COSMOTE MOBILE TELECOMMUNICATIONS SINGLE MEMBER S.A.

ANNUAL FINANCIAL REPORT

AS OF DECEMBER 31, 2023

FREE TRANSLATION FROM THE GREEK ORIGINAL

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

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I. ANNUAL REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of OTE S.A. presents its report on the Annual Financial Statements of COSMOTE MOBILE TELECOMMUNICATIONS SINGLE MEMBER S.A. ("COSMOTE" or the "Company"), which has been merged by absorption by OTE S.A. on January 02, 2024, for the year ended December 31, 2023. The amounts in this report are presented in thousands of Euro, except when otherwise indicated.

2023 Achievements

In a challenging and competitive environment, COSMOTE maintained its strong position in mobile data services, supported by innovative and flexible offerings targeting all customer segments. Focusing on more-for-more strategy, COSMOTE continued liberating the internet experience monetizing data superiority in mobile. Consistent with its strategy to invest in enhanced customer experience, COSMOTE further developed significant new capabilities in its mobile application, which enables its customers to rely on a single digital interface to manage their accounts in a convenient and user-friendly way. By year end, COSMOTE had 3.8 million active mobile app users, achieving 89% penetration in active smartphone base, a critical accomplishment for improving overall customer experience and enabling cost savings.

Progress of Activities

During 2023, COSMOTE maintained its leading market position approaching 53% service revenue share. Service revenue increased by 2.2%, as a result of network leadership and successful implementation of its more-for-more strategy in both postpaid and prepaid. Reflecting focus on 5G investments, enabled by increased smartphones penetration, data active internet users' uptake increased by 4 percentage points compared to last year, achieving 79% penetration on active base. COSMOTE targets to leverage the growth of data consumption, its rapid launch of 5G services and its network superiority to further strengthen its position going forward.

Constantly investing in upgrading its infrastructure, COSMOTE has today the most technically advanced mobile network, demonstrating by far the best performance in data services. The Company continues to enjoy a strong competitive advantage based on customer satisfaction and network performance surveys. During 2023, the Company's mobile network was recognized as "the Fastest Mobile Network in Greece" at the Speedtest AwardsTM by OOKLA for the seventh consecutive year and won "Best in Test" by "umlaut" for the ninth time in a row. Recent OOKLA results relative to mobile speeds confirmed COSMOTE's network superiority throughout 2023. Recognition of COSMOTE's network quality, supported by ongoing investments, drives positive customer preferences and revenue growth.

COSMOTE pursued major investments in its 5G network in whole Greek territory, where in certain areas maximum network speeds reach or exceed 1Gbps. At the end of 2023, COSMOTE has already exceeded 90% outdoor population coverage, confirming its position as a clear front-runner in 5G roll-out, while aiming for further growth by 2024 year end.

The main objective of COSMOTE is always to meet the needs of all subscribers in the most efficient and customer focused way.

The most important Company's commercial activities in 2023 were:

COSMOTE extended agreements with foreign networks for 5G Roaming and offers to its subscribers 5G roaming services in 77 countries, most countries than any other provider in Greece.

COSMOTE enhanced its postpaid portfolio, with even more competitive offerings in COSMOTE GIGAMAX and COSMOTE GIGAMAX Family. This ensured that subscribers could choose a plan tailored to their individual needs, through COSMOTE's leading 4G and 5G networks.
COSMOTE was the first Greek operator that offered at COSMOTE BUSINESS GIGAMAX portfolio free Microsoft 365 licenses and continues to offer an innovative combination of uninterrupted connectivity and digital tools to enhance productivity and collaboration.
Additionally, COSMOTE granted to all existing and new subscribers of COSMOTE GIGAMAX Family, two new packages offering sharing unlimited data for a day or a week, at competitive prices in all family members. COSMOTE GIGAMAX Family rate plans were further utilized by offering the ability to add up to 4 members in all GIGAMAX Family rateplans.

To address youth segment needs in 2023, What's Up (Youth prepaid brand of COSMOTE), COSMOTE continued promoting DIY and student DIY packages to prepaid What's Up customers, exclusively through the What's Up application, allowing customers to create an affordable package that fully covers their own needs. In 2023, the DIY packages were enriched, offering to users even more GBs than before. Further evolved Reload-it reward scheme, which is available exclusively through What's Up application, offering better recharge bonuses (tokens), free gifts in user's birthday and network anniversary and even in random occasions (mystery tokens). Contests with telecom and other technology gifts were also added in 2023 in Reload-it mystery mechanism. Launched new monthly packs with abundant voice to all and data in prepaid. Additionally, promoted and further expanded WHATSUPIA, the service that offers free data to all What's Up Student subscribers, every day, when they are in Greek Public University campuses. The service is available exclusively from What's Up app, it is GPS enabled and is offered to 140 locations in 64 cities all over Greece. Since its launch in November 2022, approximately 140,000 users have benefited from this service by enjoying free data while at their universities.

COSMOTE Neo, the first 100% digital mobile telephony plan, has significantly improved its benefits, offering new packages with more data and unlimited voice minutes at the same or even lower price. The renewed COSMOTE Neo packages offer more flexibility and freedom to the subscriber of the new digital era.

Consistently dedicated to enhancing our customers' digital experiences across their diverse everyday needs, COSMOTE persistently invests in advancing the services and capabilities of COSMOTE Insurance through technology-focused initiatives. Recognized as a highly successful and esteemed digital insurance aggregator, COSMOTE Insurance facilitates the complete journey of insurance contracts, encompassing quote comparison, purchasing, renewal, and claims assistance. Demonstrating a steadfast dedication to customer-centric approaches, COSMOTE Insurance operates solely within the digital sphere, showcasing attributes of simplicity, affordability, and cutting-edge technology. This commitment is underscored by its recognition from the Greek insurtech community, its consistently improving Net Promoter Score (NPS) and the notable milestone of surpassing 75,000 active insured customers, indicative of its expanding and loyal clientele. In the first quarter of 2023, COSMOTE Insurance responded to consumer feedback by transitioning from the aggregator model to a single partnership model specifically for home insurance. This strategic shift led to the development of exclusive digital insurance programs by COSMOTE, offering comprehensive coverage at significantly reduced rates. This proactive initiative has significantly widened access to and affordability of home insurance for a broader audience.

Regarding Customer Experience, focus on digital transformation remained the main objective. In 2023, an agile framework was introduced to design, optimize, and deliver excellent customer experiences more efficiently.

The number of active users of COSMOTE applications (COSMOTE and WHAT'S UP App) remained high, with over 3.9 million users, rating at the same time significant satisfaction with constantly more than 4.6 stars in the Android and Apple stores. Additionally, the NPS for app users showed a positive increase compared to non-app users. This combination of high user engagement and satisfaction allowed to increase the number of transactions in Company's core digital journeys. Compared to the end of 2022, transactions on the COSMOTE App and website grew by +11.3 pp in e-care and +8.1pp in e-sales. Moreover, digital transactions with an already high share also grew, +3.1pp in e-payments and +2.3pp in prepaid e-top-ups. By shifting these core customer journeys to digital, we have an opportunity to improve overall customer experience and reduce customer effort.

In terms of user experience, all customer journeys on the COSMOTE App and My COSMOTE Portal were redesigned according to the new COSMOTE brand guidelines. This led to a simpler, more attractive and user-friendly experience. Additionally, an English version of the COSMOTE App was introduced to meet the growing needs of our customer base.

COSMOTE also expanded the list of self-care capabilities available to its customers within its digital touchpoints. Users can now monitor and manage roaming usage, issue certificates of ownership for prepaid connections, monitor fault troubleshooting flows for all fault symptoms, enjoy a new self-care section of the COSMOTE App where they can find customer support, monitor the status of their open inquiries placed in all channels and many more. This growing number of digital functionalities helps establish the COSMOTE App and My COSMOTE Portal as the digital touchpoints where customers can easily fulfil their requests and manage their connections.

In 2023 the Company focused on enhancing its customer reward strategy. COSMOTE "For You" loyalty program expanded where apart from Deals For You, it offers new gamification, competition concepts and extra third-party coupon rewards. More than 3 million users enjoyed the rewards offered via COSMOTE "For You" program and the seasonal free data offers were provided throughout the year.

Finally, in 2023, COSMOTE remained consistent with its promise to support and relieve customers severely impacted by natural disasters. 832,000 customers affected by devastating wildfires and floods received 1.1 million free mobile voice and data bundles to help them communicate and stay connected with their loved ones during difficult times.

Financial Results Analysis

COSMOTE's revenues in 2023 amounted to Euro 1,300,750, increased by 4.4% in relation to 2022. The Company's **operating profit before financial and investing activities, depreciation, amortization and impairment** increased by 5.4% (from Euro 531,770 in 2022 to Euro 560,363 in 2023). The **operating profit before financial and investing activities, depreciation, amortization and impairment margin** increased by 0.4 basis points year-on-year, reaching 43.1%, compared to 42.7% in 2022.
Net profit increased by 6.8% (from Euro 240,810 in 2022 to Euro 257,252 in 2023), mainly driven by the operating profitability of the Company.

The operational and financial performance of the Company is regarded as very satisfactory, especially in light of global economic crisis, de-escalation of the health crisis, geopolitical tensions, the fierce competition in the local market and significant sector challenges.

According to article 1 of C.L. 4403/2016, the Company since 2022 has one branch.

Finally, the Company has not acquired own shares within the year 2023.

2024 Outlook for the Company

For 2024 growing consumer demand for mobile data services, as well as the continuing pursuit of new revenue streams is further expected. COSMOTE will further leverage the growth of data consumption and its network superiority to further strengthen its revenue base. COSMOTE will actively pursue to further improve customer experience, offer innovative products and services, aiming to retain its leadership position in Greece in a highly competitive environment. It should be noted that further growth will also depend on parameters beyond the Company's control. These include among others the further developments of macroeconomic environment, the intensity of the competition combined with the possibility of new players entering the market, as well as the regulatory framework in which this sector operates.

Financial Risk Management

Macroeconomic conditions in Greece

Currently prevailing economic conditions remain challenging, amidst volatile interest rates, energy market turbulence and inflation pressures driving upwards prices for raw materials and labour intensive services.

Management continually assesses the possible impact of any changes in the macroeconomic and financial environment in Greece taking into consideration global economic developments, so as to ensure that all necessary measures are taken in order to minimize any impact on the Company's operations. Management is closely monitoring macroeconomic developments and financial outlook in order to mitigate uncertainties and risks.

Based on its current assessment, it has concluded that no additional impairment provisions are required with respect to the Company's financial and non-financial assets as of December 31, 2023.

Financial Risks

The below stated risks are significantly affected by the macroeconomic and financial environment in Greece.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty fails to meet its contractual obligations.

The carrying value of financial assets at each reporting date is the maximum credit risk to which the Company is exposed in respect of the relevant assets.

Financial instruments classified as fair value through profit or loss include mutual funds. These financial assets are not considered to expose the Company to a significant credit risk.

Defaulted payments of trade receivables could potentially adversely affect the liquidity of the Company. However, due to the large number of customers and the diversification of the customer base, there is no concentration of credit risk with respect to these receivables. Concentration of risk is however considered to exist for amounts receivable from other telecommunication service providers, due to their relatively small number and the high volume of transactions they have with the Company. For this category the Company, assesses the credit risk following the established policies and procedures and recognizes the appropriate provision for impairment, if needed.

The Company has established specific credit policies under which customers are analyzed for creditworthiness and there is an effective management of receivables in place both before and after they become overdue and doubtful. In monitoring credit risk, customers are grouped according to their business group, their credit risk characteristics, aging profile and existence of previous financial difficulties, also adjusted for forward-looking factors specific to the customers and the economic environment.

Company's cash and cash equivalents are mainly invested in highly rated counterparties and with a very short term tenor.

Impairment of financial assets

The Company has the following types of financial assets that are subject to the expected credit loss model:

- Trade receivables
- Contract assets
- Lease receivables
- Other financial assets.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified loss was immaterial.

The Company applies the IFRS 9 simplified approach to measure expected credit losses using a lifetime expected loss allowance for all trade receivables, contract assets and lease receivables.

The remaining financial assets of the Company are considered to have low credit risk, therefore the Company applies the IFRS 9 general approach and the loss allowance was limited to 12 months expected losses. The outstanding balances of these financial assets are considered as performing.

