

# OTE Plc

## **ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

REGISTERED NUMBER: 03896324

The financial statements on pages 15 to 32 were approved by the Board of Directors of OTE PLC on 10 March 2021 and are available online at the site:

[https://www.cosmote.gr/cs/otegroup/en/oikonomikes\\_katastaseis\\_etairiwn\\_omilou.html](https://www.cosmote.gr/cs/otegroup/en/oikonomikes_katastaseis_etairiwn_omilou.html)


**TABLE OF CONTENTS****Page**

|   |    |
|---|----|
| Strategic report  | 3  |
| Directors' report   | 6  |
| Independent auditors' report  | 10 |
| Income statement and statement of comprehensive income for the year | 15 |
| Statement of financial position                                     | 16 |
| Statement of changes in equity                                      | 17 |
| Statement of cash flows   | 18 |
| <b>Notes to the financial statements</b>                            |    |
| <b>1. General Information</b>                                       | 19 |
| <b>2. Summary of significant accounting policies</b>                | 19 |
| 2.1. Basis of preparation   | 19 |
| 2.2. Foreign currency translation                                   | 19 |
| 2.3. Financial assets   | 20 |
| 2.4. Financial liabilities  | 20 |
| 2.5. Cash and cash equivalents                                      | 20 |
| 2.6. Share capital  | 20 |
| 2.7. Taxation   | 21 |
| 2.8. Interest Income and expenses                                   | 21 |
| 2.9. Netting-off policy   | 21 |
| 2.10. Related Party disclosures                                     | 21 |
| <b>3. Critical accounting estimates and judgments</b>               | 22 |
| 3.1. New standards, amendments and interpretations                  | 22 |
| <b>4. Finance income</b>  | 23 |
| <b>5. Finance cost</b>  | 23 |
| <b>6. Administrative expenses: General</b>                          | 23 |
| <b>7. Administrative expenses: Employees and Directors</b>          | 23 |
| <b>8. Other gains and losses</b>                                    | 24 |
| <b>9. Income tax expense</b>  | 24 |
| <b>10. Financial Assets at amortised cost</b>                       | 24 |
| <b>11. Other Current Assets and Current Tax Assets</b>              | 26 |
| <b>12. Financial liabilities</b>                                    | 26 |
| <b>13. Current tax liabilities</b>                                  | 28 |
| <b>14. Issued capital and share premium</b>                         | 29 |
| <b>15. Controlling parties</b>                                      | 29 |
| <b>16. Events after the end of reporting year</b>                   | 29 |
| <b>17. Financial risk management</b>                                | 29 |
| 17.1. Financial risk factors  | 29 |
| 17.2. Capital management  | 31 |
| 17.3. Fair value estimation   | 31 |

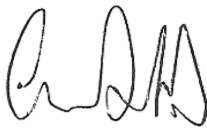
**Declaration of the managers responsible for financial reporting**

Pursuant to Article 3 of Luxembourg’s Transparency Law, the undersigned Stuart Watson and Christopher Duffy, on behalf of the board of Directors of OTE Plc, confirm that to the best of their knowledge the financial statements for the year ended 31 December 2020 represent in all material respects, the financial position, results of operations of the Entity in conformity with the International Financial Reporting Standards.

Furthermore the undersigned declare that the business summary includes a fair review of the development and performance and the company position together with a description of the principal risks and uncertainties that it faces.



.....  
Stuart Watson  
Director



.....  
Christopher Duffy  
Director

The Directors present their Strategic Report on OTE Plc (“the Company”) for the year ended 31 December 2020.

### **Review of the business**

The Company is a public limited company, with registered number 03896324 and is incorporated and domiciled in the United Kingdom (“UK”). The principal activity of the Company is to borrow and raise funds from the market and otherwise, for the benefit of its parent company, Hellenic Telecommunications Organisation S.A. (“OTE S.A.” or “OTE”), and other OTE Group subsidiaries. The Company’s profits stem from the difference between interest received from OTE S.A. and OTE Group subsidiaries and interest paid to the bondholders and other lenders. Profits and/or retained earnings are used to cover administrative and other expenses.

The Company has established a programme for the issuance of Global Medium Term Notes (“GMTN”) up to a maximum amount of €6.5 billion guaranteed by OTE S.A. The programme is listed on the Luxembourg Stock Exchange and was last updated in April 2020. The principal balance of bonds outstanding under the GMTN Programme as at 31 December 2020 amounted to €1.2 billion (31 December 2019: €1.6 billion).

The most recent GMTN Programme documentation is available on the parent company’s website at <https://www.cosmote.gr/cs/otegroup/en/omologa.html>

On June 19, 2020, the Company issued €150 million Notes due December 2020 and €200 million Notes due June 2021 under the GMTN Programme, fully subscribed by Deutsche Telekom AG. On the same date, using the above funds, the Company subscribed to €150 million and €200 million bond loans issued by OTE S.A. matching the GMTN bond tenors.

In the first half of 2020, the Company repurchased and cancelled total nominal amount of €56.1 million under the €700 million Notes due in July 2020. Total €16 million were repurchased and cancelled in 2019. On July 9, 2020, the Company fully repaid at maturity the remaining outstanding amount of €627.9 million under the €700 million Notes.

On December 10, 2020, the Company fully repaid at maturity the €150 million GMTN Notes to Deutsche Telekom AG.

All the above transactions were backed by transactions with OTE Group entities under substantially the same terms.

The Company has been assessing potential implications of Brexit, in consultation with its legal and tax advisors. From the analysis performed up to date, with respect to any implications to the Company’s GMTN Programme and its compliance with the rules and regulations of the Luxembourg Stock Exchange and EU directives, as well as any impact to the tax status of UK debt issuers, Brexit is not expected to have a significant effect on the operations of the Company. In addition, although OTE plc is a UK company, the substantive business operations of OTE Group, and the material revenue generating business, are not conducted in the UK but in Greece, therefore Brexit will not have an impact on the day to day operations of OTE Group.

The impact of the coronavirus to the Company is outlined in the paragraph “Impact from the coronavirus (COVID-19) outbreak to the Company” and the impact to the business operations of OTE in Greece, as OTE is acting as Guarantor to the Company’s liabilities, is outlined in the paragraph “Impact from the coronavirus (COVID-19) outbreak to the Greek operations of OTE Group”.

The audited financial statements for the year ended 31 December 2020 are set out on pages 12 to 29. The after tax profit for the financial year was €19,582 (31 December 2019: loss €15,071).

### **Section 172 statement**

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of all stakeholders in their decision making. The Directors have regard to the interests of the Company’s employee and other stakeholders, including the impact of its activities on the community, the environment and the Company’s reputation, when making decisions. Acting in good faith, the Directors’ decisions consider what is most likely to promote the success of the Company for the benefit of its members as a whole.

The following statements summarise how Directors have fulfilled their duties concerning the matters described in Section 172 of the Companies Act 2006:

The key stakeholders of the Company are the employee, OTE Group Companies which act both as borrowers and lenders to the Company, the Luxembourg Stock Exchange and EU regulators.

With respect to subsections (a), (b), (c), (e) and (f):

The Directors in their decisions ensured that the use of the Company's assets will continue covering administrative and other expenses of the Company in the long-term. Furthermore the Directors acted within the framework set by Company's Compliance Policies, Code of conduct and Code of Ethics, which create a culture of high ethical and professional standards in the relationship with all stakeholders and in the conduct of business. Regarding the employee of the Company, during the COVID-19 pandemic the Directors took all necessary measures, in accordance with UK health care guidance, including a vast use of remote working, in order to safeguard the employee's health and safety.

With regards to subsection (d) the Company's operations have no impact on the community or environment.

### **Principal risks and uncertainties**

The principal activities of the Company outlined above give rise to exposure to financial risks in the ordinary course of business. The main risks associated with the Company's financial assets and liabilities are set out in Note 17 to the financial statements.

- **Macroeconomic conditions in Greece**

The Management of OTE continually assesses the possible impact of any changes in the macroeconomic and financial environment in Greece so as to ensure that all necessary actions and measures are taken in order to minimize any impact on the Group's Greek operations. Based on its current assessment, it has concluded that no additional impairment provisions are required with respect to the Group's financial and non-financial assets as of December 31, 2020.

