OTEGLOBE S.A.

Financial Statements for the year that ended on 31 December 2020, in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union

The attached financial statements were approved by the Board of Directors of OTEGlobe S.A. on March 4, 2021 and have been posted on the internet at www.oteglobe.gr

OTEGLOBE S.A.

GCR 003886301000

GCRN 46809/01AT/B/00/365

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

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STATEMENT OF COMPREHENSIVE INCOME

	Notes	01.01-31.12.2020	01.01-31.12.2019
Revenue			
Revenue from data and international voice services		346.436.144	349.401.442
Revenue from commissions		2.192	6.356
Total revenue		**346.438.335**	**349.407.798**
Charges from international telecommunication providers		(309.470.951)	(309.943.208)
Gross profit		**36.967.385**	**39.464.590**
Other operating income	6	138.862	410.316
Personnel costs	7	(9.219.000)	(9.198.622)
Costs related to voluntary leave schemes	22	(1.476.878)	-
Other operating expenses	8	(3.555.695)	(4.068.437)
Operating profit before financial and investing activities, depreciation and amortization		**22.854.673**	**26.607.847**
Depreciation and amortization	12, 13	(19.791.000)	(21.573.403)
Operating profits before financial and investing activities		**3.063.673**	**5.034.444**
Interest Income	9	237.146	682.579
Interest expenses	10	(1.378.576)	(1.521.629)
Foreign exchange differences		(720.581)	322.643
Profit before tax		**1.201.661**	**4.518.036**
Income tax	11	(510.487)	(719.925)
Net profit for the year		**691.175**	**3.798.111**
Other comprehensive income			
Actuarial gains/(losses) after taxes	16, 22	37.544	(105.298)
Other comprehensive income / (loss) for the year		**37.544**	**(105.298)**
Total comprehensive income for the year		**728.719**	**3.692.813**

The financial statements listed on pages 3 to 35 were approved by the Board of Directors on March 4, 2021 and are signed on behalf of the Board of Directors by the following:

CHAIRMAN OF THE BoD	CEO	CFO	CHIEF ACCOUNTANT
KONSTANTINIDIS IOANNIS	ANDREOU KON/NOS	KIAPOKAS GEORGIOS	GALIATSATOS ANDREAS
ID AM 045614	ID X 069599	ID AH 453220	ID AE 049899
			A CLASS LICENSE NUMBER 0015278

The notes on pages 7 to 35 form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION

		31 December	
ASSETS	**Notes**	**2020**	**2019**
Non-Current Assets			
Tangible assets	12A	46.011.843	51.134.642
Intangible assets	13	372.279	574.067
Right-of-use assets	12B	77.948.967	83.031.975
Other long-term receivables	15	1.090.133	992.784
Deferred tax assets	14	295.246	-
Total Non-Current Assets		**125.718.468**	**135.733.468**
Current assets			
Trade and other receivables	18	47.493.147	51.832.873
Contract assets	16	16.689.707	12.975.384
Income taxes payable		1.901.755	-
Loans and receivables	17	25.106.669	10.126.164
Cash and cash equivalents	19	29.026.756	35.288.336
Total Current Assets		**120.218.033**	**110.222.757**
TOTAL ASSETS		**245.936.502**	**245.956.226**
EQUITY AND LIABILITIES			
Equity attributed to shareholders			
Share capital	20	102.354.798	102.354.798
Other reserves	21	3.710.729	3.686.964
Retained earnings		32.168.764	31.916.827
Total Equity		**138.234.290**	**137.958.590**
Non-current liabilities			
Provisions for staff compensation	22	1.417.855	1.628.840
Contract liabilities	16	22.782.987	24.139.420
Lease liabilities	12B	19.471.561	21.900.022
Other non-current liabilities		406.148	220.351
Deferred tax liabilities	14	-	957.275
Total Long-term Liabilities		**44.078.550**	**48.845.908**
Current Liabilities			
Trade payables	23	35.722.315	37.636.791
Contract liabilities	16	2.257.555	2.214.580
Lease liabilities	12B	6.297.896	3.916.598
Income tax payable		-	1.022.933
Other current liabilities	24	19.345.897	14.360.825
Total current liabilities		**63.623.661**	**59.151.727**
Total Liabilities		**107.702.211**	**107.997.635**
TOTAL EQUITY AND LIABILITIES		**245.936.502**	**245.956.226**