The following table demonstrates the credit risk exposure on gross carrying amount of trade receivables and contract assets for the Company:

(Simplified approach)				
December 31, 2023	Performing	Underperforming	Non-Performing	Total
Trade receivables	154,715	27,805	153,714	336,234
Contract assets	19,892	-	5,295	25,187
Total	**174,607**	**27,805**	**159,009**	**361,421**

(Simplified approach)				
December 31, 2022	Performing	Underperforming	Non-Performing	Total
Trade receivables	205,498	21,208	141,495	368,201
Contract assets	22,964	-	6,000	28,964
Total	**228,462**	**21,208**	**147,495**	**397,165**

The outstanding balance of lease receivables is considered as performing, since it includes receivables from related parties.

Financial assets which have a low risk of default and a strong capacity to meet contractual cash flows are considered as performing, while financial assets for which there is a significant increase in credit risk since initial recognition but there is no objective evidence of a credit loss event are treated as underperforming. Non-performing financial assets are those that have objective evidence of impairment at the reporting date and there is limited expectation of recovery.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.
The Company retains sufficient liquidity and / or credit facilities in order to cover its financial obligations falling due in the next 12 months.

For the monitoring of the liquidity risk, the Company prepares cash flows forecasts on a frequent basis.

The analysis of the undiscounted contractual payments (including debt principal and interest payments) of the financial liabilities of the Company is as follows:

December 31, 2023	Total	Up to 1 year	1 to 2 years	2 to 5 years	Over 5 years
Lease liabilities	206,561	42,511	39,359	87,642	37,049
Trade accounts payable	257,054	257,054	-	-	-
Total	**463,615**	**299,565**	**39,359**	**87,642**	**37,049**

December 31, 2022	Total	Up to 1 year	1 to 2 years	2 to 5 years	Over 5 years
Borrowings	211,354	175,701	23,933	11,720	-
Lease liabilities	205,902	53,062	35,723	82,194	34,923
Trade accounts payable	336,233	336,233	-	-	-
Total	**753,489**	**564,996**	**59,656**	**93,914**	**34,923**

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, equity prices and energy prices, will result in fluctuations of the value of the Company's financial instruments. The purpose of market risk management is to control the exposure of the Company to these risks in the frame of acceptable parameters.

i. Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the interest rates.

The following tables demonstrate the sensitivity to a change in interest rates on loans and deposits to the income statement:

If interest rates were to increase by 100 basis points, the impact would be:

	2023	2022
Effect on profit before tax	295	553

If interest rates were to decrease by 100 basis points, the impact would be:

	2023	2022
Effect on profit before tax	(295)	(553)

The impact presented in the above tables is based on the following consideration:

a) The Company has no debt as of December 31, 2023, thus it is not sensitive to potential changes in interest rates on loans.
b) Deposits rates are assumed to increase / decrease by 50% of the respective nominal interest rate change.

Therefore, a 100 basis points increase in nominal interest rates is assumed to increase deposit rates by only 50 basis points and similarly a 100 basis points decrease in nominal interest rates is assumed to reduce deposit rates by only 50 basis points.

In the current year the Company did not use derivatives to manage financial risks (Hedge Accounting).

ii. Foreign currency risk
Currency risk mainly consists of fluctuations in cash flows due to payments to foreign currency suppliers.

The Company has no significant exposure to foreign currency risk.

iii. Energy price risk
The Company is affected by the price volatility of energy prices. Its operating activities require the ongoing purchase of energy and therefore is exposed to changes in the energy prices in the future.

The Company has developed and enacted a risk management strategy for energy price risk and its mitigation.

Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating in order to support its business and maximize shareholder value. This objective remains unchanged in comparison to December 31, 2022 and no significant changes have been made to the capital management policy.
The Company monitors capital management using a gearing ratio, which is net debt divided by equity.

The calculation of the ratio is as follows:

	2023	2022
Long-term borrowings	-	34,615
Short-term borrowings	-	150,000
Short-term portion of long-term borrowings	-	23,077
Lease liabilities (long-term portion)	146,708	136,905
Lease liabilities (short-term portion)	35,207	46,077
Cash and cash equivalents	(58,933)	(110,694)
Net debt	**122,982**	**279,980**
Total equity	2,017,626	1,921,232
Gearing ratio	0.06x	0.15x

Integrated Management System

The Corporate Process Model and its systematic documentation, assessment and improvement form the basis of the **Integrated Management System** (IMS) implemented by COSMOTE, certified as per PAS99. According to the above model the Company has achieved certification management systems relating to quality (in accordance with ISO 9001), environment (in accordance with ISO 14001), health and safety at work (in accordance with ISO 45001), information security (in accordance with ISO 270001), privacy information management system (in accordance with ISO 27701), business continuity (in accordance with ISO 22301), risk management (in accordance with ISO 31000), provision of IT services (in accordance with ISO 20000-1), energy management (in accordance with ISO 50001), anti-bribery management (in accordance with ISO 370001), compliance management (in accordance with ISO 37301), whistleblowing management (in accordance with ISO 37002), governance of organizations (in accordance with ISO 37000), road traffic safety management (in accordance with ISO 39001), requirements for the Competence of testing and calibration laboratories (in accordance with ISO 17025), principles/guidelines of good distribution practice of medical devices and industrial safety certification (EKBA) has been secured.

The **Integrated Management System** of COSMOTE also includes ISAE 3402 Type 2 Report ('Assurance reports on controls at a service organization') and ISAE 3000 Type 2 Report ('Assurance Engagements other than Audits or Reviews of Historical Financial Information') that are issued by international auditing company in accordance with International Standard on Assurance Engagements issued by the International Auditing and Assurance Standards Board. The certifications relate to the design and operational effectiveness of controls and the respective control environment delivered to ICT customers.

Sustainability

COSMOTE follows the sustainability strategy and priorities of the OTE Group, using technology and its capabilities to create a better world for all. At the same time, the Group enhances its sustainable entrepreneurship, while, contributing to the economy, the society and the environment.

OTE Group's vision is to be the leading sustainable digital service provider. Sustainability is a key priority, and it is integrated into the Group's business strategy and operations.

Indicative indices	2023	2022
Women employees (%)	42%	42%
Work-related fatal accidents (number of employees)*	-	-
Court convictions against the Company or its employees for corruption in the framework of their duties (number of convictions)	-	-
Electricity consumption (GWh)**	149.4	171
Recycling of mobile devices (t)	0.7	0.7

Fatal work-related accidents do not contain incidents from strictly natural causes.
***** Energy consumption is calculated based on energy consumption records per installation. All sites (telecom network, data centers, buildings) in which COSMOTE has full control on the selection of electricity suppliers (i.e. full authority to introduce and implement its operating policies at the operation) are included. The 2022 indicator has been restated on this basis.***

Non- financial data for COSMOTE are consolidated in the Annual Financial Report of Group OTE and OTE S.A. for 2023. Detailed information on COSMOTE's sustainability approach and performance will be presented in the 2023 OTE Group Integrated Report (June 2024).

Events after the financial position date

The most significant event after December 31, 2023 is as follows:

Merger through absorption of COSMOTE by OTE

On July 13, 2023, the Company's Board of Directors approved the merger by absorption by its parent company OTE S.A.. The transaction was completed on January 2, 2024 upon registration in the General Commercial Register (Γ.Ε.ΜΗ.).

Maroussi, March 19 2024

Michael Tsamaz	Charalampos Mazarakis
Chairman and Managing Director	Board Member

II. AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

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Independent Auditor's Report

To the Shareholders of the Company COSMOTE – MOBILE TELECOMMUNICATIONS SINGLE MEMBER S.A.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of "COSMOTE – MOBILE TELECOMMUNICATIONS SINGLE MEMBER S.A." (the Company), which comprise the statement of financial position as at December 31, 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and the notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company COSMOTE – MOBILE TELECOMMUNICATIONS SINGLE MEMBER S.A., as of December 31, 2023, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as endorsed by the European Union.

Basis of Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as they have been transposed in Greek Legislation. Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. During our audit, we remained independent of the Company, in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as transposed in Greek legislation and the ethical requirements relevant to the audit of the financial statements in Greece. We have fulfilled our responsibilities in accordance with the provisions of the currently enacted law and the requirements of the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information is included in the Board of Directors' Report, reference to which is made in the "Report on other Legal and Regulatory Requirements" but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based on the procedures performed, we conclude that there is a material misstatement therein, we are required to communicate this matter. We have nothing to report in this respect.

Deloitte.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, as endorsed by the European Union, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs as they have been transposed in Greek Legislation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Deloitte.

Report on Other Legal and Regulatory Requirements

Taking into consideration that Management is responsible for the preparation of the Board of Directors' Report according to the provisions of paragraph 5 of article 2 (part B) of L. 4336/2015, we note the following:

a) In our opinion, the Board of Directors' Report has been prepared in accordance with the legal requirements currently in force of the article 150 of Law 4548/2018 and its content is in line with the accompanying financial statements for the year ended 31.12.2022.

b) Based on the knowledge we obtained during our audit about the COSMOTE – MOBILE TELECOMMUNICATIONS SINGLE MEMBER S.A., and its environment, we have not identified any material inconsistencies in the Board of Directors' Report.

Athens, 20 March 2024

The Certified Public Accountant

Vassilis Christopoulos
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III. ANNUAL FINANCIAL STATEMENTS

COSMOTE MOBILE TELECOMMUNICATIONS SINGLE MEMBER S.A.

COSMOTE

A better world, for all.

ANNUAL FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2023

IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS
as adopted by the European Union

FREE TRANSLATION FROM THE GREEK ORIGINAL
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The Annual Financial Statements presented on pages from 17 to 51, were approved by the Board of Directors of OTE S.A. on March 19, 2024 and are signed by:

Chairman & Managing Director	Board Member & OTE Group Chief Financial Officer	Executive Director Financial Operations OTE Group	Accounting Director
Michael Tsamaz	Charalampos Mazarakis	George Mavrakis	Anastasios Kapenis

STATEMENT OF FINANCIAL POSITION

(Amounts in thousands of Euro)	Notes	2023	2022
ASSETS			
Non-current assets			
Property, plant and equipment	8	452,733	465,457
Right-of-use assets	9	222,644	217,083
Telecommunication licenses	10	258,380	290,091
Other intangible assets	11	34,702	36,859
Investments	12	1,354,044	1,354,049
Deferred tax assets	7	54,528	53,794
Contract costs	26	13,978	13,382
Other non-current assets	13	25,141	33,555
Total non-current assets		**2,416,150**	**2,464,270**
Current assets			
Inventories	14	24,361	21,475
Trade receivables	15	140,159	188,315
Other financial assets	17	2,307	1,965
Contract assets	26	19,892	22,964
Other current assets	18	14,436	18,822
Cash and cash equivalents	19	58,933	110,694
Total current assets		**260,088**	**364,235**
TOTAL ASSETS		**2,676,238**	**2,828,505**
EQUITY AND LIABILITIES			
Equity			
Share capital	20	157,900	157,900
Share premium	20	212,159	212,213
Statutory reserve	20	52,633	52,633
Other reserves	20	(223)	581
Retained earnings	20	1,595,157	1,497,905
Total equity		**2,017,626**	**1,921,232**
Non-current liabilities			
Long-term borrowings	22	-	34,615
Provision for staff retirement indemnities	23	17,468	9,892
Contract liabilities	26	4,646	5,245
Lease liabilities	9	146,708	136,905
Other non-current liabilities	24	20,332	13,174
Total non-current liabilities		**189,154**	**199,831**
Current liabilities			
Trade accounts payable	25	257,054	336,233
Short-term borrowings	22	-	150,000
Short-term portion of long-term borrowings	22	-	23,077
Income tax payable	7	48,171	41,769
Contract liabilities	26	80,086	53,105
Lease liabilities	9	35,207	46,077
Other current liabilities	27	48,940	57,181
Total current liabilities		**469,458**	**707,442**
TOTAL EQUITY AND LIABILITIES		**2,676,238**	**2,828,505**

The accompanying Notes on pages 22-51 form an integral part of these financial statements.

