



**SEMI-ANNUAL FINANCIAL REPORT**

**OF THE GROUP AND EYDAP SA (COMPANY)  
FOR THE 1<sup>ST</sup> HALF OF 2017**

**IN ACCORDANCE WITH LAW 3556/2007 AND THE RELEVANT DECISIONS OF THE BOARD OF DIRECTORS  
OF THE CAPITAL MARKET COMMISSION**

## Semi-Annual Financial Report

Period from 1<sup>st</sup> January – 30<sup>th</sup> June 2017

The current Semi-Annual Financial Report was prepared according to Law 3556/2007 and the relevant decisions of the Board of Directors of the Capital Market Commission and includes the following:

- a) Statements of the Members of the Board of Directors
- b) Semi-Annual Board of Directors Management Report
- c) Interim Financial Statements for the period 01.01.2017 to 30.06.2017
- d) Independent Auditor's Report
- e) Data and Information for the period 01.01.2017 to 30.06.2017

It is declared that the current Semi-Annual Financial Report is the one which has been approved by the Board of Directors of **"Athens Water Supply and Sewerage Company S.A."** on 27.09.2017 and is available on the internet at the web site address <http://www.eydap.gr>.

## Contents

1.	STATEMENTS OF THE MEMBERS OF THE BOARD OF DIRECTORS	3
2.	SEMI-ANNUAL BOARD OF DIRECTORS MANAGEMENT REPORT	4
3.	INTERIM CONDENSED FINANCIAL STATEMENTS	22
	GENERAL INFORMATION FOR THE COMPANY	24
	INTERIM STATEMENT OF INCOME	25
	INTERIM STATEMENT OF TOTAL COMPREHENSIVE INCOME	25
	INTERIM STATEMENT OF FINANCIAL POSITION	26
	INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	27
	INTERIM CASH FLOW STATEMENT	28
	NOTES ON THE INTERIM CONDENSED SEMI-ANNUAL FINANCIAL STATEMENTS	29
1.	GENERAL INFORMATION	29
2.	BASIS OF PREPARATION	29
3.	ADOPTION OF NEW AND REVISED INTERNATIONAL STANDARDS	29
4.	ACCOUNTING PRINCIPLES	33
5.	RESULTS FOR THE PERIOD	33
6.	INCOME TAX	35
7.	EARNINGS PER SHARE	36
8.	DIVIDENDS	36
9.	OTHER INTANGIBLE AND TANGIBLE ASSETS	36
10.	LONG-TERM ASSETS	36
11.	MATERIALS, SPARE PARTS & CONSUMABLES	36
12.	RECEIVABLES FROM CUSTOMERS	37
13.	OTHER RECEIVABLES	37
14.	OPERATING SHORT-TERM LIABILITIES	37
15.	OTHER SHORT-TERM LIABILITIES	37
16.	INVESTMENTS IN SUBSIDIARIES	38
17.	INVESTMENTS AVAILABLE FOR SALE	38
18.	DEFERRED TAX ASSET	38
19.	SHARE CAPITAL	39
20.	LIABILITIES FOR EMPLOYEE BENEFITS (GROUP & COMPANY)	40
21.	RETAINED EARNINGS	40
22.	PROVISIONS	40
23.	COMMITMENTS AND CONTINGENT LIABILITIES – ASSETS	41
24.	SEASONALITY OF ACTIVITIES	41
25.	SUBSEQUENT EVENTS	42
26.	RELATED PARTY TRANSACTIONS (GROUP & COMPANY)	42
27.	EYDAP FIXED ASSETS «EYDAP L.E.P.L.»	42
28.	RECLASSIFICATION OF ACCOUNTS	43
4.	INDEPENDENT AUDITOR'S REPORT	50
5.	DATA AND INFORMATION	52

## 1. STATEMENTS OF THE MEMBERS OF THE BOARD OF DIRECTORS

(according to article 5, paragraph 2 of Law 3556/2007)

The following Members:

1. Konstantinos Papadopoulos, Chairman of the Board of Directors,
2. Ioannis Benisis, Chief Executive Officer and
3. Michael Stavroulakis, Board Member, specially designated by the Board of Directors

According to what is specified in the paragraph 2 of article 5 of Law 3556/2007, we hereby declare that according to our knowledge:

- a. The Semi-Annual Financial Statements for the period 01.01.2017 – 30.06.2017 of EYDAP S.A. were prepared according to the International Financial Reporting Standards in effect, depict in a true manner the accounts of assets and liabilities, the net worth and the results for the period of EYDAP SA and the companies included in the consolidation, which are regarded as a whole, in accordance with the provisions of paragraphs 3 – 5, article 5 of Law 3556/2007, and
- b. The Semi-Annual Consolidated Management Report of the Board of Directors, depict in a true manner the information required based on paragraph 6, article 5 of Law 3556/2007.

Athens, 27 September 2017

The Chairman of the Board

The Chief Executive Officer

The Board Member

Konstantinos Papadopoulos  
ID No. Π 720446

Ioannis Benisis  
ID No. AB 521661

Michael Stavroulakis  
ID No. AK 231180

## 2. SEMI-ANNUAL BOARD OF DIRECTORS MANAGEMENT REPORT

Dear Shareholders,

In accordance with paragraph 6 of the article 5 of law 3556/2007 and the delegated resolutions of the BoD and the Hellenic Capital Market Committee of the same Law, we hereby submit the Report of the Board of Directors for the period from 01/01/2017 to 30/06/2017.

The report presents an overview of the financial results of the Athens Water Supply and Sewerage Company S.A., under the title EYDAP S.A. (hereinafter referred to as the "Company " or " EYDAP ") and the Group, it provides an overview of the significant events that took place during the first half of 2017 and their effect on the financial statements of the same period, it describes the potential risks and uncertainties for the second half of 2017 and describes the significant transactions between the Company, the Group and related parties.

### OPERATIONS AND FINANCIAL REVIEW FOR THE PERIOD STARTING AT THE 1ST JANUARY UNTIL 30TH OF JUNE 2017

#### I. Operations Overview- Progress of consumption and of water and sewerage sales income.

In the first half of 2017, the **billed consumption** amounted to **140.187.763 m<sup>3</sup>**, compared to **141.764.881 m<sup>3</sup>** in the corresponding period of the previous year, forming a decrease of **1.1%**.

Also, in the first half of the year 2017, the **total water consumption** of EYDAP SA, which is the sum of billed, free of charge and non-billed water consumption, amounted to **193.942.721 m<sup>3</sup>**, compared to a total **200.611.434 m<sup>3</sup>** in the first half of previous year, marking a marginal decrease of **3.3%**.

The **non-billed consumption** in H1 2017 amounted to **53.751.114 m<sup>3</sup>**, compared to **58.842.436 m<sup>3</sup>** in H1 2016, decreased by **8.7%**. Therefore, in the first half of 2017 the **ratio of non-billed consumption to total consumption** was formed to **27.7%**, compared to **29.3%** in the first half of 2016.

More precisely, the consumption progress described above is summarized in the table 1:

1. Water Consumption Breakdown				
Consumption Class	2017	2016	Change	% Change
Billed Consumption (m3 – Mandatory Consumption is not included)	140.187.763	141.764.881	-1.577.118	-1,1%
Free Consumption (m3)	3.844	4.117	-273	-6,6%
Non- Billed Consumption (m3)	53.751.114	58.842.436	-5.091.322	-8,7%
<b>Total Consumption (m3)</b>	<b>193.942.721</b>	<b>200.611.434</b>	<b>-6.668.713</b>	<b>-3,3%</b>
Non-Billed Consumption to Total Consumption Ratio (%)	27,7%	29,3%	-1.6%	-
Mandatory Consumption (Common and Industrial/Corporate Class) (m3)	5.380.918	5.467.764	-86.846	-1,6%
Billed Consumption EYDAP Fixed Assets (m3)	5.786.206	6.573.765	-787.559	-12,0%
<b>Total Consumption (EYDAP-EYDAP Fixed Assets) (m3)</b>	<b>199.728.927</b>	<b>207.185.199</b>	<b>-7.456.272</b>	<b>-3,6%</b>

Regarding the **main customer classes**, the consumption of the class of common consumers - which represents the overwhelming majority of customers – decreased by 3.2% in H1 2017, compared to H1 2016.

Specifically, water consumption in common consumers' class in H1 2017 reached **90.452.462 m<sup>3</sup>**, versus **93.399.203 m<sup>3</sup>** in H1 2016.

**Bulk Water Supply** to municipal networks, including the Aegean islands, which represents the second biggest class, increased by **5.2 %** in H1 2017 compared to H1 2016.

More specifically, bulk water supply to municipal networks and the islands was shaped at **27.838.354 m<sup>3</sup>** in H1 2017 compared to **26.458.092 m<sup>3</sup>** in H1 2016.

The **industrial consumers'** class consumption decreased by **1.4%** in H1 2017 compared to H1 2016. Moreover, the class of **State-Local Authorities** increased by 0.5% in H1 2017, compared to H1 2016. Finally, customer consumption of **other classes** increased in the first half of 2017 by **2,6%**, compared to H1 2016.

More precisely, the consumption for each customer class is summarized in table 2:

<b>2. Billed Water Consumption Breakdown per Customer Class</b> (in m <sup>3</sup> – Mandatory Consumption is not included)				
<b>Customer Class</b>	<b>2017</b>	<b>2016</b>	<b>Change (m<sup>3</sup>)</b>	<b>% Change</b>
Common	90.452.462	93.399.203	-2.946.741	-3,2%
Industrial/Corporate	10.383.284	10.533.502	-150.218	-1,4%
Bulk Water Supply to Local Networks	27.838.354	26.458.092	1.380.262	5,2%
State-Local Authorities	7.530.591	7.492.123	38.468	0,5%
Other	3.983.072	3.881.961	101.111	2,6%
<b>Total Water Consumption</b>	<b>140.187.763</b>	<b>141.764.881</b>	<b>-1.577.118</b>	<b>-1,1%</b>

Table 3 presents the **water sales revenue** for H1 of 2017 and 2016 and the change for the main customer classes:

<b>3.H1 Water Sales Income per Customer Class</b> (in € – mandatory consumption fee included)				
<b>Customer Class</b>	<b>2017</b>	<b>2016</b>	<b>Change (€)</b>	<b>% Change</b>
Common	68.369.627	70.494.707	-2.125.080	-3,0%
Industrial/Corporate	8.375.937	8.475.529	-99.592	-1,2%
Bulk Water Supply to Local Networks	13.633.286	12.958.711	674.575	5,2%
State-Local Authorities	7.583.073	7.550.012	33.061	0,4%
Other	1.547.881	1.667.355	-119.474	-7,2%
<b>Total Water Consumption</b>	<b>99.509.804</b>	<b>101.146.314</b>	<b>-1.636.510</b>	<b>-1,6%</b>

In table 4, the revenue from **sewerage usage** and the respective change for the main customer classes for H1 2017 and H1 2016 is presented:

<b>4. H1 Income from Sewerage per Customer Class</b> (in € – mandatory consumption fee included)				
<b>Customer Class</b>	<b>2017</b>	<b>2016</b>	<b>Change (€)</b>	<b>% Change</b>
Common	38.341.318	39.356.917	-1.015.599	-2,6%
Industrial/Corporate	3.295.958	3.320.924	-24.966	-0,8%
Bulk Water Supply to Local Networks	0	0	0	-
State-Local Authorities	2.867.852	2.997.881	-130.029	-4,3%

Other	18.949	18.000	949	5,3
<b>Total Water Consumption</b>	<b>44.524.077</b>	<b>45.693.722</b>	<b>-1.169.645</b>	<b>-2,6%</b>

The combination of table 3 and 4 results to table 5, which includes the **total income of water supply and sewerage services** sales for the first half of 2016 and 2017 for the main customer classes:

<b>5. H1 Total Income of Water Supply and Sewerage Sales</b> (in € – mandatory consumption fee included)				
<b>Customer Class</b>	<b>2017</b>	<b>2016</b>	<b>Change (€)</b>	<b>% Change</b>
Common	106.710.945	109.851.624	-3.140.679	-2,9%
Industrial/Corporate	11.671.895	11.796.453	-124.558	-1,1%
Bulk Water Supply to Local Networks	13.633.286	12.958.711	674.575	5,2%
State-Local Authorities	10.450.925	10.547.893	-96.968	-0,9%
Other	1.566.830	1.685.355	-118.525	-7,0%
<b>Total Water Consumption</b>	<b>144.033.881</b>	<b>146.840.036</b>	<b>-2.806.155</b>	<b>-1,9%</b>

Finally, table 6 depicts the average revenue per cubic meter of billed consumption in H1 2017 and 2016, separately for the water sales and the total of water supply and sewerage services, corresponding to each of the customer classes:

<b>6. Average Revenue per cubic meter of Billed Consumption of Water Supply and Total Water Sales and Sewerage per Customer Class</b>						
<b>Customer Class</b>	<b>2017</b>			<b>2016</b>		
	<b>Water sales</b>	<b>Sewerage</b>	<b>Water sales &amp; sewerage</b>	<b>Water sales</b>	<b>Sewerage</b>	<b>Water sales &amp; sewerage</b>
Common	0,76	0,42	1,18	0,75	0,42	1,18
Industrial/Corporate	0,81	0,32	1,12	0,80	0,32	1,12
Bulk Water Supply to Local Networks	0,49	0,00	0,49	0,49	0,00	0,49
State-Local Authorities	1,01	0,38	1,39	1,01	0,40	1,41
Other	0,39	0,00	0,39	0,43	0,00	0,43
<b>Total</b>	<b>0,71</b>	<b>0,32</b>	<b>1,027</b>	<b>0,71</b>	<b>0,32</b>	<b>1,036</b>

Finally, the changes of the average revenue in 2017 compared to 2016, are depicted on table 7 (numbers are rounded):

<b>7. Change of Average Revenue per cubic meter of Billed Consumption of Water Supply and Total Water Sales and Sewerage per Customer Class</b>						
<b>Customer Class</b>	<b>Change (€)</b>			<b>Change (%)</b>		
	<b>Water sales</b>	<b>Sewerage</b>	<b>Water sales &amp; sewerage</b>	<b>Water sales</b>	<b>Sewerage</b>	<b>Water sales &amp; sewerage</b>
Common	0,00	0,00	0,00	0,1%	0,6%	0,3%
Industrial/Corporate	0,00	0,00	0,00	0,3%	0,7%	0,4%
Bulk Water Supply to Local Networks	0,00	0,00	0,00	0,0%	-	0,0%
State-Local Authorities	0,00	-0,02	-0,02	-0,1%	-4,8%	-1,4%
Other	-0,04	0,00	-0,04	-9,5%	2,6%	-9,4%
<b>Customer Class</b>	<b>-0,00</b>	<b>-0,00</b>	<b>-0,01</b>	<b>-0,5%</b>	<b>-1,5%</b>	<b>-0,8%</b>

According to the above tables, the average revenue from water sales decreased slightly by 0.5% in H1 2017 compared to the H1 2016.

Also, there has been a decrease in the average revenue from sewerage usage by 1.5% in H1 2017 compared to H1 2016. Overall, the average revenue from the sale of water and sewerage usage decreased by 0.8% in 2017 compared to 2016. Specifically, from € 1.036 per m<sup>3</sup> in the year 2016 amounted to € 1,027 per m<sup>3</sup> in 2017.

## II. Presentation of the Company's Major Financial Results

Due to the negligible effect of the subsidiary company (ISLANDS' EYDAP S.A.) on the financial accounts of the Group, the analysis of the financial results is performed on the basis of the parent company.

During the first half of 2017, turnover declined by 1.7% or -2.6 million € and settled at € 151.8 million from € 154.4 million in the corresponding period of 2016.

Revenues from water supply and related revenues posted a decrease by € 1.5 million approximately (-1.4%) in the same pattern with the revenues from sewerage services which declined by € 1.7 million (-3.4%).

