounting, less any impairment losses, are not significant.

Financial assets classified at fair value through other comprehensive income

According to the relevant requirements of IFRS 9, upon initial recognition, the Group and Company may irrevocably opt to present subsequent changes in the fair value of an equity investment not intended for commercial exploitation, in other results directly in equity.

Gains and losses from those financial assets are never recycled in the results for the period. Dividends are recognised as other income in the income statement when the payment entitlement has been established unless the Group and the Company benefit from such income as recovery of part of the cost of the financial asset, in which case those profits are recognised in the statement of comprehensive income. Equity instruments designated at fair value through comprehensive income are not subject to impairment testing. This is done for each individual equity instrument.

The Group and the Company have chosen to classify investments in this category (see note 12).

b) Impairment

The Group and Company recognise provisions for impairment for expected credit losses for all financial assets apart from those measured at fair value through profit and loss. The relevant methodology depends on whether there is a significant increase in credit risk.

For contractual assets and customer receivables, the Group and the Company apply the simplified approach permitted by IFRS 9. Based on this approach, the Group and the Company recognise the credit losses that are expected over the lifetime of these receivables.

3.6 Trade receivables

Trade receivables are balances owed by customers for services provided to them from the Group's normal operations. If it is expected that these balances will be collected within a year or less (or more if this is part of the normal business cycle) then the receivables are classified as current assets. If not, they are classified as non-current assets.

Trade receivables are posted initially at fair value and subsequently valued at amortised cost using the effective interest rate less impairment losses.

3.7 Inventories

Inventories are valued at acquisition cost or net realisable value, whichever is lower. The cost is calculated using the average weighted cost method. The financial cost is not included in the acquisition cost of inventories. Net realisable value is assessed based on current sale prices of inventories in the context of normal activities less any sales expenses which apply in the case.

More specifically, inventories/stocks consisting of specialist spare parts for machinery purchased when the machinery is purchased are considered to be an integral part of the machinery's value and are depreciated along with the machinery, while replacements for used spare parts are expensed at the time of purchase. On the contrary though, consumables for machinery maintenance and spare parts for general use are included in inventories and are expensed at the time of consumption.

3.8 Cash assets

Cash also includes cash equivalents such as sight deposits and short-term time deposits. Overdrafts payable upon first demand, which are an integral part of managing the Group and Company's cash are included as an integral part of cash for the purpose of preparing the cash flow statement.

3.9 Share capital

Expenditure paid to third parties related directly to the issuing of new shares is recorded in equity, less the corresponding tax, as a reduction in the premium on capital stock.

When acquiring own shares, the price paid including relevant expenses are presented as reducing equity.

3.10 Income tax

Current and deferred income tax is calculated based on the relevant Financial statement accounts, in accordance with taxation laws which apply in Greece. Current income tax relates to tax on the taxable profits of the Group and Company adjusted in accordance with tax law requirements and calculated based on the current tax rate.

Deferred taxation is calculated using the liability method on all interim differences on the balance sheet date between the taxation basis and the book value of the assets and liabilities.

Expected tax impacts from interim tax adjustments are determined and presented either as future (deferred) tax liabilities or as deferred tax assets.

Deferred tax assets are posted for all tax deductible interim difference and tax losses carried forward to the extent that this is likely that there will be taxable profits available in respect of which the interim difference can be utilised.

The book value of deferred tax assets is revised on each balance sheet date and reduced to the extent that it is not considered likely that there will be sufficient taxable profits for which all or part of the deferred tax assets can be used.

Current tax assets and liabilities for the current and past accounting periods are valued at the figure expected to be paid to the tax authorities (or recovered from them) using tax rates (and tax laws) which have been adopted or substantively adopted by the balance sheet date.

3.11 Dividends

Dividends payable are presented as a liability at the time they are approved by the General Meeting of Shareholders.

3.12 Provisions for employee benefits

The Company's and Group's obligation to staff employed by them for future payment of benefits depending on their length of previous service is measured and presented based on the accrued right expected to be paid to each employee, on the balance sheet date, discounted at present value, compared to the expected time of payment.

The relevant obligation is calculated based on the financial and actuarial assumptions and is specified using the actuarial valuation method called the projected unit method. The net cost of retirement in the period is included in payrolling cost in the attached statement of comprehensive income and consists of the present value of benefits which became accrued during the year, interest on the benefit obligation, the cost of past service, actuarial profits or losses, and any other additional pension costs.

3.13 Provisions

Provisions are formed when the Group has a legal or presumed obligation as a result of some past event and it is considered likely that an outflow of resources will be required to settle the liability, and that amount can be reliably estimated.

The Company re-examines the need to form provisions at the end of each year and adjusts them so that they reflect the best possible assessments and in the case where this is considered necessary discounts them based on a reasonable pre-tax discount rate. Contingent liabilities are not posted to the financial statements

but are disclosed unless the likelihood of a resource output incorporating financial benefits is minimal. Contingent assets are not posted to the financial statements but are disclosed where the inflow of financial benefits is likely.

3.14 Grants

Grants are initially recognised at their nominal value when there is a reasonable assurance that the grant will be received and that the Company will comply with all specified terms and conditions laid down for payment. Grants for current expenditure are recognised in the results during the period when the grant is needed, in order to be matched to the expenditure it is intended to offset. Grants for the purchase of tangible (fixed) assets are included in long-term liabilities as deferred income and are recognised as income and transferred to the income statement over the useful life of the subsidised asset.

3.15 Revenue recognition

Revenue is defined as the amount which an economic entity expects to be entitled to as consideration for the goods or services which were transferred to a customer, apart from amounts collected on behalf of third parties (VAT, other sales taxes).

An economic entity recognises revenues when (or as) it fulfils the contract performance obligations, by transferring the goods or services it has promised to the customer. The customer acquires control of the goods or services where he can direct how they are to be used and in effect enjoys all the financial benefits from the goods or services. Control is transferred over a period or at a specific point in time.

3.15.1. Revenue from the supply of water and sewerage services and related services

The Group and Company are involved in providing water supply and sewerage services. Revenue for each of the two performance obligations mentioned above is recognised over time as the customer receives -and at the same time uses- the benefits of water consumption and usage of the sewerage network. Revenue is measured on the basis of the quantities of water consumed and the current price lists. The Group and the Company bill customers for water and sewerage services mainly on a quarterly basis, based on relevant meter readings.

The customer receivable is recognised when there is an unconditional right for the entity to receive the price for the contractual obligations performed for the customer. A contract asset is recognised when the Group (or Company) has satisfied its performance obligations before the customer makes payment or before the payment is due, for example when the goods or services are transferred to the customer before the Group's (or Company's) right to issue a bill.

The contractual obligation is recognised when the Group (or the Company) receives a consideration from the client (prepayment) or when it reserves the right to a price that is unconditional (deferred income) before the performance of the obligations of the contract and the transfer of the goods or services. The contractual obligation is de-recognised when the contractual obligations are performed and the revenue is recorded in the income statement.

For the Group and Company, liabilities from contracts with customers arise from down payments made in lieu of water consumption and water supply services, which customers pay when they sign the water supply and sewerage services agreement. Those liabilities are accounted for and included in the "Other long-term liabilities" lines in the statement of financial position.

Down payments for water consumption and the provision of water supply services are returned to customers when the contract is terminated. The Group reached the conclusion that the best approach is to present the above liabilities from contracts with customers as long-term liabilities since they can be expected to be settled at a period more than 12 months hence.

3.15.2. Income from interest

Income from interest is recognised based on the accrual principle.

3.15.3. Income from dividends

Income from dividends is recognised as revenue on the date distribution is approved.

3.16 Cost of financing

The net cost of financing consists of accrued interest on loans taken out, calculated using the effective interest rate method.

3.17 Earnings / (losses) per share

The basic earnings / losses per share are calculated by dividing net earnings / losses for the period by the average weighted number of ordinary shares in circulation during the specific period, apart from the average number of ordinary shares acquired by the Group as own shares.

3.18 Leases

3.18.1 The Group and Company as lessee

Asset leases where the Group or Company substantially retains all risks and rewards of ownership are classed as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the assets and the present value of the minimum lease payments. The corresponding liabilities from lease payments net of financial charges are presented as liabilities. That part of financial expenses relating to finance leases is recognised in the income statement over the term of the lease.

Leases where in effect the risk and rights of ownership remain with the lessor are posted as operating leases. Payments made under operating leases are recognised in the income statement on a straight line basis over the term of the lease.

3.18.2 The Group and Company as a lessor

Leases where the Group and Company do not in effect transfer all risks and rewards of ownership are characterised as operating leases. Income generated by operating leases, including advances received, is recognised in the income statement using the straight line method pro rata over the term of the lease. The initial direct costs incurred by lessors when negotiating an operating lease are added to the book value of the leased asset and are recognised during the term of the lease on the same basis as the lease income.

