Athens, April 27th, 2023

**EYDAP absorbed the shocks of the energy crisis and doubled its investment program without burdening the consumers**

* Decrease in turnover by 4.8% to 343.5 million Euros.
* Increase in operating costs by 5.7% mainly due to the increased costs of electricity.
* Profits before taxes at 10.6 million euros.
* Doubling of investments compared to the average of the previous five years.

Fiscal year 2022 was characterized by the energy and consequent inflationary crisis that burdened the citizens. EYDAP, always faithful to its social role, supported consumers by maintaining its low tariffs, absorbed the increased costs, demonstrating resilience and consistency, while doubling investments, aiming to growth.

The total consumption in 2022 decreased by -4.4% compared to 2021. The decrease in the volume of water consumption is mainly due to the change in the consumption habits of households, as a result of the energy crisis, to the implementation of a stricter program of overdue debts, combined with the statistically lower temperatures. Contrary to the total, billed consumption recorded an increase of 3.9%, resulting in a decrease in non-billed consumption.

The Company's turnover amounted to €343.5 million from €360.8 million in 2021, showing a decrease of -4.8%, as a consequence of the decrease in consumption.

The Company's total operating costs increased by +5.7% or +€18.2 million and amounted to €335.8 million from €317.6 million in 2021, mainly due to the increase in electricity costs which amounted to €45.5 million from €22.9 million in 2021, increasing by 98%. On the contrary, the reduction of miscellaneous provisions by €15.1 million had a positive effect on operating costs.

Also, expenses were negatively affected by the €8.7 million increase in other expenses, mainly due to the forecast impairment of other receivables due to their non-recoverability. Other operating income also showed a decrease, which amounted to €3.1 million from €5.1 million in 2021, marking a decrease of -38.7% or -€2.0 million.

The result of these developments was the reduction of the Company's Gross Profit Margin by -35.4 million € (-22.5%) and to reach 121.5 million € from 156.9 million in 2021 but also the Gross Profit Margin as a percentage of turnover to 35.4% from 43.5% in 2021.

The Company's EBITDA\* amounted to €39 million from €85.5 million in 2021, a decrease of €46.5 million (54.4%). EBITDA margin was 11.4% from 23.7% in 2021.

The decrease in EBITDA affected the EBIT\* of the Company, which decreased by-46.2 million € (-100%) and amounted to 117 thousand € from 46.3 million € in 2021. EBIT margin was 0% from 12.8% in 2021.

The Company's pre-tax profits amounted to €10.6 million from €59.4 million in 2021, marking a decline of -82% or -€48.8 million.

The Company's profit after tax decreased by 84% to €5 million from €30.7 million in 2021. Net profit margin was 1.5% from 8.5% in 2021.

The Free Cash Flows to the Firm for the group were -€79.6 million from €19.5 million in 2021, mainly due to the disbursement in the year 2022 of €157 million to EYDAP Fixed Assets Company LEPL for the final settlement of the additional cost of raw water for the years 2013-2020 for which a provision had been made on 31.12.2021. Net Investing Cash Flows for the group amounted to an outflow of €19 million, from an outflow of €18.7 million in 2021.

The Board of Directors of the Company approved the submission of a proposal to the Ordinary General Meeting of Shareholders, for the distribution of a dividend, amounting to 2 cents (Euro 0.02) per share, (total gross amount of Euro 2,130 thousand Euro) for the year 2022.

**Project Investment Program**

In 2022 the absorption of the project investment program amounted to 30.5 million euros, increased by 66% compared to 2021 which had amounted to 18.3 million euros and increased by 107% from the average absorption of previous five years. The main volume of the project investment program concerns the large sewerage projects in eastern Attica, but also projects of the water supply network (installation of new meters, water supply network works, extensions, improvements and replacements) and the sewerage network (construction of connections & secondary sewage network of water, reconstruction of pipelines).

The budgeted amount of the project investment program for 2023 amounts to 45.9 million euros, with 52% concerning the sewerage projects of eastern Attica, 28% water supply projects and 15% sewage projects.

Almost 50% of the projects are financed by the EU.

**New Independent Regulatory Authority**

On March 28, 2023, Law 5037/2023 was published by which the Regulatory Authority of Energy (RAE) was renamed to Waste, Energy and Water Regulatory Authority (R.A.W.E.W.) which was entrusted with the supervision of the provision of water and municipal waste management services.

