



SEMI-ANNUAL FINANCIAL REPORT

**OF THE GROUP AND EYDAP SA (COMPANY)
FOR THE 1ST HALF OF 2019**

**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 1st January – 30th June 2019

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 01.01.2019 to 30.06.2019
- d) Independent Auditor's Report
- e) Data and Information for the period 01.01.2019 to 30.06.2019

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 25.09.2019 and is available on the internet at the web site address <http://www.eydap.gr>.

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1. STATEMENTS OF THE MEMBERS OF THE BOARD OF DIRECTORS

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

The following Members:

1. Theodora Varvarigou, Chairman of the Board of Directors,
2. Charalampos Sachinis, Chief Executive Officer and
3. Ekaterini Beritsi, independent 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 01.01.2019 – 30.06.2019 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, 25 September 2019

The Chairman of the Board

The Chief Executive Officer

The Board Member

Theodora Varvarigou
ID No. AM 519989

. Charalampos Sachinis
ID No. I 164660

Ekaterini Beritsi
ID No. AN 659614

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 01/01/2019 to 30/06/2019.

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 2019 and their effect on the financial statements of the same period, it describes the potential risks and uncertainties for the second half of 2019 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 2019

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

In the first half of 2019, the **billed consumption** amounted to **135.169.699 m³**, compared to **139.774.659 m³** in the corresponding period of the previous year, forming a decrease of **3.3%**.

The **non-billed consumption** in H1 2019 amounted to **52.001.444 m³**, compared to **49.588.052 m³** in H1 2018, increased by **4.9%**. This increase is mainly due to the suspension of billing from 1/1/2019 of the Municipalities of Salamina and Megara, as part of the consideration of acquiring the water supply networks of these Municipalities.

Finally, the **total water consumption** of EYDAP SA for 2019, which is the sum of billed, free of charge and non-billed water consumption, amounted to **187.173.831 m³**, compared to a total **189.365.237 m³** in the first half of previous year, marking a marginal decrease of **1.2%**.

Because, as we have seen above, in the first half of 2019, non-billed consumption increased while the total water consumption reduced (4.96% increase versus 1.2% decrease respectively) , the ratio of unbilled consumption to total consumption increased. Indeed, in the first half of 2019, unbilled consumption to total consumption amounted to 27.8%, compared to the non-billed consumption to total consumption in the first half of 2018, that was formed to **26.2%**. Therefore, it increased by **1.6%**.

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

1. Water Consumption

Consumption Class	2019	2018	Nominal Change	Relative Change%
Billed Consumption (m3)	135.169.699	139.774.659	-4.604.960	-3,3%
Free Consumption (m3)	2.688	2.526	162	6,4%
Non- Billed Consumption (m3)	52.001.444	49.588.052	2.413.392	4,9%
Total Consumption (m3)	187.173.831	189.365.237	-2.191.406	-1,2%
Non-Billed Consumption to Total Consumption Ratio (%)	27,8%	26,2%	1,60%	
Mandatory Consumption to common category (m3)	4.981.291	4.725.993	255.298	5,4%

Mandatory Consumption to industrial category (m3)	568.565	501.401	67.164	13,4%
Mandatory Consumption to common and industrial category (m3)	5.549.856	5.227.394	322.462	6,2%
Water supply of EYDAP Fixed Assets Legal Entity	4.971.873	4.999.642	-27.769	-0,6%
Total Consumption (m3)/Includes EYDAP and EYDAP Fixed Assets	192.145.704	194.364.879	-2.219.175	-1,1%

Regarding the **main customer classes**, the consumption of the class of common consumers, which represents the vast majority of customers, increased by **2.8%** in H1 2019, compared to H1 2018.

Specifically, water consumption in common consumers' class in H1 2019 reached **92.649.448 m³**, versus **90.125.848 m³** in H1 2018.

Bulk Water Supply to municipal networks and Aegean islands, which represents the second biggest class, showed a decrease by **17.6 %** in H1 2019, compared to H1 2018. This decrease is mainly due to the suspension of billing from 1/1/2019 of the Municipalities of Salamina and Megara, as part of the consideration of acquiring the water supply networks of these Municipalities, as we have previously mentioned.

More specifically, bulk water supply to municipal networks and Aegean islands was shaped at **22.889.281 m³** in H1 2019 compared to **27.782.118 m³** in H1 2018.

The class of **State-Local Authorities** also decreased by **10.3%** in H1 2019, compared to H1 2018. The **industrial consumers'** class consumption also decreased by **9.6%** in H1 2019 compared to H1 2018.

Finally, customer consumption of **other classes** decreased in the first half of 2019 by 13.0%, compared to H1 2018.

More precisely, the consumption for each customer class in m³ for H1 2018 and H1 2019, is summarized in table 2:

2. Billed Water Consumption by category				
(in m3 – Mandatory Consumption is not included)				
Customer Class	2019	2018	Nominal Change	Relative Change%
Common	92.649.448	90.125.848	2.523.600	2,8%
Industrial/Corporate	10.569.958	11.688.324	-1.118.366	-9,6%
Bulk Water Supply to Local Networks	22.889.281	27.782.118	-4.892.837	-17,6%
State-Local Authorities	6.767.501	7.542.382	-774.881	-10,3%
Other	2.293.511	2.635.987	-342.476	-13,0%
Total Water Consumption	135.169.699	139.774.659	-4.604.960	-3,3%

Table 3 presents the **water sales revenue** for H1 of 2019 and 2018 for the main customer classes:

3.H1 Water Sales Revenue per Customer Class				
(in € – mandatory consumption fee and imputed consumption revenue included)				
Customer Class	2019	2018	Nominal Change	Relative Change%
Common	69.765.995	67.602.575	2.163.420	3.2%
Industrial/Corporate	8.535.126	9.137.786	-602.660	-6,6%
Bulk Water Supply to Local Networks	11.213.082	13.606.545	-2.393.463	-17,6%
State-Local Authorities	6.823.692	7.585.877	-762.185	-10,0%

Other	1.264.645	1.356.624	-91.979	-6,8%
Total Water Consumption	97.602.540	99.289.407	-1.686.867	-1,7%

Table 4 below shows the billed sewer revenue, in €, for the first half of 2018 and 2019, for the main customer categories:

4. H1 Billed Revenue from Sewerage per Customer Class (in € – mandatory consumption fee included)				
Customer Class	2019	2018	Nominal Change	Relative Change%
Common	39.519.334	38.397.207	1.122.127	2,9%
Industrial/Corporate	3.353.192	3.351.061	2.131	0,1%
Bulk Water Supply to Local Networks	0	0	0	-
State-Local Authorities	2.712.245	3.181.657	-469.412	-14,8%
Other	18.537	20.840	-2.303	-11,1%
Total Water Consumption	45.603.308	44.950.765	652.543	1,5%

The combination of table 3 and 4 results to table 5, which includes the total billed revenue of water supply and sewerage services sales for the first half of 2019 and 2018 for the main customer classes:

5. H1 Total billed revenue of Water Supply and Sewerage Sales (in € – mandatory consumption fee included)				
Customer Class	2019	2018	Nominal Change	Relative Change%
Common	109.285.329	105.999.782	3.285.547	3.1%
Industrial/Corporate	11.888.318	12.488.847	-600.529	-4,8%
Bulk Water Supply to Local Networks	11.213.082	13.606.545	-2.393.463	-17,6%
State-Local Authorities	9.535.937	10.767.534	-1.231.597	-11,4%
Other	1.283.182	1.377.464	-94.282	-6,8%
Total Water Consumption	143.205.848	144.240.172	-1.034.324	-0,7%

Finally, table 6 depicts the average revenue per cubic meter of billed consumption in €, in H1 2019 and 2018, separately for the water supply, the sewerage services and the total of water supply and sewerage services, corresponding to each of the customer classes:

6. Average Revenue per cubic meter of Billed Consumption of Water Supply, Sewerage services and Total Water Sales and Sewerage revenue per Customer Class (in €)						
Customer Class	2019			2018		
	Water sales	Sewerage	Water sales & sewerage	Water sales	Sewerage	Water sales & sewerage
Common	0,75	0,43	1,18	0,75	0,43	1,18
Industrial/Corporate	0,81	0,32	1,12	0,78	0,29	1,07
Bulk Water Supply to Local Networks	0,49	0,00	0,49	0,49	0,00	0,49

State-Local Authorities	1,01	0,40	1,41	1,01	0,42	1,43
Other	0,55	0,01	0,56	0,51	0,01	0,52
Total	0,72	0,34	1,059	0,71	0,32	1,032

The changes of the average revenue per cubic meter in H1 2019 compared to H1 2018, are depicted on table 7:

Customer Class	Nominal Change (€)			Relative Change (%)		
	Water sales	Sewerage	Water sales & sewerage	Water sales	Sewerage	Water sales & sewerage
Common	0,00	0,00	0,00	0,4%	0,1%	0,3%
Industrial/Corporate	0,03	0,03	0,06	3,3%	10,7%	5,3%
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	0,3%	-5,0%	-1,3%
Other	0,04	0,00	0,04	7,1%	2,2%	7,1%
Customer Class	0,01	0,02	0,03	1,6%	4,9%	2,7%

As we can see in the table above, in the first half of 2019, the average revenue from the sale of water per cubic meter of billed water increased by **1.6%** compared to the first half of 2018. In addition, an increase of **4.9%** was recorded in the average revenue from sewerage services per cubic meter of billed water.

Overall, in the first half of 2019, compared to the first half of 2018, the average revenue from the sale of water and the use of sewers per cubic meter of billed water increased by **2.7%**. Specifically, from **€ 1,032** per cubic meter of invoiced water in the first half of 2018, it amounted to **€ 1,059** per cubic meter of billed water, in the first half of 2019.

In any case, the increase in average revenue per cubic meter of billed water,

- Whether it is the average revenue from selling water per cubic meter of billed water
- or it is the average total revenue from the sale of water and the use of sewers per cubic meter of billed water

it simply reflects the fact that the decrease in billed water (**3.3%**) is much smaller than either the decrease in water sales revenue (**1.7%**) or the decrease in water sales and sewage use revenue (**0.7%**).

In the case of average revenue from sewer use charges per cubic meter of billed water, the increase in average revenue per cubic meter of billed water simply reflects the fact that while billed water is reduced by **3.3%**, however, the revenue from sewerage services increased by **1.5%**.

II. Presentation of the Company's Major Financial Results

Due to the negligible effect of the subsidiary company (EYDAP NISON DEVELOPMENT 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 2019, turnover decreased by 1.1% or by 1.8 million € and settled at 151.7 million € from 153.4 million € in the corresponding period of 2018.

Revenues from water supply and related revenues posted a reduction by 1.9 million € approximately (-1.8%), whereas revenues from sewerage services increased by 0.3 million € (+0.6%). Moreover revenues from the sale of electricity posted a drop by 186 thousand € (-19.3%).

With regard to the revenues from water supply and related revenues, there was a decrease by 2,593 thousand € (-2.6%) in the revenues from water consumption which is the main category of water related revenues. There was also a reduction in the category of revenues from restoration works by -58.4% (or 639 thousand €). This particular revenue stream is related to the hydrometers' replacement plan for customers in the water supply segment which is part of the Company's investment program.

The other categories of water supply and related revenues increased. Specifically, revenues from new water supply connections increased by 262 thousand € (+27%), connection fees and contributions rose by 22% (+16 thousand €) and finally other revenues consisting of termination/recovery/removal of hydrometers posted a significant increase by 1,070 thousand € (+133.5%).

<i>In € thousand</i>	1H 2017	1H 2018	1H 2019
Revenues from water consumption	99,477	100,222	97,629
New water supply connections	948	971	1,233
Connection fees and contributions	70	74	91
Restoration works	252	1,094	456
Other revenues	1,114	801	1,871
Revenues from water supply and related services	101,862	103,163	101,279

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 this income on accrued basis. For the first half of 2019, these amounts settled at 97,603 thousand € and 26 thousand € respectively.