3.19 Group operations by segment

A Group's sector or segment of activity is each distinct business activity with special features in terms of the nature of the activity and the business risks entailed (business segment). A similar distinction can be drawn based on the business environment within which it carries on activity (geographical segment).

The Group primarily operates in the water supply - sewerage segments in the wider area of the Prefecture of Thessaloniki, in order to rationally manage water resources on the one hand, and collect and process waste water so as to provide top level services to society as a whole, to safeguard hygiene and a clean environment.

3.20 Set-off

Financial assets and liabilities are set off and the net amount is shown in the balance sheet when there is an applicable legal right to set off and the intention is for them to be paid by set-off.

3.21 Rounding off

The amounts in these financial statements have been rounded off to thousands of euro. Due to that, discrepancies which may arise are due to such rounding off.

4. FINANCIAL RISK MANAGEMENT

The Group is exposed to various financial risks, the most important of which are price risk and credit risk. The Group's risk management policies aim to minimise the negative impacts that those risks could have on the Group's financial position and performance. Risk management is primarily done by the Company's general management and the relevant policies are approved by the Board of Directors. Financial risk management includes recognition, calculation and hedging of financial risks in close collaboration with the Group's operating units.

4.1 Market risk

(i) Exchange rate risk

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

(ii) Price risk

As regards price risk, the Group is not exposed to significant risk of fluctuation of the variables that determine both revenues and cost. Management considers that the impact of the electricity supply price is a cyclical event and is not due to the Group's general exposure to market risk.

(iii) Cash flows and fair value of risk rate

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

Management is monitoring interest rate fluctuations on an ongoing basis, and evaluates in each case the duration and the type of time deposits.

4.2 Credit risk

The Group applies the expected credit loss model to trade receivables and non-current receivables from currently earned income. The Group applies the simplified approach permitted under IFRS 9 to these receivables, under which the Group recognises the credit losses expected over the lifetime of the receivables.

To calculate expected credit losses, trade receivables and non-current receivables from currently earned income were grouped together based on common credit risk characteristics and days past due. Non-current receivables from currently earned income have the same risk features as trade receivables and so the same methodology was followed to calculate the expected credit losses.

For trade receivables and non-current receivables from currently earned income from the public sector, the expected credit losses were calculated as the difference between the contractual cash flows and the present value of the expected cash flows, taking into account the possibility of default by the State over the lifetime of the those receivables.

4.3. Liquidity risk

Liquidity risk is kept low, by means of ensuring high cash assets.

The maturity of Group and Company financial assets on 31.12.2023 can be broken down as follows:

FINANCIAL LIABILITIES MATURITY AS AT 31/12/2023

	THE GROUP				THE COMPANY			
	SHORT-TERM	LONG-TERM			SHORT-TERM	LONG-TERM		
	Within 1 year	1 to 5 years	Over 5 years	Total	Within 1 year	1 to 5 years	Over 5 years	Total
Long-term lease liabilities	-	46	-	46	-	46	-	46
Other long-term liabilities	-	-	19,575	19,575	-	-	19,575	19,575
Short-term lease liabilities	131	-	-	131	131	-	-	131
Suppliers and other liabilities	18,091	-	-	18,091	18,071	-	-	18,071
Short-term tax liabilities	1,167	-	-	1,167	1,166	-	-	1,166
Total	**19,389**	**46**	**19,575**	**39,011**	**19,368**	**46**	**19,575**	**38,990**

The maturity of Group and Company financial assets on 31.12.2022 can be broken down as follows:

FINANCIAL LIABILITIES MATURITY AS AT 31/12/2022

	THE GROUP				THE COMPANY			
	SHORT-TERM	LONG-TERM			SHORT-TERM	LONG-TERM		
	Within 1 year	1 to 5 years	Over 5 years	Total	Within 1 year	1 to 5 years	Over 5 years	Total
Long-term lease liabilities	-	211	-	211	-	211	-	211
Other long-term liabilities	-	-	18,305	18,305	-	-	18,305	18,305
Short-term lease liabilities	655	-	-	655	655	-	-	655
Suppliers and other liabilities	21,229	-	-	21,229	21,179	-	-	21,179
Short-term tax liabilities	1	-	-	1	-	-	-	-
Total	**21,886**	**211**	**18,305**	**40,401**	**21,834**	**211**	**18,305**	**40,350**

4.4 Capital risk management

The Group's aim when managing capital is to ensure the ability to continue operating, to generate profits for shareholders and benefits for other stakeholders and to maintain its capital structure which will reduce the cost of capital.

Capital is reviewed based on the gearing ratio. This ratio is calculated as net debt / total capital. Net debt is calculated as total borrowing (including short- and long-term loans presented in the balance sheet) less cash assets.

Total capital is calculated as equity presented in the balance sheet plus net debt. More specifically:

	THE GROUP		THE COMPANY	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Total borrowing	-	-	-	-
Less: Cash assets	(65,901)	(71,481)	(64,763)	(70,331)

Net debt	**(65,901)**	**(71,481)**	**(64,763)**	**(70,331)**
Total equity	178,646	177,420	178,514	177,299
Total capital	**112,745**	**105,939**	**113,751**	**106,968**
Gearing ratio	**-58.45%**	**-67.47%**	**-56.93%**	**-65.75%**

4.5 Determination of fair value

The fair value of financial instruments traded on active markets (Stock Exchanges) (e.g. derivatives, shares, bonds, mutual funds) is determined by the published prices which apply on the financial statements reference date.
The fair value of financial instruments not traded on active markets is determined using valuation techniques and assumptions based on market data on the financial statements reference date.

The amounts shown in the balance sheets for cash, short-term receivables and liabilities are close to the relevant fair values due to their short-term maturity. The nominal value less provisions for bad trade debts is deemed to be close to the actual value.

The Group and Company use the following scale to determine and disclose the fair value of financial instruments for each measurement technique:

Level 1 Negotiable (non-adjusted) prices on active markets for similar assets or liabilities.

Level 2 Other techniques for which all inflows with a major impact on recorded fair value are directly or indirectly observable.

Level 3: Financial assets valued using valuation techniques where the most important data is non-observable. When collecting non-observable data, the best available information is used, including Company data, while at the same time reflecting the assumptions of market participants (e.g. assumptions about risk). Level 3 financial assets include non-traded equities or equities traded on markets which are not considered active. Additional information is disclosed in Note 12.

5. MAJOR ACCOUNTING ESTIMATES AND ASSUMPTIONS

Preparation of the financial statements in accordance with the IFRS requires the use of certain important accounting estimates, which may affect the book balances in the balance sheet with the disclosures required, and the exercise of judgement by Management in applying and implementing accounting policies. Moreover, it requires the use of certain calculations and assumptions which affect the value of assets and liabilities mentioned, the disclosure of contingent receivables and liabilities on the date of preparation of the financial statements and the income and expenses for the duration of year being reported on. Despite the fact that these calculations are based on Management's best possible knowledge of current conditions and activities, the actual future results may in fact differ from those calculations. The estimates and judgements made by Management are re-examined continuously and are based on historical data and expectations about future events which are considered reasonable in light of current circumstances. The basic estimates and evaluations referring to data whose development could affect the financial statements' accounts in the upcoming 12 months are as follows:

5.1 Bad debt

The Group and Company apply the simplified approach in IFRS 9 to calculate expected credit losses, according to which the impairment provision is measured at the amount of expected lifetime credit losses of customer receivables and contractual assets. The Group and Company have formed provisions for bad debt to adequately cover the loss which can be reliably assessed as coming from those receivables. The provision formed is adjusted in each reporting period, with changes in it being recognised in the results for the period (more information in Notes 14 and 15).

5.2 Provision for income tax

The provision for income tax is calculated by estimating the taxes to be paid to the tax authorities and includes the current income tax for every financial year and a provision for surtaxes that may emerge in future tax audits. In order to determine the size of the Group and Company's provision for income tax, a proper understanding of these matters is required. The final statement of income tax payable may differ from the amounts entered in the Group and Company's financial statements and those differences may affect income tax and provisions for deferred tax.

5.3 Provisions for employee benefits

Employee benefit obligations are calculated based on a study prepared by independent actuaries. The final obligation may differ from the actuarial figure due to various facts related to the discount rate, inflation, pay rises, as well as demographic and other data.

5.4 Depreciation of tangible and intangible assets

The Group calculates depreciation on tangible and intangible assets based on estimates of their useful life. The residual value and useful life of those assets are re-examined and determined on each balance sheet date if that is considered necessary.

5.5. Impairment of tangible assets and holdings

Tangible assets are tested for impairment in case events or changes in the circumstances suggest that the accounting value may not be recoverable. In order to estimate the current value, Management estimates future cash flows arising from the asset or cash generating unit and chooses the suitable discount rate in order to estimate the future cash flows present value. Alternatively, it selects another reasonable method which it considers reflects the recoverable value of tangible assets at the end of the period in a reliable manner.

The book value of holdings is re-assessed for possible need for impairment when events or conditions indicate that their reported value may not be recovered.