INCOME STATEMENT

(Amounts in thousands of Euro)	Notes	2023	2022
Revenue			
Mobile business:			
Service revenues		1,025,287	1,003,494
Handset revenues		212,143	195,662
Other mobile revenues		9,663	9,405
Total revenues from mobile business		**1,247,093**	**1,208,561**
Miscellaneous other revenues		53,657	37,756
Total revenues		**1,300,750**	**1,246,317**
Other operating income	4	**6,530**	**4,919**
Operating expenses			
Interconnection and roaming costs		(74,934)	(78,472)
Provision for expected credit losses	15	(17,935)	(15,906)
Personnel costs		(46,296)	(45,380)
Costs related to voluntary leave schemes	23	(6,019)	(5,486)
Commission costs		(121,178)	(123,438)
Merchandise costs		(229,036)	(204,769)
Maintenance and repairs		(17,011)	(17,605)
Marketing		(26,604)	(28,525)
Other operating expenses	5	(207,904)	(199,885)
Total operating expenses before depreciation, amortization and impairment		**(746,917)**	**(719,466)**
Operating profit before financial and investing activities, depreciation, amortization and impairment		**560,363**	**531,770**
Depreciation, amortization and impairment	8,9,10,11	(213,615)	(211,846)
Operating profit before financial and investing activities		**346,748**	**319,924**
Income and expense from financial and investing activities			
Interest and related expenses		(11,019)	(10,415)
Interest income		1,683	178
Foreign exchange differences, net		43	348
Gains from investments and other financial assets - Impairment	6,17	342	803
Total loss from financial and investing activities		**(8,951)**	**(9,086)**
Profit before tax		**337,797**	**310,838**
Income tax	7	(80,545)	(70,028)
Profit for the year		**257,252**	**240,810**

STATEMENT OF COMPREHENSIVE INCOME

(Amounts in thousands of Euro)	Notes	2023	2022
Profit for the year		**257,252**	**240,810**
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss			
Actuarial gains / (losses)	23	(1,031)	4,460
Deferred taxes on actuarial gains / (losses)	7	227	(981)
Total items that will not be reclassified subsequently to profit or loss		**(804)**	**3,479**
Items that may be reclassified subsequently to profit or loss		-	-
Total items that may be reclassified subsequently to profit or loss		**-**	**-**
Other comprehensive income / (loss) for the year		**(804)**	**3,479**
Total comprehensive income for the year		**256,448**	**244,289**

STATEMENT OF CHANGES IN EQUITY

(Amounts in thousands of Euro)	Share capital	Share premium	Statutory reserve	Other reserves	Retained Earnings	Total equity
Balance as at January 1, 2022	**157,900**	**212,361**	**52,633**	**(2,898)**	**1,617,095**	**2,037,091**
Profit for the year	-	-	-	-	240,810	**240,810**
Other comprehensive income	-	-	-	3,479	-	**3,479**
Total comprehensive income	**-**	**-**	**-**	**3,479**	**240,810**	**244,289**
Share option plans	-	(148)	-	-	-	**(148)**
Dividend distribution	-	-	-	-	(360,000)	**(360,000)**
Balance as at December 31, 2022	**157,900**	**212,213**	**52,633**	**581**	**1,497,905**	**1,921,232**
Balance as at January 1, 2023	**157,900**	**212,213**	**52,633**	**581**	**1,497,905**	**1,921,232**
Profit for the year	-	-	-	-	257,252	**257,252**
Other comprehensive income / (loss)	-	-	-	(804)	-	**(804)**
Total comprehensive income / (loss)	**-**	**-**	**-**	**(804)**	**257,252**	**256,448**
Share option plans	-	(54)	-	-	-	**(54)**
Dividend distribution (Note 21)	-	-	-	-	(160,000)	**(160,000)**
Balance as at December 31, 2023	**157,900**	**212,159**	**52,633**	**(223)**	**1,595,157**	**2,017,626**

The accompanying Notes on pages 22-51 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

(Amounts in thousands of Euro)	Notes	2023	2022
Cash flows from operating activities			
Profit before tax		**337,797**	**310,838**
Adjustments for:			
Depreciation, amortization and impairment	8,9,10,11	213,615	211,846
Provision for staff retirement indemnities	23	12,675	5,614
Foreign exchange differences, net		(43)	(348)
Interest income		(1,683)	(178)
Gains from investments of financial assets - Impairment	6,17	(342)	(803)
Interest and related expenses		11,019	10,415
Working capital adjustments:			
Decrease / (increase) in inventories		(2,886)	(2,310)
Decrease / (increase) in receivables		60,066	537
(Decrease) / increase in liabilities (except borrowings)		(63,614)	14,894
Plus / (minus):			
Payment of staff retirement indemnities	23	(6,540)	(6,117)
Interest and related expenses paid (except leases)		(3,340)	(2,915)
Interest paid for leases	9	(7,741)	(8,045)
Income tax paid		(74,650)	(51,353)
Net cash flows from operating activities		**474,333**	**482,075**
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(116,098)	(132,725)
Investment in subsidiaries		-	(3,391)
Proceeds related to disposal of investments		-	770
Proceeds from disposal of property, plant and equipment and intangible assets		220	194
Return of capital invested in subsidiary		-	666
Interest received		1,683	178
Net cash flows used in investing activities		**(114,195)**	**(134,308)**
Cash flows from financing activities			
Proceeds from loans	22	-	150,000
Repayments of loans	22	(207,692)	(23,077)
Dividends paid to Company's owners	21	(160,000)	(400,000)
Lease repayments	9	(44,179)	(45,501)
Net cash flows used in financing activities		**(411,871)**	**(318,578)**
Net increase / (decrease) in cash and cash equivalents		(51,733)	29,189
Cash and cash equivalents at the beginning of the year		110,694	81,679
Net foreign exchange differences		(28)	396
Transfer to spin-off activities		-	(570)
Cash and cash equivalents at the end of the year	19	**58,933**	**110,694**

The accompanying Notes on pages 22-51 form an integral part of these financial statements.

1. CORPORATE INFORMATION

COSMOTE MOBILE TELECOMMUNICATIONS SINGLE MEMBER S.A. (hereinafter referred to as the "Company" or "COSMOTE") was incorporated in 1996 as a société anonyme and is listed in the Greek Commercial Registry (Γ.Ε.ΜΗ.) with the unique number 002410501000. The address of its registered office is: 99 Kifissias Avenue, 15124, Maroussi Athens, Greece. Its main principal activity is the provision of telecommunications services.

The Company is a 100% subsidiary of the HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. ("OTE"). Its ultimate parent is DEUTSCHE TELEKOM AG (52.8% indirect ownership interest).

It is noted that the Company is not obliged to prepare consolidated financial statements according to Art. 33 of Law 4308/2014 as the Company and all its subsidiaries are included in the consolidated financial statements of the parent company OTE, that publishes consolidated financial statements according to International Financial Reporting Standards and its website is www.cosmote.gr.

The financial statements of COSMOTE are included in the Consolidated Financial Statements of (a) OTE S.A. (which has its registered office at 99 Kifissias Avenue, Maroussi, number in the Greek Commercial Registry 1037501000) and (b) DEUTSCHE TELEKOM AG (which has its registered office in Bonn, Germany).

The financial statements as of December 31, 2023, were approved for issuance by the Board of Directors of OTE S.A. on March 19, 2024 (Note 31).

2. BASIS OF PREPARATION

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

The financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss, which have been measured at fair values in accordance with IFRS.

The financial statements have been prepared based on a going concern basis.

The financial statements are presented in thousands of Euro, except when otherwise indicated.

2.1 Significant accounting judgments, estimates and assumptions

The preparation of the financial statements requires management to make estimates, judgments and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and related disclosures of contingent liabilities included in the financial statements. On an ongoing basis, management evaluates its estimates and judgements, including those related to legal contingencies, allowance for expected credit losses, the estimated useful life of non-financial assets, impairment of property, plant and equipment, impairment of intangible assets, impairment of investments, reserve for staff retirement indemnities, recognition of revenues and expenses and income taxes. The Company considers climate-related matters in estimates and assumptions, where appropriate. Even though the Company considers its business model and services will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements (such as the estimation of the useful life of non-financial assets and the impairment of property, plant and equipment). For this purpose, the Company is closely monitoring relevant changes and developments, such as new climate-related legislation. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable, the results of which form the bases for making judgments about the carrying value of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates under different assumptions or conditions.

The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below:

Impairment of investments

The Company determines whether investments are impaired when there are indications that their carrying amount is not recoverable. This requires an estimation of the value in use of the cash generating units. Estimating the value in use requires the Company to make an estimate of the expected future cash flows from the cash generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details on impairment testing are disclosed in Note 12.

Provision for income taxes

The provision for income taxes in accordance with IAS 12 "Income taxes", are the amounts expected to be paid to the taxation authorities and includes provision for current income taxes reported and the potential additional tax that may be imposed as a result of audits by the taxation authorities. Actual income taxes could vary from these estimates due to future changes in income tax law, significant changes in the jurisdiction in which the Company operates or unpredicted results from the final determination of each year's liability by tax authorities. These changes could have a significant impact on the Company's financial position. Where the actual additional taxes payable are different from the amounts that were initially recorded, these differences will impact the income tax and deferred tax provisions in the period in which such a determination is made. Further details are provided in Note 7.

Deferred tax assets and liabilities

Deferred income tax assets and liabilities have been provided for the tax effects of temporary differences between the carrying amount and tax base of such assets and liabilities, using enacted tax rates in effect in the years in which the differences are expected to reverse. Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused losses can be utilized. The Company has considered future taxable income and followed ongoing feasible and prudent tax planning strategy in the assessment of the recoverability of deferred tax assets. The accounting estimate related to deferred tax assets requires management to make assumptions regarding the timing of future events, including the probability of expected future taxable income and available tax planning opportunities. Further details are provided in Note 7.

Provision for expected credit losses of trade receivables and contract assets

The Company applies the IFRS 9 simplified approach to measure expected credit losses which using a lifetime expected loss allowance for all trade receivables and contract assets. The Company establishes allowance for expected credit losses sufficient to cover reasonably estimable loss for these accounts. Because of the number of accounts, it is not practical to review the collectability of each account; therefore, at each reporting date all accounts receivable are assessed based on historical trends, statistical information, future expectations regarding suspended or cancelled customers, reactivation rates for suspended or cancelled customers and collection rates for amounts due from cancelled customers. Domestic telecommunication operators are examined and assessed on an individual basis. The balance of such allowance for expected credit losses is adjusted by recording a charge to the income statement of the reporting period. Any amount written off with respect to customer account balances is charged against the existing allowance for expected credit losses. Additional details are provided in Notes 15 and 28.

Defined benefit plans

Staff Retirement Indemnities obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of discount rates, future salary increases, withdrawal rates, mortality and disability rates, retirement ages and other factors. Changes in these key assumptions can have a significant impact on the obligation and pension costs for the period. Net pension costs for the period consist of the present value of benefits earned in the year, interest costs on the benefits obligation, prior service costs and actuarial gains or losses. Due to the long term nature of a defined benefit plan, these assumptions are subject to a significant degree of uncertainty. All assumptions are reviewed at each reporting date.

The Staff Retirement Indemnities obligations are not funded. Further details are provided in Note 23.

Estimating the useful life of non-financial assets

The Company must estimate the useful life of property, plant and equipment and intangible assets recognized at acquisition or as a result of a business combination. These estimates are revisited at least on an annual basis taking into account new developments and market conditions.

Contingent liabilities and provisions

The Company is currently involved in various claims and legal proceedings. Periodically, the Company reviews the status of each significant matter and assesses potential financial exposure, based on the advice of legal counsel. If the potential loss from any claim or legal proceeding is considered probable and the amount can be reliably estimated, the Company recognizes a provision for the estimated loss. Significant judgment is required in both the determination of probability and the determination as to whether an exposure is reasonably estimable. As additional information becomes available, the Company reassesses the potential liability related to pending claims and litigation and may revise assessments of the probability of an unfavorable outcome and the related estimate of potential loss. Such revisions in the estimates of the potential liabilities could have a material impact on the Company's financial position and results of operations.

Provision for asset retirement obligation

The use of third-party land and buildings for installation of towers/antennas normally gives rise to obligation to restore the site to its original condition after expiration of certain period of use.

The Company recognizes a provision for asset retirement obligation in accordance with IAS 37 "Provisions, contingent liabilities and contingent assets". In determining the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the equipment from the site and the expected timing of those costs. The Company calculates the provision using the discounted cash flow method.

Determining the lease term of contracts with renewal and termination options – Accounting by lessee
The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has certain lease contracts that include extension and termination options and applies judgement in evaluating whether it is reasonably certain to exercise or not to exercise the option to renew or terminate the lease. For this purpose, all relevant factors that create an economic incentive to exercise either the renewal or termination are considered. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that are within its control and affect its ability to exercise or not to exercise the option to renew or to terminate a lease (e.g. construction of significant leasehold improvements or significant customization to the leased asset, ability to replace the leased assets without significant cost or business disruption). Additional details are provided in Note 9.

