OTE INTERNATIONAL SOLUTIONS S.A.

Financial Statements of the year ended on 31 December 2018 in line with the International Financial Reporting Standards (IFRS) as adopted by the European Union

The attached financial statements were approved by the Board of Directors of OTE International Solutions SA on 11 February 2019 and have been posted online at www.oteglobe.gr

OTE INTERNATIONAL SOLUTIONS S.A.

GEMI 003886301000

SA Reg. No. 46809/01AT/B/00/365

6-8 Zinonos Eleatou & Agisilaou Str., 151 23 Maroussi

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STATEMENT OF COMPREHENSIVE INCOME

	Notes	01.01-31.12.2018	01.01-31.12.2017
Turnover			
Income from data and international telephony services		346,936,951	333,437,872
Income from commissions		24,059	37,221
Total turnover		**346,961,011**	**333,475,093**
Charges by international telecommunication providers		(315,381,155)	(300,815,356)
Gross profit		**31,579,856**	**32,659,737**
Other income	7	1,356,879	1,544,780
Personnel expenses	8	(9,012,016)	(10,104,406)
Costs related to voluntary redundancy schemes	23	-	(498,859)
Other expenses	9	(5,418,013)	(5,121,424)
Adjusted operating earnings before extraordinary cost due to termination of agreement with a related party and before financial and investing activities and depreciation		**18,506,705**	**18,479,827**
Extraordinary cost due to termination of agreement with related party	26	(974,487)	-
Depreciation & amortization	13, 14	(10,510,184)	(10,195,352)
Operating profits before financing and investing activities		**7,022,034**	**8,284,475**
Financial income	10	719,452	1,363,571
Financial expenses	11	(218,723)	(103,210)
Foreign exchange differences		424,839	(837,802)
Earnings before tax		**7,947,602**	**8,707,034**
Income tax	12	(3,115,827)	(3,192,760)
Net profit for the year		**4,831,775**	**5,514,274**
Other comprehensive income			
Actuarial profit after taxes	15, 23	51,639	62,435
Other comprehensive income for the year		**51,639**	**62,435**
Total comprehensive income for the year		**4,883,414**	**5,576,710**

The financial statements presented on pages 3 to 41 were approved by the Board of Directors on the 11th of February 2019 and are signed on behalf of the Board of Directors by the following persons:

CHAIRMAN OF THE BoD	THE CEO	THE CFO	THE CHIEF ACCOUNTANT
IOANNIS KONSTANTINIDIS	KONSTANTINOS ANDREOU	GEORGIOS KIAPOKAS	ANDREAS GALIATSATOS
ID NO. AM 045614	ID No. X 069599	ID No. AH 453220	ID No. AE 049899
			Class A Accountant's License No 0015278

The notes on pages 7 to 39 constitute an integral part of these financial statements.

OTE INTERNATIONAL SOLUTIONS S.A.
(amounts in Euro, unless otherwise stated)

STATEMENT OF FINANCIAL POSITION

		31 December	
ASSETS	**Notes**	**2018**	**2017**
Non-current assets			
Property, plant and equipment	13	80,740,442	85,465,439
Intangible assets	14	493,841	772,133
Other long-term receivables	16	35,892,345	40,447,188
Loans and receivables	18	10,012,519	10,038,901
Total non-current assets		**127,139,146**	**136,723,661**
Current Assets			
Trade and other receivables	19	61,733,017	73,859,592
Contractual assets	6, 17	9,596,528	-
Loans and receivables	18	10,038,901	71,139,178
Cash and cash equivalents	20	23,702,766	20,700,863
Total current assets		**105,071,212**	**165,699,634**
TOTAL ASSETS		**232,210,358**	**302,423,294**
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	21	102,354,798	163,879,541
Other reserves	22	3,469,941	3,190,233
Retained earnings		28,413,920	23,772,095
Total Equity		**134,238,659**	**190,841,869**
Long-term liabilities			
Provisions for staff compensation	23	1,405,159	1,293,896
Contractual obligations	6, 17	25,038,003	-
Deferred income		-	8,218,553
Other long-term liabilities		237,727	-
Deferred tax liabilities	15	3,190,249	3,140,797
Total long-term liabilities		**29,871,137**	**12,653,246**
Short-term Liabilities			
Trade payables	24	48,157,838	51,845,399
Contractual obligations	6, 17	1,992,100	-
Deferred income		-	1,295,586
Income tax payable		367,471	1,616,248
Accruals and other short-term liabilities	25	17,583,153	23,170,947
Dividends payable		-	20,999,998
Total short-term liabilities		**68,100,562**	**98,928,179**
Total liabilities		**97,971,699**	**111,581,425**
TOTAL EQUITY AND LIABILITIES		**232,210,358**	**302,423,294**

The notes on pages 7 to 39 constitute an integral part of these financial statements.

STATEMENT OF CASH FLOWS

	Notes	01.01-31.12.2018	01.01-31.12.2017
Profit / (loss) before income tax		7,947,602	8,707,034
Adjustments for:			
Depreciation & amortization	13, 14	10,510,184	10,195,352
Foreign exchange differences		(424,839)	837,802
Financial income	10	(719,452)	(1,363,571)
Financial expenses	11	218,723	103,210
Provisions for bad debts	9, 19	411,116	209,563
Costs related to voluntary redundancy schemes	23	-	498,859
Provision for stock option plan		38,119	-
Provision for staff compensation and benefits paid		79,828	(116,955)
Decrease in receivables		9,152,384	27,649,199
Increase / (Decrease) in liabilities		13,315,731	(27,782,997)
Payments for voluntary redundancy plans	23	-	(542,953)
Income tax paid		(4,255,110)	(1,504,458)
Interest paid		(194,959)	(57,598)
Net cash flows from operating activities		**36,079,328**	**16,832,488**
Cash flows from investment activities			
Purchases of tangible and intangible assets		(12,717,566)	(11,903,085)
Sales / disposals of tangible assets	13	-	277
Acquisition of loans and receivables	18	(71,000,000)	(80,000,000)
Maturity of loans and receivables	18	70,000,000	-
Repurchase of loans and receivables	18	61,000,000	6,000,000
Interest received		1,846,111	303,644
Net cash flows from investing activities		**49,128,545**	**(85,599,165)**
Cash flows from financing activities			
Payments from share capital reduction	21	(61,524,742)	-
Dividends paid		(20,999,998)	-
Net cash flows from financing activities		**(82,524,741)**	**-**
Net increase / (decrease) in cash and cash equivalents		**2,683,133**	**(68,766,676)**
Cash and cash equivalents on January 1	20	20,457,411	89,224,087
Cash and cash equivalents on December 31	20	**23,140,544**	**20,457,411**

The notes on pages 7 to 39 constitute an integral part of these financial statements.

OTE INTERNATIONAL SOLUTIONS S.A.
(amounts in Euro, unless otherwise stated)

CHANGES IN EQUITY STATEMENT

	Share capital capital	Other reserves	Retained (losses)/earnings	Total equity
Balance as at 01 January 2017	**163,879,541**	**2,914,519**	**39,471,097**	**206,265,158**
Net profit for the year	-	-	5,514,274	5,514,274
Other comprehensive income	-	-	62,435	62,435
Dividends			(20,999,998)	(20,999,998)
Statutory reserve formed according to Codified Law 2190/20	-	275,714	(275,714)	-
Balance as at 31 December 2017	**163,879,541**	**3,190,233**	**23,772,095**	**190,841,869**
Net profit for the year	-	-	4,831,775	4,831,775
Other comprehensive income	-	-	51,639	51,639
Stock option plan	-	38,119	-	38,119
Share capital reduction	(61,524,742)	-	-	(61,524,742)
Statutory reserve formed according to Codified Law 2190/20	-	241,589	(241,589)	-
Balance as at 31 December 2018	**102,354,798**	**3,469,941**	**28,413,920**	**134,238,659**

The notes on pages 7 to 39 constitute an integral part of the financial statements.

Notes to the Financial Statements

1. General

OTE INTERNATIONAL SOLUTIONS S.A. (the "Company") is active in the wholesale provision of international voice services, capacities, and the provision of integrated solutions and added value services. The Company is a wholly-owned subsidiary of the Hellenic Telecommunications Organisation S.A. (E), under which the financial statements are incorporated, with the registered name "OTE INTERNATIONAL SOLUTIONS S.A." and the distinctive title "OTEGLOBE".

The Company operates in Greece and in a number of countries abroad. The Company is registered in Greece, Prefecture of Attica, Municipality of Maroussi, 6-8 Zinonos Eleatou & Agisilaou Str. The company's website address is www.oteglobe.gr.

2. Basis for presentation of financial statements

2.1 Compliance note

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

These financial statements were approved by the Board of Directors on 11 February 2019. They are subject to the final approval of the General Meeting of Shareholders.

2.2 Basis of assessment

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

2.3 Going concern principle

The attached financial statements have been prepared on a going concern basis and do not include any adjustments that reflect potential future effects on assets and liabilities in relation to their recoverability and reclassification in case the Company is unable to continue as a going concern in the foreseeable future.