5.6. Pending litigation

The Group is involved in legal proceedings and claims for compensation in the normal course of its operations. Calculating the contingent liabilities associated with pending litigation and claims is a complex process which includes value judgements about the likely consequences and also interpretations of laws and regulations. If the potential loss from litigation is considered probable and the amount can be estimated reliably, Management recognizes the relevant provision in the financial statements.

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

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

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

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

6. SEGMENTAL REPORTING

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

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

6.1.1 Distribution of income statement per business segment

	Group data for the period 1/1 - 31/12/2023		
	Provision of Water Supply Services	**Provision of Sewerage Services**	**GROUP TOTAL**
Sales to third parties	50,518	22,278	72,796
Less: Total cost of sales	(33,852)	(25,290)	(59,142)
Gross Profit	**16,666**	**(3,012)**	**13,654**
Other operating income	2,398	1,593	3,991
Selling and distribution expenses	(4,536)	(2,841)	(7,377)
Administrative expenses	(4,208)	(3,427)	(7,635)
Research and development expenses	(77)	(57)	(134)
Other operating expenses	(846)	(373)	(1,219)
Earnings before taxes, financial and investment results	**9,398**	**(8,118)**	**1,280**
Net Financial Income	977	372	1,349
Normal operating results	10,375	(7,746)	2,629
Results before tax	**10,375**	**(7,746)**	**2,629**
Income tax	(5,492)	4,105	(1,387)
Results net of tax	**4,883**	**(3,641)**	**1,242**
Earnings before taxes, financial and investment results and depreciation	**13,876**	**(7,151)**	**6,724**
Other income statement information			
Depreciation of fixed assets	4,478	1,119	5,597
Depreciation of grants	-	(153)	(153)

	Group data for the period 1/1 - 31/12/2022		
	Provision of Water Supply Services	**Provision of Sewerage Services**	**GROUP TOTAL**
Sales to third parties	46,435	24,468	70,902
Less: Total cost of sales	(38,297)	(27,034)	(65,331)
Gross Profit	**8,138**	**(2,566)**	**5,572**
Other operating income	1,731	1,958	3,689
Selling and distribution expenses	(3,720)	(2,476)	(6,196)
Administrative expenses	(3,729)	(3,036)	(6,765)
Research and development expenses	(95)	(68)	(163)
Other operating expenses	(483)	(254)	(737)
Earnings before taxes, financial and investment results	**1,842**	**(6,441)**	**(4,599)**
Net Financial Income	265	92	357
Normal operating results	2,107	(6,349)	(4,242)
Results before tax	**2,107**	**(6,349)**	**(4,242)**
Income tax	(128)	377	250
Results net of tax	**1,979**	**(5,972)**	**(3,993)**

Earnings before taxes, financial and investment results and depreciation	**6,375**	**(5,497)**	**878**
Other income statement information			
Depreciation of fixed assets	4,533	1,133	5,667
Depreciation of grants	-	(190)	(190)

6.1.2 Distribution of Assets and Liabilities per business segment

	Group data as at 31/12/2023		
Group data	**Provision of Water Supply Services**	**Provision of Sewerage Services**	**GROUP TOTAL**
Fixed Assets	48,865	37,042	85,906
Trade receivables, contractual assets and other receivables	41,184	18,162	59,345
Non-allocated assets	-	-	75,241
Total Assets	**90,049**	**55,203**	**220,493**
Future subsidy income	-	353	353
Liabilities	12,678	5,591	18,269
Non-allocated Liabilities	-	-	201,872
Total Liabilities	**12,678**	**5,944**	**220,493**

	Group data as at 31/12/2022		
Group data	**Provision of Water Supply Services**	**Provision of Sewerage Services**	**GROUP TOTAL**
Fixed Assets	44,234	33,532	77,766
Trade receivables, contractual assets and other receivables	41,573	21,906	63,480
Non-allocated assets	-	-	80,038
Total Assets	**85,808**	**55,438**	**221,284**
Future subsidy income	-	505	505
Liabilities	14,471	7,625	22,095
Non-allocated Liabilities	-	-	198,683
Total Liabilities	**14,471**	**8,130**	**221,284**

6.2 Break-down per Geographical Segment (secondary reporting type)

The Group's registered offices are in Greece and all the activities take place in Greece.

7. TANGIBLE ASSETS

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

	THE GROUP/ THE COMPANY						
	Plots – lots	Buildings and building facilities	Machinery & Mechanical Installations	Transportation equipment	Furniture and other equipment	Fixed assets under construction	Total
Acquisition or valuation value							
Balance on 1/1/2023	**18,896**	**6,369**	**129,092**	**1,875**	**5,190**	**18,951**	**180,372**
Additions 1/1 - 31/12/2023	-	31	1,154	496	794	11,291	**13,766**
Redistributions 1/1 - 31/12/2023	-	362	14	-	-	(974)	**(597)**
Total on 31/12/2023	**18,896**	**6,762**	**130,260**	**2,372**	**5,983**	**29,268**	**193,541**
Accumulated depreciation							
Balance on 1/1/2023	**-**	**2,896**	**95,322**	**1,531**	**4,070**	**-**	**103,819**
Depreciation of period 1/1 - 31/12/2023	-	212	4,247	142	279	-	**4,880**
Total on 31/12/2023	**-**	**3,108**	**99,569**	**1,673**	**4,348**	**-**	**108,699**
Net carried value on 31/12/2022	**18,896**	**3,473**	**33,769**	**345**	**1,120**	**18,951**	**76,553**
Net carried value on 31/12/2023	**18,896**	**3,653**	**30,691**	**699**	**1,635**	**29,268**	**84,842**

	THE GROUP/ THE COMPANY						
	Plots – lots	Buildings and building facilities	Machinery & Mechanical Installations	Transportation equipment	Furniture and other equipment	Fixed assets under construction	Total
Acquisition or valuation value							
Balance on 1/1/2022	**18,896**	**6,107**	**125,637**	**1,836**	**4,945**	**8,217**	**165,638**
Additions 1/1 - 31/12/2022	-	118	2,424	39	245	11,907	**14,734**
Redistributions 1/1 - 31/12/2022	-	143	1,030	-	-	(1,174)	**-**
Total on 31/12/2022	**18,896**	**6,369**	**129,092**	**1,875**	**5,190**	**18,951**	**180,372**
Accumulated depreciation							
Balance on 1/1/2022	**-**	**2,689**	**90,876**	**1,444**	**3,823**	**-**	**98,832**
Depreciation of period 1/1 - 31/12/2022	-	207	4,446	87	247	-	**4,987**
Total on 31/12/2022	**-**	**2,896**	**95,322**	**1,531**	**4,070**	**-**	**103,819**
Net carried value on 31/12/2021	**18,896**	**3,418**	**34,761**	**392**	**1,122**	**8,217**	**66,806**
Net carried value on 31/12/2022	**18,896**	**3,473**	**33,769**	**345**	**1,120**	**18,951**	**76,553**

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

Additions to assets under construction were worth € 11,291 thousand. This relates to work on the new building at 127 Egnatias St., works to extend and improve water supply and sewerage networks and the acceptance of privately-owned vehicles.

The reallocations to assets under construction amounting to € (974) thousand pertain to the consolidation of new investments made ready for use during the 2023 financial year in the categories of "Buildings and building facilities", "Machinery and mechanical facilities" and "Intangible assets" (Note 8).

8. INTANGIBLE ASSETS

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

	THE GROUP/ THE COMPANY		
	Software Applications	Other Intangible assets	Total
Acquisition or valuation value			
Balance on 1/1/2023	1,790	-	1,790
Additions 1/1 - 31/12/2023	8	3	10
Amounts carried forward 1/1 - 31/12/2023	56	541	597
Total on 31/12/2023	**1,855**	**544**	**2,398**
Accumulated depreciation			
Balance on 1/1/2023	1,692	-	1,692
Depreciation of period 1/1 - 31/12/2023	30	29	59
Total on 31/12/2023	**1,722**	**29**	**1,751**
Net carried value on 31/12/2022	**98**	**-**	**98**
Net carried value on 31/12/2023	**132**	**515**	**647**

	THE GROUP/ THE COMPANY		
	Software Applications	Other Intangible assets	Total
Acquisition or valuation value			
Balance on 1/1/2022	1,739	-	1,739
Additions 1/1 - 31/12/2022	51	-	51
Amounts carried forward 1/1 - 31/12/2022	-	-	-
Total on 31/12/2022	**1,790**	**-**	**1,790**
Accumulated depreciation			
Balance on 1/1/2022	1,651	-	1,651
Depreciation of period 1/1 - 31/12/2022	42	-	42
Total on 31/12/2022	**1,692**	**-**	**1,692**
Net carried value on 31/12/2021	**88**	**-**	**88**
Net carried value on 31/12/2022	**98**	**-**	**98**

