

AS TALLINNA VESI

CONSOLIDATED UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE 3 MONTHS PERIOD OF FINANCIAL YEAR 2019 ENDED 31 MARCH 2019

Currency	Thousand euros
Start of the reporting period	1 January 2019
End of the reporting period	31 March 2019
Address	Tallinn, Ädala 10
Chairman of the Management Board	Karl Heino Brookes
Commercial register number	10257326
Telephone	+372 62 62 200
Telefax	+372 62 62 300
E-mail	tvesi@tvesi.ee
Web page	www.tallinnavesi.ee
Field of activity	Production, treatment and distribution of water; storm and wastewater disposal and treatment

CONTENTS

	Page
MANAGEMENT CONFIRMATION	1
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	2
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	3
CONSOLIDATED CASH FLOWS STATEMENT	4
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	5
NOTES TO THE CONSOLIDATED UNAUDITED INTERIM FINANCIAL STATEMENTS	
NOTE 1. ACCOUNTING PRINCIPLES	6
NOTE 2. CASH AND CASH EQUIVALENTS	6
NOTE 3. PROPERTY, PLANT AND EQUIPMENT	7
NOTE 4. INTANGIBLE ASSETS	8
NOTE 5. RIGHT-OF-USE ASSETS AND LIABILITIES	9
NOTE 6. PROVISION FOR POSSIBLE THIRD PARTY CLAIMS	10
NOTE 7. REVENUE	11
NOTE 8. STAFF COSTS	11
NOTE 9. COST OF GOODS/SERVICES SOLD, MARKETING AND ADMINISTRATIVE EXPENSES	12
NOTE 10. OTHER INCOME/EXPENSES	12
NOTE 11. FINANCIAL INCOME AND EXPENSES	13
NOTE 12. DIVIDENDS	13
NOTE 13. EARNINGS PER SHARE	13
NOTE 14. RELATED PARTIES	14
NOTE 15. LIST OF SUPERVISORY BOARD MEMBERS	15

MANAGEMENT CONFIRMATION

The Management Board has prepared AS Tallinna Vesi (the Company) and its subsidiary company OÜ Watercom (together Group) consolidated interim accounts in the form of consolidated condensed financial statements for the 3 months period of financial year 2019 ended 31 March 2019. The interim accounts have not been reviewed by the auditors.

The condensed financial statements for the period ended 31 March 2019 have been prepared following the accounting policies and the manner of presenting the information in line with the International Financial Reporting Standards as adopted by the EU. The condensed financial statements provide a fair presentation of the assets, liabilities, financial position and profit of the company. During the preparation of condensed financial statements, the Management has made no changes in critical estimates that would have cast a significant impact on the results.

The interim report gives a fair presentation of the main events that occurred during the 3 months of the financial year and of their effect to the condensed financial statements. It includes the description of the main risks and unclear aspects that can, based on the sensible judgement of the Management Board, have an impact on the company during the remaining 9 months of the financial year.

The significant transactions with related parties are disclosed in the interim accounts.

Any subsequent events that materially affect the valuation of assets and liabilities and have occurred up to the completion of the consolidated financial statements on 26 April 2019 have been considered in preparing the financial statements.

The Management Board considers AS Tallinna Vesi and its subsidiary to be going concern entities.

Karl Heino Brookes
Chairman of the Management Board
Chief Executive Officer

Aleksandr Timofejev
Member of the Management Board
Chief Operating Officer

Riina Käi
Member of the Management Board
Chief Financial Officer

26 April 2019

Introduction and photos of the Management Board members are published at company's web page.
<https://tallinnavesi.ee/en/ettevotte/management-board/>

AS TALLINNA VESI
CONSOLIDATED UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE 3 MONTHS PERIOD OF FINANCIAL YEAR 2019 ENDED 31 MARCH 2019

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ thousand)