2.4 Functional currency and reporting currency

The financial statements are presented in Euro, which is the company's functional currency.

2.5 Critical accounting estimates and judgements of Management

Estimates and judgements made by Management are continuously reviewed and are based on historic data and expectations for future events, which are deemed reasonable under the current circumstances.

The Company makes estimates and assumptions regarding the outcome of future events. Estimates and assumptions entailing a significant risk of causing material adjustments to the carrying amount of assets and liabilities in the next 12 months include the following:

(a) Provisions for bad debt: The Company's Management periodically reviews the adequacy of the provision for bad debt taking into account its credit policy.

(B) Provision for income tax: The income tax provision according to IAS 12 is calculated by estimating the taxes payable to tax authorities and includes the current income tax for each fiscal year, and provision for additional taxes and recognition of future tax benefits. The final settlement of income tax may differ from the relevant amounts entered in the financial statements.

(c) Depreciation rates: The Company's fixed assets are depreciated on the basis of their remaining useful lives. These remaining useful lives are reviewed periodically to determine whether they continue to be appropriate. The true useful lives of fixed assets may differ due to factors such as technological innovation and maintenance schedules.

(d) Impairment of property plant and equipment: Property, plant and equipment are tested for impairment purposes in case events or changes in circumstances indicate that the carrying amount may not be recoverable. For calculation of value in use, Management estimates the future cash flows from the asset or the cash generating unit and selects the appropriate discount rate to calculate the present value of future cash flows.

(e) Deferred tax assets: Deferred tax assets are recognised for all deductible temporary differences and deferred tax losses, to the extent that it is probable there will be available taxable income which will be used against the deductible temporary differences and deferred unutilised losses. The Company takes into consideration the existence of future taxable income and follows a continuous conservative tax planning strategy when estimating the recovery of the deferred tax receivables. Accounting estimates related to deferred tax assets require Management to make assumptions relating to the time determination of future events, as well as the likelihood of the anticipated future taxable income and the available tax planning capabilities.

(f) Post-employment benefits: Liabilities for Staff redundancy and retirement compensation are calculated at the discounted present value of future compensation benefits that have become accrued at the end of the financial year. Liabilities for these benefits are calculated on the basis of financial and actuarial assumptions that require management to make assumptions related to discounting rates, salary increase percentages, mortality and incapacity rates, retirement ages and other factors. Changes to these basic assumptions may have a significant effect on the liability and the relevant costs of each period. The net cost of the period consists of the present value of benefits which became accrued during the period, interest on the future liability, the vested cost of past service and the actuarial profits or losses. Staff redundancy and retirement compensation is not financed. Due to the long-term nature of these defined benefits programs, these assumptions are subject to a significant degree of uncertainty. Additional details are included in Note 23.

3. Key accounting policies

The accounting policies outlined below have been consistently applied for the fiscal years presented in these financial statements.

3.1 Transactions in foreign currency

Transactions in foreign currencies are translated into the functional currency at the exchange rates applicable on the date of the transactions. Profits and losses from foreign exchange differences resulting from the settlement of such transactions during the fiscal year and from conversion of currency assets expressed in foreign currency based on the exchange rates applicable as at the financial position statement date are reported in profit or loss. Foreign exchange differences from non-monetary items measured at fair value, are considered part of the fair value and are therefore reported in the same manner as the fair value differences.

3.2 Property, plant and equipment

Property, plant and equipment are presented in acquisition cost less accumulated depreciation and impairment. Acquisition cost includes all expenses directly connected to the acquisition of assets.

Subsequent costs increase the value of tangible assets or are recognised as a separate asset only if they are expected to cause future financial benefits to the Company and their cost can be measured reliably. The cost of repairs and maintenance is charged to profit and loss during the year incurred.

Depreciation of property plant and equipment is calculated on a straight line basis at rates that approach the useful life of the assets. The rates used are the following:

	Useful life years
Improvements to third-party property	12
Machinery & technical installations	5-18
Furniture and fittings	3.3-5

When the carrying amounts of tangible assets exceed their recoverable value, differences (impairment) are entered directly into profit or loss as an expense. The residual value and useful lives of fixed assets are reviewed at the end of each reporting period and are adjusted taking into consideration any new events and the market conditions in each case.

When tangible assets are sold/disposed, differences between the price obtained and their carrying amount are recognised in profit or loss.

3.3 Impairment of the value of non-financial assets

Assets with an indefinite useful life are not depreciated and are subject to annual or more frequent impairment testing when some events indicate that the carrying amount may not be recoverable. The Company had no assets with an undefined useful life on the financial position statement date.

Assets subject to depreciation are tested for impairment, when there are indications that their carrying amount will not be recovered. The recoverable value of an asset or cash generating unit is the higher of their value in use and their fair value less selling costs. To estimate the value in use, the estimated future cash flows are discounted at present value using a pre-tax discount rate which reflects current market assessments of the time value of money and the risks associated with those assets.

Impairment losses are entered as expenses in profit or loss when they arise.

3.4 Intangible assets

Intangible assets acquired separately are recognised at acquisition cost. The useful life of intangible assets may be limited or unlimited. The cost of intangible assets with a limited useful life is depreciated during their estimated useful life period with the straight-line depreciation method. The cost of intangible assets with an unlimited useful life is not depreciated. No residual values are recognised. The useful life of intangible assets is assessed on an annual basis as follows:

	Useful life years
Software	3.3 years

Subsequent costs on capitalised intangible assets are capitalised only when there is an increase of future financial benefits, which are incorporated in the specific asset where they are reported. All other costs are charged to expenses when made.

3.5 Leases

A lease that transfers the rights and liabilities (risks) arising from ownership of an asset to the lessee, is considered by the lessee as a finance lease and as acquisition of an asset and a liability undertaken. In this case, the lease payments may fall under financial expenses (interest) reducing the liability undertaken, if they have not been prepaid. Financial expenses are entered directly into profit or loss of the year.

Finance leases are presented in the lowest amount between their fair value and the present value of the minimum lease payments, at the start of the lease, decreased by accumulated depreciations or impairment losses.

All other leases are considered operating leases and are not presented in the Company's financial position statement.

Irrevocable Rights of Use (IRUs) relate to the right to use part of the overground or underground cabling capacity for a specific period of time.

3.6 Financial Assets

Financial assets are recognised initially at their fair value, which is usually the recovery cost plus direct transaction costs, in the cases of investments that are not measured at fair value through profit or loss. The Company determines the classification of financial assets at their initial recognition (Note 6).

Offsetting financial assets and liabilities
Financial assets and financial liabilities are offset and the net amount is only shown in the balance sheet where the Company is lawfully entitled to do so and intends to offset them on a net basis, or claim the asset and pay the liability at the same time. The legal right should not depend on future events and it should be possible to exercise it during the usual course of operations also in case of default, insolvency or bankruptcy of the Company or the counter party.

Impairment of financial assets
On each financial statement preparation date, the Company assesses the information on whether the value of a financial asset or a group of financial assets has been impaired. 6). The impairment amount is recognized in profit or loss.

Derecognition of financial assets
Financial assets (or a part of a financial asset or part of a group of financial assets, as appropriate) cease to be recognised when:

- the rights on the case resources' inflow have expired.
- The Company retains the right to an inflow of cash resources from a specific asset but has simultaneously undertaken an obligation to third parties to fully pay them without major delay, in the form of a transfer agreement or

- the Company has transferred the right on the inflow of cash resources from the specific asset, while, at the same time, it has either (a) transferred substantially all risks and benefits or (b) not transferred substantially all risks and benefits, but has transferred the control over the specific asset.

When the Company has transferred the rights on the inflow of cash resources from the specific asset, but, at the same time, has not substantially transferred all risks and benefits or control of the specific asset, then the asset is recognised to the degree of the continued participation of the Company in this asset. The continued participation, which has the form of a guarantee on the asset transferred is valued at the lowest value between the initial balance of the item and the maximum amount which the Company may be called upon to pay. When the continuing participation takes the form of call and/or put option on
the asset (including cash-settled options), the extent of the Company's continued involvement is the value of the transferred asset the Company may repurchase, excluding the case of a put option (including cash-settled options) on an asset that is measured at fair value, where the extent of the Company's continued participation is limited to the lower between the fair value of the transferred asset and the option exercise price.

3.7 Cash and cash equivalents

The Company treats time deposits and other high-liquidity investments with an initial maturity shorter than three months as cash and cash equivalents. For the purposes of preparation of the cash flow statement, cash and cash equivalents consist of cash and bank deposits, as well as cash and cash equivalents as defined below.

3.8 Trade and other payables

Trade and other payable balances are recognised at cost that coincides with the fair value of the future payment for the purchase of goods and services rendered. Trade and other short-term liabilities are not interest-bearing accounts and are normally settled within 30-70 days.

3.9 Accounts receivable and provision for doubtful debts

Accounts receivable are initially recognised at their fair value, which is also the transaction value. They are later measured at their net book cost less any amounts likely to not be collected (Note 6).
The provision formed is adjusted by charging the profit or loss of each financial year. Any write-offs of accounts receivable are realised through the provision that is formed.