- **Impact from the coronavirus (COVID-19) outbreak to the Company**

The Company's activity to borrow and raise funds from the market and otherwise, for the benefit of its parent company has not been affected by the global outbreak of coronavirus (COVID-19), as the operation of debt capital markets and the operation of all relevant participants, such as banks, agents etc were undisrupted, mainly via the vast implementation of remote working, including by the Company's employee. The Company continually operates according to the guidelines and decisions of all relevant agencies, adhering to the requirements and action plan endorsed by the UK authorities. The impact from COVID-19 to the operation of OTE S.A., acting as Guarantor to the Company's liabilities, and its mitigating measures, is analyzed below and is not expected to have an impact to the Company.

- **Impact from the coronavirus (COVID-19) outbreak to the Greek operations of OTE Group**

The global outbreak of COVID-19 in 2020 impacted the global supply and demand, including in Greece. Governments initiated vaccination programs and continue to impose containment measures while a number of fiscal policy actions emerged, in European Union and in Greece, intended to mitigate potential negative economic impacts.

## OTE Plc Strategic report

In year 2020, OTE was impacted by the COVID-19 pandemic on some of the revenue lines, particularly in mobile and TV services. In addition, drastic restrictions on travel affected revenue streams both directly, through lower roaming, and indirectly, through its effect on the many businesses dependent on tourism. Against this background, OTE continued to implement stringent cost-mitigation measures across all areas, supporting its profitability and cash flow generation, while continuing to invest in fixed and mobile infrastructure that secures its competitive advantage and future growth. As a result, OTE in 2020 delivered all of its targets that were announced early 2020, before the pandemic, met its shareholder remuneration commitments, and achieved a significant net debt reduction.

The extent to which the health crisis will weigh on OTE's operations in the forthcoming period will largely depend on future developments and policy responses to the pandemic. Nevertheless, the impact is expected to be gradually smoothed as the pace of vaccination accelerates, mobility restrictions are waived, and travel and tourism resume, OTE expects a progressive but measured return to normal operating conditions and revenue growth from the second half of the year onwards.

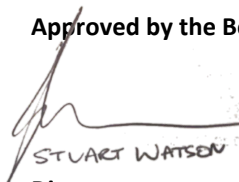
The Management of OTE follows the guidance and decisions of all relevant agencies and adheres to the requirements and actions endorsed by the Greek authorities. In addition, business-continuity and risk-containment strategies are proactively executed in order to mitigate any potential adverse impact of the crisis on the operations and financial conditions. Furthermore, the pandemic accelerated OTE Group's transformation into a digital organization, since changes occurred to the day-to-day operations. Since the beginning of the lockdown, the Company took a series of precautionary measures, including, a large scale remote work scheme (currently covering 70% of personnel).

### Financial Key performance Indications

Key Performance Indicators ("KPIs"), allow the Directors and shareholders to monitor the Company as a whole. The board of Directors of the Company monitors KPIs on a regular basis. The Company's KPIs are as follows:

|                              | 31.12.2020<br>€ | 31.12.2019<br>€ |
|------------------------------|-----------------|-----------------|
| 1. Administrative expenses   | (606,524)       | (573,447)       |
| 2. Finance income            | 31,914,998      | 56,350,934      |
| 3. Finance cost              | (31,268,329)    | (55,810,296)    |
| 4. Cash and cash equivalents | 32,059,382      | 32,102,166      |
| 5. Total financial assets    | 1,177,644,630   | 1,656,495,046   |
| 6. Guaranteed notes          | 1,177,375,548   | 1,656,283,776   |

Approved by the Board of Directors and signed on its behalf by:



STUART WATSON  
Director

10 March 2021

The Directors present their Report and the audited financial statements of the Company, registered number 03896324, for the year ended 31 December 2020.

The Directors are fully aware of their responsibilities to promote the success of the Company in accordance with section 172 of the Companies Act 2006. The Directors, in order to achieve the Company's targets, implement actions such as, closely monitoring the Company's activities, scheduling regular Board Meetings, adopting compliance policies, obtaining tax/legal advice when necessary, and in general making all necessary actions to promote the Company's and its stakeholders interests.

#### **Directors**

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

Charalampos Mazarakis  
Panos Kaliabetsos  
Anastasios Tzoulas  
Stuart Watson  
Christopher Duffy  
Wilmington Trust SP Services (London) Limited

#### **Secretary**

Wilmington Trust SP Services (London) Limited  
1 King's Arms Yard, Third Floor, London, EC2R 7AF

#### **Independent Auditors**

PricewaterhouseCoopers LLP  
1 Embankment Place London WC2N 6RH

#### **Registered office**

Wilmington Trust SP Services (London) Limited  
1 King's Arms Yard, Third Floor, London, EC2R 7AF

#### **Directors' remuneration**

Details of Directors' remuneration are shown in Note 7.

#### **Going Concern**

The Management has identified that the main areas for assessing the ability of the Company as a Going Concern, are related to securing the receipts from the financial assets owned and securing that the debt of the Company will be repaid.

These areas are addressed by the fact that all debt liabilities of the Company issued under the GMTN Programme are guaranteed by the parent company OTE S.A. via various deeds of guarantee and are backed by loans granted exclusively to OTE Group companies with good credit standing (refer to Note 17). Furthermore, the Directors closely monitor the Company's cash balances which is invested in highly rated banks and with a small tenor.

The Directors, including Mr Mazarakis who is also a member of the OTE S.A. Board of Directors and OTE Group Chief Financial Officer, have considered the ability of the OTE Group companies to meet their obligations towards the Company as well as the ability of OTE S.A. as guarantor to the Company and are of the opinion that the Company will meet its obligations.

In assessing the appropriateness of the going concern basis, all relevant information covering a period of at least twelve months from the date of the approval of the financial statements have been taken into account, including the Company's business plan forecasts for 2021 and 2022 which are aligned with those of the parent entity OTE S.A. and OTE Group entities and the assessment of the Management of OTE for the macroeconomic conditions in Greece and the coronavirus outbreak.

Based on the above, no material uncertainties that cast significant doubt about the ability of the Company to continue as a going concern have been identified by the Directors.

Accordingly, the Directors continue to adopt the going concern basis in preparing the annual report and financial statements.

#### **Developments**

The Directors expect that the Company will continue to borrow and raise funds from the market and otherwise for financing OTE Group in the forthcoming periods.

#### **Dividends**

The Directors do not recommend the payment of a dividend out of the Company's retained earnings (2019: € nil).

#### **Qualifying third-party indemnity provisions**

The Directors of the Company benefited from third party qualifying indemnity insurance provisions during 2020. Such qualifying third party indemnity provisions remain in force as at the date of approving the directors' report.

#### **Post balance sheet events**

Post balance sheet events are disclosed in Note 16 to these financial statements.

#### **Financial instruments**

Note 17 to the financial statements provide details on the Company's financial risk management policies and related exposures.

#### **Political and charitable contributions**

The Company made neither political nor charitable contributions during the year (2019: € nil).

#### **Disclosure of information to auditors**

Each Director at the date of approval of this report confirms that:

- As far as the Director is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the Company's auditors are unaware; and
- The Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### **Independent Auditors**

A resolution for the appointment of PricewaterhouseCoopers LLP as auditors for the year ended 31 December 2020 was taken at the shareholders Annual General Meeting on 15 June 2020. A further resolution concerning the appointment of auditors will be proposed at the next Annual General Meeting.



### **Internal control and risk management over financial reporting**

The Company has in place internal control and risk management systems in relation to the Company's financial reporting process and the process for preparation of the financial statements. These systems include policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets; provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with the International Financial Reporting Standards; require representatives of the businesses to certify that their reported information gives a true and fair view of the state of affairs of the business and its results for the year; and review and reconcile reported data. The Directors are responsible for monitoring these internal control and risk management systems.

### **Directors' Responsibilities Statement**

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

- Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Company's financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. Additionally, the directors are required to prepare the financial statements in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether international accounting standards in conformity with the requirements of the Companies Act 2006 and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union have been followed, subject to any material departures disclosed and explained in the financial statements.;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's financial statements publications in the parent's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **Directors' confirmations**

In the case of each Director in office at the date the Directors' report is approved:

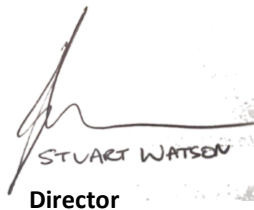
- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

**OTE Plc**  
**Directors' report**

---

- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Approved by the Board of Directors and signed on its behalf by:**



STUART WATSON

**Director**

**10 March 2021**

# Independent auditors' report to the members of OTE plc

## Report on the audit of the financial statements

### Opinion

In our opinion, OTE plc's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the statement of financial position as at 31 December 2020; the income statement and other comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee of OTE S.A and the Board of Directors of OTE plc.