The purpose of the law is the rational regulation of the provision of water supply and urban waste treatment services, especially in terms of organization, services provided, their costs and pricing, through the assignment of relevant supervisory and control responsibilities to R.A.W.E.W. The new expanded regulatory authority has started its operation and a vice president of the water sector has already been appointed. R.A.W.E.W. is expected to be fully operational before the end of 2023.

EYDAP's tariff policy is implemented through the application of the general rules for costing and billing of water services that will be determined by ministerial decision, while water service tariffs for the various categories of consumers and users are approved by a five-year decision of R.A.W.E.W. Until the approval of the new tariffs, the validity of the company's tariffs is extended.

In article 34 of Law 5037/2023, it is defined that: *"By joint decision of the Ministers of Environment and Energy, Finance, Interior and Rural Development and Food, following the opinion of the Advisory Committee of paragraph 3 of article 4 and a recommendation of R.A.W.E.W., to the Commission, the general rules for costing and billing water services, the measures to improve them, as well as the procedures and the method of recovering the cost of water services in the various uses, are determined, according to par. 1 of the present and the p.d.* [*51/2007*](https://www.e-nomothesia.gr/tags.html?tag=51%2F2007) *."*

The new tariffs, for which an effort will be made to apply from 1/1/2024, with the agreement and evaluation of the General Water Services Plans by R.A.W.E.W., it is expected that the company will recover, according to JMD 352462, G.G. 5830/14.12 .2021, €157 million allocated for raw water for the period 2013-2020, as well as any other under-recovered amount.

**Effects of geopolitical and energy crisis**

The current geopolitical crisis in Ukraine with the consequent sanctions on Russia by the European Union, have brought considerable uncertainty to the economic environment both at national, pan-European and global level. EYDAP is not directly exposed to the areas in question, therefore there is no direct impact on its activities.

The management of EYDAP takes the necessary measures in order to minimize any effects. Stocks of especially critical water supply network materials are constantly being recorded and the immediate supply of materials deemed necessary is proceeding. At the moment, the Company does not face any problem of shortage of materials or their supply.

However, the geopolitical crisis, combined with the pre-existing energy crisis, has led to a further increase in energy costs, especially in natural gas, which has dragged the market into price increases. According to the published data of ELSTAT, the average CPI for the twelve months January 2022 - December 2022, compared to the corresponding Index for the twelve months January 2021 - December 2021, increased of 9.6%. The consequence of the above is the burden on the family and business budget, which has affected water consumption in the context of a more general household economy, but has not affected the pace of the Company's collections. An important role in the stable flow of collections is played, in addition to the company's policy, by the affordable tariff, but also by the positive image of the Company to the consumer public.

The increase in prices has caused delays and difficulties in some of the Company's projects as the prices of materials, and therefore the initial budgets of the projects, have increased significantly between the time of the submission of the offer by the contractor and the execution of the project . In the ongoing contracts, requests for premiums were submitted by Contractors, following Law 4938/22 which includes urgent arrangements for the execution of public works contracts to support the ongoing contracts, due to the energy crisis and the large increases in the prices of materials and the energy caused by it. Their requests will be submitted for an opinion to the technical council of projects and studies of supervised entities of the Ministry of Infrastructure and Transport. In addition, a contractor of the Eastern Attica projects requested an extension of the schedule by 6 months.

EYDAP, for its ongoing supply/general services contracts, has received requests from contractors for price adjustments, mainly on the basis of HSPPA document No. 2040/13.04.2022 with the Subject: "Clarifications regarding the increase of prices and supply chain issues due to the energy crisis, the crisis in Ukraine and the ongoing effects of COVID-19". It is noted that from the above requests, price adjustments amounting to €402,186.37 plus VAT have already been approved by relevant decisions.

The cost of supplying electricity, as mentioned above, amounted to 45.5 million euros, marking an increase of 98%, i.e. 22.6 million euros compared to 2021 where the cost of supply amounted to 22.9 million euros. Natural gas remained in 2022 at the same levels as in 2021, at €0.7 million. Fuel consumption in 2022 amounted to 0.9 million euros. The Company maintains contracts for the supply of unleaded gasoline with a fixed profit margin for the supplier, while the price is defined as the applicable price per liter as announced by the Hellenic Refineries on the day of delivery.

With reference to the forecasts of electricity costs for 2023, the Company has proceeded with a study of different scenarios, which show a downward trend.

After the continuous revaluations of electricity prices, and to reduce operating costs, EYDAP S.A. is in continuous processes that will lead to cost reduction (replacement of machinery, tender for a new energy provider, monitoring , tender procedures for the creation of PV plants, etc.)