3.10 Share capital

Share capital represents the value of the issued shares.

Direct costs incurred for the issuing of shares are presented (except the relevant income tax) in capital less the issue proceeds.

3.11 Income tax (current and deferred)

The income tax expense for the year consists of current and deferred tax. Income tax is entered in profit or loss, except for the case where it concerns items entered directly in other comprehensive income, in which case it is entered in other comprehensive income.

Current income tax is calculated on the year's taxable income using the income tax rate that applies to that financial year.

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

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences and deferred tax receivables and tax losses, to the extent that it is probable there will be available taxable income which will be used against the deductible temporary differences and the deferred unutilised taxable discount rights and deferred unutilised losses.

Deferred tax assets are assessed on each financial position statement date and are reduced to the extent where it is no longer considered likely that there will be sufficient taxable profits to allow use of part or all deferred income tax assets.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period in which the asset will be realised or the liability will be settled, and are based on tax rates (and tax laws) that are in force or have been substantively enacted on the financial position statement date.

Deferred tax assets and liabilities are offset when there is a legal right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same tax entity and same tax authorities.

Additional income taxes arising from dividend distribution are recognised the moment the payment obligation is recognised for the respective dividends.

3.12 Employee benefits

a) Defined contribution plans

Liabilities for contributions to defined contribution plans are recorded as an expense in profit or loss in the period in which they are incurred.

b) Defined benefit plans

The liabilities arising from defined benefit plans for the personnel are calculated at the discounted value of the future benefits to the personnel which have become accrued on the financial position statement date. These liabilities are calculated on the basis of financial and actuarial assumptions using the projected unit credit method.

The net cost for the period is recognised in profit or loss and consists of the present value of the benefits accrued in the reporting period, the interest on the future obligation and the vested cost of past service. Actuarial gains and losses are recognised in other comprehensive income. Unvested past service cost is recognised on a straight line basis over the average remaining period of service of employees which are expected to receive benefits.

In addition, the finance cost resulting from the benefit plans will be presented in financial results rather than in "Defined benefit plan expenses", since its classification under financial results reflects more accurately the nature of this cost.

3.13 Revenue recognition

Revenue includes mainly the fair value of income from the provision of services, net of value added tax, discounts and deductions.

(a) Provision of services: Income from provision of services is recognised during the period in which these are provided.

(b) *Income from connection charges or subscription fees:* Income from connection charges or subscription fees is recognised in the month in which the telecommunication services were provided.

(c) *Income from sale of capacity:* Income from the sale of capacity on overground or underground cables (irrevocable right of use - “IRU”) is recognised on a straight line basis over the duration of the contract.

(d) *Interest income:* Interest income is recognised when interest is accrued using the effective interest rate method.

The income recognition period is described also in note 6, in accordance with IFRS 15.

3.14 Dividends distribution

Dividends distributed to shareholders are recognised as a liability in the period in which they are approved by the General Meeting of shareholders.

4. Financial risk management

4.1 Macroeconomic conditions in Greece

The macroeconomic and financial environment in Greece is showing continuous signs of stabilization, as also demonstrated by the official exit from the economic adjustment programme in 20 August 2018. Uncertainty however continues to exist, as the country is under a “post-memorandum” monitoring program, according to which it is required to show progress in meeting budget and reform targets, while the economy remains very vulnerable to the fluctuations of the external environment. The capital controls initially imposed on the country on June 28, 2015 continue to exist despite some kind of easing since then. The most recent relevant amendment entered into force on 1 October 2018. Under the assumption that the agreed targets with regard to the primary surplus will be met in the future, and that the capital controls will be further eased in the short term or lifted in the future, no significant negative impact of the Company’s activities in Greece is anticipated. Moreover, taking into consideration that total revenues come mainly from foreign clients (80%), the risk exposure is relatively small.

Management continuously assesses the possible impact of any changes to the macroeconomic and financial environment in Greece in order to assure that all necessary actions and measures are taken to minimise any impact on the Company’s activities in Greece. Management cannot accurately predict the developments in the Greek economy, however, based on its assessment, it has concluded that no additional provisions will be required for impairment of the Company’s financial and non-financial assets as on 31 December 2019.

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 provides information on the Company's exposure to each one of the above types of risk, the targets, the policies and the procedures it applies for measuring and managing risk, as well as capital management.

Management is responsible for creating and supervising the Company's risk management framework.

The Company implements its risk management policies in order to identify and analyse the risks the Company is exposed to, to set limits of risk tolerance and to monitor these risks. Risk management policies and related systems are regularly reviewed in order to incorporate any changes in market conditions and Company activities. The Company carries out training seminars, applies standards and monitors compliance with procedures set by the Company's Management in order to develop an effective overall environment of control based on specific principles, in which all employees are aware of their roles and obligations.

4.2.1 Credit risk

Credit risk refers to the risk of loss for the Company if a customer or a third party, as a result of any financial transaction, fails to meet their contractual obligations; credit risk refers mostly to receivables from loans and receivables, trade receivables and cash and cash equivalents.

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

	31 December	
	2018	**2017**
Loans and receivables	20,051,420	81,178,079
Trade receivables	52,404,945	54,506,511
Cash and cash equivalents	23,702,766	20,700,863

a) Loans and receivables

The Company limits its exposure to credit risk by investing only in financial assets issued by companies within the OTE Group. The Company does not hold any listed securities.

b) Trade receivables

The Company's exposure to credit risk is mainly affected by the characteristics of each client. The demographic features of the Company's client base, including the risk of default in payments that is characteristic to the particular market and the country in which customers operate, have limited impact on credit risk. The Company assesses credit risk in accordance with the established policies and procedures and the appropriate provision for impairment is recognised.

According to the credit policy the Company has established, the creditworthiness of each new customer is examined on an individual basis before offering the usual terms of payment (30 days). The creditworthiness assessment carried out by the Company includes the examination of credit ratings from banks and other credit rating sources, if available. Credit limits are set for each customer individually in cases of delayed payments or low creditworthiness.

In monitoring the customers' credit risk, customers are grouped not only by their credit characteristics, but also by the kind of services provided, i.e. Voice or Data services, and whether they are also suppliers. Customers include only wholesale customers of the Company.

Receivables from related companies stand at 24% (2017: 21%) of total receivables and do not include exposure to credit risk. The Company considers the companies within the Deutsche Telecom Group as related parties.

A percentage of 72% (2017: 78%) of trade receivables pertains mainly to large international telecommunications providers, who are also the Company's suppliers due to the exchange of telephone and data traffic, for which default risk is minimal.

The Company recognizes impairment losses based on its estimates for losses relating to trade and other receivables and investments in securities (Note 6).

c) Cash and cash equivalents
Cash and cash equivalents are not considered to involve high credit risk, because the Company holds accounts in financial institutions of a high credit rating.

4.2.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to settle its financial liabilities when these become due. The Company manages liquidity risk by securing, to the extent possible, that there will always be sufficient liquidity for it to meet its financial obligations when these fall due, under both normal and adverse conditions, without suffering unacceptable losses or jeopardising the Company's reputation.

Given the fact that the Company's financing needs involve its operational activities and that the Company has not received loans from third parties, it ensures that sufficient cash is available to cover its operational needs for a period of 60 days. This policy does not take into account the relative effect from rare events that cannot be predicted, such as natural disasters.

Set out below are the balances for financial liabilities:

	31 December	
	2018	**2017**
Amounts due to related parties	8,241,906	6,729,151
Trade payables	39,915,932	45,116,248
Other short-term liabilities	3,154,140	1,765,691
	51,311,978	**53,611,090**

Other short-term liabilities include liabilities to social security organizations, other taxes and duties and other liabilities (Note 25).

4.2.3 Market risk

Market risk consists in the risk of cash flows that are related to financial instruments due to a change in currency exchange rates, interest rates and share prices. The Company's market risk management policy aims to control the Company's exposure to these risks by setting a framework of acceptable parameters and at the same time optimizing its returns.

a) Interest rate risk

The only interest-bearing financial instruments are sight deposits and the investments in financial instruments issued by OTE Group companies with a fluctuation that has a minimal effect on the Company's cash and cash equivalents.

b) Currency risk

Currency risk is the risk that the fair values of the cash flows of a financial instrument will fluctuate due to changes in foreign currency exchange rates. The main transaction currencies in the Company are the Euro and the USD.

The Company minimizes its exposure to currency risk by maintaining a sight deposit account in USD.

4.3 Capital management

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

The Company manages its capital structure and makes any adjustments that are necessary in order to adapt to the changing economic environment. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. Specifically, in 2018 the Company returned capital to shareholders by a decision of the General Meeting (Note 21).

4.4 Determination of fair value

The Company uses the following hierarchy for the measurement and disclosure of the fair value of financial instruments, based on the fair value estimation method used:

Level 1: fair values are estimated based on quoted prices in active markets.
Level 2: fair values are estimated with valuation techniques in which all significant inputs are observable market data (either directly or indirectly).

