OTE INTERNATIONAL SOLUTIONS SA

OTEGLOBE

THE GLOBE AT YOUR SERVICE

ANNUAL FINANCIAL REPORT

For the period from

January 1, 2021 to December 31, 2021

(TRANSLATED FROM THE GREEK ORIGINAL)
In accordance with Article 4 of Law 3556/2007

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A. ANNUAL REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of OTE INTERNATIONAL SOLUTIONS S.A. («OTEGLOBE» or «Company») submits this report on the Financial Statements of the Company for the fiscal year that ended on 31.12.2021.

FINANCIAL AND OPERATIONAL HIGHLIGHTS OF 2021

Year 2021 was affected globally by pandemic COVID-19 and the significant restricted measures imposed. Since the beginning of this crisis, the Company's priority has been to protect its people and ensure the smooth operation of its networks and services.

OTEGLOBE remained as a leading solution at 2021 on international wholesale sector, providing innovative and flexible solutions for its customers.

More specifically, the Company had:

- Increase of revenues – of 1% reaching €349.3m.
- Outstanding EBITDA increase of 16% (2021: €26.6m, 2020: €22.8m.)
- Significant capital investments in equipment purchases and network leasing

OTEGLOBE's main objective remains the customer experience and satisfaction, meeting customer needs in the most efficient and customer focused way.

Indicatively, the most important operational and investing activities for the Company for 2021 were:

Regarding the services of international data capacities and Internet, the Company has managed to maintain them at high levels, because it relied mainly on:

- Maintaining and expanding partnerships with existing customers/partners, despite the special conditions that have developed in the global market (travel restrictions, Work From Home), thanks to its digital transformation and the successful use of digital tools developed for this purpose.
- Targeted partnerships with selected providers, to increase sales to destinations outside of OTEGLOBE network coverage (OFF-NET sales)
- Enhancing demand due to the development of fixed and mobile broadband (Fiber To The Home, 5G) and consequently the Internet connection in Greece and in its wider area of operation as well.

Regarding the revenues from international telephony services, they continue to be the main pillar of the total revenues of the Company, despite the difficult economic conditions in Greece and the vital space of operation of the Company. All this thanks to the new IP capabilities with which the international telephony network has already been upgraded, and the focus on hubbing services, resulting in the strengthening of its commercial activity and expansion into new emerging markets by compensating for the reduction of the total traffic served by the network of the Company and which reached 2.4 billion minutes in 2021.

The following are the most important events for the Company for 2021:

- Upgrading Capacities and Functionality of existing private telecommunications infrastructure of the International Network (in total capacity of over 7Tbps in 2021).
- Expanding cooperation with one of Asia's largest mobile telephony providers to upgrade and activate capacities in the Asia-Africa-Europe-1 (AAE-1) submarine cable system, following the major trade agreement signed since 2018 for selling a capacity of over 2 Tbps in this submarine.
- Promotion of flexible commercial packages in International Telephony and further exploitation of NGN infrastructure in Hubbing services. The Company, recognizing the needs of its customers for differentiation in the highly competitive environment of international telephony, offers new commercial packages using the new IP technologies with which the international telephony network was modernized.
- Enrichment of service and development of SMS Hubbing sales for P2P & A2P traffic in domestic and international destinations to meet the needs of OTE group and third party providers.
- Strengthening the commercial presence of OTEGLOBE in markets of interest, such as the Middle East and North Africa, through targeted partnerships with selected providers to further enhance data and voice sales.

PRESENTATION OF FINANCIAL RESULTS (AMOUNTS IN THOUSANDS EURO)

I. Summary - Key economic indicators

The Company, with the successful commercial policy implemented in 2021, as well as the effective management of its resources, maintained the EBITDA and revenues at high levels, as shown by the following key economic indicators:

KEY ECONOMIC INDICATORS
(amounts in thousands Euro)

	2021	**2020**	**Δ %**
Turnover	349,319	346,438	1%
Operating profits before depreciation (EBITDA)	26,622	22,855	16%
EBITDA Margin (Margin divided by Turnover)	7.6%	6.6%	
Net cash flows from operating activities	25,755	16,637	55%

The company’s financial and operational performance are very satisfying, taking into consideration the global health and financial crisis, the intense competition in domestic and international market and the significant challenges facing the industry.

II. Financial statements

The financial statements of 31.12.2021 have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union and reflect the financial position and asset structure of the Company at the above time, while containing statements of comprehensive income, cash flows, and changes in equity for the period from 01.01.2021 to 31.12.2021 with detailed explanations on the accounting policies and individual funds.

PROSPECTS OF THE COMPANY FOR 2022

OTEGLOBE mainly aiming to support the business plans of OTE Group through the development of new 5G and Fiber To The Home (FTTH) technology networks in the region, will continue its efforts to increase sales from international telecommunications services and upgrade and maximize the use of its international cable infrastructure. At the same time, the Company will seek to expand its presence in the developing markets of the Middle East, North Africa and Asia by further strengthening its interconnection with these markets.
In this context, the Company's strategic choices are:

- Ensuring and maintaining its leadership position in Greece and the wider region of the Southeastern Europe using as a driver its resilient and extensive network and its significant strategic partnerships.

- Intense activity and repositioning in the developing markets of the Middle East, North Africa and Asia with a simultaneous effort to:
  - ✓ Utilize and further upgrade the existing infrastructure to harmonize them with the requirements of cable system AAE1, which is going to be significantly upgraded with additional capacities within 2022, and the increased connectivity needs with Turkey.
  - ✓ Expand the cooperation with providers of Asia aiming to activate new high capacity circuits in the cable system AAE-1 and provide backhaul services from Greece - Chania to Western Europe, making Greece a gateway to Europe for telecommunications traffic coming from the Asian market and especially China.
  - ✓ Utilize the strategic partnerships and community resources for the landing of new submarine fiber optic cables, which are developed in the Mediterranean Sea, in Greece.
  - ✓ Attract international Transit traffic for interconnection in the telecommunication centers of Europe through Greece and the network infrastructures of the Company, aiming to make Greece and OTE Group in particular an alternative telecommunication node in the Mediterranean region in the coming years.

- Fulfill the connectivity needs of the new data centers developed in Greece with Europe.

- Develop and provide cloud connectivity services to corporate customers in Greece in cooperation with COSMOTE.

- Develop SMS Hubbing service sales (P2P & A2P) and expand the interconnection with new networks and destinations.
- Put an emphasis on Hubbing international telephony services maximizing the benefits of international network NGN/IP functionality.

FINANCIAL RISK MANAGEMENT

Macroeconomic conditions in Greece

The Company's Management continuously assesses the potential impact of the changes on the macroeconomic and microeconomic environment in Greece, in order to ensure that all necessary measures are taken to minimize the risk to its domestic activities. Management, based on its current estimates, concludes that it does not need any further impairment provisions for financial and non-financial assets up to 31 December 2021.

Covid-19 pandemic outbreak risk

At the beginning of 2020, the Covid-19 pandemic broke out around the world, affecting supply and demand in international markets, including Greece. States have introduced vaccination programs and restrictive measures are imposed where necessary, while a number of economic measures have been taken, both in the European Union and in Greece, in order to mitigate the negative economic effects.

Management closely monitors the situation and its possible effect on the activities of the Company. The Company follows the guidance and decisions of all competent services and implements the required actions by the Greek state authorities.

Financial risks

The Company is exposed to the following risks from the use of its financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information on the Company's exposure to each of the above risks, on the objectives, policies and procedures it applies for risk measurement and management, as well as capital management.

Management bears the overall responsibility for the creation and supervision of the Company's risk management framework.

The Company's risk management policies are applied in order to identify and analyze the risks faced by the Company and to set risk limits and apply controls to them. Risk management policies and related systems are reviewed periodically to incorporate changes in market conditions and the Company's operations. Through training seminars and standards and control of compliance with the procedures set by the Company's Management, the aim is to develop an effective general control environment based on specific principles in which all employees understand their role and responsibilities.

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Credit risk

Credit risk is the risk of loss in case a customer or a third party during a financial instrument transaction does not fulfill his contractual obligations and this primarily relates to loan receivables and claims, customers and cash available.

The carrying amount of financial assets represents the maximum exposure to credit risk. The maximum exposure to credit risk at the date of the financial position was:

	31 December	
	2021	**2020**
Loans and receivables	45.018.037	25.106.669
Trade receivables	45.205.219	43.139.856
Cash and cash equivalents	25.040.145	29.026.756

a) Loans and receivables

The Company limits its exposure to credit risks by investing only in financial assets of OTE Group companies. The Company does not hold shares listed on stock exchanges.

b) Trade receivables

The Company's exposure to credit risk is mainly affected by the characteristics of each customer. The demographics of the Company's customer base, including the risk of default that characterizes the specific market and the country in which customers operate, have less of an impact on credit risk. The Company assesses credit risk in accordance with established policies and procedures and recognizes the appropriate provision for impairment.