9. RIGHT-OF-USE ASSETS

The recognised right-of-use assets which are presented in the assets in the Group and Company's statement of financial position are right-of-use buildings. The right-of-use assets of the Company and the Group can be broken down as follows:

	THE GROUP/ THE COMPANY	
	Buildings and building facilities	**Total**
Recognition value		
Balance on 1/1/2023	**3,014**	**3,014**
Additions 1/1 - 31/12/2023	65	**65**
Adjustments 1/1 - 31/12/2023	53	**53**
Expiry of leases 1/1 - 31/12/2023	(161)	**(161)**
Total on 31/12/2023	**2,971**	**2,971**
Accumulated depreciation		
Balance on 1/1/2023	**1,899**	**1,899**
Depreciation of period 1/1 - 31/12/2023	655	655
Total on 31/12/2023	**2,554**	**2,554**
Net carried value on 31/12/2023	**417**	**417**

For 2022:

	THE GROUP/ THE COMPANY	
	Buildings and building facilities	**Total**
Recognition value		
Balance on 1/1/2022	**3,004**	**3,004**
Settlements 1/1– 31/12/2022	9	9
Total on 31/12/2022	**3,014**	**3,014**
Accumulated depreciation		
Balance on 1/1/2022	**1,261**	**1,261**
Depreciation of period 1/1– 31/12/2022	638	638
Total on 31/12/2022	**1,899**	**1,899**
Net carried value on 31/12/2022	**1,115**	**1,115**

The adjustment in the value of right-of-use assets of € 53 thousand (€ 9 thousand during the comparator period) relates to an adjustment in the rents for properties at 91 Tsimiski St. based on the valuation specified in the lease agreement from 1.7.2023. The lease for the same leased property was terminated early on 31.12.2023 due to transfer to the new building at 127 Egnatias St. with a total impact of € 161 thousand. Lastly, during the year a new leased property was recognised for the property at 7 Nearchou St. in Pylea with a total impact of € 65 thousand.

10. PARTICIPATIONS IN SUBSIDIARIES

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

31.12.2023	**31.12.2022**

Opening balance	**1,060**	**60**
Share capital increase / (decrease) in holdings	-	1,000
Closing balance	**1,060**	**1,060**

11. LONG-TERM RECEIVABLES

Long-term receivables on 31.12.2023 primarily represented guarantees provided to PPC worth € 392 thousand (2022: € 423 thousand) and long-term trade receivables after settlements made to pay them, worth € 4,057 thousand (2022: € 2,631 thousand).

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

	31.12.2023	31.12.2022
Opening balance	50	**50**
Sales	(50)	
Closing balance	**-**	**50**

During the current year, Metropolitan Development Agency Thessaloniki S.A. returned capital worth € 50 thousand to the Company. The Company had recognised that amount in the financial assets measured at fair value through other comprehensive income, which corresponded to the purchase of 1,783 shares in that company.

Fair value was measured in accordance with Level 3: Prices from valuation models not based on observable market data" and there was no change in fair value.

	THE GROUP/ THE COMPANY		Fair value scaling
Assets	**31.12.2023**	**31.12.2022**	
Financial assets measured at fair value through other comprehensive income	-	50	Level 3

13. INVENTORIES

Group and Company inventories can be broken down as follows:

	THE GROUP/THE COMPANY	
	31.12.2023	**31.12.2022**
Raw direct and indirect materials - consumables - spare parts	1,477	1,873
Down-payments for inventories	28	
Impairment of inventories	(35)	(35)
Total after impairment	**1,470**	**1,837**

There is an impairment provision of € 35 thousand on the Group's inventories (2022: € 35 thousand). Moreover, there are no pledges on the Group's inventories.

14. TRADE RECEIVABLES AND CONTRACTUAL ASSETS

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

	THE GROUP		THE COMPANY	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Trade receivables	39,037	42,427	39,037	42,392
Doubtful – disputed customers and debtors	43,889	40,413	43,874	40,397
Contractual assets	14,932	13,860	14,933	13,860
Non-current receivables from currently earned income	992	806	992	806
	98,851	**97,506**	**98,836**	**97,456**
Less: Provision for bad debt	(43,889)	(40,413)	(43,874)	(40,397)
Total trade receivables and contractual assets	**54,962**	**57,093**	**54,962**	**57,058**

The “contractual assets” account worth € 14,933 thousand (€ 13,833 thousand in the comparator period) relates to accrued, uninvoiced income from customers from supplying water and sewerage services, which will be invoiced for in the subsequent period.

The "Non-current receivables from currently earned income" account includes a provision for uninvoiced revenues for 2023 from the Central Macedonia Region of € 991 thousand compared to € 806 thousand in the previous period for that part of the relevant bilateral agreement which was implemented but not invoiced.

The book values of the above receivables represent their fair value and no discounting is required on the Balance sheet date.

On the balance sheet date 15.43% (17% in the comparator period) of the value of trade receivables comes from one customer, however, since it is a Greek state agency, the company considers that there is no question of it not being able to pay the amounts owed to the Company, nor any concentration risk from providing credit to the specific customer.

As far as the rest of the trade receivables portfolio is concerned, there is no concentration of credit risk since the Company has a large number of customers and the credit risk is spread.

The change in bad debts (trade and other receivables) and the provision formed can be broken down as follows:

	THE GROUP		THE COMPANY	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Balance on 1 January in accordance with IFRS 9	**41,209**	**38,967**	**41,193**	**38,951**
Provisions (expenses) for current period	5,011	3,090	5,011	3,090
Provisions used in current period	(1,535)	(848)	(1,535)	(848)
Balance on 31 December	**44,685**	**41,209**	**44,670**	**41,193**

Expected future credit losses are calculated using historical impairment rates which are expected to reflect the recoverability of current receivables in the future, in line with the simplified approach permitted by IFRS 9. More specifically, based on the turnaround analysis for trade receivables, the Group and Company calculate historical impairment rates per customer category level and apply the average over the last 5 years to trade receivables to calculate expected credit losses. To implement this, specialised software and automation tools are used due to the significant volume of underlying data.

The parent company sends bills to customers - consumers of water three times a year. Each bill is for the consumption of water of a calendar quarter.

15. OTHER RECEIVABLES

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

	THE GROUP		THE COMPANY	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Loans and other receivables from staff	525	467	525	467
Short-term receivables from related parties	-	-	1	25
Sundry debtors	2,343	1,744	2,343	1,735
Advances and credit control accounts	89	111	89	111
Prepaid expenses	396	339	396	339
Non-current receivables from currently earned income	1,566	905	1,566	905
Hellenic Republic - Other Receivables	260	3,617	185	3,554
	5,180	**7,183**	**5,104**	**7,136**
Less: Provision for bad debt	(796)	(796)	(796)	(796)
Total other receivables	**4,384**	**6,387**	**4,309**	**6,340**

The "Loans and other receivables from staff" account includes interest-free short-term payrolling advances, cash assistance and short-term interest-bearing loans to staff.

The advances and credit management account on 31/12/2023 mainly included receivables-bills for payment of the Company's collectors and other associates.

The "Hellenic Republic - Other Receivables" account consists of other tax withholdings for the current period and trade and other receivables from the Hellenic Republic. The change is primarily due to the State collecting the tax advance which arose in 2022.

16. CASH AND CASH EQUIVALENTS

Cash assets can be broken down as follows:

	THE GROUP		THE COMPANY	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Cash	23	-	23	-
Sight deposits	10,477	37,781	9,339	36,631
Time deposits	55,401	33,700	55,401	33,700
Total	**65,901**	**71,481**	**64,763**	**70,331**

Cash represents cash in hand, sight and time deposits of the Group, as well as cash on demand.

The Company considers time deposits with a maturity of less than 3 months and time deposits with a maturity of more than 3 months for which it is entitled to early liquidation without loss of capital to be cash.

Lastly, all sight and time deposits are deposited with Greek banks and there are no blocked cash and cash equivalents.

The rating of cash assets based on the credit ratings of FITCH is:

Credit rating in cash assets (Fitch)	THE GROUP		THE COMPANY	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
BB	51,990	-	51,990	-
B+	3,063	25,746	1,926	25,746
B-	-	1,847	-	697
B	-	775	-	775
Sight and time deposits in banks not rated by Fitch	10,825	43,113	10,825	43,113
Total	**65,878**	**71,481**	**64,740**	**70,331**

17. SHARE CAPITAL

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

	31.12.2023	31.12.2022
Number of registered shares	36,300,000	36,300,000
Nominal value per share (in Euro)	1.12	1.12
Nominal value	**40,656,000**	**40,656,000**
Premium on capital stock	**2,829,985**	**2,829,985**

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

According to the Company's Shareholder Registry, on 31/12/2023, shareholders with a significant participation percentage in the Company were:

SHAREHOLDER	Number of shares held	Holding on 31/12/2023	
Hellenic Republic	18,150,001	50.00%	+1
HRADF	8,717,999	24.02%	
VIGIE GROUPE	1,982,870	5.46%	
Other shareholders	7,449,130	20.52%	
Total	**36,300,000**	**100.00%**	

Accordingly, based on the Company's Shareholder Registry, on 31/12/2022, shareholders with a significant participation percentage in the Company were:

SHAREHOLDER	Number of shares held	Holding on 31/12/2022	
HCAP	18,150,001	50.00%	+1
HRADF	8,717,999	24.02%	
VIGIE GROUPE	1,982,870	5.46%	
Other shareholders	7,449,130	20.52%	
Total	**36,300,000**	**100.00%**	

At its meeting on 21.2.2018, the Interministerial Committee for Restructuring and Privatisation decided to:

1. Revoke Interministerial Committee for Restructuring and Privatisation decision No. 195/27.10.2011 (Government Gazette 754/B) to the extent that it transferred 14,520,000 shares in EYATH owned by the Hellenic Republic to the company Hellenic Republic Asset Development Fund S.A. That decision is effective from 1.1.2018.