Level 3: fair values are estimated with valuation techniques in which one or more of the significant inputs are not based on observable market data.

The fair value of cash and cash equivalents, of trade receivables, of loans and receivables and of trade payables approaches their carrying values. Loans and receivables are included in Level 3.

5. New standards and interpretations

New standards, amendments to standards and interpretations: There are no new standards, amendments to standards and interpretations that are mandatory for accounting periods beginning on 1 January 2018 or later. The Company's estimate regarding the effect from the application of the new standards, amendments and interpretations is described below.

<u>Standards and Interpretations mandatory for the current period</u>

IFRS 9 "Financial instruments"

IFRS 9 replaces the provisions of IAS 39 pertaining to the classification and measurement of the financial assets and liabilities, and also includes a model of expected credit loss that replaces the model of incurred credit losses that is currently implemented in line with IAS 39. Moreover, IFRS 9 establishes a principle-based approach of hedge accounting and addresses inconsistencies and weaknesses in the current model of the IAS 39. The effect from the implementation of the standard to the Company is described in note 6.

IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 was issued in May 2014. The purpose of the standard is to provide a single, easy to understand model for revenue recognition from contracts with customers in order to improve comparability between companies of the same industry, across industries and different capital markets. It includes the principles which an economic entity must implement to determine the measurement of the revenue and the time of its recognition. The basic principle is that an economic entity will recognise the revenue in a manner that reflects the transfer of goods or services to customers at the amount which it anticipates to be entitled to in exchange for these goods or services. The effect from the implementation of the standard to the Company is described in note 6.

IFRS 4 (Amendments) "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts"

The amendments provide for two approaches: The amended standard a) provides an option to all entities that issue insurance contracts to classify in other comprehensive income and not in profit or loss any deviations due to the implementation of IFRS 9 before the issue of the new standard for insurance policies, and b) provides to entities, whose activities relate mainly to the insurance sector, the option for temporary exemption from applying IFRS 9 up to 2021. Entities that have chosen to postpone implementation of IFRS 9, continue to apply IAS 39 for financial instruments. The standard does not apply to the Company.

IFRS 2 (Amendments) "Classification and measurement of share-based payments"

The amendment provides clarification in relation to the measurement base as regards cash settled share-based payment transactions and the accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. They further introduce an exception as regards the principles of IFRS 2 based on which a payment transaction must be handled as if it were to be settled entirely in equity instruments, in the cases where the employer is required to withhold an amount for covering the tax obligations of employees arising from share-based payment transactions and paying it to the tax authorities.

IAS 40 (Amendments) "Transfers of investment property"

The amendments clarify that in order to realise a transfer to or from investment properties a change in use must have been made. In order to consider that a change in the use of the property has been made, it must be evaluated whether the property meets the definition and a change in use can be documented.

IFRIC 22 "Foreign currency transactions and advance consideration"

The Interpretation provides guidance about how to identify the transaction date when the Standard relevant to foreign current transactions (IAS 21) applies. This Interpretation applies when an entity either pays or collects in advance the price of contracts expressed in a foreign currency.

Annual improvements to the IFRS 2014 (2014 -2016 Cycle)

IAS 28 "Investments in Associates and Joint Ventures"

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

Standards and Interpretations that are mandatory for subsequent periods

IFRS 9 (Amendments) "Prepayment features with negative compensation (applicable to annual accounting periods commencing on or after 01 January 2019)
The amendments enable companies, if they meet a specific condition, to measure prepayable financial assets and negative compensation at amortised cost or at fair value through other comprehensive income instead of fair value through profit or loss.

IFRS 16 "Leases" (effective for annual periods beginning on or after 01 January 2019)
IFRS 16 was issued in January of 2016, to replace IAS 17. The purpose of the standard is to ensure that lessees and lessors provide useful information that fairly presents the substance of lease-related transactions. IFRS 16 introduces a single accounting model from the lessee's side, which requires the lessee to recognise assets and liabilities for all lease contracts with a term of more than 12 months, unless the underlying asset is of low value. As regards the accounting handling by the lessor, IFRS 16 essentially incorporates the requirements of IAS 17. Therefore, the lessor continues to classify lease contracts into operating and finance leases, and handle each type of contract differently in the accounts.

IFRS 16 has no significant effect on the Company's financial statements, specifically the financial position, comprehensive income and cash flow statements.

The Company, as a lessee, is affected by the new regulations, in particular as regards network costs and building leases for administrative or technological purposes.

The Company will implement the new standard using the cumulative effect method, according to which the comparative information of the previous year cannot be restated. The liabilities that arise from the existing operating leases will be discounted using the relevant discount rate (incremental borrowing rate). The present value that will emerge will be recognised as a liability from leases. The rights of use of assets will be measured equally with the liability from leases, adjusted by any prepaid or accrued lease payment amount.

As regards the options and exemptions allowed based on IFRS 16, the Company will take following approach:

- The assets and liabilities from leases will be presented separately in the financial position statement.
- The Company shall not make use of the exemptions provided by the standard with regard to short-term leases (leases under 12 months) and leases of low value. Therefore, the Company will capitalise both the short-term leases (except for very short-term leases, 30 days or shorter) and low value leases.
- The Company will use the practical expedient not to separate the non-lease components from the lease components and therefore treat each lease component and any non-lease related components as a single lease.
- Leases of intangible assets are not part of IFRS 16 but are presented according to IAS 38.

Based on Management's current estimates, the Company is expecting the following significant effects from the transition on 1 January 2019:

- Increase in total assets due to capitalisation of new assets (rights of use) amounting from €28.5 to €30 million and increase in total liabilities from leases amounting from €28.5 to €30 million. The total rights of use are estimated to amount to €88.5 to 90 million also due to the transfer of prepaid expenses that are related to the least contracts of €35.2 million from "Other long-term receivables" and "Trade and other receivables", as well as the transfer of tangible assets related to lease contract of book value of 24.8 million from "Tangible assets".

- In the comprehensive income statement, the nature of the expenses related to these leases will also change, since IFRS 16 replaces the lease operating cost with depreciation cost for assets related to right of use (where an increase between €5.7 to 6.0 million is expected) and interest cost on the liabilities that arise (where an increase from €1.4 to 1.6 million is expected). This will lead to an improvement of "Operating profits before financial and investing activities, depreciation and impairment", amounting from €6.8 to €7.2 million.

- In the cash flow statement, the part relating to the repayment of rents will reduce cash flows from financing activities and will no longer be included in net cash flows from operating activities. Only the repayment of interest will continue to be included in net cash flows from operating activities, the entirety of which will increase.

The accounting treatment on the lessor's side is not expected to significantly change.

IFRS 17 "Insurance contracts" (effective for annual periods beginning on or after 01 January 2021)
IFRS 17 was published in May of 2017, to replace IFRS 4. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of the standard is to ensure that an entity provides relevant information that faithfully represents those contracts. The new standard resolves the comparability problems which IFRS 4 had created since it requires consistent accounting for all insurance policies. Insurance liabilities will be measured at present values and not at historic cost. The standard has not yet been adopted by the European Union.

IAS 28 (Amendments) " Long-term Interests in Associates and Joint Ventures" (effective for annual accounting periods commencing on or after 1.1.2019)
The amendments provide clarifications that entities must account for long-term interests in an associate or joint venture to which the equity method does not apply, based on IFRS 9. The amendments have not yet been adopted by the European Union.

IFRIC 23 "Uncertainty over Income Tax Treatments" (effective for annual accounting periods commencing on or after 1.1.2019)
The interpretation provides explanations on the recognition and measurement of current and deferred income taxes when there is uncertainty about the tax treatment of certain items. IFRIC 23 applies to all aspects of income tax accounting when there is such uncertainty, including taxable profit/loss, the tax base of assets and liabilities, tax profits and tax damages and tax rates.

IAS 19 (Amendments) "Plan Amendment, Curtailment or Settlement" (effective for annual accounting periods commencing on or after 1.1.2019)
The amendments lay down how entities must define pension costs when changes are made to defined benefit pension plans. The amendments have not yet been adopted by the European Union.

IFRS 3 (Amendments) "Business Combinations" (effective for annual accounting periods commencing on or after 1.1.2020)
The new definition focuses on the meaning of the performance of a business in the form of provision of goods and services to customers in contrast to the previous definition which focused on performances in the form of dividends, lower cost or other economic benefit to investors and other parties. The amendments have not yet been adopted by the European Union.

AAS 1 and IAS 8 (Amendments) "Definition of material" (effective for annual accounting periods commencing on or after 1.1.2020)
The amendments provide clarification on the definition of material and how it must be used, completing the definition with guidelines which were provided up to now in other points of the IFRS. Moreover, the clarifications accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistently implemented in all IFRS. The amendments have not yet been adopted by the European Union.

Annual improvements to IFRS (2015-2017 Cycle) (effective for annual periods beginning on or after 01 January 2019)
The amendments presented below describe the basic changes to four IFRSs. The amendments have not yet been adopted by the European Union.

IFRS 3 "Business Combinations"

The amendments provide clarification on how an entity re-measures the percentage previously held in a jointly controlled activity when it acquires control of that undertaking.