The remaining categories of revenues posted an increase. Specifically, the revenues from construction works for third parties increased by € 227 thous., the inventory sales increased by € 352 thousand, whereas the revenues from electric power posted an increase by € 16 thous. (+1.5%).

With regard to the revenues from water supply and related revenues, there was a decrease by € -1.9 million (-1.9%) in the revenues from water supply which is the main category of water related revenues. On contrary, there was an increase in all remaining categories of water related revenues. More analytically, revenues from new water supply connections rose by € +75 thousand or +8.6%, other income (mainly from reconnections) increased by € +229 thousand (+25.8%), the revenues from restoration works posted an increase by € +104 thousand (+70.3%) and finally, connection fees and contributions rose by +10.1% (€ +6 thousand).

It should be also noted that the revenues from water consumption (as well as the revenues from sewerage usage rights) includes, apart from the invoiced income that is depicted in the issued water supply statements, the provision of it on accrued basis. For the first half of 2017, these amounts settled at € 99,509 thousand and € -31 thousand respectively.

<i>In € thousand</i>	1H 2015	1H 2016	1H 2017
Revenues from water consumption	99,251	101,364	99,477
New water supply connections	885	873	948
Connection fees and contributions	71	64	70
Restoration works	137	148	252
Other revenues	1,039	885	1,114
<b>Revenues from water supply and related services</b>	<b>101,382</b>	<b>103,334</b>	<b>101,862</b>

<i>In € thousand</i>	1H 2015	1H 2016	1H 2017
Revenues from sewerage usage	47,566	48,936	47,179
Connection fees	230	236	236
Sewage charges	702	712	767
Sewerage works	19	28	21
<b>Revenues from sewerage services</b>	<b>48,517</b>	<b>49,913</b>	<b>48,203</b>

The main category of sewerage revenue, which is the sewerage usage, posted a decline by € 1.8 million (-3.6%), whereas small changes were recorded in the other categories (sewage charges by +54 thousand € or +7.7%, sewerage works by -7 thousand € or -25% and connection fees settling unchanged). It is noted that revenues from sewerage usage include invoiced revenues for the year of € 44,567 thousand as well as the projected revenues on accrued basis of € +2,612 thousand.

The operating cost (cost of sales, administrative and distribution expenses) settled at € 142.6 million posting an increase compared to the same period of 2015 (+10.6 million € or +8.1%). Specifically, the cost of sales during the first half of 2017 increased by € 10.3 million (+12.2%) and settled at € 94.3 million versus € 84.0 million in the corresponding period of 2016. The



administration expenses moved upward, posting an increase by € 1 million or +2.8%, whereas the distribution expenses decreased by € -0.6 million (-4.3%).

The above developments resulted into the decline of Gross Profit<sup>1</sup> by € 12.8 million (-18.2%) settling at € 57.5 million from € 70.4 million in the first half of 2016. The gross profit margin settled at 37.9% from 45.6% in the first half of 2016.

With regard to the evolution of operating expenses, depending on their category, the following changes are noted compared to the first half of 2016:

- Personnel fees and expenses rose by € 3.3 million (+5.8%)
- Third party fees and expenses increased by € 1.2 million (+5.5%)
- Third party contributions contracted by € 3.5 million (-17%)
- Depreciation dropped by € 0.5 million (-2.8%)
- Sundry provisions increased by € 11.2 million (+421.8%)
- Sundry expenses decreased by € 0.5 million (-7.5%)
- Consumption of materials posted an increase by € 1.1 million (+37.6%)
- Self-construction cost rose by € 1.6 million (+197.6%)

The gross balance of customers during the first half of 2017 settled at € 275 million versus € 256 million in the corresponding period of the year 2016, posting an increase of 7.4% approximately. At the same time, the Company increased the balance of doubtful receivables by 6% at € 54 million from € 50.9 million in the first half 2016.

<i>In € thousand</i>	<i>Allowance for Bad Debt</i>	<i>Trade Receivables before Allowance for Bad Debt</i>	<i>Percentage</i>
	<i>(1)</i>	<i>(2)</i>	<i>(3)=(1)/(2)</i>
1H 2013	88,790	358,576	25%
1H 2014	31,099	231,982	13%
1H 2015	37,585	258,500	15%
1H 2016	50,867	256,221	20%
1H 2017	54,006	275,125	20%

During the first half of 2017, the Company formed provisions for bad debt receivables (doubtful customers) of € 2,400 thousand. The corresponding amount for the same period of 2016 had settled at € 5,574 thousand. The percentage of allowance for bad debt to the gross trade receivables balance during the first half of 2017 remained in the same levels (20%) versus the corresponding period of 2016.

In total, the provisions-expense during the first half of 2017 posted an increase by € 11.2 million (+422%) compared to the same period of 2016 and settled in total at € 13.9 million versus € 2.7 million in the first half of 2016. These provisions for the first half of 2017 mainly include the provisions for doubtful customers (2,400 thousand €), the provisions for other debtors (28 thousand €), the provisions for litigation cases (6,494 thousand €), the provisions for future claims by the employees (4,597 thousand €) and the provisions for obsolete inventories / third party works (345 thousand €).

<i>In € thousand</i>	<i>Provisions for Doubtful Customers</i>	<i>Provisions for Litigation Cases</i>
1H 2013	3,127	6,715
1H 2014	5,389	-890
1H 2015	0	645
1H 2016	5,574	-2,565
1H 2017	2,400	6,494

The provisions for litigation cases cover 27% of the total claims. With regard to the labor cases, the coverage rate is 20% (compared to a coverage rate in H1 2016 of 23%) while with regard to civil cases the rate settles at 34% (24% in H1 2016). With regard to the provisions for labor cases it is noted that the short-term liabilities include an amount of € 14.6 million concerning the settlement agreement of labor cases.

<sup>1</sup> Alternative Performance Measures: For explanations and calculation of these measures see Section titled "Alternative Performance Measures".

Provisions Percentage of litigation cases on the total amount of claims			
	Labor Cases	Civil Cases	Total Cases
1H2013	72%	24%	45%
1H2014	14%	22%	21%
1H2015	36%	19%	22%
1H2016	23%	24%	23%
1H2017	20%	34%	27%

Earnings before interest, taxes, depreciation and amortization (EBITDA)<sup>2</sup> posted a drop of 33% or by € -14.1 million amounting to € 29 million from € 43.2million in the first half of 2016, whereas EBITDA margin<sup>2</sup> settled at 19.1% from 28% previously.

Likewise, earnings before interest and taxes (EBIT)<sup>2</sup> declined to € 10.4 million from € 24.0 million in the first half of 2016. EBIT margin<sup>2</sup> settled at 6.8% from 15.5% in the first half 2016.

Financial income increased by 43% and reached € 10.1 million from € 7.1 million in the first half of 2016, whereas financial expenses decreased by € 4.6 million and settled at € 0.2 million from € 4.8 million in the first half of 2016.

The Company proceeded with a reclassification of items in its financial statements for the period from 1.1.2016 to 30.06.2016, recognizing the impairment loss of its investment in Attica Bank directly in its financial results. The reclassification is analytically presented in Note 28: Reclassification of Items of the interim condensed financial statements of the period from 1.1.2017 to 30.06.2017.

The above reclassification of items during the first half of 2016 resulted into the recognition of an impairment loss of € 14.1 million leading the earnings before taxes (reclassified) of the particular period to settle at € 12.2 million and the earnings after taxes to € 7.3 million.

During the first half of 2017, the earnings before taxes amounted to € 20.3 million from € 12.2 million in the first half of 2016 (reclassified) posting an increase of 67%.

Earnings after taxes amounted to € 11.9 million from € 7.3 million in the first half of 2016 (reclassified), posting an increase of 62%. Net profit margin settled at 8% from 5% in the first half of 2016.

Operating cash flows amounted to € +33.7 million from € +49.1 million in the same period of 2016. Cash flows from investing activities were positive at € +817 thousand (due to collected interest of 5.4 million €) from € +576 thousand in the first half of 2016.

Cash flows from financing activities accounted for € -50.1 thousand from € -5 million in the first half of 2016 as the accounts of the first half of 2017 include the recording of a previous year's dividend (0.38 € per share) which was paid on 3 January 2017 as well as of the dividend of year 2016 (0.11 € per share) which was paid on 29 June 2017. Also during the corresponding period of 2016, the dividend of the year 2015 had not been paid and instead it was paid on 5 July 2016.

Free Cash Flows to the Firm (FCFF)<sup>3</sup> were confined to € 34.5 million from € 49.7 million in the first half of 2016. The drop was mainly due to the implementation of the decision under the number 19105/21.12.2016 of the Board of Directors concerning a settlement agreement for collective labor differences of total amount € 17 million approximately. As of 30.06.2017 an amount of € 15.6 million approximately had been disbursed.

#### ALTERNATIVE PERFORMANCE MEASURES (“APM”)

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

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

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

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

<sup>2</sup> Alternative Performance Measures: For explanations and calculation of these measures see Section titled “Alternative Performance Measures”.

<sup>3</sup> Alternative Performance Measures: For explanations and calculation of these measures see Section titled “Alternative Performance Measures”.

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

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

#### Table of EBITDA Reconciliation

<i>Amounts in EUR thousand</i>	GROUP		COMPANY	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Turnover	151,776	154,393	151,776	154,363
Cost of goods sold	-94,258	-84,008	-94,258	-84,008
Administrative expenses	-35,372	-34,409	-35,345	-34,385
Distribution expenses	-12,961	-13,541	-12,961	-13,541
Other expenses	-372	-588	-372	-588
Other operating income	1,553	2,124	1,553	2,118
Depreciation and amortization	18,649	19,192	18,649	19,192
<b>Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)</b>	<b>29,015</b>	<b>43,163</b>	<b>29,042</b>	<b>43,151</b>

- **EBITDA Margin**

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

#### Table of EBITDA Margin Reconciliation

<i>Amounts in EUR thousand</i>	GROUP		COMPANY	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Turnover	151,776	154,393	151,776	154,363
EBITDA	29,015	43,163	29,042	43,151
<b>EBITDA Margin</b>	<b>19.1%</b>	<b>28.0%</b>	<b>19.1%</b>	<b>28.0%</b>

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

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

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

Table of EBIT Reconciliation

<i>Amounts in EUR thousand</i>	GROUP		COMPANY	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Turnover	151,776	154,393	151,776	154,363
Cost of goods sold	-94,258	-84,008	-94,258	-84,008
Administrative expenses	-35,372	-34,409	-35,345	-34,385
Distribution expenses	-12,961	-13,541	-12,961	-13,541
Other expenses	-372	-588	-372	-588
Other operating income	1,553	2,124	1,553	2,118
<b>Earnings before Taxes, Financial and Investment Results or Earnings before Interest and Taxes (EBIT)</b>	<b>10,366</b>	<b>23,972</b>	<b>10,393</b>	<b>23,960</b>

- EBIT Margin**

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

Table of EBIT Margin Reconciliation

<i>Amounts in EUR thousand</i>	GROUP		COMPANY	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Turnover	151,776	154,393	151,776	154,363
EBIT	10,366	23,972	10,393	23,960
<b>EBIT Margin</b>	<b>6.8%</b>	<b>15.5%</b>	<b>6.8%</b>	<b>15.5%</b>

- Free Cash Flows to the Firm**

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

The Indicator is calculated by adding the total inflows / (outflows) from investment activities to the total inflows / (outflows) from operating activities at the statement of cash flows.

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

<i>Amounts in EUR thousand</i>	GROUP		COMPANY	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Total inflows / (outflows) from operating activities	33,619	49,121	33,652	49,146
Total inflows / (outflows) from investment activities	816	576	817	576
<b>Free Cash Flows to the Firm (FCFE)</b>	<b>34,435</b>	<b>49,697</b>	<b>34,469</b>	<b>49,722</b>

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

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

Table of Reconciliation of Operating Cost before Depreciation

<i>Amounts in EUR thousand</i>	GROUP		COMPANY	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Cost of goods sold	94,258	84,008	94,258	84,008
Administrative expenses	35,372	34,409	35,345	34,385
Distribution expenses	12,961	13,541	12,961	13,541
Depreciation	-18,649	-19,192	-18,649	-19,192
<b>Operating Cost before Depreciation</b>	<b>123,942</b>	<b>112,766</b>	<b>123,915</b>	<b>112,742</b>

- **Gross Profit Margin (%)**

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

Table of Gross Profit Margin Reconciliation

<i>Amounts in EUR thousand</i>	GROUP		COMPANY	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Turnover	151,776	154,393	151,776	154,363
Gross Profit	57,518	70,385	57,518	70,355
<b>Gross Profit Margin %</b>	<b>37.9%</b>	<b>45.6%</b>	<b>37.9%</b>	<b>45.6%</b>

## SIGNIFICANT EVENTS OF FIRST HALF 2017

### Change of Audit Committee

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

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

### Honorary Award for EYDAP

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

For decades, EYDAP has consistently, responsibly and sensitively assured that it provides excellent water quality along with modern and seamless sewerage and biological cleaning services to the Attica population, while at the same time ensuring the natural environment. The excellent know-how of the human resources, combined with its continuous training, the integration of new technologies and the effort for continuous improvement, provide the Company with the prospect of its sustainable development and lay the ground for further upward course.

## Sustainability Report

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

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

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

### General costing and pricing rules for water services

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

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

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

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

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

### Annual General Shareholders' Meeting

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

### Formation of the BoD into a body

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

Konstantinos Papadopoulos, Chairman of the BoD – Non-Executive Member  
Ioannis Benisis, Chief Executive Officer – Executive Member  
Konstantinos Vafeiadis - Executive Member  
Ioannis Kardaras -Non-Executive Member  
Georgios Makrynos -Non-Executive Member  
Alexandros Pouliasis - Independent – Non Executive Member  
Nikolaos Sarantis- Non-Executive Member  
Michail Stavroulakis - Independent – Non Executive Member  
Georgios Chalambalakis- Non-Executive Member  
Christos Mistriotis - Non-Executive Member  
Panayotis Skoularikis - Non-Executive Member  
Emmanouel Aggelakis - Non-Executive Member  
Evangelos Moutafis - Non-Executive Member

### **Award for Modernization of Operations – Establishment of Targeting**

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

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

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

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

### **SIGNIFICANT EVENTS AFTER THE FIRST HALF 2016**

---

#### **Implementation of new Social Tariff**

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

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

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

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

#### **Formation of the BoD into a body**

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

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

Konstantinos Papadopoulos, Chairman of the BoD - Non-Executive Member

Ioannis Benissis, Chief Executive Officer - Executive Member

Konstantinos Vafiadis - Executive Member

Ioannis Kardaras - Non-Executive Member

Georgios Makrinos - Non-Executive Member

Alexandros Pouliasis - Independent, Non-Executive Member

Nikolaos Sarantis - Non-Executive Member

Michael Stavroulakis - Independent, Non-Executive Member

Georgios Hallabakakis - Non-Executive Member

Christos Mistriotis - Non-Executive Member  
Panagiotis Skoularikis - Non-Executive Member  
Emmanouil Angelakis - Non-Executive Member  
Georgios Alexandrakis - Non-Executive Member

### ***New Division***

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

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

### ***Business Plan***

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

Our strategy include the:

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

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

Characteristics of water industry at European level:

- Water is a renewable but limited resource. The sweet water stocks are renewed through the hydrological cycle, but the available water quantity is limited and its rational management is required.
- The increasing pressure on water environment due to irrational use and pollution, because of human activity, require the implementation of sustainable policies for the protection, development and management of water resources.
- Businesses, that are active in the sector of water supply and sewerage services, operate in a quite rigorous regulatory environment, greatly influenced by environmental and financial factors.
- The regulatory framework for water supply is usually established by more than one ministries. The state members of the European Union are obliged to comply with the European Union's Water Policy (as the urban Wastewater Directive).
- The regulatory framework for water supply mainly includes:
  - determination of invoicing rules
  - approval of invoice increase
  - definition, supervision and imposing of necessary regulations for the quality and protection of the environment.