ASSETS	Note	as of 31 March		as of 31 December
		2019	2018	2018
CURRENT ASSETS				
Cash and cash equivalents	2	68 828	52 306	61 769
Trade receivables, accrued income and prepaid expenses		7 390	6 685	7 631
Inventories		537	436	498
TOTAL CURRENT ASSETS		76 755	59 427	69 898
NON-CURRENT ASSETS				
Property, plant and equipment	3	181 171	173 902	179 185
Intangible assets	4	623	797	665
Right-of-use assets	5	664	0	0
TOTAL NON-CURRENT ASSETS		182 458	174 699	179 850
TOTAL ASSETS		259 213	234 126	249 748
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Current portion of long-term borrowings		4 052	345	3 823
Trade and other payables		5 694	5 011	6 047
Derivatives		139	452	207
Prepayments		2 334	2 702	2 955
TOTAL CURRENT LIABILITIES		12 219	8 510	13 032
NON-CURRENT LIABILITIES				
Deferred income from connection fees		25 792	20 058	22 745
Borrowings		92 437	95 423	91 919
Derivatives		201	219	173
Provision for possible third party claims	6	19 068	17 522	19 068
Other payables		46	44	46
TOTAL NON-CURRENT LIABILITIES		137 544	133 266	133 951
TOTAL LIABILITIES		149 763	141 776	146 983
EQUITY				
Share capital		12 000	12 000	12 000
Share premium		24 734	24 734	24 734
Statutory legal reserve		1 278	1 278	1 278
Retained earnings		71 438	54 338	64 753
TOTAL EQUITY		109 450	92 350	102 765
TOTAL LIABILITIES AND EQUITY		259 213	234 126	249 748

Notes to the consolidated financial statements on pages 6 to 15 form an integral part of the condensed financial statements.

AS TALLINNA VESI
CONSOLIDATED UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE 3 MONTHS PERIOD OF FINANCIAL YEAR 2019 ENDED 31 MARCH 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ thousand)

		Quarter 1		for the year ended 31 December
	Note	2019	2018	2018
Revenue	7	14 664	14 077	62 780
Cost of goods and services sold	9	-6 404	-5 757	-28 594
GROSS PROFIT		8 260	8 320	34 186
Marketing expenses	9	-112	-112	-386
General administration expenses	9	-1 261	-1 379	-5 025
Other income (+)/expenses (-)	10	6	-31	-1 836
OPERATING PROFIT (+)/LOSS (-)		6 893	6 798	26 939
Financial income	11	8	4	21
Financial expenses	11	-216	-268	-1 010
PROFIT (+)/LOSS (-) BEFORE TAXES		6 685	6 534	25 950
Income tax on dividends	12	0	0	-1 800
NET PROFIT (+)/LOSS (-) FOR THE PERIOD		6 685	6 534	24 150
COMPREHENSIVE INCOME (+)/LOSS (-) FOR THE PERIOD		6 685	6 534	24 150
Attributable profit (+)/loss(-) to:				
Equity holders of A-shares		6 684	6 533	24 149
B-share holder		0,60	0,60	0,60
Earnings per A share (in euros)	13	0,33	0,33	1,21
Earnings per B share (in euros)	13	600	600	600

Notes to the consolidated financial statements on pages 6 to 15 form an integral part of the condensed financial statements.

AS TALLINNA VESI
CONSOLIDATED UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE 3 MONTHS PERIOD OF FINANCIAL YEAR 2019 ENDED 31 MARCH 2019

CONSOLIDATED CASH FLOWS STATEMENT

(€ thousand)

	Note	2019	3 months 2018	for the year ended 31 December 2018
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating profit		6 893	6 798	26 939
Adjustment for depreciation/amortisation	3,4,5,9,10	1 502	1 423	5 790
Adjustment for revenues from connection fees	10	-86	-69	-295
Other non-cash adjustments		0	-5	-20
Profit (-)/loss (+) from sale of property, plant and equipment, and intangible assets		-5	-1	-115
Change in current assets involved in operating activities		208	1 035	54
Change in liabilities involved in operating activities		-224	-376	1 939
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES		8 288	8 805	34 292
CASH FLOWS USED IN INVESTING ACTIVITIES				
Acquisition of property, plant and equipment, and intangible assets		-1 670	-1 660	-10 736
Compensations received for construction of pipelines, incl connection fees		787	589	3 716
Proceeds from sale of property, plant and equipment, and intangible assets		7	15	160
Interest received		7	4	17
TOTAL CASH FLOWS USED IN INVESTING ACTIVITIES		-869	-1 052	-6 843
CASH FLOWS USED IN FINANCING ACTIVITIES				
Interest paid and loan financing costs, incl swap interests		-258	-355	-1 394
Lease payments		-102	-65	-258
Dividends paid	12	0	0	-7 201
Income tax on dividends	12	0	0	-1 800
TOTAL CASH FLOWS USED IN FINANCING ACTIVITIES		-360	-420	-10 653
CHANGE IN CASH AND CASH EQUIVALENTS		7 059	7 333	16 796
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	2	61 769	44 973	44 973
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	2	68 828	52 306	61 769

Notes to the consolidated financial statements on pages 6 to 15 form an integral part of the condensed financial statements.