The Company has set a credit policy according to which each new customer is examined on an individual basis for his creditworthiness before being offered the usual payment and invoicing terms (30 days). The creditworthiness test performed by the Company includes the examination of bank sources and other third party credit rating sources, if any. Credit limits are set for each customer in cases of late payment or when his creditworthiness is not strong.

When monitoring the credit risk of customers, customers are grouped not only with their credit characteristics, but also if they are Voice or Data customers and at the same time suppliers. Customers include only the Company's wholesale customers.

Receivables from related companies amount to 22% (2020: 38%) of total receivables and do not involve credit risk exposure. The Company considers the companies of the DeutscheTelekom Group as related parties.

A percentage of 75% (2020: 59%) of the receivables from customers mainly concern large international telecommunication providers, who are also suppliers of the Company due to the exchange of telephone traffic and data, and for whom the risk of default is reduced to a minimum.

The Company records an impairment loss that represents its estimate for losses in relation to customers and other receivables and investments in securities.

c) Cash and cash equivalents

Cash and cash equivalents are not considered items with high credit risk, as the Company maintains accounts with credit institutions of high creditworthiness.

Liquidity risk

Liquidity risk occurs when the Company is unable to meet its financial obligations when they expire. The Company's approach to liquidity management is to ensure, to the extent possible, that it always has enough liquidity to meet its obligations when they expire, under normal, but also difficult circumstances, without incurring unacceptable losses or to jeopardize the reputation of the Company.

Given that the Company's financing needs relate to operating activities and the Company has not received loans from third parties, the Company ensures that it has sufficient cash to meet its operating needs for a period of 60 days. This policy does not take into account the relative impact of unpredictable extreme conditions, such as natural disasters.

The following are the balances of financial liabilities:

	31 December	
	2021	**2020**
Amounts due to related parties	2.978.015	3.651.600
Suppliers	31.787.000	32.070.715
Other short-term liabilities	1.111.555	2.400.053
	35.876.570	**38.122.368**

Other short-term liabilities include liabilities for insurance companies, other taxes and fees and other liabilities (Note 24).

Risk of market conditions

Market risk is the risk of cash flows associated with financial instruments due to changes in exchange rates, interest rates and stock prices. The purpose of market conditions risk management is to control the Company's exposure to them within acceptable parameters, while optimizing returns.

a) Interest rate risk

The only elements that are interest bearing are the bank deposits and the investments in financial data of companies of OTE Group and for which the fluctuation has minimal influence on the banking assets of the Company.

b) Foreign exchange risk

Foreign exchange risk is the probability that the fair value of a financial instrument's cash flows will fluctuate due to changes in foreign exchange rates. The main currencies traded with the Company are Euro and US Dollars.

The Company's foreign exchange risk is minimized by maintaining a current account in US Dollars.

Capital management

The policy of the Board of Directors is to maintain a strong capital base, in order to maintain the trust of creditors and the market in the Company, and to allow the future development of the Company's activities. The Board of Directors also monitors the level of dividends to shareholders of registered shares.

The Company manages the capital structure and makes adjustments in order to harmonize with the changes in the financial environment. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

Determination of fair values

The Company uses the following hierarchy to determine and disclose the fair values of financial assets, based on the following valuation method:

Level 1: fair values are determined by reference to published active market transaction prices.
Level 2: fair values are determined by measurement techniques for which all parameters that have a significant effect on the recorded fair value are supported by observable market transaction prices (directly or indirectly).

Level 3: fair values are determined by measurement techniques for which parameters that have a significant effect on the recorded fair value are not supported by observable market transaction prices.

The fair value of cash and cash equivalents, customers, loans and receivables and suppliers approximates their carrying amounts. Loans and receivables are included in level 3.

Maroussi, March 1, 2022

Konstantinos Andreou

C.E.O.

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B. AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

[Translation from the original text in Greek]

Independent auditor's report

To the Shareholders of "OTE International Solutions SA"

Report on the audit of the financial statements

Our opinion

We have audited the accompanying financial statements of OTE International Solutions SA (Company) which comprise the statement of financial position as of 31 December 2021, the statements of total income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects the financial position of the Company as at 31 December 2021, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the statutory requirements of Law 4548/2018*.*

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as they have been transposed into Greek Law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements section of our report".

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

During our audit we remained independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that has been transposed into Greek Law, and the ethical requirements of Law 4449/2017, that are relevant to the audit of the financial statements in Greece. We have fulfilled our other ethical responsibilities in accordance with Law 4449/2017, and the requirements of the IESBA Code.

Other Information

The members of the Board of Directors are responsible for the Other Information. The Other Information is the Board of Directors Report (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the Other Information and except to the extent otherwise explicitly stated in this section of our Report, we do not express an audit opinion or other form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Board of Directors Report, we considered whether the Board of Directors Report includes the disclosures required by Law 4548/2018.

Based on the work undertaken in the course of our audit, in our opinion:

- The information given in the Board of Directors' Report for the year ended at 31 December 2021 is consistent with the financial statements,

- The Board of Directors' Report has been prepared in accordance with the legal requirements of article 150 of Law 4548/2018.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Board of Directors' Report. We have nothing to report in this respect.

Responsibilities of Board of Directors and those charged with governance for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the requirements of Law 4548/2018, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

With respect to the Board of Directors Report, the procedures we performed are described in the “Other Information” section of our report.

Athens, 3 March 2022

The Certified Auditor

PricewaterhouseCoopers SA

268 Kifisias Avenue

15232 Halandri

SOEL Reg No 113

Fotis Smirnis

SOEL Reg No: 52861

C. ANNUAL FINANCIAL STATEMENTS

OTE INTERNATIONAL SOLUTIONS S.A.

OTEGLOBE

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ANNUAL FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2021

IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

As adopted by the European Union

FREE TRANSLATION FROM THE GREEK ORIGINAL

In the event that differences exist between this translation and the Greek original, the Greek original will prevail over this document

The Annual Financial Statements presented on pages from 18 to 51, were approved by the Board of Directors on March 1st, 2022 and are signed by:

CHAIRMAN OF THE BOD	CEO	CFO	CHIEF ACCOUNTANT
KONSTANTINIDIS IOANNIS	ANDREOU KONSTANTINOS	KIAPOKAS GEORGE	GALIATSATOS ANDREAS

STATEMENT OF FINANCIAL POSITION

		December 31	
ASSETS	**Notes**	**2021**	**2020**
Non-Current Assets			
Tangible assets	12A	40.718.601	46.011.843
Intangible assets	13	481.497	372.279
Right-of-use assets	12B	81.702.524	77.948.967
Other non-current assets	15	936.063	1.090.133
Deferred tax assets	14	1.043.198	295.246
Total Non-Current Assets		**124.881.883**	**125.718.468**
Current assets			
Trade and other receivables	18	49.736.361	47.493.147
Contract assets	16	35.262.312	16.689.707
Income taxes receivable		-	1.901.755
Loans and receivables	17	45.018.037	25.106.669
Cash and cash equivalents	19	25.040.145	29.026.756
Total Current Assets		**155.056.855**	**120.218.033**
TOTAL ASSETS		**279.938.738**	**245.936.502**
EQUITY AND LIABILITIES			
Equity attributed to shareholders			
Share capital	20	102.354.798	102.354.798
Other reserves	21	3.952.164	3.710.729
Retained earnings		36.942.626	32.168.764
Total Equity		**143.249.588**	**138.234.290**
Non-current liabilities			
Provisions for staff compensation	22	1.484.266	1.417.855
Contract liabilities	16	21.417.747	22.782.987
Lease liabilities	12B	23.526.594	19.471.561
Other non-current liabilities		469.893	406.148
Total non-current liabilities		**46.898.499**	**44.078.550**
Current Liabilities			
Trade payables	23	34.765.015	35.722.315
Contract liabilities	16	2.221.746	2.257.555
Lease liabilities	12B	8.676.762	6.297.896
Income tax payable		1.171.514	-
Other current liabilities	24	42.955.615	19.345.897
Total current liabilities		**89.790.651**	**63.623.661**
Total Liabilities		**136.689.150**	**107.702.211**
TOTAL EQUITY AND LIABILITIES		**279.938.738**	**245.936.502**

The notes on pages 22 to 51 form an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