2. Revoke Interministerial Committee for Restructuring and Privatisation decision No. 206/25.4.2012 (Government Gazette 1363/B/26.4.2012), to the extent that it transferred 3,630,001 shares in EYATH owned by the Hellenic Republic to the company Hellenic Republic Asset Development Fund S.A. That decision is effective from 1.1.2018.

The decision was published in Government Gazette 614/B/22.2.2018. In light of that 18,150,001 shares of EYATH S.A. belong to the State (50% + 1 share) and 8,717,999 shares (24.017%) belong to HRADF.

According to the notice submitted by the Ministry of Finance, which the company received by email on 21.3.2018, on 20.3.2018 following an OTC trade on that date the Hellenic Republic transferred free of charge 18,150,001 shares in EYATH S.A. to HCAP, in accordance with Article 380(20) of Law 4512/2018, as amended by Article 197(1) of Law 4389/2016. That transfer is effective from 1.1.2018.

Under the provisions of Article 64 of Law 5045/2023 (Government Gazette 136/A/29.7.2023) it was decided that EYATH's shares would be automatically transferred free of consideration by HCAP S.A. to the Greek State; that transfer took place on 3.8.2023.

The total voting rights controlled by the Hellenic Republic remain at 74.02%. The Hellenic Republic owns all voting rights in Hellenic Corporation of Assets and Participations S.A. (HCAP S.A.) which in turn holds all voting rights in HRADF.

The Hellenic Republic's total direct and indirect holding in those companies has not changed.

18. RESERVES

The company's and Group's reserves can be broken down as follows:

	THE GROUP		THE COMPANY	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Statutory Reserve	13,575	13,575	13,552	13,552
Special law untaxed reserves	399	399	399	399
Reserves for own share acquisition	1	1	1	1
Other reserves	16,635	16,635	16,635	16,635
Balance	**30,610**	**30,610**	**30,587**	**30,587**

Under Greek company law, the establishment of a statutory reserve (by transferring 5% of the annual earnings net of tax to it each year) is mandatory until an amount accounting for 1/3 of the share capital has been reached. The "statutory reserve" is distributed only upon the final winding up and liquidation of the Company; it may though be set off against accumulated losses.

The tax law reserves were established under the provisions of tax laws which either entitle the taxation of certain income to be rolled forward to the time at which that income is distributed to shareholders or grant certain tax breaks as incentives for making investments.

The own shares reserve consists of fractional rights in shares from share capital increases in which gratis shares were distributed on 17/1/2003.

Since on 31.12.2023 the balance of the statutory reserve formed has been at one third of the Group's share capital. Consequently, there is no need to form an additional reserve.

19. PROVISIONS FOR EMPLOYEE BENEFITS

The Company's and Group's obligation to staff employed in Greece for future payment of benefits depending on their length of previous service is measured and presented based on the accrued right expected to be paid to each employee, on the balance sheet date, discounted at present value, compared to the expected time of payment. The accrued benefits of each period are charged in profit or loss with corresponding increase of the pension liability. The payment of benefits to employees leaving due to retirement correspondingly decrease the pension liability.

The present value is an estimate made at a specific point in time (the present). That estimate calculates an amount which is considered to express the economic equivalent (at the present time) of one or more amounts which will be paid at future points in time. The need to calculate the present value rises from the established principle that amounts which refer to different points in time are not comparable. To be able to compare the two or more amounts, they must be 'extrapolated' to the current date.

The obligation arising from currently completed service is equal to the present value of benefits accrued up to the valuation date (i.e. those which correspond to completed service by members on the valuation date) and is based on estimated final pensionable pay for active members.

Contributions are the present value of the increase for benefits due to one year's service, which will be added during the year after the valuation date, relate to service during that year and are based on estimated final pensionable pay for active members. That is done by calculating present value, which is the only method acceptable under IAS 19.
The number of staff employed in the Company and the corresponding payroll cost are as follows:

	THE GROUP/THE COMPANY	
	31/12/2023	31/12/2022
Payroll expenses	11,825	11,073
Employer contributions	2,704	2,520
Other benefits and staff expenses	750	572
Personnel dismissal and retirement compensation provision	387	123
Total cost	**15,666**	**14,289**
No. of employees	**344**	**323**

During 2023 a total of eight (8) employees were recruited under a private law fixed-term employment contract of 8 months, compared to nine employees in the previous year. Since then, the Company has not engaged any more employees under fixed-term employment relationships.

Moreover, during 2023 a total of 41 individuals with university, technological and secondary education were recruited under private law open-ended employment contracts on the basis of Hellenic Supreme Staff Selection Council competition notice No. 10K/2021. Another 7 posts remain to be filled but they are expected to be filled in the coming months.

The Group and Company obligation to pay compensation to its staff leaving due to retirement was reduced based on an actuarial study which was prepared by an independent company of certified actuaries. The key figures and assumptions of the actuarial study are as follows:

	THE GROUP/ THE COMPANY		
	31.12.2023		31.12.2022
Provisions for retirement benefits	1,371		1,128
	1,371		**1,128**

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

Changes in net liability recognised in the balance sheet	THE GROUP/THE COMPANY		
	31.12.2023		**31.12.2022**
Current value of non-financed liabilities	1,371		1,128
Fair value of plan assets			
	1,371		**1,128**
Net liability recognised in balance sheet	**1,371**		**1,128**

Amounts recognised in income statement

	THE GROUP/THE COMPANY		
	31.12.2023		**31.12.2022**
Cost of current employment	92		113
Interest on liability	37		10
Normal expenses in income statement	**129**		**123**
Recognition of past service cost	276		1
Cost of cutbacks / settlements / termination of service	19		9
Total expense in income statement	**424**		**133**

Changes in net liability recognised in the balance sheet

	THE GROUP/THE COMPANY		
	31.12.2023		**31.12.2022**
Net liability at start of period	**1,128**		**1,265**
Benefits paid by employer	(201)		(140)
Total expense recognised in income statement	424		133
Amount recognised directly in comprehensive income statement	20		(130)
Net liability at end of period	**1,371**		**1,128**
Adjustment			
Net liability at end of period	**1,371**		**1,128**

Change in net value of liability		
Present value of liability at start of period	**1,128**	**1,265**
Cost of current employment	92	113
Interest cost	37	10
Benefits paid by employer	(201)	(140)
Cost of cutbacks / settlements / termination of service	19	9
Past service cost during previous period	276	1
Amounts recognised in other comprehensive income	20	(130)
Present value of liability at end of period	**1,371**	**1,128**

Actuarial assumptions		
Discount Rate	3.09%	3.80%
Inflation	2.60%	3.00%
Future increases of salaries	3.40%	3.00%
Retirement Increase Rate	0.00%	0.00%

On the valuation date (31.12.2023) use of a discount rate 0.5% lower would result in the actuarial obligation being 3% higher.

The relevant sensitivity tests for the expected pay rise showed that use of a higher expected pay rise of 0.5% would result in the actuarial obligation being 0.0% higher.

Based on the actuarial study, the gross value of the amount recognised in other comprehensive income is € (16) thousand, of which the net amount is € (20) thousand and the corresponding deferred tax is € 5 thousand.

20. PROVISIONS FOR CONTINGENCIES AND EXPENSES

A provision of € 378 thousand covers contingent liabilities that may arise during the settlement of litigation with third parties and Company staff.

Income from unused provisions of € 1,016 thousand relates to the reversal of existing provisions for litigation either due to the cancellation of cases or due to a positive outcome in those cases based on court rulings.

The provisions used relate to reversal of existing provisions relating to litigation whose final judgment was negative for the Group and Company worth € 79 thousand.