The notes on pages 7 to 35 form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

	Notes	01.01-31.12.2020	01.01-31.12.2019
Profits/(Losses) before income tax		1.201.661	4.518.036
Adjustments for:			
Depreciation and amortization	12, 13	19.791.000	21.573.403
Foreign exchange differences		720.581	(322.643)
Interest income	9	(237.146)	(682.579)
Interest expense	10	1.378.576	1.521.629
Provision for doubtful accounts	8, 18	127.968	33.016
Costs associated with voluntary retirement plans	22	1.476.878	-
Provision for share option plans		(10.791)	27.118
Provision for staff compensation and paid benefits		1.297.702	40.608
Decrease in receivables		374.138	6.381.213
Decrease in liabilities (except leases)		(3.421.706)	(16.951.731)
Income tax paid		(4.699.553)	(2.245.235)
Interest paid (except leases)		(50.667)	(44.548)
Interest paid for leases	10	(1.311.651)	(1.452.954)
Net cash flows from operating activities		**16.636.991**	**12.395.333**
Cash flows from investing activities			
Purchases of tangible and intangible assets		(4.343.875)	(6.223.561)
Repayments of loans	17	(25.000.000)	-
Maturity of loans (proceeds)	17	10.000.000	10.000.000
Interest received		256.641	607.834
Net cash flows from investing activities		**(19.087.234)**	**4.384.273**
Cash flows from financing activities			
Repayment of lease liabilities		(3.794.641)	(5.124.909)
Net cash flows from financing activities		**(3.794.641)**	**(5.124.909)**
Net increase/(decrease) in cash and cash equivalents of the year		**(6.244.884)**	**11.654.697**
Cash on January 1st	19	34.795.241	23.140.544
Cash on December 31	19	**28.550.357**	**34.795.241**

The notes on pages 7 to 35 form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

	Share capital	Other reserves	Retained (loss)/profit	Total Equity
Balance as at January 1, 2019	**102.354.798**	**3.469.941**	**28.413.920**	**134.238.659**
Net profit for the year	-	-	3.798.111	3.798.111
Other comprehensive income / (loss)	-	-	(105.298)	(105.298)
Share option plans		27.118	-	27.118
Formation of a Statutory Reserve under C.L. 4548/2018	-	189.906	(189.906)	-
Balance as at December 31, 2019	**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**

The notes on pages 7 to 35 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 4 March 2021. 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	5-18
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

Accounts receivable 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 Recognition of expenses

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 31 December 2020.

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 to deal with the pandemic and continue to impose restrictive measures, 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.
The extent of the health crisis in the activities of the Company in the coming period, will depend mainly on its future development and its policies. Restrictions on travel may adversely affect the company's financial performance, by reducing revenues from telecommunications services. More specifically, the trend shows that the negative impact of the pandemic will continue on roaming services. In addition, the pandemic will have a negative impact on global economic development and the Greek economy, which is highly dependent on tourism.
In 2020, the pandemic affected revenue sources and more specifically revenues from roaming services.
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. Moreover, it implements precautionary strategies for the business continuity of its activities and risk reduction in order to mitigate the negative effects of the crisis on its activities and financial situation.

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	
	2020	**2019**
Loans and receivables	25.106.669	10.126.164
Trade receivables	43.139.856	45.798.987
Cash and cash equivalents	29.026.756	35.288.336

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 38% (2019: 42%) 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 59% (2019: 57%) 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	
	2020	**2019**
Amounts due to related parties	3.651.600	7.300.077
Suppliers	32.070.715	30.336.715
Other short-term liabilities	2.400.053	2.029.406
	38.122.368	**39.666.197**

Other short-term liabilities include liabilities for insurance companies, other taxes and fees, voluntary leave schemes 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, modifications of standards and interpretations: Specific new standards, modification of standards and interpretations have been issued, and are required for accounting periods beginning on or after 1 January 2020. The Company's assessment of the impact of the implementation of these new standards, modifications and interpretations is set out below.