IFRS 11"Joint Arrangements"

The amendments provide clarification on how an entity should not re-measure the percentage previously held in a jointly controlled activity when it acquires joint control of that undertaking.

IAS 12 "Income Taxes"

The amendments provide clarification on how an entity should account for all consequences of dividend payments on income tax, doing so in the same way.

IAS 23 "Borrowing costs"

The amendments provide clarification on how an entity treats as part of its general borrowing any loan specifically taken out to develop an asset when that asset is ready for the use for which it was intended or for sale.

6. Changes in accounting policies

The Company implemented IFRS 15 "Revenue from contracts with customers" and IFRS 9 "Financial Instruments" for the first time using the cumulative effect method (namely the modified retroactive approach), with the effect of the adoption of these Standards being recognised on the date of the initial implementation (namely on 1

January 2018). Correspondingly, the information related to FY 2017 has not been restated, i.e. It is presented according to the previous standards, IAS 18, IAS 11, IAS 39 and the relevant interpretations. As required by IAS 34, the nature and effect of these changes are presented below

IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 replaces IAS 11 "Construction Contracts", IAS 18 "Revenue" and the relevant interpretations and applies to all revenue generated by contracts with customers, unless these contracts fall under the scope of other standards.

The new standard establishes a five step model to measure the revenue generated from contracts with customers.

1. Identify the contract(s) with a customer.

2. Identify the performance obligations.

3. Determine the transaction price.

4. Allocate the transaction price to the performance obligations in the contract.

5. Recognise revenue when (or as) the entity satisfies a performance obligation.

The basic principle is that an economic entity will recognise the revenue in a manner that reflects the transfer of goods or services to customers at the amount which it anticipates to be entitled to in exchange for these goods or services. Also, it includes the principles which an economic entity must implement to determine the measurement of the revenue and the time of its recognition. According to IFRS 15, revenue is recognised when the customer acquires control of the goods or services, determining the time of the transfer of control - either at a given point in time or over time.

The adoption of IFRS 15 had no effect on the Company's accounting policies due to the nature of the services it provides. More specifically, the Company provides the following services:

- Data and capacities services
- International telephony services

Before the adoption of IFRS 15, revenue related to the use of voice and data, is recognised during the provision of the service. The services provided are related to use by customers (e.g. call minutes or monthly lease of capacities).

In accordance with IFRS 15, the Company reached the conclusion that the revenue from data and capacity services, as well as international telephony, will continue to be recognised over time, using an accounting policy similar to the previous one, since the customer simultaneously receives and consumes the benefits arising from the service provided by the Company and therefore, the adoption of IFRS 15 has not effect to the recognition time and the value of this revenue.

Contractual assets

If the economic entity performs its contractual obligations by transferring goods or services to a customer before the customer pays the consideration or before the payment becomes due, the entity presents the contract as a contractual asset, excluding any amounts presented as receivable. A contractual asset is the right of the economic entity in exchange for goods or services which it has transferred to a customer. Contractual assets are formally recovered over a contractual service provision period from 12 to 24 months, which determines the normal cycle of operating activity and is frequently used by the Company. Therefore, any contractual asset that is recognised in the framework of a contract for multiple assets, will also be recovered during the normal operating activity cycle of the entity and is presented as a current asset in the financial position statement.

Contractual obligations

If the customer pays a consideration or the entity reserves the right on a consideration amount which is unreserved, prior to the entity transferring the good or the service to the customer, then the Company presents the contract as a contractual obligation when the payment is made or when it falls due (whichever occurs first). For the Company, the contractual obligations mainly come from contractual obligations from IRUs and a similar accounting policy is used for their accounting (included in “Deferred income” in the financial position statement).

Certain of the Company’s contractual obligations relate to service contracts settled within 12-24 months. Others however, are settled over much longer periods. Therefore, the Company reached the conclusion that the most prudent approach is the presentation of the contractual obligations as:

- short-term for the amount of liabilities from contracts with customers expected to be settled within 12 months.
- long-term, for the amount of the liabilities from contracts with customers expected to be settled over a period longer than 12 months.

IFRS 9 “Financial instruments”

IFRS 9 replaces the provisions of IAS 39 pertaining to the classification and measurement of the financial assets and liabilities, and also includes a model of expected credit loss that replaces the model of incurred credit losses that is currently implemented. IFRS 9 also establishes a principle-based approach of hedge accounting and addresses inconsistencies and weaknesses in the current model of the IAS 39.

The new provisions for impairment loss, in certain cases result in the expected losses being recognised earlier.

a) Classification and measurement of financial assets and liabilities

IFRS 9 reserves to a great extent the existing requirements of IAS 39 for the classification and measurement of financial liabilities. The adoption of IFRS 9 has no effect on the Company’s accounting policies relating to financial liabilities.

The effect of IFRS 9 on the classification and measurement of financial assets is presented below. Except for receivables from customers which are initially measured at the transaction value, the Company initially measures a financial asset at its fair value plus the transaction cost, in the case of a financial asset that is not measured at fair value through profit or loss. According to IFRS 9, financial instruments are later measured at fair value through profit or loss, at the depreciated cost, or at fair value through other comprehensive income. The classification is based on two criteria:

- The business model within which the financial asset is held, namely if the goal is to hold with the purpose of contractual cash flow collection or contractual cash flow collection and the sale of financial assets and
- If the contractual cash flows of the financial asset consist exclusively in the repayment of principal and interest on the outstanding balance (“SPPI” criterion).

The adoption of IFRS 9 had no effect on the accounting policies of the Company that relate to financial assets.

b) Impairment

The Company has three categories of financial assets subject to the new model of expected credit loss of IFRS 9:

• trade receivables,

• contractual assets and

• other financial assets measured at depreciated cost.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the recognised impairment loss was insignificant. IFRS 9 requires the Company to adopt the expected credit losses model for each one of the above categories of assets. The expected credit losses are based on the difference between all contractual cash flows payable according to the contract, and all cash flows which the Company expects to collect. All cash flows are discounted based on the initial approximate actual interest rate.

Contractual assets and trade receivables:

The Company implements the simplified approach of IFRS 9 for calculation of expected credit losses, according to which, the loss provision is always measured at an amount equal to the expected credit losses throughout the life for trade receivables and contractual assets. To determine the expected credit losses in relation to trade receivables, the Company uses a credit loss provision table based on maturity of balances, based on the Company's historic data on credit losses, adjusted for future factors related to debtors and economic environment. More specifically, regarding the determination of expected credit losses in relation to contractual assets, the estimated rate of early contract termination, the amount of the penalties in case of early termination and the relevant collectability percentage are taken into consideration.

Other financial assets measured at depreciated cost:

The general approach is used in respect of other Company financial assets measured at depreciated cost. These financial assets will be deemed to have low credit risk and any loss provision is limited to the expected credit losses of the next 12 months.

Moreover, this category includes Company investment in financial assets of the OTE Group companies which are considered to have a low credit risk.

The Company, based on these approaches, evaluated its financial assets and it emerged that the change to the Company's accounting policies due to the adoption of IFRS 9 had no significant effect on the Company's financial statements.

7. Other income

Other income is broken down as follows:

	31 December	
	2018	**2017**
Other income from services rendered	115,673	656,368
Income from VAT return	262,587	12,991
Other	978,619	875,420
Total	**1,356,879**	**1,544,780**

8. Personnel expenses

Personnel expenses are broken down as follows:

	31 December	
	2018	**2017**
Salaries and wages	(7,176,892)	(8,293,996)
Employer's contributions (Note 23)	(1,854,369)	(1,877,505)
Income / (Expenses) of defined benefit plans	(79,828)	65,524
Income from subsidies	99,073	1,571
Total	**(9,012,016)**	**(10,104,406)**

The average employee headcount in 2018 was 139, whereas in 2017 it was 145.

9. Other expenses

Other expenses are broken down as follows:

	31 December	
	2018	**2017**
Repair and maintenance expenses	(78,583)	(173,543)
Rents based on operating leases	(795,171)	(816,381)
Impairment loss for bad debts (Note 19)	(411,116)	(209,563)
Third party fees and commissions	(2,126,227)	(1,799,776)
Expenses from taxes-duties	(21,644)	(21,646)
Taxes withheld abroad	(292,205)	(269,834)
Telecommunications, postal, transport & shared expenses	(315,989)	(314,928)
Travel expenses	(545,373)	(555,759)
Promotion, marketing, exhibition & display expenses	(565,435)	(600,315)
Expenses for multiple print-outs, stationary and consumables	(43,820)	(56,455)
Insurance premiums	(202,207)	(209,698)
Other	(20,241)	(93,525)
Total	**(5,418,013)**	**(5,121,424)**

10. Financial income

Financial income is broken down as follows:

	31 December	
	2018	**2017**
Interest income	147,926	626
Income from interest of securities to related parties (Note 26)	571,526	1,362,945
Total	**719,452**	**1,363,571**

11. Financial expenses

Financial expenses are broken down as follows:

	31 December	
	2018	2017
Bank expenses	(57,503)	(57,598)
Other financial expenses	(5,189)	(22,511)
Financial expenses from related parties (Note 26)	(133,000)	-
Financial cost of staff compensation (Note 23)	(23,031)	(23,101)
Total	**(218,723)**	**(103,210)**

12. Income tax

According to the Greek tax laws, the applicable tax rate for Greek SA companies was 29% for financial years 2018 and 2017. The tax rate will be gradually reduced to 28%, 27% and 26% for the income of tax years 2019, 2020 and 2021 respectively, and to 25% for the income of tax year 2022 and onwards according to Law 4579/2018.