For the period ended on 31.12.2023 the change in the provisions account for the Group and Company was as follows:

	THE GROUP/THE COMPANY		
Long-term provisions	**Pending litigation**	**Provisions for contingencies & expenses**	**Total**
01 January 2023	**1,829**	**-**	**1,829**
Additional provisions for year	378	-	**378**
Income from unused provisions	(1,016)	-	**(1,016)**
Provisions used/reversal of provisions for the period	(79)	-	**(79)**
31 December 2023	**1,113**	**-**	**1,113**

For the period ended on 31.12.2022 the change in the provisions account for the Group and Company was as follows:

	THE GROUP/ THE COMPANY		
Long-term provisions	**Pending litigation**	**Provisions for contingencies & expenses**	**Total**
01 January 2022	**1,439**	**164**	**1,603**
Additional provisions for year	475	-	**475**
Income from unused provisions	(6)	-	**(6)**
Provisions used/reversal of provisions for the period	(79)	(164)	**(243)**
31 December 2022	**1,829**	**-**	**1,829**

21. GRANTS

	THE GROUP/ THE COMPANY		
	31.12.2023		**31.12.2022**
Opening balance	**505**		**695**
Depreciation of grants carried forward to results	(153)		(190)
End of period balance	**353**		**505**

Grants primarily relate to the construction of the Company's water supply and sewerage network. The Company has complied with all obligations required in order to receive the grants and so there is no issue of the grants being returned.

22. OTHER LONG-TERM LIABILITIES

The sum of €17,612 thousand on 31/12/2023 and € 16,968 thousand on 31/12/2022 related to guarantees from customers for use of meters and for bills, which were collected when the initial supply connection was made. Those guarantees are returned (without interest) when the customer terminates the connection. The guarantees have been recorded at nominal value, and not at fair value when initially recorded and then subsequently at carried cost because customers may request those amounts back at any time. The sum of € 1,947 on 31.12.2023 and the sum of € 1,321 thousand on 31.12.2022 related to long-term revenues for subsequent years related to the technical project entitled "Works to complete connection of the Thessaloniki low-lying areas" which is co-financed via the Central Macedonia Region by the European Programme "Central Macedonia 2014-2020" in the context of the project entitled "Remaining works at the K16 interchange at the junction of PATHE and the Thessaloniki Inner Ring Road". Lastly, a figure of € 16 thousand during the current and comparator period refers to other long-term liabilities.

23. LEASE LIABILITIES

Group and Company lease liabilities can be broken down as follows:

	THE GROUP/THE COMPANY
Adjusted balance of lease liabilities as at 1.1.2023	**866**
Of which:	
Long-term lease liabilities	211
Short-term lease liabilities	655
Lease liabilities as at 1.1.2023	**866**
Additions	65
Adjustments	86
Expiry of leases	(161)
Lease repayments	(695)
Financial cost for period	17
Lease liabilities as at 31.12.2023	**177**
Of which:	
Long-term lease liabilities	46
Short-term lease liabilities	131
Lease liabilities as at 31.12.2023	**177**

Group and Company lease liabilities mature as follows:

Maturity of liabilities:	THE GROUP/THE COMPANY
Up to 1 year	135
From 1 to 2 years	47
From 2 to 5 years	-
Over 5 years	-
Total	**182**
Less: Future financial charges for leases	(4)
Lease liabilities as at 31.12.2023	**177**

For 2022:

	THE GROUP/THE COMPANY
Adjusted balance of lease liabilities as at 1.1.2022	**1,487**
Of which:	
Long-term lease liabilities	859
Short-term lease liabilities	628
Lease liabilities as at 1.1.2022	**1,487**
Additions	-
Adjustments	9
Expiry of leases	-
Lease repayments	(674)
Financial cost for period	43
Lease liabilities as at 31.12.2022	**866**
Of which:	
Long-term lease liabilities	211
Short-term lease liabilities	655
Lease liabilities as at 31.12.2022	**866**

Group and Company lease liabilities for 2022 mature as follows:

Maturity of liabilities:	THE GROUP/THE COMPANY
Up to 1 year	676
From 1 to 2 years	214
From 2 to 5 years	-
Over 5 years	-
Total	**891**
Less: Future financial charges for leases	(25)
Lease liabilities as at 31.12.2022	**866**

24. TRADE AND OTHER LIABILITIES

The total liabilities of the Group and the Company to suppliers and other third parties are broken down as follows:

	THE GROUP		THE COMPANY	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Suppliers	12,430	14,994	12,414	14,978
Cheques payable	5	5	5	5
Other Taxes - Duties	699	431	699	431
Insurance and pension fund dues	621	569	621	569
Accrued expenses	3,225	4,337	3,222	4,304
Sundry creditors	1,081	856	1,079	855
Total	**18,061**	**21,192**	**18,040**	**21,142**

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

	THE GROUP		THE COMPANY	
	SHORT-TERM 2023		SHORT-TERM 2023	
	WITHIN 6 MONTHS	FROM 6 TO 12 MONTHS	WITHIN 6 MONTHS	FROM 6 TO 12 MONTHS
Suppliers	12,430	-	12,414	-
Cheques payable	5	-	5	-
Insurance and pension fund dues	621	-	621	-

Sundry creditors	1,081	-	1,079	-
Accrued expenses	3,225	-	3,222	-
Other taxes and duties	699	-	699	-
Total	**18,061**	**-**	**18,040**	**-**

	THE GROUP		THE COMPANY	
	SHORT-TERM 2022		SHORT-TERM 2022	
	WITHIN 6 MONTHS	FROM 6 TO 12 MONTHS	WITHIN 6 MONTHS	FROM 6 TO 12 MONTHS
Suppliers	14,994	-	14,978	-
Cheques payable	5	-	5	-
Insurance and pension fund dues	569	-	569	-
Sundry creditors	856	-	855	-
Accrued expenses	4,337	-	4,304	-
Other taxes and duties	431	-	431	-
Total	**21,192**	**-**	**21,142**	**-**

25. SHORT-TERM TAX LIABILITIES

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

	THE GROUP		THE COMPANY	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Income tax	1,167	1	1,166	-
	1,167	**1**	**1,166**	**-**

26. EXPENSES PER CATEGORY

Expenses per category for the Group and Company in 2023 can be broken down as follows:

For the 2023 annual period, administrative expenses include fees of the auditing company of € 28.5 thousand relating to other assurance works.

THE GROUP					
for the period ended on 31/12/2023	**Cost of Goods Sold**	**Selling & distribution expenses**	**Administrative expenses**	**Research & Development expenses**	**Total**
Cost of goods used	2,150	-	-	-	2,150
Self-supplied fixed assets	(167)	-	-	-	(167)
Staff salaries and expenses	10,269	1,888	3,440	88	15,685
Third party fees and expenses	752	1,290	2,590	7	4,638
Electricity	22,355	296	382	-	23,034
Rent	29	3	17	-	49
Maintenance - Repair expenses	16,475	2	38	-	16,515
Other charges for outside services	147	24	326	-	497
Expenses from tax and duties	275	118	230	-	623
Various expenses	1,491	280	395	24	2,190
Depreciation of tangible & intangible assets	5,365	-	217	15	5,597
Provision for bad debt	-	3,477	-	-	3,477
Total	**59,142**	**7,377**	**7,635**	**134**	**74,288**

THE COMPANY					
for the period ended on 31/12/2023	**Cost of Goods Sold**	**Selling & distribution expenses**	**Administrative expenses**	**Research & Development expenses**	**Total**

Cost of goods used	2,150	-	-	-	2,150
Self-supplied fixed assets	(167)	-	-	-	(167)
Staff salaries and expenses	10,269	1,888	3,440	88	15,685
Third party fees and expenses	752	1,290	2,573	7	4,621
Electricity	22,355	296	382	-	23,034
Rent	29	3	17	-	49
Maintenance - Repair expenses	16,475	2	38	-	16,515
Other charges for outside services	147	24	326	-	497
Expenses from tax and duties	275	118	230	-	623
Various expenses	1,491	280	393	24	2,188
Depreciation of tangible & intangible assets	5,365	-	217	15	5,597
Provision for bad debt	-	3,477	-	-	3,477
Total	**59,142**	**7,377**	**7,616**	**134**	**74,269**

The corresponding expenses for 2022 can be broken down per category for the Group and Company as follows:

THE GROUP

for the period ended on 31/12/2022	Cost of Goods Sold	Selling & distribution expenses	Administrative expenses	Research & Development expenses	Total
Cost of goods used	2,087	-	-	-	2,087
Self-supplied fixed assets	(155)	-	-	-	(155)
Staff salaries and expenses	9,114	1,901	3,193	132	14,339
Third party fees and expenses	776	1,142	1,888	-	3,806
Electricity	30,010	382	493	-	30,885
Rent	44	3	34	-	81
Maintenance - Repair expenses	15,872	-	90	-	15,962
Other charges for outside services	319	25	292	-	635
Expenses from tax and duties	295	128	221	-	644
Various expenses	1,553	318	334	1	2,206
Depreciation of tangible & intangible assets	5,416	-	221	30	5,667
Provision for bad debt	-	2,297	-	-	2,297
Total	**65,331**	**6,196**	**6,765**	**163**	**78,454**