Regarding the existing RES units, the current contracts for both the Small Hydro Electric Plants as well as for the existing 1.97 MW PV, concern fixed prices.

EYDAP in the context of the utilization of renewable and alternative energy sources has developed:

* Energy production facilities from small hydroelectric projects installed in its aqueducts and in the WWTP of Psyttalia.
* Thermal and electrical energy plants, utilizing the biogas produced from the treatment of sludge in municipal wastewater treatment plants.
* Photovoltaic station at the facilities of Acharnai WTP.

The contribution of RES to the total consumption amounts to 50.28%.

In addition, the Company completed the design of 4 PV Stations with a total power of 3.5 MW. Already the first 2 on the ground (total power of 2 MW ) are in the process of selecting a final contractor and the other 2 on roofs (total power of 1.5 MW ) are in the process of evaluating the offers by the Tender Committee.

The gradual replacement of conventional vehicles with electric vehicles continues according to the company's planning.

The Company has placed particular emphasis on strengthening the ESG strategy that follows. To this end, it has established measurable indicators for the environment, society and good governance, based on internationally recognized standards, which are systematically monitored and for which improvement actions have been developed linked to the strategic tripartite of Safety, Efficiency, Development. The clear objective of the Company's strategy is to reduce our carbon footprint and to make a substantial contribution to strengthening the resilience of its infrastructure and the societies in which it operates and develops, as well as to strengthening its adaptive capacity against the risks and natural disasters that result from climate change. EYDAP aims to achieve zero carbon water by 2030, which will make the company largely independent of the energy market.

Dealing with climate change is one of the great modern challenges. The Company, seeking to respond to the challenges of prevention and precaution arising from the risks of climate change, applies principles such as:

* Strategy to improve energy efficiency, save energy and reduce carbon footprint, and sustainably manage water resources through reuse of treated wastewater and utilization of alternative water resources for irrigation use.
* Strict adherence to regulations and environmental specifications in the design of water supply and sewerage projects with safety mechanisms against environmental accidents
* Selection of materials, machinery and vehicles and design of projects with modern environmental specifications, with the aim of energy saving and the transition to systems with low greenhouse gas emissions

In the context of adopting international best practices in the effort to harmonize it with ESG criteria, the Company intends to follow in 2023 the recommendations of financial disclosures related to the climate (Total Carbon Financial Disclosures - TCFD) issued by the Financial Stability Board (FSB). The aim is that through the adoption of TCFD recommendations, the financial risks and opportunities related to climate change will become a natural part of the Company's risk management processes and strategic planning.

The Company will continue in 2023 with this prioritization while at the same time focusing on the rationalization of operating costs, with an emphasis on energy costs, the acceleration of the implementation of the investment program with a focus on the projects of Eastern Attica and the projects to reduce the priceless water that will improve the environmental footprint, the improvement of the services provided, the expansion of the activities and the customer base.

On March 20, 2023, the 7 & 8/2023 decisions of the Three-member Council of Compliance of the Council of State were published, by which the CoS ruled that the executive and legislative power, with articles 114 and 115 of Law 4964/2022, did not complied with the decisions of the CoS 190 & 191/2022, by which the transfer of the shares of EYDAP and EYATH from the State to the HCAP was ruled unconstitutional.

According to the decisions of the Council of State, the Ministry of Finance should take all the necessary actions, within eight months at the latest, in order to return the shares of EYDAP and EYATH to the State. EYDAP undertakes that when it receives relevant notification, it will immediately proceed with the necessary actions.

The CEO of the Company, Haris Sahinis, commenting on the financial results of 2022, stated:

*"During 2022 EYDAP supported its consumers by maintaining a low tariff, absorbing the increased energy costs. We ensist to our Safety-Efficiency-Development strategy and doubled our investments in major projects that will improve the lives of thousands of citizens, lead the Company to a sustainable future while also contributing to the country's GDP. EYDAP is also entering a new regulatory framework, which will provide the stability required for the further development of the Company. The Company's commitment to ESG goals is already reflected in the significant improvement of its ESG rating by all international rating agencies. »*

The Annual Financial Report and the 2022 Data and Usage Information are posted on the corporate website [www.eydap.gr](http://www.eydap.gr)

\* Alternative performance indicator. See Alternative Performance Indicators section in the 2021 annual financial report posted on the corporate website www.eydap.gr. The financial figures mentioned in the announcement refer to the Company unless otherwise stated