<i>In € thousand</i>	1H 2017	1H 2018	1H 2019
Revenues from sewerage usage	47,179	48,225	48,047
Connection fees	236	185	213
Sewage charges	767	844	876
Sewerage works	21	34	461
Revenues from sewerage services	48,203	49,289	49,596

The main category of sewerage revenue, which is the sewerage usage, posted a small drop by 179 thousand € (-0.4%) whereas a significant increase was recorded in the sewerage works by 428 thousand € (+1,275%) due to the higher number of external branch related works in the areas of Mandra and Aspropyrgos. Furthermore, small changes were recorded in other categories (sewage charges by +31 thousand € or +3.7%, and connection fees by +27 thousand € or +14.7%). It is noted that the revenues from sewerage usage include invoiced revenues for the period of 45,670 thousand €, as well as the projected revenues on accrued basis of +2,377 thousand €.

The operating cost (cost of sales, administrative and distribution expenses) settled at 126.8 million € demonstrating a decrease by 10 million € (or -7.4%). Specifically, the cost of sales during the first half of 2019 declined by 11.3 million € (-12.3%) and settled at 80.9 million € from 92.2 million € in the corresponding period of 2018. The administration expenses rose by 4.8 million € (or by +16.5%) whereas distribution expenses decreased by 244 thousand € (-1.7%).

The above developments resulted into the increase of the Gross Profit by 9.5 million € (+15.6%) settling at 70.7 million € from 61.2 million € in the first half of 2018. The gross profit margin¹ settled at 47% from 40% during the first half of 2018.

With regard to the evolution of operating expenses, depending on their category, the following changes are noted in comparison with the first half of 2018:

- Personnel fees and expenses increased by € 4.1 million (+7.1%)
- Third party fees and expenses increased by € 655 thousand (+2.9%)
- Third party contributions increased by € 1 million (+5.9%)
- Depreciation decreased by € 251 thousand (-1.3%)
- Sundry provisions decreased by € 14.6 million (-130%)
- Sundry expenses decreased by € 5 million (-47.3%)
- Consumption of materials increased by € 134 thousand (+3.5%)

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

- Self-construction cost dropped by € 3.9 million (-63.6%)

In the context of the adoption of IFRS 9, the Company during the first half of 2019 reviewed the provision for impairment of trade receivables that had been settled at 85,598 thousand € as of 31/12/2018. The above review resulted into a reduction of the provision by 1,841 thousand €, which is presented separately in the interim statement of income under the title “Impairment of financial assets”. In the respective period of 2018, the Company had formed a provision – expense for bad debt receivables of € 1,450 thousand. In total, the provision for bad debt receivables on 30/06/2019 amounted to € 83,757 thousand. The percentage of allowance for bad debt to the gross trade receivables balance during the first half of 2019 declined to 31% from 35% in the corresponding period of 2018.

<i>In thousand €</i>	Balance of Doubtful Customers and Contractual Assets	Balance of Customers prior to Provision for Doubtful Receivables and Contractual Assets	Share
	(1)	(2)	(3)=(1)/(2)
1H 2015	37,585	258,500	15%
1H 2016	50,867	256,221	20%
1H 2017	54,006	275,125	20%
1H 2018	96,926	279,349	35%
1H 2019	83,757	269,518	31%

In total, the provisions-expense during the first half of 2019 posted a decrease by € 14.6 million (-130%) compared to the same period of 2018 and settled in total at € 3.4 million versus € 11.2 million in the first half of 2018. These provisions for the first half of 2019 mainly include the provisions for doubtful customers (“Impairment of Financial Assets” -1,841 thousand €), the provisions for litigation cases (-1,744 thousand €) and the provisions for obsolete inventories / third party works (-210 thousand €).

<i>In thousand €</i>	Provisions for Doubtful Receivables for the Year / Impairment of Financial Assets	Provisions for Litigations for the Year
1H 2015	0	645
1H 2016	5,574	-2,565
1H 2017	2,400	6,494
1H 2018	1,450	10,044
1H 2019	-1,841	-1,744

The provisions for litigation cases cover 20% of the total litigation claims. With regard to the labor cases, the coverage rate is 16% (compared to a coverage rate in H1 2018 of 12%) while with regard to civil cases the rate settles at 29% (the respective coverage rate had settled at 32% in H1 2018).

Provision for litigation cases as percentage of total amount of litigations			
	Labor Cases	Civil Cases	Total Cases
1H2015	36%	19%	22%
1H2016	23%	24%	23%
1H2017	20%	34%	27%
1H2018	12%	32%	20%
1H2019	16%	29%	20%

Earnings before interest, taxes, depreciation and amortization (EBITDA)² posted an increase by 21.5% or € +7.9 million and settled at € 44.6 million from € 36.7 million during the first half of 2018, whereas the EBITDA margin² settled at 29% from 24% in the same period last year.

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

Likewise, earnings before interest and taxes (EBIT)² rose to 25.6 million € from 17.4 million € in the first half of 2018. EBIT margin² settled at 17% from 11% in the first half of 2018.

The financial income increased by 4.8% to 9.4 million € from 8.9 million € in the first half of 2018, whereas the financial expenses posted an increase by 0.1 million € and amounted to 0.4 million € from 0.3 million € in the first half of 2018.

During the first half of 2019 the earnings before taxes amounted to 34.5 million € from 26.1 million € in the first half of 2018 posting an increase by 32.5%.

Earnings after taxes amounted to 25.1 million € from 17.9 million € in the first half of 2018 posting an increase by 39.9%. Net profit margin settled at 17% from 12% during the first half of 2018.

Operating cash flows amounted to +47.7 million € from +52 million € in the corresponding period of 2018. Cash flows from investing activities were negative at -1,240 thousand € (due to purchases of tangible assets amounting to -6,337 thousand € and also due to collected interest of +4,838 thousand €) compared to -4,698 thousand € in the first half of 2018.

Cash flows from financing activities accounted for -440 million € from -20.2 million € in the first half 2018, as the dividend of the fiscal year 2018 (0.27 € per share - gross) was paid on July 5th, 2019, meaning after the reporting period of the financial statements of the first half 2019.

Free Cash Flows to the Firm (FCFF)³ settled at 46.4 million € from 47.3 million € in the first half of 2018.

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 financial statements which are prepared according to the framework of financial information currently in effect.

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

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

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

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

The Indicator is calculated by subtracting the cost of goods sold, the distribution expenses, the administrative expenses and the other expenses from the turnover and also by adding back the other operating income and the total depreciation and amortization. Also the item “Impairment of Financial Assets” in the Statement of Income which refers to the provision-expense for doubtful customer receivables (previously included in the cost of goods sold) is subtracted. These figures are used without any adjustment made from the financial statements and their notes.

Table of EBITDA Reconciliation

	GROUP		COMPANY	
<i>Amounts in EUR thousand</i>	30.06.2019	30.06.2018	30.06.2019	30.06.2018

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

Turnover	151,657	153,426	151,654	153,416
Cost of goods sold	-80,899	-92,215	-80,899	-92,215
Administrative expenses	-33,784	-28,991	-33,755	-28,965
Distribution expenses	-13,940	-14,184	-13,940	-14,184
Impairment of financial assets	1,841	-1,450	1,841	-1,450
Other expenses	-821	-770	-821	-770
Other operating income	1,503	1,611	1,503	1,611
Depreciation and amortization of tangible and intangible assets	21,959	22,490	21,959	22,490
Depreciation of right-of-use assets	350		350	
Amortization of grants	-3,275	-3,204	-3,275	-3,204
Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)	44,591	36,713	44,617	36,729

- **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	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
Turnover	151,657	153,426	151,654	153,416
EBITDA	44,591	36,713	44,617	36,729
EBITDA Margin	29.4%	23.9%	29.4%	23.9%

- 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 deriving from the financial and investment results as well as from 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. Also the item “Impairment of Financial Assets” in the Statement of Income which refers to the provision-expense for doubtful customer receivables

(previously included in the cost of goods sold) is subtracted. These figures are used without any adjustment made from the financial statements.

Table of EBIT Reconciliation

<i>Amounts in EUR thousand</i>	GROUP		COMPANY	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
Turnover	151,657	153,426	151,654	153,416
Cost of goods sold	-80,899	-92,215	-80,899	-92,215
Administrative expenses	-33,784	-28,991	-33,755	-28,965
Distribution expenses	-13,940	-14,184	-13,940	-14,184
Impairment of financial assets	1,841	-1,450	1,841	-1,450
Other expenses	-821	-770	-821	-770
Other operating income	1,503	1,611	1,503	1,611
Earnings before Taxes, Financial and Investment Results or Earnings before Interest and Taxes (EBIT)	25,557	17,427	25,583	17,443

- 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	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
Turnover	151,657	153,426	151,654	153,416
EBIT	25,557	17,427	25,583	17,443
EBIT Margin	16.9%	11.4%	16.9%	11.4%

- 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 operating activities to the total inflows / (outflows) from investment activities at the statement of cash flows.

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

<i>Amounts in EUR thousand</i>	GROUP		COMPANY	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
Total inflows / (outflows) from operating activities	47,658	52,023	47,672	52,041
Total inflows / (outflows) from investment activities	(1,238)	(4,696)	(1,240)	(4,698)
Free Cash Flows to the Firm (FCFF)	46,420	47,322	46,432	47,343

- 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. It also includes the item “Impairment of Financial Assets” in the Statement of Income which refers to the provision-expense for doubtful customer receivables (previously included in the cost of goods sold). 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	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
Cost of goods sold	80,899	92,215	80,899	92,215
Administrative expenses	33,784	28,991	33,755	28,965
Distribution expenses	13,940	14,184	13,940	14,184
Impairment of financial assets	-1,841	1,450	-1,841	1,450
Depreciation and amortization of tangible and intangible assets	-21,959	-22,490	-21,959	-22,490
Depreciation of right-of-use assets	-350		-350	
Amortization of grants	3,275	3,204	3,275	3,204
Operating Cost before Depreciation / Amortization	107,748	117,554	107,718	117,528

- Gross Profit Margin (%)

This Indicator derives from the 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. It is also noted that since 1/1/2018, the Cost of Goods Sold (and therefore the Gross Profit Margin) does not include

the provision-expense for doubtful customer receivables that was previously included in the cost of goods sold. The particular provision is recorded since 1/1/2018 as separate item "Impairment of Financial Assets" in the Statement of Income.

Table of Gross Profit Margin Reconciliation (%)

<i>Amounts in EUR thousand</i>	GROUP		COMPANY	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
Turnover	151,657	153,426	151,654	153,416
Gross Profit	70,758	61,211	70,755	61,201
Gross Profit Margin %	46.7%	39.9%	46.7%	39.9%

SIGNIFICANT EVENTS OF FIRST HALF 2019

Annual Ordinary Shareholders' General Meeting

The Annual Ordinary Shareholders General Meeting was held on June 26, 2019, at the HELEXPO Conference Center, where, among other things, it approved the Individual and Consolidated Annual Financial Statements of EYDAP SA, in accordance with article 108 of Law 4548/2018 of EYDAP SA from the Board of Directors, elected the nine members of the Board of Directors of EYDAP SA. with a five-year term, appointed Ms. Ekaterini Beritsi, Mr. Michael Stavroulakis and Mr. Alexandros Nassoufis as Independent Members of the Board of Directors of EYDAP SA.

Concerning the Audit Committee, the General Assembly elected Ms Catherine Beritsi as Chairman of the Audit Committee and Mr. Michael Stavroulakis and Alexandros Pouliasis as Members.

The General Assembly also approved the distribution of the 2018 dividend, the remuneration paid to the Chairman of the Board of Directors and the Managing Director, the remuneration and allowances paid to the Members of the Board of Directors and the Audit Committee Members, and finally selected the auditors company «GRANT THORNTON S.A.».

Board of Directors Inaugural Meeting

On June 27th 2019, following the election of the nine (9) new Members of the Board of Directors from the majority Shareholders "HELLENIC CORPORATION OF ASSETS AND PARTICIPATIONS S.A." and "HELLENIC REPUBLIC ASSET DEVELOPMENT FUND S.A." at the Ordinary Shareholders' Meeting on June 26th 2019, the Board of Directors held its inaugural meeting, consisting of the following members:

1. Theodora Varvarigou, Chairman of the Board of Directors Non-Executive Member
2. Charalambos Sachinis, Chief Executive Officer Executive Member
3. Anastasios Tossios, Appointed Executive Director Executive Member
4. Ekaterini Beritsi, Independent Non-Executive Member
5. Alexandros Nasoufis, Independent Non-Executive Member
6. Aggelos Amditis, Non-Executive Member
7. Mihail Stavroulakis, Independent Non-Executive Member
8. Dimitris Konstantakopoulos, Non-Executive Member
9. Alexandros Pouliasis, Non-Executive Member
10. Christos Mistriotis, Non-Executive Member
11. Panagiotis Skoularikis, Non-Executive Member
12. Emmanouil Angelakis, Non-Executive Member
13. Georgios Alexandrakis, Non-Executive Member

Special Customers' Categories

Local Authorities (OTA)

During the first semester of 2019, EYDAP SA continued its persistent efforts to reduce the overdue debts of local authorities and prevent the accumulation of new ones.