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

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

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

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

For the period 2017-2021, in the underdevelopment business plan, the investment budget reaches the €951.8 million. In this plan two versions of estimated discounts are examined. The basic scenario of the business plan is based on high discounts, which form CAPEX to €601.1 million.

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

In 2017, Turnover is expected to rise to €331.3 million showing an increase of 0.7% in comparison to 2016. In the period 2016-2021, Turnover is expected to have positive CAGR by 1.9%.

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

Cash and cash equivalents are estimated to decrease during the forecasted period as they will be used to fund the investment plan.

EBITDA is expected to reach € 112.4 million in 2021, recording an average annual rate of change (CAGR) of 5.2% compared to 2016. The EBITDA margin is projected to be 31.1% in 2021 from 26.5% in 2016.

The strategic key stones of EYDAP's business plan for the period 2017-2021 are the following:

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

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

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

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

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

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

The Completed Modernization Plan includes:

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

Main Actions for an Integrated Modernization Program

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

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

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

## **FUTURE OUTLOOK FOR THE 2<sup>ND</sup> HALF OF 2017**

---

In the second half of 2017, EYDAP is expected to continue implementing the 2017-2021 Operational Plan and its Human, Society and Environment-oriented strategy. During the second half of each year, the increase in consumption observed in the summer months is reflected, boosting the company's turnover over the first half.

The Company is expected to continue the practical support of vulnerable social groups by applying the special social tariff. At the same time, the Company will continue to apply strict cooperation frameworks with local authorities and other categories of customers, aiming to further increase the collection rate of receivables and to protect the valuable natural resource it manages. The primary objective is to further rationalize costs and reduce operating costs by continually improving and simplifying operational processes that enhance the Company's operating efficiency as well as its steady profitability, which is imprinted every year with significant dividend distribution.

## MAJOR RISKS AND UNCERTAINTIES FOR THE 2<sup>ND</sup> HALF 2017

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

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

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

### (a) Credit Risk

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

Financial Assets categories	GROUP		COMPANY	
	30.06.2017	31.12.2016	30.06.2017	31.12.2016
Available for sale financial assets	9.125	2.855	9.125	2.855
Cash and cash equivalents	264.854	280.544	263.815	279.471
Trade and other receivables	239.884	224.766	239.856	224.742
Long-term receivables	20.027	22.598	20.027	22.598
Investments in subsidiaries	0	0	1.210	1.210
<b>Total</b>	<b>533.890</b>	<b>530.763</b>	<b>534.033</b>	<b>530.876</b>

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

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

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

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

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

### (b) Liquidity Risk

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

### c) Market Risk

The market risk is related to the Company's equity portfolio which constitutes a long-term strategic investment and as result is confined to certain position limits.

### (d) Relations with Greek State

With a joint ministerial decision of 3.12.2013 which was issued according to the above law provisions, it was defined that the overdue amounts payable to the Company from the Greek State concerning investment plan's subsidized expenditures of € 294 million for the decade 2000 – 2010 as stipulated from the agreement of 9.12.1999 between the Greek State and the Company, were offset with equivalent in value non tax related amounts payable to the Greek State from the Company, until 30.6.2013, concerning the cost of the collected crude water for the period 25.10.2004 – 30.6.2013. With the same joint ministerial decision, the other claims until 30.06.2013 between the Greek State and EYDAP SA were also amortized. With the decision of the Extraordinary General Shareholders' Meeting on 27th December 2013, the above ministerial decision was accepted.

On the other hand, the signing of a written agreement - as it is defined in the article 15 of the agreement on 9.12.1999 between the Greek State and the Company - which will determine the price paid to "L.E.P.L. EYDAP Fixed Assets" for the crude water collected from 1.7.2013 is pending from the year 2004 (Note 27). In absence of a written agreement, the Company continues, after 30/06/2013, to offset the cost of the collected crude water with the maintenance and operation services it provides for the fixed assets owned by "L.E.P.L. EYDAP Fixed Assets", affecting accordingly its financial results.

Within the context of Directive 2000/60/EC concerning Water policy, as it was incorporated in national law by l. 3199/2003, the Joint Ministerial Decision 135275/2017 (G.G. B1751/22-5-2017) was issued: "Adoption of general rules concerning costing and pricing of water services. Methods and procedures for recovering the cost of water services in its various uses." The JMD aims to approve the general rules concerning costing and pricing of water services for various uses, rules and improvement measures of those services as well as to determine the procedures and the methods of cost recovery, including the environmental cost and the water resource cost, in order to achieve sustainable use and improvement of the water status and to ensure the constitutionally guaranteed public character of water as a social commodity absolutely indispensable for existence. The pricing policy should ensure adequate cost recovery as well as the long-term sustainability of urban cycle investments, ie water and sewerage networks, within the cities. EYDAP examines the application of the general rules for the costing and pricing of water services in accordance with the above JMD. It should be noted that according to Article 16 of this "Existing Contracts between the Greek State and EYDAP SA, EYATH SA or other water service providers, shall be applied as they are until their expiry".

### (d) Risks due to capital controls in Greece

Regarding the imposition of capital controls, there is no differentiation in what was mentioned in the annual financial report of the group at 31.12.2016.

There are no essential changes in the nature of transactions regarding the related parties as compared to the annual financial statements.

### A) Transactions and Amounts Outstanding with Members of the Board

<i>Amounts in € thousands</i>	<b>30.06.2017</b>	<b>30.06.2016</b>
Fees (Chairman & CEO, and Executive Directors)	57	57
Fees & attendance expenses of BoD members	40	40
<b>Total</b>	<b><u>97</u></b>	<b><u>97</u></b>

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

<i>Amounts in € thousands</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30.06.2017</b>	<b>30.06.2016</b>	<b>30.06.2017</b>	<b>30.06.2016</b>
<b>1) Transactions</b>				
- Income	27,879	26,704	27,879	26,704

- Cost of Goods Sold (cost of construction works)	247	32	247	32
<b>2) Outstanding amounts</b>	<b>30.06.2017</b>	<b>31.12.2016</b>	<b>30.06.2017</b>	<b>31.12.2016</b>
Long-term receivables (Projects for the Greek State)	4,030	3,769	4,030	3,769
Long-term customer receivables (Arrangements for Municipalities)	9,115	21,038	9,115	21,038
Customer receivables (Municipalities, Greek State)	49,194	38,964	49,194	38,964
Receivable from Islands' EYDAP	-	-	24	24
Other receivables (from the Greek State for deficit coverage and staff indemnities)	258	258	258	258

The transactions with the Greek State and the Local Government Authorities concern revenues of water supply, invoiced and accrued, as well as accrued income from the construction cost for the account of Ministry of Infrastructure & Transport and "EYDAP Fixed Assets L.E.P.L."

Galatsi, 27 September 2017

**The members of the Board of Directors**

<b>Name</b>	<b>Position</b>
Konstantinos Papadopoulos	Chairman of the BoD, Member
Ioannis Benisis	Chief Executive Officer, Executive Member
Konstantinos Vafeiadis	Executive Member
Ioannis Kardaras	Member
Georgios Makrynos	Member
Alexandros Pouliasis	Independent Member
Nikolaos Sarantis	Member
Michail Stavroulakis	Independent Member
Georgios Chalambalakis	Member
Christos Mistriotis	Member
Panayotis Skoularikis	Member
Emmanouel Aggelakis	Member
Georgios Alexandrakis	Member

Exact Copy of No. 1228  
Minutes of the Board of Directors of 27<sup>th</sup> September 2017

The Chief Executive Officer

Ioannis Benisis

### 3. INTERIM CONDENSED FINANCIAL STATEMENTS

**OF THE PERIOD 1 JANUARY TO 30 JUNE 2017  
IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS (I.F.R.S.)  
OF THE GROUP AND E.YD.A.P. SA (THE COMPANY)**

DOMICILE: 156 OROPOU ST. – GALATSI, ATHENS, GREECE  
SOC. ANON. REG. NO. 44724/06/B/99/52  
GEMI NO. 121578960000

## CONTENTS

---

- General Information for the Company
- Interim Statement of Income for the period ended on 30<sup>th</sup> June 2017 & 2016
- Interim Statement of Total Comprehensive Income for the period ended on 30<sup>th</sup> June 2017 & 2016
- Interim Statement of Financial Position of 30<sup>th</sup> June 2017 & 31<sup>st</sup> December 2016
- Interim Statement of Changes in Shareholders' Equity of 30<sup>th</sup> June 2017 & 2016
- Interim Cash Flow Statements of 30<sup>th</sup> June 2017 & 2016
- Notes on the Semi-Annual Financial Statements for the period ended on 30<sup>th</sup> June 2017

The present Condensed Interim Financial Statements of the Company, pages 24-50, were approved during the meeting of the Company's Board of Directors on 27 September 2017 and were signed, on mandate by the Board of Directors, from the following:

Athens, 27 September 2017

The Chairman of the Board of  
Directors

The Chief Executive Officer

The Director of Financial Services

The Head of Accounting  
Department

Konstantinos Ant. Papadopoulos  
ID No. Π 720446

Ioannis Emm. Benisis  
ID No. AB 521661

Lemonia Mark. Skylaki  
ID No. Ξ 971227  
Economic Chamber of Greece  
Accounting License Reg. No.  
A/17806

Dimitra Vas. Zarkadoula  
ID No. AB 253061  
Economic Chamber of Greece  
Accounting License Reg. No.  
A/112285



## GENERAL INFORMATION FOR THE COMPANY

<b>Company Name:</b>	Athens Water Supply and Sewerage Company S.A.
<b>Distinctive Title:</b>	EYDAP S.A.
<b>Domiciliation:</b>	156 Oropou St. – Galatsi
<b>Date of Establishment:</b>	25.10.1999
<b>Company Duration:</b>	100 years
<b>Main Activity:</b>	Water Supply - Sewerage
<b>G.E.MI. (Greece's General Electronic Commercial Registry) Number</b>	121578960000
<b>Pertinent Ministry:</b>	Infrastructure and Transport
<b>Tax Registration Number:</b>	094079101
<b>Members of the Board of Directors:</b>	K. Papadopoulos, I. Benisis, K. Vafeiadis, I. Kardaras, A. Pouliasis, G. Makrinos, G. Charalambakis, M. Stavroulakis, N. Sarantis, P. Skoularikis, Ch. Mistriotis, Emman. Aggelakis, G. Alexandrakis
<b>Ending Date of the Current Period:</b>	30 June 2017
<b>Duration of the Period:</b>	6 months
<b>Form of Financial Statements (which have been the basis in compiling the condensed financial statements):</b>	Condensed – First Half of the Year
<b>Date of Approval of Financial Statements (which have been the basis in compiling the condensed financial statements):</b>	27 September 2017
<b>Chartered Auditors Accountants:</b>	Efstratios Papparidis SOEL Reg. No. 14351 Dimitrios Stavrou SOEL Reg. No. 14791
<b>Auditing Firm:</b>	«S.O.L.» S.A. CERTIFIED PUBLIC ACCOUNTANTS SOCIETE ANONYME SOEL REG. NUMBER 125
<b>Audit Report on the Semi-Annual Financial Statements from Chartered Auditor Accountant:</b>	Opinion in Agreement – Matter of Emphasis
<b>Internet address where the Financial Statements are registered:</b>	<a href="http://www.eydap.gr">www.eydap.gr</a>

## INTERIM STATEMENT OF INCOME

GROUP	NOTES	GROUP		COMPANY	
		30.06.2017	30.06.2016	30.06.2017	30.06.2016
<i>Amounts in € thousands</i>					
Turnover	5	151,776	154,393	151,776	154,363
Cost of Goods Sold	5	(94,258)	(84,008)	(94,258)	(84,008)
<b>Gross Profit</b>		<b>57,518</b>	<b>70,385</b>	<b>57,518</b>	<b>70,355</b>
Other Operating Income		1,553	2,124	1,553	2,118
General and Administration Expenses	5	(35,372)	(34,409)	(35,345)	(34,385)
Distribution and Selling Expenses	5	(12,961)	(13,541)	(12,961)	(13,541)
<b>Operating Profit</b>		<b>10,738</b>	<b>24,559</b>	<b>10,765</b>	<b>24,547</b>
Other Expenses		(372)	(588)	(372)	(588)
Financial Income		10,126	7,059	10,125	7,058
Financial Expenses		(240)	(4,772)	(240)	(4,771)
Impairment of Securities	28		(14,066)		(14,066)
<b>Profit before Taxes</b>	<b>5, 28</b>	<b>20,252</b>	<b>12,192</b>	<b>20,278</b>	<b>12,180</b>
Income Tax	6, 28	(8,382)	(4,857)	(8,382)	(4,853)
<b>Net Profit after Taxes</b>	<b>28</b>	<b>11,870</b>	<b>7,335</b>	<b>11,896</b>	<b>7,327</b>
<b>Number of Shares</b>		106,500	106,500	106,500	106,500
<b>Earnings per Share for the Period (in €)</b>	<b>7, 28</b>	<b>0.11</b>	<b>0.07</b>		

## INTERIM STATEMENT OF TOTAL COMPREHENSIVE INCOME

	GROUP		COMPANY	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
<i>Amounts in € thousands</i>				
Net Profit for the Year	11,870	7,335	11,896	7,327
Valuation of financial assets available for sale at fair value - Other income transferrable to following years' results	4,530	31	4,530	31
Restatement of recorded in equity previous years' total comprehensive income	-	994	-	994
<b>Total Comprehensive Income after Taxes</b>	<b>16,400</b>	<b>8,360</b>	<b>16,426</b>	<b>8,352</b>

## INTERIM STATEMENT OF FINANCIAL POSITION

<i>Amounts in € thousands</i>	NOTES	GROUP		COMPANY	
		30.06.2017	31.12.2016	30.06.2017	31.12.2016
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Goodwill		3,357	3,357	3,357	3,357
Other Intangible Assets	9	1,133	1,284	1,133	1,284
Tangible Assets	9	864,605	881,337	864,603	881,337
Investments in Subsidiaries	16	-	-	1,210	1,210
Investments Available for Sale	17	9,125	2,855	9,125	2,855
Long-term Assets	10	20,027	22,598	20,027	22,598
Deferred Tax Assets	18	105,693	107,588	105,693	107,588
<b>Total Non-Current Assets</b>		<b>1,003,940</b>	<b>1,019,019</b>	<b>1,005,148</b>	<b>1,020,229</b>
<b>CURRENT ASSETS</b>					
Materials and Spare Parts	11	11,402	12,387	11,402	12,387
Trade Receivables	12	221,117	207,437	221,119	207,439
Other Receivables	13	18,767	17,329	18,737	17,303
Current Tax Receivables	6	-	15,124	-	15,124
Cash and Cash Equivalents		264,854	280,544	263,815	279,471
<b>Total Current Assets</b>		<b>516,140</b>	<b>532,821</b>	<b>515,073</b>	<b>531,724</b>
<b>Total Assets</b>		<b>1,520,080</b>	<b>1,551,840</b>	<b>1,520,221</b>	<b>1,551,953</b>
<b>LIABILITIES</b>					
<b>SHAREHOLDERS' EQUITY</b>					
Share Capital	19	63,900	63,900	63,900	63,900
Share Premium		40,502	40,502	40,502	40,502
Reserves		383,004	378,474	383,004	378,474
Retained Earnings (earnings carried forward)	21	422,045	421,890	422,184	422,003
<b>Total Shareholders' Equity</b>		<b>909,451</b>	<b>904,766</b>	<b>909,590</b>	<b>904,879</b>
<b>LONG TERM LIABILITIES</b>					
Liabilities for Employee Benefits	20	293,290	291,214	293,290	291,214
Provisions	22	39,478	41,701	39,478	41,701
Investment Subsidies and Customer Contributions		183,831	186,737	183,831	186,737
Consumers' Guarantees		18,346	18,297	18,346	18,297
<b>Total Long-Term Liabilities</b>		<b>534,945</b>	<b>537,949</b>	<b>534,945</b>	<b>537,949</b>
<b>SHORT-TERM LIABILITIES</b>					
Operating Short Term Liabilities	14	37,262	78,190	37,257	78,182
Current Tax Liabilities	6	4,904	-	4,904	-
Other Short Term Liabilities	15	33,518	30,935	33,525	30,943
<b>Total Short-Term Liabilities</b>		<b>75,684</b>	<b>109,125</b>	<b>75,686</b>	<b>109,125</b>
<b>Total Equity &amp; Liabilities</b>		<b>1,520,080</b>	<b>1,551,840</b>	<b>1,520,221</b>	<b>1,551,953</b>