	Notes	01.01-31.12.2021	01.01-31.12.2020
Revenue			
Revenue from data and international voice services		349.317.943	346.436.144
Revenue from commissions		1.085	2.192
Total revenues		**349.319.027**	**346.438.335**
Charges from international telecommunication providers		(311.125.821)	(309.470.951)
Gross profit		**38.193.206**	**36.967.385**
Other operating income	6	413.320	138.862
Personnel costs	7	(8.220.799)	(9.219.000)
Costs related to voluntary leave schemes	22	-	(1.476.878)
Other operating expenses	8	(3.763.835)	(3.555.695)
Operating profit before financial and investing activities, depreciation and amortization		**26.621.892**	**22.854.673**
Depreciation and amortization	12, 13	(18.813.670)	(19.791.000)
Operating profits before financial and investing activities		**7.808.221**	**3.063.673**
Interest Income	9	112.603	237.146
Interest expense	10	(1.244.416)	(1.378.576)
Foreign exchange differences, net		688.619	(720.581)
Profit before tax		**7.365.028**	**1.201.661**
Income tax	11	(2.373.611)	(510.487)
Net profit for the year		**4.991.417**	**691.175**
Other comprehensive income			
Actuarial gains/(losses) after taxes	14, 22	32.017	37.544
Other comprehensive income / (loss) for the year		**32.017**	**37.544**
Total comprehensive income for the year		**5.023.434**	**728.719**

The notes on pages 22 to 51 form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

	Share capital	Other reserves	Retained Earnings	Total Equity
Balance as at January 1, 2020	**102.354.798**	**3.686.964**	**31.916.828**	**137.958.590**
Net profit for the year	-	-	691.175	691.175
Other comprehensive income / (loss)	-	-	37.543	37.543
Share option plans		(10.794)	-	(10.794)
Tax Adjustment 2019	-	-	(442.223)	(442.223)
Formation of a Statutory Reserve under C.L. 4548/2018	-	34.559	(34.559)	-
Balance as at December 31, 2020	**102.354.798**	**3.710.729**	**32.168.764**	**138.234.290**
Net profit for the year	-	-	4.991.417	4.991.417
Other comprehensive income / (loss)	-	-	32.017	32.017
Share option plans	-	(8.135)	-	(8.135)
Formation of a Statutory Reserve under C.L. 4548/2018	-	249.571	(249.571)	-
Balance as at December 31, 2021	**102.354.798**	**3.952.165**	**36.942.626**	**143.249.589**

The notes on pages 22 to 51 form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

	Notes	01.01-31.12.2021	01.01-31.12.2020
Profits/(Losses) before income tax		7.365.028	1.201.661
Adjustments for:			
Depreciation and amortization	12, 13	18.813.670	19.791.000
Foreign exchange differences, net		(688.619)	720.581
Interest income	9	(112.603)	(237.146)
Interest expense	10	1.244.416	1.378.576
Income from the reversal of allowances	18	(67.968)	-
Expenses from allowances on receivables	8, 18	22.534	127.968
Costs associated with voluntary retirement plans	22	-	1.476.878
Provision for share option plans		(8.136)	(10.791)
Provision for staff compensation and paid benefits		57.886	1.297.702
(Increase) / Decrease in receivables		(20.515.688)	374.138
Increase / (Decrease) in liabilities (except leases)		20.869.025	(3.421.706)
Income tax paid		6.857	(4.699.553)
Interest paid (except leases)		(109.921)	(50.667)
Interest paid for leases	10	(1.121.842)	(1.311.651)
Net cash flows from operating activities		**25.754.640**	**16.636.991**
Cash flows from investing activities			
Purchases of tangible and intangible assets		(3.581.460)	(4.343.875)
Repayments of loans reveivable	17	(45.000.000)	(25.000.000)
Maturity of loans receivable (proceeds)	17	25.000.000	10.000.000
Interest received		201.235	256.641
Net cash flows from investing activities		**(23.380.226)**	**(19.087.234)**
Cash flows from financing activities			
Lease repayments		(6.327.089)	(3.794.641)
Net cash flows from financing activities		**(6.327.089)**	**(3.794.641)**
Net increase/(decrease) in cash and cash equivalents of the year		**(3.952.674)**	**(6.244.884)**
Cash and cash equivalents on January 1	19	28.550.357	34.795.241
Cash and cash equivalents on December 31	19	**24.597.683**	**28.550.357**

The notes on pages 22 to 51 form an integral part of the financial statements.

NOTES ON THE FINANCIAL STATEMENTS

1. General

OTEGlobe S.A. (hereinafter the "Company") is active in the wholesale (hereinafter "wholesale") provision of international voice services, capacities, as well as the provision of integrated solutions and value-added services. The Company is a subsidiary of Hellenic Telecommunications Organization S.A. (hereinafter "OTE"), in which the financial statements are incorporated, under the name "OTEGlobe S.A." and the distinctive title “OTEGLOBE”.

The Company operates in Greece and many foreign countries. The Company is based in Greece, in the Prefecture of Attica, Municipality of Marousi, at 6-8, Zinonos Eleatou & Agisilaou Str. The Company’s website is www.oteglobe.gr.

2. Basis of preparation

2.1 Compliance note

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union.

The financial statements were approved by the Board of Directors on March 1, 2022. These financial statements are subject to final approval by the annual General Assembly of Shareholders.

2.2 Valuation Base

The financial statements have been prepared based on the historical cost principle.

2.3 Principle of going concern

The attached financial statements have been prepared on a going concern basis and do not include revaluations that reflect any possible future effects that may occur on the assets and liabilities regarding their recoverability and reclassification, in case of inability of the Company to continue its business activities in the future.

2.4 Functional currency and reference currency

The financial statements are expressed in Euro, which is the functional currency of the Company.

2.5 Key Management accounting estimates and assumptions

Management estimates and assumptions are constantly reviewed and are based on historical data and expectations for future events, which are considered reasonable according to the current ones.

The Company makes estimates and assumptions regarding the course of future events. The estimates and assumptions that pose a significant risk of causing material adjustments to the carrying amounts of assets and liabilities over the next twelve months are as follows.

(a) ***Provision for doubtful accounts:*** The Company's Management periodically reassesses the adequacy of its provision regarding doubtful accounts, in conjunction with its credit policy.

(b) Provision for income tax: The provision for income tax under IAS 12 is calculated by estimating the taxes that will be paid to the tax authorities and includes the current income tax for each year, a forecast for additional taxes and the recognition of future tax benefits. The final settlement of income tax may deviate from the relevant amounts recorded in the financial statements.

(c) Depreciation coefficients: The fixed assets of the Company are depreciated according to their remaining useful life. These remaining useful lives are periodically reassessed to determine if they continue to be appropriate. The actual useful lives of fixed assets may be differentiated by factors such as technological innovation and maintenance programs.

(d) Impairment of tangible fixed assets: Tangible fixed assets are reviewed for impairment purposes, when events or changes in circumstances indicate that their carrying amount may not be recoverable. For the calculation of the use value, the Management estimates the future cash flows from the asset or the cash flow unit and selects the appropriate discount rate to calculate the present value of the future cash flows.

(e) Deferred tax assets: Deferred tax assets are recognized for all deductible temporary differences and transferable tax losses, to the extent that it is probable that taxable income will be available and used against the deductible temporary differences and carried forward unused tax losses. The Company takes into account the existence of future taxable income and follows a continuous conservative tax planning strategy when estimating the recovery of deferred tax receivables. The accounting estimates related to the deferred tax assets require the Management to make assumptions regarding the timing of future events, such as the probability of expected future taxable income and available tax planning possibilities.

(f) Post-employment benefits: Staff Retirement Indemnities obligations are calculated at the discounted present value of the future retirement benefits deemed to have accrued at year-end. Liabilities for these benefits are calculated on the basis of financial and actuarial assumptions that require Management to make assumptions about discount rates, wage increase percentages, mortality and disability rates, retirement ages, and other factors. Changes in these key assumptions can have a significant effect on the liability and related costs of each period. The net cost of the period consists of the present value of the benefits that became accrued during the year, the interest-bearing future liability, the accrued service cost and the actuarial gains or losses. The Staff Retirement Indemnities are not funded. Due to the long-term nature of these defined benefit plans, these assumptions are subject to a significant degree of uncertainty. Additional details are provided in Note 22.

3. Key accounting principles

The accounting policies set out below have been consistently applied to the uses presented in these financial statements.

3.1 Foreign currency transactions

Transactions in foreign currency are converted into the functional currency at the exchange rates valid at the date of the transactions. Foreign exchange gains and losses arising from the settlement of such transactions during the year and from the conversion of monetary items denominated in foreign currencies at the exchange rates valid at the date of the statement of financial position are recognized in profit or loss. Foreign exchange differences from non-monetary items that are measured at fair value are considered part of the fair value and therefore are recorded together with fair value differences.

3.2 Tangible fixed assets

Buildings, facilities and equipment are stated at cost less accumulated depreciation and any impairment losses. The acquisition cost includes all costs directly related to the acquisition of the assets.

Subsequent expenses increase the value of tangible assets or are recognized as a separate asset only if it is expected to bring future financial benefits to the Company and their cost can be measured reliably. The cost of repairs and maintenance is borne by the results of the year performed.