Leases - Estimating the incremental borrowing rate
The Company cannot readily determine the interest rate implicit in the lease, therefore, the Company uses the OTE Group's incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The Group's IBR is determined by using maturity-related risk-free interest rates which are increased with the Group's derived credit spread and adjusted with a liquidity risk premium. Therefore the Group estimates the IBR using observable inputs where available and make certain estimations and adjustments where no observable inputs are available.

2.2 New standards, amendments to standards and interpretations: Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after January 1, 2023.

Standards and Interpretations effective for the current financial year

- **IAS 1 (Amendments) "Presentation of Financial Statements" and IFRS Practice Statement 2 "Disclosure of Accounting policies":** The amendments require companies to disclose their material accounting policy information and provide guidance on how to apply the concept of materiality to accounting policy disclosures.

- **IAS 8 (Amendments) "Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates":** The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates.

- **IAS 12 (Amendments) "Deferred tax related to Assets and Liabilities arising from a Single Transaction":** The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This will typically apply to transactions such as leases for the lessee and decommissioning obligations.

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

- **IFRS 17 (Amendments) "Initial Application of IFRS 17 and IFRS 9 – Comparative Information":** The amendments add a transition option relating to comparative information about financial assets presented on initial application of IFRS 17. The amendments aim at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements.

- **IAS 12 (Amendments) "Income Taxes":** The amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules. The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The tax law implementing the Pillar Two model rules is expected to be enacted within 2024 in Greece.

Standards and Interpretations effective for subsequent periods

A number of new standards and amendments to standards and interpretations are effective for subsequent periods and have not been applied in preparing these separate financial statements. The Company is currently investigating the impact of the new standards and amendments on its financial statements.

- **IAS 1 (Amendment) "Classification of liabilities as current or non-current"** (effective for annual periods beginning on or after January 1, 2024): The amendment clarifies that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the "settlement" of a liability.

- **IAS 1 (Amendment) "Non-Current Liabilities with Covenants"** (effective for annual periods beginning on or after January 1, 2024): The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date. The right to defer settlement is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period.

- **IFRS 16 (Amendments) "Lease Liability in a Sale and Leaseback"** (effective for annual periods beginning on or after January 1, 2024): The amendments add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 "Revenue from Contracts with Customers" to be accounted for as a sale. The amendments require the seller-lessee to determine "lease payments" or "revised lease payments" such that the seller-lessee does not recognize a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

- **IAS 7 (Amendments) "Statement of Cash Flows" and IFRS 7 (Amendments) "Financial Instruments: Disclosures"** (effective for annual periods beginning on or after January 1, 2024): The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and the entity's exposure to liquidity risk. Under the existing Application Guidance in IFRS 7, an entity is required to disclose a description of how it manages the liquidity risk resulting from financial liabilities. The amendments include as an additional factor whether the entity has accessed, or has access to, supplier finance arrangements that provide the entity with extended payment terms or the entity's suppliers with early payment terms. The amendments have not yet been endorsed by the EU.

- **IAS 21 (Amendments) "Lack of Exchangeability"** (effective for annual periods beginning on or after January 1, 2025): The amendments specify when a currency is exchangeable into another currency and how to determine the exchange rate when it is not. Applying the amendments, a currency is exchangeable when an entity is able to exchange that currency for the other currency through market or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose. However, a currency is not exchangeable into the other currency if an entity can only obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose. When a currency is not exchangeable at the measurement date, an entity is required to estimate the spot exchange rate as the rate that would have applied to an orderly exchange transaction at the measurement date between market participants under prevailing economic conditions. In that case, an entity is required to disclose information that enables users of its financial statements to evaluate how the currency's lack of exchangeability affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments have not yet been endorsed by the EU.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policy information that is deemed material to the preparation of the financial statements is as follows:

3.1. Investments

Subsidiaries
Investments in subsidiaries are evaluated in the acquisition cost decreased by the related impairment.

Disposal of subsidiaries

When the Company disposes of or ceases to have control or any retained interest in the subsidiary it is remeasured to its fair value at the date of disposal or when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that subsidiary are reclassified to profit or loss.

Associates

Associates are those entities in which the Company has significant influence upon, but not control over their financial and operating strategy, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates in which the Company has significant influence are evaluated in the acquisition cost decreased by the related impairment.

3.2. Foreign Currency Translation

The Company's functional and presentation currency is the Euro. Transactions involving other currencies are translated into Euro at the exchange rates, ruling on the date of the transactions. At the reporting date, monetary assets and liabilities, which are denominated in foreign currencies, are retranslated at the exchange rates at that date. Gains or losses resulting from foreign currency translation are recognized in the income statement.

Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the exchange rate at the date of the initial transaction. Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the exchange rates at the date that the fair value was determined. The foreign currency differences arising from the change in the fair value of these items are recognized in the income statement or directly in other comprehensive income depending on the underlying item.

3.3. Telecommunication licenses

Telecommunication licenses are recognized at historical cost. These licenses have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over their useful life, being between 6 and 22 years.

3.4. Other intangible assets

Intangible assets acquired separately are recognized at historical cost, while those acquired from a business combination are recognized at fair value on the date of acquisition. Subsequently, they are carried at cost less accumulated amortization and accumulated impairment losses. All intangible assets have a finite useful life and are amortized on a straight-line basis over their useful life. The useful life of intangible assets is reviewed on an annual basis, and adjustments, where applicable, are made prospectively.

The main category of intangible assets is software licenses. Their useful life is estimated from 2.5 to 10 years.

3.5. Property, Plant and Equipment

Items of property, plant and equipment are measured at historical cost, net of subsidies received, plus interest costs incurred during periods of construction, less accumulated depreciation and any impairment in value.

Subsidies are presented as a reduction of the cost of property, plant and equipment and are recognized in the income statement over the estimated life of the assets through reduced depreciation expense.

Construction in progress is recorded as part of property, plant and equipment and depreciation on the self-constructed assets commences when the asset is available for use. The cost of self-constructed assets includes the cost of materials, direct labor costs and relevant general overhead costs. Investment supplies comprise of assets to be utilized in the construction of assets.

The present value of the expected retirement costs, for a relevant asset, is included in the cost of the respective asset if the recognition criteria for a provision are met and are depreciated accordingly.

Repairs and maintenance costs are expensed as incurred. The cost and related accumulated depreciation of assets retired or sold are removed from the corresponding accounts at the time of sale or retirement, and any gain or loss is recognized in the income statement.
When significant parts of the property, plant and equipment are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciation.

Depreciation is recognized on a straight-line basis over the estimated useful lives of property, plant and equipment, which are periodically reviewed. The estimated useful lives and the respective rates are as follows:

	Estimated useful life	Depreciation rates
Buildings other than network	5-30 years	3.3%-20%
Telecommunication equipment / installations:		
Base station installations	15-18 years	5.6%-6.7%
Miscellaneous other technical and mechanical equipment	2.5-15 years	6.7%-40%
Fixtures, furniture and transportation:		
Transportation equipment	7-10 years	10%-14.3%
Fixtures and furniture	2.5-10 years	10%-40%

3.6. Impairment of Non - Financial Assets

The carrying values of the Company's non-financial assets are tested for impairment, when there are indications that their carrying amount is not recoverable. In such cases, the recoverable amount is estimated and if the carrying amount of the asset exceeds its estimated recoverable amount, an impairment loss is recognized in the income statement. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. In measuring value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to that asset. The Company also assesses whether climate risks could have a significant impact, and if so, these risks are included in the cash-flow forecasts in assessing the value in use. If an asset does not generate cash flows individually, the recoverable amount is determined for the cash generating unit to which the asset belongs. At each reporting date the Company assesses whether there is an indication that an impairment loss recognized in prior periods may no longer exist. If any such indication exists, the Company estimates the recoverable amount of that asset and the impairment loss is reversed, increasing the carrying amount of the asset to its recoverable amount, to the extent that the recoverable amount does not exceed the carrying value of the asset that would have been determined (net of amortization or depreciation) if no impairment loss had been recognized for the asset in prior years.

3.7. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and subsequent measurement of financial assets

The financial assets are classified, at initial recognition, as subsequently measured at amortized 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.

With the exception of trade receivables, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables are initially measured at the transaction price determined under IFRS 15 "Revenue from contracts with customers".

In order for a financial asset to be classified and measured at amortized cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI criterion and is performed at an instrument level.

For the purpose of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through other comprehensive income
- Financial assets at fair value through profit or loss.

The Company hold no assets at fair value through other comprehensive income as of December 31, 2023.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. This category includes all financial assets of the Company, except for the investments in mutual funds which are measured at fair value through profit or loss (FVPL).

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the income statement. Gains or losses arising from changes in the fair value are recognized in the income statement within "Gains / (losses) from investments and other financial assets - Impairment".

The fair values of quoted investments are based on quoted market bid prices. For investments where there is no quoted market price, fair value is determined using valuation techniques, unless the range of reasonable fair value estimates is significant and the probabilities of the various estimates cannot be reasonably assessed, where the entity is precluded from measuring these investments at fair value. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the settlement date (i.e. the date that the asset is transferred or delivered to the Company).

Impairment of financial assets

The Company assesses at each reporting date, whether a financial asset or group of financial assets is impaired and recognize, if necessary, an allowance for Expected Credit Losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, contract assets and lease receivable the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

To measure the expected credit loss in relation to trade receivables, the Company has established a provision matrix relying on aging analysis, which is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Further details on trade receivable are disclosed in Note 3, paragraph 9.

The expected credit loss in relation to contract assets, is measured based on the expected early contract termination rate, the penalty for early termination and its collectability rate.

For all other Company's financial assets at amortized cost, the general approach is applied. These assets are considered to have low credit risk and any loss allowance is therefore limited to 12 months' expected losses.

Derecognition of financial assets

A financial asset (or, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the assets, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.
Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Initial recognition and subsequent measurement of financial liabilities

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. For the purpose of subsequent measurement, financial liabilities are classified as financial liabilities at amortized cost or as financial liabilities at fair value through profit or loss.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability. The difference in the respective carrying amounts is recognized in the income statement.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position only when the Company has a legally enforceable right to set off the recognized amounts and intends either to settle such asset and liability on a net basis or to realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

3.8. Inventories

Inventories are measured at the lower of cost and net realizable value. The cost is based on the weighted average cost method, where the average is calculated at the end of the period. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. When there is any subsequent increase of the net realizable value of inventories that have been previously written-down, the amount of the write-down is reversed.

3.9. Trade Receivables and Allowance for expected credit losses

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

Trade receivables are initially recognized at their fair value which is equal to the transaction amount. Subsequently they are measured at amortized cost, less an allowance for expected credit losses (ECLs) based on lifetime ECLs at each reporting period. At each reporting date, trade receivables are either assessed individually for debtors such as other providers or collectively based on historical trends, statistical information and forward looking factors and a provision for the probable and reasonably estimated loss for these accounts is recorded. The balance of such allowance for expected credit losses is adjusted by recording a charge to the income statement at each reporting period. Any customer account balances written-off are charged against the existing allowance for expected credit losses.

Write-offs relate to long outstanding receivables which were fully provided for in prior years. The possibility of recovering these amounts is remote or ruled out while in many cases the exhaustion of the claim process would bear disproportionally high costs compared to the potential benefit. On that basis, their write-off is approved by the Board of Directors or any authorized employees in accordance with the applicable governance policies.

3.10. Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash in hand and short-term bank deposits with a maturity of up to three months at initial recognition.
For purposes of the cash flow statement, time deposits are considered to be cash and cash equivalents.

3.11. Current and Deferred Income Tax

Income tax for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current income tax is measured on the taxable income for the year using enacted or substantively enacted tax rates at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided on all temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases.

Deferred tax liabilities are recognized for all taxable temporary differences except:

- where the deferred tax liability arises from the initial recognition of goodwill of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of temporary differences associated with investment in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of goodwill of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and;
- in respect of temporary differences associated with investment in subsidiaries and associates, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax is measured at the tax rates that are expected to apply in the year when the asset is realized or liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

3.12. Share Capital

Ordinary shares are classified as equity. Share capital issuance costs, net of related tax, are reflected as a deduction from Share Premium.

3.13. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Accounting by lessee

The Company applies a single recognition and measurement approach for all leases (including short-term leases and leases of low-value assets). The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the assets.