The provision for income taxes appearing in the comprehensive income statement is broken down as follows:

	31 December	
	2018	2017
Current income tax	(3,006,332)	(2,161,334)
Deferred income tax	(109,495)	(1,031,426)
Total provision for income taxes recognised in profit or loss	**(3,115,827)**	**(3,192,760)**

The reconciliation of the provision for the amount of income tax determined by the application of the Greek tax rate on earnings before tax is summarised as follows:

	31 December	
	2018	**2017**
Profit / (loss) before income tax	7,947,602	8,707,034
Income taxes (Income) / expense calculated based on the current tax rate (2018, 2017: 29%)	(2,304,805)	(2,525,040)
Tax effect of expenses not deductible for tax purposes	(785,694)	(791,066)
Tax effect due to change of tax rates	191,357	-
Other	(216,686)	123,347
Income taxes income/(expenses) recognised in profit or loss	**(3,115,827)**	**(3,192,760)**

Greek taxation legislation and the relevant provisions are subject to interpretation by the taxation authorities. Income tax statements are submitted to the tax authorities on an annual basis, but profits or losses declared for tax purposes remain temporarily pending until the fiscal authorities audit the taxpayer's tax returns and books. The respective tax liabilities are finalised upon completion of these audits. Tax losses, to the extent that these are recognised by the taxation authorities, can be used to offset profits for the next five years after the accounting period to which they relate.

13. Property, plant and equipment

	Improvements of Buildings	Machinery and Technical Installations	Furniture and fittings	Assets under construction	Total
Acquisition cost:					
As at 1 January 2017	**795,285**	**249,891,903**	**3,129,793**	**6,899,117**	**260,716,098**
Additions	-	1,560,815	118,759	6,650,213	8,329,787
Decreases	-	(372,332)	-	-	(372,332)
Transfers from assets under construction (Note 14)	-	2,535,870	68,266	(2,754,152)	(150,016)
As at 31 December 2017	**795,285**	**253,616,256**	**3,316,817**	**10,795,178**	**268,523,538**
Additions	-	1,952,993	57,461	3,407,602	5,418,056
Decreases	-	(389,391)	(69,405)	-	(458,796)
Transfers from assets under construction (Note 14)	-	11,487,627	-	(11,632,601)	(144,975)
As at 31 December 2018	**795,285**	**266,667,485**	**3,304,873**	**2,570,179**	**273,337,823**
Accumulated depreciations:					
As at 1 January 2017	**602,440**	**170,297,785**	**2,919,581**	**-**	**173,819,805**
Fiscal year depreciation-amortisation	66,247	9,376,886	167,214	-	9,610,347
Decreases	-	(372,055)	-	-	(372,055)
As at 31 December 2017	**668,687**	**179,302,616**	**3,086,795**	**-**	**183,058,098**
Fiscal year depreciation-amortisation	66,247	9,808,147	123,683	-	9,998,077
Decreases	-	(389,391)	(69,404)	-	(458,795)
As at 31 December 2018	**734,934**	**188,721,372**	**3,141,074**	**-**	**192,597,381**
Net book values:					
As at 31 December 2018	**60,351**	**77,946,113**	**163,799**	**2,570,179**	**80,740,442**
As at 31 December 2017	**126,598**	**74,313,641**	**230,022**	**10,795,178**	**85,465,439**

There are no liens on the fixed assets.

14. Intangible assets

	Software
Acquisition cost:	
As at 1 January 2017	**12,758,460**
Additions	267,647
Transfers from assets under construction (Note 13)	150,016
As at 31 December 2017	**13,176,122**
Additions	88,840
Decreases	(56,226)
Transfers from assets under construction (Note 13)	144,975
As at 31 December 2018	**13,353,712**
Accumulated depreciations:	
As at 1 January 2017	**11,818,984**
Fiscal year depreciation-amortisation	585,005
As at 31 December 2017	**12,403,989**
Fiscal year depreciation-amortisation	512,107
Decreases	(56,226)
As at 31 December 2018	**12,859,871**
Net book values:	
As at 31 December 2018	**493,841**
As at 31 December 2017	**772,133**

15. Deferred tax receivables / (liabilities)

	Indemnity to staff due to retirement	Trade receivables	Tangible assets	Other	Benefits to employees	Total
On 1 January 2017	**440,736**	**3,171,067**	**(5,031,759)**	**(663,913)**	**-**	**(2,083,869)**
Recognised in comprehensive income statement	(40,005)	59,773	(1,051,194)	-	-	**(1,031,426)**
(Charge) / Credit to equity	(25,502)	-	-	-	-	**(25,502)**
Balance, 31 December 2017	**375,230**	**3,230,840**	**(6,082,953)**	**(663,913)**	**-**	**(3,140,797)**
Recognised in comprehensive income statement	(83,983)	(623,097)	588,055	-	9,530	**(109,495)**
(Charge) / Credit to equity	60,043	-	-	-	-	**60,043**
Balance, 31 December 2018	**351,290**	**2,607,743**	**(5,494,897)**	**(663,913)**	**9,530**	**(3,190,249)**

16. Other long-term receivables

	31 December	
	2018	2017
Guarantees to suppliers	199,370	201,562
Guarantees for car leases	29,767	22,944
Guarantees to third parties	10,000	10,000
Prepaid expenses	4,374	6,518
Long-term leasing expense (8 years)	640,508	1,114,779
Long-term leasing expense (15 years)	35,008,326	39,091,386
	35,892,345	**40,447,188**

17. Contract Balances

In accordance with IFRS 15, which is implemented for the first time, the following assets and liabilities emerge (Note 6):

Contractual assets

	31 December	
	2018	2017
Short-term part	9,596,528	-
	9,596,528	**-**

The contractual assets are the following:

	31 December	
	2018	2017
Balance, 1 January	14,922,197	-
Balance, 31 December	**9,596,528**	**-**

Contractual obligations

	31 December	
	2018	2017
Short-term part	1,992,100	-
Long-term part	25,038,003	-
	27,030,103	**-**

The change to the contractual liabilities is broken down as follows:

	31 December	
	2018	2017
Balance, 1 January	9,514,140	-
Additions	18,857,923	-
Decreases	(46,371)	-
Change to profit and loss for the year	(1,295,589)	-
Balance, 31 December	**27,030,103**	**-**

18. Loans and receivables

	31 December	
	2018	**2017**
Bond issued by OTE Plc with maturity on 01/2018 with 1.98% interest rate	-	71,139,178
Bond issued by OTE Plc with maturity on 11/2019 with 2.491% interest rate	10,038,901	10,038,901
Bond issued by OTE Plc with maturity on 06/2020 with 1.5138% interest rate	10,012,519	-
	20,051,420	**81,178,079**

	31 December	
	2018	**2017**
Current Assets	10,038,901	71,139,178
Non-current assets	10,012,519	10,038,901
	20,051,420	**81,178,079**

The change to the loans and receivables is broken down as follows:

	31 December	
	2018	**2017**
Balance, 1 January	**81,178,079**	**6,118,152**
Additions	71,000,000	80,000,000
Decreases	(132,698,185)	(6,303,018)
Credited in profit and loss statement (Note 10)	571,526	1,362,945
Balance, 31 December	**20,051,420**	**81,178,079**

19. Trade and other receivables

	31 December	
	2018	**2017**
Trade receivables	62,835,918	65,647,339
Less: Impairment loss	(10,430,973)	(11,140,829)
Net trade receivables	**52,404,945**	**54,506,511**
Accrued income	-	14,922,197
Other receivables	9,328,071	4,430,885
Total	**61,733,017**	**73,859,592**

The movement in the impairment provision for trade receivables is the following:

	2018	2017
Balance, 1 January	**(11,140,829)**	**(10,934,714)**
Recognised impairment loss (Note 9)	(411,116)	(209,563)
Write-offs for bad debts	1,120,948	-
Income from bad debt provisions not used	24	3,448
Balance, 31 December	**(10,430,973)**	**(11,140,829)**

The maturity after the impairment of the customer balances on the financial position statement date was:

	31 December	
	2018	2017
Not past due and not impaired	27,045,530	32,952,101
0-30 days past due but not impaired	7,401,567	5,260,205
31-60 days past due but not impaired	5,431,746	5,094,908
61+ days past due but not impaired	12,526,103	11,199,298
	52,404,945	**54,506,511**

Total due and non-impaired receivables amounting to €25,359,415 (2017: €21,554,411), pertain in their vast majority, by 96.73% (2017: 99.42%), companies belonging to the Company's related parties as well as customers which are suppliers of the Company as well, due to call and data exchange. Therefore, the risk of default is minimal.