Depreciation of tangible assets is calculated using the straight-line method over which the approximate useful lives of the assets are estimated. The coefficients used are as follows:

	Years of useful life
Improvement on third party properties	12
Machinery and technical facilities	5-15
Furniture and utensils	3.3-5

When the carrying values of the fixed assets exceed their recoverable value, the difference (impairment) is recognized immediately as an expense at profit and loss. The residual value and useful lives of the fixed assets are reviewed at the end of each reporting period and are adjusted taking into account any new data and market conditions.

When selling/divesting fixed assets, the difference between the price received and their book value is recognized as profit or loss on the results.

3.3 Impairment of non-financial assets

Assets that have an indefinite useful life are not depreciated and are subject to an impairment test annually, or more frequently when certain facts indicate that the carrying amount may not be recoverable. At the date of the statement of financial position the Company had no assets with indefinite useful lives.

Amortized assets are subject to impairment inspection when there is an indication that their carrying amount will not be recovered. The recoverable amount of an asset or cash-generating unit is the greater between the value due to their use and their fair value less selling costs. For value in use, estimated future cash flows are discounted to present value at a pre-tax discount rate that reflects current market assessments of the time value of money and the risks associated with the asset.

Impairment losses are recognized as an expense in profit or loss when incurred.

3.4 Intangible assets

Intangible assets acquired separately are recognized at cost of acquisition. The useful life of intangible assets may be limited or unlimited. The cost of intangible assets, with a limited useful life, is amortized over their estimated useful lives using a straight-line method. The cost of intangible assets with unlimited useful lives is not amortized. Residual values are not recognized. The useful lives of intangible assets are assessed on an annual basis as follows:

	Years of useful life
Software	3.3 years

Subsequent expenditure on capitalized intangible assets is capitalized only when the future financial benefits, incorporated in the specific asset mentioned, are increased. All other expenses are expensed as incurred.

3.5 Financial assets

Financial assets are initially recognized at fair value, which is usually the cost of acquisition plus any direct transaction costs, in the case of investments that are not valued at fair value through profit or loss. The Company determines the categorization of financial assets at their initial recognition.

Offsetting financial receivables and liabilities
The financial receivables and liabilities are offset and the net amount is reflected in the statement of financial position only when the Company has this legal right and intends to offset them on a net basis or to claim the asset and settle the liability at the same time. The legal right must not depend on future events and must be enforceable in the ordinary course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Impairment of financial assets
The Company evaluates at each date of preparation of financial statements the data regarding whether the value of a financial asset or a group of financial assets has been impaired. The impairment amount is recognized in the income statement.

Derecognition of financial assets
Financial assets (or a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- cash flow rights have expired,
- the Company reserves the right to inflow cash flows from the specific asset, but has at the same time undertaken to pay them to third parties in full without significant delay, in the form of a transfer agreement, or
- the Company has transferred the right to inflow cash flows from the specific asset, while at the same time, either (a) it has essentially transferred all the risks and rewards from it or (b) it has not transferred all the risks and rewards, but has transferred the control of the specific asset.

Where the Company has transferred cash inflows from that asset, but at the same time has not transferred all the risks and rewards or control of that asset, then the asset is recognized to the extent that the Company continues to participate in it. The continuing participation which takes the form of a guarantee on the transferred asset is valued at the lower of the initial balance of the item and the maximum amount that the Company may be required to pay. When the continuing participation is in the form of purchase and/or sale rights on
the asset (including cash settled rights), the degree of ongoing involvement of the Company is the value of the transferred asset that the Company can repurchase, except in the case of a sale right (including any cash settled rights) of the asset valued at fair value, where the Company's continuing participation is limited to the lower of the fair value of the transferred asset and the price of exercising the right.

3.6 Cash and cash equivalents

The Company considers time deposits and other high liquidity investments with an initial maturity of less than three months as cash. For the preparation of the cash flow statement, cash available consists of cash and bank deposits, as well as cash as defined above.

3.7 Commercial and other liabilities

The balances of suppliers and other liabilities are recognized at cost equal to the fair value of the future payment for purchases of goods and services provided. Trade and other current liabilities are not interest bearing accounts and are usually settled in 30-70 days.

3.8 Trade receivables and allowance for doubtful accounts

Trade receivables are initially recognized at fair value, which is at the same time the transaction value. They are subsequently valued at their amortized cost less amounts that are unlikely to be recovered. The balance of allowance for doubtful accounts is adjusted by recording a charge to the income statement at each reporting period. Any customer account balances written-off are charged against the existing allowance for doubtful accounts.

3.9 Share capital

The share capital represents the value of the issued shares.

Direct costs for the issue of shares are shown (excluding related income tax) in the capital less the proceeds of the issue.

3.10 Income Tax (Current and Deferred)

The charge for the year with income tax consists of the current tax and the deferred tax. Income tax is recognized in profit and loss unless it relates to funds that are recognized directly in other total income, in which case it is recognized in other total income.

Current income tax is calculated on the taxable income for the year based on the current income tax rate.

Deferred income tax is calculated using the liability method for all temporary differences that exist at the date of the statement of financial position between the tax base of the assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax liabilities are recognized for all deductible temporary differences and carried forward tax liabilities and tax losses, to the extent that it is probable to have taxable profit available to be used against the deductible temporary differences and transferable unused deductive rights and unused tax related losses.

Deferred tax liabilities are estimated at each balance sheet date and are reduced to the extent that it is not probable that there will be sufficient taxable profits against which part or all of the deferred income tax assets can be utilized.

Deferred tax assets and liabilities are calculated based on the tax rates that are expected to be effective in the year in which the claim is settled or the liability is settled, and are based on tax rates (and tax laws) that are in force or are substantially enacted by the date of the statement of financial position.

Deferred tax assets and liabilities are offset if there is a legal right to set off current tax receivables and liabilities and the deferred taxes relate to the same tax entity and the same tax authorities.

Additional income taxes resulting from the distribution of dividends are recognized at the time the obligation to pay the relevant dividends is recognized.

3.11 Employee benefits

a) Defined contributions plans

Obligations for contributions to defined contribution plans are recorded as an expense at profit and loss at the time of their realization.

b) Defined benefits plans

Liabilities arising from defined benefit plans for employees are calculated at the discounted value of future benefits to staff accrued at the date of the statement of financial position. These liabilities are calculated based on financial and actuarial assumptions using the actuarial Projected Unit Credit Method.

The net cost of the year is included in the results and consists of the present value of the benefits accrued during the year, the interest rate of the future liability and the guaranteed cost. Actuarial gains or losses are recognized in other comprehensive income. Non-vested seniority costs are recognized on a straight-line basis over the average remaining length of service of employees expected to receive benefits.

In addition, the financial costs arising from the benefit plans will be presented in the financial statements instead of the "Expenses of fixed benefit plans", since its presentation in the financial results better reflects the nature of the specific costs.

3.12 Revenue recognition

Revenue mainly includes the fair value of revenue from the provision of services, net of VAT, and discounts.

(a) *Provision of services:* Revenue from the provision of services is recognized in the period in which it is provided.

(b) *Revenue from connection or fixed fees:* Revenue from connection fees or fixed fees is recognized in the month in which the telecommunications services were provided.

(c) *Revenue from the sale of capacity:* Revenue from the sale of capacity on terrestrial or underground cables ("irrevocable right of use - IRU") is recognized on a straight-line basis over the life of the contract.

(d) *Interest income:* Interest income is recognized when interest becomes accrued under the effective interest method.

The timing of revenue recognition is in accordance with IFRS 15.

3.13 Distribution of dividends

Dividends distributed to shareholders are reflected as a liability at the time at which they are approved by the General Assembly of Shareholders.

4. Financial risk management

4.1 Macroeconomic conditions in Greece

The Company's Management continuously assesses the potential impact of the changes on the macroeconomic and microeconomic environment in Greece, in order to ensure that all necessary measures are taken to minimize the risk to its domestic activities. Management, based on its current estimates, concludes that it does not need any further impairment provisions for financial and non-financial assets up to December 31, 2021.

Covid-19 pandemic outbreak risk

At the beginning of 2020, the Covid-19 pandemic broke out around the world, affecting supply and demand in international markets, including Greece. States have introduced vaccination programs and restrictive measures are imposed where necessary, while a number of economic measures have been taken, both in the European Union and in Greece, in order to mitigate the negative economic effects.

Management closely monitors the situation and its possible effect on the activities of the Company. The Company follows the guidance and decisions of all competent services and implements the required actions by the Greek state authorities.

4.2 Financial Risks

The Company is exposed to the following risks from the use of its financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information on the Company's exposure to each of the above risks, on the objectives, policies and procedures it applies for risk measurement and management, as well as capital management.

Management bears the overall responsibility for the creation and supervision of the Company's risk management framework.

The Company's risk management policies are applied in order to identify and analyze the risks faced by the Company and to set risk limits and apply controls to them. Risk management policies and related systems are reviewed periodically to incorporate changes in market conditions and the Company's operations. Through training seminars and standards and control of compliance with the procedures set by the Company's Management, the aim is to develop an effective general control environment based on specific principles in which all employees understand their role and responsibilities.