AS TALLINNA VESI
CONSOLIDATED UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE 3 MONTHS PERIOD OF FINANCIAL YEAR 2019 ENDED 31 MARCH 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€ thousand)

	Share capital	Share premium	Statutory legal reserve	Retained earnings	Total equity
as of 31 December 2017	12 000	24 734	1 278	47 804	85 816
Dividends	0	0	0	-7 201	-7 201
Comprehensive income for the period	0	0	0	24 150	24 150
as of 31 December 2018	12 000	24 734	1 278	64 753	102 765
as of 31 December 2017	12 000	24 734	1 278	47 804	85 816
Comprehensive income for the period	0	0	0	6 534	6 534
as of 31 March 2018	12 000	24 734	1 278	54 338	92 350
as of 31 December 2018	12 000	24 734	1 278	64 753	102 765
Comprehensive income for the period	0	0	0	6 685	6 685
as of 31 March 2019	12 000	24 734	1 278	71 438	109 450

Notes to the consolidated financial statements on pages 6 to 15 form an integral part of the condensed financial statements.

AS TALLINNA VESI
CONSOLIDATED UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE 3 MONTHS PERIOD OF FINANCIAL YEAR 2019 ENDED 31 MARCH 2019

(€ thousand)

NOTES TO THE CONSOLIDATED UNAUDITED INTERIM FINANCIAL STATEMENTS

NOTE 1. ACCOUNTING PRINCIPLES

The interim accounts have been prepared according to International Financial Reporting Standards as adopted by the EU. The same accounting policies are followed in the interim financial statements as in the most recent annual financial statements. The interim report is prepared in accordance with IAS 34 Interim Financial Reporting.

NOTE 2. CASH AND CASH EQUIVALENTS

	as of 31 March		as of 31 December	
	2019	2018	2018	2018
Cash in hand and in bank	53 828	33 731	46 769	46 769
Short-term deposits	15 000	18 575	15 000	15 000
Total cash and cash equivalents	68 828	52 306	61 769	61 769

AS TALLINNA VESI
CONSOLIDATED UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE 3 MONTHS PERIOD OF FINANCIAL YEAR 2019 ENDED 31 MARCH 2019

(€ thousand)

NOTE 3. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Facilities	Machinery and equipment	Other equipment	Construction in progress	Total property, plant and equipment
as of 31 December 2017						
Acquisition cost	26 415	207 666	48 279	1 157	2 416	285 933
Accumulated depreciation	-6 829	-68 243	-35 560	-850	0	-111 482
Net book value	19 586	139 423	12 719	307	2 416	174 451
Transactions in the period 1 January 2018 - 31 December 2018						
Acquisition in book value	0	0	0	0	10 317	10 317
Write off and sale of property, plant and equipment in residual value	-13	-2	-29	0	0	-44
Reclassification	102	7 792	1 601	64	-9 534	25
Depreciation	-289	-3 147	-2 043	-85	0	-5 564
as of 31 December 2018						
Acquisition cost	26 500	215 059	48 792	1 141	3 199	294 691
Accumulated depreciation	-7 114	-70 993	-36 544	-855	0	-115 506
Net book value	19 386	144 066	12 248	286	3 199	179 185
Transactions in the period 1 January 2019 - 31 March 2019						
Acquisition in book value	0	0	0	0	3 393	3 393
Write off and sale of property, plant and equipment in residual value	0	0	-2	0	0	-2
Reclassification	2	3 333	235	0	-3 572	-2
Depreciation	-72	-799	-511	-21	0	-1 403
as of 31 March 2019						
Acquisition cost	26 502	218 319	48 952	1 141	3 020	297 934
Accumulated depreciation	-7 186	-71 719	-36 982	-876	0	-116 763
Net book value	19 316	146 600	11 970	265	3 020	181 171

Property, plant and equipment and intangible assets are written off, if the conditions of the asset do not enable its further usage for production purposes.