### Separate opinion in relation to international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union

As explained in note 2.1 to the financial statements, the company, in addition to applying international accounting standards in conformity with the requirements of the Companies Act 2006, has also applied international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

In our opinion, the financial statements have been properly prepared in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided to the group headed by OTE S.A, of which the company is a member.

We have provided no non-audit services to the group in the period under audit.

### Our audit approach

#### Overview

##### Audit scope

- The audit was over a wholly owned standalone entity
- Support was received from PwC Greece to conduct work and report to PwC UK on the findings
- PwC UK remained responsible for the overall direction and supervision of the work as well as auditing the financial statement disclosures and tax.

**Independent auditors' report**

Key audit matters

- Basis for tax expense
- COVID-19

Materiality

- Overall materiality: 313,000 EUR (2019: 558,000 EUR) based on 1% of interest expense.
- Performance materiality: 234,000 EUR.

**The scope of our audit**

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

**Capability of the audit in detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined in the Auditors' responsibilities for the audit of the financial statements section, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of tax regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management override of controls in order to manipulate the financial statements. The engagement team in the UK, shared this risk assessment with the team in Greece so that they could include appropriate audit procedures in response to such risks in their work.. Audit procedures performed by the engagement team included:

- Reviewed the existing agreement and most recent tax computations.
- Liaised with our own internal tax experts to obtain their view on the current treatment and any changes in tax legislation to assess whether an exposure exists.
- enquiries of management in so far as they related to the financial statements.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

**Key audit matters**

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

COVID 19 is a new key audit matter this year. Recognition of prior year VAT expense, which was a key audit matter last year, is no longer included because of its insignificance to the current financial year. Otherwise, the key audit matters below are consistent with last year.

| Key audit matter  | How our audit addressed the key audit matter  |
|---|---|
| <p><b>Basis for tax expense</b></p> <p>OTE plc has had a tax arrangement with HMRC since 2006, whereby its tax liability is calculated based on a cost-plus method. These types of arrangements have come under increasing scrutiny in recent years and so we placed an additional focus on this area as part of our audit.</p> | <p>We obtained correspondence between OTE plc's tax advisors and HMRC and reviewed this with the support of our own internal tax expert. Based on this correspondence we have not found any evidence to suggest that the cost-plus method is no longer appropriate. We found the assumptions on which this position is based were in line with our expectations from the nature of OTE plc's business. We also reperformed the tax computation and reviewed the</p> |

**Independent auditors' report**

|  |  |
|--|--|
|  | disclosures included in note 9 to the financial statements. We found no material issues in this area and the disclosures acceptable.   |
| <p><b>COVID-19</b></p> <p>There may be increased opportunities to override controls and/or a weakening of the control environment due to the changes in working arrangements and potential reduced oversight of work done remotely. In addition, OTE plc has listed debt on the Luxembourg Stock Exchange. Due to the Covid-19 pandemic, there is an increased credit risk caused by the volatility in the financial market.</p> | <p>We have assessed the impact of remote working on the control environment and identified no increased risk as a result of Covid-19. Although the employee of the company has worked remotely, the level of oversight maintained is consistent with the prior years. We have not identified any control matters. In addition to this, we reviewed the disclosures relating to the impact in the year and the potential impact of COVID-19 and found them to be consistent with the analysis performed. We tested the accuracy and reasonableness of the assumptions used in the assessment of going concern and the impact of COVID-19 as part of its business planning process and consider these to be reasonable. We increased the frequency and extent of our oversight of our component audit team, using video conferencing and remote working paper reviews, to satisfy ourselves as to the appropriateness of audit work performed at our significant component in Greece</p> |

**How we tailored the audit scope**

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

**Materiality**

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

|  |  |
|--|--|
| <b>Overall company materiality</b>     | 313,000 EUR (2019: 558,000 EUR).   |
| <b>How we determined it</b>            | 1% of interest expense   |
| <b>Rationale for benchmark applied</b> | We believe that as the key business of the company is raising debt to lend onto other group entities. Accordingly, the costs of raising finance is of most interest to those using these financial statements. |

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to 234,000 EUR for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee of OTE S.A and the Board of Directors of OTE plc that we would report to them misstatements identified during our audit above 15,000 EUR (2019: 27,000 EUR) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

## Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- the assessment of managements cash flows forecast going out for a period of at least 12 months from the date of this opinion to ensure that sufficient liquidity
- consideration of any significant one-off cashflows including the repayment of debt within this period
- assessment of the recoverability of debtors, including any associated expected credit loss, in arriving at the forecast cash flows for the period
- inspection of the prospectus in place for the guarantee of the notes and considered the level of debt issued relative to the financial position of OTE S.A should this be required

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

## Responsibilities for the financial statements and the audit

### Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are

## **Independent auditors' report**

---

also responsible for such internal control as they determine 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 directors are 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' 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 auditors' 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 (UK) 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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### **Use of this report**

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## **Other required reporting**

### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

### **Appointment**

Following the recommendation of the Audit Committee of OTE S.A, we were appointed by the directors on 20 June 2011 to audit the financial statements for the year ended 31 December 2011 and subsequent financial periods. The period of total uninterrupted engagement is 10 years, covering the years ended 31 December 2011 to 31 December 2020.



Christopher Richmond (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
10 March 2021

**OTE Plc**  
**Income statement and statement of comprehensive income**  
**For the year ended 31 December 2020**

|   | <u>Note(s)</u> | <u>Year ended<br/>31/12/2020<br/>€</u> | <u>Year ended<br/>31/12/2019<br/>€</u> |
|---|----------------|--|--|
| Finance income  | 4              | 31,914,998                             | 56,350,934                             |
| Finance cost  | 5              | (31,268,329)                           | (55,810,296)                           |
| Administrative expenses   | 6&7            | (606,523)                              | (573,447)                              |
| Other gains and (losses)  | 8              | (9,112)                                | 41,737                                 |
| <b>Profit before tax</b>  |                | <u>31,034</u>                          | <u>8,928</u>                           |
| Income tax expense  | 9              | (11,452)                               | (23,999)                               |
| <b>PROFIT/(LOSS) FOR THE YEAR</b>   |                | <u><u>19,582</u></u>                   | <u><u>(15,071)</u></u>                 |
| <b>TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR</b>                  |                | <u><u>19,582</u></u>                   | <u><u>(15,071)</u></u>                 |
| <b>Total comprehensive income/(expense) for the year attributable to:</b> |                |  |  |
| Owners of the Company   |                | <u>19,582</u>                          | <u>(15,071)</u>                        |

The accompanying notes on pages 19 to 32 are an integral part of the financial statements

The above results were from continuing operations throughout both years.

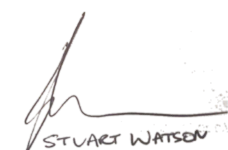


**OTE Plc**  
**Statement of financial position**  
**As at 31 December 2020**

|                                      | <u>Note</u> | <u>31/12/2020</u><br>€ | <u>31/12/2019</u><br>€ |
|--------------------------------------|-------------|------------------------|------------------------|
| <b>ASSETS</b>                        |             |                        |                        |
| <b>Non-current assets</b>            |             |                        |                        |
| Right-of-use assets                  |             | 49,105                 | 29,955                 |
| Financial assets at amortised cost   | 10          | 898,823,646            | 892,518,401            |
| Other assets                         |             | 6,191                  | 6,191                  |
| <b>Total non-current assets</b>      |             | <b>898,878,942</b>     | <b>892,554,547</b>     |
| <b>Current assets</b>                |             |                        |                        |
| Financial assets at amortised cost   | 10          | 278,820,984            | 763,976,645            |
| Current tax assets                   | 11          | 5,960                  | 12,023                 |
| Other current assets                 | 11          | 126,043                | 132,148                |
| Cash and cash equivalents            |             | 32,059,382             | 32,102,166             |
| <b>Total current assets</b>          |             | <b>311,012,369</b>     | <b>796,222,982</b>     |
| <b>Total Assets</b>                  |             | <b>1,209,891,311</b>   | <b>1,688,777,529</b>   |
| <b>EQUITY AND LIABILITIES</b>        |             |                        |                        |
| <b>Non-current liabilities</b>       |             |                        |                        |
| Borrowings                           | 12          | 898,844,583            | 892,519,615            |
| <b>Total non-current liabilities</b> |             | <b>898,844,583</b>     | <b>892,519,615</b>     |
| <b>Current liabilities</b>           |             |                        |                        |
| Trade and other payables             |             | 64,515                 | 75,733                 |
| Short-term borrowings                | 12          | 278,577,784            | 763,789,975            |
| Current tax liabilities              | 13          | 13,611                 | 26,249                 |
| Current other liabilities            |             | 45,425                 | 40,146                 |
| <b>Total current liabilities</b>     |             | <b>278,701,335</b>     | <b>763,932,103</b>     |
| <b>Total liabilities</b>             |             | <b>1,177,545,918</b>   | <b>1,656,451,718</b>   |
| <b>Capital and reserves</b>          |             |                        |                        |
| Issued capital and share premium     | 14          | 80,076                 | 80,076                 |
| Retained earnings                    |             | 32,265,317             | 32,245,735             |
| <b>Total equity</b>                  |             | <b>32,345,393</b>      | <b>32,325,811</b>      |
| <b>Total equity and liabilities</b>  |             | <b>1,209,891,311</b>   | <b>1,688,777,529</b>   |