If ownership of the leased asset is transferred to the Company at the end of the lease term or its cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The Company has lease contracts for land and buildings (used mainly as offices and network sites), telecom equipment and machinery, vehicles and other equipment used in its operations. The lease contracts may contain both lease and non-lease components. The Company has elected not to separate non-lease components from lease components, and instead to account for each lease component and any associated non-lease components as a single combined lease component.

The right-of-use assets are also subject to impairment, as described in the accounting policy “3.6. Impairment of Non - Financial Assets”.

ii. Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses the Group OTE’s incremental borrowing rate because the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced through the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a reassessment or modification of the lease contract .

Accounting by lessor

Leases in which the lessor does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When assets are leased out under an operating lease, the asset is included in the statement of financial position based on the nature of the asset. Lease income on operating leases is recognized over the term of the lease on a straight-line basis.

A lease that transfers substantially all of the risks and rewards incidental to ownership of the leased item is classified as finance lease.
The lessor in a finance lease derecognizes the leased asset and recognizes a receivable in the amount of the net investment in the lease. The lease receivable is discounted using the effective interest method and the carrying amount is adjusted accordingly. Lease receivable is increased to reflect the accretion of interest and reduced through the lease proceeds made.

Subleases

When the Company is the intermediate lessor in a sublease agreement it classifies the sublease as finance lease or operating lease by reference to the right-of-use asset arising from the head lease and account for the head lease and the sublease as two different contracts. When the sublease is classified as finance lease, the right-of-use asset related to the head lease is derecognized and a lease receivable is recognized.
Lease contracts are subleased by the Company to related parties and some of them have been re-classified as finance leases, taking into consideration the lease term of the sublease in relation to the respective lease term of the head lease.

Details for the Company's leases are included in Note 9.

3.14. Borrowings

All loans and borrowings are initially recognized at fair value, net of direct costs associated with the borrowing. After initial recognition, borrowings are measured at amortized cost. Gains and losses are recognized in the income statement over the period of the borrowings using the effective interest method.

3.15. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are measured by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase of the provision due to the passage of time is recognized as a borrowing cost. Provisions, such as provisions for litigations and claims, for which the Company does not have the right to defer their settlement for at least twelve months after the end of the reporting period are classified as current, irrespectively of the expectation of the Company that it will be settled within twelve months or not. Provisions are reviewed at each reporting date, and if it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, they are reversed. Provisions are used only for expenditures for which they were originally recognized. No provisions are recognized for future operating losses. Contingent assets and contingent liabilities are not recognized.

3.16. Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

3.17. Employee Benefits

Defined Contribution Plans

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay any further amounts if the fund does not hold sufficient assets to pay benefits relating to service in the current and prior periods. Obligations for contributions to defined contribution plans are recognized as an expense as incurred.

Defined Benefit Plans

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.
The liability recognized in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period. These obligations are calculated annually by independent actuaries using the Projected Unit Credit Method. The discount rate used is the yield of high quality European corporate bonds with maturity that approximates the term of the related obligation.
The current service cost of the defined benefit plan, recognized in the income statement in personnel costs, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in the income statement. Actuarial gains or losses are recognized directly in other comprehensive income in the period in which they occur and are not reclassified to income statement in a subsequent period.

Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

3.18. Marketing

All marketing costs are expensed as incurred.

3.19. Research and Development Costs

Research costs are expensed as incurred. Development costs which do not fulfill the criteria for recognition as an asset are expensed as incurred.

3.20. Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company is in the business of providing telecommunication services. Revenues from telecommunication services primarily consist of network services fees, usage charges and sales of handsets and accessories.

The Company recognizes revenue from mobile network services over time because the customer simultaneously receives and consumes the benefits provided by the Company.

Revenues from the sale of telecommunication equipment (e.g. mobile handsets and accessories) are recognized at a point in time, upon delivery of the equipment as it generally constitutes separate performance obligation.

The services and the telecommunication equipment are sold on their own in separately identified contracts with customers or together as a bundled package of goods and services. Where the contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on the stand-alone selling prices. Each performance obligation is accounted for separately. The Company uses the portfolio approach to combine contracts for the purposes of revenue recognition, rather than to account for each contract separately.

In the case of multiple-element arrangements with subsidized products delivered in advance (e.g., mobile contract bundled together with the sale of handset), revenues from the subsidized product delivered in advance are recognized upon delivery (at a point in time), while revenues from the provision of services are recognized over the period in which the services are rendered.

When the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the Company presents the contract as a contract asset, excluding any amounts presented as a receivable. A contract asset is the Company's right to consideration in exchange for goods or services that the entity has transferred to a customer.

Contract assets will be typically recovered between 12 to 24-month service contracts period which defines the normal operating cycle and is also frequently used at the Company. As a result, any contract asset recognized under a multiple-element arrangement will be also recovered in the entity's normal operating cycle and is presented as current in the statement of financial position.

Contract assets' development for the Company is essentially the result of:

- the earlier recognition of revenues in the case of multiple-element arrangements with subsidized products delivered in advance, based on these components' relative stand-alone selling price within the contract,
- in the case of sales through dealers, of contracts with subsidized products (or services) that are delivered in advance (e.g. mobile telephony contract plus handset), the subsidy cost to dealers is recognized against service revenues during the relative contract period.

The incremental costs of obtaining or fulfilling a contract are recognized as an asset when incurred and expensed over the period in which the corresponding benefit is received. These capitalized contract costs share characteristics of an intangible asset as they mainly represent acquisition costs of customer relationships. Therefore, the Company concluded to present, in accordance with the treatment of other fixed assets, all capitalized contract costs as non-current in the statement of financial position.

In general, incremental costs of obtaining or fulfilling a contract at Company level refer to sales commissions to third-party dealers (indirect distribution channel).

Amortizations of contract costs are respectively presented as operating expenses in the income statement, as "commission costs".

When customer pays consideration, or the Company has a right to an amount of consideration that is unconditional, before the Company transfers a good or service to the customer, the Company presents the contract as a contract liability when the payment is made or the payment is due (whichever is earlier). For the Company, contract liabilities consist of access fees charged to the customer in advance, unused airtime, contract liabilities from network Indefeasible Rights of Use as well as any amount of the prepayment related to the performance obligation to transfer, or to stand ready to transfer, goods or services in the future. Some of the Company's contract liabilities will be settled within a "regular" 12 to 24-month service contract and are also tied to a defined operating cycle. However, other might be settled over a period exceeding the "regular" 12 to 24-month service contract term. Therefore, the Company has concluded that the more prudent approach is to present:

- the amount of Contract liabilities expected to be settled within 12 months as current and
- the amount of Contract liabilities expected to be settled after more than 12 months as non-current.

3.21. Dividend distribution

Dividends declared to the shareholders are recognized as a liability in the period they are approved by the General Assembly of shareholders.

3.22. Share-Based Payment Transactions

The cost of equity settled transactions is measured by reference to the fair value at the date on which they are granted. The fair value is determined at the grant date, using an appropriate pricing model, and is allocated over the period in which the conditions are fulfilled. The cost of equity settled transactions is recognized, together with a corresponding increase to equity over the vesting period.
Where the terms of an equity settled transaction awards are modified, the minimum expense recognized is the expense as if terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

4. OTHER OPERATING INCOME

Other operating income is analyzed as follows:

	2023	2022
Gain from disposal of assets	234	85
Income from subleases	2,589	515
Other income from related parties	1,901	2,642
Income from subsidies	1,016	792
Other	790	885
Total	**6,530**	**4,919**

5. OTHER OPERATING EXPENSES

Other operating expenses are analyzed as follows:

	2023	2022
Facility and other lease related costs	(36,150)	(45,736)
Third party services	(117,200)	(112,854)
Other taxes and regulatory charges	(9,303)	(10,218)
Other	(45,251)	(31,077)
Total	**(207,904)**	**(199,885)**

6. GAINS FROM INVESTMENTS AND OTHER FINANCIAL ASSETS - IMPAIRMENT

Gains from investments and other financial assets - Impairment are analyzed as follows:

	2023	2022
Gains from disposal of investment	-	961
Financial assets fair value adjustment through profit or loss (Note 17)	342	(158)
Total	**342**	**803**

7. INCOME TAX - DEFERRED TAXES

According to law 4799/2021, the corporate income tax rate in Greece is set at 22%.

From January 1, 2014 and onwards, intragroup dividends distributed within the EU are exempt from both income tax, as well as withholding tax, provided that, amongst other conditions, the parent entity holds a minimum participation of 10% for at least two consecutive years.

Based on law 4646/2019 as amended by law 4876/2021, from January 01, 2020, the capital gains from the sale of shares of companies established in EU countries will be exempt from income tax in Greece, provided that the seller holds a minimum participation of 10% for at least two consecutive years.

Greek tax regulations and related clauses are subject to interpretation by the tax authorities and administrative courts of law. Tax returns are filed annually. The profits or losses declared for tax purposes remain provisional until such time as the tax authorities examine the returns and the records of the tax payer and a final assessment is issued. In accordance with the Greek tax legislation (article 36 of law 4987/2022) in force and the respective Ministerial Decisions issued, the Greek tax authorities may impose additional taxes and penalties following a tax audit, within the applicable statute of limitations which in principle is five years as from the end of the following fiscal year within which the relevant tax return should have been submitted. Based on the above, the right of the tax authorities to impose additional income taxes for the fiscal years up to 2017 (inclusive) is considered in principle and under the general rules as time-barred.

From the financial year 2011 and onwards, the tax returns are subject to the tax compliance report process (as described below). Net operating losses which are tax deductible, can be carried forward against taxable profits for a period of five years from the year they are generated.

Under Greek tax regulations, a 80% income tax advance calculated on each year's current income tax liability is paid to the tax authorities. Such advance is then netted off with the following year's income tax liability. Any excess advance amounts are refunded to the companies following a tax examination.

Tax compliance report

From the financial year 2011 and onwards, Greek Société Anonyme and Limited Liability Companies that are required to prepare audited statutory financial statements are subject to the "Tax compliance report" process as provided for by paragraph 5 of Article 82 of law 2238/1994 and article 65a of law 4987/2022. This "Tax compliance report" is issued by the same statutory auditor or audit firm that issues the audit opinion on the statutory financial statements. Upon completion of the tax audit, the statutory auditor or audit firm issues to the entity a "Tax Compliance Report" which is subsequently submitted electronically to the Ministry of Finance, by the statutory auditor or audit firm.

For the Company the "Tax compliance report" for the years 2011 till 2022, has been issued and submitted with no substantial adjustments with respect to the tax expense and corresponding tax provision as reflected in the respective annual financial statements.

It is noted that based on the tax legislation in force (Circular POL 1006/2016), the companies that have obtained a "Tax compliance report" without any reservations for infringements of the tax law, are not exempt from tax audit. In effect, the tax authorities retain the right to audit them within the applicable statute of limitations as described above.

The Company's tax audit for year 2018 was completed in 2023 resulting in additional taxes of Euro 461. The Company has also received a tax audit notification for year 2019. The audit has not been initiated yet.

The tax audit for the financial year 2023 is being performed by Deloitte Certified Public Accountants S.A.. Upon completion of the tax audit, management does not expect that significant additional tax liabilities will arise, in excess of those provided for and disclosed in the financial statements.

For the unaudited tax years, possibility exists that additional taxes and penalties may arise at the time when the tax years are audited and finalized. The Company provides, when considered appropriate, for possible additional taxes that may be imposed by the tax authorities.

7.1. Income tax

The income tax recorded in the income statement is analyzed as follows:

	2023	2022
Current income tax	(81,052)	(70,337)
Deferred income tax	507	309
Total	**(80,545)**	**(70,028)**

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

	2023	2022
Profit before tax	**337,797**	**310,838**
Statutory tax rate	22%	22%
Tax at statutory rate	**(74,315)**	**(68,384)**
Expenses non-deductible for tax purposes	(6,230)	(1,644)
Income tax (expense)	**(80,545)**	**(70,028)**

Income tax payable as of December 31, 2023 amounted to Euro 48,171 (December 31, 2022: Euro 41,769).

Income tax receivable as of December 31, 2023 amounted to Euro 1,963 (December 31, 2022: Euro 1,963) and is recorded under "Other current assets" (see Note 18).