As of 31 March 2019 the book value of the assets (Machinery and equipment) leased under financial lease is €954 thousand (31 December 2018: €878 thousand).

AS TALLINNA VESI
CONSOLIDATED UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE 3 MONTHS PERIOD OF FINANCIAL YEAR 2019 ENDED 31 MARCH 2019

(€ thousand)

NOTE 4. INTANGIBLE ASSETS

	Acquired licenses and other intangible assets	Unfinished intangible assets	Total intangible assets
as of 31 December 2017			
Acquisition cost	5 247	390	5 637
Accumulated depreciation	-4 826	0	-4 826
Net book value	421	390	811
Transactions in the period 1 January 2018 - 31 December 2018			
Acquisition in book value	0	80	80
Reclassification	420	-420	0
Depreciation	-226	0	-226
as of 31 December 2018			
Acquisition cost	4 206	50	4 256
Accumulated depreciation	-3 591	0	-3 591
Net book value	615	50	665
Transactions in the period 1 January 2019 - 31 March 2019			
Acquisition in book value	0	6	6
Depreciation	-48	0	-48
as of 31 31 March 2019			
Acquisition cost	4 206	56	4 262
Accumulated depreciation	-3 639	0	-3 639
Net book value	567	56	623

NOTE 5. RIGHT-OF-USE ASSETS AND LIABILITIES

Since 1 January 2019 the Group recognises leases according to the standard IFRS 16 Leases. IFRS 16 replaces the previous standard IAS 17 Leases and is mandatory from the beginning of 2019. IFRS 16 introduces a new single lessee accounting model and therefore, leases are no longer classified either operating or finance leases as it was required according to IAS 17. As a result of the change in the accounting policies, lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Furthermore, a lessee is required to recognise depreciation of lease assets separately from interest on lease liabilities in the income statement.

On 1 January 2019 the Group applied a simplified transition approach and did not restate comparative amounts for the year prior to the first adoption. Lease commitments existing at the date of implementation, which had so far been recognised as operating leases, were measured on transition at the discounted value of their remaining lease payments, using the effective interest rate as of 1 January 2019. Right-of-use assets were measured at the amount of the lease liability on adoption. Consequently, the liabilities and assets of the Group increased by €702 thousand on 1 January 2019.

Right-of-use assets

	Machinery and equipment
Transactions in the period 1 January 2019 - 31 March 2019	
Reclassification 1 January 2019	702
Acquisition in book value	13
Depreciation	-51
as of 31 March 2019	
Acquisition cost	715
Accumulated depreciation	-51
Net book value	664

Lease liability for right-of-use assets

Transactions in the period 1 January 2019 - 31 March 2019	
Reclassification 1 January 2019	702
Additions	13
Repayments of leases	-50
as of 31 March 2019	
Current portion	191
Non-current portion	474
Remaining liability	665

As a result of adopting new accounting principles, EBITDA has increased by €52 thousand for the first 3 months of 2019, as lease payments are recognised as depreciation of the right-of-use assets and as interest on the lease liabilities that are excluded from EBITDA. According to the previous standard IAS 17, lease payments were included in Cost of Goods/Services Sold or Marketing or Administrative expenses that are included in EBITDA.

Operating cash flows increased and financing cash flows decreased by €52 thousand, as repayments of the lease liabilities are classified as cash flows from financing activities. The net profit decreased by €1 thousand for the first 3 months of 2019 as a result of adopting new accounting principles.

NOTE 6. PROVISION FOR POSSIBLE THIRD PARTY CLAIMS

On 12 December 2017, the Supreme Court made a decision on AS Tallinna Vesi's cassation in the tariff dispute with the Estonian Competition Authority. The court stated that the Competition Authority is not bound by the agreement on the water tariffs contained in the Services Agreement, which was executed upon privatisation between the company and the City of Tallinn. From now on, the tariffs will be regulated by the Competition Authority in line with the methodology reflecting the Competition Authority's interpretation of the law.

According to the law the tariffs established by the City of Tallinn are in force until the Competition Authority approves the new tariffs and the Company has implemented these tariffs in line with the law. The Company has acted in good faith and in reliance on promises by the previous regulator. Thus the Company does not consider itself liable to the customers for any claims related to the tariffs applied until the new tariffs approved by the Competition Authority are duly implemented.