Standards and Interpretations that are mandatory for the current financial year

IFRS 3 (Amendments) "Defining a business combination"

The new definition focuses on the concept of business performance in the form of providing goods and services to customers, as opposed to the previous definition which focused on returns in the form of dividends of lower cost or other financial benefits to investors and other parties. It further clarifies that, in order to be considered a business, a complete set of activities and assets must include at least one input and a substantial process that together contribute significantly to its ability to generate output. Finally, it introduces the possibility of an optional examination (the concentration examination) which simplifies the assessment of whether an acquired set of activities and assets does not constitute a business.

IAS 1 and IAS 8 (Amendments) "Definition of Essential"

The amendments clarify the definition of essential and how it should be used, supplementing the definition with instructions that have so far been provided elsewhere in IFRSs. In addition, the clarifications accompanying the definition have been improved. Finally, the amendments ensure that the definition of essential applies consistently to all IFRSs.

IFRS 9, IAS 39 and IFRS 7 (Amendments) "Reference rate adjustment"

The amendments change certain requirements on hedge accounting to facilitate the possible effects of the uncertainty caused by the change in reference rates. Moreover, the amendments require companies to provide additional information to investors about their hedging relationships, which are directly affected by these uncertainties.

Standards and Interpretations that are mandatory for subsequent periods

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

IFRS 17 was issued in May 2017 and, together with the Amendments to IFRS 17 issued in June 2020, replaces IFRS 4. IFRS 17 establishes the principles for the recognition, measurement and presentation of insurance policies that fall within the scope of the standard as well as the relevant disclosures. The purpose of the standard is to ensure that an entity provides relevant information that provides a reasonable picture of these policies. The new standard solves the comparability problems created by IFRS 4, since it requires all insurance policies to be accounted for consistently. Insurance liabilities will be measured at current values and not at historical cost. The standard has not yet been adopted by the European Union.

IFRS 16 (Amendment) "COVID-19 Related Rental Concessions" (effective for annual periods beginning on or after 1 June 2020**)**

The amendment provides tenants (but not landlords) with an optional exemption from assessing whether the COVID-19-related lease is a lease amendment. Tenants can choose to account for rental concessions in the same way they would for non-lease changes.

IFRS 4 (Amendment) "Extension of the provisional exemption from the application of IFRS 9" (effective for annual periods beginning on or after 1 January 2021**)**

The amendment changes the maturity date for the temporary exemption to IFRS 4 “Insurance Policies” from the application of IFRS 9 “Financial Instruments”, so that entities are required to apply IFRS 9 for annual accounting periods beginning on or after January 1, 2023.

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments) "Reference rate adjustment - Phase 2" (effective for annual periods beginning on or after 1 January 2021**)**

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

IAS 16 (Amendment) "Tangible assets - Revenue before forecast year" (effective for annual periods beginning on or after 1 January 2022**)**

The amendment prohibits an entity from deducting from the cost of the tangible asset any revenue received from the sale of items produced, while the entity prepares the asset for its intended use. It also requires entities to disclose separately the amounts of revenue and expenses associated with such items produced that are not the result of the entity 's usual operation. The amendment has not yet been adopted by the European Union.

IAS 37 (Amendment) "Onerous Contracts - Cost of Performing a Contract" (effective for annual periods beginning on or after 1 January 2022**)**

The amendment clarifies that "the cost of fulfilling a contract" includes the directly related costs of fulfilling that contract and the allocation of other costs directly related to its execution. The amendment also clarifies that, before recognizing a separate provision for a onerous contract, an entity recognizes an impairment loss on the assets used to perform the contract, and not on assets that were solely committed to that contract. The amendment has not yet been adopted by the European Union.