4.2.1 Credit risk

Credit risk is the risk of loss in case a customer or a third party during a financial instrument transaction does not fulfill his contractual obligations and this primarily relates to loan receivables and claims, customers and cash available.

The carrying amount of financial assets represents the maximum exposure to credit risk. The maximum exposure to credit risk at the date of the financial position was:

	31 December	
	2021	**2020**
Loans and receivables	45.018.037	25.106.669
Trade receivables	45.205.219	43.139.856
Cash and cash equivalents	25.040.145	29.026.756

a) Loans and receivables

The Company limits its exposure to credit risks by investing only in financial assets of OTE Group companies. The Company does not hold shares listed on stock exchanges.

b)Trade receivables

The Company's exposure to credit risk is mainly affected by the characteristics of each customer. The demographics of the Company's customer base, including the risk of default that characterizes the specific market and the country in which customers operate, have less of an impact on credit risk. The Company assesses credit risk in accordance with established policies and procedures and recognizes the appropriate provision for impairment.

The Company has set a credit policy according to which each new customer is examined on an individual basis for his creditworthiness before being offered the usual payment and invoicing terms (30 days). The creditworthiness test performed by the Company includes the examination of bank sources and other third party credit rating sources, if any. Credit limits are set for each customer in cases of late payment or when his creditworthiness is not strong.

When monitoring the credit risk of customers, customers are grouped not only with their credit characteristics, but also if they are Voice or Data customers and at the same time suppliers. Customers include only the Company's wholesale customers.

Receivables from related companies amount to 22% (2020: 38%) of total receivables and do not involve credit risk exposure. The Company considers the companies of the DeutscheTelekom Group as related parties.

A percentage of 75% (2020: 59%) of the receivables from customers mainly concern large international telecommunication providers, who are also suppliers of the Company due to the exchange of telephone traffic and data, and for whom the risk of default is reduced to a minimum.

The Company records an impairment loss that represents its estimate for losses in relation to customers and other receivables and investments in securities.

c) Cash and cash equivalents

Cash and cash equivalents are not considered items with high credit risk, as the Company maintains accounts with credit institutions of high creditworthiness.

4.2.2 Liquidity risk

Liquidity risk occurs when the Company is unable to meet its financial obligations when they expire. The Company's approach to liquidity management is to ensure, to the extent possible, that it always has enough liquidity to meet its obligations when they expire, under normal, but also difficult circumstances, without incurring unacceptable losses or to jeopardize the reputation of the Company.

Given that the Company's financing needs relate to operating activities and the Company has not received loans from third parties, the Company ensures that it has sufficient cash to meet its operating needs for a period of 60 days. This policy does not take into account the relative impact of unpredictable extreme conditions, such as natural disasters.

The following are the balances of financial liabilities:

	31 December	
	2021	**2020**
Amounts due to related parties	2.978.015	3.651.600
Suppliers	31.787.000	32.070.715
Other short-term liabilities	1.111.555	2.400.053
	35.876.570	**38.122.368**

Other short-term liabilities include liabilities for insurance companies, other taxes and fees and other liabilities (Note 24).

4.2.3 Market risk

Market risk is the risk of cash flows associated with financial instruments due to changes in exchange rates, interest rates and stock prices. The purpose of market conditions risk management is to control the Company's exposure to them within acceptable parameters, while optimizing returns.

a) Interest rate risk

The only elements that are interest bearing are the bank deposits and the investments in financial data of companies of OTE Group and for which the fluctuation has minimal influence on the banking assets of the Company.

b) Foreign exchange risk

Foreign exchange risk is the probability that the fair value of a financial instrument's cash flows will fluctuate due to changes in foreign exchange rates. The main currencies traded with the Company are Euro and US Dollars.

The Company's foreign exchange risk is minimized by maintaining a current account in US Dollars.

4.3 Capital management

The policy of the Board of Directors is to maintain a strong capital base, in order to maintain the trust of creditors and the market in the Company, and to allow the future development of the Company's activities. The Board of Directors also monitors the level of dividends to shareholders of registered shares.

The Company manages the capital structure and makes adjustments in order to harmonize with the changes in the financial environment. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

4.4 Determination of fair values

The Company uses the following hierarchy to determine and disclose the fair values of financial assets, based on the following valuation method:

Level 1: fair values are determined by reference to published active market transaction prices.
Level 2: fair values are determined by measurement techniques for which all parameters that have a significant effect on the recorded fair value are supported by observable market transaction prices (directly or indirectly).

Level 3: fair values are determined by measurement techniques for which parameters that have a significant effect on the recorded fair value are not supported by observable market transaction prices.

The fair value of cash and cash equivalents, customers, loans and receivables and suppliers approximates their carrying amounts. Loans and receivables are included in level 3.

5. New standards and interpretations

New standards, amendments to standards and interpretations: Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after 1 January 2021. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

<u>Standards and Interpretations effective for the current financial year</u>

IFRS 16 (Amendment) 'Covid-19-Related Rent Concessions'

The amendment provides lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for rent concessions in the same way as they would for changes which are not considered lease modifications.

IFRS 4 (Amendment) 'Extension of the Temporary Exemption from Applying IFRS 9'

The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 'Insurance Contracts' from applying IFRS 9 'Financial Instruments', so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments) 'Interest rate benchmark reform – Phase 2'

The amendments complement those issued in 2019 and focus on the effects on financial statements when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the reform. More specifically, the amendments relate to how a company will account for changes in the contractual cash flows of financial instruments, how it will account for the change in its hedging relationships and the information it should disclose.

Standards and Interpretations effective for subsequent periods

IFRS 16 (Amendment) 'Covid-19-Related Rent Concessions' (effective for annual periods beginning on or after 1 April 2021)

The amendment extends the application period of the practical expedient in relation to rent concessions by one year to cover rental concessions that reduce leases due only on or before 30 June 2022.

IFRS 17 'Insurance contracts' and Amendments to IFRS 17 (effective for annual periods beginning on or after 1 January 2023)

IFRS 17 has been issued in May 2017 and, along with the Amendments to IFRS 17 issued in June 2020, supersedes IFRS 4. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the Standard and its objective is to ensure that an entity provides relevant information that faithfully represents those contracts. The new standard solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. Insurance obligations will be accounted for using current values instead of historical cost.

IAS 16 (Amendment) 'Property, Plant and Equipment – Proceeds before Intended Use' (effective for annual periods beginning on or after 1 January 2022)

The amendment prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also requires entities to separately disclose the amounts of proceeds and costs relating to such items produced that are not an output of the entity's ordinary activities.

IAS 37 (Amendment) 'Onerous Contracts – Cost of Fulfilling a Contract' (effective for annual periods beginning on or after 1 January 2022)

The amendment clarifies that 'costs to fulfil a contract' comprise the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. The amendment also clarifies that, before a separate provision for an onerous contract is established, an entity recognizes any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract.

IFRS 3 (Amendment) 'Reference to the Conceptual Framework' (effective for annual periods beginning on or after 1 January 2022)

The amendment updated the standard to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination. In addition, an exception was added for some types of liabilities and contingent liabilities acquired in a business combination. Finally, it is clarified that the acquirer should not recognize contingent assets, as defined in IAS 37, at the acquisition date.

IAS 1 (Amendment) 'Classification of liabilities as current or non-current' (effective for annual periods beginning on or after 1 January 2023)

The amendment clarifies that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. The amendment has not yet been endorsed by the EU.

IAS 1 (Amendments) 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Disclosure of Accounting policies' (effective for annual periods beginning on or after 1 January 2023)

The amendments require companies to disclose their material accounting policy information and provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments have not yet been endorsed by the EU.

IAS 8 (Amendments) 'Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates' (effective for annual periods beginning on or after 1 January 2023)

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. The amendments have not yet been endorsed by the EU.

IAS 12 (Amendments) 'Deferred tax related to Assets and Liabilities arising from a Single Transaction' (effective for annual periods beginning on or after 1 January 2023)

The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This will typically apply to transactions such as leases for the lessee and decommissioning obligations. The amendments have not yet been endorsed by the EU.

IFRS 17 (Amendment) 'Initial Application of IFRS 17 and IFRS 9 – Comparative Information' (effective for annual periods beginning on or after 1 January 2023)

The amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements. The amendment has not yet been endorsed by the EU.

Annual Improvements to IFRS Standards 2018–2020 (effective for annual periods beginning on or after 1 January 2022)

IFRS 9 'Financial instruments'

The amendment addresses which fees should be included in the 10% test for derecognition of financial liabilities. Costs or fees could be paid to either third parties or the lender. Under the amendment, costs or fees paid to third parties will not be included in the 10% test.

IFRS 16 'Leases'

The amendment removed the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 of the standard in order to remove any potential confusion about the treatment of lease incentives.