On 4 December 2018, the Competition Authority did not approve the tariff application, the Company has submitted. According to the decision they did not approve the pollution tax and additional capital component. On 14 March 2019 the Company challenged the Competition Authority's decision in the Tallinn Administrative Court. The Company applied for the allowed revenue of €44.5 million in the City of Saue and Tallinn, whilst the CA considered appropriate €34.5 million. The change in tariffs will take place after CA has approved the tariffs that will be applicable in the City of Saue and Tallinn area in the future. The tariffs could also change if the CA establishes temporary water tariffs in accordance with the procedure specified in applicable law.

The potential undiscounted payments by the Company, if customer claims are to be recognised by the courts in full and all customers submit their claims, amounts to €47.7 million (31 December 2018: €47.7 million). This estimate marks the maximum difference between the tariffs established by the City of Tallinn and the tariffs as estimated by the Company based on our current best understanding of the Competition Authority's methodology over the past three years.

The Management Board of the Company has assessed the potential liability resulting from such claims, if successful, to be €19.1 million (31 December 2018: €19.1 million). As of 31 March 2019 no official claims have been submitted. If such liability materialises, the Company may seek to increase its damages claim against the Republic of Estonia in the ongoing ICSID arbitration, or initiate a new ICSID arbitration. The Company will monitor the situation and thus may adjust the relevant provision on the rolling basis.

AS TALLINNA VESI
CONSOLIDATED UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE 3 MONTHS PERIOD OF FINANCIAL YEAR 2019 ENDED 31 MARCH 2019

(€ thousand)

NOTE 7. REVENUE

	Quarter 1		for the year ended
	2019	2018	31 December 2018
Revenues from main operating activities			
Total water supply and waste water disposal service, incl:	13 033	12 864	52 528
Private clients, incl:	6 491	6 428	25 765
Water supply service	3 567	3 532	14 179
Wastewater disposal service	2 924	2 896	11 586
Corporate clients, incl:	5 002	5 142	21 246
Water supply service	2 734	2 784	11 733
Wastewater disposal service	2 268	2 358	9 513
Outside service area clients, incl:	1 346	1 112	4 680
Water supply service	385	334	1 465
Wastewater disposal service	815	688	2 893
Storm water disposal service	146	90	322
Over pollution fee	194	182	837
Storm water treatment and disposal service and fire hydrants service	944	796	3 562
Construction service, design and asphaltting	558	283	6 000
Other works and services	129	134	690
Total revenue	14 664	14 077	62 780

100% of the Group's revenue was generated within the Estonian Republic.

NOTE 8. STAFF COSTS

	Quarter 1		for the year ended
	2019	2018	31 December 2018
Salaries and wages	-1 702	-1 678	-6 479
Social security and unemployment insurance tax	-575	-567	-2 190
Staff costs total	-2 277	-2 245	-8 669
Average number of employees during the reporting period	314	315	316

AS TALLINNA VESI
CONSOLIDATED UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE 3 MONTHS PERIOD OF FINANCIAL YEAR 2019 ENDED 31 MARCH 2019

(€ thousand)

NOTE 9. COST OF GOODS AND SERVICES SOLD, MARKETING AND ADMINISTRATIVE EXPENSES

	Quarter 1		for the year ended 31
	2019	2018	December 2018
Cost of goods and services sold			
Water abstraction charges	-292	-291	-1 187
Chemicals	-405	-435	-1 744
Electricity	-1 004	-759	-2 849
Pollution tax	-367	-277	-963
Staff costs	-1 645	-1 593	-6 283
Depreciation and amortization	-1 340	-1 283	-5 177
Construction service, design and asphalting	-445	-241	-5 240
Other costs	-906	-878	-5 151
Total cost of goods and services sold	-6 404	-5 757	-28 594
Marketing expenses			
Staff costs	-88	-94	-321
Depreciation and amortization	0	0	-1
Other marketing expenses	-24	-18	-64
Total marketing expenses	-112	-112	-386
Administrative expenses			
Staff costs	-544	-558	-2 065
Depreciation and amortization	-83	-77	-342
Other general administration expenses	-634	-744	-2 618
Total administrative expenses	-1 261	-1 379	-5 025

NOTE 10. OTHER INCOME/EXPENSES

	Quarter 1		for the year ended 31
	2019	2018	December 2018
Connection fees	86	69	295
Depreciation of single connections	-79	-63	-270
Doubtful receivables expenses (-)/ expense reduction (+)	3	26	-30
Provision for possible third party claims (Note 6)	0	0	-1 546
Other income (+)/expenses (-)	-4	-63	-285
Total other income / expenses	6	-31	-1 836