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 Conceptual Framework for the Financial Report issued in 2018, when what constitutes an asset or liability in a business combination must be determined. In addition, an exception has been added for certain types of liabilities and contingent liabilities acquired in a business combination. Finally, it is clarified that the acquirer should not recognize any assets, as defined in IAS 37, at the acquisition date. The amendment has not yet been adopted by the European Union.

IAS 1 (Amendment) "Classification of liabilities as current or long-term" (effective for annual periods beginning on or after 1 January 2023**)**

The amendment clarifies that liabilities are classified as short-term or long-term based on the entitlements in force at the end of the reporting period. The classification is not affected by the entity's expectations or events after the reporting date. In addition, the amendment clarifies the meaning of the term "settlement" of an IAS obligation 1. The amendment has not yet been adopted by the European Union.

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

The amendments that have an effect on the Company and are listed below include changes to two IFRSs. The amendments have not yet been adopted by the European Union.

IFRS 9 "Financial Instruments"

The amendment examines what costs should be included in the 10% assessment for the recognition of financial liabilities. The relevant costs or fees could be paid either to third parties or the lender. Under this amendment, costs or fees paid to third parties will not be included in the 10% assessment.

IFRS 16 "Leases"

The amendment removed the example of landlord payments for rental improvements in Explanatory Example 13 of the standard, in order to eliminate any possible confusion regarding the handling of lease incentives.

6. Other operating income

Other operating income is analyzed as follows:

	31 December	
	2020	**2019**
Other income from services provision	106.756	63.780
Income from VAT returns	12.042	26.828
Other	20.064	319.708
Total	**138.862**	**410.316**

7. Personnel costs

Personnel costs are analyzed as follows:

	31 December	
	2020	**2019**
Wages and salaries	(7.292.500)	(7.273.920)
Employer contributions (Note 22)	(1.855.424)	(1.870.594)
Income / (Expense) of fixed benefit plans	(71.076)	(54.108)
Total	**(9.219.000)**	**(9.198.622)**

The average number of employees in 2020 was 138, while in 2019 it was 140.

8. Other operating expenses

Other operating expenses are analyzed as follows:

	31 December	
	2020	**2019**
Rents based on operating leases	(18.078)	-
Provision for doubtful accounts (Note 18)	(127.968)	(33.016)
Third party fees and services	(2.024.679)	(1.868.387)
Expenses from taxes-fees	(72.005)	(67.497)
Taxes withheld abroad	(32.802)	(116.311)
Expenses for telecommunications, postage, transport & common expenses	(300.542)	(293.604)
Traveling expenses	(230.896)	(485.262)
Reception costs for promotion, advertising, exhibitions & demonstrations	(484.874)	(795.915)
Expenses for multiple prints, stationery and consumables	(46.940)	(47.253)
Insurance premiums	(245.882)	(214.789)
Other	28.970	(146.402)
Total	**(3.555.695)**	**(4.068.437)**

9. Interest income

Interest income is analyzed as follows:

	31 December	
	2020	**2019**
Interest income	16.087	232.225
Interest income on bonds in related parties (Note 25)	221.059	450.354
Total	**237.146**	**682.579**

10. Interest expenses

Interest expenses are analyzed as follows:

	31 December	
	2020	**2019**
Bank related expenses	(48.581)	(42.662)
Interest on lease liability (Note 12B)	(1.311.651)	(1.452.954)
Other financial expenses	(753)	(439)
Financial cost of staff compensation (Note 22)	(17.591)	(25.574)
Total	**(1.378.576)**	**(1.521.629)**

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 year 2019 onwards is 24%.