The accompanying notes on pages 19 to 32 are an integral part of the financial statements.

The financial statements on pages 15 to 32 were approved by the Board of Directors on 10 March 2021 and signed on behalf of the Board by:

  
 STUART WATSON  
 Director

OTE Plc  
Statement of changes in equity  
For the year ended 31 December 2020

|  | Share Capital<br>€ | Other reserves<br>€ | Retained Earnings<br>€ | Total Equity<br>€ |
|--|--------------------|---------------------|------------------------|-------------------|
| <b>Balance at 1 January 2019</b>                   | 80,076             | -                   | 32,260,806             | 32,340,882        |
| Loss for the financial year                        | -                  | -                   | (15,071)               | (15,071)          |
| Total comprehensive expense for the financial year | -                  | -                   | (15,071)               | (15,071)          |
| <b>Balance at 31 December 2019</b>                 | <u>80,076</u>      | <u>-</u>            | <u>32,245,735</u>      | <u>32,325,811</u> |
| <b>Balance at 1 January 2020</b>                   | 80,076             | -                   | 32,245,735             | 32,325,811        |
| Profit for the financial year                      | -                  | -                   | 19,582                 | 19,582            |
| Total comprehensive income for the financial year  | -                  | -                   | 19,582                 | 19,582            |
| <b>Balance at 31 December 2020</b>                 | <u>80,076</u>      | <u>-</u>            | <u>32,265,317</u>      | <u>32,345,393</u> |

The accompanying notes on pages 19 to 32 are an integral part of the financial statements.

**OTE Plc**  
**Statement of cash flows**  
**For the year ended 31 December 2020**

|   | Year ended<br>31/12/2020 | Year ended<br>31/12/2019 |
|---|--------------------------|--------------------------|
|   | €                        | €                        |
| <b>Cash flows from operating activities</b>                       |                          |                          |
| <b>Profit/(Loss) before taxation</b>                              | <b>31,034</b>            | <b>8,928</b>             |
| Adjustments for:  |                          |                          |
| Depreciation & Amortization                                       | 36,970                   | 39,940                   |
| Net finance income  | (642,787)                | (536,802)                |
| Foreign Exchange differences net                                  | 9,112                    | (38,775)                 |
| Loss from lease term modification                                 | -                        | 1,668                    |
| <b>Changes in working capital</b>                                 |                          |                          |
| Decrease/(Increase) in trade and other receivables                | 6,105                    | (74,021)                 |
| (Decrease)/Increase in trade and other payables                   | (11,218)                 | 51,102                   |
| Increase/(Decrease) in other liabilities                          | 5,001                    | (660,501)                |
| <b>Changes in working capital</b>                                 | <b>(112)</b>             | <b>(683,420)</b>         |
| Interest received   | 40,315,414               | 58,819,302               |
| Interest paid   | (39,730,440)             | (58,249,941)             |
| Tax paid  | (17,748)                 | (17,689)                 |
| <b>Net cash flows generated from/used in operating activities</b> | <b>1,444</b>             | <b>(656,789)</b>         |
| <b>Cash flows from investing activities</b>                       |                          |                          |
| Payments to acquire Financial Assets                              | (426,380,000)            | (700,000,000)            |
| Proceeds from repayment of Financial Assets                       | 896,830,000              | 720,000,000              |
| <b>Net cash flows generated from investing activities</b>         | <b>470,450,000</b>       | <b>20,000,000</b>        |
| <b>Cash flows from financing activities</b>                       |                          |                          |
| Proceeds from Guaranteed Notes                                    | 426,380,000              | 700,000,000              |
| Repayments of Guaranteed Notes                                    | (896,830,000)            | (720,000,000)            |
| Repayment of Lease Liabilities                                    | (35,116)                 | (45,749)                 |
| <b>Net cash flows used in financing activities</b>                | <b>(470,485,116)</b>     | <b>(20,045,749)</b>      |
| <b>Net decrease in cash and cash equivalents</b>                  | <b>(33,672)</b>          | <b>(702,538)</b>         |
| Cash and cash equivalents at the beginning of the year            | 32,102,166               | 32,765,929               |
| Exchange (losses)/gains on cash and cash equivalents              | (9,112)                  | 38,775                   |
| <b>Cash and cash equivalents at the end of the year</b>           | <b>32,059,382</b>        | <b>32,102,166</b>        |

The accompanying notes on pages 19 to 32 are an integral part of the financial statements.

## **1. General information**

OTE Plc is a limited company, which was incorporated on 17 December 1999 and is domiciled in England. The address of its registered office is 1 King's Arms Yard, London, EC2R 7AF, United Kingdom.

The Company's main activity is to borrow and raise funds from the market and otherwise, for the benefit of its parent company OTE, and other OTE Group subsidiaries.

These financial statements are the standalone financial statements for the Company and have been approved for publication by the Board of Directors on 10 March 2021.

The principal accounting policies adopted by the Company are set out in Note 2.

## **2. Summary of significant accounting policies**

### **2.1. Basis of preparation**

The financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

The preparation of financial statements in accordance with EU IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

### **2.2. Foreign currency translation**

#### *(a) Functional and presentation currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Euro' (€), which is also the Company's functional currency. At statement of financial position dates, foreign-currency items have been translated into the functional currency with the below rates,

|                        | Rate at balance sheet date |                 |
|------------------------|----------------------------|-----------------|
|                        | 31.12.2020<br>€            | 31.12.2019<br>€ |
| 1 Pound sterling (GBP) | 1.1123                     | 1.1821          |
| 1 U.S. dollar (USD)    | 0.8149                     | 0.8903          |
|                        |                            |                 |

#### *(b) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates (see table above) of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account and are presented within 'Other gains and losses'. Non-monetary assets and liabilities denominated in a foreign currency are translated using exchange rates at the date of the transaction. No subsequent translations are made once this has occurred.

### **2.3. Financial assets**

The financial assets are classified, at initial recognition, and are subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVPL). The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the business model within which the financial asset is held.

The Company's financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Financial assets falling due within one year after the end of the reporting period are included in current assets, while those falling due after more than one year are presented within non-current assets. The Company's financial assets comprise contractual loans, receivables and cash on the balance sheet.

Financial assets are initially recognised at fair value less transaction costs. Subsequently, financial assets are carried at amortised cost using the effective interest method (EIR) and are subject to impairment.

Regarding financial assets' impairment and based on the standard for financial instruments (IFRS 9), the Company needs to measure the expected credit losses through a loss allowance at an amount equal to, a) the 12-month expected credit losses or b) full lifetime expected credit losses. A loss allowance for full lifetime expected credit losses is required for a financial instrument if the credit risk of that financial instrument has increased significantly since initial recognition.

Financial assets are derecognised when the rights to receive cash flows from investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

### **2.4. Financial liabilities**

The Company's financial liabilities relate to guaranteed notes issued by the Company and other liabilities arising from services acquired by the Company in the ordinary course of business from suppliers. The Company's financial liabilities are presented within the "Current" and "Non-current" liabilities and are measured at amortised cost.