IAS 41 'Agriculture'

The amendment has removed the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41.

Decision of IFRS Interpretations Committee

IAS 19 "Employee benefits" – Attributing benefits to periods of service:

In May 2021 an agenda decision was published by the IFRIC in relation to IAS 19 "employee benefits" and more specifically to how the applicable principles and requirements in IFRS Standards apply on attributing benefits to periods of service based on a specific fact pattern of a defined benefit plan.

IFRIC concluded that, for the defined benefit plan with the fact pattern illustrated in the agenda decision, the entity attributes retirement benefit to each year in which an employee renders service, in the last years of the period in which the retirement benefit is capped (16 years of service), until the retirement age.

Following the publication of the IFRIC agenda decision, a technical committee was established in Greece between the Foundation of the Institute of Certified Public Accountants (SOEL) and qualified actuaries ("Technical Committee") to form a consultation paper that would examine the prevalent benefit practices in the Greek market and would be used as a basis for applying the specific decision in Greece.

The main outcome of the Technical Committee's guidelines is that the Greek market provides for a variety of benefit practices that may diverge from the fact pattern illustrated in the agenda decision, since benefit payments may be provided in other cases of exit, apart from normal retirement.

The Group indemnities' policy provides for a fact pattern that differs from that assumed in the IFRIC agenda decision. According to the Technical Committee's consultation paper, in these cases benefits are attributed over the first years of employment until the period when the retirement benefit is capped.

6. Other operating income

Other operating income is analyzed as follows:

	December 31	
	2021	**2020**
Other income from services provision	192.888	106.756
Income from VAT returns	-	12.042
Other	220.432	20.064
Total	**413.320**	**138.862**

7. Personnel costs

Personnel costs are analyzed as follows:

	December 31	
	2021	**2020**
Wages and salaries	(6.630.025)	(7.292.500)
Employer contributions (Note 22)	(1.547.699)	(1.855.424)
Income / (Expense) of fixed benefit plans	(57.886)	(71.076)
Income from subsidies	14.810	-
Total	**(8.220.799)**	**(9.219.000)**

The average number of employees in 2021 was 120, while in 2020 it was 138.

8. Other operating expenses

Other operating expenses are analyzed as follows:

	December 31	
	2021	**2020**
Rents based on operating leases	(21.847)	(18.078)
Expenses from allowances on receivables (Note 18)	(22.534)	(127.968)
Third party fees and services	(2.168.945)	(2.024.679)
Expenses from taxes-fees	(60.716)	(72.005)
Taxes withheld abroad	(84.256)	(32.802)
Expenses for telecommunications, postage, transport & common expenses	(293.628)	(300.542)
Traveling expenses	(181.146)	(230.896)
Reception costs for promotion, advertising, exhibitions & demor	(383.435)	(484.874)
Expenses for multiple prints, stationery and consumables	(43.530)	(46.940)
Insurance premiums	(251.170)	(245.882)
Other	(252.627)	28.970
Total	**(3.763.835)**	**(3.555.695)**

9. Interest income

Interest income is analyzed as follows:

	December 31	
	2021	**2020**
Interest income	314	16.087
Interest income on bonds in related parties (Note 25)	112.289	221.059
Total	**112.603**	**237.146**

10. Interest expense

Interest expense is analyzed as follows:

	December 31	
	2021	2020
Bank related expenses	(108.514)	(48.581)
Interest on lease liability (Note 12B)	(1.121.842)	(1.311.651)
Other financial expenses	1.357	(753)
Financial cost of staff compensation (Note 22)	(15.417)	(17.591)
Total	**(1.244.416)**	**(1.378.576)**

11. Income tax

Based on the amendments that have been made to the Greek Tax Legislation with Article 22 of L. 4646/12.12.19, the tax rate applied by the Greek sociétés anonymes for the income of the tax years 2019 and 2020 was 24%. According to the article 120 of L. 4799/18.05.2021, the corporate income tax rate was reduced to 22% from year 2021 onwards.

The expense for income taxes that appears in the statement of comprehensive income is analyzed as follows:

	December 31	
	2021	2020
Current income tax	(3.096.438)	(1.774.864)
Deferred income tax	722.827	1.264.377
Total provision for income taxes that are shown in the results	**(2.373.611)**	**(510.487)**

The reconciliation between the income tax expense as reported in the financial statements and the accounting profit before tax multiplied by the income tax rate in force in Greece, is summarized as follows:

	December 31	
	2021	2020
Profit before income tax	7.365.028	1.201.661
Income tax calculated with the current tax rate (2021:22%, 2020:24%)	(1.620.306)	(288.399)
Tax effect of expenses non-deductible for tax purposes	(148.650)	(222.088)
Impact due to change in tax rates	58.146	-
Other	(662.801)	-
Income tax (expense)	**(2.373.611)**	**(510.487)**

Greek tax legislation and related provisions are subject to interpretation by the tax authorities. Income tax returns are filed with the tax authorities on an annual basis, but the profits or losses declared for tax purposes remain temporarily pending until the tax authorities check the taxpayer's tax returns and books, and based on these audits, to finalize the relevant tax liabilities. Tax losses, to the extent that they are recognized by the tax authorities, can be used to offset the profits of the next five years, following the year to which they relate.

12. Assets

A) Tangible assets

	Buildings	Machinery and technical facilities	Furniture and utensils	Assets under construction	Total
Cost of acquisition:					
On January 1, 2020	**816.150**	**232.176.751**	**3.516.723**	**4.701.085**	**241.210.710**
Additions	-	849.178	118.169	4.505.843	5.473.190
Disposals	-	(1.294.430)	-	-	(1.294.430)
Transfers from assets under construction (Note 13)		4.346.693	337.443	(4.723.164)	(39.029)
On December 31, 2020	**816.150**	**236.078.192**	**3.972.335**	**4.483.764**	**245.350.442**
Additions	27.485	447.426	77.061	4.130.571	4.682.542
Disposals	-	(285.971)	(646.174)	-	(932.144)
Transfers from assets under construction (Note 13)	-	5.800.864	55.016	(6.194.372)	(338.492)
On December 31, 2021	**843.635**	**242.040.511**	**3.458.238**	**2.419.962**	**248.762.347**
Accumulated Depreciation:					
On January 1, 2020	**800.441**	**185.993.339**	**3.282.287**	**-**	**190.076.068**
Depreciation charge for the year	7.008	10.343.879	206.074	-	10.556.961
Disposals	-	(1.294.430)	-	-	(1.294.430)
On December 31, 2020	**807.449**	**195.042.788**	**3.488.361**	**-**	**199.338.599**
Depreciation charge for the year	8.710	9.371.933	254.241	-	9.634.884
Disposals	-	(283.568)	(646.170)	-	(929.737)
On December 31, 2021	**816.159**	**204.131.153**	**3.096.433**	**-**	**208.043.746**
Net book values:					
On December 31, 2021	**27.476**	**37.909.358**	**361.805**	**2.419.962**	**40.718.601**
On December 31, 2020	**8.701**	**41.035.404**	**483.973**	**4.483.764**	**46.011.843**

There are no liens on the fixed assets.

B) Right-of-use assets

Right-of-use assets (Statement of financial position) are analyzed as follows:

Right-of-use assets	**December 31, 2021**	**December 31, 2020**
Right-of-use assets - building facilities	16.664.274	12.991.542
Right-of-use assets - telecommunications infrastructure	64.862.602	64.636.259
Right-of-use assets - means of transport	175.648	321.166
Total	**81.702.524**	**77.948.967**

Lease liabilities (Statement of financial position) are analyzed as follows:

Lease liabilities	**December 31, 2021**	**December 31, 2020**
Short-term	8.676.762	6.297.896
Long-term	23.526.594	19.471.561
Total	**32.203.355**	**25.769.457**

The additions of fixed assets, subject to the IFRS 16 standard, during the years 2021 are as follows:

Additions	**December 31, 2021**	**December 31, 2020**
Right-of-use assets - building facilities	7.507.752	384.493
Right-of-use assets - telecommunications infrastructure	6.168.743	3.458.164
Right-of-use assets - means of transport	49.495	149.430
Total	**13.725.990**	**3.992.085**

Depreciation charge for the right-of-use assets (Statement of comprehensive income) as on December 31, 2021 is as follows:

Depreciation charge for the year	**December 31, 2021**	**December 31, 2020**
Building facilities	3.265.447	3.190.141
Telecommunication infrastructure	5.495.093	5.562.542
Transportation means	146.262	165.932
Total	**8.906.802**	**8.918.615**

The Company’s depreciation includes depreciation charge for the right-of-use assets in relation to lease agreements with related parties amounting to Euro 1.895.870.