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

	31 December	
	2020	**2019**
Current income tax	(1.774.864)	(2.900.698)
Deferred income tax	1.264.377	2.180.773
Total provision for income taxes that are shown in the results	**(510.487)**	**(719.925)**

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:

	31 December	
	2020	**2019**
Profit before income tax	**1.201.661**	**4.518.036**
Income tax calculated with the current tax rate (24%)	**(288.399)**	**(1.084.329)**
Tax effect of non-deductible expenses for tax related purposes	(222.088)	(258.099)
Impact due to change in tax rates	-	215.135
Other	-	407.367
Income tax (expense)	**(510.487)**	**(719.925)**

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 1 January 2019	**795.285**	**226.791.828**	**3.304.873**	**2.570.179**	**233.462.167**
Additions	20.865	138.691	44.939	7.754.383	7.958.878
Disposals	-	-	-	-	-
Transfers from assets under construction (Note 13)		5.246.232	166.911	(5.623.477)	(210.335)
On 31 December 2019	**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 31 December 2020	**816.150**	**236.078.192**	**3.972.335**	**4.483.764**	**245.350.442**
Accumulated Depreciation:					
On 1 January 2019	**734.934**	**173.613.772**	**3.141.074**	**-**	**177.489.780**
Depreciation of use	65.507	12.379.567	141.213	-	12.586.287
Disposals	-	-	-	-	-
On 31 December 2019	**800.441**	**185.993.339**	**3.282.287**	**-**	**190.076.068**
Depreciation of use	7.008	10.343.879	206.074	-	10.556.961
Disposals	-	(1.294.430)	-	-	(1.294.430)
On 31 December 2020	**807.449**	**195.042.788**	**3.488.361**	**-**	**199.338.599**
Net book values:					
On 31 December 2020	**8.701**	**41.035.404**	**483.973**	**4.483.763,59**	**46.011.843**
On 31 December 2019	**15.709**	**46.183.412**	**234.436**	**4.701.085**	**51.134.642**

There are no liens on the fixed assets.

Following the relevant decision of the Company's Management in 2019, the remaining Useful Economic Life of the assets related to telecommunication equipment was re-evaluated and this category was amortized over 8 years. This action brought an additional charge to the depreciation of tangible assets of 2019 amounting to 4.820.866 Euro.

B) Leases

The assets with right of use (Statement of financial position) as at 31 December 2020 are as follows:

Assets with right of use	**31/12/2020**	**31/12/2019**
Assets with the right of use - building facilities	12.991.542	15.953.670
Assets with right of use - telecommunications infrastructure	64.636.259	66.740.637
Assets with the right of use - means of transport	321.166	337.669
Total	**77.948.967**	**83.031.975**

Liabilities from leases (Financial position) as at 31 December 2020 are as follows:

Liabilities from leases	**31/12/2020**	**31/12/2019**
Short-term	6.297.896	3.916.598
Long-term	19.471.561	21.900.022
Total	**25.769.457**	**25.816.621**

The additions of fixed assets, subject to the IFRS 16 standard, during the year 2020 are as follows:

Additions	**31/12/2020**	**31/12/2019**
Assets with the right of use - building facilities	384.493	2.009.165
Assets with right of use - telecommunications infrastructure	3.458.164	2.071.639
Assets with the right of use - means of transport	149.430	188.436
Total	**3.992.086**	**4.269.239**

Depreciation of assets with the right to use (Statement of comprehensive income) as at 31 December 2020 is as follows:

Depreciation	**31/12/2020**	**31/12/2019**
Building facilities	3.190.141	2.983.757
Telecommunication infrastructure	5.562.542	5.493.371
Transportation means	165.932	177.101
Total	**8.918.615**	**8.654.229**

The depreciation of the Company includes depreciation for assets with the right of use, relating to lease agreements with related parties, amounting to Euro 1.959.500.
The interest on the lease liability (Total income statement) as at 31 December 2020 is as follows:

Interests	**31/12/2020**	**31/12/2019**
Building facilities	795.270	900.901
Telecommunication infrastructure	501.712	533.958
Transportation means	14.669	18.095
Total	**1.311.651**	**1.452.954**

Interest on leasing liabilities of the Company includes interest on related parties amounting to Euro 372.932.