THE COMPANY

for the period ended on 31/12/2022	Cost of Goods Sold	Selling & distribution expenses	Administrative expenses	Research & Development expenses	Total
Cost of goods used	2,087	-	-	-	2,087
Self-supplied fixed assets	(155)	-	-	-	(155)
Staff salaries and expenses	9,114	1,901	3,193	132	14,339
Third party fees and expenses	776	1,142	1,800	-	3,718
Electricity	30,010	382	493	-	30,885
Rent	44	3	34	-	81
Maintenance - Repair expenses	15,872	-	90	-	15,962

Other charges for outside services	319	25	292	-	635
Expenses from tax and duties	295	128	220	-	643
Various expenses	1,553	318	334	1	2,205
Depreciation of tangible & intangible assets	5,416	-	221	30	5,667
Provision for bad debt	-	2,297	-	-	2,297
Total	**65,331**	**6,196**	**6,675**	**163**	**78,364**

27. OTHER OPERATING EXPENSES - OTHER OPERATING INCOME

Other operating income can be broken down as follows:

	THE GROUP		THE COMPANY	
	1/1-31/12/2023	1/1-31/12/2022	1/1-31/12/2023	1/1-31/12/2022
Income from Subsidies	253	140	253	140
Rainwater network management & maintenance compensation	790	1,100	790	1,100
Income from services provided	1,316	1,659	1,316	1,660
Rent	31	36	-	-
Depreciation on subsidies	153	190	153	190
Other income	348	260	348	260
Income from prior period provisions	1,100	304	1,100	304
Total other operating income	**3,991**	**3,689**	**3,960**	**3,654**

Other operating expenses can be broken down as follows:

	THE GROUP		THE COMPANY	
	1/1-31/12/2023	1/1-31/12/2022	1/1-31/12/2023	1/1-31/12/2022
Tax and other fines and surcharges	5	1	5	1
Compensation to third parties for damage to the water supply and sewerage network	133	104	133	104
Compensation under court rulings	231	21	231	21
Other expenses, provisions and losses	378	475	378	475
Losses from replacement of water meters and Other losses	405	70	405	70
Other prior period expenses	67	66	67	66
Total other expenses	**1,219**	**737**	**1,219**	**737**

Other expenses, provisions and losses on 31.12.2023 stood at € 378 thousand (2022: € 475 thousand) and include provisions for pending litigation.

28. FINANCIAL INCOME/(EXPENSES)

Financial income (expenses) can be broken down as follows:

	THE GROUP		THE COMPANY	
	1/1-31/12/2023	1/1-31/12/2022	1/1-31/12/2023	1/1-31/12/2022
Financial expenses for discounting receivables	58	50	58	50
Financial expenses for finance leases	17	43	17	43
Financial cost of actuarial study	37	10	37	10
Other financial expenses	100	99	100	99
Total financial expenses	**211**	**202**	**211**	**202**
Interest and related income	956	285	956	285
Accrued credit interest	604	274	604	274
Total financial income	**1,560**	**559**	**1,560**	**559**
Net financial income/(expenses)	**1,349**	**357**	**1,349**	**357**

It should be noted that the balance of the Group account "Credit interest and related income" as at 31/12/2023 amounted to € 956 thousand and includes financial income from discounting the long-term settlement with the Municipality of Pylea - Hortiatis of € 61 thousand and other interest of € 895 thousand, which primarily relates to interest on deposits. "Accrued credit interest" includes the sum of € 270 thousand which corresponds to accrued income from the Bank of Greece and € 334 thousand relating to accrued interest on time deposits.

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

29. INCOME TAX

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

The tax charge was calculated as follows:

	THE GROUP		THE COMPANY	
	1/1-31/12/2023	1/1-31/12/2022	1/1-31/12/2023	1/1-31/12/2022
Income tax	1,189	17	1,189	3,971
Deferred tax	198	(267)	198	447
Total	**1,387**	**(250)**	**1,387**	**4,417**

The tax amount in the "Income tax" line of the comprehensive income statement is different from the theoretical amount that would arise by applying the current tax rate to the Company's profits. This difference is as follows:

	THE GROUP		THE COMPANY	
	1/1-31/12/2023	1/1-31/12/2022	1/1-31/12/2023	1/1-31/12/2022
Earnings before tax	**2,629**	**(4,242)**	**2,618**	**(4,188)**
Tax calculated at the corporation tax rate (22%)	576	-	576	-
Expenditure not exempted from income tax	207	79	207	71
Untaxed income	(3)	(2)	(3)	(2)
Other differences in accounting/taxation base	607	(327)	607	(319)
Total taxes in Comprehensive Income Statement	**1,387**	**(250)**	**1,387**	**(250)**

As far as the rates used to calculate deferred tax are concerned, note that paragraph of IAS 12 "Income Tax" states that:

"Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date".

Consequently, deferred tax was calculated using the new tax rates which apply in the year in which the asset or liability is expected to be settled.

The fact that in some cases income and expenses are booked at a time other than the time at which income is taxed or expenses deducted for the purpose of determining taxable income gives rise to the need to recognise deferred tax assets or deferred tax liabilities.

The deferred tax asset/liability recognised by the Group and the Company can be broken down as follows:

	THE GROUP/ THE COMPANY	
	31.12.2023	31.12.2022
Deferred tax assets	4,551	4,845
Deferred tax liabilities	(1,129)	(1,230)
Total deferred tax in the Statement of Financial Position	**3,422**	**3,615**

	THE GROUP/ THE COMPANY	
	31.12.2023	31.12.2022
Opening balance	**3,615**	**3,377**
Tax on income/equity	(193)	237
Closing balance	**3,422**	**3,615**

	THE GROUP / THE COMPANY			
	As at 31/12/2022	Credits (Debits) in results	Credits (Debits) in equity	As at 31/12/2023
Deferred tax liabilities				
Adjustment of fixed asset subsidies	(1,230)	101	-	(1,129)
	(1,230)	101	-	(1,129)
Deferred tax assets				
Depreciation on tangible assets	2,980	29	-	3,009
De-recognition of depreciation on capital expenditure and adjustment in depreciation for intangible assets	594	(21)	-	573
Adjustment of value of receivable accounts	576	(1)	-	576
Provisions for contingencies - other provisions	(85)	(341)	-	(426)
Personnel dismissal and retirement compensation provision	248	49	5	302
Other long-term liabilities	291	138	-	428
Impact of adopting IFRS 16	241	(152)	-	89
	4,845	(298)	5	4,551
Net deferred tax assets in the statement of financial position	**3,615**	**(198)**	**5**	**3,422**
Presentation in statement of financial position				
Deferred tax liabilities (net)	-			-
Deferred tax assets (net)	3,615			3,422
	3,615			**3,422**

	THE GROUP / THE COMPANY			
	As at 31/12/2021	Credits (Debits) in results	Credits (Debits) in equity	As at 31/12/2022
Deferred tax liabilities				
Adjustment of fixed asset subsidies	(1,323)	93	-	(1,230)
	(1,323)	93	-	(1,230)
Deferred tax assets				
Depreciation on tangible assets	2,871	109	-	2,980
De-recognition of depreciation on capital expenditure and adjustment in depreciation for intangible assets	615	(21)	-	594
Adjustment of value of receivable accounts	604	(28)	-	576
Provisions for contingencies - other provisions	(45)	(40)	-	(85)
Personnel dismissal and retirement compensation provision	278	(1)	(29)	248
Other long-term liabilities	-	291	-	291
Impact of adopting IFRS 16	378	(137)	-	241
	4,700	174	(29)	4,845
Net deferred tax assets in the statement of financial position	**3,377**	**267**	**(29)**	**3,615**
Presentation in statement of financial position				
Deferred tax liabilities (net)	-			-
Deferred tax assets (net)	3,377			3,615
	3,377			**3,615**

Deferred income tax is calculated using the expected applicable tax rate at the time the tax asset/liability matures.

30. EARNINGS / (LOSSES) PER SHARE

The basic earnings / (losses) per share are calculated by dividing the net earnings / (losses) for the period by the average weighted number of ordinary shares outstanding during the period. Earnings / (losses) are defined as profits or losses from the Group's continuing operations. It should be clearly understood that during the current and previous financial year there were no discontinued operations. There are no debentures convertible to shares or other potential instruments convertible to shares which would reduce earnings / (losses) during the periods to which the financial statements relate and consequently diluted earnings / (losses) per share have not been calculated.

Basic earnings /(losses) per share were calculated as follows:

	THE GROUP		THE COMPANY	
	1/1-31/12/2023	1/1-31/12/2022	1/1-31/12/2023	1/1-31/12/2022
Net earnings / (losses) attributable to the Company's ordinary shareholders	**1,242**	**(3,993)**	**1,231**	**(3,938)**
Average weighted number of shares in circulation	36,300,000	36,300,000	36,300,000	36,300,000
Less: Weighted average number of own shares				
Total average weighted number of shares in circulation	**36,300,000**	**36,300,000**	**36,300,000**	**36,300,000**
Basic earnings /(losses) per share (in euro)	**0.0342**	**(0.1100)**	**0.0339**	**(0.1085)**

The Board of Directors proposed that a dividend of € 0.0276 be distributed per share. The dividend is subject to approval by the Ordinary General Meeting of Shareholders.