20. Cash and cash equivalents

	31 December	
	2018	2017
Cash in hand and at banks	23,140,544	20,457,411
Sight account - management of OTE international telephony traffic	562,222	243,452
Total	**23,702,766**	**20,700,863**

The sight account is an account used by the Company to manage the International Telephony Traffic of OTE and it is not include in cash and cash equivalents in the statement of cash flows.

21. Share capital

	Number of shares	Value of share capital
Balance as at 01 January 2017	**55,931,584**	**163,879,541**
Balance as at 31 December 2017	**55,931,584**	**163,879,541**
Share capital reduction	55,931,584	(61,524,742)
Balance as at 31 December 2018	**55,931,584**	**102,354,798**

An Extraordinary Self-convened Universal General Meeting of the company's shareholders was held on 18 April 2018, which approved the reduction of the company's share capital by €61,524,742.40 through reduction of the nominal value of the share and return of this amount to shareholders. More specifically, it approved the reduction of the share price from €2.93 to €1.83, without changing the number of shares.
The General Meeting approved the reduction of the share capital taking into account the company's existing liquidity, which under current circumstances is not deemed necessary in its entirety for the company's operation and to serve its needs.

22. Other reserves

	Statutory reserve	Special reserves	Untaxed reserves	Other reserves	Total
Balance as at 01 January 2017	**2,870,676**	**1,414**	**42,429**	**-**	**2,914,519**
Formation of statutory reserve according to Codified Law 2190/20	275,714	-	-	-	275,714
Balance on 31 December 2017	**3,146,390**	**1,414**	**42,429**	**-**	**3,190,233**
Formation of statutory reserve according to Codified Law 2190/20	241,589	-	-		241,589
Stock option plan	-	-	-	38,119	38,119
Balance on 31 December 2018	**3,387,979**	**1,414**	**42,429**	**38,119**	**3,469,941**

Statutory Reserve: Under Greek company law, companies are required to withhold 5% of their annual net earnings after tax to form the statutory reserve, until the balance of its statutory reserve is equal to or reaches at least 1/3 of the share capital. This reserve is not available for distribution but may be used to stem losses. This liability remains in effect under article 158 of the new Law 4548/2018 on Societes anonymes.

Special reserves: Concerns the translation of the share capital from drachmas into euro.

***Untaxed reserves*:** The Company, based on older special provisions of Law 2238/1994 had formed specific profit and revenues items for which there was no tax obligation, provided they were to be distributed and entered in a specific reserve account.

According to the new provisions of Income Tax Law 4172/2013 article 72, par. 12 & 13, effective from 1 January 2014, the formation of new tax-free reserves in the Company's books is no longer permitted, while a special tax was imposed on already existing reserves with a 15% tax rate if the General Meeting's decision for their distribution or capitalisation was taken until 31 December 2013 or a 19% tax rate (or by offsetting tax losses) if the above decision was taken from 1 January 2014 onwards.

However, the above provisions did not pertain to reserves formed from income which was subject to special tax, such as interest on deposits (Ministerial Circular POL 1007/2014) and therefore such reserves continue to be presented in the company's equity as tax-free reserves.

23. Provisions for staff compensation

The movement of the net liability can be seen below:

a) **Pension**: The Company's employees are covered by one of the various pension funds supported by the Greek state. Each employee is required to contribute an amount from their monthly salary to the fund, with the Company also contributing a relevant amount. Upon retirement, the fund is responsible for the payment of pensions to the employees. Thus, the Company has no legal or presumed obligation to pay future benefits upon the retirement of employees. The contributions to the funds for the years ended 31 December 2018 and 2017 amounted to EUR 1,854,369 and EUR 1,877,505 respectively (Note 8).

b) **Employee retirement and termination benefits**: According to Greek labour law, employees and workers are entitled to compensation in case of termination of employment or retirement, the amount of which is calculated based on the employee's salary, the years of service and the way in which the employment relationship was terminated (redundancy or retirement). Employees who resign or are dismissed for a reason are not entitled to compensation. The compensation payable in case of retirement is equal to 40% of the sum that would be payable for redundancy without cause. These plans are not funded in Greece, according to the local practice. The Company charges provisions for accrued benefits in profit or loss in every period with a respective increase of the retirement liability. The retirement benefits paid during the period are debited against this liability.

	31 December	
	2018	**2017**
Net liability at beginning of year	**1,293,896**	**1,519,781**
Actuarial losses / (gains)	8,404	(87,937)
Payments of compensations		(1,473,590)
Expense recognised in profit or loss	102,859	1,335,642
Net liability at end of year	**1,405,159**	**1,293,896**

The break-down of the above amounts and the main assumptions used to calculate the present value of the liability at the end of the year, are given below:

Components of net cost of retirement benefits of the period:	31 December	
	2018	**2017**
Cost of service	79,828	95,051
Financial cost	23,031	23,101
Effect of employment termination benefit	-	1,217,490
Total charge to profit or loss (items "Personnel Expenses" and "Costs related to voluntary redundancy schemes")	**102,859**	**1,335,642**

	31 December	
	2018	**2017**
Reconciliation of benefit liabilities:		
Net liability at beginning of year	**1,293,896**	**1,519,781**
Cost of service	79,828	95,051
Financial cost (Note 11)	23,031	23,101
Payments of compensations	-	(1,473,590)
Effect of employment termination benefit	-	1,217,490
Actuarial losses / (gains)	8,404	(87,937)
Present value of liability at end of year	**1,405,159**	**1,293,896**

Discount Rate	1.82 %	1.78%
Future salary increases	1.00%	2018: 0.00% 2019+ 1.00%
Average duration of future employment (in years)	16.68	17.50
Inflation	1.50%	1.00%

If the discount rate used in the valuation was 0.5% higher on 31/12/2018, the defined benefit liability for Staff redundancy and retirement compensation would be decreased by approximately 7.7% for the Company

24. Trade payables

	31 December	
	2018	**2017**
Amounts due to third parties	39,915,932	45,116,248
Amounts due to related parties (Note 26)	8,241,906	6,729,151
Total	**48,157,838**	**51,845,399**

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

25. Accruals and other short-term liabilities

Other liabilities are broken down as follows:

	31 December	
	2018	**2017**
Accrued expenses for telecommunication services	11,742,633	16,762,408
Other accrued expenses	2,462,664	4,167,256
Social Security	342,773	364,125
Customer advances	223,716	475,593
Other taxes & duties	2,811,291	1,388,541
Other	76	13,025
Total	**17,583,153**	**23,170,947**

26. Transactions with Related Parties

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

i) Sales and purchases of goods and services

	31 December	
	2018	**2017**
Sales of services (turnover):		
To OTE Group parent company	48,304,539	54,551,724
To other related parties	11,672,427	10,908,934
	59,976,966	**65,460,658**
Other income from services rendered		
To OTE Group parent company	115,673	1,507,093
	115,673	**1,507,093**
Purchases of services:		
From OTE Group parent company	15,116,770	13,443,014
From other related parties	10,385,212	11,072,372
Extraordinary cost from Telekom Albania	811,969	-
	26,313,951	**24,515,386**
Purchases of fixed assets:		
From OTE Group parent company	2,152,613	1,599,834
	2,152,613	**1,599,834**

Transactions with related parties were subject to commercial terms and conditions.
Transactions with related parties concern mainly telecommunication services.

The extraordinary cost for Telecom Albania pertains mainly to a cost from the early termination of a long-term lease contract in view of the upcoming sale of Telekom Albania by the OTE Group.
The total cost arising due to this termination is €974,487 (€811,969 from Telekom Albania and €162,518 due to service-related taxes withheld abroad).

ii) Benefits to Management

	2018	**2017**
Salaries and other short-term employment benefits	1,581,722	1,636,696
Other long-term benefits	216,342	147,229
	1,798,064	**1,783,925**

iii) Balances at end of year from sales-purchases of goods/services

Receivables from related parties:

	31 December	
	2018	**2017**
Trade receivables		
From OTE Group parent company	8,999,169	5,747,542
From other related parties	3,490,360	5,661,391
	12,489,529	**11,408,932**
Other Receivables		
From OTE Group parent company	585,742	679,728
From other related parties	531,333	868,946
	1,117,076	**1,548,674**
Long-term receivable from related parties		
From OTE Group parent company	1,766,673	2,378,302
From other related parties	904,066	1,805,294
	2,670,739	**4,183,596**
Non-current financial assets		
Loans and receivables from a related party (Note 18)	10,012,519	10,038,901
	10,012,519	**10,038,901**
Short-term assets		
Loans and receivables from a related party (Note 18)	10,038,901	71,139,178
	10,038,901	**71,139,178**
Total receivables from related parties	**36,328,763**	**98,319,281**

Liabilities to related parties:

	31 December	
	2018	**2017**
Amounts due to related parties (Note 24)		
To OTE Group parent company	4,787,795	2,407,552
To other related parties	3,454,111	4,321,599
	8,241,906	**6,729,151**
Other liabilities		
To OTE Group parent company	(204,629)	114,527
To other related parties	1,108,527	2,136,609
	903,898	**2,251,137**

Dividends payable		
To OTE Group parent company	-	20,999,989
To other related parties	-	9
	-	**20,999,998**
Total liabilities to related parties	**9,145,804**	**29,980,286**

iv) Interest income from financial assets

	31 December	
	2018	**2017**
Financial income		
From other related parties (Notes 10, 18)	571,526	1,362,945
	571,526	**1,362,945**

	31 December	
	2018	**2017**
Financial expenses		
From other related parties (Note 11)	133,000	-
	133,000	**-**

27. Contingent liabilities / receivables

- *Legal issues*

The company is the target (and has respectively filed) certain claims and legal actions in the normal course of its business, the other parties being mostly companies with which it carried out transactions and respective disputes arose.
Management views, based on the opinion of its legal consultants, that the final settlement of these matters did not have any significant impact on the Company's financial position in 2018 nor is it expected to have any in the future.