Guaranteed notes issued by the Company and other liabilities are classified as financial liabilities under "Borrowings"- for those falling due after more than one year of the reporting period, and under "Short-term borrowings" for those falling due within one year after the reporting period- where the substance of the contractual arrangement results in the Company having an obligation to deliver cash to the holder. They are initially recognised at fair value, net of transaction costs incurred, and subsequently they are measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption value of the guaranteed notes is recognised in the profit and loss account over the period of the notes using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on the issue and costs that are an integral part of the effective interest rate.

For liquidity/liability management purposes the Company may buy-back its outstanding Notes at fair value. The impact from the buyback is transferred to the profit and loss account. Such transactions are funded by equal transactions in the company's financial assets.

### **2.5. Cash and cash equivalents**

Cash and cash equivalents may include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of two months or less.

### **2.6. Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity, as a deduction from the proceeds.

## 2.7. Taxation

The tax charge is based on a “cost plus method” agreed with HM Revenue and Customs (HMRC). Namely, tax charged is based on the interest income earned from bank deposits and a 10% mark up on administrative costs.

## 2.8. Interest income and expenses

Interest income and expense is recognised using the effective interest rate method. When a loan or receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate. The Company’s income relates mainly to interest income from group companies, which are mainly located within the European Union. Therefore, a geographical segmentation of income has not been prepared.

## 2.9. Netting-off policy

Balances with other companies of the OTE Group are stated gross, unless all of the following conditions are met:

- (i) Currently there is legally enforceable right to set off the recognised amounts; and
- (ii) There is intent either to settle on a net basis, or to realise the asset and settle the liability simultaneously and this takes place on a regular basis.

## 2.10. Related party disclosures

The Company’s related parties have been identified based on the requirements of IAS 24 “Related Party Disclosures”.

OTE S.A. is the 100% shareholder of the Company, whereas Deutsche Telekom A.G was as of 31 December 2020 a 46.91% shareholder of OTE S.A. Consequently, all the companies of OTE Group and Deutsche Telekom Group are considered related parties.

As the Company’s main activity is to borrow and raise funds from the market and otherwise, for the benefit of its parent company and other OTE Group subsidiaries, many financing transactions occur during the year, e.g the Company grants and receives loans, resulting in finance income and expense. The bonds issued under the GMTN Programme are guaranteed by OTE S.A.

Amounts owed to and by the Company relating to loans granted and received, are analyzed as follows:

|                            | 31/12/2020              |                         | 31/12/2019              |                         |
|----------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                            | Amounts owed to OTE PLC | Amounts owed by OTE PLC | Amounts owed to OTE PLC | Amounts owed by OTE PLC |
| OTE S.A.                   | 1,172,057,959           | -                       | 1,654,187,646           | -                       |
| Cosmote S.A.               | -                       | -                       | -                       | -                       |
| E-value International S.A. | 2,254,691               | -                       | 2,307,400               | -                       |
| Cosmote Payments S.A.      | 2,525,269               | -                       | -                       | -                       |
| OTE Academy S.A.           | 806,711                 | -                       | -                       | -                       |
| OTE Globe                  | -                       | 25,106,669              | -                       | 10,126,163              |
| Germanos S.A.              | -                       | 44,329,896              | -                       | 38,216,942              |
| OTESAT Maritel S.A.        | -                       | 753,200                 | -                       | -                       |
| E-Value collection LTD     | -                       | 1,506,400               | -                       | -                       |
| OTE Estate S.A.            | -                       | 5,021,334               | -                       | 15,165,306              |
| Deutsche Telekom AG        | -                       | 201,049,271             | -                       | -                       |
| <b>Total</b>               | <b>1,177,644,630</b>    | <b>277,766,770</b>      | <b>1,656,495,046</b>    | <b>63,508,411</b>       |

The Company’s financial activities with its related parties comprise interest on loans granted and received and are analyzed as follows:

**OTE Plc**  
**Notes to the financial statements**

|                            | 2020                      |                               | 2019                         |                            |
|----------------------------|---------------------------|-------------------------------|------------------------------|----------------------------|
|                            | Finance income<br>OTE PLC | Finance<br>expense OTE<br>PLC | Finance<br>income OTE<br>PLC | Finance expense<br>OTE PLC |
| OTE S.A.                   | 31,872,902                | -                             | 46,512,735                   | -                          |
| Cosmote S.A.               | -                         | -                             | 9,774,174                    | -                          |
| E-value International S.A. | 10,107                    | -                             | 62,658                       | -                          |
| Cosmote Payments SA        | 25,269                    | -                             | -                            | -                          |
| OTE Academy SA             | 6,711                     | -                             | -                            | -                          |
| OTE Globe                  | -                         | 221,005                       | -                            | 450,354                    |
| Germanos S.A.              | -                         | 485,630                       | -                            | 1,217,540                  |
| OTESAT Maritel S.A.        | -                         | 3,200                         | -                            | 3,756                      |
| E-Value collection LTD     | -                         | 6,400                         | -                            | 9,626                      |
| OTE Estate S.A.            | -                         | 165,595                       | -                            | 358,109                    |
| Deutsche Telekom AG        | -                         | 1,733,861                     | -                            | 92,066                     |
| <b>Total</b>               | <b>31,914,989</b>         | <b>2,615,691</b>              | <b>56,349,567</b>            | <b>2,131,451</b>           |

Deutsche Telekom AG participated in the €500 million GMTN Notes due September 2026, covering €100 million out of the total amount. As of 31 December 2020 this participation remains the same.

### 3. Critical accounting estimates and judgments

There is one critical accounting judgment applicable to the Company:

Recoverability of debts. The Directors expect the OTE Group companies will meet their obligations towards the Company for the following reasons:

- 99.5% of the Company's intragroup loans are granted to OTE S.A., the parent company of OTE Group. All loans have specific maturity dates reflecting the time horizon for repayment;
- Based on OTE Group's business plan for the period 2021-2024, the management of the Group has assessed all the necessary refinancing plans required in order to secure the Group's operation;
- In September 2019, the Company issued new €500 million 7-yr Notes with an annual coupon of 0.875% under the GMTN Programme, the lowest achieved by OTE Group to date, reflecting the positive view of the investors to OTE Group and confirming the credit standing of the Group. Deutsche Telekom AG participated as anchor investor covering 20% of the issuance. Furthermore, in June 2020, the Company issued two GMTN short-term bonds of total €350 million subscribed by Deutsche Telekom AG. Both transactions reflect the support by OTE Group's major shareholder;
- In October 2019, Standard & Poor's ("S&P") raised the credit rating of OTE to BBB- (investment grade) from BB+, assigning a stable outlook, thus reinstating the investment rating grade for the first time since 2011. As of the date of approval of these Financial Statements, the rating and outlook remains the same.
- Based on historical data, no debt payment to the Company has ever been overdue as the Group closely monitors its financing payment plan and acts proactively to ensure that loan repayments occur on time; and
- OTE Group's cash balances are deposited in highly rated bank institutions and with short-term tenor therefore they are considered to be secure to be used for debt repayment.

#### 3.1. New standards, amendments to standards and interpretations

No new standards or amendments to standards and interpretations have been issued during the current financial year.

#### 4. Finance income

|                                      | Year ended<br>31.12.2020<br>€ | Year ended<br>31.12.2019<br>€ |
|--------------------------------------|-------------------------------|-------------------------------|
| Interest income from group companies | 31,914,989                    | 56,349,567                    |
| Bank interest income                 | 9                             | 1,367                         |
| <b>Total Finance Income</b>          | <b>31,914,998</b>             | <b>56,350,934</b>             |

Finance income is derived from financial instruments held at amortized cost.

#### 5. Finance cost

|                                    | Year ended<br>31.12.2020<br>€ | Year ended<br>31.12.2019<br>€ |
|------------------------------------|-------------------------------|-------------------------------|
| Guaranteed Notes - third parties   | (30,381,867)                  | (53,769,051)                  |
| Guaranteed Notes – group companies | (881,831)                     | (2,039,385)                   |
| Bank interest expense              | (4,226)                       | -                             |
| Interest on finance leases         | (405)                         | (1,860)                       |
| <b>Total Finance Cost</b>          | <b>(31,268,329)</b>           | <b>(55,810,296)</b>           |

Finance cost is derived from financial instruments held at amortized cost.