13. Intangible assets

	Software
Cost of acquisition:	
On 1 January 2019	**13.353.712**
Additions	202.780
Disposals	-
Transfers from assets under construction (Note 12A)	210.334
On 31 December 2019	**13.766.825**
Additions	74.608
Disposals	-
Transfers from assets under construction (Note 12A)	39.029
On 31 December 2020	**13.880.461**
Accumulated Amortization:	
On 1 January 2019	**12.859.871**
Amortization charge of the year	332.887
Disposals	-
On 31 December 2019	**13.192.758**
Amortization charge of the year	315.424
Disposals	-
On 31 December 2020	**13.508.182**
Net book values:	
On 31 December 2020	**372.279**
On 31 December 2019	**574.067**

14. Deferred tax assets/(liabilities)

	Staff retirement indemnities	Customers	Tangible assets	Provisions	Other	Employee benefits	Total
On 1 January 2019	**351.290**	**2.607.743**	**(5.494.897)**	**-**	**(663.913)**	**9.530**	**(3.190.249)**
Effect in the income statement	(12.569)	(152.073)	2.291.633	(49.215)	-	102.997	**2.180.773**
(Debit)/Credit to equity	52.201	-	-	-	-	-	**52.201**
Balance 31 December 2019	**390.922**	**2.455.670**	**(3.203.265)**	**(49.215)**	**(663.913)**	**112.527**	**(957.275)**
Effect in the income statement	(38.780)	30.712	1.245.417	49.215	(58.799)	36.612	**1.264.377**
(Debit)/Credit to equity	(11.856)	-	-	-	-	-	**(11.856)**
Balance 31 December 2020	**340.285**	**2.486.383**	**(1.957.847)**	**-**	**(722.712)**	**149.139**	**295.246**

15. Other long-term receivables

	31 December	
	2020	**2019**
Guarantees to suppliers	199.370	199.370
Guarantees for car rentals	27.614	29.687
Guarantees to third parties	10.000	10.000
Expenses of multi-year 8 year leases	585.499	447.496
Expenses of multi-year 15 year leases	267.649	306.231
	1.090.133	**992.784**

16. Contract balances

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

Contract assets

	31 December	
	2020	**2019**
Short-term part	16.689.707	12.975.384
	16.689.707	**12.975.384**

The contract assets are as follows:

	31 December	
	2020	**2019**
Balance 1 January	12.975.384	9.596.528
Balance 31 December	**16.689.707**	**12.975.384**

Contract liabilities

	31 December	
	2020	**2019**
Short-term part	2.257.555	2.214.580
Long-term part	22.782.987	24.139.420
	25.040.541	**26.354.000**

The movement of contract liabilities is as follows:

	31 December	
	2020	**2019**
Balance 1 January	26.354.000	27.030.103
Additions	941.278	1.513.049
Transfer to the results of the year	(2.254.737)	(2.189.152)
Balance 31 December	**25.040.541**	**26.354.000**

17. Loans and receivables

	31 December	
	2020	2019
Bond of OTE Plc maturing 06/2021 with interest rate 0.824%	25.106.669	-
Bond of OTE Plc maturing 06/2020 with interest rate 1,5138%	-	10.126.164
	25.106.669	**10.126.164**

	31 December	
	2020	2019
Current assets	25.106.669	10.126.164
	25.106.669	**10.126.164**

The change in loans and receivables is analyzed as follows:

	31 December	
	2020	2019
Balance 1 January	**10.126.164**	**20.051.420**
Additions	25.000.000	-
Reductions	(10.240.554)	(10.375.610)
Credit in the income statement (Note 9)	221.059	450.354
Balance 31 December	**25.106.669**	**10.126.164**

18. Trade and other receivables

	31 December	
	2020	2019
Customers	53.499.784	56.030.947
Less: Provision for doubtful accounts	(10.359.928)	(10.231.960)
Net trade receivables	**43.139.856**	**45.798.988**
Other Receivables	4.353.291	6.033.885
Total	**47.493.147**	**51.832.873**

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

	2020	2019
Balance 1 January	**(10.231.960)**	**(10.430.973)**
Charge for the year (Note 8)	(127.968)	(33.016)
Income from provisions that were not used	-	232.029
Balance 31 December	**(10.359.928)**	**(10.231.960)**

19. Cash and cash equivalent

	31 December	
	2020	**2019**
Available at the cash registry and at banks	28.550.357	34.795.241
Current account - management of OTE international telephone traffic	476.399	493.095
Total	**29.026.756**	**35.288.336**

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 in the cash flow statement.