7.2. Deferred income tax

Deferred taxes are recognized on the temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts recognized for taxation purposes and are analyzed as follows:

	Balance 31/12/2021	Spin-off process	Effect in income statement 2022	Effect in comprehensive income	Balance 31/12/2022	Effect in income statement 2023	Effect in comprehensive income	Balance 31/12/2023
Deferred tax assets								
Staff retirement indemnities	3,276	(46)	(73)	(981)	2,176	1,440	227	3,843
Tangible and intangible assets / Leases	35,235	-	163	-	35,398	(1,380)	-	34,018
Provisions	16,503	(34)	(1,906)	-	14,563	(1,296)	-	13,267
Unused airtime	5,607	-	718	-	6,325	(46)	-	6,279
Other	5,654	-	377	-	6,031	296	-	6,327
Deferred tax asset (before offset)	**66,275**	**(80)**	**-**	**-**	**64,493**	**-**	**-**	**63,734**
Offset of deferred tax liabilities	(11,729)	-	-	-	(10,699)	-	-	(9,206)
Deferred tax asset (after offset)	**54,546**	**(80)**	**-**	**-**	**53,794**	**-**	**-**	**54,528**
Deferred tax liabilities								
Other	(11,729)	-	1,030	-	(10,699)	1,493	-	(9,206)
Total deferred tax liabilities	**(11,729)**	**-**	**-**	**-**	**(10,699)**	**-**	**-**	**(9,206)**
To be offset against deferred tax asset	11,729	-	-	-	10,699	-	-	9,206
Deferred tax liabilities (after offset)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Deferred tax assets /(liabilities), net	**54,546**	**(80)**	**309**	**(981)**	**53,794**	**507**	**227**	**54,528**

Global Minimum Taxation

Greece is about to implement a legislation that shall ensure a global minimum taxation (15%) from 2024 onwards, according to the OECD's Pillar-II Global Anti-base Erosion (GloBE) regulations and the corresponding EU directive 2022/2523. The same applies to other jurisdictions in which OTE Group operates – either the legislation process is ongoing at the reporting date or has even been completed. The Greek legislation is expected to be enacted within the year 2024.

Despite the complexity of the new provisions and the fact that the legislative process is not completed yet, based on the information currently available, it is expected that no additional tax liabilities ("top-up" tax) will arise for the entities of OTE Group in any of the jurisdictions in which the Group operates in 2024, either by proving to meet the temporary safe harbor criteria or by providing evidence for a minimum taxation based on detailed calculations according to the GLoBE provisions.

8. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is analyzed as follows:

	Buildings	Telecom equipment	Fixtures, furniture & transportation	Construction in progress	Total
Year 2021					
Cost	44,902	2,595,306	182,809	32,709	2,855,726
Accumulated depreciation	(37,063)	(2,173,847)	(173,566)	-	(2,384,476)
Net book value 31/12/2021	**7,839**	**421,459**	**9,243**	**32,709**	**471,250**
Year 2022					
Additions and transfers	11	109,543	3,966	105,531	219,051
Spin-off – cost	-	-	(12)	-	(12)
Spin-off – accumulated depreciation	-	-	12	-	12
Disposals, write-offs and transfers - cost	-	(35,742)	-	(100,130)	(135,872)
Disposals and write-offs - accumulated depreciation	-	35,557	-	-	35,557
Depreciation charge for the year	(511)	(119,830)	(4,188)	-	(124,529)
31/12/2022					
Cost	44,913	2,669,107	186,763	38,110	2,938,893
Accumulated depreciation	(37,574)	(2,258,120)	(177,742)	-	(2,473,436)
Net book value 31/12/2022	**7,339**	**410,987**	**9,021**	**38,110**	**465,457**
Year 2023					
Additions and transfers	42	114,920	4,335	84,435	203,732
Disposals, write-offs and transfers - cost	(41,441)	(1,079,555)	(113,961)	(91,985)	(1,326,942)
Disposals and write-offs - accumulated depreciation	41,441	1,079,517	113,961	-	1,234,919
Depreciation charge for the year	(6,702)	(113,066)	(4,665)	-	(124,433)
31/12/2023					
Cost	3,514	1,704,472	77,137	30,560	1,815,683
Accumulated depreciation	(2,835)	(1,291,669)	(68,446)	-	(1,362,950)
Net book value 31/12/2023	**679**	**412,803**	**8,691**	**30,560**	**452,733**

There are no restrictions on title on property, plant and equipment.

There is no significant evidence for impairment in the value of property, plant and equipment.

Write-offs refer to fully depreciated buildings, telecom equipment and fixtures, furniture and transportation.

9. LEASES

Right-of-use assets are analyzed as follows:

	Buildings	Telecom equipment	Fixtures, furniture & transportation	Total
Year 2021				
Cost	268,201	95,841	5,653	369,695
Accumulated depreciation	(106,643)	(23,357)	(2,470)	(132,470)
Net book value 31/12/2021	**161,558**	**72,484**	**3,183**	**237,225**
Year 2022				
Additions	33,638	2,396	1,286	37,320
Spin-off – cost	-	-	(99)	(99)
Spin-off - accumulated depreciation	-	-	23	23
Reductions and write-offs - cost	(18,620)	(20)	(1,731)	(20,371)
Reductions and write-offs - accumulated depreciation	4,137	20	1,416	5,573
Depreciation charge for the year	(33,463)	(8,132)	(993)	(42,588)
31/12/2022				
Cost	283,219	98,217	5,109	386,545
Accumulated depreciation	(135,969)	(31,469)	(2,024)	(169,462)
Net book value 31/12/2022	**147,250**	**66,748**	**3,085**	**217,083**
Year 2023				
Additions	47,821	2,891	641	51,353
Reductions and write-offs - cost	(21,253)	(938)	(527)	(22,718)
Reductions and write-offs - accumulated depreciation	19,558	317	322	20,197
Depreciation charge for the year	(34,067)	(8,307)	(897)	(43,271)
31/12/2023				
Cost	309,787	100,170	5,223	415,180
Accumulated depreciation	(150,478)	(39,459)	(2,599)	(192,536)
Net book value 31/12/2023	**159,309**	**60,711**	**2,624**	**222,644**

The Company's depreciation includes depreciation charge for the right-of-use assets in relation to lease agreements with related parties amounting to Euro 18,085 (2022: Euro 17,085).

The statement of financial position includes the following amounts related to lease liabilities:

	2023	2022
Lease liabilities (long-term portion)	146,708	136,905
Lease liabilities (short-term portion)	35,207	46,077
Total lease liabilities	**181,915**	**182,982**

Lease liabilities include liabilities of lease arrangements with related parties amounting to Euro 72,438 (2022: Euro 67,844), out of which Euro 12,456 (2022: Euro 10,962) relates to the short-term portion of liabilities and Euro 59,982 (2022: Euro 56,882) relates to the long-term portion of the lease liabilities to related parties, respectively.

The Company's interest expense on lease liabilities amounts to Euro 7,741 (2022: Euro 8,045), which includes interest expense to related parties at an amount of Euro 3,444 (2022: Euro 3,378).

The Company's total cash outflows for leases in 2023 amount to Euro 51,920 (2022: Euro 53,546).

The maturity analysis of lease liabilities is analyzed in Note 28.

The Company has certain lease contracts that include extension options. Most of these options have not been included in the lease liability because it is not reasonably certain that the leases will be extended.

10. TELECOMMUNICATION LICENSES

The movement of telecommunication licenses is analyzed as follows:

	2023	2022
Net book value January 1	**290,091**	**321,953**
Additions and transfers	345	220
Amortization charge for the year	(32,056)	(32,082)
Net book value December 31	**258,380**	**290,091**
December 31		
Cost	743,965	743,620
Accumulated amortization	(485,585)	(453,529)
Net book value	**258,380**	**290,091**

11. OTHER INTANGIBLE ASSETS

Other intangible assets mainly comprise of software and their movement is analyzed as follows:

	2023	2022
Net book value January 1	**36,859**	**34,376**
Additions and transfers	11,698	15,130
Disposals and write-offs - cost	(379,484)	-
Disposals and write-offs - accumulated amortization	379,484	-
Amortization charge for the year	(13,855)	(12,647)
Net book value December 31	**34,702**	**36,859**
December 31		
Cost	104,591	472,377
Accumulated amortization	(69,889)	(435,518)
Net book value	**34,702**	**36,859**

Write-offs refer to fully amortized software.

12. INVESTMENTS

The investments are analyzed as follows:

COMPANY NAME	COUNTRY	% Ownership interest 31/12/2023	% Ownership interest 31/12/2022	Value of investment 31/12/2023	Value of investment 31/12/2022
Subsidiaries					
GERMANOS S.A.	Greece	95.61%	95.61%	1,341,872	1,341,874
COSMOTE E-VALUE S.A.	Greece	7.66%	7.66%	2,210	2,210
COSMOTE TECHNICAL SERVICES S.A. (“CTS”)	Greece	14.46%	14.46%	2,316	2,319
MOBILBEEEP LTD	Greece	100.00%	100.00%	50	50
OTE ESTATE	Greece	0.0024%	0.0024%	20	20
COSMOTE GLOBAL SOLUTIONS N.V.	Belgium	99.00%	99.00%	5,643	5,643
COSMOHOLDING INTERNATIONAL B.V.	Netherlands	99.11%	99.11%	1,933	1,933
Associates					
GREEK MOBILE OPERATORS ASSOCIATION	Greece	33.33%	33.33%	-	-
				1,354,044	**1,354,049**

IMPAIRMENT TEST OF INVESTMENTS

As of December 31, 2023, there were no indications of impairment of the carrying amount of investments.

13. OTHER NON-CURRENT ASSETS

Other non-current assets are analyzed as follows:

	2023	2022
Intragroup advances/ prepayments (Note 16)	20,634	27,536
Guarantees and other	2,035	4,819
Loans / advances to personnel	446	359
Lease receivables (Note 16)	387	841
Long-term receivables from ICT projects	1,639	-
Total	**25,141**	**33,555**

The line "Intragroup advances/ prepayments" mainly includes prepayments to related parties regarding network infrastructure and network usage services.

14. INVENTORIES

Inventories are analyzed as follows:

	2023	2022
Merchandise	25,009	23,125
Provision for obsolete inventories	(648)	(1,650)
Total	**24,361**	**21,475**

The provision for obsolete inventories is analyzed as follows:

	2023	2022
Balance at the beginning of the year	**(1,650)**	**(2,552)**
Usage of provision	1,002	902
Balance at the end of the year	**(648)**	**(1,650)**

15. TRADE RECEIVABLES

Trade receivables are analyzed as follows:

	2023	2022
Subscribers / Customers	290,646	254,037
Unbilled revenues	18,298	19,532
Provision for expected credit losses (a)	(196,075)	(179,886)
Total receivables from third parties	**112,869**	**93,683**
Due from related parties (Note 16)	27,290	94,632
Total trade receivables	**140,159**	**188,315**

(a) The movement of the provision for expected credit losses is as follows:

	2023	2022
Balance January 1	**(179,886)**	**(302,785)**
Charge for the year	(16,375)	(14,000)
Write-offs	186	136,899
Balance December 31	**(196,075)**	**(179,886)**

The income statement line "Provision for expected credit losses" also includes charges related to the impairment of contract assets at an amount of Euro 1,560 (2022: Euro 1,906).

The ageing analysis of trade receivables is as follows:

	2023	2022
Not impaired and not past due	107,164	152,054
Not impaired and past due:		
Up to 30 days	24,717	24,118
Between 31 and 180 days	5,392	9,347
Between 181 and 360 days	1,142	2,304
More than 360 days	1,744	492
Total	**140,159**	**188,315**

16. RELATED PARTY DISCLOSURES

COSMOTE's related parties have been identified based on the requirements of IAS 24 "Related Party Disclosures".

OTE is the 100% shareholder of the Company, whereas DEUTSCHE TELEKOM A.G is a 52.8% shareholder of OTE (December 31, 2023). Consequently, all the companies of OTE Group and DEUTSCHE TELEKOM Group are considered related parties.

The Company receives services from related parties and in addition sells goods and provides services to them. Furthermore, the Company receives loans from these related parties and receives and pays dividends.

Sales to related parties comprise mainly merchandise sales (e.g. telephones, air time vouchers, SIM cards etc). The prices are determined on the basis of cost plus a profit margin. The provision of services to related parties mainly comprise interconnection services, knowhow provision and staff secondment, leasing, roaming services etc. The services received from related parties are transactions on a cost plus profit basis and mainly comprise interconnection services, staff secondment, building rents, fiber infrastructure and capacity leases, collecting of customer-subscriber bills, sales commissions, logistics services and other services.