The accompanying notes that are presented in pages 25-49 form an integral part of the present Financial Statements

## INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

### GROUP

2017	Share Capital	Share Premium	Legal Reserve	Other Reserves	Securities' Reserves	Results (profit) carried forward	Total Equity
<i>Amounts in € thousands</i>							
<b>Equity Balance at 1<sup>st</sup> January 2017</b>	63,900	40,502	22,207	355,765	502	421,890	904,766
Net Profit for the Period						11,870	11,870
Net income recorded directly in Equity					4,530		4,530
Dividends						(11,715)	(11,715)
<b>Equity Balance at 30 June 2017</b>	63,900	40,502	22,207	355,765	5,032	422,045	909,451

2016	Share Capital	Share Premium	Legal Reserve	Other Reserves	Securities' Reserves	Results (profit) carried forward	Total Equity
<i>Amounts in € thousands</i>							
<b>Equity Balance at 1<sup>st</sup> January 2016</b>	63,900	40,502	22,207	355,765	(619)	485,185	966,940
Net Profit for the Period						7,335	7,335
Reclassification, from the Equity, of amounts that had been recorded through the total comprehensive income of previous years					994		994
Net income recorded directly in Equity					31		31
Dividends						(33,015)	(33,015)
<b>Equity Balance at 30 June 2016</b>	63,900	40,502	22,207	355,765	406	459,505	942,285

### COMPANY

2017	Share Capital	Share Premium	Legal Reserve	Other Reserves	Securities' Reserves	Results (profit) carried forward	Total Equity
<i>Amounts in € thousands</i>							
<b>Equity Balance at 1<sup>st</sup> January 2017</b>	63,900	40,502	22,207	355,765	502	422,003	904,879
Net Profit for the Period						11,896	11,896
Net income recorded directly in Equity					4,530		4,530
Dividends						(11,715)	(11,715)
<b>Equity Balance at 30 June 2017</b>	63,900	40,502	22,207	355,765	5,032	422,184	909,590

2016	Share Capital	Share Premium	Legal Reserve	Other Reserves	Securities' Reserves	Results (profit) carried forward	Total Equity
<i>Amounts in € thousands</i>							
<b>Equity Balance at 1<sup>st</sup> January 2016</b>	63,900	40,502	22,207	355,765	(619)	485,285	967,040
Net Profit for the Period						7,327	7,327
Reclassification, from the Equity, of amounts that had been recorded through the total comprehensive income of previous years					994		994
Net income recorded directly in Equity					31		31
Dividends						(33,015)	(33,015)
<b>Equity Balance at 30 June 2016</b>	63,900	40,502	22,207	355,765	406	459,597	942,377

The accompanying notes that are presented in pages 25-49 form an integral part of the present Financial Statements

## INTERIM CASH FLOW STATEMENT

	GROUP		COMPANY	
	1.1-30.06.2017	1.1-30.06.2016	1.1-30.06.2017	1.1-30.06.2016
<i>Amounts in € thousands</i>				
<b>Cash Flows from operating activities</b>				
Profit before tax	20,252	12,192	20,278	12,180
Plus / minus adjustments for:				
Depreciation and amortization	22,299	22,821	22,299	22,821
Amortization of customer contributions and investment subsidies	(3,650)	(3,630)	(3,650)	(3,630)
Reductions / transfers of tangible and intangible assets	0	(144)	0	(144)
Impairment of securities	0	14,066	0	14,066
Income from securities	(60)	(66)	(60)	(66)
Provisions for personnel compensation	1,165	2,037	1,165	2,037
Other provisions	(1,830)	2,657	(1,830)	2,657
Interest and related income	(10,065)	(6,992)	(10,065)	(6,992)
Interest and related expense	240	4,772	240	4,772
Plus / minus adjustments for changes in working capital accounts or related to operating activities:				
(Increase) Decrease				
Trade receivables	1,648	4,506	1,653	4,542
Materials and spare parts	641	(247)	641	(247)
Increase (Decrease)				
Operating short term liabilities	2,227	(3,444)	2,229	(3,443)
Customers' guarantees	49	44	49	44
Employee contribution for indemnity	911	748	911	748
<i>Minus:</i>				
Interest and related expenses paid	(61)	(11)	(61)	(11)
Income tax paid	(147)	(188)	(147)	(188)
<b>Net Cash Inflows / (Outflows) from Operating Activities (a)</b>	<b>33,619</b>	<b>49,121</b>	<b>33,652</b>	<b>49,146</b>
<b>Cash flows from investing activities</b>				
Dividends received	60	66	60	66
Interest and related income received	5,429	6,163	5,429	6,163
Purchases of tangible assets	(5,221)	(5,385)	(5,220)	(5,385)
Purchases of intangible assets	(196)	(540)	(196)	(540)
Proceeds from customer contributions and subsidies	744	272	744	272
<b>Net Cash Inflows / (Outflows) from Investing Activities (b)</b>	<b>816</b>	<b>576</b>	<b>817</b>	<b>576</b>
<b>Cash flows from financing activities</b>				
Dividends paid	(50,125)	(5)	(50,125)	(5)
<b>Net Cash Inflows / (Outflows) from Financing Activities (c)</b>	<b>(50,125)</b>	<b>(5)</b>	<b>(50,125)</b>	<b>(5)</b>
<b>Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)</b>	<b>(15,690)</b>	<b>49,692</b>	<b>(15,656)</b>	<b>49,717</b>
<b>Cash and Cash Equivalents at the beginning of period</b>	<b>280,544</b>	<b>260,419</b>	<b>279,471</b>	<b>259,342</b>
<b>Cash and Cash Equivalents at the end of period</b>	<b>264,854</b>	<b>310,111</b>	<b>263,815</b>	<b>309,059</b>

The accompanying notes that are presented in pages 25-49 form an integral part of the present Financial Statements

## NOTES ON THE INTERIM CONDENSED SEMI-ANNUAL FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

“Athens Water Supply and Sewerage Company” (“EYDAP” or “Company”) was established in 1980 following the merger between the Hellenic Water Company and the Sewerage Organization of Athens LEPL.

The Company’s Headquarters are located at 156 Oropou Street, Galatsi, pc 111 46, Athens.

The Company operates in the sector of supply and refinement of water, providing as well sewerages services and waste management in region of Attica. In accordance with its Articles of Association, where the operation clauses are referred, EYDAP is responsible for the analysis, construction, establishment, operation, exploitation, maintenance, expansion and renewal of water supply and sewerage installations and networks, within its area of responsibility.

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

The business activity of EYDAP, as it was amended by the article 68 of Law 4313/2014, is extended into the municipalities of the Attica Periphery, as these are defined in the field h’ of paragraph 3 of article 3 of Law 3852/2010, apart from the municipalities of Aigina, Troizinia, Kythira, Agkistri, Spetses, Hydra and Poros of the Peripheral Unity of Islands of the Attica Periphery.

By the article 35 par.2 of Law 4053/2012, EYDAP is enabled through its subsidiaries to undertake as well activities outside of its jurisdiction, stipulated by the Law 1068/80 as effective through programmatic contracts of the article 100 of the law 3852/2010. In this case the subsidiaries are governed by the same legal and regulatory framework as effective for EYDAP with the exception of the tariffs policy which is defined by the programmatic contracts. EYDAP S.A. established in July 2011 (Gov. Gaz. Issue of societate anonyms and limited partnerships 6773/19.07.2011, BoD Decision no. 17241/13.05.2011), a company under the name “ISLANDS’ WATER SUPPLY & SEWERAGE SOCIETE ANONYME” with the distinctive title “ISLANDS’ EYDAP S.A.”. EYDAP S.A. participates with 100% in the share capital of ISLANDS’ EYDAP S.A.. As a result, the Company prepares Consolidated Financial Statements since the financial year 2011.

The Company’s shares are listed on the Athens Exchange.

### 2. BASIS OF PREPARATION

The semi-annual financial statements are condensed and have been prepared in accordance with the International Accounting Standard (IAS) 34, “Interim Financial Reporting”.

### 3. ADOPTION OF NEW AND REVISED INTERNATIONAL STANDARDS

New standards, amendments to existing standards and interpretations have been issued and their application is mandatory for annual periods beginning on or after 1 January 2017. The impact of the application of these new standards, amendments and interpretations is set out below.

#### **Standards and Interpretations mandatory for the current financial year 2017**

##### **Standards and Interpretations mandatory for the current financial year**

There are no new standards, amendments to existing standards and interpretations that have been approved by the European Union and are mandatory for annual periods beginning on 1 January 2017.

## **Standards and Interpretations mandatory for subsequent periods**

### ***IAS 12 (Amendment) "Recognition of Deferred Tax Assets for Unrealized Losses"***

The amendment clarifies the accounting concerning the recognition of deferred tax assets for unrealized losses incurring from debt instruments measured at fair value. The amendment is applicable for annual periods beginning on or after 1 January 2017 and has not yet been approved by the European Union. The amendment is not expected to have material impact on the financial statements of the Company and the Group.

### ***IAS 7 Statement of Cash Flows (Amendment) "Disclosures"***

The amendment introduces mandatory disclosures that enable users of financial statements to evaluate the changes in liabilities arising from financing activities. The amendments shall require entities to provide disclosures that permit investors to evaluate changes in liabilities arising from financial activities, including changes arising from cash flows and non-cash changes. The amendment is applicable for annual periods beginning on or after 1 January 2017 and has not yet been approved by the European Union.

The amendment is not expected to have material impact on the financial statements of the Company and the Group, unless otherwise stated.

### **Annual Improvements to IFRSs 2014-2016 Cycle**

The amendments of the 2014 - 2016 Cycle were issued by the IASB on 8 December 2016. The following improvement is applicable for annual periods beginning on or after 1 January 2017 and has not yet been approved by the European Union. The amendment below is not expected to have a material impact on the financial statements of the Company and the Group.

### ***IFRS 12 Disclosure of Interests in Other Entities: Clarification of the scope of the Standard***

The amendment clarified the scope of the standard by specifying that certain disclosure requirements in the standard, except for those requiring the provision of condensed financial information, apply for an entity's interests that are classified as held for sale, as held for distribution or as discontinued operations in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". The amendment is applicable for annual periods beginning on or after 1 January 2017.

## **Standards and Interpretations mandatory for subsequent periods that have not been earlier applied by the Company**

The following new standards, amendments to existing standards and interpretations have been issued but are mandatory for subsequent periods. The Company has not earlier applied these standards.

## **Standards and Amendments to existing Standards that have been approved by the E.U.**

### ***IFRS 9 "Financial Instruments"***

On 24 July 2014 the IASB issued the final version of the IFRS 9, which includes improvements for the classification and measurement, the impairment and the hedge accounting. The standard comes to supersede the IAS 39 and all the previous versions of the IFRS 9. The financial assets are valued at amortized cost, at fair value through profit or loss, or the fair value through other comprehensive income, based on the entity's business model for the management of the financial assets and the contractual cash flows of the financial assets. Except for the entity's credit risk, the classification and measurement of financial liabilities is not changed in relation to the existing requirements. The Company and the Group are assessing the impact of the IFRS 9 since the application of this standard in the future may have a material impact on the financial statements. The IFRS 9 is mandatory for annual periods beginning on or after 1 January 2018 and was approved by the European Union on 22 November 2016.

### ***IFRS 15 "Revenue from Contracts with Customers"***

On 28 May 2014 the IASB issued the IFRS 15 "Revenue from Contracts with Customers", which including also the amendments to the standard issued on 11 September 2015 is mandatory for annual periods beginning on or after 1 January 2018 and is the new standard referring to revenue recognition.

The IFRS 15 supersedes the IAS 18 "Revenue", IAS 11 "Construction contracts" and the interpretations IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31.

*The accompanying notes that are presented in pages 25-49 form an integral part of the present Financial Statements*

The new standard establishes a single, five-step model that shall be used for revenue arising from a contract with a customer (with limited exemptions), regardless of the nature of the revenue transaction or the sector. The requirements of the standard will be applied also for the recognition and measurement of gains and losses from the sale of certain non-financial assets that do not constitute production from the entity's usual activities (e.g. sales of property, plant and equipment or intangible assets). Further disclosures shall be required, including an analysis of the total revenue, information in relation to return obligations, changes in the balance of the contract's assets and liabilities between the periods and critical judgments and estimates. The IFRS 15 was approved by the European Union on 22 September 2016.

The Company is assessing the impact of the IFRS 15 since the application of this standard in the future may have a material impact on its financial statements.

## **Standards and Amendments to existing Standards that have not been approved by the E.U.:**

### ***IFRS 14 "Regulatory Deferral Accounts"***

On 30 January 2014 the IASB issued the IFRS 14 "Regulatory Deferral Accounts". The objective of this Standard is to achieve the comparability of financial reporting in entities that are engaged in rate-regulated activities, subject to a pricing framework and are within the scope of a rate regulation.

The IFRS 14 allows an entity, first-time adopter of IFRSs to continue accounting, by small changes, the balance of the "regulatory deferral accounts" according to the previous accounting standards, so at the first application of the IFRS as also in the subsequent financial statements. The balance and the movement of these accounts are presented separately in the statements of financial position, income and other comprehensive income while particular disclosures are required. The new standard is applicable for annual periods beginning on or after 1 January 2016 and has not yet been approved by the European Union.

### ***IFRS 16 "Leases"***

On 13 January 2016 the International Accounting Standards Board (IASB) issued the IFRS 16 which supersedes the IAS 17. Purpose of the standard is to ensure that lessors and lessees provide useful information that presents fairly the substance of the transactions concerning leases. The IFRS 16 introduces a single lessee accounting model on lessee's side, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. For the accounting, on the lessor's side, the IFRS 16 substantially incorporates the requirements of the IAS 17. Consequently, lessors continue to classify leases as operating or finance, and follow different lessor accounting for each type of contract. The new standard is applicable for annual periods beginning on or after 1 January 2019 and has not yet been approved by the European Union.

### ***IFRS 10 (Amendment) "Consolidated Financial Statements" and IAS 28 (Amendment) "Investments in Associates and Joint Ventures" - Sales or Contributions of Items of Assets between an Investor and the Associate or the Joint-Venture***

Main consequence of this amendment issued by the IASB on 11 September 2014, is that full gain or loss is recognized when a transaction includes an entity (either housed in a subsidiary or not). Partial gain or loss is recognized when a transaction includes items of assets that do not constitute an entity, even if these assets are housed in a subsidiary. The amendment is applicable for annual periods beginning on or after 1 January 2016 and has not yet been approved by the European Union.

### ***IFRS 2 Share-based Payment (Amendment) "Classification and Measurement of Share-based Payment"***

The amendment to IFRS 2 "Share-based Payment" clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for employee's tax obligation associated with a share-based payment and pay that amount to the tax authority. The amendment is applicable for annual periods beginning on or after 1 January 2018 and has not yet been approved by the European Union.



### ***Clarifications to IFRS 15 “Revenue from Contracts with Customers”***

On April 2016, the IASB issued clarifications to IFRS 15. The amendments to IFRS 15 do not change the basic principles of the Standard but provide clarification on how to apply these policies. The amendments clarify how to identify performance obligations recognized as a contract, how to determine whether an entity is a principal or an agent and how is determined whether the revenue from granting a license should be recognized as transferred at a point in time or over time. The Company will assess the impact of all the above on its financial statements, however is not expected any. The amendment is applicable for annual periods beginning on or after 1 January 2018 and has not yet been approved by the European Union.