#### 6. Administrative expenses: General

Operating loss and loss on ordinary activities before taxation is stated after charging:

|   | Year ended<br>31.12.2020<br>€ | Year ended<br>31.12.2019<br>€ |
|---|-------------------------------|-------------------------------|
| Wages and salaries                            | (44,577)                      | (46,948)                      |
| Social security costs                         | (20,144)                      | (19,127)                      |
| Pension costs                                 | (1,928)                       | (1,506)                       |
| <b>Staff costs</b>                            | <b>(66,649)</b>               | <b>(67,581)</b>               |
| Audit fee                                     | (43,200)                      | (30,000)                      |
| <b>Fees payable to the company's auditors</b> | <b>(43,200)</b>               | <b>(30,000)</b>               |
| Fee for Tax services                          | (37,880)                      | (88,047)                      |
| Rating agency fees                            | (93,337)                      | (89,394)                      |
| Other fees                                    | (288,881)                     | (222,643)                     |
| <b>Other professional fees</b>                | <b>(420,098)</b>              | <b>(400,084)</b>              |
| <b>General Administrative expenses</b>        | <b>(529,947)</b>              | <b>(497,665)</b>              |

#### 7. Administrative expenses: Employees and Directors

##### Employees

The Company employed one person during the year (2019: one).



## Directors

The Company has six Directors (2019: six).

The aggregate emoluments as of 31 December 2020 include the corporate service fee for Company's Secretary and three Directors' quarterly fees.

As a result, the Directors' emoluments were as follows:

|                             | Year ended      | Year ended      |
|-----------------------------|-----------------|-----------------|
|                             | 31.12.2020      | 31.12.2019      |
|                             | €               | €               |
| <b>Aggregate emoluments</b> | <b>(76,576)</b> | <b>(75,782)</b> |

## 8. Other gains and losses

|                                | Year ended     | Year ended    |
|--------------------------------|----------------|---------------|
|                                | 31.12.2020     | 31.12.2019    |
|                                | €              | €             |
| Net effect from FX differences | (9,112)        | 38,775        |
| Old balances settlement        | -              | 2,962         |
| <b>Total</b>                   | <b>(9,112)</b> | <b>41,737</b> |

## 9. Income tax expense

### (a) Analysis of charge in year:

|                          | Year ended      | Year ended      |
|--------------------------|-----------------|-----------------|
|                          | 31.12.2020      | 31.12.2019      |
|                          | €               | €               |
| Current Tax:             |                 |                 |
| Tax on loss for the year | (11,452)        | (23,999)        |
| <b>Total tax charge</b>  | <b>(11,452)</b> | <b>(23,999)</b> |

### (b) Tax calculation framework:

In September 2006 a final agreement on a "cost plus method" was reached between the Company and the HMRC following HMRC's enquiry into the Company's Corporation Tax Return, initially, for years 2002 and 2003. The tax enquiry covered the years from 2000 to 2004 inclusive. According to the "cost plus method", tax was computed on interest income earned from bank deposits and a 10% mark up on administrative costs. This basis was applied from 2005 and onwards resulting in current year tax of €11,452 (2019: €23,999).

By 31 December 2020 an amount of €5,961 (2019: €12,023) has been prepaid, reducing the income tax liability to €5,571 (2019: €11,867).

## 10. Financial Assets at amortised cost

Financial Assets fall due within one year:

**OTE Plc**  
**Notes to the financial statements**

|  | 31.12.2020         | 31.12.2019         |
|--|--------------------|--------------------|
|  | €                  | €                  |
| Amounts owed by group companies                      | 271,630,000        | 746,041,731        |
| Accrued Interest Income                              | 7,190,984          | 17,934,914         |
| <b>Financial Assets: amounts due within one year</b> | <b>278,820,984</b> | <b>763,976,645</b> |

Financial Assets fall due after more than one year:

|   | 31.12.2020         | 31.12.2019         |
|---|--------------------|--------------------|
|   | €                  | €                  |
| Amounts owed by group companies due after more than one year  | 898,823,646        | 892,518,401        |
| <b>Financial Assets: amounts due after more than one year</b> | <b>898,823,646</b> | <b>892,518,401</b> |

(a) Amounts owed by group companies that fall due within one year are analysed as follows:

|  | 31.12.2020         | 31.12.2019         |
|--|--------------------|--------------------|
|  | €                  | €                  |
| (i) Subscription to bond issued by OTE S.A. in July 2014 in the amount of €700 million due in July 2020. Repaid at maturity.             | -                  | 683,211,731        |
| (ii) Subscription to bond issued by OTE S.A. in June 2018 of nominal amount of €20 million, due in May 2020. Repaid at maturity.         | -                  | 20,000,000         |
| (iii) Subscription to bond issued by OTE S.A. in June 2018 of nominal amount of €10 million, due in June 2020. Repaid at maturity.       | -                  | 10,000,000         |
| (iv) Subscription to bond issued by OTE S.A. in December 2018 of nominal amount of €10 million, due in June 2020. Repaid at maturity.    | -                  | 10,000,000         |
| (v) Subscription to bond issued by OTE S.A. in June 2017 of nominal amount of €20.58 million, due in June 2020. Repaid at maturity.      | -                  | 20,580,000         |
| (vi) Term loan granted to E-VALUE INTERNATIONAL S.A. in March 2017 in the amount of €2.25 million due in March 2020. Repaid at maturity. | -                  | 2,250,000          |
| (vii) Subscription to bond issued by OTE S.A. in June 2020 in the amount of €200 million due in June 2021.                               | 200,000,000        | -                  |
| (viii) Subscription to bond issued by OTE S.A. in June 2020 in the amount of €70.83 million due in June 2021.                            | 70,830,000         | -                  |
| (ix) Subscription to bond issued by OTE ACADEMY S.A. in April 2020 in the amount of €0.8 million due in April 2021.                      | 800,000            | -                  |
| (x) Accrued interest receivable  | 7,190,984          | 17,934,914         |
| <b>Total</b>   | <b>278,820,984</b> | <b>763,976,645</b> |

On June 19, 2020, the Company subscribed to a €150 million bond issued by OTE S.A. due on December 10, 2020. The bond was fully repaid at maturity.

**OTE Plc**  
**Notes to the financial statements**

(b) Amounts owed by group companies that fall due after more than one year are analysed as follows:

|   | 31.12.2020<br>€    | 31.12.2019<br>€    |
|---|--------------------|--------------------|
| (i) Subscription to bond issued by OTE S.A. in July 2018 in the amount of €400 million, due in July 2022.   | 398,787,898        | 398,026,690        |
| (ii) Subscription to bond issued by OTE S.A. in September 2019 in the amount of €500 million, due in September 2026.                                | 495,285,748        | 494,491,711        |
| (iii) Subscription to bond issued by COSMOTE PAYMENTS ELECTRONIC MONEY SERVICES S.A. in April 2020 in the amount of €2.5 million due in April 2025. | 2,500,000          | -                  |
| (iv) Term loan granted to E-VALUE INTERNATIONAL S.A. in March 2020 in the amount of €2.25 million due in March 2022.                                | 2,250,000          | -                  |
| <b>Total</b>  | <b>898,823,646</b> | <b>892,518,401</b> |

There was no need for the Company to impair any debtors at the end of the reporting and the comparative year.

**11. Other Current Assets and Current Tax Assets**

The following table provides a breakdown of company's other current assets and current tax assets:

|  | 31.12.2020<br>€ | 31.12.2019<br>€ |
|--|-----------------|-----------------|
| Prepayments for various expenses/fees              | 126,043         | 132,148         |
| Prepayments to the tax authorities                 | 5,960           | 12,023          |
| <b>Other Current Assets and current tax assets</b> | <b>132,003</b>  | <b>144,171</b>  |

**12. Financial liabilities**

The following amounts fall due within one year:

|  | 31.12.2020<br>€    | 31.12.2019<br>€    |
|--|--------------------|--------------------|
| Guaranteed Notes-third parties                       | 200,000,000        | 683,225,518        |
| Interest payable on guaranteed notes-third parties   | 6,582,490          | 17,030,232         |
| Guaranteed Notes-group companies                     | 71,630,000         | 62,830,000         |
| Interest payable on guaranteed notes-group companies | 337,498            | 678,411            |
| Lease liabilities                                    | 27,796             | 25,814             |
| <b>Total</b>   | <b>278,577,784</b> | <b>763,789,975</b> |