On June 30, 2019, the Municipality's overdue debt to EYDAP SA amounted to EUR 19.7 million. Of these, EUR 1.8 million corresponds to amounts for which a debt settlement contract has already been signed. The overdue debts as at December 31, 2018 amounted to EUR 29.6 million.

In total, three (3) Municipalities have fully settled the debt settlement agreements they had signed with EYDAP SA. For the two Municipalities, forced collection procedures for debts totaling EUR 2.2 million were initiated.

Total revenues from local authorities in the first half of 2019 amounted to € 24.3 million. Out of four (4) of the largest Debtor Municipalities, a total of € 10.2 million was collected as a result of the compulsory collection procedures initiated in 2018 and the Salamina Municipality Network acquisition.

State

During the first semester of 2019 various issues concerning public sector bodies were resolved. The new Water Supply Agreement with the Ministry of Shipping & Island Policy for 2019 was signed on 24-05-2019.

Government overdue debts for the first half of 2019 amounted to 14.2 million euros, of which 3.0 are debts owed by EYDAP Assets Legal Entity. Total income from the State for the first half of 2019 amounted to EUR 5.7 million.

Large Clients – WWTPM

During the first semester of 2019 EYDAP continued to audit the debts of the codified large customers and to claim them through the conclusion of installment settlements and the management of disputed debts. For the first half of 2019, the outstanding debts of the Large Clients amounted to EUR 4.0 million, of which EUR 0.8 million are settled. Total debt collection for the first half of 2019 amounted to € 10.0 million.

During the first semester of 2019, the total revenues of the Transfusion Wastewater Treatment Center amounted to € 1.09 million (including VAT).

East Attica Works

During the first half of 2019, three (3) Planning Contracts were signed with the Municipalities of East Attica for the construction by EYDAP SA of the sewerage works. In particular, a contract was signed on the 21st of February 2019 with the Municipality of Rafina-Pikermi and on the 5th of March 2019 the same agreement with the Municipality of Spata-Artemida, according to which the municipalities grant the right to construct the external branches that will connect the property (tertiary network) in EYDAP, which will be done simultaneously with the construction of the secondary network. The Municipality of Marathon has also signed a contract with EYDAP since 4/2/2019, but this was amended on 10/6/2019, also granting the right to construct and the external branches in the areas of the Municipality in EYDAP, where the secondary network will be constructed.

In May 2019, the construction of the sewage network (primary, secondary and) of the Municipality of Paiania's region Glyka Nera, was initiated with a budget of € 9.6 million plus VAT. The project is co-funded by the Attica Regional Operational Program 2014-2020.

EYDAP NISON DEVELOPMENT SA

The purpose of EYDAP NISON DEVELOPMENT SA is the provision of consultancy services in the field of water supply, sewerage and rainwater collection as well as a number of activities related to the above, in the island Greek Territory. For this reason the company is in constant communication (electronic mail, telephone communication, site visits, preliminary examinations, conferences, etc.) with the regional Municipalities of the country and their technical services up to the point of formal request from the services. Information about EYDAP NISON DEVELOPMENT SA as well as its financial statements is available at <http://www.eydapnison.gr/>.

The actions of EYDAP ISLANDS DEVELOPMENT SA in the first half of 2019, regard provision of services in Kastoria and Nafplio, while an offer was made for the provision of services in Argos. At the same time bids are being prepared for the Municipality of Lefkada and Skiathos.

In the framework of the strategic cooperation of EYDAP ISLANDS DEVELOPMENT SA with GREENESCO Energy SA, an agreement is expected with the Ministry of Shipping to promote proposals for desalination solutions in combination with RES in islands of the territory.

SIGNIFICANT EVENTS AFTER THE FIRST HALF 2019

Designation of Deputy CEO-Inaugural BoD meeting

On September 4th, following the BoD Decision 20383, Mr. Anastasios Tosios, Appointed Executive Director, Executive Member of the BoD, has been appointed as the Company's Deputy Chief Executive Officer. The Board of Directors was then formed into a body as follows:

Theodora Varvarigou, Chairman of the Board of Directors, Non-Executive Member
Charalambos Sachinis, Chief Executive Officer, Executive Member
Anastasios Tosios, Deputy Chief Executive Officer, Executive Member
Ekaterini Beritsi, Independent, Non-Executive Member
Alexandros Nasoufis, Independent, Non-Executive Member
Mihail Stavroulakis, Independent, Non-Executive Member
Dimitris Konstantakopoulos, Non-Executive Member
Aggelos Amditis, Non-Executive Member
Alexandros Pouliasis, Non-Executive Member
Christos Mistriotis, Non-Executive Member
Panagiotis Skoularikis, Non-Executive Member
Emmanouil Angelakis, Non-Executive Member
Georgios Alexandrakis, Non-Executive Member

East Attica Works

On 10-7-2019, the two major EYDAP SA Wastewater Sewage Projects in East Attica joined the NSRF – PA Transport, Infrastructure, Environment and Sustainable Development 2014-2020:

- 1) "Collection, treatment of municipal waste water in the municipalities of Rafina-Pikermi and Spatas - Artemis and Reuse - Disposal of treated effluents" at an eligible public expense of 214.607.043,64 € and
- 2) "Marathon Municipal Wastewater Collection, Treatment and Reuse - Processed Outputs", with eligible public expense, 101,695,922 €

FUTURE OUTLOOK FOR THE 2ND HALF OF 2019

During the second half of 2019, the discussions regarding the written agreement as stipulated in Article 15 of the 9/12/1999 contract between the Greek State and the Company, which will determine the price of the abstracted raw water, are expected to come into an end.

In the absence of a written agreement, the Company continues after 30.06.2013 to offset the price of the raw water with the maintenance and operation services it offers for the fixed assets belonging to the company " L.E.P.L. EYDAP Fixed Assets ", while at the same time they are in the stage of consultation with the competent bodies for the terms of the agreement.

Regarding the strategy of the Company, which is geared for People, Society and the Environment, the Company is expected to continue its practical support to vulnerable groups through special social tariff, while the adoption of the principles of sustainable development is a top priority.

At the same time, the Company will continue to apply strict frameworks of cooperation with the Local Authorities and other categories of customers, with the aim of further increasing the collection rate of their claims and protecting the valuable natural resource they manage. The overriding objective is to further streamline costs and reduce operating costs by continuously improving and simplifying corporate processes that enhance the Company's operating profitability and sustainable profitability, which is reflected each year by significant dividend distribution.

Regarding infrastructure projects in eastern Attica, the Company will proceed to all necessary actions for the progress of work, in cooperation with relevant stakeholders and while informing the inhabitants of areas. Finally, EYDAP continuously invests in its development strategy and modernization of its operations, making Digital Transformation a priority.

MAJOR RISKS AND UNCERTAINTIES FOR THE 1ST HALF 2019

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 does not possess 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	
	30.06.2019	31.12.2018	30.06.2019	31.12.2018
Financial assets at fair value through the other comprehensive income	3.627	1.703	3.627	1.703
Cash and cash equivalents	429.532	383.552	428.607	382.615
Trade and other receivables and contractual assets	212.058	211.410	212.006	211.350
Long-term receivables	7.293	9.380	7.293	9.380
Investments in subsidiaries	-	-	1.210	1.210
Total	652.510	606.045	652.743	606.258

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

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

Credit risk management is carried out by aggregating the largest part of the Company's assets into the Bank of Greece (approximately 70% under a range of +/- 10%) and by limiting the exposure to other assets

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

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

None of the financial assets has been placed as collateral or in any other form of credit insurance. Correspondingly, the Company has not ceded any financial instruments of the Assets in the form of guarantee to any third parties.

(b) Liquidity Risk

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

c) Market Risk

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

d) Relations with the Greek State

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

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

(e) Regulatory risk

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

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

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

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

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

Until now, the invoice approved by GG 3188B / 16.12.2013 is effective.

RELATED PARTY TRANSACTIONS (GROUP & COMPANY)

A) Transactions with Members of the Board

<i>Amounts in € thousand</i>	30.06.2019	30.06.2018
Fees (Chairman & CEO, and Executive Directors)	57	57
Fees & attendance expenses of BoD members	144	116
Total	<u>201</u>	<u>173</u>

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

<i>Amounts in € thousand</i>	GROUP		COMPANY	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
1) Transactions				
- Income	26.371	25.056	26.371	25.056
2) Outstanding amounts	30.06.2019	31.12.2018	30.06.2019	31.12.2018
- Long-term trade receivables (settlements with Municipalities)	1.624	3.619	1.624	3.619
-Receivables from customers (Local authorities, Greek State)	51.042	50.433	51.042	50.433
- Other receivables (from the Greek State for coverage of deficit concerning staff indemnities)	258	258	258	258

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

Γ) Transactions and amounts with other related parties that are consolidated with Hellenic Corporation of Assets and Participations S.A. (HCAP)

<i>Amounts in € thousand</i>	30.06.2019	30.06.2018
1) Transactions		
Income	514	1.331
Expenses	9.545	9.749
2) Outstanding amounts	30.06.2019	31.12.2018
Receivables from customers	2.410	2.346
Payables to Suppliers	1.656	1.442

The Financial Statements of the Company are included in the consolidated Financial Statements of the Hellenic Corporation of Assets and Participations S.A. (HCAP).

Galatsi, 25 September 2019

The members of the Board of Directors

Name	Position
Theodora Varvarigou	Chairman of the BoD, Member
Charalambos Sachinis	Chief Executive Officer, Executive Member
Anastasios Tosios	Deputy Chief Executive Officer, Executive Member
Ekaterini Beritsi	Independent Member
Alexandros Poulialis	Independed Member
Dimitris Konstantakopoulos	Member
Aggelos Amditis	Member
Alexandros Nasoufis	Independent Member
Mihail Stavroulakis	Member
Panayotis Skoularikis	Member
Christos Mistriotis	Member
Emmanouel Aggelakis	Member
Georgios Alexandrakis	Member

Exact Copy of No. 1345
Minutes of the Board of Directors of 25th September 2019

The Chief Executive Officer

Charalambos Sachinis

3. INTERIM CONDENSED FINANCIAL STATEMENTS

**OF THE PERIOD 1 JANUARY TO 30 JUNE 2019
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

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- General Information for the Company
- Interim Statement of Income for the period ended on 30th June 2019 & 2018
- Interim Statement of Total Comprehensive Income for the period ended on 30th June 2019 & 2018
- Interim Statement of Financial Position of 30th June 2019 & 31st December 2018
- Interim Statement of Changes in Shareholders' Equity of 30th June 2019 & 2018
- Interim Cash Flow Statements of 30th June 2019 & 2018
- Notes on the Semi-Annual Financial Statements for the period ended on 30th June 2019

The present Condensed Interim Financial Statements of the Company, pages 22-50, were approved during the meeting of the Company's Board of Directors on 25 September 2019 and were signed, on mandate by the Board of Directors, from the following:

Athens, 25 September 2019

The Chairman of the Board of
Directors

The Chief Executive Officer

The Director of Financial Services

The Head of Accounting
Department

Theodora And. Varvarigou
ID No. AM 519989

Charalambos Georg. Sahinis
ID No. I 164660

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

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

GENERAL INFORMATION FOR THE COMPANY

Company Name:	Athens Water Supply and Sewerage Company S.A.
Distinctive Title:	EYDAP S.A.
Domiciliation:	156 Oropou St. – Galatsi
Date of Establishment:	25.10.1999
Company Duration:	100 years
Main Activity:	Water Supply - Sewerage
G.E.MI. (Greece's General Electronic Commercial Registry) Number	121578960000
Pertinent Ministry:	Infrastructure and Transport
Tax Registration Number:	094079101
Members of the Board of Directors:	Th. Varvarigou, Ch. Sahinis, An. Tosios, Aik. Beritsi, Al. Nasoufis, M. Stavroulakis, D. Konstantakopoulos, A. Amditis, Al. Pouliasis, Ch. Mistriotis, P. Skoularikis, Emman. Aggelakis, G. Alexandrakis
Ending Date of the Current Period:	30 June 2019
Duration of the Period:	6 months
Form of Financial Statements (which have been the basis in compiling the condensed financial statements):	Condensed – First Half of the Year
Date of Approval of Financial Statements (which have been the basis in compiling the condensed financial statements):	25 September 2019
Chartered Auditors Accountants:	Panagiotis Christopoulos SOEL Reg. No. 28481
Auditing Firm:	Grant Thornton S.A. SOEL REG. NUMBER 127
Audit Report on the Semi-Annual Financial Statements from Chartered Auditor Accountant:	Opinion in Agreement – Matter of Emphasis
Internet address where the Financial Statements are registered:	www.eydap.gr