### **Annual Improvements to IFRSs 2014-2016 Cycle**

The following amendments of the 2014 - 2016 Cycle were issued by the IASB on 8 December 2016, are applicable for annual periods beginning on or after 1 January 2018 and have not yet been approved by the European Union. The amendments below are not expected to have a material impact on the financial statements, unless otherwise stated.

#### ***IAS 28 (Amendment) “Measuring an Associate or Joint Venture at fair value”***

The amendment clarified that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organization, or other qualifying entity, is available for each investment in an associate or joint venture on an investment -by- investment basis, upon initial recognition.

#### ***IAS 40 “Investment Property” Transfer of Investment Property***

The amendments to IAS 40 issued by the IASB on 8 December 2016 clarify that an entity can transfer a property to, or from investment properties, when and only when, there is evidence of a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition. A change in management’s intentions for the use of a property, in isolation, is not evidence of a change in use to support a transfer.

The amendment is applicable for annual periods beginning on or after 1 January 2018 and has not yet been approved by the European Union.

#### ***IFRIC 22 Interpretation “Foreign currency transactions and Advance consideration”***

The Interpretation 22 clarifies the accounting for foreign currency transactions including the receipt or the payment of consideration in advance. Specifically, it applies for the foreign currency transactions where an entity recognizes a non-monetary asset or liability arising from the payment or the receipt of consideration in advance before the entity recognize the related item as expense or revenue. The interpretation states that the date of the transaction, for the purpose of determining the exchange rate to use on initial recognition of the related item, should be the date on which an entity initially recognizes the non-monetary asset or liability arising from the advance consideration. If there are multiple payments or receipts in advance, the date of transaction is determined for each payment or receipt.

The interpretation is applicable for annual periods beginning on or after 1 January 2018 and has not yet been approved by the European Union.

#### ***IFRIC 23 Interpretation “Uncertainty over Income Tax Treatments”***

Interpretation 23 is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. In such case should be considered:

- whether tax treatments should be considered collectively or independently and on the assumption that the examinations will be done by the taxation authorities having full knowledge of all relevant information:
  - it is probable that the taxation Authorities will accept the entity’s determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates and
  - an entity has to reassess its judgments and estimates if facts and circumstances change.

IFRIC 23 is applicable for annual periods beginning on or after 1 January 2019 but has not yet been approved by the European Union.

#### 4. ACCOUNTING PRINCIPLES

---

The interim condensed semi-annual financial statements have been prepared according to the historical cost principle, with the exception of the revaluation of certain financial assets.

The basic accounting principles and the important accounting judgments made by the Management are the same to the ones applied for the annual financial statements of the Company on 31 December 2016.

The policy of the Company regarding risk management issues remains the same with the one described in the annual financial statements of the Company for the year ended on 31 December 2016.

The interim condensed semi-annual financial statements of the Company do not include all the information required in the case of the annual financial statements, and therefore should be examined in conjunction with the annual audited, by the Certified Auditors Accountants, financial statements of 31 December 2016, which are available at the Company's website [www.eydap.gr](http://www.eydap.gr).

##### **Basis of Consolidation**

The interim condensed semi-annual financial statements of the current period as well as of the previous period include the Parent Company and its subsidiary company "ISLANDS' EYDAP SA".

Subsidiaries are all the companies which are managed and controlled directly or indirectly by the parent company either through the majority holding of the companies' shares to which the investment has been made or through their dependency on the know-how which is provided to them by the Group. Subsidiaries' financial statements are included in the consolidated financial statements from the date of control accession until the date that the control ceases to exist.

During the acquisition of the subsidiary the respective receivables, liabilities as well as any potential liabilities are assessed at their fair value. In case that the cost value is greater than the fair value, the respective difference is recognized as goodwill. At the opposite case, where the cost value is lower than the fair value, the respective difference is credited in the financial results of the acquisition year. Minority interests are displayed at the proportion of the minority at the fair value of the assets and liabilities at which they have been recognized.

Subsidiaries' acquisitions are recognized under the purchase method. The subsidiaries' financial results which are either acquired or sold during the fiscal year, they are included in the respective consolidated statements from their acquisition date or the date of their disposal, respectively.

When is deemed necessary, subsidiaries' financial statements are restated in order for the data to be homogeneous and comparable with the respective data of the remaining companies of the Group. During the consolidation all the intra-group transactions and balances as well as the losses and gains between the companies of the Group are eliminated.

In the Company's financial statements, participations in subsidiaries and affiliates are displayed at their cost value deducted by any impairment of their value. The Company examines on a yearly basis or whenever there is any indication for impairment occurrence the accounting value of the aforementioned participations compared to the retrieval value on the basis of the higher value between fair value less cost to sell and the value in use.

#### 5. RESULTS FOR THE PERIOD

---

##### REVENUES

The Company's turnover declined by € 2.6 million approximately mainly due to the following:

*The decrease of:*

- Revenues from water supply.
- Revenues from sewerage services.

*The accompanying notes that are presented in pages 25-49 form an integral part of the present Financial Statements*

### COST OF GOODS SOLD

The cost of goods sold increased by € 10.3 million approximately in comparison with the respective period of the previous year. This change is mainly due to the following:

#### *The increase of:*

- Provisions for litigation cases by an amount of € 9.0 million approximately, as well as the formation of a provision for future claims by employees for an amount of € 3.0 million approximately,
- Personnel fees and expenses (non-received leave) by an amount of € 1.6 million approximately,
- Various expenses and taxes-duties by an amount of € 0.9 million approximately.

#### *The decrease of:*

- Provision for doubtful receivables by an amount of € 2.6 million approximately,
- Third party benefits by an amount of € 1.7 million approximately.

### GENERAL AND ADMINISTRATION EXPENSES

The general and administration expenses of the Company increased by € 1.0 million approximately in comparison with the respective period of the previous year. This change is mainly due to the following:

#### *The increase of:*

- Personnel fees and expenses by an amount of € 0.9 million approximately,
- Third party fees and expenses by an amount of € 0.8 million approximately,
- Third party benefits by an amount of € 0.5 million approximately.

#### *The decrease of:*

- Various expenses and taxes-duties by an amount of € 1.2 million approximately.

### DISTRIBUTION AND SELLING EXPENSES

The distribution and selling expenses of the Company decreased by € 0.6 million approximately. This change is mainly due to the following:

#### *The increase of:*

- Personnel fees and expenses by an amount of € 0.8 million approximately,
- Third party fees by an amount of € 0.6 million approximately,
- Various expenses and taxes-duties by an amount of € 0.3 million approximately.

#### *The decrease of:*

- Third party benefits by an amount of € 2.3 million approximately

### PROFIT BEFORE TAXES

After the decrease of financial expenses (by € 4.5 million approximately) and the increase of financial income, mainly due to the settlement of overdue amounts payable to the Company from municipalities, profit before taxes of the Company settled at € 20.2 million approximately versus € 12.2 million approximately in the respective period of the previous year.

### NET PROFIT AFTER TAXES

Net profit after taxes of the Company settled at € 11.9 million approximately versus € 7.3 million approximately in the respective period of the previous year.

### BUSINESS SEGMENTS

The major business activities of the Company (water supply services, sewerage services and other services), are not subject to different risks and returns. Therefore, the Company did not proceed with any disclosures concerning the business segments. It is noted that the Company operates in single geographic location (the main area of Attica). The policy and the decision making process are unified for the entire spectrum of the Companies' activities.

*The accompanying notes that are presented in pages 25-49 form an integral part of the present Financial Statements*

## 6. INCOME TAX

The income tax of the current year represents the sum of the current income tax, the deferred taxation, the tax provision for the unaudited financial years as well as the tax audit differences, and is analyzed as follows:

<i>Amounts in € thousands</i>	<b>30.06.2017</b>	<b>30.06.2016</b>
Income Tax	6,885	11,584
Provision for unaudited period's income tax and audit differences concerning previous period's tax compliance	1,341	455
Deferred Taxation	156	(7,186)
<b>Total</b>	<b><u>8,382</u></b>	<b><u>4,853</u></b>

The income tax during the current period derived as follows:

<i>Amounts in € thousands</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30.06.2017</b>	<b>30.06.2016</b>	<b>30.06.2017</b>	<b>30.06.2016</b>
Profit before taxes	20,252	12,192	20,278	12,180
Income tax calculated with the tax rate in effect (29%)	5,873	3,536	5,881	3,532
Provision for unaudited period's income tax and audit differences concerning previous period's tax compliance	1,341	455	1,341	455
Tax on permanent and non deductible expenses	1,168	866	1,160	866
<b>Total</b>	<b><u>8,382</u></b>	<b><u>4,857</u></b>	<b><u>8,382</u></b>	<b><u>4,853</u></b>

### Current Tax Liability

In the first half of 2017, the total income tax liability amounts to € 4,904 thousand approximately and is analyzed as follows:

<i>Amounts in € thousands</i>	
<b>Balance as at 01.01.2017</b>	-
Income tax receivables from previous years	(1,834)
Current income tax for the first half of 2017	6,885
Withheld Taxes	(147)
Total income tax liabilities 30.06.2017	4,904

The Company submitted the income tax statement for the tax year 2016 to the pertinent tax authority and the relevant tax was verified for an amount of € 24.4 million approximately. The above amount is payable in six monthly installments with the last one being payable on 31.12.2017.

It is also noted:

**Tax unaudited years:** The company has been audited by the tax authorities until the fiscal year 2010. The fiscal years 2011 until 2013 and 2014 until 2015 are subject to the tax audit of the Certified Auditors Accountants according to the clauses of the article 82, paragraph 5 of Law 2238/1994 (as it was amended by the article 21, paragraph 10 of Law 3943/2011) and of the article 65A of Law 4174/2013 respectively. For these fiscal years, tax compliance certificates have been issued without any reservation.

The tax audit currently conducted by the legal auditors for the year 2016 is in progress and a relevant tax certificate will be issued shortly.

The financial statements incorporate provisions of € 2.8 million approximately for the year of 2016 and the first half 2017.

Islands' EYDAP SA has not been audited for tax purposes since its establishment, fiscal year 2011 and onwards, and in addition it has not formed any relevant provision due to its limited business transactions.

*The accompanying notes that are presented in pages 25-49 form an integral part of the present Financial Statements*

## 7. EARNINGS PER SHARE

---

The calculation of the basic earnings per share is analyzed as follows:

<i>Amounts in € thousands</i>	GROUP	
	30.06.2017	30.06.2016
Net profit for the period	11,870	7,335
Weighted average outstanding number of shares	106,500	106,500
Earnings per share (in €)	0,11	0,07

## 8. DIVIDENDS

---

The Annual General Meeting of Shareholders on 16.06.2017, approved the distribution of dividend from the profit of the year 2016 for a gross amount of 11 cents (Euro 0.11) per share (totaling € 11,715 thous.). Respectively, for the fiscal year 2015 there was an approval for gross dividend of 31 cents (Euro 0.31) per share (totaling € 33,015 thous.).

## 9. OTHER INTANGIBLE AND TANGIBLE ASSETS

---

In the context of the strategic development of EYDAP, the Company proceeds each year with investments targeting the modernization of its operation segments and the coverage of the constantly rising water supply and sewerage needs of the capital's broader geographic area, as well as the maintenance of an exceptional quality of the water supplied and the services rendered.

During the period 01.01.2017-30.06.2017, the Company implemented investments of € 3.8 million approximately concerning the water supply and sewage network, purchases of other fixed assets (mechanical equipment, furniture and other related equipment) for an amount of € 1.4 million and purchase of software for an amount of € 0.2 million approximately. The total depreciation of tangible assets during the period amounted to € 21.9 million approximately whereas the total amortization of the intangible assets over the same period amounted to € 0.3 million approximately.

## 10. LONG-TERM ASSETS

---

The account "long-term assets" includes:

- Settlement of overdue payments from Municipalities amounting to € 9.1 million approximately (31.12.16 amount of € 11.7 million approximately).
- Receivables (accrued and non-invoiced) from the Greek State concerning expenses for the construction and maintenance of works under state ownership, amounting to € 4.0 million approximately (31.12.2016 amount of € 3.7 million approximately).
- Loans granted to personnel, amounting to € 6.3 million approximately (31.12.2016 amount of € 6.6 million approximately).
- Guarantees granted of € 0.6 million approximately (31.12.2016 amount of € 0.6 million approximately.)

## 11. MATERIALS, SPARE PARTS & CONSUMABLES

---

Spare parts and consumables are utilized in the Company's networks (maintenance and expansion). Inventories include provisions for inventory impairment of € 2.3 million approximately, which are recorded as deduction from their acquisition value.

## 12. RECEIVABLES FROM CUSTOMERS

---

The balance of customers prior to impairment due to doubtful receivables increased by € 16.1 million approximately during the current period, whereas after the impairments was higher by € 13.7 million approximately compared to 31.12.2016.

With regard to its credit risk, the Company had created on 30.06.2017 provisions for doubtful receivables of a total amount of € 54 million approximately (on 31.12.2016 amount of € 51.6 million approximately). Due to the large number of customers (2,058,486 approximately on 30.06.2017), the credit risk of the Company is relatively limited. At the same time, the terms of the agreement concerning the water supply and sewerage services are such that they ensure to a large extent the collection of the receivables from customers.

The provision for doubtful receivables is monitored by the Department of Revenue & Receivables Management, which continuously audits the Company's receivables, either separately or based on groups (invoice codes, customer categories) and incorporates this information into the creation of the relevant provision.

In the context of procedures provided by the Public Revenue Collection Code (Law 356/1974), as it was amended with the law provisions 4174/2013, 4224/2013 & 4337/2015, the Company calculates the relevant interest charged on the overdue amounts at the time of their payment.

## 13. OTHER RECEIVABLES

---

The balance of the other receivables posted no significant change and settled on 30.6.2017 at € 18.7 million approximately (whereas on 31.12.2016 had amounted to € 17.3 million approximately).

## 14. OPERATING SHORT-TERM LIABILITIES

---

The Company's operating short-term liabilities in the current period decreased by € 40.9 million compared to the corresponding level on 31.12.2016. This change was mainly due to:

The decrease of:

- The dividends payable by the amount of € 39.7 million approximately
- The suppliers by € 0.3 million approximately
- The liabilities to pension funds by € 1.5 million approximately

The increase of:

- The withheld taxes by amount of € 0.6 million approximately

## 15. OTHER SHORT-TERM LIABILITIES

---

The other short-term liabilities increased by € 2.5 million approximately compared to the corresponding level on 31.12.2016. This change is mainly due to the following:

The increase of:

- The provision for the non-granted leave by € 3.2 million approximately that is recorded in the semi-annual financial statements.

The decrease of:

- The other short-term liabilities by € 0.7 million approximately.

## 16. INVESTMENTS IN SUBSIDIARIES

On 18th July 2011, with the Board of Directors decision 17241/13.05.2011, the Company EYDAP SA established a company under the name “ISLANDS WATER SUPPLY AND SEWERAGE S.A.” with the distinctive title “ISLANDS’ EYDAP SA”, which is fully owned (100%) by EYDAP SA and has a share capital of € 1.21 million. “ISLANDS’ EYDAP SA” plans to activate in the areas of water supply, sewerage, irrigation, and rain water collection in Greek islands. The subsidiary possesses limited business activity until today.

## 17. INVESTMENTS AVAILABLE FOR SALE

The investments available for sale include the following:

- Equity participation in EYATH SA, a company listed on the Athens Exchange, which provides the Company with the option to generate income from dividends and potentially from capital gains. The company was valued at fair according to the official price quote of the Athens Exchange on 30.06.2017 and the difference that emerged due to the change of fair value was recorded in the net worth through the Statement of Total Comprehensive Income.
- Equity participation in Attica Bank. EYDAP SA, with the decision no. 18770/18.12.2015 of the Board of Directors approved its participation in the share capital increase of Attica Bank Societe Anonyme based on an amount of € 20 million. The above decision was verified by the Extraordinary General Meeting of shareholders on 15/01/2016.
- The investment of the Company in the shares of Attica Bank is considered as strategic one and therefore it has been recorded under the category of financial assets available for sale. The particular investment was valued at fair based on the official price quote of the Athens Exchange on 30.06.2017, and the difference (profit) that emerged due to the change in the fair value according to the paragraph 55 of IAS 39 was recognized in the other comprehensive income.