The following amounts fall due after more than one year:

|                                | 31.12.2020<br>€    | 31.12.2019<br>€    |
|--------------------------------|--------------------|--------------------|
| Guaranteed Notes-third parties | 898,825,560        | 892,519,615        |
| Lease liabilities              | 19,023             | -                  |
| <b>Total</b>                   | <b>898,844,583</b> | <b>892,519,615</b> |

**OTE Plc**  
**Notes to the financial statements**

(a) Guaranteed notes and interest due to **third parties** falling due within one year are analyzed as follows:

|   | 31.12.2020<br>€    | 31.12.2019<br>€    |
|---|--------------------|--------------------|
| (i) Guaranteed Notes issued in July 2014, in the amount of €700 million with a coupon of 3.5% p.a. due in July 2020 (“€700 million Notes”). A total amount of €16 million and €56.1 million was repurchased in 2019 and 2020 respectively. The remaining outstanding amount of €627.9 million was repaid at maturity. | -                  | 683,225,518        |
| (ii) Guaranteed Notes issued in June 2020 of €200 million subscribed by Deutsche Telekom AG due in June 2021.   | 200,000,000        | -                  |
| (iii) Interest payable  | 6,582,490          | 17,030,232         |
| <b>Guaranteed Notes-third parties</b>   | <b>206,582,490</b> | <b>700,255,750</b> |

(b) Guaranteed notes and interest due to **group companies** falling due within one year are analyzed as follows:

|   | 31.12.2020<br>€   | 31.12.2019<br>€   |
|---|-------------------|-------------------|
| (i) Guaranteed Notes issued in March 2017 of €2.25 million due in March 2020. Repaid at maturity. | -                 | 2,250,000         |
| (ii) Guaranteed Notes issued in June 2017 of €20.58 million due in June 2020. Repaid at maturity. | -                 | 20,580,000        |
| (iii) Guaranteed Notes issued in June 2018 of €20 million due in May 2020. Repaid at maturity.    | -                 | 20,000,000        |
| (iv) Guaranteed Notes issued in June 2018 of €10 million due in June 2020. Repaid at maturity.    | -                 | 10,000,000        |
| (v) Guaranteed Notes issued in December 2018 of €10 million due in June 2020. Repaid at maturity. | -                 | 10,000,000        |
| (vi) Guaranteed Notes issued in April 2020 of €0.8 million due in April 2021.                     | 800,000           | -                 |
| (vii) Guaranteed Notes issued in June 2020 of €70.83 million due in June 2021.                    | 70,830,000        | -                 |
| (viii) Interest payable   | 337,498           | 678,411           |
| <b>Guaranteed Notes-group companies</b>   | <b>71,967,498</b> | <b>63,508,411</b> |

(c) Guaranteed notes due to **third parties** falling due after more than one year are analyzed as follows:

|  | 31.12.2020<br>€    | 31.12.2019<br>€    |
|--|--------------------|--------------------|
| (i) Guaranteed Notes issued in July 2018, in the amount of €400 million with a coupon of 2.375% p.a. due in July 2022 (“€400 million Notes”).            | 398,788,962        | 398,027,711        |
| (ii) Guaranteed Notes issued in September 2019, in the amount of €500 million with a coupon of 0.875% p.a. due in September 2026 (“€500 million Notes”). | 495,286,598        | 494,491,904        |
| <b>Guaranteed Notes-third parties</b>  | <b>894,075,560</b> | <b>892,519,615</b> |

(d) Guaranteed notes due to **group companies** falling due after more than one year are analyzed as follows:

|   |   | 31.12.2020       | 31.12.2019 |
|---|---|------------------|------------|
|   |   | €                | €          |
| (i)                                     | Guaranteed Notes issued in March 2020 of €2.25 million due in March 2022. | 2,250,000        | -          |
| (ii)                                    | Guaranteed Notes issued in April 2020 of €2.5 million due in April 2025.  | 2,500,000        | -          |
| <b>Guaranteed Notes-group companies</b> |   | <b>4,750,000</b> | <b>0</b>   |

#### Creditors - Developments:

Guaranteed Notes are issued under the Global Medium Term Note Programme (GMTN Programme) of €6.5 billion and are fully and unconditionally guaranteed by OTE S.A. In an event of default, as defined in the respective Final Terms of the Notes, the Guaranteed Notes are repayable at par along with accrued interest.

Guaranteed Notes falling due after more than one year are stated net of unamortised debt issue costs of €5.9 million (31 December 2019: €7.5 million).

On June 19, 2020, the Company issued €150 million Notes due December 2020 and €200 million Notes due June 2021 under the GMTN Programme, fully subscribed by Deutsche Telekom AG.

On July 9, 2020, the Company fully repaid at maturity the remaining outstanding amount of €627.9 million under the €700 million Notes.

On December 10, 2020, the Company fully repaid at maturity the €150 million GMTN Notes to Deutsche Telekom AG.

#### Change of Control clauses:

The €400 million Notes and the €500 million Notes include a change of control clause applicable to OTE which is triggered if an entity (other than (i) Deutsche Telekom AG, (ii) Deutsche Telekom AG together with the Hellenic Republic, any of its agencies or instrumentalities or any entity directly or indirectly controlled by the Hellenic Republic or any of its agencies or instrumentalities, or (iii) any telecommunications operator (other than Deutsche Telekom AG) with credit rating equivalent or better than the credit rating of Deutsche Telekom AG), gains the power to direct the management and policies of OTE, whether through the ownership of voting capital, by contract or otherwise. In the event that the clause is triggered the Company is obliged to notify the bondholders, who can request (within 45 days) the repayment of their notes.

The same "Change of Control" clause is included also in the relevant back-to-back loans granted to Group subsidiaries. Hence, in case the Company is required to prepay the notes as a result of a 'Change of Control', it has the right to request prepayment of the intragroup loans/bonds, thus minimizing liquidity risk.

#### 13. Current tax liabilities

|                                |                          | 31.12.2020    | 31.12.2019    |
|--------------------------------|--------------------------|---------------|---------------|
|                                |                          | €             | €             |
|                                | Provision for Income Tax | 11,532        | 23,890        |
|                                | VAT liability            | 2,079         | 2,359         |
| <b>Current Tax Liabilities</b> |                          | <b>13,611</b> | <b>26,249</b> |

**14. Issued capital and share premium**

|   | <b>31.12.2020</b> | <b>31.12.2019</b> |
|---|-------------------|-------------------|
| <b>Authorised:</b>                                |                   |                   |
| 50,000 (2019: 50,000) ordinary shares of £ 1 each | £50,000           | £50,000           |
| <b>Allotted and fully paid:</b>                   |                   |                   |
| 50,000 (2019: 50,000) ordinary shares of £ 1 each | € 80,076          | € 80,076          |

**15. Controlling parties**

The immediate parent company is Hellenic Telecommunications Organisation S.A. ("OTE"). OTE is a company incorporated in Greece, with its registered office at 99 Kifissias Avenue, 151 24 Athens. OTE is the smallest group to consolidate these financial statements. Copies of the OTE consolidated financial statements can be obtained from the website [https://www.cosmote.gr/cs/otegroup/en/oikonomikes\\_katastaseis\\_omilou\\_ote\\_kai\\_ae.html](https://www.cosmote.gr/cs/otegroup/en/oikonomikes_katastaseis_omilou_ote_kai_ae.html)

Effective February 6, 2009 OTE financial statements are included in the consolidated financial statements of Deutsche Telekom AG, which has a direct participation in OTE 's paid up share capital. Deutsche Telekom AG is the largest group to consolidate these financial statements and has its registered office in Bonn, Germany. Its address is Deutsche Telekom AG, Friedrich-Ebert-Allee 140, 53113 Bonn. Copies of Deutsche Telekom AG consolidated financial statements can be obtained from the website [www.telekom.com](http://www.telekom.com).

**16. Events after the end of the reporting year**

No significant events after the end of the reporting year.

**17. Financial risk management**

**17.1. Financial risk factors**

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk and foreign exchange risk).

This note presents information about the Company's exposure to each of the above risks and management policies and procedures for measuring and managing these risks.

Macroeconomic conditions in Greece along with the impact of COVID-19 pandemic to the Company and the Greek operations of OTE Group are analyzed in Strategic Report under the Principal Risks and Uncertainties section (pages 4 and 5).

**Credit risk**

Credit risk is the risk that the counterparty will cause a financial loss to the Company by failing to meet its contractual obligations. Concentration of credit risk for the Company is identified in the receivables from group companies with respect to debt facilities.