INTERIM STATEMENT OF INCOME

GROUP	NOTES	GROUP		COMPANY	
		30.06.2019	30.06.2018	30.06.2019	30.06.2018
<i>Amounts in € thousands</i>					
Turnover	5	151,657	153,426	151,654	153,416
Cost of Goods Sold	5	(80,899)	(92,215)	(80,899)	(92,215)
Gross Profit		70,758	61,211	70,755	61,201
Other Operating Income		1,503	1,611	1,503	1,611
General and Administration Expenses	5	(33,784)	(28,991)	(33,755)	(28,965)
Distribution and Selling Expenses	5	(13,940)	(14,184)	(13,940)	(14,184)
Impairment of Financial Assets	12	1,841	(1,450)	1,841	(1,450)
Operating Profit		26,378	18,197	26,404	18,213
Other Expenses		(821)	(770)	(821)	(770)
Financial Income		9,373	8,942	9,371	8,940
Financial Expenses		(417)	(326)	(417)	(326)
Profit before Taxes	5	34,513	26,043	34,537	26,057
Income Tax	6	(9,473)	(8,144)	(9,473)	(8,144)
Net Profit after Taxes	5	25,040	17,900	25,064	17,913
Number of Shares		106,500	106,500	106,500	106,500
Earnings per Share for the Period (in €)	7	0.24	0.17		

INTERIM STATEMENT OF TOTAL COMPREHENSIVE INCOME

	GROUP		COMPANY	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
<i>Amounts in € thousands</i>				
Net Profit for the Year	25,040	17,900	25,064	17,913
Valuation of financial assets at fair value through the other comprehensive income	1,473	(925)	1,473	(925)
Total Comprehensive Income after Taxes	26,513	16,975	26,537	16,988

The accompanying notes that are presented in pages 29 – 50 form an integral part of the present Financial Statements

INTERIM STATEMENT OF FINANCIAL POSITION

<i>Amounts in € thousands</i>	NOTES	GROUP		COMPANY	
		30.06.2019	31.12.2018	30.06.2019	31.12.2018
ASSETS					
NON-CURRENT ASSETS					
Goodwill		3,357	3,357	3,357	3,357
Other Intangible Assets	9	771	950	771	950
Tangible Assets	9	810,500	825,402	810,500	825,402
Right-of-use Assets	2	3,114	-	3,114	-
Investments in Subsidiaries	16	-	-	1,210	1,210
Financial assets at fair value through the other comprehensive income	17	3,627	1,703	3,627	1,703
Long-term Assets	10	7,293	9,380	7,293	9,380
Deferred Tax Assets	18	85,471	86,499	85,471	86,499
Total Non-Current Assets		914,133	927,291	915,343	928,501
CURRENT ASSETS					
Materials and Spare Parts	11	10,797	11,355	10,797	11,355
Trade Receivables & Contractual Assets	12	185,766	186,165	185,762	186,146
Other Receivables	13	26,292	25,245	26,244	25,204
Cash and Cash Equivalents		429,532	383,552	428,607	382,615
Total Current Assets		652,387	606,317	651,410	605,320
Total Assets		1,566,520	1,533,608	1,566,753	1,533,821
LIABILITIES					
SHAREHOLDERS' EQUITY					
Share Capital	19	63,900	63,900	63,900	63,900
Share Premium		40,502	40,502	40,502	40,502
Reserves		366,333	364,860	366,333	364,860
Retained Earnings (earnings carried forward)	21	476,250	479,965	476,478	480,169
Total Shareholders' Equity		946,985	949,227	947,213	949,431
LONG TERM LIABILITIES					
Liabilities for Employee Benefits	20	301,869	300,115	301,869	300,115
Provisions	22	53,441	55,132	53,441	55,132
Investment Subsidies		144,800	147,272	144,800	147,272
Consumers' Guarantees		18,551	18,488	18,551	18,488
Liabilities from Leases		2,453	-	2,453	-
Total Long-Term Liabilities		521,114	521,007	521,114	521,007
SHORT-TERM LIABILITIES					
Operating Short Term Liabilities	14	68,547	43,603	68,543	43,603
Current Tax Liabilities	6	13,572	4,582	13,572	4,582
Lease Liabilities	2	679	-	679	-
Other Short Term Liabilities	15	15,623	15,189	15,632	15,198
Total Short-Term Liabilities		98,421	63,374	98,426	63,383
Total Equity & Liabilities		1,566,520	1,533,608	1,566,753	1,533,821

The accompanying notes that are presented in pages 29 – 50 form an integral part of the present Financial Statements

INTERIM STATEMENT OF INCOME

GROUP

2019	Share Capital	Share Premium	Legal Reserve	Other Reserves	Securities' Reserves	Results (profit) carried forward	Total Equity
<i>Amounts in € thousands</i>							
Equity Balance at 31st December 2018	63,900	40,502	22,207	355,765	(13,112)	479,965	949,227
Net Profit for the Period						25,040	25,040
Net income recorded directly in Equity					1,473		1,473
Dividends						(28,755)	(28,755)
Equity Balance at 30 JUNE 2019	63,900	40,502	22,207	355,765	(11,639)	476,250	946,985
2018							
	Share Capital	Share Premium	Legal Reserve	Other Reserves	Securities' Reserves	Results (profit) carried forward	Total Equity
<i>Amounts in € thousands</i>							
Equity Balance at 31st December 2017	63,900	40,502	22,207	355,765	1,151	458,503	942,028
Adjustment due to the adoption of IFRS 9	-	-	-	-	(12,827)	(25,127)	(37,954)
Adjustment due to the adoption of IFRS 15	-	-	-	-	-	18,774	18,774
Balance at 1st January 2018	63,900	40,502	22,207	355,765	(11,676)	452,151	922,849
Net Profit for the Period						17,900	17,900
Net income recorded directly in Equity					(925)		(925)
Dividends						(21,300)	(21,300)
Equity Balance at 30 JUNE 2018	63,900	40,502	22,207	355,765	(12,601)	448,751	918,524

The accompanying notes that are presented in pages 29 – 50 form an integral part of the present Financial Statements

COMPANY

2019	Share Capital	Share Premium	Legal Reserve	Other Reserves	Securities' Reserves	Results (profit) carried forward	Total Equity
<i>Amounts in € thousands</i>							
Equity Balance at 31st December 2018	63,900	40,502	22,207	355,765	(13,112)	480,169	949,431
Net Profit for the Period						25,064	25,064
Net income recorded directly in Equity					1,473		1,473
Dividends						(28,755)	(28,755)
Equity Balance at 30 JUNE 2019	63,900	40,502	22,207	355,765	(11,639)	476,478	947,213

2018	Share Capital	Share Premium	Legal Reserve	Other Reserves	Securities' Reserves	Results (profit) carried forward	Total Equity
<i>Amounts in € thousands</i>							
Equity Balance at 31st December 2017	63,900	40,502	22,207	355,765	1,151	458,666	942,191
Adjustment due to the adoption of IFRS 9	-	-	-	-	(12,827)	(25,127)	(37,954)
Adjustment due to the adoption of IFRS 15	-	-	-	-	-	18,774	18,774
Balance at 1st January 2018	63,900	40,502	22,207	355,765	(11,676)	452,313	923,011
Net Profit for the Period						17,913	17,913
Net income recorded directly in Equity					(925)		(925)
Dividends						(21,300)	(21,300)
Equity Balance at 30 JUNE 2018	63,900	40,502	22,207	355,765	(12,601)	448,926	918,699

The accompanying notes that are presented in pages 29 – 50 form an integral part of the present Financial Statements

INTERIM CASH FLOW STATEMENT

	GROUP		COMPANY	
	1.1-30.06.2019	1.1-30.06.2018	1.1-30.06.2019	1.1-30.06.2018
<i>Amounts in € thousands</i>				
Cash Flows from operating activities				
Profit before tax	34,513	26,043	34,537	26,057
Plus / minus adjustments for:				
Depreciation and amortization	21,959	22,490	21,959	22,490
Amortization of investment subsidies	(3,275)	(3,204)	(3,275)	(3,204)
Depreciation of right-of-use assets	350	-	350	-
Income from securities	(33)	(59)	(33)	(59)
Provisions for Personnel Benefits	698	988	698	988
Other Provisions	(3,375)	11,254	(3,375)	11,254
Interest and related income	(9,340)	(8,883)	(9,338)	(8,881)
Interest and related expense	417	326	417	326
Plus / minus adjustments for changes in working capital accounts or related to operating activities:				
(Increase) Decrease				
Trade receivables & Contractual Assets	1,118	7,274	1,111	7,270
Materials and spare parts	347	(57)	347	(57)
Increase (Decrease)				
Operating short term liabilities	785	(7,996)	780	(7,990)
Customers' guarantees	63	50	63	50
Employee contribution for indemnity	1,056	992	1,056	992
<i>Plus:</i>				
<i>Incremental increases on customer receivables</i>	2,809	3,128	2,809	3,128
<i>Minus:</i>				
Interest and related expenses paid	(164)	(117)	(164)	(117)
Income tax paid	(270)	(206)	(270)	(206)
Total Cash Inflows / (Outflows) from Operating Activities (a)	47,658	52,023	47,672	52,041
Cash flows from investing activities				
Dividends received	33	59	33	59
Interest and related income received	4,840	4,174	4,838	4,172
Purchases of tangible assets	(6,337)	(8,384)	(6,337)	(8,384)
Purchases of intangible assets	(541)	(715)	(541)	(715)
Proceeds from subsidies	767	170	767	170
Total Cash Inflows / (Outflows) from Investing Activities (b)	(1,238)	(4,696)	(1,240)	(4,698)
Financing activities				
Lease Liabilities Payments	(383)	-	(383)	-
Dividends paid	(57)	(20,173)	(57)	(20,173)
Total Cash Inflows / (Outflows) from Financing Activities (c)	(440)	(20,173)	(440)	(20,173)
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	45,980	27,154	45,992	27,170
Cash and Cash Equivalents at the beginning of period	383,552	294,921	382,615	293,920
Cash and Cash Equivalents at the end of period	429,532	322,075	428,607	321,090

The accompanying notes that are presented in pages 29 – 50 form an integral part of the present Financial Statements

NOTES ON THE INTERIM CONDENSED SEMI-ANNUAL FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The company "Athens Water Supply and Sewerage Company S.A." with distinctive title EYDAP SA ("EYDAP", or the "Company") was established in 1980 (L.1068/80) following the merger between the Hellenic Water Company of the cities of Athens – Piraeus and peripheral areas, and the Sewerage Organization of Athens.

The Company's Headquarters are located at 156 Oropou Street, Galatsi, postal code 111 46, Athens, Greece.

The Company operates in the sector of supply and refinement of water, providing as well sewerage services and waste management in region of Attica. In accordance with its Articles of Association, where the operation clauses are referred, EYDAP is responsible for the analysis, construction, establishment, operation, exploitation, maintenance, expansion and modernization/renewal of water supply and sewerage installation and networks, within its area of responsibility. The activities of EYDAP also include the ability to use water supply and sewage networks in addition to the development of telecommunication and energy activities.

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

EYDAP provides its water supply services through its 14,000 kilometers water distribution network. The Company also operates four Units of Water Refining with a total daily capacity of 1.8 million cubic water meters. In 2018, the Company received under its possession new networks, namely the remaining water supply network of Salamina, the municipal network of Magoula from the Municipality of Elefsina and the Municipal Network of Agios Dimitrios area of the Municipality of Penteli-Vrilissia.