Following the above, the Company’s portfolio settled as follows:

<i>Amounts in € thousands</i>	Number of Shares	Acquisition Cost	Valuation 30/06/2017	Valuation 31/12/2016
<b>Thessaloniki Water Supply &amp; Sewerage Co. (EYATH)</b>	<b>264,880</b>	<b>485</b>	<b>1,192</b>	<b>922</b>
Attica Bank SA	66,666,666	20,000	7,933	1,933
<b>Total</b>			<b>9,125</b>	<b>2,855</b>

## 18. DEFERRED TAX ASSET

<i>Amounts in € thousands</i>	2016				2017		
	Opening Balance 01.01.2016	(Burden) / Gain in the Results for the Period	(Burden) / Gain in the Equity	Ending Balance 31.12.2016	(Burden) / Gain in the Results	(Burden) / Gain in the Equity	Ending Balance 30.06.2017
Expensing of intangible assets	39	-	-	39	-	-	39
Inventory impairment	562	-	-	562	100	-	662
Liability for employee benefits	50,450	45	5,661	56,156	1,280	-	57,436
Provision for doubtful receivables	5,340	-	-	5,340	-	-	5,340
Other provisions for risks and expenses	10,246	3,919	-	14,166	(1,327)	-	12,839
Customer contributions and Municipalities (OTA)	16,981	668	-	17,649	(861)	-	16,788
Difference between accounting and tax basis of depreciations	(6,275)	173	-	(6,102)	(159)	-	(6,261)
Income and expenses accrued	(80)	(1)	-	(81)	(5)	-	(86)
Def. Tax in the Tax Reserves from revaluation of property	9,001	-	-	9,001	-	-	9,001
Impairment of securities	406	5,239	(406)	5,239	-	(1,740)	3,499
Other deferred tax items	5,543	76	-	5,619	817	-	6,436
	<b>92,213</b>	<b>10,120</b>	<b>5,255</b>	<b>107,588</b>	<b>(155)</b>	<b>(1,740)</b>	<b>105,693</b>

The accompanying notes that are presented in pages 25-49 form an integral part of the present Financial Statements

The deferred tax asset on 30.06.2017, accounted for € 105.7 million approximately. The corresponding deferred tax asset on 31.12.2016 had accounted for € 107.6 million approximately.

## 19. SHARE CAPITAL

---

EYDAP was established in 1980 pursuant to Law 1068/1980 and following the merger of the two water and sewerage utilities of Athens at the time, with the company names Hellenic Water Supply Company and the Sewerage Organization of Athens LEPL.

The initial share capital of the Company settled at € 130,502 and was based on the valuation of assets and liabilities of the merged entities according to the clauses of Law 1068/1980.

In 1992, the share capital amounted to € 1,253,507 consisting of 213,566,282 common shares with a nominal value of € 5.87 per share. The share capital increase took place pursuant to Law 1914/1990 following a new valuation of the Company's net worth in view of a significant number of installations, which were contributed by the Greek State to the Company at the time, and following the capitalization of liabilities towards the State.

The Shareholders General Meeting on 30 June 1998 approved an additional increase of the Company's share capital by € 6,845 via the capitalization of investment subsidies that had been collected up to 31 December 1997. Following the above increase, the Company's share capital amounted to € 1,260,352 consisting of 214,732,544 common shares with a nominal value of €5.87 (two thousands drachmas) per share.

In 1999, due to the Company's listing on the Athens Exchange and according to Law 2744/1999, its share capital was set at € 58,694 consisting of 100,000,000 common shares with a nominal value of € 0.59 (two hundred drachmas) per share. According to the same Law, the remaining amount of € 1,201,658 of the share capital was converted to a "Special Non Taxable Reserve", which was among others decreased by the net amount of fixed assets, which were transferred to «EYDAP Fixed Assets» at no cost. In December 1999, 6,500,000 new ordinary shares were issued at a nominal value of € 0.59 (two hundred drachmas) per share and were allocated through an initial public offering for the Company's listing on the Athens Exchange.

As a result, the Company's share capital as of December 31, 2000 had amounted to € 62,509 thousands consisting of 106,500,000 common shares with a nominal value of € 0.59 (two hundred drachmas) per share.

In May 2001, EYDAP decided to denominate its share capital into Euro, through the increase of the nominal value per share from € 0.59 to € 0.60, and the amount of € 1,391 thousand of the above share capital increase was transferred from the "Share Premium Account". Thus, the share capital of the Company on 31 December 2012 and 31 December 2011 was equivalent to € 63,900 thousand consisting of 106,500,000 common shares with a nominal value of € 0.60 per share.

No change occurred in the Company's share capital during the current as well as the previous period.



## 20. LIABILITIES FOR EMPLOYEE BENEFITS (GROUP & COMPANY)

The account is analyzed as follows:

<i>Amounts in € thousands</i>	<b>30.06.2017</b>	<b>31.12.2016</b>
Provision for staff indemnity due to retirement	33,732	33,105
Healthcare coverage of personnel	167,875	168,168
Special one-off indemnity (personnel hired prior to and after 25-10-1999)	91,683	89,941
<b>Total</b>	<b>293,290</b>	<b>291,214</b>

The change in the account amounting to € 2.08 million approximately is mainly attributed to the burden on the results of the period which was based on the estimation of cost up to 30.06.2017 for each plan separately and in accordance with the actuarial study on 31.12.2016.

## 21. RETAINED EARNINGS

<i>Amounts in € thousands</i>	<b>GROUP</b>	<b>COMPANY</b>
<b>Balance at 01.01.2016</b>	<b>485,185</b>	<b>485,285</b>
Dividends payable	(33,015)	(33,015)
Net profit for the period	7,335	7,327
<b>Balance at 30.06.2015</b>	<b>459,505</b>	<b>459,597</b>
<b>Balance at 01.01.2017</b>	<b>421,890</b>	<b>422,003</b>
Dividends payable	(11,715)	(11,715)
Net profit for the period	11,870	11,896
<b>Balance at 30.06.2017</b>	<b>422,045</b>	<b>422,184</b>

## 22. PROVISIONS

The account in the financial statements is analyzed as follows:

<i>Amounts in € thousand</i>	<b>30.06.2017</b>	<b>31.12.2016</b>
Provisions for pending litigations with employees - pensioners	5,145	18,874
Provisions for civil litigations	29,736	22,827
Provisions for future claims of employees	4,597	-
<b>Total</b>	<b>39,478</b>	<b>41,701</b>

As of 30.06.2017, the lawsuits for civil cases against the Company accounted for € 87.6 million. The lawsuits concerned indemnities for damages from flooding (due to pipeline fractures or rainfalls), or cases involving various counterparty suppliers and sub-contractors with regard to violation of contractual terms. Furthermore, there are pending legal cases for employment differences of € 114.4 million approximately. Furthermore, there are pending legal cases for employment differences of € 98.6 million approximately.

*The accompanying notes that are presented in pages 25-49 form an integral part of the present Financial Statements*

During the first half of 2017, the Company proceeded with the implementation of the decision numbered 19105/ 21.12.2016 of the Board of Directors, concerning a settlement agreement for collective labor differences and disbursed an amount of € 15.6 million approximately. On 24.05.2017 with the decision numbered 19224 of the Board of Directors, the Company proceeded with a settlement agreement for collective labor differences of € 13 million approximately. Due to the above differences, the Management of the Company recognized in the first half of 2017 an additional provision with regard to any future claims of amount € 4.6 million approximately.

The Company has formed total provisions of € 54.0 million approximately on 30.06.2017 (€ 58.7 million approximately on 31.12.2016). The item short-term liabilities includes, on 30.06.2017, an amount of € 14.6 million approximately, which refers to the settlement of collective labor differences with regard to the above two decisions approved by the Board of Directors (€ 17 million approximately on 31.12.2016).

The provision for litigation cases is based on the Management's estimates in collaboration with the Legal Services Division and concerns the amount that is likely to be paid.

## **23. COMMITMENTS AND CONTINGENT LIABILITIES – ASSETS**

---

Contingent liabilities are not recorded in the financial statements but they are disclosed, unless there is a chance of any possible outflow or inflow of resources incorporating financial benefits.

### **1. Relations with Greek State**

With a joint ministerial decision of 3.12.2013 which was issued according to the above law provisions, it was defined that the overdue amounts payable to the Company from the Greek State concerning investment plan's subsidized expenditures of € 294 million for the decade 2000 – 2010 as stipulated from the agreement of 9.12.1999 between the Greek State and the Company, were offset with equivalent in value non tax related amounts payable to the Greek State from the Company, until 30.6.2013, concerning the cost of the collected crude water for the period 25.10.2004 – 30.6.2013. With the same joint ministerial decision, the other claims until 30.06.2013 between the Greek State and EYDAP SA were also settled and amortized. With the decision of the Extraordinary General Shareholders' Meeting on 27th December 2013, the above ministerial decision was accepted.

On the other hand, the signing of a written agreement - as it is defined in the article 15 of the agreement on 9.12.1999 between the Greek State and the Company - which will determine the price paid to "L.E.P.L. EYDAP Fixed Assets" for the crude water collected is pending from the year 2004. In absence of a written agreement, the Company continues, after 30/06/2013, to offset the cost of the collected crude water with the maintenance and operation services it provides for the fixed assets owned by "L.E.P.L. EYDAP Fixed Assets" (Note 27), affecting accordingly its financial results.

### **2. Commitments concerning Non-Executed Contracts**

The Company's commitments which concern expansions, improvements and maintenance of networks and installations, electrical and thermal energy production unit installations, etc., accounted for € 61 million approximately on 30.06.2017 (versus € 69 million on 31.12.2016).

### **3. Letters of Guarantee**

The Company has issued letters of guarantee for liability insurance of € 223 thous. on 30.06.2017.

## **24. SEASONALITY OF ACTIVITIES**

---

The Company's revenues present cyclicity (increased water consumption during the summer months), and as result there are significant variations on quarterly basis in the Company's turnover and results. Therefore the quarterly results are not, in any case, indicative of the trend and the course of results until the end of each fiscal year. However, the quarterly results can be compared with the corresponding quarterly results of the previous fiscal years. During the second half of each year there is a trend of higher water consumption in the summer months, a factor that increases the Company's turnover compared to the first half.

## 25. SUBSEQUENT EVENTS

No other event has occurred that may significantly affect the financial structure or the business course of the Company and the Group from the reporting date of 30.06.2017 until the approval date of the financial statements by the Company's Board of Directors.

## 26. RELATED PARTY TRANSACTIONS (GROUP & COMPANY)

There are no essential changes in the nature of transactions regarding the related parties as compared to the annual financial statements.

### A) Transactions and Amounts Outstanding with Members of the Board

<i>Amounts in € thousands</i>	30.06.2017	30.06.2016
Fees (Chairman & CEO, and Executive Directors)	57	57
Fees & attendance expenses of BoD members	40	40
<b>Total</b>	<b>97</b>	<b>97</b>

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

<i>Amounts in € thousands</i>	GROUP		COMPANY	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
<b>1) Transactions</b>				
- Income	27,879	26,704	27,879	26,704
- Cost of Goods Sold (cost of construction works)	247	32	247	32
<b>2) Outstanding amounts</b>	<b>30.06.2017</b>	<b>31.12.2016</b>	<b>30.06.2017</b>	<b>31.12.2016</b>
Long-term receivables (Projects for the Greek State)	4,030	3,769	4,030	3,769
Long-term customer receivables (Arrangements for Municipalities)	9,115	21,038	9,115	21,038
Customer receivables (Municipalities, Greek State)	49,194	38,964	49,194	38,964
Receivable from Islands' EYDAP	-	-	24	24
Other receivables (from the Greek State for deficit coverage and staff indemnities)	258	258	258	258

The transactions with the Greek State and the Local Government Authorities concern revenues of water supply, invoiced and accrued, as well as accrued income from the construction cost for the account of Ministry of Infrastructure & Transport and "EYDAP Fixed Assets L.E.P.L."

## 27. EYDAP FIXED ASSETS «EYDAP L.E.P.L.»

1. "EYDAP Fixed Assets Legal Entity of Public Law L.E.P.L." was established at the time of the Company's public listing (IPO) aiming at transferring the ownership of the water dams and basins of Marathon, Mornos, Evinos and Yliki. Apart from the constructions and the expansions of the facilities which are connected to the above dams and basins, the Greek State through "EYDAP Fixed Assets L.E.P.L." supplies the Company with crude water so that the Company is in position to fulfill its obligations with regard to the provision of water supply services.

2. It is noted that until the approval date of the financial statements by the Board of Directors, the total ceded assets have not been transferred to EYDAP L.E.P.L., which have a total net book value of € 657 million approximately. More specifically the transferring of the following assets is pending:

- The Water Reservoir of Iliki extending up to Viliza of Thiva
- The work station in Amfissa and Hrissos of Delfoi.

It is noted that the above fixed assets are not included in the Company's assets and therefore have not been recorded in the Financial Statements of EYDAP.

3. The Board of Directors of "EYDAP S.A." with the decision 18448/ 24.09.2014 approved the signing of an agreement between "EYDAP Fixed Assets Legal Entity of Public Law L.E.P.L." and "EYDAP S.A." concerning the water supply and invoicing, since 1/10/2014, of the local government authorities and other legal entities of public law from "EYDAP Fixed Assets L.E.P.L." along the External Water Supply System which concerns geographic areas beyond the jurisdiction of "EYDAP S.A.". Particularly, the above decision concerned the following Municipalities:

- Delfoi
- Leivadia (and of DEYAL)
- Thiva (and of DEYATH)
- Tanagra
- Chalkida (and of DEYACH)
- Distomo - Arachova

## 28. RECLASSIFICATION OF ACCOUNTS

---

In the Semi-Annual Report of 2016, the recognized impairment loss of € 14,066 thousand that referred to the difference between the fair value of the Company's investment in the shares of Attica Bank SA on 30.06.2016 and the respective acquisition cost, had been recorded directly in the equity through the other comprehensive income, according to the paragraph 67 of IAS 39.

Following a suggestion by the Hellenic Capital Market Commission, it was deemed that on 30.06.2016 the condition of objective proof for impairment was satisfied according to paragraph 61 of IAS 39. The effect that would have been generated from the recognition of a relevant impairment loss on the results of the period 1.1.2016-30.6.2016 on consolidated and separate basis on the Company's major financial figures settles as following: Profit before taxes would have decreased by € 14,066 thousand namely from € 26,246 thousand to € 12,180 thousand. Profit after taxes would have declined by € 9,987 thousand, namely from € 17,314 thousand to € 7,327 thousand, whereas the equity would have remained unchanged.

The above accounting treatment was adopted in the annual financial report of the fiscal year 2016.

It is noted that from the valuation of the above equity participation on 30.06.2017 compared to the valuation of 31.12.2016, a positive difference emerged and amounted to € 6 million. The final difference of € 4.3 million (after the calculation of the respective deferred tax liability) according to IAS 39 was recorded in the other comprehensive income (equity).