The short-term and long-term receivables and liabilities as at December 31, 2023 and 2022 are analyzed in the below tables:

Receivables from related parties per main category:

	2023	2022
Intragroup advances / prepayments (Note 13)	20,634	27,536
Due from related parties (Note 15)	27,290	94,632
Advances to related parties (Note 18)	7,096	6,745
Lease receivables (short-term portion) (Note 18)	454	6,746
Lease receivables (long-term portion) (Note 13)	387	841
Total	**55,861**	**136,500**

Liabilities to related parties per main category:

	2023	2022
Due to related parties (Note 25)	57,478	147,997
Other liabilities to related parties (Notes 24)	-	548
Contract liabilities to related parties (Notes 26)	5,247	5,846
Lease liabilities (Note 9)	72,438	67,844
Subtotal	**135,163**	**222,235**
Short-term borrowings from related companies (Note 22)	-	150,000
Intragroup interest payable (Note 27)	-	679
Total	**135,163**	**372,914**

Receivables and liabilities to related parties per company:

	Receivables		Liabilities	
	2023	2022	2023	2022
OTE	33,092	62,398	30,955	52,433
TELEKOM ROMANIA MOBILE	1,924	1,828	38	43
GERMANOS S.A.	13,355	61,597	20,016	75,701
OTE ESTATE	450	397	54,940	49,385
OTE GLOBE	-	257	-	468
OTE ACADEMY	12	7	-	2
COSMOTE E-VALUE	709	1,866	7,027	16,556
CTS	257	1,668	377	2,009
DEUTSCHE TELECOM GROUP (except for OTE GROUP)	4,623	4,677	18,158	23,456
OTE RURAL NORTH	6	5	465	496
OTE RURAL SOUTH	20	13	902	967
COSMOTE PAYMENTS	1,373	1,720	2,110	621
Others	40	67	175	98
Total	**55,861**	**136,500**	**135,163**	**222,235**

Amounts owed by the Company relating to loans received and interest payable relating to loans and guarantees are analyzed as follows:

	Loans received		Interest payable	
	2023	2022	2023	2022
OTE PLC	-	150,000	-	610
OTE	-	-	-	69
Total	**-**	**150,000**	**-**	**679**

The financial activities of the Company with its related parties, which comprise interest on loans received and guarantees for the year 2023 amounted to Euro 531 (2022: Euro 685).

The transactions with the related parties during the years 2023 and 2022 are analyzed as follows:

	Revenues		Expenses	
	2023	2022	2023	2022
GERMANOS S.A.	223,934	214,951	145,057	150,999
OTE	31,818	31,407	59,301	61,315
TELEKOM ROMANIA MOBILE	358	228	197	167
CTS	3,324	1,674	6,210	7,512
COSMOTE PAYMENTS	730	585	9,089	5,115
OTE GLOBE	-	778	-	2,662
OTE ESTATE	29	-	6,509	4,528
OTE ACADEMY	73	68	9	9
COSMOTE E-VALUE	1,390	1,510	54,559	53,234
DEUTSCHE TELECOM GROUP (except for OTE GROUP)	11,777	10,843	10,502	9,576
Others	120	118	331	525
Total	**273,553**	**262,162**	**291,764**	**295,642**

Expenses of the Company from related parties do not include an amount of Euro 20,906 (2022: Euro 19,636) related to lease expenses.

The Company's expenses to related parties include interest on lease obligations amounting to Euro 3,444 (2022: Euro 3,378).

During 2023 the Company has purchased fixed assets from OTE amounting to Euro 289 (2022: Euro 313).
The Company's purchases from CTS include network construction services amounting to Euro 1,173 for the year 2023 (2022: Euro 1,421).

Key Management Personnel and those closely related to them are defined as related parties in accordance with IAS 24 "Related Party Disclosures". Key management compensation comprises salaries and other short term benefits, termination benefits, post-employment benefits and other long term benefits (as defined in IAS 19 "Employee Benefits") and share-based payments (as defined in IFRS 2 "Share-based Payment").

The Company's remuneration for the members of the Board of Directors for the years 2023 and 2022, amounted to Euro 289 and Euro 280, respectively.

Fees to the Company's key management personnel for the years 2023 and 2022, amounted to Euro 5,841 and Euro 6,014, respectively.

The Company has not provided loans, guarantees or credits to its key management personnel.

17. OTHER FINANCIAL ASSETS

Other financial assets as of December 31, 2023 include mutual funds of an amount of Euro 2,307 (December 31, 2022: Euro 1,965).

The movement of other financial assets is analyzed as follows:

	2023	2022
Balance January 1	**1,965**	**2,123**
Fair value adjustments through profit or loss (Note 6)	342	(158)
Balance December 31	**2,307**	**1,965**

18. OTHER CURRENT ASSETS

Other current assets are analyzed as follows:

	2023	2022
Advances to personnel and third parties	4,923	3,368
Income tax receivable (Note 7)	1,963	1,963
Advances to related parties (Note 16)	7,096	6,745
Lease receivables (Note 16)	454	6,746
Total	**14,436**	**18,822**

19. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are analyzed as follows:

	2023	2022
Cash in hand	-	1,071
Short-term bank deposits	58,933	109,623
Total	**58,933**	**110,694**

20. EQUITY

SHARE CAPITAL

The fully paid share capital as of December 31, 2023 amounts to Euro 157,900 divided into 335,957,300 ordinary nominal shares with nominal value of Euro 0.47 (absolute amount) each. In relation to 2022 there was no movement.

SHARE PREMIUM

The share premium reserve as of December 31, 2023 amounts to Euro 212,159 (December 31, 2022: Euro 212,213). The decrease reflects the cost of the participation of executives of COSMOTE in share option plans.

STATUTORY RESERVE

In Greece, under Greek corporate law, a minimum of 5% of the annual net profit after income taxes is transferred to a statutory reserve, that can be only used to offset losses prior to dividend distribution. The transfer to this reserve ceases to be compulsory as soon as its balance equals one third of the issued share capital. This statutory reserve cannot be distributed to shareholders.

As of December 31, 2023 and 2022 the statutory reserve amounts to Euro 52,633.

OTHER RESERVES

Other reserves as of December 31, 2023 amounted to Euro (223) (December 31, 2022: Euro 581). Other reserves include the actuarial gains and losses and the related deferred tax on these figures.

RETAINED EARNINGS

Retained earnings of December 31, 2023 amounted Euro 1,595,157 (December 31, 2022: Euro 1,497,905). The movement results from the profit for the year and dividend distribution.

21. DIVIDENDS

In accordance with Greek Corporate law, companies are required to distribute each year to their owners dividends of at least 35% of profit after taxes, after allowing for the statutory reserve unless the General Assembly of the Shareholders decides differently with specific percentages of quorum and majority.

On August 2, 2023, the Extraordinary General Assembly of Shareholders approved the distribution of dividend of Euro 60,000 from prior year profits, to the sole shareholder, OTE, which was repaid during 2023.

On October 13, 2023, the Extraordinary General Assembly of Shareholders approved the distribution of dividend of Euro 100,000 from prior year profits, to the sole shareholder, OTE, which was repaid during 2023.

22. LOANS

The loans are analyzed as follows:

	2023	2022
Bank loans	-	57,692
Total long-term debt	**-**	**57,692**
Short-term portion of long-term borrowings	-	(23,077)
Long-term borrowings	**-**	**34,615**
Short-term borrowings from related companies (Note 16)	-	150,000
Total short-term borrowings	**-**	**150,000**
Total debt	**-**	**207,692**

The maturity of loans is analyzed as follows:

	2023	2022
Loans payable within one year	-	173,077
Loans payable from one to two years	-	23,077
Loans payable from two to five years	-	11,538
Total	**-**	**207,692**

Bank loans

Euro 150,000 bilateral term loan with the European Investment Bank (EIB)

On July 10, 2017 COSMOTE signed, with the guarantee of OTE, the Euro 150,000 bilateral term loan with EIB. The EIB loan was fully drawn on January 23, 2018, had a tenor of 7 years with semi-annual repayment schedule and bore fixed interest rate of 2.805%. During 2023, COSMOTE paid two principal installments of total amount Euro 23,077 and subsequently fully prepaid the remaining outstanding balance of Euro 34,615.

The analysis of short-term borrowings is as follows:

		2022	2023	
Lender	Maturity date	Book value 31/12/2022	Loan repayment	Book value 31/12/2023
OTE PLC	8/6/2023	150,000	(150,000)	-
		150,000	(150,000)	-

The analysis of long-term debt is as follows:

			2022		2023		
Lender	Nominal interest rate	Maturity date	Outstanding nominal amount	Book value 31/12/2022	Loan repayment	Outstanding nominal amount	Book value 31/12/2023
	Bank loans						
EIB loan	2.805%	23/01/2025	57,692	57,692	(57,692)	-	-
			57,692	57,692	(57,692)	-	-

23. STAFF RETIREMENT INDEMNITIES

In accordance with the Greek labor law, employees are entitled to compensation in the event of dismissal or retirement, the amount of which varies based on the employees' monthly salary in the current month before the dismissal, the duration of the service (including possible recognized by the Company service, in case the recognition concerns indemnity as well) and the way of termination of the employment agreement (dismissed with notification, dismissed without notification or retirement). Furthermore, according to the provision of law 4093/2012 there is a reduction in warning period and in employees' dismissal compensation and there is an extra compensation in case that an employee has worked 17 years and above in the same employer with full occupation in the date of related law publication i.e. on November 12, 2012. It is noted that the extra compensation is calculated on the employee's regular salary until the limit of Euro 2. In case of retirement, the payable amount of compensation is equal to 50% of the amount which would be payable upon dismissal without cause and 40% if the employee has an auxiliary social security. In case that an employee has the right to receive an extra compensation, this is calculated on the last month salary before the termination of his agreement without any salary limit as stated above. According to the Greek labor law there are cases in which the employee is not entitled to compensation as indicatively referred to herein below e.g. in case of employee's resignation, in case of employee's dismissal during the first 12 months of his employment, in case of filling against an employee a law suit for an penal offense which was committed during his employment and in case of employee's death.

The provision for staff retirement indemnities included in the financial statements is recognized according to IAS 19 and is based on an independent actuarial study.

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

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

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

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

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

The amount of the staff retirement indemnity expense recognized in the income statement is analyzed as follows:

	2023	2022
Current service cost	135	270
Recognition of past service cost, settlement, curtailment	12,540	5,344
Income statement effect recorded in lines "Personnel costs" and "Costs related to voluntary leave schemes"	**12,675**	**5,614**
Effect on the income statement in line "Interest and related expenses"	410	173
Total effect in the income statement	**13,085**	**5,787**

Changes in the defined benefit obligation for staff retirement indemnities are as follows:

	2023	2022
Defined benefit obligation at the beginning of the year	**9,892**	**14,891**
Current service cost	135	270
Interest cost	410	173
Benefits paid	(6,540)	(6,117)
Recognition of past service cost, settlement, curtailment	12,540	5,344
Actuarial (gains) / losses	1,031	(4,460)
Spin-off	-	(209)
Defined benefit obligation at the end of year	**17,468**	**9,892**

The assumptions underlying the actuarial valuation of the staff retirement indemnities are as follows:

	2023	2022
Discount rate	3.44%	4.17%
Assumed rate of future salary increases	1.00%	1.00%
Inflation rate	2024: 2.30% 2025+: 2.00%	2023-2024: 2.30% 2025+: 2.00%
Average future working life (years)	9.66	12.54

If the discount rate used in the valuation was 1% higher, then the defined benefit obligation for staff retirement indemnities for the Company would decrease by about 8.4%. If the discount rate used in the valuation was 1% lower, then the defined benefit obligation for staff retirement indemnities for the Company would increase by about 9.7%. If the rate of future salary increases was 0.5% higher, then the defined benefit obligation for staff retirement indemnities would increase by about 4.5%. If the rate of future salary increases was 0.5% lower, then the defined benefit obligation for staff retirement indemnities would decrease by about 4.3%. The benefit payments expected to take place in 2024 for the Company amount to Euro 1,376.

The Company's employees at December 31, 2023 amounted to 1,068 while at December 31, 2022 amounted to 1,128.

24. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities are analyzed as follows:

	2023	2022
Asset retirement obligation	13,850	6,342
Long-term liabilities to related parties (Note 16)	-	548
Other	6,482	6,284
Total	**20,332**	**13,174**

25. TRADE ACCOUNTS PAYABLE

Trade accounts payable are analyzed as follows:

	2023	2022
Due to suppliers	185,719	172,597
Accrued expenses	13,857	15,639
Due to related parties (Note 16)	57,478	147,997
Total	**257,054**	**336,233**

26. CONTRACT BALANCES

The following table provides information about contract assets and contract liabilities from contract with customers:

	2023	2022
Contract costs (short-term portion)	11,584	10,862
Contract costs (long-term portion)	2,394	2,520
Total contract costs	**13,978**	**13,382**
Contract assets (short-term portion)	15,545	17,823
Contract assets (long-term portion)	4,347	5,141
Total contract assets	**19,892**	**22,964**
Total assets	**33,870**	**36,346**
Contract liabilities (short-term portion)	80,086	53,105
Contract liabilities (long-term portion)	4,646	5,245
Total liabilities	**84,732**	**58,350**

The revenue recognized in the current reporting period that was included in the contract liability balance at the beginning of the period amounts to Euro 53,105.

The part of the transaction allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the current reporting period and will be recognized as revenues in the future periods (2024 and onwards) amounts to Euro 84,732.

Contract liabilities (short-term portion) as of December, 31 2023 include liabilities to related parties amounting to Euro 601 (December 31, 2022: Euro 601), while contract liabilities (long-term portion) include only liabilities to related parties.

27. OTHER CURRENT LIABILITIES

Other current liabilities are analyzed as follows:

	2023	2022
Other taxes / duties	29,327	29,222
Customers' guarantees	187	225
Social security contribution	2,435	2,433
Due to employees	11,809	14,986
Provisions for litigations and other liabilities	4,222	7,794
Intragroup interest payable (Note 16)	-	679
Interest payable	-	710
Other	960	1,132
Total	**48,940**	**57,181**

28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Fair value and fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuing technique:
Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: techniques which use inputs that have a significant effect on the recorded fair value are not based on observable market data.

During the year there were no transfers between level 1 and level 2 fair value measurement, and no transfers into and out of level 3 fair value measurement.

The following table presents the book and fair values of financial assets and liabilities that can be measured at fair value:

	Book value		Fair value	
	2023	2022	2023	2022
Financial assets				
Trade receivables	140,159	188,315	140,159	188,315
Mutual funds	2,307	1,965	2,307	1,965
Cash and cash equivalents	58,933	110,694	58,933	110,694
Total	**201,399**	**300,974**	**201,399**	**300,974**
Financial liabilities				
Total debt	-	207,692	-	206,412
Lease liabilities	181,915	182,982	181,915	182,982
Trade account payable	257,054	336,233	257,054	336,233
Total	**438,969**	**726,907**	**438,969**	**725,627**

The fair values of trade receivables, cash and cash equivalents, trade account payables and lease liabilities approximate their carrying amounts. The fair values of the debt liabilities are based on cash flows discounted using direct or indirect observable inputs and are within the level 2 of the fair value hierarchy.

As at December 31, 2023, the Company held other financial assets (mutual funds) which are measured at fair value through profit and loss and are classified at level 1 of the fair value hierarchy.

FINANCIAL RISK MANAGEMENT

Macroeconomic conditions in Greece

Currently prevailing economic conditions remain challenging, amidst volatile interest rates, energy market turbulence and inflation pressures driving upwards prices for raw materials and labour intensive services.

Management continually assesses the possible impact of any changes in the macroeconomic and financial environment in Greece taking into consideration global economic developments, so as to ensure that all necessary measures are taken in order to minimize any impact on the Company's operations. Management is closely monitoring macroeconomic developments and financial outlook in order to mitigate uncertainties and risks.

Based on its current assessment, it has concluded that no additional impairment provisions are required with respect to the Company's financial and non-financial assets as of December 31, 2023.

Financial Risks

The below stated risks are significantly affected by the macroeconomic and financial environment in Greece.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty fails to meet its contractual obligations.

The carrying value of financial assets at each reporting date is the maximum credit risk to which the Company is exposed in respect of the relevant assets.

Financial instruments classified as fair value through profit or loss include mutual funds. These financial assets are not considered to expose the Company to a significant credit risk.

Defaulted payments of trade receivables could potentially adversely affect the liquidity of the Company. However, due to the large number of customers and the diversification of the customer base, there is no concentration of credit risk with respect to these receivables. Concentration of risk is however considered to exist for amounts receivable from other telecommunication service providers, due to their relatively small number and the high volume of transactions they have with the Company. For this category the Company, assesses the credit risk following the established policies and procedures and recognizes the appropriate provision for impairment, if needed.

The Company has established specific credit policies under which customers are analyzed for creditworthiness and there is an effective management of receivables in place both before and after they become overdue and doubtful. In monitoring credit risk, customers are grouped according to their business group, their credit risk characteristics, aging profile and existence of previous financial difficulties, also adjusted for forward-looking factors specific to the customers and the economic environment.

Company's cash and cash equivalents are mainly invested in highly rated counterparties and with a very short term tenor.

Impairment of financial assets

The Company has the following types of financial assets that are subject to the expected credit loss model:

- Trade receivables
- Contract assets
- Lease receivables
- Other financial assets.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified loss was immaterial.

The Company applies the IFRS 9 simplified approach to measure expected credit losses using a lifetime expected loss allowance for all trade receivables, contract assets and lease receivables.

The remaining financial assets of the Company are considered to have low credit risk, therefore the Company applies the IFRS 9 general approach and the loss allowance was limited to 12 months expected losses. The outstanding balances of these financial assets are considered as performing.

The following table demonstrates the credit risk exposure on gross carrying amount of trade receivables and contract assets for the Company:

(Simplified approach)				
December 31, 2023	**Performing**	**Underperforming**	**Non-Performing**	**Total**
Trade receivables	154,715	27,805	153,714	336,234
Contract assets	19,892	-	5,295	25,187
Total	**174,607**	**27,805**	**159,009**	**361,421**

(Simplified approach)				
December 31, 2022	**Performing**	**Underperforming**	**Non-Performing**	**Total**
Trade receivables	205,498	21,208	141,495	368,201
Contract assets	22,964	-	6,000	28,964
Total	**228,462**	**21,208**	**147,495**	**397,165**

The outstanding balance of lease receivables is considered as performing, since it includes receivables from related parties.

Financial assets which have a low risk of default and a strong capacity to meet contractual cash flows are considered as performing, while financial assets for which there is a significant increase in credit risk since initial recognition but there is no objective evidence of a credit loss event are treated as underperforming. Non-performing financial assets are those that have objective evidence of impairment at the reporting date and there is limited expectation of recovery.

b) Liquidity risk

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

The Company retains sufficient liquidity and / or credit facilities in order to cover its financial obligations falling due in the next 12 months.

For the monitoring of the liquidity risk, the Company prepares cash flows forecasts on a frequent basis.

The analysis of the undiscounted contractual payments (including debt principal and interest payments) of the financial liabilities of the Company is as follows:

December 31, 2023	Total	Up to 1 year	1 to 2 years	2 to 5 years	Over 5 years
Lease liabilities	206,561	42,511	39,359	87,642	37,049
Trade accounts payable	257,054	257,054	-	-	-
Total	**463,615**	**299,565**	**39,359**	**87,642**	**37,049**

December 31, 2022	Total	Up to 1 year	1 to 2 years	2 to 5 years	Over 5 years
Borrowings	211,354	175,701	23,933	11,720	-
Lease liabilities	205,902	53,062	35,723	82,194	34,923
Trade accounts payable	336,233	336,233	-	-	-
Total	**753,489**	**564,996**	**59,656**	**93,914**	**34,923**

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, equity prices and energy prices, will result in fluctuations of the value of the Company's financial instruments. The purpose of market risk management is to control the exposure of the Company to these risks in the frame of acceptable parameters.

i. Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the interest rates.

The following tables demonstrate the sensitivity to a change in interest rates on loans and deposits to the income statement:

If interest rates were to increase by 100 basis points, the impact would be:

	2023	2022
Effect on profit before tax	295	553

If interest rates were to decrease by 100 basis points, the impact would be:

	2023	2022
Effect on profit before tax	(295)	(553)

The impact presented in the above tables is based on the following consideration:

a) The Company has no debt as of December 31, 2023, thus it is not sensitive to potential changes in interest rates on loans.
b) Deposits rates are assumed to increase / decrease by 50% of the respective nominal interest rate change.

Therefore, a 100 basis points increase in nominal interest rates is assumed to increase deposit rates by only 50 basis points and similarly a 100 basis points decrease in nominal interest rates is assumed to reduce deposit rates by only 50 basis points.

In the current year the Company did not use derivatives to manage financial risks (Hedge Accounting).

ii. Foreign currency risk

Currency risk mainly consists of fluctuations in cash flows due to payments to foreign currency suppliers.

The Company has no significant exposure to foreign currency risk.

iii. Energy price risk

The Company is affected by the price volatility of energy prices. Its operating activities require the ongoing purchase of energy and therefore is exposed to changes in the energy prices in the future.

The Company has developed and enacted a risk management strategy for energy price risk and its mitigation.

Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating in order to support its business and maximize shareholder value. This objective remains unchanged in comparison to December 31, 2022 and no significant changes have been made to the capital management policy.

The Company monitors capital management using a gearing ratio, which is net debt divided by equity.

The calculation of the ratio is as follows:

	2023	2022
Long-term borrowings	-	34,615
Short-term borrowings	-	150,000
Short-term portion of long-term borrowings	-	23,077
Lease liabilities (long-term portion)	146,708	136,905
Lease liabilities (short-term portion)	35,207	46,077
Cash and cash equivalents	(58,933)	(110,694)
Net debt	**122,982**	**279,980**
Total equity	2,017,626	1,921,232
Gearing ratio	0.06x	0.15x

29. COMMITMENTS AND CONTINGENT LIABILITIES

CAPITAL AND OPERATING COMMITMENTS

Capital and operating commitments, which mainly relate to fixed assets' purchase orders, handsets' purchase orders and guarantee letters, are analyzed as follows:

	2023			
	Within a year	2-5 years	Over 5 years	Total
Purchase orders of fixed assets	47,616	-	-	47,616
Purchase orders of handsets	46,497	-	-	46,497
Other	7,289	27,226	13,618	48,133
Total	**101,402**	**27,226**	**13,618**	**142,246**

	2022			
	Within a year	2-5 years	Over 5 years	Total
Purchase orders of fixed assets	39,532	-	-	39,532
Purchase orders of handsets	53,669	-	-	53,669
Other	6,292	6,089	12,825	25,207
Total	**99,493**	**6,089**	**12,825**	**118,408**

TELECOMMUNICATION LICENSES

The Company holds General and Specific Telecommunication Licenses which have been issued by the HTPC. These Telecommunication Licenses are of a specific duration and impose on the holder specific terms of use, and also obligations regarding coverage and the quality of services provided. The Company complies with these terms and obligations. Finally, some of the Telecommunication Licenses are inclusive of terms including specific limitations, concerning the transfer or surrender of the Telecommunication Licenses and, because of this, prior approvals of the relevant authorities is necessary in order for the relevant actions to take place.

30. LITIGATIONS AND CLAIMS

The Company has made appropriate provisions in relation to litigations and claims, when it is probable that an outflow of recourses will be required to settle the obligations and the respective amount can be reasonably estimated.

The most significant outstanding legal cases regarding COSMOTE, as of December 31, 2023 are the following:

Unauthorized file export from COSMOTE's system: On September 8, 2020 an unauthorized file export from the Company's system was detected, as a result of a cyber-attack. In January 2022, Hellenic Data Protection Authority ("DPA") imposed fine on COSMOTE of a total amount of Euro 6,000. On March 28, 2022, an application for the annulment of the decision of DPA was filed by COSMOTE before the Council of State. The hearing took place, following postponement, on May 16, 2023 and the decision is pending. On June 22, 2022, the decision of Hellenic Authority for Communication Security and Privacy ("ADAE") was served to COSMOTE imposing a fine of Euro 3,200. On September 20, 2022 COSMOTE filled an appeal against the decision of ADAE before the competent Administrative Courts.

Fines of HTPC against COSMOTE (over Euro 500): HTPC has imposed various fines against COSMOTE (an initial amount Euro 4,723 reduced through appeals to Euro 2,323) with a wide variety of thematic claims, as part of the Company's routine activity. COSMOTE has appealed for the annulment of these fines.

31. EVENTS AFTER THE FINANCIAL POSITION DATE

The most significant event after December 31, 2023 is as follows:

Merger through absorption of COSMOTE by OTE

On July 13, 2023, the Company's Board of Directors approved the merger by absorption by its parent company OTE S.A.. The transaction was completed on January 2, 2024 upon registration in the General Commercial Register (Γ.Ε.ΜΗ.).