20. Share capital

	Number of shares	Value of the share capital
Balance 1 January 2019	**55.931.584**	**102.354.798**
Reduction of share capital	-	
Balance 31 December 2019	**55.931.584**	**102.354.798**
Balance 31 December 2020	**55.931.584**	**102.354.798**

21. Other reserves

	Statutory reserve	Special reserves	Tax-free reserves	Other reserves	Total
Balance 1 January 2019	**3.387.979**	**1.414**	**42.429**	**38.119**	**3.469.941**
Formation of a Statutory Reserve under C.L. 2190/20	189.906	-	-		189.906
Share option plans	-	-	-	27.118	27.118
Balance 31 December 2019	**3.577.884**	**1.414**	**42.429**	**65.237**	**3.686.964**
Formation of a Regular Reserve under C.L. 2190/20	34.559	-	-	-	34.559
Share option plans	(3)	-	-	(10.791)	(10.794)
Balance 31 December 2019	**3.612.440**	**1.414**	**42.429**	**54.446**	**3.710.729**

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

The movement of the net liability is as follows:

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, 2020 and 2019 amounted to Euro 1.855.424 and Euro 1.870.594 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. The compensation payable in case of retirement is equal to 40% of the amount that would be payable for dismissal without cause. 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.

c) Voluntary Leave Plans: In 2020, OTE Group implemented a voluntary leave program. The cost of this plan that concerns employees of the Company amounted to € 1.476.878. Costs associated with voluntary leave plans include the cost of incentives given to employees to participate in the program and are included in the income statement in the line "Costs associated with voluntary leave plans". The amounts related to the voluntary leave plans will be paid in 2021, which is when they will be included in the cash flow statement.

	31 December	
	2020	**2019**
Defined benefit obligation at the beginning of the year	**1.628.840**	**1.405.159**
Actuarial (gains)/losses	(49.400)	157.499
Benefits paid	(250.252)	(13.500)
Expense recognized in the income statement	88.667	79.682
Defined benefit obligation at the end of the year	**1.417.855**	**1.628.840**

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:

Components of net periodic cost	31 December	
pension:	**2020**	**2019**
Service cost	71.076	73.647
Interest cost	17.591	25.574
Effect of termination benefit	-	(19.539)
Total charge in the income statement	**88.667**	**79.682**

	31 December	
	2020	**2019**
Defined benefit obligation reconciliation:		
Defined benefit obligation at the beginning of the year	**1.628.840**	**1.405.159**
Service cost	71.076	73.647
Interest cost (Note 10)	17.591	25.574
Benefits paid	(250.252)	(13.500)
Effect of termination benefit	-	(19.539)
Actuarial (gains)/losses	(49.400)	157.499
Present value of defined benefit obligation at the end of the year	**1.417.855**	**1.628.840**

Discount rate	1,13%	1,08%
Assumed rate of future salary increases	1,00%	1,00%
Average future working life (in years)	15,19	15,79
Inflation rate	1,50%	1,50%

If the discount rate used in the valuation was 0.5% higher as at 31/12/2020, the defined benefit obligation for staff retirement indemnities for the Company would be reduced by approximately 7.3%.