Based on the above, in the financial statements of 30.6.2017, the amounts of the comparative period ending on 30.6.2016 were restated as follows:

## INTERIM STATEMENT OF INCOME

<i>Amounts in € thousands</i>	GROUP		COMPANY	
	30 June 2016 As published	30 June 2016 As reclassified	30 June 2016 As published	30 June 2016 As reclassified
Turnover	154,393	154,393	154,363	154,363
Cost of Goods Sold	(84,008)	(84,008)	(84,008)	(84,008)
<b>Gross Profit</b>	<b>70,385</b>	<b>70,385</b>	<b>70,355</b>	<b>70,355</b>
Other Operating Income	2,124	2,124	2,118	2,118
General and Administration Expenses	(34,409)	(34,409)	(34,385)	(34,385)
Distribution and Selling Expenses	(13,541)	(13,541)	(13,541)	(13,541)
<b>Operating Profit</b>	<b>24,559</b>	<b>24,559</b>	<b>24,547</b>	<b>24,547</b>
Other Expenses	(588)	(588)	(588)	(588)
Financial Income	7,059	7,059	7,058	7,058
Financial Expenses	(4,772)	(4,772)	(4,771)	(4,771)
Impairment of Securities	0	(14,066)	0	(14,066)
<b>Profit before Taxes</b>	<b>26,258</b>	<b>12,192</b>	<b>26,246</b>	<b>12,180</b>
Income Tax	(8,936)	(4,857)	(8,932)	(4,853)
<b>Net Profit after Taxes</b>	<b>17,322</b>	<b>7,335</b>	<b>17,314</b>	<b>7,327</b>
<b>Number of Shares</b>	<b>106,500</b>	<b>106,500</b>	<b>106,500</b>	<b>106,500</b>
<b>Earnings per Share for the Period (in €)</b>	<b>0,16</b>	<b>0,07</b>		

## INTERIM STATEMENT OF TOTAL COMPREHENSIVE INCOME

<i>Amounts in € thousands</i>	GROUP		COMPANY	
	30 June 2016 As published	30 June 2016 As reclassified	30 June 2016 As published	30 June 2016 As reclassified
Net Profit for the Year	17,322	7,335	17,314	7,327
Valuation of financial assets available for sale at fair value - Other income transferrable to following years' results	(8,962)	31	(8,962)	31
Restatement of recorded in equity previous years' total comprehensive income	-	994	-	994
<b>Total Comprehensive Income after Taxes</b>	<b>8,360</b>	<b>8,360</b>	<b>8,352</b>	<b>8,352</b>

The accompanying notes that are presented in pages 25-49 form an integral part of the present Financial Statements

## INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

### GROUP

As published

2016	Share Capital	Share Premium	Legal Reserve	Other Reserves	Securities' Reserves	Results (profit) carried forward	Total Equity
<i>Amounts in € thousands</i>							
<b>Equity Balance at 1<sup>st</sup> January 2016</b>	<b>63,900</b>	<b>40,502</b>	<b>22,207</b>	<b>355,765</b>	<b>(619)</b>	<b>485,185</b>	<b>966,940</b>
Net Profit for the Period						17,322	17,322
Net income recorded directly in Equity					(8,962)		(8,962)
Dividends						(33,015)	(33,015)
<b>Equity Balance at 30 June 2016</b>	<b>63,900</b>	<b>40,502</b>	<b>22,207</b>	<b>355,765</b>	<b>(9,581)</b>	<b>469,492</b>	<b>942,285</b>

As reclassified

2016	Share Capital	Share Premium	Legal Reserve	Other Reserves	Securities' Reserves	Results (profit) carried forward	Total Equity
<i>Amounts in € thousands</i>							
<b>Equity Balance at 1<sup>st</sup> January 2016</b>	<b>63,900</b>	<b>40,502</b>	<b>22,207</b>	<b>355,765</b>	<b>(619)</b>	<b>485,185</b>	<b>966,940</b>
Net Profit for the Period						7,335	7,335
Restatement of recorded in equity previous years' total comprehensive income					994		994
Net income recorded directly in Equity					31		31
Dividends						(33,015)	(33,015)
<b>Equity Balance at 30 June 2016</b>	<b>63,900</b>	<b>40,502</b>	<b>22,207</b>	<b>355,765</b>	<b>406</b>	<b>459,505</b>	<b>942,285</b>

### COMPANY

As published

2016	Share Capital	Share Premium	Legal Reserve	Other Reserves	Securities' Reserves	Results (profit) carried forward	Total Equity
<i>Amounts in € thousands</i>							
<b>Equity Balance at 1<sup>st</sup> January 2016</b>	<b>63,900</b>	<b>40,502</b>	<b>22,207</b>	<b>355,765</b>	<b>(619)</b>	<b>485,285</b>	<b>967,040</b>
Net Profit for the Period						17,314	17,314
Net income recorded directly in Equity					(8,962)		(8,962)
Dividends						(33,015)	(33,015)
<b>Equity Balance at 30 June 2016</b>	<b>63,900</b>	<b>40,502</b>	<b>22,207</b>	<b>355,765</b>	<b>(9,581)</b>	<b>469,584</b>	<b>942,377</b>

As reclassified

2016	Share Capital	Share Premium	Legal Reserve	Other Reserves	Securities' Reserves	Results (profit) carried forward	Total Equity
<i>Amounts in € thousands</i>							
<b>Equity Balance at 1<sup>st</sup> January 2016</b>	<b>63,900</b>	<b>40,502</b>	<b>22,207</b>	<b>355,765</b>	<b>(619)</b>	<b>485,285</b>	<b>967,040</b>
Net Profit for the Period						7,327	7,327
Restatement of recorded in equity previous years' total comprehensive income					994		994
Net income recorded directly in Equity					31		31
Dividends						(33,015)	(33,015)
<b>Equity Balance at 30 June 2016</b>	<b>63,900</b>	<b>40,502</b>	<b>22,207</b>	<b>355,765</b>	<b>406</b>	<b>459,597</b>	<b>942,377</b>

The accompanying notes that are presented in pages 25-49 form an integral part of the present Financial Statements

## INTERIM CASH FLOW STATEMENT

Amounts in € thousands	GROUP		COMPANY	
	30 June 2016 As published	30 June 2016 As reclassified	30 June 2016 As published	30 June 2016 As reclassified
<b>Cash Flows from operating activities</b>				
Profit before tax	26,258	12,192	26,246	12,180
Plus / minus adjustments for:				
Depreciation and amortization	22,821	22,821	22,821	22,821
Amortization of customer contributions and investment subsidies	(3,630)	(3,630)	(3,630)	(3,630)
Reductions / transfers of tangible and intangible assets	(144)	(144)	(144)	(144)
Income from securities	(66)	(66)	(66)	(66)
Impairment of securities	-	14,066	-	14,066
Provisions for personnel compensation	2,037	2,037	2,037	2,037
Other provisions	2,657	2,657	2,657	2,657
Interest and related income	(6,992)	(6,992)	(6,992)	(6,992)
Interest and related expense	4,772	4,772	4,772	4,772
Plus / minus adjustments for changes in working capital accounts or related to operating activities:				
(Increase) Decrease				
Trade receivables	4,506	4,506	4,542	4,542
Materials and spare parts	(247)	(247)	(247)	(247)
Increase (Decrease)				
Operating short term liabilities	(3,444)	(3,444)	(3,443)	(3,443)
Customers' guarantees	44	44	44	44
Employee contribution for indemnity	748	748	748	748
Minus:				
Interest and related expenses paid	(11)	(11)	(11)	(11)
Income tax paid	(188)	(188)	(188)	(188)
<b>Net Cash Inflows / (Outflows) from Operating Activities (a)</b>	<b>49,121</b>	<b>49,121</b>	<b>49,146</b>	<b>49,146</b>
<b>Cash flows from investing activities</b>				
Dividends received	66	66	66	66
Interest and related income received	6,163	6,163	6,163	6,163
Purchases of tangible assets	(5,385)	(5,385)	(5,385)	(5,385)
Purchases of intangible assets	(540)	(540)	(540)	(540)
Proceeds from customer contributions and subsidies	272	272	272	272
<b>Net Cash Inflows / (Outflows) from Investing Activities (b)</b>	<b>576</b>	<b>576</b>	<b>576</b>	<b>576</b>
<b>Cash flows from financing activities</b>				
Repayment of loans				
Dividends paid	(5)	(5)	(5)	(5)
<b>Net Cash Inflows / (Outflows) from Financing Activities (c)</b>	<b>(5)</b>	<b>(5)</b>	<b>(5)</b>	<b>(5)</b>
<b>Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)</b>	<b>49,692</b>	<b>49,692</b>	<b>49,717</b>	<b>49,717</b>
<b>Cash and Cash Equivalents at the beginning of period</b>	<b>260,419</b>	<b>260,419</b>	<b>259,342</b>	<b>259,342</b>
<b>Cash and Cash Equivalents at the end of period</b>	<b>310,111</b>	<b>310,111</b>	<b>309,059</b>	<b>309,059</b>

The accompanying notes that are presented in pages 25-49 form an integral part of the present Financial Statements

## INTERIM STATEMENT OF FINANCIAL POSITION

GROUP

<i>Amounts in € thousands</i>	<b>30 June 2016 As published</b>	<b>30 June 2016 As reclassified</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Goodwill	3,357	3,357
Other Intangible Assets	1,397	1,397
Tangible Assets	899,733	899,733
Investments in Associates	0	0
Investments Available for Sale	6,760	6,760
Long-term Assets	23,494	23,494
Deferred Tax Assets	98,993	98,993
<b>Total Non-Current Assets</b>	<b>1,033,734</b>	<b>1,033,734</b>
<b>CURRENT ASSETS</b>		
Materials and Spare Parts	12,548	12,548
Trade Receivables	205,403	205,403
Other Receivables	16,192	16,192
Current Tax Receivables	17,554	17,554
Cash and Cash Equivalents	310,111	310,111
<b>Total Current Assets</b>	<b>561,808</b>	<b>561,808</b>
<b>Total Assets</b>	<b>1,595,542</b>	<b>1,595,542</b>
<b>LIABILITIES</b>		
<b>SHAREHOLDERS' EQUITY</b>		
Share Capital	63,900	63,900
Share Premium	40,502	40,502
Reserves	368,391	378,378
Retained Earnings (earnings carried forward)	469,492	459,505
<b>Total Shareholders' Equity</b>	<b>942,285</b>	<b>942,285</b>
<b>LONG TERM LIABILITIES</b>		
Liabilities for Employee Benefits	269,624	269,624
Provisions	42,600	42,600
Investment Subsidies and Customer Contributions	190,295	190,295
Consumers' Guarantees	18,256	18,256
<b>Total Long-Term Liabilities</b>	<b>520,775</b>	<b>520,775</b>
<b>SHORT-TERM LIABILITIES</b>		
Operating Short Term Liabilities	76,209	76,209
Current Tax Liabilities	39,678	39,678
Other Short Term Liabilities	16,595	16,595
<b>Total Short-Term Liabilities</b>	<b>132,482</b>	<b>132,482</b>
<b>Total Equity &amp; Liabilities</b>	<b>1,595,542</b>	<b>1,595,542</b>

*The accompanying notes that are presented in pages 25-49 form an integral part of the present Financial Statements*



<i>Amounts in € thousands</i>	<b>30 June 2016 As published</b>	<b>30 June 2016 As reclassified</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Goodwill	3,357	3,357
Other Intangible Assets	1,397	1,397
Tangible Assets	899,733	899,733
Investments in Subsidiaries	1,210	1,210
Investments Available for Sale	6,760	6,760
Long-term Assets	23,494	23,494
Deferred Tax Assets	98,993	98,993
<b>Total Non-Current Assets</b>	<b>1,034,944</b>	<b>1,034,944</b>
<b>CURRENT ASSETS</b>		
Materials and Spare Parts	12,548	12,548
Trade Receivables	205,354	205,354
Other Receivables	16,166	16,166
Current Tax Receivables	17,554	17,554
Cash and Cash Equivalents	309,059	309,059
<b>Total Current Assets</b>	<b>560,681</b>	<b>560,681</b>
<b>Total Assets</b>	<b>1,595,625</b>	<b>1,595,625</b>
<b>LIABILITIES</b>		
<b>SHAREHOLDERS' EQUITY</b>		
Share Capital	63,900	63,900
Share Premium	40,502	40,502
Reserves	368,391	378,378
Retained Earnings (earnings carried forward)	469,584	459,597
<b>Total Shareholders' Equity</b>	<b>942,377</b>	<b>942,377</b>
<b>LONG TERM LIABILITIES</b>		
Liabilities for Employee Benefits	269,624	269,624
Provisions	42,600	42,600
Investment Subsidies and Customer Contributions	190,295	190,295
Consumers' Guarantees	18,256	18,256
<b>Total Long-Term Liabilities</b>	<b>520,775</b>	<b>520,775</b>
<b>SHORT-TERM LIABILITIES</b>		
Operating Short Term Liabilities	76,200	76,200
Current Tax Liabilities	39,678	39,678
Other Short Term Liabilities	16,595	16,595
<b>Total Short-Term Liabilities</b>	<b>132,473</b>	<b>132,473</b>
<b>Total Equity &amp; Liabilities</b>	<b>1,595,625</b>	<b>1,595,625</b>

*The accompanying notes that are presented in pages 25-49 form an integral part of the present Financial Statements*

## INCOME TAX

<i>Amounts in € thousands</i>	<b>30 June 2016 As published</b>	<b>30 June 2016 As reclassified</b>
Corresponding income tax	11,584	11,534
Tax of unaudited period	455	455
Deferred Taxation	(3,107)	(7,186)
<b>Total</b>	<b>8,932</b>	<b>4,853</b>

The income tax for the current period derived as follows:

<i>Amounts in € thousands</i>	GROUP		COMPANY	
	<b>30 June 2016 As published</b>	<b>30 June 2016 As reclassified</b>	<b>30 June 2016 As published</b>	<b>30 June 2016 As reclassified</b>
Profit before taxes	26,258	12,192	26,246	12,180
Income tax calculated with the tax rate in effect (29%)	7,615	3,536	7,611	3,532
Provision for unaudited period's income tax	455	455	455	455
Tax on permanent and non deductible expenses	866	866	866	866
<b>Total</b>	<b>8,936</b>	<b>4,857</b>	<b>8,932</b>	<b>4,853</b>

*The accompanying notes that are presented in pages 25-49 form an integral part of the present Financial Statements*

## 4. INDEPENDENT AUDITOR'S REPORT

### REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

#### To the Shareholders of the Athens Water Supply and Sewerage Company (EYDAP S.A.)

##### **Introduction**

We have reviewed the accompanying condensed separate and consolidated statement of financial position of the Athens Water Supply and Sewerage Company (EYDAP S.A.) as at 30 June 2017 and the relative condensed separate and consolidated statements of income and comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the selected explanatory notes, that constitute the condensed interim financial information, which is an integral part of the six-month financial report under the L. 3556/2007. Management is responsible for the preparation and presentation of this condensed interim financial information, in accordance with International Financial Reporting Standards, as adopted by the European Union (EU) and which apply to Interim Financial Reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

##### *Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.

Accordingly, we do not express an audit opinion.

##### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard "IAS 34".

##### *Emphasis of Matter*

We draw your attention to note 23.1 to the condensed six-month financial statements, where reference is made to the matter that is still pending from 30.6.2013 the determination of cost, for the raw water that the Company is supplied by the Greek State, which cost, in the absence of a written agreement, the company continues to set off against the cost of services incurred for the maintenance and operation of the assets used for saving and transferring water that belong to the Legal Entity under Public Law "EYDAP Assets" as laid down in the article 15 of the dated 9.12.1999 agreement with the Greek State. Our conclusion is not qualified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

Our review did not identify any inconsistency or mismatching of the other data of the provided by the article 5 of L. 3556/2007 six-month financial report with the accompanying condensed interim financial information.