Interest expense on lease liabilities (Statement of comprehensive income) as on December 31, 2021 is as follows:

Interest	December 31, 2021	December 31, 2020
Building facilities	663.902	795.270
Telecommunication infrastructure	449.676	501.712
Transportation means	8.264	14.669
Total	**1.121.842**	**1.311.651**

The Company's interest expense on lease liabilities includes interest expense to related parties at an amount of Euro 336.013.

13. Intangible assets

	Software
Cost of acquisition:	
On January 1, 2020	**13.766.825**
Additions	74.608
Disposals	-
Transfers from assets under construction (Note 12A)	39.029
On December 31, 2020	**13.880.461**
Additions	42.710
Disposals	(26.694)
Transfers from assets under construction (Note 12A)	338.492
On December 31, 2021	**14.234.970**
Accumulated Amortization:	
On January 1, 2020	**13.192.758**
Amortization charge for the year	315.424
Disposals	-
On December 31, 2020	**13.508.182**
Amortization charge for the year	271.985
Disposals	(26.694)
On December 31, 2021	**13.753.473**
Net book values:	
On December 31, 2021	**481.497**
On December 31, 2020	**372.279**

14. Deferred tax assets / (liabilities)

	Staff retirement indemnities	Customers	Tangible assets	Provisions	Other	Employee benefits	Total
On January 1, 2020	**390.922**	**2.455.670**	**(3.203.265)**	**(49.215)**	**(663.913)**	**112.527**	**(957.275)**
Effect in income statement	(38.780)	30.712	1.245.417	49.215	(58.799)	36.612	**1.264.377**
Effect in other comprehensive income	(11.856)	-	-	-	-	-	**(11.856)**
Balance December 31, 2020	**340.285**	**2.486.383**	**(1.957.847)**	**-**	**(722.712)**	**149.139**	**295.246**
Effect in income statement	(38.871)	(259.821)	1.084.641	-	(62.383)	(739)	**722.827**
Effect in other comprehensive income	25.125	-	-	-	-	-	**25.125**
Balance December 31, 2021	**326.538**	**2.226.562**	**(873.207)**	**-**	**(785.094)**	**148.400**	**1.043.198**

15. Other non-current assets

	December 31	
	2021	**2020**
Guarantees to suppliers	199.370	199.370
Guarantees for car rentals	27.614	27.614
Guarantees to third parties	10.000	10.000
Long-term receivables from 5 & 8 year leases	470.010	585.499
Long-term receivables from 15 year leases	229.068	267.649
	936.063	**1.090.133**

16. Contract balances

In accordance with IFRS 15, we have the following assets and liabilities:

Contract assets

	December 31	
	2021	**2020**
Short-term	35.262.312	16.689.707
	35.262.312	**16.689.707**

The contract assets are as follows:

	December 31	
	2021	**2020**
Balance January 1	16.689.707	12.975.384
Balance December 31	**35.262.312**	**16.689.707**

Contract liabilities

	December 31	
	2021	**2020**
Short-term	2.221.746	2.257.555
Long-term	21.417.747	22.782.987
	23.639.493	**25.040.541**

The movement of contract liabilities is analyzed as follows:

	December 31	
	2021	**2020**
Balance January 1	25.040.541	26.354.000
Additions	765.458	941.278
Transfet to the income statement	(2.422.694)	(2.254.737)
Balance December 31	**23.383.305**	**25.040.541**

17. Loans and receivables

	December 31	
	2021	2020
Bond of OTE Plc maturing 06/2021 with interest rate 0.824%	-	25.106.669
Bond of OTE Plc maturing 06/2023 with interest rate 0.077%	45.018.037	-
	45.018.037	**25.106.669**

	December 31	
	2021	2020
Current assets	45.018.037	25.106.669
	45.018.037	**25.106.669**

The change in loans and receivables is analyzed as follows:

	December 31	
	2021	2020
Balance January 1	**25.106.669**	**10.126.164**
Additions	45.000.000	25.000.000
Reductions	(25.200.921)	(10.240.554)
Credit in the income statement (Note 9)	112.289	221.059
Balance December 31	**45.018.037**	**25.106.669**

18. Trade and other receivables

	December 31	
	2021	2020
Trade receivables	55.325.955	53.499.784
Less: Provision for doubtful accounts	(10.120.736)	(10.359.928)
Net trade receivables	**45.205.219**	**43.139.856**
Other Receivables	4.531.142	4.353.291
Total	**49.736.361**	**47.493.147**

The movement of the provision for doubtful accounts is as follows:

	2021	2020
Balance January 1	**(10.359.928)**	**(10.231.960)**
Charge for the year (Note 8)	(22.534)	(127.968)
Write-offs	193.759	-
Income from the reversal of allowances	67.968	-
Balance December 31	**(10.120.736)**	**(10.359.928)**

19. Cash and cash equivalents

	December 31	
	2021	2020
Available at the cash registry and at banks	24.597.681	28.550.357
Current account - management of OTE international telephone traf	442.464	476.399
Total	**25.040.145**	**29.026.756**

The current account concerns an account for the Company’s management of the International Telephone Company of OTE and is not included in the cash and cash equivalents in the statement of cash flows.

20. Share capital

	Number of shares	Value of the share capital
Balance January 1, 2020	**55.931.584**	**102.354.798**
Balance December 31, 2020	**55.931.584**	**102.354.798**
Balance December 31, 2021	**55.931.584**	**102.354.798**

21. Other reserves

	Statutory reserve	Special reserves	Tax-free reserves	Other reserves	Total
Balance January 1, 2019	**3.577.884**	**1.414**	**42.429**	**65.237**	**3.686.964**
Formation of a Statutory Reserve under C.L. 2190/20	34.559	-	-	-	34.559
Share option plans	(3)	-	-	(10.791)	(10.794)
Balance December 31, 2020	**3.612.440**	**1.414**	**42.429**	**54.446**	**3.710.729**
Formation of a Statutory Reserve under C.L. 2190/20	249.571	-	-	-	249.571
Share option plans		-	-	(8.136)	(8.136)
Balance December 31, 2021	**3.862.011**	**1.414**	**42.429**	**46.310**	**3.952.164**

Statutory reserve: According to the law of Sociétés Anonymes (Article 158 of L. 4548/2018), companies are required to withhold 5% of their net annual taxable profits to form a regular reserve, until the balance of the regular reserve is equal to or reaches at least 1/3 of the share capital. This reserve is not available for distribution, but is used exclusively before each dividend distribution to equalize any debit balance of the income statement.

Special reserves: It concerns the transformation of share capital from Drachmas to Euro.

Tax-free reserves: The Company had formed, based on previous special provisions of L. 2238/1994, specific profit and income items for which no tax was provided, if they were not to be distributed and if they were registered in a specific reserve account.

Based on the provisions of Article 72, par. 12 & 13 of the Income Tax Code L. 4172/2013 from 01/01/2014 is no longer allowed the formation of new tax-free reserves in the books of the Company, while independent taxation was provided for the existing ones with a rate of 15% if the decision by the General Assembly for their distribution or capitalization was taken until 31.12 .2013 or at a rate of 19% (the offset of tax losses) if the decision was taken from 1.1.2014 onwards.

The above provisions did not include reserves formed from income that was taxed in a special way such as interest on deposits (Circ. No. 1007/2014) and consequently such reserves appear in the net position of the Company as tax-free reserves.

22. Provisions for staff compensation

a) **Pension**: The employees of the company are covered by one of the various pension funds supported by the Greek state. Each employee is required to pay an amount of their monthly salary to the fund, along with the company that also pays an amount. Upon retirement, the fund is responsible for paying employees' pensions. Thus, the company has no legal or presumed obligation to pay future benefits under this plan. The contributions to the insurance funds for the years ended December 31, 2021 and 2020 amounted to Euro 1.547.699 and Euro 1.855.424 respectively (Note 7).

b) **Staff Leave Compensation**: Under Greek labor law, employees and workers are entitled to compensation in the event of dismissal or leave, with a payment amount calculated based on the employee's or worker's remuneration, length of service and the manner of termination of employment (dismissal or retirement). Employees or workers who resign or are fired for a reason are not entitled to compensation. In Greece, according to local practice, these plans are not funded. The Company charges to the results provisions for accrued benefits in each period with a corresponding increase of the pension obligation. Benefit payments made to retirees each period are charged against this obligation.

The provision for staff retirement indemnity is reflected in the financial statements in accordance with IAS 19 "Employee Benefits" and is based on an independent actuarial study.

In May 2021 an agenda decision was published by the IFRIC in relation to IAS 19 "employee benefits" and more specifically to how the applicable principles and requirements in IFRS Standards apply on attributing benefits to periods of service based on a specific fact pattern of a defined benefit plan.

IFRIC concluded that, for the defined benefit plan with the fact pattern illustrated in the agenda decision, the entity attributes retirement benefit to each year in which an employee renders service, in the last years of the period in which the retirement benefit is capped (16 years of service), until the retirement age.