Receivables from group companies relate to companies operating in Greece. The macroeconomic conditions in Greece and the impact from the COVID-19 pandemic are the main risk factors affecting the Greek companies' outlook. To mitigate this risk, OTE Group has implemented stringent cost-mitigation measures across all areas, supporting its profitability and cash flow generation and has achieved a significant net debt reduction.

The Company deposits its cash in highly rated banks and for a short term tenor.

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

**OTE Plc**  
**Notes to the financial statements**

|   | <b>31.12.2020</b>    | <b>31.12.2019</b>    |
|---|----------------------|----------------------|
|   | €                    | €                    |
| Amounts owed by group companies:                  |                      |                      |
| i) Falling due within one year                    | 278,820,984          | 763,976,645          |
| ii) Falling due after more than one year          | 898,823,646          | 892,518,401          |
| Other assets falling due within one year          | -                    | -                    |
| Other assets falling due after more than one year | 6,191                | 6,191                |
| Cash and cash equivalents                         | 32,059,382           | 32,102,166           |
| <b>Total</b>                                      | <b>1,209,710,203</b> | <b>1,688,603,403</b> |

All the bonds issued under the Global Medium Term Note Programme (GMTN) are guaranteed by OTE S.A. The credit rating for OTE S.A. as of December 31, 2020 was:

|                    | <b>31.12.2020</b> |
|--------------------|-------------------|
|                    | Standard & Poor's |
| Rating             | BBB-              |
| Outlook            | Outlook Stable    |
| Last rating change | Oct-19            |

OTE SA's rating by Moody's was withdrawn in July 2020 after the repayment of the €700 million Notes, which were the only remaining Notes rated by Moody's.

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

Liquidity risk is kept at low levels by ensuring that all the Company's outflows (servicing of debt) are matched with equivalent inflows via back to back agreements with group companies.

The Group's liquidity risk is kept at low levels by ensuring that there is sufficient cash on demand and/or credit facilities to meet the financial obligations falling due in the next 12 months.

For the monitoring of the liquidity risk, the Group prepares cash flow forecasts on a frequent basis.

The Company is dependent mainly on the credit standing of its parent company OTE S.A., which acts as Guarantor to all the Company's financial liabilities.

Below is an analysis by maturity of the Company's financial liabilities (including principal and interest payments) based on contractual undiscounted cash flows:

| <b>31 December 2020</b> | <b>Total</b>         | <b>Up to 1 year</b> | <b>1 to 2 years</b> | <b>2 to 5 years</b> | <b>Over 5 years</b> |
|-------------------------|----------------------|---------------------|---------------------|---------------------|---------------------|
| Guaranteed Notes        | 1,224,304,126        | 288,030,181         | 416,165,645         | 15,733,300          | 504,375,000         |
| Suppliers               | 109,940              | 109,940             | -                   | -                   | -                   |
| <b>Total</b>            | <b>1,224,414,066</b> | <b>288,140,121</b>  | <b>416,165,645</b>  | <b>15,733,300</b>   | <b>504,375,000</b>  |

| <b>31 December 2019</b> | <b>Total</b>         | <b>Up to 1 year</b> | <b>1 to 2 years</b> | <b>2 to 5 years</b> | <b>Over 5 years</b> |
|-------------------------|----------------------|---------------------|---------------------|---------------------|---------------------|
| Guaranteed Notes        | 1,731,117,746        | 785,867,746         | 13,875,000          | 422,625,000         | 508,750,000         |
| Suppliers               | 115,879              | 115,879             | -                   | -                   | -                   |
| <b>Total</b>            | <b>1,731,233,625</b> | <b>785,983,625</b>  | <b>13,875,000</b>   | <b>422,625,000</b>  | <b>508,750,000</b>  |

The average tenor of financial liabilities as of December 31, 2020 is 3.1 years (31 December 2019: 2.9 years).

**Market risk**

Market risk relevant to the Company relates to interest rate risk and foreign exchange risk. The objective of market risk management is to manage and control exposure within acceptable limits while optimizing the return on risk. Below is a detailed description of the individual market risks and the Company's policies to manage such risks.

**a) Interest rate risk**

The Company's interest rate risk arises from guaranteed notes issued and receivables from group companies with respect to debt facilities. At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:

|                                  | 31.12.2020    | 31.12.2019    |
|----------------------------------|---------------|---------------|
|                                  | €             | €             |
| <b>Fixed rate instruments</b>    |               |               |
| Financial assets                 | 1,177,644,630 | 1,656,495,046 |
| Financial liabilities            | 1,177,422,367 | 1,656,309,590 |
| <b>Variable rate instruments</b> |               |               |
| Financial assets                 | -             | -             |
| Financial liabilities            | -             | -             |

The Company's strategy is to mitigate interest rate risk by matching interest rate payable to its creditors with interest rate receivable from its debtors. The Company manages interest rate risk by issuing primary (non-derivative) financial instruments and, where necessary, may deploy derivative financial instruments.

**b) Foreign exchange risk**

The Company has no material exposure to foreign exchange risk, as the majority of liabilities and assets are denominated in Euro, which is the Company's functional currency.

**17.2. Capital management**

The Company monitors as capital the value of its share capital and its retained profits. The Company's objective in managing capital is to maintain its ability to continue as a going concern. The Company manages the capital structure and may make adjustments to it in response to changes in economic conditions and the risk profile of its markets and underlying assets. The Company may adjust its capital needs by determining the amount of profit to retain and the level of debt to maintain.

**17.3. Fair Value estimation**

The tables below show the fair values and the carrying amounts of financial assets and liabilities measured at amortised cost in the balance sheet. The Company uses the below fair value hierarchy for fair value estimation:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).



OTE Plc  
Notes to the financial statements

|  | Carrying Amount<br>€ | Estimated fair value<br>€ |
|--|----------------------|---------------------------|
| <b>Assets - 31 December 2020</b>               |                      |                           |
| Debtors (amounts due after more than one year) | 898,823,646          | 940,260,905               |
| Debtors (amounts due in one year)              | 278,820,984          | 280,165,325               |
| Cash and cash equivalents                      | 32,059,382           | 32,059,382                |
|  | <b>1,209,704,012</b> | <b>1,252,485,612</b>      |

|   | Carrying Amount<br>€ | Estimated fair value<br>€ |
|---|----------------------|---------------------------|
| <b>Liabilities - 31 December 2020</b>                   |                      |                           |
| Guaranteed Notes (Amounts due after more than one year) | 898,825,560          | 938,708,428               |
| Guaranteed Notes (amounts falling due within one year)  | 278,549,988          | 279,825,906               |
| Suppliers   | 109,940              | 109,940                   |
|   | <b>1,177,485,488</b> | <b>1,218,644,274</b>      |

|  | Carrying Amount<br>€ | Estimated fair value<br>€ |
|--|----------------------|---------------------------|
| <b>Assets - 31 December 2019</b>               |                      |                           |
| Debtors (amounts due after more than one year) | 892,518,401          | 927,872,000               |
| Debtors (amounts due in one year)              | 763,976,645          | 779,349,689               |
| Cash and cash equivalents                      | 32,102,166           | 32,102,166                |
|  | <b>1,688,597,212</b> | <b>1,739,323,855</b>      |

|   | Carrying Amount<br>€ | Estimated fair value<br>€ |
|---|----------------------|---------------------------|
| <b>Liabilities - 31 December 2019</b>                   |                      |                           |
| Guaranteed Notes (Amounts due after more than one year) | 892,519,615          | 926,009,000               |
| Guaranteed Notes (amounts falling due within one year)  | 763,764,161          | 778,892,377               |
| Suppliers   | 115,879              | 115,879                   |
|   | <b>1,656,399,655</b> | <b>1,705,017,256</b>      |

Guaranteed Notes – third parties, are traded in the secondary market. The estimated fair value of liabilities from such Guaranteed Notes is determined by the market price of the Notes multiplied by the nominal amount of the Notes and included within Level 1 of the fair value hierarchy.

The estimated fair value of Guaranteed Notes - Group Companies with respect to debt facilities is determined by a price derived with the use of the yield of the Guaranteed Notes –third parties, multiplied by the nominal amount of the Notes. Same method is used to estimate the fair value for all back-to-back intragroup loans included in the Company's financial assets. All these Notes are included within the Level 2 of the fair value hierarchy.

The carrying amount of liabilities to suppliers, which fall due within one year, approximates its fair value.

The fair value of other receivables and payables approximates the carrying amount.