Athens, 28 September 2017

THE CERTIFIED PUBLIC ACCOUNTANTS AUDITORS

EFSTRATIOS G. PAPARIDIS

Institute of CPA (SOEL) Reg. No. 14351

DIMITRIOS CH. STAVROU

Institute of CPA (SOEL) Reg. No. 14791



Associated Certified Public Accountants s.a.  
member of Crowe Horwath International  
3, Fok. Negri Street – 112 57 Athens, Greece  
Institute of CPA (SOEL) Reg. No. 125

5. DATA AND INFORMATION

		<b>ATHENS WATER AND SEWERAGE COMPANY S.A. (E.Y.D.A.P.)</b>			
		Company's Number in the General Electronic Commercial Registry : 121579960000			
		Domicile: 156 Oropou Street - 11146 Galsati, Greece			
		FINANCIAL DATA AND INFORMATION FOR THE PERIOD from 1st January 2017 to 30th June 2017			
		(In accordance with the Decision 4/507/28.4.2009 of the Board of Directors of the Hellenic Capital Market Commission)			
The information and financial data that derive from the financial statements below provide general information about the financial position and the results of EYDAP S.A. (the Company) and the Group. Therefore, we recommend the reader, before making any investment decision or proceeding to any transaction with the Group or the Company, to visit the Company's website where the financial statements according to International Financial Reporting Standards together with the auditor's report, when needed, are presented.					
COMPANY INFORMATION					
Ministerial Authority:	Ministry of Infrastructure & Transport				
Corporate Web Site:	www.eydap.gr				
Composition of Board of Directors:	K. Papadopoulos, I. Benisis, K. Vafeiadis, I. Kardaras, G. Makrinos, N. Saramis, M. Stavroulakis, G. Chalambakakis, P. Skoutarakis, Ch. Mistrionis, A. Poulasias, Emman. Aggelakis, G. Alexandrakis				
Date of Approval of Financial Statements from the Board of Directors:	27 September 2017				
Chartered Auditors/Accountants:	Ελευθέριος Παπαρίδης (Reg. No. SOEL 14361), Δημήτριος Σταύρου (Reg. No. SOEL 14791)				
Auditing Company:	«S.O.L.» S.A. CERTIFIED PUBLIC ACCOUNTANTS SOCIETE ANONYME (SOEL Reg. Number 125):				
Audit Report from Chartered Auditor/Accountants:	In agreement – Matter of Emphasis				
STATEMENT OF FINANCIAL POSITION				STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	
<b>Amounts in € thousand</b>		<b>GROUP</b>		<b>COMPANY</b>	
	<b>30.06.2017</b>	<b>31.12.2016</b>	<b>30.06.2017</b>	<b>30.06.2017</b>	<b>30.06.2016</b>
<b>ASSETS</b>					
Tangible assets	864.605	881.337	864.603	881.337	
Intangible assets	1.133	1.284	1.133	1.284	
Other noncurrent assets	138.202	136.398	139.412	137.608	
Inventories	11.402	12.387	11.402	12.387	
Trade Receivables	221.117	207.437	221.119	207.439	
Other current assets	263.621	312.997	282.552	311.898	
<b>TOTAL ASSETS</b>	<b>1,520,080</b>	<b>1,551,846</b>	<b>1,520,221</b>	<b>1,551,953</b>	
<b>EQUITY AND LIABILITIES</b>					
Share capital	63.900	63.900	63.900	63.900	
Other Equity Items	845.551	840.886	845.690	840.979	
<b>Total Equity</b>	<b>909,451</b>	<b>904,786</b>	<b>909,590</b>	<b>904,879</b>	
Liabilities for employee benefits	293.290	291.214	293.290	291.214	
Investment subsidies and Consumers' participation	183.831	186.737	183.831	186.737	
Provisions / Other long-term liabilities	57.824	59.998	57.824	59.998	
Other Short-term liabilities	75.884	109.125	75.886	109.125	
<b>Total liabilities</b>	<b>610,829</b>	<b>647,074</b>	<b>610,831</b>	<b>647,074</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,520,080</b>	<b>1,551,846</b>	<b>1,520,221</b>	<b>1,551,953</b>	
		<b>GROUP</b>		<b>COMPANY</b>	
	<b>30.06.2017</b>	<b>30.06.2016</b>	<b>30.06.2017</b>	<b>30.06.2017</b>	<b>30.06.2016</b>
<b>Equity balance at the beginning of the period (01.01.2017 and 01.01.2016 respectively)</b>	<b>904,766</b>	<b>906,940</b>	<b>904,879</b>	<b>907,040</b>	
Profit after tax	11,870	7,335	11,896	7,327	
Net income directly recorded to equity	4,530	1,025	4,530	1,025	
Total comprehensive income after tax	<b>16,400</b>	<b>8,360</b>	<b>16,426</b>	<b>8,352</b>	
Dividends Distributed	(11,715)	(33,015)	(11,715)	(33,015)	
<b>Equity balance at the end of the period (30.06.2017 and 30.06.2016 respectively)</b>	<b>909,451</b>	<b>942,285</b>	<b>909,590</b>	<b>942,377</b>	
CASH FLOW STATEMENT					
<b>Amounts in € thousand</b>		<b>GROUP</b>		<b>COMPANY</b>	
	<b>30.06.2017</b>	<b>30.06.2016</b>	<b>30.06.2017</b>	<b>30.06.2017</b>	<b>30.06.2016</b>
<b>Cash Flows from operating activities</b>					
Profit before tax (continued activities)	20,252	12,192	20,278	12,180	
Plus / minus adjustments for:					
Depreciation and amortization	22,299	22,621	22,299	22,621	
Amortization of customers' contributions and subsidies	(3,650)	(3,630)	(3,650)	(3,630)	
Reductions / transfers of tangible and intangible assets	0	(144)	0	(144)	
Impairment of securities	0	14,066	0	14,066	
Income from securities	(60)	(66)	(60)	(66)	
Provisions for personnel compensation	1,165	2,037	1,165	2,037	
Other Provisions	(1,830)	2,657	(1,830)	2,657	
Credit Interest and related income	(10,065)	(6,992)	(10,065)	(6,992)	
Debit Interest and related expense	240	4,772	240	4,772	
Plus / minus adjustments for changes in working capital accounts or related to operating activities:					
(Increase) Decrease in:					
Trade Receivables	1,648	4,506	1,653	4,542	
Consumable materials and spare parts	641	(247)	641	(247)	
Increase (Decrease) in:					
Liabilities	2,227	(3,444)	2,229	(3,443)	
Consumers' guarantees	49	44	49	44	
Employee contribution for indemnity	911	748	911	748	
Minus:					
Interest and related expenses paid	(61)	(11)	(61)	(11)	
Income tax paid	(147)	(188)	(147)	(188)	
<b>Total cash inflows / (outflows) from operating activities (a)</b>	<b>33,619</b>	<b>49,121</b>	<b>33,652</b>	<b>49,146</b>	
<b>Cash Flows from investing activities</b>					
Purchase of tangible assets	(5,221)	(5,385)	(5,200)	(5,385)	
Purchase of intangible assets	(196)	(540)	(196)	(540)	
Proceeds from customers' contributions and subsidies	744	272	744	272	
Interest income received	5,429	6,163	5,429	6,163	
Dividends Received	60	66	60	66	
<b>Net cash inflows / (outflows) from investing activities (b)</b>	<b>816</b>	<b>576</b>	<b>817</b>	<b>576</b>	
<b>Cash Flows from financing activities</b>					
Dividends paid	(50,125)	(5)	(50,125)	(5)	
<b>Total cash inflows / (outflow) from financing activities (c)</b>	<b>(50,125)</b>	<b>(5)</b>	<b>(50,125)</b>	<b>(5)</b>	
<b>Net (decrease) / increase in cash and cash equivalents (a) + (b) + (c)</b>	<b>(15,690)</b>	<b>49,692</b>	<b>(15,658)</b>	<b>49,717</b>	
<b>Cash and cash equivalents, at the beginning of the period</b>	<b>280,544</b>	<b>260,419</b>	<b>279,471</b>	<b>259,342</b>	
<b>Cash and cash equivalents, at the end of the period</b>	<b>264,854</b>	<b>310,111</b>	<b>263,813</b>	<b>309,059</b>	
STATEMENT OF TOTAL COMPREHENSIVE INCOME					
<b>Amounts in € thousand</b>		<b>GROUP</b>		<b>COMPANY</b>	
	<b>1.01-30.06.2017</b>	<b>1.01-30.06.2016</b>	<b>1.01-30.06.2017</b>	<b>1.01-30.06.2016</b>	
Turnover	151,776	154,363	151,776	154,363	
Gross profit	57,518	70,355	57,518	70,355	
Profit before tax, financial and investment results	10,366	23,972	10,366	23,972	
Profit before tax	<b>20,252</b>	<b>12,192</b>	<b>20,278</b>	<b>12,180</b>	
Profit after tax (A)	11,870	7,335	11,896	7,327	
Other comprehensive income, net of tax (B)	4,530	1,025	4,530	1,025	
<b>Total Comprehensive income for the period (A+B)</b>	<b>16,400</b>	<b>8,360</b>	<b>16,426</b>	<b>8,352</b>	
<b>Attributable to:</b>					
Shareholders	11,870	7,335	11,896	7,327	
Basic earnings after taxes per share (in €)	0,11	0,07	0,11	0,07	
Profit before tax, financial, investment results, depreciation and amortization	29,015	43,163	29,042	43,151	
STATEMENT OF TOTAL COMPREHENSIVE INCOME					
<b>Amounts in € thousand</b>		<b>GROUP</b>		<b>COMPANY</b>	
	<b>1.01-30.06.2017</b>	<b>1.01-30.06.2016</b>	<b>1.01-30.06.2017</b>	<b>1.01-30.06.2016</b>	
Turnover	151,776	154,363	151,776	154,363	
Gross profit	57,518	70,355	57,518	70,355	
Profit before tax, financial and investment results	10,366	23,960	10,393	23,960	
Profit before tax	<b>20,278</b>	<b>12,180</b>	<b>20,278</b>	<b>12,180</b>	
Profit after tax (A)	11,896	7,327	11,896	7,327	
Other comprehensive income, net of tax (B)	4,530	1,025	4,530	1,025	
<b>Total Comprehensive income for the period (A+B)</b>	<b>16,426</b>	<b>8,352</b>	<b>16,426</b>	<b>8,352</b>	
<b>Attributable to:</b>					
Shareholders	11,896	7,327	11,896	7,327	
Profit before tax, financial, investment results, depreciation and amortization	29,042	43,151	29,042	43,151	

ADDITIONAL DATA AND INFORMATION

- The number of employees of the Group and the Company as of 30 June 2017 was 2,293 (30 June 2016: 2,300).
- The provisions formed by the Company until 30 June 2017 concern: a) Lawsuits for civil cases against the Company of a total amount € 87.6 million, mainly relating to indemnities for damages from water flooding (due to pipelines fractures and rainfalls), as well as lawsuits from various counterparty suppliers and subcontractors for violation of contractual terms. b) There are also pending litigations for labor differences of € 58.6 million approximately. During the first half of 2017, the Company proceeded with the implementation of the decision numbered 19105/21.12.2016 of the Board of Directors, concerning a settlement agreement for collective labor differences and disbursed an amount of € 15.6 million approximately. On 24.05.2017 with the decision numbered 19224 of the Board of Directors, the Company proceeded with a settlement agreement for collective labor differences of € 13 million approximately. c) Provisions for future labor claims of € 4.6 million. Against the losses which may arise if the above (a, b and c) pending litigations become irrevocably binding, EYDAP has formed provisions of total amount € 39.4 million (€ 4.0 million on 30 June 2017 versus € 41.7 million (€ 8.7 million - 17 million) on 31 December 2016, which are deemed as adequate. d) Taxes for unaudited years of 2.8 million on 30 June 2017 (note 6) versus € 2.4 million on 31 December 2016, and e) Other provisions for doubtful receivables (customers and debtors) and obsolete inventories of € 61.6 million on 30 June 2017 versus € 58.8 million on 31 December 2016.
- a) As described in the note 23 of the condensed financial statements, the signing of a written agreement - as it is defined in the article 15 of the agreement on 09.12.1999 between the Greek State and the Company - which will determine the price paid for the collected crude water is pending from the year 2004. In absence of a relevant agreement, the Company continues to offset the cost of the collected crude water with the maintenance and operation services it provides for the fixed assets owned by "E.Y.D.A.P. EYDAP Fixed Assets", burdening its financial results. b) Until the approval date of the condensed financial statements by the Board of Directors, the total costed property assets have not been transferred to "EYDAP Fixed Assets S.P.A.", which have a total net book value of € 657 million approximately (note 27).
- The amounts of sales and purchases cumulatively from the beginning of the current period and the balances of receivables and liabilities of the Group and the Company at the end of the current period, which have been generated from related party transactions according to the definition of IAS 24, are as follows (amounts in € thousand):

	GROUP		COMPANY	
	2017	2016	2017	2016
i) Income	27,879	26,704	27,879	26,704
ii) Expenses	247	32	247	32
iii) Receivables	62,597	64,029	62,621	64,053
iv) Remuneration and compensation of Board Members and senior executives	97	97	97	97
- In the current period the following was recorded in the "Other comprehensive income after taxes": An income of € 4.5 million approximately (note 17), after the calculation of the respective deferred tax liability.
- No material event has occurred that could significantly affect the financial structure or the business course of the Company and the Group from 30.06.2017 until the approval date of the financial statements by the Company's Board of Directors (note 25).
- Apart from EYDAP, the consolidated financial statements include ISLANDS' EYDAP S.A. with domicile in Athens. EYDAP holds 100% of the company's share capital. ISLANDS' EYDAP S.A. was consolidated according to the full consolidation method and as a result no minority rights were recorded.
- In the Semi-Annual Report of 2016, the recognized impairment loss of € 14,066 thousand that referred to the difference between the fair value of the Company's investment in the shares of Attica Bank SA on 30.06.2016 and the respective acquisition cost, had been recorded directly in the equity through the other comprehensive income, according to the paragraph 67 of IAS 39. Following a suggestion by the Hellenic Capital Market Commission, it was deemed that on 30.06.2016 the condition of objective proof for impairment was satisfied according to paragraph 61 of IAS 39. The effect that would have been generated from the recognition of a relevant impairment loss on the results of the period 1.1.2016-30.6.2016 on consolidated and separate basis on the Company's major financial figures settles as following: Profit before taxes would have decreased by € 14,066 thousand namely from € 26,246 thousand to € 12,180 thousand. Profit after taxes would have declined by € 9,987 thousand, namely from € 17,314 thousand to € 7,327 thousand, whereas the equity would have remained unchanged. The above accounting treatment was adopted in the annual financial report of the fiscal year 2016. It is noted that from the valuation of the above equity participation on 30.06.2017 compared to the valuation of 31.12.2016, a positive difference emerged and amounted to € 6 million. The final difference of € 4.3 million (after the calculation of the respective deferred tax liability) according to IAS 39 was recorded in the other comprehensive income (equity). According to the above in the financial statements of 30.6.2017, the amounts of the comparative period as of 30.6.2016 were restated.
- The matter of emphasis of the certified auditors is the following: "We advise that you pay attention to the analytical note 23.1 of the condensed semi-annual financial statements according to which the determination of the price of the crude water supplied to the Company from the Greek State is pending after 30.06.2013. In absence of a relevant agreement, the Company continues to offset the cost of the collected crude water with the maintenance and operation services it provides for the fixed assets (used for water collection and distribution) owned by "E.Y.D.A.P. EYDAP Fixed Assets", as stipulated by the article 15 of the contractual agreement with the Greek State dated on 09.12.1999. In our conclusion no reservation has been expressed with regard to this matter."

Athens, 27 September 2017

<b>THE CHAIRMAN OF THE BOARD OF DIRECTORS</b>	<b>THE CHIEF EXECUTIVE OFFICER</b>	<b>THE DIRECTOR OF THE ECONOMIC DEPARTMENT</b>	<b>THE CHIEF ACCOUNTANT SUPERVISOR</b>
PAPADOPOULOS KONSTANTINOS	IOANNIS EMM. BENISIS	LEMONA MARK. SKYLAKI	DIMITRA VAS. ZARKADOU
ID. P. 120446	ID. No. AB 521661	ID. No. 571227	ID. No. AB 253061
		Economic Chamber of Greece Accounting License Reg. No. A/17806	Economic Chamber of Greece Accounting License Reg. No. A/115296