The sewerage network has a total length of 9,500 kilometers. The system is separate (drainage ducts - rainwater pipes), except for the area of the center of Athens, where the system is pervasive (common ducts of rain and rainwater). The served population is 3,500,000 inhabitants. Sewage collection is carried out with the secondary drainage network pipelines of the sewerage areas through the connections to those ones of each downstream property.

With regard to the waste management, EYDAP SA possesses three waste management centers (WMC):

- the WMC of Psythelia has a processing capacity (average design flow) of 1,000,000 m³ / day of waste water (currently the average flow of incoming waste is of 730,000 m³ / day)
- The WMC of Metamorphosis has a processing capacity of 44,000 m³ / day of waste water (20,000 m³ / day urban waste water and 24,000 m³ / day urban sewage). (Today the average supply of incoming sewage is at the level of 10,000 m³ / day and its sewage of 10,000 m³ / day); and
- The WMC of Thriasio has a processing capacity (average design flow) of 21,000 m³ / day of sewage (currently, the average intake of incoming sewage is at the level of 4,800 m³ / day).

The Waste Management Center (WMC) in Psitalia also operates three Electrical and Thermal Energy Co-production units (ETEC). The one ETEC unit operates with the combustion of natural gas of electrical power 12.9 MWe and thermal power of 17.3 MWth respectively. The other two ETEC units operate with the combustion of biogas of total electrical power of 11.4 MWe (7.14 MWe & 4.25 MWe) and thermal power of 17.2 MWth, as well as a small-scale hydroelectric station of 489 KW capacity for the recovery of the contained energy in the wave of processed outflows prior to their disposition in Saronikos Golf.

Through the operation of the Waste Management Center (WMC) in Psitalia, EYDAP has been incorporated in the System of Greenhouse Gas Emission Allowance Trading (December 2012).

In addition, EYDAP manages the sewerage projects of Eastern Attica for the collection and treatment of urban waste water and the re-use-disposal of treated effluents.

EYDAP has also installed and operates five small hydroelectric stations in the locations Kirphi, Eliconas, Kithaironas, Mandra of Mornos Aqueduct, and the small hydroelectric power station in Evinos.

The Company's revenues are cyclical (increased water consumption in summer months) having as a consequence the occurrence of substantial variances from quarter to quarter in its revenues and financial results. Thus, the interim financial results cannot be characterized as indicative for the trend of the whole year but they are indicative provided that they are compared with the respective results of the previous periods.

The Company operates under the authority of the Ministry of Infrastructure and Transport and in accordance with the clauses of Law 4548/2018 and establishment Law 1068/1980 as amended by Law 2744/1999.

In 1999 the Hellenic State decided to list the Company's shares on the Athens Stock Exchange, Greece. The main clauses of Law 2744/1999 Law are as follows:

The legal duration of EYDAP is set to 100 years commencing as of 25th of October 1999, date at which the Law 2744/1999 was published. The aforementioned period can be expanded by an individual resolution of the General Assembly.

EYDAP has the exclusive right to provide supply and distribution of water and sewerage services in the Attica region for 20 years commencing as of the date on which the L 2744/1999 was published in the Government Gazette. This exclusive right is not transferable and it can be renewed following a written agreement between the Greek State and the Company. The signing process of a new Agreement is under progress, so that the above right is renewed for another 20-year period.

According to article 4 of the L 2744/1999, the Legal Entity of Public Law (L.E.P.L.) under the name "EYDAP Fixed Assets L.E.P.L." ("EYDAP L.E.P.L.") has been established with its objective concerning mainly the management of the operation and maintenance of the dams, the reservoirs and the main water transmission and distribution channels. In October 1999, the main infrastructure installations for the water supply of the Attica region, meaning the dams, the reservoirs of Evinos, Mornos, Marathon, Iliki lake and the transmission and distribution channels of crude water were transferred to EYDAP L.E.P.L..

The Greek State through the EYDAP L.E.P.L. is obliged to provide adequate quantities of crude water to the Company in order to be able to meet the demands for water supply.

The company "EYDAP Fixed Assets L.E.P.L." ("EYDAP L.E.P.L.") is responsible for the proper operation and maintenance of the dams, the watering channels that have been transferred to it. The daily maintenance of the External Water-Supply System (EWSS) is carried out by EYDAP. The relations between the Greek State, the company EYDAP L.E.P.L. and EYDAP SA are governed by the Agreement between them since the 12th of year 1999. This agreement provides for arrangements for the pricing of the services offered by EYDAP for the operation and daily maintenance of EWSS. The annual cost of the daily maintenance and operation of these facilities is offset against the cost of raw water provided by EYDAP L.E.P.L.. The mutual receivables of EYDAP and the Greek State until 30/06/2013 have been amortized with the Joint Ministerial Decision No. D6 / 2476/3/12/2013.

In addition to the amendment made by article 68 of Law 4313/1414, the following legislative changes have also been made in Law 2744/1999:

By the article 35 par.2 of the Law 4053/2012, EYDAP is enabled through its subsidiaries to undertake as well activities outside of its jurisdiction (according to Law 1068/80) as it is in effect through programmatic contracts of the article 100 of Law 3852/2010. At this case the subsidiaries are governed by the same legal and regulatory framework as effective for EYDAP with the exception of the tariffs policy which is defined by the programmatic contracts. EYDAP SA established on July 2011, (GG 6773/19.07.2011 BoD decision 17241/13.05.2011) a company under the name "ISLANDS WATER SUPPLY AND SEWERAGE S.A." with distinctive title "ISLANDS' EYDAP SA", into the share capital of which participates by 100%. Consequently since 2011, the Group compiles Consolidated Financial Statements. By the decision on 21/09/2017 of the shareholders' Extraordinary General Assembly of the societe anonyme, the company name has been changed to "ISLANDS WATER SUPPLY AND SEWERAGE S.A. DEVELOPMENT" and with the distinctive title "ISLANDS' EYDAP DEVELOPMENT SA".

With the paragraph 2, of article 1 of legislative act, Gov. Gaz. A 175/07.09.2012, which was ratified with the article 1st of L. 4092/2012, Gov. Gaz. A 220/08.11.2012, it is stipulated that the paragraph 10 of article 1 of L. 2744/1999 (A 222) is abolished. Transfers of shares of EYDAP S.A. from the Greek State to Hellenic Republic Asset Development Fund are valid even if they occurred prior to the enactment of the current Law. In accordance with the aforementioned legislation, the Articles of Association of the Company were also amended.

With the article 64 of L. 4150/2013 Gov. Gaz. A 102/29.4.2013, the paragraph 5A was added to the article 1 of L. 2744/1999, according to which the following are stipulated: "With joint decision of the Ministers of Development & Competitiveness, of Infrastructure, Transport & Networks, of Shipping & Aegean and of the other pertinent Ministers, EYDAP SA or subsidiary

companies can be assigned with the study or with the assignment of a study with regard to the construction in island areas of projects related to the companies' activities, as well as with the assignment and the execution management of such projects. The decision stipulates special issues, such as the obligations of the Company (EYDAP S.A.) or its subsidiaries, the principal of the project, the financing scheme of the studies and the projects, the pertinent and responsible bodies, and any issue relevant to the application of this paragraph."

With the article 33 of Law 4258/2014, the paragraphs 1 and 2 of article 3 of Law 2744/1999 were replaced. In synopsis, until the end of June 2015, the pricing policy with regard to the water supply and sewerage services are under the approval of the Minister of Finance following a relevant proposal from the Special Secretariat for Water. From 1st July 2015, the pricing policy with regard to water supply and sewerage services are placed under the decisions of the Special Secretariat for Water in consultation with the Minister of Finance and other pertinent bodies. Moreover, the decisions related to the above pricing policy for the different categories of consumers and users are in effect for five years and are issued at the end of each period for the following five-year period. With the decision of the Board of Directors of EYDAP S.A., which is approved by the Minister of Finance following a relevant proposal from the Special Secretariat for Water, special pricing rates for water supply or sewerage services can be defined, addressing the needs of inhabitants, companies and general users that are serviced by their own water supply or sewage network, independently of the Company's unified water supply and sewage network.

On May 22, 2017, the Joint Ministerial Decision was published in GG B 1751, which had as its subject: "Adoption of general rules for the costing and pricing of water services. Method and procedures for recovering the cost of water services in its various uses."

The purpose of the aforementioned JMD is the approval of the general costing and pricing rules of water services for various uses and rules and measures of those services' improvement as well as the definition of procedures and the method of recovering the cost of such services, including the environmental costs and water resource costs, in order to achieve sustainable use and improvement of the state of water and to ensure the constitutionally guaranteed public character of water as a social good absolutely necessary for the human living.

EYDAP examines the application of the general rules for the costing and pricing of water services in accordance with the above JMD.

Finally, pursuant to Law 4389/2016 article 184, the societe anonyme under the name "Hellenic Holding and Property Company SA" (EESYP SA) was incorporated, governed by the provisions of this law and in addition by the provisions of c.l. 2190/1920. EESYP SA does not belong to the state or to the wider public sector, as it is defined each time.

EESYP SA serves a specific public purpose (for "the public interest in accordance with the rules of the private economy"). Within the framework of Its purpose is to hold State-owned participation in companies under Law 3429/2005, which it manages professionally and to increase their value as well as to exploit them in accordance with best international practices and the guidelines of the Organization for Economic Co-operation and Development (OECD) on corporate governance, corporate compliance, supervision and transparency of procedures, and in line with best practices on socially and environmentally responsible businesses and consultation with the public enterprises interested parties.

Pursuant to article 197 of Law 4389/2016 and Annex E, which is an integral part of the law, the total shares of the Hellenic State's ownership in EYDAP SA are transferred automatically and without consideration to EESYP. The financial statements of the latter consolidate the financial statements of the company.

In particular, on March 21, 2018, (50% + 1 shares) of EYDAP SA were transferred from the Greek State to the "Hellenic Holding and Property Company SA" (EESYP SA) pursuant to paragraph 20 Article 380 of Law 4512/2018, replacing paragraph 1 of Article 197 of Law 4389/2016 with effect from 01.01.2018. The Greek State fully controls (by 100%) the company EESYP SA.

2. BASIS OF PREPARATION

2.1 Basis of Preparation

The interim condensed financial statements for the period ended 30 June 2019 have been prepared in accordance with International Accounting Standard (IAS) 34, '*Interim financial reporting*' and as such do not include all the information and disclosures required in the annual financial statements. In this context, these interim condensed financial statements should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2018.

The accounting policies adopted in the preparation of these interim condensed financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2018, except for the adoption of IFRS 16 *Leases* that is effective as of 1st January 2019. The impact of the adoption of the aforementioned standard and the new accounting policies are disclosed in Note 2.2 below. Several new and revised accounting standards and interpretations, amendments to standards and interpretations applicable either in the current or in the forthcoming fiscal years including their potential impact on the interim condensed financial statements are disclosed in Note 2.3.

2.2 Changes in accounting policies

IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The new lease standard applies a control model to the identification of leases, distinguishing between leases and service contracts on the basis of whether the use of an identified asset is controlled by the customer. The standard supersedes the following Standards and Interpretations:

- IAS 17 Leases;
- IFRIC 4 Determining whether an Arrangement contains a Lease;
- SIC-15 Operating Leases—Incentives; and
- SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

IFRS 16 introduces significant changes to lessee accounting in the sense that it removes the distinction between operating and finance leases under IAS 17 and requires a lessee to recognize a right-of-use asset and a lease liability at lease commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the IFRS 16 lessor accounting requirements remain largely unchanged from IAS 17, and continue to require a lessor to classify a lease either as an operating lease or a finance lease. However, under IFRS 16, an intermediate lessor is required to classify the sublease as a finance or operating lease by reference to the right-of-use asset arising from the head lease and not by reference to the underlying asset. In addition, IFRS 16 provides guidance on the accounting for sale and leaseback transactions. Extensive disclosures are also required by the new Standard as compared to IAS 17.

The Group adopted IFRS 16 as of 1st January 2019 using the modified retrospective approach. All modifications made at the date of transition to IFRS 16 were recognized as adjustments in the opening balances of the respective captions of the Group's statement of financial position (Note 2.2.1) as of 1st January 2019 without restating the comparative figures. The cumulative effect of the aforementioned modifications was recognized as an adjustment to the opening retained earnings at the date of initial application.