Following the publication of the IFRIC agenda decision, a technical committee was established in Greece between the Foundation of the Institute of Certified Public Accountants (SOEL) and qualified actuaries ("Technical Committee") to form a consultation paper that would examine the prevalent benefit practices in the Greek market and would be used as a basis for applying the specific decision in Greece.

The main outcome of the Technical Committee's guidelines is that the Greek market provides for a variety of benefit practices that may diverge from the fact pattern illustrated in the agenda decision, since benefit payments may be provided in other cases of exit, apart from normal retirement.

The Group indemnities' policy provides for a fact pattern that differs from that assumed in the IFRIC agenda decision. According to the Technical Committee's consultation paper, in these cases benefits are attributed over the first years of employment until the period when the retirement benefit is capped.

The movement of the net liability is as follows:

	December 31	
	2021	**2020**
Defined benefit obligation at the beginning of the year	**1.417.855**	**1.628.840**
Actuarial (gains)/losses	(6.892)	(49.400)
Benefits paid	-	(250.252)
Expense recognized in the income statement	73.303	88.667
Defined benefit obligation at the end of the year	**1.484.266**	**1.417.855**

The analysis of the above amounts and the basic assumptions on the basis of which the present value of the liability at the end of the year was calculated are listed below:

	December 31	
	2021	2020
Defined benefit obligation at the beginning of the year	**1.417.855**	**1.628.840**
Actuarial (gains)/losses	(6.892)	(49.400)
Benefits paid	-	(250.252)
Expense recognized in the income statement	73.303	88.667
Defined benefit obligation at the end of the year	**1.484.266**	**1.417.855**

Components of net periodic cost pension:	December 31	
	2021	2020
Service cost	57.886	71.076
Interest cost	15.417	17.591
Total charge in the income statement	**73.303**	**88.667**

	December 31	
	2021	2020
Defined benefit obligation reconciliation:		
Defined benefit obligation at the beginning of the year	**1.417.855**	**1.628.840**
Service cost	57.886	71.076
Interest cost (Note 10)	15.417	17.591
Benefits paid	-	(250.252)
Actuarial (gains)/losses	(6.892)	(49.400)
Present value of defined benefit obligation at the end of the year	**1.484.266**	**1.417.855**

Discount rate	1,18%	1,13%
Assumed rate of future salary increases	1,00%	1,00%
Average future working life (in years)	14,44	15,19
Inflation rate	1,50%	1,50%

If the discount rate used in the valuation was 0.5% higher as at 31/12/2021, the defined benefit obligation for staff retirement indemnities for the Company would be reduced by approximately 6.9%.

23. Trade payables

	December 31	
	2021	**2020**
Amounts due to third parties	31.787.000	32.070.715
Amounts due to related parties (Note 25)	2.978.015	3.651.600
Total	**34.765.015**	**35.722.315**

Trade liabilities are not interest bearing accounts and are usually settled in 30-70 days.

24. Other current liabilities

Other current liabilities are analyzed as follows:

	December 31	
	2021	**2020**
Accrued expenses for telecommunication services	35.838.010	12.604.433
Other operating expenses accrued	5.461.248	3.745.915
Social Security Contribution	252.738	339.684
Customer Advances	544.802	595.495
Other Taxes and fees	828.283	515.650
Obligation to pay a voluntary retirement plan (Note 22)	-	1.476.878
Other	30.534	67.840
Total	**42.955.615**	**19.345.897**

25. Related parties transactions

The Company considers as related parties the following: OTE S.A. and its subsidiaries, Deutsche Telekom and its subsidiaries, as well as the members of the Board of Directors.

i) Sales and purchases of goods and services

	December 31	
	2021	**2020**
Sales of services (turnover):		
To parent OTE Group	37.236.615	37.311.153
To remaining related parties	9.456.824	10.842.439
	46.693.439	**48.153.593**

Other income from services provision		
To parent OTE Group	60.000	60.000
To remaining related parties	132.888	46.756
	192.888	**106.756**
Purchase of services:		
From parent OTE Group	7.055.007	7.976.722
From remaining related parties	5.897.444	6.462.812
	12.952.451	**14.439.534**
Acquisition of fixed assets:		
From parent OTE Group	745.743	836.595
	745.743	**836.595**
New leases during fiscal year		
From parent OTE Group	30.609	845
From remaining related parties	-	4.277
	30.609	**5.122**

Related party transactions are conducted on commercial terms and conditions.
Transactions with related parties mainly concern telecommunications services.

ii) Benefits to Management

	2021	**2020**
Wages and other short-term employment benefits	1.513.558	1.754.306
Other long-term benefits	220.909	215.384
	1.734.467	**1.969.690**

iii) End-of-year balances derived from sales-purchases of goods/services

Receivables from related parties:

	December 31	
	2021	**2020**
Trade receivables		
From parent OTE Group	8.967.977	14.281.058
From remaining related parties	1.157.818	2.105.957
	10.125.796	**16.387.016**
Other Receivables		
From parent OTE Group	320.275	223.714
From remaining related parties	269.088	274.572
	589.363	**498.286**
Long-term receivables from related parties		
From parent OTE Group	576.563	712.099
From remaining related parties	10.066	10.066
	586.629	**722.165**

Short-term financial data		
Loans and receivables from related parties (Note 17)	45.018.037	25.106.669
	45.018.037	**25.106.669**
Total receivables from related parties	**56.319.825**	**42.714.136**

Liabilities to related parties:

	December 31	
	2021	**2020**
Amounts due to related parties (Note 23)		
To parent OTE Group	2.638.012	2.930.535
To remaining related parties	340.003	721.065
	2.978.015	**3.651.600**
Accrued and other liabilities		
To parent OTE Group	5.100.787	5.759.002
To remaining related parties	408.185	1.212.890
	5.508.972	**6.971.892**
Total liabilities to related parties	**8.486.987**	**10.623.492**

(iv) Financial income from interest of assets

	December 31	
	2021	**2020**
Interest income		
From remaining related parties (Notes 9, 17)	112.289	221.059
	112.289	**221.059**

	December 31	
	2021	**2020**
Interest expenses (Note 10)		
From parent OTE Group	324.280	347.812
From remaining related parties	11.733	25.120
	336.013	**372.932**

In the context of the adoption of IFRS 16, the Company's lease liabilities with related parties (which are included in iii) Other liabilities of the Company to related parties) are analyzed as follows:

	December 31	
	2021	2020
Lease liabilities		
To parent OTE Group	5.084.532	5.854.082
To remaining related parties	-	371.259
	5.084.532	**6.225.341**

The Company's depreciation includes depreciation charge for the right-of-use assets in relation to lease agreements with related parties amounting to Euro 1.895.870 (2020: Euro 1.959.500).

Moreover, the Company's interest expense on lease liabilities includes interest expense to related parties at an amount of Euro 336.013 (2020: Euro 372.932) (included in table iv) Interest expenses).

26. Contigent liabilities / receivables

- *Legal issues*

The Company tackles with (and accordingly maintains) certain claims and lawsuits in the context of its normal business activity, with opposing companies mainly with which there were transactions and corresponding disputes.

According to the Management, and following the opinion of its legal advisors, the final settlement of these issues did not have within 2021 nor is it expected to have a significant impact on the financial position of the Company in the near future.

- *Tax related issues*

As mentioned in note 11, the Company may be liable for any additional taxes and penalties that may be imposed by the tax authorities.

The profits or losses declared for tax purposes remain temporarily pending until the tax authorities inspect the taxpayer's tax returns and books, and based on these audits, the relevant tax liabilities are finalized. Consequently, the Company may be liable for additional taxes and penalties that may be imposed by the tax authorities in the event of tax audit.

The tax obligations of the Company until the year 2015 have become final, as the right of the Tax Administration to issue an estimated or corrective administrative tax assessment until the year 2015 has expired. Only for specific reasons, e.g. the existence of additional data or non-submission of a declaration, the limitation period for the years 2013 can be extended to ten (10), and fifteen (15) years respectively. Especially for the years 2014, 2015, 2016 and 2017, the limitation period can be extended to 10 years in case of tax evasion (par. 27a, Article 66 L. 4646/2019).

Fiscal years from 2016 onwards are considered unaudited despite the fact that the company received a tax certificate from its regular auditors without reservation, in accordance with Article 65A L. 4174/2013.

For 2021, the tax audit for the issuance of the tax certificate is in progress by PricewaterhouseCoopers S.A.. Upon completion of the tax audit, the Management does not expect to have any significant tax liabilities other than those recorded and reflected in the financial statements.

- *Letters of guarantee*

The Company receives letters of guarantee from third parties for the good execution of the projects and grants letters of guarantee to its customers for the good execution of the services it provides. On December 31, 2021 and 2020 the amount of letters of guarantee from third parties amounted to Euro 13,285.97 and those granted to customers amounts to Euro 0 on December 31, 2021 and 2020.

27. Events after the financial position date

There have been no events after the financial position date that require correction or disclosure in the financial statements.