- *Tax issues*

As stated in Note 12, the Company is potentially liable for additional taxes and penalties that may be imposed by the tax authorities.

Profits or losses declared for tax purposes remain temporarily pending until the fiscal authorities audit the taxpayer's tax returns and books. The respective tax liabilities are finalised upon completion of these audits. As a result the company may be liable for additional taxes and penalties that may be imposed by the fiscal authorities in case of a tax audit.

The Company's tax liabilities have not been audited by the fiscal authorities for the financial years 2010 and 2011. An audit order was issued for financial year 2012 for the Company, which has not been completed to date. However, according to ruling No. 1738/2017 of the Plenary Session of the Council of State, that held that the continuous extensions of the limitation period for tax cases are unconstitutional, the right of the Tax

Administration to issue an estimated or corrective administrative tax assessment up to financial year 2012 has become time-barred. Only when specific reasons apply, e.g. supplementary information or failure to submit a statement, can the time limitation of these financial years be extended to ten (10) or fifteen (15) years respectively.

Since fiscal years 2012 and 2013, Greek Sociétés Anonymes and Limited Liability Companies whose annual financial statements must be audited were required to obtain an “Annual Certificate” under Article 82(5) of Law 2238/1994, which is issued following a tax audit carried out by the same Statutory Auditor or auditing firm that audits the annual financial statements. On completion of the tax audit, the statutory auditor or audit firm issues to the company a “Tax Compliance Report” which the Statutory Auditor or auditing firm then electronically submits to the Ministry of Finance at the latest within ten days from the end date for the approval of the Company’s balance sheet by the General Meeting of Shareholders. As regards companies that have been audited by statutory auditors and audit firms as regards compliance with tax provisions, and a Tax Compliance Report without qualification has been issued then, in principle, no tax audit is carried out for the financial year this Report was issued for, save for selected cases, based on risk analysis criteria (Article 80 Law 3842/2010). For these financial years the Annual Certificate has been issued without qualification and adjustments as regards the tax expense and the corresponding tax provision, as these are reflected in the annual financial statements.

For FY 2014 and onwards, the provisions above relating to the “Tax Certificate” were replaced by Article 65a of Law 4174/2013 , due to the repeal of Law 2238/94. The tax certificate institution according to the above continues to exist under the new provisions, with these financial years however not considered as having been tax audited. Moreover, for years 2016 and onwards, the issue of the tax certificate is optional and not mandatory.

As regards financial years 2014, 2015.2016 and 2017, the tax certificate issued by the Company’s statutory auditors was without notes, whereas for financial year 2018, the tax audit for the issue of the tax certificate is under way by PricewaterhouseCoopers S.A. Upon completion of the tax audit, Management does not expect significant tax liabilities to emerge beyond those recorded and presented in the financial statements.

- *Letters of guarantee*

The Company receives letters of guarantee from third parties for the good performance of the projects and provides letters of guarantee to its customers for the good performance of the services it provides. On 31 December 2018 and 2017, the amount of letters of guarantee from third parties amounted to €13.285,97 and from those provided to customers to €0 on 31 December 2018 and 2017.

28. Operating leases

The Company’s liabilities from lease payments concern mainly the building where it keeps its offices and the leasing payments for the cars it provides to its staff. The minimum future lease payments for these operating leases are:

Building lease payments	**31 December**	
	2018	**2017**
Up to 1 year	514,102	512,182
From 1 to 5 years	266,105	671,544
Total	**780,207**	**1,183,727**

Car lease payments	**31 December**	
	2018	**2017**
Up to 1 year	159,044	173,701
From 1 to 5 years	229,369	327,638
Total	**388,413**	**501,339**

29. Post-statement Events

No events occurred after the date of the statement of financial position which need to be corrected or disclosed in the financial statements.

REPORT BY THE INDEPENDENT CERTIFIED AUDITOR

To the shareholders of OTE INTERNATIONSL SOLUTIONS S.A.

Audit report on the financial statements

Opinion

We have audited the attached financial statements of company “OTE INTERNATIONSL SOLUTIONS S.A.” (the Company), which consist of the statement of Financial Position of 31 December 2018 and the statements of comprehensive income, changes to equity and cash flow for the period ended on that date and the notes to the financial statements which include a summary of the key accounting policies.

In our opinion, the attached financial statements present fairly, in all material respects, the financial position of Company “OTE INTERNATIONAL SOLUTIONS S.A.” as at 31 December 2018, its financial performance and cash flows for the year then ended, in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union and in line with the regulatory requirements of Codified Law 2190/1920.

Basis of opinion

We carried out our audit in accordance with the International Audit Standards (IAS), as incorporated into Greek law. Our responsibility under those standards is further outlined in the section of the report titled “Auditor’s responsibility for auditing the financial statements”. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Auditor's Independence

Throughout the term of our appointment we have remained independent of the Company, in line with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (CEPA Code), as incorporated into Greek Law, and the ethics requirements of Law 4449/2017 on the audit of financial statements in Greece. We have performed our ethical obligations in accordance with Law 4449/2017 and the requirements of the CEPA Code.

Other information

The members of the Board of Directors are responsible for Other Information Other Information includes the Management Report of the Board of Directors (but not the financial statements and the audit of the financial statements), which we received before the date of this auditor’s report.

Our opinion on the financial statements does not cover Other Information and, other than what we expressly refer to in this paragraph of our Report, we do no express an audit opinion or other assurance conclusion thereon.

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

We examined whether the Management Report of the Board of Directors includes the disclosures required by Codified Law 2190/1920.

Based on our work performed during our audit, in our opinion:

- The information included in the Management Report of the Board Directors of the year ended on 31 December 2018 corresponds to the financial statements.

- The Management Report of the Board of Directors has been prepared in accordance with the applicable legal requirements of Article 43a of Codified Law 2190/1920.

Moreover, based on the knowledge and understanding we obtained during our audit about the company OTE INTERNATIONAL SOLUTIONS S.A. and its environment, we are required to report whether we have detected any material misstatement in the Management Report of the Board of Directors. We have nothing to report in this regard.

Responsibilities of the 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 these financial statements in line with IFRS as adopted by the European Union, the requirements of Codified Law 2190/1920, and for such internal audit checks and balances that the Board of Directors considers necessary for 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 the Board of Directors either intends to wind up the Company or to cease operations or has no other realistic alternative but to do so.

Those charged with governance are responsible for supervising the Company's financial reporting procedure.

Auditor's responsibilities for the audit of the financial statements

The objectives of our audit 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 the International Standards on Auditing, which have been incorporated into Greek law, 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.

The auditor's duty according to the International Standards of Auditing which have been incorporated into Greek law is to use professional judgement and maintain professional scepticism throughout the audit. Moreover:

- We identify and assess the risks of material misstatement in the financial statements which are due either to fraud or error by designing and implementing audit procedures which respond to those risks and obtain audit evidence which is adequate and suitable to provide a basis for our opinion. The risk of failing to detect a material misstatement due to fraud is higher than that due to error, as fraud can involve collusion, forgery, deliberate omissions, false assertions or bypassing safeguards of internal audit.

- We understand the internal auditing checks and balances which are related to the audit, in order to design audit procedures suitable for the circumstances, but not to express an opinion on the effectiveness of the Company's internal auditing checks and balances.

- We evaluate the appropriateness of the accounting policies and methods used and the reasonableness of the accounting estimates and disclosures made by the Board of Directors.

• We conclude on the appropriateness of the Board of Directors' use of the going concern principle 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 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 findings are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• We evaluate the overall presentation, structure and content of the financial statements, including disclosures and the extent to which the financial statements present the underlying transactions and events in a manner that ensures a fair presentation.

Among other issues, we communicate with those charged with governance the planned scope and timeline of the audit, as well as significant audit findings, including any material deficiencies in internal checks and balances which we identify during our audit.

Report on other legal and regulatory requirements

The work we performed regarding the Management Report of the Board of Directors is referred to above, in paragraph "other Information".

Athens, 12 February 2019

pwc

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