2.2.1 Impact from adoption of IFRS 16

Under the provisions of IAS 17, the Group classified each of its leases (as a lessee) at the inception date as either a finance lease or an operating lease. Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group has opted to recognize a lease expense on a straight-line basis for short-term leases and leases of low value assets.

The Group has not made use of the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease and related guidance in IFRS 16 has been applied to all lease contracts that were effective as of 1st January 2019. The reassessment did not change significantly the scope of the contracts that meet the definition of a lease for the Group. In applying IFRS 16, the Group also elected to use the following practical expedients available by the standard at the date of initial application: (a) the exclusion of initial direct costs from the measurement of the right-of-use asset, (b) reliance on the assessment made before the date of initial application on whether leases are onerous by applying the provisions of IAS 37 and (c) the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

After excluding the short-term leases and leases of low-value assets, the Group recognized a right-of-use assets and corresponding lease liabilities for all leases previously classified as operating. The right-of-use assets were recognized based on

the amount equal to the lease liabilities, adjusted for prepayments previously recognized. There were no onerous lease contracts that would have required an adjustment to the right-of-use asset at the date of initial application. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The effect of adoption IFRS 16 as of **1st January 2019** (increase / (decrease)) is as follows:

<i>(Amounts in thous. €)</i>	<u>GROUP</u>	<u>COMPANY</u>
ASSETS		
Non-current assets		
Right-of-use assets	3,464	3,464
Total Assets	3,464	3,464
LIABILITIES		
Non-current liabilities		
Lease liabilities	2,794	2,794
Current liabilities		
Lease liabilities	670	670
Total Liabilities	3,464	3,464

The aforementioned adjustments did not have any cumulative effect on the opening balance of retained earnings at the date of the initial application. Moreover, there was no effect in leases in which Group was acting as a lessor.

The reconciliation table between the operating lease commitments disclosed in the annual financial statements as of 31st December 2018 and the lease liabilities recognized in the statement of financial position as of **1st January 2019** is presented below:

<i>(Amounts in thous. €)</i>	<u>GROUP</u>	<u>COMPANY</u>
Operating lease commitments disclosed as of 31stDecember 2018	4,991	4,991
Less:		
Commitments relating to short-term leases	(1,054)	(1,054)
Adjustments as a result of a different treatment of extension and termination options	(146)	(146)
Add:		
Commitments concerning leases previously classified as financial leases	-	-
Adjusted commitments from operating leases as of 1stJanuary 2019	3,791	3,791
Effect from discount using the incremental borrowing rate	(327)	(327)
Lease liability as of 1stJanuary 2019	3,464	3,464
Of which are:		
Non-current lease liabilities	2,794	2,794
Current lease liabilities	670	670
	3,464	3,464

The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1stJanuary 2019 was 2.5%, while the average residual lease period was about 3.5 years.

2.2.2 Analysis of amounts recognized in the interim condensed financial statements

I. Leasing activities

The Group mainly leases land & buildings, in order to serve its administrative and operational needs. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The majority of those lease contracts contain apart from the standard fixed rent payments and additional rent payments that mainly due to the change in

the consumer price index (CPI). There are no lease contracts containing a variable rent payment, beyond those that depend on an index or interest rate such as the CPI. Leases of land & building are typically made for a fixed period of 8-12 years.

The Group leases excavation machines and transportation means for management personnel and other operational needs. The average contract duration is 3months. These type of leases are recognized as operating leases on a straight-line basis throughout lease period.

There are no significant lease commitments for leases that they have not commenced up until the end of the reporting period. The total cash outflow within the first semester of 2019 for leases amounted to € 3,625 th. for the Group and Company as well. This amount includes short-term leases € 2,954 th. and € 341 th. regarding payments for silent land & buildings renewed lease contracts.

The amounts relevant to the Company's and the Group's leasing activities that were recognized in profit or loss for the six months period ended 30 June 2019 are as follows:

(Amounts in thous. €)	<u>GROUP</u>	<u>COMPANY</u>
Amounts recognized in profit or loss	01.01 – 30.06.2019	01.01 – 30.06.2019
Depreciation expense on right-of-use assets	350	350
Interest expense on lease liabilities	50	50
Expense relating to short-term leases	3,096	3,096
Expense relating to "silent" renewed lease contracts	341	341

II. Right-of-use asset

GROUP

(Amounts in thous. €)

Right-of-use assets

Buildings

Net carrying amount

1 January 2019	3,464
30 June 2019	3,114

Depreciation expense for the period ended

30 June 2019	(350)
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COMPANY

(Amounts in thous. €)

Right-of-use assets

Buildings

Net carrying amount

1 January 2019	3,464
30 June 2019	3,114

Depreciation expense for the period ended

30 June 2019	(350)
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There were no additions to right-of-use assets within the first semester of 2019 for the Group and the Company.

III. Lease liabilities

(Amounts in thous. €)

	<u>GROUP</u>		<u>COMPANY</u>	
	30/6/2019	1/1/2019	30/6/2019	1/1/2019
Non-current	2,453	2,794	2,453	2,794
Current	679	670	679	670
Total lease liabilities	3,132	3,464	3,132	3,464

The Company and the Group does not face any significant liquidity risk with regards to its lease liabilities.

2.2.3 Revised accounting policies

The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of a contract. Accordingly, it recognizes a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. "Silent renewed" contracts of indefinite life are not enforceable, meaning that no relevant rights and liabilities emanate from the above contracts. The Group recognizes the lease payments associated with those contracts as operating expenses in the statement of profit or loss.

The lease liability is initially measured at the present value of the lease payments that have not been paid at the commencement date, which are being discounted by using the rate implicit in the leases. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date of the lease period;
- the amount expected to be payable by the lessee under the residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is measured by discounting the revised lease payments using the initial discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case, the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The **right-of-use asset** comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. The Group applies IAS 36 to determine whether a right-of-use asset is impaired.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37. These costs are included in the related right-of-use asset. The Group did not incur any such costs during the periods presented in the interim condensed financial statements.

Right-of-use assets are depreciated over the shorter period between the lease term and useful life of the underlying asset. If a lease ownership transfer of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, then the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the lease commencement date.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occur.

As permitted by IFRS 16, the Group applied the practical expedient according to which a lessee is not required to separate non-lease components, and as such, it accounts for any lease and associated non-lease components as a single arrangement.

The Group as a lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to reporting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

Critical accounting judgments and key sources of estimation uncertainty

i. Lease period

It is common practice in the Greek market of property leases a lessee to continue to use a leased property no matter the fact that the lease contract has been expired. Those so called "silent renewed" lease contracts turn to be of indefinite term following their expiration date and they continue to create enforceable rights and obligations as long as neither of the counterparties terminate those. Under the Greek Civil Code, each of the parties has the right to terminate this lease contract without any penalty immediately after the expiry of the short termination notice periods laid down in the code. Given the fact that the lessee and the lessor each has the right to terminate the lease without permission from the other party with no penalty, the Group assessed that those so called "silent renewed" contracts are not considered enforceable following their expiration date and as such, they do not meet the definition of a contract under IFRS 16. In this context, the Group concluded that the lease term of a "silent renewed" contract is its initial lease term. Accordingly, the Group recognizes the lease payments associated with those contracts as operating expenses in the statement of profit or loss.

ii. Incremental borrowing rate

In order to define incremental borrowing cost, the Group used the Greek government bond yield curve as benchmark rate which was adjusted to the Group's credit spread. In order to incorporate the aforementioned differential interest rate into the fact that the loan is secured, the spread between the covered bonds of the Greek Systemic Banks and the Greek government bonds was used.

3. ADOPTION OF NEW AND REVISED INTERNATIONAL STANDARDS

New Standards, Interpretations, Revisions and Amendments to existing Standards that are effective and have been adopted by the European Union

The following new Standards, Interpretations and amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), are adopted by the European Union, and their application is mandatory from or after 01/01/2019.

- **IFRS 16 “Leases” (effective for annual periods starting on or after 01/01/2019)**

In January 2016, the IASB issued a new Standard, IFRS 16. The objective of the project was to develop a new Leases Standard that sets out the principles that both parties to a contract, i.e. the customer (‘lessee’) and the supplier (‘lessor’), apply to provide relevant information about leases in a manner that faithfully represents those transactions. To meet this objective, a lessee is required to recognize assets and liabilities arising from a lease. The new Standard affects the consolidated Financial Statements.

- **IFRIC 23 “Uncertainty over Income Tax Treatments” (effective for annual periods starting on or after 01/01/2019)**

In June 2017, the IASB issued a new Interpretation, IFRIC 23. IAS 12 “Income Taxes” specifies how to account for current and deferred tax, but not how to reflect the effects of uncertainty. IFRIC 23 provides requirements that add to the requirements in IAS 12 by specifying how to reflect the effects of uncertainty in accounting for income taxes. The new Interpretation does not affect the consolidated Financial Statements.

- **Amendments to IFRS 9: “Prepayment Features with Negative Compensation” (effective for annual periods starting on or after 01/01/2019)**

In October 2017, the IASB published narrow-scope amendments to IFRS 9. Under the existing requirements of IFRS 9, an entity would have measured a financial asset with negative compensation at fair value through profit or loss as the “negative compensation” feature would have been viewed as introducing potential cash flows that were not solely payments of principal and interest. Under the amendments, companies are allowed to measure particular prepayable financial assets with so-called negative compensation at amortized cost or at fair value through other comprehensive income if a specified condition is met. The amendments do not affect the consolidated Financial Statements.

- **Amendments to IAS 28: “Long-term Interests in Associates and Joint Ventures” (effective for annual periods starting on or after 01/01/2019)**

In October 2017, the IASB published narrow-scope amendments to IAS 28. The objective of the amendments is to clarify that companies account for long-term interests in an associate or joint venture – to which the equity method is not applied – using IFRS 9. The amendments do not affect the consolidated Financial Statements.

- **Annual Improvements to IFRSs – 2015-2017 Cycle (effective for annual periods starting on or after 01/01/2019)**

In December 2017, the IASB issued Annual Improvements to IFRSs – 2015-2017 Cycle, a collection of amendments to IFRSs, in response to several issues addressed during the 2015-2017 cycle. The issues included in this cycle are the following: IFRS 3 - IFRS 11: Previously held interest in a joint operation, IAS 12: Income tax consequences of payments on financial instruments classified as equity, IAS 23: Borrowing costs eligible for capitalization. The amendments are effective for annual periods beginning on or after 1 January 2019. The amendments do not affect the consolidated Financial Statements.

- **Amendments to IAS 19: “Plan Amendment, Curtailment or Settlement” (effective for annual periods starting on or after 01/01/2019)**

In February 2018, the IASB published narrow-scope amendments to IAS 19, under which an entity is required to use updated assumptions to determine current service cost and net interest for the remainder of the reporting period after an amendment, curtailment or settlement to a plan. The objective of the amendments is to enhance the understanding of the financial statements and provide useful information to the users. The amendments do not affect the consolidated Financial Statements.

New Standards, Interpretations, Revisions and Amendments to existing Standards that have not been applied yet or have not been adopted by the European Union

The following new Standards, Interpretations and amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), but their application has not started yet or they have not been adopted by the European Union.

- **Revision of the Conceptual Framework for Financial Reporting (effective for annual periods starting on or after 01/01/2020)**

In March 2018, the IASB issued the revised Conceptual Framework for Financial Reporting (Conceptual Framework), the objective of which was to incorporate some important issues that were not covered, as well as update and clarify some guidance that was unclear or out of date. The revised Conceptual Framework includes a new chapter on measurement, which analyzes the concept on measurement, including factors to be considered when selecting a measurement basis, concepts on presentation and disclosure, and guidance on de-recognition of assets and liabilities from financial statements. In addition, the revised Conceptual Framework includes improved definitions of an asset and a liability, guidance supporting these definitions, update of recognition criteria for assets and liabilities, as well as clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting. The Group will examine the impact of the above on its Financial Statements. The above have not been adopted by the European Union.

- **Amendments to References to the Conceptual Framework in IFRS Standards (effective for annual periods starting on or after 01/01/2020)**

In March 2018, the IASB issued Amendments to References to the Conceptual Framework, following its revision. Some Standards include explicit references to previous versions of the Conceptual Framework. The objective of these amendments is to update those references so that they refer to the revised Conceptual Framework and to support transition to the revised Conceptual Framework. The Group will examine the impact of the above on its Financial Statements. The above have not been adopted by the European Union.