23. Trade payables

	31 December	
	2020	**2019**
Amounts due to third parties	32.070.715	30.336.715
Amounts due to related parties (Note 25)	3.651.600	7.300.077
Total	**35.722.315**	**37.636.791**

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:

	31 December	
	2020	**2019**
Accrued expenses for telecommunication services	12.604.433	8.779.321
Other operating expenses accrued	3.745.915	3.161.367
Social Security Contribution	339.684	341.616
Customer Advances	595.495	390.731
Other Taxes and fees	515.650	1.684.222
Obligation to pay a voluntary retirement plan (Note 22)	1.476.878	-
Other	67.840	3.568
Total	**19.345.897**	**14.360.825**

25. Transactions with related parties

The Company considers as related parties the following: OTE S.A., 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

	31 December	
	2020	**2019**
Sales of services (turnover):		
To parent OTE Group	37.311.153	43.202.079
To remaining related parties	10.842.439	10.832.287
	48.153.593	**54.034.366**
Other income from services provision		
To parent OTE Group	60.000	63.780
	60.000	**63.780**
Purchase of services:		
From parent OTE Group	7.976.722	11.101.739
From remaining related parties	6.462.812	7.451.969
	14.439.534	**18.553.708**
Acquisition of fixed assets:		
From parent OTE Group	836.595	1.043.164
	836.595	**1.043.164**
New leases during fiscal year		
From parent OTE Group	845	863.878
From remaining related parties	4.277	-
	5.122	**863.878**

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

	2020	2019
Wages and other short-term employment benefits	1.754.306	1.599.556
Other long-term benefits	215.384	228.638
	1.969.690	**1.828.194**

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

Receivables from related parties:

	31 December	
	2020	**2019**
Customers		
From parent OTE Group	14.281.058	15.872.423
From remaining related parties	2.105.957	3.466.304
	16.387.016	**19.338.727**
Other Receivables		
From parent OTE Group	223.714	298.290
From remaining related parties	274.572	439.278
	498.286	**737.568**
Long-term receivables from related parties		
From parent OTE Group	712.099	594.144
From remaining related parties	10.066	10.066
	722.165	**604.210**
Short-term financial data		
Loans and receivables from related parties (Note 17)	25.106.669	10.126.164
	25.106.669	**10.126.164**
Total receivables from related parties	**42.714.136**	**30.806.668**

Liabilities to related parties:

	31 December	
	2020	**2019**
Amounts due to related parties (Note 23)		
To parent OTE Group	2.930.535	4.159.417
To remaining related parties	721.065	3.140.659
	3.651.600	**7.300.077**
Accrued and other liabilities		
To parent OTE Group	5.759.002	6.132.036
To remaining related parties	1.212.890	1.114.286
	6.971.892	**7.246.322**
Total liabilities to related parties	**10.623.492**	**14.546.398**

(iv) Financial income from interest of assets

	31 December	
	2020	**2019**
Interest income		
From remaining related parties (Notes 9, 17)	221.059	450.354
	221.059	**450.354**

	31 December	
	2020	**2019**
Interest expenses (Note 10)		
From parent OTE Group	347.812	352.897
From remaining related parties	25.120	36.564
	372.932	**389.461**

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:

	31 December	
	2020	**2019**
Liabilities from leases		
To parent OTE Group	5.854.082	6.192.784
To remaining related parties	371.259	573.967
	6.225.341	**6.766.750**

Depreciation of the Company includes depreciation for assets with the right of use, relating to contracts with related parties, amounting to Euro 1,959,500 (2019: Euro 1,938,188).

Moreover, the Company's financial expenses include interest on the lease liability amounting to Euro 372,932 (2019: Euro 389,461) (included in table iv) Financial expenses).

26. Contingent 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 2020 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 2014 have become final, as the right of the Tax Administration to issue an estimated or corrective administrative tax assessment until the year 2014 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 year 2014 the limitation period can be extended to 10 years in case of tax evasion (par. 27a, Article 66 L. 4646/2019)

Fiscal years from 2015 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 2020, 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, 2020 and 2019 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, 2020 and 2019.

27. Subsequent Events

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

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 (Company) which comprise the statement of financial position as of 31 December 2020, the total income statement, changes in equity and cash flow statements 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 2020, 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 the Board of Directors' Report for the year ended at 31 December 2020 is consistent with the financial statements,

- The Board of Directors' Report has been prepared in accordance with the legal requirements of articles 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, 5 March 2021
The Certified Auditor

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