31. TRANSACTIONS WITH RELATED PARTIES

According to the Group, related parties are members of the Board of Directors, members of Management, as well as the shareholders holding a significant percentage of its share capital (including their related persons).

Note that for the 2018-2022 periods and for the period 1.1.2023-30.6.2023 the Company's financial statements are included in the consolidated financial statements of Hellenic Corporation of Assets and Participations S.A. (HCAP S.A.).

Under the provisions of Article 64 of Law 5045/2023 (Government Gazette 136/A/29.7.2023) shares in EYATH were transferred by HCAP S.A. to the Greek State on 3.8.2023. In accordance with paragraph 25 of IAS 24 'Related Party Disclosures', a reporting entity is exempt from the disclosure requirements in relation to the amount of the transactions, outstanding balances, including commitments, and provisions for doubtful debts, when transactions with related parties relate to:

1. a government that has control or joint control of, or significant influence over, the reporting entity;

2. another entity that is a related party because the same government has control or joint control of, or significant influence over, both the reporting entity and the other entity.

While according to paragraph 26 of the same standard, if a reporting entity applies the exemption in the above paragraph, it shall disclose the following about transactions and outstanding balances:

1. the name of the government and the nature of its relationship with the reporting entity (i.e. control, joint control or significant influence);

2. the following information in sufficient detail to enable users of the entity's financial statements to understand the effect of related party transactions on its financial statements:

1. the nature and amount of each individually significant transaction; and
2. for other transactions that are collectively, but not individually, significant, a qualitative or quantitative indication of their extent.

Applying this exemption, the Group presents transfer pricing transactions with entities associated with HCAP S.A. for the period 1.1.2023-2.8.2023 in its current financial report.

On 31.12.2023 the total number of voting rights (direct and indirect) controlled by the Greek State was 26,868,000 (74.02%), of which direct voting rights related to 18,150,001 (50% plus 1 share) ordinary registered shares and indirect voting rights related to 8,717,999 (24.02%) ordinary registered shares held directly by the Hellenic Republic Asset Development Fund S.A. (HRADF S.A.) in EYATH S.A. On that date there were no individual major transactions and during the year overall the transactions which need to be reported overall were sales to the Greek State which accounted for 9% of total turnover.

The Group's trading transactions with related parties during the 1/1/2023-31/12/2023 period were carried out under market terms and in the framework of its usual business activity. The transactions and the balances of the Group's and Company's related parties, during the 1/1/2023 - 31/12/2023 period and as at 31/12/2023 respectively, as well as during the previous financial year, are broken down in the following tables (see also note 20 of the financial statements):

	THE GROUP		THE COMPANY	
	1/1-31/12/2023	1/1-31/12/2022	1/1-31/12/2023	1/1-31/12/2022
Income from subsidiary	-	-	1	1
Income from other HCAP S.A. related parties	77	170	77	170
Expenses to other HCAP S.A. related parties	14,640	31,523	14,640	31,523
Transactions with and fees for executives and board members	1,190	1,084	1,188	1,080

Transactions with and fees for senior executives and board members relate to salaries and other benefits specified in the Company's remuneration policy. Note that after submitting an application to that effect the Vice Chairman of the Board of Directors, Mr. Grigorios Penelis, opted not to receive the fees specified in the remuneration policy.

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

Expenses to other HCAP S.A. related parties relate primarily to services received (expenses for electricity supplied worth € 14,557 thousand) and the leasing of properties.

	THE GROUP		THE COMPANY	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Receivables from subsidiary	-	-	1	25
Receivables from other HCAP S.A. related parties	-	626	-	626
Liabilities to other HCAP S.A. related parties	-	7,174	-	7,174
Receivables from management executives and board members	6	5	6	5
Liabilities to management executives and board members	13	35	13	35

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

32. COMMITMENTS FROM CONTINGENT LIABILITIES

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

On 31.12.2023 there were active lawsuits, out-of-court notices and in general future claims totalling approximately € 13 million against the Company and Group, for which a provision of €1.1 million in total had been formed, which is included in the long-term liabilities account "Provisions for contingencies and expenses" (see Note 20).

Of those lawsuits, the sum of € 9 million relates to compensation for damage done by flooding or actions from various counterparties/suppliers and contractors for breach of contractual terms and € 4 million relates to labour disputes, retirement compensation and fines imposed by insurance funds.

The Group's Legal Department estimates that other than the provision formed there will be no other cases whose outcome in court will significantly affect the Group's assets and operations.

32.2. Other contingent liabilities

On 31.12.2023 the Group had granted performance bonds for project contracts of a total amount of € 493 (2022: € 526) which primarily relates to guarantee letters from the Strategic Planning, Projects and Development Division.

32.3 Open tax periods

Tax Compliance Report

For the years 2011 to 2023, the Company and its subsidiary EYATH Services S.A. have undergone a tax audit carried out by certified public accountants, as provided for in Article 82(5) of Law 2238/1994 (for the years 2011 to 2013) and Article 65a of Law 4172/2013 (Income Tax Code) (for the years from 2014 onwards). Upon completion of the tax audit by the certified public accountants for the periods 2011-2022, audit reports were issued with the assenting opinion for the Company and its subsidiary, while there were no tax liabilities other than those recorded and presented in the separate and consolidated financial statements.

For the 2023 financial year, the Tax Compliance Reports are expected to be issued after the publication of the annual financial statements.

After the completion of the tax audit, the Management of the Company and the Group does not anticipate any additional tax liabilities that will have a material effect, other than those recorded in the separate and consolidated financial statements.

Open tax periods

Note that based on their judgments in similar cases (see Council of State Judgments No. 1738/2017, 675/2017 and Athens 3-member Administrative Court of Appeal Judgment No. 1490/2016) the Administrative Courts have ruled that 2017 has been statute-barred for tax purposes (with a 5-year statute-barring period). In light of this, it is clear that audits can only be carried out for the years 2018-2023 for which the provisions on tax certificates and 18-month deadlines for carrying out random tax audits have been repealed.

33. NUMBER OF STAFF EMPLOYED

The Group employed a total of 344 people on 31.12.2023 compared to 323 in the comparator period. This figure includes 8 employees on fixed-term contracts (of 8 month’s duration) compared to 9 in the same period last year.

During 2023 a total of eight (8) employees were recruited under a private law fixed-term employment contract of 8 months, compared to nine (9) employees in the previous year. Since then, the Company has not engaged any more employees under fixed-term employment relationships.

During 2023 a total of 41 individuals with university, technological and secondary education were recruited under private law open-ended employment contracts on the basis of Hellenic Supreme Staff Selection Council competition notice No. 10K/2021. Another 7 posts remain to be filled but they are expected to be filled in the coming months.

34. SEASONALITY OF OPERATIONS

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

35. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

On 1.2.2024, EYATH and the Central Macedonia Region signed a framework agreement to implement the project entitled "Interventions and maintenance of the rainwater network in the Greater Thessaloniki Area for the years 2023-2025" with a budget of € 3,900,000 to protect the safety of life and property of residents of that area from floods.

On 7.3.2024, the first “green” bilateral power purchase agreement (PPA) with a public sector company was signed by EYATH S.A. and TERNA ENERGY S.A. Seeking to reduce its carbon footprint and energy costs, EYATH S.A. is the first company in the public and wider public sector to enter into such a contract under Law 4412/2016 following a tender procedure launched for the "Supply of electricity under a Financial/Virtual Corporate Power Purchase Agreement (PPA) with cash settlement, and transfer of certificates". As part of the contract, EYATH will procure electricity from TERNA ENERGY, a subsidiary of the GEK TERNA Group, of up to 100 GWh per year for a period of 8 years with an option for an additional 4 years. This energy will come from both wind and photovoltaic plants. More specifically, EYATH will procure energy from TERNA at an average price of less than € 80/MWh, 75 GWh from a wind farm already in operation and 25 GWh from a photovoltaic plant which is under construction. In addition to reducing energy costs for the company, an additional benefit will also arise from transferring the Green Certificates for this 'green' energy to EYATH.

Thessaloniki, 4 April 2024

Agis Papadopoulos	Anthimos Amanatidis	Dimitrios Alexandris
Chairman of the Board of Directors	CEO	CFO
ID Card No. AN 201633	ID Card No. AE 125155	ID Card No. AZ 683204

ECON. CHAMBER OF GREECE
LICENCE NO. 0105601 (1St Class)

AVAILABILITY OF FINANCIAL STATEMENTS

The annual and interim financial statements of the Group and Company, the Audit Report, and the Board of Directors' Annual Management Report to the Annual Ordinary General Meeting have been posted to the company's website (www.eyath.gr).