- **Amendments to IFRS 3: “Definition of a Business” (effective for annual periods starting on or after 01/01/2020)**

In October 2018, the IASB issued narrow-scope amendments to IFRS 3 to improve the definition of a business. The amendments will help companies determine whether an acquisition made is of a business or a group of assets. The amended definition emphasizes that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. In addition to amending the wording of the definition, the Board has provided supplementary guidance. The Group will examine the impact of the above on its Financial Statements. The above have not been adopted by the European Union.

- **Amendments to IAS 1 and IAS 8: “Definition of Material” (effective for annual periods starting on or after 01/01/2020)**

In October 2018, the IASB issued amendments to its definition of material to make it easier for companies to make materiality judgments. The definition of material helps companies decide whether information should be included in their financial statements. The updated definition amends IAS 1 and IAS 8. The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS Standards. The Group will examine the impact of the above on its Financial Statements. The above have not been adopted by the European Union.

- **IFRS 17 “Insurance Contracts” (effective for annual periods starting on or after 01/01/2021)**

In May 2017, the IASB issued a new Standard, IFRS 17, which replaces an interim Standard, IFRS 4. The aim of the project was to provide a single principle-based standard to account for all types of insurance contracts, including reinsurance contracts that an insurer holds. A single principle-based standard would enhance comparability of financial reporting among entities, jurisdictions and capital markets. IFRS 17 sets out the requirements that an entity should apply in reporting information about insurance contracts it issues and reinsurance contracts it holds. The Group will examine the impact of the above on its Financial Statements. The above have not been adopted 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 significant accounting judgments followed and / or made by the Management are the same with the ones applied in the annual financial statements of the Company for the fiscal year ended on 31st December 2018, except for the adoption of the new and revised financial reporting standards. The note 2 describes the effect from the adoption of IFRS 16 on the financial statements of the Group and the Company as well as the new accounting policies which were applied in the current interim period.

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 2018, which are available at the Company's website 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 DEVELOPMENT SA".

The annual Financial Statements audited by the Certified Auditors of the subsidiary company ISLANDS' EYDAP DEVELOPMENT SA" have been published on the internet at the address www.eydapnison.gr.

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 decreased by € 1.8 million approximately mainly due to the lower revenues from water supply and from sewerage services.

The Group segregates revenue from contracts with customers on the basis of the service transfer time, as the management believes that this demonstrates better that the nature, quantity, timing and uncertainty of the Group's income and cash flows are affected by economic factors.

Amounts in € thousand	GROUP		COMPANY	
	30.06.2019			
REVENUES	In the long run	In a particular point in time	In the long run	In a particular point in time
Revenues from water supply and related services	97,628	3,650	97,628	3,650
Revenues from sewerage services and related services	48,047	1,553	48,047	1,550
Revenues from electric power sale	779	-	779	-
Total	146,454	5,203	146,454	5,200

Amounts in € thousand	GROUP		COMPANY	
	30.06.2018			
REVENUES	In the long run	In a particular point in time	In the long run	In a particular point in time
Revenues from water supply and related services	100,224	2,938	100,224	2,938
Revenues from sewerage services and related services	49,072	227	49,072	217
Revenues from electric power sale	965	-	965	-
Total	150,261	3,165	150,261	3,155

COST OF GOODS SOLD

The cost of goods sold decreased by € 11.3 million approximately in comparison with the respective period of the previous year. This change is mainly due to the following:

The decrease of:

- the provisions for litigation cases by an amount of € 11.8 approximately,
- third party fees and expenses by € 1.2 million approximately,
- other expenses by an amount of € 0.3 million approximately.

The increase of:

- personnel fees and expenses by € 2 million approximately.

GENERAL AND ADMINISTRATION EXPENSES & DISTRIBUTION EXPENSES

The general and administration expenses & distribution expenses of the Company increased by € 4.5 million approximately in comparison with the respective period of the previous year. The change was mainly due to the following:

The increase of:

- the personnel fees and expenses by amount € 2 million approximately,
- third party fees by an amount of € 0.8 million approximately,
- the third party benefits by € 1.1 million approximately
- other expenses by 0,3 0.3 million approximately
- the depreciation by amount of € 0.3 million approximately from the reclassification that occurred due to the adoption of IFRS 16.

PROFIT BEFORE TAXES

After the effect deriving from the above and the financial results, profit before taxes of the Company settled at € 34.5 million approximately versus € 26.1 million approximately in the respective period of the previous year.

NET PROFIT AFTER TAXES

Net profit after taxes of the Company settled at € 25 million approximately versus € 17.9 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 activates 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.

6. INCOME TAX

The income tax of the current year represents the sum of the current income tax and the deferred taxation, and is analyzed as follows:

<i>Amounts in € thousands</i>	30.06.2019	30.06.2018
Income Tax	9,253	10,348
Provision for unaudited period's income tax and audit differences concerning previous period's tax compliance	(356)	-
Deferred Taxation	576	(2,204)
Total	9,473	8,144

The income tax during the current period derived as follows:

<i>Amounts in € thousands</i>	GROUP		ΕΤΑΙΡΕΙΑ	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
Profit before taxes	34,513	26,043	34,537	26,057

Income tax calculated with the tax rate in effect (28%)	9,664	7,552	9,670	7,557
Provision for unaudited period's income tax and audit differences concerning previous period's tax compliance	(356)	-	(356)	-
Tax on permanent and non deductible expenses	165	592	159	587
Total	9,473	8,144	9,473	8,144

Current Tax Liability

In the first half of 2019, the total income tax liability amounts to € 13,572 thousand approximately and is analyzed as follows:

<i>Amounts in € thousands</i>	
Balance as at 01.01.2019	4,582
Current income tax for the first half of 2019	9,253
Withheld Taxes	(263)
Total income tax liabilities 30.06.2019	13,572

The Company submitted the income tax statement for the tax year 2018 to the pertinent tax authority (the tax advance payment inclusive) and the relevant tax was verified for an amount of €30 million approximately. The above amount is payable by the Company in five monthly installments with the last one being payable on 31.12.2019.

It is also noted:

The Company has been audited for tax purposes up to the fiscal year 2010 inclusive. For the fiscal years 2011 to 2017, the Company has been subject to the tax audit of the Certified Auditors Accountants (CAAs) according to the procedure foreseen by the provisions of paragraph 5, article 82 of Law 2238/1994 (fiscal years 2011 and 2013) and by the provisions of article 65A of Law 4174/2013 (fiscal years 2014-2017) as in force and the Tax Compliance Reports were issued without reservation.

The tax compliance reports for the fiscal years 2016 and 2017 include an emphasis issue, which refers to a question to the Independent Public Revenue Authority regarding the obligation to register property rights in the Company's Statement of Property Inquiry (E9).

For the year 2018, the Company has been subject to the tax audit of CAAs, as foreseen by the provisions of Article 65a of Law 4174/2013. This audit is in progress and the relevant tax certificate will be issued shortly. If additional tax liabilities arise until the completion of the tax audit, we assume that these will not have a material effect on the financial statements.

The financial statements incorporate provisions for contingent tax differences of € 2.4 million approximately.

ISLANDS' EYDAP DEVELOPMENT SA has not been audited for tax purposes from the fiscal year 2011 and going forward and in addition it has not formed any relevant provision due to its limited business transactions.

7. EARNINGS PER SHARE

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

<i>Amounts in € thousands</i>	GROUP	
	30.06.2019	30.06.2018
Net profit for the period	25,040	17,900
Weighted average outstanding number of shares	106,500	106,500
Earnings per share (in €)	0.24	0.17

8. DIVIDENDS

The 37th Annual General Meeting of Shareholders on 26.06.2019, approved the distribution of dividend from the profit of the year 2018 for a gross amount of 27 cents (Euro 0.27) per share (totaling € 28,755 thousand). Respectively, for the fiscal year 2017 there was an approval for gross dividend of 20 cents (Euro 0.20) per share (totaling € 21,300 thousand).

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 01.01.2019-30.06.2019, the Company implemented investments of € 6.1 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 € 0.2 million and purchase of software for an amount of € 0.5 million approximately. The total depreciation of tangible assets during the period amounted to € 21.2 million approximately whereas the total amortization of the intangible assets over the same period amounted to € 0.7 million approximately.

10. LONG-TERM ASSETS

The account "long-term assets" includes:

- Settlement of overdue payments from Municipalities amounting to € 1.4 million approximately (31.12.18 amount of € 2.9 million approximately).
- Loans granted to personnel, amounting to € 5.3 million approximately (31.12.2018 amount of € 5.9 million approximately).
- Guarantees granted of € 0.5 million approximately (31.12.2018 amount of € 0.5 million approximately.)

11. MATERIALS, SPARE PARTS & CONSUMABLES (GROUP & COMPANY)

Spare parts and consumables are utilized in the Company's networks (maintenance and expansion). Inventories include provisions for inventory impairment of € 2.6 million approximately, which are recorded as deduction from their acquisition value.

12. RECEIVABLES FROM CUSTOMERS & CONTRACTUAL ASSETS (GROUP & COMPANY)

The balance of receivables from customers and contractual assets prior to impairment due to provisions for bad debt settled at € 269.5 million approximately during the current period.

The Group and the Company applied the simplified approach for the estimation of the expected future credit losses in relation to the "Customer / Trade Receivables" as it is required by IFRS 9, paragraph 5.5.15. The Group recognizes the provision of the expected credit losses during the initial recognition with regard to the item "Trade Receivables" which is being classified and measured at the amortized cost.

In the context of the requirements set by the IFRS 9 regarding the financial asset "Customer / Trade Receivables", the Group has adopted the simplified approach according to which it recognizes and classifies the financial asset "Customer Receivables" either in stage 2 or in stage 3 based on the days of delay in the payment of the invoices as follows:

- Stage 2: 0-89 days of delay from the day of payment stated in the invoice. In stage 2 the customer receivables are being classified regarding customers that have not been impaired.
- Stage 3: 90 or more days of delay. In stage 3 the customer receivables that are being classified concern those customers for whom a default event has occurred (they are being impaired).

For stages 2 and 3, the Company forms the Expected Credit Losses on the basis of risk parameters which are calculated according to the historic data. The risk parameters are the estimated probability of default, the percentage of loss on the amount due given that the customer has defaulted in the payment of this amount due, and the outstanding amount which the Company is exposed to in case of the customer's default.

As general rule, the assessment of the classification in stages is performed in each reporting period.

The provision for impairment of customer receivables is presented below:

<i>Amounts in € thousands</i>	Group & Company
Provision for impairment of receivables on 01.01.2019	85,598
Provision for impairment of receivables on 30.06.2019	(1,841)
Total provision for impairment of receivables	83,757

Therefore, the balance of customer receivables and contractual assets impaired after the provision for bad debts, settled at € 185.7 million approximately in the current period.

The Company in order to effectively manage its credit risk has formed as of 30.06.2019 a provision for doubtful receivables for a total amount of € 83.8 million approximately.

The item "Contractual Assets" concerns accrued, non-invoiced to customers, revenues from water supply and sewerage services. A relevant analysis is presented below:

COMPANY

<i>Amounts in € thousands</i>	30.06.2019	31.12.2018
Retail Customer Receivables	162,842	163,326
Provision for retail customer receivables	(60,167)	(58,930)
Municipalities (OTA), Greek State, Public Utilities (DEKO)	52,626	57,071
Provision for Impairment of Trade Receivables of Municipalities (OTA), Greek State, Public Utilities (DEKO)	(21,873)	(24,828)
Balance of Customer Receivables after the provision for impairment	133,428	136,639
Contractual Assets	54,050	51,347
Provision for impairment of contractual assets	(1,717)	(1,840)
Balance of Contractual Assets after the provision for impairment	52,333	49,507
Total Customer Receivables and Contractual Assets	185,762	186,146

Due to the large number of supplies (approximately 2,150,310 as of 30.06.2019), the credit risk for the Company is quite limited. At the same time the contractual terms for the provision of water supply and sewerage services are such that ensure to the greatest possible extent that the amounts invoiced will be collected from the supply's owner.

The Department of Revenue & Trade Receivables Management continuously monitors the claims of the Company, either separately or based on groups (invoice codes, customer categories) and incorporates this information into the credit risk control procedure for the formation of the respective provision.