AS TALLINNA VESI
CONSOLIDATED UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE 3 MONTHS PERIOD OF FINANCIAL YEAR 2019 ENDED 31 MARCH 2019

(€ thousand)

NOTE 11. FINANCIAL INCOME AND EXPENSES

	Quarter 1		for the year ended 31 December
	2019	2018	2018
Interest income	8	4	21
Interest expense, loan	-188	-188	-752
Interest expense, swap	-62	-160	-614
Increase (+)/decrease (-) of fair value of swap	40	85	376
Other financial income (+)/expenses (-)	-6	-5	-20
Total financial income / expenses	-208	-264	-989

NOTE 12. DIVIDENDS

	for the year ended 31 December 2018
Dividends declared during the period	7 201
Dividends paid during the period	7 201
Income tax on dividends paid	-1 800
Income tax accounted for	-1 800

Dividend income tax rate in 2019 is 20/80 (in 2018: 20/80).

Paid-up dividends per shares:

Dividends per A-share (in euros)	0,36
Dividends per B-share (in euros)	600

NOTE 13. EARNINGS PER SHARE

	Quarter 1		for the year ended 31 December
	2019	2018	2018
Net profit (+)/loss (-) minus B-share preferred dividend rights	6 684	6 533	24 149
Weighted average number of ordinary shares for the purposes of basic earnings per share (in pieces)	20 000 000	20 000 000	20 000 000
Earnings per A share (in euros)	0,33	0,33	1,21
Earnings per B share (in euros)	600	600	600

Diluted earnings per share for the periods ended 31 March 2019 and 2018 and 31 December 2018 was equal to earnings per share figures stated above.

AS TALLINNA VESI
CONSOLIDATED UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE 3 MONTHS PERIOD OF FINANCIAL YEAR 2019 ENDED 31 MARCH 2019

(€ thousand)

NOTE 14. RELATED PARTIES

Transactions with related parties are considered to be transactions with members of the Supervisory Board and Management Board, their relatives and the companies in which they have control or significant influence and transactions with shareholder having the significant influence. Dividend payments are indicated in the Statement of Changes in Equity.

Shareholders having the significant influence

	as of 31 March		as of 31 December
Balances recorded on the statement of financial position of the Group	2019	2018	2018
Accounts receivable	3	3	221
Trade and other payables	-181	185	179
	Quarter 1	for the year ended	
Transactions	2019	2018	31 December
Revenue	944	796	3 562
Purchase of administrative and consulting services	243	254	1 009
Fees for Management Board (excluding social tax)	76	72	192
Supervisory Board fees (excluding social tax)	8	8	32

The Group's Management Board and Supervisory Board members are considered as key management personnel for whom the contractual salary payments have been accounted for as disclosed above. In addition to this one Board Member has also received direct compensations from the companies belonging to the group of United Utilities (Tallinn) B.V. as overseas secondees. Such compensations are recorded on line "Purchase of administrative and consulting services".

The Group's Management Board members are elected for 3 (three) years and Supervisory Board members for 2 (two) years. Stock exchange announcement is published about the change in Management and Supervisory Board.

The potential salary liability would be up to €90 thousand (excluding social tax) if the Supervisory Board would want to replace all Management Board members.

Company shares belonging to the Management Board and Supervisory Board members

As of 31 March 2019 from all Supervisory Council and Management Board members Riina Käi owned 100 shares (as of 31 March and 31 December 2018: Riina Käi owned 100 shares).

NOTE 15. LIST OF SUPERVISORY BOARD MEMBERS

Simon Roger Gardiner	Chairman of the Supervisory Board
Keith Haslett	Member of the Supervisory Board
Martin Benjamin Padley	Member of the Supervisory Board
Brendan Francis Murphy	Member of the Supervisory Board
Priit Rohumaa	Member of the Supervisory Board
Katrin Kendra	Member of the Supervisory Board
Toivo Tootsen	Member of the Supervisory Board
Allar Jõks	Member of the Supervisory Board
Priit Lello	Member of the Supervisory Board

Introduction of Supervisory Board members is published at company's web page.
<https://tallinnavesi.ee/en/ettevete/management-board/supervisory-council/>