In the context of procedures provided by the Public Revenue Collection Code (Law 356/1974), as it was amended with the law provisions 4174/2013, 4224/2013, 4337/2015 & 4517/2018, the Company calculates the relevant interest charged on the overdue amounts at the time of their payment.

13. OTHER RECEIVABLES

The balance of the other receivables posted no significant change and settled on 30.6.2019 at € 26.2 million approximately (whereas on 31.12.2018 had amounted to € 25.2 million approximately).

14. OPERATING SHORT-TERM LIABILITIES

The Company's operating short-term liabilities in the current period decreased by € 24.9 million compared to the corresponding level on 31.12.2018. This change was mainly due to:

The decrease of:

- The suppliers by € 1.6 million approximately
- The liabilities to pension funds by € 1.6 million approximately
- The withheld taxes by amount of € 0.6 million approximately

The increase of:

- The dividends payable by the amount of € 28.7 million approximately

It is noted that the item "Short-term Liabilities" includes estimates formed by the Company amounting to € 3.4 million approximately according to historic data, with regard to expected discounts that the Company will offer to its customers.

15. OTHER SHORT-TERM LIABILITIES

The other short-term liabilities posted no significant changes and settled at € 15.6 million approximately on 30.06.2019 (31.12.2018: € 15.2 million approximately).

16. INVESTMENTS IN SUBSIDIARIES

On 18th July 2011, with the BoD decision 17241/13.05.2011, EYDAP SA established a company under the name "ISLANDS WATER SUPPLY AND SEWERAGE S.A." with distinctive title "ISLANDS' EYDAP SA", which is fully owned (100% via capital deposit of 1,210 thousand Euro) by EYDAP SA. With the decision of the Extraordinary General Assembly of shareholders of the society anonyme dated 21/09/2017, the name changed to "ISLANDS' WATER SUPPLY AND SEWERAGE S.A. DEVELOPMENT" with the distinctive title "ISLANDS' EYDAP DEVELOPMENT SA".

"ISLANDS' EYDAP DEVELOPMENT SA" activates in the areas of water supply, sewerage, irrigation, and rain water collection in Greece's islands. The subsidiary possesses limited business activity until today.

The annual Financial Statements audited by the Certified Auditors of the subsidiary company ISLANDS' EYDAP DEVELOPMENT SA" have been published on the internet at the address www.eydapnison.gr.

17. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH THE OTHER COMPREHENSIVE INCOME

The Financial Assets include:

- Interest in EYATH SA, a company listed on the Athens Exchange, which provides the company with the option to generate income from dividends and potentially from capital gains. The company was valued at fair according to the official price quote of the Athens Exchange on 30.06.2019 and the difference that emerged due to the change of fair value was recorded in the net worth through the Statement of Total Comprehensive Income.

- Acquisition of shares in Attica Bank. EYDAP SA, with the decision no. 18770/18.12.2015 of the Board of Directors approved its participation in the share capital increase of Attica Bank Societe Anonyme, based on an amount of € 20 million. The above decision was verified by the Extraordinary General Meeting of shareholders on 15/01/2016. The investment of the Company in the shares of Attica Bank is considered as strategic one and therefore it has been recorded under the category of equity participations at fair value through the other comprehensive income. With the information prospectus on 24.04.2018, Attica Bank announced a share capital increase via the issuance and allocation of new common shares based on preemptive rights in favor of the existing common shareholders and according to a ratio of 4 new shares for every 1 old share. EYDAP SA with the decision no. 19649/11.05.2018 of the Board of Directors approved not to exercise any preemptive right in the share capital increase of Attica Bank. As a result, the Company's participation settled at 4,701,457 shares which were valued at fair based on the official price quote of the Athens Exchange on 30.06.2019, and the difference (loss) that emerged due to the change in the fair value.

In view of the above, the Company's portfolio was formed as follows:

<i>Amounts in € thousand</i>	Number of Shares	Acquisition Cost	Valuation on 30.06.2019	Valuation on 31.12.2018
Thessaloniki Water Supply & Sewerage Co. (EYATH)	264,880	485	1,295	1,176
Attica Bank SA	4,701,457	20,000	2,332	527
Total	4,966,337	20,485	3,627	1,703

18. DEFERRED TAX ASSET

<i>Amounts in € thousands</i>	2019			
	Balance 31.12.2018	(Burden) / Gain in the Results	(Burden) / Gain in the Equity	Ending Balance 30.06.2019
Expensing of intangible assets	9	-	-	9
Inventory impairment	598	52	-	650
Liability for employee benefits	48,910	38	-	48,948
Provision for doubtful receivables	4,604	-	-	4,604
Other provisions for risks and expenses	12,007	(521)	-	11,486
Customer contributions and Municipalities (OTA)	5,923	(262)	-	5,661
Difference between accounting and tax basis of depreciations	(6,194)	(469)	-	(6,663)
Income and expenses accrued	0	-	-	-
Def. Tax in the Tax Reserves from revaluation of property	7,759	-	-	7,759
Impairment of securities	4,869	-	(451)	4,418
Other deferred tax items	8,015	586	-	8,601
	86,499	(576)	(451)	85,471

The deferred tax asset on 30.06.2019 accounted for € 85.4 million approximately. The corresponding deferred tax asset on 31.12.2018 had accounted for € 86.5 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 thousand 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>	30.06.2019	31.12.2018
Provision for staff indemnity due to retirement	35,446	34,867
Healthcare coverage of personnel	155,357	155,858
Special one-off indemnity (personnel hired prior to and after 25-10-1999)	111,066	109,390
Total	301,869	300,115

The change in the account amounting to € 1.7 million approximately is mainly attributed to the burden on the results of the period which was based on the estimation of cost up to 30.06.2019 for each plan separately and in accordance with the actuarial study on 31.12.2018.

21. RETAINED EARNINGS

<i>Amounts in € thousands</i>	GROUP	COMPANY
Balance at 31.12.2017	458,503	458,666
Adjustment due to adoption of IFRS 9 & 15	(6,352)	(6,352)
Balance at 01.01.2018	452,151	452,313

Dividends approved	(21,300)	(21,300)
Net profit for the period	17,900	17,913
Balance at 30.06.2018	448,751	448,926
Balance at 01.01.2019	479,965	480,169
Dividends approved	(28,755)	(28,755)
Net profit for the period	25,040	25,064
Balance at 30.06.2019	476,250	476,478

22. PROVISIONS

The account in the financial statements is analyzed as follows:

<i>Amounts in € thousands</i>	30.06.2019	31.12.2018
Provisions for pending litigations with employees - pensioners	25,084	25,085
Provisions for civil litigations	28,357	30,047
Total	53,441	55,132

As of 30.06.2019, the lawsuits for civil cases against the Company accounted for € 98.8 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 € 169.9 million approximately.

Moreover, an amount of € 1.4 million which concerns an outstanding amount from the settlement of labor differences, decision no. 19105/21.12.2016 and 19224/24.05.2017, of the Board of Directors is presented in the short-term liabilities.

The Company has formed total provisions of € 53.4 million approximately on 30.06.2019 (€ 55.1 million approximately on 31.12.2018).

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, provided that the possibility of an outflow of resources incorporating financial benefits is minimal.

1. Relations with Greek State

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

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

2. Commitments concerning Non Executed Contracts

The Company's commitments which concern expansions, improvements and maintenance of networks and installations, electrical and thermal energy production unit installations, etc., accounted for € 45 million approximately on 30.06.2019 versus € 32 million on 31.12.2018.

3. Letters of Guarantee

The Company has issued letters of guarantee for liability insurance of € 1,504 thousand on 30.06.2019.

4. Pending Legal Cases

The pending legal cases are analyzed as follows:

<i>Amounts in € thousands</i>	Amount Applied	Provision	Contingent Provision
Labor	169,934	26,411	143,523
Obligations	98,756	28,357	70,399
Total	268,690	54,768	213,922

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 30.06.2019 until the approval date of the financial statements by the Company's Board of Directors.

26. RELATED PARTY TRANSACTIONS (GROUP & COMPANY)

A) Transactions and Amounts Outstanding with Members of the Board

<i>Amounts in € thousands</i>	30.06.2019	30.06.2018
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Fees (Chairman & CEO, and Executive Directors)	57	57
Fees & attendance expenses of BoD members	144	116
Total	201	173

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

<i>Amounts in € thousands</i>	GROUP		COMPANY	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
1) Transactions				
Income	26,371	25,056	26,371	25,056
2) Outstanding amounts	30.06.2019	31.12.2018	30.06.2019	31.12.2018
Long-term customer receivables (Arrangements for Municipalities)	1,624	3,619	1,624	3,619
Customer receivables (Municipalities, Greek State)	51,042	50,433	51,042	50,433
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.”.

C) Transactions and amounts outstanding with other Related parties consolidated with EESYP SA

<i>Amounts in € thousands</i>	30.06.2019	30.06.2018
1) Transactions		
Income	514	1,331
Expenses	9,545	9,749
2) Outstanding amounts	30.06.2019	31.12.2018
Customer receivables	2,410	2,346
Liabilities to Suppliers	1,656	1,442

The Financial Statements of the Company are included in the consolidated Financial Statements of "Hellenic Holding and Property Company SA" (EESYP SA).

27. “EYDAP FIXED ASSETS 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, Yliki and Evinos. Apart from the constructions and the expansions of the facilities which are connected to the above dams and basins, the Greek State through “EYDAP Fixed Assets L.E.P.L.” supplies the Company with crude water so that the Company is in position to fulfill its obligations with regard to the provision of water supply services.

2. It is noted that:

- the Aqueduct of Yliki until the Viliza in Thiva was transcribed to the competent Land Registry of Thiva and Oropos.
- The construction sites of Amfissa and Chrissos in Delphi have already been incorporated into the competent office of Amfissa which operates as Land Registry.

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

4. INDEPENDENT AUDITOR'S REPORT

C. INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the Athens Water Supply and Sewerage Company (EYDAP S.A.)

Introduction

We have reviewed the accompanying interim condensed separate and consolidated statement of financial position of the Athens Water Supply and Sewerage (EYDAP S.A.) as at 30 June 2019 and the related condensed separate and consolidated statement of income and comprehensive income, changes in equity and cash flows for the six-month period then ended, and the selected explanatory notes that constitute the interim condensed 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 fair presentation of this interim condensed financial information in accordance with International Financial Reporting Standards, as adopted by the European Union and apply to interim Financial Reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this interim condensed 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 as incorporated into the Greek Legislation, 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 interim condensed financial information are 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 financial statements regarding determination of the consideration of untreated water resources, supplied by the Greek State. Given the absence of a written agreement determining the above price, after 30.06.2013, the date when all outstanding financial matters were settled with the Greek State pursuant to Article 15 of as of 9.12.1999 Agreement with the Greek State, EYDAP is still offsetting the consideration of untreated water resources with the cost of rendered services regarding maintenance and operation of fixed assets pertaining to storage and transportation of water resources that belong to the company "EYDAP Fixed Assets (Legal Entity under Public Law)". The implementation of the JMD 135275 (Government Gazette 1751/22.05.2017) "Approval of general rules for the costing and pricing of water services. Method and procedures for recovering the cost of water services in its various uses" can cause changes to pricing water supply and sewage services. At the current stage, it is not possible to project potential effect of the implementation of the aforementioned JMD on the practices, adopted by EYDAP S.A. till presently. Our conclusion is not qualified regarding the above matter.

Other Subject

The financial statements of the Company for the year ended 31 December 2018 were audited by another audit company. For the year ended 31 December 2018, Certified Auditors issued the audit report on 05/04/2019 with an emphasis of matter, regarding determination of the consideration of untreated water resources supplied by the Greek State. .

Report on Other Legal and Regulatory Requirements

Our review has not revealed any material inconsistency or misstatement in the statements of the members of the Board of Directors and the information of the six-month Board of Directors Report, as defined in articles 5 and 5a of Law 3556/2007, in relation to the accompanying interim condensed separate and consolidated financial information.

Athens, 25 September 2019
Certified Public Accountant

Panagiotis Christopoulos
I.C.P.A Reg. No 28481



Chartered Accountants Management Consultants
56, Zefrou str., 175 64 Palaio Faliro, Greece
Registry Number SOEL 127

